2021

Annual Report

Geschwister Oetker
Beteiligungen KG

Ladies and Gentlemen,

The *Geschwister Oetker Beteiligungen KG Group* emerged from the split of the *Oetker Group* on 1 November 2021. This is therefore our first annual report. It only takes into account the months of November and December 2021 for its group companies.

From a legal point of view, our Group is therefore very young, although it possesses plenty of tradition at the same time. It encompasses a number of companies with a very impressive history such as Henkell (founded in 1856), *Budenheim* (founded in 1908), *Martin Braun* (founded in 1931) and Hotel Le Bristol (founded in 1924), as well as young companies such as the *Oetker Hotel Management Company* and the *Oetker Collection* (founded in 2008). This heritage means that we have a special corporate responsibility. It has a portfolio of brands, products, services, technologies, innovations and art that is as fascinating as it is balanced – a portfolio that is brought to life by people, their values and attitudes.

The structures and processes for the new holding company *Geschwister Oetker Beteiligungen KG* are currently being established. The new networking quality within the Group supports these processes and promotes a special entrepreneurial spirit. A "start-up" mentality and a long tradition complement each other and provide the strong foundation for a healthy future which we look forward to.

However, at this point we will take a brief look back: All in all, the group companies recorded a very satisfactory year-end result for 2021 from an economic point of view, even though the challenges they faced were huge: Severe price increases and shortages on the raw materials side, increased costs and bottlenecks in logistics, and on top of this the shortage of workers in the hotel industry. The effects of the pandemic were and remain complex! To date, all of these challenges have been met successfully to ensure that customers are served in a timely manner and in the highest quality. With the financial statements limited to two months, which are also influenced by seasonal effects, it would not be meaningful to comment on the increase in sales revenue recognized in the commercial balance sheet.

The aforementioned external factors apply to an even greater extent in 2022. It is difficult to foresee what the consequences of a loss of purchasing power caused by inflation being at its highest level for many years, the manifold increase in energy costs, the possible rationing of gas and the multifaceted turmoil caused by the Russia-Ukraine conflict might be. This environment is certainly not a cause for celebration and is all the more reason for confident and decisive action.

In the first few months of 2022, group companies countered cost increases by successfully implementing price increases on the sales side. In the face of all of the uncertainties, we are sticking courageously to investment and innovation projects – including digitalization and sustainability. The latter due above all to a fundamental human conviction. We are sure that the second half of the year will be even more challenging than the first.

So far the Group has shown itself to be very robust in the current financial year and is performing successfully according to plan. This performance is down to all employees. Thank you for achieving this in times that are challenging, not only economically.

The war in Ukraine has personally affected us very much and made us pause and reflect. We have provided financial aid. Many colleagues have also collected donations of goods privately as well as in their companies. Employees in regions with refugees have helped directly on the ground.

In the eyes of the law, our Group employs over 8,000 people. In actuality, another 2,000 people are employed through the *Oetker Collection*. The workforce remembers fondly the time together with colleagues with whom they worked closely and trustingly for many years in the *Oetker Group*. We sincerely wish them and the former sister companies all the very best.

As grateful as we are for the time together, we equally look forward to the new group of companies. In our case a separation is also a new union. It is the opportunity to discover our own potential and the potential of others, to act innovatively and in so doing help to create a new and modern era.

We thank all business partners, all shareholders and the many former colleagues for our extremely pleasant and trusting working relationship. You have all contributed to the good start.

Looking ahead, we wish calmer and more peaceful times for all of us. What can we do to contribute towards this? We find that values are made visible through action. We therefore accept our creative mission and go about our work with pleasure.

Best regards,

Dr. Alfred Oetker **Ferdinand Oetker** **Dr. Harald Schaub**

Group Management Report

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01 Group Management Report

Company and Corporate Structure

2021 is the year in which the *Geschwister Oetker Beteiligungen KG Group* was founded. The Group emerged from the split of the former *Oetker Group* in November 2021, which was agreed by the shareholders of *Dr. August Oetker KG* in July 2021.

At the time of the nongenuine real division, the three former limited partners of *Dr. August Oetker KG*, Dr. Alfred Oetker, Carl Ferdinand Oetker and Julia Johanna Oetker, left this company and received in return through *Geschwister Oetker Beteiligungen KG* held by them the companies *Henkell & Co. Sektkellerei KG, Martin Braun Backmittel und Essenzen KG, Chemische Fabrik Budenheim KG, Atlantic Forfaitierungs AG, Belvini.de GmbH, Columbus Properties Inc., Oetker Hotel Management Company GmbH, Hotel Le Bristol S.A.S., Hotel Château du Domaine St. Martin S.A.S.* and *Kunstsammlung Rudolf August Oetker GmbH*, in each case with their subsidiaries and affiliated companies. *Geschwister Oetker Beteiligungen KG* acts as the holding company for these companies, and together they form the *Geschwister Oetker Beteiligungen Group*.

The holding company provides central services for the group companies, including the coordination of finances and taxes, legal, auditing, compliance and sustainability. It ensures and expects decentralized entrepreneurship based on strategic guidelines approved centrally and provides room for continuous value orientation within which people and companies develop. The holding company also promotes discussion with and between the group companies through topic and specialist communities, for example in the form of a digitalization work group.

Although *Geschwister Oetker Beteiligungen KG* is a young company from a legal point of view, it is continuing over 130 years of successful entrepreneurial tradition. The responsibility as a family business and the practised and trusted values continue to act as a guide for entrepreneurial activity

The divisions of *Geschwister Oetker Beteiligungen KG* include:

- Sparkling Wine, Wine and Spirits
- Food
- Specialty Chemicals
- Hotels and
- Other Interests

150 companies operate in 35 countries, combined in these divisions, under one roof: *Geschwister Oetker Beteiligungen KG*.

From a commercial law point of view, these first consolidated financial statements and management report cover the calendar year 2021. From a practical and operational point of view, however, they cover only the period from 1 November 2021 to 31 December 2021, because all of the subsidiaries of *Geschwister Oetker Beteiligungen KG* only joined the group of consolidated companies on 1 November 2021[1]. The period under review is characterized in particular by one-time effects, the cause of which lies in the split of the former *Oetker Group* and the associated initial consolidation of the consolidated financial statements of *Geschwister Oetker Beteiligungen KG*.

1 Due to a public holiday in North Rhine-Westphalia, the distribution of assets did not take place until 2 November 2021.

Management and Ownership Structure

The shareholders and sole owners of *Geschwister Oetker Beteiligungen KG* are the three children from the third marriage of Rudolf-August Oetker: Dr. Alfred, Carl Ferdinand and Julia Johanna Oetker. The shareholders Dr. Alfred and Carl Ferdinand Oetker manage the new holding company as co-CEOs together with Dr. Harald Schaub as CFO. The seven-strong management team also comprises the CEOs of the biggest group companies:

- Dr. Andreas Brokemper, *Henkell Freixenet*
- Dr. Detlev Krüger, *Martin Braun Group*
- Dr. Stefan Lihl, *Budenheim*
- Dr. Timo Grünert, *Oetker Collection*

Business Divisions

Sparkling Wine, Wine and Spirits
Henkell Freixenet is the world's leading manufacturer of sparkling wine and makes up the "Sparkling Wine, Wine and Spirits" division. The company operates in over 30 countries with its own production and sales locations and exports sparkling wine, wine and spirits brands to around 150 countries worldwide. Products are distributed traditionally via wholesale and retail outlets and the restaurant industry. Added to this is the direct and indirect marketing of products via the e-commerce channel and direct business at the locations (direct-to-consumer).

Henkell Freixenet offers all the well-known sparkling wines that it produces itself, including Freixenet as the world's leading cava, Mionetto as the world's best-selling Prosecco and Henkell Sekt as the most exported German sparkling wine brand. The product portfolio also includes established champagne, cava, crémant and sparkling wine brands from France, Spain, the USA, Germany, Hungary, the Czech Republic, Romania and Slovakia.

In addition to sparkling wines, still wines play an increasingly important role in *Henkell Freixenet*'s portfolio. Freixenet is also the leading import brand of Spanish wine in Germany. Schloss Johannisberg is known for its world-renowned choice Riesling wines, and with its wineries in the Czech Republic, Slovakia and Hungary, the group is one of the leading quality wine suppliers in Central Europe. The company is also represented with renowned wineries in California and Mexico as well as the i heart Wines wine brand, which is one of the fastest-growing wine brands in the UK.

Henkell Freixenet also boasts a broad portfolio of spirits, which includes almost all relevant types of vodka, "Korn" schnapps, gin, cream and bitter liqueurs and aperitifs. In the spirits sector, the group is the market leader for vodka in Germany (with Wodka Gorbatschow), gin in Poland and brandy in Slovakia.

Food
The *Martin Braun Group*, headquartered in Hanover, develops, produces and sells a full range of convenience products for the baking, confectionery and catering industries. It delivers its products to wholesalers and retailers, bakeries, pastry shops and food service and industrial companies worldwide. The internationally active *Martin Braun Group* is represented in all relevant sales channels with its wide range of products in many exporting countries. Focusing on "bulk consumer baking", the group's portfolio includes flavours, fillings, emulsifiers, glazes, raw materials, decorative items, ready-made mixes and premixes for baked goods, gelling and binding agents, ice cream products, toppings, concentrates for beverages and fruit purees. The extensive range offers ingredients for sweet products under the Braun brand, ingredients for bread and rolls under the Agrano brand, fruit purees under the Capfruit brand and ingredients for ice cream under the Cresco Italia brand. In addition, the group produces premium frozen bakery products under the brands Wolf ButterBack and Diversi Foods with a full range of bread and rolls, croissants and sweet and savoury snack products.

The *Martin Braun Group* secures through its holistic product approach across the entire value chain the customer-oriented range of dependable baking ingredients and premium frozen baked goods.

Specialty Chemicals
Budenheim has developed on the world markets from a medium-sized company into a leading international product and service provider for high-quality specialty chemicals. The products are marketed directly through distributors in around 100 countries. The company has three operating business units: Food Ingredients, Performance Materials and Material Ingredients. The activities of its customers and potential

customers are broken down into market-oriented clusters. The various clusters that develop through these three business units focus, among other things, on innovations in the pharmaceutical and medical field, new paths in the fields of nutrition and health and safety and resource conservation in technical and industrial market segments.

Budenheim has its origins in the municipality of the same name in Rheinhessen. The company is internationally positioned and has production locations in Germany, the USA, Mexico, Spain, the Netherlands and China. With its network of numerous trading partners and sales outlets, such as in Singapore, India and South America, *Budenheim* has a presence in the markets and close to its customers.

Hotel Management and Hotels

The *Geschwister Oetker Beteiligungen Group*'s portfolio includes the international grand hotels *Le Bristol Paris* and *Château St. Martin & Spa* in Vence, France.

The *Oetker Hotel Management Company* manages the hotels of the *Oetker Collection*, which include the eleven Masterpiece Hotels which are unique worldwide. Coordinated marketing and sales activities enable highly efficient market cultivation. The long-standing cooperation with leading travel agents, the support given to the hotels by an international network of PR agents and the close cooperation of the hotels in promoting each other have set new standards for the hotel industry.

Other Interests

The Other Interests Division brings together companies of *Geschwister Oetker Beteiligungen KG* that operate in different sectors. These include the US real estate portfolio *Columbus Properties Inc.*, the Swiss company *Atlantic Fortfaitierungs AG* and *Belvini.de GmbH*, the online retailer of select wines and other specialties.

Columbus Properties Inc., headquartered in New York, manages a portfolio of high-quality commercial real estate in the USA. In addition to its own properties, *Columbus Properties Inc.* offers through its subsidiary Colonnade Management Inc. services in the areas of property management, leasing, development and acquisition analysis.

Atlantic Fortfaitierungs AG, headquartered in Zurich, Switzerland, is a service provider which specializes in export and trade finance. In over 60 years, the company has established itself as a fixture in this specialist market and has earned a high level of trust from export customers and banks. The focus of services is on the assumption of trade receivables without recourse to the seller. In addition, the portfolio also includes import financing and loans in emerging countries as well as the buying and selling of export receivables.

Belvini.de GmbH is in its segment a leading e-commerce platform which, together with its subsidiary *Vinocommerce GmbH*, distributes wines, sparkling wines, spirits and other drinks to trade and end customers. The focus of the product portfolio, which consists of trade goods and own brands, lies in wines and sparkling wines from Italy, Germany and France.

Belvini.de GmbH ist in ihrem Segment eine führende E-Commerce-Plattform, die zusammen mit ihrer Tochtergesellschaft *Vinocommerce GmbH* Weine, Schaumweine und Spirituosen sowie sonstige Getränke gegenüber Fach- und Endkunden vertreibt. Der Schwerpunkt des Produktportfolios, das aus Handelsware und Eigenmarken besteht, liegt bei Weinen und Schaumweinen aus Italien, Deutschland und Frankreich.

Economic Framework

General

Global economic activity was again affected by the coronavirus pandemic in 2021. Compared to the coronavirus year 2020, however, a significant recovery has been seen. In the third quarter of 2021, global gross domestic product rose compared to the previous quarter by approx. 0.8% (measured adjusted for prices and in US dollars). This was exceeded in the fourth quarter of 2021 with growth of 1.2%. However, the recovery of the most important sales markets stalled. Gross domestic product growth in Western Europe (EU-19) was well below average with +0.3%, in Germany it even shrank by -0.7%. The reasons for this were measures taken to counter the Omicron variant of the COVID-19 virus and consumer uncertainty as a result of the escalating conflict between Russia and Ukraine.

Disruptions to global supply chains continued and hampered economic recovery to pre-pandemic levels significantly. Sharp increases in freight rates due to insufficient shipping capacity and serious container shortages resulted in significant cost increases and painful delays.

Fuelled by an expansive monetary policy, geopolitical tensions and a change in energy policy, energy prices rose disproportionately. The shortage of raw materials and other goods as well as supply bottlenecks due to disrupted supply chains drove inflation to a twenty-year high in the eurozone and in the USA. To counter this, interest rates were raised gradually by the central banks.

The international business of the *Geschwister Oetker Beteiligungen Group* is affected by the euro exchange rate with numerous currencies. The development of the euro exchange rate with the most important currencies is shown in the table below:

Closing and average rate against the Euro[1]

	Closing rate 31 December 2020	Closing rate 31 December 2021	Average rate 2020	Average rate Nov. – Dec. 2021
Australian dollar	1.5896	1.5615	1.6567	1.5757
Brazilian real	6.3735	6.3101	5.9988	6.3432
British pound	0.8990	0.84028	0.8894	0.8460
Mexican peso	24.4160	23.1438	24.7300	23.8249
Polish zloty	4.5597	4.5969	4.4680	4.6304
Swiss franc	1.0802	1.0331	1.0709	1.0381
Turkish lira	9.1131	15.2335	8.1579	15.084
US dollar	1.2271	1.1326	1.1470	1.1345

1 ECB and Bundesbank euro reference rates as of 31 December 2021

Business environment for the Sparkling Wine, Wine and Spirits Division

The measures to counter the coronavirus pandemic greatly affected business worldwide. Hard lockdowns, closed catering establishments and the almost complete standstill of travel and tourism were the main reasons for this. Southern Europe, the most important tourist destination for the business of *Henkell Freixenet*, and North America suffered the most from the consequences of the restrictions. The revival of the catering industry during the course of 2021 quickly led to positive growth particularly in these regions. The same applies for global retail travel. The Asia region has not yet recovered due to the heightened coronavirus measures, which is reflected in particular in the sales of sparkling wine.

Consumer behaviour has changed in a short period of time. After travel, catering and cultural events came to almost a complete standstill, consumers invested instead in increased quality in household consumption. This resulted worldwide in a disproportionate increase in high-quality consumer goods. *Henkell Freixenet*, with its Prosecco, cava, champagne, crémant and premium sparkling wine products, benefited more than average from this global trend. This development boosted still further the positive trend for Prosecco, sparkling rosé wines and non-alcoholic sparkling wines already seen for many years.

On the supply side, 2021 was characterized increasingly by challenges in the supply chain and significant price increases, especially for bottles, labels, cardboard packaging, energy and logistics. Wine prices have also risen further.

Business environment for the Food Division

The coronavirus pandemic affected the business environment of the Food Division in the 2021 financial year with a mixture of lockdown measures in the first half of the year and easing of measures in the summer. With a further increase in coronavirus cases and new variants of the virus, restrictions were still in place at the end of the year. The “out-of-home” business in particular had to contend with a drop in volumes in the last quarter compared to pre-coronavirus levels due to home office working and capacity restrictions in the catering industry.

The tourism sector also did not return to earlier levels due to travel restrictions and local lockdowns, although these areas have recovered compared to the huge drop in business in 2020.

The high level of stock buying by over-the-counter food retailers was not repeated. It was again seen in 2021 that the COVID-19 pandemic boosted the global trends of digitalization, sustainability and more conscious, healthier consumption. This is seen in the growing demand for natural (“free from”, “organic” and “clean label”), healthier or plant-based and more sustainable (“palm oil-free”) products.

Business environment for the Specialty Chemicals Division

The chemical and pharmaceutical industry was unable to maintain its strong start to the year in the fourth quarter of 2021. Bottlenecks in supply chains and rising energy prices resulted in a weaker trend in performance towards the end of the year. In the fourth quarter, production rose only slightly by 0.6% compared to the previous quarter. Increases in sales revenue were due in particular to rising producer prices (+8.5% compared to the previous year).

Compared to the third quarter, sales revenue increased by 5.0%. In comparison with the previous year, the chemical and pharmaceutical companies achieved a 23.4% increase in sales revenue, whereby this is primarily due to the positive trend in the pharmaceutical industry.

As of the year-end, plant utilization fell slightly to 81.5% and was therefore just below the normal level.

Business environment for the Hotel Management and Hotels Division

The vast majority of international hotels again suffered heavily from the effects of the coronavirus pandemic in 2021. Extensive travel restrictions and regional lockdowns again posed great challenges to the industry in the second year of the crisis. However, the situation improved overall compared to 2020. Occupancy rates were above those of the challenging previous year, with resort destinations recovering much quicker and stronger than the metropolitan regions. Overall, the catch-up effects had a positive impact especially in the luxury segment. The enforced abstinence from travel also resulted in less price sensitivity on the demand side. From the autumn of 2021, international cities also recorded increased travel activity and overnight stays. However, with the spread of the Omicron variant of the virus, the picture was gloomier in December.

Business environment for the Other Interests Division

As a company specializing in the marketing of office properties in the USA, *Columbus Properties Inc.* is suffering under the home office trend. In the fourth quarter of 2021, many companies again allowed their employees to work from home. In the same quarter of 2021, however, the number of new lets in the US office market rose for the first time since the start of the coronavirus pandemic. The vacancy rate for office space also stabilized.

In the target markets of *Atlantic Forfaitierungs AG*, emerging and less developed countries, a clear division was seen in year two after the global pandemic. While the economy recovered strongly in most OECD countries thanks to the vaccination programmes and massive fiscal and monetary support, and in some cases economic output reached pre-COVID levels, the medium-term consequences in some less developed countries are much more serious. The massive drop in gross domestic product was followed in the past year by a slow and relatively weak recovery particularly in the poorer countries. Due to the high level of debt, the necessary support programmes and stimuli for the economy were not possible there. While the emerging countries which came through the crisis better could refinance themselves in the capital market and in so doing regained the trust of investors, for others the risk premiums rose, with the result that they were unable to replace expiring finance.

They now need the support of the International Monetary Fund (IMF).

For *Belvini.de GmbH*, as for e-commerce business generally, the easing of the COVID measures is resulting in a slowdown in growth. Buying behaviour, which was necessarily dependent on online buying, is gradually opening up again as expected to other channels.

Earnings Position and Business Performance

General

The *Geschwister Oetker Beteiligungen Group* that emerged from the split of the former *Oetker Group* has only existed since November 2021. Accordingly, the initial consolidation of the Group took place with effect of 1 November 2021. Although *Geschwister Oetker Beteiligungen KG* already existed as an individual company, a comparison of the previous year's key figures at Group level is not possible – this is currently only meaningful at the level of the group companies. In addition, seasonal effects within the group companies do not allow a comparison between the group companies on the basis of only two months:

	Nov. – Dec. 2021	
		in %
NET SALES BY DIVISION (IN EUR MILLION)	**485**	**100.0**
Sparkling Wine, Wine and Spirits	298	61.4
Food	95	19.6
Specialty Chemicals	67	13.8
Hotel Management and Hotels	16	3.3
Other Interests	9	1.9
NET SALES BY REGION (IN EUR MILLION)	**485**	**100.0**
Germany	128	26.4
Rest of the EU	201	41.4
Rest of Europe	70	14.4
Rest of the World	86	17.7
INVESTMENTS (IN EUR MILLION) (WITHOUT FIRST-TIME CONSOLIDATIONS)	**23**	**100.0**
Sparkling Wine, Wine and Spirits	9	39.1
Food	5	21.7
Specialty Chemicals	6	26.0
Hotel Management and Hotels	2	8.7
Other Interests	0	0
EMPLOYEES (BY HEADCOUNT)	**7,740**	**100.0**
Sparkling Wine, Wine and Spirits	3,365	43.5
Food	2,274	29.4
Specialty Chemicals	1,292	16.7
Hotel Management and Hotels	667	8.6
Other Interests	142	1.8

The *Geschwister Oetker Beteiligungen Group* generated sales revenue of EUR 484.5 million in the months November and December 2021. The biggest contribution to sales revenue was made by the Sparkling Wine, Wine and Spirits Division, which traditionally sees strong business at the end of the year.

Investments totalled EUR 22.7 million for the same period, driven by the construction of a new production plant with an associated building in *Budenheim*.

At year-end a total of 7,740 people were employed by the Group; the number of employees was largely stable in the two months being reported on.

Performance of the Sparkling Wine, Wine and Spirits Division

In the months November and December the division generated sales revenue of EUR 298 million compared to EUR 263 million in the 2020 comparison period. This equates to growth of around 13.5%. The investments of *Henkell Freixenet* totalled EUR 9 million in the same period compared to EUR 5 million in the last two months of the previous year. The focus here was on the development of the Mionetto site in Italy. The average number of employees, 3,499, was stable compared to the previous year, down by -0.3%. Sales revenue in the DACH region (Germany, Austria and Switzerland) totalled EUR 88 million, 1.5% below the same period of the previous year. The performance of Germany's leading premium sparkling wine Fürst von Metternich, as well as of Henkell and Mionetto Prosecco, was once again very pleasing. Strong growth was also achieved by Mangaroca Batida de Côco. In Austria, Henkell Trocken, Austria's market leader in sales, and Freixenet both increased their sales revenues. In Switzerland, Prosecco and Henkell increased sales revenue. Schloss Johannisberg saw double-digit growth in the post-coronavirus year.

Sales revenue in the Western Europe region in the last two months of 2021 totalled EUR 100 million (same period of the previous year: EUR 77 million). The losses in the previous year, which suffered from multiple lockdowns, have therefore been compensated for with growth of around 33%. France, Italy and Spain saw disproportionately positive growth. However, double-digit sales growth was also achieved in the United Kingdom.

The Eastern Europe region is characterized by the strong national companies Bohemia in the Czech Republic, Törley in Hungary and Hubert in Slovakia. Added to this are *Henkell Freixenet* Polska and Romania. Compared to the same two-month period in the previous year, sales revenue rose in the region from November to December 2021 by 16% to EUR 66 million. Successful contributions were made, among others, by Bohemia Sekt and Hubert de Luxe with its strong sparkling wine business.

Net sales revenue in the Americas region increased in the last two months of the year by 8% to EUR 32 million (same period of the previous year: EUR 30 million). In the USA, both Freixenet and Mionetto were able to make significant gains again. The Gloria Ferrer location in Sonoma, USA, and the Finca Sala Vivé location in Mexico also recorded pleasing double-digit growth in sales revenue. Brazil was also one of the growth drivers in 2021, in particular with Freixenet cava, the Freixenet Wine Collection and Freixenet Mia.

The Asia-Pacific region includes the activities of the *Henkell Freixenet* companies in Japan, Australia and China as well as all other export activities in the Asia-Pacific and Africa regions. Overall, the region generated sales revenue of EUR 6 million in the period November to December 2021, down 26% compared to the same period of the previous year.

In the Global Export Division, the Group combines business with importers and distributors in countries where it does not have its own sales company. The duty-free business, which effectively ceased to exist during the coronavirus pandemic, is also part of the Global region. Sales revenue in this region grew to EUR 5 million in November and December 2021 compared to the corresponding period in the previous year.

Overall, the international core brands achieved clearly positive growth during the same period. The sales of the largest brand, Freixenet, were 3.2% above the level for the same period of the previous year. The positive performance of Freixenet Prosecco and Italian rosé as well as the newly introduced Freixenet Italian Collection and Freixenet Spanish Collection in the wine range made a significant contribution to this.

Mionetto Prosecco, with its focus markets Italy, the USA, Germany, the UK, France, Canada and Eastern Europe, showed sales growth of 42.2% compared to 2020. The growth was mainly driven by sales in the USA and the Italian domestic business. The new Mionetto Rosé, which was launched worldwide in 2020, also played its part in the positive brand development.

In the last two months of 2021, Henkell's sales were down slightly on the previous year by 0.5%, but saw double-digit growth for the year as a whole.

As the market leader, the brand was able to make its mark in Austria as well as on the Canadian and Australian markets. The reviving duty-free market also contributed to the positive performance of the most exported German sparkling wine brand.

Performance of the Food Division

In the last two months of 2021 *Martin Braun* generated sales revenue of EUR 94.9 million compared to EUR 80.0 million in the same period of the previous year. On a comparable basis, *Martin Braun* achieved sales revenue growth of 22.4% adjusted for currency translation effects. In some cases, negative currency effects, above all the further devaluation of the Turkish lira, had a negative impact on local business development. Despite numerous ongoing challenges in many markets, *Martin Braun* demonstrated a pleasingly strong resilience and was able to overcome the considerable reduction in sales revenue in the same period of 2020 across almost all national and product range borders and to grow significantly once again.

Across all countries, the share of sales for the *Martin Braun Group*'s important food retail business increased significantly. This was mainly due to a comprehensive package of measures in response to the difficult market conditions.

Both divisions (Bakery Ingredients and Frozen Bakery) regained their previous market strength in the period November to December 2021. The Bakery Ingredients Division's sales revenue grew by 16.2% compared to the previous year due in large part to a very pleasing performance in Turkey as well as in Germany, Spain, France and Italy. The Frozen Bakery Division's sales revenue was up 21% on the previous year. In Germany, gains were made with traditional bakery customers and food retailers. The UK and Benelux regions also recorded significant growth.

Performance of the Specialty Chemicals Division

Budenheim again faced a highly competitive market environment in 2021, which was once more exacerbated by the continuing COVID-19 pandemic and supply chain problems. As a reliable partner, it needed to secure the global supply chain for its customers. At the same time, it was not immediately possible to pass on to customers the continuing and in some cases escalating price increases, mainly on the raw materials and energy side.

Budenheim's sales revenue therefore grew in November and December 2021 by around 30% compared to the same period of the previous year. Volume growth was less than this, because the prices had to be raised. However, the price increases were unable to compensate fully for higher raw material and energy prices and increased freight costs.

Performance of the Hotel Management and Hotels Division

The hotels of the *Oetker Collection* were unable to escape the disastrous market environment and the impact of the COVID-19 crisis. After the Hotel Le Bristol had to close for five months in 2020, and the *Château St. Martin & Spa* was unable to start its business operations at all in the previous year due to the pandemic, both hotels generated sales revenue in 2021 which was well above the previous year's level. At the same time both hotels, again due to the pandemic, fell significantly short of their sales revenue targets and pre-pandemic levels.

Le Bristol Paris generated sales revenue of EUR 13.0 million in November and December which, despite the travel restrictions and the Omicron variant, was well above the figure for the same period of the previous year.

Château St. Martin & Spa, which has traditionally only opened in the summer season, started its annual shut-down period in October 2021 and generated no more sales revenue.

In the *Oetker Hotel Management Company*, which manages and markets hotels worldwide on behalf of third-party owners, performance was mixed in 2021. Strong demand in both of the hotel group's Caribbean hotels was accompanied by a drop in sales revenue in London and Baden-Baden.

Performance of the Other Interests Division

Columbus Properties Inc. employed twelve people in November and December 2021. These generated sales revenue of EUR 1.2 million in the two months. In the same period, EUR 0.8 million were invested in the properties of *Columbus Properties Inc.*

The seven employees of *Atlantic Forfaitierungs AG* generated gross revenue of EUR 1.2 million in November and December 2021. This largely consists of net interest and to a lesser degree commission and trading revenue. No investments were made in the period.

Belvini generated sales revenue of EUR 6.7 million in November and December with its 95 employees. The reason for this is the seasonal Christmas business, as a result of which sales revenue in November and December is significantly higher than the average for the year. In this period only a small amount was invested, just under EUR 12 thousand in operating equipment.

Assets and Financial Position

The *Geschwister Oetker Beteiligungen Group* ended its first financial year with total assets of EUR 7,644 million. Fixed assets account for 53.8% of total assets. In the revaluation of assets necessary as part of the initial consolidation as of 1 November 2022, hidden reserves of EUR 1,577 million were revealed.

Of this, intangible assets account for EUR 589 million, tangible assets EUR 682 million, financial assets EUR 76 million and current assets EUR 230 million. In addition, goodwill in the amount of EUR 1,882 million was identified, which on average is amortized over five years. In total, the value of total assets was increased by EUR 3,459 million.

The main balance sheet items for the 2021 financial year are shown in the table below.

Balance Sheet Structure in EUR million	**Dec. 2021**
Total assets	7,644
Fixed assets	4,114
Inventories/accounts receivable/prepaid expenses	1,688
Cash and cash equivalents	324
Equity	5,791
Provisions	368
Liabilities including deferred income, deferred tax liabilities	1,103

Current investments not including initial consolidation totalled EUR 23 million. Sparkling Wine, Wine and Spirits accounted for 39% of investments, Specialty Chemicals 26%, Food 22%, Hotels 9% and Other Interests and the holding company 4%.

Depreciation and amortization of intangible assets, tangible assets, goodwill and current assets totalled EUR 96 million. Of this, scheduled depreciation and amortization accounted for EUR 95 million of this. Investments in associated companies are reported in the amount of EUR 133 million. Chemicals accounted for 72.9%, Hotels 4.2%, Sparkling Wine, Wine and Spirits 2.0% and the remaining divisions 20.9%.

The book value of inventories was EUR 786 million. Receivables totalled EUR 884 million. Trade receivables accounted for EUR 536 million and receivables from companies in which investments are held EUR 8 million. The book value of all the liabilities was EUR 1,104 million. Other assets totalled EUR 340 million. As of the balance sheet date, cash and cash equivalents totalled EUR 1,842 million. This consisted of EUR 324 million as cash and EUR 1,518 million in securities classified as current assets. Cash is broken down by division as follows:

Sparkling Wine, Wine and Spirits accounted for 37% of the EUR 324 million, Other Interests 24%, Food 9%, Specialty Chemicals 7%, Hotels 5% and the holding company 18%.

Equity totalled EUR 5,791 million. Of this, Group reserves accounted for EUR 5,376 million and the difference in equity due to currency translation for EUR 7 million.

Pension provisions totalled EUR 103 million as of the balance sheet date. The addition from initial consolidation in the amount of EUR 103 million is reduced by EUR 1 million through utilization in the financial year and increased by EUR 1 million through the change in interest rates. As a result, pension provisions as of 31 December 2021 remain at the same level. The equity ratio is 76%. Bank liabilities mainly concern long-term loans, which were serviced according to schedule.

Business Processes and Sustainability

General

Geschwister Oetker Beteiligungen KG is gradually taking over central functions for the Group's divisional companies. The new structures and processes necessary for this are being established. The aim is to create a lean and efficient organization which realizes economies of scale for central functions within the Group. *Geschwister Oetker Beteiligungen KG* will continue to develop its holding company functions.

Business processes and sustainability in the Sparkling Wine, Wine and Spirits Division

Despite the difficult conditions caused by the coronavirus pandemic, *Henkell Freixenet* was able to continue implementing its programme to leverage synergy and efficiency potential in procurement, logistics and production and quality management. Since the merger of *Henkell & Co.* and *Freixenet S.A.* in the summer of 2018, the work on the harmonization of a joint supply chain has now been completed. As a result, the major challenges on the procurement side in 2021 were met effectively and shortages were largely avoided despite continuing supply problems.

The aim of digitalizing production and logistics continued to be pursued with numerous projects. The main focus here was on the automation of processes in order to reduce structural costs as a result. With the help of digital process management, and thanks to group-wide, fully automated production planning process, the use of modern machinery can be networked with production robots.

In marketing and sales activities, *Henkell Freixenet* focused successfully on its "global icon brands" Freixenet, Mionetto Prosecco and Henkell Trocken. With the help of cross-market brand teams for Freixenet, Mionetto, Henkell Trocken, *i heart Wines* and Mangaroca Batida de Côco, the processes are now managed internationally and efficiently.

Together with its retail partners, the company continues to expand e-commerce as a sales channel. The change in consumer behaviour brought about by the pandemic has clearly shown that digital marketing is key for communicating with and reaching the target groups for the respective products with greater precision. This momentum needs to be exploited.

In order to meet the trend towards high-quality premium products, *Henkell Freixenet* has introduced the Freixenet Spanish Wine Collection in a frosted bottle and the Freixenet Italian Wine Collection in the iconic crystal bottle to its product range in this segment.

With the ice variants such as Freixenet Ice in Spain and Bohemia Sekt Ice in the Czech Republic, the company is making successful gains in the premium segment. In the spirits segment, the Wodka Gorbatschow Limited Edition and the trendsetter Kuemmerling Pfefferminz deserve special mention.

Business processes and sustainability in the Food Division

The *Martin Braun Group* has used the momentum of the coronavirus pandemic to invest more in digital infrastructure. Webinars, customer meetings via video consulting and digital customer-specific training were increased. The loss of customer visits caused by the travel restrictions was thus largely compensated for.

In the 2021 financial year the *Martin Braun Group* developed a palm oil-free range of deep-fried pastry products ('Berliner Wolke', 'Brauns Quarkbällchen' and 'Brauns Spritzkuchen').

This range is characterized by the complete absence of palm or tropical fat. It is an impressive innovation that takes into account the current food trend of sustainability. In the last two months of 2021 the *Martin Braun Group* concentrated on further market penetration with the products launched in September.

With regard to the "clean label" initiative, the company has continued to revise the entire cream emulsifier range. The focus was on the use of exclusively natural flavours, colouring foods and the elimination of modified starches and hydrocolloids.

In the bread/rolls segment, the *Martin Braun Group* launched the Agrano "Achtsamkeit" (Mindfulness) concept in the spring in the form of a bread baking mix with eight different types of seeds, including promotional materials to encourage sales. In the last quarter of 2021 the focus was on further penetration of the market. At the same time, the company has been increasingly involved in the development of bakery products for this sector with Bioland certification.

In the frozen bakery segment, the company also concentrated in the last two months of 2021 on the new products and concepts launched in the autumn.

Wolf ButterBack held very successful promotions in the service station branches of national oil companies in November and December with the Turkey and Cream Cheese Croissant, the Pretzel Multi-Grain Triangle and the Winterzauber (Winter Magic). These were supported by point-of-sale poster advertising.

In November, Diversi Foods started supplying the first customers from the new Line 4 built in Moeskroen (Belgium). Here bread specialties are made in traditional quality which, from sourdough production and dough resting time to the natural fermentation process, have a processing time of up to 30 hours. The breads are then baked in the 60m long oven – one of the biggest brick bread ovens in the world.

Mainly high-quality stone-oven bread was supplied to major food retail customers. Two products were added to the product range of traditional sourdough breads by Diversi Foods: a white lumberjack bread – a cross between a loaf and a baguette – and a dark baguette with walnuts.

Business processes and sustainability in the Specialty Chemicals Division

In the 2021 financial year *Budenheim* experienced strong demand from customers. However, here too the challenge was to manage the limited supply situation on the part of raw material suppliers.

The high capacity utilization made numerous capacity expansion projects across all locations necessary. While intensive work on these projects continued in November and December, the first positive effects were already seen in this period. The focus here was particularly on product lines for high-quality specialty chemicals.

In the summer of 2021 a new warehouse management software for the logistics centre in Germany went live. The production of melamine phosphates was expanded at the Spanish location. Production capacity was also extended at *Budenheim* Mexico. With the aim of shortening lead times for customers and at the same time to reduce dependency on contract manufacturers, *Budenheim* USA invested in a new powdered lubricants unit.

In the central functions, *Budenheim* invested in the human resources organization and sustainability.

The focus on sustainability and market-driven innovation is particularly evident in the Food Ingredients business unit. Within this area, the Savory Solutions cluster launched the new ABASTOL®-VEG portfolio, which covers the requirements for plant-based meat substitutes. High future growth potential is becoming apparent here. Using the same approach of finding innovative answers to changes in market demand, the Nutrition cluster launched a new product family under the WowCaps® Fe 300 brand. Microencapsulation enables safe and highly functional iron-fortified sports and other drinks to be offered to the market, seizing on the trend for healthy drinks.

In addition, *Budenheim* is expanding its leadership position in high-purity minerals for the infant nutrition and nutraceuticals industry. Both the CAFOS® and PureMin® portfolios for safe, reliable and valuable mineral enrichment have been expanded.

In the Performance Materials business unit, the Metal Treatment cluster has expanded the existing portfolio of ROLLIT® and PHOSPHATHERM® high-temperature lubricants to include application systems.

The Pharmaceutical and Medical Products cluster has strengthened its presence in Asia with the registration of the DICAFOS® and TRICAFOS® portfolios for the Chinese market. It positioned itself as a comprehensive solution provider in the market with the presentation of proprietary and generic formulations and scientific publications.

The Ceramics Solutions cluster is expanding its competencies in the refractories sector and is now developing solutions for new technologies in technical ceramics.

The Material Ingredients business unit focused successfully on the integration of QolorTech B.V. and the establishment of the new core business area of polymer master batching in Vaassen, Netherlands.

The Polymers cluster presented itself as a “green master batcher” with its environmentally-friendly products QolorTech® NIR, QolorTech® ReQolor and QolorTech® ReQreate.

In the Paints cluster, the business unit achieved key approvals for paint formulations with its flame-retardant FR CROS® 585, which is characterized by unique processing stability.

Business processes and sustainability in the Hotel Management and Other Interests Divisions
Due to the small number of employees, the business processes at the *Oetker Hotel Management Company*, *Atlantic Forfaitierungs AG*, *Belvini* and *Columbus Properties Inc.* are functional and are adapted quickly and flexibly to changing circumstances as necessary.

In particular the implementation of a new ERP system at *Belvini*, which went live at the start of 2022, is worthy of mention here. This created the foundation for the further expansion of digital sales activities.

Oetker Hotel Management Company GmbH has based its sustainability initiatives on the principles of the UN Global Compact since 2015 and has since published annual sustainability reports. These comprise projects in the individual hotels as well as global initiatives. This topic is attracting increasing attention in the hotel industry as well. According to a recent study by booking.com, 81% of travellers consider the topic of sustainability to be important. Therefore even greater focus is placed on Corporate Social Responsibility and Sustainability at *Oetker Hotel Management Company GmbH*. In 2022 the company will be dedicated in particular to improving its CO_2 balance.

Forecast Report

General

It is not expected that the split of the former *Oetker Group* will have a negative effect on the future business of the divisional companies. On the contrary, the unity of shareholders and management, the short decision-making paths, lean structures and the entrepreneurial approach of a family business are key for reacting quickly to the changing market environment. The planning of the *Geschwister Oetker Beteiligungen Group* envisages continuous growth in sales revenue for all divisional companies despite the increase in global risks.

In its planning, the Group assumes that the disruptions in the supply chains will ease at the latest by the end of the year. The ifo Institute expects the 2022 inflation rate for Germany to lie between 5.1 and 6.1%

The central banks have to date reacted inconsistently to the increasing inflation. While the US Federal Reserve had already started to raise interest rates in the first quarter of 2022, the European Central Bank (ECB) did not announce this step until June 2022. The plan to raise interest rates by 25 points announced by the ECB is much more moderate than for example the steps taken by the US Federal Reserve. Smaller central banks – for example in Australia, New Zealand, Korea and Eastern Europe (Poland, Czech Republic, Hungary) and the Bank of England – have also reacted to the economic recovery and higher inflation and have raised their interest rates.

The ECB experts still expect the prices to be pushed up yet further by factors such as geopolitical tensions, delivery bottlenecks, higher energy prices and base effects. Even before Russia attacked Ukraine, the ECB forecast that inflation would continue to rise throughout the whole of 2022. All the same, the ECB advised that interest rates would not be raised until the third quarter of 2022.[1]

However, the biggest risk factor for economic development is Russia's invasion of Ukraine. The resulting risks are currently difficult to gauge. The potential of this conflict to escalate appears to be considerable. Significant increases in the prices of energy sources, packaging material and agricultural products are already foreseeable. If Russia stops its energy supplies, this would cause significant damage to the European economy. It is difficult to estimate the duration of the war and its outcome, as well as the further development of sanctions against Russia.

To take account of the imponderables regarding the further course of the Russian-Ukrainian war, two scenarios were considered by the ifo Institute. The base scenario assumes only a temporary increase in raw material prices, supply bottlenecks, and uncertainty. In the alternative scenario, the situation initially worsens before gradually easing from mid-year. Under these assumptions, it expects Germany's GDP to grow by only 3.1% (base scenario) and 2.2% (alternative scenario) this year, and thus noticeably less than previously expected 3.7%. In the coming year the ifo Institute expects growth of between 3.3% and 3.9%.[2]

At the same time, due to this conflict, other problems such as climate change and other geopolitical conflicts have slipped out of the public consciousness.

1 Tagesschau.de, ECB reacts to inflation – raising of interest rates not ruled out, 10 March 2022. Available online at: www.tagesschau.de/wirtschaft/finanzen/ezb-leitzins-entscheidung-103.html

2 ifo Institut, ifo Economic Forecast Spring 2022, March 2022. Available online at: www.ifo.de/fakten/2022-03-23/ifo-konjunkturprognose-fruehjahr-2022-folgen-des-russisch-ukrainischen-krieges.

Forecast for the Sparkling Wine, Wine and Spirits Division

In view of the supply bottlenecks and disruptions to supply chains, the biggest challenge is control over the whole process from buying grapes, wine, wrapping and packaging to delivery to customers worldwide. This is accompanied by dynamic price developments, especially for energy, glass and paper. The reasons are manifold and range from continuing effects of the coronavirus pandemic to the economic consequences of Russia's invasion of Ukraine and unusual climate phenomena. It is not possible for the company to influence these framework conditions. Together, these challenges form a situation which requires fast, flexible and decisive action.

As a family business, *Henkell Freixenet* considers itself to be well positioned. Despite the known uncertainties, a slight increase in sales revenue is planned for 2022, in order to compensate for the increases in prices for in particular raw materials as well as in logistics.

Forecast for the Food Division

The *Martin Braun Group* is also expecting a difficult market environment in 2022, which is characterized in particular by disrupted supply chains for raw materials and packaging. In particular in the food industry, the limited availability of for example sunflower lecithin and sunflower oil and sharp increases in the prices of butter, sunflower oil, wheat, energy and logistics due to the war in Ukraine are making themselves felt.

Martin Braun sees opportunities in the continued opening up of worldwide tourism and the catering industry. Growth potential is seen Europe-wide in the increased focus of projects in food retail and the development of new target groups.

It is almost impossible to provide a reliable forecast due to the current political and economic situation and in view of the uncertainty surrounding the pandemic situation in the autumn. However, the planning envisages an increase in sales revenue for 2022, because the increases in costs, especially of raw materials will be passed on to customers. This will happen within reasonable limits.

Forecast for the Specialty Chemicals Division

The German Chemical Industry Association (Verband der Chemischen Industrie, VCI) considered an increase in production of 2 % and an increase in turnover of 5 % to be still possible at the end of 2021. Despite various adverse factors such as continuing supply chain problems and spiralling costs of gas and electricity, the majority of its companies were confident of their ability to achieve growth, both at home and abroad, in financial year 2022.[1]

However, this initially positive forecast of developments for 2022 has been severely dampened by the recent political events. Some of the consequences of the war between Russia and Ukraine were not foreseeable. *Budenheim* is affected by very big increases in the costs of raw materials and in particular the main raw material. It is also affected by the shortage of international transport capacity. It is inevitable that these effects will be passed onto customers, which is why the planning predicts a significant increase in sales revenue for 2022 to compensate for this.

1 German Chemical Industry Association (Verband der Chemischen Industrie, VCI), Production increase by 0.8 percent over the previous quarter, attributable to the pharma sector, November 2021. Available online at: https://www.vci.de/presse/pressemitteilungen/abkuehlung-im-chemiegeschaeft.jsp.

The crisis that started at the end of March 2022 due to the COVID lockdown in Shanghai underlines the volatility with which business is done. Even though precautions were taken in good time, like at *Budenheim*'s production location in Shanghai, where employees were sent repeatedly and in a timely manner into production during the lockdown, normal production volumes could not be achieved despite all of the measures. In some plants, volumes fell in April (compared to the previous month) by 40-50%. After the first easing of COVID restrictions by the government, production volumes returned to 100% by mid-May. However, it is currently not possible to foresee whether and when stricter measures will return due to the Chinese government's zero-COVID strategy. Freight prices from China to Europe have tripled since 2020, adding fuel to the fire.

Forecast for the Hotel Management and Hotels Division

Because the recovery in 2021 was able to make up for only a part of the serious loss in sales revenue in 2020, the two hotels of *Geschwister Oetker Beteiligungen KG* and the *Oetker Hotel Management Company GmbH* expect further catch-up effects and significant increases in sales revenue for 2022. A precondition for this to take place is that the coronavirus pandemic must no longer seriously impact on the operating business of the hotels and international tourism travel must be possible with hardly any restrictions from no later than the second quarter of 2022. It is currently not possible to foresee the potential effects of the war between Russia and Ukraine. The hotels of the Collection were able to largely compensate for the loss of guests from the regions concerned, whose travel activity had already been very low during the coronavirus crisis.

Forecast for the Other Interests Division

Columbus Properties Inc. expects that there will again be little movement in the US letting market in 2022 and that the negative environment for landlords since the pandemic will change only very slowly. In view of a delay in construction and protracted negotiations with a new tenant for the property in New York, *Columbus Properties Inc.* expects the result for 2022 to be negatively affected in this market environment.

Some of the target markets of *Atlantic Forfaitierungs AG* benefit from the increased raw material prices (for example the petroleum-exporting states), while others are adversely affected by the higher import costs. In particular the increase in the prices of basic foodstuffs as a consequence of the war in Ukraine is intensifying the situation in those countries which rely on imports to secure the food to feed the population. The rise in interest rates and the resulting strong US dollar is making it more expensive for countries with high foreign debt to service their debt.

For these reasons, the risks of government-backed loans are greater than the long-term values. A strategy of geographic spreading to reduce the risks is only possible to a limited extent, because the turmoil caused by the pandemic and the war in Ukraine is present worldwide. The significant increase in interest rates and the war in Ukraine resulted in a noticeable fall in prices in the markets for fixed-interest securities.

It may therefore be necessary to make adjustments to book values in the bond portfolio this year. In its operating business, *Atlantic Forfaitierungs AG* expects gross revenue for this year to be around the level of the previous year. For the next few years, assuming a more stable economic environment, an

increase in gross revenue of approx. 2% per year is expected. This increase will be made possible first and foremost by new business opportunities to be developed. In addition, the expected end of negative interest rates will result in lower currency hedging costs.

Belvini faces a continuing consolidation of the wine e-commerce market. The overall market is seeing a reduction in alcohol consumption as a result of greater health awareness. The war in Ukraine and the associated uncertainty among consumers means it is difficult to make a forecast, with the result a very cautious sales revenue performance is assumed for the 2022 financial year.

Opportunities and Risks Report

General
The activities of the *Geschwister Oetker Beteiligungen Group* offer many opportunities, both as a whole in their diversity and in their respective industries and markets. The goal of the holding company is to achieve an advantageous balance between opportunities and risks. This also includes the managing of risks at holding level, such as the development of raw material and energy prices or currency risks.

For this purpose, the trends in the industries relevant to the Group are constantly monitored. Opportunities are incorporated into the planning and are monitored in periodic reporting. Regular market and competition benchmarks help to define and monitor the critical success factors for the respective markets.

The individual divisions are subject to different economic conditions. A diversified product portfolio helps the Group to manage the risks within the respective sectors and industries. Key for growth and increasing market share are innovative products which meet consumer needs. *Geschwister Oetker Beteiligungen KG* considers the greater quality awareness and increased demand for products produced sustainably using sustainable raw materials to be a long-term trend which it will meet with innovations.

Expanding the Group's market presence also offers strategic opportunities. This applies, for example, to the markets in emerging countries. With the help of strategic acquisitions, the product portfolio can be expanded, the market position improved and growth boosted.

On account of its structure being diversified by industry and by region, the *Geschwister Oetker Beteiligungen KG Group* is also exposed to diverse risks. These are in particular economic risks, raw material price risks and to a lesser extent currency risks. Dealing with these business risks is an important part of the Group's corporate governance.

Geopolitical risks
The economic consequences of Russia's invasion of Ukraine currently represent the greatest risk to the Group's business performance. The associated general uncertainty in the markets and among consumers is putting a brake on general economic recovery after the pandemic. The conflict is also resulting in further cost increases for energy and on the procurement side, which is already adversely affected by inflation.

Although the other territorial conflicts have currently slipped into the background of public consciousness due to the war, this does not mean that the geopolitical situation on the whole has improved. The emerging conflict between the economic areas China and the USA will set the political agenda for the long term. In the short and medium term, the billing of food in emerging countries which are heavily dependent on imports will increase political tensions significantly. That this will result in further migration cannot be ruled out.

Procurement market opportunities and risks
2022 will result in increasing procurement costs in all areas of *Geschwister Oetker Beteiligungen KG*. In addition, the supply chains are still fragile in all areas in which the Group operates, with the result that raw material and production shortages or stops cannot be ruled out.

If a complete embargo on Russian gas is imposed in the European Union and therefore in Germany, the Specialty Chemicals Division will face huge challenges, because gas is used in a lot of production processes, in particular in the German production location. If an embargo is imposed, the company will have to make decisions as required by the situation. In case of doubt, higher prices are easier to manage than a delivery stop.

A similar situation may arise in the Food Division. This is reliant on different types of wheat as raw materials. Due to the invasion of Ukraine, there is significant turmoil in the wheat markets, which in case of doubt will also need to be managed as required by the situation.

For the Sparkling Wine, Wine and Spirits Division the biggest risks lie in the supply chain from buying wine and glass to paper procurement and global logistics. The biggest challenges here are especially the energy-intensive production of glass (bottles) and the paper market (labels and cardboard boxes), which is increasingly under pressure.

Environmental and industry-related opportunities and risks
The consumer climate is of crucial importance for the consumer goods divisions. The uncertainty caused initially by coronavirus and now by the war in Ukraine has without doubt, like the rising inflation, had a significant impact on consumer behaviour. This varies between regions and sectors. However, it is not possible to estimate the level of uncertainty and how long it will last. In the pandemic it has been seen that major changes in consumer behaviour can also be caused by the intervention of national authorities. These, too, are difficult to anticipate.

The growing economic risks in the financial markets give rise to risks in particular in emerging countries for the relevant divisions of the *Geschwister Oetker Beteiligungen KG Group*.

Based on past experience, these risks are countered by focusing on strong brands and innovations to meet the trends in the market. The development and use of different sales channels will also reduce the risk of the potential migration of consumers between individual sales channels. *Geschwister Oetker Beteiligungen KG* is confident that it can compensate for the changes in demand behaviour of consumers with these measures.

Financial opportunities and risks

In view of the solid earnings structure and financial position of the Group, its low borrowed capital ratio and long-term relationships with a number of banks, the liquidity and interest rate risk are considered to be low. Unrestricted cash is invested conservatively in a broadly diversified fund of funds.

The increasing uncertainties of the global economy are also being reflected in a worsening of payment behaviour of some customers. This is being countered by greater focus on receivables management.

Legal and regulatory risks

As a company that operates worldwide, *Geschwister Oetker Beteiligungen KG* has to observe a lot of legal and regulatory standards. Internal standards, guidelines and instructions on how to implement them are used and are regularly reviewed and adjusted as necessary. All relevant legal and regulatory requirements and compliance with the applicable Code of Conduct are also monitored by a group-wide compliance organization. In addition, the usual insurance policies have been taken out to cover certain legal risks.

Opportunities and risks in the area of IT/digitalization

The use of digital technology enables the ongoing standardization of data systems as well as the harmonization and optimization of processes. Digitalization projects which are necessary for this are implemented with high priority. Costs and complexity are kept low by a consistent cloud strategy. Information technology and data protection risks are minimized by a careful selection of security architecture. A data protection organization has been implemented. Digital transformation is an unstoppable trend that influences consumer behaviour and market participants. In addition to risks, including the entry of new market participants, this also gives rise to new forms of offerings and business models that offer new growth opportunities for the Group.

Personnel opportunities and risks

The financial success of the *Geschwister Oetker Beteiligungen KG Group* is largely defined by its employees' skills and motivation. At almost all production locations, company COVID vaccinations were offered in order to keep operations running. This worked smoothly, with downtime due to COVID outbreaks kept to a minimum. At the same time, the recruitment of highly qualified specialists and managers and binding them to the Group for the long term is of enormous importance. To do this, targeted measures to promote employee development and performance-based incentive systems are used. Another focus of human resources work is health management and employee counselling in different phases of life. In addition, the COVID Crisis Team continues to operate in all companies. This helps to protect the health of employees and business partners and, at the same time, the risk of sickness-related absenteeism in the workforce and the resulting impact on operations are minimized.

Environmental and safety factors

The *Geschwister Oetker Beteiligungen Group* is committed to the responsible use of resources and high environmental and social standards. With activities at numerous locations worldwide, environmental, safety, health and social standards are set.

Highest environmental and safety standards, as well as certifications, consultations and employee training, ensure that the potential risks arising from regulatory activities are countered.

The same applies for the high technical production standards, which are the most effective protection against potential environmental and safety risks. Extraordinary weather phenomena which are occurring with greater frequency, such as hot spells, water shortages and heavy rainfall events, can have a negative impact on crop yields and therefore on the procurement of raw materials, as well as on the locations of the group companies and consumer behaviour.

Summary of the opportunities and risks situation

There are no risks either on the customer or supply side which might be a threat to the continued existence of the Group. Only a dramatic escalation of the war between Russia and Ukraine would involve unforeseeable risks.

There are no other identifiable risks which might threaten the existence of the *Geschwister Oetker Beteiligungen Group*. The sound equity base, low borrowed capital ratio, together with a strengthened strategic position are from today's perspective the most effective measures for controlling the risk drivers described above.

Consolidated Financial Statements

02

02 Consolidated Financial Statements

Consolidated Balance Sheet as of 31 December 2021

Geschwister Oetker Beteiligungen KG

ASSETS	
In EUR '000 €	2021
FIXED ASSETS	
Intangible assets	
Acquired concessions, trademarks and similar rights and assets as well as licenses to such rights and assets	597,359
Goodwill	1,837,765
Advance payments	262
	2,435,386
Tangible assets	
Land, leasehold rights and buildings, including buildings on leasehold land	948,363
Machinery and equipment	343,677
Other equipment, fixtures, furniture and office equipment	141,569
Advance payments and fixed assets under construction	56,162
	1,489,771
Financial assets	
Shares in subsidiaries	27
Investments in associated companies	133,162
Investments in other companies	148
Fixed-assets securities	692
Other long-term borrowings	54,329
	188,357
	4,113,514
CURRENT ASSETS	
Inventories	
Raw materials and supplies	154,648
Work in progress	216,596
Finished products and merchandise	406,801
Advance payments	8,080
	786,124
Accounts receivable and other current assets	
Accounts receivable (trade)	535,758
Accounts receivable from affiliated companies	848
Accounts receivable from companies in which investments are held	8,302
Other current assets	339,699
	884,606
Funds	
Securities held as current assets	1,518,476
Cash in hand	323,526
	1,842,002
	3,512,732
DEFERRED INCOME	**17,423**
	7,643,669

EQUITY AND LIABILITIES	
In EUR '000 €	2021
EQUITY	
Fixed capital	168,900
Reserves	5,375,824
Difference in equity due to currency translation	7,153
Noncontrolling interests	**239,115**
	5,790,992
PROVISIONS	
Provisions for pensions and similar obligations	103,070
Provisions for taxes	15,618
Other provisions	249,561
	368,248
LIABILITIES	
Liabilities due to banks	158,139
Advance payments received on orders	7,016
Accounts payable (trade)	243,669
Liabilities to companies in which investments are held	5,706
Miscellaneous liabilities	689,669
Taxes	*91,239*
Social security	*8,134*
	1,104,198
DEFERRED INCOME	**1,370**
DEFERRED TAX LIABILITIES	**378,861**
	7,643,669

Consolidated Statement of Changes in Fixed Assets as of 31 December 2021

Geschwister Oetker Beteiligungen KG

In EUR '000	Procurement & manufacturing costs as of 1 Nov. 2021[1]	Additions	Disposals	Reclassifications	Currency differences	Procurement & manufacturing costs as of 31 Dec. 2021	Depreciation & amortization as of 1 Nov. 2021 after exchange rate change & adjustment of gross value	Depreciation & amortization in the financial year	Currency differences	Write-ups in the financial year	Accumulated depreciation & amortization as of 31 Dec. 2021	Book value as of 31 Dec. 2021
INTANGIBLE ASSETS												
Acquired concessions, trademarks and similar rights and assets as well as licenses to such rights and assets	607,572	1,565	–1,047	4,068	–13	612,144	0	–14,893	–1	109	–14,785	597,359
Software	3,653	418	–132	199	–19	4,119	0	–314	–0	132	–182	3,937
Concessions and the like	603,919	1,146	–915	3,869	5	608,025	0	–14,579	–1	–23	–14,603	593,422
Goodwill	1,900,864	0	0	0	95	1,900,959	0	–63,191	–3	0	–63,194	1,837,765
Goodwill, nonconsolidated	18,829	0	0	0	95	18,924	0	–457	–3	0	–460	18,464
Goodwill, consolidated	1,882,035	0	0	0	0	1,882,035	0	–62,735	0	0	–62,735	1,819,301
Prepayments for financial assets	183	102	–4	–16	2	267	0	–5	–0	0	–5	262
	2,508,619	1,667	–1,051	4,052	83	2,513,370	0	–78,089	–4	132	–77,984	2,435,386
TANGIBLE ASSETS												
Land, leasehold rights and buildings, including buildings on leasehold land	942,448	2,835	–156	8,521	1,389	955,037	0	–6,756	–6	88	–6,674	948,363
Machinery and equipment	324,780	5,104	–5,166	22,912	–23	347,607	0	–8,941	–7	5,018	–3,930	343,677
Other equipment, fixtures, furniture and office equipment	141,249	1,943	–1,303	502	9	142,400	0	–1,722	–1	893	–831	141,569
Advance payments and fixed assets under construction	81,765	11,148	–914	–35,988	57	56,068	0	–19	–0	114	95	56,162
	1,490,242	21,029	–7,539	–4,052	1,432	1,501,112	0	–17,438	–15	6,323	–11,340	1,489,771
FINANCIAL ASSETS												
Shares in subsidiaries	27	0	0	0	0	27	0	0	0	0	0	27
Investments in associated companies	133.338	244	–420	0	0	133,162	0	0	0	0	0	133,162
Investments in other companies	166	0	–18	0	0	148	0	0	0	0	0	148
Long-term borrowings to companies in which investments are held	49	0	–49	0	0	0	0	0	0	0	0	0
Fixed-assets securities	698	0	–3	0	–0	695	0	–3	0	0	–3	692
Other long-term borrowings	56,448	96	–2,217	0	1	54,329	0	0	0	0	0	54,329
	190,725	340	–2,706	0	2	188,360	0	–3	0	0	–3	188,357
TOTAL	**4,189,586**	**23,035**	**–11,297**	**0**	**1,516**	**4,202,841**	**0**	**–95,530**	**–19**	**6,455**	**–89,327**	**4,113,514**

1 Transfer at fair value

Geschwister Oetker Beteiligungen KG

Notes to the Consolidated Financial Statements for the 2021 Financial Year

Application of commercial law

As a commercial partnership, *Geschwister Oetker Beteiligungen KG*, registered in the Commercial Register of Bielefeld Local Court under HRA 16997, is required pursuant to section 2 of the German Act on Disclosure of Company Financial Statements (Publizitätsgesetz, hereafter: Disclosure Act) to prepare and publish consolidated financial statements and a group management report. These consolidated financial statements and group management report, which were prepared in accordance with section 13 of the Disclosure Act in conjunction with sections 294 to 315 of the German Commercial Code (Handesgesetzbuch, hereafter: Commercial Code), have an exempting effect within the meaning of section 264 (4) of the Commercial Code, section 264b of the Commercial Code and section 5 (6) of the Disclosure Act. , for the companies identified in the shareholding list according to Section 313 of the Commercial Code (published in the German Federal Bulletin).

With the exception of the disclosures pursuant to section 313 (2) of the Commercial Code, these notes comply with the regulations of section 13 of the Disclosure Act in conjunction with sections 294 to 315 of the Commercial Code.

The *Geschwister Oetker Beteiligungen Group* emerged from the split of the *Oetker Group* in November. In the course of this, the initial consolidation of all assets of the Group took place with effect of 1 November 2021.

The expenses and income of the subsidiaries consolidated as of 1 November are considered in the consolidated financial statements for the period from 1 November to 31 December 2021. The determination of average values in these notes refer to the period from the date of initial consolidation to the balance sheet date.

Scope of consolidation

All of the major German and foreign companies on which *Geschwister Oetker Beteiligungen KG* can exert a controlling influence directly or indirectly have been included in the consolidated financial statements.

As of the balance sheet date, the scope of consolidation included a total of 138 companies, of which 42 were German and 96 foreign companies. Because of their overall minor importance, seven companies were not fully consolidated. In addition, five companies are measured at equity.

The following significant changes occurred within the scope of consolidation:

The companies listed in the List of Shareholdings in Germany and abroad are included for the first time in the consolidated financial statements of *Geschwister Oetker Beteiligungen KG*. The List of Shareholdings is attached as part of the notes to the consolidated financial statements.

Accounting and valuation methods

In the individual financial statements of the companies included in the consolidated financial statements prepared for consolidation purposes, items are recognized and valued using uniform criteria in accordance with the provisions of the Disclosure Act and Commercial Code on the basis of the

Geschwister Oetker Beteiligungen Group's reporting, accounting and valuation policies (Handelsbilanz II). The financial statements of the companies accounted for using the equity method were not adjusted using the uniform group policies.

Tangible and intangible assets were valued in accordance with section 253 of the Commercial Code. The option of capitalizing self-produced intangible fixed assets provided for in section 248 (2) sentence 1 of the Commercial Code is not exercised within *Geschwister Oetker Beteiligungen Group*. Goodwill is amortized over its ordinary useful life of five years. The upper limit for the measurement of production costs is set by the production costs pursuant to section 255 (2) sentences 1 and 2 of the Commercial Code. Investment grants were treated as deductions from the acquisition cost. Scheduled depreciation and amortization were deducted using the straight-line method, in Germany largely using the useful lives recognized by the German tax authorities. In Germany, low-value assets with an acquisition cost of up to EUR 800 are depreciated in full in the year of acquisition. A similar approach is taken abroad in comparable cases. In some cases, a collective item is formed for the year for low-value assets, for which the acquisition or production cost for the individual asset exceeds EUR 150 but not EUR 1,000, which is depreciated on a straight-line basis over five years.

Financial assets are measured at no more than acquisition cost, unless a lower value is required. Permanent losses in the value of fixed assets are accounted for by unscheduled amortization.

Current assets are measured pursuant to sections 253 and 256 of the Commercial Code. The production cost of inventories includes appropriate manufacturing overheads, observing the production cost limits set by the tax authorities; interest on borrowed capital is not capitalized. Identified inventory risks are accounted for through loss-free measurement. Adequate specific and general provisions are made to cover risks in receivables.

Transactions in foreign currencies are translated at the mean spot exchange rate at the time of the transaction, for the sake of simplicity at the monthly average rate in some cases.

Provisions are recognized at the settlement amount necessary based on prudent commercial judgement. The pension provisions are measured based on the rules of the part-value method using the 2018 G mortality tables of Prof. Klaus Heubeck. The simplification rule of section 253 (2) sentence 2 of the Commercial Code is applied and the provisions are calculated using the interest rate determined by the Deutsche Bundesbank for residual maturity of 15 years on 31 October 2021 and forecast on 31 December 2021 (1.87%); in addition, an expected increase in wages and salaries of 2.7% and an expected pension increase of 1.4% are assumed. The pension obligations of the foreign companies are measured pursuant to the respective national laws and are of minor importance. The difference pursuant to section 253 (6) of the Commercial Code is EUR 6.2 million.

For the anniversary provisions, the same wage and salary increases are assumed as for the pension provisions. The interest rate is determined in the same way, but based on the average for the past seven financial years; it is 1.34%. For other provisions, expected price increases of 1.4% are taken into account.

Assets within the meaning of section 246 (2) sentence 2 of the Commercial Code were netted with corresponding provisions for pension obligations in the amount of EUR 88 thousand. Liabilities are recognized at their settlement value.

Due to a surplus of deferred tax assets from individual financial statements, the deferred taxes are formed only as provided for by section 306 of the Commercial Code. Deferred tax assets and liabilities from consolidation transactions are netted together, leaving a net liability of EUR 379 million. A standard Group tax rate of 30% is used.

Negligible use is made of valuation units within the meaning of section 254 of the Commercial Code. In these cases, the freezing method is applied.

Currency translation

The currency translation of items in foreign currencies on the balance sheets of the consolidated companies is based on section 256a of the Commercial Code. The balance sheets of the foreign subsidiaries not already prepared in euros are translated using the modified closing rate method of section 308a of the Commercial Code. The changes in the consolidated statement of changes in fixed assets are translated using the average exchange rate (November and December 2021).

Consolidation principles

The annual financial statements of all consolidated companies are prepared as of the date of the consolidated financial statements. In the case of capital consolidation, the acquisition costs calculated using the principles of the revaluation method are netted with the proportionate equity at the time of initial consolidation. Initial consolidation is effected as of the date on which the company became a subsidiary. The fair value of the acquired assets, debts taken over, prepaid expenses, deferred income and special items is derived as far as possible using market prices for comparable transactions. The remaining differences on the assets side are reported as goodwill and are amortized through profit or loss in the following years pursuant to section 309 (1) of the Commercial Code. Depreciation is deducted using the straight-line method, the useful life is five years. The same applies to the companies consolidated at equity. Differences on the liabilities side are reported under the item "Difference due to capital consolidation" after equity and treated pursuant to section 309 (2) of the Commercial Code.

All receivables and liabilities between consolidated companies are netted and interim results from intragroup deliveries and services are eliminated, as are expenses and income between consolidated companies. Deferred taxes are allowed for in the event of differences resulting from consolidation that are expected to be eliminated in subsequent financial years.

Profits on intercompany transactions with companies consolidated at equity are not eliminated.

First-time consolidation and revaluation pursuant to section 301 of the Commercial Code

In the first-time consolidation as of 1 November 2021, assets of the consolidated subsidiaries were valued at fair value and the following hidden reserves were revealed (StepUP) (Table 1). In accordance with section 301 (3) of the Commercial Code, the remaining difference on the assets side is reported as goodwill and amortized over a residual maturity or residual use life (RUL) of five years.

Revealing of Hidden Reserves

ASSETS	StepUp as of 1 November 2021 in EUR '000	Ø RUL in years
Intangible assets		
Intangible assets in particular trademark rights	589,195	6.9
Goodwill	1,882,035	5.0
Tangible assets		
Real estate	494,505	27.4
Machinery and equipment	144,874	8.5
Other tangible assets/art collection	42,835	[1]
Financial assets		
Investments (at equity)	75,473	5[2]
Current assets	229,927	1.0
Total assets	**3,458,845**	
LIABILITIES		
Equity		
Revaluation reserve	2,966,503	
Adjustment item for minority interests	94,683	
Deferred tax liabilities	397,659	
Total liabilities	**3,458,845**	

1 Art collection: no scheduled depreciation

2 StepUP concerns goodwill for the investment valued at equity Euro Maroc Phosphore S.A., Morocco, with date of initial consolidation 31 December 2021 and scheduled amortization of goodwill from 2022 to 2027.

Other information

The liabilities total EUR 1,104 million. By residual maturity, the individual items are broken down as follows:

Liabilities

In EUR million	Residual maturity up to 1 year	Residual maturity over 1 year	Residual maturity over 5 years
Liabilities due to banks	158	0	
Advance payments received on orders	7		
Accounts payable (trade)	238	2	3
Liabilities to other companies in which investments are held	6		
Miscellaneous liabilities	274	2	414
Total	**683**	**4**	**417**

There was no collateral provided for these liabilities requiring disclosure. As of the balance sheet date, there were the following contingent liabilities pursuant to section 251 of the Commercial Code:

Contingent liabilities in EUR million	2021
Liabilities from guarantees	18
Liabilities from warranties	1

Risks from the utilization of the contingent liabilities are not expected due to the credit rating of the respective debtors.

Other financial liabilities pursuant to section 314 (1) no. 2a of the Commercial Code total EUR 690 million, EUR 274 million of which for the next year. Off-balance-sheet transactions pursuant to section 314 (1) no. 2 of the Commercial Code were only executed in an amount that is negligible for the financial position of the *Geschwister Oetker Beteiligungen Group*.

Geschwister Oetker Beteiligungen KG and its subsidiaries are, as internationally-operating companies, subject to interest, price and currency risks. To mitigate these risks, *Geschwister Oetker Beteiligungen KG* has concluded in particular contracts in derivative financial instruments (futures, swaps and options). As of the balance sheet date, there were forward exchange purchases/sales with a transaction volume of EUR 59 million and a fair value of EUR -0.5 million.

No noteworthy provisions have been made for futures, swaps and options not included in valuation units.

The derivative financial instruments are valued based on certain assumptions and valuation models, such as the present value method.

The headcount of the companies consolidated in the *Geschwister Oetker Beteiligungen Group* totalled as of the balance sheet date, converted into full-time equivalents, 7,423 employees. Broken down by division, the figures are: Sparkling Wine, Wine and Spirits 3,260 employees, Food 2,121 employees, Chemicals 1,259 employees, Hotels 656 employees and Other Interests 127 employees.

The difference between the corresponding book values and the proportionate equity of all associated companies included is EUR 67.3 million. The goodwill included in this is EUR 67.3 million.

The total fee pursuant to section 314 (1) no. 9 of the Commercial Code is EUR 525 thousand. Auditing services account for EUR 481 thousand of this and other assurance services EUR 44 thousand.

Transactions concluded with related parties pursuant to section 314 (1), no. 13 of the Commercial Code were negligible in volume.

Income Statement

In accordance with section 13 (3) sentence 2 of the Disclosure Act, no income statement will be published. In the same application of the Disclosure Act to the management report, no statements are made in this on the earnings position or key financial indicators, with the exception of sales revenue. The disclosures required pursuant to section 5 (5) sentence 3 of the Disclosure Act are published in a separate appendix:

Appendix to the Balance Sheet	Jan. – Dec. 2021
Pursuant to section 13 (3) sentence 2 of the Disclosure Act in conjunction with section 5 (5) sentence 3 of the Disclosure Act	
a) External sales (in EUR '000)	484,348
b) Income from investments (in EUR '000)	244
c) Wages and salaries, social security contributions, expenditure on pensions and other benefits (in EUR '000)	84,155
d) Number of employees Converted into full-time employees, the average number of employees Nov. – Dec. 2021 was 7,423	7,740

Sales are broken down by geographic market and area of activity as follows:

Breakdown of Sales Revenue	Nov. – Dec. 2021	Share in %
In EUR million		
Distributed by region:	485	100
Germany	127	26
Rest of the EU	201	41
Rest of Europe	70	14
Rest of the World	86	19
Distributed by division:		
Sparkling Wine, Wine and Spirits	298	61
Food	95	20
Chemical	67	14
Hotels	16	3
Potentials	9	2

Subsequent events

The pandemic triggered by the coronavirus at the beginning of 2020 continues to have a massive impact on large parts of public life and the economy. It is not possible to provide an assessment of the nature and scope of the consequences for the assets, financial and earnings position of the *Geschwister Oetker Beteiligungen Group* due to the many uncertainties.

In February 2022, following the invasion by Russia, a military conflict broke out in Ukraine with far-reaching consequences for the global economy. The war continues to restrict the already limited availability of transport capacity and raw materials, in particular of oil and gas, and drives up the associated prices. The ensuing inflation may change consumer habits, result in high wage demands and trigger a wage-price spiral – with the consequences of all of this difficult to foresee. The companies of the diversified *Geschwister Oetker Beteiligungen Group* would be impacted differently.

Bielefeld, 30 June 2022

Geschwister Oetker Beteiligungen KG

Dr. Alfred Oetker Geschäftsführung GmbH
Partner with unlimited liability

Carl Ferdinand Oetker
Partner with unlimited liability

Auditor's Opinion on the Auditor's Report on the Complete Consolidated Financial Statements

Audit opinions

We have audited the consolidated financial statements of *Geschwister Oetker Beteiligungen KG*, Bielefeld, and its subsidiaries (the Group), consisting of the consolidated balance sheet as of 31 December 2021, and the consolidated income statement for the financial year from 1 January to 31 December 2021, and the notes to the consolidated financial statements, including the presentation of the accounting and valuation methods. In addition, we audited the consolidated management report of *Geschwister Oetker Beteiligungen KG* for the financial year from 1 January to 31 December 2021.

In our opinion, based on the findings of the audit,

- the attached consolidated financial statements comply in all material respects with the provisions of German commercial law to be applied pursuant to section 13 of the Disclosure Act and convey a true and fair view of the assets and financial position of the Group as at 31 December 2021 and its earnings position for the financial year from 1 January to 31 December 2021, in compliance with generally accepted German accounting principles, and

- overall, the attached group management report conveys a true and fair view of the position of the company. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

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

Basis for audit opinions

We conducted our audit of the consolidated financial statements and the group management report in accordance with section 14 of the Disclosure Act and the generally accepted standards for the audit of financial statements laid down by the Institute of Public Auditors in Germany. Our responsibility according to these regulations and principles is further described in the section "Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report" in our auditor's report. We are independent of the group companies in accordance with German commercial and professional regulations and have fulfilled our other German professional duties in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our audit assessments of the consolidated financial statements and the group management report. Responsibility of the legal representatives for the consolidated financial statements and the group management report.

The legal representatives are responsible for the preparation of the consolidated financial statements, which comply in all material respects with the provisions German commercial law applicable pursuant to section 13 of the Disclosure Act and for ensuring that the consolidated financial statements, in accordance with generally accepted German accounting principles, give a true and fair view of the assets, financial and earnings position of the Group. In addition, the legal representatives are responsible for the internal controls that they have determined to be necessary in accordance with generally accepted accounting principles in order to facilitate the preparation of consolidated financial statements that are free from material, intentional or unintentional misstatement.

When preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue its corporate activities. They also have responsibility for disclosing matters relating to the continuation of business, if relevant. In addition, they are responsible for accounting for continuing corporate operations on the basis of the accounting principle, unless contrary to factual or legal circumstances.

In addition, the legal representatives are responsible for the preparation of the group management report, which gives an overall picture of the Group's position, is in all material respects consistent with the consolidated financial statements, complies with German legal requirements and accurately reflects the opportunities and risks of future development. Furthermore, the legal representatives are responsible for the precautions and measures (systems) that they deemed necessary to enable the preparation of a group management report in accordance with the applicable German legal requirements and to provide sufficient suitable evidence for the statements in the group management report.

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

Our objective is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether intentional or unintentional, and whether the group management report gives a true picture of the Group's position overall and is consistent in all material respects with the consolidated financial statements, and likewise that the findings of the audit are in accordance with German legal requirements and that the opportunities and risks of future development are accurately presented, and to issue an auditor's report that includes our opinions on the consolidated financial statements and the group management report.

Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with section 14 of the Disclosure Act in compliance with the generally accepted German standards for the audit of financial statements, as laid down by the Institute of Public Auditors in Germany, will always reveal a material misstatement. Misstatements can result from breaches or inaccuracies and are considered material if they could reasonably be expected to influence, individually or collectively, the economic decisions of addressees made on the basis of these consolidated financial statements and the group management report.

During the audit, we exercise due discretion and maintain a critical attitude. Furthermore:

- We identify and assess the risks of material, intentional or unintentional misstatement in the consolidated financial statements and the group management report, plan and perform audit procedures in response to such risks and obtain audit evidence that is sufficient and appropriate to form the basis of our opinion. The risk that material misrepresentations will not be detected is higher for violations than for inaccuracies, as violations may include fraudulent interactions, counterfeiting, intentional incompleteness, misrepresentations or the overriding of internal controls.

- We gain an understanding of the internal control system relevant to the audit of the consolidated financial statements and the arrangements and measures relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not with the aim of providing an audit opinion on the effectiveness of these systems.

- We assess the appropriateness of the accounting policies used by the legal representatives and the reasonableness of the estimates and related disclosures made by the legal representatives.

- We draw conclusions about the appropriateness of the accounting policy used by the legal representatives in continuing operations and, on the basis of the audit evidence obtained, whether there is material uncertainty surrounding events or circumstances that create significant doubts about the Group's ability to continue the business activity. If we come to the conclusion that there is material uncertainty, we are obliged to draw attention to the relevant information from the consolidated financial statements and the group management report in the auditor's report or, if this information is inappropriate, to modify our respective audit opinion. We base our conclusions on the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances may lead to the Group being unable to continue its business activities.

- We assess the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events so that the consolidated financial statements give a picture of the group's assets, financial and earnings position corresponding to the actual circumstances and in accordance with the German principles of proper accounting.

- We obtain sufficient appropriate audit evidence for the accounting information of the companies or business activities within the Group in order to provide audit assessments on the consolidated financial statements and the group management report. We are responsible for the direction, supervision and performance of the group audit. We carry the sole responsibility for our audit assessments.

- We assess the consistency of the group management report with the consolidated financial statements, its legal representation and the picture of the position of the Group that it conveys.

- We conduct audits of the forward-looking statements presented by the legal representatives in the group management report. On the basis of sufficient suitable audit evidence, we will, in particular, track the significant assumptions on which the forward-looking statements are based, and assess the proper derivation of the forward-looking statements from these assumptions. We do not issue an independent assessment of the forward-looking statements and the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

Among other things, we discuss with the supervisors the planned scope and timing of the audit, as well as significant audit findings, including any deficiencies in the internal control system that we identify during our audit.

Bielefeld, 30 June 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Peter Krupp	**p.p. Thomas Angele**
Certified Public Accountant	Certified Public Accountant

Our Companies
2021

Atlantic Forfaitierungs AG

Since the late 1950s, Atlantic has been engaged in export and trade finance, particularly in forfaiting claims evidenced by promissory notes, bills of exchange, letters of credit or similar credit instruments. As one of the earliest players in the forfaiting market, Atlantic has many years of experience which it offers to exporters, partners and investors in trade finance assets.

atlantic | forfaitierungs | ag

Budenheim

The chemical specialist *Budenheim* specifically invested in the expansion of its production capacity in 2021. Of particular note is the expansion of melamine phos-phate production at the Spanish location near Zaragoza to up to 1,200 tonnes per year. Melamine phosphates act as flame retardants and are an essential component in the field of electromobility. The market is paving the way for climate neutrality and offers excellent growth prospects.

Budenheim

Chateau St. Martin

Perched in the hilltops of Vence, with a splendid panorama of the French Riviera, *Château Saint-Martin & Spa* is a secluded hideaway of priceless treasures and wondrous pleasures. In 1994, the Oetker family became the owners of this exceptional place, and in 2019, the *Château Saint-Martin & Spa* receives the prestigious Palace distinction. The hotel offers 40 rooms as well as 6 private villas. The one Michelin starred restaurant « Le Saint-Martin » and its panoramic terrace overlooking the Mediterranean is a unique experience for gourmet lovers. A generous corner of the Château's garden is a profusion of herbs and ripe vegetables that inspire the menu of the restaurant L'Oliveraie, located under the branches of century-old olive trees and offering sunny Mediterranean flavours. The *Château Saint-Martin & Spa*, with its warm and distinguished atmosphere, is also the perfect place to organize memorable events.

CHATEAU SAINT-MARTIN & SPA
COTE D'AZUR – VENCE – FRENCH RIVIERA

Columbus Properties

COLUMBUS PROPERTIES, INC.

Columbus Properties, Inc. is headquartered in downtown Manhattan and has been an owner of commercial real estate for over 30 years. In addition to ownership, through its subsidiary Colonnade Management Corporation, Columbus Properties provides services in the areas of property management, leasing, development and acquisition analysis.

HENKELL FREIXENET

Henkell Freixenet

Henkell Freixenet is the German-Spanish alliance of the family businesses Henkell headquartered in Wiesbaden and Freixenet headquartered in Sant Sadurní d'Anoia, Spain. The company is the world's leading sparkling wine producer and has a unique brand portfolio of sparkling wines, still wines and spirits. The group includes global brands such as Freixenet, Mionetto and Henkell as well as i heart Wines, Mangaroca Batida de Côco and a portfolio of multi-award-winning wineries and brands. 2021 was a record year for the group which operates in over 150 countries. Celebrate Life!

Kunstsammlung

KUNSTSAMMLUNG RUDOLF-AUGUST OETKER GMBH

The culture and museum sector was also heavily affected by the shutdown due to the coronavirus pandemic. This applied equally to *Kunstsammlung Rudolf August Oetker GmbH*, which, with its around 3,500 collectors' items from different centuries, ages and collection areas resembles a small museum with "branch galleries". However, Kunstsammlung was able to use the enforced rest in 2021 to optimize operational procedures. This included in particular the improvement of the software in the area of inventory and provenance research.

LE BRISTOL
PARIS

Le Bristol

First French hotel awarded "Palace distinction", *Le Bristol Paris,* built around an exquisite 13,000 sq. ft. French manicured garden, is ideally situated on the fashionable rue du Faubourg Saint-Honoré, within walking distance of the Presidential House, the Champs-Elysées, the Louvre and the Grand Palais. Le Bristol's 190 bright and spacious rooms and suites, exquisite Cafe Antonia and Epicure gourmet restaurant rated three Michelin stars provide a unique setting for guests from around the world to gather. The hotel also features the "114 Faubourg" recipient of one Michelin star, Le Bar du Bristol, a rooftop swimming pool, full-equipped fitness centre and steam room, and the Spa Le Bristol by La Prairie.

Martin Braun

Biological yeast products have been produced here for more than 25 years. The company is therefore not only a pioneer in the industry, but also the leading supplier on the world market. Agrano GmbH & Co. KG is located in Riegel am Kaiserstuhl in Southern Germany, in the border triangle between Germany, France and Switzerland. Agrano is a reliable partner for customers in the bakery industry, food industry and organic food trade. With a symbolic ground-breaking ceremony on Friday, 8 October (2021), the work on the expansion of production capacity commenced. In the next three years, a new fluid bed dryer, an additional fermentation line and a customer and competence centre with a bright and modern bakery and cooking studio will be built here. A venue where training courses and seminars can be held and individual organic products can be created. Up to 30 new jobs will be created.

MARTIN BRAUN GRUPPE

OETKER COLLECTION
Masterpiece Hotels

Oetker Hotel Management Company

Oetker Collection proudly opened its 10th Masterpiece Hotel, the "The Woodward" in Geneva in 2021. "The Woodward" is the first all-suite hotel in Geneva and with 26 stylishly furnished suites ushers in a new class of cosy city hotels: the "Grand Boutique Hotel", which offers the atmosphere of a highly elegant private home with outstanding amenities to international standards. The hotel on the banks of Lake Geneva with breath-taking view of Mont Blanc was designed by the world-famous architect Pierre-Yves Rochon. It has two restaurants which are highly rated by critics, the L'Atelier Robuchon and the Le Jardinier, as well as a 1,200 m2 Guerlain Spa – the first spa of the legendary French house in Geneva.

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