

AD-HOC-ANNOUNCEMENT

Net loss expected in edding AG's individual financial statements

Latest published guidance for the consolidated financial statements confirmed

Positive results expected again for 2024 financial year

In an ad hoc announcement on 4 July 2023, it was announced that for the first time in edding's history the edding Group will report a net loss for 2023 financial year in the **consolidated financial statements** due to a one-off effect related to the sale of edding Argentina.

A net loss is now also expected for the 2023 financial year in the **individual financial statements** of edding Aktiengesellschaft in accordance with the German Commercial Code (HGB). The respective forecast corridor of EUR -0.5 to 1.5 million defined in the above-mentioned ad hoc announcement is changed to EUR -4.5 to -2.5 million. The change is due to the valuation of shares in affiliated companies and intercompany receivables. Due to the rise in local interest rates, market values have fallen significantly. This primarily affects our subsidiaries in Turkey and Colombia, which are financed to a large extent by local loans in order to avoid exchange rate losses. In both countries, interest rates have recently risen significantly due to inflation - in Turkey even more so due to a turnaround in central bank policy. However, the operating result (EBIT) of both companies have improved significantly in 2023 compared to last year.

In the consolidated financial statements in accordance with IFRS, **sales revenue** in the range of EUR 161.0 million to EUR 176.0 million and **Group EBIT in accordance with IFRS** of between EUR -4.0 million and EUR -1.0 million are still expected for 2023. Positive results in the consolidated and individual financial statements are expected again for 2024. The forecast corridors for 2024 will most probably be published at the

end of March together with the preliminary results of the 2023 annual financial statements.

About edding AG: Founded in Hamburg in 1960, the company generated Group sales revenues of EUR 159.2 million in 2022 with an annual average of 735 employees. Under the edding, Legamaster and Playroom brands, the company offers long-lasting, high-quality products and solutions for private and commercial use. The portfolio includes markers and writing instruments, visual communication products such as flipcharts, whiteboards and e-screens, innovative digital applications as well as tattoo ink. The company's fundamental values embrace responsibility towards the environment and society. edding wants to empower people to express their personality, ideas and thoughts and make them visible on a wide variety of surfaces.

Explanation of EBIT as an alternative performance indicator: EBIT is the abbreviation for “earnings before interest and taxes”. Total output less cost of materials, personnel expenses and depreciation and amortisation (including rights of use within the meaning of IFRS 16), plus other operating income and less other operating expenses. EBIT is the most important key figure for profitability management in the edding Group. No adjustment has been made for any extraordinary income or expenses.

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edding Aktiengesellschaft
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