BERENTZEN-GRUPPE

Thirst for life

Annual Report 2023

Content

(1) Introduction

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Key figures

Key figures of the Berentzen Group

		2023 or 12/31/2023	2022 or 12/31/2022	Change 2023/2022	
Consolidated revenues excl. spirits tax	EURm	185.7	174.2	+ 11.4	+ 6.6%
Spirits segment	EURm	115.0	104.0	+ 11.1	+ 10.6%
Non-alcoholic Beverages segment	EURm	43.5	44.6	- 1.1	- 2.5%
Fresh Juice Systems segment	EURm	19.6	18.8	+ 0.8	+ 4.4%
Other segments	EURm	7.5	6.8	+ 0.7	+ 10.0%
Total operating performance	EURm	186.1	178.9	+ 7.2	+ 4.0%
Contribution margin after marketing budgets	EURm	65.5	64.8	+ 0.8	+ 1.2%
Consolidated EBITDA [1]	EURm	16.0	16.7	- 0.7	- 3.9%
Consolidated EBITDA margin	%	8.6	9.3		- 0.7 PP [2]
Consolidated EBIT [1]	EURm	7.7	8.3	- 0.6	- 7.6%
Consolidated EBIT margin	%	4.1	4.7		- 0.5 PP [2]
Consolidated profit	EURm	0.9	2.1	- 1.2	- 58.8%
ROCE [3]	%	7.4	9.0		- 1.6 PP [2]
Operating cash flow	EURm	9.7	12.3	- 2.6	- 21.4%
Cash flow from investing activities	EURm	- 9.4	- 9.0	- 0.4	- 4.2%
Free cash flow [4]	EURm	- 12.5	- 4.1	- 8.4	> - 100.0 %
Total net debt	EURm	6.8	- 9.6	+ 16.4	> + 100.0 %
Consolidated equity ratio	%	32.6	34.2		- 1.6 PP [2]
Employees	Total	514	495	+ 19	+ 3.8%

[1] Adjusted for exceptional effects as well as the gain or loss from the net monetary position in accordance with IAS 29.

[2] PP = percentage points.

[3] Return on capital employed (ROCE): Ratio of consolidated EBIT of the last 12 months to capital employed.

[4] Cash flow from operating activities plus cash flow from investing activities.

Key figures for the Berentzen common share

		2023 or 12/31/2023	2022 or 12/31/2022	Change 2023/2022
Berentzen common share (ISIN DE0005201602, WKN 520160) share price / XETRA	EUR / share	5.85	5.74	+ 1.9%
Market capitalisation	EURm	55.0	53.9	+ 1.9%
Dividend / Berentzen common share	EUR / share	0.09 [1]	0.22	- 59.1%
Dividend yield	%	1.5	3.8	- 2.3 PP [2]
Payout Ratio	%	98	98	+/- 0.0 PP [2]

1) Proposal for the 2023 financial year.

2) PP = percentage points.

To our Stakeholders

A. To our stakeholders

(1) Letter to our stakeholders

Dear Berentzen Group stakeholders,

The past year was certainly challenging. After the prolonged coronavirus pandemic, we had to contend again with the macroeconomic impacts of Russia's war of aggression against Ukraine. Besides provoking worldwide uncertainty, these events essentially created a new reality, one that necessitates radical changes within our own company.

Despite the multiple crises that have affected us all, however, the Berentzen Group held up solidly in the past year. In this context, we would particularly like to emphasise that we succeeded in fully offsetting the massive increase in the cost of materials and raw materials for the first time over the course of the year through the price increases achieved for our products.

Specifically, our Group generated consolidated revenues of EUR 185.7 million last year - growth of 6.6 per cent compared to the previous year. Compared to the last pre-pandemic financial year 2019, we were even able to increase our consolidated revenues by EUR 18.2 million. However, the increase in our revenues last year was almost exclusively due to price increases. The current economic uncertainties have led to consumer restraint - against this backdrop, the stability achieved in our sales volume in key product categories should actually be viewed positively. According to market research data, we have also succeeded in gaining new market share in important areas in markets that are declining overall. Nevertheless, this is of course not enough for us - we are pursuing a clear growth plan for the coming years. Before we go into this in more detail, let's take a look at the results together.

Consolidated EBIT totalled EUR 7.7 million in the 2023 financial year compared to EUR 8.3 million in the 2022 financial year. This decline was due to lower consolidated gross profit as a result of lower sales volumes overall and inflationary price dynamics across the entire value chain, which led to an increase in some operating expenses, in particular personnel costs. In addition, higher base interest rates and higher capital requirements for financing more expensive inventories led to a significant increase in total financing costs. In addition to the lower consolidated EBIT, this is one of the main reasons why our consolidated profit fell from EUR 2.1 million in the 2022 financial year to just under EUR 0.9 million in the 2023 financial year. Against this backdrop, the Executive Board and the Supervisory Board have decided to propose a dividend of 9 cents per share to the upcoming Annual General Meeting. The payout ratio would therefore be 98 per cent. Please understand this proposal not only as a clear commitment to our dividend policy, but also as a clear signal of our confidence in the growth we are targeting for the coming years.

These developments are a reflection of how we have been impacted by the far-reaching consequences of the coronavirus pandemic, the war in Ukraine, the massive cost increases, and significantly higher interest rates. These challenges have forced us as the leaders of our company to mainly engage in crisis management in the past few years. Even though some costs have begun to fall again, we do not expect that energy and commodity prices will revert to the level from before the war in Ukraine. This new reality, which we already mentioned, means that the time has come for a fundamental realignment of our company to reflect the significant changes in basic market conditions. For this reason, we have been hard at work revising our strategic guidelines in the past few months, culminating with the presentation of our new strategy, "Building BERENTZEN 2028", in February 2024. In this new strategy, we have for the first time formulated a quantified medium-term plan for our Group management indicators for the year 2028.

With our new strategy "Building BERENTZEN 2028", we are shifting from defence to offense. The core element of this strategy is an even sharper focus on our three top brands *Berentzen*, *Puschkin* and *Mio Mio*, as the primary growth drivers of the Berentzen Group. These three brands are already performing brilliantly today, with above-average growth and high profitability, which continues to grow. Moreover, these brands proved to be especially robust in the last few, highly challenging years. Significantly increasing the weight of these three brands will make the entire Berentzen Group even more effective and above all, more profitable. Our clearly defined goal is to increase the revenues generated on these three brands by 80 percent in the time from 2023 to 2028, which will also considerably enhance the value of these brands. To achieve these goals, we will increase our marketing and sales expenditures significantly in the coming years. We will also scrutinise our product portfolios, structures and processes and realise synergy effects within the Group to an even greater degree. This will free up resources to drive the further growth of our top brands, which we will accelerate by continually bringing new, innovative products to market. We also have ambitious plans to drive the growth of our Group company Citrocasa.

By 2028, we expect to generate consolidated revenues of EUR 235 million, consolidated earnings before interest, taxes, depreciation and amortisation (consolidated EBITDA) of EUR 28 million, and consolidated earnings before interest and taxes (consolidated EBIT) of EUR 18 million. Our first intermediate goal, of course, is to achieve strong results in the current financial year 2024, in which we expect to generate consolidated revenues in a range of EUR 190.0 million to EUR 200.0 million, consolidated EBITDA in a range of EUR 17.2 million to EUR 19.2 million, and consolidated EBIT in a range of EUR 8.0 million to EUR 10.0 million.

The goals we have set for 2028 under our "Building BERENTZEN 2028" strategy are indeed very ambitious, but we are convinced that we will achieve them with the bundle of measures and initiatives we have put together for this purpose. Your trust and support for this path are invaluable to us. As always, serving your interests in the best possible way and creating long-term value for you are the main driving forces behind all our efforts.

The foundation of our sustainable business success has always been and remains our commitment to the causes of Environment, Social and Governance ("ESG"). In January 2024, we were honoured with the Gold Medal under the Ecovadis Sustainability Rating for the third year in a row. Thus, we are now among the top 2 percent of the more than 100,000 businesses all over the world that are rated by this prestigious agency. It also shows that we continued to successfully pursue our ESG-related activities in the past financial year. You can find details on this subject in the Sustainability Report 2023, which is being published concurrently with the present Annual Report. Moreover, we plan to announce our new, even more ambitious ESG strategy later this year.

In contemplation of our endeavours in the coming years, we recall the inspirational words of Abraham Lincoln: "The best way to predict the future is to create it." It reminds us that the future is not something that simply happens to us, but is rather an active process that we shape together. We are determined to make this journey with you and achieve our ambitious goals.

Your Executive Board,

Oliver Schwegmann

Ralf Brühöfner

(2) Report of the Supervisory Board

Ladies and gentlemen,

The following report provides information on the activities of the Supervisory Board in the 2023 financial year pursuant to Section 171 (2) of the German Stock Corporation Act (AktG).

Again this year, the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft and its committees performed the duties incumbent upon them by law, the Company's Articles of Association and its rules of procedure, and continuously supervised and advised the Executive Board as it managed the Company and the corporate group. The supervision and advice also covered questions of sustainability. These bodies were satisfied at all times of the legality, advisability and regularity of the work of the Executive Board. The Supervisory Board was involved in all decisions of fundamental importance for the Berentzen Group.

Cooperation between the Executive Board and Supervisory Board

The Executive Board kept the Supervisory Board and its committees informed promptly and comprehensively about all issues relevant to the Berentzen Group on a regular basis over the course of the 2023 financial year. In particular, this covered reporting on the strategy, the planning, the business performance as well as on the risk position, risk management, financial reporting and the financial reporting process, the effectiveness of the internal control system, as well as the risk management system and the internal audit system, the audit of the financial statements, the compliance function and numerous topics of current significance for the Berentzen Group. Deviations in the Company's performance from the business plan were explained case by case to the Supervisory Board. Furthermore, the Supervisory Board discussed material transactions with the Executive Board and provided advice on significant individual measures on the basis of relevant regular reports by the Executive Board and in individual discussions.

The Chairman of the Supervisory Board remained in regular contact with the Executive Board between meetings and likewise discussed with them issues of business performance, the risk position, risk management and compliance. Strategy discussions with the Chairman of the Supervisory Board focused on the prospects and future orientation of the Company and the corporate group.

The Supervisory Board was notified in due time where its approval was required for measures undertaken by the Executive Board. The Supervisory Board granted its approval to the underlying motions for resolution following in-depth examination and deliberation.

Meetings and main topics of deliberation of the Supervisory Board

A total of four meetings of the full assembly of the Supervisory Board were held in the 2023 financial year. All four of these meetings were held in person. The Supervisory Board also met regularly without the presence of the Executive Board. Further resolutions were adopted outside of meetings.

The business performance – including the financial performance, cash flows and financial position of the corporate group - was the subject of the four ordinary meetings of the Supervisory Board.

A primary focus of discussion throughout the 2023 financial year were the unfavourable effects of geopolitical, macroeconomic and business conditions on the corporate group and its business performance. The unfavourable conditions manifested in a number of relevant factors, including continuing cost increases, the high rate of inflation and palpable consumer restraint, as well as, just as importantly, significantly higher financing costs due to substantially higher market interest rates and capital costs.

At its first meeting on February 23, 2023, the Supervisory Board adopted a written resolution on the (Group) Declaration on Corporate Governance of

Berentzen-Gruppe Aktiengesellschaft for the 2022 financial year.

At its meeting on March 21, 2023, the Supervisory Board discussed the separate financial statements and the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft as at December 31, 2022 and the combined Management Report of the Berentzen Group (corporate group) and Berentzen-Gruppe Aktiengesellschaft for the 2022 financial year. In line with the final result of its own review, the Supervisory Board did not raise any objections and concurred with the audit findings of the independent auditor, whose responsible audit partner attended that part of this meeting devoted to the corresponding agenda item. Following the recommendations of the Finance and Audit Committee in each case, the Supervisory Board subsequently approved the separate financial statements and the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft; the financial statements were thus adopted. Furthermore, the Supervisory Board passed the agenda for the Annual General Meeting of Berentzen-Gruppe Aktiengesellschaft in 2023, together with the proposed resolutions to be put to a vote there. The resolutions proposed to the Annual General Meeting included among other things the proposals by the Supervisory Board, based in each case on a recommendation of the Finance and Audit Committee, for the appointment of the independent auditor of the separate and consolidated financial statements for the 2023 financial year and its proposal to the Annual General Meeting concerning the utilisation of the distributable profit for the 2022 financial year of Berentzen-Gruppe Aktiengesellschaft, concerning which the Supervisory Board in turn concurred with the proposal by the Executive Board to the Annual General Meeting on the utilisation of profit following its review of the same. Another resolution proposal for the Annual General Meeting adopted by the Supervisory Board on the basis of a recommendation of the Nomination Committee pertained to the proposed shareholder representatives to be elected to the Supervisory Board in a by-election.

Further deliberations and resolutions of the Supervisory Board at this meeting, which were based in each case on the expressed recommendations of the Personnel Committee, pertained to the approval by the Supervisory Board of the Compensation Report of Berentzen-Gruppe Aktiengesellschaft for the 2022 financial year pursuant to Section 162 AktG, as well as the findings and determinations to be made according to the currently valid compensation system for the members of the Executive Board with regard to their compensation for the 2022 financial year and for the previous multi-year performance period that ended with that year.

Finally, the Supervisory Board deliberated on specific aspects of compliance and internal auditing, which were likewise on the agenda for this meeting.

The main topic of deliberations of the Supervisory Board at its meeting on May 10, 2023 was the business performance, including the financial performance, cash flows and financial position of the corporate group. Another topic of deliberations in the full assembly was the separate, voluntarily prepared Sustainability Report of the Berentzen Group for the year 2022. After the election of shareholder representatives in the by-election held by the Annual General Meeting of Berentzen-Gruppe Aktiengesellschaft earlier on the same day and the related change of Supervisory Board personnel, the Supervisory Board also adopted resolutions to appoint each new member to the Nomination Committee and the Finance and Audit Committee of the Supervisory Board.

By way of a further written resolution of July 7, 2023, the Supervisory Board provided its consent to the increase in the financing volume under the existing syndicated loan agreement of Berentzen-Gruppe Aktiengesellschaft.

A central topic of deliberations of the Supervisory Board at its meeting held on September 14, 2023 was the future corporate strategy of the Berentzen Group. The discussions also pertained to the topics of corporate governance, specifically the audit of the Compensation Report of Berentzen-Gruppe Aktiengesellschaft pursuant to Section 162 AktG for the 2023 financial year, the self-assessment of the effectiveness of the Supervisory Board and its committees, and the training and development of its members.

At its meeting held on December 7, 2023, the Supervisory Board's discussions centred on the comprehensive business plan, also including sustainability goals, submitted by the Executive Board for the 2024 financial year, which was then approved.

Further deliberations and resolutions were made according to the currently valid compensation system for the members of the Executive Board regarding the findings related to their compensation for the 2024 financial year and for the subsequent multiyear performance period beginning with this year, after the Personnel Committee previously expressed recommendations to the Supervisory Board to this effect in its meeting held on the same day. In consideration of the regular election of members to the Supervisory Board at the upcoming Annual General Meeting to be held in 2024, the Supervisory Board further passed a resolution relating to its proposals to the Annual General Meeting for the candidates to be elected to the Supervisory Board as shareholder representatives, who were chosen on the basis of the earlier expressed recommendations of its Nomination Committee.

In addition to one specific aspect of compliance, topics of corporate governance were once again on the agenda of the meeting held on December 7, 2023, including the updating of the Code of Conduct of the Berentzen Group, the reformulated version of which was adopted by the Supervisory Board, and deliberations discussion and the adoption of a resolution on specific contents of the (Group) Declaration on Corporate Governance of Berentzen-Gruppe Aktiengesellschaft for the 2023 financial year. The members of the Supervisory Board also deliberated on the results of the internally conducted self-assessment of the effectiveness of the Supervisory Board and its committees. In addition, as part of its regular annual deliberations on the subject of the diversity plans for the composition of the Executive Board and the Supervisory Board, the Supervisory Board adopted a resolution on the results achieved in the 2023 financial year with regard to the goals defined in the diversity plans and also adopted another update of these two diversity plans and of the competence profile for the members of the Supervisory Board. In addition, the Supervisory Board adopted a resolution on the issuance of the annual Declaration on the German Corporate Governance Code drafted by the Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft pursuant to Section 161 AktG.

Meetings and main topics of deliberation of the committees of the Supervisory Board

As in the previous year, the Supervisory Board had two committees in the 2023 financial year to help it carry out its tasks efficiently and to enhance its effectiveness. In order to prepare and supplement its tasks, the Supervisory Board set up a Personnel/Nomination Committee, which will act as a standing committee. In addition, an obligatory audit committee, the Finance and Audit Committee, was established in accordance with the relevant provisions of the German law of stock corporations. Certain decision-making powers of the Supervisory Board have been delegated to the committees within the legally permitted framework. The chairmen of the committees reported to the full assembly of the Supervisory Board on the work in the committees.

Personnel Committee

The following tasks in particular have been delegated to the Personnel Committee: preparation of the relevant resolutions of the Supervisory Board and the submission of recommendations to the Supervisory Board regarding the appointment and dismissal of members of the Executive Board and the specification, the implementation and review of the compensation system for Executive Board members, the proposed resolutions approving the compensation system for

Executive Board members to be submitted to the Annual General Meeting, the adoption of a resolution on the compensation of Supervisory Board members and on the approval of the Compensation Report, and other of the Supervisory Board resolutions on matters relating to the Executive Board. The Personnel Committee is also responsible for adopting the resolution on the conclusion, amendment and termination of employment contracts with the members of the Executive Board. The responsibility of the Personnel Committee does not extend to resolutions setting the total compensation payable to an individual member of the Executive Board or reducing the compensation and benefits of members of the Executive Board; resolutions on such matters are solely the responsibility of the Supervisory Board.

The Personnel Committee met for a total of two times in the 2023 financial year, each time in person.

At its meeting on March 21, 2023, in the presence of and on the basis of the detailed explanations of the responsible audit partners of the independent auditor, the Personnel Committee discussed the Compensation Report of Berentzen-Gruppe Aktiengesellschaft for the 2022 financial year pursuant to Section 162 AktG, which had been subjected to a formal audit and additionally to a voluntary substantive audit. A further subject of deliberations and resolutions at this meeting were the findings and determinations to be made according to the currently valid compensation system for the members of the Executive Board with regard to their compensation for the 2022 financial year and for the previous multiyear performance period that ended with that year.

Corresponding findings with regard to the compensation of the members of the Executive Board for the 2023 financial year and for the subsequent multiyear performance period beginning with this year were the subject of deliberations and resolutions of the Personnel Committee at its meeting on December 7, 2023. At this meeting, the Personnel Committee also renewed the appointment of one of the members of the Executive Board and approved an extension of the employment contract in effect with that member for the duration of his new term of office.

Based on these preparatory deliberations, the Personnel Committee then passed on to the Supervisory Board its respective recommendations on the aforementioned topics of its meetings in the 2023 financial year, for the Supervisory Board's deliberation and resolution.

Nomination Committee

The Personnel Committee is simultaneously the Nomination Committee within the meaning of the German Corporate Governance Code. In this function, and with its composition restricted to the members of the committee who represent shareholders, it deals with the selection of the candidates for a seat on the Supervisory Board as representatives of the shareholders.

The Nomination Committee held two meetings in the 2023 financial year, both of which in person.

The subject matter of the meeting held on March 21, 2023 on the subject of the meeting held on December 8, 2022, were the deliberations and resolution on the selection of candidates to fill a seat that was to become vacant in a by-election of shareholder representatives to the Supervisory Board. The Nomination Committee finally provided a recommendation to the Supervisory Board for its proposal to the Annual General Meeting for the election of a new member to the Supervisory Board in a by-election. Earlier, towards the end of 2022, Ms. Dagmar Bottenbruch had resigned from her mandate as member of the Supervisory Board with effect from the close of the Annual General Meeting of Berentzen-Gruppe Aktiengesellschaft in 2023.

At its meeting of December 7, 2023, the Nomination Committee dealt with the selection of candidates for election to the Supervisory Board as shareholder representatives in the periodic elections to be held by the upcoming ordinary Annual General Meeting in 2024. The Nomination Committee expressed its recommendations to the Supervisory Board for its proposals to the Annual General Meeting for the upcoming Supervisory Board elections.

Finance and Audit Committee

The Finance and Audit Committee similarly continued its work and held five meetings in the 2023 financial year, three of them in person and two as video conferences. In particular, it is tasked with supervising the financial reporting process, the effectiveness of the internal control system, which also covers sustainability-related objectives, the risk management system, which includes the compliance management system and the internal audit system, and the audit of the financial statements.

Outside of the meetings, the Chairman of the Finance and Audit Committee, in some cases accompanied by the Chairman of the Supervisory Board as an additional committee member, held additional talks with the member of the Executive Board responsible for the given subject matter, the respective company heads of department and/or the responsible audit partners of the independent auditor of the financial statements, with the latter particularly to confer regularly on the progress of the financial statements audit; they reported on these talks at the following meeting of the Supervisory Board in each case.

At its meeting held on March 21, 2023, the Finance and Audit Committee addressed, in the presence of the responsible audit partners of the independent auditor of the financial statements, the separate financial statements and the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft at December 31, 2022, the combined management report of the Berentzen Group (corporate group) and Berentzen-Gruppe Aktiengesellschaft for the 2022 financial year and the financial statements of three material operating companies within the Group at December 31, 2022. The Finance and Audit Committee also considered the issues of reviewing the accounting records and monitoring the financial reporting process, the effectiveness of the internal control system and risk management system, including the compliance management system, and the internal audit system. The Supervisory Board also handled the topics of monitoring the independence of the independent auditor and the additional services rendered by the independent auditor and the performance of the audit of the financial statements, including an assessment of its quality, and furthermore the focal points of the audit and the key audit matters. The responsible audit partners of the independent auditor and the Executive Board had previously reported extensively while answering the questions posed by the members of the committee present. The Finance and Audit Committee subsequently made a recommendation to the Supervisory Board for the approval of the separate and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft. A further resolution related to the Supervisory Board proposal to the Annual General Meeting on the utilisation of the distributable profit of Berentzen-Gruppe Aktiengesellschaft for the 2022 financial year. Following deliberations on the related proposal submitted by the Executive Board, the Finance and Audit Committee made a recommendation to the Supervisory Board to follow this proposal in its own proposal.

With regard to the audit of the separate and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft for the 2023 financial year, the discussions related to the selection of the independent auditor, the independence and the additional services rendered by the same as well as the issuing of the audit engagement and the agreement with the independent auditor on the fees payable. The Finance and Audit Committee concluded by issuing a recommendation to the Supervisory Board as to its proposal to the Annual General Meeting regarding the election of the independent auditor for the separate and consolidated financial statements for the 2023 financial year, the independent auditor for any possible audit review of the condensed financial statements and the interim management report in the 2023 financial year (Group Half-yearly Financial Report), and the independent auditor for any possible audit review of additional financial information over the course of the 2023 financial year and the 2024 financial year up to the Annual General Meeting of Berentzen-Gruppe Aktiengesellschaft in 2023. In this context, the Finance and Audit Committee made its declaration to the Supervisory Board pursuant to Art. 16 para. 2 Regulation (EU) No. 537/2014, stating that its recommendation was free of any unreasonable influence exerted by third parties and that no unacceptable contractual terms had been imposed on it by third parties under which the options of the Annual General Meeting of Berentzen-Gruppe Aktiengesellschaft with regard to the selection of a certain independent auditor or a certain audit firm for the performance of the audit of the financial statements were limited to certain categories or lists of independent auditors or audit firms.

At its meeting of March 21, 2023, the Finance and Audit Committee also dealt with specific aspects of compliance, as well as the audit areas to be covered by the Internal Audit Department of the Berentzen Group in the 2023 financial year.

At its meetings of May 3, August 8 and October 23, 2023, the Finance and Audit Committee dealt with the audit of interim financial information, namely the Interim Report 3M/2023, the Group Half-yearly Report 2023 and the Interim Report 9M/2023 of Berentzen-Gruppe Aktiengesellschaft.

Another topic of preparatory deliberations in the May 3, 2023 meeting of the Finance and Audit Committee was the separate, voluntarily prepared Sustainability Report of the Berentzen Group for the year 2022, which was not subjected to an external substantive audit.

Another topic of deliberations at the meeting on August 8, 2023 were specific aspects in connection with the internal audit function.

At its meeting held on October 23, 2023, the Finance and Audit Committee after appropriate deliberations passed a resolution on determining the focal points for the audit of the separate financial statements and the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft at December 31, 2023 and the combined Management Report of the Berentzen Group (corporate group) and Berentzen-Gruppe Aktiengesellschaft for the 2023 financial year, and also to evaluate the quality of this financial statement audit as a further aspect of its supervision. In addition to this, the deliberations and resolutions of the Finance and Audit Committee once again related to the issuing of the audit engagement to the independent auditor and the agreement with the independent auditor on the fees to be paid. Finally, the committee discussed the principal contents of the upcoming audit of the financial statements for the 2023 financial year with the responsible audit partners of the independent auditor, who were present during part of this meeting.

The deliberations and resolutions at the meeting of the Finance and Audit Committee held on December 8, 2023, which was held in the presence of the responsible audit partners of the independent auditor, again related to issues of relevance to the financial statements and the audit in the context of the separate and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft as at December 31, 2023 and the management reporting for the 2023 financial year, specifically the monitoring of the independence of the independent auditor and the performance of the audit of the financial statements. In the context of the latter, the Finance and Audit Committee discussed the estimation of the audit risk, the audit strategy and the audit plan with the independent auditor and asked the independent auditor to report on the audit of the separate financial statements and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft for the 2023 financial year, which were already in progress at this time. Additionally, the Finance and Audit Committee on this occasion dealt once again with the determination of the audit focuses and with the key audit matters as provisionally defined to date with the independent auditor.

Furthermore, the regular annual adoption of guidelines for the (preliminary) approval and a case-by-case (preliminary) approval of non-prohibited non-audit services provided by the independent auditor of Berentzen-Gruppe Aktiengesellschaft for the following financial year, as required by Regulation (EU) No. 537/2014, were handled at this meeting. Finally, the Finance and Audit Committee further addressed one specific aspect of compliance, namely the updating of the whistleblower system of the Berentzen Group, and the focus of activities and audit areas of the Berentzen Group's internal audit function in the 2023 and 2024 financial years.

Dialogue with investors

The Chairman of the Supervisory Board held talks with investors on the subject of Supervisory Board-specific topics within reasonable limits in financial year 2023 and informed the Supervisory Board about the content of these talks.

Corporate governance

As a stock corporation (Aktiengesellschaft) organised under German law and because the shares it issues are listed on the regulated market (General Standard) of the Frankfurt Stock Exchange, Berentzen-Gruppe Aktiengesellschaft is deemed a publicly listed entity as defined by the German Stock Corporation Act or capital-market oriented as defined by the German Commercial Code (HGB).

Not only in light of this, the Executive Board and Supervisory Board regularly deals with issues relating to corporate governance, which is understood as the legal and practical framework for responsible, transparent corporate management and supervision aimed at sustainable value creation.

More information on this can be found in the (Group) Declaration on Corporate Governance of Berentzen-Gruppe Aktiengesellschaft, which is available to the public on Berentzen-Gruppe Aktiengesellschaft's website at www.berentzen-gruppe.de/en/investors/public-limited-company.

Declaration of the Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft on the German Corporate Governance Code pursuant to Section 161 German Stock Corporation Act (AktG)

The Executive Board and the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft issued their most recent joint annual Declaration on the German Corporate Governance Code pursuant to Section 161 German Stock Corporation Act (AktG) in December 2023. This declaration has been made permanently available to the public on the Company's corporate website at www.berentzen-gruppe.de/en/investors/public-limited-company.

Further aspects and topics relating to corporate governance

The Supervisory Board, the Personnel Committee and the Finance and Audit Committee further dealt with a number of other aspects and topics relating to Corporate Governance in the 2023 financial year.

The main topics of deliberations at these meetings of the Supervisory Board and its committees were already described above. To summarise, these topics included the updating of the Code of Conduct and the whistle-blower system of the Berentzen Group, the review and updating of the diversity plans for the composition of the Executive Board and Supervisory Board, the self-assessment of the effectiveness of the Supervisory Board and its committees, and the duly conducted review of the compensation of the members of the Executive Board according to the currently applicable compensation system.

In this context, the Boards also addressed matters relating to compliance risk management and the internal audit function.

Back

Report on attendance at meetings by members of the Supervisory Board

The following overview contains details of attendance by each individual member of the Supervisory Board at the meeting of the Supervisory Board and its committees during the 2023 financial year. The individualised attendance information provided below only includes the meetings held during the term of office of each member in the Supervisory Board and its committees.

Individualised information on the attendance of meetings by the members of the Supervisory Board and the committees	Duration of membership of the Supervisory Board [1] / Committee [2][3][4]	Supervisory Board [1]		Personnel Committee [2]		Nomination Committee [3]		Finance and Audit Committee [4]	
Attendance / Meetings **Member**		**Number**	**%**	**Number**	**%**	**Number**	**%**	**Number**	**%**
Uwe Bergheim Chairman of the Supervisory Board		4/4	100.0	2/2	100.0	2/2	100.0	5/5	100.0
Frank Schübel Deputy Chairman of the Supervisory Board		4/4	100.0	2/2	100.0	2/2	100.0	5/5	100.0
Dagmar Bottenbruch	until May 10, 2023 [1][2][3]	1/1	100.0	1/1	100.0	1/1	100.0	-	-
Heike Brandt		4/4	100.0	2/2	100.0	-	-	-	-
Bernhard Düing	until May 10, 2023 [4]	4/4	100.0	-	-	-	-	2/2	100.0
Hendrik H. van der Lof		4/4	100.0	-	-	-	-	5/5	100.0
Theresia Stöbe	since May 10, 2023 [1][2][3][4]	3/3	100.0	1/1	100.0	1/1	100.0	3/3	100.0
Percentage of meetings attended Supervisory Board/Committees			**100.0**		**100.0**		**100.0**		**100.0**

[1][2][3][4] No indication of dates: membership during the full financial year.

Report on the performance of measures upon inauguration of members of the Supervisory Board and their training and development

The members of the Supervisory Board are individually responsible for any training and development they may need for the performance of their duties. Berentzen-Gruppe Aktiengesellschaft provides reasonable support to the members of the Supervisory Board upon inauguration and with their training and development.

In addition to the initial provision of basic information and documents on the corporate group, the Company offers new members of the Supervisory Board the possibility of using the measures taken in the context of their inauguration as an

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opportunity to exchange ideas and information with the individual members of the Executive Board and executives responsible for specialist areas on fundamental and current topics and thus to gain a first deeper insight into the topics relevant to the Berentzen Group ("onboarding").

With regard to the training and development necessary for fulfilling their supervisory and advisory tasks, the members of the Supervisory Board obtain information on a regular basis from sources within and outside the Company on significant developments, such as the strategic alignment and the business activities of the corporate group, relevant changes in the legal framework or accounting and auditing principles. The Company supports them in these activities by providing the relevant information in the form of reports and other documents, organising dialogue even beyond legal requirements with the executives responsible for specialist areas, and assuming the costs of external training and development measures relating to the Company's activities and the Supervisory Board's duties within the scope of the reimbursement of expenses in accordance with the Articles of Association.

Report on any conflicts of interest arising on the part of members of the Supervisory Board

No conflicts of interest on the part of the Supervisory Board members in connection with their activities as members of the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft as defined in the German Corporate Governance Code occurred in the 2023 financial year.

Separate and consolidated financial statements, and audit of the financial statements

On the basis of a corresponding recommendation of the Finance and Audit Committee, the Supervisory Board had proposed to the Annual General Meeting of Berentzen-Gruppe Aktiengesellschaft held on May 10, 2023 to elect PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Osnabrück, as the independent auditor of the separate and consolidated financial statements for the 2023 financial year. The audit firm had previously submitted a declaration of independence pursuant to the applicable provisions of European law and German professional law and according to Article 6 (2) (a) of Regulation (EU) No. 537/2014. Following their appointment by the Annual General Meeting, the Finance and Audit Committee engaged PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft with the audit of the separate and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft as at December 31, 2023 and the combined Management Report of the Berentzen Group (corporate group) and of Berentzen-Gruppe Aktiengesellschaft for the 2023 financial year.

It was agreed with the independent auditor as part of the audit engagement that the auditor will inform the Supervisory Board immediately of all findings and incidents of significance for his tasks that come to his attention during the performance of the financial statements audit. It was also agreed for this financial statements audit that the independent auditor will inform the Supervisory Board and document in the audit report if he makes findings during the performance of the independent audit that prove that the Declaration on the German Corporate Governance Code issued by the Executive Board and Supervisory Board pursuant to Section 161 AktG is incorrect.

The Finance and Audit Committee and/or its Chairman have, as part of the engagement process, convinced themselves of the appropriateness of the proposed fees for the independent audit and, prior to and during the independent audit, of the independence and objectivity of the independent auditor and performed – on the basis of a quality report by the independent auditor and a review guided by quality indicators – an assessment of the effectiveness and quality of the independent audit. Furthermore, the Finance and Audit Committee specified audit priorities and discussed them along with the key audit matters and adoption of the same by the independent auditor within the full Supervisory Board and with the independent auditor.

With a view to reviewing the accounting records and monitoring the financial reporting process, the Finance and Audit Committee or its Chairman addressed individual aspects of this process and exchanged views with the independent auditor, the responsible member of the Executive Board and the respective company heads of departments also with regard to the internal control system relating to the financial reporting.

The separate financial statements and the management report, which is combined with the Group Management Report, prepared in accordance with the provisions of German commercial law applicable to corporations and the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as applicable in the European Union (EU) as well as the additional requirements of German law pursuant to Section 315e (1) of the German Commercial Code (HGB) and the Group Management Report of Berentzen-Gruppe Aktiengesellschaft for the 2023 financial year combined with the management report were audited together with the books of account by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft in accordance with Section 317 HGB and Regulation (EU) No. 537/2014; an unqualified audit opinion was issued in each case. In the opinion of the independent auditor, there were no material weaknesses in the internal control system and risk management system with regard to the financial reporting process. As part of the audit, the independent auditor also examined the risk early warning system and declared that the Executive Board had taken the measures required pursuant to Section 91 (2) of the German Stock Corporation Act (AktG) in a suitable form, including but not limited to setting up a monitoring system, and that such monitoring system is suitable in all material respects to identify developments with sufficient reliability at an early stage that are likely to jeopardise the continued existence of the Company. The independent auditor furthermore confirmed being independent of Berentzen-Gruppe Aktiengesellschaft and/or the group company it audited, in accordance with the provisions of European law and German commercial and professional law. The independent auditor furthermore declared that it had not rendered any prohibited non-audit services pursuant to Article 5 (1) of Regulation (EU) No. 537/2014. Accordingly, there were no grounds for exclusion or bias relating to the auditor during the audits.

At its meeting on March 26, 2024, the Finance and Audit Committee discussed in detail the following documents and matters pertaining to the financial statements, first in the presence of and on the basis of the detailed explanations of the audit partners of the independent auditor, and then also in the presence of and on the basis of the explanations of the Executive Board: the separate financial statements and the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft as at December 31, 2023 and the combined Management Report of the Berentzen Group (corporate group) and Berentzen-Gruppe Aktiengesellschaft for the 2023 financial year prepared by the Executive Board and in addition the written reports submitted by the independent auditor on its audit, material issues relating to the financial statements and the audit including the key audit matters and the Executive Board proposal on the utilisation of the distributable profit of Berentzen-Gruppe Aktiengesellschaft for the 2023 financial year. At this meeting, the responsible audit partners of the independent auditor also reported on the services rendered by the independent auditor in addition to the audit of the financial statements. The Finance and Audit Committee subsequently submitted a recommendation to the Supervisory Board to approve the separate and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft as at December 31, 2023 and to follow the Executive Board proposal for the utilisation of the distributable profit of Berentzen-Gruppe Aktiengesellschaft for the 2023 financial year in its own proposal to the Annual General Meeting. Another topic of preparatory deliberations in the committee was the separate, voluntarily prepared Sustainability Report of the Berentzen Group for the year 2023, which was not subjected to an external substantive audit. Furthermore, after having previously dealt with the selection and independence of the independent auditor and the additional services provided by it, the Finance and Audit Committee resolved to send a recommendation to the Supervisory Board for proposal to the Annual General Meeting regarding the selection of the independent auditor for the separate and consolidated financial statements for the 2024 financial year.

The Chairman of this committee meeting reported to the Supervisory Board on its deliberations at its subsequent meeting on the same day. At this meeting, the Supervisory Board itself examined and discussed the financial statements and the Sustainability Report presented in due time by the Executive Board.

Following the final result of its reviews, the Supervisory Board does not raise any objections to the separate financial statements and the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft as at December 31, 2023, to the combined Management Report of the Berentzen Group (corporate group) and Berentzen-Gruppe Aktiengesellschaft for the 2023 financial year, or to the results of the audit of these statements and of this report by the independent auditor. The Supervisory Board believes that the combined Management Report meets the statutory requirements; the Supervisory Board agrees with the Executive Board in its assessment of the situation of Berentzen-Gruppe Aktiengesellschaft and the corporate group and the statements on the further development of the corporate group and the Company made in the combined Management Report.

At this meeting held on March 26, 2024, the Supervisory Board approved the separate financial statements and the consolidated financial statements of as at December 31, 2023 in accordance with the recommendation of the Finance and Audit Committee. This means that the financial statements of Berentzen-Gruppe Aktiengesellschaft have thereby been adopted. The Supervisory Board proposal to the Annual General Meeting on the utilisation of the distributable profit of Berentzen-Gruppe Aktiengesellschaft for the 2023 financial year was reviewed taking account of shareholder interests and the business objectives and was subsequently given the approval of the Supervisory Board; the Supervisory Board further concurred with this proposal in its own proposal to the Annual General Meeting in this respect, thus likewise following a recommendation by the Finance and Audit Committee.

In response to another reasoned recommendation by the Finance and Audit Committee, the Supervisory Board passed at its meeting on March 26, 2024 its proposal for resolution by the Annual General Meeting on the election of the independent auditor of the separate and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft for the 2024 financial year. This proposal was based on the declaration by the Finance and Audit Committee pursuant to Art. 16 para. 2 Regulation (EU) No. 537/2014 that its recommendation was free of any unreasonable influence by third parties and that no contractual terms as defined in Art. 16 (6) of Regulation (EU) No. 537/2014 had been imposed on it restricting the options of the Annual General Meeting.

Compensation Report, audit

The Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft jointly prepared the Compensation Report of Berentzen-Gruppe Aktiengesellschaft for the 2023 financial year in accordance with Section 162 AktG.

The independent auditor of the consolidated and separate financial statements of Berentzen-Gruppe Aktiengesellschaft as at December 31, 2023, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, has duly subjected this Compensation Report to a formal audit on the basis of the statutory provisions of the German Stock Corporation Act (AktG) and has issued an unqualified audit opinion with respect to it.

The Personnel Committee discussed this Compensation Report in detail at its meeting on March 26, 2024 in the presence of and on the basis of the detailed explanations of the responsible partners of the independent auditor. The Personnel Committee concluded by recommending to the Supervisory Board in turn that it approve the Compensation Report of Berentzen-Gruppe Aktiengesellschaft for the 2023 financial year.

The Chairman of the Committee reported to the Supervisory Board on its deliberations at its meeting on the same day. At this meeting, the Supervisory Board itself examined and discussed the Compensation Report presented in due time to its members.

According to the final result of its examinations, the Supervisory Board has no objections to raise against the Compensation Report of Berentzen-Gruppe Aktiengesellschaft for the 2023 financial year and the result of its audit by the independent auditor.

At its meeting on March 26, 2024, the Supervisory Board in turn approved the Compensation Report for the 2023 financial year in accordance with the recommendation of the Personnel Committee.

Executive Board and Supervisory Board – Personnel matters

Aside from only one change in the Supervisory Board, there were no further changes in the composition of the Executive Board and the Supervisory Board in the 2023 financial year.

Therefore, the composition of the Executive Board was unchanged in the 2023 financial year.

The only personnel change in the Supervisory Board pertained to the shareholder representatives.

After Ms. Dagmar Bottenbruch resigned from her mandate as a member of the Supervisory Board with effect from the close of the ordinary Annual General Meeting of Berentzen-Gruppe Aktiengesellschaft on May 10, 2023, the Annual General Meeting held on the same date elected Theresia Stöbe to the Supervisory Board at the proposal of the Supervisory Board. The Nomination Committee had previously submitted its recommendation of this candidate to the Supervisory Board for its proposal to the Annual General Meeting.

The Supervisory Board wishes to take this opportunity to again thank the departed member of the Supervisory Board, Ms. Dagmar Bottenbruch, for her dedicated work for the benefit of the company and the corporate group.

Thanks

The Supervisory Board would like to thank the employees of the Berentzen Group companies and the members of the Executive Board for all their hard work and the shareholders and investors of Berentzen-Gruppe Aktiengesellschaft for their trust and confidence.

Haselünne, March 26, 2024

Berentzen-Gruppe Aktiengesellschaft

For the Supervisory Board

Uwe Bergheim

Chairman of the Supervisory Board

Combined management report

B. Combined management report

Combined management report of the Berentzen Group and Berentzen-Gruppe Aktiengesellschaft

(1) Basic information about the Group

(1.1) Corporate business model

Organisation and basic information

With a history going back over 260 years, the Berentzen Group is one of the oldest producers of spirits in Germany. Berentzen-Gruppe Aktiengesellschaft based in Haselünne, Germany, is the ultimate parent of the Berentzen Group, which consists of more than 20 domestic and international subsidiaries as well as the parent company. The corporate group generated revenues of EUR 185.7 million (EUR 174.2 million) in the 2023 financial year and had 514 (495) employees at seven locations in three countries as at the reporting date of December 31, 2023.

As a stock corporation organised under German law, Berentzen-Gruppe Aktiengesellschaft has three executive bodies – the Annual General Meeting, the Supervisory Board and the Executive Board – each of which has certain areas of responsibility within the framework of competencies allocated in accordance with the German Stock Corporation Act (AktG). The Supervisory Board consists of six members, one third of whom are employee representatives in accordance with the German One-Third Participation Act (Drittelbeteiligungsgesetz). The period of office of a member of the Supervisory Board is five years, although the Annual General Meeting may resolve a shorter period of office. According to the Articles of Association, the Executive Board of Berentzen-Gruppe Aktiengesellschaft consists of at least two people. In its role as the managing body, the Executive Board of the Berentzen Group conducts the operations, determines the strategic orientation of the Company and implements it as agreed with the Supervisory Board. At present, one member of the Executive Board is responsible for the Marketing, Sales, Production and Logistics, Purchasing, and Research and Development functions and the other for the Finance, Controlling, Human Resources, Information Technology, Legal Affairs, Corporate Communications, Investor Relations, and Corporate Social Responsibility functions.

Business activities

The business activities of the Berentzen Group essentially comprise the production and distribution of spirits and non-alcoholic beverages and the development and distribution of fresh juice systems. The business activities are accordingly divided into the following segments: *Spirits, Non-alcoholic Beverages* and *Fresh Juice Systems*. The marketing, distribution and sale of spirits are grouped together in the Domestic Branded Spirits and the Export and Private-Label Brands sales units within the *Spirits* segment. The marketing, distribution and sale of non-alcoholic beverages are combined in the *Non-alcoholic Beverages* segment. Depending on the system component, the development, marketing, distribution and sale of fruit presses, fruit and filling containers are grouped together in the *Fresh Juice Systems* segment. The *Other Segments* essentially covers the tourism, events and webshop business of the Berentzen Group, as well as the spirits business in Turkey, which is managed by a local Group company.

The Berentzen Group currently produces its spirits and non-alcoholic beverages at four of its own locations in Germany. Spirits are produced in Minden and at the Berentzen Hof distillery in Haselünne. Non-alcoholic beverages are produced in Haselünne and Grüneberg. Products of the *Mio Mio* brand are produced in Haigerloch and Bad Brückenau under two contract bottling partnerships. In addition, the logistics centre of the corporate group for the distribution of spirits, which is operated by an external service provider, is located in Stadthagen. The operating activities of the *Fresh Juice Systems* segment are conducted and managed from the facility in Linz, Austria.

Brands, products and markets

The spirits portfolio comprises internationally known brands such as *Berentzen* and *Puschkin*, traditional German spirits such as *Strothmann, Doornkaat* and *Bommerlunder*, premium brands such as *Tres Países*, and numerous premium, medium and standard private-label brand concepts.

The consolidated subsidiary Vivaris Getränke GmbH & Co. KG has been operating in the German soft drinks market for decades. Within the assortment of proprietary brands, the beverages of the *Mio Mio* brand are distributed nationally. Regionally important proprietary brands include *Emsland Quelle* and *Märkisch Kristall*, with products in the segments of mineral waters, lemonades and fruit juice beverages. The product range is rounded out by energy drinks. The second pillar of the Company is the franchise business, in which the Company has been producing and distributing soft drinks for the German soft drinks brand *Sinalco* since January 2015. Furthermore, non-alcoholic branded products are bottled under contract bottling agreements for other customers.

Through its subsidiary Citrocasa GmbH, based in Linz, Austria, the corporate group is active as a system provider of fresh fruit juice systems, particularly orange presses. Besides orange presses, the full range marketed under the *Citrocasa* brand encompasses oranges under the *frutas naturales* brand. These activities are increasingly being supplemented by sales of pomegranate presses and pomegranates. The Company's core competencies consist in the ongoing development and optimisation of fruit juice systems, technical services and the supply of fruit and bottles.

With such a diverse range of brands and products in the *Spirits*, *Non-alcoholic Beverages*, and *Fresh Juice Systems* segments, the Berentzen Group boasts a broad-based assortment in different price segments and product categories.

The main sales market for the spirits marketed by the Berentzen Group is traditionally in Germany, which is dominated on the demand side by a notably strong food retailing sector that is continuing to consolidate. With marketing centring on Europe, the Berentzen Group is internationally present in nearly sixty countries around the world and in the duty-free business. Distribution in these places is carried out either by own subsidiaries that are also involved in the management and adaptation of regional sales measures or by distributors in certain focal points.

With its *Mio Mio* branded products, the *Non-alcoholic Beverages* segment has reached a national level in its distribution. Alongside this, the core sales area for the regional brands extends to the federal states of northern and eastern Germany, including Berlin together with parts of Hesse and North Rhine-Westphalia. The most important sales channels include the food retailing sector, beverage warehouses and the hospitality trades (via beverage wholesalers).

The core regions of Austria and Germany, which are looked after by internal sales teams, as well as the markets of France, the United States, the United Kingdom, Scandinavia, Southeastern Europe and the Middle East, are the main sales areas for the products of the *Fresh Juice Systems* segment. Worldwide distribution of equipment outside of Austria and Germany is handled by local distributors in almost forty countries. The main distribution channels are the food retailing sector, the out-of-home market, and the on-trade channel.

Industry-specific legal framework

The business activities of the Berentzen Group are subject to a number of significant industry-specific legal provisions on top of the general domestic and international rules and regulations.

In the production and distribution of spirits, non-alcoholic beverages and the system components marketed by the *Fresh Juice Systems* segment, regulatory requirements related to the production, marketing, declaration and labelling of foodstuffs must be observed. In this context, German and European food law is largely harmonised in European Union (EU) regulations, whereas other country-specific regulations are generally also applicable outside of Europe.

In addition, the production and distribution of fruit presses is subject to specific regulations regarding product safety, technical designations and standards that are intended to ensure occupational health and safety, together with food safety and consumer protection. In Europe, these regulations are largely standardised in EU rules while additional or different regulations are normally applicable in non-EU countries in accordance with local law.

Generally applicable regulations of competition law must be observed. Besides this, the marketing of spirits is subject to additional regulations that vary from country to country, among other things in the form of sales or advertising restrictions as well as restrictions serving to protect minors.

Finally, special tax regimes relating to the alcohol tax and similar foreign consumption taxes levied at high rates on alcohol and alcohol-based beverages in almost all countries need to be observed for the production and particularly the distribution of spirits. Moreover, high and in some cases prohibitive customs duties and import tariffs are regularly levied on imported spirits, especially outside of Europe.

(1.2) Management system

Principles of internal management

The Berentzen Group is managed using performance indicators that aim to optimally guide the business performance taking into account the mutually interrelated factors of growth, profit and liquidity. The most important of these performance indicators are determined at corporate level.

Prior to the start of each financial year, the Executive Board draws up a detailed corporate plan for the following financial year together with a medium-term corporate plan. The internal management system is overseen centrally by the Controlling Department of the Berentzen Group. The Controlling Department prepares detailed monthly reports containing information relevant for management as well as a wide range of other data, including income statements for the individual segments, which are made available to the Supervisory Board, the Executive Board and the business unit managers. Furthermore, a management reporting system has been implemented for the management of the corporate group that constantly makes available wide-ranging information on the development of sales, prices and revenues in variable combinations and at various aggregation levels. There are also other instruments in place to help manage the liquidity and capital allocation of the corporate group as well as a specified, standard process flow for investments. Targeted returns are defined in the sense of a return on investment (ROI) for investments in excess of a specific size. The Berentzen Group has to date not employed any non-financial performance indicators to manage the corporate group that would be meaningful for understanding the Group's business performance and situation.

Financial performance indicators

The corporate group is mainly organised and managed on the basis of product groups and sales units. Profitability-oriented management and planning is performed at segment level on the basis of a ratio comprising the contribution margin after marketing budgets. This metric is determined using the revenues of the respective segment together with the product-related purchased goods and services and other direct costs and the expenses for marketing and advertising, adjusted for intersegment revenues and expenses.

Building on this, management is performed at the corporate level on the basis of the normalised consolidated earnings or consolidated EBIT (earnings before interest and taxes), adjusted for non-recurring items, and adjusted consolidated EBITDA (earnings before interest, taxes, depreciation, amortisation), as well as consolidated revenues. The normalised consolidated EBIT reflects the consolidated profit before income or expenses from income taxes, net financial and investment income, and non-recurring effects; when calculating the normalised consolidated EBITDA, depreciation and amortisation of property, plant and equipment, intangible assets and rights of use from leased assets are also included. Non-recurring items are eliminated with a view to focusing on the evaluation and presentation of the operating performance and profitability of the corporate group, thus making it easier to compare results between the financial reporting periods. Non-recurring items reflect the impact of non-recurring or unusual transactions that are unique expense or income items or not recurring regularly in this form or amount. The gain or loss from the net monetary position in accordance with IAS 29 is likewise included in the adjustments.

The development and analysis of the income-related performance indicators are presented in Section (2.2.3), Financial performance, in the Economic report.

Cash flow indicators

The key performance indicator for the cash flows and financial position of the corporate group is operating cash flow. The operating cash flow shown in the Cash Flow Statement shows the impact of operating profitability on the change in the cash position. It has been defined as consolidated profit adjusted for amortisation, depreciation and impairments, plus the net balance of expenses and payments (a) for non-recurring items, (b) for income taxes, (c) related to the interest result, and (d) non-cash effects resulting from the application of IAS 29. Movements in the volatile working capital that is often subject to reporting-date effects are thus excluded to a great extent to allow for a better assessment and presentation of cash inflows and outflows from operating activities.

Please refer to the comments in Section (2.2.4), Cash flows, in the Economic report for information on the calculation and analysis of the cash flow indicator.

Financial position indicators

The Group's financial position is planned and managed based on the two indicators equity ratio and dynamic gearing ratio.

The equity ratio provides insights concerning the extent to which assumed risks can be covered by equity and thus concerning the financial stability of the Berentzen Group. The ratio is calculated as the ratio of adjusted equity to adjusted total consolidated capital (total consolidated assets). Adjusted equity is based on the consolidated capital reported in the Consolidated Statement of Financial Position. If available, receivables from shareholders, outstanding contributions to subscribed capital, pension provisions not recognised as liabilities and deferred tax assets are deducted from the total, while non-current liabilities to shareholders and mezzanine capital are added. Likewise, receivables from shareholders, outstanding contributions to subscribed capital, pension provisions not recognised as liabilities and deferred tax assets are deducted from total consolidated capital, if available.

The dynamic gearing ratio provides information on the period of time theoretically needed to repay net financial liabilities from profits. Consequently, the ratio is also suitable for indicating the Berentzen Group's debt servicing ability. The performance indicator is calculated as the ratio of total current and non-current financial liabilities adjusted for cash and cash equivalents to consolidated EBITDA over the past 12 months. If this ratio is negative, it shows that the Group is not formally overindebted on a net basis.

The development and analysis of the financial position indicators are presented in Section (2.2.5), Financial position, in the Economic report.

(1.3) Research and development

The Group's in-house Research and Development department worked on enhancing the quality and flavour of existing spirits products and developing innovative new products in the 2023 financial year. In the 2023 financial year, 166 (206) recipes for spirits were developed and examined in the area of brands and private-label brands. In the *Non-alcoholic Beverages* segment, a total of 49 (67) new product recipes and product optimisation recipes within existing product lines were tested and evaluated on the basis of suitable sensory tests and market research tests in the 2023 financial year. Research and development activities in the *Fresh Juice Systems* segment focused on the development of a new pomegranate fruit press, which was already introduced to the market in the past financial year, and on the development of a completely new fruit press generation for the food retail market. This new machine generation, which will be introduced to the market in March 2024, will feature a new design as well as several patented technical innovations.

Direct expenses for research and development and quality assurance amounted to EUR 1.6 million in the 2023 financial year (EUR 1.6 million).

(2) Economic report

(2.1) General economic and industry-specific framework conditions

The decisive framework conditions for the business performance of the Berentzen Group are influenced by the development (a) of the overall economy and (b) the beverages market, particularly including the respective distribution channels for beverages and fresh juice systems.

General economic conditions

Economic growth

	2023 Change	2022 Change
World economy – IMF [1]	+ 3.1%	+ 3.5%
Industrialised countries	+ 1.6%	+ 2.6%
Euro zone	+ 0.5%	+ 3.4%
Emerging-market countries	+ 4.1%	+ 4.1%
World economy – ifo [2]	+ 2.7%	+ 2.7%
Gross domestic product Germany [3]	- 0.1%	+ 1.9%

[1] International Monetary Fund (IMF), World Economic Outlook Update of 01/30/2024.

[2] Leibniz-Institut für Wirtschaftsforschung an der Universität München e.V. (ifo Institute), Special Issue of 12/09/2023.

[3] German Federal Statistical Office, press release of 01/15/2024.

According to reports by the IMF and the Ifo Institute, the global economy recovered only slowly and unevenly from the effects of the coronavirus pandemic and Russia's invasion of Ukraine. On the one hand, the global economy as a whole recovered during the course of this year, industrial production increased, and inflation slowed from the pace of the previous year. On the other hand, benchmark interest rates rose to a new record high and the labour market remained under strain, posing additional challenges to economic stability.

Adjusted for inflation and calendar effects, gross domestic product in Germany has stalled in the still crisis-plagued environment. Economic growth has been hampered by high prices at all levels of the economy, as well as unfavourable financing terms due to rising interest rates and weaker demand in both Germany and abroad. As a result of all these factors, the German economy has not recovered further from the deep slide in 2020 caused by the coronavirus pandemic.

Developments in the drinks market

	2023 Change	2022 Change
Consumer prices Germany, annual average[1]	**+ 5.9%**	**+ 7.9%**
Food and non-alcoholic beverages	+ 12.3%	+ 12.8%
Alcoholic beverages and tobacco products	+ 8.5%	+ 5.0%
Retail trade, annual average		
Revenues in Germany, real [2]	- 3.3%	- 0.6%
Food, beverages, tobacco products	- 3.9%	- 4.6%
Revenues in the EU [3]	- 1.8%	+ 1.2%
Food and semi-luxury food products, beverages and tobacco products	- 2.9%	- 2.2%
Hospitality trade in Germany, annual average (real) [4]	**+ 1.1%**	**+ 45.4%**
Revenues hotels and restaurants	- 0.9%	+ 38.7%
Served beverages served	- 4.8%	+ 62.8%

[1] German Federal Statistical Office, press release of 01/06/2024.

[2] German Federal Statistical Office, press release of 01/31/2024.

[3] Eurostat, Statistical Office of the European Union (EU).

[4] German Federal Statistical Office, press release of02/20/2024.

As in the preceding year, consumer prices were influenced by the effects of the war and crisis situation, which affected prices at all levels of the economy. Thus, consumer prices in Germany rose by 5.9% in financial year 2023. Food prices in particular were sharply higher. In the categories of “Food and non-alcoholic beverages” and “Alcoholic beverages and tobacco goods”, which are relevant for the Berentzen Group, prices rose at disproportionately high rates of 12.3% and 8.5%, respectively.

Annual average retail revenues declined by 3.3% from the previous year in real terms. In food retail markets, real revenues declined by an even greater 3.9%. By contrast, the nominal revenues of food retail markets were 5.9% higher than in the previous year. Sharply higher food prices were the reason for the opposite development of real and nominal revenues.

Compared to the previous year, overall hospitality revenues were modestly higher in real terms. This increase is attributable to strong gains in the early part of the year. Thus, real revenues were much higher in the first quarter of 2023 than in the first quarter of 2022, which was still very much affected by the coronavirus pandemic. Due to massive price increases in the further course of the year, nominal revenues rose while real revenues declined as the year progressed. These general conditions also affected the revenues of hotels and restaurants, which decreased by 0.9% in real terms from the previous year, whereas in nominal terms, revenues increased by 7.2% due to price increases. At 4.8%, the decline in real revenues was especially pronounced in the category of “Served beverages”, which includes taverns, discotheques and bars.

Spirits

		2023	2022	Change
Retail [1]				
Unit sales	mn 0.7-l bottles	724.2	745.9	- 2.9%
Private-label brands	mn 0.7-l bottles	243.7	246.5	- 1.1%
Revenues	bn euros	6.5	6.4	+ 1.1%
Private-label brands	bn euros	1.5	1.4	+ 4.7%
Food retail markets and drugstores [2]				
Unit sales	mn 0.7-l bottles	621.6	637.9	- 2.6%
Revenues	bn euros	5.4	5.3	+ 1.8%

[1] Circana, German unit sales and revenues in food retail markets >= 200 m^2 (incl. HD) + drugstores + C&C + beverage supermarkets.

[2] Circana, German unit sales and revenues in food retail markets + drugstores.

The high level of prices affecting the overall beverages market as explained above also affected unit sales of spirits in retail markets, which were 2.9% lower, whereas revenues were 1.1% higher than in the previous year.

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Non-alcoholic Beverages

		2023	2022	Change
Retail [1]				
Unit sales	bn litres	22.8	23.4	- 2.5%
Water	bn litres	11.5	12.1	- 4.8%
Soft drinks	bn litres	5.8	5.8	- 0.2%
Iced tea	bn litres	1.0	1.0	- 2.5%
Sports and energy drinks	bn litres	1.2	1.0	+ 16.1%
Revenues	bn euros	18.1	16.8	+ 8.0%
Water	bn euros	4.6	4.4	+ 3.0%
Soft drinks	bn euros	5.7	5.3	+ 8.1%
Iced tea	bn euros	0.9	0.8	+ 10.2%
Sports and energy drinks	bn euros	2.4	2.0	+ 17.8%

[1] Circana, German unit sales and revenues in food retail markets >= 200 m² + drugstores + beverage supermarkets + C&C.

Retail sales of non-alcoholic beverages exhibited a comparable development as spirits: here too, unit sales where lower (- 2.5%) and revenues were higher (+ 8.0%) due to the higher level of prices. Sports and energy drinks represented an exception to this trend in that both unit sales and revenues were higher.

	2023 Billion litres	2022 Billion litres	Change
Unit sales mineral water in Germany [1]	**12.8**	**13.2**	**- 3.4%**
Mineral water and healing water	9.6	10.1	- 4.5%
Mineral spring soft drinks	3.1	3.1	+ 0.1%

[1] German Mineral Springs Association (Verband Deutscher Mineralwasserbrunnen e.V., VDM), press release of 01/29/2024.

The total unit sales of German mineral springs declined by -3.4% in financial year 2023. According to the VDM, this decline was due in part to the high rates of inflation and in part to the rather poor, changeable weather conditions in the summer months, which led to purchasing restraint and dampened consumption.

As far as the Berentzen Group is aware, to all intents and purposes there are no all-round, reliable market data available for the *Fresh Juice Systems* segment. The Group considers current and future consumer demand for fresh food products, particularly fresh beverages such as not-from-concentrate juices, freshly pressed fruit juices, and smoothies to be the main performance indicator in this segment. Consumer behaviour is still characterised by the long-time trend of heightened awareness for healthy nutrition. Therefore, consumers are increasingly giving preference to fresh, organic, and regional food products and paying closer attention to the production process. Nevertheless, the markets in which the *Fresh Juice Systems* segment operates have been adversely impacted by the still high level inflation, which has made consumers more price-sensitive.

(2.2) Business performance and economic position

(2.2.1) Comparison of actual business performance with the forecast business performance

The following report covers the most important financial performance indicators of the Berentzen Group applied for internal management purposes in the 2023 financial year. The Group's actual performance is compared with the forecast performance by contrasting the forecasts communicated in the past financial year with the actual performance figures. Symbols are used to illustrate the extent to which the most recent forecast in each case was met, with ✓✓ indicating that the forecast was surpassed, ✓ indicating that the forecast was met, and × indicating that the forecast was not met.

Financial performance

Performance of the segments

	Forecast for the 2023 financial year in the 2022 forecast report EURm	Adjustments made during the 2023 financial year EURm	Actual business performance 2023 EURm	
Contribution margin after marketing budgets				
Segment				
Spirits	32.0 to 35.4		31.8	×
Non-alcoholic beverages	24.9 to 27.5	Q2: 23.4 to 25.8 Q3: 21.8 to 24.1	22.6	✓
Fresh Juice Systems	6.3 to 7.0		6.3	✓
Other segments	3.1 to 3.4	Q2: 3.9 to 4.3 Q3: 4.4 to 4.8	4.8	✓

The adjusted forecasts for the 2023 financial year communicated in the course of the present year were met in three cases, and missed in one case.

In the *Spirits* segment, the earnings forecast communicated in the Management Report 2022 was missed by a small margin due to the fact that the contribution amount was about the same as in the previous year, instead of being higher according to the forecast. This effect was only partially offset by the lower amount of funds allocated to marketing budgets and customer sales budgets. Despite considerably higher revenues and unit sales that were slightly higher than expected, the contribution margin amount generated on sales of focus brands – particularly *Berentzen* and *Puschkin* – did not meet the high expectations due to a disadvantageous product mix. Whereas the *Puschkin*-brand vodka products in particular performed very well, the liqueurs of the two brands fell short of the forecasted contribution margin growth. The other brands, particularly the classic spirits of the *Strothmann* brand and export sales of branded spirits, likewise failed to meet expectations. The development of contribution margins in the business of private-label brands was mixed: Whereas the contribution margins of standard private-label brands developed according to the forecast, the contribution margin amount generated on premium and medium private label brand concepts was considerably less than expected.

Due to unexpected business developments during the course of financial year 2023, the segment earnings forecast for the *Non-alcoholic Beverages* segment had to be corrected downwards twice. The final corrected earnings forecast was met. Whereas the contribution margin amount on which the corrected forecast was based was not completely met, the decrease in the amount of funds allocated to marketing budgets compared to the forecast assumptions partially offset this development. Although contribution margin growth was achieved compared to the previous year in the business with own brands, this was not sufficient to reach the target contribution margins in these product categories. The results of cooperation projects with prominent artists, which are included in the business with franchise brands, were considerably lower than in the previous year - in line with the market trend - and well below the original expectations for the 2023 financial year.

The segment earnings of the *Fresh Juice Systems* segment reached the lower end of the forecast range communicated in the Management Report 2022. Whereas the contribution margin amount generated on sales of fruit presses and the corresponding spare parts and service as one of the system components was much lower than expected, the contribution margin targets for the system components of bottling systems and fruit were surpassed by a wide margin. Although the amount of funds allocated to marketing and trade advertising was less than expected, the positive effect of this development on segment earnings was only modest by reason of the low amount involved.

The segment earnings of EUR 4.8 million achieved in the business activities subsumed in the *Other* segments surpassed both the initial forecast range and the updated forecast range communicated in the second quarter and therefore came out at the upper end of the final forecast range. This positive development can be attributed to the significantly higher contribution margin generated again on sales of spirits in Turkey compared to the corresponding forecast assumptions. The already low amount of funds allocated to marketing and trade advertising was in line with the forecast and therefore had no effect on the overall development of segment earnings.

Development of consolidated revenues and consolidated operating result

	Forecast for the 2023 financial year in the 2022 forecast report EURm	Adjustments made during the 2023 financial year EURm	Actual business performance 2023 EURm	
Consolidated revenues	185.0 to 195.0	Q3: 182.0 to 190.0	185.7	✓
Consolidated operating earnings (consolidated EBIT)	7.0 to 9.0	Q3: 7.0 to 8.0	7.7	✓
Consolidated operating earnings before depreciation and amortisation (consolidated EBITDA)	15.6 to 17.6	Q3: 15.3 to 16.3	16.0	✓

The consolidated revenues of EUR 185.7 million generated in the 2023 financial year met or exceeded both the original forecast range and the corrected forecast range. The considerable revenue growth resulted particularly from the positive revenue performance of the *Spirits* segment.

Based on the changes in the individual segment earnings and consolidated revenues described above, the adjusted consolidated EBIT and the adjusted consolidated EBITDA met the original and adjusted forecasts. Thus, the adjusted forecasts for consolidated EBIT and consolidated EBITDA were both met.

Cash flows and financial position

The Group’s cash flows and financial position remained sound. Based on the key indicators applied to manage the Group’s performance in these areas, the final forecasts were surpassed in one case and fulfilled in two cases.

Development of cash flows

	Forecast for the 2023 financial year in the 2022 forecast report EURm	Adjustments made during the 2023 financial year EURm	Actual business performance 2023 EURm	
Operating cash flow	11.7 to 13.5	Q2: 10.1 to 11.8 Q3: 9.2 to 10.2	9.7	✓

The forecast for the key indicator of operating cash flow was adjusted twice during the course of financial year 2023. The latest forecast range for this key indicator was met. Please refer to section (2.2.4) Financial position for additional information on this subject.

Development of financial position

	Forecast for the 2023 financial year in the 2022 forecast report	Adjustments made during the 2023 financial year	Actual business performance 12/31/2023	
Equity ratio	32.2% to 37.2%	Q3: 30.0% to 33.0%	32.4%	✓
Dynamic gearing ratio	0.19 to 0.29	Q2: 0.48 to 0.58 Q3: 0.55 to 0.65	0.43	✓✓

The equity ratio at December 31, 2023 came to 32.4%, that being within the latest forecast range, which was based on the assumptions of a decrease in equity and largely unchanged total assets compared to the previous year.

The dynamic gearing ratio came to 0.43 at December 31, 2023. Thus, this key indicator was modestly better than the corrected forecast, which was generally based on the assumptions of much higher net financial liabilities and a somewhat lower consolidated EBITDA compared to the previous year. However, the magnitude of these changes was less than expected.

(2.2.2) Business performance – Significant developments and events

Impairment testing for the Non-alcoholic Beverages segment

Economic conditions in financial year 2023 were burdened by growing consumer restraint and persistent inflationary cost pressures. In this environment, the segment and cash-generating unit (CGU) *Non-alcoholic Beverages* found itself in an unexpectedly challenging economic situation at September 30, 2023 and December 31, 2023. Therefore, an ad-hoc impairment test was conducted at each of these dates. Different scenarios and the corresponding probabilities of occurrence were estimated at December 31 for the purpose of discounting planned future cash flows. Moreover, the continuing high level of market interest rates and other, related factors were considered in determining the weighted average cost of capital (WACC).

In conducting the impairment test, the sum total of carrying amounts of the CGU is checked against the recoverable amount. As at 31 December 2023, the recoverable amount was EUR 0.5 million less than the carrying amounts of the CGU. The review of the allocation of the shortfall to the individual assets of the CGU showed that the recognition of a commensurate impairment would lead to an amount that is below the recoverable amounts of the individual assets. In accordance with IAS 36.105, therefore, the company opted not to allocate the shortfall. Based on the results of the impairment tests conducted at September 30 and December 31, there was no need to recognise impairments or write-ups.

(2.2.3) Financial performance

The following table summarises the development of the Group's financial performance. Individual items in the Consolidated Statement of Comprehensive Income have been adjusted for income- and expense-related exceptional effects (non-recurring items) in line with the definition of the normalised consolidated EBIT used to manage the Group. Likewise not included in the normalised consolidated EBIT is the "Gain or loss from the net monetary position per IAS 29", which was calculated for the first time as at June 30, 2022 and is related to the hyperinflationary economy in Turkey.

	2023		2022		Change	
	EUR'000	%	EUR'000	%	EUR'000	%
Consolidated revenues	**185,650**	**99.8**	**174,216**	**97.4**	**+ 11,434**	**+ 6.6**
Change in inventories	464	0.2	4,696	2.6	- 4,232	- 90.1
Total operating performance	**186,114**	**100.0**	**178,912**	**100.0**	**+ 7,202**	**+ 4.0**
Purchased goods and services	108,862	58.5	99,652	55.7	+ 9,210	+ 9.2
Consolidated gross profit	**77,252**	**41.5**	**79,260**	**44.3**	**- 2,008**	**- 2.5**
Other operating income	6,023	3.2	4,747	2.7	+ 1,276	+ 26.9
Personnel expenses	30,039	16.1	28,803	16.1	+ 1,236	+ 4.3
Depreciation and amortisation of assets	8,297	4.5	8,318	4.6	- 21	- 0.3
Other operating expenses	37,234	20.0	38,550	21.5	- 1,316	- 3.4
Operating expenses	75,570	40.6	75,671	42.3	- 101	- 0.1
Consolidated operating profit (EBIT)	**7,705**	**4.1**	**8,337**	**4.7**	**- 632**	**- 7.6**
Gain or loss from the net monetary position in accordance with IAS 29	- 1,590	- 0.9	- 1,195	- 0.7	- 395	- 33.1
Exceptional effects	0	0.0	- 1,299	- 0.7	+ 1,299	+ 100.0
Financial result and result from equity interests	- 4,013	- 2.2	- 1,671	- 0.9	- 2,342	>- 100.0
Consolidated profit before taxes	**2,102**	**1.1**	**4,171**	**2.3**	**- 2,069**	**- 49.6**
Income tax expenses	1,237	0.7	2,070	1.2	- 833	- 40.2
Consolidated profit	**865**	**0.5**	**2,101**	**1.2**	**- 1,236**	**- 58.8**

Consolidated revenues and total operating performance

The consolidated revenues of the Berentzen Group excluding alcohol tax amounted to EUR 185.7 million in the 2023 financial year (EUR 174.2 million), while the consolidated revenues including alcohol tax amounted to EUR 376.6 million (EUR 368.2 million). Including the changes in inventory of EUR 0.5 million (EUR 4.7 million), the total operating performance came to EUR 186.1 million (EUR 178.9 million).

	2023 EUR'000	2022 EUR'000
Revenues excluding alcohol tax		
Spirits segment	115,030	103,976
Non-alcoholic Beverages segment	43,529	44,649
Fresh Juice Systems segment	19,639	18,816
Other segments	7,452	6,775
Consolidated revenues excluding alcohol tax	**185,650**	**174,216**
Alcohol tax	190,964	193,947
Consolidated revenues including alcohol tax	**376,614**	**368,163**

Development of revenues in the individual segments

A major factor influencing business performance is the development of revenues in the various product groups and categories, even though diverse mix effects mean that there is no strictly linear link to the development of consolidated gross profit and earnings indicators. The customer sales budgets were included to allow for a reconciliation with the product group-specific revenues in the *Spirits* and *Non-alcoholic Beverages* segments with the revenues presented in the Segment Report. The customer sales budgets are subsidies deducted directly from revenues in accordance with IFRS 15, which can be allocated to the respective customers, but not to the products, product groups or business categories presented below.

Spirits

	2023 EUR'000	2022 EUR'000	Change EUR'000	Change %
Berentzen	16,644	15,432	+ 1,212	+ 7.9
Puschkin	8,512	7,585	+ 927	+ 12.2
Other	838	791	+ 47	+ 5.9
Focus brands	25,994	23,808	+ 2,186	+ 9.2
Other brands	11,384	10,695	+ 689	+ 6.4
Customer sales budget	- 2,133	- 2,212	+ 79	+ 3.6
Branded spirits in Germany	**35,245**	**32,291**	**+ 2,954**	**+ 9.1**
Branded spirits abroad	5,251	6,683	- 1,432	- 21.4
Premium/medium private-label brands	25,502	23,700	+ 1,802	+ 7.6
Standard private-label brands	51,062	43,036	+ 8,026	+ 18.6
Customer sales budget	- 1,624	- 1,363	- 261	- 19.1
Export and private-label brands	**80,191**	**72,056**	**+ 8,135**	**+ 11.3**
Other and internal revenues	- 406	- 371	- 35	- 9.4
Revenues in the Spirits segment	**115,030**	**103,976**	**+ 11,054**	**+ 10.6**

The revenues of the *Spirits* segment rose clearly by 10.6% to EUR 115.0 million in total in financial year 2023 (EUR 104.0 million). This positive development is attributable to product-specific and customer-specific increases in selling prices.

The revenues generated on sales of domestic branded products increased markedly by a total of 9.1% as at December 31, 2023. The revenues generated on sales of focus brands rose by 9.2% over the previous year, particularly due to the strong performance of the *Berentzen*-brand fruit liqueurs, including those in the "mini" format, as well as the *Puschkin*-brand vodka products. . The revenues generated on sales of the other focus brands (*Tres Paises*, *Norden Dry Gin* and *Goldkehlchen*) and the revenues generated on sales of the other spirits brands, particularly the "classic" spirits (*Strothmann*, *Bommerlunder*, etc.), likewise exhibited a positive development, rising by 5.9% and 6.4%, respectively. The revenue deductions for the customer sales budgets granted to promote domestic sales of the Group's branded products amounted to EUR 2.1 million, little changed from the previous year (EUR 2.2 million).

The revenues generated on sales of export brands and private-label brands increased by 11.3%. Nevertheless, the performance of the individual product categories was mixed. The revenues generated on sales of premium and medium product concepts showed a substantial gain of 7.6%, while the revenues generated on sales of standard products showed an even bigger gain of 18.6%. On the other hand, export sales of branded spirits – particularly the focus brands *Berentzen* and *Puschkin* – exhibited a substantial revenue decline of 21.4% due to weaker demand in the markets of the Benelux countries and Chile and in duty-free shops. The customer sales budgets of EUR 1.6 million granted to customers to promote sales of export and private-label brands were higher than in the previous year (EUR 1.4 million).

Non-alcoholic Beverages

	2023	2022	Change	
	EUR'000	EUR'000	EUR'000	%
Mio Mio	20,083	16,838	+ 3,245	+ 19.3
Kräuterbraut	408	171	+ 237	> + 100.0
Focus brands	20,491	17,009	+ 3,482	+ 20.5
Emsland / St. Ansgari	9,717	9,449	+ 268	+ 2.8
Märkisch / Grüneberger	7,800	8,047	- 247	- 3.1
Regional brands	17,517	17,496	+ 21	+ 0.1
Other brands	3,657	3,130	+ 527	+ 16.8
Branded products	**41,665**	**37,635**	**+ 4,030**	**+ 10.7**
Franchise business	5,521	11,158	- 5,637	- 50.5
Contract bottling business	1,634	1,399	+ 235	+ 16.8
Other business	**7,155**	**12,557**	**- 5,402**	**- 43.0**
Customer sales budgets	- 5,832	- 5,979	+ 147	+ 2.5
Other and internal revenues	541	436	+ 105	+ 24.1
Revenues in the Non-alcoholic Beverages segment	**43,529**	**44,649**	**- 1,120**	**- 2.5**

In the *Non-alcoholic Beverages* segment, the revenues generated on sales of mineral waters and soft drinks declined modestly by 2.5% in the 2023 financial year (EUR 35.3 million). This development resulted from considerably lower unit sales overall, although this effect was partially offset by increases in selling prices.

Revenues on sales of branded products also registered strong growth of EUR 4.0 million or 10.7%, particularly thanks to a 19.3% increase in sales of the beverages distributed under the Group's *Mio Mio* brand, which belongs to the product category of focus brands. The revenues generated in the product category of regional brands (*Emsland Quelle, Emsland Sonne, Märkisch Kristall, St. Ansgari and Grüneberg Quelle*) were little changed from the previous year. On the other hand, the products in the category of other brands, in which product sales under the *Vivaris Sport* brand represent the main revenue source, achieved substantial revenue growth of 16.8%.

The revenues generated in the franchise business declined by EUR 5.6 million. Whereas the revenues generated on sales of the brand-name beverages of the Sinalco Group were little changed from the previous year, increasingly lower revenues were generated on cooperation projects with prominent artists during the course of the year, in line with the market trend, so that revenues essentially fell to zero in the fourth quarter of financial year 2023. On the other hand, the revenues generated on contract bottling orders rose substantially by 16.8% thanks to the positive performance of a bottling order for a mineral water brand.

The amounts allocated to customer sales budgets in the *Non-alcoholic Beverages* segment were modestly lower, by 2.5%, in financial year 2023.

Fresh Juice Systems

	2023	2022	Change	
	EUR'000	EUR'000	EUR'000	%
Fruit presses	5,187	6,419	- 1,232	- 19.2
Fruit	9,533	8,030	+ 1,503	+ 18.7
Bottling systems	5,296	4,641	+ 655	+ 14.1
Other and internal revenues	- 377	- 274	- 103	- 37.6
Revenues in the Fresh Juice Systems segment	**19,639**	**18,816**	**+ 823**	**+ 4.4**

The *Fresh Juice Systems* segment achieved revenue growth of 4.4% in the 2023 financial year. The revenues generated on sales of fruit presses, spare parts and service were considerably lower, mainly due to lower unit sales in the markets of Germany, Scandinavia, France and the United Kingdom. On the other hand, unit sales in Austria and the United States exhibited a positive development. Moreover, substantial revenue growth was achieved on sales of fruit and bottling systems thanks to the development of sales in the core regions of Germany and Austria, which are served by the Group's own sales teams.

Other segments

	2023	2022	Change	
	EUR'000	EUR'000	EUR'000	%
Spirits business in the Turkish Group company	6,457	5,769	+ 688	+ 11.9
Tourism, events and web shop business	1,159	1,059	+ 100	+ 9.4
Other and internal revenues	- 164	- 53	- 111	> - 100.0
Revenues in the Other segment	**7,452**	**6,775**	**+ 677**	**+ 10.0**

The revenues generated on sales of spirits in Turkey, which are included in the *Other segment*, rose by another 11.9%, continuing the strong performance of the previous year. The tourism, event and web shop business of the Berentzen Group, which is likewise included in the *Other segment*, also showed clearly positive revenue growth of 9.4% over the previous year, when this business had still been affected in part by the restrictions imposed in connection with the coronavirus pandemic.

Purchased goods and services and consolidated gross profit

Compared to the EUR 7.2 million increase in total operating performance, the amount of purchased goods and services increased disproportionately by EUR 9.2 million to EUR 108.9 million (EUR 99.7 million). Consequently, the consolidated gross profit declined by EUR 2.0 million. The ratio of purchased goods and services to total operating performance rose to 58.5% (55.7%). Conversely, the consolidated gross profit margin was 2.8 percentage points less than in the previous year.

The raw materials and goods purchased by the Berentzen Group for the production of spirits and non-alcoholic beverages are mainly concentrated in the categories of alcohol (including grain alcohol, rectified spirit, whiskey and rum), cream base, flavourings (basic substances and aromas) and sugar, as well as packaging (mainly glass). In the *Fresh Juice Systems* segment, procurement costs are incurred for the system components of fruit presses, fruit, and bottling equipment.

A large part of the raw materials needed for the production of spirits and non-alcoholic beverages and the fruit traded in the *Fresh Juice Systems* segment are agricultural products, the availability and prices of which are largely dependent on the respective harvests and harvest regions. Prices and availability can also be influenced to a considerable degree by regulatory measures such as customs duties, for example. In the *Spirits* segment, the procurement costs for all essential categories of raw materials and packaging materials were again affected by price increases, which were dramatic in some cases. Moreover, the procurement costs for most harvest-dependent raw materials increased drastically as well. The *Fresh Juice Systems* segment was impacted by higher prices for procurement costs of fruit presses, bottling systems and fruit, the latter being due to weak harvests.

Other operating income

The total other operating income of EUR 6.0 million earned in the 2023 financial year was considerably higher than the corresponding figure in the previous year (EUR 4.7 million). Besides income from the reversal of liabilities and provisions in the amount of EUR 1.7 million (EUR 1.6 million), this item consisted particularly of income from the settlement of deposit fees und sales of empties in the amount of EUR 1.5 million (EUR 1.0 million).

Operating expenses

As a result of the developments described above, the Group's operating expenses of EUR 75.6 million were little changed overall from the previous year (EUR 75.7 million). Coupled with the 4.0% increase in the total operating performance, which rose to EUR 186.1 million (EUR 178.9 million), this development led to a slightly lower ratio of operating expenses to operating performance of 40.6% (42.3%).

Personnel expenses increased significantly by EUR 1.2 million to EUR 30.0 million (EUR 28.8 million), although the personnel expenses ratio of 16.1% was unchanged from the previous year (16.1%). The chief reasons for the increase in personnel expenses particularly included higher compensation paid to both union and non-union employees and an overall increase in the average annual number of employees. On average, the Berentzen Group had 432 (422) full-time employees in the past financial year. Also in nominal terms, the number of employees was modestly higher than at the end of the previous year: As at December 31, 2023, the Group had 514 (495) employees (including apprentice-trainees), including 212 (204) in production and 280 (265) in commercial and administration activities; 22 (26) apprentice-trainees were in vocational training programmes.

Despite the increase in the total volume of funds invested to EUR 9.5 million (EUR 9.1 million), total asset depreciation and amortisation remained the same in the 2023 financial year, at EUR 8.3 million (EUR 8.3 million), due to the fact that a large share of investments in technical equipment and machinery will only be completed in the 2024 financial year, so that the corresponding assets under construction were not yet subject to depreciation and amortisation.

Other operating expenses declined modestly to EUR 37.2 million (EUR 38.6 million). Transport and external selling expenses in particular fell to EUR 20.1 million (EUR 22.5 million) in total. The marketing and trade advertising expenses of EUR 3.2 million were little changed from the previous year (EUR 3.3 million), although the maintenance expenses totalling EUR 3.7 million were higher than in the previous year (EUR 3.5 million). Miscellaneous other operating expenses rose to EUR 10.2 million (EUR 9.2 million) in total, this increase being mainly attributable to write-downs of inventories.

Gain or loss from the net monetary position according to IAS 29

Turkey has been classified as a hyperinflationary economy according to the definition of IAS 29 since June 2022. Because the Turkish lira is the functional currency of the Turkish subsidiary, IAS 29 must be applied to the separate financial statements of this subsidiary from that time onward. Therefore, the effects of the purchasing power adjustment of the non-monetary line items in the statement of financial position and the line items of the statement of comprehensive income are to be presented within the new item “Gain or loss from the net monetary position per IAS 29”. These adjustments gave rise to a net loss of EUR 1.6 million in the 2023 financial year (EUR 1.2 million).

These adjustments were partially offset by a positive effect of EUR 0.5 million (EUR 0.5 million), which resulted from the hyperinflation adjustment to certain income statement items and the translation of that adjustment to the reporting currency at the reporting date. On balance, therefore, the application of IAS 29 gave rise to a total negative effect of EUR 1.1 million (EUR 0.7 million) on the consolidated profit.

Exceptional effects

Exceptional effects in financial year 2023

No transactions to be classified as exceptional earnings effects occurred in financial year 2023.

Exceptional effects in the 2022 financial year

In view of the sharp price increases and high inflation rates and ever increasing (market) interest rates in the 2022 financial year, as well as the fact that the Non-alcoholic Beverages segment was especially affected in the course of the year by higher energy prices, it was necessary to conduct impairment testing of the segment or cash-generating unit *Non-alcoholic beverages* as at June 30, 2022, September 30, 2022 and December 31, 2022. Based on the results of the impairment tests conducted as at June 30 and September 30, there was no need to recognise impairments or reversals of earlier impairments. Based on the result of the impairment test conducted as at December 31, 2022, however, an impairment loss of EUR 1.3 million was recognised as an exceptional effect.

Financial result and result from equity interests

The financial result and result from equity interests led to a net expense of EUR 4.0 million (EUR 1.7 million). The higher expense compared to the previous year is mainly attributable to higher borrowing requirements and the unfavourable development of relevant benchmark interest rates applied for debt financing purposes.

Income tax expenses

The income tax expenses of EUR 1.2 million (EUR 2.1 million) included EUR 1.3 million (EUR 2.2 million) for German trade tax and corporate income tax and comparable foreign income taxes for the 2023 financial year. The measurement of deferred taxes in accordance with IAS 12 gave rise to deferred tax income of EUR 0.1 million (EUR 0.1 million).

Consolidated profit

As a result of the developments described above, the consolidated profit fell to EUR 0.9 million (EUR 2.1 million).

Income-related financial performance indicators (reconciliation)

The reconciliation with the income-related financial performance indicators with the financial performance indicators described in the Basic information about the Group in section (1.2) is presented in the table below.

	2023					
	Revenues EUR'000	Intersegment revenues EUR'000	Purchased goods and services EUR'000	Other direct costs EUR'000	Marketing including advertising EUR'000	Contribution margin after marketing budgets EUR'000
Contribution margin after marketing budgets						
Segment						
Spirits	115,030	1,863	77,523	6,003	1,556	31,811
Non-alcoholic beverages	43,529	116	13,161	6,477	1,381	22,626
Fresh Juice Systems	19,639	0	11,611	1,575	164	6,289
Other segments	7,452	18	2,412	176	90	4,792
Total	**185,650**	**1,997**	**104,707**	**14,231**	**3,191**	**65,518**

	2022					
	Revenues EUR’000	Intersegment revenues EUR’000	Purchased goods and services EUR’000	Other direct costs EUR’000	Marketing including advertising EUR’000	Contribution margin after marketing budgets EUR’000
Contribution margin after marketing budgets						
Segment						
Spirits	103,976	7,503	72,419	6,006	1,740	31,314
Non-alcoholic beverages	44,649	261	12,073	8,626	1,303	22,908
Fresh Juice Systems	18,816	0	10,819	1,695	148	6,154
Other segment	6,775	11	2,156	177	70	4,383
Total	**174,216**	**7,775**	**97,467**	**16,504**	**3,261**	**64,759**

	2023 EUR'000	2022 EUR'000
Consolidated revenues	**185,650**	**174,216**
Consolidated EBIT / consolidated EBITDA		
Consolidated profit	865	2,101
Income tax expenses	1,237	2,070
Financial result and result from equity interests	- 4,013	- 1,671
Exceptional effects		-1,299
Gain or loss from the net monetary position in accordance with IAS 29	- 1,590	-1,195
Consolidated EBIT	**7,705**	**8,337**
Depreciation and amortisation of assets	8,297	8,318
Consolidated EBITDA	**16,002**	**16,654**

(2.2.4) Cash flows

Funding structure

The main objectives of financial management are to provide adequate liquidity for the Company's business operations, to secure the funding of the corporate group also with growth in mind, and to balance temporary, volatile liquidity burdens so as to optimise both costs and income.

Non-current liabilities rose considerably to EUR 20.5 million as at December 31, 2023 (EUR 9.5 million). This item included financial liabilities of EUR 11.3 million (EUR 1.3 million). Non-current liabilities accounted for 20.9% (9.9%) of total consolidated liabilities. The Group also has access to various sources of funding in the form of short-term lines of credit, which amounted to EUR 77.5 million (EUR 86.7 million), representing 53.3% (59.2%) of consolidated total assets at the reporting date.

The total funding of the Berentzen Group at the end of the 2023 financial year is presented in the table below:

		Funding line 12/31/2023			Funding line 12/31/2022		
		Long-term EURm	Short-term EURm	Total EURm	Long-term EURm	Short-term EURm	Total EURm
Syndicated loan agreement	Line, limited	9.9	33.0	42.9	0.0	33.0	33.0
Factoring	Line, limited	0.0	60.0	60.0	0.0	60.0	60.0
Central settlement through factoring	Line, unlimited [1]	0.0	9.3	9.3	0.0	9.6	9.6
Working capital loans	Line, limited [2]	0.0	2.0	2.0	0.0	1.5	1.5
Surety bond for alcohol tax liabilities	Line, limited	0.0	0.8	0.8	0.0	0.8	0.8
Total funding		**9.9**	**105.1**	**115.0**	**0.0**	**104.9**	**104.9**

[1] Average funding volume in the financial year.

[2] This figure includes working capital loans denominated in foreign currencies, which have been translated to the functional currency as at the respective reporting dates.

The syndicated loan agreement concluded with a banking syndicate in December 2016 and extended in December 2021 has a term until December 31, 2026. In financial year 2023, the Berentzen Group exercised an option agreed in the syndicated loan agreement to increase the financing amount, in connection with which it took out an additional credit facility for EUR 9.9 million, repayable in full upon maturity on December 31, 2026. Thus, the total financing volume is now EUR 42.9 million, available in the form of bilaterally agreed branch lines of credit totalling EUR 21.0 million and in the form of drawdowns totalling EUR 12.0 million with maturities of one, two, three or six months, in addition to the new credit facility repayable in full upon maturity. Drawdowns bear interest at variable rates based on the EURIBOR benchmark rate plus a basically fixed interest rate margin. The syndicated loan agreement is not secured. Three subsidiaries of Berentzen-Gruppe Aktiengesellschaft are guarantors bearing joint liability. The guaranty concept entails a minimum cover linked to certain balance sheet and flow figures of the Group, which are guaranteed by Berentzen-Gruppe Aktiengesellschaft and the guarantors. The Berentzen Group is obligated to regularly fulfil two contractually defined covenants, the dynamic gearing ratio and the equity ratio, which are to be measured on the basis of its consolidated financial statements. If the covenants or other obligations, conditions, assurances and warranties are breached, and if a change of control occurs, the lenders will be fundamentally entitled to terminate the syndicated loan agreement prematurely and to declare the borrowed funds, outstanding interest, and costs due and payable immediately.

Factoring lines represent another key source of external funding. The total funding amount available to the Berentzen Group on the basis of two factoring agreements with a term until March 31, 2027 is EUR 60.0 million (EUR 60.0 million). The Group also has access to a formally unlimited factoring line under three further central settlement and factoring agreements with indefinite terms (“until further notice”). The average gross funding volume available under these factoring agreements amounted to EUR 9.3 million in the 2023 financial year (EUR 9.6 million). The factoring agreements are free of covenants on the whole.

Apart from the syndicated loan agreement, the volume of funding from credit agreements with the providers of working capital to the Berentzen Group totals EUR 2.0 million (EUR 1.5 million). These credit lines are available to two foreign Group companies and each has an indefinite term (“until further notice”). Collateral must be provided for one of the credit lines by one of the foreign Group companies in an amount equivalent to EUR 1.8 million (EUR 1.3 million), generally in the form

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of cash or other securities received before the due date. The Group's total funding also includes two surety bonds for alcohol tax issued to the surety bond insurers in the total amount EUR 0.8 million (EUR 0.8 million).

Including the formally unlimited factoring agreements with a central settlement agent, the gross funding volume from factoring arrangements as opposed to the working capital credit lines granted under the syndicated loan agreement amounted to EUR 71.3 million as at December 31, 2023 (EUR 71.1 million). In most cases, these short-term external or debt financing arrangements bear interest on the basis of the EURIBOR and EONIA benchmark interest rates, plus a fixed interest margin, otherwise at interest rates based on local market conditions or at fixed interest rates.

The factoring agreements, the central settlement and factoring agreements, and the agreements for working capital lines not included within the syndicated loan agreement are in effect with both Berentzen-Gruppe Aktiengesellschaft and other companies of the Berentzen Group.

As in the previous years, the funding of the motor vehicle fleet, a few other items of plant and office equipment and specific offices and business premises was provided by leases. These leases, which are accounted for in accordance with IFRS 16, gave rise to lease liabilities of EUR 2.6 million as at December 31, 2023 (EUR 2.3 million).

Moreover, the Berentzen Group is the lessor under lease agreements classified as finance leases. These leases are mainly used for leasing fruit presses in the *Fresh Juice Systems* segment. Receivables amounting to EUR 0.3 million (EUR 0.3 million) were recognised in respect of finance leases at the end of the reporting period.

Consolidated cash flow statement for the period from January 1 to December 31, 2023

The cash flow statement presented below shows the development of liquidity in the Group, including the reconciliation with the cash flow-related key indicator described in the Basic information about the Group in section (1.2). Cash and cash equivalents are composed of the line item "Cash and cash equivalents" and part of the line item "Current financial liabilities" presented in the statement of financial position.

Cash and cash equivalents include the current accounts maintained with banks for the purpose of settling two factoring agreements, containing the cash available at all times from the factoring arrangements ("customer settlement accounts"). The receivables from the customer settlement accounts have different characteristics from normal current account receivables from banks, notably with regard to interest. Only those amounts that are immediately available under working capital cash lines of credit are recognised as current financial liabilities.

	2023 EUR'000	2022 EUR'000	Change EUR'000
Operating cash flow	9,698	12,334	- 2,636
Cash flow from operating activities	- 3,064	4,914	- 7,978
Cash flow from investing activities	- 9,397	- 9,015	- 382
Cash flow from financing activities	6,396	- 10,864	+ 17,260
Change in cash and cash equivalents	**- 6,065**	**- 14,965**	**+ 8,900**
Cash and cash equivalents at the end of the period	**6,974**	**13,039**	**- 6,065**

Operating cash flow and cash flow from operating activities

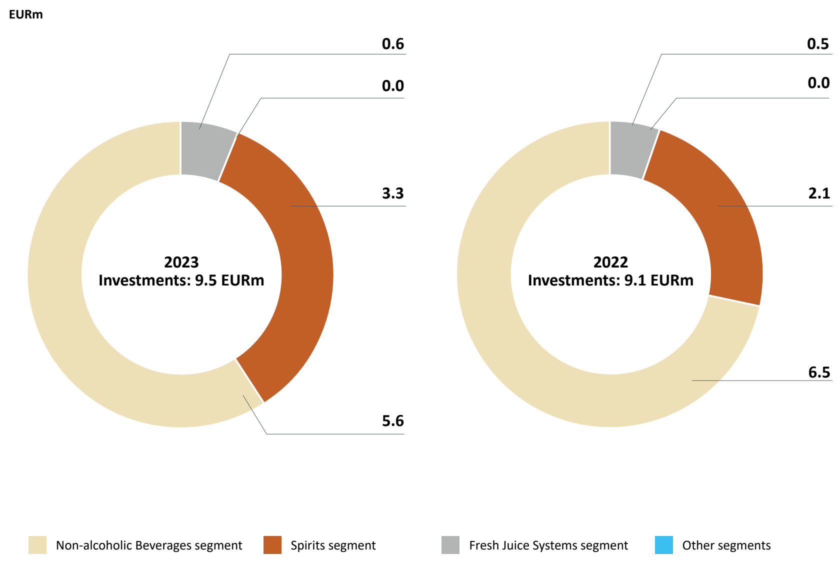
The operating cash flow decreased by EUR 2.6 million in financial year 2023. The main causes of the lower cash inflows were the EUR 1.2 million decrease in the consolidated profit and the EUR 0.6 million increase in the net cash flow from income taxes.

The cash flow from operating activities additionally includes payment flows in working capital, which led to a cash outflow of EUR 12.8 million in the 2023 financial year (EUR 7.4 million). The main factors influencing this development are described in the following.

The net change in trade working capital, which refers to the portion of working capital comprising payment flows exclusively in inventories, receivables including factoring, alcohol tax liabilities, and trade payables, led to a significant net cash outflow of EUR 6.4 million (EUR 8.0 million). This development resulted particularly from the EUR 2.6 million increase in capital tied up in receivables (EUR 3.1 million), the EUR 1.5 million decrease in alcohol tax liabilities (EUR 1.3 million increase), and the EUR 2.6 million decrease in trade payables (EUR 6.0 million increase). The decrease in other assets gave rise to a cash inflow of EUR 2.3 million (cash outflow of EUR 2.6 million), whereas the change in other liabilities and the change in other non-cash effects led to a further cash outflow of EUR 8.7 million (cash inflow of EUR 3.2 million).

Cash flow from investing activities

The Group's investing activities led to an overall cash outflow of EUR 9.4 million (EUR 9.0 million). Investments in property, plant and equipment and intangible assets totalled EUR 9.5 million (EUR 9.1 million), while cash inflows from asset disposals came to approximately EUR 0.1 million (EUR 0.1 million).



The main reasons for the higher cash outflow for investments in property, plant and equipment and intangible assets were the following acquisitions in particular. In the *Non-alcoholic Beverages* segment, investments totalling EUR 3.9 million (EUR 4.0 million) were made in empty bottle containers and crates, investments totalling EUR 0.3 million were made in the insulation of a production hall, investments totalling EUR 0.2 million were made in energy storage devices and heat accumulators, and investments totalling EUR 0.2 million were made in air compressors with heat recovery systems. In the *Spirits* segment, investments totalling EUR 0.7 million were made in a labelling machine, investments totalling EUR 0.7 million were made in the replacement of building insulation, and investments totalling EUR 0.4 million were made in the expansion of a photovoltaics plant; all of which at the site in Minden. In the *Fresh Juice Systems* segment, the acquisition of injection moulds for an amount of EUR 0.3 million is particularly noteworthy.

Cash flow from financing activities

Financing activities gave rise to a net cash inflow of EUR 6.4 million (net cash outflow of EUR 10.9 million). This development resulted mainly from the above-mentioned cash inflow from the financing increase option included in the syndicated loan agreement for an amount of EUR 9.9 million, whereas in the previous year the repayment of a drawdown led to a cash outflow of EUR 7.5 million. Other factors contributing to the cash outflow included the dividend payment of EUR 2.1 million (EUR 2.1 million) and the repayment of lease liabilities according to IFRS 16 in the amount of EUR 1.4 million (EUR 1.3 million).

Cash and cash equivalents

Total cash and cash equivalents amounted to EUR 7.0 million (EUR 13.0 million) at the end of the 2023 financial year, including EUR 4.3 million (EUR 8.3 million) in receivables from the customer settlement accounts held with banks under two factoring agreements. As at the end of the 2023 financial year, drawdowns from short-term credit lines and financing instruments classified as such amounted to EUR 1.8 million (EUR 0.5 million).

Cash-flow related key indicators (reconciliation)

The reconciliation with the financial performance indicators described in the Basic information about the Group in section (1.2), specifically the one related to cash flow, is presented in the table below.

	2023 EUR'000	2022 EUR'000	Change EUR'000
Consolidated profit	865	2,101	- 1,236
Net balance of income tax expenses and income taxes paid/received	- 968	- 359	- 609
Net balance of interest income/expenses and interest paid/received	336	170	+ 166
Depreciation and amortisation of assets	8,297	8,318	- 21
Impairments of assets	0	1,299	- 1,299
Non-cash effects from IAS 29	1,168	805	+ 363
Operating cash flow	**9,698**	**12,334**	**- 2,636**

(2.2.5) Financial position

	12/31/2023		12/31/2022		Change
	EUR'000	%	EUR'000	%	EUR'000
Assets					
Non-current assets	60,210	41.4	57,339	39.2	+ 2,871
Current assets	85,174	58.6	88,971	60.8	- 3,797
	145,384	**100.0**	**146,310**	**100.0**	**- 926**
Shareholders' equity and liabilities					
Shareholders' equity	47,375	32.6	50,110	34.2	- 2,735
Non-current liabilities	20,521	14.1	9,532	6.5	+ 10,989
Current liabilities	77,488	53.3	86,668	59.2	- 9,180
	145,384	**100.0**	**146,310**	**100.0**	**- 926**

Assets

Compared to December 31, 2022, total assets were largely unchanged at EUR 145.4 million (EUR 146.3 million).

Non-current assets

Non-current assets amounted to EUR 60.2 million (EUR 57.3 million) and accounted for 41.4% (39.2%) of total consolidated assets. The carrying amount of property, plant and equipment increased by EUR 2.7 million. Depreciation, amortisation and impairments amounted to EUR 6.3 million (EUR 7.6 million), as compared to the volume of funds invested totalling EUR 9.1 million (EUR 8.7 million). Intangible assets declined by EUR 0.2 million (EUR 0.4 million), mainly due to the write-downs of EUR 0.3 million (EUR 0.5 million) charged in connection with the purchase price allocation for the acquisition of Citrocasa GmbH. Other non-current assets were modestly higher, at EUR 4.0 million (EUR 3.6 million).

The coverage of non-current assets by shareholders' equity and non-current liabilities rose to 112.8% (104.0%).

Current assets

Current assets declined to EUR 85.2 million (EUR 89.0 million). While cash and cash equivalents decreased by EUR 4.8 million and other current assets by EUR 1.3 million, trade receivables increased by EUR 2.6 million. Inventories declined modestly by EUR 0.3 million to now EUR 50.9 million (EUR 51.1 million).

As at December 31, 2023, gross receivables of approximately EUR 51.7 million (EUR 56.1 million) had been sold under factoring agreements. The security retentions under factoring transactions, which are presented within the item of other non-current assets, decreased accordingly to EUR 7.0 million (EUR 9.0 million).

Shareholders' equity and liabilities

Shareholders' equity

Shareholders' equity declined on balance by EUR 2.7 million to EUR 47.4 million (EUR 50.1 million). The consolidated profit of EUR 0.9 million (EUR 2.1 million) was offset by a negative contribution from other comprehensive income in the amount of EUR 1.5 million (positive contribution of EUR 1.1 million). The dividend payment of EUR 2.1 million (EUR 2.1 million) resolved by the Annual General Meeting in May 2023 also reduced shareholders' equity. Total assets being largely unchanged, the equity ratio fell to 32.4% at December 31, 2023 (34.2%).

Non-current liabilities

The Group's non-current liabilities amounted to EUR 20.5 million as at December 31, 2023 (EUR 9.5 million). The considerable increase resulted particularly from the EUR 9.9 million increase in non-current financial liabilities (see the remarks in Section (2.2.4) Cash flows). Compared to the previous year, moreover, pension provisions rose to EUR 6.5 million (EUR 5.8 million) due to the remeasurement of defined benefit pension plans.

Current liabilities

Current liabilities decreased considerably by EUR 9.2 million to EUR 77.5 million (EUR 86.7 million). At the reporting date, current financial liabilities amounted to EUR 4.3 million (EUR 2.6 million), that being considerably higher than in the previous year, whereas the trade payables of EUR 14.6 million (EUR 17.2 million) and the alcohol tax liabilities of EUR 36.1 million (EUR 37.6 million) were considerably and modestly lower, respectively, than the corresponding previous-year figures. The other current liabilities, including current provisions, of EUR 22.5 million were likewise considerably lower than the previous-year figure (EUR 29.3 million).

As a result of considerably higher net financial liabilities coupled with a slightly lower consolidated EBITDA, the dynamic gearing ratio of 0.43 was markedly higher than in the previous year (- 0.58) (see the calculation in the table below).

Key indicators of financial position (reconciliation)

The reconciliation with the financial performance indicators, specifically those related to financial position, described in the Basic information about the Group in section (1.2) is presented in the table below.

		12/31/2023	12/31/2022
Equity ratio			
Consolidated shareholders' equity	EUR'000	47,375	50,110
Tax accruals	EUR'000	320	91
Adjusted shareholders' equity	**EUR'000**	**47,055**	**50,019**
Total capital	EUR'000	145,384	146,310
Tax accruals	EUR'000	320	91
Adjusted total capital	**EUR'000**	**145,064**	**146,219**
Equity ratio		**32.4%**	**34.2%**
Dynamic gearing ratio			
Non-current financial liabilities	EUR'000	11,263	1,317
Current financial liabilities	EUR'000	4,284	2,591
Cash and cash equivalents	EUR'000	8,738	13,537
Total net debt	**EUR'000**	**6,809**	**- 9,629**
EBITDA	**EUR'000**	**16,002**	**16,654**
Dynamic gearing ratio	**ratio**	**0.43**	**- 0.58**

(2.2.6) General assessment of the Group's business performance and economic position

The Berentzen Group was faced with numerous challenges arising from the difficult economic conditions in financial year 2023, particularly shortages of materials, inflationary cost burdens, and growing consumer restraint. In this tough market environment, the Group's economic position is judged to be stable on the whole in view of its solid cash flows and positive financial performance.

The Berentzen Group generated consolidated revenues of EUR 185.7 million (EUR 174.2 million), an adjusted consolidated operating profit (consolidated EBIT) of EUR 7.7 million (EUR 8.3 million), and an adjusted consolidated profit before depreciation and amortisation (consolidated EBITDA) of EUR 16.0 million (EUR 16.7 million) in the 2023 financial year. Thus, the performance of these three key indicators met the expectations for the 2023 financial year that were originally communicated in the Management Report 2022 and was in line with the most recently updated forecast in October 2023. Aside from the net effect of the considerably higher expenses from the financial result and result from equity interests and the lower income tax expenses, the consolidated profit of EUR 0.9 million (EUR 2.1 million) was adversely impacted particularly by the loss from the net monetary position according to IAS 29.

The main reason for the higher revenues, but lower operating profit (consolidated EBIT) compared to the previous year was the roughly EUR 2.0 million decrease in the consolidated gross profit. Above all, the insignificant decrease in operating expenses was not enough to offset the significant increase in personnel expenses.

A positive development can be seen in the higher revenues and contribution margins in the *Spirits, Fresh Juice Systems* and *Other* segments. In the latter segment, the clearly positive performance of the spirits business in Turkey was particularly important. By contrast, the development of revenues and contribution margins in the *Non-alcoholic Beverages* segment was not satisfactory.

The cash flows and financial position of the Berentzen Group remain solid, meaning that the Group is operating on a basis of adequate liquidity, equity, and debt financing. However, the Group relied more heavily on debt financing in the 2023 financial year. At approximately EUR 9.7 million, the operating cash flow generated in financial year 2023 was much lower than in the previous year (EUR 12.3 million), although it was still higher than the total cash outflow for investing activities, which amounted to EUR 9.4 million (EUR 9.0 million), so that these investments were completely covered by internally generated funds. However, the Group's internally generated funds were not sufficient to cover the investments made in short-term net working capital, which amounted to EUR 6.5 million (EUR 8.0 million), and other cash outflows. Therefore, the volume of debt financing was increased as needed by borrowing from a new credit facility, which is repayable in full upon maturity on December 31, 2026. This credit facility, which increased the available funding volume by EUR 9.9 million, was taken out under the existing syndicated loan agreement. The funds available under the syndicated loan and the factoring agreements continue to form the backbone of the Berentzen Group's external funding.

The Berentzen Group's equity ratio at the end of the 2023 financial year was a solid 32.4% (34.2%). A dynamic gearing ratio of 0.43 (- 0.58) illustrates that the ability to service debt is also solid.

(3) Report on risks and opportunities

The Group's business activities open up numerous opportunities, but also expose the Group to numerous risks. Risks are understood to be internal or external events based on uncertainty regarding future developments that prevent the Group from achieving defined goals or successfully realising strategies. Conversely, opportunities are understood to be possible future successes that exceed the defined goals and thus can positively impact business performance. Risks and opportunities are not opposite concepts that are independent of each other, but are in fact directly linked with each other. Whereas the perception of opportunities as a rule is linked with risks, risks can also arise in the absence of opportunities.

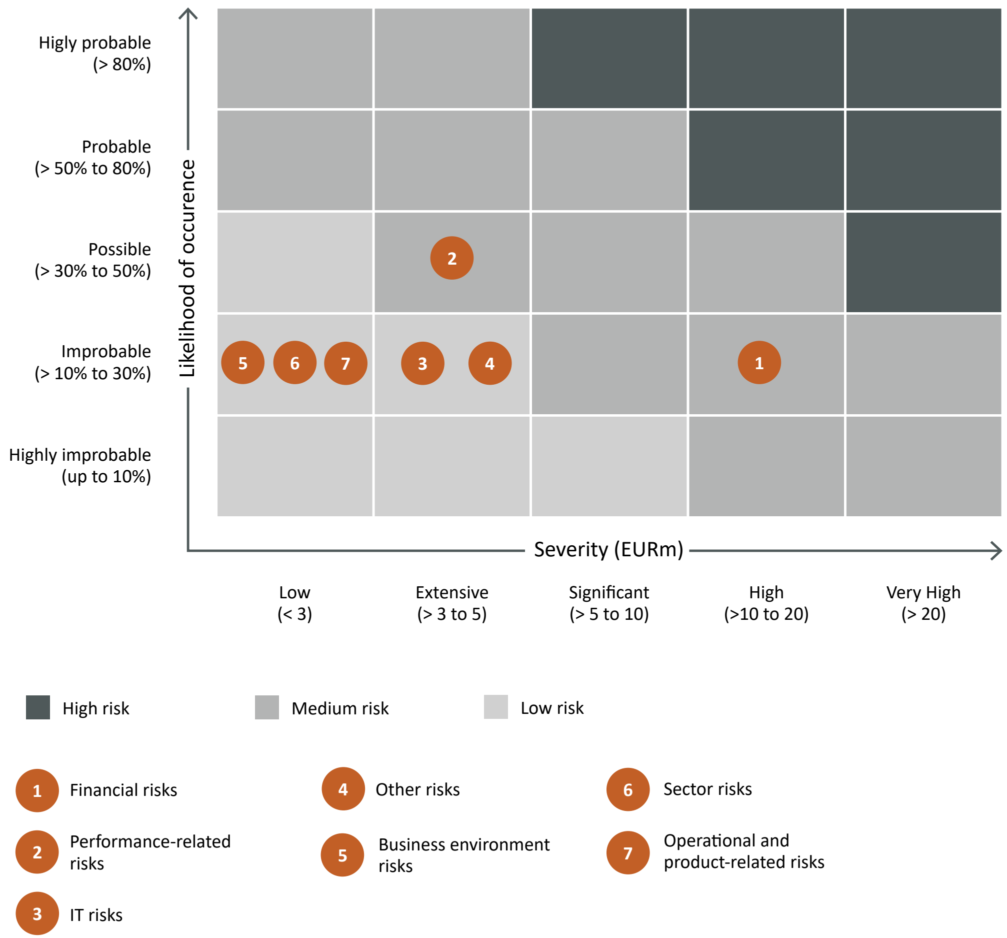
(3.1) Risk management system

The Berentzen Group's risk management is geared towards promptly identifying risks, assessing them and countering them by means of appropriate precautionary measures. The possible magnitude of risk is identified, probabilities of occurrence are determined and measures are planned and implemented in order to ensure the achievement of corporate objectives. Thanks to Group-wide reporting, the Executive Board can identify and control risks to the Group as a going concern, as well as risks that can materially impact the Group’s financial position, cash flows and financial performance. The risk management system thus meets the requirements set forth under Section 91(3) of the German Stock Corporations Act (AktG) and includes the early risk identification system required by Section 91(2) AktG. It also meets the relevant requirements of the German Corporate Governance Code. Besides the financial risks observed in the aforementioned risk management system, sustainability risks or so-called ESG risks (Environmental, Social, Governance) are also observed in a separate ESG risk management system. The assessment of ESG risks is not performed within the framework of a financial evaluation, which would entail an analysis of the potential impacts on the financial position, cash flows and financial performance of the Berentzen Group, for which reason ESG risks are not part of the following presentation. Insofar as sustainability risks include a substantial financial risk, they are assessed as part of the respective risk category, e.g., operational and product-related risk.

The direct responsibility for risks and risk monitoring is assigned to employees working in operations who report to the Risk Management Officer on a quarterly basis, as well as immediately whenever new risks are identified. The Risk Management Officer informs the Executive Board of the main changes and developments in the risk portfolio. To examine the risk to the company as a going concern, the maximum level of risk that the company can bear is determined in a risk-bearing capacity analysis. Based on the Group's overall risk exposure, value at risk, which is determined with the help of Monte Carlo simulations, is also used, among other things. The system is thoroughly updated by means of an annual review that encompasses all risks, assessments and measures and provides an outlook for the next three years. In addition, the entire risk management process of the Berentzen Group is documented in a risk guideline.

In order to identify possible risks to the Group as a going concern, risks are assessed within the context of the risk management system based on the magnitude of risk and assessed probability of occurrence. Classification to the risk categories “high”, “medium” or “low” is based on the combination of risk magnitude and probability of occurrence, which is reflected in the weighted expected value (net basis, based on risk containment measures) thereby derived, whereby the expected value is defined as the value at which consolidated net profit and therefore consolidated equity could be negatively impacted.

The risk horizon to be considered extends across two phases. The initial short-term phase covers the next twelve months, and the second medium to long-term phase considers months 13 through 36. Internal and external reporting is primarily focused on the short-term temporal horizon, for which reason the assessment matrix presented below covers the next twelve months after the reporting date.



(3.2) Risks

The primary risks grouped into categories that can have significant detrimental effects on the Group's business activities as well as on the Group's financial performance, cash flows and financial position are described below. The order of risk categories reflects the current assessment of risk exposure for the Berentzen Group. As a general rule, the described risks relate to all of the Group's segments, unless otherwise indicated.

Financial risks

Qualitative disclosures regarding risks related to financial instruments

The primary financial instruments used by the Berentzen Group include the syndicated loan agreement as well as overdraft facilities, factoring agreements and trade payables. The main purpose of these financial instruments is to finance the Group's business activities. The Group has various financial assets at its disposal, for example trade receivables as well as cash and cash equivalents that can be directly attributed to the business activities.

The Central Financial Management Department manages the Berentzen Group’s financial risk. It monitors liquidity risk, credit risk and market risk. The strategies and methods employed to manage the individual financial risks are presented below.

Liquidity risk

Liquidity risk is the risk that a company would not be in a position to procure the funds needed to settle obligations assumed in connection with financial instruments. The Executive Board, the Management and the Central Financial Management Department manage the Group’s liquidity risk. The liquidity risk is managed primarily by procuring funds as part of the overall funding of the Berentzen Group, which is presented in the Economic report in section (2.2.4) Cash flow/Financing structure.

In this context it follows that, among other things, the syndicated loan agreement concluded by Berentzen-Gruppe Aktiengesellschaft with a bank syndicate in December 2016 and extended in November 2021 contains an obligation to comply with the covenants of “dynamic gearing ratio” and “equity ratio”, specified in the agreement, calculated on the basis of the consolidated financial statements. In addition, the agreement is subject to the conditions presented in Chapter (2.2.4) Cash flows.

Compliance with the covenants and other conditions contained in the financing agreements is continuously monitored by the Executive Board and the Central Financial Management Department and the anticipated development of the covenants is tracked in the planning and budgeting process so that countermeasures can be initiated and the provision of outside capital can be ensured if necessary. Furthermore, with respect to the financing of the Group, measures are continuously reviewed and/or implemented with the goal of both providing an adequate credit line volume as well as maturity matching. This is supplemented to the extent possible by approaches to reducing the traditional use of debt capital (e.g. through alternative financing forms such as leasing or by internal measures to free up working capital).

Credit risk/default risk

Credit risk or risk of default is defined as the risk of a financial loss that would arise if a contracting party fails to meet its payment obligations. The management of credit risk or risk of default in the Berentzen Group is substantially geared towards entering into transactions exclusively with creditworthy third parties.

Approximately 73% (previous year: 75%) of consolidated revenues are billed via foreign branch offices that also assume the credit risk on the basis of del credere agreements. In addition, the risk of default is covered under trade credit insurance. As a general rule, balances in excess of EUR 5 thousand are covered by credit insurance. Trade credit insurance compensates all defaults on receivables on the part of insured customers up to the agreed deductible of 20% for customers residing in Germany and 10% for customers residing abroad. Alongside export credit insurance, security payments or advance payments are frequently agreed with the Group company domiciled outside of Europe.

A significant portion of trade receivables is sold under factoring agreements. Since the respective factor also assumes the del credere liability without recourse, these

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receivables are not reported in the consolidated statement of financial position in accordance with the relevant accounting standards. An exception to this general rule is represented by a relatively insignificant continuing involvement compared to the volume of factored receivables that represents the late payment risk remaining with the Group. Based on the customer structure, the amounts receivable from individual counterparties are therefore not so large that they would signify a material concentration of risk.

As a general rule, deliveries are made to customers not associated with foreign branch offices only after first conducting a credit assessment with the help of rating agencies. The receivables portfolio is monitored on an ongoing basis; consequently, the risk of default to which the Group is exposed is manageable and not significant. Furthermore, terms of payment are monitored on a regular basis.

In addition, the risk of default includes the country risk and/or the transfer risk. On the one hand, this includes the risk of economic or even political instability in connection with investments or the cross-border financing of Group companies in countries deemed to be risky, and on the other hand also the risk associated with selling directly to customers in these countries. Country risk with respect to equity measures or other forms of cross-border financing for Group companies is managed by means of an overall assessment of the general economic and political environment. Companies are not established in countries deemed to be unstable. The financing of already established Group companies in foreign countries, which is based on the actual capital requirements, is monitored continuously and managed centrally. For example, both intragroup financing made to a subsidiary based in Turkey as well as its current assets are subject to more intense monitoring on account of the economic and political developments of the situation due to the associated implications of a higher risk of default. In addition, the responsible Executive Board member receives separate reports on any overdue foreign receivables.

Market risk

Market risk is defined as the risk that the fair value of future cash flows from a financial instrument would change due to market price fluctuations. Market risk includes foreign currency risk, interest rate risk and other price risks. Market risk is also managed by the Group's Executive Board, the Management and the Central Financial Management Department.

Currency risk arises from the translation of foreign currencies into the Group's functional currency (euros) as a consequence of changes in the exchange rate. It generally results, as defined by the Berentzen Group, from financial items in the statement of financial position, as well as from executory contracts or transactions planned in foreign currencies. The foreign currencies relevant for the Group particularly include the U.S. dollar and the Turkish lira. So far, the business activities with respect to procurement and sales have been largely settled in euros and US dollars. Furthermore, some currency risks cancel each other out insofar as both purchases and sales are carried out in the same foreign currency; as a result, incoming payments offset outgoing payments in the same foreign currency, albeit not in the same amount or in matching maturities, as a general rule. Without taking consolidation effects into account, liabilities and receivables denominated in foreign currencies amounted respectively to approximately EUR 3.7 million (previous year: EUR 2.8 million) and EUR 3.0 million (previous year: EUR 2.7 million) as at December 31, 2023. Rate-hedging measures are carried out for the most important foreign currency, the U.S. dollar, insofar as an assessment of the foreign currency environment makes this appear to be useful. No rate-hedging measures were in effect as at December 31, 2023 (December 31, 2022: no rate-hedging measures).

From a Group perspective, the recoverability of assets and/or the nominal value of the Berentzen Group's liabilities outside of Germany are also subject to exchange rate fluctuations. Foreign currency effects are recognised directly in consolidated equity when translating the net carrying amount of assets of foreign Group companies. However, risks arising from foreign currencies recognised in profit or loss – even though they are not cash items from a Group perspective – can insofar also result from intra-Group transactions effected in foreign currencies, particularly including the financing of foreign companies using the Group's own funds. In the event that foreign subsidiaries are deconsolidated, however, the effects of the foreign currency risks inherent in the differences previously recognised in Group equity would need to be recognised in profit or loss. No foreign subsidiaries were deconsolidated in the 2023 financial year. For this reason, as at December 31, 2023, negative currency effects remain in the Berentzen Group's retained earnings from the translation of Group-internal financing to a Group company in Turkey in the amount of EUR 6.8 million (previous year: EUR 5.0 million). With respect to the Turkish subsidiary, the Berentzen Group is currently subject to sharply rising exchange rates. The exchange rate for Turkish lira rose from 19.96 as at December 31, 2022, to 32.65 as at December 31, 2023. The Turkish society is additionally subject to a high inflation rate: In December 2023, the inflation rate compared to the same month of the prior year was 64.8 %. As a result of high inflation, Turkey has been considered since June 2022 a hyperinflationary economy as defined in IAS 29. The local business activity of the Turkish subsidiary has not suffered negative impacts from this so far; however, there is a risk that the application of IAS 29 may result in a negative impact on consolidated net income in the future as well due to the inflation-adjusted measurement of non-monetary balance sheet items and income statement items. As at December 31, 2023, the hyperinflation adjustment totalling EUR 1.1 million (previous year: EUR 0.7 million) had a negative effect on the consolidated net income.

The actual average term of payment across the entire Group is currently around 32 (previous year: 33) days. This does not necessarily result in elevated liquidity or interest rate risk, because factoring lines or – particularly outside of Germany – financing instruments with a comparable effect are available for the financing of a significant portion of receivables.

Drawdowns from the syndicated loan agreement and the funds provided in connection with the two factoring agreements bear interest at variable rates based on the EURIBOR reference rate, which means interest rate risks do in fact exist, in principle. The effects of any changes in the interest rate can be partially offset by the deployment of interest rate hedging instruments. For this reason, the development of interest rates is monitored on an ongoing basis and the possible use of interest rate hedging instruments is reviewed on a regular basis.

Furthermore, the procurement of raw materials and other materials as well as the purchase costs of merchandise and system components are subject to market and/or price risk. Details in this regard are provided in the section on "Business environment risks".

Risk assessment

The overall probability of occurrence has risen modestly from "highly improbable" in the previous year to "improbable" in the reporting period. In combination with the "high" magnitude of risk, unchanged from the previous year, financial risks in their entirety are still deemed to represent a "medium risk".

Performance risk in connection with the business model

Performance-related risks represent those risks that can arise within the value added chain, to the extent that these risks are not assigned particularly to operational and product-related risk or industry risk. Furthermore, negative developments in the value chain may impact the economic profitability and cash flows of Berentzen Group's assets. As a consequence, the Group monitors, specifically on the basis of the provisions contained in the International Financial Reporting Standards (IFRS), whether there is any indication that the assets are impaired. In this context, potential future impairments may have a negative impact on the Berentzen Group's financial position, cash flows and financial performance.

In the business environment of the *Non-alcoholic Beverages* segment, significant volumes can be attributed to the Group's business with products of franchise brands as well as the bottling of franchise or other third-party brands and private-label products in connection with service agreements. The franchise business with the soft drinks brand *Sinalco* is based on a corresponding contractual agreement that remains valid until December 31, 2024. The Group company Vivaris-Getränke GmbH & Co. KG is currently negotiating the specific terms and conditions under which the business relationship will be continued beyond the end of the above-mentioned term. The other service agreements in effect for the bottling of third-party brands and private-label products have short terms. The individual contracts include arrangements that differ in the details, such as competition-related qualified change-of-control clauses or even performance-related indicators that entitle the respective client to early termination of the agreement in the event of non-compliance or non-performance. With respect to these contractual relationships, there is a risk that when the contractual term expires, they will not be continued or can only be continued under terms and conditions that are unfavourable for the Berentzen Group. The loss of the franchise business or a portion of the business involving the bottling of franchise or other third-party brands and private-label products can have a significant impact on business performance and on the Group's financial performance, cash flows and financial position as a result of substantial declines in revenues and earnings as well as structurally necessary follow-up measures and effects that must be reflected in the accounting, to the extent that such a loss cannot be replaced from the business with the Group's proprietary brands and products, other franchise business, or other corresponding contracts. An early unintended termination of the contracts is prevented to the extent possible through the agreement of realistic objectives, adherence to and strict compliance with agreements and instructions within the context of systematic contract management and through constant relationship management.

In the *Spirits* segment, the business with whiskey is very important due to ongoing high market demand. In addition to the quantitative shortage and price increases on the procurement market for whiskey, the multi-year ageing times for bourbon whiskey also require an anticipatory purchasing policy geared to the medium term. In this regard, appropriate medium- and long-term delivery agreements are in place on the sales side, meaning that potential risks arising from the uncertainty regarding future sales of already purchased or firmly contracted batches of unprocessed or processed whiskey only occur to a minor extent.

Any occurrence of the aforementioned risks and further indications could lead to an accounting impairment loss being recognised on the Berentzen Group's assets. As part of risk management, impairment testing is performed on an ongoing basis. In addition to the information from the internal reporting system, monitoring extends to exogenous factors such as market interest rates or market returns, factors that the Berentzen Group cannot influence.

In the 2023 financial year, moreover, the significant changes to economic framework conditions in Germany, particularly including consumer restraint and persistent, inflation-driven cost pressures, represented further detrimental changes to the economic environment. These changes led to a need for specific impairment tests of the cash-generating unit *Non-alcoholic Beverages*. However, no impairments were recognised as a result of these impairment tests. Despite the impairments recognised in past financial years, further impairments with a negative impact on the financial position, cash flows and financial performance cannot be ruled out for the future. Meanwhile, the risk of further impairments in the *Non-alcoholic Beverages* segment is still deemed to be high.

With regard to all performance-related risks observed as part of the risk management system, they were classified to the category of "medium risk", unchanged from the previous year.

IT risks

The reliability and security of the information technology (IT) are very important for the Group. At the same time, IT security around the world is exposed to increasing threats in general. This not only applies for the use of IT systems in connection with the business processes, but also for IT systems implemented for internal and external communication. Outages or disruptions of these IT systems signify risks for the availability, reliability and confidentiality of systems and data in development, production, distribution or administration and therefore for the Berentzen Group's financial position, cash flows and financial performance.

This risk is countered, among other things, through the redundant configuration of server systems, hardware support contracts with short response times, direct availability of replacement parts and data lines as well as an uninterruptible power supply. An even higher level of security and availability of the ERP system is ensured by means of a high-availability environment (virtualisation) in connection with a storage solution involving redundant capacities at two data centres and deploying a synchronous mirroring system. In the event of a failure, a shadow database makes it possible to make data available again at extremely short notice; in addition, all data inventories are backed up on a daily basis. Firewall systems, a VPN solution with multifactor authentication, virus scanners, spam and content filters and authorisation concepts guarantee a high level of security in access authorisations and external access.

According to the assessment of the observed IT risks performed in the risk management system, the magnitude of risk was "medium" and the probability of occurrence was assessed to be "improbable". In summary, this gave rise to a classification to the category of "low risk".

Other risks

Other risks refer to the risks that have not been assigned by the Berentzen Group to any of the other risk categories.

Legal and tax-related risks

As a company operating in the international food industry, the Berentzen Group is exposed to numerous legal and regulatory risks. In addition, Berentzen-Gruppe Aktiengesellschaft is subject to obligations resulting from its listing on the stock exchange, particularly the provisions of Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (market abuse regulation – MAR) and the German Securities Trading Act (WpHG).

The Berentzen Group has methods and institutions at its disposal to ensure compliance with national and international laws and guidelines and, if necessary, the initiation of suitable countermeasures. These particularly include appropriate organisational instruments, including by-laws, competence guidelines, the Group's central departments for legal, tax and accounting issues as well as the engagement of external advisers in legal and tax-related matters. Insurance policies are taken out for these risks to the extent possible and appropriate in the opinion of the Berentzen Group; in contrast, it is not possible to insure against possible reputation losses. However, any legal disputes and proceedings could, nevertheless, have a significant adverse effect on the financial performance, cash flows and financial position of the Group or one of the companies included in the consolidated financial statements, not only in the event that the associated expenses are not or cannot be covered by insurance, but also in those cases where the expenses incurred exceed the risk provisions made in the form of insurance cover or risk provisions.

In addition, the other risks include such risks related to income, transaction and excise taxes resulting primarily from inappropriate tax treatment, improper handling that does not meet the formal requirements, or non-standard tax assessment on the part of the responsible tax authorities regarding transactions to the disadvantage of the taxpayer. In various capacities, the Group companies are largely subject to regular tax audits and insofar are closely monitored by the tax authorities. In light of the multitude and complexity of tax rules, it is nearly impossible to completely rule out these risks. Both corresponding organisational measures for the review, processing and clearing of transactions as well as central departments for customs and tax-related matters in Germany and the consultation of external tax advisers serve to limit such risks.

Personnel risks

Highly qualified skilled workers and managers are an indispensable prerequisite for achieving the strategic goals of the Berentzen Group. Amid heightened competition for personnel, the HR management of the Group aims to train, acquire and develop qualified skilled and managerial personnel, and keep them in the Group over the long term. Special risks related to personnel stem from the possibility of there being a general lack of personnel resources needed to fill key skilled or managerial positions in the Group or from the possibility of not being able to ensure sufficient staffing levels to provide cover if needed. In turn, this can result in increased costs for interim solutions or training and longer training times. If key positions cannot be adequately filled for a longer period of time, this could prevent the Berentzen Group from achieving its goals. Minimising these risks particularly involves identifying key positions in a timely and ongoing manner as well as putting in place forward-looking succession planning and consistent deputising arrangements. Particular attention is paid to developing the skills of skilled and managerial personnel. Furthermore, there are continuous efforts to develop and improve working conditions, for example using an operational health management plan aimed at specific target groups. Employer branding measures are undertaken to strengthen the identification of employees with the Group's corporate values and improve the Group's positioning as an attractive employer in the labour market.

Risk assessment

The other risks observed as part of the risk management system were classified overall to the category of "low risk".

Business environment risk

With its international operations, the Berentzen Group depends on the economic, political and social development of countries and regions in which it is already active in the market or plans to be. This relates to the both purchasing and the selling side of the business. The business environment in the individual markets is subject to continuous – and in some cases very short-term – changes. The Group is exposed to a series of factors on which it only has a limited influence or none at all. These include, among other things, political, social, economic, or legal instabilities, but particularly also general changes in the supply of goods and services, the demand for goods and services, or consumer habits and behaviour. Such risks can have a temporary or permanent negative impact on business activities and therefore on the achievement of the objectives pursued by the Berentzen Group. Such business environment risks are subject to permanent control in the supervision, monitoring and management of the operating business.

Particularly the procurement of raw materials and other materials as well as the purchase costs of merchandise and system components are subject to procurement risks. In all segments, the purchase prices of the raw materials and supplies, merchandise and system components used by the Berentzen Group are particularly influenced by their availability in the market. The availability of agrarian products in particular depends on the respective crop yields. Furthermore, regulatory measures such as customs duties can have a considerable influence on purchase prices. Annual supply contracts stipulating fixed prices and fixed quantities are normally in place for purchases of container glass. Therefore, the energy prices in effect in the previous year are usually an especially relevant factor in the conclusion of contracts with suppliers in the glass industry. Supply contracts for harvest-dependent raw materials such as grain spirits, sugar, and fruit juice concentrates are usually concluded from harvest to harvest. Other categories of raw materials and packaging materials are based on market price indexes, with prices mostly fixed on a quarterly or semi-annual basis, depending on market conditions. In the *Fresh Juice Systems* segment, purchases of the individual system components are primarily managed on the basis of single orders; purchases of fruit (particularly oranges) in particular are dependent on the harvest seasons in the global cultivation areas.

Procurement markets have permanently changed since the outbreak of the coronavirus pandemic and the war between Russia and Ukraine. Particular challenges include shortages of materials, delivery failures and delays, price increases and fluctuations, and possible energy shortages. Although the logistical problems eased somewhat in financial year 2023 and legislative measures to mitigate the burden of heightened energy costs were introduced, the procurement market is still subject to risks that must be kept under close observation, in the opinion of the Berentzen Group.

Against the backdrop of major geopolitical uncertainties coupled with current and threatened international trade conflicts, possible additional tariff barriers – such as the import duties levied on bourbon whiskey products from the end of June 2018 to December 2021 – and non-tariff barriers to trade can have negative effects in some circumstances on the business activities of the Berentzen Group. Due to the political and economic situation in Turkey, this market, which is served by a local Group company, is additionally subject to continued intensive monitoring.

The business environment risks monitored separately for purposes of risk management relate particularly to the *Spirits* segment and *Other* segments. Restrictions on the marketing of alcoholic beverages such as sales restrictions, increases in the alcohol tax or comparable foreign excise taxes, anti-alcohol campaigns or advertising bans, and import restrictions on key raw materials represent potential risks for the Berentzen Group. Legislative measures such as special taxes and measures regulating advertising have had a significant influence on the beverage industry in the past. In this context, risks arising from the amendment and implementation of the provisions of the German Packaging Act, particularly with regard to PET packaging for spirits, are likewise subject to monitoring.

Debates involving the possible imposition of restrictions on the freedom of advertising for alcoholic beverages are ongoing. While further legal restrictions are not currently on the horizon at the national level, such restrictions have been implemented in Turkey in recent years. This also applies to an increase in excise taxes on alcoholic beverages; additional tax increases were enacted in the Turkish market in 2023 and more can be expected in the following years.

According to the assessment of the business environment risks monitored within the risk management system, the magnitude of risk is "low" and the probability of occurrence is "improbable". In combination, this signifies a classification as "low risk".

Sector-specific risks

As with other daily consumable products, spirits, non-alcoholic beverages and fresh drinks such as freshly pressed fruit juices are considered to be Fast Moving Consumer Goods (FMCG). The relative ease with which such products can be substituted also requires for the preservation and expansion of the business volume, among other things, that new brands and products are continuously developed and introduced to the market. Market surveys and past experience document that the risk of not being able to successfully introduce new brands and products to the market in the FMCG segment – or that the success cannot be sustained – is significant. In light of these circumstances, innovations harbour the risk that the contributions to earnings planned insofar cannot be realised at all or not in the budgeted volumes. Appropriate countermeasures such as careful planning, product development and market tests conducted in advance of the introduction as well as subsequent marketing and sales promotions are also incapable of preventing this. The focus of innovation in the *Fresh Juice Systems* segment is on the system components of fruit juicers and thus on the success of an innovation-driven machine technology, in the development of which the Group's longtime and currently only supplier plays an especially important role in a relationship characterised by close collaboration. Insufficient innovative capacity and thus technical innovations that fail to materialise, are late, or not successful in the market, as well as market positions jeopardised as a result thereof or for pricing reasons, include the risk that despite corresponding risk containment measures – particularly general engineering as well as ongoing engineering geared towards the development of new applications – contributions to earnings factored into the managerial planning cannot be realised in full or in part.

As a result of concentration in the German food retailing sector, the top key accounts are very important and individual suppliers are highly dependent on these major customers. Comparable market structures can also be observed in other countries with corresponding effects on the subsidiaries. In some cases, substantial dependencies develop in the business relationships with individual major customers. All of the Group's segments are affected by this – each individually to a different extent – with the exception of the *Other segments*. In total, the Berentzen Group realised around 51% (previous year: 49%) of its consolidated revenues in the 2023 financial year with its three largest customers, each of whom belong to the food retailing sector. In this context, there are various aspects that can have a negative impact on the success of the Berentzen Group's business. For example, the supplier agreements – as is typical in the industry – have a relatively short term and normally do not include any purchase commitments. Furthermore, there is the risk that important customers abruptly end their business relationships with the Berentzen Group or do not extend them and that the Group will not be able to quickly adjust its cost and production structure fully or sufficiently and/or cannot find another customer, leading insofar to excess capacities. The pressure on the individual supplier and price terms as well as conditions rises together with a customer's increasing importance; as a result, the Berentzen Group's net selling prices can decrease. It is accordingly possible that the Group may not at all be able to pass on price increases with respect to raw materials or rising personnel expenses and overheads, or that they can only be passed on in part or with a delay. The Berentzen Group counters this risk by strengthening key account management together with further systematic efforts to increase sales and distribution. Advertising activities to promote the brand are intended to improve the Group's position in relation to its business partners.

According to the assessment of the sector risks monitored within the risk management system, the overall classification was "low risk".

Operational and product-related risk

Operational risks

In the *Spirits, Non-alcoholic Beverages* and *Other* segments, there are operational risks primarily with respect to the breakdown of production plants or sites as well as, if applicable, with respect to the outsourcing of production capacities to another plant location that could lead to supply bottlenecks or delivery disruptions. The risk of production losses is minimised by means of ongoing maintenance and capital expenditures, the constant availability of technical services and emergency staffing plans; in addition, a business interruption insurance policy is in place. In order to limit this risk, suppliers are carefully selected with a view towards maintaining long-term relationships as part of a sustainable relationship management process. In addition, the entire production process is closely supervised and monitored in collaboration with the suppliers.

In the *Fresh Juice Systems* segment, the supply of machinery and the supply of bottles are each concentrated in one supplier; therefore, the Group is exposed to risks of production stoppages, capacity bottlenecks and justified or unjustified unilateral termination of the supply relationship by the respective supplier. The availability of alternative production capacities is currently very limited and it is expected that it could only be realised with a considerable delay. This risk is countered by means of particularly close support and management of the long-term cooperation arrangements that includes, in the case of the machinery supplier, the implementation of an effective local quality assurance system.

Furthermore, in the *Spirits* and *Non-alcoholic Beverages* segments, the manufacturing facilities and property of which have been utilised for decades, operational risks could arise from environmental damage. This is understood to be a directly or indirectly occurring identifiable, detrimental change (impairment) in protected species and natural habitats (biodiversity) as well as in waters or in the ground as a result of which the Group must bear environmental liability risks and risks arising from existing or changing general regulatory conditions. In addition to rules related to the environment that are included in the quality assurance system, risk provisions for environmental damage serve to cover insured losses. Against this background, it is also important to assess the consequences of climate change, particularly extreme weather conditions, that can already be observed or may arise in the future.

Product-related risks

Product-related risks can result from product defects, product sabotage, or product blackmail and can particularly lead to health risks on the part of consumers, loss of reputation, and restrictions in the marketability of products up to and including product recalls. Product defects are defined as the unintentional chemical, physical, or microbiological contamination of a product in connection with the manufacturing process. In contrast, product sabotage and product blackmail are based on intentional actions outside or within the Group during or subsequent to the manufacturing process. In order to reduce the potential losses and/or the effects of an operational or product-related incident, the arrangements for security, plant and product safety are constantly improved, expanded and monitored through corresponding checks.

The Berentzen Group fulfils the complex requirements of statutory provisions in the area of technology and product safety, for example for accident prevention and environmental protection or under the relevant food regulations, by using internal plant inspections, selecting reputable suppliers, employing qualified personnel and engaging reliable service providers that demonstrate a proficiency in the use of Berentzen Group products. In addition, product safety is served by ongoing quality controls, continuous adaptation to new technical standards and the established quality assurance and crisis management system, which is subject to regular internal audits and corresponding external certifications according to recognised quality standards, namely according to IFS (International Featured Standards) Food. The production facilities of the Berentzen Group were inspected by the Technical Inspection Association TÜV Süd in accordance with the current IFS version (IFS V7) in the IFS recertification audits in 2023 and were successfully re-certified in the IFS Food Assessments. In addition, the German locations of the Berentzen Group have obtained the energy and environmental management certification according to DIN EN 50.001 and DIN EN 14.001. Furthermore, there are the certifications issued for the system components fruit presses with respect to technical safety by the relevant testing organisations such as the Technical Inspection Association (TÜV), particularly in the *Fresh Juice Systems* segment. For the procurement of capital goods and raw materials, quality standards are defined and safeguarded by long-term cooperation with corresponding suppliers; new suppliers must undergo a qualification process. An additional building block for the reduction of product-related risks consists in the covering of corresponding insured losses.

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Furthermore, in the *Fresh Juice Systems* segment, the highest standards of quality are maintained for the oranges marketed in the *frutas naturales* variety. Depending on the time of the year and the harvest cycle, the fruits are procured from Southern Europe, but also from cultivation areas outside of Europe and put on the market without any post-harvest treatment. Insofar, there are risks with respect to the availability and quality of the oranges for a wide range of reasons. On the one hand, these include poor harvests or bad weather, which may be dependent on the impacts of climate change. On the other hand, there could be a general market shortage and interruptions or delays in the – considering the easy perishability – particularly important logistics processes, or a deterioration in the relationship with suppliers or producers. Furthermore, quality defects can lead to severe reputational damage. Measures to minimise the risk include an anticipatory procurement policy executed on the broadest possible supplier basis and with a view towards sustainable relationship management as well as the appropriate management and monitoring of the logistics processes. The quality of the purchasing process for oranges has been confirmed by an external body through IFS Broker certification. In addition, internal analyses of quality and sensory evaluations are performed. Furthermore, analyses to detect pesticides are carried out continuously in cooperation with laboratories.

Risk assessment

Following the assessment of operational and product-related risks performed in the risk management system, they were classified to the “low risk” category.

(3.3) Opportunities

The Group’s broad positioning with its product range of spirits, non-alcoholic beverages and fresh juice systems allows the Berentzen Group to be independent of critical demand factors and declining product categories and opens up manifold opportunities for sustained positive business performance. They are based on the dual-track operational positioning in the traditional and innovative segments as well as in the domestic market and international markets. The opportunities are supported by a consistent focus on the needs of consumers as well as those of retail and catering partners. In addition to endogenous factors based on internal decisions and measures, exogenous factors can also have an impact on the market success. The most important opportunities that arise against this background are described below. However, they only represent a sample of the possibilities and a snapshot assessment, because the Berentzen Group is continually further developing just like the markets, and therefore the significance of an opportunity can decrease just as options that are entirely unknown today can arise in the future. Therefore, the Berentzen Group monitors all relevant trend lines in order to systematically take advantage of future opportunities with decisions that are appropriate for the situation.

Opportunities from the change in general economic conditions

Opportunities can arise for the Group from the development of general economic conditions at a national and international level if the economies of the important industrialised nations – especially Germany – recover from the difficulties in the past financial years and experience appreciable economic growth. In view of the weak forecasts (for example, the IMF expects that German real domestic product (GDP) will only grow at a rate of 0.5% in 2024), the resulting potential for opportunities must be regarded as subject to a significant reservation from the perspective of the Berentzen Group. If there is a faster economic recovery, however, this may have a significant positive impact on the Group’s business performance.

Additionally, an improvement in the general political and economic conditions prevailing in Turkey can have a beneficial effect on the business with spirits assigned to the *Other* segments. The Group company operating in that country continues to provide the foundation on which the Group can build to benefit directly from any recovery of the market environment, particularly in view of a lessening of inflation and a rise in the value of the Turkish lira.

Opportunities in connection with strategic decisions

As a nationally and internationally active beverage company, the Berentzen Group has set itself the strategic goal of being a supplier of beverages for every occasion on the basis of a diversified position in the *Spirits, Non-alcoholic Beverages*, and *Fresh Juice Systems* segments. The expansion of the product portfolio and an intensive focus on trends and customer benefits or expectations can open up new growth opportunities, especially on the back of innovations, and the Berentzen Group intends to continue focusing on selected areas promising strong growth.

The Berentzen Group's spirits umbrella brands are widely recognised in the German market. With a joint market share of around 13% (previous year: 12%) in the category of “fruity liqueurs”, the two umbrella brands continue to enjoy a strong competitive position. On this basis, the Berentzen Group attributes strong growth potential to marketing the existing product portfolio and developing innovations. In the export and dealer brands business, there are opportunities in business expansion through strategic partnerships with domestic and international trade partners. Further growth opportunities result from tapping additional export markets, particularly in other European countries. Finally, implementing measures to make up for cost increases will play a crucial role for future business performance across all spirits product segments.

In the *Non-alcoholic Beverages* segment, the nationwide success in the *Mio Mio* brand beverages business presents an opportunity to continue on this growth course. In particular, the Berentzen Group sees major sales opportunities both in existing sales channels and sales channels such as filling stations, newsstands, student unions and delivery services, some of which have not been exploited to a large degree, and in exports.

In the *Fresh Juice Systems* segment, the competitive advantage of the *Citrocasa* brand provided by its positioning as a premium system vendor continues to offer opportunities to tap into international growth potential. This market potential is supported by the continuing tendency to consume fresh, natural and high-quality products observed among consumers and in the food retailing sector. In the estimation of the Berentzen Group, this trend is weakened only temporarily by the current crises. The market introduction of a completely new generation of fruit presses in the food retailing sector, the revival of fruit press sales in the markets of Germany, France, the United Kingdom, and the United States, and an expansion of fruit and bottle sales in Germany and abroad are opportunities with the greatest potential in financial year 2024.

Opportunities from the implementation of operational measures

As an efficient spirits manufacturer, the Berentzen Group subjects its production and logistics processes to continuous analysis and always finds approaches for additional optimisation measures. In this regard, the Berentzen Group considers further productivity increases possible, as replacement investments are also designed not only with stabilisation in mind, but rather as an improvement to the status quo. This applies equally to the *Non-alcoholic Beverages* segment, although in this case particularly streamlining and increased efficiencies in production, as well as the possible optimisation of the Group’s production site structure, offer significant opportunities. In the *Fresh Juice Systems* segment, the continuing optimisation of logistics for fruit and bottling systems offers wide-ranging opportunities.

With respect to procurement, the Berentzen Group is dependent on the respective commodity and producer markets. Insofar, cost advantages can be realised if there is a general decrease in commodity prices and if short-term supplier contracts can be concluded for the procurement of such commodities at favourable delivery points. Bountiful harvests of the oranges and pomegranates distributed in the *Fresh Juice Systems* segment may lead to favourable price trends. The Group’s procurement expertise in the market for the niche product of pomegranates can prove to be an especially valuable competitive advantage.

Opportunities from strategic acquisitions

With its current positioning, the Berentzen Group considers itself to be in a good position to meet the various needs of the consumers as well as those of its retail and catering partners in large volumes with its product portfolio of spirits, non-alcoholic beverages and fresh juice systems. In addition to the opportunities highlighted from organic growth, the Berentzen Group also continues to pursue exogenous growth opportunities in connection with opportunities presented as a result of selective business acquisitions that support the Group's growth strategy.

As a general rule, these opportunities not only open up the possibility of sensibly expanding sales channels or rounding out the product and customer portfolio, but they also leverage and utilise mutual synergy effects. Therefore, business acquisitions can have a positive impact on the business performance and the Group's financial performance, cash flows and financial position.

(3.4) Overall assessment of risks and opportunities

In the view of the Management, the risk exposure of the Berentzen Group remains challenging overall, but manageable at the present time.

Based on the assessment matrix presented in section (3.1) and according to the definitions applied for that purpose, no risk categories are assessed as high risk. Financial and performance-related risks are assessed as medium risks, while the other risk categories presented are each assessed as low risk.

Thanks in particular to the positive financial position, cash flows and financial performance of the Group, no separate or cumulative risks are expected by the Management with respect to the risks described above and their probability of occurrence that could jeopardise the company as a going concern within a period of at least one year. The Executive Board sees potential for the Group in the consistent pursuit of the opportunities discussed above that should not be passed up.

The Berentzen Group continues to enjoy a solid liquidity position and therefore has the means to take advantage of its growth potential and implement other measures to improve its profitability. However, the materialisation of risks or the realisation of opportunities can have an impact on the Group's forecasts.

(3.5) Comments on the internal control and risk management system and on the accounting process

The objective of the internal control and risk management system set up by the Berentzen Group is particularly to ensure the propriety of the financial reporting system in the sense of complying with all relevant regulations applicable to the annual and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft as well as the management report.

Internal control system (disclosure not in management report) [1)]

The internal control system in the Berentzen Group comprises all principles, methods and measures to ensure the effectiveness, efficiency and compliance of the accounting system as well as to ensure compliance with the relevant legal provisions. This also includes the compliance-related regulations and sustainability-related control systems in effect within the Berentzen Group. The internal control system comprises the internal management and internal monitoring system. Below the level of the Executive Board, the responsibility for the internal management system lies particularly with the areas of controlling and Reporting, Accounting,

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[1)] The disclosures not in the management report are statements that go beyond the legal requirements for the management report and are thus excluded from the substantive audit of the management report by the auditor.

Finance, Sustainability and Taxes as well as Legal and Personnel, which are managed centrally at Berentzen-Gruppe Aktiengesellschaft.

Process-integrated and process-independent control measures form the elements of the internal monitoring system. In addition to the manual process controls such as the “dual control principle”, IT process controls in the system represent a significant part of these measures. Expanded risk control matrices are introduced for material transactions that are updated on an ongoing basis. Furthermore, process-integrated monitoring is ensured through organisational measures, for example by means of guidelines or access restrictions as well as through specific Group functions such as Central Investment Controlling or also the central departments for tax, accounting and legal affairs.

The Supervisory Board – specifically the Finance and Audit Committee – of Berentzen-Gruppe Aktiengesellschaft and the Internal Auditing Department of the Berentzen Group are involved in the internal control system at the Group level with the process-independent audit procedures.

Accounting process

In the legal sense, the Group Executive Board is obligated to prepare the annual and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft as well as the combined management report for the Berentzen Group (Group) and Berentzen Group AG, while the respectively responsible Executive Board member bears the overall responsibility for all processes.

All accounting entries are recorded in the annual financial statements of the individual companies of the Group by Berentzen-Gruppe Aktiengesellschaft’s Central Accounting Department, with the exception of foreign Group companies, using the SAP ERP system. The application of the SAP system is periodically reviewed by the independent auditor and/or the Group auditor. The standardised, uniform preparation of the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft is ensured due to the fact that the individual annual financial statements are primarily prepared centrally. Accounting entries in the annual financial statements of the foreign Group companies are recorded by the company's respective local Accounting Department using various ERP systems or in line with corresponding agreements by external expert service providers. The individual annual financial statements of the foreign Group companies consolidated in the consolidated financial statements are included by means of a corresponding reporting package. The reporting packages of the foreign Group companies included in the consolidated financial statements are subjected to an audit in accordance with International Standards on Auditing (ISA) or a review, depending on their significance for the Group and/or the consolidated financial statements.

The information resulting from the separate annual financial statements and reporting packages is transferred to a consolidation file that is not integrated in the ERP system. Manual reconciliation and a review by the Group auditor ensure the accuracy of the transferred data. All consolidation processes for the preparation of the consolidated financial statements of the Berentzen Group are listed in the consolidation file. The result is tested for plausibility and validated with the help of the statement of changes in equity. The disclosures in the notes to the separate financial statements and the notes to the consolidated financial statements are prepared and documented on the basis of the information provided to the Central Accounting and Controlling Department as well as computer-based evaluations.

Comments on the main features of the internal control and risk management system with respect to the accounting process

The internal control and risk management system with respect to the accounting process ensures an efficient accounting process in which errors are largely avoided, but at any rate can be detected. The system is based on a central accounting and reporting function for all German Group companies, which simultaneously also manages and controls the accounting and reporting function of the foreign Group companies.

The accounting entries recorded in the respective Group companies, which are reviewed on an ongoing basis for completeness and accuracy, form the basis for the data used to prepare the separate annual financial statements and the consolidated financial statements as well as the combined management report. Further accounting control mechanisms include analytical audits with respect to the individual line items of the separate annual financial statements and consolidated financial statements, and with respect to the consolidated financial statements both at the aggregated level of the Group as well as at the level of the underlying separate annual financial statements of the individual companies.

There is an authorisation concept for the IT systems employed in the accounting area in order to prevent unauthorised access and unauthorised use as well as to ensure that the accounting-related data cannot be altered. In addition, clear internal instructions with respect to a separation of functions for the key areas involved in the accounting process, but also the preparation and updating of accounting-related guidelines such as the Berentzen Group's Accounting Handbook help ensure a correct, uniform and continuous accounting process.

The clear separation of areas of responsibility as well as various control and inspection mechanisms ensure the propriety of the accounting system as a whole. On this basis, it is ensured that transactions are recorded, processed and documented, as well as evaluated in their entirety on a timely basis and properly in the bookkeeping system in compliance with statutory provisions, the German generally accepted accounting principles and international accounting standards, and also accurately included and presented in the separate annual financial statements and consolidated financial statements as well as in the combined management report.

Statement of the Executive Board on the effectiveness and appropriateness of the internal control system and risk management system (disclosure not in management report) [2)]

The Executive Board of the Berentzen Group has intensively dealt with the effectiveness and appropriateness of the internal control system as a whole and the risk management system. On this basis, the Executive Board has no indications that the internal control system or the risk management system were not appropriate or not effective, respectively as a whole, as at December 31, 2023.

[2)] The disclosures not in management report are statements that go beyond the legal requirements for the management report and are thus excluded from the substantive audit of the management report by the auditor.

(4) Forecast Report

The Forecast Report of the Berentzen Group takes account of the relevant facts and events known and estimable at the time of preparing the consolidated financial statements that could have an impact on the corporate group's future business performance. The forecasts made herein on the basis of the current version of the integrated corporate plan of the Berentzen Group for the 2024 financial year are based on the assumption of organic development within the corporate group excluding significant non-recurring exceptional effects and changes arising from possible company acquisitions; where such events need to be taken into account at the time of preparing this Forecast Report, this is stated accordingly.

(4.1) General economic and industry-specific framework conditions

General economic conditions

	2024 Change	2023 Change
World economy IMF [1]	+ 3.1%	+ 3.1%
Industrialised countries	+ 1.5%	+ 1.6%
Euro zone	+ 0.9%	+ 0.5%
Emerging-market countries	+ 4.1%	+ 4.1%
World economy ifo [2]	+ 2.0%	+ 2.7%
Gross domestic product Germany [1]	+ 0.5%	- 0.3%

[1] IMF, World Economic Outlook Update of 01/30/2024.

[2] Ifo Institute, Special Issue of 12/09/2023.

The world economy is expected to grow at a moderate rate in 2024. According to the forecasts of the IMF and the ifo Institute, this expectation is based on higher benchmark interest rates to combat inflation, the withdrawal of fiscal support due to high levels of government debts, and weak productivity growth. It is expected that both interest rates and global inflation will decline over the course of 2024.

Though it is assumed that the global economy will continue to grow, the IMF and the ifo Institute point out that there are also risks associated with the forecast. Possible scenarios include an expansion of the Gaza conflict or a further escalation of the war in Ukraine. On the other hand, opportunities are seen in the possibility of stronger economic momentum fuelled by pent-up demand or a faster reduction of inflation.

The Ifo Institute anticipates a modest and slow recovery of the German economy in 2024, based on a declining trend of inflation, considerably higher wages under collective bargaining agreements, and record employment, which should increase people's purchasing power and stimulate overall economic demand.

Developments on the drinks market

The aforementioned anticipated developments in the global economy and in particularly the German economy in 2024 will likewise impact the sales markets of all segments in the Berentzen Group to varying extents.

The Berentzen Group forecasts that domestic retail sales of spirits will remain at a level comparable to the previous year on the whole, but expects the individual product categories to perform variably. The inflationary price situation in 2023 led to purchasing restraint on the part of consumers. The still high level of prices and economic uncertainties are expected to influence economic conditions again in 2024. As these conditions are likely to induce consumer restraint, it is expected that they will continue to forego consumption and exhibit a high degree of price sensitivity. Whereas these trends could adversely affect sales of brand-name spirits and premium private-label brands, the preference for low-priced alternatives could have a positive effect on unit sales of medium and standard private-label brands. Positive effects could also emanate from rising wages under collective bargaining agreements and the resulting improvement of consumer confidence.

In the retail market for non-alcoholic beverages, the sub-market of mineral waters in particular is heavily dependent on weather conditions. Assuming weather conditions comparable to the 2023 financial year, the Berentzen Group expects the overall market for non-alcoholic beverages to be stable. In this context, positive momentum is expected particularly in the category of premium lemonade products. While trends such as healthy diets, sustainability and regionality are driving growth in some product segments, they tend to have more of a negative impact on others, particularly classic sweet beverages and products filled in PET bottles. Consumers' The heightened price sensitivity of consumers is having a negative effect on the growth of the mineral water market, particularly brand-name mineral water products, fuelling a consumption trend towards lower-priced water products and tap water. Political discussions relating to the topic of “healthy tap water” have also negatively impacted developments in the mineral water market.

Besides the food retail trade, the German hospitality trade is another, albeit not as important, distribution channel for the spirits and non-alcoholic beverages of the Berentzen Group. The trends of price sensitivity and consumer restraint are detrimental to the hospitality trade and therefore also for the unit sales of spirits and non-alcoholic beverages.

As far as the Berentzen Group is aware, there are practically no all-round, reliable market data available for the *Fresh Juice Systems* segment. Therefore, the Group tracks the market development of fresh drinks such as not-from-concentrate juices, freshly squeezed fruit juices and also smoothies, which are also in line with the trend of heightened dietary awareness that has been in effect for several years. This assessment is confirmed in a forecast published by Statista Market Insights in January 2024. The forecast details the expectation of higher demand for juices and smoothies. Moreover, health-conscious consumers are willing to pay a premium for natural, less-processed products.

(4.2) Anticipated development of financial performance

Anticipated development of the segments

	2023 EURm	Forecast for the 2024 financial year EURm
Contribution margin after marketing budgets		
Segment		
Spirits	31.8	33.8 to 37.3
Non-alcoholic Beverages	22.6	24.8 to 27.4
Fresh Juice Systems	6.3	6.8 to 7.5
Other segments	4.8	4.1 to 4.6

Spirits segment

In the *Spirits* segment, the corporate group expects to generate segment earnings in a range between EUR 33.8 million and EUR 37.3 million in the 2024 financial year. This planned development is mainly based on the expectation of a substantial increase in the contribution margin, although this increase will also be accompanied by an increase in the funds allocated to marketing and trade advertising.

New product launch initiatives, the further expansion of the field sales organisation, and a higher marketing budget are expected to drive growth in sales of brand-name spirits in Germany, particularly the focus brands *Berentzen* and *Puschkin*, in 2024. In the business of export sales and private-label brands, the Group will continue to place a strategic focus on business expansion through strategic partnerships with domestic and international trade partners. Appropriate product contribution margins are central for achieving the intended earnings performance in the business with private-label brands. A reduction of manufacturing complexity and product assortment complexity is expected to offset the higher costs of materials and overhead costs at least in part. In addition, the Group will endeavour to tap additional European markets outside of Germany and reactivate export sales of brand-name products with value-added and entry-price products.

With regard to the *Spirits* segment, it should be noted that making a reliable forecast remains difficult, due to the fact that, despite active management, the composition of sales and revenues on products with higher or lower margins – which is a very decisive factor in earnings performance – depends heavily on external factors like the future development of consumption patterns and the corresponding demand.

Non-alcoholic Beverages segment

In the *Non-alcoholic Beverages* segment, the Berentzen Group anticipates segment earnings in a range of between EUR 24.8 million and EUR 27.4 million. The assumption in this context is that the contribution margin value will increase considerably, with the same level of funds used for marketing and trade advertising.

The main reason for the expectation of positive contribution margins is the anticipated considerable growth in sales of the focus brand *Mio Mio*. Growth potential can be tapped both in existing sales channels and in other sales channels, some of which have not yet been exploited to a greater degree, such as gas stations, kiosks, student unions, and delivery services, as well as export sales. The increased exploitation of these sales channels will be supported by intensified market cultivation, including stepped-up marketing activities and secondary placement initiatives. In the business with regional water brands, such as *Emsland Quelle* and *Märkisch Kristall*, a stable contribution margin is expected, whereas the other brands are expected to go down slightly. In the franchise business, the Berentzen Group anticipates a considerably lower contribution margin overall due to the discontinuation of cooperation projects with prominent artists, which are included in this segment. On the other hand, only a modest decline is expected in sales of the brand-name beverages of the *Sinalco* corporate group.

Fresh Juice Systems segment

For the *Fresh Juice Systems* segment, the Berentzen Group expects segment earnings in a range from EUR 6.8 million to EUR 7.5 million in the 2024 financial year. Strong contribution margin growth is assumed, accompanied by a substantial increase in the use of marketing budgets. However, this step will only have a modestly negative impact on segment earnings due to the low amount of these marketing budgets in absolute terms.

The forecast development is based on the expectation of strong contribution margin growth in sales of the system component of fruit presses. The greatest growth is expected in the markets of Germany, Austria, France, the United Kingdom and the United States. The main development in this business will be the market introduction of a completely new generation of fruit presses for sale in retail food markets. On the other hand, a lower contribution margin is anticipated from sales of the system component of fruit because the harvest situation in financial year 2024 is expected to be difficult. A lower contribution margin is also expected from sales of bottling systems.

The planned success hinges in particular on the performance of external sales partners on the international markets as well as on harvest quality and availability of oranges.

Other segments

The *Other* Segments include the Spirits business in Turkey, which is managed by a local Group company, as well as the tourism, events and web shop business of the Berentzen Group. Based on a lower amount of contribution margins accompanied by higher, albeit still low marketing expenses in terms of the absolute amount, the Berentzen Group anticipates lower segment earnings for these two organisational units in the 2024 financial year ranging in total between EUR 4.1 million and EUR 4.6 million. This forecast is based on a cautious estimate, in view of the still prevailing uncertainties concerning the economic and political environment in Turkey and linked with that, the potential for further devaluation of the local currency.

Anticipated development of consolidated revenues and consolidated operating profit

	2023 EURm	Forecast for the 2024 financial year EURm
Consolidated revenues	185.7	190.0 to 200.0
Consolidated operating profit (consolidated EBIT)	7.7	8.0 to 10.0
Consolidated operating profit before depreciation and amortisation (consolidated EBITDA)	16.0	17.2 to 19.2

In light of the positive development of the individual segments presented above, the Berentzen Group anticipates higher consolidated revenues for the 2024 financial year. It is assumed that the *Spirits* segment will experience modest growth, the *Non-alcoholic Beverages* and *Other* segments considerable growth, and the *Fresh Juice Systems* segment substantial growth.

The Berentzen Group also anticipates a positive development of consolidated earnings (consolidated EBIT). This key indicator is expected to come out in a range of between EUR 8.0 million and EUR 10.0 million, which means it should improve by at least EUR 0.3 million and by at most EUR 2.3 million. This forecast is based on the basic assumption of a considerably higher gross profit, this increase being driven by an intensified deployment of resources, particularly for personnel and marketing. Based on the assumption of considerably higher depreciation and amortisation of assets, the Berentzen Group anticipates comparatively strong growth in the consolidated operating result before depreciation and amortisation (consolidated EBITDA), which is forecast to come out in a range of EUR 17.2 million to EUR 19.2 million.

(4.3) Anticipated development of cash flows and financial position

Based on the anticipated development of operating activities as described above, it is assumed that the cash flows and financial position of the corporate group will continue to remain sound in the 2024 financial year.

Anticipated development of cash flows

	2023 EURm	Forecast for the 2024 financial year EURm
Operating cash flow	9.7	12.7 to 14.1

Against the background of a – compared with the same period in the previous year – much higher consolidated profit (consolidated EBIT), adjusted for amortisation, depreciation and impairment losses for non-cash components, the corporate group anticipates a clearly positive development of operating cash flow.

Anticipated development of financial position

	2023	Forecast for the 2024 financial year
Equity ratio	32.4%	30.0% to 33.0%
Dynamic gearing ratio	0.43	0.43 to 0.53

Based on the positive profit forecast and assuming an appropriate dividend policy, the Berentzen Group expects a modest increase in the absolute amount of consolidated shareholders' equity at the end of the 2024 financial year. Considering the likewise higher level of consolidated total assets, however, the equity ratio is expected to be largely unchanged.

In view of the fact that capital requirement parameters are set to change – to be noted in particular are funds movements to finance an anticipated higher working capital – the dynamic gearing ratio is expected to be about the same or modestly higher at the end of the 2024 financial year. The ability of the Berentzen Group to service its debts going forward reflected in this indicator will therefore remain sound.

Based on the corporate plan for the 2024 financial year, the financial position and cash flows of the corporate group will remain balanced overall. Nevertheless, the indicators used to manage the corporate group are also subject to reporting-date effects to a large extent, in particular if they are only subject to short commitment periods.

(4.4) General statement regarding the anticipated development of the corporate group

Based on the above forecasts, the Berentzen Group anticipates a positive development of financial position, cash flows and financial performance in the 2024 financial year. This expectation is supported by the viability of the corporate group's proprietary products and brands, the innovation strength of all operating segments, and the successful implementation of key strategic and operational topics in all of the individual segments. Both the secured financing headroom and appropriate corporate structures for the relevant risks and rewards are crucial to the attainment of the corporate group's goals.

Still difficult general economic conditions and challenging conditions in labour and procurement markets will make it more challenging to achieve the corporate group's operational objectives. In this environment, the Group's chief business goals in financial year 2024 are to keep the sales focus consistently on the core brands (especially *Berentzen*, *Puschkin* and *Mio Mio*), continually optimise the customer mix and product mix, realise further efficiencies in the supply chain, conduct stringent inventory management to relieve working capital, and avoid labour shortages.

The forecasts presented here are based on an unchanged corporate structure compared with the end of the 2023 financial year. Significant changes in the corporate structure could result from the implementation of structural investments or disinvestments. Furthermore, the actual business performance will depend in no small part on the general economic and industry-specific environment and may be negatively impacted by further adverse changes to the underlying conditions described herein. Both positive and negative deviations from the forecast may also result not only from the opportunities and risks described in the Report on Opportunities and Risks, but also from opportunities and risks that were either not identifiable or impossible to assess at the time of preparing the present Group Management Report.

(5) Acquisition-related disclosures and explanatory report of the Executive Board

The acquisition-related disclosures in accordance with Section 315a and Section 289a of the German Commercial Code (HGB) and the explanatory report of the Executive Board of Berentzen-Gruppe Aktiengesellschaft form part of the Combined Management Report.

Beyond this, the Executive Board believes there is no need for any further explanations within the meaning of Section 175 (2) sentence 1 and Section 176 (1) sentence 1 of the Stock Corporation Act (AktG).

(5.1) Composition of subscribed capital

The subscribed capital of Berentzen-Gruppe Aktiengesellschaft of EUR 24,960 thousand is divided into 9,600,000 shares of common stock structured as no-par bearer shares and is fully paid in. The imputed nominal value per share is EUR 2.60.

All the shares confer the same rights and obligations. The rights and obligations of the shareholders are derived in detail from the provisions of the German Stock Corporation Act (AktG), and notably from Section 12, Section 53a et seq., Section 118 et seq. and Section 186 AktG.

With respect to the disclosures about the shares of Berentzen-Gruppe Aktiengesellschaft pursuant to Section 160 (1) no. 3 AktG, reference is made additionally to the notes to the consolidated financial statements, Note (2.11), and separately to the notes to the separate financial statements of Berentzen-Gruppe Aktiengesellschaft as at December 31, 2023, Note (2.5).

(5.2) Restrictions relating to voting rights or the transfer of shares

Each share confers one vote in the general meeting and is definitive for the share of the Company’s profit attributable to the shareholders. Excluded from this are the treasury shares held by Berentzen-Gruppe Aktiengesellschaft, which do not confer any rights on the Company pursuant to Section 71b AktG. Berentzen-Gruppe Aktiengesellschaft held 206,309 treasury shares as at December 31, 2023.

In the instances set forth in Section 136 AktG, the voting right is excluded by law from the shares concerned. Violations of notification obligations relating to changes in the proportion of voting rights arising from shares in Berentzen-Gruppe Aktiengesellschaft or certain instruments relating to its shares as defined in the pertinent provisions of the German Securities Trading Act (WpHG), i.e. violations of notification obligations relating to holdings that have reached, exceeded or fallen below the statutory reporting thresholds stipulated therein, may lead to the at least temporary abrogation of rights conferred by shares and also the voting right pursuant to the German Securities Trading Act.

The Executive Board of Berentzen-Gruppe Aktiengesellschaft is not aware of any contractual restrictions on voting rights or the transfer of shares.

(5.3) Equity holdings exceeding 10% of voting rights

To the Company’s knowledge, there are currently no direct holdings or indirect holdings attributable pursuant to the German Securities Trading Act in the capital of Berentzen-Gruppe Aktiengesellschaft that exceed 10% of the voting rights.

The above disclosure is based notably, but not exclusively, on the notifications pursuant to Section 33 (1) and (2), Section 38 (1) and Section 39 (1) of the German Securities Trading Act in the version in effect since January 3, 2018 and, as applicable, Section 21 (1) and (1a), Section 25 (1) and Section 25a (1) in the version of the German Securities Trading Act in effect until January 2, 2018 received and published by Berentzen-Gruppe Aktiengesellschaft.

With respect to the notification on holdings communicated under the German Securities Trading Act to Berentzen-Gruppe Aktiengesellschaft pursuant to Section 160 (1) no. 8 AktG, reference is made additionally to the notes to the consolidated financial statements, Note (4.8), and separately to the notes to the separate financial statements of Berentzen-Gruppe Aktiengesellschaft as at December 31, 2023, Note (4.3).

(5.4) Shares with special rights that confer control powers

There are no shares with special rights in accordance with Section 315a sentence 1 no. 4 HGB and Section 289a sentence 1 no. 4 HGB that confer control powers.

(5.5) Type of voting rights control where employees hold shares of capital and do not exercise their control rights directly

Where they hold shares in the capital in Berentzen-Gruppe Aktiengesellschaft, employees normally exercise their voting rights like other shareholders directly in compliance with the statutory provisions and the arrangements set forth in the Articles of Association of Berentzen-Gruppe Aktiengesellschaft. The Company is not aware of any employees who hold shares of the Company's capital and do not exercise their control rights directly.

(5.6) Statutory provisions and regulations in the Articles of Association regarding the appointment and dismissal of members of the Executive Board and amendments to the Articles of Association

Appointment and dismissal of members of the Executive Board

The appointment and dismissal of members of the Executive Board are based on Section 84 and Section 85 AktG in conjunction with Article 6 of the Articles of Association of Berentzen-Gruppe Aktiengesellschaft. Article 6 (1) of the Articles of Association states that the Executive Board must consist of at least two members. According to Article 6 (2) of the Articles of Association, the number of Executive Board members is determined by the Supervisory Board. The Supervisory Board may appoint a chairperson and a deputy chairperson of the Executive Board.

Amendments to the Articles of Association

Amendments to the Articles of Association of Berentzen-Gruppe Aktiengesellschaft are fundamentally governed by Section 119 (1) No. 6 and Sections 179, 181 and 133 AktG and require a resolution adopted by the Annual General Meeting. At the same time, there are numerous further provisions in the German Stock Corporation Act that may become applicable in the event of provisions in the Articles of Association and modify the regulations mentioned above.

According to Article 19 (3) of the Articles of Association, resolutions are adopted by the general meeting with a simple majority of the votes cast and, where the law prescribes a capital majority as well as a vote majority, with a simple majority of the share capital eligible to vote represented when the resolution is put to the vote, provided that compulsory statutory provisions do not require a larger majority. According to Article 15 of the Articles of Association, amendments only affecting the wording of the Articles of Association may be adopted by the Supervisory Board without a resolution of the Annual General Meeting. Furthermore, the

Supervisory Board has been authorised by resolution of the Annual General Meeting to correspondingly amend the wording of Article 4 (4) of the Articles of Association following every exercise of the Authorised Capital 2019 or every expiry of the deadline for utilisation of the Authorised Capital 2019, as well as in the event of treasury shares being retired in line with the relevant utilisation of the authorisation to retire these shares.

(5.7) Powers of the Executive Board notably regarding the option to issue or buy back shares

Authorised Capital (not issued)

Following a resolution of the ordinary General Meeting of May 22, 2019, the Executive Board of Berentzen-Gruppe Aktiengesellschaft is authorised, with the consent of the Supervisory Board, to increase the share capital by issuing new bearer shares of common stock in exchange for cash or in-kind contributions on one or more occasions, but for a maximum total of up to EUR 9,984 thousand, in the time until May 21, 2024 (Authorised Capital 2019). In this context, a subscription right is normally granted to the shareholders. The new shares can also be acquired by one or more banks, or equivalent companies as defined in Section 186 (5) sentence 1 AktG with the undertaking to offer them to the shareholders for subscription.

The Executive Board is, however, authorised, with the consent of the Supervisory Board, to exclude the subscription right of the shareholders:

- For fractional amounts;
- For the acquisition of non-cash contributions, such as the granting of shares against the contribution of companies, against the contribution of company divisions or equity interests in companies, or against the contribution of other assets, including receivables;
- In order to issue shares to employees of the Company and affiliated companies subordinate to the Company to an appropriate extent, however with a total proportionate share of the share capital not exceeding EUR 2,496 thousand attributable to such shares;
- In order to grant to the holders and/or creditors of conversion and/or warrant rights, or the debtors of conversion and/or warrant obligations conferred by convertible bonds and/or warrant bonds issued by the Company directly or by way of a (direct or indirect) majority-owned company, a subscription right to new shares to the extent to which they would be entitled following exercise of the conversion and/or warrant rights or settlement of the conversion and/or warrant obligations;
- If a capital increase in return for cash contributions does not exceed ten percent of the share capital and the issue amount of the new shares is not significantly below the quoted price (Section 186 (3) sentence 4 AktG; when exercising this authorisation subject to exclusion of subscription rights pursuant to Section 186 (3) sentence 4 AktG, the exclusion of subscription rights on the basis of other authorisations pursuant to Section 186 (3) sentence 4 AktG must be taken into account.

The above authorisation to exclude subscription rights in a capital increase in exchange for cash and/or in-kind contributions is limited to a total amount of ten percent of the share capital, which amount may not be exceeded either on the effective date of this authorisation or on the date on which use is made of this authorisation. In addition, the aforementioned ten percent limit shall apply to treasury shares issued or sold during the term of this authorisation in direct application or application mutatis mutandis of Section 186 (3) sentence 4 AktG and those shares issued to service convertible bonds and/or warrant bonds (hereinafter referred to as “bonds”) to the extent that the bonds were issued subsequent to the effective date of this authorisation subject to application mutatis mutandis of Section 186 (3) sentence 4 AktG with exclusion of shareholders’ subscription rights.

The Executive Board is authorised, with the consent of the Supervisory Board, to specify the further details of the authorised capital increase and its implementation.

Treasury shares (own shares)

The Annual General Meeting of July 2, 2020 authorised the Executive Board to purchase Company shares with the consent of the Supervisory Board. The authorisation is limited to treasury shares with an imputed share in the share capital of up to 10 percent (EUR 2,496 thousand). The authorisation can be exercised in full or in partial amounts, once or several times, by the Company or by third parties on its behalf. The authorisation is valid until July 1, 2025.

The purchase takes place by way of the stock exchange or by way of a public tender offer addressed to all of the Company's shareholders.

a) Where the purchase is made on the stock exchange, the equivalent value paid by the Company for each share (excluding transaction costs) may not be 10 percent more or less than the average closing price on the Frankfurt Stock Exchange (XETRA trading or a comparable successor system) on the ten last stock exchange trading days prior to the purchase of the shares for shares of the same class.

b) Where the purchase is made by way of a public tender offer to all shareholders in the Company, the purchase price offered for each share (excluding transaction costs) may not be 10 percent more or less than the average closing price on the Frankfurt Stock Exchange on the ten last stock exchange trading days prior to the tender publication date. The tender offer may stipulate further conditions. The volume of the tender may be limited. Where the total number of shares tendered for purchase by the shareholders exceeds this volume, acceptance will be in proportion to the shares tendered for purchase. Provisions may be made for preferential acceptance of smaller packages of up to 50 tendered shares pershareholder as well as rounding in accordance with commercial principles in order to avoid any imputed fractional amounts of shares.

In addition to offering them to all shareholders by way of public tender or selling them via the stock exchange, the Executive Board is authorised, with the consent of the Supervisory Board, to use the treasury shares that will be acquired on the basis of this authorisation or were acquired on the basis of earlier authorisations for the following purposes:

a) Offering them to third parties within the framework of company mergers, acquisition of companies, equity interests in companies, company divisions or acquisition of receivables from the Company as consideration;

b) Selling them to third parties. The price at which Company shares are sold to third parties must not be significantly less than the quoted price of the shares at the time of the sale. Exercising this authorisation is subject to the exclusion of subscription rights on the basis of other authorisations pursuant to Section 186 (3) sentence 4 AktG;

c) Using them to fulfil warrant and/or conversion rights conferred by warrant and/or convertible bonds issued by the Company or its Group companies;

d) Retiring them, without the retirement or the performance of the retirement requiring a further resolution from the general meeting. Retiring them will lead to a capital decrease. The shares may also be retired in a simplified process without a capital decrease, by adjusting the imputed proportionate amount of the remaining shares to the Company's share capital. The retirement may be limited to partial volumes of the shares acquired.

The authorisations listed above concerning utilisation of treasury shares acquired may be used once or more than once, in full or in part, individually or together. The subscription right of the shareholders to treasury shares acquired is excluded to the extent that these shares are utilised under a), b) or c) in accordance with the above authorisation.

On July 21, 2015, the Executive Board of Berentzen-Gruppe Aktiengesellschaft passed a resolution to exercise the authorisation previously granted by the extraordinary general meeting of July 20, 2015 to acquire treasury shares in accordance with Section 71 (1) no. 8 AktG and to purchase by way of the stock market shares of common or preferred stock of the Company with a total volume (excluding transaction costs) of no more than EUR 1,500 thousand. This share buyback programme ended on May 27, 2016. Berentzen-Gruppe Aktiengesellschaft purchased a total of 206,309 shares under the share buyback programme over the period from July 27, 2015 to and including May 27, 2016. This corresponds to an imputed share equal to EUR 536 thousand or 2.15% of the Company's share capital.

With respect to the disclosures about the treasury shares of Berentzen-Gruppe Aktiengesellschaft pursuant to Section 160 (1) no. 2 AktG, reference is made additionally to the notes to the consolidated financial statements, Note (2.11), and separately to the notes to the separate financial statements of Berentzen-Gruppe Aktiengesellschaft as at December 31, 2023, Note (2.7).

(5.8) Significant agreements of the parent company or of the Company subject to change-of-control provisions in the event of a takeover bid

Financing agreements

Berentzen-Gruppe Aktiengesellschaft is a party, as borrower, to a syndicated loan agreement, currently with a total funding volume of EUR 42.9 million (EUR 33.0 million). Three subsidiaries of Berentzen-Gruppe Aktiengesellschaft are included in the syndicated loan agreement as guarantors with respect to the payment obligations under this agreement as part of a cross-guarantee system taking the form of a guarantor concept. According to the provisions of this financing agreement, the lending syndicate members are authorised – individually or collectively – and obligated if so directed by the majority of lenders to cancel the loan commitments under the syndicated loan agreement with immediate effect and to call in the borrowed funds and outstanding interest and costs for payment in the event of a change of control at Berentzen-Gruppe Aktiengesellschaft or one of the subsidiaries included as borrowers in the syndicated loan agreement upon such change of control and at any time thereafter. The syndicated loan agreement defines a change of control as a situation in which a total of more than 50% of capital shares or voting rights in Berentzen-Gruppe Aktiengesellschaft is held directly or indirectly by one or more persons acting collectively (i.e. persons who coordinate their behaviour with respect to their purchase of capital shares or voting rights or their exercise of voting rights with the purchaser by virtue of an agreement or by other means), unless such persons already held such a majority at the time when the syndicated loan agreement was concluded. The same applies mutatis mutandis to the subsidiaries of Berentzen-Gruppe Aktiengesellschaft that are included in the syndicated loan agreement as guarantors. This provision is entirely inapplicable to changes of control within and amongst the set of affiliated companies of Berentzen-Gruppe Aktiengesellschaft.

Berentzen-Gruppe Aktiengesellschaft is also party to a framework agreement regarding a credit guarantee with a financing volume of EUR 0.5 million serving to provide security for spirits tax payable as required by the relevant statutes. This includes an agreement that changes in the shareholder structure of Berentzen-Gruppe Aktiengesellschaft of more than five percent fundamentally constitute an extraordinary termination right for the finance provider.

The exercise of these termination rights could have a negative effect on the financing of the Berentzen Group's ongoing business activities, at least temporarily.

Distribution agreements

Berentzen-Gruppe Aktiengesellschaft has concluded contractual agreements with a number of domestic and international distributors regarding the distribution of spirits particularly outside of Germany. Some of these distribution agreements similarly include mutual agreements that permit the other contracting party in each case to invoke the extraordinary termination of the distribution agreement in question in the event of a change of control (change-of-control clauses). The basic form of the agreements defines change of control as a change in the ownership or control structure at the respective other party or at any contracting party holding a direct or indirect equity interest in such other contracting party or controls the same. In this context, “control” refers to the power, on the basis of an agreement, an equity interest or on any other basis, to assume management at another party. Internal restructuring measures do not qualify as change of control. As this basic form can be the subject matter of individual negotiations between the contracting parties, the details agreed may vary in individual cases.

In the event of these termination rights being exercised, the sales of Berentzen Group’s spirits, particularly in other countries, could be negatively impacted at least temporarily. This, in turn, could have a detrimental effect on the financial performance, cash flows and financial position.

Agreements with members of the Executive Board

Under the currently applicable compensation system for Executive Board members of Berentzen-Gruppe Aktiengesellschaft within the meaning of Section 87a AktG, the employment agreements of individual members of the Executive Board may provide for a special termination right for early termination of the employment agreement in the event of a change of control ("Change of Control") and the granting of a severance payment due to the occurrence of such.

A "Change of Control" situation in the above sense exists (1) if a takeover obligation under the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz, WpÜG) arises in relation to the shares of the Company, or (2) if the general meeting agrees to a merger with another enterprise under which Berentzen-Gruppe Aktiengesellschaft will be the absorbed entity or by which the previous shareholders of Berentzen-Gruppe Aktiengesellschaft will hold less than 50% of the shares of the company or Berentzen-Gruppe Aktiengesellschaft will gain a principal shareholder that would have a takeover obligation under the WpÜG in the event of a share acquisition, or (3) if the general meeting agrees to a control and profit-or-loss transfer agreement under which Berentzen-Gruppe Aktiengesellschaft would be a dependent company.

Such a special termination right has been stipulated with the current members of the Executive Board within the scope of their existing employment agreements. In accordance with the currently applicable compensation system of Berentzen-Gruppe Aktiengesellschaft within the meaning of Section 87a AktG, the current members of the Executive Board are granted in their service agreements a claim to a severance payment in the event of exercise of this special termination right; the severance payment shall be limited to a maximum of twice the total compensation for one financial year.

If the employment relationship ends in consequence of such a special termination, the members of the Executive Board shall accordingly each have a claim to a severance payment in the aforementioned amount. In addition, any exercise of this special termination right could compromise the business performance of the Berentzen Group at least temporarily.

Other agreements

Some subsidiaries of Berentzen-Gruppe Aktiengesellschaft have likewise entered into material agreements, including but not limited to financing agreements, contract bottling agreements, distribution agreements and a franchise agreement, that are subject to change-of-control provisions and – with differing arrangements in each individual case – generally grant an extraordinary termination right to the respective other contracting party in the event of such a change of control. A change of control as defined in some of these agreements is deemed to not only be a direct change in the ownership or control structure of the subsidiary that is party to the agreement but also an indirect change in the ownership or control structure of Berentzen-Gruppe Aktiengesellschaft.

(5.9) Compensation agreements in place between the parent company or the Company and the members of the Executive Board or employees in the event of a takeover bid

Members of the Executive Board

The existing employment agreements with the current members of the Executive Board, in accordance with the currently applicable compensation system for members of the Executive Board of Berentzen-Gruppe Aktiengesellschaft within the meaning of Section 87a AktG, contain a special termination right that they may exercise in the event, among other things, of a takeover bid or other circumstances specifically defined therein that constitute a change of control ("Change of Control") at Berentzen-Gruppe Aktiengesellschaft. In the event that this special termination right is exercised, the member of the Executive Board concerned will be entitled to a severance payment. For further details in this respect, please refer to the comments regarding the agreements with members of the Executive Board in the previous Section (5.8).

Employees

Berentzen-Gruppe Aktiengesellschaft has not entered into any compensation agreements with its employees for the eventuality of a takeover bid.

(6) Berentzen-Gruppe Aktiengesellschaft (explanatory notes on the basis of HGB)

Berentzen-Gruppe Aktiengesellschaft (the “Company”) based in Haselünne, Germany, is the parent company of the Berentzen Group. Unlike the consolidated financial statements of the Berentzen Group, which are prepared in accordance with the International Financial Reporting Standards (IFRS), the separate financial statements are prepared in accordance with German commercial law as embodied in the German Commercial Code (*Handelsgesetzbuch*, HGB) and the German Stock Corporation Act (*Aktiengesetz*, AktG).

(6.1) Basic information about the Company

The business activities of Berentzen-Gruppe Aktiengesellschaft essentially comprise the production and distribution of spirits, which from the Group’s point of view are managed in the *Spirits* and *Other* segments. In addition, the Company performs management and central functions for the Berentzen Group by carrying out essential overarching activities for the Group’s domestic subsidiaries and – to a significantly lesser extent – for the subsidiary Citrocasa GmbH, Linz, Austria. The centrally pooled and managed functions notably include the strategy of the corporate group, corporate communications including capital market reporting, financial management, finance and accounting, human resources, IT, internal support for legal and tax affairs, and corporate compliance.

The Company produces its spirits in Germany at the Minden facility and at the Berentzen Hof Distillery in Haselünne. In addition, the Company’s logistics centre for the distribution of spirits, which is operated by an external service provider, is located in Stadthagen, Germany.

Furthermore, Berentzen-Gruppe Aktiengesellschaft directly and indirectly holds equity interests in more than 20 domestic and international subsidiaries; it does not hold minority stakes. In consideration of this fact, the Company’s performance is influenced not only by its operating activities, but also by the management and central functions. The main items associated with these functions are the recharging of the costs of services provided to the subsidiaries and the financial result and result from equity interests arising from the holding function performed by Berentzen-Gruppe Aktiengesellschaft.

As at December 31, 2023, Berentzen-Gruppe Aktiengesellschaft employed at three locations 230 (226) employees (including vocational trainees), including 122 (121) at the Minden location, 103 (100) at the Haselünne location, and 5 (5) at the Stadthagen location.

The share capital of Berentzen-Gruppe Aktiengesellschaft amounts to EUR 24,960 thousand (EUR 24,960 thousand). It is divided into 9,600,000 shares of common stock (9,600,000 shares of common stock), which are no-par bearer shares and are fully paid-in. The imputed nominal value per share is EUR 2.60. All common shares of Berentzen-Gruppe Aktiengesellschaft are listed on the regulated market (General Standard) of the Frankfurt Stock Exchange under the international securities number (ISIN) DE0005201602. As at December 31, 2023, the number of shares outstanding was 9,393,691 (9,393,691) shares of common stock, Berentzen-Gruppe Aktiengesellschaft having purchased a total of 206,309 treasury shares in the financial years 2015 and 2016.

As a publicly traded company domiciled in a member state of the European Union (EU), Berentzen-Gruppe Aktiengesellschaft is required by Article 4 of Regulation (EC) No. 1606/2002 to prepare its consolidated financial statements in accordance with IFRS as they are to be applied in the EU and the applicable further provisions of commercial law specified in Section 315e (1) of the German Commercial Code

(HGB). Accordingly, the management of the corporate group takes place on this basis and exclusively at the Group level. The income-related performance indicators for Berentzen-Gruppe Aktiengesellschaft encompass those of the *Spirits* and *Other* segments. For further information on this subject, please refer to the remarks in in Sections (2), (3) and (4) of the combined Management Report. On account of the significance of Berentzen-Gruppe Aktiengesellschaft for the corporate group, please also refer to the relevant remarks about the corporate group in the combined Management Report regarding cash flow and financial position indicators, as there are no such key financial performance indicators that relate exclusively to Berentzen-Gruppe Aktiengesellschaft.

Further information notably regarding the organisation and basic information of Berentzen-Gruppe Aktiengesellschaft and the business activities of the Company and its subsidiaries is presented in Section (1) of the combined Management Report.

(6.2) Economic report

(6.2.1) General economic conditions and business performance

The general economic conditions for Berentzen-Gruppe Aktiengesellschaft and its subsidiaries together with the key developments and events affecting their business performance are presented in the Economic Report for the corporate group as described in Section (2.1) and in Section (2.2.2) of the combined Management Report. The comments regarding the Group's *Spirits* and *Other* segments are particularly relevant in this regard.

(6.2.2) Financial performance

In the table below, certain non-recurring items (exceptional effects) have been eliminated from individual items of the income statement in line with the definition of the normalised operating result or EBIT (earnings before interest and taxes) used as a key indicator for managing the corporate group.

	2023		2022		Change	
	EUR'000	%	EUR'000	%	EUR'000	%
Revenues	**125,912**	**99.4**	**119,917**	**96.6**	**+ 5,995**	**+ 5.0**
Change in inventories	762	0.6	4,169	3.4	- 3,407	- 81.7
Total operating performance	**126,674**	**100.0**	**124,086**	**100.0**	**+ 2,588**	**+ 2.1**
Purchased goods and services	82,566	65.2	78,720	63.4	+ 3,846	+ 4.9
Gross profit	**44,108**	**34.8**	**45,366**	**36.6**	**- 1,258**	**- 2.8**
Other operating income	2,013	1.6	1,762	1.4	+ 251	+ 14.2
Operating expenses	40,829	32.2	39,858	32.1	+ 971	+ 2.4
Operating profit (EBIT)	**5,292**	**4.2**	**7,270**	**5.9**	**- 1,978**	**- 27.2**
Other taxes	49	0.0	47	0.0	+ 2	+ 4.3
Financial result and result from equity interests	- 6,023	- 4.8	- 9,179	- 7.4	+ 3,156	+ 34.4
Profit before income taxes	**- 780**	**- 0.6**	**- 1,956**	**- 1.6**	**+ 1,176**	**+ 60.1**
Income tax expenses	194	0.2	481	0.4	- 287	- 59.7
Net profit for the year	**- 974**	**- 0.8**	**- 2,437**	**- 2.0**	**+ 1,463**	**- 60.0**

Revenues and total operating performance

The revenues of Berentzen-Gruppe Aktiengesellschaft excluding alcohol tax amounted to EUR 125.9 million in financial year 2023 (EUR 119.9 million), while revenues including alcohol tax totalled EUR 310.4 million (EUR 306.4 million). Including the changes in inventory of EUR 0.8 million (EUR 4.2 million), the total operating performance came to EUR 126.7 million, that being 2.1% higher than in the previous year (EUR 124.1 million).

Purchased goods and services and gross profit

The raw materials and goods purchased by Berentzen-Gruppe Aktiengesellschaft are mainly concentrated in the categories of alcohol, cream base, flavourings and sugar, as well as packaging. Based on the modestly higher total operating performance, purchased goods and services increased disproportionately to EUR 82.6 million in the 2023 financial year (EUR 78.7 million) and the ratio of purchased goods and services to the total operating performance rose accordingly to 65.2% (63.4%). All key categories of raw materials and packaging materials were affected by price increases, some of which substantial, in the 2023 financial year. As a result of the considerably higher cost of purchased goods and services and on the basis of a modestly higher total operating performance, the gross profit declined by 2.8% to EUR 44.1 million.

Other operating income

At EUR 2.0 million, the total other operating income generated in the 2023 financial year was higher than in the previous year (EUR 1.8 million). It mainly included income from the reversal of provisions in the amount of EUR 0.9 million (EUR 1.0 million).

Back

Operating expenses

Total operating expenses including depreciation, amortisation and impairments amounted to EUR 40.8 million, that being 2.4% higher than in the previous year (EUR 39.9 million).

Personnel expenses rose by EUR 0.4 million to EUR 15.3 million (EUR 14.9 million). The ratio of personnel expenses to the total operating performance was virtually unchanged at 12.1% (12.0%). The main reasons for the increase in absolute terms were the compensation for newly created staff positions and the recognition of provisions for various types of personnel expenses. As at December 31, 2023, Berentzen-Gruppe Aktiengesellschaft had 230 (226) employees, including 77 (77) in production and 138 (131) in commercial and administrative activities; 15 (18) apprentice-trainees were in vocational training programmes. The Company had an average of 188 (186) full-time employees in the 2023 financial year.

Depreciation and amortisation amounted to EUR 1.9 million in the 2023 financial year, little changed from the previous year (EUR 2.0 million).

Other operating expenses rose to EUR 23.7 million (EUR 23.0 million). At EUR 5.7 million, marketing and trade advertising expenses were little changed from the previous year (EUR 5.6 million). The transport and selling expenses totalling EUR 9.7 million were also virtually unchanged from the previous year (EUR 9.7 million). Specific other overhead costs exhibited a mixed development, but the total amount of EUR 8.3 million was higher than in the previous year (EUR 7.7 million).

Financial result and result from equity interests

The combined financial result and result from equity interests amounted to an expense of EUR 6.0 million (EUR 9.2 million).

The result from equity interests and income from profit-and-loss transfer agreements with affiliated companies rose to EUR 1.3 million (EUR 0.5 million) as a result of the higher profit distribution of an affiliated company compared to the previous year.

Impairments of non-current financial assets totalled EUR 3.1 million (EUR 7.8 million), consisting of impairments of the book value of the equity interest in an affiliated company. The expenses from losses assumed under profit-and-loss transfer agreements in effect with subsidiaries amounted to EUR 1.0 million, above the level of the previous year (EUR 0.5 million).

Interest and similar expenses rose considerably to EUR 3.3 million in the 2023 financial year (EUR 1.4 million). This figure included interest expenses and fees related to factoring in the amount of EUR 2.0 million (EUR 1.0 million).

Exceptional effects

There were no business transactions to be taken into account as exceptional effects in the 2023 and 2022 financial years.

Income tax expenses

Current income tax expenses amounted to EUR 0.2 million in the 2023 financial year (EUR 1.2 million), mainly on account of trade tax and corporate income tax for the 2023 financial year. Moreover, the recognition of deferred taxes resulted in deferred tax income of EUR 0.7 million in the previous year.

Operating result and net profit for the year

As a result of the developments described above, Berentzen-Gruppe Aktiengesellschaft generated a net loss of EUR 1.0 million (EUR 2.4 million) in total.

Executive Board's proposal for the utilisation of profit

The distributable profit of Berentzen-Gruppe Aktiengesellschaft, which included a remaining profit carry-forward from the previous year in the amount of EUR 7.9 million (EUR 12.4 million), came to EUR 6.9 million in the 2023 financial year (EUR 9.9 million).

The Executive Board of Berentzen-Gruppe Aktiengesellschaft will propose to the Annual General Meeting that the stated distributable profit of EUR 6.9 million for the 2023 financial year be utilised to pay a dividend of EUR 0.09 per qualifying common share for the 2023 financial year and that the rest be carried forward to new account. Taking into account the treasury shares held by the Company on the date of the Annual General Meeting, which do not qualify for dividends in accordance with Section 71b AktG, this corresponds to an anticipated pay-out totalling around EUR 0.8 million and an amount of EUR 6.0 million carried forward to new account. The payment of this dividend is contingent upon the approval of the Annual General Meeting to be held on May 17, 2024. The number of shares qualifying for dividends may change in the time leading up to the Annual General Meeting. In this case, the dividend will remain unchanged at EUR 0.09 per qualifying common share and an adjusted draft resolution for the utilisation of profit will be presented to the Annual General Meeting.

(6.2.3) Cash flows

Funding structure

In its role as parent company of the Berentzen Group, Berentzen-Gruppe Aktiengesellschaft acts as the central source of funding for the affiliated companies. The overall funding of the Berentzen Group at the end of the 2023 financial year is described in detail in Section (2.2.4) of the Group Economic Report.

Cash flow statement for the period from January 1 to December 31, 2023

The following abridged cash flow statement shows the development of liquidity in the Company. The cash flow statement is based on a definition of cash and cash equivalents that encompasses the net balance of liquid assets less bank liabilities due at call.

Cash and cash equivalents include the current account maintained with a bank that is used to settle a factoring agreement, which contains the cash available at all times from this factoring agreement ("customer settlement account"). The receivables from the customer settlement account have different characteristics from usual current account receivables from banks, notably with regard to interest.

	2023 EUR'000	**2022 EUR'000**
Operating cash flow	4,053	7,390
Cash flow from operating activities	- 3,366	15,926
Cash flow from investing activities	- 6,288	- 5,056
Cash flow from financing activities	7,813	- 9,591
Change in cash and cash equivalents	**- 1,841**	**1,279**
Cash and cash equivalents at the end of the period	**2,497**	**4,338**

Operating cash flow and cash flow from operating activities

The operating cash flow remained positive at EUR 4.1 million (EUR 7.4 million) in the 2023 financial year despite the net loss of EUR 1.0 million (net loss of EUR -2.4 million).

The cash flow from operating activities also includes changes in working capital. These changes led to a net cash outflow of EUR 3.4 million in the 2023 financial year, as opposed to a net cash inflow of EUR 15.9 million in the previous year. Cash movements in current assets, some of which due to reporting-date and revenue effects, led to a net cash outflow of EUR 0.2 million (cash inflow of EUR 4.9 million).

The alcohol tax liability decreased by EUR 1.5 million (EUR 1.3 million) to EUR 36.1 million (EUR 37.6 million). On balance, the change in provisions and other liabilities gave rise to a net cash outflow of EUR 7.2 million, as opposed to a net cash inflow of EUR 3.6 million in the previous year.

Cash flow from investing activities

Investing activities led to a net cash outflow of EUR 6.3 million (EUR 5.1 million). Investments in property, plant and equipment totalled EUR 3.1 million (EUR 1.9 million). They were offset by cash inflows from the disposal of property, plant and equipment of less than EUR 0.1 million in both the 2023 and 2022 financial years. The cash outflows for investments in non-current financial assets totalled EUR 3.0 million (EUR 3.0 million). They resulted mainly from the appropriation of funds to additional paid-in capital reserves for two domestic subsidiaries.

Cash flow from financing activities

Financing activities gave rise to a net cash inflow of EUR 7.8 million (net cash outflow of EUR 9.6 million) due to the EUR 9.9 million drawdown from the syndicated loan and the dividend payment of EUR 2.1 million (EUR 2.1 million). By contrast, a EUR 7.5 million drawdown had been repaid in financial year 2022.

Cash and cash equivalents

Cash and cash equivalents totalled EUR 2.5 million (EUR 4.3 million) at the end of the past financial year. This amount included EUR 0.6 million (EUR 1.9 million) in receivables from the customer settlement account maintained with a bank that is used for settlement under a factoring agreement.

(6.2.4) Financial position

	12/31/2023		12/31/2022		Change
	EUR'000	%	EUR'000	%	EUR'000
Assets					
Non-current assets	45,668	36.3	44,398	35.2	+ 1,270
Current assets	80,040	63.6	81,723	64.7	- 1,683
Other assets	153	0.1	127	0.1	+ 26
	125,861	**100.0**	**126,248**	**100.0**	**- 387**
Shareholders' equity and liabilities					
Shareholders' equity	47,379	37.6	50,420	39.9	- 3,041
Non-current liabilities	13,730	10.9	3,363	2.7	+ 10,367
Current liabilities	64,752	51.5	72,465	57.4	- 7,713
	125,861	**100.0**	**126,248**	**100.0**	**- 387**

Assets

As shown above, total assets declined to EUR 125.9 million compared to December 31, 2022 (EUR 126.2 million). Non-current assets accounted for EUR 45.7 million (EUR 44.4 million) or roughly 36.3% (35.2%) of total assets.

Non-current assets

In addition to property, plant and equipment such as real estate, technical equipment and machinery, operational and office equipment, which accounted for EUR 19.9 million (EUR 18.5 million) of non-current assets, a further amount of EUR 25.3 million (EUR 25.5 million) consisted of non-current financial assets, primarily including shares in affiliated companies in the amount of EUR 24.4 million (EUR 24.6 million) and loans of EUR 0.9 million (EUR 0.9 million) to ensure the long-term funding of affiliated companies. Another EUR 0.5 million (EUR 0.4 million) of non-current assets consisted of intangible assets, primarily software licenses.

Current assets

46.4% (45.5%) of current assets totalling EUR 80.0 million (EUR 81.7 million) consisted of receivables and other assets, which declined in nominal terms by EUR 0.1 million from EUR 37.2 million to EUR 37.1 million on account of cash and liquidity management effects. Inventories rose to EUR 40.4 million (EUR 40.2 million).

Cash and cash equivalents decreased to EUR 2.5 million (EUR 4.3 million) due to the negative cash flow totalling EUR 1.8 million shown in the cash flow statement.

Shareholders’ equity and liabilities

Equity

After the net loss of EUR 1.0 million (EUR 2.4 million) and the dividend payment of EUR 2.1 million resolved by the Annual General Meeting in May 2023 (EUR 2.1 million), shareholders’ equity declined to EUR 47.4 million (EUR 50.4 million).

Non-current liabilities

Non-current liabilities of EUR 13.7 million (EUR 3.4 million) were available to the Company at the end of the 2023 financial year. This item consisted mainly of liabilities under the syndicated loan agreement amounting to EUR 9.9 million (EUR 0.0 million), pension provisions amounting to EUR 2.1 million (EUR 1.9 million) and other non-current provisions.

Current liabilities

Current assets declined to EUR 64.8 million (EUR 72.5 million), representing 51.5% (57.4%) of total assets.

Alcohol tax liabilities amounted to EUR 36.1 million (EUR 37.6 million). These are the alcohol tax liabilities for the last two months of the financial year.

Other liabilities and other current provisions together decreased to EUR 28.7 million (EUR 34.9 million).

(6.2.5) General assessment of business performance and economic position

Business performance

The business performance of Berentzen-Gruppe Aktiengesellschaft in the 2023 financial year was satisfactory as a whole.

Significant overall revenue growth of 5.0% over the previous year was achieved on sales of spirits. Revenue growth was also achieved on domestic sales of branded products, especially the two focus brands of *Berentzen* and *Puschkin*. Higher revenues were likewise generated on sales of export brands and private-label brands overall. Significant revenue growth was achieved on export sales of standard private-label brands.

For details concerning the *Spirits* and *Other* segments, please refer to Sections (2.2.2) and (2.2.3) of the Economic Report in the combined Management Report.

Economic position

In view of the positive financial performance, the Company's economic position is likewise satisfactory on the whole.

Berentzen-Gruppe Aktiengesellschaft closed the 2023 financial year with an operating result of EUR 5.3 million (EUR 7.3 million). The main reason for the negative development was the EUR 1.3 million decrease in the gross profit compared to the previous year.

By contrast, the financial result and result from equity interests were considerably higher than in the previous year particularly due to the much lower impairment loss recognised in the book value of the Company's equity interest in an affiliated company in the 2023 financial year. This development led to a net loss of EUR 1.0 million (EUR 2.4 million).

For details concerning the Company's cash flows and financial position, which remained solid in the 2023 financial year, please refer to the comments relevant to the Group in Sections (2.2.4) and (2.2.5) of the Economic Report in the combined Management Report.

(6.3) Report on risks and opportunities

The business performance of Berentzen-Gruppe Aktiengesellschaft is essentially subject to the same risks and opportunities as the Berentzen Group. These risks and opportunities are described in Section (3) of the combined Management Report. Whereas various individual risks directly affect and create opportunities for the parent company itself in the course of its operating activities – which correspond to those of the Berentzen Group in the *Spirits* and *Other* segments – or the management and central functions performed by the parent company, Berentzen-Gruppe Aktiengesellschaft itself fundamentally participates in the risks and opportunities of its subsidiaries, directly or indirectly, in proportion to its shareholdings in the subsidiaries.

As the parent company of the Berentzen Group, moreover, Berentzen-Gruppe Aktiengesellschaft is integrated into the Groupwide risk management system, which is summarised in Section (3.1) of the Report on risks and opportunities.

The internal control system and financial reporting process of Berentzen-Gruppe Aktiengesellschaft are described in the explanatory notes on the financial reporting-related internal control and risk management system in Section (3.5) of the Report on risks and opportunities.

(6.4) Forecast report

The expectations for Berentzen-Gruppe Aktiengesellschaft are basically reflected in the expectations for the Berentzen Group owing to its position and weight within the corporate group, the income-related key performance indicators for Berentzen-Gruppe Aktiengesellschaft being essentially the same as those of the *Spirits* and *Other* segments. The financial position, cash flows and financial performance of the parent company are dependent both on its own business performance, particularly including its operating activities involving the production and distribution of spirits, and on the business performance and dividends of the subsidiaries or the shares of profit attributable to the parent company.

Based on the forecast development of the corporate group for the 2024 financial year, it is expected that Berentzen-Gruppe Aktiengesellschaft will generate a considerably increased profit and thus be able to pay a dividend of an appropriate amount from the corresponding distributable profit in the 2024 financial year.

Please refer to the Forecast Report in Section (4) of the combined Management Report for further explanations of the key operating topics in the 2024 financial year and for the general assessment of the anticipated performance of the corporate group.

(7) (Group) declaration on corporate governance

The (Group) declaration combines the declaration on corporate governance of Berentzen-Gruppe Aktiengesellschaft pursuant to Section 289f of the German Commercial Code (HGB) and the Group declaration on corporate governance of Berentzen-Gruppe Aktiengesellschaft and its Group companies and subsidiaries pursuant to Section 315d HGB and forms a constituent part of this combined management report.

The (Group) declaration on corporate governance has been made accessible to the public on the corporate website of Berentzen-Gruppe Aktiengesellschaft at www.berentzen-gruppe.de/en/investors/public-limited-company.

Consolidated Financial Statements

C. Consolidated Financial Statements

Statement of Financial Position as at December 31, 2023

	Note	12/31/2023 EUR'000	12/31/2022 EUR'000
ASSETS			
Non-current assets	(2.1)		
Intangible assets	(2.2)	9,096	9,330
Property, plant and equipment	(2.3)	47,116	44,420
Right-of-use assets	(2.4)	2,533	2,298
Other financial and non-financial assets	(2.5)	1,145	1,200
Deferred tax assets	(2.14)	320	91
Total non-current assets		**60,210**	**57,339**
Current assets			
Inventories	(2.6)	50,852	51,134
Current trade receivables	(2.7)	13,219	10,642
Current income tax assets	(2.8)	1,993	989
Cash and cash equivalents	(2.9)	8,738	13,537
Other current financial and non-financial assets	(2.10)	10,372	12,669
Total current assets		**85,174**	**88,971**
TOTAL ASSETS		**145,384**	**146,310**

	Note	12/31/2023 EUR'000	12/31/2022 EUR'000
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	(2.11)		
Subscribed capital		24,424	24,424
Additional paid-in capital		6,821	6,821
Retained earnings		21,068	23,098
Currency translation differences and hyperinflation		- 4,938	- 4,233
Total shareholders' equity		**47,375**	**50,110**
Non-current liabilities			
Non-current provisions	(2.12)	8,308	7,106
Non-current financial liabilities	(2.13)	11,263	1,317
Deferred tax liabilities	(2.14)	950	1,109
Total non-current liabilities		**20,521**	**9,532**
Current liabilities			
Alcohol tax liabilities	(2.15)	36,081	37,605
Current provisions	(2.16)	81	81
Current income tax liabilities	(2.17)	401	455
Current financial liabilities	(2.18)	4,284	2,591
Trade payables and other liabilities	(2.19)	36,641	45,936
Total current liabilities		**77,488**	**86,668**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**145,384**	**146,310**

Consolidated Statement of Comprehensive Income for the period from January 1 to December 31, 2023

	Note	2023 EUR'000	2022 EUR'000
Revenues	(3.1)	185,650	174,216
Change in inventories	(3.2)	464	4,696
Other operating income	(3.3)	6,023	4,747
Purchased goods and services	(3.4)	108,862	99,652
Personnel expenses	(3.5)	30,039	28,803
Amortisation and depreciation of assets	(3.6)	8,297	8,318
Impairments	(3.7)	0	1,299
Other operating expenses	(3.8)	37,234	38,550
Gain or loss from the net monetary position in accordance with IAS 29	(3.9)	- 1,590	- 1,195
Financial income	(3.10)	134	57
Financial expenses	(3.10)	4,147	1,728
Earnings before income taxes		**2,102**	**4,171**
Income tax expenses	(2.14)	1,237	2,070
Consolidated profit		**865**	**2,101**
Currency translation differences and hyperinflation		- 705	77
Items to be reclassified to the income statement at a later date		**- 705**	**77**
Revaluation of defined benefit obligations		- 1,174	1,509
Deferred taxes on revaluation of defined benefit obligations		346	- 445
Items not to be reclassified to the income statement at a later date		**- 828**	**1,064**
Other comprehensive income	(2.11)	**- 1,533**	**1,141**
Consolidated comprehensive income		**- 668**	**3,242**
Earnings per share based on profit, attributable to shareholders (in euros per share)			
Basic/ diluted earnings per common share	(3.12)	0.092	0.224

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Consolidated Statement of Changes in Shareholders' Equity for the period from January 1 to December 31, 2023

	Subscribed capital EUR'000	Additional paid-in capital EUR'000	Retained earnings EUR'000	Currency translation differences and hyperinflation EUR'000	Total equity EUR'000
Balance at 01/01/2022	**24,424**	**6,821**	**22,000**	**- 4,310**	**48,935**
Consolidated profit			2,101		2,101
Other comprehensive income			1,064	77	1,141
Consolidated comprehensive income			3,165	77	3,242
Dividends paid			- 2,067		- 2,067
Balance at 12/31/2022	**24,424**	**6,821**	**23,098**	**- 4,233**	**50,110**
Balance at 01/01/2023	**24,424**	**6,821**	**23,098**	**- 4,233**	**50,110**
Consolidated profit			865	0	865
Other comprehensive income			- 828	- 705	- 1,533
Consolidated comprehensive income			37	- 705	- 668
Dividends paid			- 2,067		- 2,067
Balance at 12/31/2023	**24,424**	**6,821**	**21,068**	**- 4,938**	**47,375**

See Note (2.11) for additional information about consolidated shareholders' equity.

Consolidated Cash Flow Statement for the period from January 1 to December 31, 2023

	Note	2023 EUR'000	2022 EUR'000
Consolidated profit		865	2,101
Income tax expenses	(2.14)	1,237	2,070
Interest income		- 133	- 56
Interest expenses		4,144	1,717
Amortisation and depreciation of assets	(3.6)	8,297	8,318
Impairments of assets	(3.7)	0	1,299
Gain or loss from the net monetary position in accordance with IAS 29	(3.9)	1,590	1,195
Other non-cash effects		- 3,966	126
Increase (+) / decrease (-) in provisions		1,202	- 1,539
Gains (-) / losses (+) on disposals of property, plant and equipment		- 13	113
Increase (+) / decrease (-) in receivables assigned under factoring agreements		- 2,403	5,840
Decrease (+) / increase (-) in other assets		2,460	- 23,684
Increase (+) / decrease (-) in alcohol tax liabilities		- 1,524	1,250
Increase (+) / decrease (-) in other liabilities		- 9,049	9,974
Cash inflows from subleases		109	110
Cash and cash equivalents generated from operating activities		**2,816**	**8,834**
Income taxes paid		- 2,205	- 2,429
Interest received		128	50
Interest paid		- 3,803	- 1,541
Cash flow from operating activities		**- 3,064**	**4,914**
Proceeds from disposals of intangible assets		0	3
Payments for investments in intangible assets	(2.2)	- 408	- 366
Proceeds from disposals of property, plant and equipment		73	37
Payments for investments in property, plant and equipment	(2.3)	- 9,062	- 8,689
Cash flow from investing activities		**- 9,397**	**- 9,015**
Cash inflows from the utilisation of loan agreements		33,883	0
Cash outflows linked to the utilisation of loan agreements		0	- 24
Repayment of loans		- 24,000	- 7,500
Dividend payments	(2.11)	- 2,067	- 2,067
Lease liability repayments		- 1,420	- 1,273
Cash flow from financing activities		**6,396**	**-10,864**

	Note	2023 EUR'000	2022 EUR'000
Change in cash and cash equivalents		**- 6,065**	**- 14,965**
Cash and cash equivalents at the start of the period		13,039	28,004
Cash and cash equivalents at the end of the period	(2.9)	**6,974**	**13,039**

For the explanatory notes to the Cash Flow Statement, see Note (4.1).

Notes to the Consolidated Financial Statements of Berentzen-Gruppe Aktiengesellschaft for the 2023 financial year

(1) Policies and methods

(1.1) Information about the Company

Berentzen-Gruppe Aktiengesellschaft, Haselünne, is a stock corporation (Aktiengesellschaft) organised under German law. The company has its registered office at Ritterstraße 7, 49740 Haselünne, Germany, and is recorded in the Commercial Register maintained by Osnabrück Local Court (entry HRB 120444). The business activities of Berentzen-Gruppe Aktiengesellschaft and its affiliated companies comprise the production and distribution of spirits and non-alcoholic beverages and the development and distribution of fresh juice systems.

(1.2) Explanatory notes to the policies and methods applied in the preparation of the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft in accordance with International Financial Reporting Standards (IFRS)

The consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft as at December 31, 2023 have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the interpretations of the IFRS Interpretations Committee as applicable in the European Union (EU). All pronouncements of the International Accounting Standards Board (IASB) that are subject to mandatory application have been taken into account, leading to a true and fair view of the financial position, cash flows and financial performance of Berentzen-Gruppe Aktiengesellschaft. The consolidated financial statements comply with the European Union directive regarding consolidated accounts (Directive 83/349/EEC). As a publicly traded company governed by the law of a member state of the European Union (EU), Berentzen-Gruppe Aktiengesellschaft is required by Article 4 of Regulation (EC) No. 1606/2002 to prepare and publish its consolidated financial statements in accordance with IFRS and the applicable further provisions of commercial law specified in Section 315e (1) of the German Commercial Code (HGB).

The consolidated financial statements have been prepared in euros (EUR). Unless stated otherwise, all amounts are shown in thousands of euros (EUR'000). The consolidated financial statements are prepared in accordance with the consolidation, recognition and measurement methods described below. The cost summary format has been chosen for the presentation of the Statement of Comprehensive Income.

In order to improve the clarity and informative value of the financial statements, individual items have been grouped together in the Statement of Comprehensive Income and the Statement of Financial Position. These items are shown and explained separately in the notes to the consolidated financial statements. Estimates are required to prepare consolidated financial statements in accordance with IFRS. Furthermore, the application of uniform recognition and measurement methods requires the Management to make judgements. Areas with greater scope for such judgements, for which assumptions and estimates are of significance for the consolidated financial statements, are listed in Note (1.8), “Assumptions and estimates”.

The Executive Board approved the present consolidated financial statements as at December 31, 2023, and the Group management report combined with the management report for the 2023 financial year for publication and submission to the Supervisory Board on March 20, 2023.

(1.3) Effects of significant developments and events

Economic conditions in financial year 2023 were burdened by growing consumer restraint over the course of the year and persistent inflationary cost pressures. In this environment, the segment and cash-generating unit (CGU) *Non-alcoholic Beverages* found itself in an unexpectedly challenging economic situation at September 30, 2023 and December 31, 2023. Therefore, an ad-hoc impairment test was conducted at each of these dates. Different scenarios and the corresponding probabilities of occurrence were estimated for the purpose of discounting planned future cash flows. Moreover, the continuing high level of market interest rates and other, related factors were considered in determining the weighted average cost of capital (WACC). Ultimately, the results of the impairment tests conducted as at September 30 and December 31 showed that there was no need to recognise any impairments or write-ups.

(1.4) Standards and interpretations applied for the first time

New and amended IFRS standards

The International Accounting Standards Board (IASB) and the IFRS Interpretations Committee have issued or revised further Standards and Interpretations. These do not have any significant effects on the consolidated financial statements, however. In addition, adopted and revised standards and interpretations are not expected to have any significant effects on future consolidated financial statements.

(1.5) Consolidation principles

Principles of consolidation

Essentially all subsidiaries that are controlled by Berentzen-Gruppe Aktiengesellschaft according to the regulations of IFRS 10 are included in the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft, alongside the parent company, Berentzen-Gruppe Aktiengesellschaft. Subsidiaries are included in the consolidated financial statements under full consolidation from the date when the Group gains control over the investee. Deconsolidation takes place from the date at which that control is lost. The accounting treatment is in accordance with the acquisition method as defined in IFRS 3 in conjunction with IFRS 10.

Shares in non-fully consolidated companies are measured at fair value in accordance with IFRS 9, with the amortised acquisition cost representing the best estimate of the fair value.

For debt consolidation, the receivables and liabilities of the companies included are netted. During the elimination of intercompany profits and losses, profits and losses from intra-Group transactions between affiliated companies are eliminated. Deferred tax assets and liabilities are recognised in accordance with IAS 12 for differences in tax valuations resulting from consolidation activities. Income and expenses from intra-Group transactions, especially those arising from intercompany transactions, are eliminated in the Statement of Comprehensive Income.

In accordance with IFRS 10 Consolidated Financial Statements, the annual financial statements of the subsidiaries included in consolidation are prepared in accordance with uniform recognition and measurement methods.

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Business combinations

The consolidation of investments in subsidiaries is carried out in accordance with the acquisition method as defined in IFRS 3 in conjunction with IFRS 10, by netting the consideration given against the fair value of the assets, liabilities and contingent liabilities assumed at the time of acquisition. In this context, the acquisition cost for a business combination corresponds to the fair value of the assets transferred, the equity instruments issued and the liabilities arising or assumed at the time of acquisition. Incidental acquisition costs are normally recognised as an expense. Where the net assets measured at fair value exceed the consideration transferred, this portion is recognised as goodwill. In the converse instance, the difference is recognised directly in the Statement of Comprehensive Income.

(1.6) Consolidated group

Essentially all domestic and foreign companies controlled by Berentzen-Gruppe Aktiengesellschaft within the meaning of IFRS 10 are included in the consolidated financial statements as at December 31, 2023, alongside Berentzen-Gruppe Aktiengesellschaft. Including Berentzen-Gruppe Aktiengesellschaft, the group of companies included in the consolidated financial statements comprises twelve (previous year: twelve) domestic and two (previous year: two) foreign Group companies.

Name	Registered office
Domestic Group companies	
Berentzen-Gruppe Aktiengesellschaft (parent company)	Haselünne
Berentzen Distillers Asia GmbH	Haselünne
Berentzen Distillers International GmbH	Haselünne
Berentzen Distillers Turkey GmbH	Haselünne
Berentzen North America GmbH	Haselünne
Berentzen-Vivaris Vertriebs GmbH	Haselünne
Citrocasa Deutschland Vertriebs GmbH	Haselünne
Der Berentzen Hof GmbH	Haselünne
DLS Spirituosen GmbH	Flensburg
Doornkaat Aktiengesellschaft	Norden
Pabst & Richarz Vertriebs GmbH	Minden
Vivaris Getränke GmbH & Co. KG	Haselünne
Foreign Group companies	
Berentzen Alkollü İçkiler Ticaret Limited Sirketi	Istanbul, Republic of Turkey
Citrocasa GmbH	Linz, Republic of Austria

Companies whose influence on the net worth, financial position and results of the Group is not material are not consolidated. The subsidiaries not fully consolidated account for less than 1% of the aggregate revenues, net profit and liabilities of the Group.

The consolidated group is unchanged compared with the consolidated financial statements as at December 31, 2022.

(1.7) List of corporate shareholdings

Berentzen-Gruppe Aktiengesellschaft, Haselünne, prepares the consolidated financial statements for the largest and simultaneously smallest group of companies. The following list shows the shareholdings of Berentzen-Gruppe Aktiengesellschaft pursuant to Section 313 (2) No. 1-4 HGB. The respective shareholdings have not changed in comparison to the previous year.

Direct subsidiaries

Name, registered office	Shareholding in %
Berentzen Distillers International GmbH, Haselünne	100.0
Berentzen Start-ups Investment GmbH, Haselünne	100.0
Berentzen-Vivaris Vertriebs GmbH, Haselünne	100.0
Citrocasa GmbH, Linz, Republic of Austria	100.0
Der Berentzen Hof GmbH, Haselünne [1)]	100.0
DLS Spirituosen GmbH, Flensburg [1)]	100.0
Doornkaat Aktiengesellschaft, Norden [1)]	100.0
Goldkehlchen GmbH, Linz, Republic of Austria	100.0
Kornbrennerei Berentzen GmbH, Haselünne	100.0
LANDWIRTH´S GmbH, Minden	100.0
Medley´s Whiskey International GmbH, Haselünne	100.0
Pabst & Richarz Vertriebs GmbH, Minden [1)]	100.0
Puschkin International GmbH, Haselünne	100.0
Strothmannn Spirituosen Verwaltung GmbH, Haselünne	100.0
Vivaris Getränke GmbH & Co. KG, Haselünne [1)]	100.0
Winterapfel Getränke GmbH, Haselünne	100.0

[1)] Pursuant to Section 264 (3) and Section 264b HGB, the designated corporations and partnerships are freed from their obligation to prepare annual financial statements and a management report according to the regulations applicable to corporations, to have them audited, and to publish them.

Indirect subsidiaries

Name, registered office	Shareholding in %
Domestic companies	
Berentzen Distillers Asia GmbH, Haselünne	100.0
Berentzen Distillers Turkey GmbH, Haselünne	100.0
Berentzen North America GmbH, Haselünne	100.0
Citrocasa Deutschland Vertriebs GmbH, Haselünne	100.0
Die Stonsdorferei W. Koerner GmbH & Co. KG, Haselünne	100.0
Grüneberger Spirituosen und Getränkegesellschaft mbH, Grüneberg	100.0
MIO MIO GmbH, Haselünne	100.0
Vivaris Getränke Verwaltung GmbH, Haselünne	100.0
Foreign companies	
Berentzen Alkollü İçkiler Ticaret Limited Sirketi, Istanbul, Republic of Turkey	100.0
Berentzen Spirit Sales (Shanghai) Co., Ltd., Shanghai, People's Republic of China	100.0
Sechsämtertropfen G. Vetter Spolka z o.o., Jelenia Gora, Poland	100.0

(1.8) Accounting policies

Foreign currency translation

The consolidated financial statements have been prepared in euros (EUR), the functional currency of Berentzen-Gruppe Aktiengesellschaft. Since all the foreign subsidiaries conduct their business activities independently in financial, economic and organisational regards, the respective local currency is their functional currency. Items in the Statement of Financial Position are translated at the exchange rate applicable as at the reporting date; items in the Consolidated Statement of Comprehensive Income are translated at the annual average rate, provided the financial statements of the subsidiary are not subject to the regulations of IAS 29. Differences from the currency translation of financial statements of foreign subsidiaries are recognised in other comprehensive income and shown under currency translation differences.

Foreign currency transactions are translated into the functional currency at the exchange rates applicable at the transaction date or the measurement date in the event of remeasurement. Gains and losses resulting from the settlement of such transactions and from translation at the end-of-period exchange rate of monetary assets and liabilities maintained in foreign currency are normally recognised in the Statement of Comprehensive Income. Foreign currency gains and losses resulting from the translation of cash and cash equivalents and financial liabilities are presented under Financial income or Financial expenses, and all other foreign currency gains and losses in Other income.

Hyperinflation

Turkey has been classified as a hyperinflationary economy according to the definition of IAS 29 since June 2022. Because the Turkish lira is the functional currency of the Turkish subsidiary, IAS 29 "Accounting in Hyperinflationary Economies" must be applied retroactively to the separate financial statements of this subsidiary as from the 2022 financial year. The financial statements of the Turkish subsidiary are based on the concept of the historic cost of acquisition and production. The purchasing power adjustment of the non-monetary line items in the statement of financial position and the line items of the statement of comprehensive income was performed on the basis of the consumer price index (CPI). As at December 31, 2023 the price index stood at 1,859.38 (December 31, 2022: 1,128.45). The adjusted financial statements of the Turkish subsidiary will be converted at the rate on the reporting date. The effects of the purchasing power adjustment of the non-monetary line items in the statement of financial position and the line items of the statement of comprehensive income are presented within the item “Gain or loss from the net monetary position in accordance with IAS 29”.

Intangible assets

Intangible assets are recognised at amortised cost. All intangible assets except for goodwill have definite useful lives. Amortisation is taken on proprietary brands on a straight-line basis over the estimated useful life of 15 years. Acquired technologies, customer lists and software licences are amortised on a straight-line basis over an estimated economic useful life of no more than eight years.

Intangible assets that are subject to scheduled amortisation are tested for impairment when relevant events indicate that the carrying amount may no longer be recoverable. An impairment loss is recognised in the amount by which the carrying amount exceeds the recoverable amount. The fair value of trademarks and copyrights is measured using the multi-period excess earnings method (MEEM). Where the reasons for the previously recognised impairments no longer apply, the impairments on such assets are reversed to the value that would have arisen had no impairments been recognised in earlier periods.

Goodwill is not subject to amortisation; instead, it undergoes an impairment test once a year at the level of cash-generating units and where there are indications of an impairment. The recoverable amount of a cash-generating unit is compared against its carrying amount including goodwill. Where the carrying amount exceeds the recoverable amount, an impairment loss in the amount of the difference is recognised on the goodwill allocated to this cash-generating unit. Impairments of goodwill may not be reversed in later periods.

Research costs are presented as current expenses. Development costs are capitalised insofar as the conditions for capitalisation stated in IAS 38 are met.

Property, plant and equipment

Items of property, plant and equipment are measured at historical cost less scheduled depreciation and, where necessary, less appropriate impairments. Acquisition or production cost includes those costs that are directly attributable to the purchase. Finance costs are not capitalised as part of the historical cost, since no qualified assets currently exist in the Group. Depreciation of the items of property, plant and equipment always starts when the asset is used.

Subsequent acquisition or production costs are only recognised as part of the asset if it is probable that future economic benefits will flow to the Group and the costs can be reliably measured. All other repair and maintenance costs are recognised as an expense in the financial year in which they accrue.

No depreciation charges are taken on land. Depreciation on property, plant and equipment is taken exclusively using the straight-line method. The following standard economic useful lives are used as the basis for depreciation charges throughout the Group:

	Economic useful life, in years
Buildings	20-75
Land improvements	10-30
Technical equipment and machinery	5-25
Other equipment, operational and office equipment	5-30

The residual values and economic useful lives are reviewed at each reporting date and, if necessary, adjusted. Where there are indications for an impairment, and the recoverable amount is less than the amortised cost, impairments are recognised in property, plant and equipment. The recoverable amount is the higher of the fair value of the asset less the costs to sell and the value in use. For the impairment test, assets are grouped together at the lowest level for which cash flows can be identified separately (cash-generating unit). In the case of assets for which an impairment has been recognised in the past, a further test is carried out at each reporting date to ascertain whether the impairment should be reversed (write-up).

Gains and losses on the disposal of assets are measured as the difference between the proceeds on disposal and the carrying amount and recognised in the Statement of Comprehensive Income under Operating income or Other operating expenses.

Leases

A lease is defined as an agreement that entitles the lessee to control the use of an identified asset for a specified period of time in return for payment of a fee.

Where Berentzen Group companies act as lessees, a right-of-use asset is to be entered on the asset side of the balance sheet and a lease liability on the liability side for every lease as a matter of principle. In the preliminary assessment, the lease liability is calculated using the present value of lease payments that have not yet been made. Payments pertaining to service are in principle recognised together with the lease components of the agreement. The payments are discounted using the incremental borrowing rate of the lessee. In the balance sheet, lease liabilities are shown under financial liabilities. The right-of-use asset is usually initially calculated using the lease liability amount. Right-of-use assets are reported under a separate item: “Right-of-use assets”. In subsequent periods, the lease payment is to be divided into an interest and a principal portion so as to produce a constant periodic rate of interest on the lease liability via the interest portion. The principal portion reduces the lease liability. The right-of-use asset is depreciated on a straight-line basis.

Short-term leases and leases of low-value assets are not shown in the balance sheet. Instead, the lease instalments are recorded as an expense.

In the Cash Flow Statement, the portion of the lease payments that pertains to the repayment of the lease liability is recorded under cash flow from financing activities. The interest portion of the lease payments is reported under cash flow from operating activities.

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Where Berentzen Group companies act as lessors, a distinction must be made between finance and operating leases.

Leases under which essentially all the risks and rewards incidental to ownership of the leased asset remain with the lessor are classified as operating leases. In this case, the leased asset will continue to be recognised under property, plant and equipment.

On the other hand, leases under which essentially all the risks and rewards incidental to ownership of the leased asset are passed on to the lessee are classified as finance leases. For these leases, the Berentzen Group recognises receivables in the amount of the net investment value arising from the leases and recognises the interest income in profit or loss.

Inventories

Inventories are valued at the lower of acquisition or production costs or net realisable values. Alongside the direct costs which are generally measured at the moving average, the cost of inventories comprises appropriate portions of the required indirect materials and production overheads, as well as production-related depreciation that can be attributed directly to the production process. The cost of administration and social facilities is included insofar as it can be attributed to production. Write-ups are recognised if the reasons that led to a write-down of the inventories no longer apply.

Income taxes, and deferred tax assets and liabilities

Income taxes comprise the taxes on income to be paid immediately, essentially comprising the current corporate income tax and trade tax, along with deferred taxes.

Effects arising from the measurement of deferred taxes in accordance with IAS 12 on account of temporary differences between the carrying amounts under IFRS and the carrying amounts used in the tax balance sheet or as a result of the recognition and measurement of tax loss carry-forwards that have not already been utilised are similarly included.

Probable tax savings and charges arising in the future are recognised for temporary differences between the carrying amounts stated in the consolidated financial statements and the values of assets and liabilities stated for tax purposes. Anticipated tax savings arising from the utilisation of loss carry-forwards deemed to be realisable in the future are capitalised.

In accordance with the criteria set out in IAS 12.74, deferred tax assets and liabilities broken down by current/non-current are offset within the individual company and within a group of companies for income tax purposes.

Deferred tax assets arising from deductible temporary differences and tax loss carry-forwards exceeding the deferred tax liabilities arising from taxable temporary differences are only recognised to the extent that it is probable that enough taxable income will be generated to realise the corresponding benefits. Various factors such as the loss history and operating plans are applied to assess the probability.

The tax charges on planned dividend pay-outs by domestic and international subsidiaries are insignificant and hence not normally recognised. These tax charges arising from German corporate-income and trade tax of approximately 1.5% on all dividends would exist for subsidiaries with the legal form of an incorporated company.

Financial instruments

Additions to financial assets are recognised at the trade date. The trade date is the date when the Group commits to purchase the asset. With the exception of trade receivables without a significant financing component, financial assets are measured at fair value upon initial recognition. If an asset does not belong to the category "measured at fair value through profit or loss", the transaction costs are to be added. Trade receivables without a significant financing component are recognised at their transaction price.

Financial assets are normally divided into the following categories for the purposes of subsequent measurement:

- Financial assets measured at amortised cost (AC)
- Financial assets measured at fair value through other comprehensive income (FVOCI)
- Financial assets at fair value through profit or loss (FVPL).

The classification depends upon the Group's business model for the management of financial assets and the contractual cash flows of the financial asset. The management determines the classification upon initial recognition and reviews it at each reporting date.

The category of "measured at amortised cost" includes assets that are held to collect contractual cash flows and for which these cash flows represent solely payments of principal and interest. Assets of this category are subsequently measured at amortised cost based on the effective interest rate method, less valuation allowances for impairment losses. Interest income is recognised in profit or loss under financial income. Gains and losses are recognised in profit or loss under other operating income or expenses when the financial instrument is derecognised or an impairment loss is recognised.

Assets that are held to collect contractual cash flows and for sale and for which these cash flows represent solely payments of principal and interest are assigned to the category "measured at fair value through other comprehensive income". There are no financial assets in this category.

If an asset is not classified as either the category "measured at amortised cost" or the category "measured at fair value through other comprehensive income", it is classified as "measured at fair value through profit or loss". These assets are subsequently measured at fair value. A gain or loss resulting from such a measurement, as well as interest and dividend income, is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash, sight deposits and other current, highly liquid financial assets with an original maturity of less than three months.

Treasury shares

Treasury shares purchased and held are measured at cost, including directly allocable transaction costs, and are deducted directly from equity instead of being recognised in profit or loss. The imputed share of nominal capital attributable to treasury shares is set off against subscribed capital, and the difference between the imputed nominal value and the acquisition cost of purchased treasury shares is offset against retained earnings.

Provisions

Provisions take account of present legal or constructive obligations towards third parties that arise from past events, the settlement of which is expected to result in an outflow of resources, provided that a reliable estimate can be made of the amount of the obligation. They are recognised at the necessary amount expected to settle the obligation. Non-current provisions are recognised at the discounted settlement amount at the reporting date. Increases resulting from compounding are recognised within Financial expenses. Provisions are not offset against rights of recourse.

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Employee benefits

The actuarial measurement of the pension provisions for the Company pension plan is carried out using the projected unit credit method prescribed by IAS 19. The defined benefit obligation (DBO) is measured annually by an independent actuary using the projected unit credit method. The present value of the DBO is calculated by discounting the anticipated future cash outflows with the market yields on high quality corporate bonds with equivalent terms to the pension obligations. This was 3.3% during the reporting period (previous year: 3.9%). Actuarial gains and losses based on experience adjustments and the effects of changes to the actuarial assumptions are recognised directly in Other comprehensive income and not in profit or loss.

Post-employment benefits are granted where an employee is terminated before reaching ordinary retirement age or an employee leaves employment voluntarily against payment of a termination indemnity. Termination payments are recognised when the obligation demonstrably exists to terminate the employment of current employees in accordance with a detailed formal plan without a realistic possibility of withdrawal from that plan.

Liabilities

Liabilities comprise financial liabilities, alcohol tax liabilities, trade payables and other liabilities. Upon initial recognition, they are measured at the fair value of the consideration received less the transaction costs associated with the borrowing.

Financial liabilities are subsequently measured at amortised costs, applying the effective interest method. Gains and losses are recognised directly in profit or loss when the liabilities are derecognised and within the framework of amortisation. The transaction costs are recognised under Financial expenses.

Non-current liabilities are subsequently measured at amortised cost. Differences between historical cost and the redemption amount are measured in accordance with the effective interest method.

Current liabilities are recognised at their redemption or settlement amount.

Liabilities classified as “held for trading” are measured at fair value through profit or loss.

The alcohol tax and import duties are recognised in the amount payable to the main customs offices and are shown in a separate line item in order to improve the informative value of the consolidated financial statements.

Contingent liabilities are not recognised in the Statement of Financial Position. They are shown in Note (4.3) in the notes to the consolidated financial statements.

Government grants

Government grants for investments in assets are presented as deferred income within liabilities and reversed in profit or loss on a straight-line basis over the expected useful life of the assets concerned.

Impairments of financial assets

The financial assets of the category “measured at amortised cost” are subject to the impairment rules of IFRS 9. Therefore, the future expected credit loss is assessed for these assets on every reporting date so as to enable a presentation of the risk of default. The applicable impairment method depends on whether the risk of default has significantly increased.

When determining whether a financial asset’s risk of default has increased significantly, information and analyses based on both past experience as well as information regarding the future are taken into account. The risk of default is presumed to have increased significantly if the contractual cash flows are more than 30 days past due. If an asset's risk of default has increased significantly, the impairment is measured in the amount of the expected lifetime credit loss. In contrast, if the risk of default has not increased significantly, the impairment is recognised in the amount of the 12-month expected credit loss. The two impairment methods differ insofar as all expected losses from potential default events occurring over the entire remaining term flow into the lifetime expected credit loss, whereas only losses expected from default events in the following twelve months flow into the 12-month expected credit loss.

The amount of the impairment to be recognised corresponds to the credit losses, i.e. the difference between the contractually agreed payments and the expected payments, discounted at the financial instrument's effective interest rate. The carrying amount of the asset is reduced by means of a valuation adjustment account, and the loss is recognised within Other operating expenses. When the payments from an asset have become uncollectible, the asset is derecognised against the valuation adjustment account. Subsequent cash receipts on previously derecognised amounts are recognised against the impairments presented in the Statement of Comprehensive Income.

The simplified impairment approach of IFRS 9 is applied for trade receivables. According to this approach, the risk of default is not assessed for these assets; instead, the credit losses expected over the lifetime of the asset are recognised. Trade receivables are grouped together on the basis of common features and the number of days past the due date for the measurement of the expected credit losses.

Derecognition of financial assets and liabilities

A financial asset is derecognised when the contractual claims to receive the cash flows from the asset expire or have been transferred and the Group has transferred substantially all opportunities and risks associated with the ownership of the financial asset.

If substantially all of the opportunities and risks associated with the ownership of the financial asset are neither transferred nor retained, the asset is derecognised if the Group does not retain control over the financial asset. In contrast, if the Group continues to retain control over the transferred financial asset, the Group recognises its remaining share of the assets and a corresponding liability in the amount that must possibly be paid. When the continuing involvement takes the form of guaranteeing the transferred asset, the extent of the continuing involvement is the lower of the original amount of the asset and the maximum amount of the consideration received that the Group could be required to repay.

A financial liability is derecognised when the obligation underlying this liability is discharged or cancelled or expires.

If an existing financial liability is exchanged for another liability of the same lender with substantially different contractual terms, or the conditions of an existing liability are changed significantly, such an exchange or change leads to the derecognition of the original liability and the recognition of a new liability. The difference between the respective carrying amounts is recognised in the Statement of Comprehensive Income.

Recognition of income and expenses

The consideration defined in an agreement with a customer is the basis for the measurement of revenues. Revenues are realised when control over the goods is transferred to the customer, i.e. when the goods are delivered. There is no significant financing component, since the actual average period allowed for payment over the entire corporate group is 33 days (previous year: 33 days).

For the sale of goods, terms and conditions are often agreed that include, for example, quantity discounts, advertising subsidies, special allowances and isolated take-back obligations. These terms and conditions are recognised as reductions in the transaction price and consequently reduce the amount of revenues. Since the terms and conditions are defined in annual meetings, the resulting reduction in revenues is determined at the time of the sale. For sales that include such terms and conditions, a reimbursement liability is also recognised that is presented under trade liabilities and other liabilities. In addition, for take-back obligations, a right to return the goods is recognised under other current financial and non-financial assets for the products expected to be returned.

Other operating income is recognised when it is received or the carrying amount of an asset increases and when a liability is derecognised or its carrying amount is reduced.

Operating expenses are recognised in profit or loss when a liability is incurred or its carrying amount increases and upon the disposal of an asset or when its carrying amount decreases

Financial expenses and income are recognised through profit or loss.

Assumptions and estimates

When preparing the consolidated financial statements, assumptions have been made and estimates applied that have an impact on the presentation and measurement of the recognised assets, liabilities, income, expenses and contingent liabilities.

They essentially relate to the assessment of the impairment of intangible assets, the definition of uniform economic useful lives, the collectability of receivables, the recognition and measurement of provisions, and the realisation of future tax savings.

In the course of business combinations, assumptions are made for the purpose of purchase price allocation regarding the valuation of liabilities assumed, and particularly of acquired assets, as the fair value is used as the measure. This is generally measured as the present value of the future cash flows, taking into account the present value of the depreciation-related tax benefit.

In connection with leases entered into as a lessee, assumptions need to be made when determining the term of contracts with extension or termination options. The periods of time resulting from extension or termination options only need to be taken into account in the term of a lease if it is reasonably certain that the option will be exercised or not exercised. When determining whether there is reasonable certainty, discretionary decisions are necessary.

Extension and termination options exist in particular for building and fleet leases. In the area of fleet leases, it is generally assumed that existing extension options will not be utilised. When determining the term of building rental contracts that continue to run until they are terminated, detailed medium-term plans are taken into account to determine the period during which it is reasonably certain that the termination option will not be exercised.

The present value of pension obligations depends upon a number of factors that are based on actuarial assumptions. The assumptions applied when determining the net expenses (income) for pensions include the anticipated discount rate. Berentzen-Gruppe Aktiengesellschaft determines the appropriate discount rate at the end of each year. Due to Company-specific factors, the rate of increase in the pension obligation is 2.0% (previous year: 1.5%). Further significant assumptions for pension obligations are based on existing market conditions. These actuarial assumptions may differ from actual developments due to changed market and economic conditions, thus leading to a significant change in the pension and similar obligations.

The measurement of provisions for legal disputes depends on estimates to a considerable degree. Legal disputes often involve complex legal questions and are fraught with considerable uncertainties. It may be necessary to recognise a new provision for an ongoing legal dispute as a result of new developments or to adjust the amount of an existing provision. In addition, the outcome of a legal dispute could give rise to expenditures that exceed the provision recognised for the respective proceeding. Legal disputes can have significant effects on the financial position, cash flows and financial performance of the Berentzen Group. Required information about legal disputes according to IAS 37 is not disclosed if the Berentzen Group concludes that such information could seriously endanger the outcome of the given proceeding.

The repayment obligations (liabilities) arising from deposits received are predominantly measured on the basis of all relevant empty containers to be returned by individual customers.

Income taxes must be estimated for each tax jurisdiction in which the Group operates. This involves calculating the anticipated current income tax payable and assessing the temporary differences arising from the differing treatment of certain items in the Statement of Financial Position between the consolidated financial statements prepared in accordance with IFRS and the financial statements prepared under tax law. Where there are temporary differences, they normally result in the recognition of deferred tax assets and liabilities in the consolidated financial statements. The management must make assessments when calculating actual and deferred taxes. Where the actual results differ from these estimates, or these estimates need to be adjusted in future periods, this may have a negative impact on the Company's financial position, cash flows and financial performance. Where there is a change in the assessment of the value of deferred tax assets, write-downs are taken on the deferred tax assets and recognised in profit or loss.

Fluctuating business cycles give rise to risks for the further development of the market and economic situation. These fluctuations may cause underlying assumptions to differ from actual developments and have an impact on commodity prices, interest rates and patterns of consumer behaviour. The underlying premises for market-related parameters have an impact on, for example, impairment tests within the meaning of IAS 36.

The assumptions and estimates are underpinned by premises that are based on the currently available information. The actual values may in some cases differ from the assumptions and estimates made. Changes are recognised in profit or loss at the date when a better understanding is gained.

(2) Explanatory notes to the Consolidated Statement of Financial Position

(2.1) Non-current assets

Development of intangible assets and property, plant and equipment in the 2022 and 2023 financial years

	Intangible assets EUR'000	Property, plant and equipment EUR'000	Total non-current assets EUR'000
Acquisition/production cost			
Balance at 01/01/2022	71,501	155,144	226,645
Additions	366	8,689	9,055
Disposals/reclassifications	- 36	- 3,802	- 3,838
Reclassifications	- 1	1	0
Currency effects	- 1	- 6	- 7
Balance at 12/31/2022	71,829	160,026	231,855
Additions	408	9,062	9,470
Disposals/reclassifications	- 105	- 5,304	- 5,409
Currency effects	- 2	- 7	- 9
Balance at 12/31/2023	72,130	163,777	235,907
Amortisation/depreciation/impairments			
Balance at 01/01/2022	61,742	111,612	173,354
Additions	790	6,310	7,100
Impairments	0	1,299	1,299
Disposals/reclassifications	- 32	- 3,607	- 3,639
Currency effects	- 1	- 8	- 9
Balance at 12/31/2022	62,499	115,606	178,105
Additions	642	6,264	6,906
Disposals/reclassifications	- 105	- 5,204	- 5,309
Currency effects	- 2	- 5	- 7
Balance at 12/31/2023	63,034	116,661	179,695
Net carrying amounts 12/31/2023	**9,096**	**47,116**	**56,212**
Net carrying amounts 12/31/2022	**9,330**	**44,420**	**53,750**

The syndicated loan agreement concluded in December 2016 stipulates that material sales of non-current assets exceeding the normal course of business may require the consent of the lender.

(2.2) Intangible assets

Development of intangible assets in the 2022 and 2023 financial years

	Goodwill EUR'000	Trademarks, customer lists, and technical knowledge EUR'000	Licences and other intangible assets EUR'000	Advance payments made EUR'000	Total intangible assets EUR'000
Acquisition/production cost					
Balance at 01/01/2022	6,056	61,524	3,689	232	71,501
Additions	0	4	362	0	366
Disposals/reclassifications	0	0	- 36	0	- 36
Reclassifications	0	0	231	- 232	- 1
Currency effects	0	0	- 1	0	- 1
Balance at 12/31/2022	6,056	61,528	4,245	0	71,829
Additions	0	0	408	0	408
Disposals	0	0	- 105	0	- 105
Currency effects	0	0	- 2	0	- 2
Balance at 12/31/2023	6,056	61,528	4,546	0	72,130
Amortisation/depreciation/impairments					
Balance at 01/01/2022	0	59,255	2,487	0	61,742
Additions	0	460	330	0	790
Disposals/reclassifications	0	0	- 32	0	- 32
Currency effects	0	0	- 1	0	- 1
Balance at 12/31/2022	0	59,715	2,784	0	62,499
Additions	0	268	374	0	642
Disposals	0	0	- 105	0	- 105
Currency effects	0	- 1	- 1	0	- 2
Balance at 12/31/2023	0	59,982	3,052	0	63,034
Net carrying amounts 12/31/2023	**6,056**	**1,546**	**1,494**	**0**	**9,096**
Net carrying amounts 12/31/2022	**6,056**	**1,813**	**1,461**	**0**	**9,330**

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The following table shows the detailed breakdown of the net carrying amounts of intangible assets:

	12/31/2023 EUR'000	12/31/2022 EUR'000
Trademarks, customer lists, and technical knowledge	1,546	1,813
Goodwill	6,056	6,056
Licences and other intangible assets	1,494	1,461
	9,096	**9,330**

Pursuant to IAS 36.10, the goodwill capitalised in financial year 2014 within the framework of the acquisition of Citrocasa GmbH or to be allotted to the *Fresh Juice Systems* CGU in the amount of EUR 6,056 thousand (previous year: EUR 6,056 thousand) is subject to annual impairment testing. The impairment test performed in the 2023 financial year did not give rise to any impairment (as was the case in the previous year). The recoverable amount is determined using the fair value less costs to sell. The fair value less costs to sell was calculated by determining the present value of the future anticipated cash flows (discounted cash flow method), using a planning period of five years (previous year: three years).

The weighted average cost of capital (WACC) of an appropriate peer group was applied as the discount rate. This discount rate determined for the CGU was 5.4% (previous year: 5.7%). The parameters for the weighted average cost of capital were determined on the basis of values derived from external market conditions. The applied growth rate was 1.0% (previous year: 1.0%).

The principal assumptions applied in the calculation of the fair value less costs to sell pertained to the weighted average cost of capital, the forecast development of revenues, the EBITDA growth rate and the sustainable growth rate of the terminal value. The corresponding forecasts are based on past results and the management's expectations reflected in the adopted corporate planning. The fair value less costs to sell is mainly based on non-observable input data (fair value hierarchy Level 3). For the aforementioned principal assumptions, sensitivity analyses are performed to rule out the possibility that any potential changes to the premises for determining the recoverable amount would lead to an impairment being necessary. A worsening of the individual parameters by one percentage point would not have led to any necessity for impairment.

As in the previous year, no intangible assets were encumbered with security interests as at December 31, 2023. As in the previous year, there were no contractual commitments to purchase intangible assets as at December 31, 2023.

Costs for research and development in the amount of EUR 1,623 thousand (previous year: EUR 1,609 thousand) were recognised as an expense in the reporting period.

(2.3) Property, plant and equipment

Development of property, plant and equipment in the 2022 and 2023 financial years

	Land and buildings EUR'000	Technical equipment and machinery EUR'000	Other equipment, operational and office equipment EUR'000	Advances to suppliers and construction in progress EUR'000	Total property, plant and equipment EUR'000
Acquisition/production cost					
Balance at 01/01/2022	47,804	73,672	30,660	3,008	155,144
Additions	765	951	4,647	2,326	8,689
Disposals	- 3	- 632	- 3,167	0	- 3,802
Reclassifications	297	2,648	63	- 3,007	1
Currency effects	0	0	- 6	0	- 6
Balance at 12/31/2022	48,863	76,639	32,197	2,327	160,026
Additions	491	1,580	4,691	2,300	9,062
Disposals	- 129	- 1,050	- 4,125	0	- 5,304
Reclassifications	74	822	52	- 948	0
Currency effects	0	0	- 7	0	- 7
Balance at 12/31/2023	49,299	77,991	32,808	3,679	163,777
Depreciation/impairments					
Balance at 01/01/2022	30,034	59,716	21,862	0	111,612
Additions	925	2,152	3,233	0	6,310
Impairments	476	823	0	0	1,299
Disposals	- 3	- 585	- 3,019	0	- 3,607
Currency effects	0	0	- 8	0	- 8
Balance at 12/31/2022	31,432	62,106	22,068	0	115,606
Additions	880	2,077	3,307	0	6,264
Disposals	- 100	- 1,008	- 4,096	0	- 5,204
Currency effects	0	0	- 5	0	- 5
Balance at 12/31/2023	32,212	63,175	21,274	0	116,661
Net carrying amounts 12/31/2023	**17,087**	**14,816**	**11,534**	**3,679**	**47,116**
Net carrying amounts 12/31/2022	**17,431**	**14,533**	**10,129**	**2,327**	**44,420**

See Note (3.7) for information about the impairments carried out in the previous year.

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As in the previous year, no items of property, plant and equipment were encumbered with security interests as at December 31, 2023. As in the previous year, there were no contractual commitments to purchase items of property, plant and equipment as at December 31, 2023.

Operating leases

The Berentzen Group acts as a lessor under rental and lease agreements that are classified as operating leases. These agreements essentially relate to the leasing of building parts and storage facilities. In the financial year rental and lease payments of EUR 152 thousand were received (previous year: EUR 167 thousand). The maturities of the instalments from operating leases to be received in future break down as follows:

	2023 EUR'000	2022 EUR'000
Up to 1 year	72	73
Longer than 1 year and up to 2 years	0	0
Longer than 2 years and up to 3 years	0	0
Longer than 3 years and up to 4 years	0	0
Longer than 4 years and up to 5 years	0	0
Longer than 5 years	0	0
Total operating lease payments	**72**	**73**

(2.4) Leases

The Berentzen Group acts as the lessee in various leases. The leases entered into essentially relate to the vehicle fleet, leased offices and business premises, and plant and office equipment. In the 2023 financial year, the total cash outflow for leases amounts to EUR 1,505 thousand (previous year: EUR 1,559 thousand). The carrying amounts of right-of-use assets developed as follows:

	Vehicle fleet EUR'000	Buildings EUR'000	Other EUR'000	Total EUR'000
Carrying amount at January 1, 2022	1,631	423	92	2,146
Additions to right-of-use assets	740	33	74	847
Depreciation and amortisation	- 928	- 228	- 62	- 1,218
Other changes	244	253	26	523
Carrying amount as at December 31, 2022	**1,687**	**481**	**130**	**2,298**
Additions to right-of-use assets	965	11	127	1,103
Depreciation and amortisation	- 1,028	- 253	- 110	- 1,391
Other changes	256	246	21	523
Carrying amount at December 31, 2023	**1,880**	**485**	**168**	**2,533**

The leases result in the following income and expenses in the Consolidated Statement of Comprehensive Income:

	2023 EUR'000	2022 EUR'000
Depreciation and amortisation	- 1,391	- 1,218
Interest expense	- 82	- 68
Short-term lease expense	- 226	- 131
Expense for leases of low-value assets	- 65	- 86
Income from the sublease of right-of-use assets	5	4
Total	**- 1,759**	**- 1,499**

The expected future lease payments from extension and termination options that are not reasonably certain and are not taken into account in determining the lease liability amount to EUR 335 thousand (previous year: EUR 268 thousand).

Lease relationships in which the Berentzen Group acts as lessor are explained in the Notes (2.3) and (2.5).

(2.5) Other financial and non-financial assets

	12/31/2023 EUR'000	12/31/2022 EUR'000
Shares in affiliated companies	761	761
Accrued revenue reductions	192	153
Receivables under finance leases	126	163
Shares in cooperatives	32	32
Syndicated loan transaction costs	23	80
Equity interests	11	11
	1,145	**1,200**

Shares in affiliated companies

Shares in affiliated companies include non-consolidated general partner companies and non-operating shell companies.

Receivables under finance leases

There are lease agreements in the *Fresh Juice Systems* segment that are to be classified as finance leases on account of their contractual terms. These agreements essentially relate to the leasing business involving fruit presses. In addition, the Berentzen Group subleased bicycles to employees. These subleases are finance leases. The non-current portion of the receivables under finance leases amounts to EUR 126 thousand (previous year: EUR 163 thousand) and is presented within Other financial assets. The current portion of the receivables amounts to EUR 153 thousand (previous year: EUR 177 thousand) and is capitalised under Other current financial assets (Note (2.10)).

The following table shows the maturity analysis for future undiscounted cash inflows from financing leases and demonstrates their reconciliation with the net investment in financing leases.

	2023		2022	
	Lease payments EUR'000	Non-guaranteed residual values EUR'000	Lease payments EUR'000	Non-guaranteed residual values EUR'000
Up to 1 year	150	12	183	7
Longer than 1 year and up to 2 years	86	9	110	12
Longer than 2 years and up to 3 years	28	3	36	11
Longer than 3 years and up to 4 years	2	0	3	0
Longer than 4 years and up to 5 years	0	0	0	0
Longer than 5 years	0	0	0	0
Gross investment in leases	**290**		**362**	
Unrealised financial income	- 11		- 22	
Net investment in leases	**279**		**340**	

Syndicated loan transaction costs

The syndicated loan agreement concluded in December 2016 was extended in the 2021 financial year. The maturity date is now December 31, 2026. The total volume of funding available from the loan agreement amounts to EUR 33,000 thousand. Transaction costs amounting to EUR 194 thousand were incurred directly as a result of the extension. The transaction costs are shown under financial assets and reversed as expenses over the course of the loan agreement. As at December 31, 2023, EUR 23 thousand (previous year: EUR 80 thousand) was shown under non-current financial assets and EUR 11 thousand (previous year: EUR 27 thousand) under current financial assets. The pro-rated transaction costs included in the financial expenses for financial year 2023 amount to EUR 72 thousand (EUR 85 thousand). Utilisations of the syndicated loan agreement bear Interest at a variable rate on the basis of the EURIBOR reference rate plus a fixed interest margin. In addition, a commitment fee will become due for the portion not utilised.

(2.6) Inventories

	12/31/2023 EUR'000	12/31/2022 EUR'000
Raw materials	3,701	4,570
Packaging and equipment	5,226	4,952
Supplies	134	114
Raw materials and supplies	9,061	9,636
Work in progress	23,152	20,732
Finished products	10,504	12,460
Merchandise for resale	8,135	8,306
Finished products and merchandise for resale	18,639	20,766
Inventories	**50,852**	**51,134**

When measuring inventories at the lower of cost or net realisable value, write-downs totalling EUR 77 thousand (previous year: EUR 224 thousand) were charged on inventories. The carrying amount of the inventories measured at net realisable value totalled EUR 561 thousand (previous year: EUR 1,582 thousand). The write-downs were recognised in profit or loss and presented within Other operating expenses and Change in inventories.

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(2.7) Current trade receivables

The following table shows the breakdown of current trade receivables:

December 31, 2023	Ongoing and less than 30 days past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Gross receivables portfolio (EUR'000)	12,951	26	217	202	13,396
Loss rate	0.4%	0.0%	0.5%	62.4%	
Impairment loss (EUR'000)	- 50	0	- 1	- 126	- 177
Net receivables portfolio (EUR'000)	**12,901**	**26**	**216**	**76**	**13,219**

December 31, 2022	Ongoing and less than 30 days past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Gross receivables portfolio (EUR'000)	9,451	281	349	746	10,827
Loss rate	0.5%	0.4%	0.9%	18.5%	
Impairment loss (EUR'000)	- 43	- 1	- 3	- 138	- 185
Net receivables portfolio (EUR'000)	**9,408**	**280**	**346**	**608**	**10,642**

Valuation allowances are recognised for receivables when there is objective evidence that the receivable concerned cannot be collected at all or in full, or not within a specific period of time. This is regularly the case in the case of trade receivables and other receivables when the internal collection office is unable to collect the receivables and it becomes necessary to call in external collection firms or lawyers. Valuation adjustments are also recognised for expected credit losses. The following table shows the overall development of the valuation adjustment account:

	2023 EUR'000	2022 EUR'000
Balance at 1/1	**185**	**174**
Additions	27	41
Use	0	0
Reversals	- 35	- 30
Balance at 12/31	**177**	**185**

Transfers of financial assets

As part of its external funding, the Berentzen Group also utilises factoring lines. The total available financing amount on the basis of two factoring agreements is EUR 60,000 thousand (previous year: EUR 60,000 thousand). The Group can also access a formally unlimited factoring line based on three additional centralised settlement and factoring agreements which stipulate no maximum commitment;

instead, the possible drawdown is limited only by the available amount of saleable receivables. The factor concerned normally purchases the receivables at face value. The purchase prices are disbursed less retentions and provisions for bonuses and discounts; in this context, the retentions amount to between 6% and 20% of the face value of the receivables and the companies of the Berentzen Group are required to report the provisions for bonuses and discounts on a monthly basis. Furthermore, any charges and interest accruing are retained. As at December 31, 2023, trade receivables amounting to EUR 51,675 thousand (previous year: EUR 56,080 thousand) had been sold and assigned to the respective factoring companies.

In some instances, interest payments are payable to the factor for the financial assets transferred to the factor up to the date payment is received by the factor, but no more than 120 days after the due date of the receivables. The interest rate to be applied is derived from the 1-week or 3-month Euribor plus a fixed component. This gives rise to the risk of the Berentzen Group having to make additional interest payments due to payments received late or not at all by the factor (late payment risk). The maximum loss from late payment risk for the amounts already transferred amounts to EUR 573 thousand at the reporting date (previous year: EUR 432 thousand). The fair value of the obligation arising from late payment risk totals EUR 54 thousand (previous year: EUR 37 thousand). Some of the servicing activities for the receivables sold under factoring agreements, notably including the reminder procedures, have remained with the Berentzen Group. The resulting liability has not been recognised due to the immateriality of the amount.

Because almost all of the risks and rewards incident to ownership of the financial assets were transferred to the factor, the trade receivables sold were completely derecognised in accordance with IFRS 9.3.2.6 (a). The remaining late payment risk was recognised as an asset representing a continuing involvement of EUR 713 thousand in the 2023 financial year (previous year: EUR 483 thousand). A liability of the same amount was recognised at the same time. The following table shows the effect of factoring on various items in the Statement of Financial Position:

	Item in the Statement of Financial Position	12/31/2023 EUR'000	12/31/2022 EUR'000
Trade receivables sold and assigned	Current trade receivables	51,675	56,080
Continuing involvement	Other current financial and non-financial assets	713	483
Security retentions and provisions for bonuses and discounts	Other current financial and non-financial assets	6,976	8,978
Cash available	Cash and cash equivalents	4,344	8,250
Cash transferred	Cash and cash equivalents	40,355	38,847
Continuing involvement	Current financial liabilities	713	483
Interest liability from continuing involvement	Current financial liabilities	17	16
Retained interest/ charges/ insurance	Retained earnings/ consolidated comprehensive income	2,173	1,144

The factor retained collateral amounting to EUR 6,976 thousand (previous year: EUR 8,978 thousand), presented under Other current assets, to secure any deductions from the face value of receivables.

The available cash of EUR 4,344 thousand (previous year: EUR 8,250 thousand) shown in the table above reflects the balance of the cash arising from the sale of trade receivables that has not yet been drawn down by the Berentzen Group from the factor's customer settlement account. Although these amounts in the customer settlement accounts may be drawn down by the Berentzen Group at any time, they had not been utilised or drawn down at the reporting date. The available cash is covered in more detail in Note (2.9) Cash and cash equivalents. At the same time, the transferred cash of EUR 40,355 thousand (previous year: EUR 38,847 thousand) had already been credited to the current accounts maintained by the Berentzen Group with other banks.

At the time of derecognition of the financial assets, losses totalling EUR 2,173 thousand (previous year: EUR 1,144 thousand) were incurred during the reporting period. The gains are presented in Financial income in the amount of EUR 2,039 thousand (previous year: EUR 1,014 thousand) and the losses in Other operating expenses in the amount of EUR 134 thousand (previous year: EUR 130 thousand).

The factoring financing lines (receivables sold) utilised at the reporting date are expected to yield interest payments of EUR 215 thousand (previous year: EUR 122 thousand) for the first quarter of 2024. The interest payments depend among other things on the due dates of the receivables and the different interest rates applicable.

(2.8) Current income tax receivables

	12/31/2023 EUR'000	12/31/2022 EUR'000
Claims to income tax refunds (corporation tax, trade tax)	1,993	989
	1,993	**989**

(2.9) Cash and cash equivalents

	12/31/2023 EUR'000	12/31/2022 EUR'000
Cash in banks and cash on hand	8,738	13,537
	8,738	**13,537**

The cash and cash equivalents shown in the Cash Flow Statement consist of the line item Cash and cash equivalents item and part of line item Current financial liabilities in the Statement of Financial Position. Cash and cash equivalents include the current accounts maintained with banks that are used to settle two factoring agreements, containing the cash available at all times from these factoring agreements ("customer settlement accounts"). The receivables from the customer settlement accounts have different characteristics from usual current account receivables from banks, notably with regard to interest. Only the shares of outside capital immediately available under working capital lines are presented as current financial liabilities.

In accordance with IAS 7.45, the cash and cash equivalents shown in the Cash Flow Statement are determined as follows:

	12/31/2023 EUR'000	12/31/2022 EUR'000
Cash and cash equivalents		
Cash on hand	10	13
Current account receivables due from banks	4,384	5,274
Receivables from customer settlement accounts with banks	4,344	8,250
Receivables due from banks	8,728	13,524
	8,738	**13,537**
Current financial liabilities		
Overdraft facilities with banks	1,764	498
	1,764	**498**
	6,974	**13,039**

(2.10) Other current financial and non-financial assets

	12/31/2023 EUR'000	12/31/2022 EUR'000
Receivables from factoring haircut	6,976	8,978
Refund claims	719	877
Continuing involvement	713	483
Other items	1,964	2,331
	10,372	**12,669**

(2.11) Shareholders' equity

Subscribed capital

The capital stock of Berentzen-Gruppe Aktiengesellschaft in the amount of EUR 24,960 thousand (previous year: EUR 24,960 thousand) is divided into 9,600,000 shares of common stock (previous year: 9,600,000 shares of common stock), which are no-par bearer shares and are fully paid-in. The imputed nominal value per share is EUR 2.60. The imputed nominal value per share is EUR 2.60. The development of subscribed capital and the number of shares outstanding are presented in the table below:

	12/31/2023		12/31/2022	
	EUR'000	No.	EUR'000	No.
Common shares (Bearer shares)	24,960	9,600,000	24,960	9,600,000
Capital stock	24,960	9,600,000	24,960	9,600,000
Treasury shares	- 536	- 206,309	- 536	- 206,309
Subscribed (outstanding) capital / shares outstanding	24,424	9,393,691	24,424	9,393,691

In financial years 2015 and 2016, 206,309 no par value shares were acquired by Berentzen-Gruppe Aktiengesellschaft within the scope of a share buy-back programme. This corresponds to an imputed share of capital stock equal to

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EUR 536 thousand and thus 2.15% of the Company's capital stock. The average purchase price per share was EUR 7.2706. The shares were purchased for a total purchase price of EUR 1,500 thousand (excluding transaction costs). The cumulative difference between the imputed nominal value and the acquisition cost of the treasury shares purchased was EUR 971 thousand and was offset against retained earnings.

Authorised Capital (not issued)

The Executive Board of Berentzen-Gruppe Aktiengesellschaft is authorised, with the consent of the Supervisory Board, to increase the share capital by issuing new bearer shares of common stock in exchange for cash or in-kind contributions on one or more occasions, but for a maximum total of up to EUR 9,984 thousand, in the time until May 21, 2024 (Authorised Capital 2019). The Executive Board is authorised, with the consent of the Supervisory Board, to exclude the shareholders' statutory subscription right in certain cases. The conditions under which the Executive Board can exclude, with the consent of the Supervisory Board, the shareholders' subscription right in a capital increase are set out in Article 4 (4) of the Articles of Association of Berentzen-Gruppe Aktiengesellschaft in the version of July 2, 2020. The authorisation to exclude subscription rights is restricted to an amount of ten percent of the share capital. Not only treasury shares that were issued or sold during the period of this authorisation but also those shares issued to service convertible bonds and/or warrant bonds are to be deducted from this threshold to the extent that such transactions are carried out subject to exclusion of the shareholders' subscription rights. The Executive Board is authorised, with the consent of the Supervisory Board, to establish further details of an authorised capital increase and its execution.

Additional paid-in capital

Additional paid-in capital consists of the share premium on the capital increases of Berentzen-Gruppe Aktiengesellschaft in the years 1994 and 1996. EUR 15,855 thousand and EUR 23,010 thousand were withdrawn from additional paid-in capital and appropriated to retained earnings in the 2004 and 2008 financial years, respectively, to cover the respective net losses of the Company.

Profit utilisation / dividend

In accordance with the German Stock Corporation Act (AktG), the profit utilisation including the dividend distribution to shareholders is determined exclusively on the basis of the distributable profit presented in the separate financial statements of Berentzen-Gruppe Aktiengesellschaft prepared in accordance with commercial-law regulations.

At the annual general meeting of May 10, 2023, it was resolved to use the distributable profit of EUR 9,931 thousand (previous year: EUR 14,435 thousand) presented in the annual financial statements of Berentzen-Gruppe Aktiengesellschaft for the 2022 financial year to pay a dividend of EUR 0.22 per qualifying common share (previous year: EUR 0.22) for the 2022 financial year and to carry forward the remaining amount to new account. In consideration of the treasury shares held by the Company at the date of the annual general meeting, which do not qualify for dividends in accordance with Section 71b AktG, this amount corresponded to a total distribution of approximately EUR 2,067 thousand (previous year: EUR 2,067 thousand) and a carry-forward to new account of approximately EUR 7,864 thousand (previous year: EUR 12,368 thousand).

The Executive Board of Berentzen-Gruppe Aktiengesellschaft will propose to the Annual General Meeting that the distributable profit presented in the separate commercial-law financial statements of Berentzen-Gruppe Aktiengesellschaft in the amount of EUR 6,890 thousand for the 2023 financial year be utilised to pay a dividend of EUR 0.09 per qualifying common share for the 2023 financial year and the rest be carried forward to new account. In consideration of the treasury shares held by the Company at the date of the Annual General Meeting, which do not qualify for dividends in accordance with Section 71b AktG, this amount corresponded to an expected total distribution of approximately EUR 845 thousand

and a carry-forward to new account of approximately EUR 6,044 thousand. Payment of this dividend is dependent on the approval of the annual general meeting of May 17, 2024. The number of shares eligible for dividends may change in the time leading up to the Annual General Meeting. In this case, given an unchanged dividend of EUR 0.09 per common share qualifying for dividends, a correspondingly adjusted recommended resolution for the utilisation of distributable profit will be proposed to the Annual General Meeting.

Currency translation differences and hyperinflation

As at June 30, 2022, IAS 29 "Accounting in Hyperinflationary Economies" was required to be applied for the first time to the separate financial statements of the Turkish subsidiary. The hyperinflation adjustment totalling EUR 1,088 thousand (previous year: EUR 709 thousand) had a negative effect on the consolidated net income as at December 31, 2023. This effect on consolidated net income together with the purchasing power adjustment of equity items recognised in Other comprehensive income in the amount of EUR 1,071 thousand (previous year: EUR 727 thousand) as at December 31, 2023 led to a decrease in equity of EUR 17 thousand (previous year: increase in equity of EUR 97 thousand, including effects from the retroactive adjustment of the opening balance sheet as at January 1, 2022).

(2.12) Non-current provisions

	12/31/2023 EUR'000	12/31/2022 EUR'000
Pension provisions	6,499	5,804
Other non-current provisions	1,809	1,302
	8,308	**7,106**

Pension provisions

Defined benefit plans

The pension provisions based on defined benefit plans pertain to the post-employment benefit obligations (old age, disability, and survivor's pensions) of the companies included in the consolidated financial statements, which are governed by different pension codes. The amount of individual benefits depends on the length of service with the Company and the age and/or salary level of the employee. For the most part, this relates to non-covered pension plans for which the Company itself settles the obligations as soon as they fall due for payment. Some of the obligations are secured by reinsurance policies worth EUR 13 thousand (previous year: EUR 13 thousand) although these are not classified as plan assets within the meaning of IAS 19; these are presented as other current assets.

The benefit obligations cover a total of 168 (previous year: 183) beneficiaries, of whom 167 (previous year: 182) are pensioners and surviving dependants, and 1 (previous year: 1) is a former employee receiving benefits. No defined benefit commitments are being made to newly hired employees at this time. Even if no further benefits become vested at all from commitments made in the past, the Company is nonetheless obliged to continue bearing the resulting actuarial risk, like interest rate risk and longevity risk.

In accordance with IAS 19, the provisions for pension and similar obligations are calculated in accordance with the projected unit credit method for defined benefit plans. The figures are determined on the basis of actuarial reports. The following table shows the development of the defined benefit obligation (DBO) as at December 31, 2023:

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	2023 EUR'000	2022 EUR'000
DBO at the start of the financial year	5,804	7,968
Interest expenses on DBO	213	38
Revaluations		
Actuarial gains / losses due to change in financial assumptions	780	- 1,661
Actuarial gains / losses due to change in experience-based adjustments	394	153
Pension benefits paid	- 692	- 694
DBO at the end of the financial year	**6,499**	**5,804**

Of the DBO at the end of the 2023 financial year, EUR 6,472 thousand (previous year: EUR 5,781 thousand) relates to pensioners and surviving dependants, and EUR 27 thousand (previous year: EUR 23 thousand) to former employees receiving benefits.

The following table shows the breakdown of pension expenses for the respective financial year before income tax effects:

	2023 EUR'000	2022 EUR'000
Interest expenses on DBO	213	38
Expenses recognised in the consolidated Income Statement	**213**	**38**
Actuarial gains (-) / losses (+)	1,174	- 1,508
Expenses/ income recognised in Other comprehensive income	**1,174**	**- 1,508**
Total pension expenses	**1,387**	**- 1,470**

Actuarial assumptions

The pension obligations are measured on the basis of actuarial reports. The following parameters have been applied: an actuarial interest rate of 3.3% p.a. (previous year: 3.9% p.a.), a rate of increase in future compensation of 0% p.a. (previous year: 0% p.a.) and an imputed rate of increase in pension benefits of 2.0% p.a. (previous year: 1.5% p.a.). The actuarial calculations for the 2023 and 2022 financial years are based on the 2018 G standard tables prepared by Professor Klaus Heubeck.

Sensitivity analysis

The following table shows the impact on the DBO of changes in the relevant actuarial assumptions. The impact on the DBO in the event of changes to an assumption is shown in each case, whereas the other assumptions remain unchanged compared with the original calculation. Correlation effects between the assumptions are not included accordingly. The change in the DBO shown is only valid for the actual extent of the change in the individual assumption. If the assumptions change to a different extent, a straight-line impact on the DBO cannot be assumed.

		DBO 12/31/2023 EUR'000	DBO 12/31/2022 EUR'000
Actuarial interest rate	+ 1.0 PP	6,079	5,440
	- 1.0 PP	6,975	6,217
Rate of increase in pension benefits	+ 0.5 PP	6,717	6,007
	- 0.5 PP	6,291	5,613
Rate of increase in future compensation	+ 0.5 PP	6,498	5,804
	- 0.5 PP	6,498	5,804
Life expectancy	+ 1 year	6,835	6,083
	- 1 year	6,171	5,531

The same calculation method (projected unit credit method) was applied when determining the impact on the DBO as was used when calculating the pension provisions at year-end.

Expected pension payments

The following table shows the expected pension payments for the following ten years:

	Expected pension payments EUR'000
2024	693
2025	647
2026	609
2027	572
2028	532
2027 - 2031	2,141

The average weighted maturity of the benefit obligations as at December 31, 2023, is around 7 years (previous year: 7 years).

Defined contribution plans

As a general rule, the Berentzen Group currently grants its employees post-employment benefits in the form of defined contribution plans. Within the framework of deferred compensation and employer allowances, contributions to post-retirement benefits are essentially paid into a pension fund or pension plans for the employees. Employer contributions of EUR 93 thousand (previous year: EUR 90 thousand) to these defined contribution plans were recognised in Personnel expenses in the 2023 financial year. Allowances are expected to amount to a similar level in the 2024 financial year.

Berentzen-Gruppe Aktiengesellschaft takes part in a multi-employer plan, which is run by Hamburger Pensionskasse von 1905 VVaG (HPK). Regular contributions are made with staff involvement. The HPK rates provide for fixed pension payments with surplus sharing. For HPK, the employer shall bear the subsidiary liability and obligation to assume liabilities in relation to its own employees. Berentzen-Gruppe Aktiengesellschaft classifies the HPK plan as a joint defined benefit multi-employer plan. Since the HPK pension scheme does not fully allocate its investments to beneficiaries or member companies, meaning that the available information required for accounting as a defined benefit plan is not sufficient to allocate assets and pension obligations to current and former employees of the individual member companies, this means that the participating companies share both the investment risk and the underwriting risk. As a result, the plan is treated like a defined contribution plan in the accounts. Claims arising from the subsidiary liability and obligation to assume liability are currently considered unlikely.

In the 2023 financial year, employer contributions of EUR 1,771 thousand (previous year: EUR 1,672 thousand) were paid to the statutory state insurance scheme in Germany and employer contributions of EUR 193 thousand (previous year: EUR 208 thousand) were paid to statutory pension insurance schemes in other countries.

Other non-current provisions

	12/31/2023 EUR'000	12/31/2022 EUR'000
Compensation with performance-based components	1,551	1,060
Service anniversary awards	258	242
	1,809	**1,302**

Provisions for compensation with performance-based components are expected to be used up completely within the next 42 months. Please refer to Note (4.7) Related Party Disclosures for a detailed explanation of the performance-based components of Executive Board compensation.

Provisions for service anniversary awards are accrued taking into account a general employer contribution to social security of 20% in line with the employee's present length of service and discounted using an interest rate of 1.8% (previous year:

1.5%). The provision is formed on the basis of current employee numbers and future claims to the aforementioned payments through the age of 65. The figures calculated are based on reports using a fluctuation rate of 5.0% and the 2018 G standard tables prepared by Professor Klaus Heubeck as the biometric basis of calculation based on the projected unit credit method in accordance with the generally accepted principles of actuarial mathematics.

Analysis of provisions

	Pension provisions EUR'000	Other non-current provisions EUR'000	Current provisions EUR'000	Total EUR'000
Balance at 01/01/2023	**5,804**	**1,302**	**81**	**7,187**
Use	692	14	81	787
Addition	1,174	521	81	1,776
Compounding	213	0	0	213
Reversal	0	0	0	0
Balance at 12/31/2023	**6,499**	**1,809**	**81**	**8,389**

(2.13) Non-current financial liabilities

	12/31/2023 EUR'000	12/31/2022 EUR'000
Liabilities to banks	9,883	0
Lease liabilities	1,380	1,317
	11,263	**1,317**

Liabilities to banks include the credit facility repayable in full upon maturity on December 31, 2026, which was drawn down as an option under the syndicated loan agreement in financial year 2023.

(2.14) Deferred taxes and income tax expenses

	12/31/2023 EUR'000	12/31/2022 EUR'000
Deferred tax assets	320	91
Deferred tax liabilities	950	1,109

The following table shows the breakdown of deferred tax assets and liabilities by item in the Statement of Financial Position and content:

	12/31/2023		12/31/2022	
	Deferred tax assets EUR'000	Deferred tax liabilities EUR'000	Deferred tax assets EUR'000	Deferred tax liabilities EUR'000
ASSETS				
Non-current assets				
Intangible assets	1	158	0	574
Property, plant and equipment	170	836	75	906
Right-of-use assets	0	731	0	0
Other financial assets	1	0	0	0
Current assets				
Inventories	169	17	92	13
Current trade receivables	22	16	11	12
Other current assets	0	646	0	216
SHAREHOLDERS' EQUITY AND LIABILITIES				
Non-current liabilities				
Non-current provisions	536	0	325	0
Current liabilities	1,102	227	414	214
Subtotal for temporary differences	2,001	2,631	917	1,935
Capitalisation of tax loss carry-forwards	0		0	
Netting	- 1,681	- 1,681	- 826	- 826
Deferred taxes shown in the Statement of Financial Position	**320**	**950**	**91**	**1,109**

Impairments of EUR 331 thousand (previous year: EUR 448 thousand) were recognised in deferred tax assets. Deductible temporary differences without tax assets capitalised amounted to EUR 1,122 thousand (previous year: EUR 1,518 thousand). The temporary differences related to the equity interest in subsidiaries of Berentzen-Gruppe Aktiengesellschaft, for which no deferred tax liabilities were recognised in accordance with IAS 12.39, amounted to EUR 22 thousand (previous year: EUR 42 thousand).

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The breakdown of tax loss carry-forwards at the end of the financial year is presented in the table below:

	12/31/2023 EUR'000	12/31/2022 EUR'000
For corporation tax	357	328
For trade tax	13,878	10,692

No deferred tax assets were recognised in respect of corporate tax loss carry-forwards of EUR 357 thousand (previous year: EUR 328 thousand) and trade tax loss carry-forwards of EUR 13,878 thousand (previous year: EUR 10,692 thousand) despite the positive profit forecasts in specific cases, due to the loss history. All of the corporate tax and trade tax loss carry-forwards can be utilised without limitation in time.

Income tax expenses

The taxes on income paid or owed in the individual countries are presented as income tax expenses together with deferred tax accruals.

The following table shows the breakdown of the earnings before income taxes and income tax expenses by geographic origin:

	2023 EUR'000	2022 EUR'000
Earnings before taxes		
Germany	- 1,163	778
Austria	1,746	1,854
Turkey	1,519	1,539
	2,102	**4,171**
Taxes paid or owed		
Germany (of which attributable to other periods: EUR 23 thousand; previous year: EUR 54 thousand)	238	1,232
Austria (of which attributable to other periods EUR 0 thousand; previous year: EUR 0 thousand)	412	449
Turkey (of which attributable to other periods: EUR 0 thousand; previous year: EUR 0 thousand)	645	528
	1,295	**2,209**
Deferred taxes	**- 58**	**- 139**
Income tax expenses	**1,237**	**2,070**

Due to the change in deferred tax assets recognised in respect of actual gains and losses in connection with the accounting treatment of pension provisions, deferred tax income of EUR 346 thousand (previous year: deferred tax expense of EUR 445 thousand) was additionally recognised in other comprehensive income.

Tax loss carry-forwards and tax loss carry-backs of EUR 1,435 thousand (previous year: EUR 332 thousand) were utilised to reduce corporation tax expenses in the current financial year. The utilisation of tax loss carry-forwards and tax loss carry-backs led to a reduction in taxes on income paid and/or owed of EUR 242 thousand (previous year: EUR 76 thousand) in 2023.

The income tax expenses for the 2023 financial year in the amount of EUR 1,237 thousand (previous year: EUR 2,070 thousand) differed by EUR 617 thousand (previous year: EUR 840 thousand) from the expected tax expenses of EUR 620 thousand (previous year: EUR 1,230 thousand) that would have resulted from the application of an expected average tax rate of 29.5% to the Group's earnings before income taxes. The following reconciliation shows the causes of the difference between expected and actual tax expenses in the corporate group:

	2023 EUR'000	2022 EUR'000
Profit after taxes	865	2,101
Actual income tax expenses	1,295	2,209
Deferred income tax expenses	- 58	- 139
Income tax expenses	1,237	2,070
Earnings before income taxes	**2,102**	**4,171**
Applicable tax rate	29.5%	29.5%
Expected income tax expenses	**620**	**1,230**
Tax effect of trade tax additions	124	78
Tax effect of trade tax reductions	- 16	- 16
Tax increases/reductions due to non-deductible expenses	402	337
Tax reductions due to tax-exempt income	- 4	0
Permanent differences from items of the Statement of Financial Position	14	- 49
Tax effects of loss carry-forwards and temporary differences	295	638
Current taxes attributable to other periods	23	54
Deferred taxes attributable to other periods	- 9	0
Deferred taxes arising from other tax benefits	0	37
Change in deferred taxes due to amended tax rates	- 11	- 47
Different domestic/foreign tax rates	- 195	- 195
Other	- 6	3
Income tax expenses	**1,237**	**2,070**
Effective tax rate in %	**58.9%**	**49.6%**

(2.15) Alcohol tax liabilities

	12/31/2023 EUR'000	12/31/2022 EUR'000
Alcohol tax liabilities	36,081	37,605
	36,081	**37,605**

The stated amount pertains to the reported alcohol tax for the months of November and December 2023, which is payable on January 5 and February 5 of the following year, respectively, pursuant to the German Alcohol Tax Act.

(2.16) Current provisions

	12/31/2023 EUR'000	12/31/2022 EUR'000
Costs of annual financial statements	81	81
	81	**81**

(2.17) Current income tax liabilities

	12/31/2023 EUR'000	12/31/2022 EUR'000
Current income tax liabilities (corporation tax, trade tax)	401	455
	401	**455**

(2.18) Current financial liabilities

	12/31/2023 EUR'000	12/31/2022 EUR'000
Liabilities to banks	1,764	498
Lease liabilities	1,211	1,029
Continuing involvement	713	483
Liabilities to non-consolidated affiliated companies	579	565
Interest liability continuing involvement	17	16
	4,284	**2,591**

(2.19) Trade payables and other liabilities

	12/31/2023 EUR'000	12/31/2022 EUR'000
Trade payables	14,587	17,214
Marketing and sales commitments, and bonuses	8,638	11,988
Liabilities for payroll, sales and other taxes	4,883	4,862
Money deposited as security	2,501	3,535
Debtors with credit balances	1,538	2,065
Supplier invoices outstanding	1,530	2,864
Liabilities for salary components relating to other periods	897	1,159
Governments grants for investments	548	634
Other	1,519	1,615
	36,641	**45,936**

The stated values of trade payables are equal to their fair values. They are due within one year.

(2.20) Analysis of contractual residual maturities of financial liabilities

The following table shows the contractually agreed, non-discounted interest payable and principal repayments for the financial liabilities:

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	Carrying amount 12/31/2023	up to 1 year		1 to 5 years		more than 5 years	
		Principal repayment	Future interest payments	Principal repayment	Future interest payments	Principal repayment	Future interest payments
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Liabilities to banks	11,647	1,764	580	9,900	997	0	0
Lease liabilities	2,591	1,219	94	1,385	71	0	0
Other current financial liabilities	1,309	1,309	16	0	0	0	0
Trade payables	14,587	14,587	0	0	0	0	0
Other liabilities	22,054	22,054	0	0	0	0	0
- of which financial liabilities not subject to IFRS 9	7,568	7,568	0	0	0	0	0
Total	**52,188**	**40,933**	**690**	**11,285**	**1,068**	**0**	**0**

	Carrying amount 12/31/2022	up to 1 year		1 to 5 years		more than 5 years	
		Principal repayment	Future interest payments	Principal repayment	Future interest payments	Principal repayment	Future interest payments
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Liabilities to banks	498	498	0	0	0	0	0
Lease liabilities	2,346	1,028	48	1,310	35	6	0
Other current financial liabilities	1,064	1,064	12	0	0	0	0
Trade payables	17,214	17,214	0	0	0	0	0
Other liabilities	28,722	28,722	0	0	0	0	0
- of which financial liabilities not subject to IFRS 9	7,891	7,891	0	0	0	0	0
Total	**49,844**	**48,526**	**60**	**1,310**	**35**	**6**	**0**

All financial instruments held as at December 31, 2023, and for which payments had already been contractually agreed are included. Budgeted amounts for future new liabilities are not included. The variable interest payments were determined on the basis of the interest rates last fixed before December 31, 2023. The future interest payments include fixed interest payments on short-term drawings as well as the interest portion of future lease payments.

Financial liabilities payable at any time are always allocated to the shortest bucket.

(2.21) Financial instruments

The cash and cash equivalents, trade receivables and other financial assets have mostly short-term residual maturities. Therefore, the carrying amounts at the reporting date are approximately equal to the fair values. The amortised cost of certain financial instruments in the category of “measured at fair value through profit or loss”, such as shares in affiliated companies, other equity investments and shares in a cooperative society constitutes the best estimate of their fair value.

The fair value of the liabilities to banks approximates the recognised value due to its partially variable interest calculation based on benchmark interest rates. The fair values of current financial liabilities, such as liabilities due to non-consolidated affiliated companies, are equal to their respective carrying amounts because they have short-term residual maturities and the effects of discounting are immaterial. The market value of derivative financial instruments is determined by application of the present-value method. End-of-day interest rates are applied for this purpose, and ECB reference rates are applied for the last day of the month. The fair value is attributable to Level 2 of the fair value hierarchy of IFRS 13. On balance, the fair value valuation of these items did not result in any earnings effect (previous year: no earnings effect). Trade payables and Other liabilities generally have shorter terms. The figures disclosed approximate the fair values.

The different levels of the fair value hierarchy defined in IFRS 13 are presented below:

- Level 1: The input factors are quoted (not adjusted) prices in active markets for identical assets or liabilities, which the company can access at the measurement date.
- Level 2: The input factors are inputs other than the quoted market prices applied in Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3: The input factors are unobservable inputs for the asset or liability.

As in the previous year, there were no regroupings among the levels in the 2023 financial year.

Carrying amounts and fair values by category of financial instrument

The carrying amounts and fair values of the financial instruments presented in the consolidated financial statements are presented in the table below:

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	Category in accordance with IFRS 9	12/31/2023 Carrying amount EUR'000	12/31/2023 Fair value EUR'000	12/31/2022 Carrying amount EUR'000	12/31/2022 Fair value EUR'000
Assets					
Cash and cash equivalents	AC [1]	8,738	8,738	13,537	13,537
Trade receivables	AC	13,219	13,219	10,642	10,642
Other financial assets					
Equity instruments	FVPL [2]	804	804	804	804
Other financial assets	AC	10,033	10,033	11,747	11,747
Liabilities					
Liabilities to banks	AC	11,647	11,647	498	498
Trade payables	AC	14,587	14,587	17,214	17,214
Other financial liabilities	AC	15,795	15,795	21,895	21,895

[1] Amortised Cost.

[2] Fair Value through Profit & Loss.

(3) Explanatory notes to the Consolidated Statement of Comprehensive Income

(3.1) Revenues

Revenues are generated primarily from the sale of goods in various geographic regions and within various product groups at specific times.

	2023 EUR'000	2022 EUR'000
Spirits segment	115,030	103,976
Non-alcoholic Beverages segment	43,529	44,649
Fresh Juice Systems segment	19,639	18,816
Other segments	7,452	6,775
Revenues	**185,650**	**174,216**

(3.2) Change in inventories

	2023 EUR'000	2022 EUR'000	Change EUR'000
Work in progress	23,152	20,732	+ 2,420
Finished products	10,504	12,460	- 1,956
Change in inventories			**+ 464**

(3.3) Other operating income

	2022 EUR'000	2021 EUR'000
Reversal of liabilities (accruals)	1,738	1,558
Sales of empty containers and deposit refunds	1,523	952
Foreign exchange loss	631	413
Other income relating to other periods	519	94
Income from compensation of loss and damage	337	350
Waste recycling	310	561
Costs allocations/ cost reimbursements	264	239
Rental income	199	201
Miscellaneous other operating income	502	379
	6,023	**4,747**

(3.4) Purchased goods and services

	2023 EUR'000	2022 EUR'000
Cost of raw materials and supplies, and merchandise for resale	101,264	90,291
Cost of purchased services	7,598	9,361
	108,862	**99,652**

(3.5) Personnel expenses

	2023 EUR'000	2022 EUR'000
Wages and salaries	25,326	24,374
Social security	4,701	4,380
Pension costs	12	49
	30,039	**28,803**

The following table shows the number of employees in the corporate group:

	Annual average		Year-end	
	2023	2022	2023	2022
Salaried staff	276	265	280	265
Wage-earning staff	211	207	212	204
	487	**472**	**492**	**469**
Apprentices	22	25	22	26
	509	**497**	**514**	**495**

Based on full-time equivalents, the workforce increased from an annual average of 422 to 432.

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(3.6) Depreciation and amortisation of assets

	2023 EUR'000	2022 EUR'000
Depreciation of property, plant and equipment	6,264	6,310
Depreciation of right-of-use assets	1,391	1,218
Amortisation of intangible assets	642	790
	8,297	**8,318**

(3.7) Impairments of assets

	2023 EUR'000	2022 EUR'000
Impairments of property plant and equipment	0	1,299
	0	**1,299**

Economic conditions in financial year 2023 were burdened by growing consumer restraint over the course of the year and persistent inflationary cost pressures. In this environment, the segment and cash-generating unit *Non-alcoholic Beverages* found itself in an unexpectedly challenging economic situation at September 30, 2023 and December 31, 2023. Therefore, an ad-hoc impairment test was to be conducted at each of these dates. Different scenarios and the corresponding probabilities of occurrence were estimated at December 31 for the purpose of discounting planned future cash flows. Moreover, the continuing high level of market interest rates and other, related factors were considered in determining the weighted average cost of capital (WACC). Ultimately, the results of the impairment tests conducted as at September 30 and December 31, 2023 showed that there was no need to recognise any impairments or write-ups.

The 2022 financial year had also been challenging due to steep price increases and high inflation rates in commodities markets, as well as difficult conditions on financial markets, including higher (market) interest rates. As a result, among other things, the basic interest rate under IDW S1, published for valuation purposes by the Institute of Public Auditors in Germany (IDW), rose by nearly two percentage points in the 2022 financial year. In addition, the *non-alcoholic beverages* market has shown a particular vulnerability to the higher and still rising energy prices. This development made it necessary to conduct an ad-hoc impairment test for the Non-alcoholic Beverages segment or cash-generating unit as at June 30, 2022, September 30, 2022 and December 31, 2022. Consideration was given to the interest rate change in the respective discount rate applied – the weighted average cost of capital (WACC). Based on the result of the impairment test conducted as at December 31, 2022, an impairment of EUR 1,299 thousand was recognised. The calculated impairment related to land and buildings in the amount of EUR 476 thousand and to technical equipment and machinery in the amount of EUR 823 thousand.

In the impairment test, the total carrying amount of the CGU is compared with the recoverable amount. The recoverable amount is the higher of the two fair value amounts less the costs to sell and the value in use. For the *Non-alcoholic Beverages* CGU, the impairment test as at December 31, 2023 determined a recoverable amount of EUR 24,521 thousand (previous year: EUR 22,820 thousand). This corresponds to the fair value less costs to sell. The fair value less costs to sell was calculated by determining the present value of the anticipated cash flows from the operating segment Non-alcoholic Beverages (discounted cash flow method). As at December 31, 2023, the recoverable amount was EUR 469 thousand less than the sum total of the carrying amounts of the CGU. The review of the allocation of the shortfall to the individual assets of the CGU showed that the recognition of a commensurate impairment would lead to an amount that is below the recoverable amounts of the individual assets. In accordance with IAS 36.105, therefore, the company opted not to allocate the shortfall, so that the impairment test did not result in an impairment. External appraisals were applied to determine the recoverable amounts of the material items of the CGU's property,

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plant and equipment. In financial year 2022, the impairment had been allocated in accordance with IAS 36.104 ff.

The anticipated cash flow plan approved by the Executive Board was based on a planning period of five (previous year: three) years. The cash flows were based on a qualified planning process taking into account internal company experience and extensive external market data, and take into account the management's assessment and views of how the regional market for Non-alcoholic Beverages will develop in the future. The principal assumptions applied in the calculation of the fair value less costs to sell pertained to the weighted average cost of capital, the forecast development of revenues, EBITDA and EBIT, and the sustainable growth rate of the terminal value. The weighted average cost of capital (WACC) of an appropriate peer group was applied as the discount rate. This discount rate determined for the CGU was 5.4% (previous year: 5.7%). The parameters for the weighted average cost of capital were determined on the basis of values derived from external market conditions. The applied growth rate was 0.5% (previous year: 0.5%). If the discount rate applied for the impairment test at December 31, 2023 had been 0.5 percentage points higher or if the absolute, final amount of EBIT had been 10.0% less, this would have led to a shortfall of EUR 3,606 thousand and EUR 3,480 thousand, respectively, but would not have resulted in the recognition of an impairment due to the application of IAS 36.105 and IAS 36.122, respectively.

The fair value less costs to sell is mainly based on non-observable input data (fair value hierarchy Level 3).

(3.8) Other operating expenses

	2023 EUR'000	2022 EUR'000
Other selling costs	20,082	22,542
Maintenance	3,709	3,542
Marketing, including advertising	3,240	3,258
Charges, contributions, insurance premiums	2,046	1,926
Impairments of inventories	1,279	632
Packaging recycling	1,147	1,006
Other services	1,140	1,171
Expenses relating to other periods	956	367
Legal, consulting, auditing costs	925	930
Other personnel expenses	728	538
Rents, office costs, money transfer costs	606	535
Temporary staff	332	782
Miscellaneous other operating expenses	1,044	1,321
	37,234	**38,550**

(3.9) Gain or loss from the net monetary position in accordance with IAS 29

	2023 EUR'000	2022 EUR'000
Gain or loss from the net monetary position in accordance with IAS 29	- 1,590	- 1,195
	- 1,590	**- 1,195**

Turkey has been classified as a hyperinflationary economy according to the definition of IAS 29 since June 2022. The effects of the purchasing power adjustment of the non-monetary line items in the statement of financial position and the line items of the statement of comprehensive income are presented within the new item "Gain or loss from the net monetary position in accordance with IAS 29". In the 2023 financial year, there was a loss from the net monetary position in the amount of EUR 1,590 thousand (previous year: EUR 1,195 thousand).

(3.10) Financial income/financial expenses

	2023 EUR'000	2022 EUR'000
Other interest and similar income	133	56
Income from equity investments	1	1
Financial income	134	57
Interest and similar expenses	4,144	1,717
Loss absorption expenses	3	6
Impairments of non-current financial assets	0	5
	0	5
Financial expenses	4,147	1,728
Financial result	**- 4,013**	**- 1,671**

(3.11) Net results by measurement categories

The net results by measurement categories break down as follows in the 2023 financial year:

			from subsequent measurement				Net results
		from interest EUR'000	at fair value EUR'000	currency translation EUR'000	from write-downs EUR'000	from disposal EUR'000	2023 EUR'000
Financial assets and liabilities measured at fair value through profit or loss	FVPL	- 4	0	0	0	0	- 4
Financial liabilities measured at amortised cost	AC	- 1,723	0	0	0	0	- 1,723
Financial assets measured at amortised cost	AC	70	0	0	1	0	71
Total		**- 1,657**	**0**	**0**	**1**	**0**	**- 1,656**

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In the previous year, the net result by measurement category broke down as follows:

			from subsequent measurement				Net results
		from interest	at fair value	currency translation	from write-downs	from disposal	2022
		EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Financial assets and liabilities measured at fair value through profit or loss	FVPL	- 5	0	0	0	0	- 5
Financial liabilities measured at amortised cost	AC	- 538	0	0	0	0	- 538
Financial assets measured at amortised cost	AC	37	0	0	- 11	0	25
Total		**- 506**	**0**	**0**	**- 11**	**0**	**- 518**

The interest from financial instruments is disclosed under financial income or financial expenses.

The impairment losses on trade receivables are disclosed under other operating expenses.

Changes in the market value of financial instruments measured at fair value are disclosed under other operating income or other operating expenses.

(3.12) Earnings per share

In accordance with IAS 33, earnings per share are calculated by dividing the consolidated net profit or loss attributable to the shareholders of the parent company by the weighted average number of shares outstanding during the financial year.

The capital stock of Berentzen-Gruppe Aktiengesellschaft is divided into 9,600,000 shares of common stock (previous year: 9,600,000 shares of common stock). Taking treasury shares into account, there were 9,393,691 weighted average shares outstanding of Berentzen-Gruppe Aktiengesellschaft in the 2023 financial year (previous year: 9,393,691).

Berentzen-Gruppe Aktiengesellschaft has not issued any stock options or convertible bonds; there were no potential diluting instruments that could be exchanged for shares as at December 31, 2023. For this reason, only the basic earnings per share of common stock are presented.

		2023	2022
Consolidated profit	EUR'000	865	2,101
Number of common shares [1)]	in thousands	9,394	9,394
Basic earnings per share of common stock	**EUR**	**0.092**	**0.224**

[1)] Weighted average shares outstanding during the financial year.

(4) Other explanatory notes

(4.1) Cash Flow Statement

Cash flow from operating activities

The cash flow from operating activities comprises both the operating cash flow generated from operations as presented in the Group management report (consolidated earnings before interest, taxes, depreciation and amortisation, adjusted for non-cash elements) as the central managerial indicator of liquidity, and cash movements in working capital. There was a net cash outflow of EUR 3,064 thousand in the 2023 financial year (previous year: net cash inflow of EUR 4,914 thousand). The material factors influencing this development are presented below.

The change in what is referred to as trade working capital, i.e., the portion of working capital comprising the cash movements exclusively in inventories, receivables including factoring, alcohol tax liabilities, and trade payables, gave rise to a significant net cash outflow of EUR 6,423 thousand (previous year: EUR 8,020 thousand. This development resulted particularly from an increase of EUR 2,577 thousand in capital tied up in receivables (previous year: EUR 3,126 thousand), a decrease of EUR 1,524 thousand in alcohol tax liabilities (previous year: increase of EUR 1,250 thousand), and a decrease of EUR 2,627 thousand in trade payables (previous year: increase of EUR 5,976 thousand). The decrease in Other assets caused a cash inflow of EUR 2,330 thousand (previous year: cash outflow of EUR 2,598 thousand), while the change in other liabilities and other non-cash effects led to a further cash outflow of EUR 8,667 thousand (previous year: cash inflow of EUR 3,197 thousand).

Cash flow from investing activities

The Group's investing activities led to an overall cash outflow of EUR 9,397 thousand (previous year: EUR 9,015 thousand). Investments in property, plant and equipment and intangible assets totalled EUR 9,470 thousand (previous year: EUR 9,055 thousand). This was accompanied by cash flows from the disposal of assets amounting to approximately EUR 73 thousand (previous year: EUR 40 thousand).

Cash flow from financing activities

Financing activities gave rise to a net cash inflow of EUR 6,396 thousand (previous year: net cash outflow of EUR 8,318 thousand). This development resulted in large part from the above-mentioned cash inflow from the EUR 9,900 thousand increase option agreed in the syndicated loan agreement, whereas in the previous year, the repayment of a drawdown led to a cash outflow of EUR 7,500 thousand. Other factors contributing to the cash outflow included the dividend payment of EUR 2,067 thousand (previous year: EUR 2,067 thousand) and the repayment of lease liabilities according to IFRS 16 in the amount of EUR 1,420 thousand (previous year: EUR 1,273 thousand).

A breakdown of the change in financial liabilities into cash and non-cash components is presented in the following table:

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	2023		2022	
	Non-current financial liabilities	Current financial liabilities	Non-current financial liabilities	Current financial liabilities
	EUR'000	EUR'000	EUR'000	EUR'000
01/01	1,317	2,591	1,305	9,488
Cash additions and repayments	9,900	- 154	0	- 8,569
Non-cash changes				
Exchange rate changes	- 19	- 17	- 13	- 9
Other effects	65	1,864	25	1,681
of which: new and amended lease agreements	82	1,618	25	1,341
12/31	**11,263**	**4,284**	**1,317**	**2,591**

Interest payments are attributed to cash flow from operating activities and presented under Other effects. Interest in the amount of EUR 3,803 thousand (previous year: EUR 1,541 thousand) was paid in the 2023 financial year.

Cash and cash equivalents

At year-end, the cash and cash equivalents as defined in Note (2.9) totalled EUR 6,974 thousand (previous year: EUR 13,039 thousand), of which EUR 4,344 thousand (previous year: EUR 8,250 thousand) relates to receivables from the customer settlement accounts maintained with banks that are used for settlement under two factoring agreements. As at the end of the 2023 financial year, drawdowns of short-term credit lines and financing instruments classified as such were utilised in the amount of EUR 1,764 thousand (previous year: EUR 498 thousand).

(4.2) Segment reporting

Business segments

The segment report is prepared in accordance with IFRS 8 “Operating Segments”. This requires the business segments to be identified on the basis of the internal management reports of the Company’s divisions, the operating results of which are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

The segment reports accord with the internal reports presented to the chief operating decision maker, the Executive Board of Berentzen-Gruppe Aktiengesellschaft. The Executive Board uses the “contribution margin after marketing budgets” as the key performance indicator. The corporate group is mainly organised and managed on the basis of product groups and sales units. The internal reporting of Berentzen-Gruppe Aktiengesellschaft is generally based on the same recognition and measurement principles as the consolidated financial statements. The segment report is organised in the same way as the internal reports.

In the segment report, the main operating units of “Domestic Branded Spirits” and “Export and Private-Label Brands” in the spirits business are grouped together to form one reporting segment, due to their similar customer groups, products and similar long-term margins.

The Group operated in the following segments in the 2022 and 2023 financial years:

- *Spirits* (domestic branded spirits and export and private-label brands): The marketing, distribution and sale of spirits in the above-mentioned sales divisions are combined in this segment.
- *Non-alcoholic Beverages*: The marketing, distribution and sale of non-alcoholic beverages are combined in this segment.
- *Fresh Juice Systems*: Depending on the system component, the development, manufacture, marketing, distribution and sale of juicers, oranges and filling containers are combined in this segment.
- *Other segments*: This segment primarily includes the tourism, events and webshop business of the Berentzen Group as well as the Spirits business in Turkey, managed by a local Group company.

Segment data

The revenues of the individual segments consist of the intersegment revenues together with revenues generated with customers outside of the corporate group. The sum total of the external revenues of the individual segments yields the consolidated revenues of the corporate group. The prices and terms for the products and services exchanged between the Group companies and segments are the same as those applied with third parties.

The “contribution margin according to marketing budgets” segment earnings include expenses directly incurred by the areas allocated to the respective segment. For product-related purchased goods as services, other direct costs (shipping, packaging recycling, commissions) and marketing including advertising, it is possible to perform an unambiguous allocation to the individual segments enabling a full presentation of the contribution according to marketing budgets for the segments that can be used as a performance indicator.

The internal reports submitted to the Group’s decision-makers do not include a breakdown of assets and liabilities by segment but only present them at group level. This means that the Executive Board of Berentzen-Gruppe Aktiengesellschaft in its function as chief operating decision maker does not receive any information about segment assets.

Segment report for the period from January 1 to December 31, 2023

	2023					
	Spirits	Non-alcoholic Beverages	Fresh Juice Systems	Other segments	Elimination of intersegment revenues/ expenses	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Revenues with third parties	**115,030**	**43,529**	**19,639**	**7,452**		**185,650**
Intersegment revenues	1,863	116	0	18	- 1,997	
Total revenues	**116,893**	**43,645**	**19,639**	**7,470**	**- 1,997**	**185,650**
Purchased goods and services (product-related only)	- 77,523	- 13,161	- 11,611	- 2,412	1,997	**- 102,710**
Other direct costs	- 6,003	- 6,477	- 1,575	- 176		**- 14,231**
Marketing, including advertising	- 1,556	- 1,381	- 164	- 90		**- 3,191**
Contribution margin after marketing budgets	**31,811**	**22,626**	**6,289**	**4,792**		**65,518**
Other operating income						**6,023**
Purchased goods and services/ change in inventories (if not included in contribution margin)						**- 5,688**
Personnel expenses						**- 30,039**
Depreciation and amortisation of assets						**- 8,297**
Miscellaneous other operating expenses						**- 19,812**
Consolidated operating profit, EBIT						**7,705**
Gain or loss from the net monetary position in accordance with IAS 29						**- 1,590**
Exceptional effects						**0**
Financial income						**134**
Financial expenses						**- 4,147**
Consolidated profit before income taxes						**2,102**
Income tax expenses						**- 1,237**
Consolidated profit						**865**

Segment report for the period from January 1 to December 31, 2022

	2022					
	Spirits EUR'000	Non-alcoholic Beverages EUR'000	Fresh Juice Systems EUR'000	Other segments EUR'000	Elimination of intersegment revenues/ expenses EUR'000	Total EUR'000
Revenues with third parties	**103,976**	**44,649**	**18,816**	**6,775**		**174,216**
Intersegment revenues	7,503	261	0	11	- 7,775	
Total revenues	**111,479**	**44,910**	**18,816**	**6,786**	**- 7,775**	**174,216**
Purchased goods and services (product-related only)	- 72,419	- 12,073	- 10,819	- 2,156	7,775	**- 89,692**
Other direct costs	- 6,006	- 8,626	- 1,695	- 177		**- 16,504**
Marketing, including advertising	- 1,740	- 1,303	- 148	- 70		**- 3,261**
Contribution margin after marketing budgets	**31,314**	**22,908**	**6,154**	**4,383**		**64,759**
Other operating income						**4,747**
Purchased goods and services/ change in inventories (if not included in contribution margin)						**- 5,264**
Personnel expenses						**- 28,803**
Depreciation and amortisation of assets						**- 8,318**
Miscellaneous other operating expenses						**- 18,784**
Consolidated operating profit, EBIT						**8,337**
Gain or loss from the net monetary position in accordance with IAS 29						**- 1,195**
Exceptional effects		- 1,299				**- 1,299**
Financial income						**57**
Financial expenses						**- 1,728**
Consolidated profit before income taxes						**4,171**
Income tax expenses						**- 2,070**
Consolidated profit						**2,101**

Geographical breakdown

The regional breakdown of external revenues is based on the location of the customers, as follows:

	2023 EUR'000	2022 EUR'000
Germany	138,806	129,303
Rest of European Union	34,409	33,153
Rest of Europe	9,340	8,796
Rest of world	3,095	2,964
	185,650	**174,216**

Breakdown of revenues by product group

	2023 EUR'000	2022 EUR'000
Spirits	121,341	109,699
Non-alcoholic beverages	43,529	44,649
Fresh juice systems	19,639	18,816
Other product groups	1,141	1,052
	185,650	**174,216**

The breakdown of revenues by product group differs from the revenues in the individual segments, as revenues in the spirits products category are generated in both the *Spirits* segment and the *Other* Segments.

Dependence on key customers

In the 2023 financial year, more than 10% of consolidated revenues were generated with three (previous year: two) customers in the Spirits, *Non-alcoholic Beverages*, and *Fresh Juice Systems* segments, broken down as follows:

	2023		2022	
Customer	Revenues EUR'000	Proportion of total revenues	Revenues EUR'000	Proportion of total revenues
Customer A	43,063	23.2%	40,207	23.1%
Customer B	29,611	15.9%	27,462	15.8%
Customer C	21,256	11.4%	17,317	9.9%

(4.3) Contingent liabilities

The following contingent liabilities existed at year-end:

	2023 EUR'000	2022 EUR'000
Liabilities from guarantees	872	872
Other contingent liabilities	336	355
	1,208	**1,227**

Berentzen-Gruppe Aktiengesellschaft has issued an absolute maximum-liability guarantee of EUR 864 thousand (previous year: EUR 864 thousand) for the branch of a subsidiary in Brandenburg in favour of Investitionsbank des Landes Brandenburg to secure receivables arising from the subsidy relationship, especially possible future claims to repayment. In both 2007 and 2010, the subsidiary had submitted an ongoing request for the granting of state aid to industry under the regional economic promotion programme over an investment period of three years. The amounts requested by calling down funds were disbursed starting in 2011 and 2012, and were secured by a guarantee. Based on our current assessment, there are no indications to suggest that, if amounts payable under the subsidy relationship – especially a request for repayment of state aid – were to be enforced, which is currently not the case, the guarantee could potentially be utilised.

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The other contingent liabilities related to the legal disputes of Berentzen Spirit Sales (Shanghai) Co., Ltd., Shanghai, People's Republic of China. More details on this can be found in Note (4.4).

In addition, there are letters of indemnity related to maximum-liability customs bonds in the amount of EUR 776 thousand (previous year: EUR 776 thousand). The current alcohol tax liabilities secured by such guarantees amounted to EUR 36,081 thousand at year-end (previous year: EUR 37,605 thousand).

(4.4) Litigation

In connection with their ordinary business activities, the companies of the Berentzen Group are involved in legal disputes in different jurisdictions; moreover, existing legal disputes may be broadened or additional legal disputes may be initiated. These legal disputes could result in payment obligations for the companies of the Berentzen Group in the form of damages, punitive damages, or obligations to satisfy other claims, as well as penalties, fines, or disgorgements under criminal law or civil law. In isolated cases, moreover, legal disputes could lead to formal or informal exclusions from public tenders or the withdrawal or loss of government permits or approvals. Claims asserted in legal disputes bear interest, as a general rule.

In connection with the cessation of business activities, claims totalling approximately EUR 393 thousand (previous year: EUR 414 thousand) were asserted, titled and enforced to a minor extent against Berentzen Spirit Sales (Shanghai) Co., Ltd. (which ceased operations many years ago), Shanghai, People's Republic of China, by two former local distribution partners in connection with trade dealings and by the other contractual party under the former lease of the Company's business premises. Berentzen Spirit Sales (Shanghai) Co., Ltd. filed for commencement of an insolvency proceeding due to insolvency in November 2015 and again in August 2016; the motions were rejected by the competent courts for incomprehensible reasons. Considering the economic situation of the Company, however, the Berentzen Group believes that a further assertion of the aforementioned claims will not be successful, for which reason no provisions were formed for legal disputes in this matter.

At the present time, the Berentzen Group does not expect any material adverse effects on its financial position, cash flows and financial performance to result from legal disputes not described herein. Appropriate risk provisions have been formed for these proceedings insofar as the corresponding obligation is sufficiently concretised. However, because the risks of legal disputes can be estimated only to a limited extent, the occurrence of adverse effects not fully covered by the respective risk provisions cannot be ruled out, as a general rule.

(4.5) Risk management

Organisation

The primary financial instruments used by the Berentzen Group include the syndicated loan agreement and overdraft facilities, factoring agreements and trade payables. The main purpose of these financial instruments is to finance the Group's business activities. The Group has various financial assets at its disposal, for example trade receivables as well as cash and cash equivalents that can be directly attributed to the business activities.

The Central Financial Management Department manages the Berentzen Group's financial risk. It monitors liquidity risk, credit risk and market risk. The strategies and methods employed to manage the individual financial risks are presented below.

Liquidity risk

Liquidity risk is the risk that a company is not in a position to procure the funds needed to settle obligations entered into in connection with financial instruments.

Management of liquidity risk

The Executive Board, the Management and the Central Financial Management Department manage the Group’s liquidity risk. The liquidity risk is managed primarily by procuring funds as part of the overall funding of the Berentzen Group, which breaks down as follows for the 2023 financial year:

The syndicated loan agreement concluded with a banking syndicate in December 2016 and extended in December 2021 now has a term until December 31, 2026. In financial year 2023, the Berentzen Group exercised an option agreed in the syndicated loan agreement to increase the financing amount, in connection with which it took out an additional credit facility for EUR 9.9 million, repayable in full upon maturity on December 31, 2026. The total funding volume is now EUR 42.9 million, available to the Berentzen Group under the credit facility repayable at maturity, as well as under bilaterally agreed branch lines of credit in the amount of EUR 21.0 million and drawdowns with maturities of one, two, three or six months in the amount of EUR 12.0 million. Drawdowns bear interest at variable rates based on the EURIBOR reference rate plus an interest margin that is fixed. The syndicated loan agreement is not secured. Three subsidiaries of Berentzen-Gruppe Aktiengesellschaft are guarantors bearing joint liability. The guaranty concept entails a minimum cover linked to certain balance sheet and flow figures of the Group, which are guaranteed by Berentzen-Gruppe Aktiengesellschaft and the guarantors. The Berentzen Group is obligated to regularly fulfil two contractually defined covenants, the dynamic gearing ratio and the equity ratio, which are to be measured on the basis of its consolidated financial statements. If the covenants, other obligations, conditions, assurances and warranties are breached, and if a change of control occurs, the lenders will be fundamentally entitled to terminate the syndicated loan agreement prematurely and to declare the borrowed funds, outstanding interest, and costs due and payable immediately.

The drawdown of factoring lines represents a further focal point of external funding. The total funding amount available to the Berentzen Group on the basis of two factoring agreements with a term until March 31, 2027 is EUR 60.0 million (previous year: EUR 60.0 million). Added to this is a formally unlimited factoring line under three further, open-ended central settlement and factoring agreements. In the 2023 financial year, this gave rise to an average gross funding volume of EUR 9.3 million (previous year: EUR 9.6 million). The factoring agreements are free of covenants on the whole.

Apart from the syndicated loan agreement, the volume of funding from credit agreements with the providers of working capital to the Berentzen Group totals EUR 2.0 million (previous year: EUR 1.5 million). These credit lines are available to two foreign Group companies and each has an open-ended term. Collateral must be provided for this by a foreign Group company in the translated amount of EUR 1.8 million (previous year: EUR 1.3 million), fundamentally in the form of cash received before the due date or other securities. Furthermore, two surety bonds for alcohol tax in the amount of EUR 0.8 million in total (previous year: EUR 0.8 million) provided by the surety bond issuers are included in the overall financing of the corporate group.

Including the formally unlimited factoring agreements with a central settlement agent, the gross funding volume from factoring arrangements and not falling under the scope of the working capital credit lines of the syndicated loan agreement thus stood at EUR 71.3 million as at December 31, 2023 (previous year: EUR 71.1 million). These short-term external or credit financing arrangements bear interest on the basis of the EURIBOR and EONIA reference interest rates, plus a fixed interest margin, otherwise at interest rates based on local market conditions or at fixed interest rates.

The factoring agreements, the central settlement and factoring agreements, and the agreements regarding working capital lines outside of the syndicated loan agreement have been concluded with both Berentzen-Gruppe Aktiengesellschaft and other Berentzen Group companies.

Compliance with the covenants and the miscellaneous other arrangements contained in the financing agreements is continuously monitored by the Executive Board and the Central Financial Management Department and the foreseeable development of the covenants are mapped in the planning and budgeting process so that countermeasures can be initiated and the provision of outside capital can be ensured if necessary. Furthermore, with respect to the financing of the corporate group, measures are continuously reviewed and/or implemented that have the goal of both providing an adequate credit line volume as well as maturity matching. This is supplemented to the extent possible by approaches to reducing traditional use of debt capital (e.g. through alternative financing forms such as leasing or by freeing up capital internally in the working capital).

Credit risk/default risk

Credit risk or risk of default is defined as the risk of a financial loss that arises if a contracting party fails to meet its payment obligations.

Management of credit risk/default risk

The management of credit risk or risk of default in the Berentzen Group is substantially geared towards entering into transactions with creditworthy third parties. Credit references or historical data from the business relationship to date are considered for the purpose of avoiding payment defaults. In the event of discernible risks, appropriate value adjustments are charged against receivables.

Approximately 73% (previous year: 75%) of consolidated revenues are billed via foreign branch offices that also assume the credit risk via del credere agreements. In addition, the risk of default is covered under trade credit insurance. As a general rule, balances in excess of EUR 5 thousand are covered under credit insurance. Trade credit insurance reimburses all defaults on receivables on the part of insured customers up to the agreed deductible of 20% for customers residing in Germany and 10% for customers residing abroad. Alongside export credit insurance, security payments or advance payments are frequently agreed with the Group company domiciled outside of Europe.

A significant portion of trade receivables is sold under factoring agreements. Since the respective factor also assumes the del credere liability without recourse, these receivables are not reported in the consolidated statement of financial position in accordance with the relevant accounting standards. An exception to this is a relatively insignificant continuing involvement compared to the volume of factored receivables that represents the late payment risk remaining with the group. Measured on the customer structure, the amounts receivable from individual counterparties are accordingly not so large that they would signify a material concentration of risk. The maximum credit risk of the trade receivables corresponds to this carrying amount.

No trade credit insurance is carried for one of the major trade offices because it has furnished an unconditional absolute guarantee of a major German credit insurer to the company to cover the receivables due from it.

	2023		2022	
	EUR'000	%	EUR'000	%
Trade receivables	**13,396**	**100.00%**	**10,827**	**100.00%**
- of which trade credit-insured	6,781	50.62%	5,609	51.81%
- of which secured by a surety	2,440	18.21%	1,137	10.50%
- of which secured by guarantees	2,647	19.76%	1,929	17.82%
- of which unsecured	1,351	10.09%	1,967	18.17%
- of which written down	177	1.32%	185	1.71%

With regard to the trade receivables for which no value adjustments have been charged and which are not in default, there were no indications at the reporting date to suggest that the debtors will not fulfil their payment obligations. The intrinsic value of receivables is protected by means of assigning limits to all customers on the basis of the assessments of rating agencies or the credit insurer, and by means of regular payment reminders and constant monitoring of all receivables accounts.

Cash and cash equivalents are invested with major banks and state banks.

In the event of counterparty default, the maximum credit risk of the cash and cash equivalents, financial assets measured at fair value through profit or loss, and other financial assets is equal to the carrying amounts of these instruments.

As a general rule, deliveries are only made to customers not associated with foreign branch offices after first conducting a credit assessment with the help of rating agencies. The receivables portfolio is monitored on an ongoing basis; consequently, the risk of default to which the Group is exposed is manageable and not significant. Furthermore, credit periods for payments are monitored on a regular basis.

In addition, the risk of default includes the country risk and/or the transfer risk. On the one hand, this includes the risk of economic or even political instability in connection with investments or the cross-border financing of Group companies in countries deemed to be risky, and on the other hand also the risk associated with selling directly to customers in these countries. Country risk with respect to equity measures or other forms of cross-border financing for Group companies is managed by means of an overall assessment of the general economic and political environment. Companies are not established in countries deemed to be unstable. The financing of already established Group companies in foreign countries, which is based on the actual capital requirements, is monitored continuously and managed centrally. For example, both intragroup financing made to a subsidiary based in Turkey as well as its current assets are subject to more intense monitoring on account of the economic and political situation due to the associated implications of a higher risk of default. In addition, any past-due foreign receivables are reported to the competent Executive Board member by means of a separate reporting system.

Market risk

Market risk is defined as the risk that the fair value of future cash flows from a financial instrument changes due to market price fluctuations. Market risk comprises currency risks, interest rate risks and other price risks.

Management of market risk

Market risk is also managed by the Executive Board, the Management and the Group's Central Financial Management Department.

For presenting market risks, IFRS 7 requires an entity to conduct sensitivity analyses to determine the effects of hypothetical changes in relevant risk variables on net profit and shareholders' equity. Besides currency risks, the Berentzen Group is exposed to interest rate risk and other price risks.

The periodic effects are determined by applying the hypothetical changes in risk variables to the holdings of financial instruments held at the reporting date. The holdings at the reporting date are representative of the full year.

Foreign currency risks arise from the translation of foreign currency items into the Group's functional currency (euro) due to exchange rate changes. According to the Berentzen Group's definition, they generally result from financial items, pending transactions where applicable, and planned transactions denominated in foreign currencies. The foreign currencies relevant for the corporate group particularly include the U.S. dollar and the Turkish lira. So far, the business activities with respect to procurement and sales have been largely settled in euros and US dollars. Furthermore, some currency risk is balanced out in that both procurement as well as sales are carried out in the same foreign currency; as a result, incoming payments offset outgoing payments in the same foreign currency – albeit as a rule not in the same amount or in matching maturities. Without taking consolidation effects into account, liabilities and receivables denominated in foreign currencies amounted respectively to approximately EUR 3.7 million (previous year: EUR 2.8 million) and EUR 3.0 million (previous year: EUR 2.7 million) as at December 31, 2023. Rate-hedging measures are carried out for the most important foreign currency, the U.S. dollar, insofar as an assessment of the foreign currency environment makes this appear to be useful. As at December 31, 2023 there were no rate-hedging measures in place (December 31, 2022: no rate-hedging measures).

From the Group's perspective, the recoverability of the Berentzen Group's assets and the nominal amounts of its liabilities located outside of Germany are likewise subject to foreign currency fluctuations. Foreign currency effects arising on the translation of net asset positions of foreign Group companies are recognised directly in equity. Nevertheless, foreign currency risks that affect profit or loss but not cash flows from the Group's perspective could result from intragroup transactions denominated in foreign currencies, particularly including the financing of foreign companies with the Group's own funds. In the event that foreign subsidiaries are deconsolidated, however, the effects of the foreign currency risks inherent in the differences previously recognised in Group equity would need to be recognised in profit or loss. No foreign subsidiaries were deconsolidated in the 2023 financial year. As a result, negative currency effects from the translation of Group-internal financing for a Group company in Turkey remain in the Berentzen Group's retained earnings as at December 31, 2023 in the amount of EUR 6.8 million (EUR 5.0 million). With respect to the Turkish subsidiary, the Berentzen Group is currently subject to sharply rising exchange rates. The exchange rate for Turkish lira rose from 19.96 as at December 31, 2022 to 32.65 as at December 31, 2023. The Turkish society is additionally subject to a high inflation rate: In December 2023, the inflation rate compared to the same month of the previous year was 64.8%. As a result of high inflation, Turkey has been considered a hyperinflationary economy as defined in IAS 29 since June 2022. The local business activity of the Turkish subsidiary has not yet suffered negative impacts from this development; however, as a result of the inflation-adjusted measurement of non-monetary balance sheet items and income statement items, there is a risk that the application of IAS 29 may have a negative impact on consolidated net income in future as well. As at December 31, 2023, the hyperinflation adjustment had a total negative effect of EUR 1.1 million (EUR 0.7 million) on consolidated net income.

The sensitivity of consolidated profit/loss before income taxes and shareholders' equity to a fundamentally possible change in exchange rates according to prudent judgment is presented in the table below using a hypothetical appreciation or depreciation of the euro by 5% vis-a-vis all currencies. All other variables remain constant.

	2023		2022	
	Exchange rate change + 5%	Exchange rate change - 5%	Exchange rate change + 5%	Exchange rate change - 5%
	EUR'000	EUR'000	EUR'000	EUR'000
USD	521	- 576	441	- 488
TRY	- 287	317	- 47	52
Other	36	- 40	5	- 5
Overall effect on equity and earnings before income taxes	**270**	**- 299**	**399**	**- 441**

Financial instruments are subject to interest rate risk, which results from changes in the market interest rate. Within the Berentzen Group, any utilisation of the syndicated loan agreement, funds provided in connection with two factoring agreements as well as intra-Group loans are subject to variable interest rates on the basis of the EURIBOR reference rate, which means interest rate risks do in principle exist. The effects of any changes in the interest rate can be partially compensated for by the deployment of interest rate hedging instruments. For this reason, the development of interest rates is monitored on an ongoing basis and the possible use of interest rate hedging instruments is regularly reviewed. No financial instruments are currently employed as hedging instruments. Changes in market interest rates affect the interest result of non-derivative variable-interest rate financial instruments and are included in the computation of result-oriented sensitivities.

If the level of market interest rates had been 100 basis points higher in the 2023 financial year, earnings before income taxes would have been EUR 569 thousand (previous year: EUR 310 thousand) lower. If the level of market interest rates had been 100 basis points lower, earnings before income taxes would have been EUR 569 thousand (previous year: EUR 147 thousand) higher. There would not have been any impacts on Other comprehensive income in equity.

The actual average payment term for the entire Group is currently around 32 (previous year: 33) days. This does not result in elevated liquidity or interest rate risk, because sufficient factoring lines or – particularly outside of Germany – financing instruments with a comparable effect are available for the financing of receivables.

Furthermore, the procurement of raw materials and materials as well as the purchase costs of merchandise and system components are subject to market and/or price risk.

(4.6) Capital management

The objectives of the corporate group with regard to capital management are to secure the continued existence of the Company as a going concern and to support growth targets. In light of these primary objectives, the capital structure needs to be optimised in order to maintain the cost of capital at an appropriate level. The corporate group uses the equity ratio as well as the dynamic gearing ratio to monitor its capital.

The equity ratio is calculated as the ratio of adjusted equity to adjusted total consolidated capital (total consolidated assets). Adjusted equity is based on the consolidated capital reported in the Consolidated Statement of Financial Position.

If available, receivables from shareholders, outstanding contributions to subscribed capital, pension provisions not recognised as liabilities and deferred tax assets are deducted from the figure, while non-current liabilities to shareholders and mezzanine capital are added. Likewise, receivables from shareholders, outstanding contributions to subscribed capital, pension provisions not recognised as liabilities and deferred tax assets are deducted from total consolidated capital if available.

The equity ratio is calculated in detail as follows:

	12/31/2023 EUR'000	12/31/2022 EUR'000
Consolidated shareholders' equity	47,375	50,110
Tax accruals	320	91
Adjusted shareholders' equity	**47,055**	**50,019**
Total capital	145,384	146,310
Tax accruals	320	91
Adjusted total capital	**145,064**	**146,219**
Equity ratio	**32.4%**	**34.2%**

The dynamic gearing ratio provides information on the period theoretically needed in order to repay financial liabilities using profits. Consequently, the ratio is also suitable for indicating the Berentzen Group's debt servicing ability. This performance indicator is calculated as the ratio of total current and non-current financial liabilities adjusted for cash and cash equivalents to consolidated EBITDA recorded over the past 12 months.

The following table shows the dynamic gearing ratio at year-end:

	12/31/2023 EUR'000	12/31/2022 EUR'000
Non-current financial liabilities	11,263	1,317
Current financial liabilities	4,284	2,591
Cash and cash equivalents	8,738	13,537
Total Net Debt	**6,809**	**- 9,629**
EBITDA	**16,002**	**16,654**
Dynamic gearing ratio	**0.43**	**- 0.58**

Information regarding risk management, particularly the covenants agreed upon, can be found in Note (4.5). As at December 31, 2023, all covenants were met.

(4.7) Related Party Disclosures

The disclosures prescribed by IAS 24 refer to dealings with related entities and persons, to the extent that they are not included in the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft as reporting entities.

Related entities

Berentzen-Gruppe Aktiengesellschaft is the highest-level controlling parent company. Transactions between Berentzen-Gruppe Aktiengesellschaft and those subsidiaries considered to be related entities were eliminated in the course of consolidation and not explained in the notes to the consolidated financial statements. Transactions with non-consolidated subsidiaries are of minor importance.

Further information about affiliated companies is provided at other points in the present Notes to the Consolidated Financial Statements. The relations between

Berentzen-Gruppe Aktiengesellschaft and its subsidiaries in accordance with IAS 24.13 are as shown in the List of Shareholdings for the corporate group (Note 1.7).

Related persons

Persons related to the reporting entity within the meaning of IAS 24 include persons who either control or have a significant influence over the reporting entity, or who are a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

Related persons are the members of the Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft.

Executive Board

The compensation granted to the members of the Executive Board within the meaning of IAS 24.17 is presented below:

Type of compensation	2023 EUR'000	2023 EUR'000
Short-term benefits	1,171	1,359
Other long-term benefits	89	96
Share-based Payment	439	583
	1,699	**2,038**

In addition to fixed basic salaries, the compensation system for Executive Board members also consists of short- and long-term variable components. The long-term variable components are based on share-based and non-financial performance criteria. Share-based compensation is based on the total shareholder return (TSR) with a performance period of four years. The TSR is calculated as the share price change plus paid dividends at the end of the performance period divided by the share price at the start of the performance period. To determine the extent to which objectives have been met for the TSR, the TSR of Berentzen-Gruppe Aktiengesellschaft and the TSR of a comparable group are ranked and the relative positioning is expressed on the basis of the percentile rank achieved. Share-based compensation is assessed on the basis of a multivariate Black-Scholes model with Monte Carlo simulations corresponding to IFRS 2 requirements.

The data used in the model for the 2023 financial year encompass the following:

- Exercise price: EUR 1.09 (previous year: EUR 1.35)
- Berentzen Group share price as at December 30, 2023: EUR 5.75 (previous year: EUR 5.58)
- Performance period or term of the option: December 30, 2022 to December 30, 2026 (previous year: December 30, 2021 to December 30, 2025)

The expected price volatility is based on historical volatilities, with a maturity-matched period having been applied. The last 90 trading days before the valuation date was used as the period for the estimates. Correlations are estimated based on historical time series from the three years prior to the valuation day. The estimates are made using Pearson correlation coefficients.

On the basis of this model, a fair value of EUR 399 thousand (previous year: EUR 495 thousand) was determined for share-based compensation for the members of the Executive Board in the 2023 financial year and was recognised on the liabilities side accordingly. In addition, the amount recognised under liabilities for share-based compensation in the 2021 and 2022 financial years was increased by EUR 40 thousand (previous year: EUR 88 thousand) due to changed parameters. Thus, a total of EUR 1,394 thousand (previous year: EUR 955 thousand) has been recognised under liabilities as at December 31, 2023 for share-based compensation to members of the Executive Board.

The following total compensation within the meaning of Section 314 (1) No. 6 letter a) HGB or compensation commitments were granted to the members of the Executive Board:

Type of compensation	2023 EUR'000	2022 EUR'000
Non-performance-based components	834	834
Performance-based components	372	560
Total compensation	**1,206**	**1,394**
Committed performance-based components with a long-term incentive effect	**53**	**53**

In addition to the total compensation granted in the respective financial year, commitments of performance-based, non-share-based compensation components, which are contingent on the achievement of certain strategic corporate objectives, were granted to the members of the Executive Board for the respective financial year. The total amounts so committed amounted to EUR 53 thousand (previous year: EUR 53 thousand).

Share-based compensation with a fair value of EUR 399 thousand (previous year: EUR 495 thousand) was granted to the members of the Executive Board in the 2023 financial year. In addition, the earmark for share-based compensation in the 2021 and 2022 financial years was increased by EUR 40 thousand (previous year: EUR 88 thousand) due to changed parameters. Thus, a total liability of EUR 1,394 thousand (previous year: EUR 955 thousand) was recognised in respect of share-based compensation as at December 31, 2023.

No compensation was granted to Executive Board members for exercising mandates on the boards of subsidiaries in the 2023 financial year. Furthermore, neither Berentzen-Gruppe Aktiengesellschaft nor a subsidiary granted loans or advances to members of the Executive Board, nor did they assume contingent liabilities in favour of them in the 2023 financial year.

No compensation was paid to former members of the Executive Board or their surviving dependants in the 2023 financial year. Post-employment benefits or total compensation within the meaning of Section 314 (1) No. 6 letter b) HGB were granted to former managing directors – and their survivors – of Group companies to which Berentzen-Gruppe Aktiengesellschaft is the legal successor in the amount of EUR 28 thousand in the 2023 financial year (previous year: EUR 28 thousand).

As calculated in accordance with IAS 19, the present value of accrued pension obligations for this group of persons amounted to EUR 279 thousand as at December 31, 2023 (previous year: EUR 275 thousand).

Supervisory Board

Short-term benefits within the meaning of IAS 24.17 or total compensation within the meaning of Section 314 (1) No. 6 letter a) HGB in the amount of EUR 189 thousand (previous year: EUR 187 thousand) were granted to the members of the Supervisory Board in their function as members of the Supervisory Board.

The employee representatives on the Supervisory Board received short-term benefits or total compensation in the total amount of EUR 112 thousand (previous year: EUR 115 thousand) for their activity outside their functions as Supervisory Board members. Neither Berentzen-Gruppe Aktiengesellschaft nor a subsidiary granted subscription rights or other share-based compensation to members of the Supervisory Board in the 2023 financial year, nor do the members of the Supervisory Board hold any such compensation instruments. Similarly, the members of the Supervisory Board were not granted any compensation in the 2023 financial year for positions held with subsidiaries.

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Furthermore, neither Berentzen-Gruppe Aktiengesellschaft nor any subsidiary granted loans or advances to members of the Supervisory Board, nor did they assume contingent liabilities in favour of them in the 2023 financial year.

No compensation was granted to former members of the Supervisory Board or their surviving dependants in the 2023 financial year.

Additional related-party disclosures

The outstanding balances due from or to related entities and persons at the end of the financial year as at December 31, 2023, are not secured and do not bear interest. No guarantees have been provided for amounts due to or from related parties.

There were no doubtful receivables related to outstanding balances due from related parties as at December 31, 2023, and therefore no impairments have been recognised for this purpose. No expenses for uncollectible or doubtful receivables due from related parties were recognised in the 2023 financial year, as in the previous year.

(4.8) Announcements and notifications of changes in voting rights arising from shares in Berentzen-Gruppe Aktiengesellschaft pursuant to the German Securities Trading Act

The following persons have notified Berentzen-Gruppe Aktiengesellschaft pursuant to the pertinent provisions of the German Securities Trading Act (WpHG) that the share of voting rights of Berentzen-Gruppe Aktiengesellschaft held by the notifying party has reached, exceeded or fallen below certain thresholds specified in the WpHG:

Person subject to the notification obligation [1]	Names of shareholders [1]	Date when a reporting threshold was reached, exceeded, or fallen below	Reporting threshold reached, exceeded or fallen below [2] %	Voting rights %	Voting rights No.
MainFirst SICAV Senningerberg, Luxembourg	MainFirst SICAV	March 2, 2016	> 5	8.50	815,500
Marchmain Invest NV Oud-Turnhout, Belgium	Marchmain Invest NV	December 21, 2022	> 5	5.51	528,925
Lazard Frères Gestion S.A.S. Paris, France	Lazard Frères Gestion S.A.S.	June 22, 2017	> 5	5.07	486,598
Aevum Fondation de Prévoyance Genolier, Switzerland	Aevum Fondation de Prévoyance	October 5, 2022	> 5	5.01	480,503

1) If the names of the shareholders differ from those of the people subject to the notification obligation, voting rights will be attributed as per Section 34 of the German Securities Trading Act (WpHG).

2) Only the highest or lowest reporting threshold reached is specified.

(4.9) Declaration of Conformity with the German Corporate Governance Code

The annual Declaration of Conformity by the Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft on the German Corporate Governance Code pursuant to Section 161 AktG was issued in December 2023. The declaration has been made permanently accessible on the corporate website of Berentzen-Gruppe Aktiengesellschaft at www.berentzen-gruppe.de/en.

(4.10) Governing bodies of Berentzen-Gruppe Aktiengesellschaft

Executive Board of Berentzen-Gruppe Aktiengesellschaft

Name	Term of Board membership	Occupation / Responsibilities	Membership in other statutory supervisory boards and in comparable domestic and foreign supervisory bodies of business companies
Ralf Brühöfner Lingen, Germany	since June 18, 2007	Member of the Executive Board of Berentzen-Gruppe Aktiengesellschaft Finance, Controlling, Human Resources, Information Technology, Legal Affairs, Corporate Communications, Investor Relations, Corporate Social Responsibility	Doornkaat Aktiengesellschaft, Norden [1], Germany (Deputy Chairman of the Supervisory Board)
Oliver Schwegmann Timmendorfer Strand, Germany	since June 1, 2017	Member of the Executive Board of Berentzen-Gruppe Aktiengesellschaft Marketing, Sales, Production, Logistics, Purchasing, Research and Development	Doornkaat Aktiengesellschaft, Norden [1], Germany (Chairman of the Supervisory Board)

[1] Non-listed, intra-Group company.

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Supervisory Board of Berentzen-Gruppe Aktiengesellschaft

Name	Term of Supervisory Board membership Member of the Supervisory Board representing the shareholders / employees	Occupation	Membership in other statutory supervisory boards and in comparable domestic and foreign supervisory bodies of business companies
Uwe Bergheim Dusseldorf, Germany Chairman of the Supervisory Board	since May 3, 2018 Member of the Supervisory Board representing the shareholders	Self-employed corporate consultant, Dusseldorf, Germany	
Frank Schübel Gräfelfing, Germany Deputy Chairman of the Supervisory Board	since May 19, 2017 Member of the Supervisory Board representing the shareholders	Managing Director of TEEKANNE Holding GmbH & Co. KG, Dusseldorf, Germany	
Dagmar Bottenbruch Frankfurt/Main, Germany	from July 2, 2020 to May 10, 2023 Member of the Supervisory Board representing the shareholders	Managing Director / Market Manager, Silicon Valley Bank Germany Branch, Frankfurt/Main, Germany	AMG Advanced Metallurgical Group N.V. [1], Amsterdam, The Netherlands (Member of the Supervisory Board), until May 4, 2023 ad pepper media International N.V. [1], Amsterdam, The Netherlands (Member of the Supervisory Board)
Heike Brandt Minden, Germany	since May 22, 2014 Member of the Supervisory Board representing the employees	Commercial employee at Berentzen-Gruppe Aktiengesellschaft, Haselünne, Germany	
Bernhard Düing Herzlake, Germany	since June 24, 1999 Member of the Supervisory Board representing the employees	Production Shift Manager at Vivaris Getränke GmbH & Co. KG, Haselünne, Germany	
Hendrik H. van der Lof Almelo, The Netherlands	since May 19, 2017 Member of the Supervisory Board representing the shareholders	Managing Director of Via Finis Invest B.V., Almelo, The Netherlands	
Theresia Stöbe Hamburg, Germany	since May 10, 2023 Member of the Supervisory Board representing the shareholders	Managing Director, Head of Finance Germany & Customer Development Finance Lead, Unilever Deutschland Holding GmbH, Hamburg, Germany	

[1] Listed, non-Group company.

(4.11) Total fees paid to the auditor of the consolidated financial statements

At the ordinary annual general meeting of Berentzen-Gruppe Aktiengesellschaft on May 10, 2023, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Osnabrück, was elected as the auditor of the separate and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft as at December 31, 2023.

PwC GmbH in Germany (no services were provided by other companies of the PwC network) charged the following fees for the 2023 and 2022 financial years, as shown in the table below:

	2023 EUR'000	2022 EUR'000
Financial statements auditing services	235	229
Other certification services	0	27
	235	**256**

The services rendered by the independent auditor relate to the statutory audit of the separate and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft. In the previous year, the fees for other audit-related services related to the audit of the compensation report as well as to an additional audit-related service in connection with a reusable bottle system for a subsidiary.

(4.12) Events after the reporting date

No reportable events occurred after the close of the financial year.

Haselünne, March 20, 2024

Berentzen-Gruppe Aktiengesellschaft

The Executive Board

Oliver Schwegmann
Executive Board member

Ralf Brühöfner
Executive Board member

Declarations and other information

To our stakeholders

Combined management report

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Responsibility statement

Independent Auditor´s Report

Corporate Governance

D. Declarations and other information

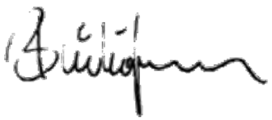
Responsibility Statement

We hereby declare that, to the best of our knowledge, and in accordance with the applicable accounting principles, the consolidated financial statements provide a true and fair view of the Group's financial position, cash flows and financial performance, and that the Group management report provides a true and fair view of the Group's performance, including its results and position, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Haselünne, March 20, 2024

Berentzen-Gruppe Aktiengesellschaft

The Executive Board



Oliver Schwegmann
Executive Board member

Ralf Brühöfner
Executive Board member

Independent Auditor's Report

To Berentzen-Gruppe-Aktiengesellschaft, Haselünne

Report on the Audit of the Consolidated Financial Statements and of the Group Management Report

Audit Opinions

We have audited the consolidated financial statements of Berentzen-Gruppe-Aktiengesellschaft, Haselünne, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2023, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of Berentzen-Gruppe-Aktiengesellschaft for the financial year from 1 January to 31 December 2023. In accordance with the German legal requirements, we have not audited the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. [paragraph] 1 HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2023, and of its financial performance for the financial year from 1 January to 31 December 2023, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

Pursuant to § 322 Abs. 3 Satz 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matter of most significance in our audit was as follows:

❶ Impairment of the assets assigned to the "Non-alcoholic Beverages" cash-generating unit (CGU)

Our presentation of this key audit matter has been structured as follows:

① Matter and issue

② Audit approach and findings

③ Reference to further information

Hereinafter we present the key audit matter:

❶ ***Impairment of the assets assigned to the "Non-alcoholic Beverages" cash-generating unit (CGU)***

① In the Company's consolidated financial statements, the balance sheet items "Intangible assets", "Property, plant and equipment" and "Rights of use from leased assets" present a total amount of € 58.7 million (40,4% of the balance sheet total). Assets of the "Non-alcoholic Beverages" CGU are included within these items. The assets are recognised at acquisition cost and production cost, less scheduled and unscheduled write-downs. The write-downs are performed over the anticipated economic useful life for intangible assets and property, plant and equipment, and over the term of the lease agreement for the rights of use from leased assets. The assets of the "Non-alcoholic Beverages" CGU are subjected to an impairment test on a cause-related basis, to determine whether a write-down may be required. The impairment test is performed at the level of the CGU. As part of the impairment test, the book value of the CGU is compared to the corresponding attainable amount. The attainable amount is generally determined based on the fair value less the selling costs. The basis of the assessment is usually the net present value of the CGU's future cash flows. The net present value is determined using discounted cash flow models. The Group's adopted mediumterm planning forms the starting point, and is projected forward with assumptions about longterm growth rates. This process also takes into account expectations for the market's future development and assumptions about changes in macroeconomic factors. The discounting is performed using the weighted average costs of capital for the CGU. As a result of the impairment test, a shortfall of € 0.5 million was identified, which did not lead to an impairment due to the provisions of IAS 36.105, as otherwise the fair values of non-current assets in the CGU would have been undercut. The result of this measurement is highly dependent on the executive directors' estimation of the future cash flows of the "Non-alcoholic Beverages" CGU, the discount rate applied, the growth rate, and other assumptions, and is therefore subject to considerable uncertainty. Against this background and given the complexity of the measurement, this matter was of particular importance in our audit.

② In the course of our audit, we analysed, among other things, the methodological approach in performing the impairment tests. After comparison of the future cash flows applied in the calculation with the Group's adopted mediumterm planning, we assessed the reasonableness of the calculation in particular by means of reconciliation with general and sector-specific market expectations. Additional adjustments of the mediumterm planning for purposes of the impairment test were discussed and analysed by us with the responsible employees of the Company. In addition, we assessed the extent to which the costs for Group functions were properly considered. With the knowledge that even relatively small changes in the applied discount rate and growth rates can have substantial effects on the size of the attainable amount, we closely examined the parameters used in setting the applied discount rate and analysed the calculation method. In order to deal with the existing forecast uncertainties, we dissected the sensitivity analyses prepared by the Company and carried out our own sensitivity analyses. We found in doing so that, considering the available information, the book values of the "Non-alcoholic Beverages" CGU are sufficiently covered by the discounted future cash flows. The measurement parameters and assumptions applied by the executive directors conform overall to our expectations and also lie within the warrantable limits in our view.

③ The Company's disclosures regarding the intangible assets, property, plant and equipment, and rights of use from leased assets, as well as on the impairment test, are contained in sections 1.8, 2.1 – 2.3 and 3.7 of the notes to the consolidated financial statements.

Other Information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the group management report:

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB included in section "(Group) Corporate Governance Statement" of the group management report
- the sections "Internal Control System (Non-Management Report Disclosure)" and "Statement by the Board of Management on the Effectiveness and Appropriateness of the Internal Control System and the Risk Management System (Non-Management Report Disclosure)" in the group management report

The other information comprises further

- the remuneration report pursuant to § 162 AktG [Aktiengesetz: German Stock Corporation Act], for which the supervisory board is also responsible
- all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor’s report

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

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

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

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Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

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

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

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

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

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

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

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those

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risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

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

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

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

– Evaluate the 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 in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.

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

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

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

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

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

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

Other Legal and Regulatory Requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the “ESEF documents”) contained in the electronic file berentzen_KA_LB_2023-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format (“ESEF format”). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2023 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor’s Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

– Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

– Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

– Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.

– Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.

– Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 10 May 2023. We were engaged by the supervisory board on 23 October 2023. We have been the group auditor of the Berentzen-Gruppe-Aktiengesellschaft, Haselünne, without interruption since the financial year 2021.

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

Reference to an other matter– Use of the Auditor’s Report

Our auditor’s report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the “Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB” and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor responsible for the Engagement

The German Public Auditor responsible for the engagement is Carsten Schürmann.

Osnabrück, 21 March 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Carsten Schürmann	ppa. Maik Schure
German Public Auditor	German Public Auditor

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E. Corporate Governance

(Group) Declaration on Corporate Governance

The present (Group) Declaration on Corporate Governance contains the report of the Executive Board and the Supervisory Board – each of which responsible for the disclosures applicable to them – pursuant to Sections 315d, 289f of the German Commercial Code (Handelsgesetzbuch, HGB), and in this context, the supplementary statements pursuant to Principle 23 of the German Corporate Governance Code (GCGC), for the 2023 financial year in both cases.

The Declaration on Corporate Governance for Berentzen-Gruppe Aktiengesellschaft and the Group Declaration on Corporate Governance for the Berentzen Group are combined in the present (Group) Declaration on Corporate Governance. The term Berentzen Group or the synonymous corporate group refers to Berentzen-Gruppe Aktiengesellschaft and its Group companies and subsidiaries.

The (Group) Declaration on Corporate Governance is an integral part of the combined management report of the Berentzen Group and Berentzen-Gruppe Aktiengesellschaft. Unless indicated otherwise, the following statements apply both for the Berentzen Group and Berentzen-Gruppe Aktiengesellschaft. Pursuant to Section 317 (2) sentence 6 HGB, the independent auditor's review of the statements pursuant to Sections 315d, 289f HGB is limited to verifying whether the statements were made.

(1) Declaration of the Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft on the German Corporate Governance Code pursuant to Section 161 AktG

The Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft also addressed the recommendations set out in the German Corporate Governance Code (GCGC) in the 2023 financial year. Previously in December 2022, the Executive Board and Supervisory Board had jointly issued the Annual Declaration of Berentzen-Gruppe Aktiengesellschaft on the German Corporate Governance Code pursuant to Section 161 German Stock Corporations Act (Aktiengesetz, AktG) on the basis of the version of the GCGC dated April 28, 2022.

The Annual Declaration of the Berentzen-Gruppe Aktiengesellschaft on the German Corporate Governance Code pursuant to Section 161 AktG issued jointly by the Executive Board and Supervisory Board in December 2023 on the basis of the version of the GCGC dated April 28, 2022 is reproduced in the following.

The joint Declarations of the Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft on the GCGC pursuant to Section 161 AktG have been made permanently available to the public on the corporate website of Berentzen-Gruppe Aktiengesellschaft at www.berentzen-gruppe.de/en/investors/public-limited-company.

Declaration of the Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft on the German Corporate Governance Code pursuant to Section 161 AktG

Pursuant to Section 161 AktG, the Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft are required to issue an annual declaration

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stating that the recommendations of the Government Commission on the German Corporate Governance Code, as published by the German Federal Ministry of Justice and Consumer Protection in the official section of the German Federal Gazette (Bundesanzeiger), have been and are being followed, or stating those recommendations that have not been or are not being followed, and why not.

The Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft last jointly issued the Annual Declaration on the German Corporate Governance Code pursuant to Section 161 AktG in December 2022.

After due examination, the Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft jointly issue the following updated Declaration on the German Corporate Governance Code pursuant to Section 161 AktG:

(1)

The Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft declare that the recommendations of the Government Commission for the German Corporate Governance Code (in the version dated April 28, 2022) published by the German Federal Ministry of Justice and Consumer Protection in the official section of the German Federal Gazette on June 27, 2022 are followed, with the following exceptions:

(1.1) The Chairperson of the Finance and Audit Committee of the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft possesses expertise in the field of financial statements auditing within the meaning of Section 107 (4) sentence 3 in conjunction with Section 100 (5) AktG and the correspondingly identical Principle 15 of the GCGC in the version dated April 28, 2022; however, this person currently does not also possess expertise in the field of auditing sustainability reports, contrary to the Recommendations D.3 sentences 1 and 3 in conjunction with the clarification in D.3 sentence 2 of the GCGC in the version dated April 28, 2022.

According to Section 107 (4) sentence 3 in conjunction with Section 100 (5) AktG and Principle 15 of the GCGC in the version dated April 28, 2022, at least one member of the Audit Committee must possess expertise in the field of financial reporting and at least one other member must possess expertise in the field of financial statements auditing.

According to Recommendation D.3 sentence 1 in conjunction with the clarification in D.3 sentence 2 of the GCGC in the version dated April 28, 2022, the expertise in the field of financial reporting should consist of particular knowledge and experience in the application of financial reporting standards, internal control systems, and risk management systems and the expertise in the field of financial statements auditing should consist of particular knowledge and experience in the auditing of financial statements. Financial reporting and financial statements auditing also refer to sustainability reports and the auditing of such reports. According to Recommendation D.3 sentence 3 of the GCGC in the version dated April 28, 2022, the Chairperson of the Audit Committee should be an expert in at least one of these two fields.

Based on the self-assessment of its members, the Chairperson and one other member of the Finance and Audit Committee of the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft each possess expertise in the field of financial reporting within the meaning of and in accordance with the regulations of Section 107 (4) sentence 3 in conjunction with Section 100 (5) AktG and the correspondingly identical Principle 15 of the GCGC in the version dated April 28, 2022, as well as the related further Recommendations D.3 sentences 1 and 3 in conjunction with the clarification in D.3 sentence 2 of the GCGC in the version dated April 28, 2022, according to which financial reporting also refers to sustainability

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reporting and therefore the expertise in the field of financial reporting must also cover sustainability reporting.

Based on the same self-assessment, moreover, the Chairperson and the same member of the Finance and Audit Committee of the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft each possess expertise in the field of financial statements auditing within the meaning of and in accordance with the regulations of Section 107 (4) sentence 3 in conjunction with Section 100 (5) AktG and the correspondingly identical Principle 15 of the GCGC in the version dated April 28, 2022. However, the more detailed Recommendations D.3 sentences 1 and 3 in conjunction with the clarification in D.3 sentence 2 of the GCGC in the version dated April 28, 2022, according to which financial statements auditing also refers to the auditing of sustainability reports and therefore the expertise in the field of financial statements auditing must also cover the auditing of sustainability reports, are not followed insofar as the other member, but not currently also the Chairperson of the Finance and Audit Committee of the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft possesses expertise in the field of auditing sustainability reports.

Although Berentzen-Gruppe Aktiengesellschaft has issued a sustainability report already since 2017, it was and is not required by the currently relevant regulations of Sections 289b, 315b HGB to issue the (Group) Non-Financial Declaration to which reference is made in the aforementioned Recommendations of the German Corporate Governance Code, so that the sustainability report is issued voluntarily. Accordingly, neither Berentzen-Gruppe Aktiengesellschaft pursuant to Section 317 (2) sentence 4 HGB nor the Supervisory Board or the Finance and Audit Committee of the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft pursuant to Sections 170 (1) sentence 3, 171 (1) sentence 4, 111 (2) sentence 4 AktG was or is currently required by law to audit the sustainability report.

(1.2) Contrary to Recommendation G.12 of the version of the GCGC dated April 28, 2022, the contracts of Executive Board members stipulate that severance payments are to be disbursed on a short-term basis if a special right of termination agreed therein is exercised.

According to Recommendation G.12 of the version of the GCGC dated April 28, 2022, if an Executive Board member's contract is terminated, the disbursement of any remaining variable compensation components attributable to the period up until contract termination should be based on the originally agreed targets and comparison parameters and on the due dates or holding periods stipulated in the contract.

The existing Executive Board contracts provide for a special right of termination in the event of specific change-of-control circumstances defined in the contract, each of which entails a change of the shareholder structure involving a new majority shareholder. If the special right of termination is exercised, the Executive Board members will have a right to severance awards. In this case, the monetary value of the variable compensation components applicable at the time when the special right of termination is exercised will be disbursed. The severance award, which may not exceed twice the annual compensation, will be due and payable in one lump sum 14 days after the special right of termination is exercised. The Supervisory Board and Executive Board are of the view that a change of control regularly entails changes in the Company, which do not justify making the amount of the disbursement of long-term variable compensation components contingent upon the performance of the company and its share price after the change of control. In the view of the Supervisory Board and Executive Board, this contractual provision does not impair the alignment of compensation with the company's sustainable, long-term performance because the Executive Board members cannot anticipate a later change of control in the course

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Compensation Report of Berentzen-Gruppe Aktiengesellschaft for the 2023 financial year

Report of the independent auditor on the formal audit of the remuneration report pursuant to § 162 Abs. 3 AktG

of performing their Executive Board duties.

(2)

The Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft declare that since the issuance of their last annual Declaration on the German Corporate Governance Code pursuant to Section 161 AktG in December 2022, the recommendations of the Government Commission on the German Corporate Governance Code (in the version of the GCGC dated April 28, 2022), as published by the German Federal Ministry of Justice and Consumer Protection in the official section of the German Federal Gazette on June 27, 2022, were followed with the following exceptions:

(2.1) The Chairperson of the Finance and Audit Committee of the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft has possessed and does possess expertise in the field of financial statements auditing within the meaning of Section 107 (4) sentence 3 in conjunction with Section 100 (5) AktG and the correspondingly identical Principle 15 of the GCGC in the version dated April 28, 2022. However, contrary to the Recommendations D.3 sentences 1 and 3 in conjunction with the clarification in D.3 sentence 2 of the GCGC in the version dated April 28, 2022, this person did not also possess expertise in the field of sustainability report auditing in the relevant declaration period in this case, for the reasons explained in the preceding Part (1), para. (1.1).

(2.2) Contrary to Recommendation G.12 of the GCGC in the version dated April 28, 2022, the contracts of Executive Board members stipulated that severance payments were to be disbursed on a short-term basis if a special right of termination agreed therein was exercised, for the reasons described above in Part (1), para. (1.2).

Haselünne, December 2023

Berentzen-Gruppe Aktiengesellschaft

For the Executive Board		For the Supervisory Board
Ralf Brühöfner	Oliver Schwegmann	Uwe Bergheim
Member of the Executive Board	Member of the Executive Board	Chairperson of the Supervisory Board

(2) Compensation of members of the Executive Board and Supervisory Board – Compensation report / compensation system

The applicable compensation system for members of the Executive Board pursuant to Section 87a (1) and (2) sentence 1 AktG, which was approved by the Annual General Meeting on May 11, 2021, and the resolution adopted by the Annual General Meeting on May 11, 2021 pursuant to Section 113 (3) AktG on the confirmation of the compensation and the compensation system for members of the Supervisory Board are publicly available on the corporate website of Berentzen-Gruppe Aktiengesellschaft at www.berentzen-gruppe.de/en/investors/public-limited-company. The Compensation Report for the 2023 financial year and the corresponding auditor's report pursuant to Section 162 AktG are also publicly available at the same Internet address.

(3) Relevant disclosures on corporate governance practices

(3.1) Foundations of corporate governance

Berentzen-Gruppe Aktiengesellschaft with its registered head office in Haselünne, Germany, entered in the Commercial Register of the Osnabrück Local Court (HRB 120444), is a stock corporation under German law and therefore has three governing bodies: the Annual General Meeting, the Supervisory Board, and the Executive Board. The duties and powers of each governing body are mainly based on the German Stock Corporations Act and the Articles of Association of Berentzen-Gruppe Aktiengesellschaft. Additional information on this subject is provided below in Section (3.2) in relation to the Annual General Meeting and in Section (4) in relation to the Executive Board and Supervisory Board.

The business activity of Berentzen-Gruppe Aktiengesellschaft and its Group companies and subsidiaries comprises the production and distribution of spirits and non-alcoholic beverages and the development and distribution of fresh juice systems.

(3.2) Shareholders and Annual General Meeting

The shareholders of Berentzen-Gruppe Aktiengesellschaft regularly exercise their membership rights in the Annual General Meeting. The Annual General Meeting is the principal forum for shareholders, particularly for exercising their voting rights, obtaining information, and conducting a dialogue with the Executive Board and Supervisory Board. According to the Articles of Association, the Annual General Meeting must be held in the first eight months, but is usually held in practice in the first five months of the financial year.

The Annual General Meeting decides on all matters reserved to it by law, particularly including the utilisation of profit, the ratification of the actions of Executive Board and Supervisory Board members, the election of shareholder representatives to the Supervisory Board, the election of the financial statements auditor, amendments to the Articles of Association, and important business measures such as capital measures, intercompany agreements, and conversions. Furthermore, the Annual General Meeting decides in an advisory capacity on the approval of the compensation system for Executive Board members presented by the Supervisory Board and on the specific compensation of the Supervisory Board and in a recommendatory capacity on the approval of the Compensation Report under German stock corporation law for the preceding financial year.

The Annual General Meeting is chaired by the Chairperson of the Supervisory Board, as a general rule.

The Annual General Meeting of Berentzen-Gruppe Aktiengesellschaft is organised and conducted with the goal of providing prompt, extensive, and effective information about the Company's situation to all shareholders before and during the Annual General Meeting. The notice of meeting and meeting agenda are published in the Federal Gazette and are available to the shareholders and all other interested parties, along with further documentation, including but not limited to the reports, documents, and other information which the law requires for the Annual General Meeting, on the corporate website of Berentzen-Gruppe Aktiengesellschaft at www.berentzen-gruppe.de/en/investors/annual-general-meeting. The attendance and voting results of the Annual General Meeting can also be found on that website immediately after the Annual General Meeting.

To make it easier for shareholders to personally exercise their rights and have their voting rights represented, they are entitled at their own choice to authorise, for example, an intermediary such as the custodial bank, a shareholders

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association, a consultant on voting rights, or another person of their choice, or a company-appointed proxy bound by the shareholder's instructions.

In addition, the current Articles of Association of Berentzen-Gruppe Aktiengesellschaft contain clauses, some of which are time-limited, authorising the Executive Board to choose the format – in-person or virtual – and certain legal forms of an Annual General Meeting such as the form of participation, the audio-visual transmission of the Annual General Meeting, and the ways by which voting rights can be exercised.

(3.3) Corporate Governance and Codes of Conduct of the Berentzen Group

Berentzen-Gruppe Aktiengesellschaft observes all legal requirements for corporate governance and also follows the recommendations of the German Corporate Governance Code – subject to the exceptions indicated and justified in the Declaration on Corporate Governance pursuant to Section 161 AktG.

In order to implement good corporate governance, Berentzen-Gruppe Aktiengesellschaft has adopted a Code of Conduct applicable to all employees of the Berentzen Group. Furthermore, another two Codes have been adopted, namely the Berentzen Group Marketing Code and the Berentzen Group Supplier Code. These three Codes are based on applicable laws and established standards. They represent the guidelines for responsible conduct at Berentzen-Gruppe Aktiengesellschaft and its subsidiaries.

The Berentzen Group Code of Conduct contains a summary of corporate principles. It sets out binding rules for lawful and ethical behaviour. It defines the guidelines to be followed in the areas of lawful and responsible conduct, business and personal integrity, employees and employment conditions, assets and information, quality, and environmental protection.

The Berentzen Group Marketing Code is modelled on the rules of conduct of the German Advertising Standards Council (Deutscher Werberat). As an expression of the social responsibility of the Berentzen Group, it contains guidelines for product-related communication and the responsible handling of its products.

The Supplier Code of the Berentzen Group creates a shared understanding of appropriate living and working conditions for employees, which is supported by all suppliers of the Berentzen Group and their employees. The Berentzen Group Supplier Code is modelled after the currently valid versions of the Ethical Trading Initiative Base Code (ETI Base Code), the principles of the International Labour Organisation (ILO), and the Ten Principles of the United Nations Global Compact. It forms the basis for long-term, sustainable business relationships.

Employees of the Berentzen Group and third parties are given the opportunity to provide tips of possible violations of national and international laws and regulations, the Codes of the Berentzen Group, and its other internal guidelines confidentially and even anonymously under a whistle-blower system meeting the legal requirements.

The Codes of the Berentzen Group and access to its whistle-blower system are available on the corporate website of Berentzen-Gruppe Aktiengesellschaft at www.berentzen-gruppe.de/en/responsibility.

(3.4) Compliance, internal control system and risk management, internal auditing

(3.4.1) Compliance

The business activities conducted by the Berentzen Group in numerous different countries and regions and therefore in a wide range of different legal jurisdictions are subject to many national and international laws and regulations. Compliance in the Berentzen Group means compliance with all national and international laws and regulations applicable in every case, as well as industry standards, its Codes, and its voluntarily assumed obligations and internal guidelines. Compliance by all companies of the Berentzen Group on the basis of a compliance management system aligned with the Group's risk profile is an essential management responsibility of the Executive Board of Berentzen-Gruppe Aktiengesellschaft.

The Group's three Codes, i.e. the Berentzen Group Code of Conduct, the Berentzen Group Marketing Code, and the Berentzen Group Supplier Code, form an important basis for compliance in the Berentzen Group. In particular, the guidelines for lawful and responsible conduct and business and personal integrity that make up the core of the Berentzen Group Code of Conduct, which is binding on all companies of the Berentzen Group and their employees, constitute the main corporate principles for ensuring compliance. In addition, a number of other internally established guidelines serve to prevent compliance violations.

The responsibility for all topics and concerns related to compliance is organisationally assigned to the Corporate Legal Department of Berentzen-Gruppe Aktiengesellschaft. The Compliance Department composed of individual members of this department is supervised by the Executive Board member in charge of the Legal Department and reports to the full Executive Board of Berentzen-Gruppe Aktiengesellschaft. For its part, the full Executive Board reports on compliance in the Berentzen Group to the Supervisory Board's Finance and Audit Committee at regular intervals and whenever warranted. The Chairperson of the Finance and Audit Committee of the Supervisory Board reports to the full Board.

The employees of the Berentzen Group have up to now received instruction on compliance-related topics in classroom training or video courses that serve to raise awareness of compliance with all relevant legal requirements. As of 2024, this instruction is also provided online in the form of an e-learning course on a digital learning platform. If they have questions about lawful conduct or questions related to the understanding or interpretation of the Berentzen Group Codes, employees can particularly turn to their supervising manager, the Compliance Department, or the Corporate Legal Department of Berentzen-Gruppe Aktiengesellschaft.

Furthermore, a whistle-blower system has been implemented to receive reports of possible compliance violations or related suspicions. Additional information about the Berentzen Group Codes and the whistle-blower system can be found in the preceding section (3.3).

(3.4.2) Internal control system and risk management system

Good corporate governance also encompasses the responsible management of the risks of business activity by the Company. The Executive Board of Berentzen-Gruppe Aktiengesellschaft ensures an appropriate and effective internal control system and risk management system in the Group.

The internal control system in the Berentzen Group particularly comprises all principles, procedures, and measures to ensure compliance with applicable laws and regulations. It consists of an internal control system and an internal monitoring system. It also includes the compliance regulations in effect in the Berentzen Group and the sustainability-related control systems.

Systematic risk management in line with the values-based management philosophy of the Berentzen Group ensures that risks are detected and assessed at an early stage and that risk exposures are mitigated as much as possible. The Executive Board regularly informs the Supervisory Board's Finance and Audit Committee of existing risks and their development.

The principal characteristics of the overall internal control system and risk management system are described in the Annual Report 2023 of Berentzen-Gruppe Aktiengesellschaft, which is available on the corporate website of Berentzen-Gruppe Aktiengesellschaft at www.berentzen-gruppe.de/en/investors/reports, in the section entitled "Report on risks and opportunities" of the combined management report of the Berentzen Group and Berentzen-Gruppe Aktiengesellschaft, which also includes an explicit assessment of the appropriateness and effectiveness of these systems.

(3.4.3) Internal Audit

In addition, the corporate group's Internal Audit Department, which is organisationally centralised at Berentzen-Gruppe Aktiengesellschaft, coordinates and monitors compliance, the internal control system and the risk management system.

Internal Audit is particularly charged with auditing important internal business processes, performing ad-hoc audits, and auditing the internal control system and the risk management system – either in connection with or separately from the other audits.

Internal Audit also reports to the Executive Board member of Berentzen-Gruppe Aktiengesellschaft in charge of the Legal Department. The audit subjects and results of Internal Audit are also the subject of deliberations in the Supervisory Board's Finance and Audit Committee.

(3.5) Sustainability

As a broad-based beverage company with a corporate history dating back more than 260 years, long-term thinking is firmly embedded in the corporate culture of the Berentzen Group. The Berentzen Group understands itself to be a responsible employer and a vibrant member of society. As a producing enterprise, the Berentzen Group bears responsibility for its products and consumers and is therefore placing an ever stronger emphasis on the sustainability of its value chain and offering a range of products that promote responsible enjoyment and/or are especially natural and healthy. In a time when environmental protection is an essential global challenge, the Berentzen Group sees it as part of its corporate responsibility to preserve the natural resources on which life depends for subsequent generations.

In view of the growing challenges associated with climate change, increasingly scarce resources, and the rising demands of its stakeholders, the Berentzen Group is especially focused on sustainability and strives for continuous improvement of its sustainability management programme as part of its sustainability strategy.

Sustainability strategy

Responsible corporate governance makes an essential contribution to securing the future of the Berentzen Group. The framework for responsible corporate governance is the Group's sustainability strategy, the goals of which are to be implemented by the year 2025, yielding positive effects long afterwards. The strategy is based on the Berentzen Group's understanding of sustainability, which is to be economically successful over the long term while also exercising responsibility for society and the environment.

Based on the three areas of activity of People, Planet, and Products, which were deemed to be relevant in the Group's materiality analysis, and with reference to the relevant Sustainable Development Goals of the United Nations, the Berentzen Group has formulated concrete goals and measures that make it possible to measure and steer the sustainable development of the Berentzen Group.

Sustainability management

In the exercise of its entrepreneurial responsibility, the Berentzen Group adheres to nationally and internationally recognised standards such as the International Labour Standards of the International Labour Organisation (ILO) and the Guidelines for Multinational Enterprises of the Organisation for Economic Cooperation and Development (OECD). Berentzen-Gruppe Aktiengesellschaft is also a participant in the United Nations Global Compact, the world's biggest initiative for responsible corporate governance. As a signatory to its Ten Principles in the areas of human rights, labour, environment, and anti-corruption, the Berentzen Group is committed to the fundamental tenets of entrepreneurial sustainability.

Among the most important functions of sustainability management are to systematically embed sustainability in the structures and operational processes of the Berentzen Group and to raise awareness for the importance of sustainability and the Group's sustainability strategy in the minds of employees and external stakeholders.

The responsibility for the sustainability strategy, including its goals for sustainability, lies with the Executive Board of Berentzen-Gruppe Aktiengesellschaft. In the exercise of this responsibility, the Executive Board ensures that the risks and opportunities for the Group associated with social and environmental factors and the ecological and social impacts of the Group's business activity are systematically identified and assessed. In the Group's business strategy, appropriate consideration is given not only to long-term business goals, but also ecological and social goals. The business plan comprises both appropriate financial goals and appropriate sustainability-related goals. In accordance with the division of responsibilities prescribed by the German Stock Corporations Act, the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft is also responsible for supervising and advising the Executive Board in matters of sustainability.

A Sustainability Council has been established to ensure the efficient coordination of sustainability management. The goals of this coordinating body are to continuously optimise the sustainability strategy and to decentralise and integrate sustainability topics successfully into corporate processes, central divisions, and specialist departments. The Executive Board of Berentzen-Gruppe Aktiengesellschaft is the sponsor of the Sustainability Council and attends its meetings together with the heads of various relevant specialist departments and central functions.

The Sustainability Department coordinates the Groupwide sustainability activities and acts as an initiator. The Director of Corporate Finance und Sustainability reports directly to the member of the Executive Board of Berentzen-Gruppe Aktiengesellschaft who bears responsibility for this department.

The operational implementation of measures within the scope of sustainability management is performed by the heads of the departments of Berentzen-Gruppe Aktiengesellschaft and its Group companies and subsidiaries.

Sustainability reporting

The Berentzen Group provides information about its sustainability activities in its voluntary, separate, annual sustainability reports. The guidelines of the Global Reporting Initiative (GRI Standards) are applied as the framework for the sustainability reports. The sustainability reports of the Berentzen Group are available to the public on the corporate website of Berentzen-Gruppe Aktiengesellschaft at www.berentzen-gruppe.de/en/responsibility.

(3.6) Financial reporting and audit of the financial statements

The consolidated financial statements and consolidated half-yearly financial report of Berentzen-Gruppe Aktiengesellschaft are prepared by the Executive Board in accordance with the principles of International Financial Reporting Standards (IFRS), as they are to be applied in the European Union (EU), and in accordance with the German regulations to be applied additionally pursuant to Section 315e (1) HGB. The legally prescribed separate financial statements of Berentzen-Gruppe Aktiengesellschaft, which determine the dividend distribution, are prepared in accordance with the German commercial-law regulations applicable to corporations and the provisions of German stock corporation law. The consolidated and separate financial statements are reviewed by the Supervisory Board and generally approved by the same.

The Annual General Meeting elected PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Osnabrück, as the auditor of the consolidated and separate financial statements of Berentzen-Gruppe Aktiengesellschaft at December 31, 2023 after the auditor had previously again declared in writing its independence according to applicable European and German laws and the applicable professional code and Article 6 (2) letter a) of Regulation (EU) No. 537/2014, and after the Supervisory Board's Finance and Audit Committee had again assured itself of the auditor's independence. PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft has been the auditor of the separate and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft since the 2021 financial year. The undersigning audit partners responsible for the separate and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft at December 31, 2023 are Mr. Carsten Schürmann (since the 2023 financial year) and Mr. Maik Schure (since the 2023 financial year). The applicable European and German laws and the applicable professional code relating to the election of an auditor and exclusion criteria, as well as to the rotation obligations to which the auditor and the responsible audit partners are subject, are fulfilled.

With regard to the audit for the 2023 financial year, it was agreed with the auditor that the auditor would immediately inform the Supervisory Board of any material findings and events of importance to the tasks of the Supervisory Board that come to the auditor's attention during the audit of the financial statements. Furthermore, it was agreed for this audit that the auditor would inform the Supervisory Board and document in the audit report all facts noted in the course of the audit that are inconsistent with the Declaration on the German Corporate Governance Code issued by the Executive Board and Supervisory Board in accordance with Section 161 AktG.

(3.7) Transparency

The Company informs shareholders, investors, analysts, and the public equally and promptly. The corporate website of Berentzen-Gruppe Aktiengesellschaft at www.berentzen-gruppe.de/en is an important communication and public disclosure platform. Information about the Berentzen Group's business activities and corporate governance, including the (Group) Declarations on Corporate Governance and corporate governance reports, as well as the Declarations of the Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft on the German Corporate Governance Code pursuant to Section 161 AktG, as well as financial reports, sustainability reports, reports and documents for the Annual General Meeting, and capital market-relevant announcements, are made permanently available on this medium within the scope of the relevant provisions applicable to publication deadlines and periods. A financial calendar on the website provides information on the Company's corresponding publication and event dates.

(4) Composition and procedures of the Executive Board and Supervisory Board and committees of the Supervisory Board

The management and supervision structure of Berentzen-Gruppe Aktiengesellschaft and the Berentzen Group is described in the following.

(4.1) Dual governance system

In accordance with the requirements of law, Berentzen-Gruppe Aktiengesellschaft maintains a dual governance system under which the Executive Board manages the Company and the Supervisory Board supervises the management. The authorities and members of both these bodies are strictly separated from each other.

(4.2) Executive Board

Work of the Executive Board

As the management body of Berentzen-Gruppe Aktiengesellschaft, the Executive Board manages the Company under its own responsibility and in the Company's interest, which is to say, with due regard to the interests of the shareholders, employees, and other stakeholders, while being obligated to ensure the corporate group's continuance as a going concern and the sustainable creation of value.

The management function of the Executive Board includes a responsible approach to dealing with the risks inherent in the corporate group's business activities within the scope of an appropriate and effective control system and risk management system that also comprises sustainability-related goals. The Executive Board is also required to ensure compliance with the provisions of law and the Company's internal guidelines throughout the corporate group. Therefore, the internal control system and risk management system also comprise a compliance management system aligned with the Company's risk profile.

The Executive Board informs the Supervisory Board regularly, promptly, and extensively on all issues relevant to the Berentzen Group, specifically relating to strategy, planning, business development, cash flows and financial performance, risk profile, risk management, and compliance.

According to the rules of procedure for the Executive Board of Berentzen-Gruppe Aktiengesellschaft adopted by the Supervisory Board, certain transactions and measures of fundamental importance to be taken by the Executive Board require the approval of the Supervisory Board, or if the Supervisory Board has delegated the authority to adopt resolutions of approval to one of its committees, they require the approval of the competent Supervisory Board committee. The Supervisory Board may expand or limit the scope of transactions or measures requiring approval at any time.

In filling managerial positions within the Company, the Executive Board gives due consideration to diversity. The Executive Board adopts targets for the percentage of positions to be held by women in the two management levels beneath the Executive Board; these gender-related targets, other gender-related targets to be adopted by law, and the corresponding statements to be included in the (Group) Declaration on Corporate Governance are summarised in section (6) below.

Meetings of the Executive Board take place on a regular basis, if possible at least once per calendar month. The Executive Board has a quorum when at least two or, if the Executive Board consists of more than two members, at least half of its members participate in the adoption of resolutions. Resolutions are adopted by a simple majority of votes cast. In case of a tied vote, the Chairperson of the Executive Board or, if the Chairperson does not participate in the vote, the vote of the Deputy Chairperson casts the deciding vote. This does not apply if and to the extent that the Executive Board only consists of two members.

More detailed rules governing the work of this governing body, including (for example) the division of responsibilities by management division or the matters reserved for the full Executive Board, are set out in the Articles of Association of Berentzen-Gruppe Aktiengesellschaft and the rules of procedure and executive organisation chart of the Executive Board.

Composition of the Executive Board

In accordance with the Articles of Association, the Executive Board of Berentzen-Gruppe Aktiengesellschaft is composed of at least two members. In particular, the Supervisory Board may appoint a Chairperson of the Executive Board. If an Executive Board Chairperson has been appointed, said Chairperson acts as Spokesperson of the Executive Board vis-à-vis the Supervisory Board. If no such appointment has

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been made, the Executive Board's rules of procedure contain detailed rules on the representation of the Executive Board vis-à-vis the Supervisory Board and the performance of duties that are otherwise fundamentally assigned to the Chairperson of the Executive Board.

Notwithstanding their overall responsibility for the management of Berentzen-Gruppe Aktiengesellschaft and the corporate group, the individual members of the Executive Board manage the divisions assigned to them independently and under their own responsibility. The Executive Board members work together as a team and keep each other informed of important measures and operations in their divisions.

The diversity plan adopted by the Supervisory Board, which is described in section (5.1), sets out other important aspects or goals related to the composition of the Executive Board.

In accordance with its obligation under the Stock Corporations Act, the Supervisory Board has adopted targets for the percentage of women on the Executive Board. These gender-related targets, other gender-related targets to be adopted by law, and the corresponding statements to be included in the (Group) Declaration on Corporate governance are summarised in section (6) below.

The following persons were members of the Executive Board of Berentzen-Gruppe Aktiengesellschaft in the period from January 1 to December 31, 2023:

Name	Executive Board member	Occupation / responsibilities	Membership in other statutory supervisory boards and in comparable domestic and foreign supervisory bodies of commercial enterprises
Ralf Brühöfner Lingen, Germany	since June 18, 2007	Member of the Executive Board of Berentzen-Gruppe Aktiengesellschaft Finance, Controlling, Human Resources, Information Technology, Legal Affairs, Corporate Communications, Investor Relations, Corporate Social Responsibility	Doornkaat Aktiengesellschaft, Norden [1], Germany (Deputy Chairman of the Supervisory Board)
Oliver Schwegmann Timmendorfer Strand, Germany	since June 1, 2017	Member of the Executive Board of Berentzen-Gruppe Aktiengesellschaft Marketing, Sales, Production, Logistics, Purchasing, Research and Development	Doornkaat Aktiengesellschaft, Norden [1], Germany (Chairman of the Supervisory Board)

[1] Group company, not-exchange listed.

Additional information about the members of the Executive Board can be found in their curricula vitae, which are available on the corporate website of Berentzen-Gruppe Aktiengesellschaft at www.berentzen-gruppe.de/en/investors/public-limited-company.

(4.3) Supervisory Board

Work of the Supervisory Board

The Supervisory Board supervises and advises the Executive Board, whose members it appoints and dismisses, on the management of the Company and the corporate group and particularly also on the subject of sustainability issues. The Supervisory Board is involved in decisions of fundamental importance for the Berentzen Group; details are set out in the respective rules of procedure for the Supervisory Board and the Executive Board.

As a complement to the duties incumbent upon the Executive Board to inform and report to the Supervisory Board, the latter is itself required to ensure that it is appropriately informed; the Executive Board's rules of procedure include detailed rules on this subject.

The Supervisory Board reviews the separate and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft, the combined management report of the Berentzen Group and Berentzen-Gruppe Aktiengesellschaft, and the proposal for the utilisation of the distributable profit of Berentzen-Gruppe Aktiengesellschaft. It also approves the separate and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft, as a rule. It performs this task on the basis of and with due regard to the audit reports of the independent auditor and the findings of the prior deliberations of the Finance and Audit Committee and its recommendations on this subject. The Supervisory Board is also required to review the separate Non-Financial Report and Group Report (Sections 289b and 315b HGB) if such are drafted.

Details concerning the duties of the Supervisory Board and its committees, as well as its composition, are set out in the law, the Articles of Association of Berentzen-Gruppe Aktiengesellschaft, and the rules of procedure for the Supervisory Board, which have been made available on the corporate website of Berentzen-Gruppe Aktiengesellschaft at www.berentzen-gruppe.de/en/investors/public-limited-company. The rules of procedure for both the Supervisory Board and the Executive Board also stipulate, among other things, that the Supervisory Board's approval is required for transactions and measures of fundamental importance; decisions concerning the statutory requirement of Supervisory Board approval of the Company's transactions with related persons are also made by the Supervisory Board (Section 111b AktG). In addition, the German Corporate Governance Code provides further recommendations on the functioning of the Supervisory Board and its committees.

The regular meetings of the Supervisory Board are called by letter, fax, or electronic communication means (particularly email) with advance notice of two weeks. The meeting agenda is attached to the notice of meeting. The documents produced in preparation for the meetings, as well as all draft resolutions, are forwarded to the members of the Supervisory Board in good time to ensure that the Supervisory Board members have sufficient time to prepare for the meeting. The Supervisory Board meets at least four times a year, i.e. once per calendar quarter.

As a rule, resolutions of the Supervisory Board are adopted at in-person meetings. By order of the Supervisory Board Chairperson, meetings can also be held in the form of video conferences, or in justified cases, individual Supervisory Board members can take part in a meeting of the Supervisory Board via telephone or video conferencing. By order of the Chairperson, resolutions may also be adopted between meetings by means of votes cast verbally or by letter, telephone, fax, or electronic communication means (particularly email). As a basic rule, this option is exercised only in cases that are especially urgent. The Supervisory Board has a quorum when at least four of its members participate in the adoption of resolutions. Absent members may participate by way of written votes. Unless otherwise stipulated by law, resolutions of the Supervisory Board are adopted by a simple majority of the votes cast. In case of a tied vote, the vote of the Supervisory Board Chairperson is determining; the same rule applies to elections. If the Supervisory Board Chairperson does not participate in the vote, the vote of his or her deputy is determining in case of a tied vote.

The members of the Supervisory Board must immediately disclose any conflicts of interest linked to their function in the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft to the Chairperson of the Supervisory Board.

Composition of the Supervisory Board

In accordance with the Articles of Association, the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft consists of six members, of whom four members are elected individually at an Annual General Meeting (Supervisory Board members representing the shareholders or shareholder representatives). Two members are elected by the employees (Supervisory Board members of the employees or employee representatives) in accordance with the German One-Third Participation Act (Drittelbeteiligungsgesetz).

The Chairperson and Deputy Chairperson are elected from the ranks of the Supervisory Board members. The term of office of Supervisory Board members is five years; the term of office of currently serving Supervisory Board members will end upon the close of the Annual General Meeting of Berentzen-Gruppe Aktiengesellschaft that will vote on ratification of the actions of the Supervisory Board members for the 2023 financial year.

In particular, the Stock Corporations Act explicitly sets out two qualifications-related requirements for the entire Supervisory Board or individual members thereof, which influence the Board's composition: "sector expertise" and – summarised briefly – "financial expertise". The Audit Committee set up by the Supervisory Board as required by the Stock Corporations Act must also fulfil these two requirements. Information on the composition of the Finance and Audit Committee can be found below in section (4.4).

Another basis for the composition of the Supervisory Board is the diversity plan adopted by the Supervisory Board, which sets out important aspects or goals for the composition of the Supervisory Board. The diversity plan is described in section (5.2).

In fulfilment of its obligation under the Stock Corporations Act, the Supervisory Board has adopted targets for the percentage of women on this Board. These gender-related targets, other gender-related targets to be adopted by law, and the corresponding statements to be included in the (Group) Declaration on Corporate governance are summarised in section (6) below.

The following persons were members of the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft in the period from January 1 to December 31, 2023:

Name	Supervisory Board Member of the Supervisory Board representing the shareholders / employees	Occupation	Membership in other statutory supervisory boards and in comparable domestic and foreign supervisory bodies of commercial enterprises
Uwe Bergheim Dusseldorf, Germany Chairman of the Supervisory Board	since May 3, 2018 Member of the Supervisory Board representing the shareholders	Independent business consultant, Dusseldorf, Germany	
Frank Schübel Gräfelfing, Germany Deputy Chairman of the Supervisory Board	since May 19, 2017 Member of the Supervisory Board representing the shareholders	Managing Director of TEEKANNE Holding GmbH & Co. KG, Dusseldorf, Germany	
Dagmar Bottenbruch Frankfurt/Main, Germany	from July 2, 2020 to May 10, 2023 Member of the Supervisory Board representing the shareholders	Managing Director / Market Manager, Silicon Valley Bank Germany Branch, Frankfurt/Main, Germany	AMG Advanced Metallurgical Group N.V. [1], Amsterdam, The Netherlands (Member of the Supervisory Board, until May 4, 2023) ad pepper media International N.V. [1], Amsterdam, The Netherlands (Member of the Supervisory Board)
Heike Brandt Minden, Germany	since May 22, 2014 Member of the Supervisory Board representing the employees	Commercial employee at Berentzen-Gruppe Aktiengesellschaft, Haselünne, Germany	
Bernhard Düing Herzlake, Germany	since June 24, 1999 Member of the Supervisory Board representing the employees	Production Shift Manager at Vivaris Getränke GmbH & Co. KG, Haselünne, Germany	
Hendrik H. van der Lof Almelo, The Netherlands	since May 19, 2017 Member of the Supervisory Board representing the shareholders	Managing Director of Via Finis Invest B.V., Almelo, The Netherlands	
Theresia Stöbe Hamburg, Germany	since May 10, 2023 Member of the Supervisory Board representing the shareholders	Managing Director, Head of Finance Germany & Customer Development Finance Lead, Unilever Deutschland Holding GmbH, Hamburg, Germany	

[1] Non-Group company, exchange-listed.

Additional information about the members of the Supervisory Board can be found in their curricula vitae, which are available on the corporate website of Berentzen-Gruppe Aktiengesellschaft at www.berentzen-gruppe.de/en/investors/public-limited-company.

(4.4) Committees of the Supervisory Board

In order to perform its tasks efficiently and enhance the effectiveness of its work, the Supervisory Board has established a Personnel and Nomination Committee, which is a standing committee, and a Finance and Audit Committee – in accordance with its statutory obligation – to prepare and supplement its work. Certain decision-making powers of the Supervisory Board have been delegated to the committees within the legally permitted framework. Detailed provisions on the work of the committees of the Supervisory Board, including for example on the composition and responsibilities of the committees, are set out in the rules of procedure for the Supervisory Board. The provisions on the preparation of meetings and the adoption of Supervisory Board resolutions apply also to the work of the committees.

(4.4.1) Personnel and Nomination Committee of the Supervisory Board

Work of the Personnel and Nomination Committee

The Personnel Committee is responsible for preparing resolutions to be voted on by the Supervisory Board and for recommending resolutions to the Supervisory Board pertaining to the appointment and dismissal of Executive Board members, the setting, implementation and review of the compensation system for Executive Board members, documents for the Annual General Meeting pertaining to approval of the compensation system for Executive Board members, the adoption of resolutions on the compensation of Supervisory Board members and approval of the Compensation Report, and other resolutions of the Supervisory Board involving Executive Board matters.

The following resolution authorities in particular are delegated to the Personnel Committee: conclusion, amendment, and termination of contracts, particularly employment contracts, with Executive Board members, with the exception of resolutions setting the overall compensation of individual Executive Board members and resolutions that reduce compensation and benefits, which are the sole responsibility of the full Supervisory Board pursuant to the German Stock Corporations Act; also the approval of material transactions with persons or undertakings related to a member of the Executive Board, the conduct of other transactions in relation to the Executive Board, and the approval of contracts with Supervisory Board members or persons or undertakings related to them, and the granting of loans to board members.

The Personnel Committee is also the Nomination Committee within the meaning of the German Corporate Governance Code. In this function, it presents a list of suitable candidates to the Supervisory Board to be proposed to the Annual General Meeting for election to the Supervisory Board as shareholder representatives. The Nomination Committee is a preparatory committee; it cannot adopt any resolutions for the Supervisory Board.

The participation of at least three committee members is required for the adoption of resolutions by the Personnel and Nomination Committee.

Composition of the Personnel and Nomination Committee

The Personnel and Nomination Committee of Berentzen-Gruppe Aktiengesellschaft is composed of at least three members of the Supervisory Board, including the Chairperson and the Deputy Chairperson. The committee chair is the Chairperson of the Supervisory Board. To the extent that the Personnel Committee acts as

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the Nomination Committee, it is only composed of the committee members who represent the shareholders. The Chairperson of the Personnel and Nomination Committee reports to the full Supervisory Board.

The following persons were members of the Personnel and Nomination Committee in the period from January 1 to December 31, 2023:

Name	Member of the Supervisory Board committee	Function in the committee
Uwe Bergheim Chairman of the Supervisory Board	since May 3, 2018	Chairman of the Personnel and Nomination Committee
Dagmar Bottenbruch	from September 17, 2020 to May 10, 2023	Member of the Personnel and Nomination Committee
Heike Brandt	since May 19, 2017	Member of the Personnel Committee
Frank Schübel Deputy Chairman of the Supervisory Board	since May 19, 2017	Member of the Personnel and Nomination Committee
Theresia Stöbe	since May 10, 2023	Member of the Personnel and Nomination Committee

(4.4.2) Finance and Audit Committee of the Supervisory Board

Work of the Finance and Audit Committee

The work of the Finance and Audit Committee particularly comprises the supervision of the financial reporting process, the effectiveness of the internal control system, and the risk management system including the compliance management system and the internal auditing system, and the auditing of the annual financial statements.

In this context, the responsibilities of the Finance and Audit Committee include the preparation of the Supervisory Board meeting called to approve the separate and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft (financial statements meeting), which it does particularly on the basis of a preliminary review of the separate and consolidated financial statements, including the management report, and the discussion of the separate and consolidated financial statements and the reports on the audits thereof with the independent auditor, as well as the preliminary review of the proposals for the utilisation of the distributable profit. The preparatory discussions also cover the sustainability report of the Berentzen Group prepared separately on a voluntary basis. The Finance and Audit Committee also deals with the audit of interim financial information.

In relation to the audit of the financial statements, it is also the responsibility of the Finance and Audit Committee to issue a proposal to the Supervisory Board for its recommendation to the Annual General Meeting on the election of the auditor – if necessary after conducting a selection and proposal process – with due regard to the relevant provisions of Regulation (EU) No. 537/2014 dated April 16, 2014 on specific requirements regarding statutory audits of public-interest entities (Regulation (EU) No. 537/2014). In this context and on a continuous basis, the

Finance and Audit Committee also deals with the independence of the auditor and the additional services provided by the auditor, as well as the issuance of the audit engagement to the auditor and the agreement on fees, for which it is responsible. This also includes the requirement of the Finance and Audit Committee's approval for the provision of other than prohibited non-auditing services within the meaning of the aforementioned Regulation by the financial statements auditor. On the subject of the financial statements audit, the Finance and Audit Committee also deals with the determination of key audit matters, the discussion of the assessment of audit risks, the audit strategy, and the audit findings with the independent auditor, and the quality of the financial statements audit.

Each member of the Finance and Audit Committee may ask the committee chairperson to elicit information directly from the heads of the central functions of Berentzen-Gruppe Aktiengesellschaft who are responsible for the tasks that relate to the Finance and Audit Committee. The committee chairperson must then share the information so obtained with all members of the Finance and Audit Committee. The Executive Board must be informed immediately whenever such information is obtained.

The participation of at least three committee members is required for the adoption of resolutions by the Finance and Audit Committee.

Composition of the Finance and Audit Committee

The Finance and Audit Committee of Berentzen-Gruppe Aktiengesellschaft is composed of at least three members of the Supervisory Board, including the Chairperson of the Supervisory Board. The committee is chaired by a representative of the shareholders. The Chairperson of the Finance and Audit Committee reports to the full Supervisory Board.

According to the provisions of the Stock Corporations Act, at least one member of the Supervisory Board and the Finance and Audit Committee should have expertise in the field of financial reporting and at least one other member of the Supervisory Board and the Finance and Audit Committee should have expertise in the field of financial statements auditing (finance experts). According to the more detailed recommendations of the German Corporate Governance Code, the expertise in the field of financial reporting should consist of particular knowledge and experience in the application of financial reporting standards, internal control systems, and risk management systems, while the expertise in the field of financial statements auditing should consist of particular knowledge and experience in the auditing of financial statements, it being understood that financial reporting and financial statements auditing also refer to sustainability reports and the auditing of such reports. The Chairperson of the Audit Committee should be an expert in at least one of these two fields and should also be independent. Furthermore, the Chairperson of the Supervisory Board should not be the Chairperson of the Finance and Audit Committee.

In addition, the members of the Supervisory Board and the Finance and Audit Committee must be familiar as a group with the sector in which the Company operates (sector expertise).

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The following persons were members of the Finance and Audit Committee in the period from January 1 to December 31, 2023:

Name	Member of Supervisory Board committee	Function in the committee
Hendrik H. van der Lof	since May 19, 2017	Chairman of the Finance and Audit Committee
Uwe Bergheim Chairman of the Supervisory Board	since May 3, 2018	Member of the Finance and Audit Committee
Bernhard Düing	from June 3, 2009 to May 10, 2023	Member of the Finance and Audit Committee
Frank Schübel Deputy Chairman of the Supervisory Board	since May 22, 2019	Member of the Finance and Audit Committee
Theresia Stöbe	since May 10, 2023	Member of the Finance and Audit Committee

According to the self-assessment of the members of the Supervisory Board, which is disclosed in the qualifications matrix presented in section (5.2.5) below, the current composition of the Finance and Audit Committee fulfils the two statutory requirements for sector expertise and financial expertise mentioned above.

With respect to the latter requirement, the Finance and Audit Committee and therefore the Supervisory Board has at least one member with expertise in the field of financial statements auditing, that being Hendrik H. van der Lof, and at least one other member with expertise in the field of financial reporting, that being Frank Schübel.

By virtue of its training as a registered public auditor and subsequent training, his many years of experience working for two large, international auditing firms, and his experience as a member of the audit committee of an internationally active, exchange-listed brewing company, the Chairperson of the Finance and Audit Committee, Hendrik H. van der Lof, possesses particular knowledge and experience and therefore expertise in the field of financial statements auditing. By virtue of the same experience, he also possesses particular knowledge and experience in the application of financial reporting standards, internal control systems, and risk management systems, and therefore also possesses expertise in the field of financial reporting, including sustainability reporting. Moreover, Hendrik H. van der Lof is independent and is not concurrently the Chairperson of the Supervisory Board.

By virtue of his academic and professional background, Frank Schübel likewise possesses expertise in the field of financial reporting and therefore also particular knowledge and experience in the application of financial reporting standards, internal control systems, and risk management systems, as well as expertise in the field of financial statements auditing, including sustainability reports and the auditing of such reports. He is therefore qualified as a financial expert within the meaning of the regulations of the German Stock Corporations Act and the corresponding, in some cases more detailed Recommendations of the German Corporate Governance Code. Among other things, Frank Schübel has completed a training programme for “Certified Supervisory Board and Advisory Board Members”, the contents of which included finance, financial reporting, financial statements auditing, law, risk management, and compliance. His experience in these areas was acquired particularly from his current role, which he has held for many years, as sole Managing Director of an international tea trading group. In this role, he also bears sole responsibility for financial reporting and financial statements auditing. Moreover, he is responsible for the sustainability management function of the said group, including the preparation of sustainability reports and the auditing of such reports.

(4.5) Self-assessment of the Supervisory Board and its committees

The Supervisory Board makes a regular assessment, either internally or with external support, of how effective the Supervisory Board as a whole and its committees fulfil their duties.

Internal self-assessments are done in the form of an ongoing self-evaluation as a means of measuring the effectiveness and efficacy of the work of these bodies and their cooperation with the Executive Board with the objective of ensuring that duties are fulfilled in an efficient and proper manner and optimising their work. Relevant aspects, findings, and any necessary, expedient measures are discussed in the Supervisory Board, which adopts and implements any necessary resolutions.

The Supervisory Board again performed an extensive internal self-assessment on the basis of an evaluation form tailored to the Company's specific circumstances in the 2023 financial year. The Supervisory Board's assessment of the efficiency of its work, the work of its committees, and its internal structure was exceedingly positive; high-level improvement potential was identified only in partial aspects of the Supervisory Board's work. No material deficiencies were found. The Supervisory Board discussed the results of this self-assessment after it was completed.

(4.6) Cooperation between the Executive Board and the Supervisory Board

The Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft work closely together in a trustful manner for the good of the Berentzen Group. The Executive Board coordinates the strategic orientation of the Company with the Supervisory Board and discusses the status of strategy implementation with it at regular intervals of time. The Executive Board informs the Supervisory Board regularly, promptly, and extensively on all issues of relevance to the Berentzen Group, specifically relating to strategy, planning, business performance, risk profile, risk management, and compliance. Deviations in business performance from the prepared plans and objectives of the Company and the Group are likewise reported and explained immediately to the Supervisory Board.

As a general rule, the members of the Executive Board attend the meetings of the Supervisory Board, provide written and oral reports on the individual agenda items and draft resolutions, and answer the questions of the Supervisory Board. Irrespective of the foregoing, the Supervisory Board may also meet regularly without the presence of the Executive Board. If the auditor is invited to a meeting of the Supervisory Board or one of its committees in the role of an expert, the Executive Board does not take part in this meeting unless the Supervisory Board or the committee deems its participation to be necessary.

In addition, the Chairperson of the Executive Board regularly informs the Chairperson of the Supervisory Board about current developments orally and whenever appropriate also in writing. The Chairperson of the Supervisory Board is immediately informed by the Chairperson of the Executive Board about important events of material significance to an assessment of the situation and development of the Company and the management of the Company or the Group.

The Chairperson of the Supervisory Board maintains regular contact with the Executive Board between meetings and discusses with it issues relating to the Company's strategy, business performance, risk profile, risk management, and compliance.

Insofar as transactions or measures of the Executive Board require the consent of the Supervisory Board, the Chairperson of the Executive Board provides extensive information about the intended transaction or measure to the Supervisory Board and obtains the Supervisory Board's approval thereof.

If an Executive Board Chairperson has not been appointed, the rules of procedure for the Executive Board set out detailed rules on the representation of the Executive Board vis-à-vis the Supervisory Board and the performance of duties that are otherwise fundamentally assigned to the Chairperson of the Executive Board.

The members of the Executive Board must immediately disclose any conflicts of interest linked to their activity for Berentzen-Gruppe Aktiengesellschaft to the Chairperson of the Supervisory Board and the Chairperson or Spokesperson of the Executive Board and inform the other Executive Board members thereof.

(5) Diversity plans for the composition of the Executive Board and the Supervisory Board

Again in the 2023 financial year, the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft thoroughly dealt with the goals for the composition of the Executive Board and the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft, which are set out in the diversity plans adopted by the Supervisory Board at the end of the preceding financial year for the 2023 financial year. These diversity plans are described in the following.

A time limit or time frame of December 31, 2023 has been set for the attainment of the aspects and goals included in each diversity plan. The time limits or time frames for the attainment of the targets for the percentage of women on the Executive Board and the Supervisory Board were and are separate from the foregoing. A time limit or time frame of December 31, 2026 was set for this purpose after the Supervisory Board's further deliberations on this subject at the end of the 2021 financial year. Additional information on this subject is presented in summarised form in section (6) below.

In accordance with the voluntary commitments set out in the diversity plans, the Supervisory Board reviewed them again completely both in terms of content and with regard to the results achieved in the 2023 financial year.

The diversity plans encompass diversity aspects within the meaning of Sections 315d and 289f HGB and the corresponding and supplementary recommendations of the German Corporate Governance Code, particularly those pertaining to the adoption of specific targets for the composition of the Supervisory Board. Therefore, the following report serves equally to fulfil the statutory reporting obligation and the implementation of the corresponding recommendations of the German Corporate Governance Code.

(5.1) Executive Board

(5.1.1) Description of the diversity plan

The diversity plan for the composition of the Executive Board comprises the aspects and targets described in the following.

Age

The diversity plan prescribes an age limit for Executive Board members. Only those persons who will not have completed their 65th year of life at the end of the regular term of office for which they were either appointed for the first time or re-appointed should be appointed to the Executive Board.

Gender

The independently adopted target for the percentage of women on the Executive Board, which the Supervisory Board is specifically obligated to do under the Stock Corporations Act, covers the aspect of gender.

Information on this subject is summarised in the following section (6) along with the other gender-related targets to be adopted by law and the corresponding statements to be included in the (Group) Declaration on Corporate Governance.

Educational background

In the opinion of the Supervisory Board, managing a nationally and internationally active enterprise requires an appropriate level of education for the members of its managing body. Therefore, at least two members of the Executive Board should have a university degree or polytechnic degree or a comparable international academic degree.

Professional background

In terms of professional background, the Executive Board should only have members with experience in the management or supervision of other medium-sized or large corporations.

Moreover, the members of the Executive Board should have experience from different professional activities, if possible; to this extent, the Executive Board should have at least one member who has professional experience in operational positions in the sector in which the Company operates and at least one member who has professional experience in administrative and especially business administration positions.

International background

Also with a view to the requirements for managing an internationally active enterprise, the Executive Board should have at least one member with international experience. In this regard, international experience does not necessarily or exclusively mean a foreign nationality, but it particularly means relevant, work-related experience in an international context.

Expertise in sustainability issues

In view of the current and ever increasing importance of sustainability and corporate social responsibility to society in general and to the Company and its stakeholders in particular, as well as the Company's size, the Executive Board should have at least one member with expertise in sustainability issues.

Other aspects

Another specification pertains to the aspect of potential conflicts of interest for Executive Board members. They are obligated to serve the Company's interests, they may not pursue personal interests in their decisions, nor exploit for themselves business opportunities to which the Berentzen Group is entitled, and are subject to a comprehensive competition ban during their employment with the Company. Every member of the Executive Board is obligated to observe the code of conduct relative to conflicts of interest that is recommended in the German Corporate Governance Code, which is also completely incorporated into the rules of procedure for the Executive Board. In consideration of the foregoing, the diversity plan states that the Executive Board should have no member in whom material and not only temporary conflicts of interest could arise as a result of their activities and functions outside of Berentzen-Gruppe Aktiengesellschaft and its Group companies.

(5.1.2) Goals of the diversity plan

In its entirety, the diversity plan for the Executive Board described above primarily pursues the goal of staffing the Executive Board in such a way that its members as a whole possess the necessary knowledge, skills, and specialised experience for managing the Company by promoting the internal diversity of opinions and knowledge as a means of achieving that goal.

(5.1.3) Manner of implementing the diversity plan

The diversity plan is implemented primarily with the involvement of the Supervisory Board in staffing the Executive Board, as required by the German Stock Corporations Act, the Articles of Association of Berentzen-Gruppe Aktiengesellschaft, and the rules of procedure for the Supervisory Board, as well as in the process of the long-term succession planning for the Executive Board to be organised by the Supervisory Board. The decision on the composition of the Executive Board is made by the Supervisory Board in the Company's best interest and after giving due consideration to all the circumstances of each case.

The appointment of Executive Board members by the Supervisory Board – and the preparatory proposals or recommendations of the Supervisory Board's Personnel Committee made in this context – should be done in consideration of the specified diversity aspects.

Furthermore, it is specified that the Supervisory Board should review the diversity plan with respect to the composition of the Executive Board and the results achieved, whenever warranted and particularly when new Executive Board members are appointed or the composition of the Executive Board changes, and at regular intervals of time, at least once a year.

(5.1.4) Results achieved in the past financial year

In the judgment of the Supervisory Board, the composition of the Executive Board of Berentzen-Gruppe Aktiengesellschaft at December 31, 2023 fulfils all aspects of the diversity plan described above. With regard to the aspect of gender, please refer to the comments made in section (6) below. This section particularly contains separate information on the achievement of targets for the percentage of women on the Executive Board insofar as this must be reported within the scope of the specifications made in the present (Group) Declaration on Corporate Governance.

(5.1.5) Long-term succession planning for the Executive Board

The Supervisory Board ensures long-term succession planning for the Executive Board with the involvement of its Personnel Committee and in cooperation with the Executive Board.

In addition to the requirements of the Stock Corporations Act, the Articles of Association of Berentzen-Gruppe Aktiengesellschaft, and the recommendations of the German Corporate Governance Code, as well as the rules of procedure for the Supervisory Board and the Executive Board, the aspects and objectives set out in the diversity plan for the composition of the Executive Board described above are taken into consideration within the scope of long-term succession planning with due regard to the current terms of office of Executive Board members.

Based on the specific qualifications required for Executive Board members and with due regard to the requirements, aspects, and objectives described above, the Personnel Committee of the Supervisory Board – also working together and exchanging ideas and information with the Executive Board – develops a qualifications profile for Executive Board positions to be filled. This is the starting point for selecting those available candidates to be considered on the basis of their professional and personal aptitude for the position as part of a structured selection process. In the course of this process, the Personnel Committee issues a recommendation to the Supervisory Board, which makes the final decision and adopts the necessary resolution. Where necessary, external advisers are brought into the selection process to assist the bodies involved in developing qualifications profiles and selecting candidates and insofar as necessary to provide advice on the decision-making process relative to the appointment of Executive Board members.

(5.2) Supervisory Board

(5.2.1) Description of the diversity plan

The diversity plan for the composition of the Supervisory Board comprises the aspects and targets described in the following.

Age

According to the specification in the diversity plan, Supervisory Board members should not be older than 70 years of age when appointed for the first time or re-appointed, as a general rule.

Gender

The independently adopted target for the percentage of women on the Supervisory Board, which the Supervisory Board is specifically obligated to do under the Stock Corporations Act, covers the aspect of gender.

Information on this subject is summarised in section (6) below along with the other gender-related targets to be adopted by law and the corresponding statements to be included in the (Group) Declaration on Corporate Governance.

Educational background

In view of the growing importance and complexity of the duties and activities of the Supervisory Board and its members in the regular supervision and advisement of the Executive Board in its management of the Company, the diversity plan specifies that at least three members of the Supervisory Board should have a university degree or polytechnic degree or comparable international academic degree.

Professional background

With respect to the professional background of its members, the Supervisory Board should have at least two shareholder representatives who possess experience in the management or supervision of other medium-sized or large corporations, but should also have not more than one member who is a former member of the Executive Board. Furthermore, members of the Supervisory Board should not exercise any governing body or consulting functions with major competitors of the Company or have a personal relationship with a major competitor.

International background

With due regard to the relative importance of the operational and strategic orientation of the business activity of the Berentzen Group, the Supervisory Board strives to have at least one member representing the shareholders who possesses international experience. In this respect, international experience does not necessarily or exclusively mean a foreign nationality, but it particularly means relevant, work-related experience in an international context.

Expertise in sustainability issues

The aspects to be considered in making the specification pertaining to expertise in sustainability issues defined in the diversity plan for the composition of the Executive Board, as mentioned in section (5.1) above, also apply to the composition of the Supervisory Board.

Accordingly, the diversity plan for the Supervisory Board specifies that the Supervisory Board should have at least one member with expertise in sustainability issues.

Other aspects

Other aspects of the diversity plan include specifications relating to potential conflicts of interest, independence, the scope of expertise of its members in the fields of financial reporting and financial statements auditing and the number of members possessing such expertise, and the number of Supervisory Board members who must be familiar with the sector in which the Company operates.

All members of the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft are obligated to observe the code of conduct relative to conflicts of interest prescribed in the German Corporate Governance Code, which is also completely incorporated into the rules of procedure for the Supervisory Board, and must respond to any conflicts of interest that arise in line with the corresponding recommendation of the German Corporate Governance Code. Accordingly, Supervisory Board members must immediately disclose potential conflicts of interest having to do with their person or function to the Chairperson of the Supervisory Board and abstain from deliberations and votes on matters in which they are not impartial; in the event of a not only temporary conflict of interest, they must resign from the Supervisory Board. In consideration of the foregoing, the diversity plan specifies that the Supervisory Board should have no member in whom material and not only temporary conflicts of interest could arise as a result of their activities and functions outside of Berentzen-Gruppe Aktiengesellschaft and its Group companies.

In accordance with the recommendations of the German Corporate Governance Code, the Supervisory Board should have an appropriate number of independent members (on the shareholder side) according to its judgment, with due regard to the ownership structure. Within the meaning of these recommendations, a Supervisory Board member is considered independent if said member is independent from the Company and its Executive Board and independent from any controlling shareholder.

In accordance with the recommendations of the German Corporate Governance Code, more than half of the shareholder representatives should be independent from the Company and the Executive Board. A Supervisory Board member is considered independent from the Company and its Executive Board if he or she does not have a personal or business relationship with the Company or its Executive Board that could give rise to a material and not only temporary conflict of interest. The German Corporate Governance Code provides indications to assist the shareholder representatives in assessing the independence of shareholder representatives through the exercise of their best judgment.

In accordance with the other relevant recommendations of the German Corporate Governance Code, at least one shareholder representative should be independent from the controlling shareholder if the Company has a controlling shareholder and if the Supervisory Board has six or fewer members. According to these recommendations, a Supervisory Board member is considered independent from the controlling shareholder if he or she or a close family member is neither a controlling shareholder nor a member of the managing body of the controlling shareholder and does not have a personal or business relationship with the controlling shareholder that could give rise to a material and not only temporary conflict of interest.

Finally, the German Corporate Governance Code provides specific recommendations pertaining to the independence of the Supervisory Board Chairperson, the Chairperson of the (Finance and) Audit Committee, and the Chairperson of the committee dealing with Executive Board compensation, i.e. the Chairperson of the Personnel Committee in the case of Berentzen-Gruppe Aktiengesellschaft.

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On this basis, the Supervisory Board has specified in relation to the aspect of independence of shareholder representatives on the Supervisory Board, taking into account their judgment, that the Supervisory Board should have at least three members representing the shareholders who are independent from the Company and its Executive Board within the meaning of the recommendations of the German Corporate Governance Code and at least one member representing the shareholders who is independent from (any) shareholder controlling the Company within the meaning of the recommendations of the German Corporate Governance Code, assuming otherwise unchanged conditions.

The guidelines of the diversity concept concerning the expertise of Supervisory Board members in the fields of financial reporting and financial statements auditing and the number of members possessing such expertise are based on the mandatory, fundamental requirements of the German Stock Corporations Act, as well as the related further recommendations of the GCGC, as described overall in Section (4.4.2). According to these requirements and recommendations, at least one member of the Finance and Audit Committee and therefore at least one member of the Supervisory Board must possess expertise in the field of financial reporting. That same person should also fulfil the further recommendations of the GCGC, according to which financial reporting also refers to sustainability reporting, and therefore the expertise in the field of financial reporting should also cover sustainability reporting. Furthermore, at least one other member of the Finance and Audit Committee and therefore at least one other member of the Supervisory Board must possess expertise in the field of financial statements auditing and that person should also fulfil the further recommendations of the GCGC, according to which financial statements auditing also refers to the auditing of sustainability reports, and therefore the expertise in the field of financial statements auditing should also cover sustainability report auditing.

With a view to specifying the provisions of the Stock Corporations Act according to which the members of the Supervisory Board as a group must be familiar with the sector in which the Company operates, the diversity plan stipulates finally that the Supervisory Board should have at least two members with such sector expertise.

(5.2.2) Goals of the diversity plan

The overriding goal of the diversity plan for the Supervisory Board and the aspects considered therein is that its members as a whole possess the necessary knowledge, skills, and specialised experience to properly perform the Supervisory Board's task of supervising and advising the Executive Board in the management of the Company. In this respect, appropriate consideration of diversity aspects in the context of the Company's specific situation promotes the internal diversity of opinions and experience.

(5.2.3) Manner of implementing the diversity plan

The diversity plan is implemented primarily within the scope of the requirements of the Stock Corporations Act, the Articles of Association of Berentzen-Gruppe Aktiengesellschaft, and the rules of procedure for the Supervisory Board.

As representatives of the shareholders, two thirds of the Supervisory Board members are elected by the Annual General Meeting, to which the Supervisory Board makes suitable election proposals. By law, however, the Supervisory Board has no influence on the appointment of the third of the seats to which the representatives of the employees are entitled: The freedom of employees to elect the Supervisory Board members who represent them is protected under the One-Third Participation Act; thus, the Supervisory Board has no right to propose candidates. Insofar as the aspects of the diversity plan refer to or include the Supervisory Board members who represent the employees, the diversity plan is not to be understood as a requirement for those entitled to elect their representatives or a restriction of their freedom to vote.

Proposals for the election of Supervisory Board members who represent the shareholders by the Supervisory Board to the Annual General Meeting – and the preparatory work done for the Supervisory Board by its Nomination Committee and the latter's proposals and recommendations – should take diversity aspects into consideration so that the Annual General Meeting can contribute to the implementation of such aspects by adopting appropriate resolutions. However, the Annual General Meeting is not bound by the election proposals of the Supervisory Board.

Furthermore, it is specified that the Supervisory Board should review the diversity plan with respect to the composition of the Supervisory Board and the status of implementation or the results achieved whenever warranted, particularly in the case of proposals to the Annual General Meeting for the election of new Supervisory Board members representing the shareholders or a change in the composition of the Supervisory Board, and at regular intervals of time, at least once a year.

The competency profile for the members of the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft, which is described separately below, also serves the purpose of implementing the diversity plan.

(5.2.4) Results achieved in the past financial year

In its own judgment, the composition of the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft at December 31, 2023 fulfils all aspects of the diversity plan described above.

Accordingly, the specifications set out in the diversity plan regarding the independence of shareholder representatives on the Supervisory Board are fulfilled in accordance with the recommendations of the German Corporate Governance Code on which the diversity plan is based. In the judgment of the Supervisory Board, all its current shareholder representatives are independent within the meaning of the aforementioned recommendations, i.e. the body has four independent members representing the shareholders according to this meaning. The Supervisory Board members representing the shareholders referred to in this context are named in section (4.3) above.

With regard to the aspect of gender, including separate information on the achievement of targets for the percentage of women on the Supervisory Board, insofar as this must be reported within the scope of the specifications made in the present (Group) Declaration on Corporate Governance, please refer to section (6) below.

(5.2.5) Competency profile and qualifications matrix

In accordance with the corresponding recommendation of the German Corporate Governance Code, the Supervisory Board has also prepared a competency profile for its members, which is closely related to the diversity plan. The competency profile is meant to ensure an orderly selection process on the basis of objective requirements criteria for the Supervisory Board's proposal to the Annual General Meeting for the election of members to the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft; the proposals should strive to fulfil the criteria set out in the competency profile for the Supervisory Board as a whole. If the Supervisory Board also includes members who represent the employees, they should likewise fulfil the main criteria of the competency profile.

The competency profile defines both personal requirements for membership on the Supervisory Board and the necessary knowledge, skills, and specialised experience; it also covers the individual aspects and goals set out in the diversity plan for the composition of the Supervisory Board. Furthermore, the competency profile explicitly specifies that the respective Supervisory Board member or the candidate(s) for membership on the Supervisory Board should be given sufficient time to exercise the mandate.

In its own judgment, the current composition of the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft fulfils the criteria of the competency profile applicable to the current composition of the Supervisory Board.

The degree of completion of the competency profile is disclosed in the qualifications matrix below.

Qualifications matrix of the Supervisory Board		**Uwe Bergheim**	**Frank Schübel**	**Heike Brandt**	**Bernhard Düing**	**Hendrik H. van der Lof**	**Theresia Stöbe**
Length of membership	Supervisory Board member representing ...	Shareholders	Shareholders	Employees	Employees	Shareholders	Shareholders
	Member of the Supervisory Board since	May 3, 2018	May 19, 2017	May 22, 2014	June 24, 1999	May 19,2017	May 10, 2023
Personal aptitude and diversity (personal requirements)	Gender	M	M	F	M	M	F
	Year of birth	1956	1964	1975	1959	1962	1981
	International background: Nationality [1]	DE	DE	DE	DE	NL	AT
	Independence[2] [3]	✓	✓	✓	✓	✓	✓
	Not a former member of the Executive Board	✓		✓	✓	✓	✓
	No governing body seat or advisory duties with major competitors, no personal relationship with a major competitor[3]	✓	✓	✓	✓	✓	✓
	No material and not only temporary conflicts of interest[3]	✓	✓	✓	✓	✓	✓
	No overboarding[3]	✓	✓	✓	✓	✓	✓
Professional qualifications and diversity (knowledge, skills and professional experience)	Educational background: university or polytechnic degree or comparable international academic degree	✓	✓			✓	✓
	Professional background: experience in corporate management and supervision[2]	✓	✓	✓	✓	✓	✓
	Internationality background: experience in the management and supervision of internationally active enterprises[2]	✓	✓				✓
	Expertise in business, economics, market environment, and location[*] [1]	✓	✓	✓	✓	✓	✓

Qualifications matrix of the Supervisory Board		Uwe Bergheim	Frank Schübel	Heike Brandt	Bernhard Düing	Hendrik H. van der Lof	Theresia Stöbe
	Expertise in sustainability issues	✓	✓			✓	✓
	Expertise in finance[1]		✓			✓	
	Expertise in law, taxes, corporate governance *) [1]	✓	✓			✓	✓
	Expertise in human resources[1]	✓	✓	✓	✓		✓
	Expertise in information technology, digitalisation *) [1]		✓				✓
Special qualifications	Expertise in financial reporting and financial statements auditing [4]						
	Financial reporting						
	Expertise in financial reporting (financial reporting processes, application of financial reporting standards)		✓			✓	✓
	Expertise in internal control systems	✓	✓			✓	✓
	Expertise in risk management (systems)	✓	✓			✓	✓
	Expertise in sustainability reports		✓			✓	
	Financial statements auditing						
	Expertise in financial statements auditing	✓	✓		✓	✓	✓
	Expertise in in the auditing of sustainability reports		✓				
	Sector expertise [5]	✓	✓	✓	✓	✓	✓

✓ Qualifications fulfilled based on an annual self-assessment of the Supervisory Board.

*) Aggregated presentation for purposes of this qualifications matrix. If marked, at least one of the mentioned qualifications is fulfilled.

[1] No explicit specifications in the diversity concept / competency profile for Supervisory Board members.

[2] No explicit specifications in the diversity concept / competency profile for Supervisory Board members representing employees.

[3] Within the meaning of or according to the German Corporate Governance Code.

[4] According to Section 100 (5) AktG and the German Corporate Governance Code.

[5] According to Section 100 (5) AktG.

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(6) Disclosures on the adoption of targets for the percentage of women pursuant to Section 111 (5) AktG and Section 76 (4) AktG and the time limits set for the attainment of these targets

(6.1) Overview

For companies that are exchange-listed or whose Supervisory Board is not subject to the parity co-determination requirement, Section 111 (5) AktG requires that the Supervisory Board adopt targets for the percentage of women on the Supervisory Board and Executive Board and concurrently also set time limits for the attainment of these targets. For companies that are exchange-listed or subject to the co-determination requirement, Section 76 (4) AktG also requires that the Executive Board of such companies adopt targets for the percentage of women holding positions in the two management levels beneath the Executive Board and concurrently also set time limits for the attainment of these targets. In both cases, the time limits for the attainment of the targets may not be longer than five years.

Berentzen-Gruppe Aktiengesellschaft is the only company of the Berentzen Group affected by these obligations. As a Company that is indeed exchange-listed, but whose Supervisory Board is not also subject to the parity co-determination requirement, it is not subject to a fixed gender quota with regard to the balance of men and women on the Supervisory Board or to the additional requirement of having at least one woman and at least one man serving as members of an Executive Board composed of at least four persons.

Accordingly, the Supervisory Board and Executive Board of Berentzen-Gruppe Aktiengesellschaft have adopted targets for the percentage of women within their respective areas of responsibility. The targets were set in observance of the legal requirements, particularly those according to which targets may not be less than the percentage already achieved in each case if the percentage of women was less than 30 percent at the time the target was set, as well as those according to which the targeted percentage of women on the full board and/or at the management level in question corresponds to whole numbers of persons when the targets are expressed in the form of percentages.

The table below provides information on the targets set by the Supervisory Board and Executive Board most recently at the end of the 2021 financial year and the time limits established for the attainment of these targets.

	Number / % [1]	Established targets and time period for attainment thereof of up to 12/31/2026
Supervisory Board	No. (≙ %)	1 (17)
Executive Board	No. (≙ %)	0 (0) / 1 (≤ 33) [2] [3]
First management level beneath the Executive Board	%	27 [4]
Second management level beneath the Executive Board	%	31 [4]

[1] Figures in %: All figures given in percentages have been mathematically rounded without decimal places.

[2] Executive Board: If the Executive Board does not have more than two members, it does not need to have a female member. If the Executive Board has more than two members, at least one member of the Executive Board should be a woman.

[3] Executive Board: The Executive Board was composed of two members at December 31, 2023.

[4] First and second management levels beneath the Executive Board: The targeted percentage of women expressed as a percentage corresponds to whole numbers of persons before rounding.

(6.2) Supervisory Board

The target adopted by the Supervisory Board for the percentage of women on the Supervisory Board was determined in consideration of the size and number of employees of comparable companies, particularly in the spirits and beverages industry, and the currently limited availability of qualified female candidates to exercise Supervisory Board mandates. With respect to the attainment of the target, the Supervisory Board expressly makes no distinction between the Supervisory Board seats to be appointed by the representatives of the shareholders and those to be appointed by the representatives of the employees.

(6.3) Executive Board

The targets likewise adopted by the Supervisory Board for the percentage of women on the Executive Board reflect or reflected the fact that the Executive Board of Berentzen-Gruppe Aktiengesellschaft is adequately staffed with two members, in accordance with the Articles of Association, particularly also in view of the Company's size. Implementing a quota of women on the Executive Board that extends beyond the previous and current status, i.e. having at least one female member, would therefore not have been or be feasible without expanding the Executive Board. Furthermore, the Supervisory Board's resolutions on appointments to the Executive Board have up to now been guided, in the interests of the Company, primarily by the suitability of candidates regardless of gender, with the aim of staffing the Executive Board in such a way that its members as a group have the knowledge, skills, and specialist experience required to carry out their tasks properly. These aspects should also be the main criteria in the future, although particular emphasis is still to be placed on actively searching for qualified female candidates to fill any open Executive Board positions. In the opinion of the Supervisory Board, however, setting a target of having at least one female member (and thus going beyond the target of zero) on an Executive Board composed of only two members would have led to or would lead to an undue limitation in the selection of suitable, qualified male or female candidates. Mindful of the statutory regulations of the Stock Corporations Act and considering the realistic possibility of increasing the number of Executive Board members owing to the size of the Company, the Supervisory Board has found it appropriate to resolve as its target for the percentage of women on the Executive Board that at least one member of the Company's Executive Board should be a woman.

(6.4) First and second management level beneath the Executive Board

For its part, the Executive Board has adopted targets for the percentage of women holding positions on the two management levels beneath the Executive Board. In determining the management levels and baseline values for the targets to be adopted for this purpose, the circumstances of Berentzen-Gruppe Aktiengesellschaft as the only company affected by the relevant statutory provisions were considered in each case. The definition of the two management levels is based on the hierarchical classification and the exercise of managerial duties in the sense of profit/loss and/or division responsibility and personnel and budget responsibility.

The Executive Board has decided to enhance the measures to be taken to attain its adopted targets for the percentage of women in the two management levels beneath the Executive Board. In addition to promoting an appreciative culture of diversity within the Company and strengthening measures to reconcile work and family life, such as introducing more flexible working schedules, these measures include the intensification of internal employee development from the point of view of selecting, promoting, and preparing women for management duties and the more targeted recruitment of external female candidates from outside the company to fill open positions for experts and managers, also with the support of specialised outside consultants.

(7) Publication of the (Group) Declaration on Corporate Governance

The present (Group) Declaration on Corporate Governance will be made available to the public on the corporate website of Berentzen-Gruppe Aktiengesellschaft at www.berentzen-gruppe.de/en/investors/public-limited-company.

Haselünne, February 28, 2024

Berentzen-Gruppe Aktiengesellschaft

For the Executive Board		For the Supervisory Board
Ralf Brühöfner	Oliver Schwegmann	Uwe Bergheim
Member of the Executive Board	Member of the Executive Board	Chairperson of the Supervisory Board

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Compensation Report of Berentzen-Gruppe Aktiengesellschaft for the 2023 financial year

The present Compensation Report presents in a clear and comprehensible manner the compensation individually granted and owed by Berentzen-Gruppe Aktiengesellschaft to the present and former members of its Executive Board and Supervisory Board in the 2023 financial year and includes, by name, the necessary details and explanations to the extent such information is actually available.

This Compensation Report was compiled jointly by the Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft in accordance with the statutory requirements of the German Stock Corporations Act (Section 162 AktG).

According to Section 162 (3) sentence 1 AktG (German Stock Corporations Act), the independent auditor is obliged to audit the Compensation Report. Within the scope of this statutory audit duty, the independent auditor must review whether the information pursuant to Section 162 (1) and (2) AktG has been provided, i.e. the independent auditor is only obliged to perform an audit of formal requirements. The review of the Compensation Report is a separate review pursuant to the German Stock Corporations Act and is not part of the audit of financial statements. The Compensation Report for the 2023 financial year was not subjected to a voluntary audit of the content by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Osnabrück, the independent auditor for the consolidated financial statements and the annual financial statements of Berentzen-Gruppe Aktiengesellschaft as at December 31, 2023.

(1) Review of the 2023 financial year from a compensation point of view

(1.1) Business performance and business result in the 2023 financial year

The Berentzen Group achieved consolidated revenues of EUR 185.7 million (EUR 174.2 million) in the 2023 financial year; the adjusted consolidated earnings (consolidated EBIT) was EUR 7.7 million (EUR 8.3 million). The adjusted consolidated earnings before depreciation and amortisation came to EUR 16.0 million (EUR 16.7 million). The key financial performance indicators of the Berentzen-Gruppe Aktiengesellschaft group are therefore within the forecast ranges, which were adjusted slightly downward during the 2023 financial year. The range of the adjusted consolidated earnings was lowered only at the upper limit, however, not at its lower limit. In this way, the Berentzen Group fully reached its revenue and earnings goals for the 2023 financial year overall, even though the revenue growth was achieved exclusively through price increases with slightly lower unit sales and, accordingly, the earnings quality was not satisfactory. In addition, there was an inflationary price trend along the entire value chain, leading to a rise in other operating expenses, particularly personnel costs. These developments accounted overall for the decrease in adjusted consolidated earnings compared to the previous year.

The current compensation system for the members of the Executive Board of Berentzen-Gruppe Aktiengesellschaft applicable in the 2023 financial year is based as before on a “pay for performance” principle. Accordingly, the performance of the 2023 financial year is reflected in the short-term, single-year compensation of members of the Executive Board for this financial year, in which the financial performance criteria set by the Supervisory Board in December 2022 were overfulfilled, albeit to a significantly lesser extent than in the previous financial year when the achieved adjusted consolidated earnings far exceeded the amount forecast in the business plan. This compensation component will be paid in the 2024 financial year, subject to its adoption by the Supervisory Board, which will take place after this Compensation Report has been prepared.

In supplement to the financial performance indicators resulting directly from the compensation system, in December 2022 the Supervisory Board set the non-financial performance criteria with regard to the multiple-year variable compensation of the members of the Executive Board for the financial years 2023 to 2026. This will be paid, again subject to adoption by the Supervisory Board in the 2027 financial year, after the end of this performance period, if and to the extent that the applicable and adopted performance criteria have been met.

(1.2) Composition of the Executive Board, the Supervisory Board and the Personnel Committee of the Supervisory Board

There were no changes to the composition of the Executive Board of Berentzen-Gruppe Aktiengesellschaft in the 2023 financial year.

The minor changes to the composition of the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft and its committees in this financial year are presented in section (3.2.1) of this Compensation Report. Among others, they affected the Personnel Committee of the Supervisory Board, which generally deals in a preparatory way for the Supervisory Board with matters concerning the compensation of members of the Executive Board and Supervisory Board.

(1.3) Resolution to approve the Compensation Report for the past 2022 financial year

The Compensation Report for the 2022 financial year was prepared in accordance with the statutory requirements of the German Stock Corporations Act (Section 162 AktG) and also voluntarily subjected to an audit of the content by the auditor beyond the statutory requirements of Section 162 (3) sentence 1 AktG. It was approved by the annual general meeting of Berentzen-Gruppe Aktiengesellschaft on May 10, 2023 with a majority of 90.87 % of the votes cast in this resolution in accordance with Section 120a (4) AktG. Against the background of this vote, in the opinion of the Executive Board and the Supervisory Board there was no need to question or make any changes in this respect to the reporting on the compensation of the members of the Executive Board and the Supervisory Board or the application of the respective compensation system.

(2) Compensation of members of the Executive Board

(2.1) Compensation system for Executive Board members

(2.1.1) Method of setting, reviewing and implementing the compensation system for the members of the Executive Board

The compensation system for the members of the Executive Board and compensation for individual members of the Executive Board are set by the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft, with preparation of the corresponding Supervisory Board resolutions having been transferred to the Supervisory Board's Personnel Committee. The Supervisory Board and its Personnel Committee may consult external advisers as necessary. When external compensation experts are engaged, it is ensured that they are independent of the Executive Board and the Company.

As a general principle, the Supervisory Board's Personnel Committee prepares the regular Supervisory Board reviews of the system of compensation of the Executive Board members. When necessary, the Personnel Committee makes recommendations for changes to the Supervisory Board.

In the event of material changes, but no less than once every four years, the compensation system is presented to the annual general meeting for approval. If the annual general meeting does not approve the compensation system submitted to it for voting, a reviewed compensation system will be submitted for resolution no later than the subsequent ordinary general meeting.

(2.1.2) Voting of the annual general meeting on the compensation system for the members of the Executive Board

The current system for the compensation of the members of the Executive Board was passed on December 10, 2020, by the Supervisory Board at the recommendation of its Personnel Committee and there were no changes to it in the 2023 financial year. It has been in force since January 1, 2021, and takes account of the relevant statutory specifications of the German Stock Corporations Act and, with one exception, the recommendations of the German Corporate Governance Code (DCGK), both in the version of December 16, 2019, which was applicable at this time, and the current version of April 28, 2022. This compensation system was submitted for approval to the annual general meeting of Berentzen-Gruppe Aktiengesellschaft pursuant to Section 120a (1) sentence 1 AktG on May 11, 2021, and approved with a majority of 82.54 % of the votes cast.

If there are any material changes to the compensation system, it will be submitted to the annual general meeting again for approval, but no later than the ordinary general meeting held in the year 2025.

In their preparation of the amended compensation system for the members of the Executive Board, the Supervisory Board and its Personnel Committee received assistance from independent external compensation experts from Deloitte Consulting GmbH, Düsseldorf. As part of this process, an assessment was performed at the same time of the customariness and appropriateness of the Executive Board compensation under the amended compensation system in accordance with the requirements of stock corporation law and the recommendations of the DCGK in this context.

(2.1.3) Application of the compensation system for the members of the Executive Board

The current compensation system for the members of the Executive Board was applied to all current members of the Executive Board in the 2023 financial year. Employment contracts that correspond with this compensation system have been concluded with the current members of the Executive Board.

Insofar as the corresponding performance criteria were met, the members of the Executive Board were granted multiple-year variable compensation components for the last time for a performance period that ended in the 2022 financial year; these compensation components had been committed in previous financial years under the compensation system valid at that time for the members of the Executive Board in accordance with their employment contracts concluded under that system.

In accordance with the current compensation system, after the end of the 2022 financial year the Supervisory Board made in its meeting on March 21, 2023, the necessary findings with regard to target achievement for the variable compensation components and adopted these accordingly for the 2022 financial year. In this financial year the Supervisory Board has not exercised the option established in the compensation system by law of deviating temporarily from the compensation

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system in the interest of the long-term well-being of the company, as detailed in this compensation system.

(2.1.4) Fundamentals and general objective of the compensation system for the members of the Executive Board

The current system of Executive Board compensation promotes the implementation of the long-term corporate strategy of profitable growth. It promotes implementation of non-financial strategic objectives and provides incentives for creating long-term and sustainable value while, at the same time, avoiding undue risks. In addition, this approach also specifically promotes the interests of the shareholders in an appropriate long-term return. It is intended that the Executive Board members be granted, within the relevant legal framework, a market-based but competitive compensation package in order to encourage the loyalty of qualified Executive Board members to Berentzen-Gruppe Aktiengesellschaft and to attract new Executive Board members to the Company.

The compensation system for the members of the Executive Board of Berentzen-Gruppe Aktiengesellschaft consists of non-performance-based (fixed) and performance-based (variable) components. In the event of performance targets being 100 % reached in each case, the ratio of the short-term, single-year variable compensation (short-term incentive, STI) to long-term, multiple-year variable compensation (long-term incentive, LTI) stands at 40:60 after rounding. In the case of special achievements or special project successes, which in particular make a contribution to sustainable corporate performance, the Supervisory Board may further decide to award an additional voluntary special allowance.

The following overview provides a summary of the individual components of the current compensation system for the members of the Executive Board and of the underlying objectives including the link to strategy and the specific structure of the individual compensation components. These are explained in detail in section (2.1.6) below.

Compensation component	Structure / parameter	Purpose / Link to strategy
Target total compensation	Composition: Fixed and variable compensation components	
	Ratio of single-year to multiple-year variable compensation (STI / LTI): around 40:60 with a degree of target achievement of 100 % in each case	
	Voluntary variable special allowance possible	
Fixed compensation components		
Basic compensation	Annual basic compensation, paid in twelve monthly instalments	Basis for attracting and retaining highly qualified members for the Executive Board for implementing the long-term corporate strategy of profitable growth and further corporate objectives
Fringe benefits	Company car, including private use	Granting of an overall market-based but competitive compensation package
	Pensions: Designated payment of EUR 12 thousand p.a.	
	Continued payment in the event of illness	
	Accident insurance	
	D&O insurance with deductible	
Variable compensation components		
Single-year variable compensation (STI)	Performance parameter: Consolidated operating profit (consolidated EBIT)	Taking account of the operating result in a financial year, compensation for the annual contribution on the part of the Executive Board members to the operational implementation of the corporate strategy and supporting the stakeholders’ interests in an appropriate long-term return
	Performance period: Financial year	
	Range of degree of target achievement: 75 to 120 % of the target value The target value corresponds to the value of the performance parameter (consolidated EBIT) resulting from the business plan approved by the Supervisory Board for the respective performance period (the financial year in question).	
	STI target amount (degree of target achievement 100 %): EUR 140 thousand	
	Cap: 200 % of the STI target amount	

Compensation component	Structure / parameter		Purpose / Link to strategy
Multiple-year variable compensation (LTI)	Performance period: 4 years		Consideration of successful implementation of the corporate strategy over the long term
	LTI target amount (degree of target achievement 100 %): EUR 210 thousand		
	Share-based performance parameter (TSR)	Weighting: 87.5 % of the LTI	Incentivisation with regard to a sustainable return on the Berentzen-Gruppe Aktiengesellschaft share, consideration of the quantitative shareholder interests
		Performance parameter: Total shareholder return (TSR) (1) Ratio of the change in the share price plus dividends paid at the end of the performance period to the share price at the beginning of the performance period (2) Comparison of the TSR determined pursuant to (1) with the development of the TSR in SDAX-listed companies	
		Range of degree of target achievement: 0 to 200 % depending on the percentile rank achieved (minimum 25th, maximum 75th percentile rank)	
	Non-financial performance parameter	Weighting: 12.5 % of the LTI	Consideration of the Executive Board's contribution to implementation of the corporate strategy and to the long-term development of the Company
		Performance parameter: (1) Derivation of two to four, generally identically weighted non-financial targets from the CSR strategy and from the corporate strategy (2) Parameters are defined when setting the non-financial targets and can be of a qualitative and quantitative nature	
		Range of degree of target achievement: 0 to 200 %. Degree of target achievement of 100% is defined when setting the non-financial targets	

Compensation component	Structure / parameter	Purpose / Link to strategy
Voluntary special allowance	One-off payment without legal entitlement	Consideration of the contribution of individual Executive Board members to sustainable business performance
	Performance parameter: Special achievements on the part of an Executive Board member or special project successes which in particular make a contribution to sustainable corporate performance	
	Definition at the reasonable discretion of the Supervisory Board - on an individual basis - to the extent that the special achievement/special project success is not already considered in the single-year variable compensation for the relevance performance period	
	Cap: Total of voluntary special allowance + single-year variable compensation < target amount for multiple-year variable compensation in the relevant performance period	
Maximum compensation (cap on total compensation granted pursuant to Section 87a (1) Sentence 2 No. 1 AktG)	Total of the maximum amount of all fixed and variable compensation components for the financial year in question – irrespective of whether these will be paid out in the financial year in question or at a later point in time – taking into consideration the respective upper limits (cap or highest percentage of the range) of the single- and multiple-year compensation components	
Other compensation policies		
Reduction in (malus) and reclaiming of (clawback) variable compensation components	Malus: In the event of breaches of duty or compliance violations, the Supervisory Board may reduce variable compensation components. The Supervisory Board will decide on the extent of the reduction depending on the severity of the breach of duty at its reasonable discretion.	
	Clawback: Possibility to reclaim variable compensation payments that are linked to the achievement of the relevant targets and were wrongly paid out on the basis of incorrect data (difference). The Supervisory Board will decide at its reasonable discretion on whether this reservation is exercised.	

Compensation component	Structure / parameter	Purpose / Link to strategy
Payments in the event of premature termination of Executive Board activity (severance cap)	Severance payment in the event of premature termination of the employment contract for a good cause for which the member of the Executive Board is not responsible and – where agreed in the employment contract – due to a "change of control" event having occurred	
	Cap: A maximum of two total compensation payments or of an amount corresponding to the total compensation pro rata temporis that would have been payable overall for the remaining term of the contract	

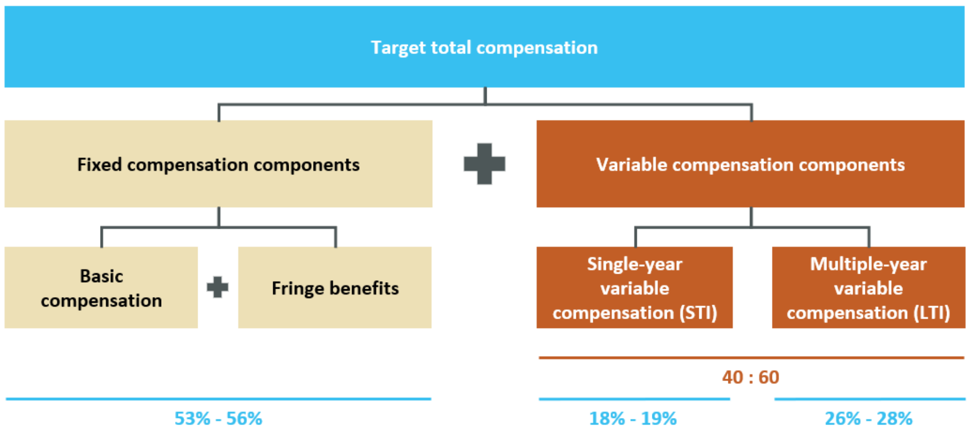
(2.1.5) Target total compensation

The target total compensation is such compensation as would be paid to an Executive Board member for a financial year (performance period) as an aggregate of all fixed and variable compensation components that would be paid overall if the degree of target achievement amounted to 100 % in both of the two compensation components, STI and LTI. This is independent of whether the individual compensation component is granted or owed in the financial year in question or at a later point in time.

The Supervisory Board determines in compliance with the compensation system the amount of the target total compensation for each Executive Board member. In this context, the Supervisory Board not only takes into consideration an appropriate relationship to the tasks and performance of the Executive Board member but also the economic situation of Berentzen-Gruppe Aktiengesellschaft.

The following diagram shows an overview of the relative shares of the individual compensation components in the target total compensation:

Composition of target total compensation
with a degree of target achievement in relation to the variable compensation components of 100%



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(2.1.6) Compensation components

The compensation of the members of the Executive Board of Berentzen-Gruppe Aktiengesellschaft generally consists of the fixed compensation components of basic compensation and fringe benefits as well as the variable compensation components of STI and LTI. Furthermore, it is possible under certain circumstances to additionally pay a voluntary variable special allowance.

(2.1.6.1) Basic compensation

Each Executive Board member receives a fixed annual basic compensation. This amount is paid out in twelve monthly instalments.

Together with the other compensation components, the annual basic compensation forms the basis for attracting and retaining highly qualified members for the Executive Board in order to be able to implement the long-term corporate strategy of profitable growth and further corporate objectives.

(2.1.6.2) Fringe benefits

The fringe benefits comprise in detail:

- Company car that individual Executive Board members may also use for private purposes
- Earmarked payment of an annual amount of EUR 12 thousand to use for a financial instrument suitable for a pension plan
- Continued payment for a period of up to six weeks and subsequent sick pay of the difference between the – hypothetical – sick pay of the statutory health insurance for a period of up to nine months but no longer in each case than until termination of the employment contract as a member of the Executive Board
- Accident insurance (in the form of participation in the group accident insurance with an annual amount of EUR 1,500)
- D&O insurance with deductible as specified in the Stock Corporations Act (AktG)

The fringe benefits are intended to create an attractive working environment for the members of the Executive Board and furthermore contribute to granting the Executive Board members a both market-based and competitive compensation package overall.

(2.1.6.3) Single-year variable compensation (STI)

(2.1.6.3.1) Performance parameter and computation of STI

The performance parameter for STI is the consolidated operating profit of Berentzen-Gruppe Aktiengesellschaft (consolidated EBIT).

For this purpose, the Supervisory Board sets a target value for the consolidated EBIT at the beginning of the financial year for the respective STI performance period. This target value corresponds to the value of the consolidated EBIT resulting from the business plan approved by the Supervisory Board for the respective financial year. Target achievement is determined after the end of the financial year on the basis of the audited consolidated financial statements as a comparison of the target value with the consolidated EBIT actually achieved for the respective financial year, expressed as a degree of target achievement.

The degree of target achievement relevant to the STI ranges between 75 % and 120 % of the target value.

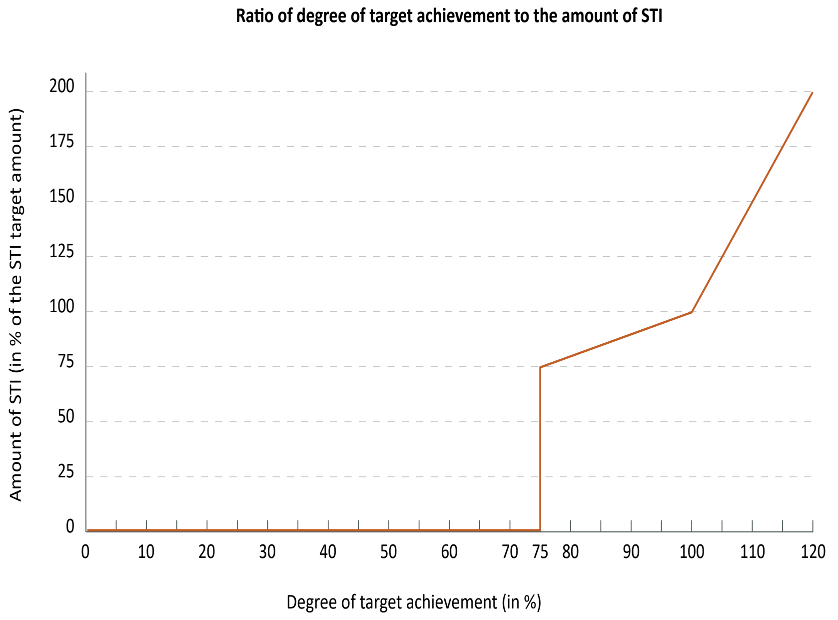
A degree of target achievement of 75 % forms the lower limit for the STI, i.e. in the event of a degree of target achievement of less than 75 %, no STI will be granted.

The degree of target achievement is capped at 120 % of the target value, which in turn means that the STI is capped at 200 % of the STI target amount.

The ratio between the degree of target achievement and the amount of the STI correlates in detail as follows:

Degree of target achievement (in % of the target value)	Amount of STI (% of target amount)
< 75	No STI is granted
= 75	75 % of the STI target amount
> 75 to 100	Straight line increase from 75 % to 100% of the STI target amount
> 100 to 120	100 % of the STI target amount plus 5 % per percentage point by which the target value is exceeded, thus a maximum of 200 % of the STI target amount

The following overview contains a graphic representation of the relationship between the degree of target achievement and the resulting amount of STI, subject to any adjustment in the event of extraordinary developments (for more details on this, see section (2.1.6.3.3)):



(2.1.6.3.2) *Objective of the STI*

With the consolidated EBIT being the definitive performance parameter for the STI, the granting of the STI takes into account the operating performance in a financial year (STI performance period) and at the same time compensation is made for the contribution in that year by the Executive Board members to operational implementation of the corporate strategy. Furthermore, the shareholder interests in an appropriate long-term return are promoted in this way.

(2.1.6.3.3) Setting and payment of the STI

The STI for the financial year in question is set in two steps:

In a first step, the degree of target achievement is multiplied by the STI target amount. In the event of extraordinary developments, the Supervisory Board may adjust the resulting computed result by using a discretionary multiplier of between 80 % and 120 %. Any adjustment to more than 200 % of the STI target amount is excluded.

In a second step, the Supervisory Board reviews whether any breaches of duty or compliance violations on the part of the Executive Board member in the STI performance period make it necessary to adjust downwards the STI determined in the first step. The Supervisory Board will decide on the extent of the reduction depending on the severity of the breach of duty at its reasonable discretion.

The STI determined following conclusion of the second step constitutes its amount payable and is paid out to the Executive Board member in cash. This amount is due as at March 31 of the financial year following the STI performance period in question to the extent that the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft have already been approved by the Supervisory Board at this point; otherwise, it is due immediately after approval of the consolidated financial statements by the Supervisory Board.

(2.1.6.4) Multiple-year variable compensation (LTI)

(2.1.6.4.1) Performance parameters of the LTI

The LTI is intended to take into account successful implementation of the corporate strategy over the long term. It comprises a share-based performance parameter and a non-financial performance parameter. The performance period for the LTI is four years (LTI performance period), beginning with the financial year for which the specific LTI is committed.

Share-based performance parameter (TSR) – objective, computation and weighting

The share-based performance parameter has the purpose of incentivising the members of the Executive Board with regard to a sustainable return on the Berentzen-Gruppe Aktiengesellschaft share and the associated broad consideration of the quantitative interests of its shareholders. Concrete incentivisation is achieved with the performance parameter of total shareholder return (TSR), which represents at the same time the share-based portion of the variable compensation. TSR is weighted at a value of 87.5 % of the LTI.

TSR includes the total return received by the shareholder over the LTI performance period and is calculated from the ratio of the share price change plus dividends paid at the end of the LTI performance period to the share price at the beginning of the LTI performance period.

In order to reduce the effects of random and short-lived price developments, the definitive share prices are calculated as follows: the average commercially rounded closing price in Xetra trading of the last 90 trading days prior to the beginning of the LTI performance period is used as the beginning share price. The ending share price is determined on the basis of the average of the closing prices of the last 90 trading days prior to the end of the LTI performance period.

The average period for calculating the beginning share price is not part of the LTI performance period.

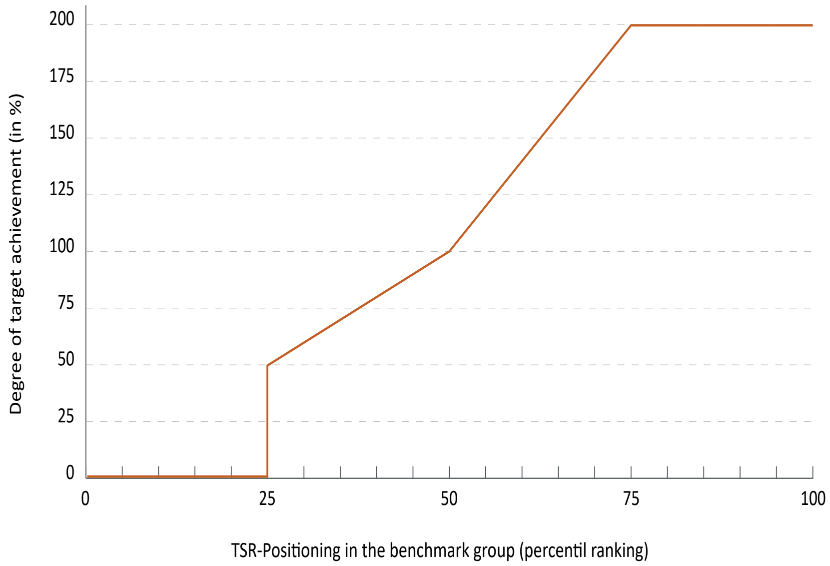
For final use in the LTI, the TSR of Berentzen-Gruppe Aktiengesellschaft determined according to these calculation parameters is compared with the development of the TSR of the chosen benchmark companies in the LTI performance period. The companies listed in the German SDAX share index of Deutsche Börse AG, Frankfurt am Main over the entire LTI performance period is used as the group of benchmark companies.

To determine the target achievement for TSR, the TSR of Berentzen-Gruppe Aktiengesellschaft and the TSR of the benchmark group are ranked against each other and the relative position is expressed on the basis of the percentile ranking achieved. Target achievement for the TSR is determined according to the following system of percentiles: the possible degree of target achievement has a range from 0 % to a maximum of 200 %. In the event of a position below the 25th percentile, the degree of target achievement is 0 %. In the event of a position at the 25th percentile (threshold value), the degree of target achievement will be 50 %. If the relative TSR of Berentzen-Gruppe Aktiengesellschaft achieved corresponds to the median (50th percentile) of the benchmark group, the degree of target achievement corresponds to 100 %. For the maximum degree of target achievement of 200 %, at least the 75th percentile must be achieved. Both in the case of a positive and a negative deviation, interim values will be interpolated on a straight-line basis in each case.

The reference for setting the rankings is the composition of the SDAX on the last day of the LTI performance period, adjusted for those companies that were not included in the SDAX until after the beginning of the LTI performance period. The composition of the group of benchmark companies may be adjusted for future changes in the market or business environment.

The following overview contains a graphic representation of the relationship between the position on the basis of the percentile ranking achieved and the degree of target achievement in relation to the target achievement for the TSR:

LTI/TSR - ratio between the positioning on the basis of the percentile ranking achieved and the degree of target achievement



Non-financial performance parameters – objective, determination and weighting

The non-financial performance parameter is intended to take into consideration the contribution by the Executive Board to implementation of the corporate strategy and thus also to the long-term development of the Company. It is weighted with a value of 12.5 % of the LTI.

The non-financial objectives are derived from the Corporate Social Responsibility (CSR) strategy and from Berentzen-Gruppe Aktiengesellschaft's corporate strategy.

The Supervisory Board sets the specific non-financial objectives at the beginning of the LTI performance period in question. Overall, two to four non-financial targets can be set that in principle have the same weighting. When setting the specific non-financial targets, the criteria under which the respective target is deemed “fully fulfilled” (degree of target achievement is 100%) and the parameters used to assess the degree of target achievement are defined. The parameters can be of a qualitative and quantitative nature. Target achievement for the individual non-financial target is determined on the basis of the following potential degree of target achievement:

Objective	Degree of target achievement (in %)
Very considerably exceeded	200
Considerably exceeded	150
Exceeded	125
Fully fulfilled	100
Substantially fulfilled	75
Partially fulfilled	50
Not fulfilled	0

(2.1.6.4.2) Setting and payment of the LTI

Setting of the LTI for the performance period in question is performed in two steps:

The weighted total degree of target achievement for the LTI, consisting of the degrees of target achievement for the share-based performance parameter and for the non-financial performance parameter, is determined in a first step. This total degree of target achievement is subsequently multiplied by the LTI target amount.

In a second step, the Supervisory Board reviews whether any breaches of duty or compliance violations on the part of the Executive Board member in the LTI performance period make it necessary to adjust downwards the LTI determined in the first step. The Supervisory Board will decide on the extent of the reduction depending on the severity of the breach of duty at its reasonable discretion.

The LTI determined following conclusion of the second step constitutes its amount payable and is paid out to the Executive Board member in cash. The Supervisory Board sets the LTI at the first Supervisory Board meeting in the financial year following the LTI performance period. The amount of the LTI paid out is due by the end of the calendar month following the date on which it is set by the Supervisory Board.

(2.1.6.5) Voluntary special allowance

In the case of special achievements on the part of an Executive Board member or in the case of special project successes which in particular make a contribution to sustainable corporate performance, the Supervisory Board may grant an Executive Board member or more than one Executive Board member an additional voluntary, variable special allowance. The potential granting of the voluntary special allowance is intended to take into consideration the contribution of the individual Executive Board member to the sustainable business performance.

The setting of this allowance is at the reasonable discretion of the Supervisory Board. The Supervisory Board will only make use of this possibility in individual cases if and to the extent this is necessary to ensure appropriate compensation of the Executive Board members in the given special situation if the Company obtains at the same time an additional material and/or immaterial advantage from the granting of the specific voluntary special allowance (for example additional consolidated earnings and/or long-term cost savings from the special performance or from the special project success; incentive effect towards the other Executive Board members or active or potential executives) and if the special performance or the special project success has not already been taken into consideration in the STI granted for the relevant performance period. When setting any voluntary special allowance, the Supervisory Board takes account of the parameters guiding their reasonable discretion that the total of any voluntary special allowance set for the relevant performance period and the single-year variable compensation (STI) actually set is lower than the target amount of the multiple-year variable compensation (LTI) (cap).

Any voluntary special allowance being set in specific circumstances will be treated as a one-off payment to which there will not be any legal entitlement for the future.

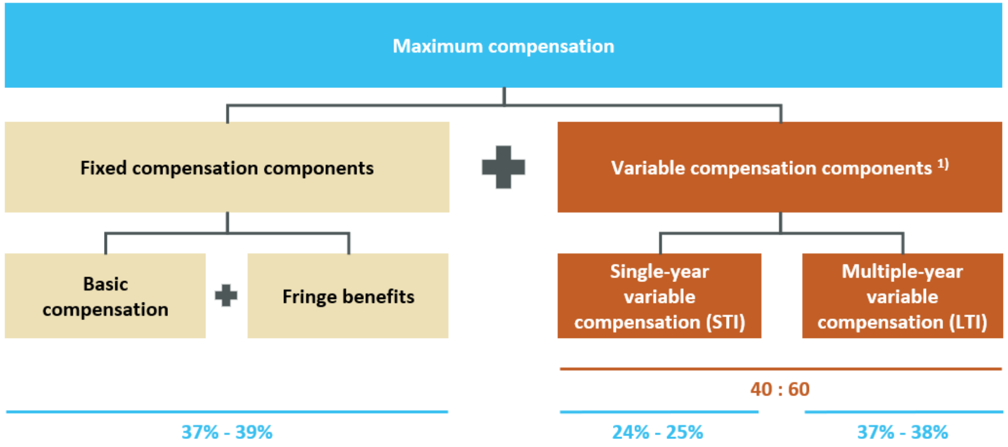
The Supervisory Board assesses and sets any voluntary special allowance for the relevant performance period at the Supervisory Board meeting in which it sets the STI for the relevant performance period. The voluntary special allowance determined is paid out in cash. This amount is due as at March 31 of the financial year following the performance period in question to the extent that the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft have already been approved by the Supervisory Board at this point; otherwise, it is due immediately after approval of the consolidated financial statements by the Supervisory Board.

(2.1.7) Maximum compensation

The maximum compensation corresponds to the total of the maximum amount of all fixed and variable compensation components for the financial year in question for the Executive Board member in question – irrespective of whether they will be paid out in the financial year in question or at a later point in time – taking into consideration the respective upper limits (cap or highest percentage of the range of 200 % of the target amount in each case) of the single- and multiple-year variable compensation components (STI and LTI). The maximum compensation is determined by the Supervisory Board as an amount for each Executive Board member.

The following diagram shows an overview of the relative shares of the individual compensation components in the maximum compensation:

Composition of the maximum compensation
with a maximum degree of target achievement in relation to the variable compensation components of 200%



[1] Variable compensation components without any voluntary special allowance. By its very nature, any voluntary special allowance is not included in any consideration of the maximum compensation as in the event of maximum compensation the STI actually set for the specific performance period exceeds the LTI target amount.

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(2.1.8) Reduction in (malus) and reclaiming of (clawback) variable compensation components

Malus

In the event of breaches of duty or compliance violations on the part of an Executive Board member, the Supervisory Board may reduce the variable compensation components. The Supervisory Board will decide on the extent of the reduction depending on the severity of the breach of duty at its reasonable discretion. The severity of the specific breach of duty will be assessed on the basis of the standard contained in Section 93 AktG. According to this standard, relevant breaches of duty may comprise breaches of statutory, supervisory or contractual duties or infringement of the Company's internal regulations, specifically compliance violations. Before the malus regulation can take effect a sufficiently serious breach of duty on the part of the Executive Board member must have taken place that, subject to considerations of proportionality, justifies an effect on the variable compensation. Any claims for damages against the Executive Board member remain unaffected.

Clawback

If variable compensation components that are linked to the achievement of relevant targets were wrongly paid out on the basis of incorrect data, Berentzen-Gruppe Aktiengesellschaft reserves the right to reclaim the difference resulting from the recalculation of the amount of the variable compensation in comparison to the payout made. The Supervisory Board will decide at its reasonable discretion on whether this reservation is exercised.

(2.1.9) Payments in the event of premature termination of Executive Board activity

In the event of premature termination of the employment contract, in no case will payments be made to the Executive Board member that – including fringe benefits – exceed two total compensation payments or an amount corresponding to the total compensation pro rata temporis that would have been payable overall for the remaining term of the contract (severance cap). For the calculation of the severance cap, reference is made to the total compensation of the past financial year and, where necessary, to the expected total compensation for the current financial year in which the premature termination of the employment contract is taking place. If the employment contract is terminated for good cause pursuant to Section 626 BGB (German Civil Code) for a reason for which the Executive Board member is responsible, no payments will be made to the Executive Board member.

The employment contract of individual Executive Board members can specify that a severance payment of the above maximum amount will be granted after termination of the Executive Board member in connection with a "change of control" event. A "change of control" event in the above meaning has occurred (1) upon the coming into existence of a takeover obligation pursuant to the German Securities Acquisition and Takeover Act (WpÜG) relating to the Company's shares or (2) in the event of approval by the annual general meeting of a merger with another company in which Berentzen-Gruppe Aktiengesellschaft would be the disappearing entity or by way of which the existing shareholders of Berentzen-Gruppe Aktiengesellschaft hold less than 50 % of the shares in the company or Berentzen-Gruppe Aktiengesellschaft receives a principal shareholder that would be obliged to perform a takeover transaction in the event of a share purchase pursuant to the German Securities Acquisition and Takeover Act, or (3) in the event of approval of the annual general meeting to a domination or profit and loss transfer agreement with Berentzen-Gruppe Aktiengesellschaft as the dependent entity.

No payments in excess of this severance payment will be granted.

(2.2) Individual compensation for Members of the Executive Board in the 2023 financial year

(2.2.1) Composition of the Executive Board

In accordance with the Articles of Association, the Executive Board was composed of two members for the entire 2023 financial year:

Name	Duration of membership of the Executive Board	Responsibilities
Current members of the Executive Board		
Ralf Brühöfner	since June 18, 2007	Finance, Controlling, Human Resources, Information Technology, Legal Affairs, Corporate Communication, Investor Relations, Corporate Social Responsibility
Oliver Schwegmann	since June 1, 2017	Marketing, Sales, Production and Logistics, Purchasing, Research and Development

(2.2.2) Objective and maximum compensation of the members of the Executive Board

The following table contains an overview of the absolute and relative shares, defined by the Supervisory Board for each member of the Executive Board, of the individual compensation components in the target total compensation and in the maximum compensation of the members of the Executive Board for the 2023 financial year, broken down by the individual Executive Board members.

The compensation payments actually granted and owed to the members of the Executive Board for variable compensation components are payable to them depending on the relevant target achievement and not until after the end of the 2023 financial year or the relevant performance period in each case.

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Target total compensation / maximum compensation Current members of the Executive Board	**Oliver Schwegmann**				**Ralf Brühöfner**			
	2023				**2023**			
	Target total compensation		**Maximum compensation**		**Target total compensation**		**Maximum compensation**	
	EUR'000	**%**	**EUR'000**	**%**	**EUR'000**	**%**	**EUR'000**	**%**
Fixed compensation components								
Basic compensation	400.0	50.0	400.0	34.8	360.0	48.0	360.0	32.7
Fringe benefits	50.0	6.2	50.0	4.3	40.0	5.3	40.0	3.7
	450.0	**56.2**	**450.0**	**39.1**	**400.0**	**53.3**	**400.0**	**36.4**
Variable compensation components [1]								
Single-year variable compensation (STI)								
STI 2023	140.0	17.5	280.0	24.4	140.0	18.7	280.0	25.4
Multiple-year variable compensation (LTI)								
LTI 2023-2026	210.0	26.3	420.0	36.5	210.0	28.0	420.0	38.2
	350.0	**43.8**	**700.0**	**60.9**	**350.0**	**46.7**	**700.0**	**63.6**
	800.0	**100.0**	**1,150.0**	**100.0**	**750.0**	**100.0**	**1,100.0**	**100.0**

[1] Variable compensation components without any voluntary special allowance. By its very nature, any voluntary special allowance is not included in any consideration of the maximum compensation as in the event of maximum compensation the STI actually set for the specific performance period exceeds the LTI target amount.

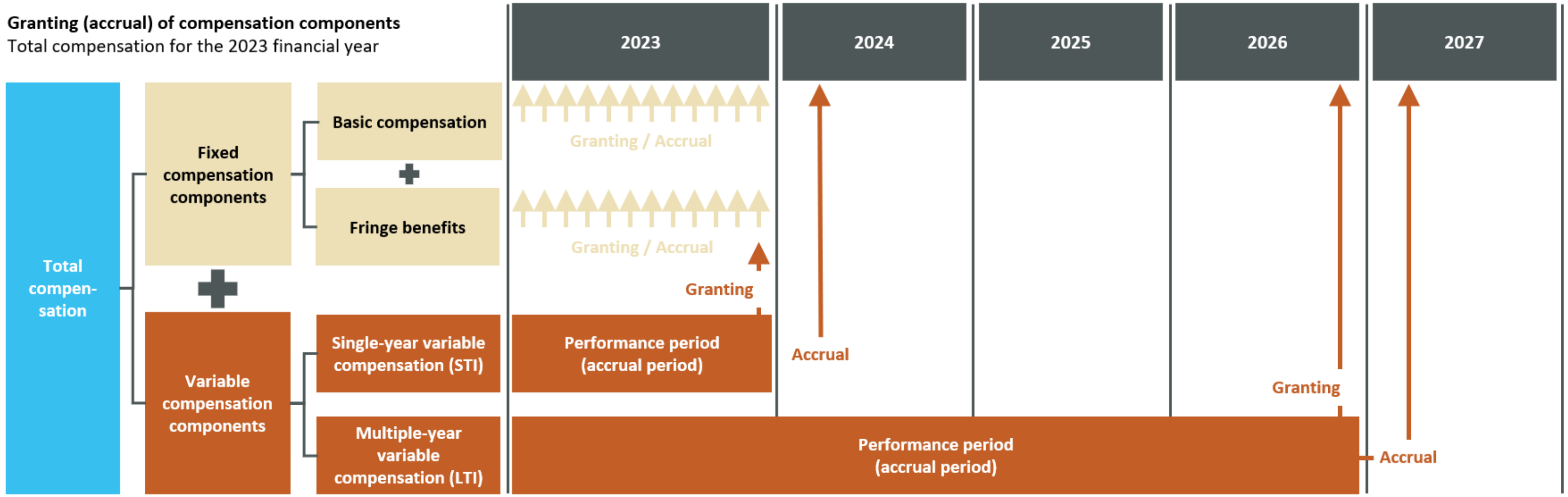
(2.2.3) Compensation granted and owed

(2.2.3.1) Explanatory notes on the concept of granted and owed compensation

Under Section 162 AktG, the compensation granted and owed to each current or former member of the Executive Board in the past financial year is to be reported in the Compensation Report.

Accordingly, compensation is fundamentally deemed "granted" if it has actually been paid to the individual member of the Executive Board (so-called "cash method" which follows the cash-accounting principle). According to a legal understanding that is increasingly taking shape in the interpretation of the concept of granted compensation as defined in Section 162 AktG, it is permissible alternatively to state the compensation components, independently from their payment date, in the Compensation Report already for the financial year in which the single-year or multiple-year activity underlying the respective compensation component was fully performed (so-called "accrual method"). This allows for a more transparent and period-aligned presentation of the connection between compensation and the company's performance for or during the same financial year, and thus pays additional consideration to the notion of "pay for performance". Against this backdrop, the cash method applied in the 2022 Compensation Report has been shifted for the present Compensation Report to an accrual method with respect to the concept of granted compensation as defined in Section 162 AktG. However, this method was already applied as a basis for the presentation of the compensation of members of the Executive Board, that was included additionally as a supplemental voluntary explanatory note.

The following diagram depicts the understanding of the concept of granted compensation as defined in Section 162 AktG as applied here according to the accrual method:



Finally, a compensation component is “owed” if the entity paying the compensation has an existing legal obligation towards the member of the Executive Board that is due but not yet fulfilled.

(2.2.3.2) Overview of the compensation granted and owed for the 2023 financial year

The compensation as defined in Section 162 (1) sentence 1, sentence 2 No. 1 AktG that was granted and owed to the members of the Executive Board in the 2023 financial year is presented below. Thus, there are explanations of how the compensation granted and owed corresponds to the current compensation system, and any deviations are indicated with further explanations in this regard. How the performance criteria are applied is explained as well. Finally, there are also explanations of how the compensation promotes the long-term development of the Company.

The statements on compensation relate to the compensation components "granted and owed" in the financial year in question, for which the concept definitions cited in the previous section (2.2.3.1) are taken as a basis.

In detail, the members of the Executive Board were granted and owed the following compensation as defined in Section 162 (1) Sentence 1 AktG in the 2023 financial year – exclusively by Berentzen-Gruppe Aktiengesellschaft:

Granted and owed compensation of the members of the Executive Board	**Oliver Schwegmann**				**Ralf Brühöfner**			
Current members of the Executive Board	**2023**		**2022 [1)]**		**2023**		**2022 [1)]**	
	EUR'000	**%**	**EUR'000**	**%**	**EUR'000**	**%**	**EUR'000**	**%**
Fixed compensation components								
Basic compensation	400.0	63.6	400.0	55.3	360.0	62.4	360.0	52.4
Fringe benefits	43.1	6.8	43.8	6.0	30.5	5.3	30.3	4.4
	443.1	**70.4**	**443.8**	**61.3**	**390.5**	**67.7**	**390.3**	**56.8**
Variable compensation components								
Single-year variable compensation (STI)								
STI 2023 [2)]	186.3	29.6	-	-	186.3	32.3	-	-
STI 2022	-	-	280.0	38.7	-	-	280.0	40.7
Multiple-year variable compensation (LTI)								
LTI 2020 - 2022 [3)]	-	-	-	-	-	-	17.2	2.5
	186.3	**29.6**	**280.0**	**38.7**	**186.3**	**32.3**	**297.2**	**43.2**
	629.4	**100.0**	**723.8**	**100.0**	**576.8**	**100.0**	**687.5**	**100.0**

[1)] Data for the 2022 financial year adjusted due to the accrual method applied in the 2023 Compensation Report with reference to the concept of granted compensation as defined in Section 162 AktG in place of the cash method applied in the 2022 Compensation Report. For this, see the presentation in section (2.2.3.1).

[2)] Amount and payout of the granted single-year variable compensation payments (STI) for the 2023 financial year are subject to setting by the Supervisory Board in accordance with the compensation system for the members of the Executive Board that has been definitive since January 1, 2021.

[3)] The multiple-year variable compensation components granted and owed in the 2022 financial year are based on commitments from financial years prior to the entry into effect of the compensation system that has been definitive for the members of the Executive Board since January 1, 2021.

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(2.2.3.3) Basic compensation

The basic compensation granted in the 2023 financial year corresponds to the relevant current compensation system. These compensation payments were granted to promote the long-term development of the Company in the manner described in section (2.1.6.1). Performance criteria are not applicable to the basic compensation as it constitutes fixed compensation.

(2.2.3.4) Fringe benefits

The fringe benefits granted in the 2023 financial year similarly correspond to the approved compensation system. The granting of these compensation payments was intended to promote the long-term development of the Company in the manner described in section (2.1.6.2). Again, performance criteria are not applicable to the fringe benefits as, like the basic compensation, they constitute agreed fixed compensation components.

(2.2.3.5) Variable compensation components

(2.2.3.5.1) Single-year variable compensation (STI)

Finally, the single-year variable compensation granted in the 2023 financial year also corresponds to the current compensation system and the compensation agreements concluded accordingly were based on the objective that the long-term development of the Company is promoted by the consolidated EBIT, and thus the operating profitability of the Company, being of material importance for the performance-based Executive Board compensation. The performance criteria for this compensation component described in sections (2.1.4) and (2.1.6.3) above and their application are outlined in the table below:

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Granted and owed compensation of the members of the Executive Board Variable compensation component STI [1] - application of the performance criteria	Variable compensation STI [1]						
	Consolidated EBIT				STI		2023
	Target value	Value actually achieved	Degree of target achievement (computed)	Degree of target achievement (relevant) [2]	STI target amount	Amount of STI	
Current members of the Executive Board	EUR'000	EUR'000	%	%	EUR'000	% of target amount	EUR'000
Oliver Schwegmann							
Single-year variable compensation (STI)							
STI 2023	7,227	7,705	106.6	106.6	140.0	133.1	186.3
Ralf Brühöfner							
Single-year variable compensation (STI)							
STI 2023	7,227	7,705	106.6	106.6	140.0	133.1	186.3

[1] Amount and payout of the granted single-year variable compensation payments (STI) for the 2023 financial year are subject to setting by the Supervisory Board in accordance with the compensation system for the members of the Executive Board that has been definitive since January 1, 2021.

[2] According to the compensation system for the members of the Executive Board applicable since January 1, 2021, the range of the degree of target achievement relevant for the single-year variable compensation (STI) is between 75 % and 120 % of the target value. See the table in section (2.1.6.3.1).

(2.2.3.5.2) Multiple-year variable compensation (LTI)

No multiple-year variable compensation was granted or owed to members of the Executive Board in the 2023 financial year, since no LTI performance period ended in this financial year that would have been relevant for the granting of such compensation.

(2.2.3.5.3) Voluntary special allowance

Likewise, no voluntary special allowance was granted or owed to the members of the Executive Board in the 2023 financial year.

(2.2.4) Compliance with the maximum compensation

(2.2.4.1) Compensation granted and owed for the 2023 financial year

The maximum compensation of the members of the Executive Board according to the current compensation system is presented in sections (2.1.7).

According to this system, the compensation of members of the Executive Board is capped in two ways. Firstly, upper limits (cap or highest percentage of the range of 200 % of the target amount in each case) are determined for the single- and multiple-year variable compensation components (STI and LTI). Taking account of these caps, the Supervisory Board further will or has set a maximum amount of compensation for each Executive Board member that corresponds to the maximum amount of all fixed and variable compensation components for the financial year in question – independent of whether they are paid out in the financial year in question or at a later date.

The fixed and single-year variable compensation components granted to the members of the Executive Board in the 2023 financial year in application of the accrual method (on this, see the presentation in section (2.2.3.1) above) are aligned to this current compensation system. The upper limits set and computed were complied with without exception with regard to the fixed and single-year variable compensation payments granted to the members of the Executive Board in the 2023 financial year.

As for the multiple-year variable compensation components promised for the 2023 financial year with their four-year performance period, by contrast, no reporting as to compliance with the set or computed upper limits is yet possible in the present Compensation Report, since their LTI performance period will not be complete until the end of the 2026 financial year and hence this compensation component was neither granted nor owed in the 2023 financial year, in application of the accrual method. For further explanation, please refer to the statements in the following section (2.2.4.2).

The table below summarises the compliance with the upper limits for the fixed and single-year variable compensation components granted to the members of the Executive Board in the 2023 financial year.

Compliance with upper limits for the compensation granted and owed to the members of the Executive Board	**Oliver Schwegmann**				**Ralf Brühöfner**			
	2023				**2023**			
	Target compensation	**Upper limit**	**Granted**		**Target compensation**	**Upper limit**	**Granted**	
Current members of the Executive Board	**EUR'000**	**EUR'000**	**EUR'000**	**% of the upper limit**	**EUR'000**	**EUR'000**	**EUR'000**	**% of the upper limit**
Fixed compensation components								
Basic compensation 2023	400.0	400.0	400.0	100.0	360.0	360.0	360.0	100.0
Fringe benefits 2023	50.0	50.0	43.1	86.2	40.0	40.0	30.5	76.3
	450.0	**450.0**	**443.1**	**98.5**	**400.0**	**400.0**	**390.5**	**97.6**
Variable compensation components								
Single-year variable compensation (STI)								
STI 2023 [1)]	140.0	280.0	186.3	66.5	140.0	280.0	186.3	66.5
	140.0	**280.0**	**186.3**	**66.5**	**140.0**	**280.0**	**186.3**	**66.5**
	590.0	**730.0**	**629.4**	**86.2**	**540.0**	**680.0**	**576.8**	**84.8**

[1)] Amount and payout of the granted single-year variable compensation payments (STI) for the 2023 financial year are subject to setting by the Supervisory Board in accordance with the compensation system for the members of the Executive Board that has been definitive since January 1, 2021.

(2.2.4.2) Compensation committed for the 2023 financial year

The maximum compensation set for the members of the Executive Board for the 2023 financial year was entirely determined in line with the provisions of the current compensation system, the only provisions which apply in this respect, with regard to the maximum compensation for the members of the Executive Board as presented in sections (2.2.2) and/or (2.1.7).

Accordingly, the dual limitation described in more detail in section (1.2.4.1) above also applies to this maximum compensation in the combination of upper limits for the single and multiple-year variable communication components (STI und LTI) on the one hand and the setting of a maximum amount of compensation taking this into account for each member of the Executive Board by the Supervisory Board on the other.

Due to the composition of compensation under the compensation system, it is not possible to retroactively review compliance with this maximum compensation until the single-year or multiple-year activity on which the compensation is based has been fully performed – as a function of the respective target achievement with regard to the variable compensation components. This is the case as soon as the performance periods of all compensation components that have been committed to the members of the Executive Board for the financial year in question have ended. As a four-year performance period applies for the multiple-year variable compensation components, compliance with the maximum compensation overall for the financial year in question consequently can only be reviewed retroactively after expiry of this performance period.

In line with this, compliance with the maximum compensation of the members of the Executive Board for the 2023 financial year will only be reviewed and reported on after the end of the 2026 financial year and in the Compensation Report for the 2027 financial year.

(2.2.5) Reduction in (malus) and reclaiming of (clawback) variable compensation components

In the 2023 financial year, there was neither a reduction in nor any clawback of variable compensation components granted or owed as the Supervisory Board determined there was no justification for either.

(2.2.6) Payments in the event of premature termination of Executive Board activity

Within the scope of the existing employment contracts with the current members of the Executive Board, a special right of termination has been agreed in the event of a “change of control” event – as specified in the compensation system that has been definitive since January 1, 2021 and described in section (2.1.9).

In the 2023 financial year, no payments were made in connection with special termination rights falling under this provision.

(2.3) Other disclosures

No compensation payments were granted or owed to the current or former members of the Executive Board of Berentzen-Gruppe Aktiengesellschaft in the 2023 financial year by companies in the same group as defined in Section 290 of the German Commercial Code (HGB) for activities as current or former member of the Executive Board.

Likewise, neither Berentzen-Gruppe Aktiengesellschaft nor companies in the same group as defined in Section 290 of the German Commercial Code (HGB) granted loans or advances to current or former members of the Executive Board nor did they assume contingent liabilities in favour of such members in the 2023 financial year.

(3) Compensation of the members of the Supervisory Board

(3.1) System of compensation of the members of the Supervisory Board

(3.1.1) Legal basis of compensation of members of the Supervisory Board

The basis for compensation of the members of the Supervisory Board is Section 14 of the Articles of Association of Berentzen-Gruppe Aktiengesellschaft. Under this section, the Supervisory Board members receive fixed compensation for their activities, the individual amount of which depends on the tasks assumed in the Supervisory Board or its committees. No variable compensation dependent on the achievement of specific successes or targets is intended for Supervisory Board members.

Section 14 of the version of the Articles of Association currently in effect dated July 10, 2023 reads as follows:

"Section 14 Compensation

(1) Every Supervisory Board member shall receive EUR 17,000.00 as compensation for each full financial year. The annual compensation of the Supervisory Board Chairman shall be double the amount referred to in Sentence 1; for the Deputy Supervisory Board Chairman, it shall be one and one half times the aforementioned amount. In addition to the compensation set forth in Sentence 1, members shall receive one quarter of the annual compensation for each membership on a committee for each full financial year and half of the aforementioned annual compensation for each chairmanship of a committee.

(2) The compensation shall be due after the end of the respective financial year.

(3) Supervisory Board members who were not in office during the entire financial year, shall receive one twelfth of the compensation for every month or partial month of their service.

(4) Finally, the Supervisory Board members shall be reimbursed for their expenses, and any value-added tax incurred for their compensation shall be refunded."

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The following overview summarises the compensation of the members of the Supervisory Board:

Compensation component	Structure
Supervisory Board fixed compensation	Annual compensation EUR 17.0 thousand
	Chairman: double the annual compensation (EUR 34.0 thousand)
	Deputy Chairman: one and one half times the annual compensation (EUR 25.5 thousand)
	Members: single annual compensation (EUR 17.0 thousand)
Fixed compensation for Supervisory Board committees	Chairman: additional 50 % of the respective annual compensation
	Members: additional 25 % of the respective annual compensation
Maximum compensation	The German Stock Corporations Act does not provide for the setting of maximum compensation for members of the Supervisory Board. Such a maximum amount is unnecessary anyway as the compensation of the members of the Supervisory Board is comprised exclusively of fixed compensation components.
Other compensation policies	
Due date of the compensation	After the end of the relevant financial year
Expenses	Reimbursement of expenses
Value added tax	Reimbursement of the value added tax incurred on the fixed compensation
D&O insurance	D&O insurance without deductible

(3.1.2) Method of setting, reviewing and implementing the compensation system for members of the Supervisory Board

The Supervisory Board reviews, where necessary consulting independent external advisers, the appropriateness of the structure and the amount of its compensation on a regular basis but no later than every four years.

For this purpose, the Supervisory Board evaluates the Supervisory Board compensation at other comparable companies and compares it to the compensation of the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft both with regard to the components and the amount of the compensation (horizontal comparison).

On the basis of this analysis, the Supervisory Board will decide on any change to its compensation that may be necessary. In the event that the involvement of the annual general meeting then becomes necessary (Section 113 (3) sentence 1 AktG) then becoming necessary, the Executive Board and the Supervisory Board will present the compensation system to the annual general meeting for approval. To the extent there is good reason to change the compensation system for the Supervisory Board, the Executive Board and Supervisory Board will in this context also submit a proposal to the annual general meeting for a corresponding amendment to Section 14 of the Articles of Association of Berentzen-Gruppe Aktiengesellschaft.

Within the scope of its last review of the appropriateness of the structure and amount of the Supervisory Board compensation in the fourth quarter of 2020, the

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Supervisory Board received assistance from independent external compensation experts from Deloitte Consulting GmbH, Düsseldorf.

(3.1.3) Voting of the annual general meeting on the compensation system for the members of the Supervisory Board

The current compensation of the Supervisory Board was specified in Section 14 of the Articles of Association by resolution of the annual general meeting of May 19, 2017. Pursuant to Section 113 (3) AktG, the Executive Board and Supervisory Board submitted the compensation of the Supervisory Board members governed by Section 14 of the Articles of Association, including the system on which this compensation is based, to the annual general meeting of Berentzen-Gruppe Aktiengesellschaft on May 11, 2021, for confirmation. The compensation system was confirmed by this annual general meeting with a majority of 88.47 % of the votes cast.

In the event of an amendment to the Company's Articles of Association relating to the compensation of the Supervisory Board members, a proposed resolution on approval of the compensation will again be submitted to the annual general meeting, in any case no later than at the annual general meeting in 2025, in order to confirm the amendment.

(3.1.4) Application of the compensation system for the members of the Supervisory Board

The compensation system for the members of the Supervisory Board specified in the Articles of Association of Berentzen-Gruppe Aktiengesellschaft and confirmed by the annual general meeting was applied in the 2023 financial year to all current members of the Supervisory Board and to one former member who still held office during this financial year.

(3.1.5) Content structure and general objective of the compensation system

The compensation system has a simple, clear and comprehensible structure. The Supervisory Board members receive the fixed compensation specified in the Articles of Association. The Chairman of the Supervisory Board receives double the amount, his deputy one and one half times the amount of this compensation. For membership on committees, an additional compensation of one quarter of the annual compensation is granted to the individual committee members and one half of the annual compensation is granted for the chairmanship of each committee for each full financial year.

In contrast to the Executive Board, the Supervisory Board is not involved in operating activities and does not make any decisions on business strategy. On the contrary, the Supervisory Board makes a contribution to the Company's long-term development through its supervisory and advisory activities.

The granting of fixed compensation only, without variable components, has proven effective and corresponds to common practice on other listed companies and the relevant suggestion contained in G.18 sentence 1 of the German Corporate Governance Code. Exclusively fixed compensation for the members of the Supervisory Board is best suited to take account of the control function of the Supervisory Board that must be fulfilled independently of the corporate performance. Such a system of compensation allows the Supervisory Board to make its decisions for the benefit of the Company and thus aligned to the long-term business strategy and to the sustainable development of the Company without pursuing ulterior motives which it could otherwise be derived from performance-related compensation. For this reason, the compensation of the Supervisory Board does not contain any variable compensation components or any share-based components.

Pursuant to Section 14 (2) of the Articles of Association, the compensation is payable after the end of the financial year. There are no deferral periods for the payment of compensation components.

All provisions governing the compensation of Supervisory Board members are contained in the Articles of Association; there are no ancillary agreements. Compensation is linked to the duration of the appointment.

(3.2) Individual compensation for Members of the Supervisory Board in the 2023 financial year

(3.2.1) Composition of the Supervisory Board

According to Section 8 of the Articles of Association, the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft is composed of six members, four of whom are elected individually at an Annual General Meeting (Supervisory Board members of the shareholders or shareholder representatives). Two members are elected by the employees of the Company (Supervisory Board members or employee representatives) in accordance with the German One-third Participation Act (Drittelbeteiligungsgesetz).

In the 2023 financial year, the following members belonged to the Company's Supervisory Board:

Name	Duration of membership of the Supervisory Board Supervisory Board member representing the shareholders / employees	Function in the Supervisory Board / in a Supervisory Board committee
Current members of the Supervisory Board		
Uwe Bergheim	since May 3, 2018 Supervisory Board member representing the shareholders	Chairman of the Supervisory Board Chairman of the Personnel and Nomination Committee Member of the Finance and Audit Committee
Frank Schübel	since May 19, 2017 Supervisory Board member representing the shareholders	Deputy chairman of the Supervisory Board Member of the Personnel and Nomination Committee Member of the Finance and Audit Committee
Heike Brandt	since May 22, 2014 Supervisory Board member representing the employees	Member of the Personnel Committee
Bernhard Düing	since June 24, 1999 Supervisory Board member representing the employees	Member of the Finance and Audit Committee (until May 10, 2023)
Hendrik H. van der Lof	since May 19, 2017 Supervisory Board member representing the shareholders	Chairman of the Finance and Audit Committee
Theresia Stöbe	since May 10, 2023 Supervisory Board member representing the shareholders	Member of the Personnel and Nomination Committee (since May 10, 2023) Member of the Finance and Audit Committee (since May 10, 2023)

Name	Duration of membership of the Supervisory Board Supervisory Board member representing the shareholders / employees	Function in the Supervisory Board / in a Supervisory Board committee
Former members of the Supervisory Board		
Dagmar Bottenbruch	from July 2, 2020 to May 10, 2023 Supervisory Board member representing the shareholders	Member of the Personnel and Nomination Committee (until May 10, 2023)

(3.2.2) Compensation granted and owed

(3.2.2.1) Explanatory notes on the concept of granted and owed compensation

Under Section 162 AktG, the compensation granted and owed to each current or former member of the Supervisory Board in the past financial year is to be reported in the Compensation Report.

For explanation of the concept of "granted and owed" compensation as defined in Section 162 AktG and for explanation of the shift made in the present Compensation Report from the cash method still applied in the 2022 Compensation Report to an accrual method with reference to the concept of granted compensation as defined in Section 162 AktG, please refer to the statements in section (2.2.3.1), which are applicable accordingly in the present case. The accrual method was already applied as a basis for the presentation of the compensation granted and owed to members of the Supervisory Board, that was included additionally as a supplemental voluntary explanatory note.

According to the provision of Section 14 of the Articles of Association definitive in this respect, the compensation of the members of the Supervisory Board is due after the end of the relevant financial year.

(3.2.2.2) Overview of the compensation granted and owed for the 2023 financial year

The compensation as defined in Section 162 (1) sentence 1 AktG that was granted and owed to the members of the Supervisory Board in the 2023 financial year is presented below. Thus, there are explanations of how the compensation granted and owed corresponds to the current compensation system, and any deviations are indicated with further explanations in this regard. In addition, there are explanations of how the compensation is intended to promote the long-term development of the Company. In contrast, explanations of the performance criteria applied are not necessary as performance criteria are not applicable to the Supervisory Board compensation as pure fixed compensation.

The statements on compensation relate to the compensation components “granted and owed” in the financial year in question, for which the concept definitions cited in section (2.2.3.1) are taken as a basis.

Back

In detail, the members of the Supervisory Board were granted and owed – exclusively by Berentzen-Gruppe Aktiengesellschaft – the following compensation as defined in Section 162 (1) Sentence 1 AktG in the 2023 financial year:

Granted and owed compensation of the members of the Supervisory Board [1]	Fixed compensation for Supervisory Board activities				Fixed compensation for activities on a Supervisory Board committee				Total compensation			
	2023		2022 [2]		2023		2022		2023		2022 [2]	
	EUR'000	%	EUR'000	%	EUR'000	%	EUR'000	%	EUR'000	%	EUR'000	%
Current members of the Supervisory Board												
Uwe Bergheim	34.0	57.1	34.0	57.1	25.5	42.9	25.5	42.9	59.5	100.0	59.5	100.0
Frank Schübel	25.5	66.7	25.5	66.7	12.8	33.3	12.8	33.3	38.3	100.0	38.3	100.0
Heike Brandt	17.0	80.0	17.0	80.0	4.3	20.0	4.3	20.0	21.3	100.0	21.3	100.0
Bernhard Düing	17.0	90.6	17.0	80.0	1.8	9.4	4.3	20.0	18.8	100.0	21.3	100.0
Hendrik H. van der Lof	17.0	66.7	17.0	66.7	8.5	33.3	8.5	33.3	25.5	100.0	25.5	100.0
Theresia Stöbe	11.3	66.6	-	-	5.7	33.4	-	-	17.0	100.0	-	-
	121.8	**67.6**	**110.5**	**66.7**	**58.5**	**32.5**	**55.3**	**33.3**	**180.3**	**100.0**	**165.8**	**100.0**
Former members of the Supervisory Board												
Dagmar Bottenbruch	7.0	79.8	17.0	80.0	1.8	20.2	4.3	20.0	8.8	100.0	21.3	100.0
	7.0	**79.8**	**17.0**	**80.0**	**1.8**	**20.2**	**4.3**	**20.0**	**8.8**	**100.0**	**21.3**	**100.0**
	128.8	**68.1**	**127.5**	**68.2**	**60.3**	**31.9**	**59.5**	**31.8**	**189.1**	**100.0**	**187.0**	**100.0**

1) Due to rounding, some numbers in this table may not add up precisely to the sum indicated and percentages shown may not exactly reflect the absolute values to which they refer.

2) Data for the 2022 financial year adjusted due to the accrual method applied in the 2023 Compensation Report with reference to the concept of granted compensation as defined in Section 162 AktG in place of the cash method applied in the 2022 Compensation Report. For this, see the presentation in sections (3.2.2.1) and (2.2.3.1).

The fixed compensation for the activities on the Supervisory Board and on its three committees corresponded to the compensation system for the members of the Supervisory Board definitive according to the Articles of Association of Berentzen-Gruppe Aktiengesellschaft and confirmed by the annual general meeting on May 11, 2021.

These compensation payments were made to promote the long-term development of the Company in the manner described in section (3.1.5) above.

(3.3) Other disclosures

No compensation payments were granted or owed to the current or former members of the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft by companies in the same group as defined in Section 290 of the German Commercial Code (HGB) for activities on the Supervisory Board and on its committees in the 2023 financial year.

Furthermore, no present or former member of the Supervisory Board rendered directly or indirectly any other services to Berentzen-Gruppe Aktiengesellschaft or to a company in the same group as defined in Section 290 of the German Commercial Code (HGB) in the 2023 financial year other than the activities on the Supervisory Board and its committees and accordingly also did not receive any compensation for such services. This does not affect the services rendered as part of their respective employment relationships by those members of the Supervisory Board that belong to the same as Supervisory Board members or representatives of the employees and for which they received compensation in accordance with their service agreements with Berentzen-Gruppe Aktiengesellschaft or with a company in the same group as defined in Section 290 of the German Commercial Code.

Finally, neither Berentzen-Gruppe Aktiengesellschaft nor companies in the same group as defined in Section 290 of the German Commercial Code (HGB) granted loans or advances to current or former members of the Supervisory Board nor did they assume contingent liabilities in favour of such members in the 2023 financial year.

(4) Comparison of the annual change in compensation of the members of the corporate bodies with the Company’s earnings performance and the average employee compensation

(4.1) Basis for presentation

The percentage change in the compensation of the members of the Executive Board and of the members of the Supervisory Board is shown below, compared in each case with Berentzen-Gruppe Aktiengesellschaft’s earnings performance and with the average compensation of the employees on the basis of full-time equivalents. The change over the last five financial years is examined in each case.

The presentation takes into account the compensation granted and owed to the members of the Executive Board and the Supervisory Board in the relevant financial year according to the accrual method, i.e. in the definition of the term “granted and owed” as specified in Section 162 (1) sentence 1 AktG, as used as a basis for the presentation of the individual compensation of the members of the Executive Board in section (2.2.3) and of the Supervisory Board in section (3.2.2). This definition of the term was applied retroactively along the same lines for all financial years prior to the 2021 financial year, i.e. those amounts were also determined for the 2019 and 2020 financial years that would have been stated as granted and owed compensation in each case if the provision of Section 162 (1), sentence 1 AktG had already been applicable as at the 2019 financial year. For explanation of the shift made in the present Compensation Report from the cash method still applied in the 2022 Compensation Report to an accrual method with reference to the concept of granted compensation as defined in Section 162 AktG, please refer to the statements in section (2.2.3.1), which are applicable accordingly in the present case.

Where reference is made to the development of the net income (net profit/ net loss pursuant to Section 275 (2) No. 17 HGB) in the presentation of the Company's earnings performance, the earnings performance presented in the annual financial statements of Berentzen-Gruppe Aktiengesellschaft prepared according to the provisions of the German Commercial Code is the basis for the stated annual change. Where reference is made to the consolidated EBIT with regard to the earnings performance the normalised consolidated EBIT presented in the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft prepared in accordance with International Financial Reporting Standards (IFRS) is the basis for the change in each case.

For the comparison with the average compensation of the employees, reference is made to a group comprising the workforce employed in the group of Berentzen-Gruppe Aktiengesellschaft in Germany and in Austria in the relevant financial year, beginning with the first management level beneath the Executive Board. This group was also used as the benchmark group for the review of the appropriateness of the compensation of the members of the Executive Board referred to in section (2.1.2). Conversion of the number of employees to full-time equivalents for a financial year was performed in line with the methodology applied in the annual and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft on the basis of the average in each case at the end of every quarter of the financial year in question. The average compensation of the employees was likewise determined according to the accrual method and as an average value of a financial year in line with the compensation of the corporate bodies. Where employees simultaneously receive compensation as a member of the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft, such compensation was not taken into consideration in this respect.

(4.2) Comparison of the annual change in compensation of the members of the Executive Board

Comparison of the annual change in compensation of the members of the Executive Board	2023 2022 %	2022 2021 %	2021 2020 %	2020 2019 %
Compensation of the members of the Executive Board [1) 2)]				
Current members of the Executive Board				
Ralf Brühöfner	- 16.1	- 3.1	+ 41.0	- 12.2
Oliver Schwegmann	- 13.0	- 2.6	+ 41.0	+ 6.4
Earnings performance				
Net income of Berentzen-Gruppe Aktiengesellschaft	- 60.0	- 466.6	- 85.1	- 17.3
Consolidated EBIT of Berentzen Group (group)	- 7.6	+ 24.2	+ 28.8	- 46.9
Average compensation of employees [1)]				
Employees of Berentzen Group (group) Germany and Austria	+ 5.3	+ 4.3	+ 1.9	- 1.0

1) Data on changes prior to the 2023 financial year are adjusted due to the accrual method applied in the 2023 Compensation Report with reference to the concept of granted compensation as defined in Section 162 AktG in place of the cash method applied in the 2022 Compensation Report. For this, see the presentation in section (2.2.3.1).

2) Compensation granted and owed as defined in Section 162 (1) sentence 1, sentence 2 No. 1 AktG.

(4.3) Comparison of the annual change in compensation of the members of the Supervisory Board

Comparison of the annual change in compensation of the members of the Supervisory Board	2023 2022 %	2022 2021 %	2021 2020 %	2020 2019 %
Compensation of the members of the Supervisory Board [1] [2] [3]				
Current members of the Supervisory Board				
Uwe Bergheim	0.0	0.0	0.0	0.0
Frank Schübel	0.0	0.0	0.0	+ 5.9
Heike Brandt	0.0	0.0	0.0	0.0
Bernhard Düing	- 11.7	0.0	0.0	0.0
Hendrik H. van der Lof	0.0	0.0	0.0	0.0
Theresia Stöbe	-	-	-	-
Former members of the Supervisory Board				
Dagmar Bottenbruch	- 58.5	0.0	+ 115.2	-
Earnings performance				
Net income of Berentzen-Gruppe Aktiengesellschaft	- 60.0	- 466.6	- 85.1	- 17.3
Consolidated EBIT of Berentzen Group (group)	- 7.6	+ 24.2	+ 28.8	- 46.9
Average compensation of employees [1]				
Employees of Berentzen Group (group) Germany and Austria	+ 5.3	+ 4.3	+ 1.9	- 1.0

[1] Data on changes prior to the 2023 financial year are adjusted due to the accrual method applied in the 2023 Compensation Report with reference to the concept of granted compensation as defined in Section 162 AktG in place of the cash method applied in the 2022 Compensation Report. For this, see the presentation in sections (3.2.2.1) and (2.2.3.1).

[2] Compensation granted and owed as defined in Section 162 (1) sentence 1 AktG.

[3] Rates of change not adjusted for changes in connection with the date of joining the Supervisory Board and its committees, the duration of membership of the Supervisory Board and its committees and departure from the same in each case.

Haselünne, March 20, 2024

Berentzen-Gruppe Aktiengesellschaft

For the Executive Board		For the Supervisory Board
Ralf Brühöfner	Oliver Schwegmann	Uwe Bergheim
Member of the Executive Board	Member of the Executive Board	Chairman of the Supervisory Board

Report of the independent auditor on the formal audit of the remuneration report pursuant to § 162 Abs. 3 AktG

To Berentzen-Gruppe Aktiengesellschaft, Haselünne

Opinion

We have formally audited the remuneration report of the Berentzen-Gruppe Aktiengesellschaft, Haselünne, for the financial year from January 1 to December 31 2023 to determine whether the disclosures pursuant to § [Article] 162 Abs. [paragraphs] 1 and 2 AktG [Aktiengesetz: German Stock Corporation Act] have been made in the remuneration report. In accordance with § 162 Abs. 3 AktG, we have not audited the content of the remuneration report.

In our opinion, the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all mate-rial respects in the accompanying remuneration report. Our opinion does not cover the content of the remuneration report.

Basis for the opinion

We conducted our formal audit of the remuneration report in accordance with § 162 Abs. 3 AktG and IDW [Insti-tut der Wirtschaftsprüfer: Institute of Public Auditors in Germany] Auditing Standard: The formal audit of the remuneration report in accordance with § 162 Abs. 3 AktG (IDW AuS 870 (09.2023)). Our responsibility under that provision and that standard is further described in the “Auditor's Re-sponsibilities” section of our auditor’s report. As an audit firm, we have complied with the re-quirements of the IDW Quality Management Standard: Requirements to quality management for audit firms [IDW Qualitätsmanagementstandard - IDW QMS 1 (09.2022)]. We have complied with the professional duties pursuant to the Professional Code for German Public Auditors and German Chartered Auditors [Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer - BS WP/vBP], including the requirements for independence.

Responsibility of the Management Board and the Supervisory Board

The management board and the supervisory board are responsible for the preparation of the remunera-tion report, including the related disclosures, that complies with the requirements of § 162 AktG. They are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

Auditor’s Responsibilities

Our objective is to obtain reasonable assurance about whether the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the remuneration report and to express an opinion thereon in an auditor's report.

We planned and performed our audit to determine, through comparison of the disclosures made in the remuneration report with the disclosures required by § 162 Abs. 1 and 2 AktG, the formal com-pleteness of the remuneration report . In accordance with § 162 Abs 3 AktG, we have not audited the accuracy of the disclosures, the completeness of the content of the individual disclosures, or the appropriate presentation of the remuneration report.

Osnabrück, March 21, 2023

PricewaterhouseCoopers GmbH

Wirtschaftsprüfungsgesellschaft

Carsten Schürmann	ppa. Maik Schure
Wirtschaftsprüfer (German Public Auditor)	Wirtschaftsprüfer (German Public Auditor)

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Financial calendar 2024

February 6, 2024	Preliminary Business Figures for 2023
February 8, 2024	11. Hamburger Investorentage — HIT
February 28, 2024	Virtual Roadshow with Metzler Capital Markets
March 11, 2024	Virtual Roadshow with ODDO BHF Corporates & Markets
March 28, 2024	Annual Financial Statements and Annual Report 2023
April 23, 2024	Metzler Micro Cap Days
May 7, 2024	Interim Report Q1 / 2024
May 13 to 15, 2024	Frühjahrskonferenz 2024
May 17, 2024	Annual General Meeting of Berentzen-Gruppe Aktiengesellschaft
June 4 to 5, 2024	13. ODDO BHF NEXTCAP FORUM
August 14, 2024	Group Half-Yearly Financial Report 2024
October 23, 2024	Interim Report 9M / 2024
November 25 to 27, 2024	Deutsches Eigenkapitalforum

At March 28, 2024. The financial calendar is provided for information purposes only and will be regularly updated. It is subject to change.

Disclaimer

The present report contains forward-looking statements that relate in particular to the future business performance and future financial performance and transactions or developments relating to Berentzen-Gruppe Aktiengesellschaft and the Berentzen Group. These are based on management assumptions, estimates and expectations at the time of this report's publication regarding future company-related developments. They therefore carry risks and uncertainties which are named and explained, particularly (but not exclusively) as part of the management report within the risk and opportunities report and the forecast report. Events and results that actually occur thereafter may therefore significantly differ from the forward-looking statements, both positively and negatively. Many uncertainties and resulting risks are characterised by circumstances that are beyond the control and influence of Berentzen-Gruppe Aktiengesellschaft and cannot be estimated with certainty. These include – but are not limited to – changing market conditions and their economic development and effect, changes in financial markets and exchange rates, the behaviour of other market actors and competitors and legal changes or political decisions by regulatory and governmental authorities. With regard to the forward-looking statements, unless otherwise required by law, Berentzen-Gruppe Aktiengesellschaft assumes no obligation to make any corrections or adjustments based on facts arising after the time of this report's publication. No guarantee or liability, neither expressed nor implied, is assumed for the currency, accuracy or completeness of the forward-looking statements.

As a supplement to the key figures presented in the annual and consolidated financial statements and determined in compliance with the pertinent accounting related accounting frameworks, the present further contains key figures that are not, or not precisely, defined in the pertinent accounting framework and constitute or may constitute what are known as alternative performance indicators. Alternative performance indicators that are presented or reported on by other companies using an identical or comparable designation may be calculated in a different fashion.

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This report is also available in an English-language version for information purposes. In the event of discrepancies the German-language version alone is authoritative and takes precedence over the English-language version.

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