BERENTZEN-GRUPPE

Thirst for life

# Annual Report 2021

# Key figures

## Key figures of the Berentzen-Gruppe

| | | 2021 or 12/31/2021 | 2020 or 12/31/2020 | Change 2021/2020 |
|---|---|---|---|---|
| Consolidated revenues excl. spirits tax | EURm | 146.1 | 154.6 | - 5.5% |
| Spirits segment | EURm | 92.7 | 93.0 | - 0.3% |
| Non-alcoholic Beverages segment | EURm | 35.3 | 45.3 | - 22.0% |
| Fresh Juice Systems segment | EURm | 15.4 | 15.0 | + 2.6% |
| Other segments | EURm | 2.7 | 1.4 | > + 100.0% |
| Total operating performance | EURm | 146.4 | 154.6 | - 5.3% |
| Contribution margin after marketing budgets | EURm | 58.3 | 57.4 | + 1.7% |
| Consolidated EBITDA | EURm | 15.4 | 14.1 | + 8.7% |
| Consolidated EBITDA margin | % | 10.5 | 9.1 | + 1.4 PP [1] |
| Consolidated EBIT | EURm | 6.7 | 5.2 | + 28.8% |
| Consolidated EBIT margin | % | 4.6 | 3.4 | + 1.2 PP [1] |
| Consolidated profit | EURm | 3.7 | 1.2 | > + 100.0% |
| Operating cash flow | EURm | 12.6 | 9.2 | + 37.7% |
| Cash flow from investing activities | EURm | - 7.3 | - 5.4 | - 36.1% |
| Free cash flow [2] | EURm | 4.3 | 8.3 | - 47.7% |
| Consolidated equity ratio | % | 34.4 | 32.5 | + 1.9 PP [1] |
| Employees | Total | 489 | 507 | - 3.6% |

[1] PP = percentage points.

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

## Key figures for the Berentzen common share

| | | 2021 or 12/31/2021 | 2020 or 12/31/2020 | Change 2021/2020 |
|---|---|---|---|---|
| Berentzen common share (ISIN DE0005201602, WKN 520160) share price / XETRA | EUR / share | 6.34 | 5.54 | + 14.4% |
| Market capitalisation | EURm | 59.6 | 52.0 | + 14.5% |
| Dividend / Berentzen common share | EUR / share | 0.22 [1] | 0.13 | + 69.2% |
| Dividend yield | % | 3.5 | 2.3 | + 1.2 PP [2] |
| Payout Ratio | % | 56 | 99 | - 43 PP [2] |

[1] Proposal for the 2021 financial year.

[2] PP = percentage points.

# Content



BERENTZEN-GRUPPE

Thirst for life

# A. To our shareholders

## (1) Letter to shareholders

Ladies and Gentlemen, dear Shareholders,

The last two years and the current geopolitical situation have made very clear to us all how quickly conditions that we thought were stable can change. An important component of leadership in this context is making the appropriate adjustments, to set the right incentives for each situation. As Aristotle put it, "We can't change the wind, but we can adjust our sails."

Looking back with you on the 2021 financial year, we find that in the second year of the pandemic, despite overall conditions that were once again difficult, we were successful as a corporate group. This is reflected, among other things, in the fact that we adjusted our income projection upward in early October and ultimately achieved these new outlook ranges.

Specifically, we achieved consolidated revenues of EUR 146.1 million in the 2021 financial year, and earned a consolidated EBITDA of EUR 15.4 million and a consolidated EBIT of EUR 6.7 million. As we have stated many times before in different forums, the decline in consolidated sales revenues from the previous year results specifically from the termination of a contract bottling agreement in the *Non-alcoholic Beverages* segment at the end of the first quarter of 2021; without this, our consolidated revenues in the last financial year would have risen slightly. However, we were still unable to return to our dynamic growth trajectory of 2017 to 2019. The reason for this was again the restrictions caused by the coronavirus pandemic, which had a negative impact on our business activity, especially the months-long lockdown at the start of the year and the return of restrictions at the end of the year – the more so since many of our products are synonymous with consumption in the cheerful company of others.

In spite of the decline in consolidated revenues, we managed to raise our consolidated EBIT considerably, by 28.8% compared to the previous year. This is essentially attributable to a significantly higher gross profit margin and consequently also higher gross profit in absolute terms. The increase in our gross profit by over EUR 1.3 million, even while sales revenues dropped, shows clearly that the profitabilisation strategy we adopted was again successful in the 2021 financial year. High-margin products generated growth within our portfolio, whereas more low-margin products saw a declining trend. Meanwhile, all areas relevant to our sustained business development exhibited positive momentum. In the *Spirits* segment, we achieved an increase in sales revenue with our umbrella brands *Berentzen* and *Puschkin* – in particular, our Liköroffensive ("liquor campaign") showed initial successes. With our dealer-brand spirits, we managed to further expand our business in higher-quality product concepts, the so-called premium and medium products. In the *Non-alcoholic Beverages* segment, it was again our *Mio Mio* brand whose products saw the strongest growth. In the *Fresh Juice Systems* segment, despite lower sales revenues overall from the sale of fruit juicers, we were able to achieve significant growth in sales revenues with our machines in our focus market of Germany.

Against this background, we are very satisfied overall with the result of the 2021 financial year, and naturally we would like for you, our shareholders, to enjoy a suitable share in this success. Therefore, we, together with the Supervisory Board, will propose a dividend of EUR 0.22 per share at the upcoming general meeting.

With a view to the 2022 financial year, we are convinced that social life, and with it our business volume, will once more regain momentum over the rest of the year, despite the current omicron infection issues and the war in Ukraine. We therefore anticipate consolidated revenue of EUR 154 to 162 million, significantly higher than we saw in the 2021 financial year. The strategic key areas outlined above – the liquor campaign, the expansion of premium dealer brands, the focus on *Mio Mio* and the concentration on core markets for our fresh juice systems – will also be the main growth drivers in the 2022 financial year. With a motto of "Fewer but Bigger", we will thus focus in each of our business units on the products with the greatest potential for growth and profitability, and will bundle our resources accordingly.

But at the same time, this year is again marked by a broad range of challenges. Massive price increases for energy, commodities and materials, as well as supply chain disturbances, will lead to high cost burdens. Nonetheless, after two years of the pandemic, with attendant strict management of expenses, we have decided once again to invest more in personnel, sales and marketing, in order to enable long-term growth. In sum, with revenues rising at the same time, the increased expenses will lead to our key net income figures of consolidated EBIT and EBITDA coming in at approximately the same level as the previous year. In concrete terms, we anticipate consolidated EBIT between EUR 5 and 8 million and consolidated EBITDA between EUR 14 and 17 million. The rather wide ranges reflect the fact that procurement prices are especially volatile this year, and for the most part their trends are still totally unforeseeable.

Please permit us in this context to offer a few words about the awful war in Ukraine, which we already mentioned above. As a corporate group that stands for high spirits and time spent in the company of others, we flatly condemn all forms of armed conflict, marginalisation and violence. Our thoughts are with all the people suffering under the current attacks. The impacts of the war on the future development of energy and commodity prices, not to mention supply chains, currently cannot yet be foreseen in detail. Naturally, we are closely monitoring what is happening and also remain in close conversation about it with domestic and international partners. With regard to unit sales, we have not yet been materially affected by the conflict. The business that we had been doing in Russia and Ukraine was rather marginal in scope.

To return to our metaphor from Aristotle cited at the beginning, the sea currently remains stormy in all areas – politics, society and the economy. But the Berentzen Group, over its 260-year history, has repeatedly proven that it can deal with difficult business conditions. This has required acting with foresight, responsibility and sustainable business practice. Given our history, we think in terms of generations. For several years, ecological changes, social processes and not least political rules have led to a continual rise in the importance of environmental, social and governance topics. As a result, responsible corporate management must pay more and more attention to non-financial matters in addition to financial aspects. Besides our own intrinsic commitment to sustainability, this trend naturally also influences the everyday business activities in our organisation, our processes and in the individual specialist departments and sectors. In order to make a clear and visible statement about the prominent importance we ascribe to the various aspects of sustainability, last year we signed on to the United Nations Global Compact (UNGC), the world's most ambitious and important initiative for responsible corporate management. We have also made good progress in achieving the targets we defined in 2020 as part of our sustainability strategy: "0 accidents and improved health", "100 percent resource efficiency" and "100 sustainable products". These steps – which we cite here merely as examples – will be followed by many others. You can read about some of what we have already achieved in this connection, and what we plan for the future, in our 2021 Sustainability Report, which we published today at the same time as this Annual Report.

And so, despite the challenges, we look to the coming year with cautious optimism. Together with our excellent employees, whom we would like to thank here for their outstanding commitment, we will advance our key topics and thereby continue working to generate value for you, our shareholders. We thank you for giving us your trust even in stormy times, and we hope you will stay with us as we move forward.

Yours sincerely,

## (2) Our share

**Key figures on the Berentzen-Gruppe Aktiengesellschaft share**

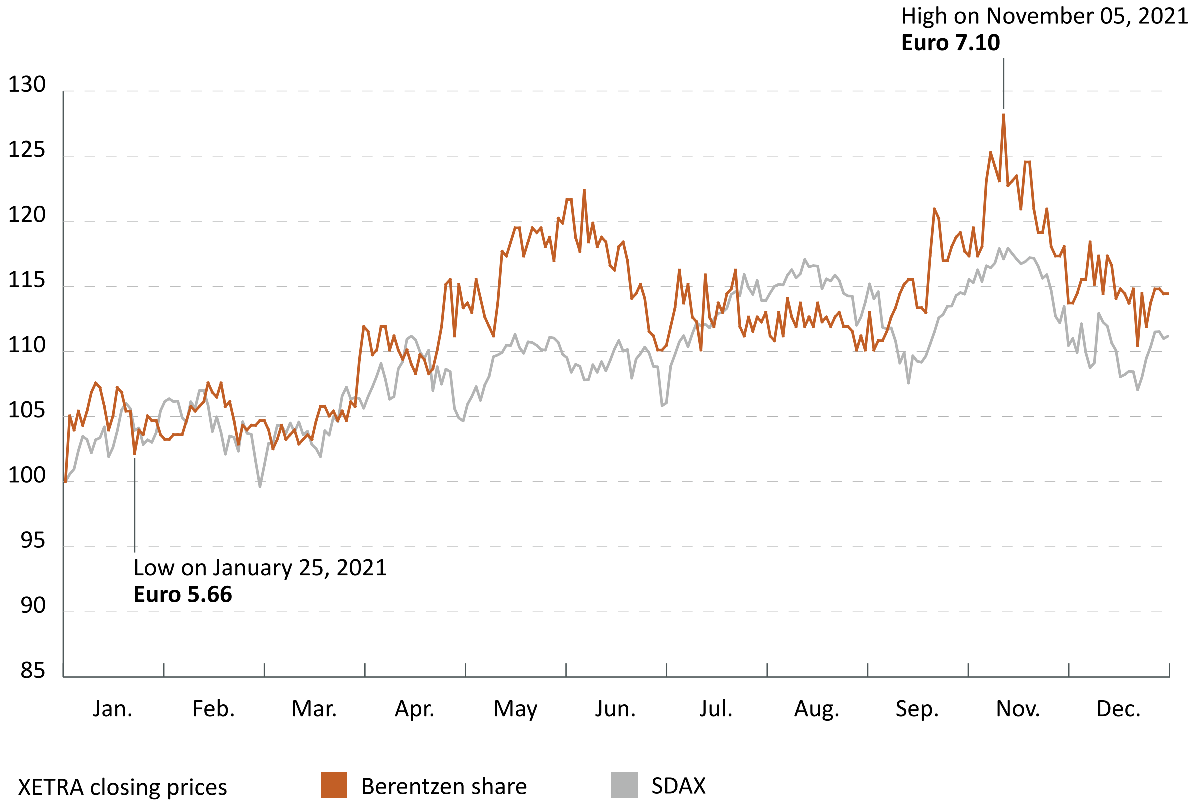
| | | 2021 | 2020 |
|---|---|---|---|
| Number of listed shares (common stock) | Units | 9,600,000 | 9,600,000 |
| Number of treasury shares | Units | 206,309 | 206,309 |
| High for the year / XETRA | Euro / share | 7.10 | 7.70 |
| Low for the year / XETRA | Euro / share | 5.66 | 4.95 |
| Average for the year / XETRA | Euro / share | 6.22 | 5.89 |
| Average trading volume per trading day / XETRA | Units | 7,578 | 11,311 |
| Price at year-end / XETRA | Euro / share | 6.34 | 5.54 |
| Price-earnings ratio | Ratio | 16.3 | 42.2 |
| Dividend / share | Euro / share | 0.22 [1)] | 0.13 |
| Dividend yield | % | 3.5 | 2.3 |
| Basic / diluted earnings per share | Euro / share | 0.39 | 0.13 |
| Payout ratio | % | 56 | 99 |

1) Proposal for the 2021 financial year.

The Berentzen-Gruppe Aktiengesellschaft share is listed on the Regulated Market (General Standard) of the Frankfurt Stock Exchange and is traded on all German stock exchanges. Trading sales (XETRA) amounted to 1.9 million in 2021, thus down from the previous-year volume (2.9 million). Average trading volume per trading day (XETRA) of 7.6 thousand shares was likewise lower than the previous-year figure (11.3 thousand shares).

Berentzen Group | Investors | Share

**Price of the Berentzen-Gruppe Aktiengesellschaft share in 2021**



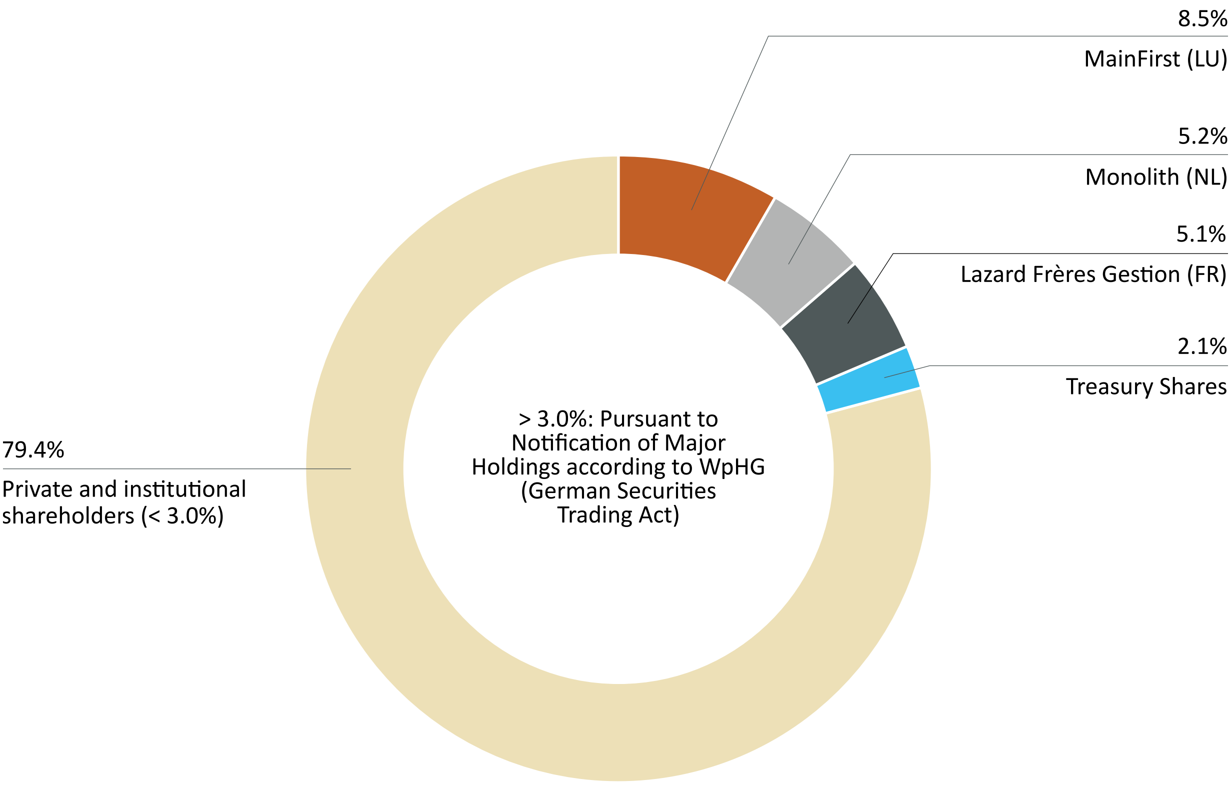

2021 was a positive year overall for the German equity market, despite the ongoing coronavirus pandemic, a rising inflationary trend and disruptions to the global supply chain. After starting the year at 14,764.89 points, the SDAX reached its high for the year of 17,412.57 points on November 8, 2021. Even though the index later fell 5.7% to its final close for the year of 16,414.67 points, the gain on the year as a whole was 11.17%. The other key German equity indices also rose significantly in the 2021 trading year, with the DAX up 15.79% and the MDAX up 14.05%.

Berentzen-Gruppe Aktiengesellschaft's stock performance also followed this general market momentum. With a total increase of 14.44%, the Berentzen-Gruppe Aktiengesellschaft share price showed an even more positive trend in the 2021 calendar year than the SDAX. After beginning the year on January 4, 2021 with an opening price of EUR 5.62, the stock fell to a low for the year of EUR 5.66 on January 25. In contrast, the stock reached its high for the year on November 5 at a price of EUR 7.10. Similarly to the SDAX trend, the share had later declined by the end of the year, closing at a price of EUR 6.34. In line with the positive price performance over the year, the market capitalisation also rose from EUR 52.0 million (end of 2020) to EUR 59.6 million.

Berentzen Group | Investors | Share

## Shareholder structure

(at February 24, 2022)




## Dividend proposal

The Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft will propose to the general meeting that part of the distributable profit presented in the separate commercial-law financial statements of Berentzen-Gruppe Aktiengesellschaft in the amount of EUR 14.4 million for the 2021 financial year be utilised to pay a dividend of EUR 0.22 per qualifying common share for the 2021 financial year and the rest be carried forward to new account.

## Basic information on the Berentzen-Gruppe Aktiengesellschaft share

| | |
|---|---|
| Securities identification numbers | ISIN: DE0005201602<br>Securities ID: 520160 |
| Ticker symbol | Reuters: BEZ.DE<br>Bloomberg: BEZ3 GR |
| Market segment | Regulated Market in Frankfurt, XETRA |
| Transparency level | General Standard |
| Other stock exchanges | Over-the-counter trading in Berlin, Düsseldorf, Hamburg, Hanover, Munich, Stuttgart |
| Designated sponsor | Oddo Seydler Bank AG |
| IPO | June 14, 1994 |

Berentzen Group | Brands | Spirits

## (3) Our products

The Berentzen Group is a modern, innovative beverages group with a broad base in its three segments: *Spirits*, *Non-alcoholic Beverages* and *Fresh Juice Systems*. The corporate group develops, produces and markets beverage ideas for the widest range of consumer needs – from spirits, mineral waters and carbonated soft drinks through to fruit presses for freshly squeezed orange juice. The Berentzen Group invigorates people from morning to evening with the fullest variety of beverages.

### Spirits

The Company’s roots in the grain alcohol distillery and the *Berentzen* brand date back more than 260 years. The year 1976, when the Company launched the *Berentzen Fruchtigen* line of products around the core *Apfelkorn* product, was an important milestone in the Company’s history. The subsequent success paved the way for the further corporate expansion. Since 1990, consumers can also find products from the *Puschkin* brand in the portfolio of the Berentzen Group. This was then expanded in the 1990s to include traditional spirits like *Strothmann*, *Bommerlunder* and *Doornkaat*. In addition, spirits categories such as rum and gin, that cannot be served by the umbrella brands, have been entered with new products and brands since 2018.

Today, the strategic focus in developing the spirits portfolio is on the *Berentzen* and *Puschkin* umbrella brands. They are continuously reinforced through innovations and enhancements, along with associated communication programmes for the retail trade.

For the *Berentzen* brand, 2021 was a special year: a newly developed umbrella brand strategy was implemented. With the product categories *Korn*, *Fruchtige*, *Creamers* and the new product concepts *Crazy* and *Landlikör*, the umbrella brand has been newly and more broadly set up, with the aim of making new target groups enthusiastic for the brand. Initial market studies show that this "liqueur campaign" is going well and enabling additional growth by addressing new target groups. The 2020 buyer overlap analysis of the market research institute GfK impressively

demonstrates that Berentzen is reaching totally new customer groups, for example, with the seasonal *Creamers*, and that there is no cannibalisation from *Fruchtige* liqueurs.

The *Berentzen Creamers* have successfully established themselves on the market with their seasonal varieties. The *Summer Editions* in the second quarter of 2021 achieved significant sales growth compared to the prior year and boasted very good inventory-sales ratios compared to competitors. Successful campaigns were implemented at the point-of-sale (POS), providing additional visibility on the POS floors due to secondary placements.

With the so-called *Crazy* liqueurs, *Berentzen* delights a young party-loving target group with unconventional tastes beyond the usual fruit and cream varieties. The three flavours *Berentzen Donut*, *Berentzen Popkorn* and *Berentzen Hanf Waldmeister*, which the Berentzen Group introduced in April 2021 as novel products under the Berentzen brand, were selected in Getränke Zeitung's annual trade survey of experts in the specialised beverage wholesale business as the 2021 Novelty of the Year in the category of spirits. The Berentzen Group does service to several trends at once with the new product range. Demand for sweet liqueur varieties has been steadily rising in Germany, lower-proof alcohols are popular and consumers continue to look for special products for memorable moments enjoyed in company. The three *Crazy* flavours also stand out for their attention-getting look and create totally new impressions on the shelf for liqueurs.

*I.B. Berentzen Landlikör* is a modern addition to the current portfolio and an important part of the further strategic development of the Berentzen brand. It has been on sale since August 2021 in *hazelnut*, *pear* and *plum* flavours, and is aimed at the mature, well-to-do target group over 35 years of age. They mostly remember *Berentzen* from their youthful years – but now those familiar liqueurs are often too sweet for them. *I.B. Berentzen Landlikör* offers this target group a combination of a particularly high-quality bottle design, natural ingredients and a discriminating taste profile.

Already by the end of 2020, the packaging of the *Berentzen Fruchtige* had been modernised as part of a relaunch, and the product line was adjusted. This relaunch was carried on in 2021. Since the end of 2021, *Berentzen Minis* with the party cup and party belt are available in a new design and with a new assortment. Due to the restrictions of the coronavirus pandemic, business with the miniature bottles continues to be difficult, since they are mainly enjoyed in company at outdoor events like festivals, Mardi Gras, major holidays and the like.

Once again in 2021, the *Berentzen* brand was managed using targeted communication measures involving an optimised multimedia mix and adaptation to target groups. Besides social media and other digital marketing formats, the focus particularly for new products was on POS and sampling activities.

The *Puschkin* brand was further expanded in 2021. In addition to the two fruit varieties *Puschkin Watermelon* and *Blueberry*, which had already developed positively in the prior year, the new flavour *Passionfruit Yuzu* introduced in March 2021 has gained a footing. This new flavour completes the fruity varieties of *Puschkin* for the present and contributes to the brand's very good growth. *Puschkin* also generates new momentum with the *Puschkin Party Pack*, consisting of a pouch and twenty 0.02l PET minis.

*Puschkin* continued its event sponsoring activities again in 2021, above all digitally. Parties and events were streamed online, for example from clubs. With the help of cooperating partners, *Puschkin's* party-loving target group was also reachable at home in their living rooms. Sampling activities in the student setting also proved to have a sales-promoting effect.

The trend toward premiumisation is undiminished, particularly in the rum and gin categories, and has been further reinforced not least by the pandemic.

For this reason, the *Tres Países* Rum introduced in 2019 was supplemented in March 2021 by another limited edition: *Tres Países Port Cask Finish*. *Tres Países* appeals to a well-to-do target group and delights both rum newcomers and experts. *Port Cask Finish* acquires additional refinement in port wine casks.

With *Norden Dry Gin*, the Berentzen Group offers a high-quality gin under the Doornkaat brand, which sets itself apart from other gins by virtue of its northern German heritage.

The outstanding premium quality of these rum and gin products was proven with various awards in 2021. *Tres Paìses* Rum won the World Spirits Gold Award, and *Port Cask Finish* earned the ISW Silver Award and the IWSC Bronze Award. *Norden Dry Gin* won a prize as well – the ISW Gold Award.

At the point-of-sale, rum and gin were successfully marketed with attention-getting secondary placements and gift packaging in exclusive high-quality glass.

The Berentzen Group's product portfolio was extended in August 2020 with the takeover of *Goldkehlchen*, a premium cider from Austria. This modern, high-quality cider has been marketed in Germany as well since April 2021. The launch was supported in the food retailing industry with attractive secondary placements and in the media through social media and cooperative arrangements with influencers. With *Goldkehlchen*, the Berentzen Group operates in a new beverages segment that shows significant growth both on the German and international markets. In doing so, *Goldkehlchen* is fulfilling several consumer needs at the same time: alongside the current trend of modern cider and ready-to-drink concepts, the product meets the desire for natural, regional raw materials. *Goldkehlchen* is produced without the addition of artificial ingredients, colourings and sugar. Production is based in Styria, Austria, and uses hand-picked apples from the surrounding area and pears from the neighbouring Mostviertel region.

The brand portfolio abroad is substantially based on the products marketed in Germany as well, while likewise taking into account the innovations launched on the German market.

*Berentzen Apfel* remains internationally the strongest of the *Berentzen Fruchtige* line of products. With a clear gearing to young adults, the best market position has been held for years in the Netherlands. In this context, the relaunch of *Berentzen Fruchtige* was also implemented abroad. The *Puschkin* product family has likewise been present on the market for many years, especially in the Benelux countries and in many countries of central and eastern Europe. Other important products in the international business include *Berentzen Doppelkorn*, and vodka and gin brands in the border-shop business on the eastern border of the EU.

With the branded dealer and private label products of the subsidiary Pabst & Richarz Vertriebs GmbH, the Group offers the retail trade since 2018 not only product concepts for the entry-level business but also a large number of high-quality premium concepts. Since then, several premium concepts were successfully launched on the German as well as international markets. In particular, the rum spirits category showed clearly positive growth in 2021, including in the branded dealer and private label area, for example with products such as *Armandor* and *Paul & Virginie*. In the moderately-priced segment, mainly the trade in so-called ready-to-drink (RTD) concepts is gaining importance. Particularly, the mixed drink whiskey & cola showed strong growth momentum in 2021.

Products sold in cooperation with musical artists also gained significant market importance in 2021.

Following this trend, the Group launched a cooperative arrangement in 2021 with artists RAF Camora and Bonez MC via Pabst & Richarz Vertriebs GmbH. In collaboration with these artists, products like *Karneval Vodka*, *Karneval* RTDs and non-alcoholic products like *Wild Crocodile* are being developed and marketed. The sales launch of the new concepts was on March 1, 2022.

For the tenth year in a row, Pabst & Richarz has been awarded the Bundesehrenpreis (Federal Award of Honor) by the Federal Ministry of Food and Agriculture. In the DLG (Deutsche Landwirtschafts-Gesellschaft) quality test, Pabst & Richarz achieved one of the best overall results in the spirits category with the bronze award.

### Non-alcoholic Beverages

The core competencies of the Group company Vivaris Getränke GmbH & Co. KG, which represents the *Non-alcoholic Beverages* segment in the Berentzen Group, consist in the production and marketing of mineral waters, lemonades, cola, mate and energy drinks in numerous different packaging forms and under established own brands and the franchise brand *Sinalco*.

The most successful product line in the *Non-alcoholic Beverages* segment is *Mio Mio*. Around 40 million *Mio Mio* bottles were sold in 2021. *Mio Mio* is currently available in Poland and the Netherlands in addition to Germany. For Mio Mio, the focus continues to be placed on the expansion of distribution. Alongside geographical expansion, widening the product range provides great growth potential for the brand. The *Mio Mio* product portfolio now spans a total of ten invigorating flavours, after adding the two flavours *Orange+Caffeine* and *Lemon+Caffeine* at the start of 2022. The willingness on the part of retailers to stock innovative new varieties of the *Mio Mio* brand remains at a high level. Likewise at the start of 2022, a campaign in the hospitality industry was launched for *Mio Mio*. In order to establish the brand in future in the hospitality industry, eight of the ten flavours are being marketed starting immediately in the 0.33l long-neck bottle that is better suited to bars, cafés and clubs than the 0.5l container used exclusively until now. In order to encourage the further development of distribution for the *Mio Mio* brand, particularly in southern Germany, an initial contract bottling arrangement was launched with a mineral spring operation in the spring of 2021, which serves at the same time as a logistics ramp. This production model has been implemented additionally with one other partner as of February 2022, so that *Mio*

Berentzen Group | Brands | Non-alcoholic Beverages

vivaris.net

*Mio* products are currently produced and distributed from four locations in Germany.

In light of the coronavirus pandemic, the communication measures were modified in 2021, with advertising being placed in digital media in particular. These media measures relating to specific target groups (particularly social media, authentic out-of-home communications and digital moving-image campaigns) will be continued in a similar form in 2022. In order to make a positive contribution to climate protection, unavoidable emissions caused by *Mio Mio* products have been offset since 2020. This means that consumers will be able to purchase all *Mio Mio* products retailed in Germany as a climate neutral product.

Mineral water is the best-selling beverage segment in Germany, but it saw a slight decline overall in 2021. *Emsland Quelle*, the highest-volume mineral water brand in the Vivaris portfolio, achieved an increase in unit sales in 2021 compared to the previous year, bucking the market trend. Both *Emsland Quelle* and *Märkisch Kristall* – from the Grüneberg spring near Berlin – are currently awarded the best mark of "very good" by the consumer magazine "ÖKO-TEST". The products of both brands are likewise completely carbon-neutral. To this end, not only the carbon emissions caused by the Company's own production are offset, as in the case with the *Mio Mio* brand, but the entire carbon footprint including the upstream supply chain and transportation to retailers is taken into account. The carbon offset is achieved through certified climate protection projects. The climate neutrality of *Emsland Quelle*, *Märkisch Kristall* and *Mio Mio* enable the corporate group to provide an active and valuable contribution to climate protection.

Berentzen Group | Brands | Fresh Juice Systems

citrocasa.com

*Emsland Sonne*, a traditional carbonated soft drink, has been on offer in a new design since February 2021. Labels with a modern design and an eye-catching logo provide an attractive, fresh brand image and, together with the *Emsland Quelle* products, now optically reflect a single brand family. The carbonated soft drinks from *Emsland Sonne* are also distributed in environmentally friendly reusable glass bottles. In addition, all *Emsland Sonne* products have likewise been climate neutral since this year.

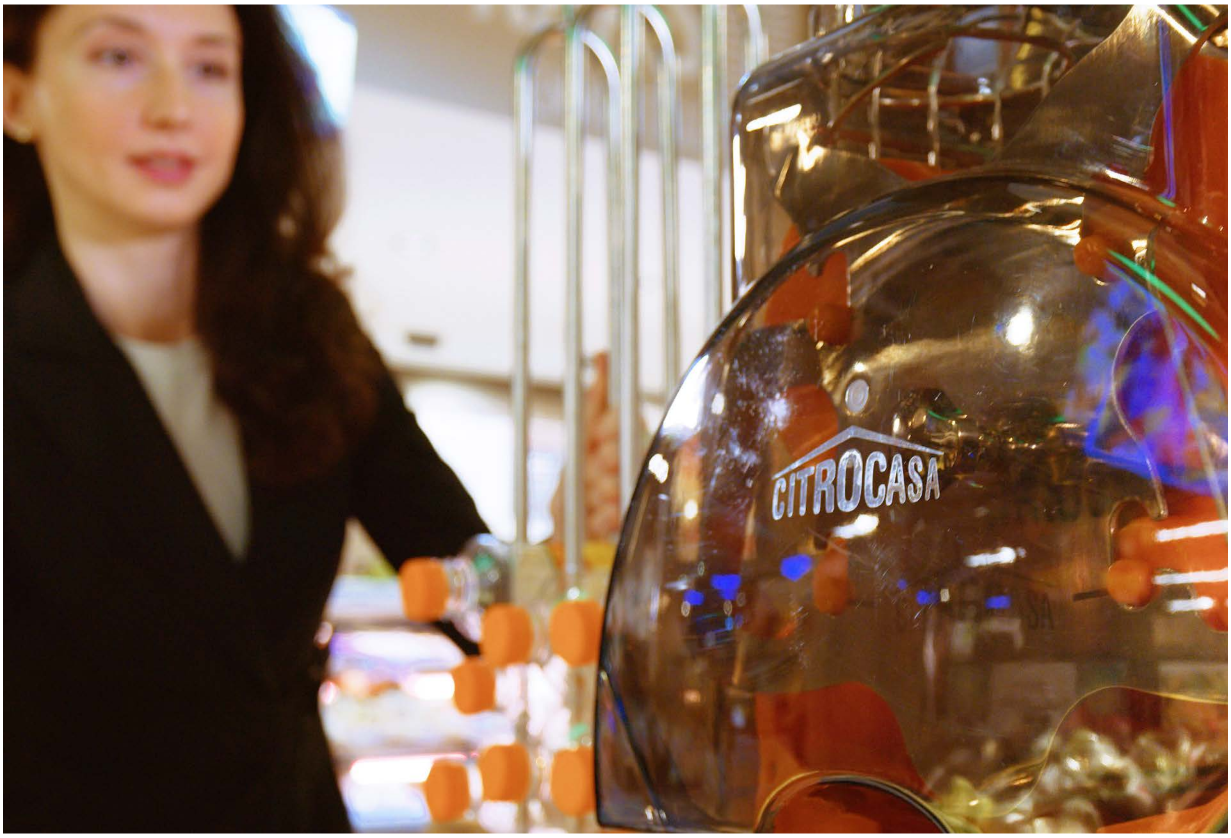
Building on the success of the *Mio Mio* product range, the *Kräuterbraut* brand was introduced in the *Non-alcoholic Beverages* segment in 2019. This product concept was analysed in the past year with the aid of several market studies and was ultimately optimised. As a vegan herbal lemonade, *Kräuterbraut* still responds to the trend towards reduced-sugar beverages and is aimed at purchasers looking for a natural and authentic alternative to other carbonated soft drinks. Available in three flavours, *Kräuterbraut* stands for sensible refreshment on a herbal basis. As of the middle of 2022, *Kräuterbraut* will be available with a totally redone design and new tastes.

In its *Non-alcoholic Beverages* segment, the Berentzen Group also boasts more than 50 years of experience in the franchise business, currently acting as franchisee for the Sinalco brand. A large number of *Sinalco* products are manufactured at the production locations in Haselünne and Grüneberg, and mainly distributed in the core sales area for Vivaris.

### Fresh Juice Systems

Since the end of 2014, the Berentzen Group's portfolio has been rounded off with the *Fresh Juice Systems* segment. The associated subsidiary that was acquired as Technic-Marketing-Products GmbH was renamed Citrocasa GmbH in July 2019. It offers a system combining high-quality fruit juicers distributed under the *Citrocasa* brand with juice oranges untreated after harvesting with the brand name *frutas naturales* and special bottling systems in some local markets. The fruit juicers are marketed worldwide.

In the area of technology at *Citrocasa*, the focus was placed entirely on the refinement and expansion of digital concepts for novel, interactive orange presses over the




course of 2021. With the introduction of the Citrocasa Cloud, *Citrocasa* offers food retail partners and HORECA customers the widest range of analyses from under one roof, so that they can quickly and easily access important information. The *8000 eXpress* and *8000 Connect* fruit presses with digital features such as a link for payments systems and a touch display with a video function, as well as innovative cleaning systems, are the most important series of machines specifically aimed at the food retailing sector. These presses have proven themselves in outstanding fashion in the past year.

Besides oranges, *Citrocasa* since 2019 has also carried pomegranates in its portfolio, which remain very popular with customers. Likewise since 2019, *Citrocasa* has had a bottle made from 100% recycled PET material on offer among its containers. In the European market in 2021, the majority of *Citrocasa's* PET bottles was converted to recycled-PET (rPET), making a material contribution to sustainability.

**Berentzen Hof**

The Group company Der Berentzen Hof GmbH has also been located in the Company's headquarters in Haselünne for 25 years in the meantime. Berentzen Hof includes numerous historical buildings which usually form part of an extensive programme of tours and events. The coronavirus pandemic meant that Berentzen Hof was closed to guests at times over the past two years. In times when the event location was allowed to receive guests, special protective measures had to be taken in addition. So far in 2022, Berentzen Hof has still been affected by event-organising regulations in force related to the pandemic. As a popular location for events and experiences, it usually welcomes more than 35,000 guests each year. The Berentzen Hof Distillery, which was opened in 2017, is considered to be the heart of the Berentzen Hof site. A conference room redesigned in 2018 forms part of the facility. This also positions Berentzen Hof as an attractive and unusual setting for conferences. A further attraction is the "Gaudium", which was added to Berentzen Hof in July 2018. In smaller groups, guests

berentzen-hof.de

can compete with each other here in a total of seven entertaining games.

The Berentzen Hof offering is rounded off by the farm shop, which provides a broad overview of the Berentzen Group's product portfolio. Limited and hand-bottled products from the Berentzen Hof Distillery are likewise on offer there.

## (4) Sustainability in the Berentzen Group

Berentzen Group | Responsibility | Sustainability approach

Berentzen Group | Sustainability Report

As a broad-based beverages group with a company history going back over 260 years, the Berentzen Group has firmly embedded long-term thinking into its corporate culture. The corporate group considers itself to be a responsible employer and an integral part of society. As a manufacturing company, the Berentzen Group bears responsibility for its products and consumers and is therefore increasingly focused on ensuring that its value added chain is sustainable and its range of products are enjoyed responsibly and/or are especially natural and healthy. At a time when environmental protection has become a key global challenge, the Berentzen Group believes that safeguarding the natural foundations of life for future generations is part and parcel of its responsibility as a company.

In light of growing challenges related to climate change, increasing shortages of resources and growing stakeholder requirements, the Berentzen Group has focused its sustainability strategy on the topic of sustainability in particular and is working to continuously enhance the way it manages sustainability.

All information on the sustainability activities carried out by the Berentzen Group can be found in the Sustainability Report. The fourth Sustainability Report of Berentzen-Gruppe Aktiengesellschaft and its affiliated subsidiaries was published at the same time as this Annual Report and presents the outcome of the sustainability activities over the 2021 financial year. The German Sustainability Code (Deutsche Nachhaltigkeitskodex, DNK) and the GRI standards were used as a framework for preparing the Sustainability Report.

The Berentzen Group's corporate responsibility efforts are guided by nationally and internationally recognised

standards, such as the core labour standards of the International Labour Organization and the OECD Guidelines for Multinational Enterprises. In April 2021, the Berentzen Group also joined the world's largest initiative for responsible corporate governance: the United Nations Global Compact (UNGC). By signing up to its ten principles in the areas of human rights, labour, the environment and anti-corruption, the corporate group has pledged to implement the key principles of corporate sustainability.

A summary of the Berentzen Group's sustainability activities can be found on the following pages. To obtain a comprehensive insight into the Berentzen Group's sustainability accomplishments, please refer to the Sustainability Report.

## (4.1) Sustainability strategy

Responsible corporate governance plays an essential role in ensuring the future success of the Berentzen Group. The framework for this is provided by the corporate group's sustainability strategy, comprising objectives intended to have an effect up to 2025 and beyond. The strategy is in line with the Berentzen Group's understanding of sustainability: achieving commercial success in the long term whilst taking responsibility for society and the environment.

Based on the three areas of activity People, Planet and Products – classified as relevant in the corporate group's materiality analysis – and taking into account the Sustainable Development Goals (SDGs) relevant to the group, the Berentzen Group has developed specific objectives, measures and action plans to make sustainable development within the corporate group measurable and controllable. With this, the corporate group is continuing to expand its sustainability activities, which have been systematically structured and continuously increased over the last few years.

*Sustainability strategy of the Berentzen Group*

| Area of activity | Objective | SDG | Key measures | Deadline |
|---|---|---|---|---|
| People | Zero accidents and improved health | 3 Good health and well-being; 8 Decent work and economic growth; 10 Reduced inequalities | - Developing and implementing the new occupational health management plan<br>- Introducing an occupational health management steering committee<br>- Revising the system of key indicators, implementing a new monitoring system and defining performance indicators<br>- Joining and implementing the occupational health and safety campaign "Vision Zero" | 2023 |
| Planet | 100% resource efficiency | 6 Clean water and sanitation; 8 Decent work and economic growth; 12 Responsible consumption and production; 13 Climate action | - Setting up a digital system to monitor environmental indicators at the production locations on a monthly basis<br>- Defining performance indicators and setting target values in the Planet area of activity<br>- Introducing an environmental management system pursuant to ISO 14001<br>- Deriving potential to improve efficiency and developing an efficiency strategy to optimise resource consumption | 2024 |
| Products | One hundred sustainable products | 3 Good health and well-being; 8 Decent work and economic growth; 12 Responsible consumption and production; 13 Climate action | - Designing a road map to increase the share of more sustainable products<br>- Developing guidelines for more environmentally friendly product packaging<br>- Reviewing and scoring product packaging based on the new guidelines for more environmentally friendly product packaging<br>- Developing a business partner screening concept | 2025 |

## (4.2) People

A competent, capable and committed workforce forms the basis of the Berentzen Group's business success and further development. With a view to positioning itself as an attractive employer, the Berentzen Group constantly scrutinises its offerings and responds to changing requirements in the current labour market.

To address personnel-related challenges, a strategy derived from the corporate group's central strategy as well as its corporate values and skills has been established.

As part of the Berentzen Group's perception of itself as an attractive and responsible employer, the corporate group finds it especially important to concern itself with its employees' varying needs and interests. It also offers interesting work environments and attaches importance to a good work/life balance, competitive remuneration, equal pay for equal work irrespective of gender as well as a good company atmosphere.

To ensure mutual success and a shared drive to succeed, employees are trained and their continuous development promoted. This includes high-quality training for entry-level workers and actively supporting further training and skills development for employees.

Combined, these efforts are intended to put the Berentzen Group in a position to recruit the best people for the job in sufficient numbers, and keep them.

***Challenges of the coronavirus pandemic***

The coronavirus pandemic continued to impact the everyday business operations of the Berentzen Group in the 2021 financial year, and again created operational and economic challenges for the Company. As an employer, the corporate group placed the protection of its employees at the centre of its activities.

With this in mind, comprehensive hygiene practices continued to be implemented and diverse protective measures taken. Evidence of the effectiveness of the measures taken continued to be seen in the 2021 financial year – at no time during the year was the operational performance of the corporate group in jeopardy, and, despite individual coronavirus cases, employees were effectively protected from infection on the whole.

*Employee-related ratios at December 31, 2021*

| | | 2021 | 2020 |
|---|---|---|---|
| Annual average headcount | Number | 493 | 503 |
| Headcount at the reporting date | Number | 489 | 507 |
| Illness ratio | % | 4.3 | 3.9 |
| Occupational accidents including commuting accidents | Number | 12.0 | 13.0 |
| Part-time ratio | % | 15.3 | 15.8 |
| Ratio of women | % | 34.6 | 35.1 |
| Trainee ratio | % | 4.7 | 6.3 |
| Hiring rate | % | 76.9 | 71.4 |
| Turnover rate | % | 16.6 | 9.5 |
| Average term of employment | Years | 13.0 | 12.9 |

### *Employee retention and satisfaction*

Employees who have strong emotional ties to a company and are satisfied with the working conditions are less likely to give notice, are less frequently absent and are happy to recommend the company to others. This presupposes that the employees feel comfortable at their place of work and have appropriate opportunities for development, that they can balance work with their private lives, that they feel appreciated and are actively involved in decision-making processes and are kept informed of developments.

In the 2021 financial year, the turnover rate increased from 9.5% to 16.6%. This is due to various developments, such as the implementation of structural measures linked to the discontinuation of a long-standing agreement with an international beverages group at the end of the first quarter of the 2021 financial year. The long average term of employment of 13.0 years in the 2021 financial year, however, shows the fundamentally high degree to which employees identify with the corporate group.

### *Work/life balance*

For the employees of the Berentzen Group, having a work/life balance is essential, and the corporate group would like to support its employees in achieving this in the best way it can. Provided this is compatible with the employees' activities, various working time modes and family-friendly part-time modes tailored to individual needs are offered. In the 2021 financial year, the part-time ratio remained virtually stable at 15.3%. To develop contemporary, reasonable working time modes, the needs of employees are regularly identified.

Since many employees would like to work from home, a wide range of remote working possibilities has been offered since the 2020 financial year. For example, work agreements were concluded, extensive investments were made in hardware and software and a digital meeting culture was established. These measures offer employees more flexibility in their working environment and help to improve their work/life balance.

## (4.3) Planet

Preserving the natural foundations of life for future generations is one of the Berentzen Group's first and foremost priorities. The entire corporate group assumes responsibility for environmentally friendly production and each unit makes its own contribution to sustainable development. It therefore makes sense to work on keeping the impact of its business activities on the environment and people as minimal as possible.

Material ecological impacts arise from the use of material, raw materials, water, electricity, heat and other components. Alongside costs, use of the same is, as a rule, associated with emissions and other environmental impacts where the cause can directly or indirectly be allocated to the Berentzen Group's value added chain. The activities along the value added chain cause waste that is likewise associated with environmental impact depending on the form of disposal involved and possibility for reuse or recycling. For this reason, the topic of resource efficiency is considered essential.

In the *Non-alcoholic Beverages* segment, the Berentzen Group for the most part uses environmentally friendly reusable containers. Ecological benefits aside, however, this does result in a higher level of water and energy consumption, as all bottles have to be intensively cleaned before being refilled.

A key component in boosting efficiency is investing in modern facilities that are more efficient and resource-friendly. For example, the Berentzen Group acquired and installed a new mixer aggregate at its Grüneberg location in the 2021 financial year, thus helping to enhance quality and optimise the use of resources. The corporate group also modernised the sweep-off station at the Minden location with the same goal in mind.

In 2013, an energy management system pursuant to ISO 50001 was successfully introduced at the Grüneberg and Haselünne production locations, which was rolled out to all of the corporate group's German locations in 2016. This was also applied to the Austrian subsidiary Citrocasa in 2020.

Systematic energy management makes it possible to record all energy flows within the corporate group on the basis of measurements and other data and to assess the consumption levels of the most important equipment and processes. The transparency provided in this way regarding energy consumption levels offers the possibility to identify potential for optimisation and to gradually implement the same. This can be used as a basis to derive technical as well as strategic and organisational measures with a view to continually improving energy-related performance and at the same time making energy use systematically and permanently more efficient.

***Environmental indicators for the Berentzen Group***

| | | 2021 | 2020 |
|---|---|---|---|
| Water consumption | $m^3$ | 389,643 | 489,838 |
| Waste water produced | $m^3$ | 228,526 | 240,787 |
| Recyclable/reusable waste | % | 96.9 | 96.6 |
| Waste and reusable material produced | t | 3,669.4 | 4,076.4 |
| Fuel consumption | GWh | 17.3 | 16.4 |
| Electricity consumption | GWh | 7.5 | 8.4 |
| Energy consumption | GWh | 26.8 | 27.0 |
| Emissions [1)] | t $CO_2$e | 6,703.2 | 5,285.4 |
| Electricity from renewable energy | % | 97.9 | 98.0 |

[1)] The calculation of Scope 3 emissions was expanded in the 2021 financial year. A direct year-on-year comparison is therefore not possible.

There were material changes in the production volume in the 2021 financial year. In the *Spirits* segment, the production volume in litres fell by 9.6% to approx. 51 million litres of finished product. This is due in particular to the closure of food and drink establishments, extensive contact restrictions in the private sphere, the prohibition of events and occasional bans on the sale and consumption of alcoholic beverages as a result of the pandemic.

In the *Non-alcoholic Beverages* segment, the quantity of finished products produced fell considerably from 161.8 million litres (2020) to 123.4 million litres (2021). This is mainly attributable to the termination of a long-standing agreement between the Berentzen Group and an international beverages group regarding the filling of their non-alcoholic branded products at the end of the first quarter of the 2021 financial year.

The decline in production volume is one of the reasons why the environmental indicators have changed. A detailed description and explanation of the environmental indicators can be found in the corporate group's Sustainability Report.

***Climate protection***

Fighting climate change is one of the major challenges of the present day. The Berentzen Group makes its own contribution to fighting the effects of climate change by focusing on energy and resource efficiency and using electricity generated from renewable energy with a view to continuously reducing emissions of harmful greenhouse gases.

Since the 2017 financial year, the Berentzen Group has been calculating its corporate carbon footprint using the well-known Greenhouse Gas Protocol. This calculation determines the quantity of $CO_2$ emissions incurred within the Berentzen Group and where they come from. In previous years, the corporate group determined $CO_2$ emissions in Scope 1 and Scope 2, and emissions falling under Scope 3 from the upstream chain of electricity, heat and transport. The 2021 financial year also saw the Berentzen Group take into account emissions resulting from business trips, employee commuting, waste and purchased goods and services for the first time. This information helps the corporate group to reduce $CO_2$ emissions in a targeted manner and in the long term.

## (4.4) Products

For the Berentzen Group, there is a long-term bond between economic success and ecological progress. For this reason, the corporate group actively addresses the impacts of its products on the environment and society, with the avoidance of negative impacts and the promotion of positive impacts at the centre of its efforts.

In 2019, a new climate protection pilot project was launched in the *Non-alcoholic Beverages* segment that saw the carbon footprint of different brands calculated. This served as a basis for introducing the first climate-neutral products in the 2020 financial year. Since the start of the 2020 financial year, consumers have been able to purchase mineral waters *Emsland Quelle* and *Märkisch Kristall* as well as all *Mio Mio* products available on the German market climate neutrally. In the 2021 financial year, climate neutrality was also achieved for all products sold under the *Emsland Sonne* brand.

### *Key figures in the Products area of activity*

| | | 2021 | 2020 |
|---|---|---|---|
| Climate-neutral products | Number | 42 | 34 |
| Segment: Non-alcoholic Beverages | | | |
| Finished product | Million litres | 123.4 | 161.8 |
| Fillings | Million units | 161.6 | 191.1 |
| Share of reusable containers [1)] | % | 86.7 | 69.3 |
| Share of glass containers [1)] | % | 58.1 | 46.8 |
| Segment: Spirits | | | |
| Finished product | Million litres | 51.2 | 56.6 |
| Fillings | Million units | 127.7 | 145.2 |
| Share of glass containers [2)] | % | 99.3 | 98.7 |

1) In the entire production volume in the *Non-alcoholic Beverages* segment on the basis of litres produced.

2) In the entire production volume in the *Spirits* segment on the basis of litres produced.

The environmentally friendly glass bottle has been the primary means of packaging in the *Spirits* segment for many decades already. However, owing to use restrictions for glass containers – e.g. at public events – there is also a need to offer a comparatively low proportion of the product portfolio of the Berentzen Group in fully recyclable miniature PET bottles. If disposed of properly, they can be returned to the material cycle. In the 2021 financial year, the share of glass containers, calculated on the basis of the entire production volume in the *Spirits* segment, was 99.3%.

Owing to the very heterogeneous customer and consumer wishes, the Berentzen Group offers its products in the *Non-alcoholic Beverages* segment in a variety of packaging types. In the 2021 financial year, the share of reusable containers increased from 69.3% (2020) to 86.7% (2021), reflecting the corporate group's focus on predominantly environmentally friendly reusable containers. The significant increase in the reusable share is due to the termination of a long-standing agreement between the Berentzen Group and an international beverages group at the end of the first quarter of the 2021 financial year. Reusable glass bottles account for the largest share of packaging types used. In the area of PET bottles, a variety of single-use and reusable containers are used as packaging, e.g. PET CYCLE bottles, which on average consist of 65% recycled materials.

In the *Fresh Juice Systems* segment, sustainability means developing long-lasting, efficient machines, continuing to implement the already-extensive responsibility concept for oranges used in the *frutas naturales* brand and establishing the range of new rPET bottles – made of up to 100% recycled materials – on the market.

#### *Responsible sourcing*

The corporate group's suppliers have the greatest influence on sustainability issues in the value added chain. It is therefore the Berentzen Group's duty to focus on responsible sourcing and look beyond the usual aspects of costs, quality and delivery deadlines. For this reason, efforts are continuously being made to intensify the consideration of ethical, labour-related, social and ecological topics in the supply chain in the long term.

The corporate group maintains long-term business relationships with its suppliers based on mutual trust. Furthermore, there are supply and quality assurance agreements in place with key suppliers, including with regard to sustainability aspects. In addition, great importance is attached to the careful selection of suppliers in Germany and abroad.

The Berentzen Group's Supplier Code of Conduct is another instrument for ensuring responsible sourcing. All suppliers are required to acknowledge and comply with the Supplier Code of Conduct. If a supplier has its own Code of Conduct with the same standards, this is also accepted. The aim of the Supplier Code of Conduct is to create a common understanding of decent living and working conditions for employees (including temporary staff and day labourers) among all suppliers of the Berentzen Group and its own employees.

The SEDEX supplier platform offers its members the possibility of sharing information relating to ethical and social responsibility with customers and business partners. By joining the platform, the corporate group is bolstering its efforts to boost transparency and security in the supply chain.

## (5) Report of the Supervisory Board

Ladies and gentlemen,

The following report provides information on the activities of the Supervisory Board in the 2021 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. They 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 2021 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 current topics of 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 during individual meetings.

The Chairman of the Supervisory Board was in regular contact with the Executive Board outside of 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.

Berentzen Group | Investors | Public limited company

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 five meetings of the full assembly of the Supervisory Board were held in the 2021 financial year, including one extraordinary meeting. Further resolutions were adopted outside of meetings.

The business development - including financial performance, cash flows and financial position of the corporate group - was the subject of the four ordinary meetings of the Supervisory Board. A topic of major importance again in the past financial year were the effects of the ongoing worldwide coronavirus pandemic since 2020 on the corporate group and its business performance.

These effects of the coronavirus pandemic also led to the call for an extraordinary meeting of the Supervisory Board, which was held on February 3, 2021. At this meeting, the Supervisory Board accordingly considered new planning premises and an update of the Berentzen Group's business plan for the 2021 financial year.

On February 12, 2021, the Supervisory Board passed a written resolution on reappointing one of the members of the Executive Board and on redrafting the service agreements of both members of the Executive Board to adapt them to the new compensation system for members of the Executive Board passed on December 10, 2020 and taking effect as of January 1, 2021. In preparation, the Personnel Committee had dealt with these matters for resolution in its meetings on January 13 and 20, 2021, and finally expressed corresponding recommendations in this regard to the Supervisory Board.

On March 9, 2021, the Supervisory Board – likewise in written form – adopted a resolution on the report on corporate governance at the Berentzen Group in the 2020 financial year, including the Group declaration on corporate governance and the declaration on corporate governance of Berentzen-Gruppe Aktiengesellschaft for the 2020 financial year, as well as on the update of the annual declaration, previously issued in November 2020, 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).

At its meeting on March 23, 2021, the Supervisory Board discussed the separate financial statements and the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft as at December 31, 2020 and the combined Management Report of the Berentzen Group (corporate group) and Berentzen-Gruppe Aktiengesellschaft for the 2020 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. 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. The separate Sustainability Report of the Berentzen Group for the year 2020, prepared on a voluntary basis, was likewise discussed by the full assembly. Furthermore, the Supervisory Board passed the agenda for the annual general meeting of Berentzen-Gruppe Aktiengesellschaft in 2021, together with proposed resolutions, and in this context it granted the approvals necessary under legislation related to the coronavirus pandemic in order to hold the annual general meeting as a virtual event and to utilise the facilitations

permitted for carrying it out. The resolutions proposed to the annual general meeting included among other things the proposal 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 2021 financial year and its proposal to the annual general meeting concerning the utilisation of the distributable profit for the 2020 financial year of Berentzen-Gruppe Aktiengesellschaft, with 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. Other proposals, passed by the Supervisory Board for submission to the annual general meeting, related to the Supervisory Board's proposal, based on the recommendation made in this respect by the Personnel Committee, for approval of the compensation system for members of the Executive Board, amended effective January 1, 2021, and furthermore, a proposal confirming the compensation and relating to the compensation system for the members of the Supervisory Board. At this meeting, the Supervisory Board further dealt with the training and development of its members.

By way of a further written resolution of April 30, 2021, the Supervisory Board provisionally passed a resolution for election of the Chairman and thus simultaneously of the meeting chair at the ordinary annual general meeting of Berentzen-Gruppe Aktiengesellschaft held on May 11, 2021, in the event that the chairman of the Supervisory Board, who is designated for the purpose under the bylaws, is prevented from doing so.

The main topic of deliberations of the Supervisory Board at its meeting on May 11, 2021 was the business development, including financial performance, cash flows and financial position of the corporate group in consideration of the effects of the coronavirus pandemic.

A central subject of deliberations of the Supervisory Board at its meeting held on September 15, 2021, was the future corporate strategy of the Berentzen Group. At this meeting, the Supervisory Board further deliberated over the conclusion of an amended agreement for a syndicated loan financing which, at the same time, is specifically linked to an extension, and it issued its approval of it. Another resolution was passed for the reappointment of the other member of the Executive Board on the basis of a corresponding recommendation of the Personnel Committee, which had expressed the recommendation previously in its meeting on the same day. The discussions also related to the topics of corporate governance, specifically the Act to Strengthen Financial Market Integrity (FISG), the self-assessment of the effectiveness of the Supervisory Board and its committees (efficiency test) and in connection with the compensation report of Berentzen-Gruppe Aktiengesellschaft under Section 162 AktG for the 2021 financial year, in regard to which the Supervisory Board passed the resolution to subject this report to a voluntary substantive audit by the independent auditor. The compensation report will be submitted to the ordinary annual general meeting of Berentzen-Gruppe Aktiengesellschaft in 2022 for approval.

At its meeting held on December 9, 2021, the Supervisory Board’s discussions centred on the business plan submitted by the Executive Board for the 2022 financial year, the medium-term plan for the 2023 and 2024 financial years, which were then approved. Another resolution was passed in accordance with the compensation system for members of the Executive Board, that was approved by the ordinary annual general meeting of Berentzen-Gruppe Aktiengesellschaft on May 11, 2021, in relation to the determination of their variable compensation components, after the Personnel Committee had previously expressed a corresponding recommendation to the Supervisory Board at its meeting held on the same day. Corporate governance issues were again on the agenda for this meeting. They included, first, the legally required definitions of targets for women's representation on the Supervisory Board and Executive Board. In consideration of its confirmation of the results achieved at the end of the reference period on December 31, 2021 with respect to the definitions most recently made in 2017, the Supervisory Board again resolved to define these targets and set the time-frames for achieving them. 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 2021 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. Moreover, the Supervisory Board also decided to issue the annual declaration of the Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft on the German Corporate Governance Code 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 2021 financial year to help it carry out its tasks efficiently and to increase their effectiveness. In order to prepare and supplement its tasks, the Supervisory Board set up a Personnel/Nomination Committee and a Finance and Audit Committee, which act as standing committees. 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, 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 resolutions of the Supervisory Board in 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 regarding the setting of the total compensation payable to an individual member of the Executive Board or regarding the reduction of 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 four times in the 2021 financial year.

The subject matter of the discussions of the Personnel Committee in its meetings held on January 13 and 20, 2021 were the reappointment of one of the members of the Executive Board and the redrafting of the service agreements of both members of the Executive Board, to adapt them to the new compensation system for members of the Executive Board passed on December 10, 2020 and taking effect as of January 1, 2021.

The reappointment of the other member of the Executive Board was the subject matter of the Personnel Committee's deliberations at its meeting on September 15, 2021.

Finally, at its meeting on December 9, 2021, the Personnel Committee dealt with the determination of variable components of compensation for members of the Executive Board.

Based on these preparatory deliberations, the Personnel Committee then passed on to the Supervisory Board its respective recommendations on the aforementioned subjects of its meetings in the 2021 financial year, for the 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 did not hold meetings in the 2021 financial year, since there was no cause to do so in view of the unchanged composition of the Supervisory Board since the ordinary annual general meeting of Berentzen-Gruppe Aktiengesellschaft on July 2, 2020.

***Finance and Audit Committee***

The Finance and Audit Committee similarly continued its work and held five meetings in the 2021 financial year. In particular, it has been tasked with reviewing the accounting records and monitoring the financial reporting process, the effectiveness of the internal control system, the risk management system, the internal audit system, the audit of the financial statements, and the compliance function.

Outside of the meetings, the Chairman of the Finance and Audit Committee, in some cases accompanied by further committee members, held additional talks with the member of the Executive Board responsible for the portfolio, the respective company heads of department and/or the responsible audit partners from the independent auditor of the financial statements; they reported on these talks at the following meeting of the Supervisory Board in each case.

At its meeting held on March 23, 2021, the Finance and Audit Committee addressed, in the presence of the responsible audit partners from the independent auditor of the financial statements and the Executive Board, the separate financial statements and the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft at December 31, 2020, the combined management report of the Berentzen Group (corporate group) and Berentzen-Gruppe Aktiengesellschaft for the 2020 financial year and the financial statements of three material operating companies within the Group at December 31, 2020. 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, the risk management system, the internal audit system, and the compliance function. 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, and furthermore the focal points of the audit and the key audit matters. The Executive Board and the responsible audit partners from the independent auditor 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 2020 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. Furthermore, the Sustainability Report of the Berentzen Group for the year 2020, prepared on a voluntary basis, was furthermore the subject matter of preparatory discussion in the Committee; this report is not subject to any external review regarding its content.

With regard to the audit of the separate and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft for the 2021 financial year, the Finance and Audit Committee had already conducted a selection and proposal procedure in the 2020 financial year for shortlisting the independent auditor. The procedure conformed to the relevant provisions of Regulation (EU) No 537/2014 of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities (Regulation (EU) No 537/2014). The Finance and Audit Committee concluded by issuing a reasoned 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 2021 financial year, the independent auditor for any possible audit review of the condensed financial statements and the interim management report in the 2021 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 2021 financial year and the 2022 financial year up to the annual general meeting of Berentzen-Gruppe Aktiengesellschaft in 2022. The recommendation comprised two proposals and a reasoned preference for one of the two proposals for the audit mandate. 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. In addition to this, the discussions of the Finance and Audit Committee at its meeting on March 23, 2021 once again related to the independence of the independent auditor and the additional services it provides as well as the issuing of the audit engagement and the agreement with the independent auditor on the fees payable.

At its meetings of May 3, August 9 and October 19, 2021, the Finance and Audit Committee dealt with the audit of interim financial information, namely the Interim Report Q1 / 2021, the Group Half-yearly Report 2021 and the Interim Report Q3/2021 of Berentzen-Gruppe Aktiengesellschaft.

At its meeting held on October 19, 2021, 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, 2021 and the combined Management Report of the Berentzen Group (corporate group) and Berentzen-Gruppe Aktiengesellschaft for the 2021 financial year, and also to evaluate the quality of this financial statement audit as a further aspect of its supervision.

The deliberations and resolutions at the meeting of the Finance and Audit Committee held on December 9, 2021 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 of December 31, 2021 and the management reporting for the 2021 financial year, specifically monitoring the independence of the independent auditor and the performance of the audit of the financial statements, as well as once again the issue of determining the focal points and furthermore the (to date provisional) key audit matters determined by the independent auditor. At the start of this meeting, the responsible audit partners from the independent auditor had reported on the audit of the separate and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft for the 2021 financial year, which was already in progress at this time.

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 as required by Regulation (EU) No. 537/2014 were handled at this meeting. Finally, the Finance and Audit Committee further addressed the focus of activities and audit areas of the Berentzen Group's internal audit function in the 2022 financial year.

### Dialogue with investors

The Chairman of the Supervisory Board is willing to hold talks with investors on the subject of Supervisory Board-specific topics within reasonable limits. However, the investors did not avail themselves of this offer in the 2021 financial year.

### 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 can be retrieved from Berentzen-Gruppe Aktiengesellschaft's website at www.berentzen-gruppe.de/en/.

#### *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 of Conformity with the German Corporate Governance Code pursuant to Section 161 German Stock Corporation Act (AktG) in December 2021 and updated it in February 2022. Both declarations have been made permanently available to the public on the Company's corporate website at www.berentzen-gruppe.de/en/.

#### *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 2021 financial year.

These topics included the compensation for Executive Board members particularly in light of the changed regulatory requirements, a review and update of the diversity plans for the composition of the Executive Board and Supervisory Board and of the competence profile for the members of the Supervisory Board, as well as the definitions of targets for women's representation on the Supervisory Board and on the Executive Board and the time-frames for achieving them.

The diversity plans were reviewed with regard to their content and with regard to the results achieved in this respect in the 2021 financial year. As part of this process, new time periods and time frames were specified for achieving the aspects and targets set out in the same. The definition of targets for women's representation on the Supervisory Board and Executive Board and the time-frames for achieving them was preceded by a corresponding review with regard to the achievement, over the previous reference period that ended on

December 31, 2021, of the targets set the last time in 2017.

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

*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 over the 2021 financial year.

| | Supervisory Board [1] | | | Personnel Committee [2] | | | Finance and Audit Committee [3] | | |
|---|---|---|---|---|---|---|---|---|---|
| | Meetings | Attendance | | Meetings | Attendance | | Meetings | Attendance | |
| Name | Number | Number | % | Number | Number | % | Number | Number | % |
| **Uwe Bergheim**<br>Chairman of the Supervisory Board | 5 | 5 | 100 | 4 | 4 | 100 | 5 | 5 | 100 |
| **Frank Schübel**<br>Deputy chairman of the Supervisory Board | 5 | 5 | 100 | 4 | 4 | 100 | 5 | 5 | 100 |
| **Dagmar Bottenbruch** | 5 | 5 | 100 | 4 | 4 | 100 | - | - | - |
| **Heike Brandt** | 5 | 5 | 100 | 4 | 4 | 100 | - | - | - |
| **Bernhard Düing** | 5 | 5 | 100 | - | - | - | 5 | 5 | 100 |
| **Hendrik H. van der Lof** | 5 | 5 | 100 | - | - | - | 5 | 5 | 100 |
| **Percentage of meetings attended Supervisory Board/Committees** | | | **100** | | | **100** | | | **100** |
| **Percentage of meetings attended Supervisory Board and Committees, in total** | | | **100** | | | | | | |
| **Percentage of meetings attended Committees, in total** | | | **100** | | | | | | |

[1) 2) 3)] All members of the Supervisory Board and its committees were part of them for the entire 2021 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 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.

Along with financial reporting enforcement and financial statement auditing, topics from the area of law and corporate governance formed one of the focal points of the internal training and development measures undertaken by the members of the Supervisory Board in the 2021 financial year specifically in light of the German Act to Strengthen Financial Market Integrity (Gesetz zur Stärkung der Finanzmarktintegrität, FISG).

### *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 2021 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 11, 2021 to elect PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Osnabrück, as the independent auditor of the separate and consolidated financial statements for the 2021 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, 2021 and the combined Management Report of the Berentzen Group (corporate group) and of Berentzen-Gruppe Aktiengesellschaft for the 2021 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 GCGC Declaration 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 selection 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 2021 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 22, 2022 held in the presence of the Executive Board and the responsible audit partners from the independent auditor of the financial statements, the Finance and Audit Committee discussed in detail the following documents and matters pertaining to the financial statements on the basis of the in-depth explanations by the Executive Board: the separate financial statements and the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft as at December 31, 2021 and the combined Management Report of the Berentzen Group (corporate group) and Berentzen-Gruppe Aktiengesellschaft for the 2021 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 2021 financial year. At this meeting, the responsible audit partners from 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, 2021 and to follow the Executive Board proposal for the utilisation of the distributable profit of Berentzen-Gruppe Aktiengesellschaft for the 2021 financial year in its own proposal to the annual general meeting. In addition, the Sustainability Report of the Berentzen Group for the year 2021, prepared on a voluntary basis, was the subject matter of preparatory discussion in the Committee; this report is not subject to any external review regarding its content. 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 2022 financial year.

The Chairman of the Committee 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 presented in due time by the Executive Board and the Sustainability Report.

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 of December 31, 2021, to the combined Management Report of the Berentzen Group (corporate group) and Berentzen-Gruppe Aktiengesellschaft for the 2021 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 22, 2022, the Supervisory Board approved the separate financial statements and the consolidated financial statements of as of December 31, 2021 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 2021 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 22, 2022 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 2022 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 2021 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, 2021, 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 beyond that to a voluntary review of its content on the basis of a corresponding commission from the Supervisory Board, 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 22, 2022 in the presence of and on the basis of the detailed explanations of the audit partners from the independent auditor who are responsible for the audit. The Personnel Committee concluded by recommending to the Supervisory Board that it approve the Compensation Report of Berentzen-Gruppe Aktiengesellschaft for the 2021 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 2021 financial year and the result of its audit by the independent auditor.

At its meeting on March 22, 2022, the Supervisory Board approved the Compensation Report for the 2021 financial year in accordance with the recommendation of the Personnel Committee.

### Executive Board and Supervisory Board – Personnel matters

There were no changes in the composition of the Executive Board and the Supervisory Board in the 2021 financial year.

### 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 22, 2022

**Berentzen-Gruppe Aktiengesellschaft**

For the Supervisory Board

Uwe Bergheim

Chairman of the Supervisory Board

# Corporate governance

## (1) Corporate governance at the Berentzen Group

Corporate governance refers to the legal and practical regulatory framework for responsible, transparent corporate management and supervision aimed at sustainable value creation. Encompassing all areas of the Company, it comprises corporate management aligned with the interests of all stakeholders, transparency and responsibility in all business decisions, compliance with applicable laws, the appropriate management of risks, trusting cooperation between both the Executive Board and the Supervisory Board and among the employees, and transparent reporting and corporate communication.

The implementation of corporate governance at Berentzen-Gruppe Aktiengesellschaft and within the Berentzen Group is continually reviewed and adapted to suit new developments.

The term Berentzen Group refers to Berentzen-Gruppe Aktiengesellschaft and its Group companies and subsidiaries. Berentzen-Gruppe Aktiengesellschaft is a stock corporation under German law with its registered office in Haselünne, Germany. Therefore, it has three governing bodies: the General Meeting of Shareholders, the Supervisory Board and the Executive Board. Their duties and authorities are based on the German Stock Corporations Act and the Articles of Association of Berentzen-Gruppe Aktiengesellschaft.

The German Corporate Governance Code aims at making Germany's dual system of corporate governance involving the institutional separation of management and supervision of a stock corporation (Aktiengesellschaft) organised under German law clear and transparent. The Code contains principles, recommendations and suggestions on the management and supervision of German exchange-listed companies that are acknowledged nationally and internationally as standards for good and responsible corporate governance. The Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft issue a joint declaration on the German Corporate Governance Code every year; this statement is additionally updated during the year when necessary.

Berentzen Group | Investors | Public limited company

The following Group declaration on corporate governance and the declaration on corporate governance pursuant to Section 315d and Section 289f of the German Commercial Code (HGB) and, in this context, the supplementary statements in accordance with the German Corporate Governance Code, contain the report of the Executive Board and the Supervisory Board – each of which responsible for the disclosures applicable to them – on corporate governance at the Berentzen Group. The Group declaration on corporate governance and the declaration on corporate governance are 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. According 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.

## (2) (Group) declaration on corporate governance

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

The Executive Board and the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft also addressed the recommendations set out in the German Corporate

Governance Code in the 2021 financial year. Previously in November 2020, the Executive Board and the Supervisory Board had jointly issued the annual declaration of Berentzen-Gruppe Aktiengesellschaft on the German Corporate Governance Code pursuant to Section 161 AktG on the basis of the versions of the Code dated December 16, 2019 and February 7, 2017. This was updated by the jointly issued declaration in March 2021 on the basis of the version of the Code dated December 16, 2019.

The annual declaration of Berentzen-Gruppe Aktiengesellschaft on the German Corporate Governance Code pursuant to Section 161 AktG jointly issued by the Executive Board and the Supervisory Board in December 2021, on the basis of the version of the Code dated December 16, 2019, is reprinted in the following. This has been updated by the declaration jointly issued by the Executive Board and the Supervisory Board in February 2022.

The joint declarations of the Executive Board and the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft on the German Corporate Governance Code pursuant to Section 161 AktG have been made permanently accessible to the public on Berentzen-Gruppe Aktiengesellschaft's corporate website at www.berentzen-gruppe.de/en.

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

The Executive Board and the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft are obliged pursuant to Section 161 AktG to issue an annual declaration that the recommendations made by the "Regierungskommission Deutscher Corporate Governance Kodex" ("Government Commission German Corpo-rate Governance Code") as published in the official section of the Federal Gazette by the Federal Ministry of Justice and Consumer Protection have been and are being complied with or which of the recommen-dations have not been or are not being applied and why.

The Executive Board and the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft last jointly issued the annual declaration on the German Corporate Governance Code ("Deutscher Corporate Govern-ance Kodex", the Code) pursuant to Section 161 AktG in November 2020 and updated it in March 2021.

After due examination, the Executive Board and the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft jointly issue the following annual declaration on the German Corporate Governance Code pur-suant to Section 161 AktG:

**I.**

The Executive Board and the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft declare that the recommendations of the "Government Commission on the German Corporate Governance Code" (ver-sion of the Code dated December 16, 2019) published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette on March 20, 2020 are complied with, with the fol-lowing exception:

> Contrary to recommendation G.12 of the version of the Code dated December 16, 2019, the contracts of the Executive Board members provide for a short-term maturity of severance payments in the event of the exercise of a special termination right agreed therein.
>
> According to recommendation G.12 of the version of the Code dated December 16, 2019, if an Executive Board member's contract is terminated, the disbursement of any remaining variable remuneration com-ponents attributable

to the period up until contract termination shall be based on the originally agreed targets and comparison parameters, and on the due dates or holding periods stipulated in the contract.

The existing contracts of the Executive Board members provide for a special right of termination in the event of individual change of control circumstances defined in the contract, which each involve a change in the shareholder structure with a new majority shareholder. In the event that the special right of termi-nation is exercised, the Executive Board members have a right to severance payments. In this case, the monetary value of the variable remuneration components applicable at the time the special right of ter-mination is exercised should be paid out. Severance payments are capped at two years' remuneration and are made in one lump-sum payment 14 days after the special right of termination is exercised. The Supervisory Board and the Executive Board are of the view that a change of control regularly involves changes within a company, which would not appear to justify making the amount of payment from long-term variable remuneration components dependent on the company's development and share price af-ter the change of control. In the view of the Supervisory Board and the Executive Board, this contractual provision does not negatively impact the alignment of remuneration to the company's sustainable, long-term development, as the Executive Board members cannot foresee changes of control at a later time during their work as an Executive Board member.

**II.**

The Executive Board and the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft declare that, since issuing their last updated declaration on the German Corporate Governance Code pursuant to Sec-tion 161 AktG in March 2021, the recommendations of the "Government Commission on the German Corporate Governance Code" (version of the Code dated December 16, 2019) published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette on March 20, 2020 have been complied with, with the following exceptions:

> Contrary to recommendation G.12 of the version of the Code dated December 16, 2019, the contracts of the Executive Board members provided for a short-term maturity of severance payments in the event of the exercise of a special termination right agreed therein, for the reasons described in Section I. above.

Haselünne, December 2021

**Berentzen-Gruppe Aktiengesellschaft**

For the Executive Board

| | |
|---|---|
| Ralf Brühöfner | Oliver Schwegmann |
| Member of the Executive Board | Member of the Executive Board |

For the Supervisory Board

Uwe Bergheim
Chairman of the Supervisory Board

## (2.2) Remuneration of members of the Executive Board and Supervisory Board – Compensation Report / remuneration system

The applicable remuneration 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 passed by the annual general meeting on May 11, 2021 pursuant to Section 113 (3) AktG on the confirmation of the remuneration and the remuneration system for members of the Supervisory Board, are publicly available on the corporate website of Berentzen-Gruppe Aktiengesellschaft at www.berentzen-gruppe.de/en. The Compensation Report on the 2021 financial year and the auditor's report pursuant to Section 162 AktG are also publicly available at www.berentzen-gruppe.de/en.

The Compensation Report on the 2021 financial year and the auditor's report pursuant to Section 162 AktG also form part of the Annual Report 2021 of Berentzen-Gruppe Aktiengesellschaft. The Annual Report 2021 is also available on the corporate website of Berentzen-Gruppe Aktiengesellschaft at www.berentzen-gruppe.de/en.

## (2.3) Relevant disclosures on corporate governance practices

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, which sets out binding rules for lawful and ethical behaviour. Furthermore, another two Codes have been established, namely the Berentzen Group Marketing Code and the Berentzen Group Supplier Code. These three Codes contain the guidelines for responsible conduct at Berentzen-Gruppe Aktiengesellschaft and its subsidiaries. They are based on applicable laws and established standards and express the expectations that the corporate group has for its employees, suppliers, marketing and communication partners, and third parties who are involved in the value chain of Berentzen Group's products. The principles described in these Codes are all minimum standards.

The Berentzen Group Code of Conduct contains a summary of corporate principles. 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, and quality and environmental protection.

The Berentzen Group Marketing Code is modelled on the rules of conduct of the German Advertising Standards Council (Deutscher Werberat). Conscious of the social responsibility of the corporate 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.

Reports of possible violations of the principles set out in the Berentzen Group Codes or suspicions of such violations may be communicated – also anonymously – to the independent, external notification centre engaged for this purpose by the Executive Board of Berentzen-Gruppe Aktiengesellschaft. Both the employees of Berentzen Group and third parties are able to contact the notification centre; all reports of possible violations are kept confidential.

The Berentzen Group Codes, including the contact details of the external notification centre, are posted on the corporate website of Berentzen-Gruppe Aktiengesellschaft at www.berentzen-gruppe.de/en and are also available to employees on the social intranet of the Berentzen Group, among other places.

## (2.4) Compliance and risk management

### *(2.4.1) 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 is an essential management responsibility of the Executive Board of Berentzen-Gruppe Aktiengesellschaft.

The Group's three Codes, 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 Committee 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 through the Chief Compliance Officer. 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 usually receive instruction on compliance-related topics in classroom training or video courses that serve to raise awareness of compliance with all relevant legal requirements. If they have questions about lawful conduct or questions related to the understanding or interpretation of the Berentzen Group Codes, employees can turn to their supervising manager, the Compliance Committee, or the Corporate Legal Department of Berentzen-Gruppe Aktiengesellschaft.

Furthermore, an independent, external notification centre has been established to receive reports of possible compliance violations or related suspicions. More detailed information about the Berentzen Group Codes and the external notification centre can be found in the preceding Section (2.3).

### *(2.4.2) Risk management*

Good corporate governance also encompasses the responsible management of risks by the Company. The Executive Board of Berentzen-Gruppe Aktiengesellschaft ensures appropriate risk management and risk controlling in the Company and the Group. 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 risk positions are optimised through limitation. The Executive Board regularly informs the Supervisory Board's Finance and Audit Committee of existing risks and their development.

Information on risk management, the risk management system, and the risks and opportunities arising in the course of the Berentzen Group's business activities can be found in the "Report on risks and opportunities" section of the Annual Report 2021 of Berentzen-Gruppe Aktiengesellschaft, which is available on the corporate website of Berentzen-Gruppe Aktiengesellschaft at www.berentzen-gruppe.de/en and is an integral part of the combined management report of the Berentzen Group and Berentzen-Gruppe Aktiengesellschaft.

### *(2.4.3) Internal Audit*

Other integral elements of compliance and risk management are the Internal Audit Department of the corporate group and its internal control system, which are centrally organised at Berentzen-Gruppe Aktiengesellschaft.

Internal Audit is particularly charged with auditing important internal business processes, performing ad-hoc audits, and auditing the control mechanisms of the internal control 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, among other things. The audit subjects and results of Internal Audit are also the subject of deliberations in the Supervisory Board's Finance and Audit Committee.

## (2.5) Composition and procedures of the Executive Board and Supervisory Board and the committees of the Supervisory Board

The management and supervision structure of Berentzen-Gruppe Aktiengesellschaft and the Berentzen Group is detailed below:

### *(2.5.1) Dual governance system*

In accordance with legal requirements, 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 separate.

### *(2.5.2) 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, thus with due regard to the interests of the shareholders, its employees and other stakeholder groups, with the obligation of ensuring the corporate group's continued existence and its sustainable value creation.

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 suitable and effective control and risk management system. The Executive Board further ensures compliance with the provisions of law and internal guidelines and works towards compliance with the same within the corporate group. Correspondingly, the Executive Board makes sure that there is a compliance management system commensurate with the Company's risk situation.

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 profits, level of risk, 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 proportion of positions 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 (2.7) 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 and 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 been made, the rules of procedure for the Executive Board 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 (2.6.1), 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 proportion 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 (2.7) below.

Over the period from January 1 to December 31, 2021 the following persons were members of the Executive Board of Berentzen-Gruppe Aktiengesellschaft:

| Name | Term of Board membership | Position held / responsibilities | Supervisory Board mandates |
|---|---|---|---|
| **Ralf Brühöfner**<br><br>Lingen, Germany | since June 18, 2007 | Member of the Executive Board of Berentzen-Gruppe Aktiengesellschaft<br><br>Finance, Controlling, Human Resources, Information Technology, Legal Affairs, Corporate Communications, Investor Relations, Corporate Social Responsibility | Doornkaat Aktiengesellschaft [1)], Norden, Germany (Deputy Chairman of the Supervisory Board) |
| **Oliver Schwegmann**<br><br>Timmendorfer Strand, Germany | since June 1, 2017 | Member of the Executive Board of Berentzen-Gruppe Aktiengesellschaft<br><br>Marketing, Sales, Production and Logistics, Purchasing, Research and Development | Doornkaat Aktiengesellschaft [1)], Norden, Germany (Chairman of the Supervisory Board) |

1) Non-listed, intra-Group companies.

## *(2.5.3) Supervisory Board*

### Work of the Supervisory Board

The Supervisory Board supervises and advises the Executive Board, whose members it appoints, on the management of the Company and the corporate group. It is involved in decisions of fundamental importance for the Berentzen Group; details are set out in the rules of procedure for the Supervisory Board and Executive Board.

Supplementary to the duties incumbent upon the Executive Board to inform and report to the Supervisory Board, the latter in turn ensures that it is provided with information in an appropriate manner; for this purpose, the Executive Board's rules of procedure contains more detailed rules to this end.

The Supervisory Board reviews the separate financial statements and the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft, the combined management report of the Berentzen Group and Berentzen-Gruppe Aktiengesellschaft as well as the proposal on the utilisation of the distributable profit of Berentzen-Gruppe Aktiengesellschaft. Furthermore, it basically approves the separate and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft. It performs this task on the basis of and taking account of the audit reports of the independent auditor and the findings of the prior discussions held for this purpose by the Finance and Audit Committee and its recommendations in this regard. The Supervisory Board is also required to review the separate non-financial report or consolidated 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 of the Supervisory Board, accessible on the corporate website of Berentzen-Gruppe Aktiengesellschaft at www.berentzen-gruppe.de/en. This document and the rules of procedure for the Executive Board also stipulate that the Supervisory Board's approval is required for transactions and measures of fundamental importance, among other things; the Supervisory Board's approval is also a statutory requirement for company transactions with closely associated persons within the meaning of 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 in writing, by fax or by electronic communication means (particularly email) with advance notice of two weeks, with the meeting agenda attached to the notice of meeting. The documents produced in preparation for the meetings, including all draft resolutions, are forwarded to the members of the Supervisory Board in due time, such 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. On the order of the Supervisory Board Chairperson, meetings can also be held in the form of video conference or, in justified cases, individual Supervisory Board members can take part in a meeting of the Supervisory Board via telephone or video conference. Between meetings, on the order of the Chairperson resolutions can also be adopted by votes cast verbally, in writing, by telephone, by fax or via electronic communication means (particularly email). As a 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 with 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 for elections. If the Supervisory Board Chairperson does not participate in the vote, the vote of their 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 which 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 ends 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 qualification-related requirements for the entire Supervisory Board or individual members thereof which have an influence on the Board's composition: "industry knowledge" and – summarized briefly – "financial expertise". If the Supervisory Board has or is required to set up an Audit Committee within the meaning of the Stock Corporations Act, the Audit Committee of the Supervisory Board must fulfil these two requirements. Information on the composition of the Finance and Audit Committee can be found in Section (2.5.4) below.

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 (2.6.2).

In fulfilment of its obligation under the Stock Corporations Act, the Supervisory Board has adopted targets for the proportion 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 (2.7) below.

Over the period from January 1 to December 31, 2021 the following persons were members of the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft:

| **Name** | **Term of Supervisory Board membership**<br><br>**Supervisory Board member representing the shareholders / employees** | **Position held** | **Other Supervisory Board mandates** |
|---|---|---|---|
| **Uwe Bergheim**<br><br>Dusseldorf, Germany<br><br>Chairman of the Supervisory Board | since May 3, 2018<br><br>Supervisory Board member representing the shareholders | Self-employed corporate consultant, Dusseldorf, Germany | |
| **Frank Schübel**<br><br>Gräfelfing, Germany<br><br>Deputy Chairman of the Supervisory Board | since May 19, 2017<br><br>Supervisory Board member representing the shareholders | Managing Director of TEEKANNE Holding GmbH & Co. KG, Dusseldorf, Germany | |
| **Dagmar Bottenbruch**<br><br>Frankfurt/Main, Germany | since July 2, 2020<br><br>Supervisory Board member representing the shareholders | Self-employed corporate consultant and angel investor, Frankfurt/Main, Germany<br><br>General Partner of Segenia Capital Management GmbH / Segenia Capital GP GmbH, Frankfurt/Main, Germany (until December 31, 2021) | AMG Advanced Metallurgical Group N.V. [1)], Amsterdam, The Netherlands (member of the Supervisory Board)<br><br>ad pepper media International N.V. [1)], Amsterdam, The Netherlands (member of the Supervisory Board) |
| **Heike Brandt**<br><br>Minden, Germany | since May 22, 2014<br><br>Supervisory Board member representing the employees | Commercial employee at Berentzen-Gruppe Aktiengesellschaft, Haselünne, Germany | |
| **Bernhard Düing**<br><br>Herzlake, Germany | since June 24, 1999<br><br>Supervisory Board member representing the employees | Production Shift Manager at Vivaris Getränke GmbH & Co. KG, Haselünne, Germany | |
| **Hendrik H. van der Lof**<br><br>Almelo, The Netherlands | since May 19, 2017<br><br>Supervisory Board member representing the shareholders | Managing Director of Via Finis Invest B.V., Almelo, The Netherlands | |

[1)] Listed, non-Group companies.

## (2.5.4) Supervisory Board committees

In order to perform its tasks efficiently and to increase the effectiveness of its work, the Supervisory Board has established a Personnel and Nomination Committee and a Finance and Audit Committee as standing committees 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 authorities of the committees, are set out in the rules of procedure of 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.

### 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 remuneration system for Executive Board members, documents for the annual general meeting pertaining to approval of the remuneration system for Executive Board members, passing of resolutions on the remuneration of Supervisory Board members and approval of the Compensation Report, as well as 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 remuneration of individual Executive Board members and resolutions that reduce remuneration and benefits, which are the sole responsibility of the Supervisory Board by virtue of the German Stock Corporations Act; also the approval of material transactions with persons or companies closely associated with a member of the Executive Board, carrying out other legal transactions vis-à-vis the Executive Board, and of contracts with Supervisory Board members or persons or companies closely associated with them, and the granting of loans to board members.

The Personnel Committee is at the same time 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 Deputy Chairperson. The committee chair is the Chairperson of the Supervisory Board. To the extent that the Personnel Committee acts as the Nomination Committee, it will only be composed of the committee members who represent the shareholders. The Chairperson of the Personnel and Nomination Committee reports to the full Supervisory Board.

The Personnel and Nomination Committee was composed of the following members in the period from January 1 to December 31, 2021:

| Name | Term of Supervisory Board committee membership | Function in the Committee |
|---|---|---|
| **Uwe Bergheim**<br><br>Chairman of the Supervisory Board | since May 3, 2018 | Chairman of the Personnel and Nomination Committee |
| **Dagmar Bottenbruch** | since September 17, 2020 | Member of the Personnel and Nomination Committee |
| **Heike Brandt** | since May 19, 2017 | Member of the Personnel Committee |
| **Frank Schübel**<br><br>Deputy Chairman of the Supervisory Board | since May 19, 2017 | Member of the Personnel and Nomination Committee |

### Finance and Audit Committee of the Supervisory Board

#### *Work of the Finance and Audit Committee*

The Finance and Audit Committee deals in particular with reviewing the financial reporting, monitoring the financial reporting process, the effectiveness of the internal control system, the risk management system, the internal audit system and the audit of the financial statements, as well as compliance.

In this context, the tasks of the Finance and Audit Committee include the preparation of the Supervisory Board meeting called to adopt the separate and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft (balance sheet meeting), which it does particularly through a preliminary review of the separate and consolidated financial statements including the management reporting and discussion thereof and the reports on the audits thereof with the independent auditor, as well as through a preliminary review of the proposals on the utilisation of the distributable profit. The preparatory discussions also include the Sustainability Report of the Berentzen Group prepared separately on a voluntary basis. Over and above this, the Finance and Audit Committee deals with the auditing of interim financial information.

With regard to the audit of the financial statements, it is additionally the duty of the Finance and Audit Committee to issue a proposal to the Supervisory Board for its recommendation for election of the auditor to the annual general meeting – if necessary after conducting a selection and proposal process – taking into account 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). The Finance and Audit Committee further deals with the independence of the auditor as well as with the additional services rendered by such auditor, the granting of the audit engagement to the auditor and the agreement of fees, the establishment of audit priorities and the assessment of the quality of the audit performed. This also includes the requirement of the Finance and Audit Committee's approval for the rendering of other than prohibited non-auditing services within the meaning of the aforementioned Regulation in conjunction with the German Commercial Code by the financial statements auditor.

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, the members of the Supervisory Board and/or the Finance and Audit Committee must be familiar as a group with the sector in which the Company operates.

Furthermore, up to now the Finance and Audit Committee has had to have at least one member of the Supervisory Board with expertise in the fields of financial reporting or auditing (financial expert). In accordance with the Stock Corporations Act as amended by the German Act to Strengthen Financial Market Integrity (FISG), at least one member of the Supervisory Board and/or the Finance and Audit Committee must have expertise in the field of financial reporting and at least one further member of the Supervisory Board and/or the Finance and Audit Committee must have expertise in the field of accounting. Pursuant to the transitional provisions set out in the FISG, this revised rule does not need to be applied as long as all members of the Supervisory Board and the Finance and Audit Committee were appointed before July 1, 2021.

According to the recommendations of the German Corporate Governance Code, the Chairperson of the Finance and Audit Committee should possess particular knowledge and experience in the application of financial reporting principles and internal control procedures, as well as being familiar with the audit of financial statements and being independent. Furthermore, the Chairperson of the Supervisory Board should not be the Chairperson of the Finance and Audit Committee.

The current composition of the Finance and Audit Committee meets the two aforementioned legal requirements. The current Chairman of the Finance and Audit Committee, Hendrik H. van der Lof, is a financial expert within the meaning of the applicable version of Sections 100 (5), 107 (4) AktG and also fulfils the corresponding recommendations of the German Corporate Governance Code, which are more demanding in part.

The following persons belonged to the Finance and Audit Committee over the period from January 1 to December 31, 2021:

| Name | Term of Supervisory Board committee membership | Function in the Committee |
|---|---|---|
| **Hendrik H. van der Lof** | since May 19, 2017 | Chairman of the Finance and Audit Committee |
| **Uwe Bergheim**<br><br>Chairman of the Supervisory Board | since May 3, 2018 | Member of the Finance and Audit Committee |
| **Bernhard Düing** | since June 3, 2009 | Member of the Finance and Audit Committee |
| **Frank Schübel**<br><br>Deputy Chairman of the Supervisory Board | since May 22, 2019 | Member of the Finance and Audit Committee |

### (2.5.5) *Self-assessment of the Supervisory Board and its committees*

The Supervisory Board makes a regular assessment of how effective the Supervisory Board as a whole and its committees fulfil their duties.

This self-assessment is made in the form of an internal ongoing self-evaluation and serves to measure 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 the same. Relevant aspects, findings and any expedient measures required are discussed in the Supervisory Board, which passes and implements any necessary resolutions.

### (2.5.6) *Cooperation between the Executive Board and Supervisory Board*

The Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft engage in close cooperation for the good of the Berentzen Group. The Executive Board coordinates the strategic orientation of the Company with the Supervisory Board and regularly discusses the status of strategy implementation with it. 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 developments, cash flows and profits, level of risk, risk management, and compliance. Deviations in business performance from the prepared plans and goals of the Company and the Group are likewise reported and explained immediately to the Supervisory Board.

In principle, 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. If the auditor is invited to a meeting of the Supervisory Board or one of its committees as an external expert, the Executive Board shall 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 of 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 that are of material significance to assessing the situation and development of the Company and to managing the Company or the Group.

The Chairperson of the Supervisory Board maintains regular contact with the Executive Board outside of meetings and discusses with them issues of the Company's strategy, business developments, the risk situation, risk management and compliance.

To the extent that transactions of the Executive Board require the consent of the Supervisory Board, the Chairperson of the Executive Board provides extensive information about the intended transaction to the Supervisory Board and obtains the consent of the Supervisory Board.

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 function for Berentzen-Gruppe Aktiengesellschaft to the Chairperson of the Supervisory Board and the Chairperson or Speaker of the Executive Board, and inform the other Executive Board members thereof.

## (2.6) Diversity plans for the composition of the Executive Board and Supervisory Board

Once again in the 2021 financial year, the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft intensively addressed the goals for the composition of Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft, which are described in the diversity plans adopted by the Supervisory Board and presented in the following. In accordance with the voluntary commitment stated therein, the Supervisory Board has reviewed them in depth once again in the 2021 financial year again both in terms of content and with regard to the results achieved.

The diversity plans encompass the diversity aspects within the meaning of Sections 315d and 289f HGB as well as the corresponding or 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.

### *(2.6.1) Executive Board*

#### Description of the diversity plan

The diversity plan for the composition of the Executive Board covers the following aspects and targets, for the attainment of which a time period or time frame of up to December 31, 2021 was established.

As part of the Supervisory Board's further deliberations in the 2021 financial year on the targets for the composition of the Executive Board, another time period or time frame for this was set until December 31, 2022. The content of the diversity plan remained unchanged.

An exception was or is made in each case with regard to the specification of the time period or time frame for achievement of the target for the proportion of women on the Executive Board. Following the specification in June 2017, this also ended in parallel on December 31, 2021. As part of the Supervisory Board's further deliberations in this regard in December 2021, a time period or time frame of up to December 31, 2026 was established. Further information on this matter has been summarised in Section (2.7) below.

#### *Age*

The diversity plan includes 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 proportion 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 is summarised in the following Section (2.7) with the other gender-related targets to be adopted under this 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 governing bodies. Therefore, at least two members of the Executive Board should have a university or technical college degree or a comparable international academic degree.

*Professional background*

In relation to their 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; in this respect, the Executive Board should have at least one member who has professional experience in operational functions in the sector in which the Company operates, and at least one member who has experience from professional activity in administrative and especially business administration functions.

*Internationality*

Also in view of the requirements for managing an internationally active enterprise, the Executive Board should have at least one member with 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*

Taking into account the current and ever increasing importance of sustainability and corporate social responsibility in society in general, as well as for the Company and its stakeholders in particular, on the one hand, and the size of the Company on the other, 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 shall 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.

**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.

**Manner of implementing the diversity plan**

The diversity plan is to be implemented primarily by means of 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 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, 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.

#### Results achieved in the financial year

In the judgment of the Supervisory Board, the composition of the Executive Board of Berentzen-Gruppe Aktiengesellschaft at December 31, 2021 fulfils all aspects of the diversity plan described above. With regard to the aspect of gender, please refer in this context to the comments made in Section (2.7) below. This section contains in particular separate information on achievement of the targets for the proportion of women on the Executive Board, on which reporting is required within the scope of the specifications made in this (Group) declaration on corporate governance.

Further information about the members of the Executive Board can be found in the foregoing Section (2.5.2) and in their curricula vitae published on the corporate website of Berentzen-Gruppe Aktiengesellschaft at www.berentzen-gruppe.de/en.

#### Long-term succession planning for the Executive Board

With the involvement of its Personnel Committee and acting together with the Executive Board, the Supervisory Board ensures long-term succession planning for 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 the long-term succession planning, alongside the requirements of the German 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 of the Supervisory Board and the Executive Board.

Using the specific qualifications demanded as a basis and taking account of the aforementioned requirements, aspects and objectives, the Personnel Committee of the Supervisory Board – on occasion working together and exchanging ideas and information with the Executive Board – develops a qualification profile for Executive Board positions to be filled. This is the starting point for making a selection of those available candidates coming into question with regard to their professional and personal suitability for the position as part of a structured selection process. As part of this process, the Personnel Committee presents a corresponding recommendation to the Supervisory Board, which makes the final decision and passes the necessary resolution. Where necessary, external advisers are brought into the selection process to support the bodies involved in developing qualification profiles and in candidate selection and – where necessary – to provide advice in the decision-making process with regard to appointments to Executive Board positions.

### *(2.6.2) Supervisory Board*

#### Description of the diversity plan

The diversity plan for the composition of the Supervisory Board covers the following aspects and targets, for the attainment of which a time period or time frame of up to December 31, 2021 was established.

As part of the Supervisory Board's further deliberations in the 2021 financial year on the targets for its composition, another time period or time frame of up to December 31, 2022 was set. The content of the diversity plan remained unchanged.

An exception was or is made in each case with regard to the specification of the time period or time frame for achievement of the target for the proportion of women on the Supervisory Board. Following the specification in June 2017, this also ended in parallel on December 31, 2021. As part of the Supervisory Board's further deliberations in this regard in December 2021, a time period or time frame of up to December 31, 2026 was established. Further information on this matter has been summarised in Section (2.7) below.

***Age***

According to the specification in the diversity plan, the members of the Supervisory Board should not be older than 65 years of age when appointed for the first time or re-appointed, as a general rule.

***Gender***

The independently adopted target for the proportion 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 is summarised in Section (2.7) below with the other gender-related targets to be adopted under this law, and the corresponding statements to be included in the (Group) declaration on corporate governance.

***Educational background***

Given the growing importance and complexity of the duties and activities of the Supervisory Board and its members in the regular advisement and supervision 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 or technical college 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 no more than one member who is former members of the Executive Board. Furthermore, members of the Supervisory Board should not exercise any governing body or consulting functions with important competitors of the Company or have a personal relationship with an important competitor.

***Internationality***

With due regard for 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 particularly relevant, work-related experience in an international context.

***Expertise in sustainability issues***

The recitals concerning the specification pertaining to expertise in sustainability issues in the diversity plan for the composition of the Executive Board, as specified in Section (2.6.1) above, also apply to the composition of the Supervisory Board.

Accordingly, the applicable diversity plan specifies that the Supervisory Board should contain 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 and the number of its members that must be familiar with the sector in which the Company operates.

All members of the Executive 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 in the rules of procedure for the Supervisory Board, and must respond to conflicts of interest that arise in accordance with the recommendations in this context contained in the German Corporate Governance Code. Thus, the members of the Supervisory Board 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 and resign from the

Supervisory Board in the event of a not only temporary conflict of interest. In consideration of the foregoing, the diversity plan states that the Supervisory Board shall 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.

Pursuant to 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, taking into account 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.

Pursuant to 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 it does not have a personal or business relationship with the Company or its Executive Board that may cause a material and not only temporary conflict of interest. The German Corporate Governance Code contains indicators for determining lack of independence, which the shareholder representatives should use as a guide to help them to assess the independence of shareholder representatives, exercising their best judgment.

According to the other recommendations of the German Corporate Governance Code relevant in this regard, if the Company has a controlling shareholder and a Supervisory Board with six members or less, at least one shareholder representative must be independent from the controlling shareholder. According to these recommendations, a Supervisory Board member is considered independent from the controlling shareholder if they, or a close family member, are neither a controlling shareholder nor a member of the managing body of the controlling shareholder, and do not have a personal or business relationship with the controlling shareholder that may cause a material and not only temporary conflict of interest.

Lastly, the German Corporate Governance Code contains 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 remuneration, i.e. the Chairperson of the Personnel Committee in the case of Berentzen-Gruppe Aktiengesellschaft.

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, subject to otherwise unchanged conditions.

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 that the Supervisory Board should have at least two members with such sector knowledge.

### 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 for properly performing the task incumbent on the Supervisory Board 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.

### 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. On the other hand, the Supervisory Board has no influence by law 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 the employees is protected under the One-Third Participation Act; in this respect, 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 directive to those entitled to elect their representatives or a restriction of the 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 profile of required skills and expertise of the members of the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft, which is described separately below, also serves the purpose of implementing the diversity plan.

### Results achieved in the financial year

In its own judgment, the composition of the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft at December 31, 2021 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 within the meaning of 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 in the meaning of the aforementioned recommendations, i.e. the body has four independent shareholder members within this meaning. The Supervisory Board members representing the shareholders referred to in this context are named in Section (2.5.3) above.

With regard to the aspect of gender, including separate information on achievement of the targets for the proportion of women on the Supervisory Board – on which reporting is required within the scope of the specifications made in this (Group) declaration on corporate governance – please refer to Section (2.7) below.

Further information about the members of the Supervisory Board can be found in their curricula vitae published on the corporate website of Berentzen-Gruppe Aktiengesellschaft at www.berentzen-gruppe.de/en.

**Profile of required skills and expertise**

In accordance with the corresponding recommendation of the German Corporate Governance Code, the Supervisory Board has also prepared a profile of required skills and expertise for its members, which is closely related to the diversity plan. This 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 meet the criteria set out in the profile of required skills and expertise for the Supervisory Board as a whole. If the Supervisory Board also includes Supervisory Board members who represent the employees, they should also meet the main criteria of the profile of required skills and expertise.

The profile of required skills and expertise defines both general and particular personal requirements for membership on the Supervisory Board, as well as the necessary knowledge, skills and specialised experience; it also covers the individual aspects for the composition of the Supervisory Board set out in the diversity plan. Furthermore, the plan explicitly specifies that the respective Supervisory Board member or the candidate(s) for membership on the Supervisory Board have 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 profile of required skills and expertise applicable for the current composition of the Supervisory Board.

## (2.7) Disclosures on the adoption of targets for the proportion of women pursuant to Section 111 (5) AktG and Section 76 (4) AktG, the deadlines set for the attainment of these targets and the attainment of the targets established

### *(2.7.1) Overview*

For companies that are exchange-listed or whose Supervisory Board is not subject to the parity codetermination requirement, Section 111 (5) AktG prescribes that the Supervisory Board adopt targets for the proportion of women on the Supervisory Board and Executive Board and concurrently also set time periods for the attainment of these targets. For companies that are exchange-listed or subject to the codetermination requirement, Section 76 (4) AktG also prescribes that the Executive Board of such companies adopt targets for the proportion of women holding positions in the two management levels beneath the Executive Board and concurrently also set time periods for the attainment of these targets. The time periods for the achievement of the targets may not be longer than five years.

Berentzen-Gruppe Aktiengesellschaft is the only company of the Berentzen-Gruppe affected by these obligations. As a Company that is exchange-listed but whose Supervisory Board is not also subject to the parity codetermination requirement, it is not subject to a fixed gender quota with regard to the composition of the Supervisory Board or to the additional requirement of having at least one woman and at least one man participating as members of the Executive Board, applicable to full boards of at least four people.

Within their respective areas of responsibility, the Supervisory Board and Executive Board of Berentzen-Gruppe Aktiengesellschaft correspondingly adopted targets for the proportion of women. The targets were set in observance of legal requirements, in particular those according to which targets may not be less than the proportion already achieved in each case if the percentage of women was less than 30 percent at the time the target was set, and those according to which the target proportion of women on the full board and/or at the management level in question corresponds to whole numbers of people when figures are given in percentages.

The table below likewise provides information on the attainment of the targets established by the Supervisory Board and the Executive Board in June 2017, for which a time period of up to December 31, 2021 was set, as well as the new targets and time periods for their attainment set by the Supervisory Board and the Executive Board at the end of 2021.

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| | Number / % [1] | Proportion of women as at 06.30.2017 | Established targets and time period for attainment thereof of up to 12.31.2021 | Proportion of women achieved as at 12.31.2021 | Established targets and time period for attainment thereof of up to 12.31.2026 |
|---|---|---|---|---|---|
| Supervisory Board | Number (≙ %) | 1 (17) [2] | 1 (17) [2] | 2 (33) | 1 (17) |
| Executive Board | Number (≙ %) | 0 (0) [3] | 0 (0) / 1 (≤ 33) [4] | 0 (0) [3] | 0 (0) / 1 (≤ 33) [4] |
| First management level beneath the Executive Board | % | 11 | 20 | 10 | 27 [5] |
| Second management level beneath the Executive Board | % | 24 | 30 | 19 | 31 [5] |

1) Figures in %: All figures given in percentages have been mathematically rounded without decimal places.

2) Supervisory Board: The target of June 2017 related to its nine Supervisory Board members at the time. The target percentage was adjusted to take into account the reduction in the number of Supervisory Board members from the nine previously to six, which came into effect at the close of the ordinary annual general meeting in 2019.

3) Executive Board: The Executive Board consisted of two members as at June 30, 2017 and December 31, 2021.

4) 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.

5) First and second management levels beneath the Executive Board: The target proportion of women given as a percentage corresponds to whole numbers of people before rounding.

### (2.7.2) Supervisory Board

The targets adopted by the Supervisory Board for the proportion of women on the Supervisory Board were established in each case 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 targets, 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.

The targets established for the proportion of women on the Supervisory Board were met during the reference period up to December 31, 2021.

### (2.7.3) Executive Board

The targets also adopted by the Supervisory Board for the proportion 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, e.g. of 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 all candidates with the aim of staffing the Executive Board such that its members overall have the knowledge, skills and specialist experience needed to carry out their tasks properly. These aspects should also be the main criteria in the future, albeit 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, establishing a target of at least one female member (and thus going beyond the target of zero) on an Executive Board composed of only two members would lead or would have led 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 in view of the realistic possibility of increasing the number of Executive Board members owing to the size of the Company, the Supervisory Board found it appropriate to resolve as its target for the proportion of women on the Executive Board that at least one member of the Company's Executive Board should be a woman.

The target adopted by the Supervisory Board for the proportion of women on the Executive Board, currently consisting of two members, was achieved in the reference period up to December 31, 2021.

### (2.7.4) First and second management levels beneath the Executive Board

The Executive Board has adopted previous and current targets for the proportion of women holding positions on the two management levels beneath the Executive Board. In determining the management levels and values for the targets to be adopted in this context, 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 continues to be based on the exercise of managerial duties in the sense of personnel and budget responsibility, as well as the hierarchical classification.

The targets concerning the proportion of women occupying both the first and second management levels beneath the Executive Board were not met during the reference period up to December 31, 2021.

The specific reasons for this were complex and can be essentially summarised as follows: When filling open management positions, there was increasingly found to be only a small number of qualified applicants over the course of the reference period. This was due not least to the general shortage of skilled and managerial personnel as well as to the traditionally male-dominated gender structure still prevalent in the beverages and spirits industry. With regard to the second management level in particular, the number of personnel changes was below-average and/or fluctuation was relatively low in a virtually unchanged workforce over the reference period. Moreover, Berentzen-Gruppe Aktiengesellschaft as an employer still often finds itself confronted with an old-fashioned view of the role, owing to its headquarters and locations tending to be located away from urban areas. This explains in part why the proportion of female candidates applying for open management positions is relatively low. In addition, experience has shown that willingness to accept increased demands relating to mobility, such as longer daily travel times or a weekly commute to the workplace, varies by gender, which also plays a role. Lastly, it was essentially determined over the course of the reporting period that the measures in place for increasing the proportion of women to date are likely to be more effective in the long term.

The Executive Board has decided to enhance the measures in this regard to attain its newly established targets for the proportion of women in the two management levels beneath the Executive Board: In addition to promoting a respectful culture of diversity within the Company and enhancing measures to reconcile work and family life, such as by introducing more flexible working times, 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 for open skilled and managerial positions, including with the support of external consultants specialised in this matter.

Furthermore, Berentzen-Gruppe Aktiengesellschaft, like other companies of the Berentzen Group, provide extensive remote working opportunities in order to meet the needs of current and future employees as flexibly as possible and increase its attractiveness as an employer competing for skilled persons and mangers of all genders.

## (2.8) Reportable securities trades (managers' transactions)

Members of the Executive Board and Supervisory Board, as persons exercising management duties, are obligated pursuant to Regulation (EU) No. 596/2014 of April 16, 2014, on Market Abuse (Market Abuse Regulation) to disclose their own trades (e.g. purchases or sales) of shares of Berentzen-Gruppe Aktiengesellschaft or debt instruments or related financial instruments of Berentzen-Gruppe Aktiengesellschaft. This disclosure obligation also applies to persons closely associated with persons exercising management duties. A disclosure obligation only exists insofar as the total volume of the transactions within a calendar year reaches or exceeds an amount of EUR 20,000 (until December 31, 2019: EUR 5,000).

Berentzen-Gruppe Aktiengesellschaft has instituted a process for the due publication of the receipt of any such disclosures. Trades notified to the Company in this way are available on the corporate website of Berentzen-Gruppe Aktiengesellschaft at www.berentzen-gruppe.de/en.

## (2.9) Shareholders and annual general meeting

The shareholders of Berentzen-Gruppe Aktiengesellschaft regularly exercise their membership rights at the annual general meeting. The annual general meeting is the main forum for shareholders, particularly for exercising their voting rights, obtaining information, and conducting a dialogue with the Executive Board and Supervisory Board. In accordance with 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 and 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 remuneration system for Executive Board members presented by the Supervisory Board and on the specific remuneration 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. In compliance with the statutory transitional regulations of the German Law on the Implementation of the Second Shareholder Rights Directive (ARUG II) of December 12, 2019, the first two resolutions were presented for the first time to the ordinary annual general meeting of Berentzen-Gruppe Aktiengesellschaft in 2021. The resolution on the approval of the Compensation Report under German stock corporation law for the 2021 financial year will take place for the first time at the ordinary annual general meeting in 2022.

The annual general meeting is generally chaired by the Chairperson of the Supervisory Board.

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 Berentzen-Gruppe Aktiengesellschaft's corporate website at www.berentzen-gruppe.de/en. The attendance at and the 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 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 contains clauses authorising the Executive Board to permit so-called online participation in the annual general meeting, audio-visual transmission of the annual general meeting, and voting by post or via electronic communication means (postal vote).

Against the background of the coronavirus pandemic that took hold in 2020, the legal basis was created for holding annual general meetings with no physical attendance by shareholders or their representatives (virtual annual general meetings) in 2020, 2021 and up to and including August 2022, to which, unlike a usual annual general meeting held in person, special provisions apply in terms of specific deadlines and the shareholders' rights to put forward motions and ask questions. Berentzen-Gruppe Aktiengesellschaft made use of this option to an appropriate extent for its ordinary annual general meetings in 2020 and 2021 to protect the health of its shareholders, employees and service providers.

## (2.10) Financial reporting and audit of the financial statements

The consolidated financial statements and consolidated semi-annual 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, 2021, after the auditor of the financial statements had previously again declared in writing its independence according to applicable European and German law and the applicable professional code and Article 6 (2) letter a) of Regulation (EU) No. 537/2014, and after the Finance and Audit Committee of the Supervisory Board had again assured itself of the auditor's independence. The undersigning audit partners responsible for the separate and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft at December 31, 2021 are Prof. Dr Gregor Solfrian (since the 2021 financial year) and Mr Stefan Geers (since the 2021 financial year). The applicable European and German law 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 audit partners responsible are subject, are complied with.

Against this background, the Finance and Audit Committee of the Supervisory Board conducted a selection and proposal process pursuant to Regulation (EU) No. 537/2014, following which it issued two proposals and a justified preference for PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Osnabrück, as one of the two proposals for the justified recommendation, containing the audit engagement, to the Supervisory Board for its recommendation to the annual general meeting on the election of the auditor of the consolidated and separate financial statements for the 2021 financial year.

With regard to the audit for the 2021 financial year, it was further agreed with the auditor that the auditor would immediately inform the Supervisory Board of any findings and events of importance to the tasks of the Supervisory Board that arise 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 not compatible with the declaration on the German Corporate Governance Code issued by the Executive Board and the Supervisory Board in accordance with Section 161 AktG.

Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Dusseldorf, was the auditor of the financial statements and the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft for the financial years from 2016 up to and including 2020. The undersigning audit partners responsible for the separate and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft at the end of each of these financial years were Prof. Dr Thomas Senger and Mr Ronald Rulfs.

## (2.11) Transparent management

The Company informs shareholders, investors, analysts, and the public equally and promptly. The corporate website of Berentzen-Gruppe Aktiengesellschaft, www.berentzen-gruppe.de/en, is an important communication and publication platform. Information about the Berentzen Group's business activities and corporate governance, including (Group) declarations on corporate governance and corporate governance reports, as well as declarations of the Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft on the German Corporate Governance Code pursuant to Section 161 AktG, and particularly 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 made available there provides information on the Company's corresponding publication and event dates.

Haselünne, February 11, 2022

**Berentzen-Gruppe Aktiengesellschaft**

For the Executive Board

| | |
|---|---|
| Ralf Brühöfner | Oliver Schwegmann |
| Member of the Executive Board | Member of the Executive Board |

For the Supervisory Board

Uwe Bergheim

Chairman of the Supervisory Board

Berentzen Group | Investors | Public limited company

# Compensation report

## Compensation Report of Berentzen-Gruppe Aktiengesellschaft for the 2021 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 2021 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. Furthermore, the Supervisory Board voluntarily engaged the independent auditor for the consolidated financial statements and the annual financial statements of Berentzen-Gruppe Aktiengesellschaft at December 31, 2021, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Osnabrück, with a review of the content of the Compensation Report for the 2021 financial year. 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.

### (1) Compensation of members of the Executive Board

#### (1.1) Compensation system for Executive Board members

##### (1.1.1) 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.

### (1.1.2) Voting of the annual general meeting on the compensation system for the members of the Executive Board

On December 10, 2020, the Supervisory Board passed at the recommendation of the Supervisory Board's Personnel Committee an amended system for compensation of the Executive Board members to take effect as of January 1, 2021 and submitted this compensation system to the annual general meeting of Berentzen-Gruppe Aktiengesellschaft for approval pursuant to Section 120a (1) sentence 1 AktG on May 11, 2021; this amended system took account of the provisions of Section 87a (1) AktG that was newly created with the Act to Implement the Second Shareholder Rights Directive of December 12, 2019 (ARUG II) and the corresponding recommendations of the German Corporate Governance Code (DCGK) in the version of December 16, 2019. The compensation system was approved by this annual general meeting 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.

### (1.1.3) Application of the compensation system for the members of the Executive Board

The compensation system for the members of the Executive Board as changed with effect as of January 1, 2021 and approved by the annual general meeting was applied to all current members of the Executive Board in the 2021 financial year. To this end, the existing employment contracts of the current members of the Executive Board were correspondingly amended to be retroactively effective from January 1, 2021.

Furthermore, the members of the Executive Board were granted individual compensation components in the 2021 financial year that had been committed in previous financial years under the compensation system valid at that time for the members of the Executive Board and under their employment contracts. Such compensation components are presented and explained in section (1.2) below.

### (1.1.4) Fundamentals and general objective of the compensation system for the members of the Executive Board

The 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 for the Executive Board members to 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 compensation system in place and approved by the annual general meeting 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 (1.1.6) below.

The variable compensation components granted and owed in the 2021 financial year and their structure that, due to 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, did not correspond to the latter system are presented in section (1.2) below.

| Compensation component | Structure / parameter | Purpose / Link to strategy |
|---|---|---|
| **Target total compensation** | Composition:<br>Fixed and variable compensation components | |
| | Ratio of single-year to multiple-year variable compensation (STI / LTI):<br>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,<br>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:<br>Designated payment of EUR 12 thousand p.a. | |
| | Continued remuneration in the event of illness | |
| | Accident insurance | |
| | D&O insurance with deductible | |
| | | |
| **Variable compensation components** | | |
| Single-year variable compensation (STI) | Performance parameter:<br>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:<br>Financial year | |
| | Range of degree of target achievement:<br>75 to 120% of the target value<br>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 | |
| Multiple-year variable compensation (LTI) | Performance period:<br>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 | |
| | | |

| Compensation component | Structure / parameter | | Purpose / Link to strategy |
|---|---|---|---|
| | 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)<br>(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<br>(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:<br>Range of degree of target achievement:<br>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:<br>(1) Derivation of two to four, generally identically weighted non-financial targets from the CSR strategy and from the corporate strategy<br>(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:<br>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:<br>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<br>- on an individual basis<br>- to the extent that special achievement/special project success not already considered in the single-year variable compensation for the relevance performance period | |
| | Cap:<br>Total of voluntary special allowance + single-year variable compensation < target amount for multiple-year variable compensation in the relevant performance period | |
| **Maximum compensation**<br><br>(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:<br>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:<br>Possibility to reclaim variable compensation payments that is 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. | |
| 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 good cause for a reason for which the member of the Executive Board is not responsible and<br>– where agreed in the employment contract<br>– due to a “change of control” event having occurred | |
| | Cap:<br>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 | |

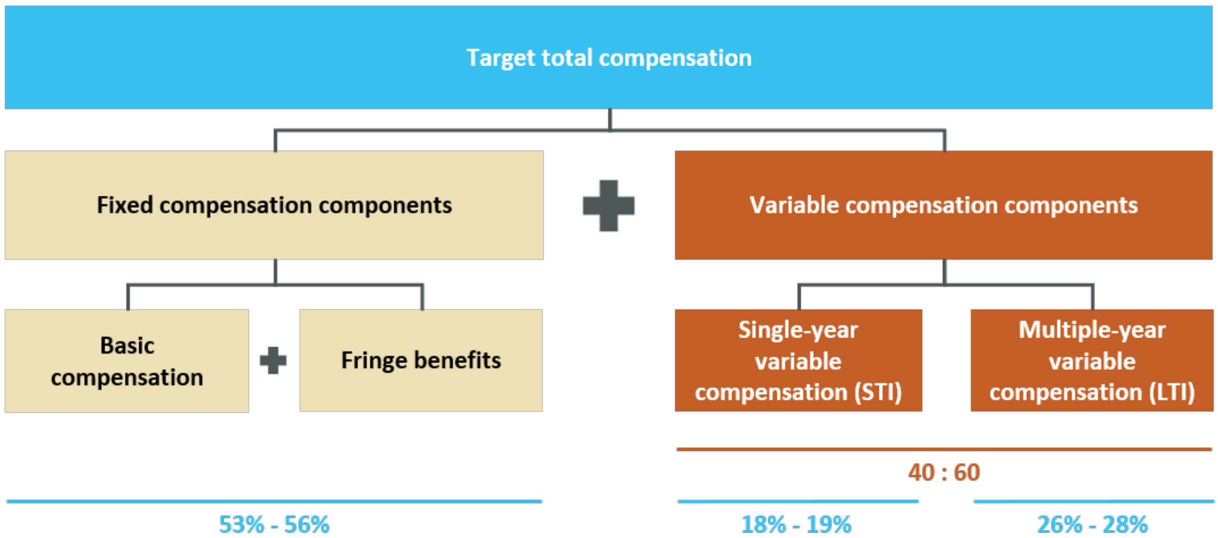
## (1.1.5) Target total compensation

The target total compensation is such compensation that 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 amounts 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 table contains 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%



## (1.1.6) 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.

### (1.1.6.1) 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.

### (1.1.6.2) Fringe benefits

The fringe benefits comprise in detail:

– Company car that individual Executive Board members may also use for private purposes

– Designated payment of an annual amount of EUR 12 thousand for use of a financial instrument suitable for a pension plan

– Continued remuneration 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.

### (1.1.6.3) Single-year variable compensation (STI)

#### *(1.1.6.3.1) 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.

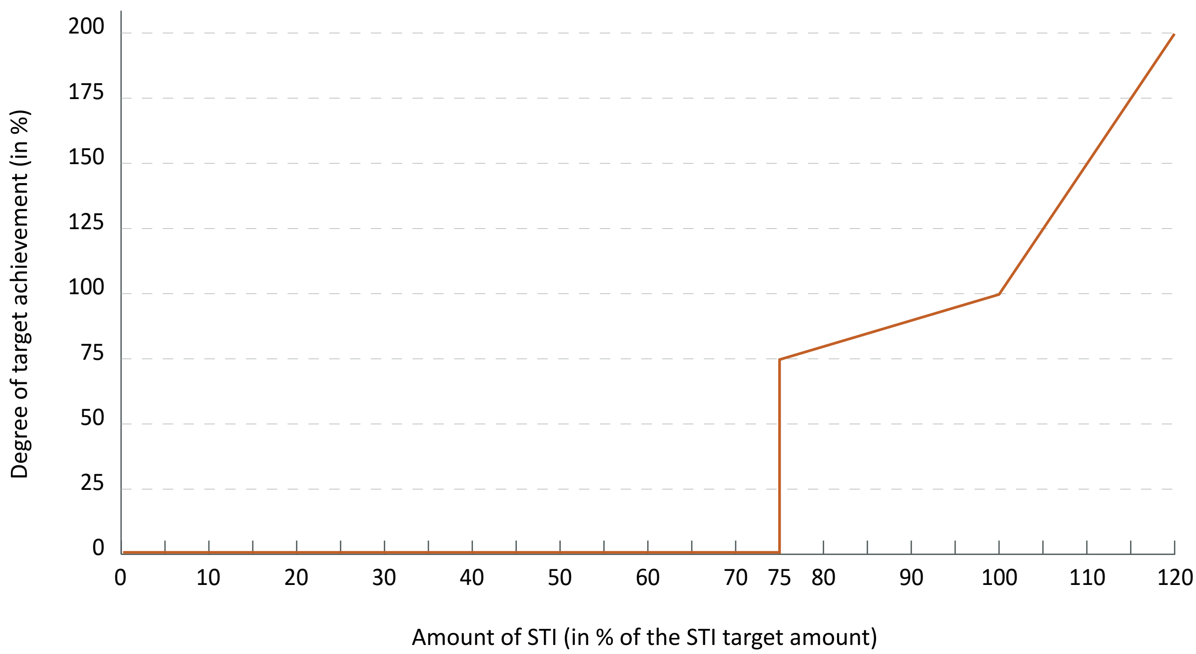
The degree of target achievement is capped at 120% of the target value, which in turn means that the STI is capped at 200% of the STI target amount.

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 that the target value is exceeded, thus a maximum of 200% of the STI targets 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 (1.1.6.3.3)):

**Ratio of degree of target achievement to the amount of STI**



### *(1.1.6.3.2) 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.

### *(1.1.6.3.3) 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 of 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.

## (1.1.6.4) Multiple-year variable compensation (LTI)

### *(1.1.6.4.1) 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) that 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 price development of the share 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.

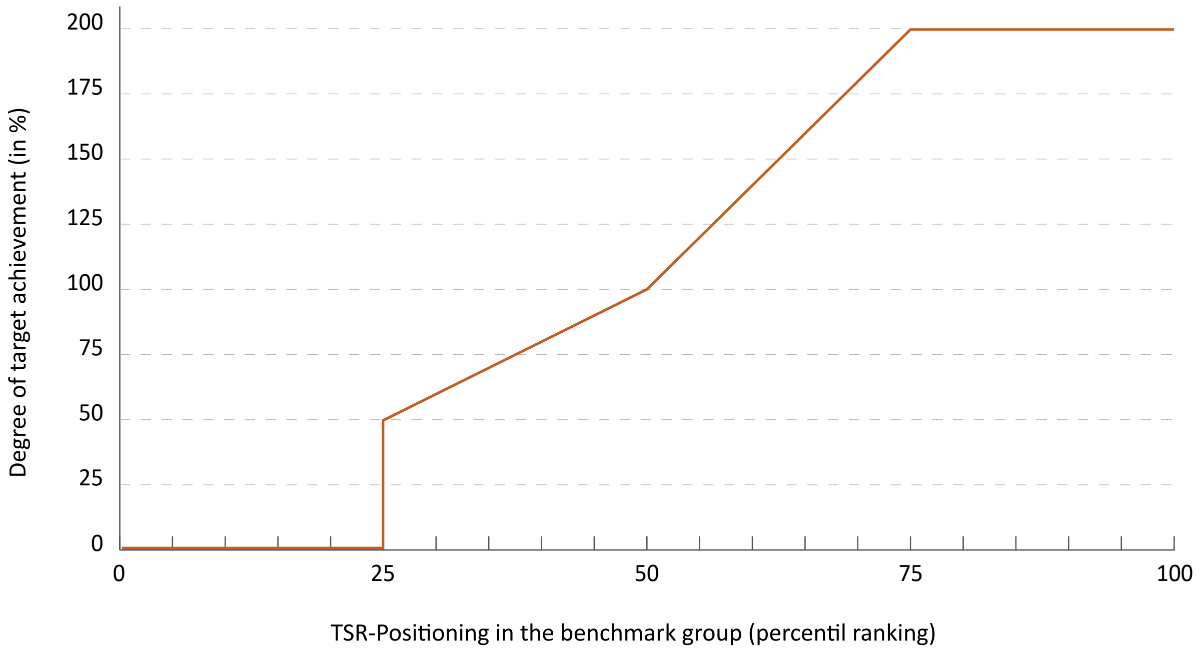
To determine the target achievement for TSR, the TSR of Berentzen-Gruppe Aktiengesellschaft and the TSR of the benchmark group are ranked against each other and the relative position is expressed on the basis of the percentile ranking achieved. Target achievement for the TSR is determined according to 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 meridian (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 |

### *(1.1.6.4.2) 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.

### (1.1.6.5) 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.

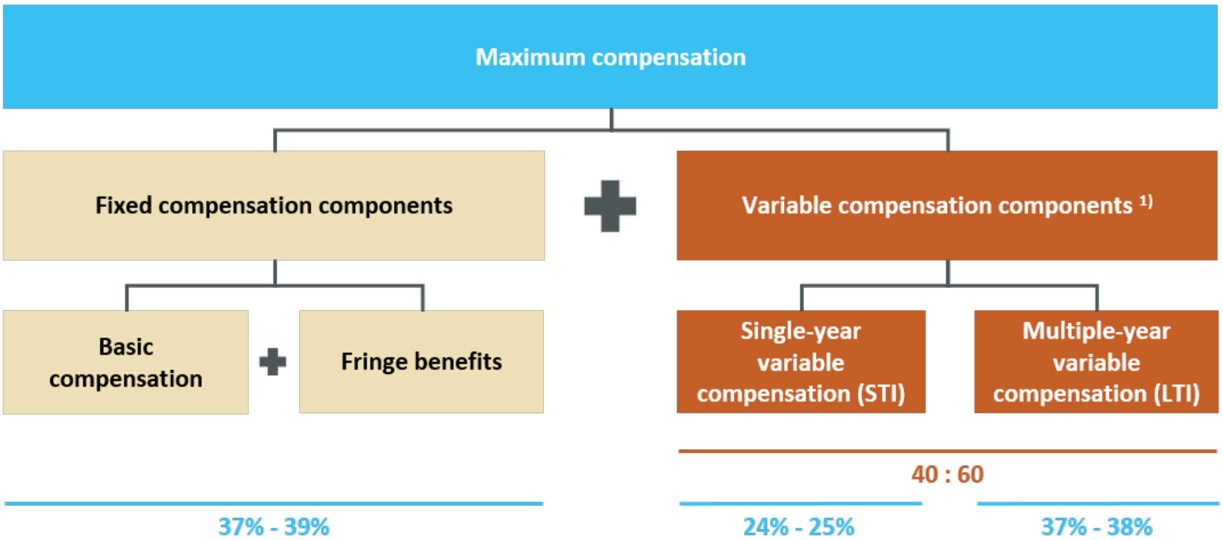
The Supervisory Board assesses and sets any voluntary special allowance for the relevant performance period at the Supervisory Board meeting in which it sets the STI for the relevant performance period. The voluntary special allowance determined is paid out in cash. This amount is due as of March 31 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.

## (1.1.7) 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 table contains 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.

## (1.1.8) 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.

### (1.1.9) 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.

## (1.2) Individual compensation for Members of the Executive Board in the 2021 financial year

In accordance with the Articles of Association, the Executive Board was composed of two members for the entire 2021 financial year:

### (1.2.1) Composition of the Executive Board

| Name | Duration of membership of the Executive Board | Responsibilities |
|---|---|---|
| **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 |

### (1.2.2) Objective and maximum compensation of the members of the Executive Board

The following table contains an overview of the absolute and relative shares of the individual compensation components in the target total compensation and in the maximum compensation of the members of the Executive Board for the 2021 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 2021 financial year or the relevant performance period in each case.

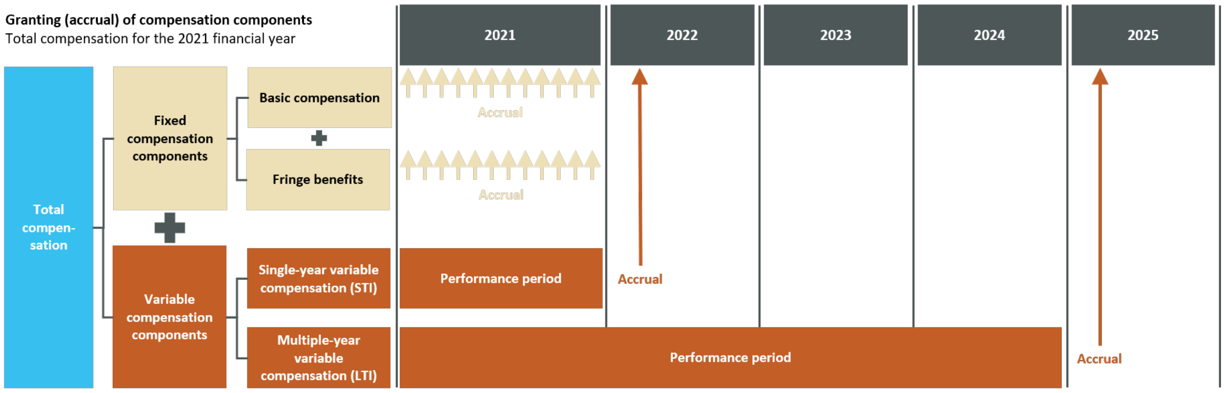
| **Target total compensation / maximum compensation** Current members of the Executive Board | Oliver Schwegmann | | | | Ralf Brühöfner | | | |
|---|---|---|---|---|---|---|---|---|
| | 2021 | | | | 2021 | | | |
| | Target total compensation | | Maximum compensation | | Target total compensation | | 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 | 6.3 | 50.0 | 4.3 | 40.0 | 5.3 | 40.0 | 3.6 |
| | **450.0** | **56.3** | **450.0** | **39.1** | **400.0** | **53.3** | **400.0** | **36.4** |
| **Variable compensation components** [1] | | | | | | | | |
| Single-year variable compensation (STI) | 140.0 | 17.5 | 280.0 | 24.3 | 140.0 | 18.7 | 280.0 | 25.5 |
| Multiple-year variable compensation (LTI) | 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.

## (1.2.3) Compensation granted and owed

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 2021 financial year is explained below. Furthermore, there are explanations of how the compensation granted and owed corresponded to the compensation system that has been definitive since January 1, 2021 or – with further explanations – if there were any deviations. Furthermore, the performance criteria applied are explained. Finally, there are explanations of how the compensation promotes the long-term development of the Company.

The statements on compensation related to the compensation components "granted and owed" in the financial year in question. This is based on the following definitions of the terms: a compensation component is "granted" if it is actually (de facto) accrued by the member of the Executive Board and is thus transferred to their ownership irrespective of the financial year for which this compensation component was accrued (accrual principle). 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.



The above definitions of the terms “granted” and “owned” was applied retroactively along the same lines for the 2020 financial year, i.e. those amounts were also determined for the 2020 financial year that would have been stated as granted and owed compensation in each case if the provision of Section 162 (1), sentence 1, sentence 2 No. 1 AktG had already been applicable as of the 2020 financial year.

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 2021 financial year – exclusively by Berentzen-Gruppe Aktiengesellschaft:

| **Granted and owed compensation of the members of the Executive Board** Current members of the Executive Board | **Oliver Schwegmann** | | | | **Ralf Brühöfner** | | | |
|---|---|---|---|---|---|---|---|---|
| | **2021** | | **2020** | | **2021** | | **2020** | |
| | **EUR'000** | **%** | **EUR'000** | **%** | **EUR'000** | **%** | **EUR'000** | **%** |
| **Fixed compensation components** | | | | | | | | |
| Basic compensation | 400.0 | 68.2 | 350.0 | 67.2 | 360.0 | 68.2 | 330.0 | 57.5 |
| Fringe benefits | 48.2 | 8.2 | 38.7 | 7.4 | 30.9 | 5.9 | 36.7 | 6.4 |
| | **448.2** | **76.5** | **388.7** | **74.6** | **390.9** | **74.1** | **366.7** | **63.9** |
| **Variable compensation components [1)]** | | | | | | | | |
| Single-year variable compensation (STI) | | | | | | | | |
| STI 2020 | 93.8 | 16.0 | - | - | 70.3 | 13.3 | - | - |
| STI 2019 | - | - | 132.5 | 25.4 | - | - | 132.5 | 23.1 |
| Multiple-year variable compensation (LTI) | | | | | | | | |
| LTI 2018 - 2020 | 44.2 | 7.5 | - | - | 66.3 | 12.6 | - | - |
| LTI 2017 - 2019 | - | - | - | - | - | - | 74.6 | 13.0 |
| | **138.0** | **23.5** | **132.5** | **25.4** | **136.6** | **25.9** | **207.0** | **36.1** |
| | **586.2** | **100.0** | **521.2** | **100.0** | **527.5** | **100.0** | **573.7** | **100.0** |

[1)] The variable compensation components granted and owed in the 2021 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.

## (1.2.3.1) Basic compensation

The basic compensation granted in the 2021 financial year corresponded to the compensation system that has been definitive since January 1, 2021 and was approved by the annual general meeting of Berentzen-Gruppe Aktiengesellschaft on May 11, 2021. These compensation payments were granted to promote the long-term development of the Company in the manner described in section (1.1.6.1). Performance criteria are not applicable to the basic compensation as it constitutes fixed compensation.

## (1.2.3.2) Fringe benefits

The fringe benefits granted in the 2021 financial year similarly corresponded to the approved compensation system that has been definitive since January 1, 2021. The granting of these compensation payments was intended to promote the long-term development of the Company in the manner described in section (1.1.6.2). Again, performance criteria are not applicable to the fringe benefits as, like the basic compensation, they constitute agreed fixed compensation components.

## (1.2.3.3) Variable compensation components

### *(1.2.3.3.1) Single-year variable compensation (STI)*

The single-year variable compensation granted in the 2021 financial year was not yet aligned to the compensation system that has been definitive since January 1, 2021 but is still based on the compensation agreements in the service contracts made with the members of the Executive Board for the 2020 financial year. The performance criterion for the compensation granted in each case was the consolidated EBIT presented in the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft for the 2020 financial year. A certain total amount for the variable compensation was initially derived from this consolidated EBIT using a percentage individually agreed with each Executive Board member. The Executive Board members were then entitled to a partial amount of 45% of the amount derived in this away as single-year variable compensation that was accordingly granted in the 2021 financial year.

The performance criteria and their application are presented in detail in the following overview in section (1.2.3.3.3).

The compensation agreements definitive in this respect 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.

### *(1.2.3.3.2) Multiple-year variable compensation (LTI)*

The multiple-year variable compensation granted in the 2021 financial year was likewise not yet aligned to the compensation system that has been definitive since January 1, 2021 but is based on the compensation agreements in the service contracts made with the members of the Executive Board for the 2018 financial year. The performance criterion for the amount granted was, as a starting point, the consolidated EBIT presented in the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft for the 2018 financial year. A certain total amount for the variable compensation was derived from this consolidated EBIT using a percentage individually agreed with each Executive Board member. A partial amount of up to 55% of the amount derived in this way then became payable in the 2021 financial year as multiple-year variable compensation. The amount was based on the ratio of the average consolidated EBIT for the 2018 to 2020 financial years to the average consolidated EBIT of the 2015 to 2017 financial years.

In detail, the ratio between the degree of target achievement and the amount of the LTI correlates as follows:

| Degree of target achievement (ratio Ø consolidated EBIT in %) | Amount of LTI (% of target amount) |
|---|---|
| < 50 | No LTI is granted |
| >= 50 to 150 | Straight-line increase from 1% to 100% of the LTI target amount |

The performance criteria and their application are presented in detail in the following overview in section (1.2.3.3.3).

The compensation agreements definitive in this respect were based on the objective that the long-term development of the Company is promoted if the level and development of the consolidated EBIT seen over multiple-year comparative periods is of material importance for the performance-based Executive Board compensation. Most of all, the multiple-year comparative periods are intended to provide an incentive to achieve a sustainable, and thus long-term, increase in the Company's profitability.

### *(1.2.3.3.3) Summarised presentation of the performance criteria and their application for the variable compensation components*

The following overview presents a summary of the performance criteria and their application for the single- and multiple-year variable compensation components granted and owed in the 2021 financial year.

| Compensation of the members of the Executive Board granted and owed Variable compensation components [1] - Application of the performance criteria | Consolidated EBIT | | Variable compensation | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | Assessment base (AB) for STI and LTI | | STI | LTI | | | 2021 |
| | | | | | 45% of AB | 55% of AB = target amount | Ratio Ø consolid-ated EBIT = degree of target achieve-ment [2] | Amount of LTI [2] [3] | |
| Current members of the Executive Board | Financial year | EUR'000 | % of consolid-ated EBIT | EUR'000 | EUR'000 | EUR'000 | % | % of target amount | EUR'000 |
| **Oliver Schwegmann** | | | | | | | | | |
| Single-year variable compensation (STI) | | | | | | | | | |
| STI 2020 | 2020 | 5,209 | 4.0 | 208.4 | 93.8 | - | - | - | 93.8 |
| Multiple-year variable compensation (LTI) | | | | | | | | | |
| LTI 2018 - 2020 | 2018 | 9,802 | 2.0 | 196.0 | - | 107.8 | 91.0 | 41.0 | 44.2 |
| | 2019 | 9,812 | | | | | | | |
| | 2020 | 5,209 | | | | | | | |
| | **Ø 2018–2020** | **8,274** | | | | | | | |
| | 2015 | 7,575 | | | | | | | |
| | 2016 | 10,515 | | | | | | | |
| | 2017 | 9,221 | | | | | | | |
| | **Ø 2015–2017** | **9,104** | | | | | | | |
| | | | | | | | | | |
| **Ralf Brühöfner** | | | | | | | | | |
| Single-year variable compensation (STI) | | | | | | | | | |
| STI 2020 | 2020 | 5,209 | 3.0 | 156.3 | 70.3 | - | - | - | 70.3 |
| Multiple-year variable compensation (LTI) | | | | | | | | | |
| LTI 2018 - 2020 | 2018 | 9,802 | 3.0 | 294.1 | - | 161.7 | 91.0 | 41.0 | 66.3 |
| | 2019 | 9,812 | | | | | | | |
| | 2020 | 5,209 | | | | | | | |
| | **Ø 2018–2020** | **8,274** | | | | | | | |
| | 2015 | 7,575 | | | | | | | |
| | 2016 | 10,515 | | | | | | | |
| | 2017 | 9,221 | | | | | | | |
| | **Ø 2015–2017** | **9,104** | | | | | | | |

[1] The variable compensation components granted and owed in the 2021 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.

[2] According to compensation agreements in the service contracts, rounded to the nearest whole number in accordance with commercial practice.

[3] The percentage to be applied to the target amount to determine the amount of the LTI is derived from the degree of target achievement according to the presentation in section (1.2.3.3.2).

#### *(1.2.3.3.4) Voluntary special allowance*

No voluntary special allowance was granted or owed in the 2021 financial year.

### (1.2.4) Compliance with the maximum compensation

#### (1.2.4.1) Compensation committed for the 2021 financial year

The maximum compensation of the members of the Executive Board according to the approved compensation system that has been definitive since January 1, 2021 and how it is set is presented in sections (1.1.7) and (1.2.2) above.

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) have been set for the single- and multiple-year variable compensation components (STI and LTI). Taking account of these caps, the Supervisory Board further sets 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.

Due to the composition of compensation under the compensation system, it is not possible to retroactively review compliance with this maximum compensation until all compensation components that have been committed to the members of the Executive Board for the financial year in question have accrued – with regard to the variable compensation components depending on the target achievement in each case. 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 2021 financial year will only be reviewed and reported on after the end of the 2024 financial year.

#### (1.2.4.2) Compensation granted and owed in the 2021 financial year

The variable compensation payments granted to the members of the Executive Board in the 2021 financial year taking account of the accrual principle are not yet aligned to the compensation system that has been definitive since January 1, 2021 but were still based on commitments for the 2020 financial year (single-year variable compensation components) and the 2018 financial year (multiple-year variable compensation components) in accordance with their employment contracts under the compensation system valid at that time.

For the performance parameter relevant for these two variable compensation components resulting from the calculation (consolidated EBIT), upper limits of EUR 18 million and EUR 12 million, respectively, had been determined. Furthermore, an upper limit of 100% of the LTI target amount applied for the multiple-year variable compensation component. These upper limits were complied with without exception with regard to the variable compensation payments granted to the members of the Executive Board in the 2021 financial year, as can be seen from the summarised presentation in this regard in section (1.2.3.3.3) above.

### (1.2.5) Reduction in (malus) and reclaiming of (clawback) variable compensation components

In the 2021 financial year, there was neither a reduction in nor any clawback of variable compensation components as the Supervisory Board determined there was no justification for either. In addition, there was also no legal basis anyway for a potential clawback in relation to the variable compensation components granted and owed in the 2021 financial year as the service agreements definitive in this respective had not yet provided for such a possibility.

### (1.2.6) 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 amended to be retroactively effective from January 1, 2021, 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 (1.1.9).

In the 2021 financial year, no payments were issued in connection with special termination rights falling under this provision.

## (1.3) Individual compensation of members of the Executive Board for the 2021 financial year (supplementary voluntary explanation)

The compensation granted and owed to the current members of the Executive Board in the 2021 financial year as defined in Section 162 (1) sentence 1, sentence 2 No. 1 AktG is presented in section (1.2) according to the accrual principle in fulfilment of these legal requirements as explained there.

In the interest of clear and understandable reporting, the following overview creates in transparent manner a closer link, in terms of the period in which the entitlement arises, between compensation for and the Company’s performance during the same financial year, thus additionally taking account of the “pay for performance” concept.

This states all compensation components, independently of their accrual, for the financial year in which the single- or multiple-year activity underlying the compensation was fully performed. This comprises both the fixed and variable compensation components. Consequently, also those variable compensation components whose performance period ended in the corresponding financial year and that, according to the compensation system, are not paid out until the financial year following the respective performance period or financial year are classified as compensation to be allocated to the performance period, i.e. the corresponding financial year, and presented accordingly.

On the basis of the above explanations, the compensation of the members of the Executive Board for the 2021 financial year is as follows:

| **Compensation for members of the Executive Board for the 2021 financial year (supplementary voluntary explanation)** | **Granting (accrual)** [1] | **Oliver Schwegmann** | | **Ralf Brühöfner** | |
|---|---|---|---|---|---|
| Current members of the Executive Board | Financial year | **2021** | | **2021** | |
| | | **EUR'000** | **%** | **EUR'000** | **%** |
| **Fixed compensation components** | | | | | |
| Basic compensation | 2021 | 400.0 | 53.8 | 360.0 | 50.7 |
| Fringe benefits | 2021 | 48.2 | 6.5 | 30.9 | 4.4 |
| | | **448.2** | **60.3** | **390.9** | **55.1** |
| **Variable compensation components** [1] | | | | | |
| Single-year variable compensation (STI) | | | | | |
| STI 2021 | 2022 | 280.0 | 37.7 | 280.0 | 39.4 |
| Multiple-year variable compensation (LTI) | | | | | |
| LTI 2019 - 2021 | 2022 | 14.6 | 2.0 | 38.9 | 5.5 |
| | | **294.6** | **39.7** | **318.9** | **44.9** |
| | | **742.8** | **100.0** | **709.7** | **100.0** |

[1] Granting of the variable compensation components (STI and LTI) and their amount is 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.

## (1.3.1) Fixed compensation components

The fixed compensation components taken into account in the above overview for the 2021 financial year, i.e. the basic compensation and the fringe benefits corresponded to the approved compensation system that has been definitive since January 1, 2021.

## (1.3.2) Variable compensation components

### (1.3.2.1) Single-year variable compensation (STI)

Likewise, the single-year variable compensation for the 2021 financial year stated in the above overview corresponds to the approved compensation system that has been definitive since January 1, 2021.

The performance criteria for this compensation component described in sections (1.1.4) and (1.1.6.3) above and application of the same are presented in detail in the overview below:

| **Compensation for members of the Executive Board for the 2021 financial year (supplementary voluntary explanation) Variable compensation component STI 1) – application of the performance criteria** Current members of the Executive Board | **Variable compensation STI 1)** | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Consolidated EBIT** | | | | **STI** | | **2021** |
| | **Target value** | **Value actually achieved** | **Degree of target achievement (computed)** | **(relevant) 2)** | **STI target amount** | **Amount of STI** | |
| | **EUR'000** | **EUR'000** | **%** | **%** | **EUR'000** | **% of target amount** | **EUR'000** |
| **Oliver Schwegmann** | | | | | | | |
| Single-year variable compensation (STI) | | | | | | | |
| STI 2021 | 5,004 | 6,711 | 134.1 | 120.0 | 140.0 | 200.0 | 280.0 |
| | | | | | | | |
| **Ralf Brühöfner** | | | | | | | |
| Single-year variable compensation (STI) | | | | | | | |
| STI 2021 | 5,004 | 6,711 | 134.1 | 120.0 | 140.0 | 200.0 | 280.0 |

1) Granting and amount of the single-year variable compensation (STI) is 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 that has been definitive since January 1, 2021, the range of the degree of target achievement relevant for the single-year variable compensation (STI) comes to an amount between 75% and 120% of the target value. For this, see the presentation in section (1.1.6.3.1).

## (1.3.2.2) Multiple-year variable compensation (LTI)

The multiple-year variable compensation presented in the overview above for the 2021 financial year is, in contrast, not yet aligned to the approved compensation system that has been definitive since January 1, 2021 but is based on the compensation agreements in the service contracts made with the members of the Executive Board for the 2019 financial year. The performance criterion for this is, as a starting point, the consolidated EBIT presented in the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft for the 2019 financial year. A certain total amount for the variable compensation is derived from this consolidated EBIT using a percentage individually agreed with each Executive Board member. A partial amount of up to 55% of the amount derived in this way may then become payable in the 2022 financial year as multiple-year variable compensation. The amount is based on the ratio of the average consolidated EBIT for the 2019 to 2021 financial years to the average consolidated EBIT of the 2016 to 2018 financial years.

In detail, the ratio between the degree of target achievement and the amount of the LTI correlates as follows:

| Degree of target achievement (ratio Ø consolidated EBIT in %) | Amount of LTI (% of target amount) |
|---|---|
| **Oliver Schwegmann** | |
| < 70 | No LTI is granted |
| >= 70 to 115 | Straight line around 2.2% per percentage point of the amount by which the lower limit of the degree of target achievement is exceeded, up to a maximum of 100% of the LTI target amount |
| | |
| **Ralf Brühöfner** | |
| < 50 | No LTI is granted |
| >= 50 to 150 | Straight-line increase from 1% to 100% of the LTI target amount |

The performance criteria for this compensation component and application of the same are presented in detail in the overview below:

| Compensation for members of the Executive Board for the 2021 financial year (supplementary voluntary explanation) Variable compensation component LTI [1] – application of the performance criteria | Consolidated EBIT | | Variable compensation LTI [1] | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Assessment base (AB) for LTI | | LTI | | | 2021 |
| Current members of the Executive Board | Financial year | EUR'000 | % of consolid-ated EBIT | EUR'000 | 55% of AB = target amount EUR'000 | Ratio Ø consolid-ated EBIT = degree of target achieve-ment [2] % | Amount of LTI [2) 3)] % of target amount | EUR'000 |
| **Oliver Schwegmann** | | | | | | | | |
| Multiple-year variable compensation (LTI) | | | | | | | | |
| LTI 2019 - 2021 | 2019 | 9,812 | 3.0 | 294.4 | 161.9 | 74.0 | 9.0 | 14.6 |
| | 2020 | 5,209 | | | | | | |
| | 2021 | 6,711 | | | | | | |
| | **Ø 2019–2021** | **7,244** | | | | | | |
| | 2016 | 10,515 | | | | | | |
| | 2017 | 9,221 | | | | | | |
| | 2018 | 9,802 | | | | | | |
| | **Ø 2016–2018** | **9,846** | | | | | | |
| | | | | | | | | |
| **Ralf Brühöfner** | | | | | | | | |
| Multiple-year variable compensation (LTI) | | | | | | | | |
| LTI 2019 - 2021 | 2019 | 9,812 | 3.0 | 294.4 | 161.9 | 74.0 | 24.0 | 38.9 |
| | 2020 | 5,209 | | | | | | |
| | 2021 | 6,711 | | | | | | |
| | **Ø 2019–2021** | **7,244** | | | | | | |
| | 2016 | 10,515 | | | | | | |
| | 2017 | 9,221 | | | | | | |
| | 2018 | 9,802 | | | | | | |
| | **Ø 2016–2018** | **9,846** | | | | | | |

1) Granting and amount of the multiple-year variable compensation (LTI) is 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 compensation agreements in the service contracts, rounded to the nearest whole number in accordance with commercial practice.

3) The percentage to be applied to the target amount to determine the amount of the LTI is derived from the degree of target achievement according to the presentation above in this section (1.3.2.2).

### (1.4) 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 2021 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 2021 financial year.

## (2) Compensation of the members of the Supervisory Board

### (2.1) System of compensation of the members of the Supervisory Board

#### (2.1.1) 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 current in effect dated July 2, 2020 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."

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 |

## (2.1.2) 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 Supervisory Board received assistance from independent external compensation experts from Deloitte Consulting GmbH, Dusseldorf.

### (2.1.3) 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.

However, a new submission to the annual general meeting for the passing of a resolution on approval of the compensation of the Supervisory Board members will otherwise take place no later than at the annual general meeting in 2025 in the event of an amendment to the Company's Articles of Association in this context.

### (2.1.4) 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 to all current members of the Supervisory Board in the 2021 financial year.

### (2.1.5) 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 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.

## (2.2) Individual compensation for Members of the Supervisory Board in the 2021 financial year

### (2.2.1) 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 of the employees or employee representatives) in accordance with the German One-third Participation Act (Drittelbeteiligungsgesetz).

In the 2021 financial year, the following members belonged to the Company's Supervisory Board:

| Name | Duration of membership of the Supervisory Board<br><br>Supervisory Board member representing the shareholders / employees | Function in the Supervisory Board / in a Supervisory Board committee |
|---|---|---|
| **Uwe Bergheim** | since May 3, 2018<br><br>Supervisory Board member representing the shareholders | Chairman of the Supervisory Board<br>Chairman of the Personnel and Nomination Committee<br>Member of the Finance and Audit Committee |
| **Frank Schübel** | since May 19, 2017<br><br>Supervisory Board member representing the shareholders | Deputy chairman of the Supervisory Board<br>Member of the Personnel and Nomination Committee<br>Member of the Finance and Audit Committee |
| **Dagmar Bottenbruch** | since July 2, 2020<br><br>Supervisory Board member representing the shareholders | Member of the Personnel and Nomination Committee |
| **Heike Brandt** | since May 22, 2014<br><br>Supervisory Board member representing the employees | Member of the Personnel Committee |
| **Bernhard Düing** | since June 24, 1999<br><br>Supervisory Board member representing the employees | Member of the Finance and Audit Committee |
| **Hendrik H. van der Lof** | since May 19, 2017<br><br>Supervisory Board member representing the shareholders | Chairman of the Finance and Audit Committee |

### (2.2.2) Compensation granted and owed

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 2021 financial year is explained below. Furthermore, there are explanations of how the compensation granted and owed corresponded to the compensation system that was definitive for the 2021 financial year or to what extent there were any deviations. 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 related to the compensation components "granted and owed" in the financial year in question. This is based on the following definitions of the terms: a compensation component is "granted" if it is actually (de facto) accrued by the member of the Supervisory Board and is thus transferred to their ownership irrespective of the financial year for which this compensation component was accrued (accrual principle). A compensation component is "owed" if the entity paying the compensation has an existing legal obligation towards the member of the Supervisory Board that is due but not yet fulfilled.

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 not due until after the end of the relevant financial year.

The above definitions of the terms "granted" and "owned" was applied retroactively along the same lines for the 2020 financial year, i.e. those amounts were also determined for the 2020 financial year 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 of the 2020 financial year.

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 2021 financial year :

| Granted and owed compensation of the members of the Supervisory Board | Fixed compensation for Supervisory Board activities | | | | Fixed compensation for activities on a Supervisory Board committee | | | | Total compensation | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2021 | | 2020 | | 2021 | | 2020 | | 2021 | | 2020 | |
| | 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 | 70.6 | 12.8 | 33.3 | 10.6 | 29.4 | 38.3 | 100.0 | 36.1 | 100.0 |
| Dagmar Bottenbruch | 8.5 | 85.7 | - | - | 1.4 | 14.3 | - | - | 9.9 | 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 | 80.0 | 17.0 | 80.0 | 4.3 | 20.0 | 4.3 | 20.0 | 21.3 | 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 |
| | **119.0** | **67.7** | **110.5** | **67.5** | **56.7** | **32.3** | **53.1** | **32.5** | **175.7** | **100.0** | **163.6** | **100.0** |
| | | | | | | | | | | | | |
| **Former members of the Supervisory Board** [1] | | | | | | | | | | | | |
| Johannes C.G. Boot | - | - | 7.1 | 80.0 | - | - | 1.8 | 20.0 | - | - | 8.9 | 100.0 |
| Adolf Fischer | - | - | 7.1 | 100.0 | - | - | - | - | - | - | 7.1 | 100.0 |
| Prof. Dr. Roland Klose | - | - | 7.1 | 100.0 | - | - | - | - | - | - | 7.1 | 100.0 |
| Daniël M.G. van Vlaardingen | 9.9 | 80.0 | 17.0 | 80.0 | 2.5 | 20.0 | 4.3 | 20.0 | 12.4 | 100.0 | 21.3 | 100.0 |
| | **9.9** | **80.0** | **38.2** | **86.4** | **2.5** | **20.0** | **6.0** | **13.6** | **12.4** | **100.0** | **44.3** | **100.0** |
| | **128.9** | **68.5** | **148.7** | **71.5** | **59.2** | **31.5** | **59.2** | **28.5** | **188.1** | **100.0** | **207.9** | **100.0** |

[1] In accordance with the resolution to change the Articles of Association passed by the annual general meeting on May 3, 2018, the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft consisted of a total of nine members until the close of the scheduled annual general meeting on May 22, 2019; of these nine, six were Supervisory Board members of the shareholders or shareholder representatives and three were Supervisory Board members of the employees or their representatives. Since that date, the Supervisory Board has consisted of a total of six members, of which four are Supervisory Board members of the shareholders or representatives of the shareholders and two are Supervisory Board members of the employees or their representatives.

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 (2.1.5) above.

## (2.3) Individual compensation for members of the Supervisory Board for the 2021 financial year (supplementary voluntary explanation)

The compensation granted and owed to the current or former members of the Supervisory Board in the 2021 financial year as defined in Section 162 (1) sentence 1 AktG is presented in section (2.2) according to the accrual principle in fulfilment of these legal requirements as explained there.

In the interest of clear and understandable reporting, the following overview presents the compensation for the financial year in line with the period in which the entitlement arises.

This states the fixed compensation, independently of its accrual, as the single compensation component of the compensation of the Supervisory Board for the financial year in which the (single-year) activity underlying the compensation was fully performed.

On the basis of the above explanations, the compensation of the members of the Supervisory Board for the 2021 financial year, which corresponded to the compensation system for the members of the Supervisory Board that was definitive in accordance with the Articles of Association of Berentzen-Gruppe Aktiengesellschaft and confirmed by its annual general meeting on May 11, 2021 is as follows:

| **Compensation for members of the Supervisory Board for the 2021 financial year (supplementary voluntary explanation)** | **Granting (accrual)** | **Fixed compensation for Supervisory Board activities** | | **Fixed compensation for activities on a Supervisory Board committee** | | **Total compensation** | |
|---|---|---|---|---|---|---|---|
| Current members of the Supervisory Board | Financial year | **2021** | | **2021** | | **2021** | |
| | | **EUR'000** | **%** | **EUR'000** | **%** | **EUR'000** | **%** |
| Uwe Bergheim | 2022 | 34.0 | 57.1 | 25.5 | 42.9 | 59.5 | 100.0 |
| Frank Schübel | 2022 | 25.5 | 66.7 | 12.8 | 33.3 | 38.3 | 100.0 |
| Dagmar Bottenbruch | 2022 | 17.0 | 80.0 | 4.3 | 20.0 | 21.3 | 100.0 |
| Heike Brandt | 2022 | 17.0 | 80.0 | 4.3 | 20.0 | 21.3 | 100.0 |
| Bernhard Düing | 2022 | 17.0 | 80.0 | 4.3 | 20.0 | 21.3 | 100.0 |
| Hendrik H. van der Lof | 2022 | 17.0 | 66.7 | 8.5 | 33.3 | 25.5 | 100.0 |
| | | **127.5** | **68.2** | **59.5** | **31.8** | **187.0** | **100.0** |

## (2.4) 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 2021 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 2021 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 2021 financial year.

## (3) 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

### (3.1) 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 principle, 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 (1.2.3) and of the Supervisory Board in section (2.2.2). 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 2017 to 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 of the 2017 financial year.

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 (1.1.2). 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 principle 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.

## (3.2) 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 | 2021<br>2020<br>% | 2020<br>2019<br>% | 2019<br>2018<br>% | 2018<br>2017<br>% |
|---|---|---|---|---|
| **Compensation of the members of the Executive Board [1) 2)]** | | | | |
| **Current members of the Executive Board** | | | | |
| Ralf Brühöfner | - 8.1 | - 14.7 | + 9,2 | - 3.9 |
| Oliver Schwegmann | + 12.5 | + 15.6 | + 4.0 | + 122.3 |
| | | | | |
| **Earnings performance** | | | | |
| Net income of Berentzen-Gruppe Aktiengesellschaft | - 85.1 | - 17.3 | - 14.8 | + 105.6 |
| Consolidated EBIT of Berentzen Group (group) | + 28.8 | - 46.9 | + 0.1 | + 6.3 |
| | | | | |
| **Average compensation of employees** | | | | |
| Employees of Berentzen Group (group) Germany and Austria | + 1.7 | - 1.5 | + 4.0 | + 3.1 |

1) Compensation granted and owed as defined in Section 162 (1) sentence 1, sentence 2 No. 1 AktG.

2) Rates of change not adjusted for changes in connection with the date of joining the Executive Board, duration of membership of the Executive Board and departure from the Executive Board.

## (3.3) 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 | 2021<br>2020<br>% | 2020<br>2019<br>% | 2019<br>2018<br>% | 2018<br>2017<br>% |
|---|---|---|---|---|
| **Compensation of the members of the Supervisory Board** [1) 2) 3)] | | | | |
| **Current members of the Supervisory Board** | | | | |
| Uwe Bergheim | 0.0 | + 50.0 | - | - |
| Frank Schübel | + 5.9 | + 13.3 | + 50.0 | - |
| Dagmar Bottenbruch | - | - | - | - |
| Heike Brandt | 0.0 | 0.0 | + 7.1 | + 132.7 |
| Bernhard Düing | 0.0 | 0.0 | 0.0 | + 99.5 |
| Hendrik H. van der Lof | 0.0 | 0.0 | + 50.0 | - |
| | | | | |
| **Former members of the Supervisory Board** | | | | |
| Daniël M.G. van Vlaardingen | - 41.6 | 0.0 | + 7.1 | + 598.1 |
| | | | | |
| **Earnings performance** | | | | |
| Net income of Berentzen-Gruppe Aktiengesellschaft | - 85.1 | - 17.3 | - 14.8 | + 105.6 |
| Consolidated EBIT of Berentzen Group (group) | + 28.8 | - 46.9 | + 0.1 | + 6.3 |
| | | | | |
| **Average compensation of employees** | | | | |
| Employees of Berentzen Group (group) Germany and Austria | + 1.7 | - 1.5 | + 4.0 | + 3.1 |

1) Compensation granted and owed as defined in Section 162 (1) sentence 1 AktG.

2) The compensation granted and owed in the 2017 financial year is based on the version of Section 14 (1) of the Articles of Association of Berentzen-Gruppe Aktiengesellschaft applicable until December 31, 2016, the compensation payments granted and owed in the financial years from 2018 are based on the version applicable since January 1, 2017 that has not been changed since.

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 16, 2022

**Berentzen-Gruppe Aktiengesellschaft**

For the Executive Board

| | |
|---|---|
| Ralf Brühöfner | Oliver Schwegmann |
| Member of the Executive Board | Member of the Executive Board |

For the Supervisory Board

Uwe Bergheim

Chairman of the Supervisory Board

# Auditor’s Report

To Berentzen-Gruppe Aktiengesellschaft, Haselünne

We have audited the remuneration report of Berentzen-Gruppe Aktiengesellschaft, Haselünne, for the financial year from 1 January to 31 December 2021 including the related disclosures, which was prepared to comply with § [Article] 162 AktG [Aktiengesetz: German Stock Corporation Act].

## Responsibilities of the Executive Directors and the Supervisory Board

The executive directors and the supervisory board of Berentzen-Gruppe Aktiengesellschaft are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of § 162 AktG. The executive directors and the supervisory board 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 or error.

## Auditor’s Responsibilities

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in accordance with German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts including the related disclosures stated in the remuneration report. The procedures selected depend on the auditor's judgment. This includes the assessment of the risks of material misstatement of the remuneration report including the related disclosures, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of the remuneration report including the related disclosures. The objective of this is to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the executive directors and the supervisory board, as well as evaluating the overall presentation of remuneration report including the related disclosures.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Audit Opinion

In our opinion, based on the findings of our audit, the remuneration report for the financial year from 1 January to 31 December 2021, including the related disclosures, complies in all material respects with the accounting provisions of § 162 AktG.

## Reference to an Other Matter – Formal Audit of the Remuneration Report according to § 162 AktG

The audit of the content of the remuneration report described in this auditor's report includes the formal audit of the remuneration report required by § 162 Abs. [paragraph] 3 AktG, including the issuance of a report on this audit. As we express an unqualified audit opinion on the content of the remuneration report, this audit opinion includes that the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the remuneration report.

## Restriction on use

We issue this auditor’s report on the basis of the engagement agreed with Berentzen-Gruppe Aktiengesellschaft. The audit has been performed only for purposes of the company and the auditor‘s report is solely intended to inform the company as to the results of the audit. Our responsibility for the audit and for our auditor’s report is only towards the company in accordance with this engagement. The auditor’s report is not intended for any third parties to base any (financial) decisions thereon. We do not assume any responsibility, duty of care or liability towards third parties; no third parties are included in the scope of protection of the underlying engagement. § 334 BGB [Bürgerliches Gesetzbuch: German Civil Code], according to which objections arising from a contract may also be raised against third parties, is not waived.

Osnabrück, March 17, 2022

**PricewaterhouseCoopers GmbH**
**Wirtschaftsprüfungsgesellschaft**

| | |
|---|---|
| Prof. Dr. Gregor Solfrian | Stefan Geers |
| Independent German<br>Public Auditor | Independent German<br>Public Auditor |

Berentzen Group | Company profile

# B. Combined management report

Combined Management Report of the Berentzen Group and Berentzen-Gruppe Aktiengesellschaft.

## (1) Underlying principles of the corporate group

### (1.1) Corporate business model

#### Organisation and underlying principles

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 146.1 million (EUR 154.6 million) in the 2021 financial year and had 489 (507) employees at seven locations in three countries as of the reporting date of December 31, 2021.

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 annual general meeting is the ultimate executive body, mainly making decisions on the constitution of the Company, including specifying the corporate statutes and capital-raising measures, determining the utilisation of the distributable profit, appointing the shareholder representatives on the Supervisory Board and ratifying the actions of the Supervisory Board and the Executive Board. The Supervisory Board is responsible for the appointment, oversight and advice for the Executive Board; it is directly involved in decisions of fundamental importance for the Company, where these are not reserved for the annual general meeting. 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 amounts to 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 management body, the Executive Board of the Berentzen Group conducts the operations, determines the strategic orientation of the Company and implements this 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 divided into the following segments accordingly: *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, oranges and filling containers are grouped together in the *Fresh Juice Systems* segment. The *Other Segments* essentially cover the tourist and event activities of the Berentzen Group and the business with spirits in Turkey that is served by a local group company.

The Berentzen Group current produces its spirits and non-alcoholic beverages at four locations in Germany: Spirits in Minden and at the Berentzen Hof distillery in Haselünne. Non-alcoholic beverages are produced in Haselünne and Grüneberg. In addition, the logistics centre of the corporate group for the distribution of spirits is operated by an external service provider and located in Stadthagen, Germany. The operating activities in the *Fresh Juice Systems* segment are conducted and managed from the facility in Linz, Austria.

**Brands, products and markets**

Its long-established spirits brands and attractive private label products make the Berentzen Group a competent partner for the retail and hospitality trades. In this context, the spirits portfolio encompasses internationally known brands like Berentzen and Puschkin as well as traditional German spirits like *Strothmann*, *Doornkaat*, and *Bommerlunder*.

The consolidated subsidiary Vivaris Getränke GmbH & Co. KG based in Haselünne, Germany, 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 range is rounded off by energy drinks. The second pillar of the Company is a franchise business that has been operating for over 50 years. It is under this activity that the Company has been producing and distributing soft drinks for the major German soft drinks brand *Sinalco* on the basis of a long-term agreement since January 2015. Furthermore, non-alcoholic branded products are bottled under service agreements with the *Sinalco* corporate group and other customers.

Through its subsidiary Citrocasa GmbH, based in Linz, Austria, the corporate group is active as a system provider for fresh fruit juice systems, particularly orange presses. Alongside orange presses, the full range marketed under the *Citrocasa* brand encompasses juicy oranges under the *frutas naturales* brand that are not treated after harvesting and special bottles for freshly squeezed orange juice. These activities are increasingly being supplemented by sales of pomegranate presses. The Company's core competencies are in the ongoing development and optimisation of the system, technical services and the delivery 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 for almost every taste.

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 around 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 regionally important 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 USA, the United Kingdom, Scandinavia and Eastern Europe, 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 fifty 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 terms of the production and distribution of spirits, non-alcoholic beverages and the system components marketed by the *Fresh Juice Systems* segment, there are regulatory requirements in connection with the production, marketing, declaration and labelling of foodstuffs. 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 in the *Fresh Juice Systems* segment is subject to specific expanded regulations regarding product safety, technical designations and standards that are intended to ensure health and safety at work 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.

In terms of competition law, there are generally applicable regulations regarding the distribution of non-alcoholic beverages and the system components marketed by the *Fresh Juice Systems* segment. 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 and / or advertising restrictions as well as specific 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 in particular 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, which are submitted to the Supervisory Board for approval.

The internal management system is overseen centrally by the Controlling department of Berentzen-Gruppe Aktiengesellschaft, which reports directly to the Executive Board member responsible for the function. 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 relevant managers at the next level down. This includes both actual v. planned and year-ago comparisons.

Furthermore, a management reporting system has been implemented for the management of the corporate group that constantly makes available wide-ranging information on the sales, price and revenue development 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. This ratio is determined on the basis of dynamic investment appraisal procedure, while the discount rates applied are based on the Company’s total cost of capital.

The Berentzen Group has to date not employed any non-financial performance indicators to manage the corporate group.

### 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 corporate level on the basis of the normalised consolidated profit or consolidated EBIT (earnings before interest and taxes) adjusted for non-recurring items and the adjusted consolidated EBITDA (earnings before interest, taxes, depreciation, amortisation) as well as the consolidated revenues. The normalised consolidated EBIT reflects the consolidated profit before income or expenses from income taxes, the net financial and investment income, and non-recurring effects; when calculating the normalised consolidated EBITDA, depreciation and amortisation on property, plant and equipment, intangible assets and rights of use from leased assets are added in addition. 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 one-off or unusual transactions that are unique expense or income items or not recurring regularly in this form or amount.

Both the normalised consolidated EBIT and the normalised consolidated EBITDA are recognised economic profitability ratios, although they are not defined in accordance with the national and international accounting standards. This also holds true for the ratio used to manage the segments, the contribution margins after marketing budgets.

The development and analysis of the income-related performance indicators are presented in section (2.2.4), 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 the operating cash flow. The operating cash flow shown in the Cash Flow Statement documents the impact of operating profitability on the change in the cash position. It has been defined as consolidated profit adjusted for amortisation, depreciation and impairment as well as for the balance of expenses and payments (a) for non-recurring items, (b) in connection with income taxes and (c) relating to the interest result. 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 (2.2.5), 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 risks entered into can be hedged 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 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 dynamic gearing ratio provides information on the period theoretically needed in order to repay net financial liabilities using 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 recorded over the past 12 months. If this ratio is negative, it shows that, as of the date on which it was calculated, the total of cash and cash equivalents exceeds the amount of financial liabilities and therefore that there is no net formal overindebtedness. Since, by definition, it is not possible to report on a "gearing ratio" in those cases, only the fact that the value is less than zero is of importance for the Berentzen Group.

The development and analysis of the financial position indicators are presented in section (2.2.6), Financial position, in the Economic report.

### (1.3) Research and development

In order to keep the product range attractive for consumers and exploit potential consumption levels, 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 2021. In the 2021 financial year, 226 (346) recipes for spirits were developed and examined in the area of brands and private-label brands.

In the *Non-alcoholic Beverages* segment, another two additions were introduced within the existing product line under the proprietary *Mio Mio* brand in the 2021 financial year. In addition, a new soft drinks product line was developed together with external cooperation partners, while changes were made to the taste of an existing lemonade concept.

In the 2021 financial year, research and development activities in the *Fresh Juice Systems* segment focused on further developments in the areas of handling, cleaning and digitisation, and in particular on innovative cleaning systems, the digital Citrocasa Cloud concept and further digital features such as connections for payment systems and touch displays with video function. The Group company Citrocasa GmbH is responsible for all aspects of managing and controlling the product development process, including the engineering carried out in conjunction with external partners and the producer of the machinery.

The direct expenses for research and development and quality assurance amounted to EUR 1.6 million in the 2021 financial year (EUR 1.7 million).

## (2) Economic report

### (2.1) General economic and industry-specific framework conditions

Apart from the development of the economy as a whole, the decisive framework conditions for the business development of the Berentzen Group are the development of the drinks market including the development of the distribution channels for drinks and fresh juice systems.

#### General economic conditions

As in the previous year, developments in the global economy in 2021 were shaped by the impacts of the coronavirus pandemic. According to the German Institute for Economic Research (DIW Berlin) in its weekly report, recovery in the global economy was slow at the beginning of the year due to new record numbers of coronavirus infections in the first quarter of 2021 and the more stringent containment measures put in place as a result. Recovery was further hampered by disruptions in international supply chains starting in spring, as well as shortages of raw materials and rising energy prices. At the end of the year, the new Omicron variant was also having a negative impact on economic development. According to the International Monetary Fund (IMF) in its World Economic Outlook Update from January 2022, however, global economic growth in 2021 still amounted to 5.9% (-3.1%). Indications of the positive trend were observed both in the emerging markets and in the industrialised nations, with expected growth of 6.5% (-2.0%) and 5.0% (-4.5%) in 2021, respectively. The IMF expects economic output in the eurozone to exceed that in all other industrialised nations, with a projection of 5.2% (-6.4%).

Economic performance in Germany, too, was again shaped by coronavirus infection rates and protective measures taken in response in 2021. Its recovery was also initially hampered at the beginning of the year. According to the Federal Statistical Office, GDP – adjusted for price, seasonal effects and calendar effects – was 1.7% (-1.8%) lower in the first quarter than the figure for the same quarter last year. This decline was the result of protective measures linked to the coronavirus pandemic, which hampered consumer spending in particular. GDP recovered over the next two quarters, with growth rates of 2.2% (-10.0%) and 1.7% (+9.0%), respectively. This was followed by another decline in economic output, which fell by 0.7% (+0.7%) in the fourth quarter due to another coronavirus wave and the associated tightening of protective measures. Besides the coronavirus pandemic, the German economy also came under pressure from increasing supply and material bottlenecks. Overall, however, economic output rose in almost all economic sectors in 2021, leading to an overall increase of 2.8% (-4.9%) in GDP adjusted for price, seasonal effects and calendar effects compared with the previous year.

### Developments on the drinks market

According to figures from the Federal Statistical Office, consumer prices rose by an annual average of 3.1% in 2021 compared with 2020 (+0.5%). High monthly inflation rates in the second half of 2021 were the main reason for the marked rise in the level of price increases. The price trend is due on the one hand to temporary base effects in the previous year, such as the temporarily reduced VAT rates in the second half of 2020, and on the other to pandemic-related effects, such as supply bottlenecks and price rises. Prices in “food and non-alcoholic beverages”, which is an important category for the Berentzen Group, rose at a proportionate rate, also increasing by an annual average of 3.1% (+2.3%). By contrast, prices in the “alcoholic beverages and tobacco” category rose at an below-average rate of 2.6% (+2.6%) as an annual average.

According to the Federal Statistical Office, sales in the German retail trade increased by 0.7% in 2021 (+4.6%) compared with 2020 on an inflation-adjusted basis. Meanwhile, retail revenues in the “food, beverages and tobacco” category, an important category for the Berentzen Group, fell by 1.1% (+5.1%). According to figures released by Eurostat, the statistical office of the European Union (EU), retail sales and revenue volumes in the “food, luxury foods, beverages and tobacco” category increased by 1.1% in the eurozone and in the EU in 2021 compared with 2020 (+3.6% and +3.2%, respectively).

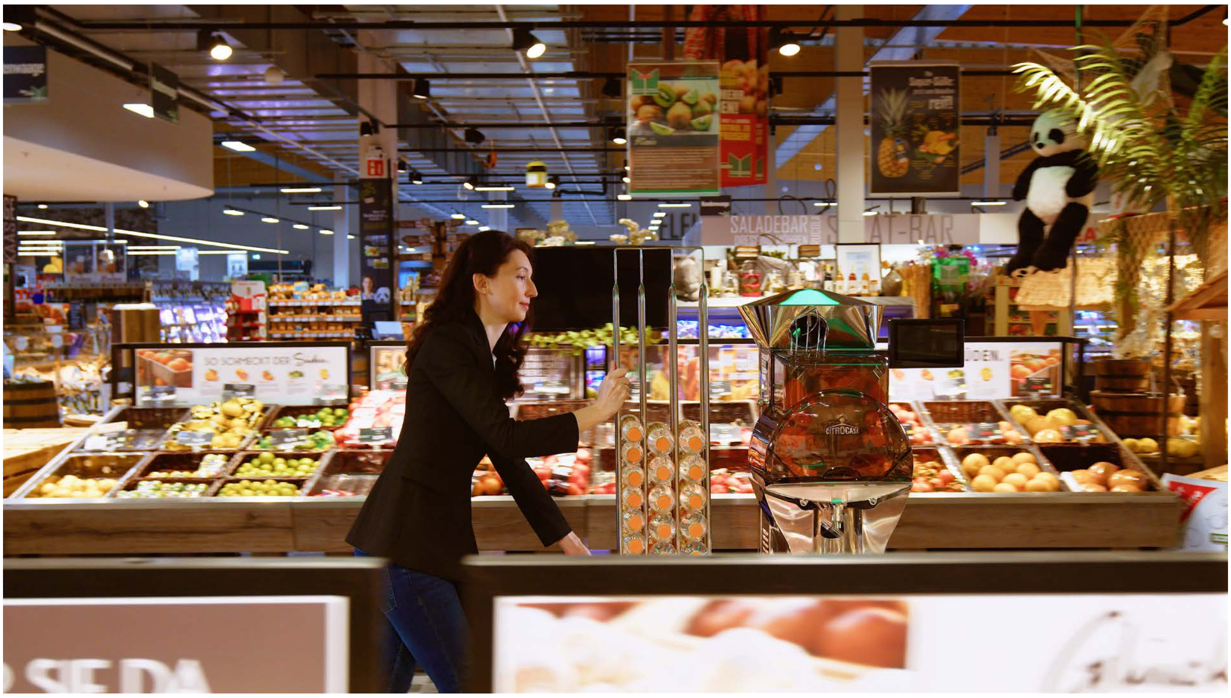
In addition to the food retail trade, the German hospitality industry is another, albeit not as important, distribution channel for the spirits and non-alcoholic beverages of the Berentzen Group. This economic sector was hit particularly hard by the coronavirus pandemic – as in the previous year – as food and drink establishments, with the exception of takeaway and delivery services, had to close intermittently. In 2021, revenues in the German gastronomy sector were 4.0% below the previous-year level in real terms according to the German Federal Statistical Office,, with uneven developments observed over the course of the year compared with the previous year. For example, revenues from food and drink establishments from January to

March were considerably lower than those in the same months last year, with a cumulative decline in revenues of 54.6%. This development is due to pandemic-related restrictions, which varied over the two years. In the reporting year, food and drink establishments were closed from the beginning of the year, and in most of Germany's federal states were only permitted to start opening again gradually in May 2021, subject to strict conditions. By comparison, in the previous year, food and drink establishments only had to close for pandemic reasons from March 22, and were permitted to reopen again gradually in May, also subject to compliance with strict social distancing and hygiene rules. In April 2021, revenues from food and drink establishments initially rose compared with the same month last year, and then remained virtually constant from May to September. From October, revenues started to increase compared with the equivalent month in the previous year, while November and December saw growth rates of more than 70% each. The development seen at the end of the year is also related to the different pandemic-related measures in place compared with the same period last year. While food and drinks establishments, with the exception of takeaway and delivery services, had to close again in November 2020, they did not have to shut their doors in 2021. However, the traditionally high end-of-year revenue levels observed in pre-pandemic times did not come to fruition once more. This is due to more stringent access restrictions affecting food and drink establishments from December onward, as well as to many guests staying away from such establishments due to the sharp increase in the number of cases. All in all, in 2021 revenues in the hospitality sector were 40.3% below the pre-crisis year of 2019 in real terms.

Figures published by market research company Information Resources GmbH (IRI) show that domestic sales of spirits in 2021 amounted to 769.6 million 0.7-litre bottles (741.4 million 0.7-litre bottles), an increase of 3.8% compared with the level recorded in the previous year. At the same time, revenues in this sales channel also rose by around 5.9% from EUR 6.21 billion to EUR 6.58 billion. At 33.8% (36.1%), the share of private-label brands in total German sales declined slightly, amounting to 260.2 million 0.7-litre bottles (267.7 million 0.7-litre bottles), while revenues from these brands decreased from EUR 1.52 billion to EUR 1.46 billion at the same time. In the German food retail trade and drugstores, the sales volume of spirits increased by 3.8% year on year to 663.5 million 0.7-litre bottles (639.5 million 0.7 litre bottles). At EUR 5.42 billion (EUR 5.13 billion), revenues were also up compared with the previous-year level.

Market research company IRI observed a decline in retail sales of non-alcoholic beverages in 2021 of 4.8%, from 24.1 billion litres to 22.9 billion litres, while revenues increased by 3.8%. Sales of waters declined at the above-average rate of 8.7%, while the decline in revenues was less pronounced at 2.8%. Sales of soft drinks also dropped, by 1.8%, whereas revenues increased by 5.7%. The opposite development was seen in the area of iced tea, to which mate beverages marketed under the *Mio Mio* brand are allocated. This area recorded growth in sales of 6.2% and significant revenue growth of 21.7%. There was also a positive development in the category of sports and energy drinks, which observed sales growth of 5.5% and revenue growth of 17.1%.

A projection published in February 2021 by Verband Deutscher Mineralbrunnen e.V. (VDM), a German mineral water industry association, also showed a decline in sales in the area of waters. According to the VDM, sales of mineral and medicinal waters and non-alcoholic mineral spring beverages from German springs decreased by 6.0% to 12.3 billion litres (13.1 billion litres) in 2021. Within this total, 9.4 billion litres (10.0 billion litres) related to unit sales of mineral and medicinal waters, while mineral spring beverages accounted for 2.9 billion litres (3.1 billion litres). According to the VDM, the declining development is mainly due to falling sales during the coronavirus lockdown in the first half of the year and the unsettled weather in the summer.



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 corporate group estimates that existing and future consumer demand for fresh foodstuffs, especially fresh drinks like not-from-concentrate juices, freshly squeezed juices and smoothies, is a key indicator for the development of this segment. The trend ongoing for several years now of increased dietary awareness and the impact on health and well-being are further influencing consumer behaviour. Values and product characteristics like freshness, biological and regional provenance as well as traceability in the production process are increasingly important factors for end customers.

According to internal assessments and qualified market observations, the *Fresh Juice Systems* segment continued to be negatively impacted in particular by two factors related to the coronavirus pandemic. Firstly, the high level of uncertainty led to investments being suspended, especially in the hospitality industry, causing sales of fruit presses to fall. Secondly, use of existing devices was limited owing to the temporary closure of hotels and restaurants and the strict hygiene measures that continued to be applied upon their reopening. This had a negative impact on sales of the system components oranges and bottling systems.

## (2.2) Business performance and economic position

### *(2.2.1) Overview of business performance and operating results*

In an economic situation that continued to be heavily impacted by the effects of the coronavirus pandemic, as well as in a very competitive environment, the Berentzen Group achieved consolidated revenues of EUR 146.1 million in the 2021 financial year (EUR 154.6 million); its adjusted consolidated profit (consolidated EBIT) increased to EUR 6.7 million (EUR 5.2 million) and its adjusted consolidated profit before depreciation and amortisation (consolidated EBITDA) likewise increased to EUR 15.4 million (EUR 14.1 million). Taking account of expenses arising from the financial result and result from participating interests of EUR 1.4 million (EUR 1.5 million) and income taxes of EUR 1.6 million (EUR 1.0 million), the Berentzen Group generated a consolidated profit of EUR 3.7 million (EUR 1.2 million) overall. The consolidated profit in the previous year was negatively impacted by an exceptional effect (non-recurring item) amounting to EUR 1.5 million.

The results for the financial year are based largely on the significant developments and events described in section (2.2.3) and the development of financial performance summarised under section (2.2.4).

## *(2.2.2) Comparison of actual business performance with the forecast business performance*

The following analysis covers the key financial performance indicators of the Berentzen Group that were used for the internal management of the corporate group in the 2021 financial year. In order to compare actual performance against the forecast performance, the forecasts provided in the financial year under review are set against the actual performance. Symbols are used to demonstrate the extent to which the most recent forecast in each case was met, with ✓✓ indicating the forecast was surpassed, ✓ indicating the forecast was met and × indicating the forecast was not met.

### Financial performance

In the context of a market environment that continued to be heavily disrupted by the effects of the coronavirus pandemic, realisation of the earnings targets for the 2021 financial year was challenging, with an uneven business performance across the individual segments.

*Performance of the segments*

| | Forecast for the 2021 financial year in the 2020 forecast report EURm | Adjustments made during the 2021 financial year EURm | Actual business performance 2021 EURm | |
|---|---|---|---|---|
| **Contribution margin after marketing budgets** | | | | |
| Segment | | | | |
| Spirits | 28.0 to 31.0 | Q3: 29.0 to 32.0 | 31.1 | ✓ |
| Non-alcoholic beverages | 22.0 to 24.0 | Q3: 20.0 to 22.0 | 20.5 | ✓ |
| Fresh Juice Systems | 5.5 to 6.0 | Q3: 5.1 to 5.6 | 5.4 | ✓ |
| Other segments | 1.0 to 1.3 | | 1.3 | ✓ |

In the 2021 financial year, the original forecasts provided in the Management Report for the 2020 financial year for segment earnings (contribution margin after marketing budgets) were exceeded in one case, met in one case and not met in two cases, while the expectations adjusted during the course of the year ultimately came to fruition in all cases.

The following comparative statements always relate – unless otherwise noted – to the assumptions underlying the forecast updated in October 2021.

In the *Spirits* segment, segment earnings came to EUR 31.1 million, meeting the adjusted forecast ranging between EUR 29.0 million and EUR 32.0 million. This was due to an overall increase in the contribution margin volume, though its positive impact on the segment indicator was reduced slightly by increased funds used for marketing and customer sales budgets. The positive contribution margin performance was due to an advantageous change in the product mix. Pleasing developments were seen in the business with products sold under the *Berentzen* brand, branded spirits abroad and premium/medium private-label concepts, which have higher contribution margins, while a lower contribution volume was achieved in the business with standard private-label products, which has lower contribution margins. Business and thus contribution margin volumes in the other focus brands – particularly *Puschkin* and *Tres Países* – fell short of the high expectations, however, though an increase was still recorded compared with the previous year.

With segment earnings of EUR 20.5 million, the adjusted profit expectation for the *Non-alcoholic Beverages* segment ranging between EUR 20.0 million and EUR 22.0 million was met. The contribution margin volume underlying the adjusted forecast was not quite achieved, but this was compensated for by the reduced use of marketing budgets. Pandemic-related restrictions and closures affecting food and drinks establishments once again determined business in this sales channel in the 2021 financial year. In particular, the extensive restrictions applied in November and December 2021, which were not foreseeable at the time of the adjusted forecast, ultimately led to the target contribution margins not being met within the various product categories.

In the *Fresh Juice Systems* segment, segment earnings came to EUR 5.4 million, thus also falling within the adjusted forecast ranging from EUR 5.1 million to EUR 5.6 million. This is due to a contribution margin volume corresponding to the adjusted expectations. While the contribution margin volume fell slightly in the business with the system component fruit presses and the related replacement parts and servicing business – particularly as a result of an ongoing lack of investments in fruit juice systems as a result of the pandemic – the adjusted contribution margin targets were exceeded for the system components bottling systems and fruit, with the business involving fruit in particular benefiting from slight recovery in the sourcing market and price increases. Fewer funds were used for marketing and trade advertising than expected, but this only had a marginally positive effect on segment earnings due to the low volume in absolute terms.

The *Other segments* met the expected profit expectation. At EUR 1.3 million, segment earnings were at the upper end of the forecast range of between EUR 1.0 million and EUR 1.3 million. The two important organisational units contained therein, the tourism and events business of the Berentzen Group as well as the business with spirits in Turkey, were heavily impacted by the coronavirus pandemic in the past two financial years. The positive development in the financial year under review is primarily due to the Turkish tourism industry picking up again.

***Development of consolidated revenues and consolidated profit***

| | **Forecast for the 2021 financial year in the 2020 forecast report EURm** | **Adjustments made during the 2021 financial year EURm** | **Actual business performance 2021 EURm** | |
|---|---|---|---|---|
| Consolidated revenues | 152.0 to 158.0 | Q3: 145.0 to 150.0 | 146.1 | ✓ |
| Consolidated operating profit (consolidated EBIT) | 4.0 to 6.0 | Q3: 6.0 to 7.0 | 6.7 | ✓ |
| Consolidated operating profit before depreciation and amortisation (consolidated EBITDA) | 13.0 to 15.0 | Q3: 15.0 to 16.0 | 15.4 | ✓ |

With consolidated revenues of EUR 146.1 million in the 2021 financial year, this figure was in line with the adjusted range of between EUR 145.0 million and EUR 150.0 million. Declining revenues in the *Non-alcoholic Beverages* segment were responsible for the 5.5% decline in revenues compared with the previous year. This development in turn is due to the discontinuation of a long-standing agreement regarding the filling of *Pepsi* brand products at the end of the first quarter of 2021. Adjusted for this effect, both segment and consolidated revenues would have increased slightly overall.

The discontinuation of the contract bottling agreement with *Pepsi* had a substantial negative impact on revenue development, but was much less significant in terms of profitability. Therefore, despite the overall decline in consolidated revenues and given the aforementioned changes in the individual segment results, adjusted consolidated profit (consolidated EBIT) and adjusted consolidated profit before depreciation and amortisation (consolidated EBITDA) rose significantly compared with the previous year. With a consolidated EBIT of EUR 6.7 million and a consolidated EBITDA of EUR 15.4 million, the adjusted forecast for the 2021 financial year was met in both cases.

## Cash flows and financial position

The cash flows and financial position of the corporate group remained sturdy. Only one positive deviation compared with the latest forecasts was observed with regard to the ratios used to manage the corporate group.

### *Development of cash flows*

| | Forecast for the 2021 financial year in the 2020 forecast report EURm | Adjustments made during the 2021 financial year EURm | Actual business performance 2021 EURm | |
|---|---|---|---|---|
| Operating cash flow | 11.0 to 13.0 | | 12.6 | ✓ |

Operating cash flow, which essentially excludes changes in working capital and therefore documents the effects of operating profitability on the change in liquidity, was forecast to lie in a range of between EUR 11.0 million and EUR 13.0 million. With an achieved value of EUR 12.6 million, this target was met. The significant increase in the indicator compared with the previous year was primarily due to the consolidated profit adjusted for amortisation, depreciation and impairment losses, which was up on the previous-year level, as well as to a lower payment balance in connection with income tax.

### *Development of financial position*

| | Forecast for the 2021 financial year in the 2020 forecast report | Adjustments made during the 2021 financial year | Actual business performance 12/31/2021 | |
|---|---|---|---|---|
| Equity ratio | 31.0% to 36.0% | Q3: 34.0% to 38.0% | 34.3% | ✓ |
| Dynamic gearing ratio | - 0.70 to 0.00 | | - 1.14 | ✓✓ |

At 34.3%, the equity ratio at December 31, 2021 was considerably higher than the previous-year level. This was therefore in line with the adjusted forecast range of between 34.0% and 38.0%. The prime factors in this development were the increase in equity, based on an improved consolidated profit of EUR 1.6 million, and the EUR 3.0 million, or 2.1%, decrease in total assets.

The dynamic gearing ratio amounted to -1.14 as at December 31, 2021 and thus exceeded the forecast ranging between -0.70 and 0.00. The significantly negative figure means that cash and cash equivalents exceed non-current and current financial liabilities and that there is no net formal overindebtedness. It thus illustrates the strong ability of the Berentzen Group to service its debts going forward.

## *(2.2.3) Business performance – significant developments and events*

**Effects of the coronavirus pandemic**

As was already the case in the previous financial year, the coronavirus pandemic was a significant event in the 2021 financial year, in line with expectations. Some of the measures taken by federal and state governments to contain the coronavirus, albeit at different levels of intensity over the course of the year, continued to have an adverse impact on the German economy. These measures include closing food and drink establishments, introducing extensive social distancing measures and banning events. At the beginning of the year, food and drink establishments, with the exception of takeaway and delivery services, were closed as a result of the second lockdown starting in November 2020. Measures in this area were eased in the second quarter – in May food and drink establishments were permitted to start opening again gradually in most of Germany's federal states. This reopening was subject to strict measures, however, especially at the beginning. In late August, the introduction of the "3G" (access only for vaccinated, recovered or tested persons) and "2G" (access only for vaccinated or recovered persons) rules meant that measures were eased further in relation to food and drink establishments, as well as in terms of events and social contact. However, rising infection rates and the emergence of the Omicron variant at the end of November led to measures being re-tightened again.

The coronavirus pandemic is also impacting the sourcing market, resulting on the one hand in a shortage of materials – particularly raw materials and intermediate products – and on the other in supply bottlenecks. The shortage of materials is attributable to supply constraints resulting from a sharp increase in demand following the pandemic-related slump. In addition, the pandemic led to disruptions in the global supply chain – particularly affecting shipping activities, but also lorry transport. Pandemic-related restrictions, such as lockdowns and border closures, as well as coronavirus outbreaks, led to massive delays in the supply chain in some cases. In addition, material shortages and supply bottlenecks led to considerably longer lead times and sharp rises in the costs of raw materials, intermediate products and energy products.

All segments of the Berentzen Group continue to be affected by the effects of the coronavirus pandemic. The *Fresh Juice Systems* segment saw a decline in sales of fruit presses in particular, owing to a suspension of investments in the direct and indirect sales channels restaurants and food retailers. The business with non-alcoholic beverages and branded spirits was impacted in particular by the at times almost complete closure of restaurants. This predominantly impacted the *Non-alcoholic Beverages* segment. In the *Spirits* segment, the cancellation of celebrations also impacted sales performance, in particular of those branded products that tend to be consumed on social occasions.

Given the adverse effects related to the coronavirus pandemic, the corporate group determined continuously over the 2021 financial year, for each segment and cash-generating unit (CGU), whether an ad hoc impairment test pursuant to IAS 36 needed to be carried out and whether an impairment was necessary. Ultimately, there was only a need to carry out an ad hoc impairment test for the *Non-alcoholic Beverages* segment as at December 31, 2021, in particular due to the continued hard-hitting impacts of the crisis on food and drink establishments. This did not result in the need to recognise an impairment loss, however.

The Berentzen Group has taken numerous measures and made changes to work processes with a view to preventing the coronavirus. These include strict hygiene measures applied across the entire corporate group, arrangements governing shifts and physical presence covering all workplaces, use of working from home and restrictions on business travel and meetings. In addition, staff have been offered coronavirus vaccinations by occupational doctors, an offer taken up by many in the workforce. These measures are intended to protect the workforce and ensure that the company can maintain its production and delivery capacity. To ensure a sufficient level of liquidity and safeguard against the possible consequences of the coronavirus crisis, management has taken the decision, for example, to reduce communicative marketing activities and reduce the use of external services. Reduced working hours have been put in place in some areas of the company that have been severely affected.

### Termination of a contract bottling agreement in the 2021 financial year

At the end of the first quarter of the 2021 financial year, a long-standing collaboration between the Berentzen Group and an international beverages group regarding the filling of their non-alcoholic branded products was discontinued. This contract bottling business has generated average annual revenues of approx. EUR 12.0 million over the last few financial years. Taking into account countermeasures already taken and owing to the comparatively low profitability of the contract bottling business, however, the effect on the adjusted consolidated profit before interest and taxes (consolidated EBIT) was already minor in the 2021 financial year.

### Change of the financing structure

In the 2016 financial year, the Berentzen Group concluded a syndicated loan with a bank syndicate with an initial funding volume of EUR 25.5 million, which has since been an important external financing tool for the Group. The Berentzen Group subsequently exercised an option to extend the loan in February 2018, and also increased the total funding volume to EUR 33.0 million in November 2019. In addition to an optional increase option, this included one facility amounting to EUR 7.5 million with a fixed maturity date, and another facility amounting to EUR 25.5 million, which, within the scope of branch agreements concluded bilaterally, can be utilised as working capital or bank guarantee lines of credit. For the purpose of securing the funding at an early stage, the Berentzen Group extended the syndicated loan in December 2021 with an overall unchanged total funding volume of EUR 33.0 million by another five years. The maturity date is now December 31, 2026. The facility with a fixed maturity date from the previous loan agreement was paid back in full. As part of the extension, a new financing structure was selected, resulting in available funds for operating and general corporate financing needs of EUR 21.0 million from branch agreements concluded bilaterally and an additional EUR 12.0 million via loan drawdowns with maturities of one, two, three or six months. The change had already had an effect on the maturity matching structure of the Group’s cash flows and financial position at the end of the 2021 financial year.

## (2.2.4) Financial performance

The following table summarises the development of the financial performance. Individual items in the Consolidated Statement of Comprehensive Income have been adjusted for income- and expense-related special effects (non-recurring items) in line with the definition of the normalised consolidated EBIT used to manage the Group.

| | 2021 | | 2020 | | Change | |
|---|---|---|---|---|---|---|
| | EUR'000 | % | EUR'000 | % | EUR'000 | % |
| **Consolidated revenues** | **146,109** | **99.8** | **154,591** | **100.0** | **- 8,482** | **- 5.5** |
| Change in inventories | 336 | 0.2 | 58 | 0.0 | + 278 | > + 100.0 |
| **Total operating performance** | **146,445** | **100.0** | **154,649** | **100.0** | **- 8,204** | **- 5.3** |
| Purchased goods and services | 77,988 | 53.3 | 87,533 | 56.6 | - 9,545 | - 10.9 |
| **Consolidated gross profit** | **68,457** | **46.7** | **67,116** | **43.4** | **+ 1,341** | **+ 2.0** |
| Other operating income | 3,798 | 2.6 | 3,127 | 2.0 | + 671 | + 21.5 |
| Operating expenses | 65,544 | 44.8 | 65,034 | 42.1 | + 510 | + 0.8 |
| **Consolidated operating profit (EBIT)** | **6,711** | **4.6** | **5,209** | **3.4** | **+ 1,502** | **+ 28.8** |
| Exceptional effects | 0 | 0.0 | - 1,479 | - 1.0 | + 1,479 | - 100.0 |
| Financial result and result from participating interests | - 1,410 | - 1.0 | - 1,474 | - 1.0 | + 64 | - 4.3 |
| **Consolidated profit before taxes** | **5,301** | **3.6** | **2,256** | **1.5** | **+ 3,045** | **> + 100.0** |
| Income tax expenses | 1,639 | 1.1 | 1,023 | 0.7 | + 616 | + 60.2 |
| **Consolidated profit** | **3,662** | **2.5** | **1,233** | **0.8** | **+ 2,429** | **> + 100.0** |

### Consolidated revenues and total operating performance

The consolidated revenues of the Berentzen Group excluding alcohol tax amounted to EUR 146.1 million in the 2021 financial year (EUR 154.6 million), while consolidated revenues including alcohol tax totalled EUR 328.8 million (EUR 365.8 million). Including the changes in inventory of EUR 0.3 million (less than EUR 0.1 million), the total operating performance came to EUR 146.4 million (EUR 154.6 million).

| | 2021<br>EUR'000 | 2020<br>EUR'000 |
|---|---|---|
| Revenues excluding alcohol tax | | |
| Spirits segment | 92,657 | 92,952 |
| Non-alcoholic Beverages segment | 35,346 | 45,307 |
| Fresh Juice Systems segment | 15,363 | 14,978 |
| Other segments | 2,743 | 1,354 |
| **Consolidated revenues excluding alcohol tax [1)]** | **146,109** | **154,591** |
| Alcohol tax | 182,669 | 211,195 |
| **Consolidated revenues including alcohol tax** | **328,778** | **365,786** |

[1)] Please refer to the comments on sector risks in section (3.2) of the Risk and Opportunities Report for information on the development of the share of consolidated revenues generated with the corporate group's most important trading partners.

### Revenue development across 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 relationship to the development of consolidated gross profit and performance indicators. To more precisely demonstrate the corporate group's financial performance, the development of revenues was described below for the first time in the context of reporting on the 2021 financial year.

The 2020 Annual Report instead shed light on volume development, i.e. product sales. To permit a reconciliation of the product-group-related revenues in the *Spirits* and *Non-alcoholic Beverages* segments with the revenues shown in the segment report, the customer sales budgets have also been shown. These contributions that directly reduce revenues pursuant to IFRS 15 can be allocated to the customer in question but not to the individual products, product groups or business categories shown below.

*Spirits*

| | 2021 EUR'000 | 2020 EUR'000 | Change EUR'000 | % |
|---|---|---|---|---|
| Berentzen | 13,155 | 12,445 | + 710 | + 5.7 |
| Puschkin | 6,604 | 6,348 | + 256 | + 4.0 |
| Other | 999 | 602 | + 397 | + 65.9 |
| Focus brands | 20,758 | 19,395 | + 1,363 | + 7.0 |
| Other brands | 9,153 | 9,213 | - 60 | - 0.7 |
| Customer sales budget | - 2,235 | - 1,615 | - 620 | - 38.4 |
| **Branded spirits in Germany** | **27,676** | **26,993** | **+ 683** | **+ 2.5** |
| Branded spirits abroad | 5,928 | 4,706 | + 1,222 | + 26.0 |
| Premium/medium private-label brands | 21,801 | 21,307 | + 494 | + 2.3 |
| Standard private-label brands | 38,743 | 41,393 | - 2,650 | - 6.4 |
| Customer sales budget | - 1,182 | - 982 | - 200 | - 20.4 |
| **Export and private-label brands** | **65,290** | **66,424** | **- 1,134** | **- 1.7** |
| Other and internal revenues | - 309 | - 465 | + 156 | + 33.5 |
| **Revenues in the Spirits segment** | **92,657** | **92,952** | **- 295** | **- 0.3** |

In the 2021 financial year, revenues from the *Spirits* segment were virtually unchanged compared with the financial year, declining slightly by 0.3% to a total of EUR 92.7 million (EUR 93.0 million). In the previous year, the Berentzen Group achieved revenues from domestic branded spirits in the amount of EUR 27.7 million (EUR 27.0 million), while revenues in the amount of EUR 65.3 million (EUR 66.4 million) were generated from the business with branded spirits abroad and private-label brands (collectively: export and private-label brands).

Revenues for the domestic branded business increased by a total of 2.5% as at December 31, 2021, although the cancellation of numerous consumption occasions due to measures decided by the federal and state governments to contain the coronavirus continued to have a considerable impact on the revenue development of these products. Revenues generated from the focus brands were 7.0% up on the level of the previous year. The main reason for this development was the two focus brands *Berentzen* and *Puschkin*, which developed similarly in terms of their rates of growth in this regard. Revenues from products sold under the brand *Berentzen* increased by 5.7% in the 2021 financial year, while revenues from *Puschkin* products increased by 4.0%. Meanwhile, revenues from the other focus brands (*Tres Países*, *Norden Dry Gin* and *Goldkehlchen*) notched up a significant increase – starting from a comparatively low revenue level – rising by 65.9% to EUR 1.0 million (EUR 0.6 million). The business with other branded spirits, particularly with traditional spirits (e.g. *Strothmann*, *Bommerlunder*), was largely stable, with revenues declining by just 0.7%. Reduced revenues for customer sales budgets applied within the national branded business increased from EUR 1.6 million in the previous financial year to EUR 2.2 million in the 2021 financial year.

The spirits business involving export and private-label brands generated revenues of EUR 65.3 million in the 2021 financial year, thus down 1.7% on the previous-year level (EUR 66.4 million). The individual product categories developed differently, however, though still in line with the strategy. The proportion of standard products with weaker margins fell further, with selected areas replaced by higher-profit concepts. As a result, revenues from the standard private-label brand category fell by 6.4%, but revenues from the business with premium and medium concepts increased by 2.3% to EUR 21.8 million. Furthermore, revenues from the export business with branded spirits increased by 26.0%. This is primarily due to positive revenue development in the Netherlands as well as to the duty-free sales channel. The customer sales budgets allocated to the business with export and private-label brands stood at EUR 1.2 million, thus up from the previous year (EUR 1.0 million).

Other and internal revenues in the *Spirits* segment amounted to EUR -0.3 million (EUR -0.5 million).

### *Non-alcoholic Beverages*

| | 2021 EUR'000 | 2020 EUR'000 | Change EUR'000 | % |
|---|---|---|---|---|
| Mio Mio | 13,576 | 12,456 | + 1,120 | + 9.0 |
| Kräuterbraut | 153 | 189 | - 36 | - 19.0 |
| Focus brands | 13,729 | 12,645 | + 1,084 | + 8.6 |
| Emsland / St. Ansgari | 9,078 | 8,948 | + 130 | + 1.5 |
| Märkisch / Grüneberger | 6,982 | 6,775 | + 207 | + 3.1 |
| Regional brands | 16,060 | 15,723 | + 337 | + 2.1 |
| Other brands | 2,848 | 2,916 | - 68 | - 2.3 |
| **Branded business** | **32,637** | **31,284** | **+ 1,353** | **+ 4.3** |
| Franchise business | 2,671 | 3,103 | - 432 | - 13.9 |
| Contract bottling business | 3,804 | 13,822 | - 10,018 | - 72.5 |
| **Other business** | **6,475** | **16,925** | **- 10,450** | **- 61.7** |
| Customer sales budget | - 4,085 | - 3,388 | - 697 | - 20.6 |
| Other and internal revenues | 319 | 486 | - 167 | - 34.4 |
| **Revenues in the Non-alcoholic Beverages segment** | **35,346** | **45,307** | **- 9,961** | **- 22.0** |

In the *Non-alcoholic Beverages* segment, revenues with mineral waters and soft drinks fell by 22.0% to EUR 35.3 million (EUR 45.3 million) in the 2021 financial year. The branded business performed very well, however,

achieving revenue growth of EUR 1.4 million or 4.3%, while the other businesses (franchise and contract bottling) saw a very significant decline in revenues of EUR 10.5 million collectively — of which EUR 9.9 million attributable to the termination of the *Pepsi* contract bottling agreement after the first quarter of 2021 — and consequently were fully responsible for the drop in revenues in this segment.

Despite the external influences linked to the coronavirus pandemic explained above, positive revenue development in the branded category was driven in particular by the momentum in the focus brands product category, which recorded revenue growth of 8.6%. This was due exclusively to beverages marketed under the *Mio Mio* own brand, which once again saw a very positive development with revenues increasing by 9.0%.

The product category regional brands comprises the brands *Emsland Quelle*, *Emsland Sonne*, *Märkisch Kristall*, *St. Ansgari* and *Grüneberg Quelle* in particular. Despite a difficult market environment and poor weather conditions over the summer, revenues in this category also increased by 2.1% to EUR 16.1 million compared with the previous year, particularly as a result of price increases for individual products.

Revenues from products in the other brands category, whose main revenues stem from product sales under the brand *Vivaris Sport*, fell by 2.3%.

Owing in particular to the closure of food and drink establishments due to the coronavirus pandemic, a measure that was imposed for a longer period of time in the 2021 financial year than in the 2020 financial year, revenues in the franchise business with branded beverages from the *Sinalco* corporate group declined significantly by 13.9% to EUR 2.7 million.

Revenues generated from contract bottling orders also fell, recording a decline of EUR 10.0 million or 72.5%. With revenues declining by EUR 9.9 million, this is predominantly the result of the discontinuation of a long-standing agreement regarding the filling of *Pepsi* brand products at the end of the first quarter of 2021 (see section (2.2.3) for more details).

The customer sales budgets allocated to the *Non-alcoholic Beverages* segment increased by 20.6% compared with the previous year.

Other and internal revenues amounted to EUR 0.3 million (EUR 0.5 million).

***Fresh Juice Systems***

| | 2021 | 2020 | Change | |
|---|---|---|---|---|
| | EUR'000 | EUR'000 | EUR'000 | % |
| Fruit juicers | 5,025 | 5,618 | - 593 | - 10.6 |
| Fruit | 7,030 | 6,729 | + 301 | + 4.5 |
| Bottling systems | 3,582 | 3,067 | + 515 | + 16.8 |
| Other and internal revenues | - 274 | - 436 | + 162 | + 37.2 |
| **Revenues in the Fresh Juice Systems segment** | **15,363** | **14,978** | **+ 385** | **+ 2.6** |

In the 2021 financial year, the *Fresh Juice Systems* segment, the segment that has been most heavily impacted by the coronavirus pandemic, recorded a slight increase in revenues of 2.6%: Revenues generated in connection with fruit presses and the related replacement parts and servicing business decreased by 10.6%, as more and more investments in fruit juice systems failed to materialise for the clientele. In contrast, a pleasing development was observed in the core regions of Germany and Austria, which are looked after by internal sales teams: Here, revenues rose by 13.0% collectively in the business involving fruit presses compared with the previous year. Revenues likewise developed positively in Scandinavia, France and Switzerland. In contrast, the revenue volume was considerably lower in the United Kingdom and Eastern Europe. Revenues from fruits (oranges) recorded an increase of 4.5%, while revenues from the business with bottling systems rose significantly by 16.8%.

Other and internal revenues amounted to EUR -0.3 million (EUR -0.4 million).

### *Other segments*

| | 2021 | 2020 | Change | |
|---|---|---|---|---|
| | EUR'000 | EUR'000 | EUR'000 | % |
| Tourism and event-related activities | 810 | 708 | + 102 | + 14.4 |
| Spirits business in the Turkish Group company | 2,053 | 802 | + 1,251 | > + 100.0 |
| Other and internal revenues | - 120 | - 156 | + 36 | + 23.1 |
| **Revenues in the Other segment** | **2,743** | **1,354** | **+ 1,389** | **> + 100.0** |

The tourism and events business of the Berentzen Group contained within *Other Segments* was also severely impacted by the coronavirus pandemic in the 2021 financial year – revenues increased by 14.4%, albeit this still falls considerably short of the level achieved in the financial years prior to the outbreak of the pandemic.

While the tourism business in Turkey came to an almost complete standstill in the 2020 financial year, a significant recovery was observed in the 2021 financial year, resulting in revenues in the Turkish spirits business increasing by more than 100% to EUR 2.1 million. Given the pandemic as well as the political and economic situation in Turkey, this market, which is managed by a local Group company, is still being more intensively monitored within the Berentzen Group risk management system, however.

Other and internal revenues amounted to EUR -0.1 million (EUR -0.2 million).

### *General statement on revenue performance*

The 2021 financial year continued to be heavily impacted by the effects of the coronavirus pandemic. Given the business performance of the individual segments described above, the declining revenue performance in the *Non-alcoholic Beverages* segment in particular contributed to a decrease in consolidated revenues of 5.5% to EUR 146.1 million. It should be pointed out that this development is almost entirely due to the discontinuation of a long-standing agreement regarding the filling of *Pepsi* brand products at the end of the first quarter of 2021. The pleasing revenue performance in the business with branded spirits in Germany and abroad, as well as with premium and medium private-label brands, virtually balanced out the drop in revenues in the business with standard private-label brands, resulting in roughly stable revenues in the *Spirits* segment overall. While the *Fresh Juice Systems* segment recorded slight revenue growth, the *Other segments* also performed considerably well, with the comparatively low revenue level in this area doubling.

### Purchased goods and services and consolidated gross profit

Against the background of a reduced total operating performance, purchased goods and services decreased at an above-average rate to EUR 78.0 million (EUR 87.5 million). The ratio of purchased goods and services to total operating performance fell accordingly to 53.3% (56.6%).

For the production of spirits and non-alcoholic beverages, the raw materials and goods purchased by the Berentzen Group relate mainly to the material groups alcohol (including grain and rectified spirit, whiskeys and rum), aromatisation (inputs and aromas) and sugar as well as packaging (mainly glass and cardboard). In the *Fresh Juice Systems* segment, purchasing costs arise for the individual system components of fruit juicers, fruit (oranges) and bottling equipment.

A large part of the raw materials needed for the production of spirits and non-alcoholic beverages as well as the fruit (oranges) traded in the *Fresh Juice Systems* segment are agrarian products, which means that their availability and pricing largely hinge on the given harvests. Regulatory measures (e.g. duties) can also have a considerable impact on prices and availability. In the *Spirits* segment, there were significant price increases in the purchase costs for alcohols of all raw material bases – particularly as a result of supply shortages owing to the pandemic. The purchasing costs for the system component fruit (oranges) in the *Fresh Juice Systems* segment, however, dropped slightly in the 2021 financial year. The sourcing market for the other raw materials relevant to the Berentzen Group also developed unevenly in the 2021 financial year, albeit was largely stable on the whole. Extraordinarily high rises in the costs of raw materials and energy, for example, only came about in the last few weeks of the financial year. The full-year impacts of this were therefore not all that noticeable in the 2021 financial year.

Despite a EUR 8.2 million fall in total operating performance, consolidated gross profit increased by EUR 1.3 million.. This was due to the gross profit margin increasing by 3.3 percentage points — predominantly due to favourable product and segment mix effects.

#### Other operating income

At EUR 3.8 million in total, other operating income in the 2021 financial year was higher than that of the previous year (EUR 3.1 million). In addition to income from reversals of liabilities and provisions of EUR 0.8 million (EUR 0.8 million), this item mostly contains income from offsetting deposits and sales of empties of EUR 0.5 million (EUR 0.3 million) and income from the disposal of non-current asset items of EUR 0.5 million (EUR 0.1 million).

#### Operating expenses

As a result of the developments described below, consolidated operating expenses were largely stable at EUR 65.5 million (EUR 65.0 million). Total operating performance declined by 5.3% to EUR 146.4 million (EUR 154.6 million), leading to a slightly higher ratio of operating expenses to total operating performance of 44.8% (42.1%).

Personnel expenses climbed considerably by EUR 1.9 million to EUR 26.8 million (EUR 24.9 million), and the personnel expenses ratio increased accordingly to 18.3% (16.1%). The main causes of this are additionally created positions in the organisational areas of sales, products and technology, as well as the contractual redefinition of Executive Board member compensation, namely marking the first time the impacts of the variable remuneration components (occurrence and amount) were taken into account. The Group's headcount as at December 31, 2021 fell compared with the previous year. There were also fewer full-time employees on average during the 2021 financial year. The corporate group had 489 employees (including trainees) on December 31, 2021 (507), 199 (211) of whom worked in production activities and 266 (264) in commercial and administrative activities; 24 (32) apprentices were in vocational training. The Berentzen Group had an average of 417 full-time employees in the financial year under review (418).

Despite the investment volume having increased considerably to a total of EUR 8.5 million compared with the previous year (EUR 5.2 million), depreciation and amortisation of assets fell slightly to a total of EUR 8.6 million in the 2021 financial year (EUR 8.9 million). This is because a large portion of the investments in technical equipment and machinery will only be completed in the 2022 financial year, meaning that equipment under construction has not yet been subject to scheduled depreciation. The amortisation charged on intangible

assets allocated in connection with the acquisition of Citrocasa GmbH and therefore assigned to the *Fresh Juice Systems* segment amounted to EUR 0.8 million (EUR 0.9 million).

Other operating expenses fell to EUR 30.1 million (EUR 31.2 million). Transport and external selling costs fell further to a total of EUR 15.1 million (EUR 15.5 million) owing to a proprietary distribution company set up in the 2020 financial year. Marketing and trade advertising expenses totalling EUR 3.4 million (EUR 3.3 million) were virtually the same as the previous-year figure, while maintenance expenses totalling EUR 3.1 million (EUR 3.2 million) were almost stable. Miscellaneous other operating expenses fell to EUR 8.6 million overall (EUR 9.2 million), mainly due to lower expenses relating to other periods.

### Exceptional effects

#### *Exceptional effects in financial year 2021*

There were no business transactions to be taken into account as exceptional effects in the 2021 financial year.

#### *Exceptional effects in financial year 2020*

As a result of the coronavirus pandemic, and in particular owing to the hard-hitting impacts of this crisis on food and drink establishments, an ad hoc impairment test had to be carried out for the *Non-alcoholic Beverages* segment, as a result of which an impairment loss amounting to EUR 1.4 million was recognised as an exceptional effect (non-recurring item) as at March 31, 2020. In addition, in connection with the termination of a long-term collaboration with an international beverages group regarding the filling of their non-alcoholic branded products in the 2020 financial year, personnel and other expenses in the amount of EUR 0.1 million were recorded as exceptional effects.

On the basis of updated scenario analyses and the aforementioned termination of the long-term contract bottling agreement, another ad hoc impairment test was carried out for the segment or *Non-alcoholic Beverages* CGU at the end of each quarter in the 2020 financial year. This did not result in any further impairments or reversals, however.

### Financial result and result from participating interests

The financial result and result from participating interests remained roughly at the same level as in the previous year. It resulted in net expenses of EUR 1.4 million (EUR 1.5 million). In the 2021 financial year, most interest expenses related to the debt instruments with variable interest components of EUR 1.5 million used by the Berentzen Group (EUR 1.5 million). As presented, the financial expenses barely changed, while financial income also reached only EUR 0.1 million (EUR 0.1 million) due to continued low market interest rates.

### Income tax expenses

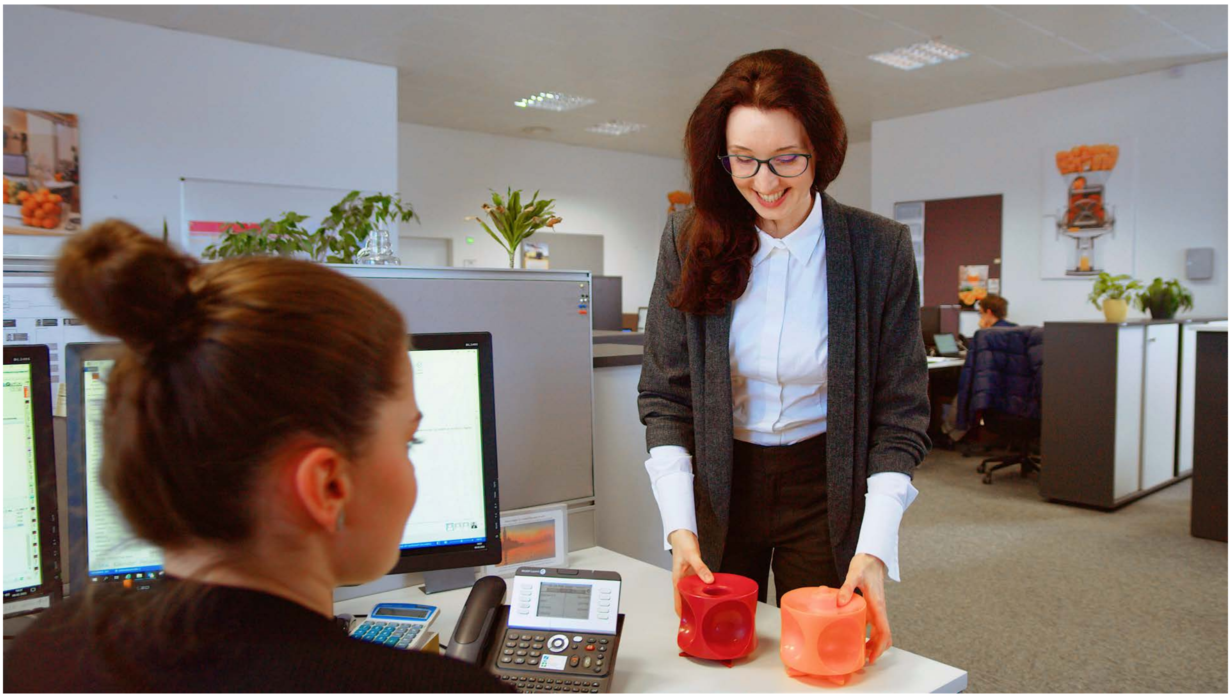
The income tax expenses of EUR 1.6 million (EUR 1.0 million) included EUR 2.0 million (EUR 1.8 million) for German trade tax and corporate income tax together with comparable foreign income taxes in the 2021 financial year. The measurement of deferred taxes in accordance with IAS 12 gave rise to income of EUR 0.3 million (EUR 0.7 million).

### Consolidated profit

Adjusted consolidated profit or EBIT in the 2021 financial year amounted to EUR 6.7 million, thus up considerably on the previous year (EUR 5.2 million). This can be attributed mainly to the EUR 1.3 million increase in consolidated gross profit to EUR 68.5 million (EUR 67.1 million), accompanied by an increase in other operating income of EUR 0.7 million and a EUR 0.5 million increase in operating expenses. While the financial result and result from participating interests remained largely stable compared with the previous year, there were no exceptional effects impacting earnings in the 2021 financial year – in the previous year, expenses of EUR 1.5 million were recorded here. Tax expenses increased by EUR 0.6 million compared with the previous year. Consequently, the consolidated profit at EUR 3.7 million (EUR 1.2 million) was also considerably above the previous-year level.

### Income-related financial performance indicators (reconciliation)

The following table shows the reconciliation of the income-related financial performance indicators with the financial performance indicators described in the presentation of the underlying principles of the corporate group in section (1.2).



| | 2021 | | | | | |
|---|---|---|---|---|---|---|
| | Revenues EUR'000 | Inter-segment 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 | 92,657 | 291 | 54,772 | 4,710 | 2,323 | 31,143 |
| Non-alcoholic beverages | 35,346 | 29 | 9,515 | 4,497 | 877 | 20,486 |
| Fresh Juice Systems | 15,363 | 2 | 8,652 | 1,282 | 72 | 5,359 |
| Other segments | 2,743 | 10 | 1,281 | 73 | 70 | 1,329 |
| **Total** | **146,109** | **332** | **74,220** | **10,562** | **3,342** | **58,317** |

| | 2020 | | | | | |
|---|---|---|---|---|---|---|
| | Revenues EUR'000 | Inter-segment 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 | 92,952 | 277 | 55,736 | 4,996 | 2,326 | 30,171 |
| Non-alcoholic beverages | 45,307 | 35 | 17,590 | 4,728 | 873 | 22,151 |
| Fresh Juice Systems | 14,978 | 1 | 9,334 | 1,082 | 100 | 4,463 |
| Other segments | 1,354 | 17 | 707 | 37 | 48 | 579 |
| **Total** | **154,591** | **330** | **83,367** | **10,843** | **3,347** | **57,364** |

| | 2021<br>EUR'000 | 2020<br>EUR'000 |
|---|---|---|
| **Consolidated revenues** | **146,109** | **154,591** |
| | | |
| Consolidated EBIT / consolidated EBITDA | | |
| Consolidated profit | 3,662 | 1,233 |
| Income tax expenses | 1,639 | 1,023 |
| Financial result and result from participating interests | - 1,410 | - 1,474 |
| Exceptional effects | 0 | - 1,479 |
| **Consolidated EBIT** | **6,711** | **5,209** |
| Amortisation and depreciation of assets | 8,649 | 8,919 |
| **Consolidated EBITDA** | **15,360** | **14,128** |

## *(2.2.5) Cash flows*

### Financing structure

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

Based on consolidated comprehensive income of EUR 2.8 million (EUR 0.7 million), shareholders' equity climbed to EUR 48.9 million (EUR 47.2 million), taking into account the dividend payment of EUR 1.2 million (EUR 2.6 million) passed by resolution of the annual general meeting in May 2021. On the basis of lower total assets than in the previous year, the consolidated equity ratio increased to 34.4% (32.5%) as at December 31, 2021.

Non-current debt fell significantly to EUR 10.8 million (EUR 18.7 million). It included financial liabilities of EUR 1.3 million (EUR 8.6 million) as at December 31, 2021. Non-current liabilities accounted for 11.6% (19.1%) of consolidated total liabilities. In addition, the corporate group has various sources of financing with short-term loans, which amounted to EUR 82.5 million (EUR 79.3 million) as at the end of the reporting period or 58.0% (54.6%) of consolidated total assets.

The following table shows the overall financing of the Berentzen Group as at the end of the 2021 financial year:

| | | Financing line 12/31/2021 | | | Financing line 12/31/2020 | | |
|---|---|---|---|---|---|---|---|
| | | Long-term EURm | Short-term EURm | Total EURm | Long-term EURm | Short-term EURm | Total EURm |
| Syndicated loan agreement | Line, limited | 0.0 | 33.0 | 33.0 | 7.5 | 25.5 | 33.0 |
| Factoring | Line, limited | 0.0 | 55.0 | 55.0 | 0.0 | 55.0 | 55.0 |
| Central settlement through factoring | Line, unlimited [1)] | 0.0 | 8.3 | 8.3 | 0.0 | 8.0 | 8.0 |
| Working capital loans | Line, limited [2)] | 0.0 | 0.9 | 0.9 | 0.0 | 0.7 | 0.7 |
| Surety bond for alcohol tax liabilities | Line, limited | 0.0 | 0.8 | 0.8 | 0.0 | 0.8 | 0.8 |
| **Total financing** | | **0.0** | **98.0** | **98.0** | **7.5** | **90.0** | **97.5** |

1) Average financing volume in the financial year.

2) This includes foreign currency working capital lines that have been translated as of the respective reporting dates.

In December 2021, Berentzen-Gruppe Aktiengesellschaft extended the syndicated loan agreement concluded with a bank syndicate in December 2016 by another five years. The maturity date is therefore now December 31, 2026. A total funding volume of EUR 33.0 million is still available. As part of the extension, the repayable-at-maturity facility of EUR 7.5 million from the current loan agreement was paid back. In addition, a new financing structure was selected, resulting in available funds for operating and general corporate financing needs of EUR 21.0 million from branch agreements concluded bilaterally and an additional EUR 12.0 million via loan drawdowns with maturities of one, two, three or six months. The parties also agreed on the option of increasing the financing volume through the addition of another repayable-at-maturity facility in the amount of EUR 10.0 million for the financing of acquisitions. 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 included in the syndicated loan agreement as guarantors as part of a cross-guarantee system taking the form of a guarantor concept based on the minimum fulfilment of certain group inventory levels and flow variables stipulated in the agreement, which Berentzen-Gruppe Aktiengesellschaft as the borrower and the guarantors are obliged to maintain. The borrower is obliged 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. The syndicated loan agreement, which is essentially based on the international contract standard of the British Loan Market Association ("LMA standard"), also stipulates the customary obligations, conditions, assurances and warranties, particularly including debt limits, limitations on the sale of assets, and a change-of-control clause. If the covenants, other obligations, conditions, assurances and warranties are breached, and if a change of control occurs, the lenders are 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 ensuing total volume of funding available to the Berentzen Group on the basis of two factoring agreements running until March 31, 2024 amounts to EUR 55.0 million (EUR 55.0 million). Added to this is a formally unlimited factoring line under three further, open-ended central settlement and factoring agreements. In the 2021 financial year, this gave rise to an average gross funding volume of EUR 8.3 million (EUR 8.0 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 0.9 million (EUR 0.7 million). These credit lines are available to two foreign group companies and each have an open-ended term. Collateral must be provided for this by a foreign Group company in the translated amount of EUR 0.7 million (EUR 0.5 million), fundamentally in the form of cash received before the due date or other securities. Furthermore, surety bonds for alcohol tax in the amount of EUR 0.8 million in total (EUR 0.8 million) provided by two of the surety bond insurers are included in the overall financing of the corporate group. Both the working capital credit agreements and one of the surety bond agreements contain change-of-control clauses that allow the financing agreements concerned to be terminated prematurely in the event of a change of control. The latter also includes covenants that give the insurer a special right of termination if they are breached. Furthermore, the Turkish subsidiary received an annuity loan in May 2019 in the translated amount of EUR 0.3 million, which was paid back according to plan in April 2021.

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 64.2 million at December 31, 2021 (EUR 63.7 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.

The ongoing repayment of financing instruments was carried out as planned in the 2021 financial year. All in all, this means that the Berentzen Group has sufficient credit agreements, mainly with a fixed maturity until 2026 or 2024, both for its volatile short- to medium-term and its long-term financing requirements for purposes of general corporate financing. Consequently, the corporate group's anticipated requirement for external financing and payment sureties can be covered using the various forms of debt described above.

As in the previous years, the financing of the vehicle fleet, a few other items of plant and office equipment and individual offices and business premises was ensured by leases. These leases are recognised pursuant to IFRS 16, leading to lease liabilities in the amount of EUR 2.3 million (EUR 2.3 million) as at December 31, 2021.

The Berentzen Group also acts as a lessor in lease agreements classified as finance leases. These agreements essentially relate to the leasing business involving fruit presses in the *Fresh Juice Systems* segment. For finance leases, receivables amounting to EUR 0.4 million (EUR 0.4 million) were recognised as at the end of the reporting period.

## Consolidated Cash Flow Statement for the period from January 1 to December 31, 2021

The following Cash Flow Statement shows the development of liquidity in the corporate group, including the reconciliation for the cash flow indicator described in the presentation of the underlying principles of the corporate group in section (1.2). The cash and cash equivalents are calculated as the balance of the cash and cash equivalents shown in the Statement of Financial Position and part of the current financial liabilities.

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 the factoring arrangements ("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.

| | 2021<br>EUR'000 | 2020<br>EUR'000 | Change<br>EUR'000 |
|---|---|---|---|
| Operating cash flow | 12,608 | 9,158 | + 3,450 |
| Cash flow from operating activities | 11,623 | 13,625 | - 2,002 |
| Cash flow from investing activities | - 7,299 | - 5,362 | - 1,937 |
| Cash flow from financing activities | - 2,654 | - 3,939 | + 1,285 |
| **Change in cash and cash equivalents** | **1,670** | **4,324** | **- 2,654** |
| **Cash and cash equivalents at the end of the period** | **28,004** | **26,334** | **+ 1,670** |

### *Operating cash flow and cash flow from operating activities*

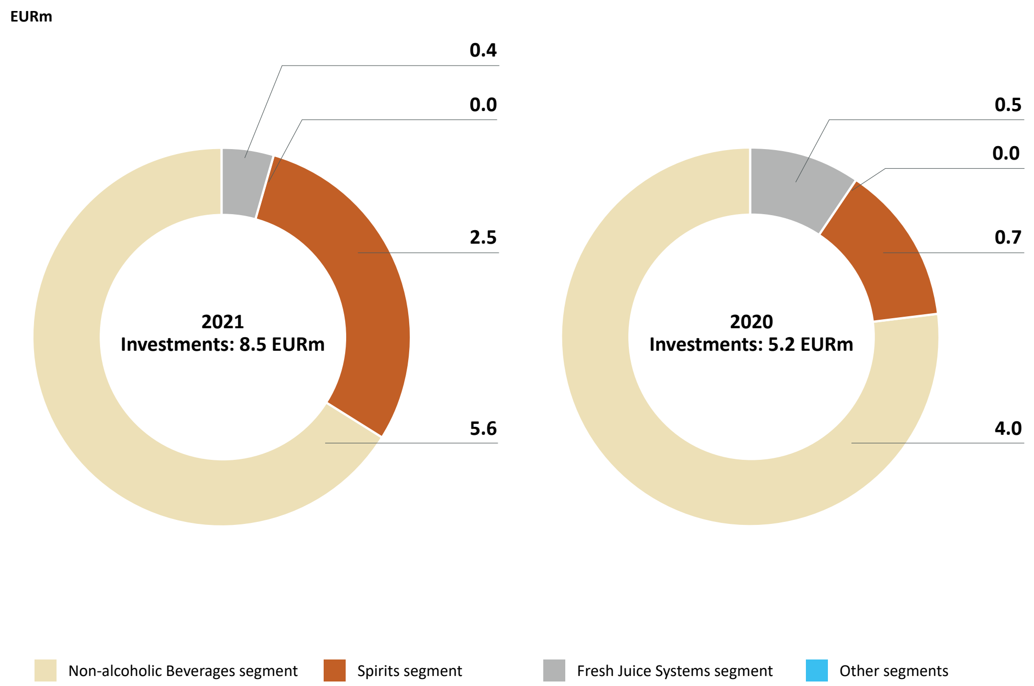
The operating cash flow increased considerably by EUR 3.5 million to EUR 12.6 million (EUR 9.2 million) in the 2021 financial year. The higher level of cash inflow was due to the consolidated profit – adjusted for amortisation, depreciation and impairment losses – which came in at EUR 0.8 million above the level of the previous year, as well as to the EUR 2.8 million drop in the payment balance linked to income taxes as well as to the financial result.

The cash flow from operating activities of EUR 11.6 million (EUR 13.6 million) also encompasses changes in working capital, which led to a cash outflow of EUR 1.0 million in the 2021 financial year (cash inflow of EUR 4.5 million). 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 just a small net cash outflow of close to EUR 0.1 million (cash inflow of EUR 2.6 million). The change in other liability items as well as other non-cash effects gave rise to another cash outflow of EUR 1.2 million (EUR 2.0 million). By contrast, the decrease in other assets resulted in a cash inflow of EUR 0.3 million (EUR 3.9 million).

### *Cash flow from investing activities*

The investing activities of the corporate group led to a net cash outflow of EUR 7.3 million (EUR 5.4 million). Investments in property, plant and equipment and intangible assets totalled EUR 8.5 million (EUR 5.2 million). In addition, payments for the acquisition of subsidiaries amounted to less than EUR 0.1 million (EUR 0.4 million as well as secured cash in the amount of EUR 0.1 million). This was accompanied by cash flows from the disposal of assets amounting to EUR 1.2 million (EUR 0.1 million). This cash inflow is linked to the sale of land and buildings from the former Norden production location.




The considerably higher cash outflow from investments in property, plant and equipment and intangible assets year on year was caused mainly by the following developments: In the *Non-alcoholic Beverages* segment, extensive investments were made in technical equipment and machinery, including EUR 1.1 million for a new dry area in a refusable glass bottling facility, in addition to investments in empty bottle containers and crates – particularly for the reusable *Mio Mio* product containers – amounting to EUR 2.7 million (EUR 2.8 million). The *Spirits* segment also saw extensive investments in technical equipment and machinery – for example for a fully automated packaging facility for premium products – totalling EUR 1.4 million, as well as in items of plant and office equipment totalling EUR 0.8 million. These investments in technical equipment and machinery in the *Non-alcoholic Beverages* and *Spirits* segments are still not completely available for business purposes, as some will only be completed in the 2022 financial year. No individual investments with material acquisition costs were incurred in the *Fresh Juice Systems* segment in the 2021 financial year.

### *Cash flow from financing activities*

Financing activities gave rise to a net cash outflow of EUR 2.7 million (EUR 3.9 million). This item essentially comprises a dividend payment of EUR 1.2 million (EUR 2.6 million) and lease liability repayments of EUR 1.2 million (EUR 1.2 million). The extension of the term of the syndicated loan also involved transaction cost outflows of EUR 0.2 million.

### *Cash and cash equivalents*

All in all, cash and cash equivalents totalled EUR 28.0 million (EUR 26.3 million) as at the end of the financial year, of which EUR 25.8 million (EUR 22.2 million) were receivables from the customer settlement accounts held with banks that are used for settlement under two factoring agreements. As at the end of the 2021 financial year, drawdowns of short-term credit lines and financing instruments classified as such were utilised in the amount of EUR 0.3 million (no drawdowns).

### Cash flow indicators (reconciliation)

The following table shows the reconciliation of the cash flow indicator with the financial performance indicators described in the presentation of the underlying principles of the corporate group in section (1.2).

| | 2021<br>EUR'000 | 2020<br>EUR'000 | Change<br>EUR'000 |
|---|---|---|---|
| Consolidated profit | 3,662 | 1,233 | + 2,429 |
| Balance of income tax expenses and paid/received income tax | 44 | - 2,703 | + 2,747 |
| Balance of net interest income and interest inflows/outflows | 253 | 178 | + 75 |
| Amortisation and depreciation of assets | 8,649 | 8,919 | - 270 |
| Impairments of assets | 0 | 1,377 | - 1,377 |
| Balance of expenses and payments for exceptional effects | 0 | 154 | - 154 |
| **Operating cash flow** | **12,608** | **9,158** | **+ 3,450** |

## *(2.2.6) Financial position*

| | 12/31/2021 | | 12/31/2020 | | Change |
|---|---|---|---|---|---|
| | EUR'000 | % | EUR'000 | % | EUR'000 |
| **Assets** | | | | | |
| Non-current assets | 56,899 | 40.0 | 56,077 | 38.6 | + 822 |
| Current assets | 85,244 | 60.0 | 88,388 | 60.9 | - 3,144 |
| Non-current assets held for sale | 0 | 0.0 | 717 | 0.5 | - 717 |
| | **142,143** | **100.0** | **145,182** | **100.0** | **- 3,039** |
| | | | | | |
| **Shareholders' equity and liabilities** | | | | | |
| Shareholders' equity | 48,856 | 34.4 | 47,240 | 32.5 | + 1,616 |
| Non-current liabilities | 10,798 | 7.6 | 18,660 | 12.9 | - 7,862 |
| Current liabilities | 82,489 | 58.0 | 79,282 | 54.6 | + 3,207 |
| | **142,143** | **100.0** | **145,182** | **100.0** | **- 3,039** |

### Assets

Compared with December 31, 2020, total assets decreased slightly by 2.1% from EUR 145.2 million to EUR 142.1 million.

#### *Non-current assets*

EUR 56.9 million (EUR 56.1 million) of consolidated assets was invested in non-current assets. This corresponds to 40.0% of total assets (38.6%). The stated values of items of property, plant and equipment increased by EUR 1.4 million; amortisation, depreciation and impairments of EUR 6.4 million (EUR 7.7 million) were accompanied by an investment volume in the amount of EUR 8.0 million (EUR 4.7 million). Intangible assets fell by EUR 1.0 million (EUR 0.9 million). This was primarily attributable to amortisation of EUR 0.8 million (EUR 0.9 million) on assets allocated in connection with the acquisition of Citrocasa GmbH.

At EUR 3.5 million (EUR 3.1 million), other non-current assets were higher than the previous-year figure, due in particular to transaction costs capitalised. These are linked to the extension of the term of the syndicated loan in December 2021.

The coverage of non-current assets by shareholders' equity and non-current debt capital fell to 104.8% (117.5%). This is mainly due to the aforementioned early repayment of the repayment-at-maturity portion of the syndicated loan as a result of the term of this financing instrument being extended. The EUR 7.5 million loan tranche used for this purpose will be allocated to current liabilities from now on (previous year: non-current liabilities).

***Current assets***

Current assets decreased to EUR 85.2 million (EUR 88.4 million). While cash and cash equivalents increased by EUR 2.0 million, both trade receivables and other current assets declined, by EUR 4.2 million and EUR 0.5 million, respectively. Inventories likewise fell slightly by EUR 0.4 million to EUR 39.0 million (EUR 39.4 million).

Gross receivables of roughly EUR 48.6 million had been sold within the scope of factoring agreements as at December 31, 2021 (EUR 54.9 million). The amount of receivables still recognised decreased by EUR 4.2 million compared with December 31, 2020, with the security retainers from factoring transactions included in other current assets falling accordingly to EUR 7.3 million (EUR 8.0 million).

**Non-current assets held for sale**

All of the assets classified as "non-current assets held for sale" as at December 31, 2020 were sold in the first quarter of the 2021 financial year. This sale led to cash flows of EUR 1.2 million and other operating income from the disposal of assets of EUR 0.4 million.

**Shareholders' equity and liabilities**

***Shareholders' equity***

Shareholders' equity rose by EUR 1.6 million to EUR 48.9 million (EUR 47.2 million) as a result of the consolidated profit of EUR 3.7 million (EUR 1.2 million) on the one hand and a loss from other comprehensive income of EUR 0.8 million (EUR 0.6 million) – due primarily to currency translation differences – and the dividend payment of EUR 1.2 million (EUR 2.6 million) passed by resolution of the annual general meeting in May 2021 on the other. On the basis of the 2.1% decrease in total assets, the equity ratio therefore increased to 34.3% (32.5%) as at December 31, 2021.

***Non-current liabilities***

The corporate group had non-current debt capital totalling EUR 10.8 million as at the end of the financial year (EUR 18.7 million). The decline is attributable to the considerable decrease in non-current financial liabilities compared with the previous year, which now amount to EUR 1.3 million (EUR 8.6 million). This development is due to the repayment of the syndicated loan facility with a fixed maturity date and the concomitant short-term drawdown from the extended syndicated loan of EUR 7.5 million. The loan drawdown was reported under balance sheet item "Current liabilities". Further information on this matter can be found in section (2.2.5) Cash flows.

***Current liabilities***

Current debt capital increased by EUR 3.2 million to EUR 82.5 million (EUR 79.3 million). As at the end of the reporting period, current financial liabilities amounting to EUR 9.5 million (EUR 1.7 million) were significantly above the previous-year level for the aforementioned reasons, while trade payables of EUR 11.2 million (EUR 9.7 million) were slightly above the previous-year level, whereas alcohol tax liabilities amounting to EUR 36.4 million (EUR 42.6 million) fell fcurrent provisions were largely stable at EUR 25.4 million (EUR 25.3 million).

The appropriate use of funding linked to interest rates in relation to internal financing strength for operations is reflected in the very high stability of the dynamic gearing ratio with a value of - 1.14 (- 1.13) (see the calculation in the following table).

### Financial position indicators (reconciliation)

The following table shows the reconciliation of the financial position indicator with the financial performance indicators described in the presentation of the underlying principles of the corporate group in section (1.2).

| | | 12/31/2021 | 12/31/2020 |
|---|---|---|---|
| **Equity ratio** | | | |
| Consolidated shareholders' equity | EUR'000 | 48,856 | 47,240 |
| Tax accruals | EUR' 000 | 150 | 132 |
| **Adjusted shareholders' equity** | **EUR'000** | **48,706** | **47,108** |
| Total capital | EUR'000 | 142,143 | 145,182 |
| Tax accruals | EUR' 000 | 150 | 132 |
| **Adjusted total capital** | **EUR'000** | **141,993** | **145,050** |
| **Equity ratio** | | **34.3%** | **32.5%** |
| | | | |
| **Dynamic gearing ratio** | | | |
| Non-current financial liabilities | EUR'000 | 1,305 | 8,596 |
| Current financial liabilities | EUR'000 | 9,488 | 1,732 |
| Cash and cash equivalents | EUR'000 | 28,297 | 26,334 |
| **Total Net Debt** | **EUR'000** | **- 17,504** | **- 16,006** |
| **EBITDA** | **EUR'000** | **15,360** | **14,128** |
| **Dynamic gearing ratio** | **ratio** | **- 1.14** | **- 1.13** |

## *(2.2.7) General statement about the business performance and economic position of the corporate group*

The Berentzen Group looks back at another very challenging financial year in 2021, with the ongoing management of the coronavirus crisis and the implementation of organisational changes forming the focus of its business development. Here, it is important to note the establishment of two sales companies founded in the previous financial year and – relevant exclusively to the *Non-alcoholic Beverages* segment – the compensation effects of the termination of a long-standing agreement regarding the filling of *Pepsi* brand products as of March 31, 2021. The five-year extension of the syndicated loan agreement in December 2021 also played an important role in securing the corporate group's financing. Given its continued solid capital resources and debt financing strength and in the context of its improved financial performance, the corporate group's economic position can continue to be considered good.

The Berentzen Group closed the 2021 financial year with consolidated revenues amounting to EUR 146.1 million (EUR 154.6 million), consolidated profit (consolidated EBIT) of EUR 6.7 million (EUR 5.2 million) and consolidated profit before depreciation and amortisation (consolidated EBITDA) of EUR 15.4 million (EUR 14.1 million). Accordingly, consolidated gross profit improved despite the decline in consolidated revenues – caused primarily by the impacts of the coronavirus pandemic, which negatively impacted sales, and the termination of the contract bottling agreement in the *Non-alcoholic Beverages* segment – and resulted in significant improvements in consolidated EBIT and consolidated EBITDA. The development of these two ratios therefore exceeded the expectations for the 2021 financial year outlined in the 2020 Management Report, but was in

line with the forecast updated in October 2021. Against the background of a more or less stable financial result and result from participating interests and the lack of losses linked to exceptional effects – which resulted in expenses of EUR 1.5 million in the previous year – the consolidated result improved substantially, amounting to EUR 3.7 million (EUR 1.2 million), despite the considerable increase in income tax.

The forecasts pertaining to the income-related performance indicators of consolidated revenues, adjusted consolidated EBIT and adjusted consolidated EBITDA were all met in the course of the 2021 financial year.

This was due to increases in revenues compared with the previous year, especially with products of key strategic importance for the corporate group in terms of brand attractiveness and attractive margins. This relates primarily to products from the spirits focus brands – especially *Berentzen* and *Puschkin* – premium and medium private-label spirits brands as well as non-alcoholic products from the *Mio Mio* focus brand. All in all, the loss of revenues due to the termination of the *Pepsi* contract bottling agreement only had a minor impact on the income-related indicators. By contrast, revenue performance in the business with fruit presses was not satisfactory, though this was compensated for by pleasing increases in revenues from the system components fruit and bottling systems.

The cash flows and financial position of the Berentzen Group remain sturdy, meaning that the corporate group thus continues to operate on a basis of good and balanced liquidity, equity and external financing. The basis for this is the financing structure, which structurally did not change materially compared with the end of the 2020 financial year. The extension of the syndicated loan agreement in December 2021 by another five years plays a key role in securing this status. The funds available under this syndicated loan as well as various factoring agreements continue to form the backbone of the external financing for the Berentzen Group. In addition, the internal financing strength of the Berentzen Group, which is shown as operating cash flow, developed positively again: The ratio amounted to around EUR 12.6 million (EUR 9.2 million) in the 2021 financial year. Payments in connection with investing activities in the amount of EUR 7.3 million (EUR 5.4 million) were therefore fully covered by internal funds. The equity ratio of the Berentzen Group amounted to a solid 34.3% (32.5%) at the end of the 2021 financial year. The dynamic gearing ratio remained negative (- 1.14 (- 1.13)), meaning that the corporate group again did not report any net formal indebtedness as at December 31, 2021.

## (3) Report on risks and opportunities

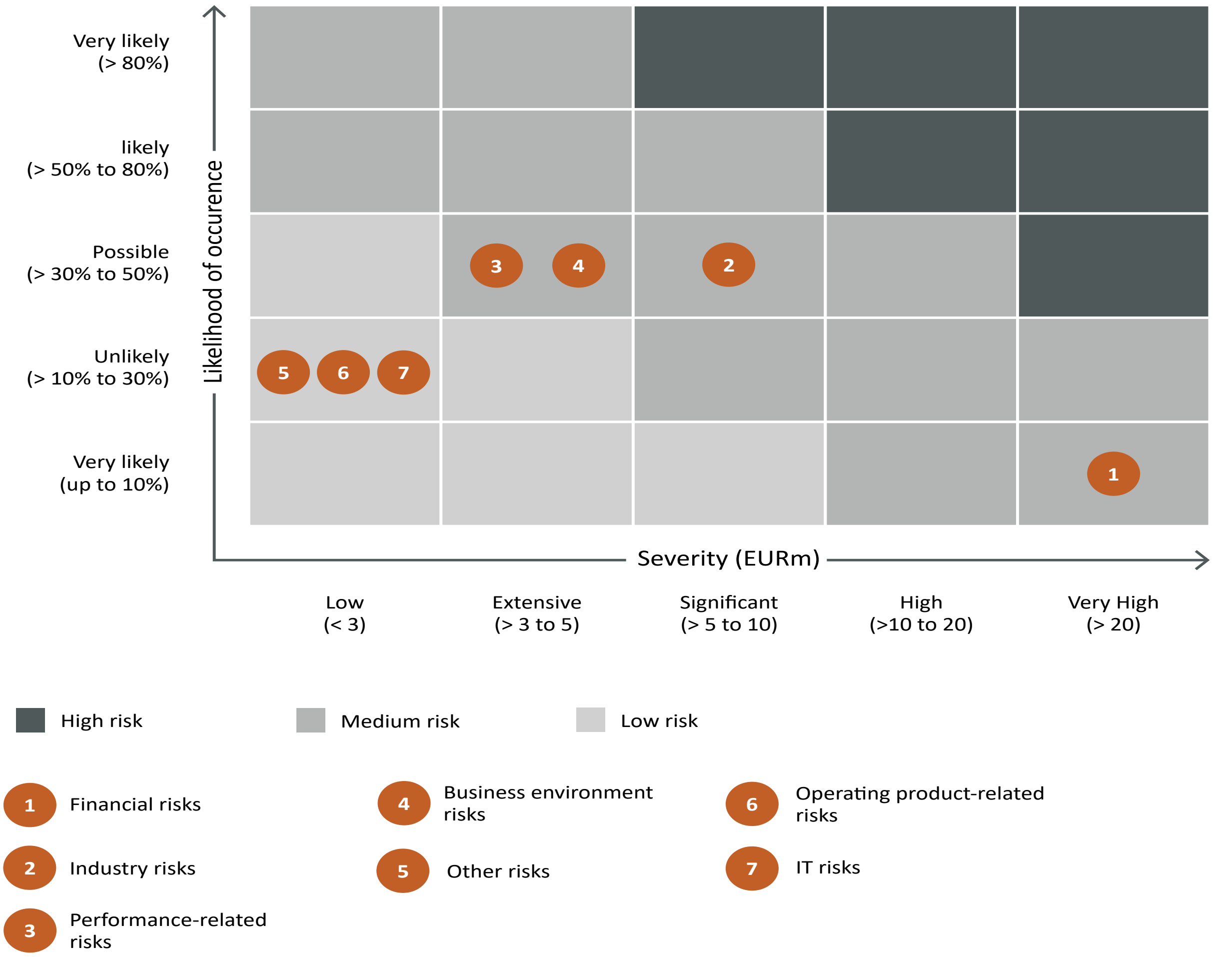
The Group's business activities open up numerous opportunities, but also expose the Group to numerous risks. Risks are understood to be internal or external events based on uncertainty regarding future developments that prevent the Group from achieving defined goals or successfully realising strategies. Conversely, opportunities are understood as possible future successes that exceed the defined goals and thus can positively impact business performance. Risks and opportunities do not represent polar opposite concepts that are independent of one another, but are instead directly linked with one another: 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 security measures. The possible severity 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 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 Corporation Act (AktG) and includes the early risk identification system required under Section 91(2) AktG. It also meets the pertinent regulations of the German Corporate Governance Code.

The direct risk responsibility and monitoring is assigned to employees working in operations who report quarterly to the Risk Management Officer on 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. 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 in a handbook and provides an outlook for the next three years.

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 severity and estimated likelihood of occurrence. Classification into the risk categories “high”, “medium” or “low” is based on the combination of risk severity 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 profit and therefore consolidated equity could be negatively impacted. As at the respective reporting date, the risk assessment was carried out over a 36-month time horizon. This results in the following assessment matrix at the reporting date:




## (3.2) Risks

Numerous risks grouped into different categories were particularly impacted by the coronavirus pandemic in the 2021 financial year, as was the case in the previous year. Therefore, the effects of the coronavirus pandemic on the monitored risk categories will first be described in the following. Afterwards, 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 will be described. The order of risk categories reflects the current assessment of risk exposure for the Berentzen Group. As a general rule, the described risks relate – unless otherwise indicated – to all of the Group’s segments.

### Effects of the coronavirus pandemic on the monitored risk categories

Some of the effects of the coronavirus pandemic and the adopted countermeasures described in the following refer only to the corresponding developments since the start of the pandemic in 2020 until the end of the 2021 financial year. Because it appears that the pandemic will continue in the 2022 financial year, the described effects will also influence the future risk exposure of the Berentzen Group if the pandemic progresses similarly in the future and if governments implement comparable health protection measures. The pandemic has increased the short-term probabilities of occurrence of individual risks that had basically already been identified and were already being monitored prior to the pandemic.

In the category of “financial risks”, the trend in corporate bankruptcies as a result of the coronavirus pandemic is particularly relevant. While an increase in corporate bankruptcies has not yet been observed owing to government aid, credit standing in the hospitality sector in particular has plummeted. This will likely drive up bankruptcies among food and drink establishments in the future. However, the severity of risk for the Berentzen Group resulting from customer bankruptcies and the attendant defaults on receivables is deemed to be manageable because most of the default risk is covered by commercial credit insurance. In addition, the decline in consolidated revenues and earnings caused by the pandemic – compared with pre-coronavirus crisis levels – could lead to reduced cash flows for the Berentzen Group. Against this background, the Berentzen Group has intensified its short-term liquidity management by further developing and optimising the associated planning and management instruments. In addition, the Group's credit covenants continued to be subjected to permanent stress testing. However, the Group has not ascertained any significant changes in the willingness of banks to extend loans, redefinition of lending criteria or general scarcity in the market for bank loans. It should be noted in this context that the syndicated loan was extended in the past financial year and now has a term of December 31, 2026.

In the category "industry risk", a greater trend towards the consumption of spirits products at home was observed in the *Spirits* segment. Furthermore, those categories of spirits that are usually consumed on social occasions – as is the case for many of the Berentzen branded spirits – were affected by the contact restrictions in place to a comparatively greater extent. At the same time, unit sales declined owing to the cancellation of key consumption events because of the pandemic. Further observation and market data analysis are required to determine the extent to which these changes in consumer behaviour will become a permanent trend. In the *Non-alcoholic Beverages* segment, the sales channel of food and drink establishments has been particularly hard hit by the pandemic. The temporary, nearly complete closure of food and drink establishments is accompanied in particular by a decline in unit sales for a franchise brand managed within this segment. The restricted movement of primarily younger consumers has caused a marked decrease in unit sales of profitable brands and containers designed especially for "on-the-go" consumption since the beginning of the pandemic. Innovations have also been adversely impacted by the pandemic. The listing of new products in retail outlets has been impeded and the market introduction of some new products is not considered to be advisable in the current environment. The Berentzen Group countered these trends by intensifying field sales activities in the channel of food retailers with the goal of partially offsetting the drop in sales to food and drink establishments. In addition, sales staff in the channel of food and drink establishments have been placed on shortened work schedules. In the *Fresh Juice Systems* segment, the pandemic has particularly hampered direct contact with foreign suppliers and potential new customers, primarily as a result of cancelled trade fairs and intermittent visitor bans. Consequently, communications with suppliers and customers have largely shifted to digital communication channels.

In the category of "performance risks", the Group looks out for any indications of impairment of assets of the Berentzen Group. Given the adverse effects related to the coronavirus pandemic, the corporate group determined continuously over the 2021 financial year, for each segment and cash-generating unit (CGU), whether an ad hoc impairment test pursuant to IAS 36 needed to be carried out and whether an impairment was necessary. Ultimately, there was only a need to carry out an ad hoc impairment test for the *Non-alcoholic Beverages* segment as at December 31, 2021, in particular due to the continued hard-hitting impacts of the crisis on food and drink establishments. This did not result in the need to recognise an impairment loss, however. It may be necessary to conduct renewed impairment tests depending on the further course of the pandemic and its effects on segment-relevant sales channels and consumption habits. These impairment tests could lead to new impairments and/or reversals of prior impairments.

In the category of monitored “business environment risks”, the coronavirus pandemic has adversely affected the performance of the German economy and the world economy, as well as basic operating conditions in the relevant procurement and sales markets. In the sourcing markets, the pandemic has resulted in a shortage of materials – particularly raw materials and intermediate products – and temporary supply disruptions or delivery delays. The material shortage is attributable to the sharp decline in production in spring 2020 owing to pandemic-related restrictions in conjunction with the swift and robust recovery in demand for goods that followed. Since insufficient production capacities were available, this led to supply volume constraints. In addition, the coronavirus pandemic resulted in numerous delays in global supply chains. Pandemic-related restrictions affecting ports – with coronavirus outbreaks leading to port closures in some cases – led to massive delays for vessels and therefore to supply bottlenecks. Similar effects were seen with lorry transport, with lockdowns and border closures leading to significant declines in transported quantities. This problem is compounded by delivery delays, affecting, for example, the urgently needed manufacture of lorries and trailers and a structural lack of professional drivers. The aforementioned developments caused the prices of raw materials, intermediate products, finished goods and logistics services to soar, with exceptional price rises also observed for the vital energy components electricity and gas – price effects also due in part to the coronavirus pandemic. The recovery of the economy led to increased energy demand, which drove up prices. Since circumstances suggest that production, logistics and energy bottlenecks may last for a while longer, the possibility of further price rises for purchased goods and services cannot be excluded.

The aforementioned price hikes in the sourcing markets have now led to inflationary developments in consumer prices in the eurozone, which could have a direct impact on structural consumer behaviour. In addition to a decrease in consumer spending and/or consumer restraint, this could lead to an increase in the market shares of discounters if consumers switch to low-priced products such as private-label brands. Similar market trends are already becoming evident or are already established in numerous foreign markets, particularly in Europe and in bordering regions. This could increase pressure on the margins, which would particularly have a negative impact on the earnings situation in the *Spirits* segment and *Other segments*.

Rising consumer prices could trigger a wage price spiral. If wages or salaries were to be driven up as a result of such a trend, this would jeopardise the Berentzen Group’s profitability objectives.

In the Berentzen Group’s sales markets, meanwhile, the measures adopted by the German federal government and states to curb the pandemic will have an impact on the risks in this category. In particular, the unit sales of the Berentzen Group were adversely affected by the closure of food and drink establishments, the extensive contact restrictions, the prohibition of events and the occasional bans on the sale and consumption of alcoholic beverages. The measures implemented to minimise business environment risks have already been described in the section on “industry risks”.

In the category of “operational and product-related risks”, the heightened occupational safety requirements occasioned by the pandemic, particularly including the implementation of physical distancing and hygiene regulations, reduced the Group’s productivity and caused efficiency losses. Moreover, production processes could be adversely affected by quarantine orders or infections within the staff as well as material shortages and supply bottlenecks in the sourcing market. Pandemic-related material shortages and considerably longer lead times are translating into a limited availability of raw materials and intermediate products needed for production, which is impacting the ability to produce and deliver products. Numerous measures have been taken to protect the workforce. Processes have been converted, extensive hygiene measures have been implemented and a work shift and in-person presence plan encompassing all workplaces has been introduced. In addition, staff have been offered coronavirus vaccinations by occupational doctors, an offer taken up comprehensively across the workforce.

The category of “IT risks” has been particularly affected by the heightened number of employees working from home as a result of the pandemic, which has increased the demands placed on IT support, resulted in more comprehensive security measures and led to an increased need for computer hardware – with the latter also leading in part to bottlenecks in the sourcing market. It was possible to counteract this risk through anticipatory and timely sourcing and reservation, however.

In the category of “other risks”, the coronavirus pandemic mainly influences risks arising from the assumption of legal obligations given that the pandemic has made it more difficult or maybe even impossible to fulfil contractual obligations for the time being. Contract controlling has been intensified to counter these risks.

All told, the coronavirus pandemic has predominantly affected the risks of the Berentzen Group over a short-term horizon. In this context, the short-term probabilities of occurrence of the risks consolidated within the categories of “financial risks” and especially “business environment risks” increased in the 2020 financial year. The probability of the aforementioned risks occurring increased in the previous year and still remains at this level. The assessment of the severity of business environment risks also increased in the current financial year. From a medium-term perspective, the probability of individual risks occurring and the severity of these risks also increased, leading to “business environment risks” being classified as medium risks from now on. For the remaining risks, there were no pandemic-related changes in classification within the risk matrix presented in the Annual Report.

### 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 is not in a position to procure the funds needed to settle obligations entered into in connection with financial instruments. The Executive Board, the Management and Central Financial Management Department manage the Group’s liquidity risk. 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 (2.2.5) 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 debt ratio” and “equity ratio”, specified in the agreement, calculated on the basis of the consolidated financial statements. Furthermore, the agreement contains the customary obligations, conditions, assurances and warranties that particularly include limits on leverage, limits relating to the sale of assets and a change-of-control clause. In the event of failure to comply with the covenants, other obligations, assurances and warranties or the occurrence of a change of control, the lenders under the syndicated loan agreement will be entitled to prematurely terminate the syndicated loan agreement and demand immediate repayment of the funds utilised and any outstanding interest and costs. The covenants must be met on an ongoing basis and/or at the end of every month.

Furthermore – although characterised by a relative minor risk severity – the financing contracts granted to two foreign subsidiaries of Berentzen-Gruppe Aktiengesellschaft in the form of working capital loans, as well as a surety for alcohol tax provided by a guarantee and bonding insurance company, likewise contain change-of-control clauses. A covenant has been agreed for this surety in which the Berentzen Group undertakes to comply with a defined economic equity ratio. A violation of change-of-control clauses or covenants gives rise to special call rights on the part of the lender.

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. The expected financing requirements 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. The management of credit risk or risk of default in the Berentzen Group is substantially geared towards entering into transactions with creditworthy third parties.

Approximately 76% (previous year: 78%) 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.

Loans and/or credits are not granted in foreign currencies and bill of exchange operations are not carried out. As a general rule, no deliveries are made to customers not associated with foreign branch offices without 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 in connection with the decision to develop or expand a foreign market using a Group company by means of an overall assessment of the general economic and political environment, including the country rating. Companies are not established in countries deemed to be unstable. Subsequent financing measures oriented strictly towards actual capital requirements with respect to previously established foreign Group companies are also accordingly assessed based on continuous monitoring and updated findings and are furthermore managed and accompanied 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 past years due to the associated implications of a higher risk of default. Security payments or advance payments are agreed in order to minimise the risk associated with selling directly to customers in countries deemed risky if there is no trade credit insurance coverage or it is not possible to sell the receivables under factoring agreements. 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 changes due to market price fluctuations. Market risk includes 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 and 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 corporate group particularly include the U.S. dollar and the Turkish lira. In addition to the exchange rate trend, the resulting risk potential also depends on changes in the volume of transactions effected or to be entered into in foreign currencies. So far, the business activities with respect to procurement and sales have been largely settled in euros and US dollars. No material transactions are entered into with suppliers or customers in hyperinflationary economies. 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 1.9 million (EUR 1.2 million) and EUR 1.4 million (EUR 1.4 million) as at December 31, 2021. Rate-hedging measures are carried out regularly 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. To hedge currency risk arising from future purchases of goods, there were no rate-hedging measures at December 31, 2021 (December 31, 2020: currency options pertained to a volume totalling EUR 1.6 million). Given the prerequisite of an unchanged scope of consolidation, currency risk is to be regarded insofar as relatively low overall. However, this assessment can change with an increasing volume of corresponding transactions as well as due to the effects of financial policy and corporate policy decisions or future trends on the foreign exchange market.

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 from the financial statements 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 currency translation differences previously recognised in Group equity would need to be recognised in profit or loss. No foreign subsidiaries were deconsolidated in the 2021 financial year. For this reason, as at December 31, 2021, 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 4.4 million (EUR 3.6 million).

The actual average credit period across the entire corporate group is currently around 30 (36) 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. Consequently, the need for conventional short-term credit lines is reduced to a considerable degree.

Any utilisation of the syndicated loan agreement and funds provided in connection with two factoring agreements is 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.

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. 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 market availability and, in the case of purchases conducted in foreign currencies, the development of the corresponding exchange rates against the euro. A large part of the raw materials needed for the production of spirits and non-alcoholic beverages as well as the fruits (oranges) traded in the *Fresh Juice Systems* segment are agrarian products, the availability of which depends on the respective crop yields. Furthermore, regulatory measures such as duties can have a considerable influence on purchase prices.

Annual supply contracts are in place for the purchase of glass, stipulating fixed prices and fixed quantities. For harvest-dependent raw materials such as sugar, fruit juice concentrates and alcohol made from grains, contracts are usually concluded from harvest to harvest. Other raw material and packaging material groups are based on market price indexes, with prices mostly fixed on a quarterly or half-yearly basis depending on market conditions. In the *Fresh Juice Systems* segment, purchases of the individual system components are predominantly managed on the basis of single contracts; in particular, the procurement of fruits (oranges) is dependent on harvest seasons in the global cultivation areas.

### *Quantitative disclosures regarding risks related to financial instruments*

The specific qualitative disclosures regarding the individual risks related to financial instruments are provided as part of the quantitative disclosures discussed in note (4.5) to the consolidated financial statements.

### *Risk assessment*

With respect to financial risks as a whole, the estimate with respect to the likelihood of occurrence remained unchanged compared to the previous year, as did the assessment of the severity of the risk. All in all, these risks remain classified as "medium risk", the same as in the risk report for the 2020 financial year.

## Industry risk

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 in significant volumes 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. Particularly in the *Spirits* and *Non-Alcoholic Beverages* segments, such innovations represent an important building block for sustainable growth geared towards adding value for the Berentzen Group. Therefore, in light of the presented background, they bear the risk that the contributions to earnings planned insofar cannot be realised at all or 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. As a general rule, this applies accordingly in the *Fresh Juice Systems* segment, even though the focus of the risk from the perspective of the Berentzen Group insofar does not lie so much on the beverage ultimately purchased by the consumers, but rather on the system components fruit juicers, and thus consequently on the success of an innovation-driven machine technology in whose development the long-term and currently only supplier also plays an important role that is carried out as part of a close cooperation. 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 at all or in part.

As a result of the continuing increasing concentration in the German food retailing sector, the top key accounts – and therefore the dependency of individual suppliers on these major customers – are becoming more and more important. Comparable trends can also be observed abroad 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 48% (47%) of its consolidated revenues in the 2021 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 corporate 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. If these risks are realised, this could prove to be a drag particularly on earnings and on the whole have a significant negative impact on the financial position, cash flows and financial performance of the Berentzen Group. The Berentzen Group is countering 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 corporate group's position vis-à-vis its business partners. All measures are accompanied by efforts to further expand the distribution channels in order to achieve a balanced customer portfolio as well as to continuously and diligently foster relationships with the customers' most important decision-makers and contact persons.

According to the estimate performed within the risk management system relating to the industry risks monitored in this context, there were no changes in the estimation of the likelihood of occurrence and the severity of the risk in comparison to the previous year. All in all, the classification remained “medium risk”.

**Performance risk in connection with the business model**

Performance-related risk represents those risks that can arise within the value added chain, i.e. in the course of production and sales, 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 the cash flow 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. As a general rule, the franchise business with the soft drinks brand Sinalco is based on a corresponding contractual agreement with a term lasting many years. In addition to competition-related provisions and an associated change-of-control clause, the franchise agreement also specifies performance indicators and provides for further agreements that entitle the franchiser to early terminate the franchise agreement in the event of non-compliance or non-performance and/ or to set economically disadvantageous limitations on the rights of the franchisee. Franchised or other third party branded and private-label products are bottled on the basis of service agreements with medium-term and short contract periods. Furthermore, the individual contracts include arrangements that differ in the details, such as competition-related qualified change-of-control clauses that entitle the respective client to early termination of the agreement in the event of non-compliance or non-performance.

In addition, as with all contractual relationships, there is the risk that when the contractual term of these agreements 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 significant portion of the business involving the bottling of franchise or other third-party brands and private-label products can have a significant impact on the development of the business as well as the financial performance, cash flows and financial position as a result of major declines in revenue 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 through the business with the Group's proprietary brands and products, another franchise business, or other corresponding contracts.

Early unintended termination of the franchise agreement or other service agreements 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. However, since these are necessarily bilateral agreements, some risks – particularly those outside of the franchisee/contractor's area of influence – cannot insofar be ruled out.

In the *Spirits* segment, the business with whiskey is very important due to ongoing high market demand. In addition to the shortage on the procurement market for whiskey, the mostly multi-year storage periods also require an anticipatory purchasing policy geared to the medium term in order to secure the basic materials. 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 extending beyond the same 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 can only influence to a limited extent or not at all. Since the outbreak of the coronavirus pandemic in early 2020, ongoing efforts have been undertaken to examine whether the regularly changing impacts of the crisis are an indication of impairment and thus give rise to the need for impairment tests. In past financial years, ad hoc impairment testing, among other things, was performed on the *Non-alcoholic Beverages* cash-generating unit. Recording impairment losses generally reduces the risk of further impairment. Despite the impairment losses recorded in past financial years, further impairment losses with a negative impact on the financial position, cash flows and financial performance cannot be ruled out for the future.

With respect to the performance risks monitored as part of the risk management system as a whole, the estimate with respect to the likelihood of occurrence remained unchanged compared to the previous year, as did the assessment of the severity of the risk. All in all, these risks remain classified as “medium risk“, the same as in the risk report for the 2020 financial year.

#### 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 both to the purchasing as well as 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 corporate 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, including insufficiently developed or differentiated legal and administrative systems, restrictions on the movement of goods and capital, regulatory changes or limitations, encroachments, or the loss of property, volatility in the financial markets and changes with respect to exchange rates and the resulting market effects as well as general changes in the supply of goods and services, the demand for such goods and services, or consumer trends and/or 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.

In this connection, particular emphasis is given to the effects of coronavirus pandemic on national and global economic output that were described at the beginning of this section. Economic activity continues to be particularly hard hit by the measures taken to curb the pandemic. The pandemic will continue to determine how the global economy develops in the future, albeit the further course of the pandemic is uncertain. Related risks include in particular the emergence of new virus variants, such as the Omicron variant currently, leading to new challenges in the pandemic response. In addition, pandemic-related production and supply constraints are expected to continue to impact economic development in 2022, possibly resulting in prices increasing further both in the demand and supply markets. In conjunction with the coronavirus pandemic, there is also the risk of increased insolvencies in economic sectors that have been hit hard by the pandemic, such as food and drink establishments. The increase in energy prices, attributable in part to the coronavirus pandemic, could also be of a long-term nature. Political measures to tackle climate change may initially have a negative impact on energy prices in the short and medium term, though climate protection, or the increased use of renewable energy driven as a result, is expected to reduce energy prices in the long term. On top of this, there is major geopolitical uncertainty. Although US foreign policy now appears to be more predictable, there are still unresolved global conflicts. In addition, there are still increasing discussions about event risks, for example the current armed conflict between Russia and Ukraine. The potential loss of revenues for the Berentzen Group as a direct result of the conflict is very low. In the 2021 financial year, only around 0.2% (0.2%) of consolidated revenues were generated in Russia and Ukraine. By contrast, the risks pertaining to the supply markets are greater, with the possibility of raw materials and semi-finished products (e.g. glass, aluminium closures and raw distillates), which require a lot of energy to manufacture, becoming more expensive to procure and being subject to considerable shortages. To recognise this issue in a timely manner and minimise potential consequences, the Berentzen Group purchase departments have further intensified their contact with suppliers. Another risk factor relates to the current and potential international trade conflicts and the associated increased tariff and non-tariff barriers to trade, such as the import duties imposed on bourbon whisky from late June 2018 to December 2021. With regard to the international financial markets, risks relate to the development of interest rates in particular. Although the ECB has not raised the key interest rates for several years because it does not expect inflation to persist, interest rates could rise as a result of changed inflation expectations and lead to more volatility in the equity market.

In light of the political and economic situation in Turkey, this market, which is served by a local Group company, is additionally subject to continued more intense monitoring within the Berentzen Group's risk management system.

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, for instance through sales restrictions, increases in alcohol tax or comparable foreign excise taxes, anti-alcohol campaigns and import restrictions on important raw materials or advertising bans, 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 provisions from the German Packaging Act, particularly with regard to PET packaging for spirits, have been subject to monitoring since the 2021 financial year. These could influence the ways in which certain branded spirits are marketed.

Discussions regarding 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 the recent past in individual international markets of relevance for the Berentzen Group, for example in Turkey. The latter point also applies to an increase in excise taxes on alcoholic beverages; specifically for the market in Turkey there were further tax increases in 2021 that are also to be expected in following years.

According to the estimate performed within the risk management system of the monitored business environment risks, the risk severity increased from “low” previously to “significant”, and the probability of occurrence rose from “improbable” to “possible”. In summary, the classification therefore changed from the “low risk” to the “medium risk” category.

### Other risks

Risks on the part of the Berentzen Group that are not classified under any of the aforementioned risk categories and which could have a negative impact on the Group's financial performance, cash flows and financial position are combined under the category of “Other risks”.

#### *Legal and tax-related risks*

As a concern operating in the international food industry, the Berentzen Group is exposed to various legal and regulatory risks. These include contractual and third-party risks in connection with the respective national or international provisions governing express warranties and product liability, food laws, consumer protection laws, competition and antitrust laws, trademark and patent laws, environmental, construction and planning laws, labour laws and occupational health and safety laws, foreign trade and customs laws, tax laws – particularly excise tax laws related to the taxation of alcoholic beverages – as well as provisions related to purchasing activities and procurement; for example the observation of sanctions lists. 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 16 April 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 corporate group's central departments for legal, tax and accounting issues as well as the engagement of external advisers in legal and tax-related matters. Risk 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.

The aforementioned measures also serve not least to prevent and minimise legal risks that can ultimately manifest themselves in legal disputes or judicial, administrative, or other proceedings. The Group is represented in legal disputes by the corporate group's Central Legal Department or by the engagement of external legal advisers with the goal of preventing losses or keeping them as small as possible. 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 arising exceed the risk provisions made in the form of insurance cover or accounting provisions. More details on specific legal disputes pending as of the date of approval for publication of the consolidated financial statements and the annual financial statements of Berentzen-Gruppe Aktiengesellschaft as well as of the combined management report for the Berentzen Group (corporate group) and Berentzen-Gruppe Aktiengesellschaft, can be found in Note (4.4) Legal disputes in the notes to the financial statements.

The legal risks monitored separately in connection with risk management include such risks arising legal obligations entered into, primarily with respect to long-term contractual relationships, particularly based on third-party contractual relationships, risks arising from insufficient contract controlling and risks from contractually agreed change-of-control clauses. This can lead to legally and economically detrimental claims and/or the undesired cancellation of contracts or the forgone or delayed assertion of the Group's own claims.

Individual companies of the Berentzen Group are parties to bilateral contracts in which change-of-control clauses are agreed in various forms. Depending on the design in individual cases, these clauses entitle one or both contracting parties to terminate the agreement early or without notice if there is a change in control. This primarily relates to financing contracts, a franchise agreement and service agreements regarding the bottling of franchise and other third-party brands. Furthermore, there are corresponding agreements with members of the Executive Board. The comments on financial and performance risks in this section and the disclosures in Section (5.8) related to mergers include further details regarding this.

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***

The skills, commitment and motivation of the workforce play a key role in the success of the Berentzen Group. Qualified skilled and managerial personnel are essential to achieving strategic goals. Amid heightened competition for personnel, the HR management of the corporate group aims to train, acquire and develop qualified skilled and managerial personnel, and keep them in the Group in the long term. Special risks related to personnel stem from the potential of there being a general lack of personnel resources needed to fill key skilled or managerial positions in the corporate group or from the potential 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 involves in particular 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 intensify the identification of employees with corporate values and improve the Group's positioning as an attractive employer on the labour market.

### *Risk assessment*

With regard to the totality of other risks monitored under the risk management system, there has been no change in the assessment of occurrence probability and risk severity since the previous year. All in all, these risks remain classified as "low risk", the same as in the risk report for the 2020 financial year.

## 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 also closely accompanied and monitored in collaboration with the suppliers. In the context of the coronavirus pandemic, production processes could be adversely affected by quarantine orders or infections within the staff as well as material shortages and supply bottlenecks in the sourcing market. Pandemic-related material shortages and considerably longer lead times are translating into a limited availability of raw materials and intermediate products. Numerous measures have been taken and work processes converted to protect the staff and ensure the Group's ability to produce and deliver its products. Such measures particularly include extensive hygiene measures and a work shift and in-person presence plan encompassing all workplaces. In addition, staff have been offered coronavirus vaccinations by occupational doctors. In the *Fresh Juice Systems* segment, there is a concentration on one supplier of machinery and one supplier of bottles and therefore 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*, whose manufacturing facilities and property 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 that can already be observed or may arise in the future – in particular weather extremes such as longer periods of drought or short-term heavy rainfall events.

### *Product-related risks*

Product-related risks can result from product defects, product sabotage, or product extortion and 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 extortion 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 further improved or expanded and monitored through corresponding checks. Installations for fire protection and burglary are maintained using state-of-the-art technology. Special measures are undertaken for the individualised management of access authority in the product-relevant workspaces.

The Berentzen Group responds to rising requirements from 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, by selecting reputable suppliers, with the use of qualified personnel and by 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 certified in accordance with the latest version (IFS V7) in the IFS certification audits in 2021 and were successfully re-certified in the IFS Food assessments. 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.

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 heavily dependent on the impacts of climate change – in particular extreme events such as longer periods of drought, storms or short-term heavy rainfall. 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 commissioned in cooperation with laboratories.

***Risk assessment***

According to the estimate performed within the risk management system relating to the operational and product-related risks monitored in this context, there were no changes in the estimation of the likelihood of occurrence and the severity of the risk in comparison to the previous year. Overall, the classification thus remained in the “low risk” category.

### IT risks

The reliability and security of the information technology (IT) are very important for the corporate 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 reaction times, a 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 computer 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 extreme short notice; in addition, all data inventories are backed up on a daily basis. Firewall systems, a VPN solution with 2 factor authentication, virus scanners, spam and content filters, the Windows domain and authorisation concepts guarantee a high level of security in access authorisations and external access.

According to the estimate performed within the risk management system relating to IT risks monitored, the risk severity remained “low”, while the likelihood of occurrence increased slightly from “very unlikely” to “unlikely”. In summary, the classification remained in 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 emancipate itself from critical demand factors and declining product categories and opens up manifold opportunities for sustained positive business performance. They are based on the consistent dual-track operational positioning in the traditional and innovative segments as well as in the national market and international markets. The opportunities are supported by a consistent focus on the needs of the consumers as well as those of the trade 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 and the United States – recover from the pandemic-induced difficulties in the past two financial years and experience appreciable economic growth. From the perspective of the Berentzen Group, the resulting potential for opportunities must be regarded as subject to a significant reservation since the further course of the coronavirus pandemic is uncertain, particularly with regard to the trend in the number of people vaccinated worldwide, possible challenges arising from the emergence of new virus variants and the associated reduction of the extent and duration of the measures imposed to curb the spread of the coronavirus. The German economy is still expected to recover significantly as of early summer 2022, when the coronavirus pandemic dies down.

With regard to money market trends in the 2021 financial year, the euro depreciated against the US dollar. For the 2022 financial year, most analysts expect sideways movement. Should the euro appreciate, however, this would open up opportunities with regard to sourcing, predominantly in the *Spirits* and *Fresh Juice Systems* segments.

Further positive potential influences stem from the reduction in bureaucratic hurdles, easing the entry into new markets and reducing the costs for access to existing markets. The resolution of global trade conflicts, particularly between the USA and the People’s Republic of China, as well as further improved trade relationships between the EU and the USA, could have positive impacts. For example, the *Spirits* segment recently benefited from the lifting of import duties on bourbon whiskey at the end of the 2021 financial year that had been in place since June 2018.

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; currently the market environment continues to be challenging.

**Opportunities in connection with strategic decisions**

As a nationally and internationally active beverage concern, the Berentzen Group has set itself the strategic goal of being a provider of drinks for every occasion by means of a balanced position in the *Spirits*, *Non-Alcoholic Beverages*, and *Fresh Juice Systems* segments. Despite the ongoing adverse effect of the coronavirus pandemic on the basic operating environment, a further expansion of the product portfolio and more intensive concentration on trends and customer benefit or expectations can open up new growth opportunities, especially on the back of innovation, and the Berentzen Group intends to continue focusing on select areas promising strong growth.

The Berentzen Group's spirits umbrella brands *Berentzen* and *Puschkin* are widely recognised in the German market. With a joint market share of more than 11% in the category of “fruity liqueurs”, the two umbrella brands continue to enjoy a strong competitive position. Moreover, the Berentzen brand considerably increased its market share in the category of “cream liqueurs” from around 4% previously to around 6% in the 2021 financial year. On this basis, the Berentzen Group attributes the potential of strong growth to marketing the existing product portfolio, particularly the latest innovations, such as the *Berentzen Crazy* product range. Unit sales in this segment were severely impacted by the cancellation of key consumption events and festivities or celebrations in the 2020 and 2021 financial years due to the coronavirus pandemic. A reversal of these developments would improve the growth outlook considerably – particularly in the marketing of shots and “minis” – although the potential for growth is still subject to serious reservations due to the developments in the first months of the 2022 financial year. The further expansion of distribution in the remaining focus brands, particularly the premium brand *Tres Países*, offers additional potential for growth. Premium products also remain the most important market trend for the business with dealer brands. Expanding business in this area on the basis of strengthened strategic partnerships – in Germany or abroad – is therefore a key part of the strategy for the 2022 financial year. This also results in opportunities in the high-growth market with ready-to-drink concepts, such as mixed drinks in cans. Furthermore, potential planned and possible cooperation projects with prominent artists offer substantial sales potential.

In the *Non-alcoholic Beverages* segment, the success of the nationwide listing of *Mio Mio* brand beverages presents an opportunity to continue along this growth path and add further momentum through innovation – the new *Mio Mio Orange + Caffeine* and *Mio Mio Lemon + Caffeine* ranges are the new innovations in the 2022 financial year. To better tap into the significant market potential in regions of Germany little penetrated to date, another partnership with a contract bottler in the 2022 financial year will also be a useful addition to the contract bottling agreement already established in the 2021 financial year. There is also a strategic focus on developing business in food and drink establishments with *Mio Mio* products, using a new 0.33-l bottle shape. In line with the *Spirits* segment, there is also substantial potential to boost sales in the *Non-alcoholic Beverages* segment through cooperation projects with prominent artists. The segment would also benefit greatly from the positive development of food and drink establishments, albeit this is very dependent on the further course of the coronavirus pandemic. The expected abatement of the pandemic from early summer 2022 would lead to considerable recovery in food and drink establishments.

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. In the 2022 financial year, the focus in this regard will be on promoting machine unit sales in the markets of France, the United Kingdom and, in particular, the DACH region (Germany, Austria and Switzerland). Another opportunity lies in the market launch of a technologically innovative fruit press in the second half of the 2022 financial year, as well as in the expansion of the product line to include fruit presses for pomegranates and apples. Furthermore, the potential for opportunities is supported by the continuing tendency to consume fresh, natural and high-quality products observed among consumers and in the food trade. This trend is expected to increase again after the end of the coronavirus crisis.

#### 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. For example, the Group's processes, data collection and analysis were digitalised with respect to maintenance and operational data collection and the subsequent analysis of downtimes and set-up times at all production facilities in the 2021 financial year. Additional productivity increases are regarded as possible, particularly as replacement investments are also designed not only with stabilisation in mind, but rather as an improvement in the status quo. This applies correspondingly to the *Non-Alcoholic Beverages* segment, with a focus on production. The intent is to increase efficiency and secure sales goals by extensive investments in technology and empties. Cooperation with external contract bottlers also plays a key role here. In the *Fresh Juice Systems* segment, the demanding logistics for fruit still represent a major challenge with potential for improvement.

With respect to procurement, the Berentzen Group is dependent on the commodity and producer markets. Insofar, cost advantages can be realised if there is a general decrease in commodity prices or if medium to long-term supplier contracts can be formed for the procurement of such commodities at favourable points in time. Specifically, bountiful harvests of commodities and traded goods of agrarian origin with respect to individual raw materials needed for the production of spirits and non-alcoholic beverages as well as the oranges sold in the *Fresh Juice Systems segment* in particular, can lead to favourable price trends. On the whole, however, the risks predominate in the outlook for the 2021 financial year and beyond, as in addition to persistent volatility in commodity prices (due to extreme weather conditions, among other factors), topics such as sustainability, shortages of skilled labour and recently also and energy price hikes could lead to further rises in procurement prices.

**Opportunities from strategic acquisitions**

With its current positioning, the Berentzen Group considers itself in a good position to meet the various needs of the consumers as well as those of its trade 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, 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 light of an economic situation that continues to be heavily impacted by the effects of the coronavirus pandemic, the risk exposure of the Berentzen Group remains challenging in the view of the Management, albeit still manageable at present. In this regard, it should be noted that the coronavirus pandemic primarily affects the risks of the Berentzen Group in the short term, whereas the exposure to risk in the medium term has increased simply due to the increase in business environment risks.

On the basis and in the sense of the assessment matrix presented in Section (3.1), there are no risk categories assessed as high risks. Performance-related risk, financial risk, industry risk and now also business environment risk are assessed as medium risks. With regard to the other risk categories presented in this report, the assessment remained as low risk in each case.

Thanks in particular to the positive financial position, cash flows and financial performance of the corporate group, no separate or cumulative risks are expected by the Management with respect to the risks described above and their possible likelihood of occurrence that could jeopardise the company as a going concern with 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 have high liquidity at its disposal and therefore the possibility of taking advantage of its growth potential as well as to implement other measures to improve its profitability and systematically invest in its further development both through organic growth as well as through opportune business acquisitions. However, the materialisation of risks or the realisation of opportunities can have an impact on the Group's forecasts.

## (3.5) Comments on the accounting-related internal control and risk management system

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

### Internal control system

The internal control system in the Berentzen Group includes all principles, methods and measures to ensure the effectiveness, efficiency and compliance of the accounting as well as to ensure the compliance with the relevant legal provisions. The internal control system comprises the internal control and internal monitoring system. Below the level of the Executive Board, the responsibility for the internal control system lies particularly with the areas of Controlling and Reporting, Accounting, Finance 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 – for instance, the “dual control principle” – IT process controls in the system represent a significant part of the process-integrated 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 the central Investment Controlling or also 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 (corporate 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 corporate group by Berentzen-Gruppe Aktiengesellschaft’s central Accounting department, with the exception of foreign Group companies, using the SAP ERP system developed by the homonymous software enterprise. 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. All accounting entries are recorded in the annual financial statements of the foreign Group companies by the Group'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, which also contains further information – for instance, for the notes to the consolidated financial statements. 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 Berentzen-Gruppe Aktiengesellschaft, such as the consolidation of capital, the consolidation of assets and liabilities, and the consolidation of income and expenses, 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, for example as part of plausibility assessments, by means of sampling, or computer-based processes, as well as periodic or as-needed specific control activities, 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.

As a general rule, internal processes are subject to the “dual control principle”, which is applied accordingly based on the size of the company. Accounting-related processes are audited in selected areas by the Internal Auditing department.

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.

Additional building blocks to ensure an orderly, uniform and continuous accounting process include sufficient staffing levels in responsible functional areas with employees who exhibit the requisite qualifications as well as clear internal instructions with respect to a separation of functions for the key areas involved in the accounting process, but also in the form of the preparation and updating of accounting-related guidelines.

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.

# (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 2022 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

Ukraine and Russia have been engaged in armed conflict since late February 2022. Reliable statements on how and the extent to which this war and associated sanctions will impact national and international general economic and industry-specific conditions were not available at the time this Forecast Report was prepared; the following descriptions therefore do not take into account such developments.

On this basis, the global economy is expected to continue to recover in 2022, albeit developments are still affected by the coronavirus pandemic and supply bottlenecks. According to the World Economic Outlook Update from January 2022, the International Monetary Fund (IMF) anticipates global economic growth of 4.4%, an expectation shared by the ifo Institute in its "Economic Forecast Winter 2021". For the industrialised countries, the IMF and the ifo Institute both expect weaker growth compared with the global economy of 3.9% and 4.1%, respectively. Growth of 3.9% is expected for the eurozone, whereas the emerging markets are predicted to see above-average growth of 4.8% (IMF) and 4.9% (ifo Institute).

Though the expectation is that the global economy will recover, the IMF and the ifo Institute note that there are high risks associated with their forecasts. Despite the increasing success of the vaccine rollout, the pandemic response may be hampered by new challenges, caused in particular by new variants of the virus – such as the Omicron variant currently. The current production and supply constraints could also become more protracted, possibly causing prices to rise further. On top of this, there are uncertainties regarding the solvency of companies heavily impacted by the pandemic, as well as in terms of developments in the international financial markets.

The German economy is also expected to recover in 2022. Though recovery will initially be hampered by ongoing supply bottlenecks and the fourth wave of the coronavirus over the next few months, the ifo Institute forecasts growth of 3.7% while the IMF forecasts 3.8%. The ifo Institute's forecast is based on the assumption that, while there will be no long-term closure of contact-intensive economic sectors, the economy will in the first quarter of 2022 continue to be impacted by individuals' decisions to reduce their contact with others on a voluntary basis in response to the dynamic infection rate. The fourth wave of the coronavirus is expected to abate in the second half of the year, with supply bottlenecks gradually coming to an end, resulting in robust recovery in the German economy. The Berentzen Group expects substantial pandemic-related restrictions to continue until at least spring 2022. Continuous price rises – affecting energy and raw materials, among other things – as well as ongoing material shortages are also expected. This assessment is the basis for the forecasts made.

### Developments on the drinks market

The aforementioned anticipated recovery of the global and, in particular, national economy from the summer of

2022 onwards will likewise impact the sales markets of all segments in the Berentzen Group to varying extents.

However, according to the ifo Institute's assessment published in December 2021 pandemic-related restrictions will initially continue to hit the German hospitality industry, an important sales channel for Berentzen Group spirits and non-alcoholic beverages, throughout the entire first quarter of 2022. While a blanket closure of food and drink establishments is not expected, more stringent measures designed to limit infection rates continue to apply, and it is expected that individuals in the population will voluntarily limit their contact with others. This area is also expected to recover from the summer onwards. The Berentzen Group expects to see signs of recovery in the hospitality sales channel from early March 2022 onwards when the second step of the federal and state governments' three-step plan comes into force in mid-February. The three-step plan looks to ease access to food and drink establishments as well as reopen clubs from March 4. Depending on the further course of the coronavirus pandemic, however, new protective measures are possible. The Berentzen Group therefore expects performance in the hospitality industry in the 2022 financial year to improve compared with the previous year, though the sales volume is expected to continue to fall short of pre-pandemic levels.

The Berentzen Group forecasts that domestic retail sales of spirits will remain slightly above the level observed in the previous year on the whole, but expects the individual product categories to perform differently. For example, it expects a positive development for its aperitifs and premium spirits, but has a less optimistic outlook when it comes to its business with classic spirits such as Korn and Weinbrand. Moreover, categories such as "fun spirits" and "party shots", which are primarily consumed during social occasions, are expected to continue to be adversely affected by the impacts of the coronavirus pandemic before recovering further over the course of the year. Alongside this development, potential further consolidation of trade partners, increasing marketing

pressure and measures relating to backward integration and cooperation arrangements may play a material role in the domestic spirits business.

In the retail business with non-alcoholic beverages, the submarket mineral waters in particular is heavily dependent on weather conditions. Assuming weather conditions comparable to the 2021 financial year, the Berentzen Group expects a stable overall market for non-alcoholic beverages. In this context, positive momentum is expected in particular in the area of high-end lemonades. While trends such as healthy eating, sustainability, regionality as well as fresh and premium products are driving growth in some product segments, they tend to have more of a negative impact on others, in particular classic sweet beverages and products filled in PET bottles. Political discussions relating to tap water and the significant market growth of carbonator systems are negatively impacted developments in the mineral water market.

As far as the Berentzen Group is aware, there are practically no all-round, reliable market data available for the *Fresh Juice Systems* segment, meaning that it makes use of 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 several years' standing towards increased dietary awareness – as a leading indicator. This trend is currently still being overshadowed by the impacts of the coronavirus pandemic, however. The Berentzen Group is of the view, however, that the topic of conscious, healthy eating will take on an even more important role after the coronavirus crisis and thus the trend towards freshly squeezed juices will return to a greater extent than seen previously. A survey by consulting firm McKinsey published in May 2021 confirms this assessment. According to the survey results, the pandemic has strengthened people's preferences for healthy food and healthy eating.

## (4.2) Anticipated development of financial performance

### Anticipated development of the segments

| | 2021<br>EURm | Forecast for the 2022 financial year<br>EURm |
|---|---|---|
| **Contribution margin after marketing budgets** | | |
| Segment | | |
| Spirits | 31.1 | 29.8 to 32.9 |
| Non-alcoholic Beverages | 20.5 | 23.3 to 25.7 |
| Fresh Juice Systems | 5.4 | 5.7 to 6.3 |
| Other segments | 1.3 | 1.2 to 1.5 |

#### *Spirits segment*

For the *Spirits* segment, the corporate group expects to achieve segment earnings ranging between EUR 29.8 million and EUR 32.9 million in the 2022 financial year. This planned development is predominantly dependent on a slight increase in the contribution margin value, but this is likely to be partially cancelled out by the comparably higher use of funds for marketing and trade advertising.

In the domestic business with branded spirits, the plan is to further expand the market position of the *Berentzen* and *Puschkin* focus brands over the course of 2022, focusing on marketing measures for existing liquor varieties and “minis”. Steps are also planned to further expand distribution for the remaining focus brands, particularly the premium brand *Tres Países*. The corporate group plans to continuously enhance its sales network – particularly with regard to the sales company established in the 2020 financial year together with the *Non-alcoholic Beverages* segment – to help it achieve these objectives.

In the 2022 financial year, the strategic focus in the export and private-label brands business will continue to be on optimising the product and customer mix, for example by continuing to drive forward the shift towards premium products in the product portfolio. This is expected to increase the contribution margin slightly in the business with premium and medium concepts, whereas the contribution margin is expected to decline significantly in the area of standard private-label brands. The business with branded spirits abroad recovered to a significantly greater extent than expected in the 2021 financial year, as a result of which the contribution margin value is expected to fall slightly from this high level in the 2022 financial year.

It should be noted with regard to the *Spirits* segment that it remains difficult to make a reliable forecast due to the fact that, despite active management, the composition of sales and revenues with products with better or poorer-quality margins, which is a very decisive factor in earnings performance, depends heavily on external factors like the future development of consumption patterns – particularly in the context of the coronavirus pandemic – and the corresponding demand. The extent to which the further course of the coronavirus pandemic will impact key consumption occasions, as well as all types of celebrations and festivities, in the 2022 financial year will play a major role.

***Non-alcoholic Beverages segment***

The objective for the *Non-alcoholic Beverages* segment is to achieve segment earnings in a range of between EUR 23.3 million and EUR 25.7 million. The assumption in this context is that the contribution margin value will increase considerably, with more funds used for marketing and trade advertising.

The positive expectations surrounding the contribution margin are based in particular on the expected development of the business with the focus brand *Mio Mio*. The growth course observed in previous financial years is expected to continue and be bolstered further by the establishment of further innovations. To better tap into the significant market potential in regions of Germany little penetrated to date, another partnership with a contract bottler in the 2022 financial year will also be a useful addition to the contract bottling agreement already established in the 2021 financial year. There is also a strategic focus on developing business in food and drink establishments with *Mio Mio* products, using a new 0.33-l bottle shape. The contribution margin is also expected to develop very positively in the business with regional water brands, such as *Emsland Quelle*, due for example to selective price increases. Cooperation projects with prominent artists are also expected to have a very positive impact on the contribution margin in the business with franchise brands. By contrast, the discontinuation of an agreement regarding the filling of *Pepsi* brand products at the end of the first quarter of 2021 will result in significantly reduced contribution margins in the contract bottling business.

Finally, it should be noted that the development of the product and customer mix is, in general, very much dependent on external factors such as the developments in consumer behaviour – also particularly in the context of the coronavirus pandemic – and the weather situation over the summer months.

***Fresh Juice Systems segment***

In relation to the *Fresh Juice Systems* segment, the Berentzen Group expects segment earnings to climb significantly to a range of between EUR 5.7 million and EUR 6.3 million in the 2022 financial year. Strong contribution margin growth is assumed, accompanied by a sharp increase in the use of marketing budgets.

The forecast development is based on expected contribution margin growth in the business with the system component fruit presses. In a competitive market environment characterised by aggressive pricing, the *Citrocasa* brand continues to position itself as a premium supplier. Revenues in this area are expected to increase considerably, especially in the markets of Germany, the United Kingdom and France, with the help of technical innovations and an expanded product range to include fruit presses for pomegranates and apples. Declining contribution margin performance is expected in the business with the system components fruit and bottling equipment. This is due to expectations surrounding the sourcing market: The purchase of oranges is expected to be affected by a poorer harvest season in the 2022 financial year, while the purchase of bottling systems is predicted to be hit by rising material costs.

The above assessment is based on the assumption of average framework conditions. The planned success hinges in particular on the performance of external sales partners on the international markets as well as on harvest quality, availability and prices for oranges. Since the *Fresh Juice Systems* segment is the segment hit most severely by the effects of the coronavirus pandemic within the Berentzen Group, it would benefit considerably from a recovery in the related framework conditions. As already explained in section (4.1), the Berentzen Group is of the view that the topic of conscious, healthy eating will take on an even more important role after the coronavirus crisis and thus the trend towards freshly squeezed juices will return to a greater extent than seen previously.

### *Other segments*

*Other Segments* has primarily included the tourism and events business of the Berentzen Group as well as the Spirits business in Turkey, managed by a local Group company. For both organisational units, the Berentzen Group expects a comparable market environment and stable contribution margin in the 2022 financial year. Provided that marketing expenses remain stable, this leads to anticipated segment earnings ranging between EUR 1.2 million and EUR 1.5 million.

**Anticipated development of consolidated revenues and consolidated operating profit**

| | 2021 EURm | Forecast for the 2022 financial year EURm |
|---|---|---|
| Consolidated revenues | 146.1 | 154.0 to 162.0 |
| Consolidated operating profit (consolidated EBIT) | 6.7 | 5.0 to 8.0 |
| Consolidated operating profit before depreciation and amortisation (consolidated EBITDA) | 15.4 | 14.0 to 17.0 |

In light of the sound development of the individual segments presented above, the Berentzen Group anticipates significantly increased consolidated revenues for the 2022 financial year of between EUR 154.0 million and EUR 162.0 million, with slight growth expected for the Spirits segment and significant growth for the *Non-alcoholic Beverages* and *Fresh Juice Systems* segments.

The Berentzen Group expects consolidated profit (consolidated EBIT) to be within a range of between EUR 5.0 million and EUR 8.0 million. In this context, a significantly improved gross profit is forecast; it is assumed that this increase will initially be compensated by higher operating expenses, in particular for human resources and marketing, with a view to improving competitiveness in the long term in the 2022 financial year. The comparatively large range for this forecast is due to two linked areas of uncertainty/risk, namely how the massive increases in the costs of energy and raw materials develop further in the sourcing markets and whether and to what extent price increases will be implemented in the sales markets. Since the Berentzen Group expects largely stable levels of amortisation and depreciation of assets, consolidated profit before amortisation and depreciation (consolidated EBITDA) is forecast to be within a range of between EUR 14.0 million and EUR 17.0 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 2022 financial year.

**Anticipated development of cash flows**

| | 2021<br>EURm | Forecast for the 2022 financial year<br>EURm |
|---|---|---|
| Operating cash flow | 12.6 | 11.0 to 13.0 |

Against the background of a largely similar consolidated profit, adjusted for amortisation, depreciation and impairment losses for non-cash components, the corporate group again expects a considerably positive operating cash flow ranging from EUR 11.0 million to EUR 13.0 million.

**Anticipated development of financial position**

| | 2021 | Forecast for the 2022 financial year |
|---|---|---|
| Equity ratio | 34.3% | 34.0% to 39.0% |
| Dynamic gearing ratio | - 1.14 | < 0.00 |

As a result of the positive profit forecast and assuming an appropriate dividend policy, the Berentzen Group expects consolidated shareholders' equity to rise slightly in absolute terms by the end of the 2022 financial year. Taking into account the slight reduction in consolidated total assets, an equity ratio within the range of 34.0% to 39.0% is expected.

In view of the fact that key parameters are set to change – in particular working capital cash flows – the dynamic gearing ratio is again expected to be less than zero at the end of the 2022 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 2022 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 expects its financial position, cash flows and financial performance to develop soundly in the 2022 financial year. This will be founded on 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.

The 2022 financial year will once again bring a number of challenges:

With regard to sales activities, an intensified distribution and marketing strategy in the business with the various liquor varieties in the *Berentzen* and *Puschkin* focus brands will play a vital role in the national branded business in the *Spirits* segment. The strategic focus in the export and private-label brands business will continue to be on optimising the product and customer mix, in particular by continuing to drive forward the shift towards premium products in the product portfolio. In the *Non-alcoholic Beverages* segment, the plan is to continue the growth trajectory in the business with the *Mio Mio* brand and bolster growth further by establishing innovations and expanding business with restaurants in this regard. Implementing cooperation projects with prominent artists will also play an important role. In the *Fresh Juice Systems* segment, the plan is to use technical innovations and an expanded product range to significantly boost revenues in the business with fruit presses, particularly in the markets of Germany, the United Kingdom and France.

Negative conditions in the sourcing markets, due in part to the pandemic, will make it more challenging to achieve the corporate group's operational objectives. In this context, the most important management task in the 2022 financial year will be to avoid supply and material bottlenecks and to largely minimise the dampening effect on earnings caused by sharp rises in the costs of energy and raw materials, for example through sale price increases. Implementing this task will be particularly challenging in the Berentzen Group's sales markets dominated by large companies in the German food retail trade.

The forecasts presented here are based on an unchanged corporate structure compared with the end of the 2021 financial year. Accordingly, significant deviations may arise from the realisation of the possible opportunities to make further company acquisitions. Furthermore, the actual business performance is dependent not least upon the general economic and industry-specific environment and may be negatively affected by more strongly adverse changes in the underlying conditions described. Both positive and negative deviations from the forecast may also result from not only the opportunities and risks described in the Report on Opportunities and Risks but also such opportunities and risks that were either not identifiable or impossible to assess at the time of preparing this Group Management Report. In this context, particular mention should be given to the potential consequences of the coronavirus pandemic and the armed conflict between Russia and Ukraine. With regard to the latter, however, it should be noted that the potential loss of revenues for the Berentzen Group is very low. In the 2021 financial year, only around 0.2% (0.2%) of consolidated revenues were generated in Russia and Ukraine. More significant impacts are expected on the sourcing market, however. The Berentzen Group expects further disruptions in the various supply chains, particularly in sourcing cereal alcohol and glass. These potential consequences could negatively impact the expected development of the financial performance, cash flows and financial position of the Berentzen Group. Detailed information on this subject can be found in Section (3.2) of the risk report, inter alia in the sections “Business environment risk” and “Effects of the coronavirus pandemic on the observed risk categories”.

## (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) 1 and Section 176 (1) 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 (2.12), and separately to the notes to the separate financial statements of Berentzen-Gruppe Aktiengesellschaft as of December 31, 2021, 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 of December 31, 2021.

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 of December 31, 2021, 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 participating 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 per shareholder 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, participating 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 (2.12), and separately to the notes to the separate financial statements of Berentzen-Gruppe Aktiengesellschaft as of December 31, 2021, 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 with a bank syndicate concluded originally in December 2016 and most recently amended in November 2021, currently


with a total volume of funding of 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. 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 participating interest in such other contracting party or controls the same. In this context, “control” refers to the power, on the basis of an agreement, a participating 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 compensation system for Executive Board members resolved by the Supervisory Board effective January 1, 2021, and ratified by the ordinary General Meeting of Berentzen-Gruppe Aktiengesellschaft on May 11, 2021, 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 compensation system effective since January 1, 2021, 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 and sales agreements, as well as 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 compensation system for members of the Executive Board effective as from January 1, 2021, 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 (2.8).

### 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 facts about the Company

The business activities of Berentzen-Gruppe Aktiengesellschaft essentially comprise the production of spirits, which from the corporate 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 significant overarching activities for the domestic subsidiaries and the corporate group 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 at the Minden facility in Germany 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 participating interests in more than 20 domestic and international subsidiaries; there are no minority stakes. Against this backdrop, the management and central functions influence the performance of the Company alongside the commercial operations. Accordingly, the key items are the costs for services performed passed on to the subsidiaries and the financial result and result from participating interests resulting from the holding function performed by Berentzen-Gruppe Aktiengesellschaft.

At December 31, 2021, Berentzen-Gruppe Aktiengesellschaft employed at three locations 223 (228) employees (including trainees), thereof 120 (121) at the Minden location, 98 (102) at the Haselünne location and 5 (5) at the Stadthagen location.

The share capital 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. All common shares of Berentzen-Gruppe Aktiengesellschaft are listed on the regulated market (General Standard) of the Frankfurt Stock Exchange and the international securities number (ISIN) DE0005201602. At December 31, 2021, the number of shares outstanding was 9,393,691 (previous year: 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 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 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). Accordingly, the management of the corporate group takes place on this basis and exclusively at corporate level. The income-related performance indicators for Berentzen-Gruppe Aktiengesellschaft encompass those of the *Spirits* and *Other segments*. For further information in this regard, please refer to the comments in the Combined Management Report in sections (2), (3) and (4): the Economic report, the Report on opportunities and risks, and the Forecast report. On account of the significance of Berentzen-Gruppe Aktiengesellschaft for the corporate group, please similarly refer to the relevant comments relating to the corporate group in the Combined Management Report regarding cash flow and financial position indicators, as there are no key financial performance indicators in this regard that relate exclusively to Berentzen-Gruppe Aktiengesellschaft.

Further information notably regarding the organisation and principles underlying Berentzen-Gruppe Aktiengesellschaft and the commercial activities of the Company and its subsidiaries is presented in section (1), Underlying principles of the corporate group, in the Combined Management Report.

## (6.2) Economic report

### *(6.2.1) 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 performance are presented in the Economic Report for the corporate group as described in section (2.1), General economic and industry-specific conditions, and section (2.2.3), Business performance – Significant developments and events, in the Combined Management Report. In particular, the comments regarding the *Spirits* and *Other segments* of the corporate group are applicable.

### *(6.2.2) Financial performance*

In the table below, certain non-recurring items (exceptional effects) have been eliminated from individual items in 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.

| | 2021 | | 2020 | | Change | |
|---|---|---|---|---|---|---|
| | EUR'000 | % | EUR'000 | % | EUR'000 | % |
| **Revenues** | **99,684** | **99.7** | **98,455** | **100.1** | **+ 1,229** | **+ 1.2** |
| Change in inventories | 281 | 0.3 | - 95 | - 0.1 | + 376 | > - 100.0 |
| **Total operating performance** | **99,965** | **100.0** | **98,360** | **100.0** | **+ 1,605** | **+ 1.6** |
| Purchased goods and services | 56,958 | 57.0 | 57,427 | 58.4 | - 469 | - 0.8 |
| **Gross profit** | **43,007** | **43.0** | **40,933** | **41.6** | **+ 2,074** | **+ 5.1** |
| Other operating income | 1,288 | 1.3 | 1,749 | 1.8 | - 461 | - 26.4 |
| Operating expenses | 37,708 | 37.7 | 34,112 | 34.7 | + 3,596 | + 10.5 |
| **Operating profit (EBIT)** | **6,587** | **6.6** | **8,570** | **8.7** | **- 1,983** | **- 23.1** |
| Other taxes | 47 | 0.0 | 47 | 0.0 | + 0 | + 0.0 |
| Financial result and result from participating interests | - 4,769 | - 4.8 | - 2,294 | - 2.3 | - 2,475 | > + 100.0 |
| **Profit before income taxes** | **1,771** | **1.8** | **6,229** | **6.3** | **- 4,458** | **- 71.6** |
| Income tax expenses | 1,106 | 1.1 | 1,779 | 1.8 | - 673 | - 37.8 |
| **Net profit for the year** | **665** | **0.7** | **4,450** | **4.5** | **- 3,785** | **- 85.1** |

## Revenues and total operating performance

The revenues of Berentzen-Gruppe Aktiengesellschaft excluding alcohol tax amounted to EUR 99.7 million in the 2021 financial year (EUR 98.5 million), while revenues including alcohol tax totalled EUR 278.7 million (EUR 307.8 million). Including the changes in inventory of EUR 0.3 million (EUR -0.1 million), the total operating performance came to EUR 100.0 million (EUR 98.4 million).

## Purchased goods and services and gross profit

The raw materials and goods purchased by Berentzen-Gruppe Aktiengesellschaft relate mainly to the material groups alcohol (including grain and rectified spirit, whiskeys and rum), aromatisation (inputs and aromas) and sugar as well as packaging (mainly glass and cardboard). Despite a slightly increased total operating performance compared with the previous year, purchased goods and services fell to EUR 57.0 million (EUR 57.4 million) in absolute terms in the 2021 financial year and the ratio of purchased total goods to total operating performance fell accordingly to 57.0% (58.4%).

Consolidated gross profit improved by 5.1% to EUR 43.0 million, owing predominantly to favourable product mix effects.

## Other operating income

At EUR 1.3 million (EUR 1.7 million), other operating income in the 2021 financial year was lower than the previous-year figure and mainly consisted of income from the reversal of provisions in the amount of EUR 0.5 million (EUR 0.4 million). In the previous year, income from previously written-off receivables from affiliated companies amounting to EUR 0.7 million was also recorded.

## Operating expenses

The total operating expenses including depreciation, amortisation and impairments came to EUR 37.7 million (EUR 34.1 million) and were therefore significantly up on the previous-year figure, by 10.5%.

Personnel expenses increased by EUR 1.9 million to EUR 13.9 million (EUR 12.1 million), and the personnel expenses ratio increased to 13.9% (12.3%). The main causes for this were the contractual redefinition of the Executive Board member compensation and additionally created positions in the organisational area of production and technology. As of December 31, 2021, Berentzen-Gruppe Aktiengesellschaft had 223 (228) employees, of whom 75 (78) worked in production activities and 131 (130) in commercial and administrative activities; 17 (20) apprentices were in vocational training. The Company had an average of 183 (182) full-time equivalents in the 2021 financial year.

Depreciation and amortisation amounted to EUR 1.9 million in the 2021 financial year (EUR 1.9 million); both depreciation of property, plant and equipment and amortisation of intangible assets were at the same level as the respective previous-year figures.

Other operating expenses increased to EUR 21.8 million (EUR 20.1 million). Marketing and trade advertising expenses increased to EUR 6.0 million (EUR 5.3 million), while transport and selling expenses fell to EUR 8.1 million (EUR 8.6 million). Specific other overhead costs exhibited a mixed development, but the total amount at EUR 7.7 million (EUR 6.3 million) was up on the previous-year level.

### Financial result and result from participating interests

The financial result and result from participating interests was an expense of EUR 4.8 million (EUR 2.3 million).

The result from participating interests and income under profit-and-loss transfer agreements with affiliated companies fell to EUR 0.7 million (EUR 1.3 million), because, unlike in the previous year, a dividend payment was not made by Austria-based subsidiary Citrocasa GmbH in the 2021 financial year.

Impairments of non-current financial assets totalled EUR 3.7 million (EUR 1.6 million) in the previous year, consisting of impairments of the book value of an affiliated company. The expenses from losses assumed amounted to EUR 0.7 million (EUR 0.7 million) and resulted from losses assumed from subsidiaries with which profit-and-loss transfer agreements are in place. Income from lending of non-current assets earned from affiliated companies remained constant at EUR 0.1 million (EUR 0.1 million).

In the 2021 financial year, interest and similar expenses decreased to EUR 1.1 million (EUR 1.4 million) compared with the previous year. In the past financial year, this figure included interest expenses and fees of EUR 0.7 million (EUR 0.9 million) in connection with factoring as well as an interest expense of EUR 0.1 million (EUR 0.1 million) for a long-term loan. In addition, expenses in the amount of less than EUR 0.1 million (EUR 0.1 million) from the compounding of pension provisions and other provisions are included.

### Exceptional effects

There were no business transactions to be taken into account as exceptional effects in the 2020 and 2021 financial years.

### Income tax expenses

Current income tax expenses totalled EUR 1.7 million (EUR 1.6 million) in the 2021 financial year, notably on account of the profit recorded for the year. This essentially results from trade tax and corporate income tax for the 2021 financial year. The recognition of deferred taxes arising from temporary differences between the commercial and tax balance sheets resulted in deferred tax income of EUR 0.6 million, compared with a deferred tax expense of EUR 0.2 million recorded in the previous year.

### Operating result and net profit for the year

The operating result achieved in the 2021 financial year decreased by 23.1% to EUR 6.6 million compared with the previous year. This was due mainly to significantly higher operating expenses compared with the previous year, which were up by 10.5%. Given the considerably higher burden of EUR 4.8 million (EUR 2.3 million) from the financial result and result from participating interests, as well as an income tax expense of EUR 1.1 million (EUR 1.8 million), Berentzen-Gruppe Aktiengesellschaft generated a consolidated profit for the year of EUR 0.7 million (EUR 4.5 million) overall.

**Executive Board's proposal for the utilisation of profit**

The distributable profit of Berentzen-Gruppe Aktiengesellschaft in the 2021 financial year amounts to EUR 14.4 million (EUR 15.0 million). This total includes the remaining profit carry-forward from the previous year in the amount of EUR 13.8 million (EUR 10.5 million).

The Executive Board of Berentzen-Gruppe Aktiengesellschaft will propose to the annual general meeting that the distributable profit in the amount of EUR 14.4 million for the 2021 financial year be utilised to pay a dividend of EUR 0.22 per qualifying common share for the 2021 financial year and the rest be carried forward to new account. Taking into account the treasury shares held by the Company on the day of the annual general meeting, not eligible for dividends in accordance with Section 71b AktG, this corresponds to an anticipated pay-out totalling around EUR 2.1 million and an amount of EUR 12.4 million carried forward to new account. The payment of this dividend is dependent upon the approval of the annual general meeting on May 18, 2022. The number of shares eligible for dividends may change in the time leading up to the annual general meeting. In this case, the dividend will remain unchanged at EUR 0.22 per eligible 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*

**Financing 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 2021 financial year is described in detail in section (2.2.5), Cash flows, of the Economic Report for the corporate group.

**Cash Flow Statement for the period from January 1 to December 31, 2021**

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 balance of liquid assets less bank liabilities due without notice.

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.

| | 2021<br>EUR'000 | 2020<br>EUR'000 |
|---|---|---|
| Operating cash flow | 6,323 | 7,995 |
| Cash flow from operating activities | - 287 | 2,984 |
| Cash flow from investing activities | - 2,542 | - 2,377 |
| Cash flow from financing activities | - 1,221 | - 2,630 |
| **Change in cash and cash equivalents** | **- 4,050** | **- 2,023** |
| **Cash and cash equivalents at the end of the period** | **3,059** | **7,109** |


### *Operating cash flow and cash flow from operating activities*

The operating cash flow remained positive at EUR 6.3 million (EUR 8.0 million) in the 2021 financial year, on the back of a profit for the year of EUR 0.7 million (EUR 4.5 million).

The cash flow from operating activities also encompasses changes in working capital. All in all, this gave rise to a net cash outflow of EUR 0.3 million in the 2021 financial year, compared with a net cash inflow of EUR 3.0 million in the previous year. Cash movements in current assets, some of which relate to the reporting date and revenues, as well as notably a cash- and scheduling-related increase in the amounts receivable from affiliated companies, led to a net cash outflow of EUR 1.4 million (EUR 4.0 million). The alcohol tax liability decreased by EUR 6.3 million (EUR 1.0 million) to EUR 36.4 million (EUR 42.6 million) compared with the reporting date of the previous year. All in all, the change in provisions and other liabilities gave rise on balance to a cash outflow of EUR 5.3 million (EUR 1.0 million).

### *Cash flow from investing activities*

Investing activities led to a cash outflow overall of EUR 2.5 million (EUR 2.4 million). The investments in property, plant and equipment totalled EUR 2.4 million (EUR 0.6 million), and were offset by proceeds from the disposal of items of property, plant and equipment of less than EUR 0.1 million in the 2021 and 2020 financial years. The investments in non-current financial assets amounted to less than EUR 0.1 million. In the previous year, such investments in the amount of EUR 1.7 million related primarily to the funding of additional paid-in capital for a domestic subsidiary and to the acquisition of a further foreign subsidiary.

### *Cash flow from financing activities*

Financing activities gave rise to a net cash outflow of EUR 1.2 million (EUR 2.6 million), which resulted entirely from the dividend payment of EUR 1.2 million (EUR 2.6 million).

### *Cash and cash equivalents*

Cash and cash equivalents totalled EUR 3.1 million (EUR 7.1 million) at year-end, of which EUR 2.8 million (EUR 4.8 million) related to receivables from the customer settlement account maintained with a bank that is used for settlement under a factoring agreement.

## (6.2.4) Financial position

| | 12/31/2021 EUR'000 | % | 12/31/2020 EUR'000 | % | Change EUR'000 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Non-current assets | 49,169 | 36.5 | 52,373 | 37.3 | - 3,204 |
| Current assets | 85,307 | 63.4 | 87,913 | 62.6 | - 2,606 |
| Other assets | 154 | 0.1 | 178 | 0.1 | - 24 |
| | **134,630** | **100.0** | **140,464** | **100.0** | **- 5,834** |
| **Shareholders' equity and liabilities** | | | | | |
| Shareholders' equity | 54,924 | 40.8 | 55,480 | 39.5 | - 556 |
| Non-current liabilities | 2,835 | 2.1 | 9,897 | 7.0 | - 7,062 |
| Current liabilities | 76,871 | 57.1 | 75,087 | 53.5 | + 1,784 |
| | **134,630** | **100.0** | **140,464** | **100.0** | **- 5,834** |

### Assets

Total assets fell to EUR 134.6 million compared with December 31, 2020 (EUR 140.5 million). Non-current assets amounted to EUR 49.2 million (EUR 52.4 million), accounting for around 36.5% (37.3%) of total assets.

#### *Non-current assets*

Alongside property, plant and equipment such as property, technical equipment and machinery, plant and office equipment, which accounts for EUR 18.5 million (EUR 17.9 million) of non-current assets, a further EUR 30.3 million (EUR 34.0 million) related to non-current financial assets, primarily including shares in affiliated companies in the amount of EUR 29.4 million (EUR 30.8 million) and loans of EUR 0.9 million (EUR 3.2 million) used to ensure the long-term funding of affiliated companies. Intangible assets make up a further EUR 0.4 million (EUR 0.5 million) of non-current assets. These are primarily software licences.

#### *Current assets*

Within current assets totalling EUR 85.3 million (EUR 87.9 million), a portion of 57.2% (54.5%) is attributable to receivables and other assets, which increased by EUR 0.8 million from EUR 47.9 million to EUR 48.8 million on account of cash and liquidity management effects. The stock of inventories increased to EUR 33.5 million (EUR 32.9 million), with this development attributable in particular to the increase in the inventories of raw materials, consumables and supplies and unfinished goods.

The cash and cash equivalents of EUR 3.1 million (EUR 7.1 million) declined due to the negative cashflow totalling EUR 4.1 million shown in the Cash Flow Statement.

### Shareholders' equity and liabilities

#### *Shareholders' equity*

Based on a profit of approximately EUR 0.7 million (EUR 4.5 million), shareholders' equity fell to EUR 54.9 million (EUR 55.5 million), taking into account the dividend payment of EUR 1.2 million (EUR 2.6 million) passed by resolution of the annual general meeting in May 2021.

#### *Non-current liabilities and provisions*

An amount of EUR 2.8 million (EUR 9.9 million) was available to the Company in the form of non-current liabilities and provisions, which primarily consisted of pension provisions in the amount of EUR 2.0 million (EUR 2.0 million) at the end of the 2021 financial year. In the previous year, liabilities under the syndicated loan agreement in the amount of EUR 7.5 million also had to be recognised as non-current liabilities and provisions.

***Current liabilities and provisions***

Current liabilities and provisions increased to EUR 76.9 million (EUR 75.1 million) and accounted for 57.1% (53.5%) of total assets in relative terms.

Alcohol tax liabilities amounted to EUR 36.4 million (EUR 42.6 million). This figure represents the alcohol tax liabilities for the last two months of the financial year.

Other liabilities and other current provisions together increased slightly to EUR 32.3 million (EUR 31.2 million).

## *(6.2.5) General statement about the business performance and economic position*

**Business performance**

The business performance of Berentzen-Gruppe Aktiengesellschaft was satisfactory as a whole over the 2021 financial year.

With developments that varied individually, it was possible all in all to achieve revenues up slightly on the previous-year level in the business with spirits. Revenues increased in the domestic branded business, due in part to positive revenue development in the business with the two focus brands Berentzen and Puschkin. Revenue performance in the business with export and private-label brands was down slightly on the previous year on the whole, while revenues in the export business with branded spirits increased significantly.

Please refer to the comments on the Spirits and Other segments in the Economic Report in sections (2.2.3) and (2.2.4) of the Combined Management Report for further details.

**Economic situation**

The Company's economic situation is also satisfactory overall in light of the financial performance.

With revenues remaining stable and gross profit increasing, Berentzen-Gruppe Aktiengesellschaft still closed the 2021 financial year with a lower operating profit of EUR 6.6 million (EUR 8.6 million). The main factor contributing to this negative development was the significantly higher operating expenses compared with the previous year.

The financial result and result from participating interests also showed a clearly negative development. This is attributable primarily to a lower result from participating interests as well as a write-down on the book value of an affiliated company performed in the 2021 financial year. After these effects, the net profit for the year totalled EUR 0.7 million (EUR 4.5 million).

For more information about the Company's continued positive and solid cash flows and financial position, please refer to the presentation for the corporate group in the Economic Report in sections (2.2.5) and (2.2.6) of 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 corporate group. These risks and opportunities are described in section (3) of the Combined Management Report. Whereas various individual risks directly affect, and opportunities are created for the parent company itself in the operating activities of the parent company – which correspond to those of the corporate group in the Spirits and Other segments – or the managerial and corporate functions exercised 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 corporate group, moreover, Berentzen-Gruppe Aktiengesellschaft is integrated into the group-wide risk management system, which is summarised in section (3.1) of the report on risks and opportunities.

The financial reporting-related internal control system of Berentzen-Gruppe Aktiengesellschaft is described in the explanatory notes to 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 corporate group owing to its position and weight within the corporate group, with the income-related performance indicators for Berentzen-Gruppe Aktiengesellschaft essentially encompassing those of *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 business 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 in the 2022 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 2022 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 2022 financial year and for the general statement about the anticipated performance of the corporate group.

## (7) (Group) declaration on corporate governance

The Group declaration on corporate governance pursuant to Section 315d of the German Commercial Code (HGB) and the declaration of corporate governance pursuant to Section 289f HGB are a constituent part of this combined management report. These documents have been made publicly accessible on the corporate website of Berentzen-Gruppe Aktiengesellschaft at www.berentzen-gruppe.de/en/.

# C. Consolidated Financial Statements

## Statement of Financial Position at December 31, 2021

| | Note | 12/31/2021 EUR'000 | 12/31/2020 EUR'000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | (2.1) | | |
| Intangible assets | (2.2) | 9,759 | 10,718 |
| Property, plant and equipment | (2.3) | 43,532 | 42,168 |
| Right-of-use assets | (2.4) | 2,146 | 2,122 |
| Other financial and non-financial assets | (2.5) | 1,312 | 937 |
| Deferred tax assets | (2.15) | 150 | 132 |
| **Total non-current assets** | | **56,899** | **56,077** |
| **Current assets** | | | |
| Inventories | (2.6) | 38,991 | 39,397 |
| Current trade receivables | (2.7) | 7,516 | 11,765 |
| Current income tax assets | (2.8) | 487 | 847 |
| Cash and cash equivalents | (2.9) | 28,297 | 26,334 |
| Other current financial and non-financial assets | (2.10) | 9,953 | 10,045 |
| **Total current assets** | | **85,244** | **88,388** |
| **Assets held for sale** | (2.11) | **0** | **717** |
| **TOTAL ASSETS** | | **142,143** | **145,182** |

| | Note | 12/31/2021 EUR'000 | 12/31/2020 EUR'000 |
|---|---|---|---|
| **SHAREHOLDERS' EQUITY AND LIABILITIES** | | | |
| **Shareholders' equity** | (2.12) | | |
| Subscribed capital | | 24,424 | 24,424 |
| Additional paid-in capital | | 6,821 | 6,821 |
| Retained earnings | | 22,000 | 19,619 [1)] |
| Currency translation differences | | - 4,389 | - 3,624 [1)] |
| **Total shareholders' equity** | | **48,856** | **47,240** |
| **Non-current liabilities** | | | |
| Non-current provisions | (2.13) | 8,645 | 8,885 |
| Non-current financial liabilities | (2.14) | 1,305 | 8,596 |
| Deferred tax liabilities | (2.15) | 848 | 1,179 |
| **Total non-current liabilities** | | **10,798** | **18,660** |
| **Current liabilities** | | | |
| Alcohol tax liabilities | (2.16) | 36,355 | 42,626 |
| Current provisions | (2.17) | 81 | 81 |
| Current income tax liabilities | (2.18) | 262 | 255 |
| Current financial liabilities | (2.19) | 9,488 | 1,732 |
| Trade payables and other liabilities | (2.20) | 36,303 | 34,588 |
| **Total current liabilities** | | **82,489** | **79,282** |
| **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | | **142,143** | **145,182** |

[1)] The previous-year value was adjusted due to the currency translation differences being shown separately since the 2021 financial year. For further information see Note (2.12).

# Consolidated Statement of Comprehensive Income for the period from January 1 to December 31, 2021

| | Note | 2021 EUR'000 | 2020 EUR'000 |
|---|---|---|---|
| Revenues | (3.1) | 146,109 | 154,591 |
| Change in inventories | (3.2) | 336 | 58 |
| Other operating income | (3.3) | 3,798 | 3,127 |
| Purchased goods and services | (3.4) | 77,988 | 87,533 |
| Personnel expenses | (3.5) | 26,753 | 24,977 |
| Amortisation and depreciation of assets | (3.6) | 8,649 | 8,919 |
| Impairments | (3.7) | 0 | 1,377 |
| Other operating expenses | (3.8) | 30,142 | 31,240 |
| Financial income | (3.9) | 56 | 99 |
| Financial expenses | (3.9) | 1,466 | 1,573 |
| **Earnings before income taxes** | | **5,301** | **2,256** |
| Income tax expenses | (2.15) | 1,639 | 1,023 |
| **Consolidated profit** | | **3,662** | **1,233** |
| Currency translation differences | | - 765 | - 589 |
| **Items to be reclassified to the income statement at a later date** | | **- 765** | **- 589** |
| Revaluation of defined benefit obligations | | - 85 | 37 |
| Deferred taxes on revaluation of defined benefit obligations | | 25 | - 11 |
| **Items not to be reclassified to the income statement at a later date** | | **- 60** | **26** |
| **Other comprehensive income** | (2.12) | **- 825** | **- 563** |
| **Consolidated comprehensive income** | | **2,837** | **670** |
| | | | |
| **Earnings per share based on profit, attributable to shareholders (in euros per share)** | | | |
| Basic/ diluted earnings per common share | (3.11) | 0.390 | 0.131 |

# Consolidated Statement of Changes in Shareholders' Equity for the period from January 1 to December 31, 2021

| | Subscribed capital EUR'000 | Additional paid-in capital EUR'000 | Retained earnings EUR'000 | Currency translation differences EUR'000 | Total equity EUR'000 |
|---|---|---|---|---|---|
| **Balance at 01/01/2020** | **24,424** | **6,821** | **20,990** | **- 3,035** | **49,200** |
| Consolidated profit | | | 1,233 | 0 | 1,233 |
| Other comprehensive income | | | 26 | - 589 | - 563 |
| Consolidated comprehensive income | | | 1,259 | - 589 | 670 |
| Dividends paid | | | - 2,630 | 0 | - 2,630 |
| **Balance at 12/31/2020** | **24,424** | **6,821** | **19,619** [1)] | **- 3,624** | **47,240** |
| **Balance at 01/01/2021** | **24,424** | **6,821** | **19,619** | **- 3,624** | **47,240** |
| Consolidated profit | | | 3,662 | 0 | 3,662 |
| Other comprehensive income | | | - 60 | - 765 | - 825 |
| Consolidated comprehensive income | | | 3,602 | - 765 | 2,837 |
| Dividends paid | | | - 1,221 | 0 | - 1,221 |
| **Balance at 12/31/2021** | **24,424** | **6,821** | **22,000** | **- 4,389** | **48,856** |

1) The previous-year value was adjusted due to the currency translation differences being shown separately since the 2021 financial year. For further information see Note (2.12).

See Note (2.12) for additional information about consolidated shareholders' equity.

# Consolidated Cash Flow Statement for the period from January 1 to December 31, 2021

| | Note | 2021 EUR'000 | 2020 EUR'000 |
|---|---|---|---|
| Consolidated profit | | 3,662 | 1,233 |
| Income tax expenses | (2.15) | 1,639 | 1,023 |
| Interest income | | - 48 | - 99 |
| Interest expenses | | 1,460 | 1,569 |
| Amortisation and depreciation of assets | (3.6) | 8,649 | 8,919 |
| Impairments of assets | (3.7) | 0 | 1,377 |
| Other non-cash effects | | - 1,166 | - 810 |
| Increase (+) / decrease (-) in provisions | | - 240 | - 1,143 |
| Gains (-) / losses (+) on disposals of property, plant and equipment | | 203 | - 22 |
| Gains (-) / losses (+) from the disposal of non-current assets held for sale | | - 433 | 0 |
| Increase (+) / decrease (-) in receivables assigned under factoring agreements | | - 5,699 | - 7,650 |
| Decrease (+) / increase (-) in other assets | | 10,633 | 15,737 |
| Increase (+) / decrease (-) in alcohol tax liabilities | | - 6,271 | - 975 |
| Increase (+) / decrease (-) in other liabilities | | 1,899 | - 588 |
| Cash inflows from subleases | | 89 | 72 |
| **Cash and cash equivalents generated from operating activities** | | **14,377** | **18,643** |
| Income taxes paid | | - 1,595 | - 3,726 |
| Interest received | | 53 | 98 |
| Interest paid | | - 1,212 | - 1,390 |
| **Cash flow from operating activities** | | **11,623** | **13,625** |
| Proceeds from disposals of intangible assets | | 0 | 26 |
| Payments for investments in intangible assets | (2.2) | - 481 | - 510 |
| Proceeds from disposals of property, plant and equipment | | 70 | 107 |
| Payments for investments in property, plant and equipment | (2.3) | - 8,008 | - 4,656 |
| Proceeds from cash acquired | | 0 | 50 |
| Cash outflows for the acquisition of subsidiaries | | - 30 | - 379 |
| Cash inflows from disposals of non-current assets held for sale | (2.11) | 1,150 | 0 |
| **Cash flow from investing activities** | | **- 7,299** | **- 5,362** |
| Cash inflows from the utilisation of loan agreements | | 7,500 | 0 |
| Cash outflows linked to the utilisation of loan agreements | | - 194 | 0 |
| Repayment of loans | | - 7,536 | - 124 |
| Dividend payments | (2.12) | - 1,221 | - 2,630 |
| Lease liability repayments | | - 1,203 | - 1,185 |
| **Cash flow from financing activities** | | **- 2,654** | **- 3,939** |
| **Change in cash and cash equivalents** | | **1,670** | **4,324** |
| Cash and cash equivalents at the start of the period | | 26,334 | 22,010 |
| **Cash and cash equivalents at the end of the period** | (2.9) | **28,004** | **26,334** |

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 2021 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 at December 31, 2021 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 at December 31, 2021, and the Group management report combined with the management report for the 2021 financial year for publication and submission to the Supervisory Board on March 16, 2022.

## (1.3) Effects of the coronavirus pandemic

The coronavirus pandemic severely impacted the business performance of the Berentzen Group in the 2021 financial year, as was the case in the previous year. Some of the measures taken by federal and state governments to contain the coronavirus, albeit at different levels of intensity over the course of the year, continued to have an adverse impact on the German economy. These measures include closing food and drink establishments, introducing extensive social distancing measures and banning events. The coronavirus pandemic is also impacting the sourcing market, resulting on the one hand in a shortage of materials – particularly raw materials and intermediate products – and on the other in supply bottlenecks. In turn, material shortages and supply bottlenecks are leading to considerably longer lead times and sharp rises in the costs of raw materials, intermediate products and energy products.

All segments of the Berentzen Group continue to be affected by the effects of the coronavirus pandemic. The *Fresh Juice Systems* segment saw a decline in sales of fruit presses in particular, owing to a suspension of investments in the direct and indirect sales channels restaurants and food retailers. The business with non-alcoholic beverages and branded spirits was impacted in particular by the at times almost complete closure of restaurants. This predominantly impacted the *Non-alcoholic Beverages* segment. In the *Spirits* segment, the cancellation of celebrations also impacted sales performance, in particular of those branded products that tend to be consumed on social occasions. Overall, the pandemic caused revenues in the Berentzen Group to decline. As a result of the associated losses in gross profit, which could not be fully absorbed by cost savings, the pandemic is also negatively impacting the main earnings and financial performance indicators consolidated EBITDA and consolidated EBIT. Both of the aforementioned financial performance indicators therefore remained below the level observed prior to the coronavirus pandemic in the 2021 financial year, but increased compared with the previous year.

When preparing the consolidated financial statements, assumptions and estimates are applied which have an impact on the presentation and measurement of the recognised assets, liabilities, income and expenses. With the consequences of the coronavirus pandemic remaining incalculable, these assumptions and estimates are associated with a heightened level of uncertainty. The amounts actually recorded may deviate from these assumptions and estimates, and changes may have a material impact on the consolidated financial statements.

In this context, it is worth pointing out the continuous review of the need to carry out impairment tests on the cash-generating units of the Berentzen Group. In the 2021 financial year, there was only a need to carry out an ad hoc impairment test for the *Non-alcoholic Beverages* segment at December 31, 2021. This did not result in the need to recognise an impairment loss, however (previous year: impairment loss of EUR 1,377 thousand). Further information can be found in Note (3.7).

## (1.4) 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.

Pursuant to 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.

### 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 at December 31, 2021, 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 hardly more than 1% of the aggregate revenues, net profit and liabilities of the Group.

The consolidated group is unchanged compared with the consolidated financial statements at December 31, 2020.

## (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 |
| Der Berentzen Hof GmbH, Haselünne [1)] | 100.0 |
| DLS Spirituosen GmbH, Flensburg [1)] | 100.0 |
| Doornkaat Aktiengesellschaft, Norden [1)] | 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 |
| Goldkehlchen GmbH, Linz (formerly: Rotkehlchen GmbH, Vienna), Republic of Austria | 100.0 |
| Strothmannn Spirituosen Verwaltung GmbH, Haselünne | 100.0 |
| Citrocasa GmbH, Linz, Republic of Austria | 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 |
| Berentzen Spirits India Private Limited, Gurgaon, Republic of India | 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 at the reporting date; items in the Consolidated Statement of Comprehensive Income are translated at the annual average rate. Differences from the currency translation 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.

### 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.

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 compliant 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.

### Non-current assets held for sale

A non-current asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction instead of through continuing use. Non-current assets held for sale are measured at the lower of the carrying amount and fair value less costs to sell. Scheduled depreciation is ceased when non-current assets are classified as "Non-current assets held for sale".

### 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.

### 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 0.5% during the reporting period (previous year: 0.3%). 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 30 days (previous year: 36 days).

For the sale of goods, terms and conditions are often agreed that include quantity discounts, advertising subsidies, special allowances, etc. 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.

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 1.5% (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, property, plant and equipment, and investment property in the 2020 and 2021 financial years**

| | Intangible assets EUR'000 | Property, plant and equipment EUR'000 | Investment property EUR'000 | Total non-current assets EUR'000 |
|---|---|---|---|---|
| **Acquisition/production cost** | | | | |
| Balance at 01/01/2020 | 72,230 | 155,207 | 1,203 | 228,640 |
| Additions | 510 | 4,656 | 0 | 5,166 |
| Disposals/reclassifications | - 142 | - 3,791 | - 1,203 | - 5,136 |
| Currency effects | - 2 | - 11 | 0 | - 13 |
| Balance at 12/31/2020 | 72,596 | 156,061 | 0 | 228,657 |
| Additions | 481 | 8,008 | 0 | 8,489 |
| Disposals/reclassifications | - 1,573 | - 8,914 | 0 | - 10,487 |
| Currency effects | - 3 | - 11 | 0 | - 14 |
| Balance at 12/31/2021 | 71,501 | 155,144 | 0 | 226,645 |
| **Amortisation/depreciation/impairments** | | | | |
| Balance at 01/01/2020 | 60,599 | 109,855 | 473 | 170,927 |
| Additions | 1,370 | 6,403 | 13 | 7,786 |
| Impairments | 38 | 1,339 | 0 | 1,377 |
| Disposals/reclassifications | - 127 | - 3,696 | - 486 | - 4,309 |
| Currency effects | - 2 | - 8 | 0 | - 10 |
| Balance at 12/31/2020 | 61,878 | 113,893 | 0 | 175,771 |
| Additions | 1,092 | 6,420 | 0 | 7,512 |
| Disposals/reclassifications | - 1,226 | - 8,690 | 0 | - 9,916 |
| Currency effects | - 2 | - 11 | 0 | - 13 |
| Balance at 12/31/2021 | 61,742 | 111,612 | 0 | 173,354 |
| **Net carrying amounts 12/31/2021** | **9,759** | **43,532** | **0** | **53,291** |
| **Net carrying amounts 12/31/2020** | **10,718** | **42,168** | **0** | **52,886** |

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 2020 and 2021 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 01/01/2020 | 6,056 | 62,441 | 3,640 | 93 | 72,230 |
| Additions | 0 | 85 | 425 | 0 | 510 |
| Disposals | 0 | - 50 | - 92 | 0 | - 142 |
| Reclassifications | 0 | 0 | 93 | - 93 | 0 |
| Currency effects | 0 | 0 | - 2 | 0 | - 2 |
| Balance at 12/31/2020 | 6,056 | 62,476 | 4,064 | 0 | 72,596 |
| Additions | 0 | 0 | 249 | 232 | 481 |
| Disposals/reclassifications | 0 | - 952 | - 621 | 0 | - 1,573 |
| Currency effects | 0 | 0 | - 3 | 0 | - 3 |
| Balance at 12/31/2021 | 6,056 | 61,524 | 3,689 | 232 | 71,501 |
| **Amortisation/depreciation/ impairments** | | | | | |
| Balance at 01/01/2020 | 0 | 58,069 | 2,530 | 0 | 60,599 |
| Additions | 0 | 1,099 | 271 | 0 | 1,370 |
| Impairments | 0 | 0 | 38 | 0 | 38 |
| Disposals | 0 | - 35 | - 92 | 0 | - 127 |
| Currency effects | 0 | 0 | - 2 | 0 | - 2 |
| Balance at 12/31/2020 | 0 | 59,133 | 2,745 | 0 | 61,878 |
| Additions | 0 | 776 | 316 | 0 | 1,092 |
| Disposals/reclassifications | 0 | - 654 | - 572 | 0 | - 1,226 |
| Currency effects | 0 | 0 | - 2 | 0 | - 2 |
| Balance at 12/31/2021 | 0 | 59,255 | 2,487 | 0 | 61,742 |
| **Net carrying amounts 12/31/2021** | **6,056** | **2,269** | **1,202** | **232** | **9,759** |
| **Net carrying amounts 12/31/2020** | **6,056** | **3,343** | **1,319** | **0** | **10,718** |

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

| | 12/31/2021 EUR'000 | 12/31/2020 EUR'000 |
|---|---|---|
| Trademarks | 2,077 | 2,345 |
| Customer lists | 0 | 252 |
| Technical knowledge | 192 | 449 |
| Supply rights | 0 | 297 |
| Trademarks, customer lists, and technical knowledge | 2,269 | 3,343 |
| Goodwill | 6,056 | 6,056 |
| Licences and other intangible assets | 1,202 | 1,319 |
| Advance payments made | 232 | 0 |
| | **9,759** | **10,718** |

Pursuant to IAS 36.10, the goodwill capitalised in financial year 2014 within the framework of the acquisition of Citrocasa GmbH 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 2021 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 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 3.6% (previous year: 3.1%). 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 fair value less costs to sell is mainly based on non-observable input data (fair value hierarchy Level 3).

As in the prior year, no intangible assets were encumbered with security interests at December 31, 2021. As in the prior year, there were no contractual commitments to purchase intangible assets at December 31, 2021.

Costs for research and development in the amount of EUR 1,564 thousand (previous year: EUR 1,652 thousand) were recognised as an expense in the reporting period.

## (2.3) Property, plant and equipment

### Development of property, plant and equipment in the 2020 and 2021 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 01/01/2020 | 47,578 | 78,455 | 27,603 | 1,571 | 155,207 |
| Additions | 151 | 1,108 | 3,331 | 66 | 4,656 |
| Disposals | - 30 | - 1,981 | - 1,780 | 0 | - 3,791 |
| Reclassifications | 58 | 1,466 | 15 | - 1,539 | 0 |
| Currency effects | 0 | 0 | - 11 | 0 | - 11 |
| Balance at 12/31/2020 | 47,757 | 79,048 | 29,158 | 98 | 156,061 |
| Additions | 56 | 1,160 | 3,816 | 2,976 | 8,008 |
| Disposals | - 10 | - 6,594 | - 2,310 | 0 | - 8,914 |
| Reclassifications | 0 | 58 | 8 | - 66 | 0 |
| Currency effects | 1 | 0 | - 12 | 0 | - 11 |
| Balance at 12/31/2021 | 47,804 | 73,672 | 30,660 | 3,008 | 155,144 |
| **Depreciation/impairments** | | | | | |
| Balance at 01/01/2020 | 27,917 | 62,622 | 19,316 | 0 | 109,855 |
| Additions | 835 | 2,574 | 2,994 | 0 | 6,403 |
| Impairments | 496 | 399 | 444 | 0 | 1,339 |
| Disposals | - 30 | - 1,941 | - 1,725 | 0 | - 3,696 |
| Currency effects | 0 | 0 | - 8 | 0 | - 8 |
| Balance at 12/31/2020 | 29,218 | 63,654 | 21,021 | 0 | 113,893 |
| Additions | 824 | 2,466 | 3,130 | 0 | 6,420 |
| Disposals | - 7 | - 6,405 | - 2,278 | 0 | - 8,690 |
| Currency effects | - 1 | 1 | - 11 | 0 | - 11 |
| Balance at 12/31/2021 | 30,034 | 59,716 | 21,862 | 0 | 111,612 |
| **Net carrying amounts 12/31/2021** | **17,770** | **13,956** | **8,798** | **3,008** | **43,532** |
| **Net carrying amounts 12/31/2020** | **18,539** | **15,394** | **8,137** | **98** | **42,168** |

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

As in the previous year, no items of property, plant and equipment were encumbered with security interests at December 31, 2021. As in the prior year, there were no contractual commitments to purchase items of property, plant and equipment at December 31, 2021.

### 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 business involving fruit presses in the *Fresh Juice Systems* segment as well as to the leasing of building parts and storage facilities. In the financial year rental and lease payments of EUR 179 thousand were received (previous year: EUR 186 thousand). The maturities of the instalments from operating leases to be received in future break down as follows:

| | 2021 EUR'000 | 2020 EUR'000 |
|---|---|---|
| Up to 1 year | 72 | 96 |
| 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** | **96** |

## (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 2021 financial year, the total cash outflow for leases amounts to EUR 1,487 thousand (previous year: EUR 1,421 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 value at January 1, 2020 | 1,180 | 11 | 108 | 1,299 |
| Additions to right-of-use assets | 1,239 | 0 | 65 | 1,304 |
| Depreciation and amortisation | - 868 | - 197 | - 68 | - 1,133 |
| Other changes | 100 | 544 | 8 | 652 |
| **Carrying value at December 31, 2020** | **1,651** | **358** | **113** | **2,122** |
| Additions to right-of-use assets | 838 | 0 | 13 | 851 |
| Depreciation and amortisation | - 871 | - 211 | - 55 | - 1,137 |
| Other changes | 13 | 276 | 21 | 310 |
| **Carrying value at December 31, 2021** | **1,631** | **423** | **92** | **2,146** |

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

| | 2021 EUR'000 | 2020 EUR'000 |
|---|---|---|
| Depreciation and amortisation | - 1,137 | - 1,133 |
| Interest expense | - 68 | - 67 |
| Short-term lease expense | - 153 | - 119 |
| Expense for leases of low-value assets | - 55 | - 51 |
| Income from the sublease of right-of-use assets | 4 | 2 |
| **Total** | **- 1,409** | **- 1,368** |

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 280 thousand (previous year: EUR 255 thousand).

## (2.5) Other financial and non-financial assets

| | 12/31/2021 EUR'000 | 12/31/2020 EUR'000 |
|---|---:|---:|
| Shares in affiliated companies | 761 | 731 |
| Accrued revenue reductions | 179 | 0 |
| Receivables under finance leases | 176 | 163 |
| Syndicated loan transaction costs | 153 | 0 |
| Shares in cooperatives | 32 | 32 |
| Participating interests | 11 | 11 |
| | **1,312** | **937** |

### 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 176 thousand (previous year: EUR 163 thousand) and is presented within Other financial assets. The current portion of the receivables amounts to EUR 199 thousand (previous year: EUR 274 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.

| | 2021 | | 2020 | |
|---|---:|---:|---:|---:|
| | Lease payments EUR'000 | Non-guaranteed residual values EUR'000 | Lease payments EUR'000 | Non-guaranteed residual values EUR'000 |
| Up to 1 year | 187 | 26 | 222 | 64 |
| Longer than 1 year and up to 2 years | 119 | 7 | 109 | 18 |
| Longer than 2 years and up to 3 years | 48 | 12 | 35 | 7 |
| Longer than 3 years and up to 4 years | 0 | 0 | 0 | 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** | **399** | | **455** | |
| Unrealised financial income | - 24 | | - 18 | |
| **Net investment in leases** | **375** | | **437** | |

### Syndicated loan transaction costs

The syndicated loan agreement concluded in December 2016 was extended in the 2021 financial year. 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. At December 31, 2021, EUR 153 thousand was shown under non-current financial assets and EUR 38 thousand under current financial assets. The pro-rated transaction costs included in the financial expenses for financial year 2021 amount to EUR 3 thousand.

## (2.6) Inventories

| | 12/31/2021 EUR'000 | 12/31/2020 EUR'000 |
|---|---|---|
| Raw materials | 3,085 | 3,702 |
| Packaging and equipment | 3,392 | 2,889 |
| Supplies | 109 | 53 |
| Raw materials and supplies | 6,586 | 6,644 |
| Work in progress | 18,278 | 17,877 |
| Finished products | 10,218 | 10,283 |
| Merchandise for resale | 3,909 | 4,593 |
| Finished products and merchandise for resale | 14,127 | 14,876 |
| **Inventories** | **38,991** | **39,397** |

When measuring inventories at the lower of cost or net realisable value, write-downs totalling EUR 63 thousand (previous year: EUR 183 thousand) were charged on inventories. The carrying amount of the inventories measured at net realisable value totalled EUR 722 thousand (previous year: EUR 655 thousand). The write-downs were recognised in profit or loss and presented within Other operating expenses and Change in inventories.

## (2.7) Current trade receivables

The following table shows the breakdown of current trade receivables:

| December 31, 2021 | 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) | 7,365 | 48 | 97 | 180 | 7,690 |
| Loss rate | 0.5% | 0.0% | 1.0% | 77.2% | |
| Impairment loss (EUR'000) | - 34 | 0 | - 1 | - 139 | - 174 |
| **Net receivables portfolio (EUR'000)** | **7,331** | **48** | **96** | **41** | **7,516** |

| December 31, 2020 | 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) | 10,933 | 96 | 558 | 405 | 11,992 |
| Loss rate | 0.3% | 4.2% | 0.5% | 46.9% | |
| Impairment loss (EUR'000) | - 30 | - 4 | - 3 | - 190 | - 227 |
| **Net receivables portfolio (EUR'000)** | **10,903** | **92** | **555** | **215** | **11,765** |

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:

| | 2021 EUR'000 | 2020 EUR'000 |
|---|---|---|
| **Balance at 1/1** | **227** | **305** |
| Additions | 29 | 22 |
| Use | - 11 | - 16 |
| Reversals | - 71 | - 84 |
| **Balance at 12/31** | **174** | **227** |

### 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 55,000 thousand (previous year: EUR 55,000 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. At December 31, 2021, trade receivables amounting to EUR 48,575 thousand (previous year: EUR 54,918 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 54 thousand at the reporting date (previous year: EUR 99 thousand). The fair value of the obligation arising from late payment risk totals EUR 9 thousand (previous year: EUR 8 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 166 thousand in the 2021 financial year (previous year: EUR 196 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 | 12/31/2021 EUR'000 | 12/31/2020 EUR'000 |
|---|---|---|---|
| Trade receivables sold and assigned | Current trade receivables | 48,575 | 54,918 |
| Continuing involvement | Other current financial and non-financial assets | 166 | 196 |
| Security retentions and provisions for bonuses and discounts | Other current financial and non-financial assets | 7,312 | 7,958 |
| Cash available | Cash and cash equivalents | 25,812 | 22,246 |
| Cash transferred | Cash and cash equivalents | 15,445 | 24,717 |
| Continuing involvement | Current financial liabilities | 166 | 196 |
| Interest liability from continuing involvement | Current financial liabilities | 7 | 8 |
| Retained interest/ charges/ insurance | Retained earnings/ consolidated comprehensive income | 820 | 1,029 |

The factor retained collateral amounting to EUR 7,312 thousand (previous year: EUR 7,958 thousand), presented under Other current assets, to secure any deductions from the face value of receivables.

The available cash of EUR 25,812 thousand (previous year: EUR 22,246 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 15,445 thousand (previous year: EUR 24,717 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 820 thousand (previous year: EUR 1,029 thousand) were incurred during the reporting period. The gains are presented in Financial income in the amount of EUR 702 thousand (previous year: EUR 898 thousand) and the losses in Other operating expenses in the amount of EUR 118 thousand (previous year: EUR 132 thousand).

The factoring financing lines (receivables sold) utilised at the reporting date are expected to yield interest payments of EUR 20 thousand (previous year: EUR 41 thousand) for the first quarter of 2022. 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

| | 12/31/2021 EUR'000 | 12/31/2020 EUR'000 |
|---|---|---|
| Claims to income tax refunds (corporation tax, trade tax) | 487 | 847 |
| | **487** | **847** |

## (2.9) Cash and cash equivalents

| | 12/31/2021 EUR'000 | 12/31/2020 EUR'000 |
|---|---|---|
| Cash in banks and cash on hand | 28,297 | 26,334 |
| | **28,297** | **26,334** |

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.

Pursuant to IAS 7.45, the cash and cash equivalents shown in the Cash Flow Statement are determined as follows:

| | 12/31/2021 EUR'000 | 12/31/2020 EUR'000 |
|---|---|---|
| Cash and cash equivalents | | |
| Cash on hand | 10 | 8 |
| Current account receivables due from banks | 2,475 | 4,080 |
| Receivables from customer settlement accounts with banks | 25,812 | 22,246 |
| Receivables due from banks | 28,287 | 26,326 |
| | **28,297** | **26,334** |
| Current financial liabilities | | |
| Overdraft facilities with banks | 293 | 0 |
| | **293** | **0** |
| | **28,004** | **26,334** |

## (2.10) Other current financial and non-financial assets

| | 12/31/2021 EUR'000 | 12/31/2020 EUR'000 |
|---|---|---|
| Receivables from factoring haircut | 7,312 | 7,958 |
| Refund claims | 883 | 384 |
| VAT receivables | 581 | 59 |
| Receivables under finance leases | 199 | 274 |
| Other items | 978 | 1,370 |
| | **9,991** | **10,045** |

## (2.11) Non-current assets held for sale

The carrying amounts of a property amounting to EUR 717 thousand, owned by Doornkaat Aktiengesellschaft and no longer required for operating purposes, the sale of which was concluded in the first quarter of 2021, were recognised under "Non-current assets held for sale" at December 31, 2020. The sale of the property led to cash flows of EUR 1,150 thousand and other operating income from the disposal of non-current assets of EUR 433 thousand.

## (2.12) 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 development of subscribed capital and the number of shares outstanding are presented in the table below:

| | 12/31/2021 | | 12/31/2020 | |
|---|---|---|---|---|
| | 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 program. This corresponds to an imputed share of capital stock equal to 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.

**Retained earnings**

Retained earnings exhibited the following development:

| | 12/31/2021 EUR'000 | 12/31/2020 EUR'000 |
|---|---|---|
| **Retained earnings at 01/01** | **19,619** | **20,990** |
| Consolidated profit | 3,662 | 1,233 |
| Revaluation of defined benefit obligations | - 85 | 37 |
| Deferred tax on revaluation of defined benefit obligations | 25 | - 11 |
| Consolidated comprehensive income | 3,602 | 1,259 |
| Dividends paid | - 1,221 | - 2,630 |
| **Retained earnings at 12/31** | **22,000** | **19,619** [1] |

[1] The previous-year value was adjusted due to the currency translation differences being shown separately since the 2021 financial year. Retained earnings in the amount of EUR 15,995 thousand were shown in the 2020 Annual Report.

**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 11, 2021, it was resolved to use the distributable profit of EUR 14,991 thousand (previous year: EUR 13,171 thousand) presented in the annual financial statements of Berentzen-Gruppe Aktiengesellschaft for the 2020 financial year to pay a dividend of EUR 0.13 per qualifying common share (previous year: EUR 0.28) for the 2020 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 1,221 thousand (previous year: EUR 2,630 thousand) and a carry-forward to new account of approximately EUR 13,770 thousand (previous year: EUR 10,540 thousand).

The Executive Board and Supervisory 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 14,435 thousand for the 2021 financial year be utilised to pay a dividend of EUR 0.22 per qualifying common share for the 2021 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 2,067 thousand and a carry-forward to new account of approximately EUR 12,368 thousand. Payment of this dividend is dependent on the approval of the annual general meeting of May 18, 2022. 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 0.22 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.

## (2.13) Non-current provisions

| | 12/31/2021 EUR'000 | 12/31/2020 EUR'000 |
|---|---|---|
| Pension provisions | 7,968 | 8,567 |
| Other non-current provisions | 677 | 318 |
| | **8,645** | **8,885** |

### 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 12 thousand (previous year: EUR 12 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 200 (previous year: 209) beneficiaries, of whom 199 (previous year: 208) 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.

Pursuant to 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) at December 31, 2021:

| | 2021 EUR'000 | 2020 EUR'000 |
|---|---|---|
| DBO at the start of the financial year | 8,567 | 9,263 |
| Interest expenses on DBO | 28 | 65 |
| Revaluations | | |
| Actuarial gains / losses due to change in financial assumptions | - 110 | 297 |
| Actuarial gains / losses due to change in experience-based adjustments | 195 | - 334 |
| Pension benefits paid | - 712 | - 724 |
| **DBO at the end of the financial year** | **7,968** | **8,567** |

Of the DBO at the end of the 2021 financial year, EUR 7,931 thousand (previous year: EUR 8,529 thousand) relates to pensioners and surviving dependants, and EUR 37 thousand (previous year: EUR 38 thousand) to former employees receiving benefits.

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

| | 2021 EUR'000 | 2020 EUR'000 |
|---|---|---|
| Interest expenses on DBO | 28 | 65 |
| **Expenses recognised in the consolidated Income Statement** | **28** | **65** |
| Actuarial gains (-) / losses (+) | 85 | - 37 |
| **Expenses/ income recognised in Other comprehensive income** | **85** | **- 37** |
| **Total pension expenses** | **113** | **28** |

### *Actuarial assumptions*

The pension obligations are measured on the basis of actuarial reports. The following parameters have been applied: an actuarial interest rate of 0.5% p.a. (previous year: 0.3% 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 1.5% p.a. (previous year: 1.5% p.a.). The actuarial calculations for the 2021 and 2020 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 12/31/2021 EUR'000 | DBO 12/31/2020 EUR'000 |
|---|---|---|---|
| Actuarial interest rate | + 1.0 PP | 7,337 | 7,858 |
| | - 1.0 PP | 8,704 | 9,397 |
| Rate of increase in pension benefits | + 0.5 PP | 8,302 | 8,935 |
| | - 0.5 PP | 7,657 | 8,224 |
| Rate of increase in future compensation | + 0.5 PP | 7,969 | 8,567 |
| | - 0.5 PP | 7,969 | 8,567 |
| Life expectancy | + 1 year | 8,422 | 9,049 |
| | - 1 year | 7,531 | 8,101 |

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 |
|---|---|
| 2022 | 685 |
| 2023 | 649 |
| 2024 | 616 |
| 2025 | 579 |
| 2026 | 545 |
| 2027 - 2031 | 2,229 |

The average weighted maturity of the benefit obligations at December 31, 2021, is around 8 years (previous year: 9 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 87 thousand (previous year: EUR 86 thousand) to these defined contribution plans were recognised in Personnel expenses in the 2021 financial year. Allowances are expected to amount to a similar level in the 2022 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 2021 financial year, employer contributions of EUR 1,548 thousand (previous year: EUR 1,505 thousand) were paid to the statutory state insurance scheme in Germany and employer contributions of EUR 214 thousand (previous year: EUR 217 thousand) were paid to statutory pension insurance schemes in other countries.

### Other non-current provisions

| | 12/31/2021 EUR'000 | 12/31/2020 EUR'000 |
|---|---|---|
| Compensation with performance-based components | 437 | 73 |
| Service anniversary awards | 240 | 245 |
| | **677** | **318** |

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 1.4% (previous year: 1.7%). 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 01/01/2021** | **8,567** | **318** | **81** | **8,966** |
| Use | 712 | 51 | 81 | 844 |
| Addition | 85 | 443 | 81 | 609 |
| Compounding | 28 | 0 | 0 | 28 |
| Reversal | 0 | 33 | 0 | 33 |
| **Balance at 12/31/2021** | **7,968** | **677** | **81** | **8,726** |

## (2.14) Non-current financial liabilities

| | 12/31/2021 EUR'000 | 12/31/2020 EUR'000 |
|---|---|---|
| Lease liabilities | 1,305 | 1,308 |
| Liabilities to banks | 0 | 7,288 |
| | **1,305** | **8,596** |

In the 2020 financial year, non-current liabilities due to banks contained a facility with a fixed maturity date from the syndicated loan agreement in the amount of EUR 7,500 thousand. The syndicated loan agreement was concluded in December 2016 with an original term of five years, which was extended by one year, to six years, in 2018. In addition, an increase option was exercised in 2019. Transaction costs amounting to EUR 533 thousand overall were incurred in connection with the fixed-maturity facility utilised in 2016. Pro-rated transaction costs in the amount of EUR 116 thousand (previous year: EUR 104 thousand) were therefore included in Financial expenses for financial year 2021.

The facility with a fixed maturity date utilised in the 2016 financial year was paid back in full in the 2021 financial year. In addition, the syndicated loan agreement was extended and now has a maturity date of December 31, 2026. Utilisation of the syndicated loan agreement at December 31, 2021 is shown under Current financial liabilities due to its now exclusively short term.

## (2.15) Deferred taxes and income tax expenses

| | 12/31/2021 EUR'000 | 12/31/2020 EUR'000 |
|---|---|---|
| Deferred tax assets | 150 | 132 |
| Deferred tax liabilities | 848 | 1,179 |

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

| | 12/31/2021 | | 12/31/2020 [1] | |
|---|---|---|---|---|
| | 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 | 4 | 724 | 5 | 906 |
| Property, plant and equipment | 27 | 1,009 | 27 | 1,173 |
| Other financial assets | 1 | 0 | 1 | 0 |
| **Current assets** | | | | |
| Inventories | 162 | 4 | 105 | 1 |
| Current trade receivables | 0 | 10 | 0 | 11 |
| Other current assets | 0 | 153 | 0 | 131 |
| | | | | |
| **SHAREHOLDERS' EQUITY AND LIABILITIES** | | | | |
| **Non-current liabilities** | | | | |
| Non-current provisions | 883 | 0 | 984 | 0 |
| Current liabilities | 125 | 0 | 100 | 47 |
| Subtotal for temporary differences | 1,202 | 1,900 | 1,222 | 2,269 |
| Capitalisation of tax loss carry-forwards | 0 | | 0 | |
| Netting | - 1,052 | - 1,052 | - 1,090 | - 1,090 |
| **Deferred taxes shown in the Statement of Financial Position** | **150** | **848** | **132** | **1,179** |

[1] Previous-year values adjusted due to a change in presentation following impairment.

Deductible temporary differences without tax assets capitalised amounted to EUR 305 thousand (previous year: EUR 402 thousand); impairment losses on deferred tax assets amounted to EUR 86 thousand (previous year: EUR 112 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 3 thousand (previous year: EUR 3 thousand).

The reserve of tax loss carry-forwards at the end of the financial year is as follows:

| | 12/31/2021 EUR'000 | 12/31/2020 EUR'000 |
|---|---|---|
| For corporation tax | 413 | 896 |
| For trade tax | 7,529 | 6,662 |

No deferred tax assets were recognised in respect of corporate tax loss carry-forwards of EUR 413 thousand (previous year: EUR 896 thousand) and trade tax carry-forwards of EUR 7,529 thousand (previous year: EUR 6,662 thousand) despite the positive profit forecasts in specific cases, due to the loss history.

The trade tax loss carry-forwards can all be used without limitation in time. The time periods over which corporation tax loss carry-forwards for which no deferred tax assets were recognised are presented in the table below.

| | 12/31/2021 EUR'000 | 12/31/2020 EUR'000 |
|---|---|---|
| Corporation tax loss carry-forwards | 413 | 896 |
| Expiry date within | | |
| 1 year | 0 | 79 |
| 2 years | 0 | 120 |
| 3 years | 2 | 139 |
| 4 years | 147 | 70 |
| 5 years | 0 | 246 |
| More than 5 years | 0 | 0 |
| Unlimited usability | 264 | 242 |

### 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:

| | 2021 EUR'000 | 2020 EUR'000 |
|---|---|---|
| Earnings before taxes | | |
| Germany | 4,043 | 1,888 |
| Austria | 1,011 | 654 |
| Turkey | 247 | - 286 |
| | **5,301** | **2,256** |
| Taxes paid or owed | | |
| Germany (of which attributable to other periods: EUR 1 thousand; previous year: EUR - 40 thousand) | 1,704 | 1,567 |
| Austria (of which attributable to other periods EUR 0 thousand; previous year: EUR 0 thousand) | 259 | 183 |
| Turkey (of which attributable to other periods: EUR 0 thousand; previous year: EUR 0 thousand) | 0 | 0 |
| | **1,963** | **1,750** |
| **Deferred taxes** | **- 324** | **- 727** |
| **Income tax expenses** | **1,639** | **1,023** |

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 25 thousand (previous year: deferred tax expense of EUR -11 thousand) was additionally recognised in other comprehensive income.

Tax loss carry-forwards of EUR 283 thousand (previous year: EUR 1 thousand) were utilised to reduce corporation tax expenses in the current financial year. The utilisation of tax loss carry-forwards from previous years led to a reduction in taxes on income paid and/or owed of EUR 71 thousand (previous year: EUR 0 thousand) in 2021.

The income tax expenses for the 2021 financial year in the amount of EUR 1,639 thousand (previous year: EUR 1,023 thousand) differed by EUR 75 thousand (previous year: EUR 357 thousand) from the expected tax expenses of EUR 1,564 thousand (previous year: EUR 666 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:

| | 2021 EUR'000 | 2020 EUR'000 |
|---|---|---|
| Profit after taxes | 3,662 | 1,233 |
| Actual income tax expenses | 1,963 | 1,750 |
| Deferred income tax expenses | - 324 | - 727 |
| Income tax expenses | 1,639 | 1,023 |
| **Earnings before income taxes** | **5,301** | **2,256** |
| Applicable tax rate | 29.5% | 29.5% |
| **Expected income tax expenses** | **1,564** | **666** |
| Tax effect of trade tax additions | 41 | 47 |
| Tax effect of trade tax reductions | - 17 | - 16 |
| Tax increases/reductions due to non-deductible expenses | 39 | 53 |
| Permanent differences from items of the Statement of Financial Position | - 13 | - 105 |
| Tax effects of loss carry-forwards and temporary differences | 50 | 440 |
| Current taxes attributable to other periods | 2 | - 40 |
| Deferred taxes attributable to other periods | 0 | 3 |
| Deferred taxes arising from other tax benefits | - 25 | - 45 |
| Change in deferred taxes due to amended tax rates | 1 | - 9 |
| Different domestic/foreign tax rates | - 11 | 27 |
| Other | 8 | 2 |
| **Income tax expenses** | **1,639** | **1,023** |
| **Effective tax rate in %** | **30.9%** | **45.3%** |

## (2.16) Alcohol tax liabilities

| | 12/31/2021 EUR'000 | 12/31/2020 EUR'000 |
|---|---|---|
| Alcohol tax liabilities | 36,355 | 42,626 |
| | **36,355** | **42,626** |

The stated amount pertains to the reported alcohol tax for the months of November and December 2021, which is payable on January 5 and February 5 of the following year, respectively, pursuant to the German Alcohol Tax Act.

## (2.17) Current provisions

| | 12/31/2021 EUR'000 | 12/31/2020 EUR'000 |
|---|---|---|
| Costs of annual financial statements | 81 | 81 |
| | **81** | **81** |

## (2.18) Current income tax liabilities

| | 12/31/2021 EUR'000 | 12/31/2020 EUR'000 |
|---|---|---|
| Current income tax liabilities (corporation tax, trade tax) | 262 | 255 |
| | **262** | **255** |

## (2.19) Current financial liabilities

| | 12/31/2021 EUR'000 | 12/31/2020 EUR'000 |
|---|---|---|
| Liabilities to banks | 7,793 | 36 |
| Lease liabilities | 971 | 946 |
| Liabilities to non-consolidated affiliated companies | 551 | 546 |
| Continuing involvement | 166 | 196 |
| Interest liability continuing involvement | 7 | 8 |
| | **9,488** | **1,732** |

At December 31, 2021, liabilities due to banks included the short-term utilisation of the syndicated loan agreement concluded in December 2016 in the amount of EUR 7,500 thousand. The total volume of funding available from the loan agreement amounts to EUR 33,000 thousand. Interest is payable on the utilisation 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.

## (2.20) Trade payables and other liabilities

| | 12/31/2021 EUR'000 | 12/31/2020 EUR'000 |
|---|---|---|
| Marketing and sales commitments, and bonuses | 13,421 | 14,022 |
| Trade payables | 11,238 | 9,664 |
| Liabilities for payroll, sales and other taxes | 4,801 | 5,000 |
| Supplier invoices outstanding | 1,571 | 1,247 |
| Money deposited as security | 1,301 | 1,360 |
| Liabilities for salary components relating to other periods | 1,250 | 854 |
| Governments grants for investments | 721 | 827 |
| Debtors with credit balances | 611 | 326 |
| Other | 1,389 | 1,288 |
| | **36,303** | **34,588** |

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

## (2.21) 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:

| | Carrying amount 12/31/2021 EUR'000 | up to 1 year | | 1 to 5 years | | more than 5 years | |
|---|---|---|---|---|---|---|---|
| | | Principal repayment EUR'000 | Future interest payments EUR'000 | Principal repayment EUR'000 | Future interest payments EUR'000 | Principal repayment EUR'000 | Future interest payments EUR'000 |
| Liabilities to banks | 7,793 | 7,793 | 3 | 0 | 0 | 0 | 0 |
| Lease liabilities | 2,276 | 969 | 51 | 1,303 | 42 | 0 | 0 |
| Other current financial liabilities | 724 | 724 | 4 | 0 | 0 | 0 | 0 |
| Trade payables | 11,238 | 11,238 | 0 | 0 | 0 | 0 | 0 |
| Other liabilities | 25,065 | 25,065 | 0 | 0 | 0 | 0 | 0 |
| - of which financial liabilities not subject to IFRS 9 | 7,862 | 7,682 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **47,096** | **45,789** | **58** | **1,303** | **42** | **0** | **0** |

| | | up to 1 year | | 1 to 5 years | | more than 5 years | |
|---|---|---|---|---|---|---|---|
| | Carrying amount 12/31/2020 | 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 | 7,324 | 36 | 146 | 7,500 | 171 | 0 | 0 |
| Lease liabilities | 2,254 | 939 | 52 | 1,304 | 43 | 0 | 0 |
| Other current financial liabilities | 750 | 750 | 4 | 0 | 0 | 0 | 0 |
| Trade payables | 9,664 | 9,664 | 0 | 0 | 0 | 0 | 0 |
| Other liabilities | 24,924 | 24,924 | 0 | 0 | 0 | 0 | 0 |
| - of which financial liabilities not subject to IFRS 9 | 7,712 | 7,712 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **44,916** | **36,313** | **202** | **8,804** | **214** | **0** | **0** |

All financial instruments held at December 31, 2021, 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, 2021. 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.

## (2.22) 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: negative earnings effect of EUR 13 thousand). 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.

### 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:

| | Category per IFRS 9 | 12/31/2021 Carrying amount EUR'000 | 12/31/2021 Fair value EUR'000 | 12/31/2020 Carrying amount EUR'000 | 12/31/2020 Fair value EUR'000 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash and cash equivalents | AC [1] | 28,297 | 28,297 | 26,334 | 26,334 |
| Trade receivables | AC | 7,516 | 7,516 | 11,765 | 11,765 |
| Other financial assets | | | | | |
| Equity instruments | FVPL [2] | 804 | 804 | 774 | 774 |
| Other financial assets | AC | 9,215 | 9,215 | 9,368 | 9,368 |
| | | | | | |
| **Liabilities** | | | | | |
| Liabilities to banks | AC | 7,793 | 7,793 | 7,324 | 7,324 |
| Trade payables | AC | 11,238 | 11,238 | 9,664 | 9,664 |
| Other financial liabilities | AC | 17,926 | 17,926 | 17,962 | 17,962 |

[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.

| | 2021 EUR'000 | 2020 EUR'000 |
|---|---|---|
| Spirits segment | 92,657 | 92,952 |
| Non-alcoholic Beverages segment | 35,346 | 45,307 |
| Fresh Juice Systems segment | 15,363 | 14,978 |
| Other segments | 2,743 | 1,354 |
| **Revenues** | **146,109** | **154,591** |

## (3.2) Change in inventories

| | 2021 EUR'000 | 2020 EUR'000 | Change EUR'000 |
|---|---|---|---|
| Work in progress | 18,278 | 17,877 | + 401 |
| Finished products | 10,218 | 10,283 | - 65 |
| **Change in inventories** | | | **+ 336** |

## (3.3) Other operating income

| | 2021 EUR'000 | 2020 EUR'000 |
|---|---|---|
| Reversal of liabilities (accruals) | 809 | 809 |
| Sales of empty containers and deposit refunds | 541 | 278 |
| Income from disposals of non-current assets | 518 | 75 |
| Other income relating to other periods | 488 | 247 |
| Waste recycling | 380 | 295 |
| Costs allocations/ cost reimbursements | 359 | 613 |
| Rental income | 199 | 197 |
| Miscellaneous other operating income | 504 | 613 |
| | **3,798** | **3,127** |

## (3.4) Purchased goods and services

| | 2021 EUR'000 | 2020 EUR'000 |
|---|---|---|
| Cost of raw materials and supplies, and merchandise for resale | 73,318 | 83,914 |
| Cost of purchased services | 4,670 | 3,619 |
| | **77,988** | **87,533** |

## (3.5) Personnel expenses

| | 2021 EUR'000 | 2020 EUR'000 |
|---|---|---|
| Wages and salaries | 22,646 | 20,901 |
| Social security | 4,098 | 3,967 |
| Pension costs | 9 | 109 |
| | **26,753** | **24,977** |

In the 2021 financial year, the use of short-time ("Kurzarbeit") work schemes led to claims for the reimbursement of social security contributions in the amount of EUR 53 thousand (previous year: EUR 59 thousand), which are recorded in personnel expenses under social security contributions.

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

| | Annual average | | Year-end | |
|---|---|---|---|---|
| | **2021** | **2020** | **2021** | **2020** |
| Salaried staff | 264 | 263 | 266 | 264 |
| Wage-earning staff | 204 | 211 | 199 | 211 |
| | **468** | **474** | **465** | **475** |
| Apprentices | 25 | 29 | 24 | 32 |
| | **493** | **503** | **489** | **507** |

Based on full-time equivalents, the workforce decreased from an annual average of 418 to 417.

## (3.6) Depreciation and amortisation of assets

| | **2021 EUR'000** | **2020 EUR'000** |
|---|---|---|
| Depreciation of property, plant and equipment | 6,420 | 6,403 |
| Depreciation of right-of-use assets | 1,137 | 1,133 |
| Amortisation of intangible assets | 1,092 | 1,370 |
| Depreciation of investment property | 0 | 13 |
| | **8,649** | **8,919** |

## (3.7) Impairments of assets

| | **2021 EUR'000** | **2020 EUR'000** |
|---|---|---|
| Impairments of property plant and equipment | 0 | 1,339 |
| Impairments of intangible assets | 0 | 38 |
| | **0** | **1,377** |

As a result of the coronavirus pandemic, and in particular owing to the hard-hitting impacts of this crisis on food and drink establishments, an ad hoc impairment test had to be carried out for the *Non-alcoholic Beverages* segment at March 31, 2020, as a result of which an impairment loss amounting to EUR 1,377 thousand was recognised in the first quarter of the 2020 financial year.

On the basis of updated scenario analyses and the decision from one of our previous clients, an international beverages group, to discontinue our long-standing collaboration regarding the filling of their non-alcoholic branded products after the end of the first quarter of the 2021 financial year, additional ad hoc impairment tests were carried out for the *Non-alcoholic Beverages* CGU at the end of each quarter in the 2020 financial year. This did not result in any further impairments or reversals, however. In the 2021 financial year, another ad hoc impairment test was carried out at December 31, 2021, in particular due to the continued hard-hitting impacts of the crisis on food and drink establishments. This did not result in any further impairments or reversals.

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 determined a recoverable amount of EUR 25,597 thousand (March 31, 2020: EUR 26,874 thousand, December 31, 2020: EUR 37,262 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).

The anticipated cash flows were planned using a planning period of three years. The cash flows were based on a qualified planning process taking into account internal company experience and extensive market knowledge, 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, the EBITDA growth rate 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 3.6% (March 31, 2020: 3.7%, December 31, 2020: 3.1%). 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%).

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

The impairment was distributed on the basis of the carrying values of each individual asset in the CGU, taking into account IAS 36.104 et seq.

The impairment determined at March 31, 2020 related to intangible assets (EUR 38 thousand), land and buildings (EUR 496 thousand), technical equipment and machinery (EUR 399 thousand) and other operating and office equipment (EUR 444 thousand).

## (3.8) Other operating expenses

| | 2021<br>EUR'000 | 2020<br>EUR'000 |
|---|---|---|
| Other selling costs | 15,136 | 15,509 |
| Marketing, including advertising | 3,352 | 3,343 |
| Maintenance | 3,093 | 3,174 |
| Charges, contributions, insurance premiums | 1,940 | 1,616 |
| Other services | 949 | 1,026 |
| Impairments of Inventories | 885 | 811 |
| Packaging recycling | 854 | 789 |
| Temporary staff | 607 | 774 |
| Legal, consulting, auditing costs | 591 | 929 |
| Other personnel expenses | 572 | 402 |
| Expenses relating to other periods | 508 | 1,008 |
| Rents, office costs, money transfer costs | 393 | 389 |
| Miscellaneous other operating expenses | 1,262 | 1,470 |
| | **30,142** | **31,240** |

## (3.9) Financial income/financial expenses

| | 2021<br>EUR'000 | 2020<br>EUR'000 |
|---|---|---|
| Other interest and similar income | 48 | 99 |
| Income from equity investments | 8 | 0 |
| Financial income | 56 | 99 |
| Interest and similar expenses | 1,460 | 1,569 |
| Loss absorption expenses | 6 | 4 |
| Financial expenses | 1,466 | 1,573 |
| **Financial result** | **- 1,410** | **- 1,474** |

## (3.10) Net results by measurement categories

The net results by measurement categories break down as follows in the 2021 financial year:

| | | from interest EUR'000 | from subsequent measurement at fair value EUR'000 | currency translation EUR'000 | from write-downs EUR'000 | from disposal EUR'000 | Net results 2021 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 | - 646 | 0 | 0 | 0 | 0 | - 646 |
| Financial assets measured at amortised cost | AC | 36 | 0 | 0 | 53 | 0 | 89 |
| **Total** | | **- 615** | **0** | **0** | **53** | **0** | **- 562** |

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

| | | from interest EUR'000 | from subsequent measurement at fair value EUR'000 | currency translation EUR'000 | from write-downs EUR'000 | from disposal EUR'000 | Net results 2020 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 | - 517 | 0 | 0 | 0 | 0 | - 517 |
| Financial assets measured at amortised cost | AC | 86 | 0 | 0 | 78 | 0 | 164 |
| **Total** | | **- 435** | **0** | **0** | **78** | **0** | **- 357** |

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.

## (3.11) Earnings per share

In accordance with IAS 33, earnings per share are calculated by dividing the consolidated 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 financial year 2021 (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 at December 31, 2021. For this reason, only the basic earnings per share of common stock are presented.

| | | 2021 | 2020 |
|---|---|---|---|
| Consolidated profit | EUR'000 | 3,662 | 1,233 |
| Number of common shares [1)] | in thousands | 9,394 | 9,394 |
| **Basic earnings per share of common stock** | **EUR** | **0.390** | **0.131** |

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 profit before interest, taxes, depreciation and amortisation, adjusted for non-cash elements) as the central managerial indicator of liquidity, and cash movements in working capital. In the 2021 financial year, the net cash inflow fell to EUR 11,623 thousand (previous year: EUR 13,625 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 just a small net cash outflow of close to EUR 42 thousand (previous year: cash inflow of EUR 2,635 thousand). The change in other liability items as well as other non-cash effects resulted in another cash outflow of EUR 1,222 thousand (previous year: EUR 2,040 thousand). The decrease in other assets, meanwhile, led to a cash inflow of EUR 279 thousand (previous year: EUR 3,894 thousand).

### Cash flow from investing activities

The Group's investing activities led to a cash outflow overall of EUR 7,299 thousand (previous year: EUR 5,362 thousand). Investments in property, plant and equipment and intangible assets totalled EUR 8,489 thousand (previous year: EUR 5,166 thousand). In addition, payments for the acquisition of subsidiaries amounted to EUR 30 thousand (previous year: EUR 379 thousand as well as secured cash in the amount of EUR 50 thousand). This was accompanied by cash flows from the disposal of assets amounting to EUR 1,220 thousand (previous year: EUR 133 thousand). This cash inflow is linked to the sale of land and buildings from the former Norden production location.

### Cash flow from financing activities

Financing activities resulted in a net cash outflow of EUR 2,654 thousand (previous year: EUR 3,939 thousand), primarily due to the dividend payment of EUR 1,221 thousand (previous year: EUR 2,630 thousand) and lease liability repayments of EUR 1,203 thousand (previous year: EUR 1,185 thousand). The extension of the term of the syndicated loan also involved transaction cost outflows of EUR 194 thousand.

A breakdown of the change in financial liabilities into cash and non-cash components can be found in the following table:

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Non-current financial liabilities EUR'000 | Current financial liabilities EUR'000 | Non-current financial liabilities EUR'000 | Current financial liabilities EUR'000 |
| 01/01. | 8,596 | 1,732 | 7,858 | 2,340 |
| Cash additions and repayments | - 7,500 | 6,555 | 0 | - 1,922 |
| Non-cash changes | | | | |
| Exchange rate changes | - 29 | - 20 | - 22 | - 167 |
| Other effects | 238 | 1,221 | 760 | 1,481 |
| of which: new and amended lease agreements | 27 | 1,247 | 707 | 1,457 |
| **12/31** | **1,305** | **9,488** | **8,596** | **1,732** |

Interest payments are allocated to the cash flow from operating activities and reported under other effects.

Interest in the amount of EUR 1,212 thousand (previous year: EUR 1,390 thousand) was paid in the 2021 financial year.

### Cash and cash equivalents

At year-end, the cash and cash equivalents as defined in Note (2.9) totalled EUR 28,004 thousand (previous year: EUR 26,334 thousand), of which EUR 25,812 thousand (previous year: EUR 22,246 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 2021 financial year, drawdowns of short-term credit lines and financing instruments classified as such were utilised in the amount of EUR 293 thousand (previous year: no drawdowns).

## (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's business activities were divided into the following segments in the 2020 and 2021 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 tourist and event activities 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, 2021**

| | 2021 | | | | | |
|---|---|---|---|---|---|---|
| | 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** | **92,657** | **35,346** | **15,363** | **2,743** | | **146,109** |
| Intersegment revenues | 291 | 29 | 2 | 10 | - 332 | |
| **Total revenues** | **92,948** | **35,375** | **15,365** | **2,753** | **- 332** | **146,109** |
| Purchased goods and services (product-related only) | - 54,772 | - 9,515 | - 8,652 | - 1,281 | 332 | **- 73,888** |
| Other direct costs | - 4,710 | - 4,497 | - 1,282 | - 73 | | **- 10,562** |
| Marketing, including advertising | - 2,323 | - 877 | - 72 | - 70 | | **- 3,342** |
| **Contribution margin after marketing budgets** | **31,143** | **20,486** | **5,359** | **1,329** | | **58,317** |
| Other operating income | | | | | | **3,798** |
| Purchased goods and services/change in inventories (if not included in contribution margin) | | | | | | **- 3,764** |
| Personnel expenses | | | | | | **- 26,753** |
| Depreciation and amortisation of assets | | | | | | **- 8,649** |
| Miscellaneous other operating expenses | | | | | | **- 16,238** |
| **Consolidated operating profit, EBIT** | | | | | | **6,711** |
| Financial income | | | | | | **56** |
| Financial expenses | | | | | | **- 1,466** |
| **Consolidated profit before income taxes** | | | | | | **5,301** |
| Income tax expenses | | | | | | **- 1,639** |
| **Consolidated profit** | | | | | | **3,662** |

## Segment report for the period from January 1 to December 31, 2020

| | 2020 | | | | | |
|---|---|---|---|---|---|---|
| | 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** | **92,952** | **45,307** | **14,978** | **1,354** | | **154,591** |
| Intersegment revenues | 277 | 35 | 1 | 17 | - 330 | |
| Total revenues | 93,229 | 45,342 | 14,979 | 1,371 | - 330 | **154,591** |
| Purchased goods and services (product-related only) | - 55,736 | - 17,590 | - 9,334 | - 707 | 330 | **- 83,037** |
| Other direct costs | - 4,996 | - 4,728 | - 1,082 | - 37 | | **- 10,843** |
| Marketing, including advertising | - 2,326 | - 873 | - 100 | - 48 | | **- 3,347** |
| **Contribution margin after marketing budgets** | **30,171** | **22,151** | **4,463** | **579** | | **57,364** |
| Other operating income | | | | | | **3,127** |
| Purchased goods and services/change in inventories (if not included in contribution margin) | | | | | | **- 4,438** |
| Personnel expenses | | | | | | **- 24,891** |
| Depreciation and amortisation of assets | | | | | | **- 8,919** |
| Miscellaneous other operating expenses | | | | | | **- 17,034** |
| **Consolidated operating profit, EBIT** | | | | | | **5,209** |
| Exceptional effects | | - 1,479 | | | | **- 1,479** |
| Financial income | | | | | | **99** |
| Financial expenses | | | | | | **- 1,573** |
| **Consolidated profit before income taxes** | | | | | | **2,256** |
| Income tax expenses | | | | | | **- 1,023** |
| **Consolidated profit** | | | | | | **1,233** |

### Geographical breakdown

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

| | 2021<br>EUR'000 | 2020<br>EUR'000 |
|---|---|---|
| Germany | 111,414 | 123,920 |
| Rest of European Union | 28,133 | 26,525 |
| Rest of Europe | 4,271 | 2,493 |
| Rest of world | 2,291 | 1,653 |
| | **146,109** | **154,591** |

### Breakdown of revenues by product group

| | 2021<br>EUR'000 | 2020<br>EUR'000 |
|---|---|---|
| Private-label and dealer brands | 94,600 | 93,604 |
| Non-alcoholic beverages | 35,346 | 45,307 |
| Fresh juice systems | 15,363 | 14,978 |
| Other product groups | 800 | 702 |
| | **146,109** | **154,591** |

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 *Other Segments*.

### Dependence on key customers

In the 2021 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:

| | 2021 | | 2020 | |
|---|---|---|---|---|
| **Customer** | **Revenues EUR'000** | **Proportion of total revenues** | **Revenues EUR'000** | **Proportion of total revenues** |
| Customer A | 29,483 | 20.2% | 34,534 | 22.3% |
| Customer B | 25,041 | 17.1% | 22,931 | 14.8% |
| Customer C | 14,898 | 10.2% | 14,620 | 9.5% |

## (4.3) Contingent liabilities

The following contingent liabilities existed at year-end:

| | 2021<br>EUR'000 | 2020<br>EUR'000 |
|---|---|---|
| Liabilities from guarantees | 872 | 872 |
| Other contingent liabilities | 364 | 327 |
| | **1,236** | **1,199** |

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.

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 36,355 thousand at year-end (previous year: EUR 42,626 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 425 thousand (previous year: EUR 382 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 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 2021 financial year:

In December 2021, Berentzen-Gruppe Aktiengesellschaft extended the syndicated loan agreement concluded with a bank syndicate in December 2016 by another five years. The maturity date is therefore now December 31, 2026. A total funding volume of EUR 33.0 million is still available. As part of the extension, the repayable-at-maturity facility of EUR 7.5 million from the current loan agreement was paid back. In addition, a new financing structure was selected, resulting in available funds for operating and general corporate financing needs of EUR 21.0 million from branch agreements concluded bilaterally and an additional EUR 12.0 million via loan drawdowns with maturities of one, two, three or six months. The parties also agreed on the option of increasing the financing volume through the addition of another repayable-at-maturity facility in the amount of EUR 10.0 million for the financing of acquisitions. 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 included in the syndicated loan agreement as guarantors as part of a cross-guarantee system taking the form of a guarantor concept based on the minimum fulfilment of certain group inventory levels and flow variables stipulated in the agreement, which Berentzen-Gruppe Aktiengesellschaft as the borrower and the guarantors are obliged to maintain. The borrower is obliged 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. The syndicated loan agreement, which is essentially based on the international contract standard of the British Loan Market Association ("LMA standard"), also stipulates the customary obligations, conditions, assurances and warranties, particularly including debt limits, limitations on the sale of assets, and a change-of-control clause. If the covenants, other obligations, conditions, assurances and warranties are breached, and if a change of control occurs, the lenders are 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 ensuing total volume of funding available to the Berentzen Group on the basis of two factoring agreements running until March 31, 2024 amounts to EUR 55.0 million (previous year: EUR 55.0 million). Added to this is a formally unlimited factoring line under three further, open-ended central settlement and factoring agreements. In the 2021 financial year, this gave rise to an average gross funding volume of EUR 8.3 million (previous year: EUR 8.0 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 providers of working capital to the Berentzen Group totals EUR 0.9 million (previous year: EUR 0.7 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 0.7 million (previous year: EUR 0.5 million), fundamentally in the form of cash received before the due date or other securities. Furthermore, surety bonds for alcohol tax in the amount of EUR 0.8 million in total (previous year: EUR 0.8 million) provided by two of the surety bond insurers are included in the overall financing of the corporate group. Both the working capital credit agreements and one of the surety bond agreements contain change-of-control clauses that allow the financing agreements concerned to be terminated prematurely in the event of a change of control. The latter also includes covenants that give the insurer a special right of termination if they are breached. Furthermore, the Turkish subsidiary received an annuity loan in May 2019 in the translated amount of EUR 0.3 million, which was paid back according to plan in April 2021.

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 64.2 million at December 31, 2021 (previous year: EUR 63.7 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. The expected financing requirements 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 76% (previous year: 78%) 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. For domestic customers, the VAT included in the amount of the receivable is also insured. In the event of a default on receivables, the net default risk is only slightly less than 5% of the gross receivable as the VAT is refunded by the tax authorities. 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.

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | EUR'000 | % | EUR'000 | % |
| **Trade receivables** | **7,690** | **100.00%** | **11,992** | **100.00%** |
| - of which trade credit-insured | 3,406 | 44.30% | 4,143 | 34.55% |
| - of which secured by a surety | 2,037 | 26.49% | 1,559 | 13.00% |
| - of which secured by guarantees | 1,233 | 16.03% | 895 | 7.46% |
| - of which unsecured | 840 | 10.92% | 5,168 | 43.10% |
| - of which written down | 174 | 2.26% | 227 | 1.89% |

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.

No loans denominated in foreign currencies are granted and no bill transactions are conducted. As a general rule, no deliveries are made to customers not associated with foreign branch offices without 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 in connection with the decision to develop or expand a foreign market using a Group company by means of an overall assessment of the general economic and political environment, including the country rating. Companies are not established in countries deemed to be unstable. Subsequent financing measures oriented strictly towards actual capital requirements with respect to previously established foreign Group companies are also accordingly assessed based on continuous monitoring and updated findings and are furthermore managed and accompanied 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 past years due to the associated implications of a higher risk of default. Security payments or advance payments are agreed in order to minimise the risk associated with selling directly to customers in countries deemed risky if there is no trade credit insurance coverage or it is not possible to sell the receivables under factoring agreements. 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 of changes in the fair value of future cash flows from a financial instrument 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. In addition to the exchange rate trend, the resulting risk potential also depends on changes in the volume of transactions effected or to be entered into in foreign currencies. So far, the business activities with respect to procurement and sales have been largely settled in euros and US dollars. No material transactions are entered into with suppliers or customers in hyperinflationary economies. 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 1.9 million (previous year: EUR 1.2 million) and EUR 1.4 million (previous year: EUR 1.4 million) at December 31, 2021. Rate-hedging measures are carried out regularly 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. To hedge currency risk arising from future purchases of goods, there were no rate-hedging measures at December 31, 2021 (December 31, 2020: currency options pertained to a volume totalling EUR 1.6 million). Provided the scope of consolidation remains unchanged, foreign currency risks are to be regarded as relatively low or low overall. However, this assessment can change with an increasing volume of corresponding transactions as well as due to the effects of financial policy and corporate policy decisions or future trends on the foreign exchange market.

From the Group’s perspective, the value of the Berentzen Group’s assets or 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 from the separate financial statements 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 currency translation differences previously recognised in Group equity would need to be recognised in profit or loss. No foreign subsidiaries were deconsolidated in the 2021 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 in the amount of EUR 4.4 million (previous year: EUR 3.6 million) as of December 31, 2021.

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.

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Exchange rate change + 5% EUR'000 | Exchange rate change - 5% EUR'000 | Exchange rate change + 5% EUR'000 | Exchange rate change - 5% EUR'000 |
| USD | 437 | - 480 | 386 | - 426 |
| TRY | 4 | - 5 | - 61 | 68 |
| Other | - 47 | 53 | 5 | - 7 |
| **Overall effect on equity and earnings before income taxes** | **394** | **- 432** | **330** | **- 365** |

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 2021 financial year, earnings before income taxes would have been EUR 131 thousand (previous year: EUR 120 thousand) lower. If the level of market interest rates had been 100 basis points lower, earnings before income taxes would have been EUR 4 thousand (previous year: EUR 120 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 30 (previous year: 36) 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. Consequently, the need for conventional short-term credit lines is reduced to a considerable degree.

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. 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 market availability and, in the case of purchases conducted in foreign currencies, the development of the corresponding exchange rates against the euro. A large part of the raw materials needed for the production of spirits and non-alcoholic beverages as well as the fruits (oranges) traded in the Fresh Juice Systems segment are agrarian products, the availability of which depends on the respective crop yields. Furthermore, regulatory measures such as duties can have a considerable influence on purchase prices.

Annual supply contracts are in place for the purchase of glass, stipulating fixed prices and fixed quantities. For harvest-dependent raw materials such as sugar, fruit juice concentrates and alcohol made from grains, contracts are usually concluded from harvest to harvest. Other raw material and packaging material groups are based on market price indexes, with prices mostly fixed on a quarterly or half-yearly basis depending on market conditions. In the *Fresh Juice Systems* segment, purchases of the individual system components are predominantly managed on the basis of single contracts; in particular, the procurement of fruits (oranges) is dependent on harvest seasons in the global cultivation areas.

## (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 debt 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:

| | 12/31/2021<br>EUR'000 | 12/31/2020<br>EUR'000 |
|---|---|---|
| Consolidated shareholders' equity | 48,856 | 47,240 |
| Tax accruals | 150 | 132 |
| **Adjusted shareholders' equity** | **48,706** | **47,108** |
| Total capital | 142,143 | 145,182 |
| Tax accruals | 150 | 132 |
| **Adjusted total capital** | **141,993** | **145,050** |
| **Equity ratio** | **34.3%** | **32.5%** |

The dynamic debt 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 debt ratio at year-end:

| | 12/31/2021 EUR'000 | 12/31/2020 EUR'000 |
|---|---|---|
| Non-current financial liabilities | 1,305 | 8,596 |
| Current financial liabilities | 9,488 | 1,732 |
| Cash and cash equivalents | 28,297 | 26,334 |
| **Total Net Debt** | **- 17,504** | **- 16,006** |
| **EBITDA** | **15,360** | **14,128** |
| **Dynamic gearing ratio** | **- 1.14** | **- 1.13** |

Information regarding risk management, particularly the covenants agreed upon, can be found in Note (4.5). As of December 31, 2021, 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 entitles 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 | 2021 EUR'000 | 2020 EUR'000 |
|---|---|---|
| Short-term benefits | 1,368 | 889 |
| Other long-term benefits | 78 | - 161 |
| Share-based Payment | 371 | 0 |
| | **1,817** | **728** |

The Supervisory Board passed a resolution on changes to the compensation system for Executive Board members at January 1, 2021, which was approved by the annual general meeting on May 11, 2021. In addition to fixed basic salaries, the compensation system 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. At December 31, 2021, a fair value of EUR 371 thousand was determined for these options and shown on the liabilities side accordingly.

The data used in the model for the 2021 financial year encompass the following:

- Exercise price: EUR 1.01
- Berentzen Group share price at December 31, 2021: EUR 6.30
- Performance period or term of the option: December 30, 2020 to December 30, 2024

The expected price volatility is based on historical volatilities: 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.

In the 2020 financial year, in light of the expected reduction in earnings and on the basis of the related compensation agreements for the Executive Board members of Berentzen-Gruppe Aktiengesellschaft, the provision for other long-term benefits was adjusted.

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 | 2021<br>EUR'000 | 2020<br>EUR'000 |
|---|---|---|
| Non-performance-based components | 839 | 755 |
| Performance-based components | 560 | 161 |
| **Total compensation** | **1,399** | **916** |
| | | |
| **Committed performance-based components with a long-term incentive effect** | **53** | **30** |

In addition to the total compensation granted in the respective financial year, commitments of performance-based, non-share-based compensation components were granted to the members of the Executive Board for the respective financial year. The amounts to be paid depend on the level of consolidated EBIT in the respectively following financial year and in the two respectively following financial years. The total amounts so committed amounted to EUR 53 thousand (previous year: EUR 30 thousand).

Share-based compensation with a fair value of EUR 371 thousand (previous year: no share-based compensation) was granted to the members of the Executive Board in the 2021 financial year. No compensation was granted to Executive Board members for exercising mandates on the boards of subsidiaries in the 2021 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 financial year 2021.

No compensation was paid to former members of the Executive Board or their surviving dependants in the 2021 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 2021 financial year (previous year: EUR 34 thousand).

As calculated in accordance with IAS 19, the present value of accrued pension obligations for this group of persons amounted to EUR 369 thousand at December 31, 2021 (previous year: EUR 392 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 187 thousand (previous year: EUR 188 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 105 thousand (previous year: EUR 105 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 financial year 2021, 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 2021 financial year for positions held with subsidiaries.

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 2021 financial year.

No compensation was granted to former members of the Supervisory Board or their surviving dependants in financial year 2021.

**Additional related-party disclosures**

The outstanding balances due from or to related entities and persons at the end of the financial year at December 31, 2021, 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 at December 31, 2021, 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 2021 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 |
| **Stichting Administratiekantoor Monolith** Amsterdam, The Netherlands | Monolith N.V. | December 15, 2021 | > 5 | 5.18 | 496,841 |
| **Lazard Frères Gestion S.A.S.** Paris, France | Lazard Frères Gestion S.A.S. | June 22, 2017 | > 5 | 5.07 | 486,598 |
| **Fondation de prévoyance Swiss Medical Network** Genolier, Switzerland | Fondation de prévoyance Swiss Medical Network | February 7, 2022 | < 3 | 2.99 | 286,940 |
| **Fondation de prévoyance Swiss Medical Network** Genolier, Switzerland | Fondation de prévoyance Swiss Medical Network | November 19, 2021 | > 3 | 3.02 | 290,000 |

[1] If the names of the shareholders deviate 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, exceeded or fallen below 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 2021. 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

The following persons served as members of the Executive Board of Berentzen-Gruppe Aktiengesellschaft in the 2021 financial year:

| Name | Term of Board membership | Occupation / Responsibilities | Supervisory Board mandates |
|---|---|---|---|
| **Ralf Brühöfner**<br><br>Lingen, Germany | since June 18, 2007 | Member of the Executive Board of Berentzen-Gruppe Aktiengesellschaft<br><br>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**<br><br>Timmendorfer Strand, Germany | since June 1, 2017 | Member of the Executive Board of Berentzen-Gruppe Aktiengesellschaft<br><br>Marketing, Sales, Production and Logistics, Purchasing, Research and Development | Doornkaat Aktiengesellschaft, Norden [1], Germany (Chairman of the Supervisory Board) |

[1] Non-listed, intra-Group companies.

### Supervisory Board of Berentzen-Gruppe Aktiengesellschaft

The following persons served as members of the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft in the 2021 financial year:

| Name | Term of Supervisory Board membership<br><br>Member of the Supervisory Board representing the shareholders / employees | Occupation | Other Supervisory Board mandates |
|---|---|---|---|
| **Uwe Bergheim**<br><br>Dusseldorf, Germany<br><br>Chairman of the Supervisory Board | since May 3, 2018<br><br>Member of the Supervisory Board representing the shareholders | Self-employed corporate consultant, Dusseldorf, Germany | |
| **Frank Schübel**<br><br>Gräfelfing, Germany<br><br>Deputy Chairman of the Supervisory Board | since May 19, 2017<br><br>Member of the Supervisory Board representing the shareholders | Managing Director of TEEKANNE Holding GmbH & Co. KG, Dusseldorf, Germany | |
| **Dagmar Bottenbruch**<br><br>Frankfurt/Main, Germany | since July 2, 2020<br><br>Member of the Supervisory Board representing the shareholders | Self-employed Management Consultant and Angel Investor, Frankfurt/Main, Germany<br><br>Managing Director of Segenia Capital Management GmbH / Segenia Capital GP GmbH, Frankfurt/Main, Germany (until December 31, 2021) | AMG Advanced Metallurgical Group N.V. [1)], Amsterdam, The Netherlands (Member of the Supervisory Board)<br><br>ad pepper media International N.V.[1)], Amsterdam, The Netherlands (Member of the Supervisory Board) |
| **Heike Brandt**<br><br>Minden, Germany | since May 22, 2014<br><br>Member of the Supervisory Board representing the employees | Commercial employee at Berentzen-Gruppe Aktiengesellschaft, Haselünne, Germany | |
| **Bernhard Düing**<br><br>Herzlake, Germany | since June 24, 1999<br><br>Member of the Supervisory Board representing the employees | Production Shift Manager at Vivaris Getränke GmbH & Co. KG, Haselünne, Germany | |
| **Hendrik H. van der Lof**<br><br>Almelo, The Netherlands | since May 19, 2017<br><br>Member of the Supervisory Board representing the shareholders | Managing Director of Via Finis Invest B.V., Almelo, The Netherlands | |

1) Listed, non-Group companies.

## (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 11, 2021, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Osnabrück, was elected as the auditor of the separate and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft at December 31, 2021. Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Dusseldorf, was the auditor of the separate and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft at December 31, 2020.

The respective auditors of the consolidated financial statements in the 2021 and 2020 financial years charged total fees which break down as shown in the following table:

| | 2021<br>EUR'000 | 2020<br>EUR'000 |
|---|---|---|
| Financial statements auditing services | 188 | 183 |
| Other certification services | 26 | 0 |
| Tax advisory services | 26 | 0 |
| Other services | 0 | 0 |
| | **240** | **183** |

The services rendered by the auditor relate to the statutory audit of the separate and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft. In addition, the auditor carried out a statutory audit of the annual financial statements of one subsidiary. The fees for other audit-related services relate to a review of the annual financial statements of one subsidiary as well as the audit of the remuneration report. The tax advisory services relate to the tax declaration and other tax advisory services attributable to PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Osnabrück, being responsible for providing tax consultancy services to the domestic companies of the Berentzen Group up to June 2021.

## (4.12) Events after the reporting date

In February 2022, the armed conflict between Russia and Ukraine escalated dramatically. On February 22, 2022, the Russian government recognised the self-proclaimed republics of Luhansk and Donetsk as independent states and declared that it would be sending Russian soldiers to the Eastern Ukrainian separatist regions. In response, the USA, the EU and allies imposed sanctions against Russia, such as halting the Nord Stream 2 Baltic Sea gas pipeline indefinitely in Germany. On February 24, 2022, Russia launched an invasion of Ukraine, causing Ukrainian President Volodymyr Zelenskyy to declare a state of war and martial law across the country. On February 27, Vladimir Putin put Russian nuclear forces on high alert and continued the offensive against the Ukrainian capital of Kyiv.

The potential loss of revenues for the Berentzen Group as a direct result of the conflict is very low. In the 2021 financial year, only around 0.2% (previous year: 0.2%) of consolidated revenues were generated in Russia and Ukraine. More significant impacts are expected on the sourcing market, however. The Berentzen Group expects further disruptions in the various supply chains, particularly in sourcing cereal alcohol and glass. The possible impacts on the Berentzen Group's financial performance are analysed continuously, with countermeasures taken where necessary.

Haselünne, March 16, 2022

**Berentzen-Gruppe Aktiengesellschaft**

The Executive Board

Oliver Schwegmann
Executive Board member

Ralf Brühöfner
Executive Board member

# D. Declarations and other information

## Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the financial position, financial performance and cash flows of the Group, and the group management report, which is combined with the management report of Berentzen-Gruppe Aktiengesellschaft, provides a true and fair view of the development of the business, including the results of operations and the position of the Group as well as a description of the significant opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Haselünne, March 16, 2022

**Berentzen-Gruppe Aktiengesellschaft**

The Executive Board

| | |
|---|---|
| Oliver Schwegmann | Ralf Brühöfner |
| Executive Board member | 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 2021, 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 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Berentzen-Gruppe Aktiengesellschaft, which is combined with the Company’s management report, for the financial year from 1 January to 31 December 2021.

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 § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] 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 2021, and of its financial performance for the financial year from 1 January to 31 December 2021, 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.

Pursuant to § 322 Abs. 3 Satz [sentence] 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). We performed the audit of the consolidated financial statements in supplementary compliance with the International Standards on Auditing (ISAs). Our responsibilities under those requirements, principles and standards 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 2021. 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 € 55.4 million (39% 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 medium-term planning forms the starting point, and is projected forward with assumptions about long-term 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. No need for write-downs or recovery of value was found as a result of the impairment tests.

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 medium-term 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 medium-term 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 – 2.4 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 statement on corporate governance pursuant to § 289f HGB and § 315d HGB.

The other information also comprises

– 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.

### 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 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) and supplementary compliance with the ISAs 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 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, the related safeguards.

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

## Other 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_2021-12-31.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 2021 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 (10.2021)) 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 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

***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 renderings 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 11 May 2021. We were engaged by the supervisory board on 25 August 2021. 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 published in the Federal Gazette – 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 Prof. Dr. Gregor Solfrian.

Osnabrück, 17 March 2022

**PricewaterhouseCoopers GmbH**
**Wirtschaftsprüfungsgesellschaft**

Prof. Dr. Gregor Solfrian Stefan Geers
German Public Auditor German Public Auditor

# Company Information

Berentzen Group | Investors | Financial calendar

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Publication date: March 24, 2022

# Financial calendar 2022

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|---|---|
| March 24, 2022 | Annual Financial Statements and Annual Report 2021 |
| May 3, 2022 | Interim Report Q1 / 2022 |
| May 18, 2022 | Virtual General Meeting of Berentzen-Gruppe Aktiengesellschaft |
| June 13 to 14, 2022 | Virtual  Roadshow with Metzler Capital Markets |
| August 11, 2022 | Group Half-Yearly Financial Report 2022 |
| September 27 to 28, 2022 | Virtual Investors‘ Day |
| October 25, 2022 | Interim Report Q3 / 2022 |
| November 28 to 30, 2022 | Deutsches Eigenkapitalforum |

At March 24, 2022. 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.

The trademarks and other brand names that are used in this report and may be protected by third parties are governed by the provisions of the applicable trademark law and the rights of the registered owners. The copyright and reproduction rights for trademarks and other brand names created by Berentzen-Gruppe Aktiengesellschaft itself remain with the company unless it expressly agrees otherwise.

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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