Dr. August Oetker KG

Annual Report 2021

The Oetker Group

Key Indicators

	2019		2020		2021		2020[1] Jan 1 – Oct 31		2021[1] Jan 1 – Oct 31		%[1] Jan 1 – Oct 31
		In %		In %		In %		In %		In %	
NET SALES BY DIVISION (IN EUR MILLION)[2]	**7,406**	**100.0**	**7,330**	**100.0**	**7,413**	**100.0**	**6,057**	**100.0**	**6,392**	**100.0**	**+5.5**
Food	3,883	52.4	4,137	56.4	4,104	55.4	3,364	55.5	3,375	52.8	+0.3
Beer and Nonalcoholic Beverages	1,792	24.2	1,625	22.2	1,621	21.9	1,417	23.4	1,370	21.4	–3.3
Sparkling Wine, Wine and Spirits	1,053	14.2	970	13.2	788	10.6	726	12.0	788	12.3	+8.5
Other Interests	678	9.2	598	8.2	900	12.1	549	9.1	859	13.4	+56.3
NET SALES BY REGION (IN EUR MILLION)[2]	**7,406**	**100.0**	**7,330**	**100.0**	**7,413**	**100.0**					
Germany	3,427	46.3	3,381	46.1	3,581	48.3					
Rest of the EU[3]	2,384	32.2	2,360	32.2	1,820	24.6					
Rest of Europe[3]	299	4.0	309	4.2	738	10.0					
Rest of the world	1,296	17.5	1,280	17.5	1,273	17.2					
INVESTMENTS (IN EUR MILLION) (WITHOUT FIRST-TIME CONSOLIDATIONS)[2]	**358**	**100.0**	**343**	**100.0**	**361**	**100.0**					
Food	176	49.1	191	55.6	169	46.9					
Beer and Nonalcoholic Beverages	93	25.9	82	23.9	99	27.5					
Sparkling Wine, Wine and Spirits	36	10.0	18	5.3	17	4.8					
Other Interests	54	15.0	52	15.2	75	20.9					
EMPLOYEES (BY HEADCOUNT)[2]	**34,060**	**100.0**	**36,831**	**100.0**	**46,384**	**100.0**					
Food	18,743	55.0	20,040	54.4	19,926	43.0					
Beer and Nonalcoholic Beverages	7,094	20.8	7,083	19.2	6,921	14.9					
Sparkling Wine, Wine and Spirits	3,556	10.4	3,494	9.5	2,805	6.0					
Other Interests	4,667	13.7	6,214	16.9	16,732	36.1					

[1] Sales revenue figures from internal controlling.

[2] **With effect from November 2, 2021, the limited partner Dr. Alfred Oetker, Carl Ferdinand Oetker and Julia Johanna Oetker left Dr. August Oetker KG by way of a nongenuine real division and in return received companies from the Oetker Group in the Food, Sparkling Wine, Wine and Spirits and Other Interests divisions. These companies are included in the consolidated financial statements of Dr. August Oetker KG until October 31, 2021, the date of deconsolidation.**
Further details can be found in the Corporate Structure section of the group management report.

[3] As of 2021, UK sales are reported in the Rest of Europe region. They were previously allocated to the Rest of the EU region.

The percentages included in the group management report and the consolidated financial statements refer to the exact amounts, not the rounded amounts. Due to rounding up or down, it is possible that individual numbers (€, %, etc.) do not add up exactly to the specified sum.

01 *Group Management Report*

02 *Consolidated Financial Statements*

Ladies and Gentlemen,

Against the backdrop of the current global political situation, it is difficult for all of us to look to the future with confidence. On the one hand, we are deeply affected by the suffering of the people as a result of the Russian war of aggression against Ukraine. On the other hand, the war is having an impact on trade far beyond Ukraine, on supply chains, on the availability of raw materials and ultimately on the survival of people in many regions of the world who depend on them. The war has also been an attack on the democratic and constitutional values for which millions of people, especially in Eastern Europe, have fought for decades.

Economically, the war affects us in many ways: While the rich countries are primarily concerned with prosperity, it has already had existential effects for many countries on earth and the people living in them. Prices for raw materials and especially for basic foodstuffs have sometimes doubled or tripled in a very short period of time. And wars drive inflation – we are just experiencing the beginning.

The 2021 financial year was not yet affected by the Ukraine conflict. Nevertheless, we can still look back on a very eventful year. The coronavirus pandemic has shaped the group's business around the world. In addition, the shareholders of Dr. August Oetker KG announced in July 2021 that they would split the Oetker Group into two independently operating groups. The separation finally took place on October 31 of last year. This annual report still takes all group companies into account, with the key figures of the departing companies being listed for the period from January up to and including October.

Encouragingly, global production rose by 5.8% in 2021, with the global economic recovery losing momentum during the second half of the year. In the summer months in particular, the situation seemed to improve in view of the falling incidence figures and the associated easing within the service sector. For the third quarter, the increasing incidence of infections again had a dampening effect on economic activity.

Overall, the gross domestic product in the EU increased by 5.3% in 2021 when compared with the previous year. However, even then inflation was rising sharply in almost all advanced economies.

The global food market grew by 2.9 %, slightly weaker than expected. As normalization set in, the out-of-home sector also recovered – but without even coming close to pre-coronavirus levels. At the same time, the pandemic reinforced many global trends: the focus on digitalization and sustainability, including topics related to more conscious and healthier consumption, gained momentum. In addition to growth in brick-and-mortar retail, e-commerce offerings continued to record disproportionately high growth rates. Even in Germany, which is lagging somewhat behind the international trend here for various reasons, younger consumers in particular have taken advantage of this convenience trend. It is also interesting to note that the markets are tending to converge: While traditional food retailers are building their own online platforms, originally pure e-commerce providers are starting to build or acquire physical locations.

The German brewing industry also suffered a decline in sales in 2021, this time by 2.2%. In addition to structural reasons, the ongoing coronavirus pandemic and its consequences for the catering trade and changed competition exacerbated the situation.

On the other hand, the sparkling wine market recovered. Double-digit growth was registered here in 2021 compared with 2020. The market was driven primarily by prosecco, the world's best-selling sparkling wine.

The chemical and pharmaceutical industry recorded a strong first half of 2021. Demand for chemicals rose dynamically as global industrial production recovered.

In the second half of the year, the growth trend continued only at a slower pace as a result of global material shortages. Nevertheless, industry sales increased by a total of 17.9%.

The tourism industry continued to suffer from the severe conditions created by the coronavirus pandemic in 2021. Occupancy figures in hotels increased compared with the catastrophic year 2020 – but without reaching the pre-pandemic level of 2019.

Against this background, it is certainly pleasing that we were able to keep our group on track at all times. In a like-to-like comparison with the previous year, i.e. when comparing the first ten months of the two years up to the separation of the group, we achieved growth of 5.5%, which corresponds to an increase in sales of EUR 335 million to EUR 6,392 million (based on internal controlling figures). It is not meaningful to comment on the development of sales in 2021 in the commercial balance sheet compared with the previous year, because sales of the companies remaining with the Oetker Group would be being compared on a twelve-month basis and sales of the separated companies on a ten-month basis with the full-year sales of all companies in the previous year.

Despite the split, we continued to grow in terms of personnel in 2021. At the end of the financial year, more than 46,000 people were employed in the Oetker Group, which has been split between the two new groups since the division. My special thanks go to them, because they carry the success of the group under difficult conditions. I would also like to thank all our business partners for their good and trusting cooperation, as well as the shareholder bodies and the advisory board of Dr. August Oetker KG.

For the current financial year, I expect that we will find our way around the new group structure just as well as in the previous one, despite the more than challenging economic and social conditions. I sincerely wish all the best to our longstanding group companies who are no longer part of the Oetker Group as of November 2021, and to the people who work for them.

But most of all I wish for all of us that peace will return as soon as possible. In Ukraine, in Yemen and in all other conflict regions of the world.

With that in mind and with best regards,

Dr. Albert Christmann

01 *Group Management Report*

The percentages included in the group management report and the consolidated financial statements refer to the exact amounts, not the rounded amounts. Due to rounding it is possible that individual numbers (€, %, etc.) do not add up exactly to the specified sum.

Group Management Report

01

Corporate Structure
Overview

The Oetker Group, with its company headquarters in Bielefeld, is one of Germany's major family businesses. The internationally active group of companies, which is represented in more than 50 countries worldwide with production, sales and service units, is characterized by broad diversification into different business areas. In the consolidated financial statements as of December 31, 2021, a total of 314 companies (previous year: 442) are included according to the rules of full consolidation, of which 219 are based in Germany (previous year: 247) and 95 abroad (previous year: 195). The reduction in the scope of consolidation resulted from the division of the Oetker Group.

In July 2021, the shareholders of Dr. August Oetker KG agreed to split the companies of the previous Oetker Group into two independently operating groups of companies. Following the implementation on November 2, 2021, Richard Oetker, Rudolf Louis Schweizer, Philip Oetker, Markus von Luttitz and Ludwig Graf Douglas remain as shareholders of Dr. August Oetker KG; in addition, other family members are now involved in this company as limited partners. The three remaining partners, Dr. Alfred Oetker, Carl Ferdinand Oetker and Julia Johanna Oetker, on the other hand, left Dr. August Oetker KG as limited partners and in return received the companies Henkell & Co. Sektkellerei KG, Martin Braun Backmittel und Essenzen KG, Chemische Fabrik Budenheim KG, Atlantic Forfaitierungs AG, BELVINI.de GmbH, Columbus Properties, Inc., Oetker Hotel Management Company GmbH, Hôtel Le Bristol S.A.S., Hotel Château du Domaine St. Martin S.A.S. and Kunstsammlung Rudolf August Oetker GmbH, which they now hold via the newly established holding company Geschwister Oetker Beteiligungen KG. As of November 2, 2021, these companies no longer belong to the Oetker Group.

Accordingly, since November 2, 2021, the Oetker Group has consisted of the following consolidated divisions:

- *Food,* with the companies under the umbrella of the Dr. Oetker brand and Conditorei Coppenrath & Wiese;
- *Beer and Nonalcoholic Beverages*, with the Radeberger Group;
- *Other Interests*, with the hotel business and IT, procurement and logistics services, as well as Oetker Digital and new digital business models, for example in the form of platforms and the delivery service flaschenpost.

The consolidated financial statements and management report relate to the entire 2021 financial year. This includes the companies that no longer belong to the Oetker Group, such as the Martin Braun Group from the Food Division, the Wine, Sparkling Wine and Spirits Division, Oetker Hotel Management Gesellschaft with two hotels and some companies from the Other Interests Division up until October 31, 2021, the date of deconsolidation.

In addition to the above-mentioned divisions, which are fully consolidated, Bankhaus Lampe and its subsidiaries formed the Bank Division, which was included in the consolidated financial statements using the at-equity method. The sale of all shares in Bankhaus Lampe KG to Hauck & Aufhäuser Privatbankiers AG, Frankfurt am Main, which had already been announced in 2020, was completed on September 30, 2021, after approval by the European Central Bank (ECB) and other supervisory authorities.

As the management holding company, Dr. August Oetker KG sets the strategic guidelines, coordinates finance and taxes, and provides central services. Group-wide standards and values form the framework for effective cooperation between the companies based on a high level of entrepreneurial continuity. Under the group umbrella and building on the strategic potential and core competencies of the Oetker Group, the divisions are developed and expanded autonomously.

Business Divisions

↗ oetker.com
oetker.de
oetker-professional.de
coppenrath-wiese.de
martinbraungruppe.de

Food

Until November 2, 2021, the Food Division consisted of the *Dr. Oetker* group companies, including *Coppenrath & Wiese* and *Martin Braun*. The group companies have their headquarters in Germany and produce food for both end and bulk consumers worldwide. As of November 2021, Martin Braun no longer belongs to the Oetker Group.

Under the umbrella of *Dr. Oetker*, headquartered in Bielefeld, Germany, companies from 43 countries represented on all continents are managed. The various products that the company manufactures and markets are sold worldwide through all major distribution channels. Dr. Oetker sales activities are decentralized and organized on a country-specific basis. This means that sales are always geared to the local needs of customers. The division is separated into end consumers and professional customers according to the higher-level trade target groups. In the consumer business, Dr. Oetker concentrates on the categories cake/dessert and pizza. In addition, Dr. Oetker has a special offer for bulk consumers, which, under the Dr. Oetker Professional brand, provides appropriate packaging sizes for kitchens and canteens, hospitals and other institutions. The products sold worldwide are produced in the core markets of Europe as well as in North and South America, Africa, Asia and Australia.

In addition to the Dr. Oetker brand, the company also has other strong brands in several countries that are firmly established in the market. Within Europe, these include cameo and Paneangeli in Italy, Koopmans in the Netherlands and Chicago Town in the UK. In France, the Netherlands, Belgium, Portugal and Morocco, the brand portfolio is supplemented by Alsa. In addition, with Mavalério in Brazil, the group has a major brand manufacturer of decorative items on the South American continent. Dr. Oetker has been represented in Mexico for several years with the strong D'Gari and Rexal brands. Dr. Oetker serves the North American market primarily with Wilton, the leading brand in the USA for decorative items, baking pans and baking accessories. The national companies offer international Dr. Oetker products as well as national products geared towards typical local products.

To fulfill the high quality requirements of the Oetker Group, the procurement of all materials is handled exclusively through carefully selected suppliers who have been approved through a regular, periodic quality assurance process. In this process, adherence to the strict quality standards is the top priority.

For Dr. Oetker, innovative new products and services guarantee growth and success. Consumer acceptance and trust in the quality of the products are the benchmark for new products and the continuous improvement of the existing range. International teams work with products throughout their entire life cycle.

Conditorei Coppenrath & Wiese is the German market leader in frozen gateaux and cakes. The baked products produced in Mettingen are sold nationally and internationally to supermarkets and discounters under the company brand Conditorei Coppenrath & Wiese as well as under private labels. The product line of the company includes cream gateaux, baked cakes, sheet cakes, cream rolls and tarts, strudels, mini confectionery and desserts, as well as frozen rolls and baguettes. The business model follows the credo "We provide the best alternative to baking yourself" and combines classic baking traditions and confectionery know-how with state-of-the-art manufacturing methods.

At Coppenrath & Wiese the high quality requirements for the baked products and the needs of customers set the standard for raw materials and the service quality of its suppliers. Procurement operates close to the market and provides efficient solutions, especially for new raw materials, packaging and indirect goods, thanks to longstanding close relationships with suppliers.

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

Martin Braun's purchasing guidelines ensure a high level of transparency in the purchasing process within the group. All suppliers are selected based on defined criteria, and all incoming production materials undergo a careful receiving check. The Martin Braun Group secures the customer-oriented range of success-assured baking ingredients and premium frozen baked goods by taking a holistic product view along the entire value chain while taking into account food law requirements. Since November 2021, the Martin Braun Group has belonged to Geschwister Oetker Beteiligungen KG.

↗ radeberger-gruppe.de

Beer and Nonalcoholic Beverages

Headquartered in Frankfurt, the *Radeberger Group* is Germany's largest private brewery group and forms the Beer and Nonalcoholic Beverages Division of the Oetker Group. It offers a broad brand portfolio of strong international, national and regional brands: In addition to the eponymous Radeberger Pilsner the portfolio includes well-known and popular beer brands such as Jever, Clausthaler alcohol free, Schöfferhofer Weizen, Allgäuer Büble Bier, Ur-Krostitzer, Stuttgarter Hofbräu, Berliner Pilsner and Freiberger. Added to this is the mineral water brand Original Selters. The core sales market of the Radeberger Group is Germany. In addition, its products are marketed in more than 60 countries. The company is also the exclusive distribution partner for the Guinness, Hop House 13 and Kilkenny brands from Diageo and the Czech brand Krušovice from the Heineken Group. As part of a long-term partnership with PepsiCo, the Radeberger Group in Germany exclusively produces and distributes the Pepsi, Mirinda, 7Up, Schwip Schwap and Punica apple spritzer brands for the out-of-home market and in selected beverage outlets.

With its brand portfolio, the Radeberger Group cultivates German beer and beverage diversity. The brand portfolio is regularly expanded and updated with new products and additions to the range. In this way, the respective consumer wishes can always be served.

The Radeberger Group has been driving the verticalization of its business for many years, and is now represented by strong companies along the entire value chain. These include, for example, Getränke Hoffmann in the retail trade and the DrinkPort association in the beverage wholesale trade (GFGH), whose companies supply the catering industry. In addition, the group is helping to develop new platform models in the supply chain and out-of-home markets, both on its own and together with partners. These include, for example, the joint venture Food & Beverage Services (FBS); the joint venture Deutsche Getränke Logistik (DGL) in the drop shipment sector and H. Leiter GmbH in empties management are also worthy of mention.

In addition, digitalization, as one of the key factors for future market success, opens up new business areas, for example in the e-commerce sector.

↗ henkell-freixenet.com

Sparkling Wine, Wine and Spirits

Henkell Freixenet formed the Sparkling Wine, Wine and Spirits Division within the Oetker Group until the completion of the separation and has been part of Geschwister Oetker Beteiligungen KG since November 2021. The world's leading manufacturer of sparkling wine is active in over 30 countries with its own production and sales locations and exports sparkling wine, wine and spirits brands to around 150 countries worldwide. Distribution takes place via wholesale and retail outlets and the restaurant industry. Added to this is the direct and indirect marketing of the products via the e-commerce channel and direct business at the locations (direct-to-consumer).

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

In addition to sparkling wines, still wines have a great importance in Henkell Freixenet's portfolio. Freixenet is also the leading import brand of Spanish wine in Germany. Schloss Johannisberg is known for its world-renowned Riesling wines, and with its wineries in the Czech Republic, Slovakia and Hungary, the group is one of the leading quality wine suppliers in Central Europe. The group is also represented worldwide with renowned wineries in California and Mexico as well as the i heart WINES wine brand, which is one of the fastest-growing wine brands in the UK.

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

↗ budenheim.com
oetkercollection.com
oediv.de
oetkerdigital.com
flaschenpost.de
roland-transport.de
atlanticforfaiting.com

Other Interests

The Other Interests Division brings together companies from the Oetker Group that operate in different industries. These include the chemical specialist *Budenheim*, the *Oetker Collection*, *OEDIV Oetker Daten- und Informationsverarbeitung*, *Oetker Digital and* new business models such as *flaschenpost*, *Handelsgesellschaft Sparrenberg (HGS)*, *Roland Transport* and *Atlantic Forfaitierung*.

Budenheim, which has belonged to Geschwister Oetker Beteiligungen KG since November 2021, has developed from a medium-sized company into a leading international product and service provider for high-quality specialty chemicals. The products are marketed directly through distributors in more than 100 countries. The company combines its activities in three business units: Food Ingredients, Performance Materials and Material Ingredients. The various clusters that develop through these three business sectors focus, among other things, on innovations in the pharmaceutical and medical field, new paths in the fields of nutrition and health and safety and resource conservation in technical and industrial market segments. Budenheim is one of the leading specialty chemicals companies in many of these market-oriented areas.

The chemical specialist Budenheim has its origins in the eponymous municipality in Rheinhessen. The company is internationally positioned and produces at its German location as well as in the USA, Mexico, Spain, the Netherlands and China. With its network of numerous trading partners and sales outlets, such as in Singapore, India and South America, the company is present in the markets and among its customers.

As of the balance sheet date, the Oetker Group's hotel portfolio included the Brenner's Park Hotel in Baden-Baden and the Hôtel du Cap-Eden-Roc in Antibes. With the division of the Oetker Group, the hotels Le Bristol Paris and Château St. Martin & Spa as well as the Oetker Hotel Management Company (OHMC) have left Dr. August Oetker KG. The two hotels, which are still owned by the group, will continue to be marketed together with other luxury hotels under the umbrella brand Oetker Collection. In addition, OHMC continues to provide various administrative services for both hotels.

OEDIV Oetker Daten- und Informationsverarbeitung is the central IT service provider for the Oetker Group. The focus is on the management of central IT infrastructures and on complementing IT services, such as basic operation and database management of SAP systems, as well as the operation of Microsoft solutions. In addition to the core applications, OEDIV operates a wide range of related services. These include hybrid cloud scenarios, human resource services and web and security solutions. Due to the growing requirements and digital change, OEDIV is continuously expanding its range of services, including by means of company acquisitions and strategic investments. OEDIV offers its services to a growing number of external companies, which account for more than 90% of sales. OEDIV's services meet the highest quality standards. Due to the high process criticality of the systems operated by OEDIV, the concepts and architectures used must meet the highest availability requirements of the customers. To safeguard its services, OEDIV operates its own data centers with the appropriate certifications, so that in the event of a disaster, critical systems can continue to be accessed or can be put back into operation as quickly as possible. In addition, up-to-date security systems and infrastructure ensure the necessary data protection.

Since its foundation in 2016, *Oetker Digital* has been actively supporting the companies of the Oetker Group on their journey to the digital future. As a partner, Oetker Digital strengthens the group's established brands and identifies and develops new, future-proof business models that expand the portfolio of the group companies and sustainably sharpen the digital profile of the Oetker Group.

flaschenpost SE, headquartered in Münster, is Germany's leading instant beverage delivery service, which has been revolutionizing last-mile logistics since its founding in 2016. The company has been part of the Oetker Group since the end of 2020. Represented in almost all metropolitan regions in Germany, flaschenpost SE offers a special shopping experience with beverage delivery within 120 minutes. The offer is continuously being developed and supplemented.

As a specialized information and procurement service provider, *Handelsgesellschaft Sparrenberg (HGS)* bundles the conceptual procurement know-how in the Oetker Group and supports Oetker Group members and external customers in the development of new strategic perspectives. HGS has many years of experience in the analysis and use of European procurement markets, in the research, processing and interpretation of market and price data and in the derivation of possible future developments.

As an independent and service-oriented fourth-party logistics partner (4PL), *Roland Transport* offers comprehensive logistics services for medium-sized companies. As a 4PL service provider, the company always acts neutrally without its own fleet of vehicles, optimizing the various service offerings in an overall package.

Atlantic Forfaitierung has been dealing with export and trade finance since the late 1950s. The longstanding market presence as a smaller, specialized forfeiting company has led to consolidated business relationships, trust and appreciation among export customers and banks. The focus of the services is on the assumption of trade receivables without recourse to the seller. In addition, the portfolio also includes import financing and loans as well as the purchase and sale of trade receivables. The company has no longer been part of the Oetker Group since November 2, 2021.

↗ bankhaus-lampe.de

Bank

On October 1, 2021, the sale of Bankhaus Lampe to Hauck & Aufhäuser Privatbankiers AG by Dr. August Oetker KG, which was announced the previous year, was completed following approval by the European Central Bank (ECB) and other supervisory authorities.

Management Structure

The Oetker Group is one of Germany's major family businesses. The values that have been shaped in more than 130 years of corporate history and place the human being at the center of all action are still embodied by the members of the highest executive body, the group management, are being upheld by group companies and are being actively transferred into the increasingly digitalized future.

The management structure ensures that decisions are made locally, close to the market and based on the needs of the line of business concerned, while resources are pooled centrally at the same time.

The advisory board supports the implementation of the strategy adopted jointly with the shareholders and the group management. The operational management is carried out by the management of the individual companies.

The advisory board of Dr. August Oetker KG, which consists of limited partners and a majority of people who do not belong to the limited partners' families, is headed by Mr. Rudolf Louis Schweizer.

Group management members are Dr. Albert Christmann and Ute Gerbaulet, who replaced Dr. Heino Schmidt in this function during the financial year.

Limited Partners

Advisory Board

Group Management

Dr. Albert Christmann
General Partner of Dr. August Oetker KG and responsible for the *Food and Beer and Nonalcoholic Beverages divisions* as well as for *Platforms and Ecosystems, Human Resources* and *Corporate Communications.*

Ute Gerbaulet
General Partner of Dr. August Oetker KG and responsible for the *Other Interests Division, Oetker Digital, Be8 Ventures, Finance, Controlling, Legal* and *Taxes.*

Executive Boards of the Group Companies

Group Management

Dr. Albert Christmann
Food, Beer and Nonalcoholic Beverages, Platforms and Ecosystems, Human Resources and Corporate Communications

Ute Gerbaulet
Other Interests, Bank, Finance, Controlling, Legal and Taxes

Economic Framework

Macroeconomic conditions

In 2021, the global economic environment was again shaped by the coronavirus pandemic. In many parts of the world, increasing coronavirus infections slowed down economic activity. In addition, global supply bottlenecks and capacity problems in the logistics system, especially in maritime transport, have restricted the production of goods and thus hampered the upturn in industrial production.

Overall, global production increased by 5.8% in 2021. The recovery of the global economy lost momentum after the middle of the year. While the second quarter of 2021 was still marked by the fact that, in view of falling incidence rates, pandemic-related restrictions were eased and economic activity, especially in the service sectors, recovered significantly, the resurgence of infections had a dampening effect in the third and fourth quarters. With the spread of the Delta variant, there were significant declines in economic activity not only in the emerging economies of Asia, but also in advanced economies. As in previous waves, the infection levels in the winter particularly inhibited activity in the contact-intensive service sectors, although the slump was less drastic than in the winter of the previous year.

Overall, gross domestic product in the European Union (EU) for 2021 was 5.3% higher than in the previous year. In Germany, the increase in gross domestic product was 2.9%. Here, too, delivery bottlenecks weighed on production in the manufacturing sector. Since the start of the pandemic, incoming orders have developed significantly better than industrial production. The German automotive industry was particularly affected by delivery problems for intermediate goods.

Inflation rose sharply in the course of 2021, not only in Germany but also in advanced economies as a whole. This is mainly due to the increase in energy prices, in particular natural gas. The drastic increase in the price of natural gas also had an impact on the price of oil, which rose to around 85 dollars a barrel for Brent crude oil in November. With the emergence of the new virus variant Omicron, oil prices initially fell again significantly due to fears of negative effects on the economy and, above all, on air traffic, which was just beginning to show signs of recovery.

Monetary policy in the eurozone remained expansionary. While the US Federal Reserve and the Bank of England adjusted the markets to being able to tighten their policies earlier than previously planned, there was no sign of a key interest rate hike in the eurozone in the short term, meaning that the key interest rates remained at their low levels for the time being. The liquidity injection should initially be reduced when the special pandemic bond purchase program expires in March 2022. The bond purchases under the regular bond-buying purchase program should end in mid-2022, provided the inflation outlook is in line

with the ECB's inflation target. Financing conditions in the eurozone remained favorable in 2021, as a result of which the volume of loans expanded unabated.

The international business of the Oetker Group is influenced by the exchange rate of the euro to numerous currencies. The development of the currencies important to the Oetker Group against the euro is shown in the following table.

CLOSING[1] AND AVERAGE RATE AGAINST THE EURO	Closing rate December 31, 2020	**Closing rate December 31, 2021**	Average rate 2020	**Average rate 2021**
Australian dollar	1.5896	1.5615	1.6567	1.5783
Brazilian real	6.3735	6.3101	5.9988	6.3786
British pound	0.8990	0.8403	0.8894	0.8584
Canadian dollar	1.5633	1.4393	1.5380	1.4804
Mexican peso	24.4160	23.1438	24.7300	24.0516
Polish zloty	4.5597	4.5969	4.4680	4.5720
Turkish lira	9.1131	15.2335	8.1579	10.8104
US dollar	1.2271	1.1326	1.1470	1.1816

[1] ECB euro reference rates as of December 31, 2021

Division-related conditions

Food

The global food market represents the most important point of access to consumers for the Oetker Group's Food Division via food retail. In the 2021 financial year food markets were again affected by the coronavirus pandemic. The interplay of lockdown measures, primarily in the first half of the year, and the easing measures later on in the year resulted overall in weakened growth of the global food market at 2.9%. As expected, there was no repeat of the previous year's stockpiling. As normalization set in, the out-of-home sector recovered slightly, but was nowhere near the sales levels of the years before the coronavirus pandemic. At the same time, the pandemic reinforced many global trends and accelerated the focus on digitalization and sustainability, including issues related to more conscious and healthier consumption. Accordingly, the demand for ready-to-eat and convenience products has risen in the context of increasing health and environmental awareness. This is also reflected in the growing need for more natural ("free from"), healthier (e.g. "gluten-free") or more sustainable (e.g. "plant-based") products, ideally in plastic-free packaging.

In addition to growth in brick-and-mortar retail, e-commerce continues to record disproportionately high growth rates. Competition for the most relevant consumer access is increasingly forming in the food sector. While traditional food retailers are building their own online platforms, originally pure e-commerce providers are in turn starting to set up or take over physical locations.

On the procurement markets, various pandemic-induced distortions led to significant and sustained increases in the costs of raw materials, packaging and energy. In addition, there were considerable and persistent bottlenecks in the procurement of raw materials, packaging materials and transport capacities. Climatic influences further intensified these effects.

Beer and Nonalcoholic Beverages
Domestically, the German beer market recorded a 3.4% drop in sales in 2021, according to the Federal Statistical Office. This decline could not be compensated for by the 4.0% growth in the export business, which meant that the German brewing industry had to record a total drop in sales of 2.2%. The downward trend in sales of recent years thus continued.

In addition to these structural external factors, the problems within the empties supply chain worsened. The stability of the reusable system, which makes empties one of the most important raw materials, is increasingly endangered. This is due, among other things, to a growing variety of containers, which noticeably increases the effort required to sort empties, while at the same time there is a lack of investment in empties and sorting technology as well as structural staff shortages.

The situation on the beer market, which has been tense for years, is being exacerbated by digitalization, which has set in motion a revolutionary process of change: New suppliers and rapidly growing quick commerce providers are awakening new customer needs and drawing volumes from brick-and-mortar retail into a newly emerging online world.

The coronavirus pandemic is further intensifying the existing challenging framework conditions. In addition to the economic effects of the months-long and thus massively burdensome lockdown phases, it is not yet foreseeable how the pandemic will change business volumes and consumer behavior in the long term. In the short term, what was observed was that a portion of out-of-home sales has temporarily been lost, while another portion has shifted from the catering industry to retail. These sales led to a noticeable increase in bottled beer sales there. As the second lockdown ended, these sales gradually migrated back towards the catering industry. Due to the higher margins, especially for draft beer, the recovery of the out-of-home business is not only of great importance for the breweries, but also for associated sectors such as beverage wholesalers or suppliers specializing in bulk consumers, such as Transgourmet.

Sparkling Wine, Wine and Spirits

As a result of the coronavirus pandemic, the international market conditions for sparkling wine and spirits have also changed, in some cases significantly. There were global effects in all countries and in the global travel retail sector. In Europe, Spain, Italy and France, where the contact restrictions caused a sharp drop in sparkling wine consumption in the catering trade, were particularly affected. This was also the case in Poland, the Czech Republic, Hungary and Germany. The effects of the coronavirus were also clearly noticeable outside of Europe, for example in the USA, Canada and South America.

Due to the pandemic, the growth trend in the sparkling wine market, which has been ongoing for more than a decade, was interrupted last year. A recovery of the market in 2021 to precrisis levels has probably not yet taken place. In total, the Institute for Analysis of the Global Market for Alcoholic Beverages (IWSR Institute) calculated a 4.5% decline in global demand for the global sparkling wine market for 2020; the data for 2021 was not available at the time of going to press. However, the company expects double-digit growth for 2021, which will again be driven, among other things, by prosecco, which has again increased in volume by 32.2%. Prosecco was already the best-selling sparkling wine in the world in 2020 with 560.7 million bottles. This is followed by champagne with 240.4 million bottles and cava with 221.7 million bottles. In addition, there was a continuing trend towards premium products.

On the supply side, 2021 was characterized by continuous problems and rising prices, especially for bottles, labels, cardboard packaging, energy and logistics. There was also a significant increase in wine prices.

Chemicals

The chemical and pharmaceutical industry recorded a strong first half of 2021. With the recovery of global industrial production, the demand for chemicals has risen dynamically. As a result, and due to rising prices (+4.7%), sales of chemical and pharmaceutical products increased by 12% in the first half of the year. The COVID-19 pandemic, bottlenecks for primary products and problems in the supply chain could not interrupt this trend. Towards the middle of the year, the utilization of the plants was over 86%, well above the level common for the industry, which meant that many companies reached their capacity limits.

Global shortages of materials and logistics coupled with rising energy prices led to declines in production in the third quarter. The growth course was therefore only able to continue at a weaker rate in the further course of 2021. The fact that industry production increased overall is primarily due to the positive development in the pharmaceuticals sector. The continuing rise in chemical prices and increased demand to prevent material bottlenecks also ensured rising revenues. According to the German Chemical Industry Association (VCI), the increase in production for the full year 2021 was 5.3% and sales growth was 17.9%.

Hotels

Large parts of the international hotel industry continued to suffer heavily from the effects of the coronavirus pandemic in 2021. Widespread travel restrictions and regional lockdowns continued to pose major challenges to the industry in the second year of the crisis. Overall, however, the situation has improved compared with the first year of the pandemic. The occupancy figures were above those of the catastrophic previous year. Resort destinations recovered significantly faster and more strongly than metropolitan regions. Overall, catch-up effects were visible, especially in the luxury segment, and there was less price sensitivity on the part of demand. In the fall of the past financial year, major international cities were again able to record increased travel activity and increasing numbers of overnight stays, before the mood took a negative turn again in December with the emergence of the Omicron variant.

Business Development
Oetker Group

	2019		2020		2021	
		in %		in %		in %
NET SALES BY DIVISION (IN EUR MILLION)[1]	**7,406**	**100.0**	**7,330**	**100.0**	**7,413**	**100.0**
Food	3,883	52.4	4,137	56.4	4,104	55.4
Beer and Nonalcoholic Beverages	1,792	24.2	1,625	22.2	1,621	21.9
Sparkling Wine, Wine and Spirits	1,053	14.2	970	13.2	788	10.6
Other Interests	678	9.2	598	8.2	900	12.1
NET SALES BY REGION (IN EUR MILLION)[1]	**7,406**	**100.0**	**7,330**	**100.0**	**7,413**	**100.0**
Germany	3,427	46.3	3,381	46.1	3,581	48.3
Rest of the EU[2]	2,384	32.2	2,360	32.2	1,820	24.6
Rest of Europe[2]	299	4.0	309	4.2	738	10.0
Rest of the world	1,296	17.5	1,280	17.5	1,273	17.2
INVESTMENTS (IN EUR MILLION) (WITHOUT FIRST-TIME CONSOLIDATIONS)[1]	**358**	**100.0**	**343**	**100.0**	**361**	**100.0**
Food	176	49.1	191	55.6	169	46.9
Beer and Nonalcoholic Beverages	93	25.9	82	23.9	99	27.5
Sparkling Wine, Wine and Spirits	36	10.0	18	5.3	17	4.8
Other Interests	54	15.0	52	15.2	75	20.9
EMPLOYEES (BY HEADCOUNT)[1]	**34,060**	**100.0**	**36,831**	**100.0**	**46,384**	**100.0**
Food	18,743	55.0	20,040	54.4	19,926	43.0
Beer and Nonalcoholic Beverages	7,094	20.8	7,083	19.2	6,921	14.9
Sparkling Wine, Wine and Spirits	3,556	10.4	3,494	9.5	2,805	6.0
Other Interests	4,667	13.7	6,214	16.9	16,732	36.1

[1] **With effect from November 2, 2021, the limited partner Dr. Alfred Oetker, Carl Ferdinand Oetker and Julia Johanna Oetker left Dr. August Oetker KG by way of a nongenuine real division and in return received companies from the Oetker Group in the Food, Sparkling Wine, Wine and Spirits and Other Interests divisions. These companies are included in the consolidated financial statements of Dr. August Oetker KG until October 31, 2021, the date of deconsolidation. Further details can be found in the Corporate Structure section of the group management report.**

[2] As of 2021, UK sales are reported in the Rest of Europe region. They were previously allocated to the Rest of the EU region.

The percentages included in the group management report and the consolidated financial statements refer to the exact amounts, not the rounded amounts. Due to rounding up or down, it is possible that individual numbers (€, %, etc.) do not add up exactly to the specified sum.

In 2021, the Oetker Group achieved total sales of EUR 7,413 million, with the sales of the companies that were deconsolidated as part of the nongenuine real division only being taken into account up to October 31, 2021 (see below). The diversification of the group was also reflected in the sales and revenue reports in the 2021 financial year. Accordingly, the sales of the consumer goods-oriented business divisions Food and Beer and Nonalcoholic Beverages remained at about the level of the previous year, while the Other Interests Division was able to achieve a significant increase. In line with Dr. Oetker's expectations, the positive one-off effects from the previous year due to coronavirus, especially in the baking ingredients business and in the pizza category, were not repeated. However, despite declining markets compared with the previous year, Dr. Oetker was able to stabilize the level of sales, which increased by 10.1% in 2020, and thus grow by 5% per year on average over the last two years. In line with the general market trend, the Beer and Nonalcoholic Beverages Division suffered losses in the catering-oriented brewery business, which were largely offset by sales increases in the beverage outlets. This was in contrast with significant growth in the Other Interests Division, which increased its sales by 50.5% to EUR 900 million and thus further expanded its share of total sales. This growth in sales was primarily driven by the digital business models, above all flaschenpost. This group of companies was consolidated with its sales contributions for the first time in the past financial year. In addition, the hotels were able to significantly increase sales after the Oetker Collection had to cope with a significant drop in sales during the previous year as a result of the effects of the coronavirus pandemic.

With regard to the development of sales, it should be noted that in the course of the separation of the Oetker Group into two independent groups of companies, the sales of the companies transferred to Geschwister Oetker Beteiligungen KG are only included in the consolidated financial statements of Dr. August Oetker KG until October 31, 2021, the date of deconsolidation. This explains the year-on-year decline in sales of Sparkling Wine, Wine and Spirits, as well as at Martin Braun (Food Division) and in subdivisions, such as the the cluster Chemicals, which is under the umbrella of Other Interests.

The group's sales generated in Germany increased by 5.9% to EUR 3,581 million, mainly due to flaschenpost. At 51.7% of total sales, the proportion of sales generated outside of Germany fell slightly (previous year: 53.9%). The sales changes for the regions Rest of the EU and Rest of Europe are mostly related to Brexit: While sales in the UK were still reported under Rest of the EU in the previous year, from 2021 the UK will be counted as part of the Rest of Europe region. In comparison, the Rest of the EU region only saw a decline in sales of 3.5% (instead of –22.9% as in the table of key indicators), while the Rest of Europe region recorded a minus of 5.6% (instead of +138.9%). The decline in sales in both regions is due in particular to the lack of end-of-year business in the sparkling wine sector. Above all, higher sales at the French hotels were able to partially compensate for the loss in sales within the Rest of the EU region.

The investment volume (excluding first-time consolidations) of EUR 361 million in the Oetker Group was 5.2% above the level of the previous year (EUR 343 million). The increase resulted primarily from higher expenses in the Beer and Nonalcoholic Beverages Division and flaschenpost SE, which was acquired in December 2020. At 66.8% (previous year: 66.4%), the investment share of domestic companies was still very high. The majority of the investments were made in the Food Division, where expenditure was 11.4% lower than in the previous year. The focus of investments in the Food Division was once again on the areas of production and logistics. Accordingly, the use of funds was reflected in an increase in asset classes and machinery as well as assets under construction and advance payments.

In 2021, the Oetker Group had a total of 31,413 employees in Germany and 14,971 employees abroad. The number of employees rose by 25.9% to 46,384 worldwide in the year under review. The growth by a total of 9,554 employees was mainly attributable to the Other Interests Division and resulted from the fact that employees at flaschenpost were included for the whole year for the first time. On a full-time equivalent basis, flaschenpost has a significantly lower headcount. As a result, the Oetker Group's full-time equivalent headcount of 34,285 (+2.6% compared with the previous year) is significantly lower compared with the headcount of 46,384 in total. Excluding the changes in the scope of consolidation, the headcount increased by 4.9%. In addition to flaschenpost, the adjustment due to changes in the scope of consolidation primarily relates to the companies transferred to Geschwister Oetker Beteiligungen KG, which are only included in the average figures for ten months, which is reflected in a corresponding reduction in employees.

Food

↗ General information on the division can be found on pages 8–9.

Business processes

Dr. Oetker has implemented capacity expansions and process improvement measures in the supply chain process (procurement, production and logistics). The company has expanded its international purchasing organization in order to use global synergies and thus optimize the purchasing process. At the same time, Dr. Oetker has improved its production and logistics processes.

Special focus on vegan, vegetarian and low-fat products

In the 2021 financial year, Dr. Oetker launched a large number of innovative products at national and international level, while at the same time further developing existing ranges. The company launched LoVE it!, a plant-based vegan pudding, in the cake and dessert category. The market launch of the low-fat, high-protein pudding range with no added sugar was also very successful in a variety of European countries. After a promising test last year, Dr. Oetker has expanded the offerings under the Taste of Christmas sub-brand in several national markets to include Christmas decorative items, baking mixes and dessert powder. In the pizza category, the La Mia Grande range continued to grow in sales and market share. A number of new product launches also took place. These include La Mia Pinsa, a longer-shaped, sourdough flatbread made using several types of flour with a long resting period for the dough, and the Good Baker, a vegetarian pizza in several varieties with optimized nutritional profiles.

For the financial year 2021, *Conditorei Coppenrath & Wiese* focused on optimizing production processes. This included the continuation of projects aimed at faster set-up during production changes, dosing optimizations and so-called low-cost automation. Two lines for readymade cakes were put into operation at the Mettingen location. In addition, the company has set up an engineering center that will offer space for around 80 engineers, a new workshop for plant construction and a spare parts warehouse. A new deep-freeze warehouse has been successfully put into operation at Overnight Tiefkühl-Service, a wholly owned subsidiary of Conditorei Coppenrath & Wiese. The forwarding company now has the first multiflex deep-freeze high-bay warehouse in Germany. The company is experiencing bottlenecks mainly due to the acute shortage of drivers as a result of the coronavirus pandemic.

As a result of the coronavirus pandemic, the *Martin Braun Group* has invested more in digital infrastructure. The company has optimized and intensified its webinar activities. Martin Braun has also further expanded customer meetings via video consulting and digital customer-specific training. The loss of on-site customer visits caused by the significant travel restrictions was thus offset.

The new range of deep-fried pastries is completely free of palm oil and meets the consumer demand for healthy and sustainable food

With the palm oil-free range of deep-fried pastry products developed in financial year 2021, Martin Braun is responding to the current food trend towards sustainability. The range is characterized by the complete absence of palm or tropical fat and includes the well-known products Berliner Wolke, Brauns Quarkbällchen and Brauns Spritzkuchen. With regard to clean label products, the company has continued to revise the entire cream range. The focus was on the use of exclusively natural flavors, coloring foods and the elimination of modified starches and hydrocolloids. The ready-to-use icing Icing RTU was also introduced in 2021.

In the bread/rolls sector, Martin Braun launched the Agrano concept Mindfulness in the form of a bread baking mix, including promotional materials to encourage sales. At the same time, the company has been increasingly involved in the development of bakery products for this sector with Bioland certification.

There were also numerous new developments in the frozen bakery sector. This includes a particularly successful market launch with the Sweet Heart Strawberry-Vanilla pastry from Wolf ButterBack. The crunchy, yeast-dough pastry product innovation, which was developed in 2020, was awarded gold in 2021 at the Convenience Best Awards.

Business development

KEY FIGURES	2020	2021
Sales revenue (in EUR million)	4,137	4,104
Investments (in EUR million)	191	169
Employees	20,040	19,926

The Food Division generated total sales of EUR 4,104 million. The sales of the Martin Braun Group are only included until October 31, 2021, the date of deconsolidation following the separation of the shareholder groups. While the business of Dr. Oetker, including Conditorei Coppenrath & Wiese, proved stable compared with the previous year, as expected, the Martin Braun Group, which had to report significant declines in sales in the previous year, was able to grow significantly again in 2021 across almost all countries and product ranges. Investments amounted to EUR 169 million and were still largely made by Dr. Oetker. In terms of the number of employees, the division recorded a decline of 0.6% to 19,926 employees in the year under review, mainly due to the Martin Braun Group, which was only included in the average figures on a pro rata basis. Without changes in the scope of consolidation, the number of employees increased by 1.2% in 2021.

The two food companies *Dr. Oetker* and *Conditorei Coppenrath & Wiese* recorded sales totaling EUR 3,685 million, which corresponds to the high sales level of the previous year and thus the expectations for the 2021 financial year. Exchange rate effects had a negative impact on growth, mainly due to the significant devaluation of the Turkish lira against the euro. Adjusted for overall negative exchange rate effects and for positive effects in the scope of consolidation, the level of sales is also stable compared with the previous year.

In terms of acquisitions, the focus in 2021 was primarily on the continued integration of the companies acquired in previous years. In addition, smaller companies were acquired: With the acquisition of Create Better Group Ltd., Dr. Oetker strengthened its new business models in October 2021. The group is the UK market leader in the B2C sector of multibrand specialty stores and thus complements NewCakes B.V., the European market leader for multibrand specialty cake stores acquired in the Netherlands on December 31, 2020. In addition, with the acquisition of Kuppies, Dr. Oetker has taken over a brand and production location in India, as well as manufacturing know-how for ready-to-eat cakes with recipes adapted to local eating habits.

Successful product innovations and market investments as well as the new business models of the specialty retail baking companies have had a positive impact on sales at Dr. Oetker. In many countries, the lockdowns encouraged consumption at home. Consumers took advantage of the gradual easing of the pandemic measures in the second quarter, as well as the vacation period in the summer months in key sales countries, to consume away from home. Sales stabilized over the remainder of the year and, as expected, reached the extraordinary level of the previous year.

Successful expansion of the international Taste of Christmas sub-brand

In the cakes and desserts category, new products had a positive effect on sales development. The fresh desserts segment, with its high-protein and plant-based puddings, and the expansion of the international Taste of Christmas sub-brand, which can be found on the shelves in several European countries with Christmas decorative items, baking mixes and dessert powders, made a significant contribution. With decorative items, the upturn in business at Wilton in America and the acquisition of NewCakes, whose sales were consolidated for the first time in the 2021 financial year, also had a positive effect on sales. Powdered desserts declined year on year, mainly due to currency devaluations in Brazil.

The pizza category benefited from the increased consumption of pizza products for home consumption. Due to their growth rates, the La Mia Grande pizza and Ristorante and Bistro baguettes deserve special mention, as they partially offset the lack of sales from the Ellios business divested in the USA in the previous year.

After a sharp slump in the previous year, the Professional business was also affected in the current year by the initial pandemic restrictions, and only recovered slowly over the course of the year. While quality products in the cake/dessert and pizza categories are enjoying increasing popularity, the demand for savory food ranges has been declining for years. This trend has been significantly exacerbated by the coronavirus pandemic. Against this background, it was decided to realign the Professional range accordingly and, as a result, to gradually discontinue production at the Ettlingen location.

The Germany region achieves sales above the exceptional level of the previous year

A regional analysis also essentially reflects the effects of the coronavirus pandemic: The Germany region achieved sales well above the level of the extraordinary previous year. Dr. Oetker benefited from the successful innovations and the comparatively stronger consumption at home in the first half of the year, which compensated for the overall slow recovery of the Professional business. The Western Europe region was unable to match the high comparative base of the previous year. Italy and France in particular, whose powder-based ranges benefited particularly from the longer lockdown phases in 2020, were unable to maintain the high level of the previous year.

Weak exchange rates in Eastern Europe, above all the devaluation of the Turkish lira against the euro, weighed on sales development in this region. In organic terms, Eastern Europe achieved a moderate increase in sales from 2020. Pleasing business developments in Turkey were offset by declines in Poland. In addition, poor harvests led to a weak season for preserving products, which negatively impacted sales of canning products in many Eastern European countries.

Recoveries through reopenings of key distribution channels in the Americas region

The Americas region benefited from the reopening and recovery of key distribution channels such as Wilton's craft stores in the US and Mavalério's party stores in Brazil. With the home baking trend continuing, the group was able to record significant organic growth in the Americas. On the one hand, negative influences on the sales development resulted from turbulence related to supply chains, above all associated with limited sea container availability, which meant that some customer orders could not be fulfilled. On the other hand, unfavorable exchange rates, above all the devaluation of the Brazilian real against the euro, weighed on the positive operational development.

In terms of sales, business development in the 3A region was significantly higher than in the previous year. The national companies in South Africa, Tunisia and India were able to achieve significant growth rates.

Business with specialty baking items from specialty retail companies developed positively. This pleasing development was significantly supported by the acquisition of NewCakes, a specialist retailer with a wide range of baking utensils and products, in December 2020, whose sales contributions are included for the first time in the past financial year. InterNestor, which sells themed cakes via the deinetorte.de platform, as the second main revenue pillar of the new business models, contributed to growth, in particular due to the expansion in the B2C business in the core markets of Germany, France, the Netherlands, Sweden and Poland.

Positive development in the branded business of sheet cakes, pies and rolls

Conditorei Coppenrath & Wiese recorded a slight decline in its sales revenues of 1.9% in 2021. While the private label business in Germany continued to decline, the brand business in Germany performed well, primarily as a result of the positive development of the strategic segment of sheet cakes and gateaux. The cake business recovered and reached the levels prior to coronavirus. In particular, the diverse range of large and small gateaux offers a wide selection for different occasions for consumption on holidays and weekends. Segments such as strudel, which were in particularly high demand during the peak phase of the pandemic, remained below the previous year's level. By contrast, the strategic rolls segment proved stable, maintaining the high growth rates achieved during the coronavirus period. The conditions in business with the UK continue to be difficult. Due to the post-Brexit situation and the still unfavorable exchange rate between the pound sterling and the euro, business remained well below the sales level of the previous year. The group's e-commerce business, on the other hand, developed dynamically in the 2021 financial year. In this area, the company continues to cooperate with AmazonFresh, Rewe digital, Kaufland digital, AllyouneedFresh and myTime.

Investment in modern technologies and capacity expansion

Investments at Dr. Oetker and Conditorei Coppenrath & Wiese remained at a high level in 2021 at EUR 136 million (previous year: EUR 156 million). The majority of this was attributable to Dr. Oetker. The companies are thus laying the foundations for additional growth in the coming years and ensuring state-of-the-art technology and high-quality processes throughout the supply chain. Significant projects completed last year include two new production lines at the pizza location in Wittlich and Łebcz (Poland), a new shipping warehouse at the Leyland site in the UK and various investments in further process automation, for example at the Bielefeld location. In order to continue expanding capacity, Conditorei Coppenrath & Wiese also made investments in the construction of a new high-bay warehouse in the past financial year. The storage capacities at the Atter location could thus be expanded by 20,000 storage spaces.

The *Martin Braun Group* is included in the consolidated financial statements for the 2021 financial year up to October 31, the date of deconsolidation as a result of the separation of the shareholder groups. During the first ten months, Martin Braun generated sales of EUR 418 million. In some cases, negative currency effects, above all the further devaluation of the Turkish lira, had a negative impact on local business development. Despite numerous ongoing challenges in many markets, Martin Braun demonstrated a pleasingly strong resilience and was able to overcome the considerable sales declines of 2020 across almost all national and product range borders and once again grow significantly. While the small range of bread and rolls remained at the same level as in the same period of the previous year, the two ranges of frozen and sweet products grew significantly. The largest relative growth compared with the corresponding period from January to October 2020 was in the ice cream range.

Significant growth in the ranges of frozen and sweet products

Although significant growth rates were recorded in almost all countries and regions, the increase in demand was particularly strong in the United Kingdom and in Southern Europe, Turkey and the Netherlands. Across all countries, the share of sales for the Martin Braun Group's long-term portfolio in the important food retail sector increased significantly. This was mainly due to a comprehensive package of measures in response to the difficult market conditions.

With a view to acquisitions in the past fiscal year, the group increased its stake in the Polen Gıda Group by 15% to 70%, thus further expanding its investment in Turkey.

Forecast

Despite the considerable uncertainties and existing risks, *Dr. Oetker* and *Conditorei Coppenrath* & Wiese are sticking to their medium-term planning. For 2022, the group expects total sales to be slightly higher than in the past financial year, given the ongoing challenging framework conditions. Sales development will be stimulated by operational initiatives, in particular product innovations and market investments, as well as by the further expansion of distribution in the context of the internationalization concept. Significant cost increases are expected as a result of the war in Ukraine, forcing price increases and cost savings. This is due in particular to disrupted supply chains and significant bottlenecks in various raw materials, packaging materials, transportation services and energy.

Beer and Nonalcoholic Beverages

↗ General information on the division can be found on page 10.

Business processes

Against the backdrop of the ongoing coronavirus pandemic, securing the supply chains and cushioning the cost increases were the main focal points for action in the *Radeberger Group* in financial year 2021. The EcoVadis corporate social responsibility (CSR) tool, which has been used for some time to measure sustainability performance and supplier standards, remains an integral part of supplier management. This instrument will also be helpful with regard to the Supply Chain Care Act. The Radeberger Group founded Beveco GmbH as a new purchasing company in 2021 to bundle purchasing competencies in the (beverage) retail sector.

Establishment of a newly created campaign volume forecasting tool

In the logistics area, the redesign of the group-wide warehouse management system (WMS), started in 2019 based on a Docker–Kubernetes infrastructure, was continued. In addition, the group established a newly created campaign volume forecasting tool in the 2021 financial year. The tool systematically links the relevant inventory data for full and empty goods with current sales data. This allows sales to be forecast quickly and automatically, enabling improved volume planning for the locations. In addition to these group-wide changes, numerous location-specific measures for the further development of production and logistics structures were implemented.

In order to further develop its vertical business, the Radeberger Group focused on aligning its beverage wholesale (GFGH) location structures in line with market requirements. Against this background, the merger of the two Saxon beverage wholesale companies Helmke and Flack & Schwier, which took place in 2020, to form the unified company HFS Getränke was completed with the merger of beverage wholesaler Getränke Schneider & Berger from Freiberg. In the course of a streamlining of the company and investment structures of the Getränke Lippert Group, the Radeberger Group separated the branch business from Getränke Lippert under company law and transferred it to Getränke Hoffmann Süd GmbH.

The group's marketing and sales departments had to postpone planned campaigns and new product launches due to the coronavirus pandemic and the resulting restrictions on the catering industry. The Radeberger Group responded by stepping up its involvement in social media, which has since become an important channel for brand communication. Despite these constraints, the group was able to successfully implement various marketing measures in the financial year 2021, including a video campaign for the mix range of the Schöfferhofer wheat beer brand and the "Wahre Helden bewegen was" (Real heroes make things happen) campaign for the Ur-Krostitzer brand. In addition, a number of new products were launched on the market. These include the new variety Schöfferhofer Kirsche as well as the Sternburg Hanf-Radler and Brinkhoff's Radler Naturtrüb. In the case of the Berliner Kindl brand, the new product Berliner Kindl nonalcoholic benefited from the growing market for nonalcoholic beers. In addition, the company has launched the new variety Berliner Kindl Weisse Kirsche.

The sales channel online shopping is clearly picking up speed

Despite all the negative influences, the coronavirus pandemic continues to have a positive effect as an accelerator for digitalization within the Radeberger Group. For example, during the 2021 financial year the group further developed the SAP CX Sales Cloud, which went into operation in 2020. The pandemic has made online shopping a much more important sales channel for many consumers. In order to make greater use of the opportunities arising from this, the company has invested further resources in this area and optimized its internal processes.

To improve sales management, after the successful integration of the entry-level brands Sternburg and Hansa into the sales organization of the brand business, the national marketing of the Kloster Scheyern brand, which had previously been managed by Tucher Privatbrauerei GmbH, was transferred to the Radeberger Group's sales department. In catering sales, the group used the challenging 2021 financial year to optimize market development processes. To this end, it has developed a new CRM management tool that improves the active and targeted handling of the out-of-home market. In addition, a pilot project for lead generation was set up together with GFGH WIGEM. This involves obtaining publicly available data electronically, analyzing it and preparing it in such a way as to show sales staff the corresponding potential for new customers.

In the field of new developments, the Radeberger Group succeeded in developing a large number of innovative products, some of which will be launched during the 2022 financial year. These include Radeberger nonalcoholic from the flagship brand Radeberger, the addition to the range of Berliner Pranke under the Berliner brand, and a revised naturally cloudy Radler under the Clausthaler brand with 30% less sugar.

The Radeberger Group's New Technologies unit continues to carry out pioneering work in the fields of artificial intelligence and big data in order to initiate value-adding adjustments to business models and processes in the future. With the Smart Supply Chain project, the group is pursuing an innovative approach to the digital control and optimization of its value chain. The focus is on automated process handling from sales forecasting and order processing in the outlet to automated order entry and procurement planning in beverage wholesaling to production planning in the brewery across several supply chain levels. After a successful pilot in the Berliner beverage market, these applications are to be rolled out in 2022, initially with a focus on the business of beverage retailers.

Business development

KEY FIGURES	2020	2021
Sales revenue (in EUR million)	1,625	1,621
Investments (in EUR million)	82	99
Employees	7,083	6,921

Stable sales revenues at previous year's level

The sales revenues of the Radeberger Group amounted to EUR 1,621 million in the 2021 financial year and remained almost stable compared with the previous year (–0.2%). After eliminating currency and scope of consolidation effects, the decline in operating sales was –1.6% or EUR –26 million. As Germany's leading brewery group, the Radeberger Group was unable to escape the declining sales trend throughout the entire German beer market. As expected, sales revenue fell due to the strong decline in sales of draft beer caused by coronavirus, both in the brewery business and among catering-oriented beverage wholesalers.

The development within the individual divisions varied in the 2021 financial year. In the brewing business, the second lockdown with a further, even longer closure of the out-of-home market and the restrictions for the catering trade during the important Christmas business period again caused massive losses in sales of draft beer. As a result, volumes fell below the historically low level of 2020. In the retail sector, total returnable beer sales also remained below the previous year's figure. Overall, the group's domestic beer sales declined by 5.8% compared with the previous year. On the other hand, the area of beverage outlets continued to enjoy the sales "borrowed" from the catering trade. For the second year in a row, Getränke Hoffmann was able to take advantage of opportunities arising from the coronavirus-related changes in purchasing behavior, as a result of which sales increased significantly. There were again significant disruptions in the entire supply chain, particularly in the summer months, triggered by the existing shortage of workers in logistics and the lack of freight space. Drop shipment logistics, operated jointly with Veltins via the Deutsche Getränke Logistik joint venture, successfully handled not only the enormous sales peaks but also the increasing cost-intensive disruptions to the entire supply chain. The empties specialist H. Leiter GmbH continued to be a key supporting factor in securing the Radeberger Group's ability to deliver. However, the massive onset of winter at the beginning of the past financial year led to high sales losses and additional costs at Leiter, which could no longer be compensated for over the year due to a lack of personnel.

In line with the general market development, the portfolio of the Radeberger Group declined overall in the past reporting year. As forecast in the previous year, brands with a strong presence in the catering trade in particular continued to be affected by the coronavirus pandemic. The national brands Radeberger, Jever and Schöfferhofer recorded an overall decline in sales compared with 2020. Sales of the main draft beer brand Radeberger Pilsner fell by 8.3% compared with the previous year, while sales of the Frisian brand Jever developed positively, in particular due to strong growth in the nonalcoholic variant Jever Fun. In contrast, the wheat beer brand Schöfferhofer, which is very catering trade-oriented, suffered both from the restrictions caused by the coronavirus and from the poor weather in summer compared with the previous year, and accordingly recorded noticeable losses.

Positive development of the Allgäuer Büble brand

Among the national specialties, the Allgäuer Büble brand was able to develop very well, and the still-young Oberdorfer brand also exceeded sales forecasts. The international brands achieved the previous year's level. On the other hand, sales of the nonalcoholic Clausthaler brand declined.

In the segment of regional premium brands, the strongest brand in the segment, Ur-Krostitzer, was stable compared with the previous year. By contrast, the eastern regional brand Freiberger and the Berliner brands (Berliner Kindl and Berliner Pilsner) recorded moderate declines. The strong catering trade-oriented Tucher brands (Tucher and Zirndorfer) suffered particularly from the lack of trade fair and event tourism in the core sales area of the Nuremberg metropolitan region.

The nonalcoholic beverages segment, with its strong focus on the out-of-home market, was also hit hard by the coronavirus pandemic. No significant recovery has taken place in 2021; sales continued to decline compared with the previous year.

In 2021, the number of employees was 6,921, 2.3% below the level of the previous year (7,083). Adjusted for the additions to the scope of consolidation from the previous year, the number of employees fell by 3.1% in 2021. The investments of the Radeberger Group totaled EUR 99 million and were thus 20.7% above the previous year's figure, mainly due to the construction of a new bottling plant in the Allgäuer brewery and the hire purchase of a sorting system at H. Leiter Freienbrink GmbH & Co. KG.

Forecast

In 2022, beer sales in Germany will continue to be affected by the coronavirus pandemic. The fourth wave of coronavirus with the highly contagious Omicron variant and the restrictions on the out-of-home sector in order to contain the pandemic also had a noticeable impact on catering sales in the first quarter of 2022. The decisive factor for the rest of the year will be how the situation with infections develops and whether, for example, the fourth quarter sees a return to coronavirus-related restrictions for the catering industry or a further normalization of the situation. In addition to the challenges of the coronavirus pandemic, Russia's invasion of Ukraine at the end of February 2022 will result in further upheavals for the industry, which will have a massive impact on business. The group is also confronted with further, dramatic cost increases related to the war in transport and logistics companies as well as in almost all procurement markets – and expects tense delivery and price situations, especially for energy-intensive upstream suppliers such as glassworks, malting plants, CO_2 producers and can and crown cork manufacturers. In addition, an almost complete loss of export volumes to Russia has to be assumed; however, this will not have any significant impact on the development of total sales. The extremely volatile economic situation in the industry caused by the ongoing coronavirus pandemic and the Ukraine crisis makes reliable planning and forecasts difficult. Should normal business be possible in the out-of-home sector in the fourth quarter, the Radeberger Group expects significant sales growth in 2022 compared with the previous year.

Sparkling Wine, Wine and Spirits

↗ General information on the division can be found on page 11.

Business processeses

Despite the difficult conditions caused by the coronavirus pandemic, *Henkell Freixenet* was able to leverage synergy and efficiency potential in procurement, logistics and production as well as quality management. Since the corporate merger of Henkell & Co. and Freixenet S.A. in summer 2018, intensive cooperation has been underway with the aim of harmonizing the henceforth joint supply chain. The group faced challenges in 2021, particularly related to procurement, as significant and ongoing problems arose on the supply side during the reporting period.

Process automation

Further digital transformation projects were advanced in production and logistics. The main focus here was on the automation of processes, combined with the aim of reducing structural costs. To this end, the group has further developed its digital process management, which enables fully automated production planning as well as networking and the use of modern machines and production robots.

In marketing and sales activities, Henkell Freixenet focused on its globally distributed core brands Freixenet, Mionetto Prosecco and Henkell Trocken. To improve the management of international processes, international brand teams were set up for Freixenet, Mionetto, Henkell Trocken, i heart WINES and Mangaroca Batida de Côco.

Expansion of e-commerce

Digital marketing plays a particularly important role. For example, together with its retail partners, the company is driving the further expansion of e-commerce, which has received a significant boost from the coronavirus pandemic.

In line with the continuing trend towards premiumization, Henkell Freixenet has introduced the Freixenet Wine Collection in a frosted bottle and the Freixenet Diamond Wine Collection in an iconic crystal bottle in the premium segment. Further impetus came from the ice variants, such as Freixenet Ice in Spain and Bohemia Sekt Ice in the Czech Republic. The Wodka Gorbatschow Limited Edition and the trendsetter Kuemmerling Pfefferminz set eye-catching trends in the spirits segment.

Business development

KEY FIGURES	2020	2021 (1.1.–31.10.)
Sales revenue (in EUR million)	970	788
Investments (in EUR million)	18	17
Employees	3,494	2,805

Due to the separation of the shareholder groups, Henkell Freixenet is only included in the consolidated financial statements of Dr. August Oetker KG until October 31, 2021, the date of deconsolidation. In the first ten months of the 2021

financial year, the group generated sales of EUR 788 million. Henkell Freixenet's investments in the same reporting period amounted to EUR 17 million. The focus here was on the development of the site in Mionetto, Italy. The average number of employees fell to 2,805. As a result of the deconsolidation of Henkell Freixenet, the employee figures for 2021 are calculated on the basis of the ten-month average.

Sales in the DACH region (Germany, Austria and Switzerland) amounted to EUR 217 million during the first ten months of 2021. The development of Germany's leading premium sparkling wine Fürst von Metternich, as well as of Henkell and Mionetto prosecco, was once again very pleasing. Strong growth was also achieved by Mangaroca Batida de Côco. In Austria, Henkell Trocken, Austria's market leader in sales, and Freixenet both increased their sales. Mionetto prosecco also grew significantly in Switzerland. Schloss Johannisberg saw double-digit growth in the post-coronavirus year.

Sales in the Western Europe region amounted to EUR 269 million in the first ten months of 2021. In view of multiple lockdowns in the previous year, which led to a significantly lower level of sales in 2020, the recovery has now resulted in a sales increase of 9.5%. Italy and Spain, with their high proportion of catering business, showed disproportionately positive development. However, double-digit sales growth was also achieved in the United Kingdom. The most important brands in this region were Freixenet, Mionetto and i heart WINES.

The Eastern Europe region is characterized by the strong national companies Bohemia in the Czech Republic, Törley in Hungary and Hubert in Slovakia, each of which has a market share of more than 45% of the national sparkling wine market. Added to this are Henkell Freixenet Polska – the group's second spirits competence center alongside Germany – as well as Romania and Ukraine. In the first ten months, sales in the region amounted to EUR 126 million. Successful contributions were made, among others, by Bohemia Sekt and Mionetto prosecco in the Czech Republic and Törley in Hungary. In Poland, Mionetto prosecco continued to develop dynamically and also made significant gains overall in the region.

An important growth region is the Americas, which experienced a dynamic recovery in 2021. Net sales in the Americas region amounted to EUR 136 million within the first ten months. In the USA, both Freixenet and Mionetto were able to make significant gains again. The Gloria Ferrer location in Sonoma and the Finca Sala Vivé location in Mexico also showed significant double-digit positive development. Brazil was also one of the growth drivers in 2021, particularly with Freixenet cava, the Freixenet Wine Collection and Freixenet Mia.

The Asia-Pacific region includes the activities of the Henkell Freixenet companies in Japan, Australia and China as well as all other export activities in the Asia-Pacific and Africa regions. Overall, the region achieved sales of EUR 33 million in the period from January to October 2021. In traditional exports, the global travel retail (GTR) business was still affected by crisis-related business losses in the first half of 2021, before recovering significantly from the third quarter onwards. In the Australian market, following the sale of the Deakin and Katnook wineries and the Deakin, LaLaLand and Azahara brands in the previous year, the group now focused on the import business with Henkell Trocken, Freixenet and Mionetto.

In the RoW/Global region, the group combines business with importers and distributors in countries where it does not have its own sales company. The duty-free business, which effectively ceased to exist during the coronavirus pandemic, is also part of the Global region. The sales for this region came to EUR 9 million in the period from January to October 2021.

Clearly positive development of the international core brands

During the same period, the international core brands achieved double-digit growth overall. The sales of the largest brand, Freixenet, were 11.3% above the previous year's level for the comparable period. The positive developments in Freixenet prosecco and Italian rosé as well as the newly introduced Freixenet Italian Collection and Freixenet Spanish Collection in the wine range made a significant contribution to this.

Mionetto prosecco, with its focus markets Italy, the USA, Germany, the UK, France, Canada and Eastern Europe, showed sales growth of 29.9%. The growth was mainly driven by the USA and the Italian domestic business, where Mionetto's share of the catering sector is disproportionately high. Against the background of a particularly positive development in Germany, the DACH region also contributed to the growth, as did Eastern Europe, which again grew strongly, particularly in Poland. The new Mionetto Prosecco Rosé, which was launched worldwide in 2020, also played its part in this.

In terms of sales, Henkell also grew significantly by 20.2% within the first ten months of 2021. As the market leader, the brand was able to make its mark in Austria as well as on the Canadian and Australian markets. The reviving duty-free market also contributed to the positive development of the most exported German sparkling wine brand.

While i heart WINES's momentum slowed slightly by 6.1% to a still impressive 24.4 million bottles from January to October 2021, Mangaroca Batida de Côco grew again by 30.7% in the same period. The clear variants Mangaroca Batida Pura Côco and Mangaroca Batida Pineapple in a ready-to-drink can made a significant contribution to this.

Other Interests

↗ General information on the division can be found on pages 12–14.

Business processes

At *Budenheim*, too, the procurement markets in the 2021 financial year were determined by good demand on the customer side, and a limited supply situation on the part of raw material suppliers. In order to meet the high capacity utilization, Budenheim launched numerous capacity expansion projects across all locations. The focus here was particularly on product lines for high-quality specialty chemicals. Among other things, the company put new warehouse management software for the logistics center into operation at the Budenheim location in the summer of 2021. The production of melamine phosphates was expanded at the Spanish location. To move away from its dependence on contract manufacturers and shorten lead times for its customers, Budenheim USA has invested in a new powdered lubricants unit. In addition, production expansions at Budenheim Mexico were successfully completed. At the same time, Budenheim made important investments in the areas of sustainability and human resources organization.

Sustainable Product innovations

The focus on sustainability and market-driven innovation is particularly evident in the Food Ingredients business unit. Against this background, the Savory Solutions cluster has launched the new ABASTOL®-VEG portfolio. It covers the requirements for plant-based meat substitutes and is therefore an important pillar for future growth. The Nutrition cluster has launched safe and highly functional iron-fortified sports drinks under the WowCaps® Fe 300 brand using micro-encapsulation. In addition, Budenheim is expanding its leadership position in high-purity minerals for the infant nutrition and nutraceuticals industries. Both the CAFOS® and PureMin® portfolios for safe, reliable and valuable mineral enrichment have been expanded.

In the Performance Materials business unit, the Metal Treatment cluster has expanded the existing portfolio of ROLLIT® and PHOSPHATHERM® high-temperature lubricants to include application systems. The Pharmaceutical and Medical Products cluster has strengthened its presence in Asia with the successful registration of the DICAFOS® and TRICAFOS® portfolios for the Chinese market. The positioning as a solution provider in the market was advanced by the presentation of proprietary and generic formulations and by scientific publications. The Ceramics Solutions cluster is expanding its competencies beyond the refractories sector and developing solutions for new technologies in technical ceramics.

The Material Ingredients business unit focused on the integration of QolorTech B.V. and the establishment of the new core business area of polymer master batching in Vaassen, Netherlands. The Polymers cluster presented itself as a “green master batcher” with its environmentally friendly products QolorTech® NIR, QolorTech® ReQolor and QolorTech® ReQreate. In the Paints cluster, the business unit achieved decisive approvals for paint formulations with its flame-retardant FR CROS® 585, which is characterized by unique processing stability.

At *OEDIV*, the division into the pillars of Managed Solutions, SecuSys and HR Services, which was completed in 2020, has proven its worth. The core topics of OEDIV can thus be positioned on the market with even greater strength and focus.

The OEDIV Managed Solutions pillar, with its headquarters in Bielefeld and a branch in Oldenburg, comprises the core business. This field of activity concentrates on the operation of standard software systems from the manufacturers SAP and Microsoft as well as further systems for the holistic handling of business processes.

OEDIV SecuSys includes iSM SecuSys in Rostock, a provider of solutions for identity and access management in the security sector, which was acquired in 2020. With the acquisition, OEDIV is now a provider of its own platform, which can be used to manage access and rights across various systems such as Microsoft and SAP.

With HR Services, OEDIV is active in the market for "payroll as a service". This area is operated at the two locations in Bielefeld and Augsburg, where the OEDIV subsidiary Personal Partner Strixner is based. OEDIV offers the three main payroll applications Paisy, SAP and LOGA as part of its payroll outsourcing services.

Business development

KEY FIGURES	2020	2021
Sales revenue (in EUR million)	598	900
Investments (in EUR million)	52	75
Employees	6,214	16,732

The companies in the Other Interests Division are primarily active in the chemical industry and luxury hotel sector. In addition, the Oetker Digital/New Business Models unit, which was recently significantly strengthened by the acquisition of flaschenpost in December 2020, is being expanded in a targeted manner.

As a result of the separation of the groups of shareholders, some companies in the Other Interests Division are only included in the consolidated financial statements of Dr.August Oetker KG until October 31, 2021, the date of deconsolidation. These include Chemische Fabrik Budenheim KG with its subsidiaries and Oetker Hotel Management Company GmbH with the hotels Hôtel Le Bristol S.A.S. in Paris and Château du Domaine St. Martin S.A.S. in Venice and other selected individual companies in the Other Interests Division, such as the e-commerce wine retailer Belvini.

With regard to the different markets, the companies have developed differently. Overall, the Other Interests Division recorded an increase in sales of 50.5% to EUR 900 million compared with the full year of 2020. This was primarily due to the fact that flaschenpost was included for the whole year for the first time, which enabled the digital sector to continue on its growth course. Partly reducing effects resulted from the missing sales contributions of the companies (groups) that were sold for the months of November and December 2021. Expenditure on investments was EUR 75 million for the year under review compared with EUR 52 million during the previous year. The increase is largely due to the investments made by flaschenpost. The number of employees increased significantly from 6,214 to 16,732 in 2021. Excluding changes in the scope of consolidation, the headcount increased by 15.1%, in particular due to the increase in staff at flaschenpost during the year.

Pleasing sales development despite pandemic-related supply chain issues

Budenheim continued to face highly competitive market conditions in 2021, which were exacerbated by the ongoing COVID-19 pandemic and supply chain problems. Thus, the development of sales, which amounted to EUR 300 million in the first ten months of the 2021 financial year, is all the more pleasing. This is due to a successful mix of higher sales volumes, responsible product management and market-driven price increases.

The Food Ingredients business unit, which accounts for the largest share of total sales, enjoyed moderate growth when compared with the same period of the previous year. The largest cluster, Savory Solutions, saw strong growth, led primarily by increased demand in the catering industry, which was particularly hard hit by the pandemic last year. The Nutrition growth cluster was also characterized by a significant increase in sales. This is due in part to consumer health and sustainability trends, which are a big driver for dietary supplements and foods. Both clusters more than compensated for the low sales development in the Baking cluster.

The Performance Materials business unit recorded significant sales growth, which was primarily driven by a significant increase in volumes. The sharp rise in raw material prices in the course of the year was offset by immediate price increases. Sales in the Pharmaceutical and Medical Products cluster were at the same high level as the comparable period in the previous year. This was supported by significant growth in North America against a backdrop of less intense competition from Asia. By contrast, the European business recorded a moderate decline as a result of normalized demand. The market recovery in the steel market and the realization of several new deals led to strong sales growth with refractory materials in the Ceramic Solutions cluster. The Metal Treatment cluster was also able to significantly increase sales as a consequence of rising oil prices and the associated demand for steel tubing.

The Material Ingredients business unit was also able to take advantage of the economic recovery trend, despite significant global supply obstacles in particular for the Paints cluster. Budenheim's reliability with its international direct customer structure is paying off in the form of strong growth. The acquisition of QolorTech B.V. with recycling solutions for plastics was able to make a significant contribution to the growth of the polymer cluster. Overall, 2021 was characterized by volatile but high demand, which varied greatly from region to region. It is becoming apparent that the issues of sustainability and climate change have significantly spurred demand for Budenheim solutions for recycling and nontoxic substitute products in the relevant plastics and industrial coatings markets.

The hotels of the *Oetker Collection* were unable to escape the disastrous market environment and the impact of the coronavirus pandemic. After the Hotel Le Bristol had to close for five months in 2020, and the Château St. Martin & Spa was unable to start its business operations at all in the previous year due to the pandemic, the sales of both hotels in 2021 were significantly above the previous year's level. The Hôtel du Cap-Eden-Roc and the Brenner's Park Hotel also recorded sales that were well above the previous year's figures. Both hotels were also able to stay open longer than in 2020, but without returning to the usual annual opening times. As a result, precrisis sales levels were not achieved. At the same time, all hotels fell significantly short of their sales targets.

OEDIV's sales in the 2021 financial year significantly outstripped the level of the previous year and thus exceeded expectations. The strong growth in business with third-party customers stood out in particular. OEDIV benefited from increased demand from existing customers for additional, previously unused services from its portfolio of services and growth-related extensions to existing infrastructures. Services that were particularly in demand from a customers perspective were Collaboration, Microsoft 365, security solutions and SAP S/4HANA.

flaschenpost prepares nationwide rollout

With the acquisition of *flaschenpost* in December 2020 and a successful integration of Durstexpress in the first half of 2021, flaschenpost was able to make even better use of the opportunities offered by the dynamic growth market. As in previous years, sales increased significantly. The course of business was characterized in particular by numerous supermarket rollouts. In total, flaschenpost made initial investments in eleven locations and expanded its product range to include fresh produce and frozen products. The associated processes, especially in the warehouse area, were adapted accordingly and the selection of goods was further optimized. On this basis, the company has succeeded in setting the course for a nationwide rollout and thus in further advancing the goal of transforming the brick-and-mortar beverage and food trade into e-commerce.

Forecast

Since the recovery in 2021 was only able to make up for part of the serious sales losses in 2020, the two hotels in the Oetker Collection remaining in the Dr. August Oetker KG group also expect significant sales increases in 2022 compared with the previous year. The aim at both hotels, the Brenner's Park Hotel in Baden-Baden and the Hôtel du Cap-Eden-Roc in Antibes, is to exceed the sales levels of 2019. This assumes that the coronavirus pandemic will no longer have a serious impact on the operating business of the hotels from the second quarter of 2022 at the latest, and that international tourism travel will again be possible almost without restrictions.

OEDIV expects stable sales development in 2022. The sales volume, which according to forecasts will be slightly above the level of the previous year, will probably be primarily supported by services in the area of existing customers, but also by additional sales to new customers.

In the coming financial year, *flaschenpost* expects continued high demand as a result of the ongoing online trend. Accordingly, the company expects significant sales growth for 2022. In particular, the expansion of the range of services will support the growth course.

Financial Position

Due to the division of the Oetker Group in November 2021, the balance sheet structure changed significantly as of December 31, 2021. The balance sheet total fell by EUR 4,211 million compared with December 31, 2020 to EUR 6,096 million.
The basic values of the balance sheet structure are as follows:

BALANCE SHEET STRUCTURE

In EUR million	2019	2020	**2021**
Total assets	10,010	10,307	6,096
Fixed assets	3,962	4,632	3,213
Inventories, accounts receivable, prepaid expenses	2,823	2,862	1,699
Cash and cash equivalents	3,225	2,814	1,183
Equity	4,104	4,226	2,438
Provisions	1,417	1,573	1,285
Liabilities including deferred income, deferred tax liabilities	4,489	4,509	2,372

Intangible assets fell by EUR 465 million to EUR 1,114 million compared with the previous year. Of this, EUR 357 million is attributable to depreciation. In addition, disposals related to the scope of consolidation in the net amount of EUR 168 million had a reducing effect; these relate mainly to trademark rights and goodwill previously recognized in the consolidated financial statements. The additions in 2021 totaled EUR 42 million (previous year: EUR 893 million) and are attributable to the first-time consolidations in the amount of EUR 24 million (previous year: EUR 874 million). EUR 15 million of this related to goodwill, most of which is accounted for by Dr. Oetker. In addition, brand rights to the value of EUR 9 million were acquired, primarily as a result of the purchase price allocation for the Dr. Oetker acquisitions.

The decline in tangible assets by EUR 755 million to EUR 1,554 million as of the balance sheet date is again characterized by disposals in the scope of consolidation of EUR 871 million. Additions of EUR 343 million (previous year: EUR 348 million), of which EUR 1 million (previous year: EUR 24 million) were acquisition-related, were offset by depreciation of EUR 260 million (previous year: EUR 279 million). Most of the investments related to technical assets and assets under construction and advance payments made for the Food Division.

The total additions to tangible assets and intangible assets amounted to EUR 385 million (previous year: EUR 1,241 million). Of this, EUR 24 million related to acquisitions (previous year: EUR 898 million). Current investments amounted to EUR 361 million, and were therefore EUR 18 million above the level of the previous year, mainly due to higher investments in the Beer and Nonalcoholic Beverages Division and the first-time inclusion of flaschenpost. From a regional point of view, the focus was again on investments in domestic companies; the share of foreign companies in current investments was almost the same as in the previous year at 33.2%. Depreciation on intangible assets and tangible assets totaled EUR 617 million (previous year: EUR 504 million).

Investments in associated companies fell by EUR 171 million to EUR 360 million as of the balance sheet date. The decline in the book value resulted primarily from the sale of Bankhaus Lampe KG and the disposals as part of the separation of the Oetker Group. In terms of value, these relate primarily to Solid Rock Properties S.A.S., Saint-Barthélemy (France) and Emaphos Euro Maroc Phosphore S.A., Casablanca (Morocco). Investments accounted for using the equity method are mainly Moers Frischeprodukte GmbH & Co. KG, Deutsche Getränke Logistik GmbH & Co. KG (DGL) and S.A. Damm, Barcelona (Spain).

The book value of the inventories was EUR 612 million and was thus 45.4% lower than in the previous year. Trade receivables fell by EUR 417 million to EUR 742 million on the balance sheet date. The declines are due to disposals in the scope of consolidation. After adjusting for effects from the scope of consolidation, inventories increased by 10.8% or EUR 59 million. This is mainly due to the operational development of individual companies in the Dr. Oetker division. Trade receivables increased by 4.2% or EUR 30 million on an adjusted basis. The almost unchanged receivables from companies in which a participation is held of EUR 49 million at the end of the year were offset by liabilities of EUR 28 million (previous year: EUR 16 million). They are not included in the consolidation for domestic and foreign investments.

Other assets fell to EUR 269 million as of the balance sheet date (previous year: EUR 489 million). In addition, claims from the reinsurance of pension obligations at the Condor insurance group, receivables from empties and the like, which are not offset against liability items, are shown in this balance sheet item. In addition, the assets of Atlantic Forfaitierungs AG, which were no longer part of the scope of consolidation as of December 31, 2021, were included in the previous year, in particular consisting of short-term investments. In addition to lower tax refund claims, this led to a significant decrease in other assets.

At the balance sheet date, funds amounted to EUR 1,183 million (previous year: EUR 2,814 million). They are made up of marketable securities and the item “Cash on hand, balances at third-party banks and checks”. The lower level of cash and cash equivalents is related in particular to lower securities as a result of fund transfers on the occasion of the split of the

Oetker Group. In addition, in the previous year there were still receivables from Bankhaus Lampe KG, which has since been sold. These receivables are now included in the balances at third-party banks as of December 31, 2021.

The fixed capital of Dr. August Oetker KG have increased from EUR 450 million to EUR 1,125 million. The group's reserves fell by EUR 2,388 million to EUR 1,499 million as of the balance sheet date. This development is mainly due to the separation of the groups of shareholders and partly to the increase in fixed capital. The positive change in the equity difference from currency translation of EUR 63 million resulted on the one hand from the disposals due to the scope of consolidation, and on the other hand from the appreciation of numerous currencies against the euro, above all the US dollar, the Canadian dollar and the British pound sterling. The equity item attributable to noncontrolling interests fell from EUR 142 million to EUR 5 million as of the balance sheet date: In the previous year, this item mainly related to the shares of other shareholders in the Freixenet Group, which was deconsolidated in the course of the split in November 2021. This resulted in a total reduction in equity of EUR 1,788 million to EUR 2,438 million as of December 31, 2021.

Pension provisions amounted to EUR 378 million as of the balance sheet date and have fallen by EUR 98 million compared with the previous year, mainly due to disposals in the scope of consolidation. While payments had an effect of EUR –35 million, interest and exchange rate effects had an impact of EUR +31 million. As before, part of the retirement benefits for employees is covered by direct insurance contracts, especially at Condor Lebensversicherungs-AG. The insurance premiums required for this are largely paid through one-off payments. Policy loans are not used. Tax provisions amounting to EUR 47 million (previous year: EUR 78 million) only included effective taxes. The change in other provisions by EUR –153 million to EUR 849 million was also characterized by the deconsolidated business units. Other provisions at the balance sheet date mainly comprised amounts for outstanding invoices, for deposits from the brewery business, for sales deductions, particularly in the Food Division, and for personnel, partly due to the announced closure of the Dr. Oetker location in Ettlingen.

Liabilities amounted to EUR 2,337 million (previous year: EUR 4,459 million) and are broken down by remaining term in the notes to the consolidated financial statements. The other liabilities included in the total amount of EUR 465 million (previous year: EUR 2,309 million) include the shareholder accounts within Dr. August Oetker KG, which showed a significantly lower balance as of the balance sheet date due to the division of the group.

The deferred tax liabilities fell by EUR 10 million to EUR 28 million as of the balance sheet date and resulted exclusively from consolidation measures, since there was an asset surplus at the level of the individual financial statements – mainly as a result of different valuations of pension provisions – and thus from the option of Section 274 (1), sent. 2, of the German Commercial Code (HGB).

The Oetker Group's financial position is marked by internal financing, largely retained earnings and long-term bank loans. The balance of net financial assets decreased from EUR 1,465 million as of December 31, 2020 to EUR –189 million at the end of 2021, mainly due to the decrease in marketable securities.

Equity fell by 42.3% or EUR 1,788 million compared with the previous year to EUR 2,438 million. With total assets falling by 40.9%, the equity ratio fell to 40.0% (previous year: 41.0%). Bank liabilities are mainly based on loans with long-term maturities that were serviced in accordance with planning. Long-term loans in the amount of EUR 149 million were repaid in the reporting year. New long-term loans were taken out in the amount of EUR 250 million. In addition, there was an increase in short-term loans of EUR 87 million. As of December 31, 2020, the companies that are no longer included in the scope of consolidation due to the division of the Oetker Group had short-term bank debt of EUR 165 million, which is no longer recognized in the consolidated financial statements. Leasing agreements and other off-balance-sheet financing instruments are of minor importance for the Oetker Group.

Financing and cash investments by subsidiaries are combined within the Oetker Group wherever possible in order to minimize risks and exploit potential optimization. Interest rate, price and currency hedges are primarily carried out by Dr. August Oetker KG by means of derivative financial instruments.

Forecast Report

The global economy has not yet fully recovered from the coronavirus crisis and is still being affected by the development of the pandemic. The Russian attack on Ukraine on February 24, 2022, is putting new strains on the global economy. The war in Ukraine is an economic burden, above all as a result of the increasingly uncertain availability of raw materials. Russia plays an important role as a supplier of raw materials globally and especially for Europe. Concerns about a lack of Russian raw material deliveries, especially oil and natural gas, have already caused raw material prices to rise sharply and will continue to push up prices. Furthermore, Russia and Ukraine are important grain exporters. Due to the war, it can be assumed that the harvest in Ukraine will be significantly smaller and as a result grain prices, and also the cost of all other raw materials required for food production and grown in Russia and Ukraine, will rise sharply. This price increase will make the supply of basic foodstuffs more expensive in particular, which will be felt above all in some developing and emerging countries. Inflation has picked up significantly and will be further fueled in the coming months by the rise in commodity prices in connection with the Ukraine war.

Sanctions imposed by the Western community of states not only put a strain on Russia's economy, but will also lead to export losses in the sanctioning countries. Production is expected to be increasingly hampered by the impact of sanctions, higher commodity prices and supply chain issues. Uncertainty about future developments is having a dampening effect on investments and the consumer climate. The Kiel Institute for the World Economy (IfW) assumes that the global economy will grow by 3.5% for the year as a whole, after growth of 5.8% in 2021. The IfW forecast for growth in gross domestic product in the European Union (EU) is 2.8% for 2022 compared with 5.3% in the previous year.

In 2022, the Oetker Group's course of business will also depend to a large extent on the development of the general economic conditions. These conditions are being influenced by the pandemic and the consequences of the Ukraine crisis, which are currently difficult to assess. However, the group management is confident that the Oetker Group will be in a position to continue on the growth path it has taken, building on a stable foundation.

Sales planning for 2022 is primarily based on organic growth, supplemented by individual acquisitions. Sales, however, will not reach the level of 2021. This is due to the split of the Oetker Group in November 2021 and the resulting lack of sales contributions from the legal entities deconsolidated from the Dr. August Oetker KG group. On a comparable basis, the group management expects a significant increase in sales to around EUR 6 billion for the 2022 financial year. Significant growth impulses are expected above all from the new digital business models, in particular flaschenpost. With regard to the exchange rates of the foreign currencies important to the Oetker Group, planning has been consistently close to the annual average for 2021. The group management expects significant cost increases from the war in Ukraine, which will necessitate further price increases and savings. Due to the structural cost increases, inflation is expected to exceed the ECB target mark of 2% for a sustained period. Investments (excluding first-time consolidations) are estimated at around EUR 340 million, with the bulk of this going to the Food Division. There will be a significant decrease in the number of employees as a result of the transfer of the legal entities to Geschwister Oetker Beteiligungen KG. In the 2021 financial year, these companies were still included proportionately in the personnel figures for ten months.

Other aspects of the expected development in the individual divisions are described in their respective sections.

Opportunities and Risks Report

The business activities of the Oetker Group offer many opportunities and are subject to permanent risks. The primary goal is to achieve a balance between opportunities and risks.

All trends in the industries relevant to the group are constantly monitored. Future changes are anticipated in order to have a strategic and profitable perspective in the constantly changing competitive environment.

The group companies are subject to different economic conditions. In the two consumer goods divisions of Dr. August Oetker KG that remained after the separation of the shareholder groups, consumption trends among consumers are particularly relevant. A diversified product portfolio and continuous development of new products help the group to take account of market and consumer needs. This also includes the trend towards greater quality awareness and increased demand for sustainably produced products.

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

As a result of the division of the group completed in November 2021, there are no significant effects on the potential opportunities of the group companies remaining under Dr. August Oetker KG. Dealing with these business risks is a key component of entrepreneurial management at the Oetker Group.

Operational opportunities and risks

Procurement market opportunities and risks

According to the group management, prices on the procurement markets will continue to rise significantly in the coming year. As a result of more volatile external factors, forecasts of future commodity price developments are proving increasingly difficult. Other procurement risks are being reduced by diversification between different suppliers and further volume hedging measures. However, distortions on the procurement markets may impair supply chains and thus lead to raw material shortages and production bottlenecks or failures. In addition, the war in Ukraine poses risks in the form of further increases in energy and raw material prices.

Environmental and industry-related opportunities and risks
The consumer climate is of crucial importance for the consumer goods divisions. The pandemic triggered by the coronavirus may have significant consequences for consumer behavior. The current effects of the pandemic are subject to great uncertainty and vary significantly between regions and customer sectors. The extent and duration of the effects on the business of the Oetker Group cannot therefore be estimated. In addition, interventions by national authorities, trade policy conflicts or uncertain geopolitical situations, as has already happened in Ukraine and Russia, can have a major impact. The ongoing debt and financial crisis in some countries also creates risks for the group's business divisions. In addition, increasingly intense competition and increasing trade concentration pose risks. By continuously strengthening their brands and constantly developing new products, the group companies counter these risks while at the same time generating new opportunities.

Functional opportunities and risks
Financial opportunities and risks
The Oetker Group is subject to financial opportunities and risks in terms of liquidity, currencies and interest rates. In view of the solid earnings structure and financial position of the Oetker Group, which continued to exist even after the group split, the liquidity and interest rate risk is considered to be low. However, investing is made more difficult by the ongoing low interest rates and the highly volatile financial markets due to the geopolitical situation. Currency risks are mainly hedged with the help of forward exchange transactions, which limit potential losses.

Legal and regulatory risks
As a company that operates worldwide, the Oetker Group has to observe a large number of legal and regulatory standards. Internal standards, guidelines and instructions on how to implement them are used and are regularly checked, including as part of the management systems. All relevant legal and regulatory requirements and compliance with the Oetker Group Code of Conduct are also monitored by a group-wide compliance organization. In addition, the usual insurance policies have been concluded to cover certain legal risks.

Opportunities and risks in the area of IT/digitalization
The use of digital technology enables the ongoing standardization of data systems as well as the harmonization and optimization of processes. Information technology risks are counteracted by extensive investments in the security architecture of IT systems. The danger of cyberattacks and cyberterrorism is increasing as a result of the Ukraine war. The subsidiary OEDIV, as an IT company and operator of its own data centers, is particularly exposed to this risk. The OEDIV security team is aware of the risk and closely monitors developments in order to be able to react immediately in the event of any anomalies.

Digital transformation is an unstoppable trend that influences consumer behavior and market participants. In addition to risks, including the entry of new market participants, this also gives rise to new forms of offerings and business models that offer new growth opportunities for the Oetker Group. Ultimately, the digitalized company organization enables faster and more efficient adaptability to new market developments or changed work situations, all the way up to adapting the infrastructure for mobile working during the coronavirus crisis.

Personnel opportunities and risks

The financial success of the Oetker Group is largely defined by its employees' skills and motivation. Recruiting highly qualified specialists and managers and binding them to the Oetker Group in the long term is therefore enormously important. To do this, targeted measures to promote employee development and performance-based incentive systems are used. Another focus of human resources work is health management and employee counseling in different phases of life. In the current coronavirus crisis, employee health has the highest priority, more than ever before. A centrally implemented crisis management provides information on the current status of the spread of the new coronavirus and shares guidance on measures and their communication in the company. This also applies to dealing with suspected cases and illnesses. In this way, the health protection of employees as well as business partners is to be ensured and, at the same time, the risk of sickness-related absenteeism in the workforce and the resulting impact on operations are to be minimized.

Environmental and safety factors

The Oetker Group ensures compliance with high environmental, safety, health and social standards worldwide. The measures described in the paragraph on legal and regulatory risks, as well as certifications, consultations and employee training, ensure that the risk of harm to people and damage to the environment and property is minimized. In addition, high technical production standards ensure effective protection against potential environmental and safety risks. Increasing signs of climate change, such as heat periods, water shortages or heavy rain, can have a negative impact on crop yields and thus on the procurement of raw materials, as well as on the locations of the group companies and consumer behavior. The Oetker Group is therefore committed to responsible use of resources.

Logistics opportunities and risks
The strong concentration of the logistics industry, especially in the frozen food sector, has intensified competition over time. In addition, the market for transport capacity is tight. The shortage of skilled workers in the logistics and trucking industry, which has been known about for some time, is now colliding coronavirus-related disruptions to supply and transport chains, which pose a risk to the timely transportation of goods. The war in Ukraine could exacerbate the situation if Ukrainian truck drivers are no longer available to the market but instead serve in the army. In order to exploit additional potential in logistics, the group companies are constantly monitoring efficiency and effectiveness in the supply chain.

Summary of the opportunities and risks situation
There are no concentrations of risk worthy of mention either on the customer side or on the supplier side. Such risks are also not discernible with regard to the countries in which the Oetker Group operates.

There are no other discernible risks that could impair the long-term existence of the Oetker Group. In addition, an increased level of risk coverage has been created in recent years through the solid equity base.

02 *Consolidated Financial Statements*

The percentages included in the group management report and the consolidated financial statements refer to the exact amounts, not the rounded amounts. Due to rounding it is possible that individual numbers (€, %, etc.) do not add up exactly to the specified sum.

Consolidated Financial Statements

02

Consolidated Balance Sheet

Dr. August Oetker KG

ASSETS In EUR '000 €	2020	2021
FIXED ASSETS		
Intangible assets		
Acquired concessions, trademarks and similar rights and assets as well as licenses to such rights and assets	655,736	480,886
Goodwill	920,788	629,573
Advance payments	2,963	3,629
	1,579,487	**1,114,089**
Tangible assets		
Land, leasehold rights and buildings, including buildings on leasehold land	1,237,394	814,792
Machinery and equipment	574,750	466,592
Other equipment, fixtures, furniture and office equipment	273,871	184,857
Advance payments and fixed assets under construction	222,893	88,158
	2,308,908	**1,554,400**
Financial assets		
Shares in subsidiaries	58	104
Investments in associated companies	530,973	359,600
Investments in other companies	87,870	120,364
Long-term borrowings to affiliated companies	20,239	18,800
Fixed-assets securities	1,889	1,164
Other long-term borrowings	102,644	44,557
Advance payments for financial assets	35	
	743,708	**544,589**
	4,632,104	**3,213,078**
CURRENT ASSETS		
Inventories		
Raw materials and supplies	305,406	192,847
Work in progress	238,670	16,472
Finished products and merchandise	567,375	397,931
Advance payments	9,976	4,619
	1,121,427	**611,869**
Accounts receivable and other current assets		
Accounts receivable (trade)	1,159,159	742,040
Accounts receivable from affiliated companies (apart from banks)	50,825	48,945
Other current assets	489,028	269,292
	1,699,012	**1,060,276**
Funds		
Accounts receivable from affiliated banks	105,099	
Securities held as current assets	2,153,897	794,967
Cash in hand, deposits with nonaffiliated banks and checks	554,589	388,529
	2,813,585	**1,183,496**
	5,634,024	**2,855,642**
DEFERRED INCOME	**40,049**	**24,910**
POSITIVE DIFFERENCE BETWEEN PLAN ASSETS AND RETIREMENT BENEFIT OBLIGATIONS	**1,037**	**2,215**
	10,307,214	**6,095,845**

EQUITY AND LIABILITIES In EUR '000 €	**2020**	**2021**
EQUITY		
Fixed capital	450,000	1,125,000
Reserves	3,887,206	1,499,102
Difference in equity due to currency translation	–253,223	–190,677
Noncontrolling interests	141,973	4,917
	4,225,956	**2,438,341**
DIFFERENCE DUE TO CAPITAL CONSOLIDATION	**2**	
PROVISIONS		
Provisions for pensions and similar obligations	475,825	377,580
Provisions for taxes	78,234	47,330
Other provisions	1,018,656	860,127
	1,572,715	**1,285,037**
LIABILITIES		
Liabilities due to banks		
Liabilities due to banks outside the Oetker Group	1,338,911	1,372,273
Liabilities due to affiliated banks	10,090	
Advance payments received on orders	12,848	10,469
Accounts payable (trade)	569,331	402,970
Accounts payable to subsidiaries	20	17
Accounts payable to affiliated companies (apart from banks)	15,913	27,681
Miscellaneous liabilities		
Taxes	179,741	47,392
Social security	22,745	11,415
Other	2,308,922	464,582
	4,458,522	**2,336,799**
DEFERRED INCOME	**12,578**	**7,739**
DEFERRED TAX LIABILITIES	**37,440**	**27,929**
	10,307,214	**6,095,845**

Bielefeld, April 20, 2022
Dr. August Oetker KG
The General Partners

Dr. Albert Christmann

Ute Gerbaulet

Consolidated Statement of Changes in Fixed Assets

Dr. August Oetker KG

CONSOLIDATED STATEMENT OF CHANGES IN FIXED ASSETS In EUR '000	Procurement and manufacturing costs as of January 1, 2021	Currency differences and effects due to change in scope of consolidation	Additions	Disposals	Reclassifications	Procurement and manufacturing costs as of December 31, 2021
Intangibles assets						
Acquired concessions, trademarks and similar rights and assets as well as licenses to such rights and assets	1,666,364	–7,331	24,936	–357,121	751	1,327,600
Goodwill	1,412,188	47,508	15,201	–304,187	787	1,171,496
Advance payments	2,969	52	1,938	–681	–648	3,629
	3,081,521	**40,228**	**42,075**	**–661,990**	**890**	**2,502,725**
Tangible assets						
Land, leasehold rights and buildings, including buildings on leasehold land	2,569,267	13,866	44,920	–1,008,722	69,245	1,688,575
Machinery and equipment	2,728,512	15,731	92,531	–877,143	96,222	2,055,853
Other equipment, fixtures, furniture and office equipment	931,781	143	83,820	–324,855	10,199	701,089
Advance payments and fixed assets under construction	223,594	1,216	122,129	–82,246	–176,534	88,158
	6,453,153	**30,956**	**343,400**	**–2,292,966**	**–869**	**4,533,674**
Financial assets						
Shares in subsidiaries	58	0	65	–20		104
Investments in associated companies	651,764	18	29,788	–312,751		368,818
Investments in other companies	90,180	–1,288	39,468	–7,010		121,351
Long-term borrowings to affiliated companies	20,239		152	–1,473	–118	18,800
Fixed-assets securities	2,197	–0	1	–719		1,479
Other long-term borrowings	132,648	498	17,047	–76,042	96	74,247
Advance payments for financial assets	35			–35		
	897,122	**–772**	**86,520**	**–398,049**	**–21**	**584,800**
TOTAL	**10,431,797**	**70,412**	**471,995**	**–3,353,004**		**7,621,200**

Accumulated depreciation and amortization as of January 1, 2021	Currency differences and effects due to change in scope of consolidation	Depreciation and amortization in the financial year	Disposals	Reclassifi-cations	Write-ups in the financial year	Accumulated depreciation and amortization as of December 31, 2021	**Book value as of December 31, 2021**	Book value as of December 31, 2020
–1,010,628	19,320	–124,098	267,316	723	654	–846,714	480,886	655,736
–491,400	–42,131	–232,625	225,020	–787		–541,923	629,573	920,788
–6	–0	–25	31			0	3,629	2,963
–1,502,034	**–22,811**	**–356,749**	**492,367**	**–64**	**654**	**–1,388,637**	**1,114,089**	**1,579,487**
–1,331,873	–3,010	–57,593	514,629	32	4,032	–873,783	814,792	1,237,394
–2,153,761	–10,135	–119,476	694,254	–527	384	–1,589,260	466,592	574,750
–657,910	335	–83,064	223,991	413	5	–516,231	184,857	273,871
–701	–15	1	569	146		0	88,158	222,893
–4,144,245	**–12,825**	**–260,132**	**1,433,443**	**64**	**4,421**	**–2,979,274**	**1,554,400**	**2,308,908**
							104	58
–120,791	–7	–776	112,356			–9,218	359,600	530,973
–2,310	1,289	–1,253	1,288			–987	120,364	87,870
							18,800	20,239
–309	0	–34	20		7	–315	1,164	1,889
–30,004	–451	–1,304	2,069			–29,691	44,557	102,644
								35
–153,414	**830**	**–3,367**	**115,733**		**7**	**–40,211**	**544,589**	**743,708**
–5,799,694	**–34,806**	**–620,248**	**2,041,543**		**5,083**	**–4,408,121**	**3,213,078**	**4,632,104**

Notes to the Consolidated Financial Statements
Dr. August Oetker KG

Application of the statutory requirements
As a commercial partnership, Dr. August Oetker KG, registered in the Commercial Register of the Municipal Court of Bielefeld under HRA 8242, is required pursuant to Section 2 of the German Act on Disclosure of Company Financial Statements (below Disclosure Act) to compile and publish consolidated financial statements and a group management report. These consolidated financial statements and group management report, which were prepared in accordance with Section 13 of the Disclosure Act in conjunction with Sections 294 to 315 of the German Commercial Code, have an exempting effect for the companies identified in the list of shareholdings in accordance with Section 313 of the Commercial Code (published in the Federal Gazette) within the meaning of Section 264 (4) of the Commercial Code, Section 264b of the Commercial Code and Section 5 (6) of the Disclosure Act.

With the exception of the information pursuant to Section 313 (2) of the Commercial Code, this annual report complies with the regulations of Section 13 of the Disclosure Act in conjunction with Sections 294 to 315 of the Commercial Code.

Scope of consolidation
All of the major domestic and foreign companies on which Dr. August Oetker KG can exert a controlling influence directly or indirectly have been included in the consolidated financial statements.

As of the balance sheet date, the scope of consolidation included a total of 314 companies (previous year: 442), of which 219 (previous year: 247) were German and 95 (previous year: 195) foreign companies. Because of their overall minor importance, three companies were not fully consolidated (previous year: five).

In addition, eight companies (previous year: 15) are valued at equity.

The following significant changes occurred within the scope of consolidation:

As a result of the division of the Oetker Group, which was completed on November 2, 2021, the Sparkling Wine, Wine and Spirits Division, the Martin Braun Group, the Chemicals cluster and parts of the Hotels group were essentially eliminated from the scope of consolidation, which meant that the number of subsidiaries and companies valued at equity has decreased significantly compared with the previous year.

A significant addition in the Food Division is the acquisition, effective October 5, 2021, of the Create Better Group, which consists of six companies in the UK. There were also further acquisitions, which, however, are of minor importance for the group as a whole.

Several small and insignificant companies from a group perspective that have been merged or liquidated are no longer included in the scope of consolidation.

The sale of Bankhaus Lampe KG, which was valued at equity, to Hauck & Aufhäuser Privatbankiers AG was completed on September 30, 2021.

A listing of shareholdings is published in the electronic Federal Gazette as an element of the notes to the consolidated financial statements.

Accounting policies and valuation methods

The individual financial statements of the companies included in the consolidated financial statements prepared for consolidation purposes are accounted for and evaluated according to uniform criteria in accordance with the provisions of the Disclosure Act and Commercial Code on the basis of the Oetker Group's reporting, accounting and valuation policies (Handelsbilanz II). The financial statements of the companies accounted for using the equity method were adjusted in part to the uniform group guidelines.

Tangible and intangible assets were valued in accordance with Section 253 of the Commercial Code. No use was made of the option provided for in Section 248 (2), sent. 1, of the Commercial Code to capitalize self-produced intangible assets within the Oetker Group. Goodwill is amortized according to its useful life. The maximum valuation limit for the production cost is the cost pursuant to Section 255 (2), sent. 1 and 2, of the Commercial Code. Investment grants were treated as deductions from the acquisition cost. Scheduled depreciation and amortization were based both on the straight line and the declining balance method (with transition to the straight line method if the amount thus produced was higher than with the declining balance method), largely in accordance with the useful lives recognized by the tax authorities. In Germany, minor assets with an acquisition cost of up to EUR 800 are fully written off in the year of acquisition. A similar approach is taken abroad in comparable cases. In some cases, a collective item is formed for the year for minor assets, for which the acquisition or production cost for the individual asset exceeds EUR 150 but not EUR 1,000, which is written off as a cost evenly over five years.

The value of financial assets is not to exceed their acquisition cost where no lower values are called for. Permanent decreases in the value of fixed assets are accounted for by impairment losses.

Current assets are valued in accordance with Sections 253 and 256 of the Commercial Code. The production cost of inventories includes appropriate manufacturing overheads, observing the production cost limits set by the tax authorities; interest on borrowed capital is not capitalized. Apparent inventory risks are accounted for through loss-free valuation. Adequate specific and general provisions are formed to cover risks in accounts receivable.

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

Provisions are recognized at the settlement amount necessary based on prudent commercial judgment. The pension provisions are valued according to the rules of the partial value procedure using the 2018 G mortality tables of Prof. Klaus Heubeck. The simplification rule of Section 253 (2), sent. 2, of the Commercial Code is applied and the interest rate determined by the Deutsche Bundesbank for 15-year remaining terms as of September 30, 2021, and forecast as of December 31, 2021 (1.87%, previous year: 2.32%); in addition, an expected increase in wages and salaries of 2.7% (previous year: 2.8%) and an expected pension increase of 1.4% (previous year: 1.3%) are taken as a basis. The pension obligations of the foreign companies are assessed on the basis of the respective national regulations and are not of material importance. The difference in accordance with Section 253 (6) of the Commercial Code is EUR 25 million.

The same wage and salary increases are assumed for the anniversary provisions as for the pension provisions. The interest rate is determined in the same way, but on the basis of the average from the past seven financial years; it is 1.34% (previous year: 1.62%). For other provisions, expected price increases of 1.4% (previous year: 1.3%) are taken into account.

Assets within the meaning of Section 246 (2), sent. 2, of the Commercial Code were offset against corresponding provisions for pension obligations in the amount of EUR 31 million.

Liabilities are recognized at their settlement amount.

On account of an asset surplus in deferred taxes from individual financial statements, the deferred taxes are formed only as provided for by Section 306 of the Commercial Code. Deferred tax assets and liabilities from consolidation transactions are set off against one another, leaving an excess of liabilities. Compared with the previous year, this decreased by EUR 10 million to EUR 28 million. The following company-specific tax rates per country are used as a basis:

TABLE 1: TAX RATES BY COUNTRY

In %	Tax rate
Egypt	23.0
Germany (corporation)	30.0
Germany (partnership)	15.0
France	26.5
UK	19.0
USA	26.1

Valuation units within the meaning of Section 254 of the Commercial Code are formed to a minor extent. In these cases, the freezing method is applied.

Currency translation
The currency translation of items in foreign currencies on the balance sheets of the consolidated companies is based on Section 256a of the Commercial Code. Where not already drawn up in euros, the balance sheets of the foreign subsidiaries are translated based on the modified closing rate method of Section 308a of the Commercial Code. Movements in the consolidated statement of changes in fixed assets are translated at the average exchange rate for the year.

Consolidation principles
The annual financial statements of all consolidated companies are compiled as of the date of the consolidated financial statements. In the case of capital consolidation, the acquisition costs or investment book values are offset against the proportionate equity at the time of initial consolidation according to the principles of the revaluation method. Initial consolidation is carried out on the date on which the company became a subsidiary. The fair value of the acquired assets, debts, accruals and deferrals, and special items acquired is derived as far as possible from market prices within the context of comparable transactions. The remaining debit differences are reported as goodwill and will be amortized in the following years in accordance with Section 309 (1) of the German Commercial Code. The depreciation is linear, the useful life is max. five years. The same applies to the companies consolidated at equity. Differences on the liabilities side are reported under the item "Difference due to capital consolidation" after equity and treated in accordance with Section 309 (2) of the Commercial Code.

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

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

Other information
The fixed capital shown in the consolidated balance sheet correspond to the fixed capital of Dr. August Oetker KG, which were increased in 2021 from EUR 450 million to EUR 1,125 million in accordance with the new articles of association. The shares in the fixed capital, which also correspond to the voting rights, are held by the limited partners of Dr. August Oetker KG. Liabilities amount to EUR 2,337 million. Based on remaining maturity, the individual items are structured as shown in Table 2.

TABLE 2: LIABILITIES In EUR million	**Payable within one year (previous year)**	Payable after one year (previous year)	Payable after more than 5 years (previous year)
Liabilities due to banks outside the Oetker Group	262 (321)	1,110 (1,017)	271 (417)
Liabilities due to affiliated banks	– (10)		
Advance payments received on orders	10 (13)		
Accounts payable (trade)	403 (563)	0 (7)	0 (4)
Accounts payable to affiliated companies (apart from banks)	22 (16)	6 (–)	3 (–)
Miscellaneous liabilities	424 (578)	100 (1,934)	66 (1,739)
Total	**1,120 (1,501)**	**1,217 (2,958)**	**340 (2,160)**

No securities requiring disclosure were granted for these liabilities.

On the balance sheet date, the following contingent liabilities pursuant to Section 251 of the Commercial Code existed:

TABLE 3: CONTINGENT LIABILITIES In EUR million	2020	**2021**
Liabilities from guarantees	27	19
Liabilities from warranties	3	17

Risks arising from claims with respect to contingent liabilities are not anticipated given the creditworthiness of the debtor concerned.

The other financial obligations pursuant to Section 314 (1), no. 2a, of the Commercial Code total EUR 740 million, of which EUR 148 million is for next year. Off-balance-sheet transactions in accordance with Section 314 (1), no. 2, of the Commercial Code were only carried out to an extent that had a negligible impact on the financial position of the Oetker Group.

As companies operating internationally, Dr. August Oetker KG and its subsidiaries are exposed to interest rate, price and currency risks. To mitigate these risks, Dr. August Oetker KG has, in particular, concluded contracts in derivative financial instruments (futures, swaps and options). At the balance sheet date, there were forward exchange purchases/sales with a transaction volume of EUR 112 million and a fair value of EUR 0 million.

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

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

The workforce of the companies consolidated in the Oetker Group rose by 25.9% in the year under review to an average of 46,384 employees (previous year: 36,831). In the Food Division, the average number of employees fell from 20,040 to 19,926. The effects of the disposal of the Martin Braun Group exceeded the additions due to the scope of consolidation. In the Beer and Nonalcoholic Beverages Division, the number of employees fell from an average of 7,083 to 6,921. The Sparkling Wine, Wine and Spirits Division recorded a reduction in employees by 688 to an average of 2,805 employees, which is mainly due to the fact that the company was included in the scope of consolidation for only ten months during 2021. The headcount in the Other Interests Division increased from 6,214 to an average of 16,732 employees, primarily due to the first-time consolidation of flaschenpost SE.

The difference between the corresponding book values and the proportionate equity of all associated companies included is EUR 2 million.

The total fee in accordance with Section 314 (1), no. 9, of the Commercial Code amounts to EUR 3,146 thousand. Of this amount, EUR 1,732 thousand is accounted for by audit services, EUR 1,284 thousand by other confirmation services, EUR 82 thousand by tax consulting services and EUR 48 thousand by other services.

Transactions with related companies and persons pursuant to Section 314 (1), no. 13, of the Commercial Code were immaterial in scope.

Income statement

In accordance with Section 13 (3), sent. 2, of the Disclosure Act, no income statement will be published. In the same application of the Disclosure Act to the management report, it also does not provide any explanations regarding the earnings situation or key financial indicators, with the exception of sales revenue. The bank's income statement is based on its separate consolidated financial statements.

The disclosures required pursuant to Section 5 (5), sent. 3, of the Disclosure Act are published in a separate appendix – see Table 4.

TABLE 4: APPENDIX TO THE BALANCE SHEET

Pursuant to Section 13 (3), sent. 2, of the Disclosure Act in conjunction with Section 5 (5), sent. 3, of the Disclosure Act	2020	**2021**
a) External sales (in EUR '000)	7,329,747	7,413,450
b) Income from investments (in EUR '000)	14,279	38,054
c) Wages and salaries, social security contributions, expenditure on pensions and other benefits (in EUR '000)	1,609,966	1,711,131
d) Number of employees Converted into full-time employees, the average number of employees in 2021 was 34,285 (previous year: 33,407)	36,831	46,384

Sales are broken down according to geographic markets and areas of activity as shown in Table 5.

TABLE 5: BREAKDOWN OF SALES REVENUE

In EUR million	2020	2021
Distributed by region:		
Germany	3,381	3,581
Rest of the EU	2,360	1,820
Rest of Europe	309	738
Rest of the world	1,280	1,273
Distributed by division:		
Food	4,137	4,104
Beer and Nonalcoholic Beverages	1,625	1,621
Sparkling Wine, Wine and Spirits	970	788
Other Interests	598	900

Adjusted for the changes in the scope of consolidation, sales revenues increased by EUR 338 million compared with the previous year. Excluding exchange rate effects, there was an operating increase in sales of EUR 358 million.

Subsequent events

The pandemic triggered by the coronavirus at the beginning of 2020 continues to have a massive impact on large parts of public life and thus also on the economy. A precise assessment of the effects on the asset, financial and earnings position of the Oetker Group is still not possible due to the many imponderables. Further information on this can be found in the 2021 group management report of Dr. August Oetker KG.

In February 2022, following the invasion by Russia, a military conflict broke out in Ukraine with far-reaching consequences for the global economy. As a result, the Oetker Group sold all shares in the Russian Dr. Oetker national company to its previous Russian managing directors and thus ended all activities in Russia. There are also indirect effects due to energy and raw material prices, which have risen very sharply since then.

Bielefeld, April 20, 2022
Dr. August Oetker KG
The General Partners

Dr. Albert Christmann

Ute Gerbaulet

Auditor's Report on the Complete Consolidated Financial Statements

Audit opinions

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

In our opinion, based on the findings of the audit

- the attached consolidated financial statements comply in all material respects with the German commercial law regulations to be applied according to Section 13 of the Disclosure Act and, taking into account the German principles of proper bookkeeping, give a true and fair view of the net worth and financial position of the Group as of December 31, 2021, and its earnings position for the financial year from January 1 to December 31, 2021, and

- the attached group management report gives an overall accurate picture of the position of the Group. This group management report is in line with the consolidated financial statements in all material respects, complies with German legal requirements and accurately presents the opportunities and risks of future development.

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

Basis for the assessment

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

Responsibility of the legal representatives for the consolidated financial statements and the group management report

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

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

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

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

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

Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with Section 14 of the Disclosure Act in compliance with the generally accepted German standards for the audit of financial statements, as laid down by the Institute of Public Auditors in Germany, will always reveal a material misstatement.

Misstatements can result from breaches or inaccuracies and are considered material if they could reasonably be expected to influence, individually or collectively, the economic decisions of addressees made on the basis of these consolidated financial statements and the group management report.

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

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

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

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

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

- We assess the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events so that the consolidated financial statements give a true and fair view of the financial position, in accordance with generally accepted accounting principles and the earnings position of the Group.

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

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

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

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

Bielefeld, April 22, 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Peter Krupp
Certified Public Accountant

Thomas Angele
Certified Public Accountant

Publishing Information

Published by
Dr. August Oetker KG
Lutterstraße 14
33617 Bielefeld
Germany
Telephone: +49-521-1550
Fax: +49-521-155-2995
Email: presse@oetker.de
Website: www.oetker-group.com

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Photos
Dr. August Oetker KG and group companies
Page 15: portrait of Dr. Christmann:
Bernd Thissen, picture alliance/dpa
Page 15: portrait of Ute Gerbaulet: Stephan Pick

Die Oetker-Gruppe
Highlights 2021

January

After the acquisition of the instant beverage delivery service **flaschenpost** by the Oetker Group, the parties involved agree on a specific strategy for the joint future of the company Durstexpress, which belongs to the group, and flaschenpost. From now on, the company will appear uniformly under the brand name flaschenpost. The overall logistics are also based on flaschenpost's business and operational processes.

Richard Oetker turns 70 on January 4. The great-grandson of the company founder is Deputy Chairman of the Dr. August Oetker KG advisory board. From 2010 to 2017, Richard Oetker was a general partner of Dr. August Oetker KG and Chairman of Dr. Oetker GmbH.

February

All Henkell sparkling wine varieties from **Henkell Freixenet** will in the future be adorned with the V-Label and are therefore officially vegan-certified: With this identification, the global brand creates more transparency on the subject of sparkling wine.

March

The Ristorante Pizza Margherita Pomodori from **Dr. Oetker** is the first vegan frozen pizza in the successful range. An alternative based on coconut oil replaces the conventional cheese. Red cocktail tomatoes, green herb pesto and marinated tomato pieces also ensure a unique taste – completely without animal ingredients.

Henkell Freixenet is awarded the internationally recognized wine prize "Best Producer Sparkling Wines" at the MUNDUS VINI Spring Tasting 2021. Twelve products receive a gold medal. Six products are awarded a silver medal and two products are honored as "Best of Show". The products of the Fürst von Metternich brand deserve special mention; in addition to three gold medals, they won the award "Best of Show German Sekt".

April

Dr. Oetker publicly commits to its ambitious sustainability goals and presents the international sustainability strategy adopted in 2020, the Dr. Oetker Sustainability Charter. A total of 28 project teams are working hard to achieve the goals within the three dimensions of Our Food, Our World and Our Company.

Anniversary at **Dr. Oetker**: The family business has been producing its popular baking mixes for 50 years. The first varieties of Königskuchen, cheesecake, Torte nach Sacher Art, Frankfurter Kranz, marble cake and nut cake found their way onto supermarket shelves for the first time in 1971.

For the 100th anniversary of the spirit Wodka Gorbatschow from **Henkell Freixenet**, the brand is extending its cooperation with the rapper Eko Fresh. The ongoing collaboration will include a limited edition of the product and a song written for the brand by the musician himself.

May

In the 2021 Universum study, **Dr. Oetker** has risen by 22 places in the category of most popular employers compared with the previous year and is therefore in 49th place out of 155 participating German companies. As a result, Dr. Oetker received the award of highest climber for 2021.

The Frankfurt Binding brewery of the **Radeberger Group** and the fashion label Frankfurtliebe have developed joint products such as a city bag and a push-up bottle opener. The design is a combination of a black background, white writing and the Frankfurt skyline with the Binding eagle.

June

Ute Gerbaulet will be a future general manager and general partner of **Dr. August Oetker KG**. She is taking over the tasks of Dr. Heino Schmidt, who is leaving the group management at his own request after more than 32 years in the Oetker Group. To date, Ute Gerbaulet has been responsible for Bankhaus Lampe and was the general partner there from 2017 until the company was sold.

July

Martin Braun takes over the distribution of Günthart-Dekoren in the German handicraft market. The basis for this is an exclusive cooperation between the companies and partners. In the future, Braun will therefore not only look after the classic target groups such as bakeries and confectioneries as well as cafés and ice cream parlors, but also the baking, restaurant and hotel industries.

August

Martin Braun changes all relevant products to recipes without palm oil, including the products Berliner Wolken, Berliner Classic and Berliner Quick for the production of doughnuts, apple doughnuts and yeast doughnuts.

Henkell Freixenet takes over the entire Lithuanian distribution specialist Filipopolis: After the company had already acquired the majority of Filipopolis in 2018, the remaining shares will now also be transferred to Henkell Freixenet. Filipopolis is now trading under the name UAB Henkell Freixenet Lietuva.

September

Conditorei Coppenrath & Wiese presents new cheesecake varieties: The new cheesecake from the Café Landhaus range and the berry and sour cream cake from the Kuchenliebe range expand the selection of cheesecakes on offer.

The **Oetker Collection** opens its tenth Masterpiece Hotel on the shores of Lake Geneva: The luxurious hotel, called the Woodward, is the first all-suite hotel in Geneva and includes the restaurants L'Atelier Robuchon and Le Jardinier, as well as a 1,200 m2 Guerlain Spa.

October

Dr. Oetker launches LoVE it! Grieß Pudding Natur, the first vegan semolina pudding on the market: The innovative dessert is made as a LoVE it! product based on almonds.

The Tucher private brewery of the **Radeberger Group** can describe itself as "Nuremberg's most attractive employer 2021": In a survey of employees conducted by the statistics portal Statista and the trade magazine Capital, Tucher was among those awarded this title. The regional commitment and social responsibility were important factors behind the decision to bestow the award.

The sale of **Bankhauses Lampe** to Hauck & Aufhäuser Privatbankiers AG has now been completed after approval by the European Central Bank (ECB) and other supervisory authorities.

November

Dr. Oetker introduces the Nutri-Score: By the end of 2023, labeling is to take place on products in all countries where the Nutri-Score is authorized. The starting signal will be given by "La Mia Pinsa", followed by the Ristorante products and all pizzas in the Dr. Oetker range.

The **division of the Oetker Group** is completed: Following the announcement in July that the Oetker Group would be split into two independently operating groups, the separation has now been completed. The corresponding commercial register entries have been made.

December

According to a meta-study by the Institute of Research & Data Aggregation, **Dr. Oetker** is one of Germany's leading employers. The top one percent was determined based on data collected from around 160,000 companies in Germany. In Bielefeld, Dr. Oetker ranked first out of the 25 companies honored, while in North Rhine-Westphalia it ranked second out of 533 companies honored. In the food/agriculture category, Dr. Oetker is in first place ahead of the other 50 companies.

Published by
Dr. August Oetker KG
Public relations department
Lutterstrasse 14
33617 Bielefeld
Germany
www.oetker-group.com