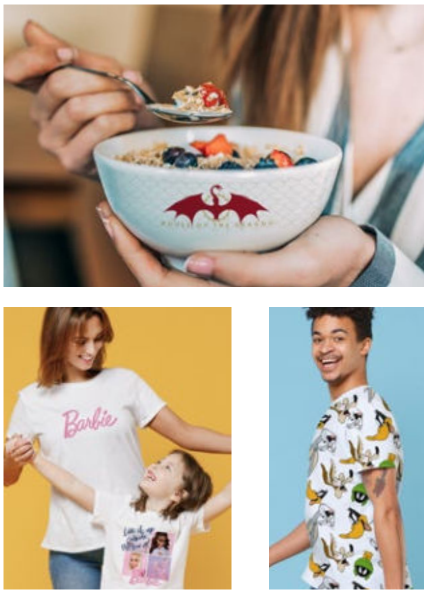
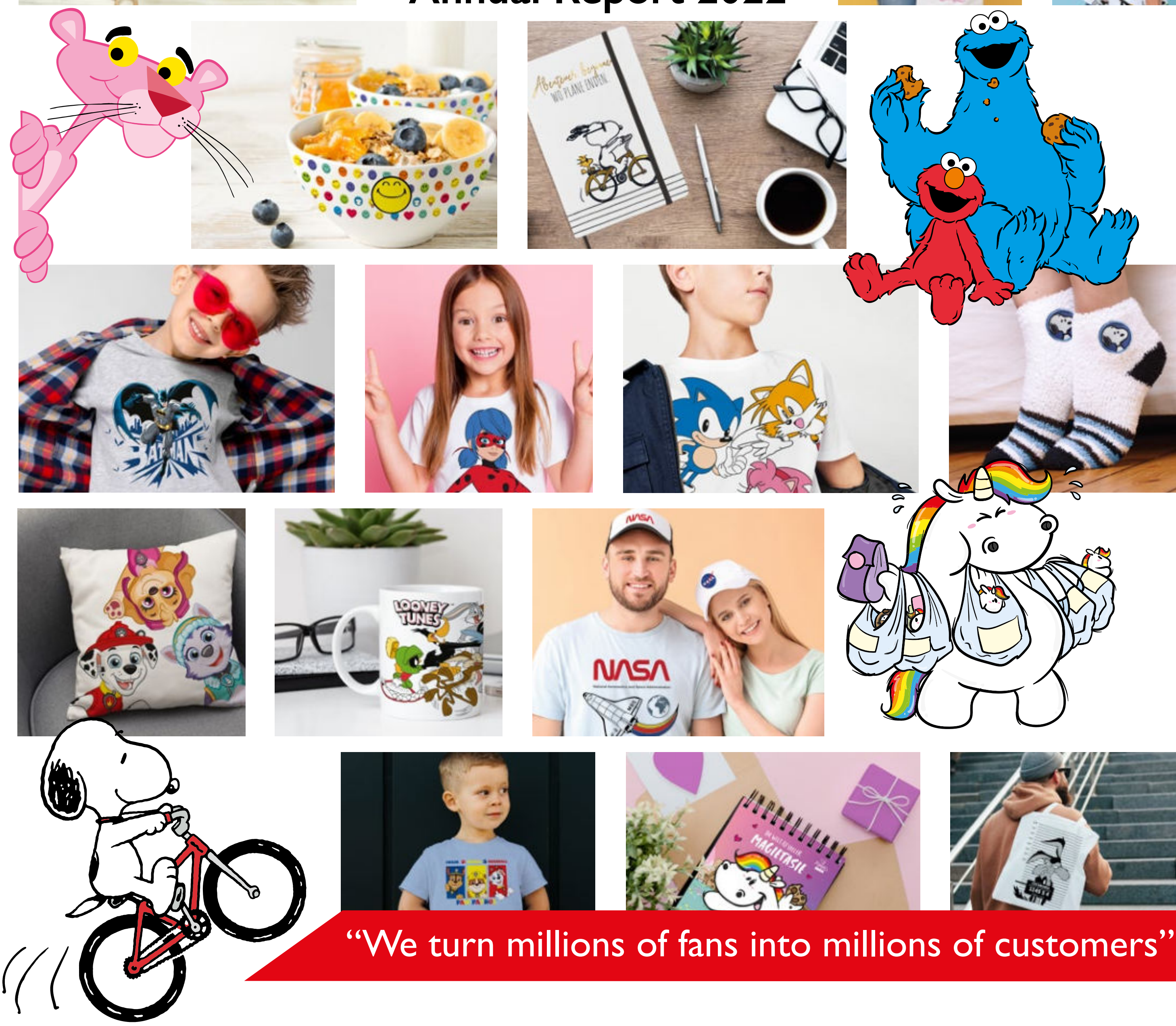
UNITEDLABELS AG

UNITED LABELS

Annual Report 2022





"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 (€'000)	2022	2021	Continued Operation 2020
Revenue	**22,343**	17,973	13,165
EBITDA*	**1,099**	314	1,511
EBIT	**812**	54	1,223
Consolidted profit/loss for the year	**445**	-213	768
Operating Cash flow	**1,721**	1,589	1,156
Net income per share (€)	**0.06**	-0.03	0.11
Equity	**2,218**	984	977
Equity ratio (%)	**9%**	5%	5%
Net debt	**7,025**	7,599	7,758
Total assets	**24,597**	18,434	18,496
Bookvalue per share (€)	**0.32**	0.14	0.14
Shareprice per year end (€)	**3.60**	2.44	1.06
Market capitalization	**24,948**	16,909	7,207
Staff member (average)	**69**	45	33
Employees converted to full-time equivalents (on average)	**43**	35	31
Revenue per full-time equivalents	**520**	514	425

* Including amortisation of usage rights.

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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.

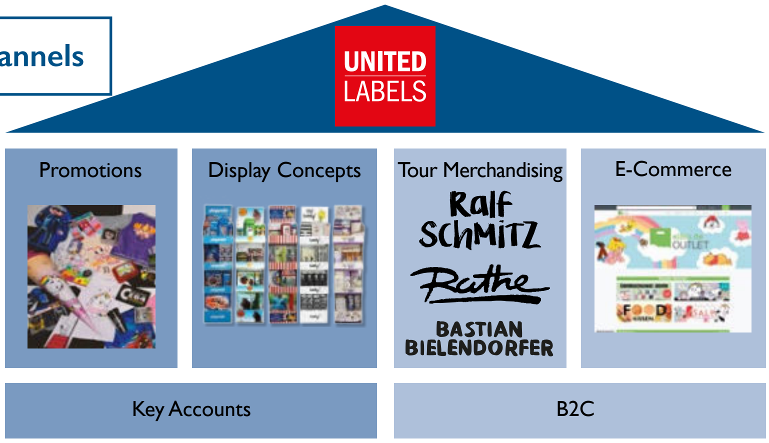
The corporate group

- 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, myToys, 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:

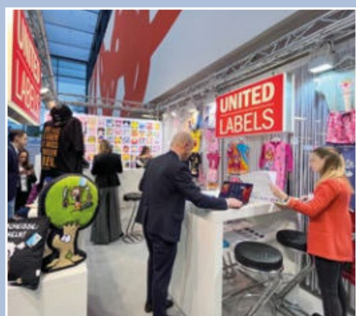
- Production tests
- Production supervision
- Supplier checks (audits)
- Observance of fundamental social and ethical standards
- Shipment controls (inspections)
- Quality controls and product tests

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.

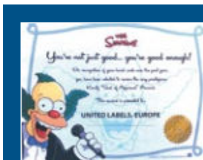
Trade fair appearance

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

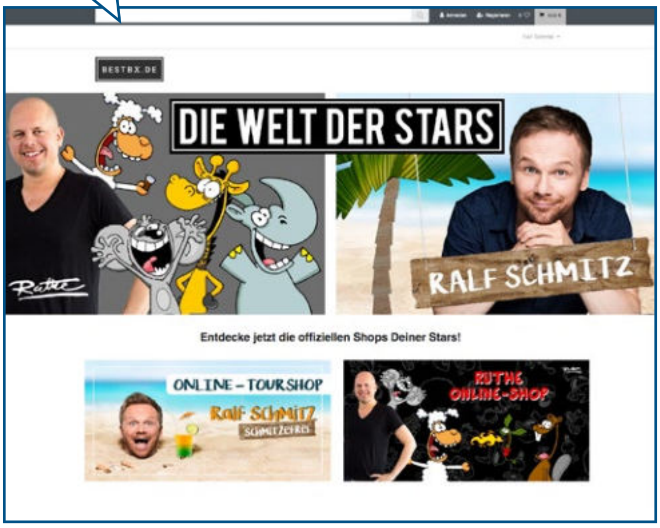
Our awards



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,

UNITEDLABELS AG looks back on a challenging and very successful fiscal year 2022. The first quarter was still marked by the effects of the pandemic that has been ongoing for more than two years. This affected our supply chains, especially purchasing prices and sea freight rates and capacities. With the start of the Russian war of aggression on Ukraine at the end of February, a multitude of new factors came into play: reluctance to buy in the retail sector, soaring costs of living, especially in energy costs, rising inflation and (construction) interest rates. Of course, this also posed challenges for the **UNITED**LABELS AG, which we met with our sales strategies, the optimization of internal processes, and a very flexible management.

In the financial year 2022, **UNITED**LABELS AG was able to significantly increase group sales by 24% to € 22.3 million. After an increase of 36% last year, this is a continuously high growth rate. In the b2b area, we focused on food retailing but also expanded our business with large chain stores in the textile sector again. In addition, we drove our b2c business through the expansion of our e-commerce activities, our outlet store and tour merchandising.

Revenues increased by 22% to € 19.7 million in the Key Account segment and by 37% to € 2.6 million in the Special Retail segment.
In the Key Account segment, we not only increased sales to existing customers, but also acquired further well-known chain stores.
In the Special Retail segment, we recorded an increase of 40% in e-commerce alone, resulting from a massive expansion of connected sales platforms.
In terms of geographic distribution, domestic sales rose by 12% and abroad by a significant 129%.

Disruptions in the supply chains (China, India) in the first half of the year presented a challenge, as did price increases in all areas of production, particularly in inbound freight, which were, however, compensated for by necessary price adjustments. This led to an increase in the gross profit margin to 28.6%. The delivery rate remained high and amounted to around 99%.

As a result of all influencing factors, consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) tripled to € 1.1 million, while EBIT rose to € 0.8 million and net income to € 0.4 million.

In the past fiscal year 2022, as in the previous year, all operating subsidiaries of the Group closed with a positive net income. This relates to "Elfen Service GmbH", which operates the Group's e-commerce business directly to end consumers, the Belgian "Colombine bvba" and "House of Trends GmbH".

We also recorded a positive development in the order backlog. Our good delivery performance, even under the most difficult conditions, continued to lead to good order intake. As a result, the order backlog amounted to € 14.0 million as of the reporting date, and we are also recording good order intake in the first quarter of 2023.

In the first months of the current fiscal year 2023, we continue to record solid business development. The company does not have any business relationships with companies from Ukraine, Belarus or the Russian Federation. We are monitoring very closely possible effects on our production countries, among others, and have further developed corresponding measures in the various business areas.

For the next few years, our focus is on further increasing sales and profitability. In this context, the **UNITED**LABELS AG will mainly focus on the expansion of the key account business as well as the direct sales to end consumers via the e-commerce area. With regard to the development and the results of the past business year, the company considers itself to be well positioned in terms of organization and market, even under possible influences of the Ukraine war. This assessment is supported by the good delivery performance, the focus on food retail customers (LEH), the increase in the e-commerce business, the expansion of the company's own outlet store, no additional utilization of credit lines in the past fiscal year 2022, and the good order situation for the current fiscal year 2023.

We have placed the focus of our sales activities for the coming year on the key account business, in which we intend to gain further market share and expand our customer base. To this end, we will strengthen the sales force in terms of personnel and steadily expand the collections.

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

Further new themes and an expansion of existing brand ranges are planned for 2023. In the first half of the year, numerous promotions in food retail (LEH) with major advertising support are being delivered. For the second half of the year, a broad product range is planned for the likewise new themes "Smiley", "The Grinch", as well as tour merchandising for the now third artist, "Bastian Bielendorfer." Attractive brands in sales continue to be "Disney", "Snoopy", "Paw Patrol" and "Peppa Pig".

Due to the currently unpredictable impact of the Ukraine war on customers and procurement, it is currently not possible to make a valid forecast. While the demand and order behavior of the textile chains, chain stores and food retailers are good, consumer behavior and the procurement side are subject to uncertainties. Overall, against this background, we expect a further increase in sales and earnings.

I would like to express my particular thanks to our employees for their great dedication and commitment.

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

In accordance with the duties and responsibilities imposed on it by law and the articles of association as well as the regulations of the German Corporate Governance Code, the Supervisory Board kept itself regularly informed about the business and strategic development of the company, advised the Management Board and monitored its management activities. The Supervisory Board thus 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 was done both 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 from the Executive Board to the Supervisory Board on the course of business, and in the context of five Supervisory Board meetings (23 February, 29 March, 20 May, 28 September and 15 December) and 14 telephone conferences, each of which was attended by all members of the Supervisory Board. All Supervisory Board meetings were held with the personal participation of all Supervisory Board members.

Meetings of the Supervisory Board 2022

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

Within the framework of the individual meetings, the Supervisory Board analysed the current business development together with the Executive Board and discussed the strategic direction.

In accordance with the recommendation of the German Corporate Governance Code to hold Supervisory Board meetings without the presence of the Executive Board, the Supervisory Board met without the participation of the Executive Board during the ordinary meetings (in each case following the meeting with the Executive Board). In these meetings, the Supervisory Board dealt with the structure of the Executive Board and the remuneration as well as with internal and organisational issues of the Supervisory Board.

In particular, in the 2022 financial year, the Supervisory Board was intensively informed about the end customer structure in the wholesale and specialist trade sectors, the current and future development of the product ranges with own and licensed products, the expansion of the e-commerce business, the liquidity situation and overall planning as well as the overall management of the Group with a special focus on cost flexibility and analysed the results together with the Executive Board.

An additional focus of the Supervisory Board's work was the regular provision of information on the sales and liquidity development of **UNITED**LABELS AG, in particular due to possible burdens caused by the geopolitical conflicts (Ukraine, Russia, Taiwan, China) arising at the end of February 2022. The Supervisory Board dealt intensively with the possible effects on the demand situation on the basis of various scenarios, including a so-called stress test.

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

The Supervisory Board also dealt with the topic of corporate governance and the German Corporate Governance Code. The few exceptions to the recommendations of the Code are listed and explained in the declaration issued jointly with the Executive Board in accordance with § 161 of the German Stock Corporation Act (AktG). This declaration is published in the annual report and on the company's website at www.unitedlabels.com.

The Supervisory Board shall regularly assess how effectively the Supervisory Board fulfils its task. In December 2022, the Supervisory Board of **UNITED**LABELS AG conducted this efficiency review with the help of a questionnaire as part of a self-assessment. In particular, the internal organisation of the Supervisory Board and the meeting procedures as well as the provision of information to the Supervisory Board were evaluated.

Overall, the work of the Supervisory Board takes place in an atmosphere of mutual trust, respect and appreciation.

The Supervisory Board consists of a total of three persons. There were no changes in the composition of the Supervisory Board in the reporting year 2022. 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 2022 financial year. The Supervisory Board as a whole therefore also performed the tasks of the Audit Committee in accordance with § 107 para. 4 sentence 2 AktG.

Conflicts of interest of Executive Board and Supervisory Board members, which are to be disclosed to the Supervisory Board without delay and about which the Annual General Meeting is to be informed, did not occur 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 measures. One external training event was held on legal topics related to Supervisory Board activities. The workshop, which was conducted by a lawyer for capital market law, included important changes in the German Corporate Governance Code, insights into the new regulations on virtual general meetings and an outlook on planned changes in the law relevant for supervisory boards. In addition, the Supervisory Board generally dealt with new legal regulations or other regulations that are important from the company's point of view in Supervisory Board meetings.

The Supervisory Board duly commissioned the auditing firm Mazars GmbH & Co.KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hamburg, Cologne branch, elected by the Annual General Meeting as auditor for the annual financial statements and the consolidated financial statements for the 2022 financial year.

The annual financial statements of **UNITED**LABELS AG as at 31 December 2022 and the management report for **UNITED**LABELS Aktiengesellschaft and the **UNITED**LABELS Group were prepared in accordance with the principles of the German Commercial Code (HGB), while the consolidated financial statements as at 31 December 2022 were prepared in accordance with International Financial Reporting Standards (IFRS) and audited by the auditor appointed by the Annual General Meeting, Mazars GmbH & Co KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hamburg, Cologne branch, and issued with an unqualified audit opinion dated 27 April 2023.

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, the consolidated financial statements and the Management Board's proposal for the appropriation of profits and discussed them with the auditor at the meeting on 17 April 2023. At this meeting, the Supervisory Board dealt in particular with the key audit matters described in the respective auditor's report. All questions of the Supervisory Board were answered by the auditor. The Supervisory Board received the auditor's report in good time before the balance sheet meeting. According to the final results of the audit carried out by the Supervisory Board, 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 agreed with the auditor's findings on the aforementioned documents.

The annual financial statements and the consolidated financial statements were approved by the Supervisory Board on 28 April 2023 in the version prepared by the Management Board and audited by the auditor and provided with an unqualified audit opinion. The annual financial statements of **UNITED**LABELS Aktiengesellschaft are thus adopted. The Supervisory Board also agreed with the proposal of the Management Board on the appropriation of the balance sheet profit.

Pursuant to § 312 of the German Stock Corporation Act (AktG), the Executive Board has also prepared a report on relations with affiliated companies (dependency report) for the reporting period 01 January to 31 December 2022. The report contains the concluding declaration of the Executive Board that, according to the circumstances known to the Executive Board at the time the legal transactions were carried out, the company received appropriate consideration for each legal transaction. No measures were taken or omitted at the instigation of or in the interest of the controlling person or a company affiliated with that person.

The Supervisory Board received and examined the dependency report in good time. The auditor reported to the Supervisory Board on the main results of its audit and was available to provide additional information.

Furthermore, the report of the Management Board of **UNITED**LABELS Aktiengesellschaft on relations with affiliated companies pursuant to Section 312 of the German Stock Corporation Act (dependency report) was also audited by Mazars GmbH & Co KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft and issued with an audit certificate pursuant to Section 313 (3) of the German Stock Corporation Act on 27 April 2023.

Since, according to the final result of the mandatory audit, there are no objections to be raised against the report of the Management Board of **UNITED**LABELS AG, Muenster, on the company's relationships with affiliated companies in the business year 2022, Mazars GmbH & Co KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft issues the following auditor's opinion pursuant to Section 313 (3) AktG:
After dutiful examination and assessment, Mazars GmbH & Co KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft confirms that the actual information in the report is correct, the company's performance in the legal transactions listed in the report was not unreasonably high.

Even after the final result of the examination by the Supervisory Board, no objections are to be raised against the declaration of the Executive Board at the end of the dependency report.

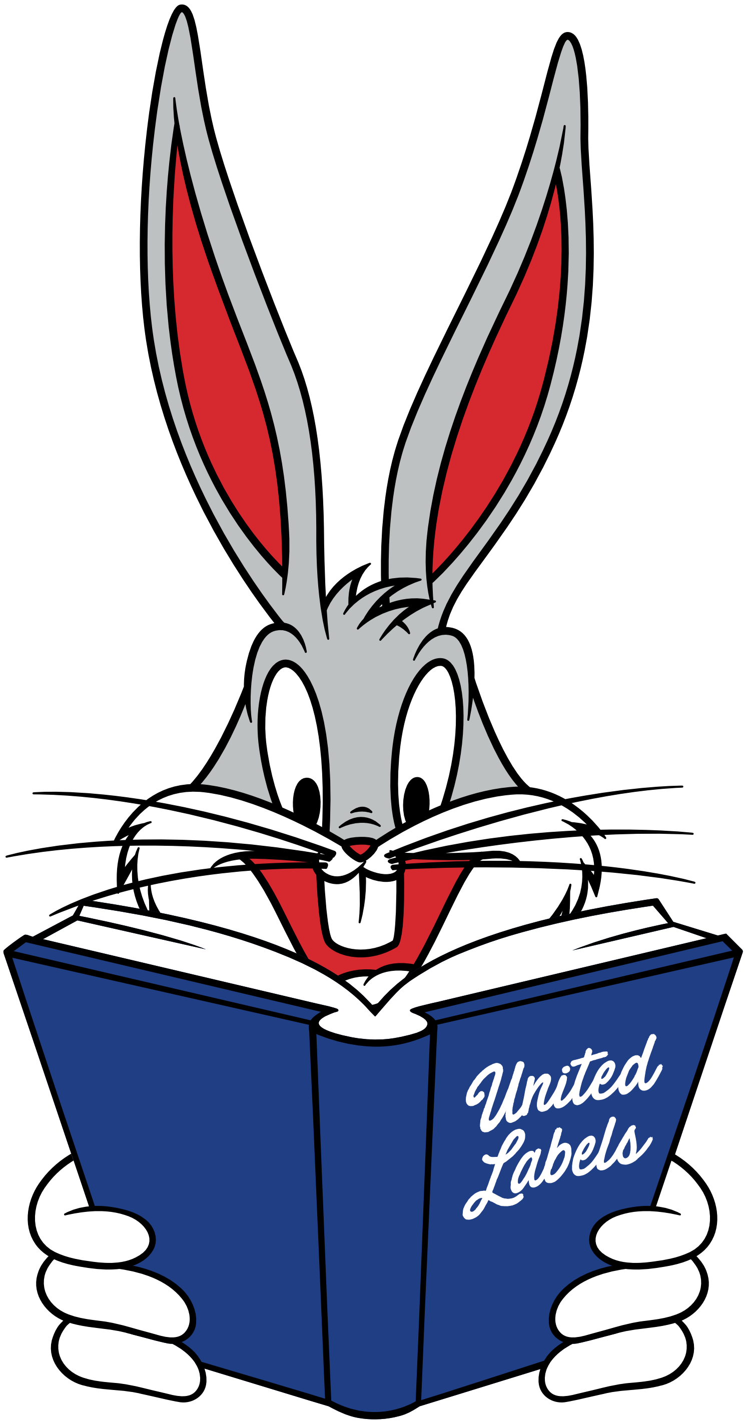
The Supervisory Board would like to thank the Management Board and all employees of the **UNITED**LABELS Group for their tireless commitment in the face of the special challenges in the 2022 financial year.

Muenster, 28 April 2023

The Supervisory Board

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 pursuant to sections 289f and 315d of the German Commercial Code (HGB) is an essential element of our corporate governance reporting and also includes the report of the Executive Board and Supervisory Board on corporate governance within the meaning of Principle 23 of the German Corporate Governance Code as amended by the GCGC on April 28, 2022.

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 confidence in the management and supervision of German listed stock corporations. The **UNITED**LABELS AG AG would like to maintain and further develop the trust in its company among its shareholders, customers, suppliers, employees and the public through openness and transparency. For these reasons, the **UNITED**LABELS AG AG complies with the recommendations of the German Corporate Governance Code to the greatest possible extent.

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

The current declarations of conformity 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. Stockholders and Annual General Meeting

Our shareholders exercise their rights at the Company's Annual General Meeting. The Annual General Meeting is held in the first eight months of the fiscal 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 income reported in the annual financial statements, approval of the actions of the Supervisory Board and Executive Board, election of the auditors, election of the members of the Supervisory Board, and decisions on amendments to the Articles of Association. The Annual General Meeting also serves as a platform for dialogue with the Executive Board and Supervisory Board.

Our aim is to make it as easy as possible for shareholders to attend the Annual General Meeting. For example, all documents required for participation are published in advance on the internet. In addition to the option of authorizing a bank, a stockholders' association or another person, stockholders are also given the right to appoint a proxy for the Annual General Meeting, whom they can instruct to exercise their voting rights. Immediately after the Annual General Meeting we publish the attendance and voting results on the internet.

3. Information 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 Headquarter **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 both on the conventions of the International Labor Organization (ILO) and the United Nations and on the national legislation of the respective country of production. The full text of the Code of Conduct is published on the Internet on the company's homepage at www.unitedlabels.com/unternehmen/code-of-conducts.

4. Working methods of the Management Board and Supervisory Board and the composition and working methods of their committees.

The German Stock Corporation Act prescribes a dual management system ("Two-Tier Board Structure") for the **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 Management Board is advised and supervised by the Supervisory Board in its management activities. The Supervisory Board appoints the members of the Management Board; significant transactions of the Management Board require its approval. The Executive Board and Supervisory Board observe the rules of proper corporate governance.

The Executive Board

The Executive Board of the Company is the management body of the Group and consists of one person. The Executive Board is bound to the interests of the Company and committed to increasing the sustainable value of the Company. It develops the corporate strategy, also for the subsidiaries. The Executive Board ensures compliance with legal requirements and works towards their observance by the Group companies.

The Executive Board works closely with the Supervisory Board for the benefit of the Company. It agrees the strategic direction of the Company with the Supervisory Board and discusses the status of strategy implementation with it at regular intervals.

The Executive Board informs the Supervisory Board regularly, promptly and comprehensively about all issues of relevance 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 plans and targets drawn up, stating the reasons for such deviations.

Reports by the Executive Board and documents required for decision-making, in particular the annual financial statements, management report, consolidated financial statements, Group management report and audit report, are sent to the members of the Supervisory Board as far in advance of the meeting as possible, generally eight days before the meeting. In addition, the Chairman of the Supervisory Board and the Executive Board are in regular contact outside Supervisory Board meetings. If necessary, the members of the Supervisory Board are informed orally or in writing at short notice outside meetings or may be convened to extraordinary meetings.

The Supervisory Board

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

The Supervisory Board appoints the members of the Management Board and represents the company vis-à-vis them. It supervises and advises the Management Board in the management of the company and decides on all essential business 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 in consultation with 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, the main content of which is the regulation of the composition and responsibilities of the Supervisory Board, its convening, preparation and chairing of meetings, and the regulation of committees and the quorum.

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, in the opinion of the **UNITED**LABELS AG, the Supervisory Board includes an appropriate number of independent members. For in the estimation of the Supervisory Board, two members are to be regarded as independent.

The period of membership is the same for all three members of the Supervisory Board, namely they have been elected to office since the held Annual General Meeting on June 11, 2021, with effect from June 15, 2021. The Supervisory Board consists of Dr. David Strack (Chairman), Volker Deck (Deputy Chairman) and Albert Hirsch.

The Supervisory Board does not see the need for professionally qualified committees with regard to the Company and its specific circumstances, taking into account that it consists of only three persons.

Detailed information on the focal points of the Supervisory Board's work and advice in the 2022 financial year is explained in the Report of the Supervisory Board, which is included in the 2022 Annual Report. The Chairman of the Supervisory Board is prepared, to an appropriate extent, to hold discussions with investors on topics specific to the Supervisory Board.

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 work of the Supervisory Board required by the Code. The self-assessment was last carried out on February 24, 2023 by means of a questionnaire by the members of the Supervisory Board and a subsequent discussion within the Supervisory Board.

5. Provisions to promote the equal participation of women and men in management positions.

The "Act on the Equal Participation of Women and Men in Leadership Positions in the Private and Public Sector", which came into force on May 1, 2015, requires 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 next two management levels for the first time 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 September 30, 2015. For the first time, the implementation period for the targets could not legally extend beyond June 30, 2017.

On June 15, 2021, the Supervisory Board of the **UNITED**LABELS AG resolved that it will adhere to the previous target of 0% for the composition of the Supervisory Board with regard to the equal participation of women and men until June 30, 2026, and that it will also adhere to the target of 0% for the composition of the Management Board. At the same time, the aim is to pay greater attention to compliance with the quota regulations when appointing new members to the corporate bodies. The composition of the Supervisory Board and the Management Board reflects the target.

On June 15, 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 June 30, 2026. As of December 31, 2022, 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 the Supervisory Board

Beyond the objectives of the composition of the Management Board and Supervisory Board described in this declaration, the **UNITED**LABELS AG currently does not pursue a diversity concept with regard to the composition of the governing body authorized to represent the company and the Supervisory Board.

7. Remuneration of the members of the executive bodies

The applicable remuneration system pursuant to Section 87a (1) and (2) sentence 1 of the German Stock Corporation Act (AktG), the remuneration report with the auditor's report as well as the last remuneration resolution pursuant to Section 113 (3) of the German Stock Corporation Act (AktG) are published in the Investor Relations section under the following link: https://www.unitedlabels.com/investor-relations/.

8. Transparency

UNITEDLABELS AG attaches great importance to uniform, comprehensive and timely information. The reporting on the business situation and the results of the **UNITED**LABELS AG is carried out in the annual report, in the quarterly reports and in the 6-monthly report within the framework of the deadlines specified for this purpose. Furthermore, the **UNITED**LABELS AG participates in press and analyst conferences.

Furthermore, information is provided through press releases or ad hoc announcements, as far as this is required by law. All announcements and notifications can be viewed on the Internet at www.unitedlabels.com/investor-relations. The scheduled dates of the most important recurring events and publications - such as the Annual General Meeting, the Annual Report and financial reports during the year - are compiled in a financial calendar, which is published sufficiently in advance and is available on the company's website at http://www.unitedlabels.com/investor-relations/finanzkalender. The dates of the Annual General Meeting, the Annual Report and the financial reports during the year are also published in a financial calendar.

UNITEDLABELS AG has established compliance structures in line with its current size and will continue to develop them in view of 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 Compliance with the German Corporate Governance Code by the Management Board and Supervisory Board of **UNITED**LABELS Aktiengesellschaft pursuant to Section 161 of the German Stock Corporation Act (AktG)

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' as amended on April 28, 2022, published in the Federal Gazette on June 27, 2022 ('Code 2022' or 'Code').

Furthermore, the Board of Management and the Supervisory Board declare that the recommendations of the 'Government Commission on the German Corporate Governance Code' have only been deviated from and are expected to be deviated from in the future as follows:

A. Management and supervision

Recommendation A.1
According to the new Recommendation A.1, the Executive Board should identify and assess the risks and opportunities for the company associated with social and environmental factors as well as the ecological impact of the company's activities. Further, environmental and social objectives should be appropriately considered in the corporate strategy. Corporate planning shall include corresponding financial and sustainability-related targets.
The Board of Management and Supervisory Board generally recognize that sustainability aspects are important and take appropriate account of them in their activities on behalf of the company. However, the recommendations mentioned are vague and a statement on their compliance is therefore subject to considerable uncertainty. The Executive Board and Supervisory Board therefore declare a deviation in this respect as a precaution.

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, insofar as this is not yet required by law. This should include the processes and systems for recording and processing sustainability-related data.
At present, the design of the internal control system and the risk management system is based on the statutory 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 for 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
According to the newly introduced recommendation A.5, the main features of the internal control system and the risk management system should be described in the management report and a statement should be made on the appropriateness and effectiveness of these systems.

The Company has an internal control system and risk management system. However, the recommendations on the disclosures in the management report go well beyond the statutory requirements. At present, the Company is guided by the statutory requirements with regard to the management report and considers these to be sufficient.

B. Composition of the Management Board

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

Recommendation B.2
The **UNITED**LABELS AG deviates from this recommendation. Since, in the view of the Supervisory Board, the Management Board continues to be well staffed, there is currently no need to provide for long-term succession planning.

Recommendation B.5
The **UNITED**LABELS AG deviates from this recommendation. A maximum age for the Management Board is not envisaged. The examination of suitability shall continue to be carried out irrespective of age. Furthermore, an age limit is not considered appropriate in consideration 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 competence profile for the entire body. The status of implementation should be disclosed in the form of a qualification matrix in the corporate governance declaration. This should also provide information on the number of independent shareholder representatives on the Supervisory Board, as deemed appropriate by the shareholder representatives, 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 effective supervision and advice of the Executive Board. The Supervisory Board therefore selects candidates for election proposals to the Annual General Meeting exclusively on the basis of professional and personal competence and experience; other characteristics such as gender or national affiliation as well as age were and are irrelevant for these election proposals for reasons of equal opportunity. In addition to these selection criteria, the Company considers the aspects mentioned 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 above, and also taking into account the small number of Supervisory Board mandates to be filled, no commitment can be made in this respect.

For these reasons, no concrete objectives for the composition of the Supervisory Board are specified, nor is a competence profile drawn up for the entire body. For the same reasons, there is no reporting in the form of a qualification matrix.
The Code recommends setting age limits for members of the Supervisory Board and disclosing these in the corporate governance declaration. The examination of suitability should continue to be carried out irrespective of age in the future. Moreover, an age limit is not considered appropriate in view of the prohibition of discrimination.

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

D. Working methods of the Supervisory Board

Recommendations 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 with regard to the Company and its specific circumstances, taking into account that it consists of only three persons.

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 establish a Nomination Committee.

F. Transparency and external reporting

Recommendation F.2
The Code 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 gives priority to 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 in accordance with the statutory deadlines and those set by Deutsche Börse for the Prime Standard.

G. Compensation of the Management Board and Supervisory Board

Recommendation G.1
With regard to compensation in the area of G.1., the Code contains a large number of recommendations concerning the compensation of the Management Board. The current compensation system with regard to the sole Executive Board member Peter Boder does not fully comply with the new regulations and the Company therefore declares a deviation in item G.1. as a precautionary measure, even though the existing Executive Board contract is protected as a going concern.

In particular, the current compensation system does not fully comply with the following of these recommendations: G.3 (peer group comparison of management board salaries), G.4 (comparison of management board salaries with top management), G.8 (exclusion of subsequent change of targets), G.11 sentence 2 (possibility of reclaiming or retaining variable remuneration by the supervisory board), G.16 (crediting of remuneration for external supervisory board mandates).

In accordance with its legal obligation, the Supervisory Board of **UNITED**LABELS Aktiengesellschaft has adopted a new remuneration system for the Management Board, which was approved by the General Meeting 2021, to be taken into account in particular for Management Board contracts concluded in the future. 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 Code recommendation stipulates that Supervisory Board compensation should also take into account, among other things, the chairmanship and membership of committees. The amount of compensation paid to members of the Supervisory Board is governed conclusively by § 10 of the Articles of Association. There are still no committees, so the chairmanship and membership of committees are not taken into account in Supervisory Board compensation.

Muenster, March 2023

The Management Board

The Supervisory Board

UNITEDLABELS Aktiengesellschaft, Muenster
Group management report for the 2022 financial year

Outline

1. **Fundamentals of the Group**

2. **Economic Report**

3. **Forecast, opportunity and risk report**

4. **Risk reporting in relation to financial instruments**

5. **Disclosures in accordance with § 315a HGB, § 315d HGB and remuneration report**

6. **Declaration pursuant to § 312 AktG**

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 products from the media/entertainment sector in Europe with a focus on Germany, Benelux, Great Britain and Eastern Europe. The company's headquarters are located in Muenster. The group has three operationally active subsidiaries. The company occupies a key position between brand owners and the trade, because with its extensive product range and an attractive portfolio of more than 30 well-known brands, the company is a competent contact for both sides. On the one hand, **UNITED**LABELS Aktiengesellschaft offers the trade strong and successful brands in the product areas of clothing, gift articles, plush, stationery, bags, bathroom and household goods from a single source. On the other hand, the company stands out as a preferred partner due to its many years of experience in the brand business and its distribution density among brand owners who directly benefit from the sales success of the brand products.
UNITEDLABELS Aktiengesellschaft reaches end customers via various distribution channels, on the one hand through the e-commerce shops of its own subsidiary Elfen Service GmbH, and on the other hand throughout Europe via chain shops, discounters and specialist retailers. Renowned purchasing associations and large European trading companies are among the key customers of **UNITED**LABELS Aktiengesellschaft.

UNITEDLABELS Aktiengesellschaft is listed in the Prime Standard of the German Stock Exchange. The Group is managed by the Executive Board, consisting of Mr. Peter Boder. The Executive Board is controlled by the Supervisory Board.

Goals and strategies

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

Control system

The most important key figure for the success of the **UNITED**LABELS Group, besides turnover, is the operating result before interest and taxes (EBIT). In addition, liquidity plans are prepared, which are considered in decision-making. Every order in the group is evaluated for its contribution to the result 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 usual in the industry.

2. Economic Report

General conditions

Global growth is projected by the International Monetary Fund to fall from an estimated 3.4 per cent in 2022 to 2.9 per cent in 2023 and then rise to 3.1 per cent in 2024. The forecast for 2023 is below the historical (2000-19) average of 3.8 per cent. The increase in central bank interest rates to combat inflation and Russia's attack war in Ukraine continue to weigh on economic activity. The rapid spread of COVID-19 in China dampened growth in 2022, but the recent lifting of the lockdown measures has paved the way for a faster-than-expected recovery. Global inflation is projected to fall from 8.8 per cent in 2022 to 6.6 per cent in 2023 and 4.3 per cent in 2024, still above the pre-Pandemy (2017-19) level of around 3.5 per cent. Other challenges for the global economy relate to the recovery of private consumer spending, climate change and continuing geopolitical tensions in Eastern Europe and East Asia, among others, which have massively affected energy supply, international trade and foreign policy cooperation in 2022 and will continue to do so due to the sanctions against Russia. [1]

The German economy was also significantly affected by the impact of the Ukraine war in 2022. After a significant increase in the price-adjusted gross domestic product (GDP) to 2.7% in 2021 compared to the previous year, which was significantly affected by the impact of the coronavirus pandemic, GDP fell to 1.9% in 2022 because of the Ukraine war. Due to the continuing East-West tensions and the expected impact on the economy, the German government expects a further weakening of economic activity in 2023 and sees GDP growth at only 0.2% according to the annual projection of 25.01.2023. [2]

Private consumer spending increased by 4.6% in 2022 in price-adjusted terms. For 2023, the federal government expects a price-adjusted decline in private consumer spending of 0.2% compared to the previous year. Real government consumption expenditure rose by 1.1% on the previous year and gross investment by only 0.2%. Inventories in the economy increased by 0.6% in 2022.

According to the German E-Commerce and Distance Selling Trade Association (bevh), German e-commerce in 2022 was unable to match the high revenues of the previous year. In nominal terms, i.e., without adjustment for inflation, gross sales of goods in e-commerce fell by 8.8% to €90.4 billion in 2022 after €99.1 billion in the previous year. For 2023, the association again expects growth of 4.8%. A differentiated analysis shows that the development of sales diverges depending on the product groups and shipper types. Absolute growth of more than € 100 million was achieved by product groups that cover an acute need that cannot be easily postponed, such as large household appliances or games. On the other hand, consumers saved on typical impulse purchases. The range for the whole year extends from an increase in sales of 6.4% for pet supplies, followed by +3.5% for medicines and +1.3% for food to a minus of 16.6% for shoes, as well as -12.8% each for clothing and books, including e-books and audio books. [3]

According to the German Association for Toys (BVS), the year 2022 must contend with high inflation in addition to the Corona-related challenges. This also has an impact on the toy industry in Germany. In the period from January to October, the market declined by 5% compared to the previous year. Nevertheless, accumulated sales are still 12% above the pre-Corona year 2019.

1 https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023
2 https://www.bmwk.de/Redaktion/DE/Artikel/Wirtschaft/Projektionen-der-Bundesregierung/projektionen-der-bundesregierung-jahresprojektion-2023.html
3 https://www.bevh.org/fileadmin/content/05_presse/Pressemitteilungen_2023/260122_PM.pdf

A strong trend this year came from the licensing sector. With growth of +6% (Jan-Oct 22), the licence market developed exceptionally strongly. As a result, the licence share in Germany has increased to 26%. The top 5 fastest growing licences are Star Wars, Jurassic World, Minecraft, Batman and Harry Potter.
BVS expects domestic demand for toys to reach € 4.7 billion (at end consumer prices) in 2022, a decrease of € 0.2 billion compared to the strong year 2021.
According to a recent survey, the members of the German Association of the Toy Industry are particularly concerned about the development for 2023 due to higher costs for energy, raw materials, and inputs, but also supply chain and logistics problems and the gloomy consumer climate. [1]

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

Regarding the European Union, one year after the start of the Russian attack war, the European Commission now expects only 0.8% growth for the EU in 2023, after a 3.5% increase in GDP in the EU in 2022. [2]

For the **UNITED**LABELS Group, the changes in consumer demand in the EU economic area and the developments in the sourcing countries are relevant.

The quality demands that the **UNITED**LABELS Group places on itself, but also the demands that customers place on the products, are an important factor affecting the Group's purchasing, as is the exchange rate of the euro to the dollar. The Group sources a large part of its goods in Asian countries, where purchases are mainly made on a US dollar basis. The average euro to dollar exchange rate for the year was $1.05 per euro. The closing rate at the end of the year was 1.07 dollars per euro.
The textile business continues to be the **UNITED**LABELS Group's strongest product line in terms of turnover. New collections were developed and marketed via trade partners as well as in direct end-customer business.

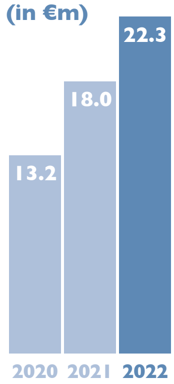
Business performance and position of the Group and non-financial performance indicators

In the 2022 business year, turnover increased significantly by 24.3% to € 22.3 million and was thus within expectations at € 1.7 million. Due to the Russian attack war in Ukraine, it was not possible to make a valid forecast. At € 0.9 million, EBIT was € 0.8 million higher than in the previous year and thus also within expectations.
In view of the net profit for the year and considering the order backlog of € 14.0 million as of 31 December 2022 for the year 2023, we assess the development of the Group in the past year with difficult macroeconomic conditions as positive. Overall, the Group considers itself to be well positioned in terms of organisation and market technology under the geopolitical conditions. This assessment is supported by the good delivery performance in the 2022 business year despite the challenges in the supply chains, the focus on food retail customers, no additional use of credit lines and the order backlog for the following year 2023.

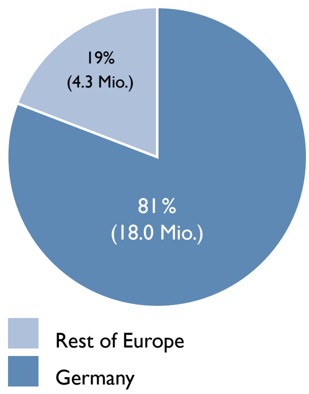
Overall, the group achieved double-digit growth in turnover for the second year in a row, with a continued very good delivery performance. This growth in turnover was achieved without the additional use of credit lines. For the following year 2023, the group has once again achieved a high order backlog with increased sales prices.

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

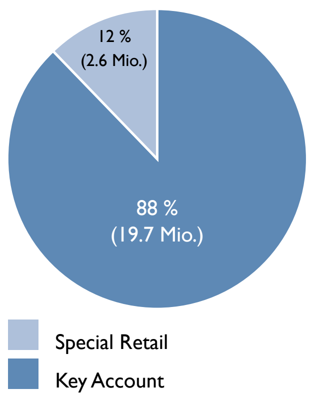
Sales Performance (in €m)



Breakdown of sales in 2022 in Europe in % (€m)



Breakdown of sales in 2022 for Key Account and Special Retail in % (€m)



1 https://www.tagesschau.de/wirtschaft/unternehmen/spielwaren-hersteller-prognose-geschaeft-101.html
2 https://ec.europa.eu/commission/presscorner/detail/de/ip_23_707

The portfolio currently includes more than 30 brand rights. As in previous years, individual contracts whose profitability is no longer given from the Group's point of view were no longer renewed. New additions in 2022 are "Smiley" and "The Grinch". Last year's most successful brands in terms of sales included "Paw Patrol", "Disney", "Peanuts", "AC/DC", "Batman" and "Peppa Pig". In 2023, the company will continue to review each new brand for its economic viability and decide accordingly.

Earnings situation

In the past business year, **turnover** increased significantly by 24.3% to € 22.3 million. Revenues in the specialised trade sector rose from € 1.9 million to € 2.6 million (+36.8%) and in the key account sector from € 16.1 million to € 19.7 million (+22.4%).

For the 2022 financial year, expects higher return rates on goods already delivered. This assessment led to a reduction in turnover of € 4.2 million to € 22.3 million as part of a risk provision. Gross profit decreased accordingly by € 0.4 million to € 6.4 million.

The **cost of goods sold in the Group** is made up of the cost of materials and the amortisation of rights of use. A total of € 16.0 million (previous year: € 13.5 million) was reported for the financial year. In relation to the total Group turnover, this results in a cost of sales ratio that fell from 75.4% to 71.4%. This is due to the implementation of necessary price increases, which compensated for the significant increase in container freight costs from Southeast Asia, India and Bangladesh in 2021.

Other operating income amounted to € 0.5 million and resulted mainly from write-offs of liabilities, the release of provisions and exchange rate differences.

Personnel expenses amounted to € 2.9 million after € 2.2 million in the previous year. On average, the group employed 69 people (previous year: 45). Converted to full-time employees, the average was 43 (previous year: 35). The turnover per employee in relation to full-time employees increased from € 514k to € 520k.

Other operating expenses rose from € 2.1 million to € 2.9 million due to higher turnover-related costs, especially outbound freight.

EBITDA rose significantly to € 1.1 million (previous year € 0.3 million), which corresponds to an EBITDA margin of 4.9%. The increase of € 0.8 million compared to the previous year is mainly due to the increased turnover and the reduction of the cost of sales ratio.

Amortisation of intangible assets (excluding amortisation of rights of use) and depreciation of property, plant and equipment amounted to € 0.3 million, as in the previous year. Amortisation of rights of use (licence fees) increased from € 0.5 million to € 0.6 million; they are reported separately in gross profit.

Earnings before interest and taxes (EBIT) rose to € 0.8 million (previous year: € 0.1 million), which corresponds to an EBIT margin of 3.6%. The increase was mainly due to price adjustments and higher turnover. The increased personnel costs and outgoing freight correspond to the higher sales revenues.

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

In the **income tax** item, tax income of € 0.1 million (previous year: € 0.2 million) was calculated, which was attributable to deferred tax assets.

The **consolidated result** rose to € 0.4 million (previous year: € -0.2 million), which corresponds to a return on sales of 2.0%. **Earnings per share** thus amounted to € 0.06 (previous year: € -0.03 million).

The **segment result** in the wholesale business, calculated based on gross profit, amounted to € 4.5 million (previous year € 3.4 million). The increase in earnings of € 1.1 million is mainly due to the decline in the cost of sales ratio resulting from the necessary price increases. In the specialised trade segment, the result based on gross profit was € 0.9 million higher than in the previous year at € 1.9 million.

Development in the subsidiaries

Results of the most important subsidiaries:

	Colombine b.v.b.a., Belgien		Elfen Service GmbH, Germany		House of Trends europe GmbH, Germany	
	€‘000	€‘000	€‘000	€‘000	€‘000	€‘000
	2022	2021	2022	2021	2022	2021
Revenue	4,089	1,383	1,354	965	177	373
EBITDA	132	30	100	228	31	91
EBIT	132	30	80	223	31	91
Profit for the year	61	8	77	205	34	91
Inventories	0	0	55	102	0	0
Cash and cash equivalents	0	0	3	50	4	9
Payables to banks	0	0	0	0	0	0

Financial position

The **consolidated cash flow statement** shows a **cash flow from operating activities** of € 1.7 million (previous year: € 1.6 million) for the financial year. Payments for **investments** of € -0.7 million (previous year: € -0.5 million) were made, especially for the acquisition and extension of trademark rights. **Cash flow from financing activities** amounted to € -0.9 million (previous year: € -1.2 million).
As a result, **cash and cash equivalents** increased by € 0.2 million to € 0.3 million at the end of the financial year. As of the reporting date of 31 December 2022, a total of € 2.0 million (previous year: € 1.7 million) in receivables had been sold to a factoring company. Of this amount, € 0.4 million was attributable to **UNITED**LABELS Aktiengesellschaft and € 1.6 million to the Belgian subsidiary Colombine BVBA.

The Group is mainly financed 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 amounted to € 0.6 million (previous year: € 0.7 million), long-term bank loans to € 0.7 million (previous year: € 0.8 million) and the lines of credit remained unchanged at € 750k. In addition, there are two further long-term loans totalling € 3.6 million, to be repaid by 2028, three policy loans (€ 1.4 million) and a long-term loan from the Executive Board (€ 0.2 million, previous year € 0.2 million). The loan from the Executive Board is available until 31 March 2024 up to an amount of € 0.9 million. Liabilities from leasing contracts from amount to € 1.7 million and are recognised as liabilities in accordance with IFRS 16. The free receivables of the parent company serve as collateral for the short-term bank credit lines provided. The long-term loans from a bank and an investor are secured by mortgages on the logistics centre in Muenster. The short-term credit lines of € 0.5 million were not utilised in the amount of € 0.1 million as of the balance sheet date.

Net worth

Non-current assets amount to € 11.5 million (previous year: € 12.0 million). Intangible assets increased by € 0.1 million to € 4.3 million. This still includes goodwill of € 3.1 million, which corresponds to 12.6% of the balance sheet total. Trademarks accounted for € 1.3 million and property, plant and equipment for € 4.0 million (previous year: € 4.1 million). The deferred tax item fell slightly to € 1.1 million (previous year: € 1.3 million).

Current assets increased by € 6.6 million to € 13.1 million. **Inventories** (including floating goods) increased to € 5.2 million compared to € 3.4 million in the previous year. The main reasons for the increase in inventories are the higher turnover and the high order backlog for 2023. Other assets increased to € 5.0 million compared to € 1.3 million in the previous year. The increase of € 3.9 million in other assets is due to estimated returns of goods.

Trade receivables increased to € 2.6 million as of the balance sheet date compared to € 1.6 million in the previous year.

Bank balances increased from € 0.1 million to € 0.3 million.
In total, the **balance sheet total** increased to € 24.6 million (previous year € 18.4 million).

On the liabilities side, **equity** rose by € 1.2 million to € 2.2 million. The total number of shares issued was 6,930,000. The equity ratio rose to 9.0% (previous year: 5.3%). In the individual financial statement of **UNITED**LABELS Aktiengesellschaft, the equity capital increased to € 5.2m (previous year: € 5.1m), which corresponds to an equity ratio of 19.3% (previous year: 24.7%).

Non-current liabilities decreased by € 1.4 million to € 7.9 million (previous year: € 9.3 million), while **current liabilities** increased by a total of € 6.4 million to € 14.5 million. This includes provisions of € 4.6 million for possible returns from customers as part of a risk provision and VAT liabilities of € 3.2 million that are due in 2023.

Non-current assets amount to € 11.5 million and account for 47% (previous year 65%) of the balance sheet total. Current assets amount to € 13.1 million and account for 53% of the balance sheet total (previous year: 35%). Current liabilities exceed current assets by € 1.4 million. It should be considered that current liabilities include overdraft facilities of the financing banks in the amount of € 0.5 million, which are assumed to be available in the long term.

Overall, the Group's debt as of 31 December 2022 is € 22.4 million, € 4.9 million higher than in the previous year.

Non-financial performance indicators

Employees
As of 31 December 2022, 67 people were employed (previous year: 60). The average number of employees was 69 (previous year: 45). Converted into full-time employees, there were 43 employees at the end of the financial year (previous year: 42). The converted average number of employees was 43 (previous year 35).

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

The **UNITED**LABELS Group is particularly concerned with the continuous development of its employees and improving the service for its customers. To this end, the group conducted internal training courses in the past business year.
In addition, the group has established a personnel development programme in Germany to promote and motivate each employee individually. In Germany, this includes regular information events for all employees, where current topics are presented and employees have the opportunity to discuss them 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 push the consideration of women in management positions.
The proportion of women at the second management level is currently over 50%. The Group continues to strive 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

Branded products from the media/entertainment sector remain the driving future market for the **UNITED**LABELS AG. Based on an existing broad customer base with a focus on the key account sector, especially in food retailing, the group has further opportunities for growth. This development has already been achieved two years in a row with double-digit percentage increases in turnover, very good delivery performance and continuous acquisition of new customers. The group sees great growth potential, especially in other European countries.
The **UNITED**LABELS Group systematically tries to identify and seize opportunities at an early stage to sustainably improve the result. In doing so, certain risks must be taken 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, cash flow, but also on intangible assets such as trademark rights. Risks are understood as the potential occurrence of internal and external events that can negatively impact the achievement of short-term goals or the implementation of the long-term strategy. Risks can also be missed or poorly exploited opportunities. Opportunities can generally be defined as internal and external, strategic and operational developments that, if properly exploited, can have a positive impact on the group. To identify risks and opportunities, the Group uses different channels for information. Assessments of the relevant markets result from discussions with our customers and suppliers, from information on the Internet and other media, from trade fairs and from analyses of our competitors. This information flows into the Group's risk management system via quarterly queries. The risks are evaluated according to the probability of occurrence and the amount of potential damage. Regarding the probability of occurrence, risks are divided into the following four categories: untrue (< 10%), possible (10% to <50%), probable (50% to <75%), highly true (> 75%). In addition, the damage categories (C (< T€ 50), B (T€ 50 to T€ 300) and A (> T€ 300)) are defined, which quantify the range of the expected damage. In some cases, there are also risks whose losses cannot be quantified. On this basis, the Executive Board decides which of the respective risks are accepted or avoided and which opportunities are pursued. In some cases, certain risks as well as the responsibility for exploiting opportunities are transferred to third parties (e.g., through insurance, outsourcing, distribution and purchasing agreements).

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

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

Business risks
- Conflict with supply chains
- Rising prices and freight costs as well as longer delivery times from suppliers
- Conflict with suppliers, customers and the Group due to cybercrime
- Loss of key customers
- Loss of important trademark rights
- Loss of important employees in key positions as well as the recruitment of sufficiently qualified employees
- Reputational risks as a result of supplier violations of minimum standards for working time regulations, minimum wages, occupational safety and the prohibition of child labour, for which **UNITED**LABELS agrees a "Code of Conduct" with suppliers.
- Impairment of goodwill in the event of a permanent decline in the business activities of the subsidiary United Labels Belgium N.V.
- risks of further marketing of existing stocks as well as items returned by customers within the scope of the contractually agreed return right

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

Financial Risks
- Open claims could be settled late
- Liquid assets may not be sufficient to meet financial obligations at a given time
- Withdrawal, redhibitory action or claims for damages due to non-conforming delivery by the group or the supplier.
- Exchange rate fluctuations that cannot be reallocated in a timely manner

In addition to the risks already described other customary business risks such as price change, default and interest rate risks are also 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 specifications and dollar hedges, to strictly monitor costs by means of budget controls and to secure liquidity by means of planning and control. The risk management system essentially includes the early identification of risks, the assessment of their extent and probability of occurrence, and the initiation of suitable countermeasures.

UNITEDLABELS AG 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. Further aggregations exist in inventory, as customer returns and faulty article disposition all lead to markdowns and thus, in addition to the negative liquidity effect due to increased capital commitment, also have an impact on earnings. General market risks, triggered for example by a global economic crisis, can also have an impact on earnings and liquidity and must be anticipated accordingly.

UNITEDLABELS AG assesses the company's ability to bear the risks on the basis of their impact on liquidity and results. All liquidity-related risks up to € 0.5 million are assessed as non-critical for the risk-bearing capacity, even if the risks should accumulate. Earnings-related risks of up to € 3.0 million are also considered non-critical for the risk-bearing capacity. Critical risks include the liquidity risk, the loss of a key customer and other serious effects on the market that could call into question the business model of **UNITED**LABELS AG 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 from and, as a result, existing debts may not be paid on time. The **UNITED**LABELS Group does not maintain any business relations with companies from Ukraine, Belarus and the Russian Federation. The **UNITED**LABELS Group will closely observe the further development of the war and its effects on the global economy and take appropriate countermeasures.
The **UNITED**LABELS Group covers part of its liquidity requirements through short-term bank overdraft and letter of credit facilities and the utilisation of a loan from the Executive Board. The bank credit lines total € 0.5 million as of 31 December 2022 and were utilised in the amount of € 0.5 million as at the balance sheet date. The lines of credit amounted to € 0.8 million and were utilised in the amount of € 0.5 million on the balance sheet date. The loan of the Executive Board comprises an agreed framework of up to € 0.9 million, of which € 0.2 million was utilised on the balance sheet date. The Executive Board has subjected the corporate and liquidity planning to a stress test to analyse any negative effects on the liquidity of the Group. On the basis of the updated liquidity planning, the Group's ability to continue as a going concern assumes that the financing banks will maintain their overdraft facilities and letter of credit lines in full, that the loan from the Executive Board will be made available within the agreed framework if necessary, and that the customer orders already received for the 2023 financial year will be processed through to receipt of payment without any significant adverse effects.

In the previous sections, we present risks that, from today's perspective, could have a material adverse effect on our results of operations, financial position and net assets. These are not necessarily the only risks to which the Group is exposed. Other influences of which we are currently unaware or which we do not yet consider to be material 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 fundamental risks due to the current geopolitical situation, which could lead to customers reducing, postponing or cancelling their orders or suppliers not being able to deliver ordered goods on time. Furthermore, there is a risk that some customers may make use of any contractually agreed return rights for orders that have already been delivered due to the reluctance to buy on the part of end consumers. Further risks exist from cyber-attacks on the Group's IT systems.

Based on the current order backlog and the current liquidity planning, the Executive Board assumes that the liquidity required for the 2023 financial year will be available to a sufficient extent based on the existing credit commitments. The higher e-commerce and tour merchandising sales considered in the planning are expected to have a positive effect on liquidity, which will go hand in hand with significantly higher margins and much shorter payment terms and from which the Group will benefit directly via Elfen Service GmbH. The new brand rights for 2023 have above all created opportunities for an improvement in gross profit as well as new sales opportunities for these products abroad.
Regarding the development and results of the past financial year, the Group is well positioned in terms of organisation and market technology despite external factors. This assessment is supported by the double-digit sales growth of the last two years, the good delivery performance in the 2022 financial year, the focus on food retail customers, the expansion of new customers, the increase in e-commerce business, the expansion of tour merchandising, no additional use of credit lines and the high order backlog for the following year 2023.

Forecast report

The overall economic development in Germany and the rest of Europe has an influence on the development of the Group. Regarding the European Union, the European Commission expects growth of only 0.8% for the EU in 2023, following the 3.5% increase in GDP in the EU in 2022. [1]
In the textile retail sector, order restraint can still be observed at the beginning of 2023, but sales are expected to reach the previous year's level in the second half of the year. The order situation of customers in food retailing, on the other hand, remains good. There are currently no signs of disruptions in the supply chain, as most goods are manufactured in India, Bangladesh and China. There has been a significant easing in sea freight in terms of freight rates and freight capacities. Under these conditions, the Group considers itself well positioned strategically and operationally for the current 2023 business year.
This estimate is based on the order backlog for 2023, which amounted to € 14.0 million as of the reporting date.

Business in the German key account segment will continue to account for the majority of the **UNITED**LABELS Group's revenue in the 2023 business year. This is where the Group sees the greatest growth and earnings potential. The distribution of products directly to end customers via the online platforms of Elfen Service GmbH as well as the new tour merchandising segment will gain in importance.

For the **UNITED**LABELS Group to be able to positively position itself on the German and European markets and to expand its market share, the focus continues to be on high-quality and safe branded products from the Media / Entertainment segment that are in demand on the market. In particular, the e-commerce business through Elfen Service GmbH and the key account business are to be expanded and intensified.

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

[1] https://ec.europa.eu/commission/presscorner/detail/de/ip_23_707

To spread the risk as much as possible and take advantage of opportunities as they arise, the Group focuses on acquiring additional trading partners with strong sales and earnings as well as on securing and expanding existing customer relationships. The geographic focus is on Germany, Benelux, Great Britain and Eastern Europe. However, the Group continues to focus on improving its business in Germany. To this end, new brand rights were acquired and key account sales intensified. Stable sales in Germany remain crucial for a further increase in the Group's earnings. For the 2023 financial year, the Group expects a moderate increase in turnover and EBIT. Depending on the duration and extent, the economic consequences of the Russian attack war in Ukraine may have an impact on the planned turnover and results. Due to the uncertainty at time, it is not possible to make a valid forecast of any effects.

This overall planning is intended to exploit growth opportunities in all the Group's business areas while spreading risks in the customer, country and brand portfolio.

This management report contains estimates and valuations as well as forward-looking statements that reflect the current views of the management of **UNITED**LABELS Aktiengesellschaft and its subsidiaries regarding future events and expectations. Even if these statements, estimates and expectations are based on valid plans, such statements are subject to risks and uncertainties which are usually difficult to assess and which are also 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 Group's actual results may be materially different from those expressed in or implied by such statements, expectations, estimates or plans. The Group does not intend to update such statements about future events and developments as well as expectations and estimates unless it is required to do so by law. The Group disclaims any responsibility and, to the extent permitted by law, liability for such statements, expectations or estimates and plans.

The above applies accordingly to key figures that are mentioned in this annual report, but which are not part of the accounting regulations under commercial law. 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, market price and liquidity risks. If necessary and depending on the situation, the Group enters forward exchange transactions and currency options 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 2022. The group's goal is to minimise risks without impairing the operative opportunities at the same time. For information on the nature of the risks and the precautions taken by the group, please refer to point 3 of this group management report.

5. Disclosures in accordance with § 315a HGB, 315d HGB and remuneration report

Disclosures in accordance with § 315a HGB

The subscribed capital remains unchanged at € 6,930,000 as of 31 December 2022 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 organs of the group and corresponding employees in connection with the publication of quarterly and annual results. Restrictions on voting rights may also exist based on provisions of the German Stock Corporation Act (AktG), for example in accordance with § 136 AktG or for treasury shares in accordance with § 71b AktG.

On 6 March 2023, the Executive Board member Peter Boder notified the company pursuant to § 160 para. 1 no. 8 of the German Stock Corporation Act (AktG) that he holds 2,445,951 shares in **UNITED**LABELS Aktiengesellschaft (35.3%). No shares were sold by Mr. Boder in the business year 2022. The Group is not aware of any other shareholdings in the share capital exceeding 10% of the voting rights. The Executive Board of **UNITED**LABELS Aktiengesellschaft currently consists of one person. The number of Executive Board members as well as their appointment and dismissal are determined by the Supervisory Board. in accordance with § 5 of the Articles of Association and § 84 of the German Stock Corporation Act (AktG). The Supervisory Board is also authorised by the Articles of Association to adopt amendments to the Articles of Association that only affect their wording. In all other cases, the general meeting decides on amendments to the articles of association.

The main agreements of the **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 on compensation in the event of a takeover bid. It has been agreed with the Executive Board that in the event of termination of Executive Board activities due to a change of control, the severance payment may not exceed 150% of two years' remuneration.

Declaration on Corporate Governance pursuant to § 315d HGB

The group declaration on corporate governance pursuant to Section 315d of the German Commercial Code (HGB) has been made publicly available on the internet site of **UNITED**LABELS Aktiengesellschaft at http://www.unitedlabels.com/investorrelations/corporate-governance.

Remuneration systems of the corporate bodies

For the 2022 financial year, the Group will prepare a separate remuneration report for the Executive Board and the Supervisory Board in accordance with the legal requirements pursuant to §162 of the German Stock Corporation Act (AktG). The report will be presented to the Annual General Meeting in the 2023 business 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 2022 pursuant to §87a of the German Stock Corporation Act (AktG) and contains all necessary information on the remuneration of the Supervisory Board. The remuneration report for the business year 2022, the auditor's report on the formal audit of the remuneration report, the applicable remuneration system for the members of the Executive Board and the Supervisory Board as well as the most recent resolutions of the General Meeting on the remuneration system are available on the website of **UNITED**LABELS Aktiengesellschaft at https://www.unitedlabels.com/investor-relations/verguetungssysteme-und-verguetungsberichte/.

Disclosures in accordance with § 315a (2) HGB

The **UNITED**LABELS Group has an internal control and risk management system regarding 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 mandatory for all companies included in the consolidated financial statements. Amendments to laws, accounting standards and other pronouncements are continuously analysed regarding their relevance and impact on the consolidated financial statements, and the resulting changes are incorporated into the Group's internal guidelines and systems. The basis of the internal control system is, in addition to defined control mechanisms, e.g., systematic and manual reconciliation processes, the separation of functions and compliance with guidelines and work instructions. The accounting process in the **UNITED**LABELS Group is controlled by the Treasury and Controlling department. Treasury and controlling also check and control the reliability of the accounting system of the domestic and foreign company. The following aspects are considered:

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

In principle, however, it must be considered that an internal control system, regardless of its design, does not provide absolute certainty that material misstatements in the accounts will be avoided or detected.

6. Declaration pursuant to § 312 AktG

The member of the Executive Board of **UNITED**LABELS Aktiengesellschaft, Mr. Peter Boder, holds 100% of the shares in Facility Management Muenster GmbH in addition to his 35.3% shareholding in **UNITED**LABELS Aktiengesellschaft. Facility Management Muenster GmbH has a business relationship with **UNITED**LABELS Aktiengesellschaft. Furthermore, there are direct business relations between Mr. Boder and **UNITED**LABELS Aktiengesellschaft.

Pursuant to § 312 of the German Stock Corporation Act (AktG), the Executive Board submits a report on the relationship of **UNITED**LABELS Aktiengesellschaft with affiliated companies, which concludes with the following statement:
"The Executive Board declares that, under the circumstances known to it at the time when the legal transaction was carried out, **UNITED**LABELS Aktiengesellschaft received appropriate consideration for each legal transaction. There were no measures subject to reporting requirements in the reporting year."

Muenster, 31. March, 2023

UNITEDLABELS AG
Board

signed Peter Boder

UNITEDLABELS Aktiengesellschaft, Muenster
Consolidated Statement of Financial Positions (IFRS) as at 31 December 2022

ASSETS

	Notes	31.12.2022 €	31.12.2021 €
Assets			
Non-current assets			
Property, plant and equipment	C.1.	3,956,534.99	4,102,084.30
Intangible assets	C.1.	4,341,213.59	4,172,216.11
Other assets	C.5.	2,136,068.13	2,364,130.04
Deferred taxes	C.2.	1,058,107.66	1,334,482.67
		11,491,924.37	**11,972,913.12**
Current Assets			
Inventories	C.3.	5,159,979.93	3,437,710.05
Trade receivables	C.4. / C.7	2,637,520.06	1,614,143.21
Other current assets	C.5. / C.7	5,043,814.57	1,280,535.32
Cash and cash equivalents	C.6.	263,526.15	128,273.35
		13,104,840.71	**6,460,661.93**
Total Assets		**24,596,765.08**	**18.433.575,05**

EQUITY AND LIABILITIES

	Notes	31.12.2022 €	31.12.2021 €
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.	1,543,067.48	773,085.51
Currency translation	C.8.	-513,252.34	-531,926.24
Consolidated unappropriated result	C.8.	-7,818,141.67	-8,262,823.71
Shareholders' equity		**2,199,940.88**	**966,602.97**
Non-contolling interests	C.8.	17,854.96	17,471.15
Total Equity		**2,217,795.84**	**984,074.12**
Non-Current liabilities			
Provision for pensions	C.9.	1,419,784.20	2,641,775.00
Financial liabilities	C.10.	6,300,096.34	6,699,094.87
Deferred tax liabilities	C.2.	13,050.99	2,939.79
		7,732,931.53	**9,343,809.66**
Current liabilities			
Other provisions		4,733,651.97	38,128.50
Current tax payable	C.10.	37,761.82	35,492.35
Financial liabilities	C.10.	987,931.18	1,028,066.57
Trade and other payables	C.10.	8,886,692.74	7,004,003.85
		14,646,037.71	**8,105,691.27**
Total Liabilities		**22,378,969.24**	**17,449,500.93**
Total Equity and liabilities		**24,596,765.08**	**18,433,575.05**

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

for the period from 1 January to 31 December 2022

	Notes	2022 €	2021 €
Revenue	**D.1.**	**22,342,535.69**	**17,972,808.64**
Cost of materials		-15,404,490.97	-13,028,426.47
Amortization/write-down of usage rights	D.2.	-553,317.24	-515,336.24
		6,384,727.48	**4,429,045.93**
Other operating income	D.3.	476,241.19	100,783.02
Staff costs		-2,908,155.51	-2,153,475.93
Depreciation of property, plant and equipment, and amortisation of assets (excl. amortisation/ writedown of usage rights)	D.4.	-286,981.01	-260,189.97
Other operating expenses		-2,853,910.77	-2,062,304.33
Result of the operating business activity		**811,921.38**	**53,858.72**
Financial income	D.5.	70,863.37	79,892.08
Finance costs	D.5.	-401,199.92	-540,947.54
Net finance costs		**-330,336.55**	**-461,055.46**
Result before tax		**481,584.83**	**-407,196.74**
Taxes on income	D.6.	-36,518.98	194,409.06
Consolidated result of the year		**445,065.85**	**-212,787.68**
Result attributable to the shareholders		444,682.04	-212,604.43
Result attributable to non-controlling interests	C.8.	383.81	-183.25
Other comprehensive income („OCI“):			
Not to reclassify result:			
Actuarial gains and losses		1,131,162.00	249,451.00
Deferred taxes on actuarial gains and losses		-361,180.03	-79,649.70
To reclassify result:			
Exchange difference on translating foreign operations		18,673.90	50,244.09
Total other comprehensive income		788,655.87	220,045.39
Total comprehensive result		**1,233,721.72**	**7,257.71**
Result attributable to the shareholders		1,233,337.91	7,440.96
Result attributable to non-controlling interests	C.8.	383.81	-183.25
Consolidated loss (according to P&L) per share			
basic	C.8.	0.06	-0.03
diluted	C.8.	0.06	-0.03
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	2022 €'000	2021 €'000
Consolidated annual result		445	-213
Interest income from financing activities		330	461
Amortisation/write-down of usage rights	C.1.D. 2/3	426	515
Amortisation of intangible assets	C.1.D. 2/3	138	125
Depreciation of property, plant and equipment	C.1.D. 2/3	149	136
Change in provisions		4,696	-11
Other non cash income		-43	135
Change in inventories, trade receivables and other assets not attributable to investing or financing activities	C.3-5	-6,033	83
Change in trade payables and other liabilities not attributable to investing or financing activities	C.10-11	1,653	362
Payments for tax on profit		-40	-4
Cash flows from operating activities		**1,721**	**1,589**
Payments for investments in intangible assets and property. plant and equipment	C.1	-717	-533
Cash flows from investing activities		**-717**	**-533**
Deposits from borrowing bank loans		0	48
Repayment of financial and other loans		-330	-458
Repayment of Leasing liabilities		-223	-215
Interests paid		-315	-541
Cash flows from financing activities		**-868**	**-1,166**
Net change in cash and cash equivalents		136	-110
Cash and cash equivalents at the beginning of the period		128	238
Cash and cash equivalents at the end of the period	**C.6.**	**264**	**128**
Gross debt financial liabilities		7,288	7,727
Gross debt financial liabilities		**7,024**	**7,599**
Composition of cash and cash equivalents:			
Cash and cash equivalents		**264**	**128**

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 01.01.2021	**6,930,000.00**	**2,058,267.41**	**603,284.21**	**-8,050,219.28**	**-582,170.33**	**959,162.01**	**17,654.40**	**976,816.41**
Consolidated result 2021	0.00	0.00	0.00	-212,604.43	0,00	-212,604.43	-183.25	-212,787.68
Other gains and losses								
Currency translation	0.00	0.00	0.00	0.00	50,244.09	50,244.09	0.00	50,244.09
Actuarial gains and losses	0.00	0.00	249,451.00	0.00	0.00	249,451.00	0.00	249,451.00
Deferred taxes	0.00	0.00	-79,649.70	0.00	0.00	-79,649.70	0.00	-79,649.70
Total results 2021	**0.00**	**0.00**	**169,801.30**	**-212,604.43**	**50,244.09**	**7,440.96**	**-183.25**	**7,257.71**
As at 31.12.2021	**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**
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**

UNITEDLABELS **Aktiengesellschaft, Muenster**

Notes to the consolidated financial statements for the 2022 financial year

A. General Information

1. General information about the company

UNITEDLABELS Aktiengesellschaft has its registered office in 48157 Muenster, Gildenstraße 6, Germany. It is registered at Muenster Local Court under the number HRB 2739. The company is engaged in the production and distribution of branded media/entertainment products in Europe, with a focus on Germany, Benelux, Great Britain and Eastern Europe. **UNITED**LABELS Aktiengesellschaft is listed in the Prime Standard on 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 of 31 December 2022 were approved by the Supervisory Board on 28 April 2023 and thus adopted and released for publication.

2. Application of IFRS regulations, accounting principles

The consolidated financial statements of **UNITED**LABELS Aktiengesellschaft as of 31 December 2022 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 supplementary provisions of commercial law applicable pursuant to Section 315e (1) 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 were determined according to the same principles.

The financial statements comprise 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 generally prepared based on historical cost.

The financial year of all companies included in the consolidated financial statements corresponds to the period from 1 January to 31 December 2022. The individual financial statements are prepared in accordance with uniform accounting and valuation methods. The reporting currency is the euro. As a general rounding level, this appendix is rounded to the thousandths place; other rounding levels are marked accordingly.

The preparation of the consolidated financial statements requires the Executive Board to make estimates and assumptions that affect the amounts reported under assets and liabilities, the statement of comprehensive income and the disclosures 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 significant to the consolidated financial statements, are disclosed in the notes on goodwill, provisions and deferred taxes and trademark rights. Deviations from the plans may result from changes in consumer behaviour, changes in the behaviour of trademark rights owners or trading partners (customers, suppliers).

Due to the payment modalities 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 use of letter of credit lines and the final payment by the customer, which must be financed with own or borrowed funds. The Group has therefore introduced adequate liquidity monitoring to ensure that order financing runs smoothly. In the German parent company and the Belgian Colombine, the Group operates factoring. 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 must be made unusually early.

The group has prepared the consolidated financial statements under the "going concern" assumption. This is justified by comprehensive liquidity planning, which requires the group to be provided with sufficient financial resources throughout the year by using the existing credit lines and loans. In this context, we also refer to the explanations on liquidity in chapter C.17 of the notes to the consolidated financial statements.

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

The International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRS IC) have adopted several accounting standards and interpretations that were mandatory for the first time in the business year 2021 and were also applied for the first time at **UNITED**LABELS Aktiengesellschaft.
The first-time application of the following standards had no material effect on the consolidated financial statements of **UNITED**LABELS AG:

• Amendments to IFRS 3	Business combinations - reference to the framework concept
• Amendments to IAS 16	Property, plant and equipment - proceeds before intended use
• Amendments to IAS 37	Provisions, contingent liabilities and contingent assets - Onerous contracts - Costs of fulfilling a contract
• Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 61	Annual improvement process Cycle 2018 - 2020

Future requirements and new standards that are not yet applied

The table below provides an overview of the most recent amendments to IFRS that are applicable for financial years beginning after 1 January 2023.

First time use	New or amended standards and interpretations
• 1 January 2023	Insurance Contracts (Amendments to IFRS 17)
	Insurance Contracts: First-time Adoption of IFRS 17 and IFRS 9 - Comparative Information (Amendments to IFRS 17)
	Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
	Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates (Amendments to IAS 8)
	Income Taxes - Deferred Taxes Relating to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12)
• 1 January 2024	Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
Expected date of first application in the EU still pending	Non-current liabilities with ancillary conditions (amendments to IAS 1)
	Lease Liability in Sale and Leaseback Transactions (Amendments to IFRS 16)

The amended standards and interpretations are not expected to have a material impact on the consolidated financial statements. **UNITED**LABELS Aktiengesellschaft has not early adopted any standards, interpretations or amendments that have been published but are not yet effective.

3. Consolidation disclosures

Included companies

Included entities are all investees over which the Group has control. This is the case when the Group is exposed or has rights to variable returns from its involvement and can affect the returns through its control. In assessing whether control exists, the existence and effect of potential voting rights that are currently exercisable or convertible are considered.

Subsidiaries and associates are included in the consolidated financial statements from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases. The acquisition of subsidiaries and associates is accounted for 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 in a business combination are initially measured at their fair values 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 cost is less than the fair value of the net assets of the acquired subsidiary, 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 of 31 December 2022 in accordance with the regulations on full consolidation:

	Share in capital	Period included in the consolidated financial statements
UNITEDLABELS Belgium N.V., Brügge, Belgien	99,999 %	01.01.-31.12.2021
as its wholly owned subsidiary		
Colombine b.v.b.a., Brügge, Belgien	100,000 %	01.01.-31.12.2021
as its wholly owned subsidiary		
UNITEDLABELS Ltd., Nottinghamshire, Großbritannien	100,000 %	01.01.-31.12.2021
UNITEDLABELS Comicware Ltd., Hongkong	100,000 %	01.01.-31.12.2021
Open Mark **UNITED**LABELS GmbH, Muenster	90,000 %	01.01.-31.12.2021
Elfen Service GmbH, Muenster	100,000 %	01.01.-31.12.2021
House of Trends europe GmbH, Muenster	100,000 %	01.01.-31.12.2021

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

Intra-group transactions, balances and unrealised gains and losses from transactions between group companies are eliminated. The accounting and valuation methods of subsidiaries have been changed where necessary to ensure uniform group accounting in accordance with IFRS.

The annual financial statement and the consolidated financial statement of the **UNITED**LABELS Aktiengesellschaft are published in the company register.

4. Composition of non-controlling interests

The Italian Open Mark Srl. owns 10% of the shares in Open Mark United Labels GmbH. The key figures of Open Mark **UNITED**LABELS GmbH that must be reported are as follows:

	Open Mark UNITEDLABELS GmbH	
	2022	2021
	€'000	€'000
Revenue	6	0
Result for the year	4	-2
Profit/loss for the period attributable to non-controlling interests	0	0
Effects of consolidation	0	0
Total comprehensive income	4	-2
Comprehensive income attributable to non-controlling interests	0	0
Current assets	122	124
Non-current assets	0	0
Current liabilities	0	6
Non-current liabilities	0	0
Equity	120	120
Equity attributable to non-controlling interests	12	12
Effects of consolidation	6	5
Equity attributable to non-controlling interests after the effects of consolidation	18	17

B. Accounting and valuation methods

1. Tangible fixed assets

Property, plant and equipment are 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 regularly met. All other tangible fixed assets are depreciated on a straight-line basis, whereby the acquisition costs are depreciated to the residual book value over the expected economic life of the assets and tangible fixed assets as follows:

- Building 10 – 33 years
- Technical equipment and machinery 3 – 13 years
- Business equipment 3 – 14 years

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

2. Identifiable intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired company at the date of acquisition. Goodwill arising on acquisition is included in intangible assets.

Goodwill is subjected to an impairment test at least once a year or in the event of special circumstances (triggering events). The impairment test is carried out at the CGU (cash generating unit) level. In this process, the Group's cash-generating units are identified in accordance with management's internal reporting. Accordingly, the **UNITED**LABELS Group has identified the company in the respective country as a cash-generating unit (cf. also chapter 3.). Gains and losses from the disposal of a company include the book value 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 sector) have specific useful lives and are measured at cost less accumulated amortisation. Amortisation is calculated on a straight-line basis over an estimated useful life of 3 to 10 years. Domains with a book value of € 31k are capitalised at their acquisition cost as intangible assets and are not amortised as they have an indefinite useful life.

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

The trademark rights from the Media/Entertainment segment for commercial use are also included in this item and are capitalised with the accruing guarantee purchase prices from the licence agreements and recognised accordingly in trade payables. A related trademark right is characterised by a specific time to use, a defined geographical distribution area, the product and the trademark usage fee. The trademark rights from the Media / Entertainment segment are amortised according to their economic use. This is determined by a contractually defined percentage of the turnover generated with the respective brand products. **UNITED**LABELS adheres to this accounting method against the background of the regulations in IAS 16/IAS 38 on acceptable depreciation 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 that have an indefinite useful life are not depreciated; they are tested annually for impairment. Assets that are subject to amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not 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 asset's fair value less costs to sell and its value in use. For the impairment test, assets are grouped at the lowest level for which cash flows can be separately identified (cash generating units). The CGU level is 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, the impairment loss is 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 tax is recognised using the liability method for all temporary differences between the tax base of assets/liabilities and their carrying amounts in the IFRS financial statements. However, if deferred tax arises from 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, it is not accounted for. Deferred tax is measured using tax rates (and tax laws) that have been enacted or substantially 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 recognised only 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 valued at the lower of acquisition or production cost and net realisable value. The acquisition costs are determined by a standard valuation method, which corresponds to the average method. Incidental acquisition costs are also capitalised in addition to the direct acquisition costs. The lower realisable value is estimated uniformly throughout the Group based on 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 regularly 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 short-term nature. **UNITED**LABELS pursues the strategy of collecting the contractually promised cash flows for these receivables.

Impairments are recognised based on IFRS 9 according to the expected credit loss model. Most trade receivables in the **UNITED**LABELS Group are either assigned within the framework of factoring or secured against payment defaults through trade credit insurance. Since there is no default risk for these receivables, they are not considered when determining the value adjustment. For the remaining receivables, all of which are due in less than one year, the default risk is assessed based on past experience and the overdue amounts on 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 the income statement.

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 (FAC) 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 Chapter C.11 for more information. In addition, the Group makes use of derivative financial instruments in the form of forward exchange contracts, which are reported in the category at fair value through profit or loss (FVPL). However, as of 31 December 2022 and in the 2022 financial year, only financial assets in the FVC category and financial liabilities in the FLAC category were held.

8. Equity

Equity is composed of subscribed capital, valued at the nominal value of the shares, capital reserves, retained earnings, currency differences and the consolidated accumulated deficit. When treasury shares are acquired, they are deducted from equity at their acquisition cost using the cost method. Costs directly related to the issuance of new shares are posted to the capital reserve with no effect on income.

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.
The tax and other provisions consider all recognisable external risks and obligations of the group and were formed 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 because of a past event, it is more likely than not that the settlement of the obligation will result in a charge against assets and the amount of the provision can be measured reliably. If there are several similar obligations, the probability of an outflow of resources 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 proceeds (net of transaction costs) and the redemption value is amortised over the period of the borrowings using the effective interest method and recognised in the statement of comprehensive income. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date. The long-term loans are also measured using the effective interest method.

11. Leasing

For **rented and leased property, plant and equipment**, an asset for the right of use and a liability for the outstanding lease payments are recognised from the time 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 future lease payments plus lease payments made at or before the commencement of the lease term and 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 asset and the expected lease term. The rights of use are presented in the balance sheet under the respective items of property, plant and equipment. Amortisation of the rights of use is reported in the income statement under depreciation.

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 without affecting profit or loss. The leasing liabilities are shown as part of the financial liabilities, the interest expense is shown in the interest result. In the cash flow statement, the repayment portion of the lease payments is shown as a cash outflow from financing activities.

The lease payments underlying the measurement of the right-of-use asset and the lease liability exclusively comprise 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 included in the lease payments. Payments for periods for which there is a unilateral termination option by the lessee are only considered in the lease payments if it is sufficiently certain that the termination 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 considered.
According to IFRS 16, lease payments must be discounted at the interest rate on which the lease is based. Since this interest rate cannot be determined for most of the leases concluded by **UNITED**LABELS, the discounting is carried out using the marginal borrowing rate. The marginal borrowing rate of a lease corresponds to the risk-free interest rate with matching maturities in the respective currency plus a premium for the credit risk.

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

UNITEDLABELS makes use of the application relief for short-term leases and for leases of low-value assets.

12. Principles of revenue recognition

Revenue is recognised as follows:
All sales revenues of the **UNITED**LABELS Group are recorded on a time-related basis; sales revenues are not recognised on a time-period basis. The performance obligation of **UNITED**LABELS consists predominantly of the delivery of goods. The related sales revenue is recognised at the point in time at which the contractually agreed transfer of risk occurs when goods are delivered to a customer and if the collectability of the resulting receivable can be considered sufficiently certain at this point in time. The time of the transfer of risk is generally determined by the Incoterms concluded with the customers. For deliveries ex warehouse of **UNITED**LABELS Aktiengesellschaft this is the case when the goods have been handed over to the carrier. 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, the sales revenue is recognised as soon as the goods have been received by the customer and the customer can dispose of them. **UNITED**LABELS also provides services to a small extent (approximately 1% of the group's sales revenue). In this case, the sales revenue is realised as soon as the service has been rendered.

The contracts concluded with the clients do not contain any variable remuneration components. There are no options for the customer to purchase additional goods or services free of charge or at a reduced price. Repurchase agreements, commission agreements and bill-and-hold agreements are also not provided for in the contracts.

UNITEDLABELS has granted individual customers the right to return goods sold. If there are no individual indications of the amount of the return rate on the balance sheet date, the empirical values collected in the past are used as a basis for estimating the return rate. A reduction in sales revenue is made in the amount of the expected returns and a corresponding liability is created. The cost of materials is also reduced in the amount of the expected return of goods and another asset is capitalised in this regard. As of 31.12.2022, the provisions from expected returns amounted to € 4.6 million (previous year: € 0.4 million) and the corresponding asset to € 3.9 million (previous year: € 0.4 million). Turnover was reduced by € 4.2 million and gross profit by € 0.4 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 national 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 shown as a change in equity capital not affecting net income.

The balance sheet of the subsidiary in Hong Kong, as an integrated foreign entity, was prepared in Hong Kong dollars. For the financial year, this resulted in an average exchange rate of €0.12 / HK$ (previous year: €0.11 / HK$) and a closing rate as of 31 December 2022 of €0.12 / HK$ (previous year: €0.11 / HK$). The balance sheet of **UNITED**LABELS Ltd. in Great Britain was prepared in British pounds. This resulted in an average exchange rate for the financial year 2022 of 1.17 € / £ (previous year 1.16 € / £) and a closing rate as of 31.12.2022 of 1.13 € / £ (previous year 1.19 € / £).

Foreign currency receivables and liabilities were translated at the closing rate. Currency-related differences from debt consolidation were recognised in profit or loss.

15. Derivative financial instruments

The Group uses derivative financial instruments such as forward exchange contracts to hedge its foreign exchange risks. However, during the 2022 financial year and as of 31 December 2022, the Group had no such derivative financial instruments in its portfolio. In accordance with its treasury policy, the Group does not hold derivative financial instruments for trading purposes.

If derivative financial instruments are used, they are initially measured at the fair value to be attributed to them on the day the contract is concluded. Subsequent measurement is also 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 hedging instrument reserve. Deferred hedging costs are included in the original cost of the related hedged item when it is recognised. In the case of forward exchange contracts, this is valued using externally observable market parameters ("Level II").

16. Estimation uncertainties

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

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

In the case of long-term contracts for the use of trademark rights, it is necessary to assess whether the guaranteed sums can be amortised through sales to be generated in the future.

The impairment test for goodwill is based on future-related assumptions about revenues and costs as well as interest rates. From today's perspective, changes in these assumptions will not lead to the book values 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 number of returns is to be made to be able to take into account corresponding provisions for this.

Deferred tax assets based on tax loss carry forwards are recognised to the extent that the realisation of future tax benefits is probable. The actual tax result situation in future periods and thus the actual usability of deferred tax assets may differ from the assessment at the time of capitalisation of the deferred taxes.

All assumptions and estimates are based on the circumstances and assessments on the balance sheet date. In estimating future business development, the future economic environment in the industries and countries in which the Group operates, which was assumed to be realistic at that time, was also considered. Due to developments in these general conditions that deviate from the assumptions, the actual amounts may differ from the estimated values. In such cases, the assumptions and, if necessary, the carrying amounts of the assets and liabilities concerned are adjusted.

At the time of preparation of the consolidated financial statements, no significant change in the underlying assumptions and estimates is expected. From the current perspective, no significant adjustment of the book values of the recognised assets and liabilities is therefore expected in the 2023 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 fixed asset movement schedule. Rights of use from brand contracts in the Media/Entertainment sector are shown under intangible assets at € 1,163k (previous year: € 1,005k). Land charges for loans amounting to € 2,838k (previous year: € 2,838k) are registered on company land and buildings with a book value of € 2,148k (previous year: € 2,247k).

Fixed Assets Schedule

Development of Group fixed assets 2022

	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 this total, a sum of €470,001.91 is attributable to amortisation/write-downs of usage rights, which are presented in the statement of comprehensive income separately as material expenses.
A sum of €19,475.65 is attributable to amortisation/write-downs of the intagible assets (primarily software), which are presented in the statement of comprehensive income together with depreciation/write-downs of property, plant and equipment (€286,981.01).

Fixed Assets Schedule

Development of Group fixed assets 2021

	Cost of purchase or conversion				
	Balance at 01.01.2021	Acquisition	Reclassifications	Disposals	Balance at 31.12.2021
	€	€	€	€	€
I. Property and equipment					
1. Property and equipment Land and leasehold rights and buildings, as well as buildings on third-party land	5,734,011.31	158,183.51	18,641.25	0.00	5,910,836.07
2. Technical equipment and machinery	124,219.81	0.00	-596.84	0.00	123,622.97
3. Other plant, operating and office equipment, furniture and fixtures	2,384,778.69	10,934.19	-18,044.41	0.00	2,377,668.47
	8,243,009.81	**169,117.70**	**0.00**	**0.00**	**8,412,127.51**
II. Intangible assets					
1. Concessions, industrial property rights, and similar rights and assets, as well as licences in such rights and assets	4,866,191.87	571,621.91	-0.09	155,804.83	5,593,618.52
2. Goodwill	7,234,875.99	0.00	0.09	0.00	7,234,876.08
	12,101,067.86	**571,621.91**	**0.00**	**155,804.83**	**12,828,494.60**
	20,344,077.67	**740,739.61**	**0.00**	**155,804.83**	**21,240,622.11**

Accumulated depreciation/amortisation				Net Amounts	
Balance at 01.01.2021	Acquisition	Disposals	Balance at 31.12.2021	Balance at 31.12.2021	Balance at 31.12.2020
€	€	€	€	€	€
1,668,729.05	224,411.69	0.00	1,893,140.74	4,017,695.33	4,065,282.26
121,473.84	187.23	0.00	121,661.07	1,961.90	2,745.97
2,265,138.29	30,103.11	0.00	2,295,241.40	82,427.07	119,640.40
4,055,341.18	**254,702.03**	**0.00**	**4,310,043.21**	**4,102,084.30**	**4,187,668.63**
3,880,160.06	475,907.99*	155,804.83	4,511,872.88	1,081,745.64	986,031.81
4,144,405.61	0.00	0.00	4,144,405.61	3,090,470.47	3,090,470.47
8,024,565.67	**475,907.99**	**155,804.83**	**8,656,278.49**	**4,172,216.11**	**4,076,502.19**
12,079,906.85	**730,610.02**	**155,804.83**	**12,966,321.70**	**8,274,300.41**	**8,264,170.82**

* of this total, a sum of €470,020.05 is attributable to amortisation/write-downs of usage rights, which are presented in the statement of comprehensive income separately as material expenses.
A sum of €5,487.94 is attributable to amortisation/write-downs of the intagible assets (primarily software), which are presented in the statement of comprehensive income together with depreciation/write-downs of property, plant and equipment (€260,189.97).

Goodwill amounts to € 3,090k, of which € 3,058k is almost entirely attributable to the Belgian subsidiary Colombine bvba. The examination of a possible need for value adjustment was carried out based on the value in use, using a pre-tax interest rate of 9.0% (previous year: 10.9%) and a growth rate of 1.0% (previous year: 1.0%). For the general procedure, please refer to Chapters B.2 and B.3.

The impairment tests are carried out for the defined cash-generating units based on the regulations 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 based on the discounted cash flow method. The calculation is based on corporate planning data with a planning horizon of three years. These plans result from experience and expectations of future market development. For this purpose, the order backlog already available on the reporting date and the cost planning derived from the business model are used as important parameters. For Colombine bvba, the planning for the last planned year envisages a turnover of € 3.0 million. The gross profit margin is expected to increase to 19% and the EBITDA margin to 17.3%. The inflation-related growth rate after the end of the planning period was assumed to be 1.0% (previous year: 1.0%). The impairment tests confirmed the value of the goodwill.

If the planned sales revenues of the Belgian subsidiaries were undercut by 10%, there would be no need for devaluation.
If the EBITDA margin of the Belgian Colombine bvba, which was used as a basis in the planning for the impairment test, were to fall by 5.0 percentage points in each planning year, this would result in an impairment requirement of € 0.8 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 of € 0.4 million.

2. Deferred tax assets

The deferred tax assets of € 1,058k (previous year: € 1,334k) were formed for future realisable loss carry forwards of € 816k (previous year: € 742k) and for temporary differences between the tax valuations and the valuations according to IFRS of € 242k (previous year: € 592k). Deferred tax liabilities from temporary balance sheet differences amount to € 13k (previous year: € 3k). Current deferred tax assets amount to € 277k (previous year: € 274k), current deferred tax liabilities amount to € 13k (previous year: € 3k).
The development and composition of deferred tax assets and liabilities are as follows:

	31.12.2022		31.12.2021		2022	2022	2021	2021
	Deferred Tax assets €'000	Deferred Tax Liabilities €'000	Deferred Tax assets €'000	Deferred Tax Liabilities €'000	Expense (-) Income (+) €'000	Not affecting net Income €'000	Expense (-) Income (+) €'000	Not affecting net Income €'000
Loss carryforwards	816	0	742	0	74	0	171	0
Intangible assets	0	0	0	0	0	0	0	0
Receivables from deliveries and services	2	0	2	0	0	0	5	0
Inventories	4	0	8	0	-4	0	6	0
Receivables affiliated companies	0	0	0	0	0	0	0	0
Pension provisions	236	0	579	0	18	-361	19	-80
Liabilities affiliated companies	0	3	0	3	0	0	-1	0
Other liabilities	0	10	4	0	-13	0	3	0
	1,058	**13**	**1,334**	**3**	**75**	**-361**	**203**	**-80**

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

The domestic tax rate results from the trade tax with a future assessment rate of 460% (previous year 460%), a corporate income tax of 15% (previous year 15%) and a solidarity surcharge on the corporate income tax of 5.5% (previous year 5.5%). The loss carry forwards result from both corporate income tax and trade tax and are not limited in time. The recoverability was determined by means of a planning calculation based on a detailed planning period of three years.

For foreign companies, deferred taxes are valued at the respective country rate.
Deferred taxes for accounting in accordance with IFRS 16 for the balance sheet items property, plant and equipment and financial liabilities are shown netted. Unnetted, these amount to € 539k and € 549k respectively (previous year: € 572k and € 569k). Net deferred tax assets for the balance sheet item financial liabilities amount to € 10k (previous year: deferred tax assets of € 3k).

Deferred tax assets are only recognised for tax loss carry forwards if their realisation is probable in the future. Deferred tax assets on loss carry forwards relate to Elfen Service GmbH, House of Trends Europe GmbH and **UNITED**LABELS AG.

No deferred tax assets were formed at **UNITED**LABELS Aktiengesellschaft for corporate and trade tax loss carry forwards of € 26,790k (previous year: € 27,018k) and € 23,491k (previous year: € 23,796k). In addition, no deferred taxes were formed for corporate tax loss carry forwards of subsidiaries amounting to € 2,181k (previous year: € 2,568k). Of this amount, € 2,168k (previous year: € 2,151k) is attributable to foreign countries.

Temporary differences in connection with subsidiaries amounted to € 2k (previous year: € 1k) in the financial year 2022.

3. Inventories

A total of € 5,160k (previous year: € 3,438k) of the inventories is attributable to **UNITED**LABELS AG in the amount of € 5,119k (previous year: € 3,362k). The remainder is attributable to Elfen Service GmbH.
The inventories of the German parent company (€ 3,657k) have been assigned as collateral for a long-term loan.

4. Receivables from deliveries and services

Trade receivables increased to € 2,638k compared to the previous year. It is **UNITED**LABELS policy to insure all receivable balances with a balance above a certain limit against a default risk. Exceptions can only be made in writing and for a limited period.
As of the balance sheet date, the trade receivables that were not impaired had the following age structure:

Aging of Receivables	**2022 €'000**	**2021 €'000**
Not due	62	1,402
Due		
due for 0 - 30 days	1,650	49
due for 31 - 60 days	63	113
due for 61 - 90 days	0	1
due for more than 90 days	863	49
Total	**2,638**	**1,614**

The maximum default risk, without considering the existing credit insurance, thus amounted to € 2,638k. **UNITED**LABELS assumes that the credit insurer, for its part, has no default risk. Since 74% of the reported receivables are credit-insured, 26% of the receivables would not be covered by credit insurance in the event of a maximum default.
The accumulated value adjustments on receivables amounted to € 0k (previous year: € 5k) as of the reporting date. The value adjustments are valued based on the expected credit loss model. As a matter of principle, **UNITED**LABELS carries out a case-by-case assessment of each individual receivable that has not been assigned within the framework of factoring or secured against the risk of default by means of credit insurance. Receivables that are due for more than 60 days are collected within the scope of an external or internal collection. In the 2022 financial year, receivables amounting to € 0k (previous year: € 0k) were written off through profit or loss.

The parent company and the Belgian Colombine bvba. operate the sale of receivables to a factoring company for selected major customers. On average, this involves about a quarter of the total receivables of these two companies. As of the balance sheet date, receivables amounting to € 1,947k had been sold to the factoring company. Although the receivables from these major customers are sold completely 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 demonstrably insolvent. Since 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 conditions (cash discount, etc.) and any credit notes from the parent company until payment by the customer. With the sale of the receivable to the factor, the main opportunities and risks have been transferred to the factor, so that the prerequisite for derecognition of the receivables has been met. Risks that remain in the companies are a late payment risk on the part of the customers and thus increased interest payments to the factor and, since the companies retain the accounts receivable management for the customers (silent factoring), an accounting expense in the following financial year for receivables from 2022 that were sold.
The receivables of the German parent company (€ 2,612k; previous year € 1,377k) have been assigned to the financing banks as collateral.

5. Other assets

Non-current other assets include receivables from reinsurance policies amounting to € 2,136 million (previous year: € 2,364 million).
The current item includes receivables from returns of € 3,850k (previous year: € 436k) and creditors with debit balances of € 203k (previous year: € 215k).
In addition, prepaid expenses in the amount of € 66k (previous year: € 11k) were included in this item as non-financial assets.
The statement of non-impaired assets is as follows:

Aging of Receivables	**2022 €'000**	**2021 €'000**
Not due	6,977	3,436
Due		
due for 0 - 30 days	0	0
due for 61 - 90 days	0	0
due for more than 90 days	203	2,09
Total	**7,180**	**3,645**

The maximum default risk amounts to € 5,044k (previous year € 1,281k).

6. Cash and cash equivalents

Cash and cash equivalents amounted to € 264k (previous year: € 128k) on the balance sheet date.

7. Amortisation expense from impairments for the financial assets

Overall, the receivables were impaired as follows on the balance sheet date:

	31.12.2022			**31.12.2021**		
€'000	**Gross value**	**less value adjustment**	**Net value**	**Gross value**	**less value adjustment**	**Net value**
Trade receivables	2,645	7	2,638	1,619	5	1,614
Other assets	7,180	0	7,180	3,652	7	3,645

8. Equity

The subscribed capital amounts to € 6,930k as of 31 December 2022 and is divided into 6.93 million no-par value ordinary bearer shares.
Earnings per share are as follows:

Consolidated earnings per share	2022	2021
basic diluted	0.06 € 0.06 €	-0.03 € -0.03 €
weighted average shares outstanding		
basic diluted	6.930.000 pcs. 6.930.000 pcs.	6.930.000 pcs. 6.930.000 pcs.

The consolidated earnings per share amount to € 0.06 (previous year: € -0.03). The value is calculated by dividing the consolidated net profit for the year attributable to shareholders of € 445k by the average number of shares of 6,930,000. There is no difference between the diluted and undiluted number of shares.

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 taken out for the pension liability of € 1,420k (previous year: € 2,642k), most of which were pledged for other purposes as of 31 December 2022.
The valuation and accounting of the pension obligation and the expenses necessary to cover this obligation are carried out by an actuary using the projected unit credit method. The valuation considers not only the pensions and acquired entitlements known on the reporting date, but also expected future increases in these parameters.
The assumptions used in the actuarial valuation of the obligation and the costs are included in the following table:

Actuarial assumptions	2022	2021
Interest rate	3.90%	1.25%
Rate of salary increase	1.50%	1.50%
Pension trend	2.00%	1.75%
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 determined in accordance with IAS 19, considering future salary and pension increases:

Changed in defined benefit obligation	2022 €	2021 €
DBO at 01.01.	2,641,775	2,776,532
Service cost	80,812	87,770
Past service cost and curtails	0	0
Interest cost	34,032	26,924
Actuarial gains and losses	-1,131,162	-249,451
- of which from experience adjustmentssss - of which from changes in actuarial assumptions	-50,850 -1,080,312	-195,557 -53,894
DBO at 31.12.	**1,625,457**	**2,641,775**
Fair valve of plan assets at 31.12.	-205,673	0
Pension provision at 31.12.	**1,419,784**	**2,641,775**

The following table shows the change in the pension provision:

Change in provisions for pensions	**2022 €**	**2021 €**
Provision for pension at 01.01.	2,641,775	2,776,532
Net pension cost	114,844	114,694
Past service cost and curtailment	0	0
Remeasurement	-1,131,162	-249,451
Reclassification plan assets	-205,673	0
Pension provision at 31.12.	**1,419,784**	**2,641,775**

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

The total expense for the defined benefit pension commitment to the Executive Board is made up as follows:

Net pension cost	**2022 €**	**2021 €**
Service cost	80,812	87,770
Interest cost	34,032	26,924
Past service cost and curtialments	0	0
Net pension cost	**114,844**	**114,694**

The following table summarises the present values for the last five financial years and experience gains/losses:

	31.12.2022 €	**31.12.2021 €**	**31.12.2020 €**	**31.12.2019 €**	**31.12.2018 €**
Present value of the obligations	1,625,457	2,641,775	2,776,532	2,576,561	2,029,212
Plan assets	-205,673	0	0	0	0
Status of the funding	1,419,784	2,641,775	2,776,532	2,576,561	2,029,212
Experience adjustments	-50,850	-195,557	-51,367	-42,891	-42,755

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

Sensitivity analysis		**DBO as at 31.12.2022**
Valuation with interest rates	-0,50%	1,791,513
Valuation with interest rates	+0,5%	1,478,585
Valuation with pension trend	-0,50%	1,527,228
Valuation with pension trend	+0,5%	1,733,225
Valuation with rate of salary increase	-0,50%	1,574,452
Valuation with rate of salary increase	+0,5%	1,677,958
Valuation with underlying biometric data	- 1 year	1,583,361
Valuation with underlying biometric data	+ 1 year	1,665,081

The duration of the obligation is approximately 20 years.The expected service cost for 2023 amounts to € 48k and the expected interest cost to € 57k.

10. Other provisions

UNITEDLABELS has granted individual customers the right to return goods sold. If there are no individual indications of the amount of the return rate as of the balance sheet date, the empirical values collected in the past are used as the basis for estimating the return rate. A reduction in sales revenue is made in the amount of the expected returns and a corresponding liability is created. The cost of materials is also reduced in the amount of the expected return of goods and another asset is capitalised in this regard. As of 31 December 2022, provisions from expected returns amounted to € 4.6 million (previous year: € 0.4 million).

11. Trade payables, other liabilities and financial liabilities

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

2022	Total amount €'000	Remaining term: up to 1 year €'000	1 to 5 years €'000	more than 5 years €'000	of which secured €'000	Type of collateral
1. Financial liabilities	7,288	988	1,138	5,162	5,423	Land charges, receivables, inventories
2. Trade and other payables	8,887	8,887	0	0	0	
	16,175	**9,875**	**1,138**	**5,162**	**5,423**	

The following table shows the contractually agreed (undiscounted) interest and redemption payments of the original financial liabilities as of 31 December 2022:

€'000	Carrying amount 31.12.2022	Cash-Flows 2023 Interest fixed	Cash-Flows 2023 Interest floating	Cash-Flows 2023 principal payment	Cash-Flows 2024–2026 Interest fixed	Cash-Flows 2024–2026 Interest floating	Cash-Flows 2024–2026 principal payment	Cash-Flows 2027 ff. Interest fixed	Cash-Flows 2027 ff. Interest floating	Cash-Flows 2027 ff. principal payment
Loans payable to banks	1,794.0	74.8	0	152.6	176.7	0	457.9	9.0	0	1,183.5
Loans payable	4,338.5	203.2	0	165.0	508.6	0	567.6	360.8	0	3,605.9
Trade Liabilities (long term)	0.0	0.0	0	0.0	0.0	0	0	0.0	0	0.0
Leasing IFRS 16	1,687.7	80.1	0	220.3	198.4	0	622.5	205.9	0	844.9
Total	**7,820.2**	**358.1**	**0**	**537.9**	**883.7**	**0**	**1,648.0**	**575.7**	**0**	**5,634.4**

The effective interest rates for these long-term debts range between 5.22% and 7.5% (previous year 3.75% to 7.5%).
There were no foreign exchange transactions as of the reporting date.
A small portion of the trade payables is subject to the usual retention of title by suppliers.
Of the other liabilities, € 36k (previous year: € 8k) relate to social security liabilities and € 3,225k (previous year: € 2,721k) 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:

€'000	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	
Assets	FAK				FAK
Cash and cash equivalents	264	264	0	0	264
Trade receivables	2,638	2,638	0	0	2,638
Other assets	7,180	7,180	0	0	7,180
	FVPL				
Currency Swap	0	0	0	0	0
Liablilies	FLAC				FLAC
Trade Payables	5,568	5,568	0	0	5,568
Liablilies from loans	5,628	5,628	0	0	5,628
Liabilities from finance leases	1,688	1,688	0	0	1,688
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)	10,082	10,082	0	0	10,082
Financial assets that					
- are measured at amortized cost (FLAC)	11,196	11,196	0	0	11,196

Cash and cash equivalents, trade receivables and trade payables mostly have short remaining terms. Therefore, their carrying amounts as of the balance sheet date approximate their fair values.
Forward exchange contracts are used to hedge currency risks when necessary. However, no forward exchange transactions were used in the 2022 financial year.

Carrying amount 31.12.2021	Recognized in balance sheet IFRS 9			Fair Value 31.12.2021
	Amortized cost	Fair Value recognized in equity	Fair Value recognized in profit or loss	
FAK				FAK
128	128	0	0	128
1,614	1,614	0	0	1,614
3,645	3,645	0	0	3,645
FVPL				
0	0	0	0	0
FLAC				FLAC
3,945	3,945	0	0	3,945
5,936	5,936	0	0	5,936
1,791	1,791	0	0	1,791
0	0	0	0	0
5,387	5,387	0	0	5,387
9,881	9,881	0	0	9,881

13. Other financial obligations and contingent liabilities

As of the balance sheet date, there are obligations from purchase orders with suppliers amounting to € 2,892k (previous year € 6,710k), which are due within one year.

The company has not received any collateral as of the balance sheet date. Collateral in the form of a total land charge of € 3,300k, relating to the logistics centre, has been given to a lender.

14. Leasing

As of the balance sheet date, the Group had compatible obligations from rental and leasing relationships amounting to € 1,688k. These include 5 company cars that were acquired in the financial year within the framework of a KM lease without residual value risk. The contracts for the vehicles expire in 2025. Furthermore, there is a lease agreement for the rental of an office building at the headquarters of the parent company, which has a term until 31 December 2027. This rental agreement includes an extension option of two times 6 years in favour of the tenant. The extension of the rental agreement by simulating the use of an extension option from 01.01.2028 to 31.12.2033 was considered when reporting the obligation on 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)	61 T€
Rights of use (office buildings/company headquarters)	1,660 T€
Total right of use	**1,721 T€**

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)	27 T€
Rights of Depreciation (office buildings/company headquarters)	111 T€
Total right of use Depriciation	**138 T€**

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

Interest expense (vehicles)	2 T€
Interest expense (office buildings/company headquarters)	83 T€
Total interest expense	**85 T€**

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

Cash outflows (vehicles)	28 T€
Cash outflows (office buildings/company headquarters)	195 T€
Total cash outflows	**223 T€**

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

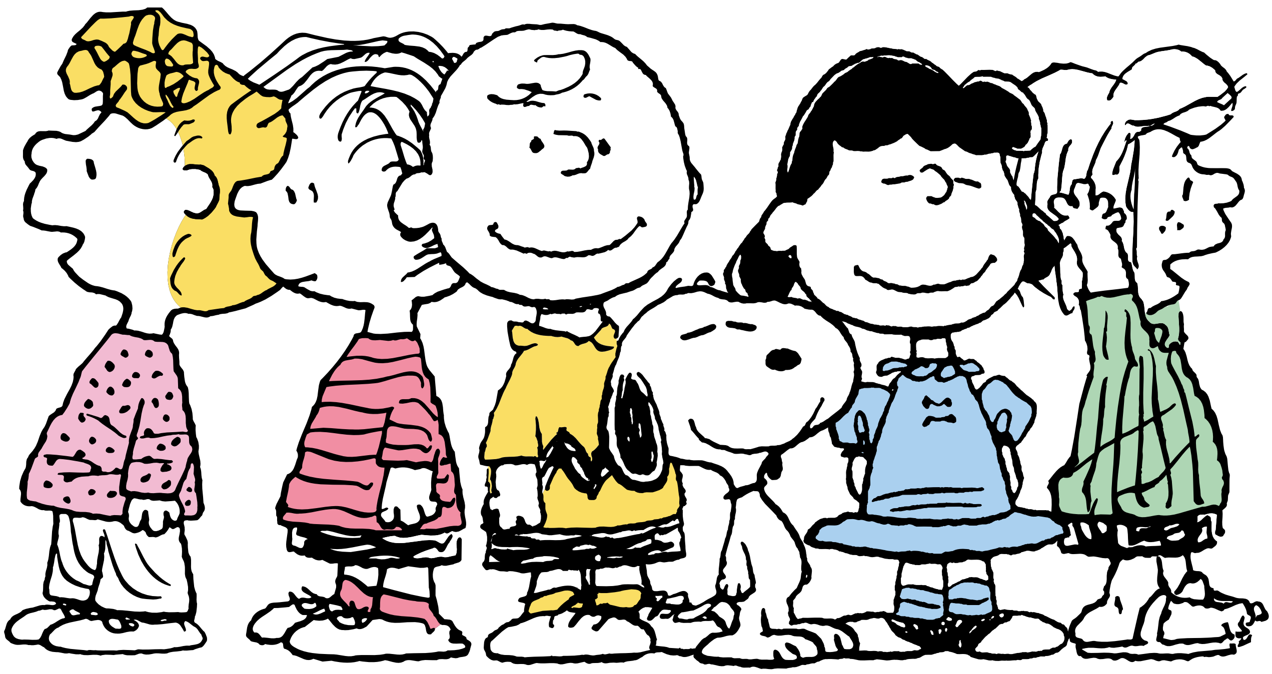
Rights of use Accesses (vehicles)	78 T€
Rights of use Accesses (office buildings/company headquarters)	0 T€
Total rights of use Additions	**78 T€**

15. Cash flow statement

The cash flow statement shows how the Group's cash and cash equivalents changed during 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). The payments for investments are shown in detail in the statement of changes in fixed assets. These are mainly investments in rights of use for trademark rights. Longer-term payment periods have been agreed for various trademark rights contracts.

The cash and cash equivalents correspond to the balance sheet item "Cash and cash equivalents".

The cash outflows for income taxes paid and refunded in the financial year amounted to € 40k (previous year € 4k) and for interest expenses € 315k (previous year € 541k). Interest income amounted to € 0k (previous year € 0k).



16. Segment reporting

Reporting format

At **UNITED**LABELS, segment reporting is based on customer groups, with sales revenue as the primary management tool. A distinction is made between the areas of key accounts and specialised trade. While the key account segment is characterised by individual contract manufacturing, the specialist trade is served with a constant stream of new collections from the company's own warehouse. The internet business of Elfen Service GmbH is assigned to the specialised trade, as are numerous smaller customers of the **UNITED**LABELS AG. The business of Colombine bvba and House of Trends europe GmbH is assigned to the key accounts segment. The segment data from internal reporting resulted as follows:

2022

€'000	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 form at equity investment				0
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

In the past financial year, turnover in the key accounts segment rose by 22.0% to € 19,690k and in the specialised trade segment by 4.4% to € 2,652k. The segment result increased by 30.7% to € 4,466k in the key accounts segment and by 89.1% to € 1,918k in the specialised trade segment.
There were no inter-segment revenues or expenses in the financial year. In the 2022 financial year, four customers each accounted for more than 10% of the Group's total revenue. The largest customer accounted for 28.9%.

2021

€'000	Special Retail	Key Account	Unallocated Items	Group
Sales Revenue	1,837	16,136	0	17,973
Segment Expenses	-822	-12,721	0	-13,544
Segment Result	**1,014**	**3,415**	**0**	**4,429**
Depreciation/Amortisation				-260
Staff costs				-2,153
Other operating income				101
Other operating expenses				-2,062
Financial income				80
Finance cost				-541
Result form at equity investment				0
Result before tax				**-407**
Taxes on income				194
Consolidated result of the year				**-213**

€m	Special Retail	Key Account	Unallocated Items	Group
Segment assets	1.7	12.2	6.9	18.4
Segment liabilities	1.4	12.3	3.8	17.5
Capital expenditure	0.1	0.5	0.0	0.6

Geographic information

The Group's two business segments operate in three main geographical areas. The company's home country is Germany. Revenue is allocated based on the country in which the customer is established.

Revenue	**2022 €'000**	**2021 €'000**
Germay	17,946	16,058
Other countries	4,396	1,915
Group	**22,343**	**17,973**

This means that domestic sales increased by 12% and foreign sales by 129%.
Non-current assets are allocated according to the registered office of the company to which they belong.

Total Assets	**2022 €'000**	**2021 €'000**
Germay	5,239	5,216
Other countries	3,058	3,058
Group	**8,297**	**8,274**

The investments of € 717k (previous year € 533k) were made exclusively in Germany.

Capital expenditure	**2022 €'000**	**2021 €'000**
Germay	717	533
Other countries	0	0
Group	**717**	**533**

17. Capital management

Capital management deals with the demand-oriented management of cash and cash equivalents in the Group, including the selection and management of financing sources. The goal is to provide the necessary means of payment at the lowest possible cost. The control criteria here are the debit and credit interest rates. The volume of financial resources to be managed is in the order of € 6.1 million (previous year: € 6.8 million). To fulfil this task, the capital management has daily and monthly reporting with target/actual comparisons at its disposal.

17. Risks

Exchange rate fluctuations

Purchases of goods are partly made in US dollars. To hedge currency risks that may arise from payment obligations in foreign currencies, forward exchange contracts customary in the market are entered into for specific situations. They are not used for speculative purposes. Changes in the value of forward transactions still in progress are recognised in profit or loss.
Although appropriate hedging measures are taken on a situational basis, it cannot be ruled out that long-term price increases will increase the cost of goods sold.
The average euro to US dollar exchange rate in the 2022 business year was €1 = US$1.05 (previous year: €1 = US$1.18).
UNITEDLABELS pays a part of its cost of sales in dollars, as a large part of the goods purchased come from the Far East. In absolute terms, this concerns a cost of goods of € 5.5 million. If the average exchange rate had been € 1 = US$ 0.99, the cost of goods would have been € 0.3 million higher; with an average exchange rate of € 1 = US$ 1.11, the cost of goods would have been € 0.3 million lower. Any exchange rate hedges are not considered in this example calculation.

Trademark rights

As a holder of trademark rights, **UNITED**LABELS generally exploits the trademark rights of third parties. Although long-term and intensive relationships exist with the most important providers of trademark rights, it cannot be ruled out that individual trademark rights contracts will not be renewed. This could have a negative impact on the group's revenue and earnings situation.
UNITEDLABELS owns brand rights in media/entertainment, which are recognised with a total value of € 1,163k (previous year: € 1,005k). There are individual contracts which are under observation due to their guarantee amounts and remaining term. There is a fundamental risk that the values recognised in the balance sheet will 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 under the going concern principle. **UNITED**LABELS Aktiengesellschaft covers part of its liquidity requirements through short-term bank overdraft facilities and the utilisation of a loan granted by the Executive Board. As of the balance sheet date, the bank overdraft facilities amounted to € 0.5 million, of which € 0.5 million had been utilised as of the balance sheet date. As of 31 December 2022, the loan from the Executive Board comprised an agreed framework of up to € 0.9 million, of which € 0.2 million had been utilised on the balance sheet date.
Due to the possible geopolitical impact on the supply chains, there is an uncertainty that existing orders may not be executed or not executed on time and, as a result, existing debts may not be paid on time. **UNITED**LABELS Aktiengesellschaft does not maintain any business relations with companies from Ukraine, Belarus and the Russian Federation. The **UNITED**LABELS Aktiengesellschaft will closely observe the further development of the Russian war of aggression with its effects on the global economy and take countermeasures accordingly. The Executive Board has subjected the planning for the 2023 business year to a stress test to analyse any negative effects on the Group's liquidity. The impact of payments from deferred VAT obligations was also considered. On the basis of 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 lines in full, that the Executive Board's loan will also be provided within the agreed scope if necessary, and that the customer orders already on hand for the 2023 financial year will be processed through to receipt of payment without any significant impairment. Most customer receivables are currently credit-insured or factored. Through liquidity planning, a high level of transparency vis-à-vis the house banks and a group-wide optimisation of payment flows, **UNITED**LABELS tries to keep the liquidity scope as large as possible.
Regarding 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 2022 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 2023.

As of the reporting date of 31 December 2022, **UNITED**LABELS had the following credit lines in the Group:

€'000	Available	Utilized	Credit line 2022	Credit line 2021
Current account	50	450	500	500
Letters of credit/Bills of exchange	245	505	750	750
Long-term loans	728	172	900	1,800

Further financial flexibility is ensured by factoring financing. For **UNITED**LABELS Aktiengesellschaft and the Belgian Colombine bvba., a maximum possible availability of € 3.5 million is initially available until the end of August 2024.

Interest

UNITEDLABELS Aktiengesellschaft currently hedges long-term loans with a fixed interest rate. The effective interest rate for the various loans ranges between 5.22% and 7.50% (previous year: 3.75% and 7.50%). 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.

Other risks

In addition to the risks already mentioned, other customary business risks, such as price change and default risks, are also 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 based on a minimum return. If this requirement is not met, the order is only accepted based on approval by the Executive Board. Defaults on customer receivables are reduced by insuring each customer if a certain limit is exceeded. For this purpose, the **UNITED**LABELS Group informs itself in advance about the creditworthiness of the respective client.
Another risk that the company is focusing on is the possible dependence on individual customers. In 2022, the five largest customers accounted for 90% of the total turnover. The recoverability of deferred taxes in the amount of € 1.1 million (previous year: € 1.3 million) and the existing goodwill in the amount of € 3.1 million (previous year: € 3.1 million) are also constantly monitored.
Essentially, the risk management system aims at the early identification of risks and the assessment of their extent and probability of occurrence and includes the initiation of appropriate countermeasures. The group was not aware of any other significant risks in accordance with IFRS 7.34 at the time of 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.

	2022		2021	
	Revenue		Revenue	
	€'000	in %	€'000	in %
Sale of goods	22,028	99	17,769	99
Services	315	1	204	1
	22,343	**100**	**17,973**	**100**

2. Amortisation on rights of use

The amortisation of rights of use includes the amortisation of product-related trademark rights. They increased from € 515k in the previous year to € 553k.

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

Depreciation of property, plant and equipment and amortisation of intangible assets amounted to € 287k in 2022 (previous year: € 260k) and was attributable to scheduled depreciation.
The acquisition costs for the purchase of rights to use trademarks are capitalised under intangible assets. The corresponding amortisation is dependent on use and is shown in the item amortisation of royalties.

4. Financial result

Finance income includes interest income of € 71k (previous year € 80k) resulting from the adjustment of asset values for reinsurance policies. Finance expenses include interest expenses of € 401k (previous year: € 541k) relating to long-term loans, the use of current account lines and factoring.

5. Income taxes

The position is composed as follows:	2022 €'000	2021 €'000
Current tax expenses	111	8
Deferred tax expense/income	-75	-203
Total current & deferred taxes	**37**	**-195**

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

	2022 €'000	2021 €'000
Consolidated result before income taxes	482	-407
Applicable tax rate %	31.93%	31.93%
Expected tax income/ tax expense	133	-130
Difference to foreign tax on income	1	4
Tax effect of non-deductible expenses	39	56
Tax effect of non-taxable income	0	0
Impairment loss for deferred tax assets	18	15
Reversal of impairment losses for deferred tax assets	-205	-215
Tax effect attributable to utilisation of tax loss carryforwards not previously recognised	-29	-65
Tax effect of loss carryforwards for which no deferred tax assets were recognized in the current period	4	140
Taxes attributable to other periods	76	0
Effects of changes to the tax rate	0	0
Current tax expense/income	**37**	**-195**

The domestic tax rate results from the trade tax with an assessment rate of 460% (previous year 460%), a corporate income tax of 15% (previous year 15%) and a solidarity surcharge on the corporate income tax of 5.5% (previous year 5.5%). The loss carry forwards result from corporate income tax and trade tax (previous year: corporate income tax and trade tax) and are not limited in time. The recoverability was determined by means of a planning calculation based on a detailed planning period of three years.

E. Other explanations and information

1. Company bodies

The Supervisory Board of the Company consisted of the following members in the 2022 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)

Volker Deck, COO and Managing Partner Matchoo GmbH
Freelance management consultant in the retail sector, Cologne (Vice-Chairman)

Albert Hirsch, Managing Partner reccom GmbH & Co KG, Muenster

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 € 40k per business year. The Chairman of the Supervisory Board receives € 20k p.a. and the two other members of the Supervisory Board receive € 10k p.a. In addition, the members of the Supervisory Board receive variable remuneration, which is calculated as 0.25% of the consolidated net profit for the year (before payment of this variable remuneration component), up to a maximum of € 10k. This amounted to € 1k (previous year: € 0k) per Supervisory Board member in the 2022 financial year. In addition, the members of the Supervisory Board and its committees receive an attendance fee of € 1k for each meeting they attend. The Chairman of the Supervisory Board receives twice the attendance fee. For the 2022 financial year, the total remuneration for the Supervisory Board amounts to € 64k. As of the balance sheet date, 31 December 2022, none of the incumbent Supervisory Board members held any no-par value shares in the Company.

The following persons were appointed to the Board of Directors of the Company
Peter Boder, graduate in business administration, Muenster (sole director)

The fixed remuneration of the Executive Board, including insurance and fringe benefits, totalled € 221k in the financial year. In addition, variable remuneration with short-term or long-term incentive effect in the amount of € 77k (previous year: € 0k) was paid in the financial year.
Mr. Boder's Executive Board contract contains the agreement of a short-term and a long-term variable remuneration. The short-term bonus agreement of the Executive Board amounts to 4% of the consolidated net profit before taxes and bonuses. This is paid depending on a positive consolidated result, the annual plan achievement and the development of the stock market price. The long-term bonus agreement with the Executive Board in accordance with the provisions of the remuneration system provides for the Executive Board to be paid a positive share price difference between the bonus year and the fourth financial year ending before the bonus year, based on 50,000 virtual shares. The bonus is forfeited should the share price difference be negative or if fulfilment would result in the Company's net profit for the year or the Group's net profit for the year for the bonus year being negative.
In the event of a premature termination of Mr. Boder's activity, the possible severance payment may not exceed the sum of the total remuneration for two financial years. Mr. Boder was appointed to the Executive Board for a further five years in December 2019, and the Executive Board contract was extended on the same terms.
As of 31 December 2022, Mr. Peter Boder holds a total of 2,445,951 no-par value shares in the company, corresponding to 35.3% of the share capital. Mr. Peter Boder had notified **UNITED**LABELS Aktiengesellschaft of the following shareholding in a declaration dated 6 March 2023: "I hereby notify the Company that as of today I hold 2,445,951 shares in **UNITED**LABELS Aktiengesellschaft." 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 was reduced by € 1,222k in the reporting year. Since a reinsurance policy is not accessible to all creditors (€ 206k), it was netted with the pension provisions in accordance with IAS 19. Considering the netting with the reinsurance, the pension provision shown in the balance sheet as of the balance sheet date amounts to € 1,420k (previous year: € 2,642k). For the Executive Board member, Mr. Peter Boder, there is a retirement pension from the age of 65 amounting to € 9,450.00 per month and a disability pension in the same amount. These increase or decrease to the same extent as the basic salary of a federal civil servant according to grade A 14 BbesG, based on the index figure for the month of December of the previous year. The monthly retirement pension is calculated based on the average salary of the last five years. Furthermore, there is a survivor's pension in the form of a widow's pension amounting to 60% of the old-age pension achieved as well as an orphan's pension. Reinsurance policies have been taken out for the claims to old-age pensions and survivors' benefits, which currently serve as collateral mainly for other purposes.

2. Number of employees

At the end of the financial year, the following persons were employed:

	2022	2021
Full-time employees	30	33
Part-time employees	12	5
Temporary staff	25	22
	67	**60**

On average, 69 people were employed in the business year (previous year: 45).

Converted to full-time employees, the workforce breaks down as follows:

	2022	2021
Full-time employees	30	33
Part-time employees	7	4
Temporary staff	6	5
	43	**42**

On average, 43 people were employed in the business year (previous year: 35).

3. Corporate Governance

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

4. Employee share option programme

As of 31 December 2022, there were no option rights and no valid option rights programme.

5. Auditor's fee

The fee of € 100k recognised as an expense in the financial year relates exclusively to auditing services.

6. Information on relationships with related persons 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 of the Supervisory Board and the Executive Board, there are business relations as of 31 December 2022 with Facility Management Muenster GmbH (expenses from rental agreement in the amount of € 78k (previous year: € 79k). Facility Management Muenster GmbH is wholly owned by the Executive Board, Mr. Peter Boder. Furthermore, on the balance sheet date there is a loan to **UNITED**LABELS Aktiengesellschaft from Mr. Boder for € 172k with an interest rate of 7.5% p.a. The loan can be drawn up to an amount of € 900k until 31 March 2024. At its peak, the utilisation in the past business year for **UNITED**LABELS Aktiengesellschaft amounted to € 172k. The interest amounted to € 29k (previous year: € 118k) and, in contrast to the previous year, was exclusively attributable to the business year 2022. Furthermore, as of 31 December 2022, there is a net surplus of receivables from the Executive Board of € 145k from interest liabilities, receivables from loss transfers and receivables from advances.
At the end of 2015, Mr. Boder purchased the office and warehouse building including the land at Gildenstr. 6 from the company and has since rented it to the company. The rental agreement runs until 31 December 2027. The monthly rent amounted to € 16k in the 2022 financial year.
The **UNITED**LABELS Group uses free liquidity to minimise interest payments throughout the Group. In addition, there are internal supply relationships between the individual companies. As of the reporting date, there were short-term receivables from and liabilities to subsidiaries amounting to € 1,391k (previous year: € 1,878k). These amounts were eliminated during debt consolidation.

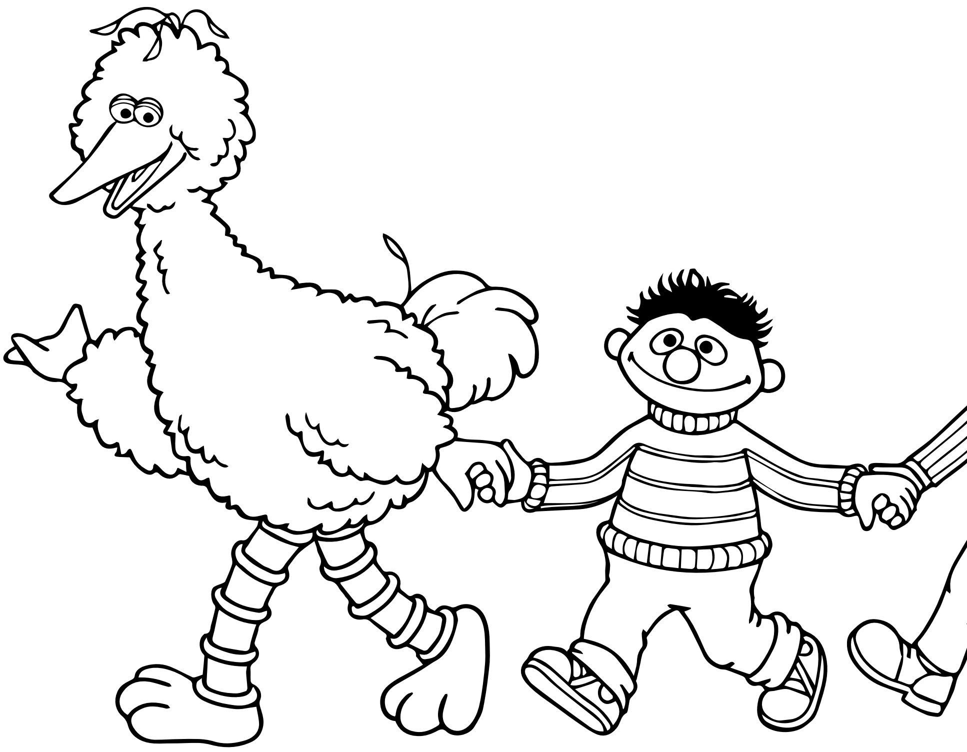
7. Events after the balance sheet date

There were no events of particular significance after the end of the 2022 financial year.

Muenster, 31. March 2023

UNITEDLABELS Aktiengesellschaft
CEO

Signed Peter Boder



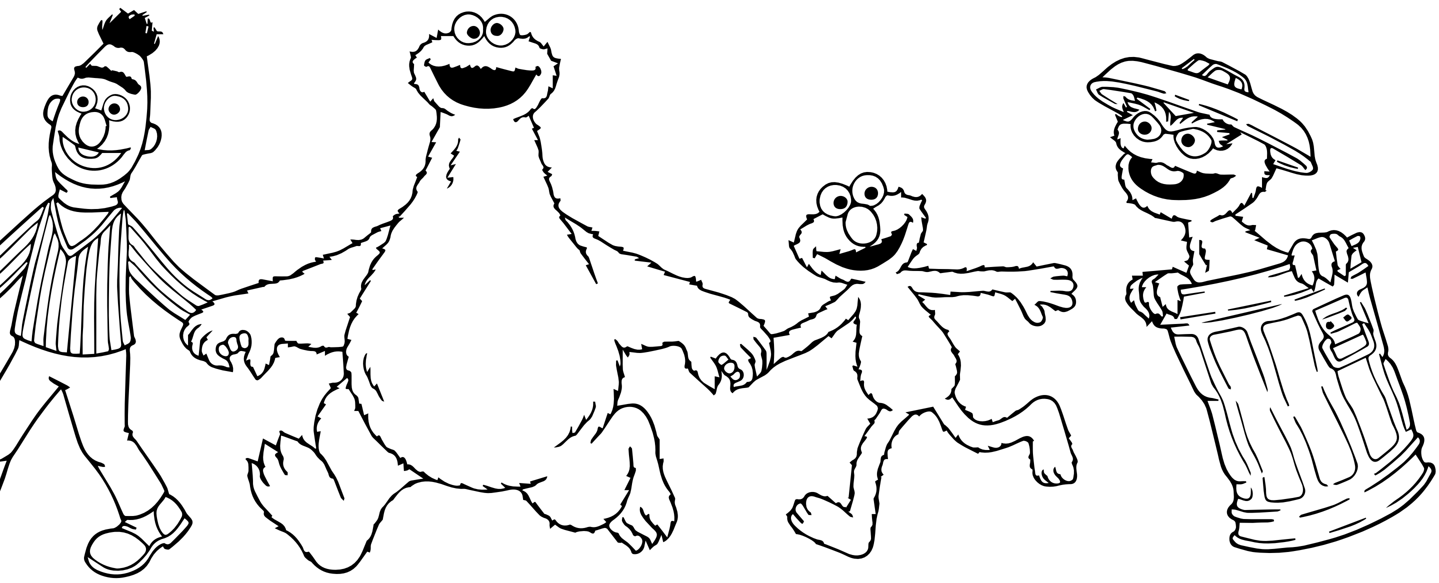
Responsibility Statement

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, 31. March 2023

UNITEDLABELS Aktiengesellschaft
CEO

Signed Peter Boder



"Independent auditor's report

To **UNITED**LABELS Aktiengesellschaft, Muenster

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

Audit opinions

We have audited the consolidated financial statements of **UNITED**LABELS Aktiengesellschaft and its subsidiaries (the Group), which comprise the consolidated balance sheet, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement and the notes to the consolidated financial statements, including a summary of significant accounting policies. We have also audited the group management report of **UNITED**LABELS Aktiengesellschaft for the business year from 1 January to 31 December 2022. In accordance with German legal requirements, we have not audited the content of the components of the group management report mentioned under other information.

In our opinion, based on the findings of our audit, the consolidated financial statements are as follows

- the accompanying consolidated financial statements comply in all material respects with IFRS as adopted by the EU and the additional requirements of German law pursuant to § 315e (1) HGB and give a true and fair view of the financial position of the Group as at 31 December 2022 and of its financial performance for the financial year from 1 January to 31 December 2022 in accordance with these requirements; 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 suitably presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the components of the group management report mentioned in the other information.

In accordance with section 322 (3) sentence 1 of the German Commercial Code (HGB), we declare that our audit has not led to any reservations concerning the correctness of the consolidated financial statements and the group management report.

Basis for the audit judgements

We conducted our audit of the consolidated financial statements and the group management report in accordance with section 317 HGB and the EU Regulation on Auditors (No. 537/2014; hereinafter "EU-APrVO") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibility under these regulations and standards is further described in the section "Auditor's responsibility for the audit of the consolidated financial statements and the group management report" of our auditor's report. We are independent of the group entities in accordance with European law as well as German commercial law and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. In addition, we declare pursuant to Art. 10 (2) f) EU-APrVO that we have not performed any prohibited non-audit services according to Art. 5 (1) EU-APrVO. 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 the group management report.

Material uncertainty in connection with the continuation of the company's operations

We refer to the information in section C.17. 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 Group covers part of its liquidity requirements through short-term bank overdraft and letter of credit lines and the utilisation of a loan from the Management Board. On the basis of the updated liquidity planning, the Group's continued existence as a going concern assumes that the financing banks will maintain their current account and letter of credit lines in full, that the loan from the Management Board will be made available within the agreed framework if necessary, and that the customer orders already on hand for the 2023 business year will be processed through to receipt of payment without any significant impairments.

With regard to the audit procedure, we refer to the explanations under "Particularly important audit matters in the audit of the consolidated financial statements" on "1. Assessment of the going concern premise by the Executive Board". This indicates the existence of a material uncertainty that may cast significant doubt on the group's ability to continue as a going concern and represents a going concern risk within the meaning of section 322 (2) sentence 3 HGB.
Our audit opinions are not modified with respect to this matter.

Particularly important audit matters in the audit of the consolidated financial statements

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

1. Assessment of the going concern premise by the board of directors

Related information in the financial statements and group management report

The company's disclosures on the risk to the company's continued existence are included in section C.18. of the notes to the consolidated financial statements and in section 3. of the group management report.

Facts and risk for the audit

The Management Board of **UNITED**LABELS AG has assumed the continuation of business activities (going concern premise) when preparing the consolidated financial statements. This assessment is based on the liquidity planning for the **UNITED**LABELS Group until 31 December 2023 . This liquidity planning, which we consider particularly significant for the assessment of the going concern premise, is characterised by a high degree of uncertainty, as it is based on subjective assumptions of the management board. The corporate planning was subjected to a stress test due to the increased uncertainty resulting from the Ukraine war with possible effects on customer orders and the supply chains. The liquidity planning assumes that the ordered goods can be delivered and that the customer receivables will be paid in full and within the agreed deadlines. It was taken into account that some of the receivables are pre-financed through factoring and insured against non-payment. In addition, the liquidity planning takes into account payment outflows from previously deferred VAT liabilities and from expected returns. The liquidity planning for 2023 comes to the conclusion that the liquidity requirement is covered at the end of each month on the basis of the existing financing framework.

Audit approach and findings

We have recalculated the content of the earnings and liquidity plans prepared by the Executive Board for the 2023 financial year and checked the plausibility of the underlying assumptions. In doing so, we have also taken into account the extent to which the company has succeeded in achieving the planned values in the past years. After intensive discussion of the planning and the underlying assumptions with the Executive Board, we have come to the conclusion that the planning is mathematically correct and the sub-planning is correctly linked to each other. According to this, the liquidity planning does not show any shortfall until the end of the 2023 financial year, taking into account the credit lines agreed with the banks and the Executive Board on the basis of the month-end balances. We are of the opinion that the assumptions regarding the development of sales based on the current order backlog that have been incorporated into the earnings and liquidity planning are appropriate. The cost planning is plausibly derived from the findings of the previous year and the expected turnover. After assessing the corporate and liquidity planning as well as the stress test carried out in this respect and the current financial status, we come to the conclusion that the Executive Board has adequately reflected the existing liquidity risks and uncertainties in the liquidity planning. In this context, we refer to our explanations in the section on "Material uncertainty in connection with the continuation of business activities".

2. Impairment of goodwill

Related information in the financial statements and group management report

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

Facts and risk for the audit

In the consolidated financial statements, an amount of € 3,090,000 (12.6% of the balance sheet total) is reported for goodwill under the balance sheet item "Intangible assets". The Group allocates goodwill to the acquired business units or groups of acquired business units within the **UNITED**LABELS Group. Colombine BVBA, Bruges, which operates the business in Belgium, accounts for an amount of € 3,058,000. In the regularly performed impairment tests, the book values of these business units are compared by the company with their respective recoverable amount. The recoverable amount is determined on the basis of the value in use. The present value of the expected future cash flows is determined using discounted cash flow models, based on the three-year operational plans prepared by the legal representatives and acknowledged by the Supervisory Board and extrapolated with assumptions about long-term growth rates. The discounting is carried out by means of the weighted capital costs determined for the **UNITED**LABELS weighted capital costs 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 unit by the legal representatives as well as the discount rate used and is therefore subject to considerable uncertainty. Against this background, this matter was of particular importance in the context of our audit.

Audit approach and findings

During our audit, we verified, among other things, the methodology used to perform the impairment tests and assessed the determination of the weighted average cost of capital. We satisfied ourselves of the appropriateness of the future cash inflows estimated in the valuation by, among other things, comparing this information with the current budgets from the three-year plans prepared by the legal representatives and acknowledged by the Supervisory Board, as well as by reconciliation with general and industry-specific market expectations. Knowing that even relatively small changes in the discount rate used can have a significant impact on the amount of the recoverable amount calculated in this way, we have intensively examined the factors used to determine the discount rate. We have intensively dealt with the parameters used to determine the discount rate and comprehended the calculation scheme. Furthermore, due to the material significance of the goodwill for the consolidated financial statements, we performed our own additional sensitivity analyses for the business units and determined that the respective goodwill is sufficiently covered by the discounted future cash surpluses. Overall, the valuation parameters and assumptions applied by the legal representatives are in line with our expectations.

Balance sheet presentation of expected returns

Related information in the consolidated financial statements

For the accounting and valuation methods applied, we refer to the information provided by the company in the notes under section IV.

Facts and risk for the audit

Turnover in the 2022 financial year amounts to € 21.2 million.
UNITEDLABELS AG recognises revenue when it fulfils a performance obligation by transferring a promised good to a customer. This is generally the case at the time when the risk of accidental loss is transferred from **UNITED**LABELS AG to the customer. Some contracts with clients provide for a right of return for purchased goods against full reimbursement of the consideration paid. When products with a right of return are transferred, **UNITED**LABELS recognises corresponding sales reductions in the amount of the estimated return rate, provisions for repayment obligations as well as an asset for its right to receive products back from the customer upon settlement of the refund liability.

Due to the discretionary scope in assessing the amount of the return rate, there is a risk for the financial statements that the revenue is not accrued in the correct amount as at the balance sheet date. Against this background, this matter was of particular importance in the context of our audit.
Due to the discretionary scope in assessing the amount of the return rate, there is a risk for the financial statements that the revenue is not accrued in the correct amount as at the balance sheet date. Against this background, this matter was of particular importance in the context of our audit.

Audit approach and findings

Based on the process understanding we have gained, we have comprehended and assessed the methodical procedure for determining the return rate.
We have satisfied ourselves of the appropriateness of the measurement of the returns by, among other things, comparing the calculation with the current return rates and the return rates of **UNITED**LABELS in the past. We assessed the assumptions underlying the calculation of the return rate by reference to the existing contractual agreements and understood the calculation scheme. We also assessed the presentation of the estimated returns in the financial statements of **UNITED**LABELS.
We are of the opinion that the assumptions used in the determination of the return rate are appropriate based on the information available and that the approach to the consideration of customer return rights and the presentation in the financial statements is appropriate.

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 which have not been audited as to their content:
- the corporate governance statement in accordance with § 289f and § 315d of the German Commercial Code (HGB), to which reference is made in the group management report,
- the statements on the diversity concept and the women's quota, which are referred to in the Group management report.Group Management Report, as well as
- the remuneration report pursuant to § 162 AktG, to which reference is made in the group management report.

The other information also includes the non-management report disclosures on pages 17 and 18 concerning the main features of the internal control and risk management system and the compliance management system; non-management report disclosures are disclosures that are not required by §§ 315 et seq. HGB.
The other information also includes:
- the assurances pursuant to section 297 (2) sentence 4 and section 315 (1) sentence 5 of the German Commercial Code (HGB) on the consolidated financial statements and the group management report
- 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 group management report as well as 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 supervisory board report. In all other respects, the legal representatives are responsible for the other information.
Our audit opinions on the consolidated financial statements and the group management report do not cover the other information and, accordingly, we do not express an opinion or any other form of conclusion on it.
In connection with our audit, we have a responsibility to read the other information and, in doing so, consider whether the other information is
- are materially inconsistent with the consolidated financial statements, the group management report or our knowledge obtained in the audit; or
- otherwise appear to be materially misrepresented.

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 and fair presentation of these consolidated financial statements in accordance with IFRSs as adopted by the EU and the additional requirements of German law pursuant to § 315e Abs. 1 HGB and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error (i.e. manipulation of the accounting system or misstatement of assets).
In preparing the consolidated financial statements, management is responsible for assessing the group's ability to continue as a going concern. They are also responsible for disclosing, as applicable, matters related to going concern. Furthermore, they are responsible for accounting on a going concern basis 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, which as a whole provides a suitable view of the Group's position and is consistent in all material respects with the consolidated financial statements, complies with German legal requirements and suitably presents the opportunities and risks of future development. Furthermore, management is responsible for the arrangements and measures (systems) that it has deemed necessary to enable the preparation of a group management report in accordance with the applicable German legal requirements and to provide sufficient appropriate evidence for the statements made in the group management report.

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

Auditor's Responsibility for the Audit of the Consolidated Financial Statements and the Group Management Report

Our objective is 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 a suitable view of the Group's position and is consistent, in all material respects, with the consolidated financial statements and the audit findings, complies with German legal requirements and suitably presents the opportunities and risks of future development, and to issue an auditor's report that includes our audit opinion on the consolidated financial statements and the group management report.
Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU-APrVO and in compliance with German generally accepted standards for the audit of financial statements 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 reasonably material if they could reasonably be expected, individually or in the aggregate, 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 the group management report 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 audit opinion. 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 because fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of the arrangements and actions 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 those systems.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the going concern basis of accounting used by management 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 our auditor's report to the related disclosures in the consolidated financial statements and the group management report. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the group management report or, if such disclosures are inadequate, to modify our opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit opinion. However, future events or conditions may result in the Group being unable to continue as a going concern.
- we assess the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with IFRSs as adopted by the EU and the additional requirements of German law pursuant to § 315e Abs. 1 HGB.
- Obtain sufficient appropriate audit evidence regarding the accounting 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 directing, supervising and performing the audit of the consolidated financial statements. We are solely responsible for our audit opinions.
- We assess the consistency of the group management report with the consolidated financial statements, its compliance with the law and the view of the group's position conveyed by it.
- We perform audit procedures on the forward-looking statements made by management in the group management report. On the basis of sufficient appropriate audit evidence, we in particular verify the significant assumptions underlying the forward-looking statements made by the legal representatives and evaluate the appropriate derivation of the forward-looking statements from these assumptions. We do not express an independent opinion on the forward-looking statements or the underlying assumptions. There is a significant unavoidable risk that future events may differ materially from the forward-looking statements.

We discuss with those charged with governance, 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 make a declaration to those charged with governance that we have complied with the relevant independence requirements and discuss with them all relationships and other matters that may reasonably be thought to bear on our independence and, where relevant, the actions taken or safeguards implemented to address independence threats.

From the matters discussed 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 the auditor's report unless law or regulation precludes public disclosure of the matter.

OTHER STATUTORY AND OTHER LEGAL REQUIREMENTS

Report on the audit of the electronic reproductions of the consolidated financial statements and the group management report prepared for the purpose of disclosure pursuant to section 317 (3a) of the German Commercial Code (HGB)

Audit opinion

Pursuant to section 317 (3a) HGB, we have performed a reasonable assurance audit.
We have performed an audit to obtain reasonable assurance about whether the reproductions of the consolidated financial statements and the group management report (hereinafter also referred to as "ESEF documents") contained in the file "5299000WCG41FM5SV917-2022-12-31-de.zip" (MD5 hash value: be847d2e46b523183c7ff4cdb49ece23) and prepared for the purpose of disclosure comply in all material respects with the requirements of section 328 (1) HGB on the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this audit only covers the conversion of the information of the consolidated financial statements and the group management report into the ESEF format and therefore neither the information contained in these reproductions nor any other information contained in the aforementioned file.
In our opinion, the reproductions of the consolidated financial statements and the group management report contained in the aforementioned file and prepared for the purpose of disclosure comply in all material respects with the requirements of section 328 (1) of the HGB regarding the electronic reporting format. Beyond this audit opinion and our audit opinions on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2022 contained in the preceding "Report on the audit of the consolidated financial statements and the group management report", 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 reproductions of the consolidated financial statements and the group management report contained in the above-mentioned file in accordance with section 317 (3a) HGB and the IDW Auditing Standard: Audit of Electronic Reproductions of Financial Statements and Management Reports Prepared for Disclosure Purposes in Accordance with Section 317 (3a) HGB (IDW PS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility thereafter is further described in the section "Auditor's Responsibility for the Audit of the ESEF Documents". Our auditing practice has complied with the quality assurance system requirements of the IDW Quality Assurance Standard: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis (IDW QS 1).

Legal uncertainty about the interpretation of the relevant European rules

The consolidated financial statements converted to the ESEF format are not fully machine-readable in a meaningful way due to the conversion process chosen by the company with regard to the notes in the iXBRL format ("block tagging"). The legal conformity of the legal representatives' interpretation that the Delegated Regulation (EU) 2019/815 does not explicitly require the structured notes to be machine-readable in a meaningful way when blocktagging the notes is subject to significant legal uncertainty, which therefore also represents an inherent uncertainty in our audit.

Responsibility of the legal representatives and the supervisory board for the ESEF documents

The legal representatives of the company are responsible for the preparation of the ESEF documents with the electronic reproductions of the consolidated financial statements and the group management report in accordance with section 328 (1) sentence 4 no. 1 of the German Commercial Code and for the award of the consolidated financial statements in accordance with section 328 (1) sentence 4 no. 2 of the German Commercial Code.
Furthermore, the company's management is responsible for the internal controls as they deem necessary to enable the preparation of the ESEF documents that are free from material non-compliance, whether due to fraud or error, with the electronic reporting format requirements of section 328 (1) HGB.

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 non-compliance, whether due to fraud or error, with the requirements of section 328 (1) HGB. During the audit, we exercise professional judgement and maintain a critical attitude. Furthermore

- 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 audit opinion.
- Obtain an understanding of internal control relevant to the audit of the ESEF documents 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 those controls.
- we assess the technical validity of the ESEF documentation, i.e. whether the file containing the ESEF documentation meets the requirements of Delegated Regulation (EU) 2019/815, as amended at the reporting date, for the technical specification for that file.
- We assess whether the ESEF documentation provides a consistent XHTML representation of the audited consolidated financial statements and the audited group management report.
- assess whether the mark-up of the ESEF documents with inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of Delegated Regulation (EU) 2019/815, as applicable at the reporting date, provides an adequate and complete machine-readable XBRL copy of the XHTML rendition.

Other information according to Article 10 EU-APrVO

We were elected as auditors by the Annual General Meeting on 20 May 2022. We were appointed by the Supervisory Board on 20 September 2022. We have served as auditors of **UNITED**LABELS Aktiengesellschaft without interruption since the 2013 financial year.
We declare that the audit opinions contained in this audit report are consistent with the additional report to the audit committee pursuant to Article 11 EU-APrVO (audit report).

OTHER MATTERS - USE OF THE AUDIT OPINION

Our audit opinion should 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 to the ESEF format - including the versions to be entered in the companies register - 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 note and our audit opinion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

AUDITOR IN CHARGE

The auditor responsible for the audit is Barbara Arnold.

Cologne, 27 April 2023

Mazars GmbH & Co KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Heckeler	Arnold
Wirtschaftsprüfer	Wirtschaftsprüferin

UNITEDLABELS **Aktiengesellschaft, Muenster**

Income statement for the period from
1 January to 31 December 2022

	2022	2021
	€	€
1. Sales Revenue	21,192,451.62	16,990,507.39
2. Cost of purchased goods	-15,440,331.00	-12,850,586.70
3. Amortisation of license rights	-553,317.24	-536,972.28
	5,198,803.38	**3,602,948.41**
4. Other operating income	247,492.23	91,639.96
5. Staff costs		
a) Wages and salaries	-2,229,295.96	-1,751,274.59
b) Social security, post-employment and other employee benefit costs	-552,796.75	-544,220.34
6. Amortization of intangible assets and tangible assets	-128,453.09	-130,862.99
7. Other operating expenses	-2,139,274.38	-1,727,350.07
	396,475.43	**-459,119.62**
8. Income from participations	0.00	1,840,000.00
8. Other interest and similar income	70,863.37	79,892.08
10. Interest and other expenses	-294,287.32	-446,857.33
11. Taxes on income and profit	28,170.14	55,381.16
12. Result after taxes	**201,221.62**	**1,069,296.29**
13. Other taxes	-67,345.88	-3,270.50
14. Net result	**133,875.74**	**1,066,025.79**
15. Result carryforward from previous year	-1,832,209.77	-2,898,235.56
16. Net result	**-1,698,334.03**	**-1,832,209.77**

UNITEDLABELS Aktiengesellschaft, Muenster
Balance Sheet as at 31 December 2022

ASSETS	31.12.2022 €	31.12.2021 €
A. Non-Current		
I. Intangible Assets		
1. Concessions, industrial and similar rights and assets, as well as licences in such rights and assets	1,163,048.44	1,005,662.81
	1,163,048.44	**1,005,662.81**
II. Property, plant and equipment		
1. Land, land rights and buildings, including buildings on third-party land	2,149,583.56	2,246,714.15
2. Technical equipment and machinery	13,433.55	11.00
3. Other equipment, operating and office equipment	71,958.92	73,495.32
	2,234,976.03	**2,320,220.47**
III. Long-Term financial assets		
1. Investments in affiliated companies	7,731,180.47	7,731,180.47
	11,129,204.94	**11,057,063.75**
B. Current assets		
I. Inventories		
1. Finished goods and merchandise	5,050,417.53	3,316,560.77
2. Prepayment	68,374.67	44,969.23
	5,118,792.20	**3,361,530.00**
II. Receivables and other assets		
1. Trade receivables	2,612,383.65	1,376,719.28
2. Receivables from affiliated companies	477,792.51	538,370.91
3. Receivables from at-equity investments	6,785,411.76	3,539,803.88
	9,875,587.92	**5,454,894.07**
III. Cash, bank deposits, cheques	**256,649.60**	**69,197.91**
	15,251,029.72	**8,885,621.98**
C. Prepaid expenses	**93,940.05**	**47,898.77**
D. Deferred taxes	**656,600.85**	**628,439.97**
Total Assets	**27,130,775.56**	**20,619,024.47**

EQUITY AND LIABILITIES	31.12.2022 €	31.12.2021 €
A. Equity		
I. Issued capital	**6,930,000.00**	**6,930,000.00**
II. Balance sheet result	**-1,698,334.03**	**-1,832,209.77**
	5,231,665.97	**5,097,790.23**
B. Provisions		
1. Provisions for pensions and similar obligations	2,296,089.20	2,298,292.00
2. Other provisions	5,949,463.25	648,208.16
	8,245,552.45	**2,946,500.16**
C. Liabilities		
1. Bank liabilities	1,289,514.93	1,531,356.53
2. Trade payables	4,021,241.50	3,086,030.44
3. Amounts owed to affiliated companies	668,662.41	786,717.19
4. Other liabilities	7,674,138.30	7,170,629.92
	13,653,557.14	**12,574,734.08**
Total liabilities	**27,130,775.56**	**20,619,024.47**
Contigent liabilities:	0.00	217,301.30

Supervisory Board

Dr. David Strack
Chairman of the Supervisory Board
Co-Founder and CEO of Fengda Factoring

- several leading positions at MediaMarkt, PLUS, ALDI
- 2014-2017 Board Member and Managing Director at EDEKA Nord
- since 2018 Senior Advisor at EY and EQT
- since 2018 Co-Founder and CEO Fengda Factoring
- since 2022 Managing Director Central Agency for Green Commerce GmbH
- since 2021 Chairman of the Supervisory Board at **UNITED**LABELS AG

Volker Deck
Deputy Chairman of the Supervisory Board
Independent Management Consultant Retail

- 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
- since 2021 Deputy Chairman of the Supervisory Board at **UNITED**LABELS AG

Albert Hirsch
Member of the Supervisory Board
Board Member at SuperBioMarkt AG

- 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

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

NOTES

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.
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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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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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