Dr. August Oetker KG

Oetker-Gruppe

2023

Annual Report 2023

The Oetker Group
Key Indicators

	2021[2]		2022		2023		%[1]
		In %		In %		In %	
NET SALES (IN EUR MILLION)	**5,834**	**100.0**	**6,508**	**100.0**	**6,911**	**100.0**	**6.2**
Of which by division							
Food	3,685	63.2	3,963	60.9	4,145	60.0	4.6
Beer and Nonalcoholic Beverages	1,621	27.8	1,858	28.5	2,012	29.1	8.3
Other Interests	527	9.0	687	10.6	754	10.9	9.8
Of which by region							
Germany	3,176	54.4	3,645	56.0	3,903	56.5	7.1
Rest of the EU	1,249	21.4	1,337	20.5	1,451	21.0	8.5
Rest of Europe	483	8.3	534	8.2	579	8.4	8.3
Rest of the world	926	15.9	991	15.2	979	14.2	–1.3
INVESTMENTS[3] (IN EUR MILLION)	**276**	**100.0**	**231**	**100.0**	**303**	**100.0**	**31.0**
Food	136	49.1	125	54.2	171	56.5	36.5
Beer and Nonalcoholic Beverages	99	35.9	65	28.0	71	23.5	9.9
Other Interests	42	15.1	41	17.8	61	20.0	47.3
EMPLOYEES (FULL-TIME EQUIVALENTS)	**27,949**	**100.0**	**29,399**	**100.0**	**29,013**	**100.0**	**–1.3**
Food	16,933	60.6	16,924	57.6	16,510	56.9	–2.4
Beer and Nonalcoholic Beverages	6,169	22.1	6,122	20.8	6,385	22.0	4.3
Other Interests	4,846	17.3	6,353	21.6	6,118	21.1	–3.7

[1] Percentage change 2023/2022.

[2] For better comparability, the information for the 2021 financial year refers exclusively to the continuing operations or companies of the so-called G5 (excluding so-called G3 companies).

With completion on November 2, 2021, the shareholders Dr. Alfred Oetker, Carl Ferdinand Oetker and Julia Johanna Oetker left Dr. August Oetker KG by way of a non genuine real division and in return received from the Oetker Group companies in the Food, Sparkling Wine, Wine and Spirits and Other Interests divisions. These G3 companies are included in the consolidated financial statements of Dr. August Oetker KG until October 31, 2021, the date of deconsolidation.

[3] Without first-time consolidations.

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.

01 *Group Management Report*

02 *Consolidated Financial Statements*

Ladies and Gentlemen,

The global conditions in 2023 were anything but easy for the Oetker Group. Following the existing market changes due to the aftermath of the corona virus pandemic and the ongoing war in Ukraine that started in the previous year, the escalation of the Middle East conflict in October 2023 brought further proxy conflicts, notably the attacks by the Houthi rebels in the Red Sea, which further strained the already fragile global supply chains. It is evident that the world markets reacted in a volatile way to these developments. Additionally, issues such as the climate crisis, energy security and inflation (with noticeable cost increases) unsettled consumers, who responded with spending restrain in many countries.

Despite this backdrop, the Oetker Group managed to increase its sales organically by 6.3%, which is a reason for confidence. I am particularly pleased with the synergies we regularly achieve across all group companies by learning from and mutually supporting each other. This mutual support is particularly valuable, as in 2023 we successfully continued our ambitious growth and efficiency initiatives in all group companies. Our goal is to identify and exploit potential for growth and further optimization, including cost reductions, in all areas of the business. At the same time, we made significant investments in the future viability of the group, especially in the areas of sustainability, innovations and digitalization. We successfully balanced the necessary short-term actions with long-term thinking and working towards strategic goals in the past financial year, which makes me optimistic about the years to come and gives me confidence that we will achieve our ambitious goals.

The global economy grew by 3.1% in 2023 compared to the previous year. This was mainly due to the increase in global production, especially in the United States. However, global trade lagged significantly behind forecasts and shrank by 2%. This was particularly associated with the low market dynamics in China. However, the economy in the Eurozone, which is crucial for the Oetker Group, was also sluggish.

Fortunately, the global food market saw a growth of 5%. However, it became apparent that consumers are changing their shopping behavior in difficult financial times, foregoing extensive consumption in favor of basic foodstuffs or opting for cheaper purchases, thus promoting the growth of discounters. Nevertheless, global trends in digitalization and sustainability, including issues related to more conscious and healthier consumption, remain strong – despite the current crisis-driven conditions. Thanks to our targeted investments in these areas, we are significantly shaping these trends in the markets we operate in.

Although price developments on procurement markets for some raw materials and energy declined slightly last year, they remained at very high levels, especially as certain raw material categories (such as sugar and cocoa) saw prices skyrocket. Additionally, there were subsequent increases in labor costs. This also applied to the beer industry: Prices for malt, glass, crown caps and beverage cans rose significantly and, together with increased transportation costs and a higher CO_2 tax, further intensified the cost pressure on the beer and beverage market. In addition, the summer weather in 2023, which is so important for sales, was unfortunately very poor, meaning that sales in the German beer industry fell by 4.5% in the past financial year. Fortunately, the Radeberger Group was able to noticeably distance itself from this development.

The hotel industry, especially luxury hotels, also developed positively. There continued to be increasing demand for exclusive travel experiences, resulting in high occupancy rates. Both of our hotels operating in this segment benefited from this trend.

Despite all economic developments, the growth of IT services remained consistently positive. Demand for services in areas such as cybersecurity and IT modernization was particularly pronounced in 2023, especially against the backdrop of further digital transformation. However, the job market posed challenges due to a significant shortage of IT professionals.

Despite the challenges mentioned, the Oetker Group managed to achieve sales of EUR 6.9 billion in 2023. This marks a pleasing increase compared to the previous year, despite the unexpected developments in the Middle East, unexpected negative exchange rate effects in the Food Division and the exit from the Russian market in the second half of 2022. Overall, we can look back on a solid 2023 financial year.

For the current financial year, we expect further increases in sales revenue, driven by our digital business models and better market conditions for our consumer goods divisions. Meanwhile, we will continue our growth and efficiency initiatives.

My thanks go to the employees of the Oetker Group, whose dedicated efforts have made the performance of our wonderful group of companies possible. I would also like to thank our business partners for the excellent overall working relationship. Special thanks go to our shareholders, shareholder committees and the Advisory Board of Dr. August Oetker KG for their always trusting and constructive cooperation.

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 up or down, it is possible that individual numbers (€, %, etc.) do not add up exactly to the specified sum.

Group Management Report

01

Foundations of the Group
Corporate Structure

An overview of the Oetker Group

	Food Division		Beer and Nonalcoholic Beverages Division		Other Interests Division		Group 2023	
		In %		In %		In %		In %
Sales (in EUR billion)	4.1	+6.9[1]	2.0	+5.6[1]	0.7	+5.0[1]	6.9	+6.3[1]
Employees (Ø)	16,510	−1.9[2]	6,385	+0.8[2]	6,118	−3.7[2]	29,013	−1.7[2]

[1] Sales growth rates adjusted for currency and scope of consolidation effects.
[2] Employees based on full-time equivalents. Figures adjusted for changes in the scope of consolidation.

The Oetker Group, with its company headquarters in Bielefeld, is one of Germany's major family businesses. With its various divisions, the internationally operating group of companies is represented worldwide with production, sales and service units. Overall, the group generated sales of EUR 6.9 billion in the 2023 financial year.

The Oetker Group consists of the following consolidated divisions:

- *Food,* with companies under the umbrella of the Dr. Oetker brand and Conditorei Coppenrath & Wiese;
- *Beer and Nonalcoholic Beverages,* with the Radeberger Group;
- *Other Interests,* with digital business models such as the delivery service flaschenpost, the IT service provider OEDIV, the hotel portfolio and procurement and logistics companies. In addition, Oetker Digital supports the development and implementation of the Oetker Group's digitalization strategy.

Business Divisions

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

Food

The Food Division consists of the *Dr. Oetker* and *Conditorei Coppenrath & Wiese* groups. Both groups of companies have their headquarters in Germany and produce food for end and bulk consumers worldwide.

Under the umbrella of *Dr. Oetker*, headquartered in Bielefeld, companies from 40 countries on all continents are managed and products are sold in more than 60 countries. The various products that the company manufactures and markets are sold worldwide in all major distribution channels. Dr. Oetker's sales activities are decentralized and organized on a country-specific basis, so that sales – as well as the product ranges – are always geared to the local needs of customers and consumers. Furthermore, sales are separated into end consumers and professional customers according to the overarching retail target groups. In the consumer business, Dr. Oetker focuses on the cake and dessert categories as well as pizza. Dr. Oetker also has a special range for bulk consumers under the Dr. Oetker Professional brand, which includes appropriate container sizes for commercial kitchens and canteens, hospitals and other institutions. Dr. Oetker's products, which are sold worldwide, are produced and sold in the core markets of Europe, North and South America, Africa, Asia and Australia.

In addition to the Dr. Oetker brand, the company has other strong regional brands that are firmly established in the market in several countries. 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, Dr. Oetker acquired the Imperial brand in 2023, which is sold in France, Belgium and the Netherlands. 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 also serves the North American market with Wilton, the leading brand in the USA for decorative items, baking pans and baking accessories. In addition to selected internationally sold Dr. Oetker products, the national companies primarily sell national items tailored to the country's typical taste.

In order to meet the high quality requirements of Dr. Oetker products, all production materials are only procured from carefully selected suppliers who are approved in a regular quality assurance process. In this process, adherence to the strict quality standards is the top priority.

Consumer acceptance and trust in quality are the benchmark for all 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 goods produced in Mettingen are sold nationally and internationally to food retailers 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 production 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 is characterized by close, long-standing relationships with suppliers.

↗ radeberger-gruppe.de

Beer and Nonalcoholic Beverages

The *Radeberger Group*, with its headquarters in Frankfurt am Main, is not only Germany's largest private brewery group, but also a beverage solution provider, both as a partner to the hospitality industry and food retail, to which the group of companies offers logistical solutions for full and empty containers, and as a specialty beverage store operator for end consumers. The group forms the Beer and Nonalcoholic Beverages Division of the Oetker Group. As a beverage producer, it offers a broad portfolio of strong international, national and regional brands, including the eponymous Radeberger Pilsner as well as well-known and popular beer brands such as Jever Pilsener, Clausthaler Alkoholfrei, Schöfferhofer Weizen, Allgäuer Büble Bier, Ur-Krostitzer, Stuttgarter Hofbräu, Berliner Pilsner and Freiberger. In addition, the Radeberger Group is the exclusive sales partner in Germany for the brands Guinness, Hop House 13 and Kilkenny from Diageo and, since the beginning of 2024, for the Czech brand Staropramen from Molson Coors. The brand portfolio is rounded off by the mineral water brand Original Selters. As part of a long-term partnership with PepsiCo, the Radeberger Group also produces and distributes the Pepsi, Schwip Schwap, Schwip Schwap Orange and 7Up brands exclusively in the out-of-home market and in selected specialist beverage markets in Germany. With its brand portfolio, which it regularly expands and updates with new products and additions to the range, the Radeberger Group cultivates beer and beverage diversity. In this way, consumer demand can always be served. The core sales market of the Radeberger Group is Germany. However, its products are also becoming increasingly popular abroad: The group of companies now exports to more than 70 countries.

The Radeberger Group has been successfully driving forward the strategic verticalization of its business for a number of years. It is now represented by strong companies along the entire value chain. These include Getränke Hoffmann, Germany's leading specialist beverage retailer with almost 600 stores, and the DrinkPort network, in which the Radeberger Group bundles its activities in the hospitality-oriented specialist beverage wholesale trade (GFGH). The group also develops innovative platform models along the supply chain and for the out-of-home market, both on its own and in collaboration with partners. These include the joint venture Food & Beverage Services (FBS) with a focus on hospitality, the joint venture Deutsche Getränke Logistik (DGL) in the drop shipment sector and H. Leiter GmbH in empties management.

Other Interests

↗ flaschenpost.de

flaschenpost SE, headquartered in Münster, is one of the leading instant food and beverage delivery services in Germany and has been optimizing last-mile logistics since it was founded 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 offers a convenient and efficient shopping experience, with delivery of beverages and groceries within 120 minutes. flaschenpost also offers an attractive supermarket range: A relevant range of branded items is rounded off by high-quality own-label brands in the beverage and increasingly also in the food segments. In the course of transitioning to a full-fledged online supermarket, flaschenpost has consistently and efficiently developed business processes along the value chain with a focus on efficiency.

↗ oediv.de

OEDIV Oetker Daten- und Informationsverarbeitung has been a premium provider of infrastructure solutions and managed services for SMEs and large enterprises for 28 years now. In recent years, OEDIV has transformed from being solely an in-house service provider for the Oetker Group to being primarily active in the third-party customer market. The share of third-party customers now exceeds 90% of the customer base. Sensitive customer data is stored and protected in the two modern data centers in Bielefeld, which are equipped with highly available, secure and scalable infrastructures. This, combined with the use of global cloud services such as Microsoft Azure and Google Cloud, ensures optimum service provision. The focus lies in managing central IT infrastructures and supplementing the provision of IT services, such as basic operations and database management of SAP systems, as well as operating Microsoft solutions. In addition to the core applications, OEDIV operates a wide range of related services. This includes hybrid cloud scenarios, human resource services and security services. Due to growing requirements and digital change, OEDIV is continuously expanding its range of services, including through corporate acquisitions and strategic investments. Since 2023, the newly established Romanian subsidiary, OEDIV Romania SRL in Timișoara, has strengthened the group. The team closely collaborates with teams at other OEDIV locations to further enhance the quality of service provision to customers. OEDIV has been steadily growing as an employer for several years now. In addition to locations in Augsburg, Oldenburg, Chemnitz and Rostock, co-working spaces in Berlin, Frankfurt am Main and Cologne have been available to employees since the end of 2022.

↗ oetkercollection.com

The hotel portfolio of the Oetker Group includes Brenner's Park-Hotel in Baden-Baden and the Hôtel du Cap-Eden-Roc in Antibes, France. The two hotels are unique grand hotels with a long tradition that focus on the well-being of their guests. They continue to be marketed in association with other luxury hotels under the *Oetker Collection* brand umbrella.

↗ oetkerdigital.com

Since its founding in 2016, *Oetker Digital* has been actively supporting the companies of the Oetker Group on their journey into the digital future. As a partner, Oetker Digital strengthens the group's established brands and offers digitalization and data expertise that sustainably improves the digital performance of the Oetker Group.

↗ hgs-info.net

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, the research, processing and interpretation of market and price data, and the forecasting of possible future developments.

↗ roland-transport.de

As an independent and service-oriented fourth-party logistics (4PL) partner, *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.

Management Structure

The specification of strategic guidelines by the holding company or group management enables central management of the group. At the same time, the companies in the group work with a high level of independence in the market. This management structure ensures that market-oriented decisions based on the needs of the respective industry are made in a decentralized and operational manner and that resources are simultaneously pooled centrally.

The group management members and General Partners are Dr. Albert Christmann and Ute Gerbaulet.

The Advisory Board of Dr. August Oetker KG, which consists of shareholders and individuals who do not belong to the shareholder families, is chaired by Rudolf Louis Schweizer.

The values that have been shaped over 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 upheld by group companies and are being actively transferred into the increasingly digital future.

Shareholders

Advisory Board

Rudolf Louis Schweizer (Chair)

Richard Oetker (Deputy Chair)

Anna Maria Braun

Ludwig Graf Douglas

Dr. Andreas Jacobs

Philip Oetker

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 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, Treasury, Controlling, Legal and Taxes, Human Resources, Data Protection, Cybersecurity* and *Auditing*.

Group Management

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

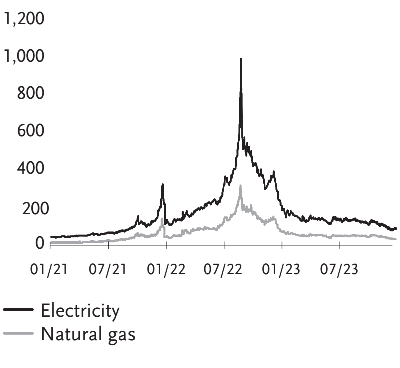
Ute Gerbaulet
Other Interests, Oetker Digital, Be8 Ventures, Finance, Treasury, Controlling, Legal and Taxes, Human Resources, Data Protection, Cybersecurity, Auditing

Economic Framework

Macroeconomic conditions

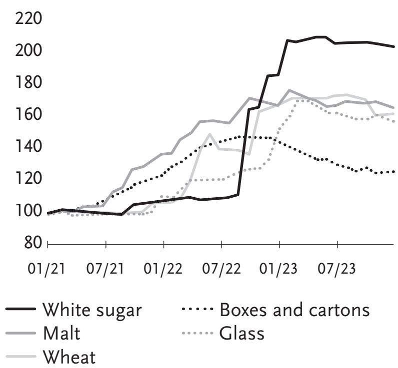
In 2023, the Oetker Group once again experienced a world characterized by geopolitical conflicts, changing climatic conditions and significant economic challenges. The ongoing Russian attack on Ukraine has continued. Additionally, the conflict in the Middle East escalated in October following an attack on Israel by Hamas. However, the supply chains stabilized over the course of the year. As a result of this stabilization, the price explosion observed in the previous year in energy, raw material and transportation markets did not continue into 2023. Despite lower volatility, prices largely remained significantly elevated compared to early 2021, partly driven by a heatwave in Europe and the USA, which impacted the summer harvest.

ENERGY PRICES
EUR/MWh



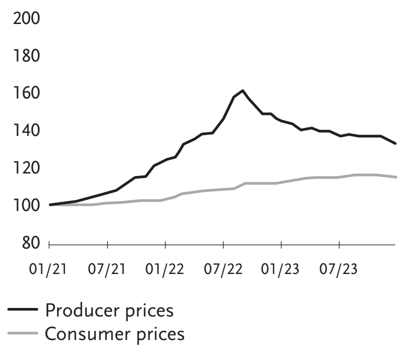
Energy prices in EUR/MWh. Electricity price corresponds to the EEX Phelix DE Futures Base front year. Natural gas price corresponds to the EEX Natural Gas THE front year. Data was retrieved via the HGS Research data platform.

COMMODITY PRICES
Index [01/2021 = 100]



Normalized prices for white sugar, malt, wheat flour, boxes and cartons made of corrugated cardboard and glass (01/2021 = 100). The source of data is the German Federal Statistical Office. Data was retrieved via the HGS Research data platform.

PRODUCER AND CONSUMER PRICES
Index [01/2021 = 100]



Standardized producer prices for commercial products and consumer prices in Germany (01/2021 = 100). The source of data is the German Federal Statistical Office. Data was retrieved via the HGS Research data platform.

The increased producer prices burdened companies and were only slowly passed on to consumers, yet consumer prices continued to rise. The global inflation rate stood at 8.0% (previous year: 9.5%). In the USA, inflation at 4.1% was significantly lower than in the previous year (8.0%). In contrast, the inflation rate in Germany was 5.9%, slightly below the previous year's value of 6.9%. The inflation rate in the Eurozone was 5.4%, showing a significant decrease from the previous year's rate of 8.4%. The containment of inflation in the Eurozone was largely attributed to the decisive monetary policy of the ECB, which gradually raised the main refinancing rate from 2.5% to 4.5% over the year – a record level since the introduction of the euro. However, the inflation rate in 2023 still significantly exceeded the ECB's target of 2.0%.

The increased interest rates and continued inflation-driven consumer behavior significantly burdened the overall economic development, both globally and in Europe. In 2023, Germany experienced a decrease in gross domestic product of –0.3% compared to the previous year, lagging behind the Eurozone (0.5%), the USA (2.5%) and China (5.2%). The increase in government debt during the coronavirus pandemic and the rise in interest rates for German government bonds reduced the scope for fiscal policy to curb stagflation in Germany. Overall, the Oetker Group can look back on a year with difficult economic conditions.

Division-related conditions

Food

The global food market recorded growth of 5.0% in the reporting year, which was primarily driven by price increases. Inflation is the determining factor for the development of global food markets: With increasing uncertainty in financially difficult times, consumers are switching to cheaper channels and alternatives or foregoing luxury products in favor of staple foods (known as downtrading). As an immediate consequence, the changed consumer behavior intensified the growth of discounters both globally and in Europe, leading to a shift within the distribution channels. The brick-and-mortar food retail sector grew globally by 4.4% and remains the most important distribution channel for the food sector. In the competition for retail customers, both promotional and private label shares increased in the fast-moving consumer goods (FMCG) segment, with the positive development of private labels being a significant driver of increased promotions with branded products.

In a challenging environment, supply chains, which had been heavily disrupted, particularly due to the war in Ukraine, increasingly stabilized over the course of the year in the procurement market. The upward pressure on selected raw materials and packaging continued, with certain raw material prices, such as sugar and cocoa, rising even further. Consequently, consumer prices also increased, although the food industry did not completely pass on its cost increases to retailers.

Regardless of the currently crisis-dominated conditions, global trends in digitalization and sustainability, including issues related to more conscious and healthier consumption, remain unabated. Thus, the relevance of the naturalness, healthiness and regional origin of food has not fundamentally changed.

Beer and Nonalcoholic Beverages

After the German beer market was able to recover somewhat in 2022 with the easing of the coronavirus pandemic, beer production in Germany decreased by 3.9 million hectoliters (–4.5%) according to the official statistics of the Federal Statistical Office in 2023.

The tense market situation has been further exacerbated by the consequences of the war in Ukraine. Although prices on the commodity and energy markets fell in some cases, prices on the procurement markets remained at a very high level in the past year. In particular, product groups relevant to the beer and beverage market, such as malt, glass, crown caps and beverage cans, once again recorded significant price increases compared to the previous year and represented a corresponding burden. The announced increase in the minimum wage, the agreed increase in the truck toll and the increase in the CO_2 tax will further increase cost pressure in the beer and beverage market. This is also driving to the ongoing market consolidation at all levels of the value chain.

The inflation-induced reduction of consumers' disposable incomes was also reflected in more price-sensitive consumer behaviour and reduced sales in the beer and nonalcoholic beverage sector. Nevertheless, there was an increase in demand for nonalcoholic beers as well as light beers.

The market for nonalcoholic beverages (NAB) declined in terms of sales in 2023. The decline in unit sales could only be partially offset by manufacturers increasing prices. The largest NAB segment, water, declined again. The high demand for water in returnable glass containers that existed in the previous year has also dried up for the time being. In addition, particularly in the case of mineral water, there was a consumer trend towards private labels. The soda maker segment experienced market saturation after sales achieved high growth rates during the pandemic years.

The overall market development in the specialist beverage and cash-and-carry markets continued to decline in 2023. Most of the revenue from the catering industry that was borrowed during the coronavirus pandemic flowed back. Declining real incomes of consumers have also strengthened the growing trend towards discount and private labels.

E-commerce

The e-grocery segment is also confronted with difficult macroeconomic conditions: High energy prices and inflation led to price sensitivity and consumer restraint. However, the online segment saw significant growth compared to the previous year. The number of consumers using online shops for their supermarket purchases continued to increase steadily even after the boost from the coronavirus crisis.

In the e-grocery segment, there is intensifying competition over consumer access. Among the competitors, two business models are developing, each differing in service level and assortment size. On the one hand, quick-commerce providers promise a smaller assortment with delivery within the shortest time possible. On the other, there is the full-assortment strategy with delivery within a few hours to several days. However, the macroeconomic pressure also affected competitors in the full-assortment segment. As with the quick-commerce providers, company takeovers and market exits were observed in individual countries in 2023. Thus, the initial tendencies towards market consolidation in the online food sector that were observed in 2022 were consolidated. Overall, the market developments in e-grocery are strengthening flaschenpost's strategic position.

IT market

Decoupled from the subdued economic development, the market for IT outsourcing continued its uninterrupted growth of recent years. Demand for IT services was particularly strong in the areas of cybersecurity and IT modernization, accompanied by process efficiency and automation as part of the digital transformation. Data analytics and public cloud solutions also continued to play a major role in the IT market. Despite cloud growth, the expansion of capacities in data centers in Germany is continuing. In addition to regulatory requirements, the high demands associated with advancing cloud transformation and digitalization are driving growth, as is the demand for decentralized data center capacities.

In the competitive environment, value creation continued to shift. Particularly in the classic IT outsourcing market, there was aggressive pricing behavior from competitors who now generate a large part of their margins from consulting services.

A major obstacle in the IT environment continues to be the pronounced shortage of skilled workers. The digital transformation of all industries is also increasing the demand for IT specialists.

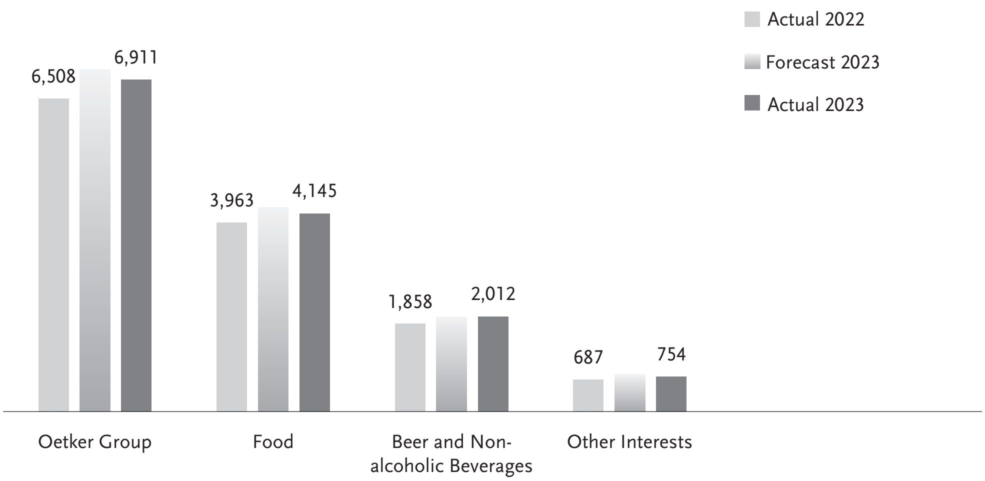
Hotels

The hotel industry and especially the luxury hotel industry continued to develop positively in 2023. The luxury sector benefited from increasing demand for exclusive travel experiences. Further supportive effects resulted from an improved economic situation in many regions. High occupancy rates and, relatedly, high room rates were achieved.

Business Development
Oetker Group

Overall statement on the economic situation
What we predicted and what we achieved:

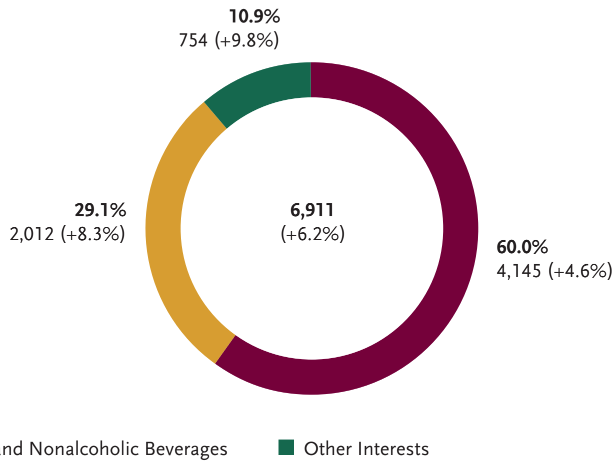
SALES DEVELOPMENT
In EUR million



Assessment by the group management:

- Despite challenging conditions, sales increased by 6.2% to EUR 6,911 million. All three divisions recorded positive growth rates.
- The group sales forecast was missed by a small margin, partly as a result of unexpected negative exchange rate effects in the Food Division and below-plan development in the Other Interests Division.
- In view of the market distortions, the result was respectable – despite price increases on the procurement side, which could only be partially passed on to customers.
- Internal programs to save costs and increase efficiency largely offset the negative impact on earnings caused by the increase in external costs.
- The financial position and assets reflect the overall solid basis of the Oetker Group.

GROUP SALES BY DIVISION
In EUR million and %



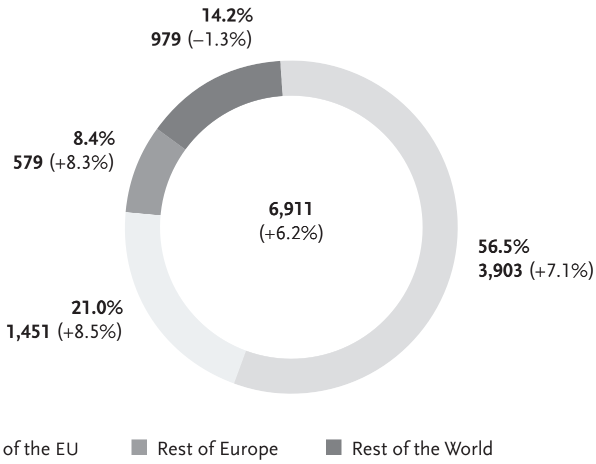
Consolidated sales increased by 6.2% to EUR 6.9 billion

The Oetker Group achieved sales revenues of EUR 6,911 million in 2023, which corresponds to an increase of 6.2% compared to the previous year. After adjusting for currency and consolidation effects, organic growth amounts to 6.3%.

The consumer-goods-oriented divisions of Food and Beer and Nonalcoholic Beverages, which accounted for a total sales share of almost 90%, continued to make the largest contribution to the Oetker Group's sales growth. Together, Dr. Oetker and Conditorei Coppenrath & Wiese increased their sales revenue by 4.6% to EUR 4,145 million and were therefore unable to quite achieve their forecast. The reasons for this were, among other things, negative exchange rate effects and some sales losses in the cake and dessert category due to inflation-related consumer restraint. The pizza and professional segments performed particularly well. The Radeberger Group was able to close its financial year at the planned level with an increase in sales of 8.3% to EUR 2,012 million. In a persistently declining market environment, which was also characterized by poor weather conditions in the summer months that are so important for the industry, the implementation of price increases and measures to increase efficiency had a positive impact on the Beer and Nonalcoholic Beverages Division's performance. In the brand portfolio, the national specialties and regional premium brands once again performed well, with pleasing growth compared to the previous year.

The Other Interests Division continued its growth path in 2023 and once again achieved a significant increase in sales of 9.8% to EUR 754 million. Growth was again driven by flaschenpost, which successfully transformed itself from an instant beverage supplier into an online supermarket and further increased the average order value in the reporting year. OEDIV and the hotel portfolio also recorded increases in sales, although sales at Brenner's Park-Hotel were, as expected, significantly lower than in the previous year due to the renovation and modernization work.

GROUP SALES BY REGION
In EUR million and %

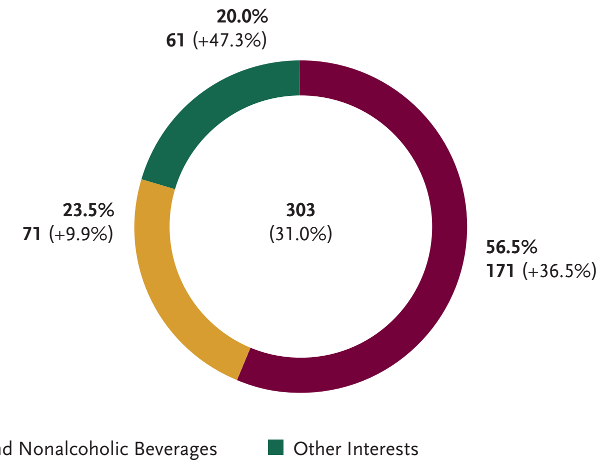


Revenues by region – share for Germany is 56.5% (previous year: 56.0%)
The Oetker Group's sales generated in Germany increased by 7.1% to EUR 3,903 million, mainly due to flaschenpost and significantly increased sales in the Beer and Nonalcoholic Beverages Division. The share of sales generated outside of Germany fell slightly to 43.5% of total sales (previous year: 44.0%).

The second-strongest region of the Oetker Group is still the Rest of the EU, which had a stable sales share of 21.0% (previous year: 20.5%) and growth of 8.5% to EUR 1,451 million. The increase in sales resulted primarily from higher food sales at Dr. Oetker and the positive business performance of the hotel in southern France.

While the Rest of Europe region also benefited from increases in sales in the Food Division, Dr. Oetker's sales in the Rest of the World fell slightly: On the one hand, negative exchange rate developments in Region 3A (Africa/Asia/Australia) had a negative impact on business performance; on the other hand, Wilton's business in particular was adversely affected by targeted restructuring.

INVESTMENTS BY BUSINESS DIVISION
In EUR million and %



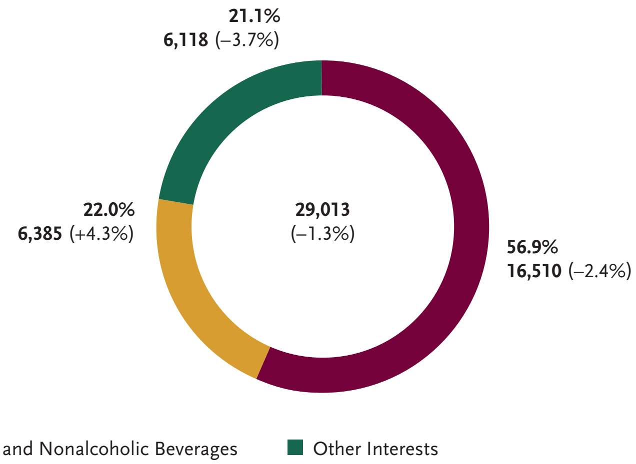
Sharp increase in investments by 31.0% to EUR 303 million
The investment volume (excluding first-time consolidations) in the Oetker Group amounted to EUR 303 million and was EUR 72 million above the previous year's level (EUR 231 million). Investment spending was increased in all divisions. The increase was particularly high in the Food Division (EUR +46 million). In addition, the Other Interests Division recorded a significant increase of 47.3% or EUR 19 million, while investments in the Beer and Nonalcoholic Beverages Division increased comparatively moderately.

As planned, Dr. Oetker invested in the future areas of innovation, sustainability and digitalization as part of a long-term investment program. A large proportion of the investments also went towards expanding capacity at the international pizza plants.

The Radeberger Group also invested in expanding capacity, as well as implementing numerous site-specific changes to optimize production and logistics processes. Overall, investments amounted to EUR 71 million, an increase of 9.9% compared to the previous year.

Investments in the Other Interests Division have again increased significantly to EUR 61 million (previous year: EUR 41 million). The focus here was on flaschenpost's transformation into an online supermarket, with corresponding investments in warehouse optimization. In addition, investment expenditure in the hotel portfolio increased significantly. The use of funds there is primarily related to the renovation and modernization work at Brenner's Park-Hotel.

EMPLOYEES (FULL-TIME EQUIVALENTS) BY DIVISION



The number of employees remained stable at 29,013

In 2023, a total of 19,140 employees (previous year: 19,210) worked for the Oetker Group in Germany and 9,873 employees (previous year: 10,189) worked abroad. That means that the number of full-time equivalent employees worldwide remained largely stable at 29,013 in the reporting year (previous year: 29,399).

As in the previous year, more than half of the employees worked in the Food Division, although the number there fell by 2.4% to 16,510 employees. This slight decline in personnel is attributable to Dr. Oetker and affects all regions with the exception of 3A, with development in the Western and Eastern Europe regions being significantly influenced by the changes in the scope of consolidation.

The Beer and Nonalcoholic Beverages Division recorded an increase in employees by 4.3% to 6,385, which is primarily attributable to the acquisitions in the reporting year. Excluding the changes in the scope of consolidation, the number of employees rose by 0.8%.

The 3.7% decrease in personnel to 6,118 employees in the Other Interests Division was mainly due to the decline at flaschenpost. Due to more efficient processes, the number of employees there has been reduced. In contrast, OEDIV has significantly increased its workforce as part of its strategic development.

Food

General information on the division can be found on pages 7 to 8

Business Development

KEY FIGURES	2022	2023
Sales revenue (in EUR million)	3,963	4,145
Investments (in EUR million)	125	171
Employees (full-time equivalents)	16,924	16,510

In 2023, the inflationary cost increase on the procurement side continued to some extent. All national companies of the two food companies Dr. Oetker and Conditorei Coppenrath & Wiese were severely affected by this. The group had already initiated an efficiency program in the previous year to achieve structural and sustainable cost savings. Through the gradual implementation of various measures, annual savings in the three-digit million range will be realized worldwide. The focus is primarily on measures to streamline processes and reduce non-value-adding costs. Despite significant internal efficiency improvements, price increases at the beginning of the year under review were still unavoidable.

In this operationally challenging environment, the Oetker Group achieved total sales of EUR 4,145 million in the food sector, representing an increase of 4.6%. Exchange rate effects had a strongly negative impact on sales consolidation, especially at Dr. Oetker in region 3A, as well as in Turkey, Canada and the USA. In addition to the effects of exchange rates, changes in the scope of consolidation also influenced sales development. Compared to the previous year, this is primarily attributable to the discontinuation of Dr. Oetker's business in Russia, which occurred shortly after the start of the war in August 2022, as well as the sale of a subsidiary in France at the beginning of the year under review. The sales losses from these divestments were partially offset by acquisition-related gains. On March 1, 2023, Dr. Oetker acquired the Imperial brand in France, Belgium and the Netherlands. Imperial is a well-known and established brand in the world of bakery and dessert preparations. Furthermore, on July 31, 2023, the acquisition of Galileo Lebensmittel KG, based in Trierweiler, was completed. With this acquisition, the Oetker Group expanded its presence in the innovative frozen pizza snacks segment. After adjusting for these consolidation-related effects and currency influences, the two food companies together achieved organic growth of 6.9%.

Dr. Oetker acquires the Belgian brand Imperial, expanding its range of baked goods and dessert preparations

Dr. Oetker increased its revenues by 4.4% and achieved organic growth of 7.1% when compared to the previous year. However, there were some volume losses on the sales side, especially in decorative items in the cake and dessert category. This is mainly due to

Dr. Oetker achieves organic growth of 7.1%

consumers' inflation-induced reluctance to spend on this product group, which they are temporarily foregoing in favor of staple foods in difficult times. This has led to losses in sales, particularly at Wilton, the market leader for cake decoration in the USA, as well as in the specialty baking products business of specialty retail companies. Overall, sales revenue in the cake and dessert category increased slightly compared to the previous year.

In the pizza category, sales revenue increased significantly above the previous year's level. In addition to successful innovations such as My Pizza Slice in the Scandinavian countries, targeted promotional activities also contributed to sales volumes. Furthermore, Dr. Oetker has gained consumers from the out-of-home sector: In the context of downtrading, high-quality frozen pizza is a good alternative to eating out or using delivery services.

The professional business continued its recovery and growth trajectory in 2023 following the end of the pandemic. Sales increased significantly compared to the previous year, although some of the sales growth here was also price-related. However, growth impulses resulted in particular from the successful Perfettissima pizza offering and the significantly better than expected business with quick-service restaurant chains in India.

Sales development in other product categories also significantly exceeded the previous year's level. Vitalis Muesli played a special role, growing in the German market through innovations, new listings and expanded distribution, but also across all countries. Partially offsetting effects resulted from the weaker preserving season due to the harvest and weather, which was reflected in the sale of preserving products.

Increased sales volumes in the pizza segment

The regional picture was varied: The Germany region achieved moderate growth. In addition to price increases, which have been unavoidable since mid-2022 to partially offset the cost increases on the procurement side, the increased sales volumes in the pizza segment in particular had a positive impact on sales. On the other hand, the cake and dessert category fell short of expectations due to the aforementioned consumer reluctance to buy and discontinuations, although sales here also increased moderately compared to the previous year. The acquisition of Galileo also made a temporary positive contribution to sales growth.

After an already good previous year, the Western Europe region again recorded sales growth, as did the Eastern Europe region – despite negative currency effects and the discontinuation of business in Russia, which was still included on a pro rata basis in the previous financial year. In Eastern Europe, the very good sales performance in Poland and Turkey should be mentioned in particular, which is attributable to additional listings, innovations and targeted promotions as well as improved distribution.

Sales in the Americas region were impacted by the challenging environment for Wilton's cake decoration business. In addition, as a result of the restructuring at Wilton, Dr. Oetker deliberately forewent sales that did not meet the profitability targets. In contrast, Dr. Oetker was able to once again gain market share in Canada with many innovative products, while the Central and South American national companies in Mexico and Brazil were also able to hold their own in their respective highly competitive market environments. Overall, the region remained slightly below the previous year's sales level.

Business development in Region 3A was also down on the previous year in terms of sales in the reporting currency, the euro, as all countries in the region recorded negative exchange rate developments, primarily due to the depreciation of the Egyptian pound and the South African rand against the euro. In contrast, the region recorded significant organic growth. Growth was achieved primarily in India due to the positive development in the professional business as well as in Tunisia and Egypt. Australia, on the other hand, had to record losses, which was due, among other things, to price competition in the cake and dessert category and, above all, had a negative impact on the locally important vanilla business.

Sales growth for Coppenrath & Wiese including in the most important export market, the UK

Conditorei Coppenrath & Wiese achieved an increase in sales of 5.8% in 2023. This growth resulted in part from price increases, which could not be completely avoided in response to cost increases despite significant internal efficiency improvements. The brand business in Germany performed particularly well in the strategic segments of sheet cakes and bread rolls. In addition, the private label business in Germany continued to grow. Sales also developed positively in the important export market of the UK, despite the still unfavorable exchange rate of the British pound to the euro.

Investments in the Food Division in 2023 amounted to EUR 171 million, EUR 46 million above the previous year's level (EUR 125 million). With the high level of investment, the companies are not only creating the basis for growth in the coming years, but are also investing heavily in sustainability projects in accordance with their Sustainability Charter and in future-proof, data-driven digitalization of all company processes. A larger portion of Dr. Oetker's investments went towards expanding capacities in the international pizza plants. In the past financial year, Conditorei Coppenrath & Wiese invested in projects for sustainable energy solutions, after having invested heavily in the expansion of production and storage capacities in previous years in order to lay the foundations for medium and long-term growth.

At 16,510, the number of full-time equivalent employees in the Food Division fell by 2.4% compared to the previous year (16,924). Adjusted for changes in the scope of consolidation, the number of employees decreased by 1.9%. The adjustments essentially relate to the sale of the Russian national company in the previous year and the sale of a subsidiary in France at the beginning of the year under review as well as the acquisition-related additions to Galileo.

Forecast

The group expects moderate growth in food markets in 2024, with market growth being driven primarily by discounters and e-commerce. Inflation remains a determining factor in the development of global food markets. There are still no signs of any easing on the procurement markets. Price levels for most raw material and packaging markets are still considered high.

Given the persistently challenging conditions, the two companies *Dr. Oetker* and *Conditorei Coppenrath & Wiese* expect moderate growth in their sales for 2024. The predicted increase in sales is based on stable consumer demand as well as operational initiatives, innovations and investments in the respective markets and regions. Price-driven growth is also assumed, particularly in those country markets that continue to have high local inflation. The currency forecast has resulted in overall negative exchange rate effects on the reporting currency.

Following the significant increase in capital expenditure in the past financial year, the group is also planning a further increase in investments for 2024, which will be available in particular for the future areas of innovation, sustainability and digitalization. In addition, the usual replacement investments will be made in 2024.

Beer and Nonalcoholic Beverages

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

Business Development

KEY FIGURES	2022	2023
Sales revenue (in EUR million)	1,858	2,012
Investments (in EUR million)	65	71
Employees (full-time equivalents)	6,122	6,385

The beer industry continued to be impacted by the high prices for energy, raw materials, consumables, supplies and personnel services. In addition, collective agreements and the increase in the minimum wage led to further cost burdens for the *Radeberger Group*. To counteract this, price increases as well as efficiency and cost measures were implemented on a company-wide basis. This also includes the closure of the Frankfurt am Main brewery location at the end of the third quarter of 2023, which was decided last year; the production and bottling volumes of the Binding brewery were relocated to other brewery locations in the group.

Radeberger Group increases sales revenues in line with expectations

As the last coronavirus-related borrowed sales from the retail sector flowed back into the hospitality sector in 2023, the out-of-home channel was still able to record noticeable growth in the first half of the year. In the second half of the year, both the poor weather conditions in the summer months, which are important for the industry, and an increasingly noticeable reluctance to spend due to inflation had a negative impact on business development in the retail and out-of-home sectors. Compared to the previous year, the Radeberger Group increased sales by 8.3% to EUR 2,012 million, in line with expectations. Adjusted for currency and consolidation group effects, operational sales growth amounted to 5.6% or EUR 104 million. The development within the individual company divisions was varied.

In the brewery business, developments in the second half of 2023 and a deliberate adjustment to the range led to a slight loss in sales compared to the previous year. To compensate for the significant increase in procurement and transportation costs, the price increase that took effect in December 2022 was successfully implemented in 2023.

After the record years due to coronavirus, Getränke Hoffmann transferred some of its sales back to the out-of-home channel, as expected. In 2023, the higher cost prices and increased personnel expenses in particular led to a noticeable negative impact on earnings, which was at least partially offset by improved purchasing conditions and higher sales prices.

In the DrinkPort operations, the overall pleasing sales trend in out-of-home consumption and the measures implemented in previous years to improve the cost structure had a clearly positive effect on the division's earnings performance.

The logistics network, operated by Radeberger in collaboration with C. & A. Veltins Brewery through the joint venture Deutsche Getränke Logistik (DGL), was able to optimize its cost structures and implement necessary price increases. This resulted in an overall improvement in results in 2023.

H. Leiter GmbH once again played a crucial role in securing the delivery capability of the Radeberger Group in 2023. Despite the successful implementation of a price increase, rising expenses for personnel, temporary personnel services and energy weighed on the results.

The brand portfolio of the Radeberger Group performed better than the general market trend in the past year under review. However, the Radeberger Group could not entirely avoid the declining sales trend in the overall market. National brands, overall, experienced a moderate decline in sales compared to the previous year. Sales of nonalcoholic variants such as Radeberger Alkoholfrei and Jever Fun saw slight positive growth, while classic pilsner variants experienced slight losses. With the exception of the nonalcoholic variants, the highly hospitality-oriented wheat beer brand Schöfferhofer suffered from the general market weakness in the wheat beer category and wheat mixed drinks as well as from the rainy summer; it therefore recorded noticeable losses compared to the previous year.

The Allgäuer Büble and Oberdorfer Helles brands are continuing their positive development

Among national specialties, the Allgäuer Büble Bier brand continued its successful growth trend. The young brand Oberdorfer Helles demonstrated favorable growth compared to 2022. International brands experienced a slight decline in sales compared to the previous year.

The segment of regional premium brands was characterized by the positive development of the segment's strongest brand, Ur-Krostitzer, and the Freiberger brand, both of which achieved significant sales increases in the past financial year.

Nonalcoholic beverages showed good development in the core business. However, due to a deliberate streamlining of the product range, the segment as a whole experienced a moderate decline in sales.

The Radeberger Group's investments totaled EUR 71 million, 9.9% above the previous year's value (EUR 65 million). A large part of the technical investments related to the Radeberg location. The project for the dealcoholization plant was successfully completed there. An additional pressure tank was installed so that the quantities for dealcoholization for nonalcoholic beers could be taken over from the Frankfurt am Main location. The Freiberg site also invested in additional tanks to expand its capacity and pressure tank volume. There were also further location-specific changes to optimize production and logistics processes as well as necessary investments in the empties pool of the growth brands. In Sales, the group made targeted investments in the hospitality and event business sectors, as well as further expanding the commerce cloud. The modernization of Getränke Hoffmann branches was the focus of investments in the vertical business.

At 6,385, the number of full-time-equivalent employees in 2023 was above the previous year's level (6,122). Adjusted for the additions to the scope of consolidation, the number of employees grew slightly, by 0.8%, in 2023.

Forecast

The *Radeberger Group* already communicated a price increase for 2024 at the end of 2023. The corresponding effects have been taken into account in the sales and revenue forecast. Furthermore, the group expects additional volume and sales increases in its growth segments of light beers, nonalcoholic beers and nonalcoholic beverages. Acquisition-related effects, for example from the addition of the international Staropramen brand to the portfolio, will also stimulate future sales growth. In a market environment that continues to stagnate, the Radeberger Group is forecasting a significant overall increase in revenue in 2024.

The planned investment budget is significantly higher than expenditure in 2023. The funds are largely allocated to the breweries, where the investment focus is on replacing and optimizing the technical and logistical infrastructure. The group is also investing in the hospitality and event business sales channels as well as in projects for IT infrastructure and the further digitalization of processes.

Other Interests

↗ General information on the division can be found on pages 9 to 10

Business Development

KEY FIGURES	2022	2023
Sales revenue (in EUR million)	687	754
Investments (in EUR million)	41	61
Employees (full-time equivalents)	6,353	6,118

The Other Interests Division comprises *flaschenpost* and other companies providing procurement and logistics services, the IT service provider *OEDIV*, the hotels Brenner's Park-Hotel in Baden-Baden and Hôtel du Cap-Eden-Roc in Antibes and *Oetker Digital*.

Sales increase of almost 10%

The development of companies varied across different markets. Overall, the Other Interests Division recorded an increase in sales of 9.8% to EUR 754 million compared to the 2022 financial year. The main reasons for this were the development at flaschenpost and OEDIV and increased sales at the Hôtel du Cap-Eden-Roc in Antibes. Investments in the Other Interests Division totaled EUR 61 million in the reporting year compared to EUR 41 million in the previous year. The increase of 47.3% is largely driven by higher spending on the hotel portfolio. The number of employees on a full-time equivalent basis fell from 6,353 in 2022 to 6,118, mainly due to more efficient processes and the resulting reduction in personnel requirements at flaschenpost.

Since 2021, *flaschenpost* has been undergoing a comprehensive transformation from an instant beverage delivery service to a complete online supermarket. The group now has 32 locations and offers an attractive supermarket range. Through this transformation, flaschenpost is taking advantage of the opportunities offered by the dynamic market environment and participating in the growth of online grocery retail. However, the significantly increased costs for materials and energy as well as transport and personnel since 2022 as a result of the war in Ukraine have also had a noticeable impact on online food and beverage trading. This led to higher consumer prices, which in turn resulted in greater price sensitivity among customers and had a dampening effect on demand for service-oriented business models. However, despite inflation and the slight decline in demand for consumer goods, consumer purchasing propensity for food remained positive compared to other categories. As a result, flaschenpost was able to further increase the average order value and sales continued to develop positively. Significant investment projects were carried out in 2023 in further electrification of the vehicle fleet and in warehouse automation.

The 2023 financial year was characterized by strategic development of *OEDIV*. The focus here was primarily on expanding the business model to include the key areas of cloud technologies and cybersecurity and, as a result, a significant increase in personnel. Overall, OEDIV again achieved sales growth in 2023, which is primarily due to the positive development in business with third-party customers. License sales also increased compared to the previous year. OEDIV made investments in the expansion and upgrading of the data centers in Bielefeld. In addition to technical replacement investments, the IT infrastructure was expanded to include technologically state-of-the-art mainframe computers.

Extensive renovation and modernization work at Brenner's Park-Hotel

The two *hotels* were able to significantly increase their combined sales compared to the previous year, thus ending the financial year in a better position than originally expected. This is mainly due to the positive performance of the Hôtel du Cap-Eden-Roc, which enjoyed high occupancy and was fully booked throughout the summer months. Together with a higher average rate per night, accommodation revenue in particular contributed to sales and earnings above the previous year. At Brenner's Park-Hotel, 2023 was marked by the upcoming infrastructure project. The extensive renovation and modernization work on rooms in the main building started in the fourth quarter of 2023 and led to significantly higher investment expenditure compared to the previous year. Sales largely developed as expected, but were significantly below the previous year's figure due to structural restrictions and the reduced number of available rooms.

Forecast

The dynamic growth development for the Other Interests Division will continue in 2024. The main driver of the expected significant increase in sales is *flaschenpost*. For 2024, the company assumes that developments in the e-grocery market will continue to contrast positively with the overall market development of food retail. flaschenpost expects demand to continue to rise and believes it is well positioned in the dynamic market environment. Accordingly, the group expects significant sales growth. This increase in sales is based primarily on volume effects, but price effects will also have a positive impact on sales development. The planned investment expenditure for 2024 will be slightly below the previous year's level and will again be largely attributable to further optimization of automated warehouse processes, the electrification of the fleet and the purchase of warehouse equipment and hardware.

OEDIV expects the market volume in the area of IT outsourcing in Germany to continue to grow. The company expects particularly high demand in areas such as cloud transformation, IT modernization, data analytics, cybersecurity and the development and implementation of software. To address this, a new company focusing on cybersecurity consulting was established. For 2024, OEDIV predicts a slight increase in sales, mainly driven by new services in the areas of security, cloud storage and consulting. Additionally, the company plans for volume growth, supported by acquiring new customers and selling additional services to existing customers. Investment plans for 2024 mainly involve completing the overhaul of the second data center and achieving full energy efficiency at the company's data center location. This results in a significant increase in the investment budget compared to 2023. Furthermore, at the beginning of the new financial year, OEDIV will merge its subsidiaries PP Strixner and Reymann Beratung with the OEDIV HR service area to establish an additional brand in the HR service market, aimed at placing a stronger focus on customers.

The two *hotels* are expected to experience a moderate decrease in total sales in 2024. While the Hôtel du Cap-Eden-Roc will continue to increase its sales, Brenner's Park-Hotel will face sales losses due to the complete renovation of the main building in 2024. The investment volume will increase significantly in the coming reporting year. This will mainly be due to planned renovation and modernization works at Brenner's Park-Hotel.

Asset and Financial Position

Asset position

CONSOLIDATED BALANCE SHEET (SHORT VERSION)

In EUR million	December 31, 2022	**December 31, 2023**
Total assets	5,695	5,401
Fixed assets	2,930	2,868
Inventories/accounts receivable/deferred income	1,958	1,948
Cash and cash equivalents	807	585
Equity	2,277	2,160
Provisions	1,332	1,395
Liabilities/deferred income/deferred tax liabilities	2,086	1,846

The consolidated balance sheet total as of December 31, 2023, fell by EUR 294 million year-on-year to EUR 5,401 million. The decline on the assets side resulted primarily from the decrease in cash and cash equivalents, among other things as a result of investments and loan repayments, as well as changes in fixed assets.

Intangible assets fell by EUR 201 million year-on-year to EUR 617 million. This is primarily due to depreciation of EUR 288 million; the majority of this was attributable to scheduled depreciation on goodwill and trademark rights from previous acquisitions.

The book value of *tangible assets* as of the balance sheet date was EUR 1,646 million, which was EUR 106 million higher than the previous year (EUR 1,540 million). The additions of EUR 311 million, of which EUR 31 million were acquisition-related, were offset by depreciation of EUR 201 million in the 2023 financial year.

Investments in associated companies increased by EUR 16 million to EUR 389 million as of the balance sheet date. The increase in the book value resulted primarily from the equity valuation of S. A. Damm, Barcelona (Spain), and Deutsche Getränke Logistik GmbH & Co. KG (DGL). Another significant investment accounted for using the equity method is Moers Frischeprodukte GmbH & Co. KG.

The *working capital* developed as follows:

WORKING CAPITAL

In EUR million	December 31, 2022	**December 31, 2023**
Inventories (including advance payments made)	761	717
+ Accounts receivable (trade)	825	871
– Accounts payable (trade)	476	473
– Advance payments received	9	16
= WORKING CAPITAL	**1,100**	**1,100**
Working capital as a percentage of total assets	19.3	20.4

The book value of the inventories amounted to EUR 717 million and fell by 5.8% compared to the previous year, or by 6.6% after adjusting for effects on the scope of consolidation. The decline in inventories is due in particular to the restructuring of Wilton's business in the USA. Trade accounts receivable increased by EUR 47 million to EUR 871 million on the balance sheet date. On a basis adjusted for consolidation, there was an increase of EUR 41 million. Accounts payable for trade were almost unchanged at EUR 473 million as of the balance sheet date (previous year: EUR 476 million). On balance, there was no change in working capital; this therefore still amounted to EUR 1,100 million as of the balance sheet date. The share of working capital in total assets increased from 19.3% to 20.4% at the end of the financial year.

As of the balance sheet date *other assets* fell to EUR 286 million (previous year: EUR 303 million), largely due to lower tax refund claims. In addition, the balance sheet item includes claims from the reinsurance of pension obligations at the Condor insurance group not offset against liabilities, receivables from empties and the like.

While the *fixed capital* of Dr. August Oetker KG remained unchanged at a book value of EUR 1,125 million, the group's reserves fell by EUR 108 million to EUR 1,246 million as of the balance sheet date. As in the previous year, the equity ratio was 40.0%.

The increase in *provisions* by EUR 64 million to EUR 1,395 million at the end of the financial year resulted primarily from changes in other provisions. As at the balance sheet date, these mainly comprised amounts for sales deductions, particularly in the Food Division, and provisions for personnel, outstanding invoices, deposits from the brewery unit and impending losses from pending transactions. Overall, other provisions increased by EUR 62 million to EUR 965 million. Pension provisions amounted to EUR 393 million as at the balance sheet date and decreased by EUR 8 million compared to the previous year, as utilization was higher than the effects of additions and compounding. As before, some employee pensions are covered by direct insurance contracts, primarily with Condor Lebensversicherungs-AG.

Financial position

The finances of the Oetker Group are managed centrally by the holding company. This means that financing and financial investments from subsidiaries can be bundled within the Oetker Group in order to exploit optimization potential and synergies. In addition, currency hedging is primarily carried out at a central level using derivative financial instruments.

The financial position of the Oetker Group is characterized by internal financing, extensive retention of earnings and long-term, fixed-interest bank loans.

Liquidity

At the balance sheet date, funds amounted to EUR 585 million (previous year: EUR 807 million). The decrease of EUR 222 million resulted primarily from investments and acquisition-related additions to assets (EUR 405 million) as well as the decrease in financial debt by EUR 272 million. To finance the transactions mentioned, current assets were sold, among other things; accordingly, the book value fell by EUR 479 million to EUR 7 million as of the balance sheet date. On balance, the net financial position improved from EUR –470 million as of December 31, 2022 to EUR –420 million at the end of 2023; this corresponds to the expected level.

NET FINANCIAL POSITION

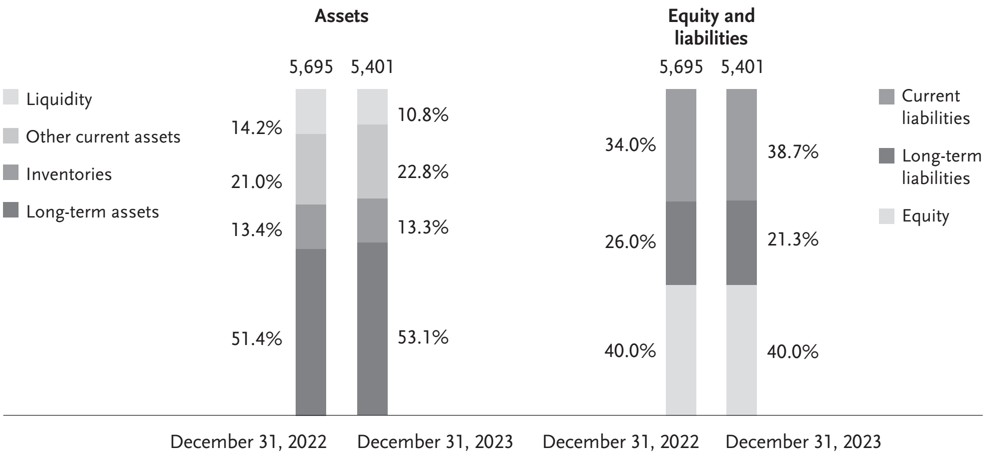
In EUR million	December 31, 2022	**December 31, 2023**
Securities held as current assets	486	7
+ Cash in hand, bank balances and checks	321	578
= FUNDS SUBTOTAL	**807**	**585**
– Liabilities due to banks	1,277	1,005
= NET FINANCIAL POSITION	–470	–420

Financial debt

The bank liabilities are based primarily on loans with medium and long-term terms that were serviced as planned. Long-term loans in the amount of EUR 274 million were repaid in the reporting year. New long-term loans were taken out in the amount of EUR 5 million. There was also a decrease in short-term loans amounting to EUR 3 million.

Lease agreements and other off-balance-sheet financing instruments are only of minor importance for the Oetker Group.

ASSET AND CAPITAL STRUCTURE
In EUR million and %



115.4% of the Oetker Group's non current assets (previous year: 128.3%) were covered by non current financial resources, consisting of equity and long-term liabilities. Based on the equity ratio of 40.0% (previous year: 40.0%), the equity base remains comfortable. Overall, the Oetker Group still has a very solid asset and capital structure.

Capital expenditure
Total additions to property, plant and equipment and intangible assets amounted to EUR 405 million (previous year: EUR 235 million). EUR 102 million of this can be attributed to acquisitions (previous year: EUR 4 million), which were mainly made at Dr. Oetker and the hotel in southern France. Current investments amounted to EUR 303 million (previous year: EUR 231 million) or 4.4% (previous year: 3.6%) of group sales. The increase in the investment rate resulted in particular from higher expenditure in the Food Division and from the hotels. The funds were mainly invested in tangible assets. The majority related to technical systems, systems under construction and advance payments, which were predominantly made by Dr. Oetker and the pizza plants in Germany. Other significant advance payments were connected to the renovation and modernization work at Brenner's Park-Hotel in Baden-Baden. The use of investment funds in the Beer and Nonalcoholic Beverages Division and at flaschenpost was primarily reflected in an increase in the carrying amounts for operating and office equipment. In regional terms, the focus was again on investments in domestic companies; the share of foreign companies in current investments fell from 33.2% in the previous year to 26.4% in 2023.

Forecast Report

Economic framework

After a year marked by challenging overall economic conditions, the focus is now on the future. Geopolitical conflicts will continue to shape 2024: Russia's war on Ukraine is still ongoing, as is the military conflict in the Middle East between Israel and Hamas. Attacks by Houthi rebels on ships in the Red Sea in response to Israel's actions against Hamas threaten the recently stabilized supply chains. A significant risk to global economic development is also posed by a military escalation of the conflict between China and Taiwan.

Taking these developments into account, the Kiel Institute for the World Economy (IfW) expects an inflation rate of 2.3% for Germany as well as the Eurozone in 2024. The price increases of recent years, negotiated wage settlements by labor unions and expected price hikes for 2024 also carry the risk of a wage-price spiral, which could lead to inflation rates in Germany exceeding the ECB's target of 2.0% in the medium term. It is therefore expected that the ECB will initially refrain from interest rate cuts and keep the main refinancing rate at 4.5%.

The elevated interest rate is increasing interest costs and complicating financing conditions for companies. Moreover, continued high producer prices, a consumer climate burdened by inflation and expectations of sluggish global trade due to increasing tensions between the US and the European Union on one side and China on the other further weigh on anticipated economic growth. Overall, the IfW expects Germany's stagnation to persist in 2024, with gross domestic product (GDP) projected to increase only slightly (0.1%). This places Germany behind the expected average growth of the Eurozone (0.7%), the USA (2.1%) and China (4.4%).

The outcome of the elections scheduled for 2024 will also be of great importance for global economic development: Around half of the world's population will be eligible to vote in 2024. In particular, the European Parliament election in the European Union, the presidential election in the USA and the parliamentary election in India will have a significant impact on the economic conditions of the Oetker Group.

Business development forecast

The forecast for the business development of the Oetker Group is based on the above expectations and assumptions regarding the general economic conditions, as well as the specific industry developments expected for the individual business divisions that are described in the respective sections. The group management, in its forecast for the financial year 2024, assumes that geopolitical tensions will not escalate and that there will be no significant bottlenecks in the supply and distribution chains.

Building on a stable foundation, the Oetker Group will continue to successfully pursue its growth path in the future. For 2024, the sales planning is primarily based on organic growth, supplemented by the full-year consideration of acquisitions from the previous year. Overall, sales revenue will again increase moderately. The group management expects growth impulses primarily in digital business models, especially with flaschenpost. The two consumer goods divisions, Food and Beer and Nonalcoholic Beverages, also anticipate significant sales growth, based on Dr. Oetker's assumption of a recovery in consumer volumes. The development at Radeberger will mainly be driven by price effects with stable volume development. The price adjustments in the products and services of the Oetker Group can only partially offset the high costs on the procurement side, with subsequent effects on wages and salaries. The remaining gap will continue to be counteracted through strict cost management, coupled with the continuation of initiatives to reduce costs and improve efficiency within the group companies.

The investment budget (excluding first-time consolidations) will be further increased in 2024 and significantly exceed the expenditures of the previous year, laying the foundation for future growth. The investment budget is part of a large-scale plan over several years aimed at advancing innovations and expanding digital competencies and sustainability activities. The majority of the investments will again be made in the Food Division. Additionally, higher investment expenditures are planned, especially for the hotels, where the renovation and modernization works at Brenner's Park-Hotel will have an impact.

Other aspects of the expected development in the individual divisions are described in their respective sections. The actual development of the Oetker Group and its divisions may deviate both positively and negatively from the forecasts due to the opportunities and risks explained below, or in the event that the expectations and assumptions do not materialize.

Opportunities and Risks Report

Dealing with business risks is an essential part of the Oetker Group's entrepreneurial management. The primary goal is to achieve a balance between opportunities and risks.

In the Oetker Group's two consumer goods divisions, consumers' propensity to consume is particularly relevant. A diversified product portfolio and constant product innovations help to take market and consumer needs into account. This also includes the trend towards more quality awareness and increased demand for sustainably made products.

Overall, the group is diversified, with its three business divisions Food, Beer and Nonalcoholic Beverages and Other Interests.

The trends relevant to the group in the various sectors are monitored regularly. It has become increasingly difficult to anticipate future changes: After the pandemic, the challenges in the already constantly changing competitive environment have increased significantly, at the latest with Russia's invasion of Ukraine. In order to be able to react to external developments as quickly as possible, planning must always be flexible, taking into account various options for action.

Operational opportunities and risks

Procurement market opportunities and risks

Due to increasingly volatile external factors, forecasts for future commodity price developments are becoming increasingly difficult. In its planning for the year 2024, the Oetker group expects energy and raw material prices to remain at high levels and to increase again in some product categories. Other procurement risks are mitigated by diversification across different suppliers and further volume-hedging measures. Close dovetailing of interfaces and process-related links within the entire supply chain enable a rapid response capability with regard to internal and external market changes. Distortions in the procurement markets can lead to disruptions in the supply chains and thus to raw material and production bottlenecks or failures, which in turn can have a negative impact on the Oetker Group's ability to deliver and the quality and cost of its products and services.

Environmental and industry-related opportunities and risks

The consumer climate is of crucial importance to the consumer goods businesses. The inflation-related loss of purchasing power in companies and private households is having a dampening effect on the consumer climate. One of the core risks for the outlook of the Oetker Group is that measures to contain inflation may lead to consumer restraint or significantly strengthen the consumer trend towards purchasing cheaper own-label products (downtrading). Given international crises, inflation and recession risks, as well as international trade conflicts, further development remains subject to corresponding uncertainties. The impact can vary significantly between regions and customers. The extent and duration of individual consequences for the business of the Oetker Group are therefore difficult to estimate. Moreover, interventions by national authorities or uncertain geopolitical situations, such as those resulting from the Russian invasion of Ukraine or the military confrontation in the Middle East, can have a major influence. Risks also arise for the group's business divisions from ongoing debt and financial crises in some countries. Retailers are increasingly strengthening their own-label products compared to branded products by exclusively and selectively utilizing their own data-driven primary market data to continuously improve their offerings. Additionally, risks arise from regular price conflicts with food retailers and increasing concentrations of purchasing alliances. In addition, increasingly intense competition and increasing trade concentration pose risks. The group companies address these risks and generate new opportunities through continuous strengthening of brands, ongoing product innovations and strategic partnerships.

Functional opportunities and risks

Financial opportunities and risks

The Oetker Group is subject to financial opportunities and risks in relation to liquidity, currencies and interest rates. In view of the money trading lines that have not been used and the Oetker Group's solid balance sheet structure and good credit rating, the liquidity risk is considered to be low. Currency risks are largely hedged by means of forward exchange transactions, which limits potential losses. The interest rate risk is currently manageable due to the largely long-term external financing at low fixed interest rates. Higher interest rates in short-term borrowing are also accompanied by increased opportunities for investment, with financial markets being volatile due to the geopolitical situation.

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 codes of conduct, which are regularly reviewed, serve to implement them. 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 field 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 risk of cyberattacks or cyberterrorism is increasing due to the war in Ukraine. An IT company and operator of its own data centers, OEDIV is especially exposed to this risk. The OEDIV security team is vigilant and closely monitors developments so that it can continuously take the necessary security measures and react immediately in case of anomalies. Digital transformation is an unstoppable trend that is influencing consumer behavior and market participants. The increasing shift of corporate data to various global clouds also threatens the business model of OEDIV with its classic data center offering. In addition to risks, including the entry of new market participants, this also gives rise to new forms of offerings (IT services) and business models that offer the Oetker Group new opportunities for growth.

Personnel opportunities and risks

The financial success of the Oetker Group is largely defined by its employees' skills and motivation. The recruitment of highly qualified specialists and executives and their long-term loyalty to the Oetker Group are therefore of enormous importance. To this end, the group relies on targeted measures to support employees and on performance-related incentive systems. A further focal point in the group's human resources work is health management and the counseling of employees in different phases of their lives.

Environmental and safety factors

The Oetker Group is committed to the responsible and sustainable use of resources and to high environmental and social standards. Many locations are pursuing continuous improvements in these areas through certifications in the areas of environmental (ISO 14001), energy (ISO 50001) or occupational health and safety management (ISO 45001). Solar panels have now been installed at over ten locations worldwide, making the Oetker Group less dependent on fossil fuels and external energy suppliers, while at the same time actively contributing to the expansion of renewable energy and thus to climate protection.

The increasing effects of climate change pose challenges for the Oetker Group, particularly in the procurement of raw materials. Extreme weather events such as droughts or floods can affect crop yields and thus influence the availability of important raw materials. The Oetker Group's initial activities in sourcing raw materials produced under forms of regenerative agriculture promise to contribute not only to improving soil health and carbon storage but also to increased resilience to extreme weather events.

Opportunities arise from changing consumer behavior towards products with reduced carbon footprints as a result of climate change. The Oetker Group is taking advantage of new market potential, for example by increasing its range of vegan products. In addition, with the implementation of the Supply Chain Due Diligence Act, the Oetker Group is further strengthening human rights in its own business area and along the upstream supply chain.

Despite the extensive measures, the Oetker Group remains exposed to risks. Regulatory changes, particularly in the area of environmental and social legislation, could result in additional requirements and costs. Overall, the Oetker Group takes various measures to counter potential risks at an early stage and, where possible, seizes opportunities that will enable a sustainable future for the Oetker Group and its stakeholders.

Logistics opportunities and risks

The strong concentration of the logistics industry, especially in the frozen food sector, has led to intensified competition over time. In addition, the market for transport capacities remains under pressure. The shortage of skilled workers in the logistics and trucking industry, which has been known about for some time, is being met with disruptions to supply and transport chains, which pose a risk to the timely transportation of goods.
In order to exploit additional potential in logistics, the group companies are continuously striving for 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.

The group is well diversified with its distinct business divisions Food, Beer and Nonalcoholic Beverages and Other Interests. There are no other discernible risks that could impair the long-term existence of the Oetker Group. In addition, an increased risk coverage volume 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 up or down, 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	December 31, 2022	December 31, 2023
FIXED ASSETS		
Intangible assets		
Acquired concessions, trademarks and similar rights and assets as well as licenses to such rights and assets	375,287	284,463
Goodwill	438,634	323,220
Advance payments	3,596	8,985
	817,518	**616,669**
Tangible assets		
Land, leasehold rights and buildings, including buildings on leasehold land	817,463	843,641
Machinery and equipment	447,432	415,718
Other equipment, fixtures, furniture and office equipment	183,153	216,194
Advance payments and fixed assets under construction	92,006	170,349
	1,540,054	**1,645,902**
Financial assets		
Shares in subsidiaries	5,943	7,509
Investments in associated companies	372,628	388,676
Investments in other companies	127,906	138,958
Long-term borrowings to affiliated companies	17,931	17,540
Fixed-assets securities	848	896
Other long-term borrowings	46,927	51,412
Down payments on financial assets	2	
	572,185	**604,991**
	2,929,757	**2,867,561**
CURRENT ASSETS		
Inventories		
Raw materials and supplies	254,200	233,581
Work in progress	21,054	21,773
Finished products and merchandise	481,690	458,435
Advance payments	4,465	3,130
	761,409	**716,919**
Accounts receivable and other current assets		
Accounts receivable (trade)	824,745	871,323
Accounts receivable from associated companies	1,126	1,338
Accounts receivable from affiliated companies	41,647	39,115
Other current assets	302,711	286,431
	1,170,229	**1,198,206**
Funds		
Securities held as current assets	486,099	6,647
Cash on hand, balances at third-party banks and checks	321,350	578,487
	807,449	**585,134**
	2,739,086	**2,500,260**
PREPAID EXPENSES	**25,986**	**33,324**
	5,694,830	**5,401,145**

EQUITY AND LIABILITIES In EUR ’000	December 31, 2022	December 31, 2023
EQUITY		
Fixed capital	1,125,000	1,125,000
Reserves	1,353,626	1,246,010
Difference in equity due to currency translation	–206,352	–216,100
Noncontrolling interests	5,215	5,095
	2,277,489	**2,160,005**
PROVISIONS		
Provisions for pensions and similar obligations	401,162	393,329
Provisions for taxes	27,737	37,252
Other provisions	902,930	964,861
	1,331,829	**1,395,442**
LIABILITIES		
Liabilities due to banks	1,277,261	1,005,450
Advance payments received	9,426	15,632
Accounts payable (trade)	476,336	473,034
Accounts payable to subsidiaries	4,190	4,450
Accounts payable to affiliated companies	27,762	19,851
Miscellaneous liabilities		
Taxes	56,807	47,690
Social security	12,093	12,602
Other	195,022	238,083
	2,058,896	**1,816,793**
DEFERRED INCOME	**6,394**	**6,648**
DEFERRED TAX LIABILITIES	**20,223**	**22,257**
	5,694,830	**5,401,145**

Bielefeld, April 11, 2024

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, 2023	Currency differences and effects due to change in scope of consolidation	Additions	Disposals	Reclassifi-cations	Procurement and manufacturing costs as of December 31, 2023
Intangible assets						
Acquired concessions, trademarks and similar rights and assets as well as licenses to such rights and assets	1,338,256	−9,781	22,532	−11,578	1,111	1,340,541
Goodwill	1,128,358	5,209	63,864	−27,318		1,170,113
Advance payments	3,620	−26	7,355	−317	−1,646	8,985
	2,470,234	**−4,598**	**93,751**	**−39,213**	**−535**	**2,519,639**
Tangible assets						
Land, leasehold rights and buildings, including buildings on leasehold land	1,733,655	4,117	38,289	−16,949	65,435	1,824,547
Machinery and equipment	2,081,429	23,124	57,774	−53,364	−30,185	2,078,779
Other equipment, fixtures, furniture and office equipment	709,626	3,845	89,920	−44,971	12,986	771,407
Advance payments and fixed assets under construction	92,006	1,570	125,288	−814	−47,701	170,349
	4,616,716	**32,656**	**311,272**	**−116,098**	**535**	**4,845,082**
Financial assets						
Shares in subsidiaries	9,916	5	1,716	−155		11,482
Investments in associated companies	382,322	−40	20,090	−3,113	−954	398,305
Investments in other companies	130,163	5	11,011	−524	954	141,609
Long-term borrowings to affiliated companies	17,932		529	−921	200	17,740
Fixed-assets securities	1,143		150	−128		1,165
Other long-term borrowings	71,932	240	16,847	−18,857	−200	69,962
Down payments on financial assets	2			−2		
	613,410	**210**	**50,344**	**−23,700**		**640,264**
TOTAL	**7,700,360**	**28,268**	**455,368**	**−179,011**		**8,004,985**

Accumulated depreciation and amortization as of January 1, 2023	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, 2023	**Book value as of December 31, 2023**	Book value as of December 31, 2022
−962,969	4,461	−108,530	9,984	−7	984	−1,056,078	284,463	375,287
−689,723	−4,874	−179,613	27,318			−846,893	323,220	438,634
−24				24			8,985	3,596
−1,652,716	**−413**	**−288,144**	**37,302**	**17**	**984**	**−1,902,970**	**616,669**	**817,518**
−916,191	−1,901	−42,747	16,137	−36,203		−980,906	843,641	817,463
−1,633,997	−23,128	−93,791	51,938	35,909	7	−1,663,061	415,718	447,432
−526,473	−4,805	−64,032	39,820	277		−555,213	216,194	183,153
							170,349	92,006
−3,076,662	**−29,834**	**−200,570**	**107,895**	**−17**	**7**	**−3,199,180**	**1,645,902**	**1,540,054**
−3,973						−3,973	7,509	5,943
−9,693	40	−929		954		−9,629	388,676	372,628
−2,256	−5			−954	565	−2,650	138,958	127,906
−1		−200				−201	17,540	17,931
−295					26	−269	896	848
−25,006	−241	−3,279	9,971		5	−18,550	51,412	46,927
								2
−41,224	**−206**	**−4,409**	**9,971**		**595**	**−35,273**	**604,991**	**572,185**
−4,770,603	**−30,453**	**−493,123**	**155,168**		**1,587**	**−5,137,424**	**2,867,561**	**2,929,757**

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 German Commercial Code (published in the Federal Gazette) within the meaning of Section 264 (4) of the German Commercial Code, Section 264b of the German Commercial Code and Section 5 (6) of the Disclosure Act.

With the exception of the information pursuant to Section 313 (2) of the German 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 German 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 243 companies (previous year: 241), of which 159 (previous year: 156) were German and 84 (previous year: 85) foreign companies. Because of their overall minor importance in accordance with Section 296 (2) of the German Commercial Code, 68 companies were not fully consolidated (previous year: 71).

In addition, six companies were valued at equity (previous year: eight).

The following significant changes occurred within the scope of consolidation:

Ten initial consolidations were carried out in the past financial year (previous year: none). The acquisition of Galileo Lebensmittel KG on July 31, 2023, is a significant addition to the Food Division. In the Beer and Nonalcoholic Beverages Division, among other things, Huster GmbH & Co. Getränkegroßhandels KG was acquired on May 1, 2023, and the shares in Löffelsend & Wein Company GmbH were increased from 40.0% to 100.0% on April 1, 2023. In addition, Villa La Guettière S. A. S., France, was consolidated for the first time in the Other Interests Division on July 1, 2023.

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

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 Publishing Act (PublG) and the German 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.

Property, plant and equipment and intangible assets are valued in accordance with Section 253 of the German Commercial Code. No use was made of the option provided for in Section 248 (2), sent. 1, of the German 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 German 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). In Germany, depreciation is largely based on the useful lives recognized by the German tax authorities. Low-value assets with acquisition costs of up to EUR 800 are fully depreciated in the year of acquisition. A similar approach is taken abroad in comparable cases.

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.

The valuation of current assets is based on the provisions of Sections 253 and 256 of the German 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 German Commercial Code is applied and the interest rate determined by the Deutsche Bundesbank for 15-year remaining terms as of September 30, 2023, and forecast as of December 31, 2023 (1.83%, previous year: 1.79%); in addition, an expected increase in wages and salaries of 2.8% (previous year: 2.7%) and an expected pension increase of 2.0% (previous year: 2.0%) were taken into account. 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 according to Section 253 (6) of the German Commercial Code was EUR 5 million.

The same wage and salary increases are assumed for the anniversary provisions as for the pension provisions. The interest rate was determined in the same way, but on the basis of the average from the past seven financial years; this was 1.75% (previous year: 1.44%).

Assets within the meaning of Section 246 (2), sent. 2, of the German Commercial Code were offset against corresponding provisions for pension obligations in the amount of EUR 27 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 German 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 increased by EUR 2 million to EUR 22 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	25.0
Netherlands	25.0
United Kingdom	19.0
United States of America	26.1

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

A subsidiary based in Turkey, a hyper-inflationary economy, is included in the consolidated financial statements. Inflation is adjusted by indexing the non monetary balance sheet items with the Turkish consumer price index. The resulting valuation effects are included in the interest result.

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 German 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 German 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 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 five years. The same applies to the companies consolidated at equity.

All receivables and payables between consolidated companies are calculated to net and profits and losses on intercompany transactions are eliminated, as are intercompany expenses and income. 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 of EUR 1,125 million shown in the consolidated balance sheet corresponds to the fixed capital of Dr. August Oetker KG. 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 amounted to EUR 1,817 million (previous year: EUR 2,059 million). Based on remaining maturity, the individual items are structured as shown in Table 2.

TABLE 2: LIABILITIES
In EUR million

	Payable within 1 year (previous year)	Payable after 1–5 years (previous year)	Payable after more than 5 years (previous year)	Total
Liabilities due to banks outside the Oetker Group	342 (295)	538 (797)	125 (185)	1,005 (1,277)
Advance payments received	16 (9)			16 (9)
Accounts payable (trade)	473 (476)			473 (476)
Accounts payable to subsidiaries	4 (4)			4 (4)
Accounts payable to affiliated companies	15 (22)	3 (3)	2 (2)	20 (28)
Miscellaneous liabilities	290 (255)	5 (4)	3 (5)	298 (264)
Total	**1,140 (1,063)**	**547 (804)**	**130 (192)**	**1,817 (2,059)**

No securities requiring disclosure were granted for these liabilities.

On the balance sheet date, the following contingencies existed in accordance with Section 251 of the German Commercial Code:

TABLE 3: CONTINGENT LIABILITIES
In EUR million

	December 31, 2022	December 31, 2023
Liabilities from guarantees	21	23
Liabilities from warranties	26	38

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 German Commercial Code totaled EUR 874 million, of which EUR 175 million is for the next year. Off-balance-sheet transactions in accordance with Section 314 (1), no. 2, of the German Commercial Code were only carried out to an extent that is negligible for 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. In order to limit these risks, Dr. August

Oetker Finanzierungs- und Beteiligungs-GmbH in particular has concluded derivative financial instruments (forward transactions, swaps and options). At the balance sheet date, there were forward exchange purchases/sales with a transaction volume of EUR 85 million and a fair value of EUR 0.5 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 fell by 4.0% in the year under review to an average of 44,802 employees (previous year: 46,662). In the Food Division, the average number of employees fell from 17,877 to 17,308. In the Beer and Nonalcoholic Beverages Division, the workforce increased by 5.7% to an average of 7,283 employees (previous year: 6,892). The workforce in the Other Interests Division fell from 21,894 to an average of 20,210 employees.

The total fee in accordance with Section 314 (1), no. 9, of the German Commercial Code amounts to EUR 2,856 thousand. Of this amount, EUR 1,291 thousand is accounted for by audit services, EUR 75 thousand by other confirmation services, EUR 156 thousand by tax consulting services and EUR 1,335 thousand by other services.

Transactions with related companies and persons pursuant to Section 314 (1), no. 13, of the German 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 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	2022	**2023**
a) External sales (in EUR '000)	6,508,294	6,911,137
b) Income from investments (in EUR '000)	11,404	24,937
c) Wages and salaries, social security contributions, expenditure on pensions and other benefits (in EUR '000)	1,477,666	1,526,431
d) Number of employees Converted into full-time employees, the average number of employees in 2023 was 29,013 (previous year: 29,399)	46,662	44,802

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	2022	**2023**
Distributed by region:		
Germany	3,645	3,903
Rest of the EU	1,337	1,451
Rest of Europe	534	579
Rest of the World	991	979
Distributed by division:		
Food	3,963	4,145
Beer and Nonalcoholic Beverages	1,858	2,012
Other Interests	687	754

Adjusted for the changes in the scope of consolidation, sales revenues increased by EUR 342 million compared to the previous year. Excluding exchange rate effects, there was an operating increase in sales of EUR 406 million.

Bielefeld, April 11, 2024

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, 2023, and the consolidated income statement for the financial year from January 1 to December 31, 2023, 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, 2023.

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, 2023, and its earnings position for the financial year from January 1 to December 31, 2023, and

- the attached group management report gives an overall accurate picture of the position of the Group. In all material respects, this group management report is consistent with the consolidated financial statements, 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 objections to 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 responsibilities under these rules and policies are further described in the section entitled "Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report." We are independent of the Group companies in accordance with the 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 German accounting principles in order to facilitate the preparation of consolidated financial statements that are free from material, contingent or unintentional misstatement (in other words, accounting manipulations and misstatements of assets).

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 misstatement in the consolidated financial statements and the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk that material misstatements resulting from fraudulent activities will not be detected is higher than the risk that material misstatements resulting from errors will not be detected, as fraudulent activities may involve collusion, forgery, intentional omissions, misleading representations 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 conclude that there is material uncertainty in the auditor's report, we are required to draw attention to the related disclosures in the consolidated financial statements and the group management report or, if these disclosures are inadequate, to modify our respective audit assessment. We draw our conclusions on the basis of the audit evidence obtained up to the date of our assessment. 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 guidance, supervision and execution of the consolidated financial statements audit. We bear 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, evaluate 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 significant deficiencies in the internal control system that we identify during our audit.

Bielefeld, April 12, 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

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Page 13: portrait of Ute Gerbaulet: Stephan Pick

The Oetker Group
Highlights 2023

January

Federal Cross of Merit for Dr. h. c. August Oetker: Federal President Frank-Walter Steinmeier honors the entrepreneur in recognition of his decades of commitment in the professional, cultural and social fields with the Cross of the Order of Merit of the Federal Republic of Germany.

175 years of Jever, a **Radeberger Group** company: A construction team stacked almost 200 beer crates on top of each other to form the number "175." The work of art now stands at the entrance to the Friesisches Brauhaus brewery in Jever. The completion also marks the start of a special year: The Frisian beer, whose origins date back to 1848, is celebrating its 175th anniversary.

A major milestone on the journey towards a more sustainable approach: The **Radeberger Group** publishes its first sustainability report, which covers the period 2019 to 2021.

February

Dr. Oetker announces the launch of a new product in March: the vegan gelling agent LoVE it! This innovation is aimed in particular at consumers who are looking for an alternative to animal gelatin.

March

Pioneering cloud solutions: **OEDIV** intensifies its Google Cloud partnership, offering its customers a wide range of opportunities to optimize business processes and drive growth.

Dr. Oetker acquires the Imperial brand from the GBfoods Group at the beginning of March: Founded in 1928, Imperial is a well-known and established brand in the world of baked goods and dessert preparations, particularly in Belgium, and is a market leader in many areas.

April

The new generation of Gugelhupf: With "Let's Gugelhupf," **Dr. Oetker Professional** is introducing the first concept in the areas of baking and frozen desserts, which is also the first comprehensive Gugelhupf concept in the bulk consumer market.

Dr. Oetker once again receives the Vegan Food Award from the animal rights organization PETA. Following an award for the "Best Vegan Pizza" in 2022, the company now receives the Vegan Food Award 2023 for the "Best Vegan Pinsa".

May

The **Radeberger Group** celebrates the 175th anniversary of Fritz Brinkhoff: To celebrate the year, the beer Brinkhoff's No. 1 pays tribute to master brewer Fritz Brinkhoff. The neck and back label of the beer are adorned with a signal red 175.

June

flaschenpost is converting part of its fleet to electric vehicles by purchasing 1,000 electric vehicles from various manufacturers.

Dr. Oetker publishes its first international sustainability report: Entitled "For a Sustainable Home," the report describes Dr. Oetker's sustainability goals, processes and activities. The report covers the years 2019 to 2022.

July

The popular Bistro Baguettes from **Dr. Oetker** receive the Lebensmittel Zeitung Top Brand 2023 award in the frozen snacks category. The Lebensmittel Zeitung Top Brand is an established award for sustainable brand management.

August

Dr. Oetker celebrates the 15th anniversary of the partnership with SOS Kinderdorf: Dr. Oetker has been supporting SOS Kinderdorf with a variety of measures since 2008. This includes prevocational measures, such as the Open Training Day for school pupils, to which numerous young people from SOS Kinderdorf facilities are also invited.

September

Dr. Oetker Original Backin celebrates its anniversary: For 130 years, Dr. Oetker's baking powder has been synonymous with the joy of baking. With a retro edition of Original Backin and a nostalgic vintage tin, Dr. Oetker invites baking fans on a trip down memory lane.

October

Conditorei Coppenrath & Wiese puts solar panels into operation at its Mettingen location. This will make it possible to cover the base load for supplying energy to the buildings on-site with solar energy.

November

La Mia Grande sponsors 1LIVE Krone: Germany's biggest music prize, the 1LIVE Krone, will be awarded in Bielefeld for the first time. Reason enough for **Dr. Oetker** to be there as the main sponsor, represented by the La Mia Grande brand.

Oetker Digital is developing the Content Intelligence Center together with Dr. Oetker and making it available to 20 Dr. Oetker national companies. The application bundles various data sources in order to develop recipes that meet with a high level of user interest online.

December

Pilot project for warehouse automation: **flaschenpost** equips the Langenfeld goods to be stored and picked using robots.

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