C. Consolidated Financial Statements

Statement of Financial Position as at December 31, 2022

	Note	12/31/2022 EUR'000	12/31/2021 EUR'000
ASSETS			
Non-current assets	(2.1)		
Intangible assets	(2.2)	9,330	9,759
Property, plant and equipment	(2.3)	44,420	43,532
Right-of-use assets	(2.4)	2,298	2,146
Other financial and non-financial assets	(2.5)	1,200	1,312
Deferred tax assets	(2.14)	91	150
Total non-current assets		**57,339**	**56,899**
Current assets			
Inventories	(2.6)	51,134	38,991
Current trade receivables	(2.7)	10,642	7,516
Current income tax assets	(2.8)	989	487
Cash and cash equivalents	(2.9)	13,537	28,297
Other current financial and non-financial assets	(2.10)	12,669	9,953
Total current assets		**88,971**	**85,244**
TOTAL ASSETS		**146,310**	**142,143**

	Note	12/31/2022 EUR'000	12/31/2021 EUR'000
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	(2.11)		
Subscribed capital		24,424	24,424
Additional paid-in capital		6,821	6,821
Retained earnings		23,098	22,000
Currency translation differences and hyperinflation		- 4,233	- 4,389
Total shareholders' equity		**50,110**	**48,856**
Non-current liabilities			
Non-current provisions	(2.12)	7,106	8,645
Non-current financial liabilities	(2.13)	1,317	1,305
Deferred tax liabilities	(2.14)	1,109	848
Total non-current liabilities		**9,532**	**10,798**
Current liabilities			
Alcohol tax liabilities	(2.15)	37,605	36,355
Current provisions	(2.16)	81	81
Current income tax liabilities	(2.17)	455	262
Current financial liabilities	(2.18)	2,591	9,488
Trade payables and other liabilities	(2.19)	45,936	36,303
Total current liabilities		**86,668**	**82,489**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**146,310**	**142,143**

Consolidated Statement of Comprehensive Income for the period from January 1 to December 31, 2022

	Note	2022 EUR'000	2021 EUR'000
Revenues	(3.1)	174,216	146,109
Change in inventories	(3.2)	4,696	336
Other operating income	(3.3)	4,747	3,798
Purchased goods and services	(3.4)	99,652	77,988
Personnel expenses	(3.5)	28,803	26,753
Amortisation and depreciation of assets	(3.6)	8,318	8,649
Impairments	(3.7)	1,299	0
Other operating expenses	(3.8)	38,550	30,142
Gain or loss from the net monetary position in accordance with IAS 29	(3.9)	- 1,195	0
Financial income	(3.10)	57	56
Financial expenses	(3.10)	1,728	1,466
Earnings before income taxes		**4,171**	**5,301**
Income tax expenses	(2.14)	2,070	1,639
Consolidated profit		**2,101**	**3,662**
Currency translation differences and hyperinflation		77	- 765
Items to be reclassified to the income statement at a later date		**77**	**- 765**
Revaluation of defined benefit obligations		1,509	- 85
Deferred taxes on revaluation of defined benefit obligations		- 445	25
Items not to be reclassified to the income statement at a later date		**1,064**	**- 60**
Other comprehensive income	(2.11)	**1,141**	**- 825**
Consolidated comprehensive income		**3,242**	**2,837**
Earnings per share based on profit, attributable to shareholders (in euros per share)			
Basic/ diluted earnings per common share	(3.12)	0.224	0.390

Consolidated Statement of Changes in Shareholders’ Equity for the period from January 1 to December 31, 2022

	Subscribed capital EUR'000	Additional paid-in capital EUR'000	Retained earnings EUR'000	Currency translation differences and hyper-inflation EUR'000	Total equity EUR'000
Balance at 01/01/2021	**24,424**	**6,821**	**19,619**	**- 3,624**	**47,240**
Consolidated profit			3,662		3,662
Other comprehensive income			- 60	- 765	- 825
Consolidated comprehensive income			3,602	- 765	2,837
Dividends paid			- 1,221		- 1,221
Balance at 12/31/2021	**24,424**	**6,821**	**22,000**	**- 4,389**	**48,856**
Adjustment due to first-time application of IAS 29			0	79	79
Balance at 01/01/2022	**24,424**	**6,821**	**22,000**	**- 4,310**	**48,935**
Consolidated profit			2,101	0	2,101
Other comprehensive income			1,064	77	1,141
Consolidated comprehensive income			3,165	77	3,242
Dividends paid			- 2,067		- 2,067
Balance at 12/31/2022	**24,424**	**6,821**	**23,098**	**- 4,233**	**50,110**

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

Consolidated Cash Flow Statement for the period from January 1 to December 31, 2022

	Note	2022 EUR'000	2021 EUR'000
Consolidated profit		2,101	3,662
Income tax expenses	(2.14)	2,070	1,639
Interest income		- 56	- 48
Interest expenses		1,717	1,460
Amortisation and depreciation of assets	(3.6)	8,318	8,649
Impairments of assets	(3.7)	1,299	0
Gain or loss from the net monetary position in accordance with IAS 29	(3.9)	1,195	0
Other non-cash effects		126	- 1,166
Increase (+) / decrease (-) in provisions		- 1,539	- 240
Gains (-) / losses (+) on disposals of property, plant and equipment		113	203
Gains (-) / losses (+) from the disposal of non-current assets held for sale		0	- 433
Increase (+) / decrease (-) in receivables assigned under factoring agreements		5,840	- 5,699
Decrease (+) / increase (-) in other assets		- 23,684	10,633
Increase (+) / decrease (-) in alcohol tax liabilities		1,250	- 6,271
Increase (+) / decrease (-) in other liabilities		9,974	1,899
Cash inflows from subleases		110	89
Cash and cash equivalents generated from operating activities		**8,834**	**14,377**
Income taxes paid		- 2,429	- 1,595
Interest received		50	53
Interest paid		- 1,541	- 1,212
Cash flow from operating activities		**4,914**	**11,623**
Proceeds from disposals of intangible assets		3	0
Payments for investments in intangible assets	(2.2)	- 366	- 481
Proceeds from disposals of property, plant and equipment		37	70
Payments for investments in property, plant and equipment	(2.3)	- 8,689	- 8,008
Cash outflows for the acquisition of subsidiaries		0	- 30
Cash inflows from disposals of non-current assets held for sale		0	1,150
Cash flow from investing activities		**- 9,015**	**- 7,299**
Cash inflows from the utilization of loan agreements		0	7,500
Cash outflows linked to the utilisation of loan agreements		- 24	- 194
Repayment of loans		- 7,500	- 7,536
Dividend payments	(2.11)	- 2,067	- 1,221
Lease liability repayments		- 1,273	- 1,203
Cash flow from financing activities		**- 10,864**	**- 2,654**
Change in cash and cash equivalents		**- 14,965**	**1,670**
Cash and cash equivalents at the start of the period		28,004	26,334
Cash and cash equivalents at the end of the period	(2.9)	**13,039**	**28,004**

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

Notes to the Consolidated Financial Statements of Berentzen-Gruppe Aktiengesellschaft for the 2022 financial year

(1) Policies and methods

(1.1) Information about the Company

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

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

The consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft as at December 31, 2022 have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the interpretations of the IFRS Interpretations Committee as applicable in the European Union (EU). All pronouncements of the International Accounting Standards Board (IASB) that are subject to mandatory application have been taken into account, leading to a true and fair view of the financial position, cash flows and financial performance of Berentzen-Gruppe Aktiengesellschaft. The consolidated financial statements comply with the European Union directive regarding consolidated accounts (Directive 83/349/EEC). As a publicly traded company governed by the law of a member state of the European Union (EU), Berentzen-Gruppe Aktiengesellschaft is required by Article 4 of Regulation (EC) No. 1606/2002 to prepare and publish its consolidated financial statements in accordance with IFRS and the applicable further provisions of commercial law specified in Section 315e (1) of the German Commercial Code (HGB).

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

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

The Executive Board approved the present consolidated financial statements as at December 31, 2022, and the Group management report combined with the management report for the 2022 financial year for publication and submission to the Supervisory Board on March 15, 2023.

(1.3) Effects of significant developments and events

The coronavirus pandemic impacted the business performance of the Berentzen Group in the 2022 financial year, as was the case in the previous two years. Some of the measures taken by federal and state governments to contain the coronavirus continued to have an adverse impact on economic activity in Germany, albeit with declining intensity as the year went on, to the point that some have been largely lifted. The measures include entrance restrictions and regulations imposed on food and drink establishments, extensive social distancing measures and strict rules for events. The coronavirus pandemic is also impacting the sourcing market, resulting on the one hand in a shortage of materials – particularly raw materials and intermediate products – and on the other in supply bottlenecks.

In addition, business performance has been affected by the war between Russia and Ukraine. Even though the Berentzen Group's potential risk of lost revenue directly related to the conflict is very low – in total only around 0.2% (previous year: 0.2%) of Group sales proceeds were generated in Russia and Ukraine in the 2022 financial year – more significant impacts have emerged in the sourcing market, where the war has further aggravated existing supply bottlenecks, leading to massive price increases for energy and materials.

Moreover, general economic conditions in the 2022 financial year were difficult, including in the financial markets, as exemplified in particular by higher (market) interest rates. As a result, among other things, the basic interest rate under IDW S1, published for valuation purposes by the Institute of Public Auditors in Germany (IDW), rose by nearly two percentage points in the 2022 financial year.

In general, all segments of the Berentzen Group are affected by the developments mentioned above. There were nonetheless differences among the segments with regard to the effects of the coronavirus pandemic. For example, the business with non-alcoholic beverages and branded spirits was impacted in particular by the entrance restrictions and regulations governing bars and restaurants in the first quarter, which above all affected the *Non-alcoholic Beverages* segment. In the *Spirits* segment, the cancellation of celebrations also impacted sales performance, in particular of those branded products that tend to be consumed on social occasions. In the *Fresh Juice Systems* segment, the pandemic continued to have a negative impact on the sale of fruit presses, owing to a suspension of investments in the direct and indirect sales channels restaurants and food retailers. Overall, the pandemic continued to have a negative impact on sales revenues in the Berentzen Group. Along with the price increases for energy and materials due to the war between Russia and Ukraine, there were losses in gross profit and negative impacts on the major earnings and performance indicators Group EBITDA and Group EBIT. Nonetheless, Group sales proceeds and the two key indicators mentioned above did rise in the 2022 financial year, but the performance indicators would have come in significantly higher if not for the challenges mentioned.

The rise in interest rates and the special vulnerability of the non-alcoholic beverages market to higher energy prices made it necessary to conduct an ad hoc impairment test for the *Non-alcoholic Beverages* segment or cash-generating unit as at June 30, 2022, September 30, 2022 and December 31, 2022. Consideration was given to the interest rate change in the respective discount rate applied – the weighted average cost of capital (WACC). Based on the results of the impairment tests conducted as at June 30 and September 30, there was no need to recognise impairments or reversals of earlier impairments. However, based on the result of the impairment test conducted as at December 31, an impairment loss of EUR 1.299 thousand was recognised. Further information can be found in Note (3.7).

When preparing the consolidated financial statements, assumptions and estimates are applied which have an impact on the presentation and measurement of the recognised assets, liabilities, income and expenses. Because the consequences in connection with the aforementioned developments and events are unforeseeable, these assumptions and estimates are associated with a heightened level of uncertainty. The amounts actually recorded may deviate from these assumptions and estimates, and changes may have a material impact on the consolidated financial statements.

(1.4) Standards and interpretations applied for the first time

New and amended IFRS standards

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

Standard to be applied for the first time due to hyperinflation

Turkey has been classified as a hyperinflationary economy according to the definition of IAS 29 since June 2022. Because the Turkish lira is the functional currency of the Turkish subsidiary, IAS 29 "Accounting in Hyperinflationary Economies" must be applied retroactively to the separate financial statements of this subsidiary as from the 2022 financial year. The effects from the retroactive adjustment of the opening balance sheet as at January 1, 2022 led to an increase in shareholders' equity of EUR 79 thousand. The comparison amounts were not adjusted, as the consolidated financial statements are prepared in a stable currency.

(1.5) Consolidation principles

Principles of consolidation

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

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

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

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

Business combinations

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

(1.6) Consolidated group

Essentially all domestic and foreign companies controlled by Berentzen-Gruppe Aktiengesellschaft within the meaning of IFRS 10 are included in the consolidated financial statements as at December 31, 2022, alongside Berentzen-Gruppe Aktiengesellschaft. Including Berentzen-Gruppe Aktiengesellschaft, the group of companies included in the consolidated financial statements comprises twelve (previous year: twelve) domestic and two (previous year: two) foreign Group companies.

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

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

The consolidated group is unchanged compared with the consolidated financial statements as at December 31, 2021.

(1.7) List of corporate shareholdings

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

Direct subsidiaries

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

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

Indirect subsidiaries

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

(1.8) Accounting policies

Foreign currency translation

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

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

Hyperinflation

Turkey has been classified as a hyperinflationary economy according to the definition of IAS 29 since June 2022. Because the Turkish lira is the functional currency of the Turkish subsidiary, IAS 29 "Accounting in Hyperinflationary Economies" must be applied retroactively to the separate financial statements of this subsidiary as from the 2022 financial year. The financial statements of the Turkish subsidiary are based on the concept of the historic cost of acquisition and production. The purchasing power adjustment of the non-monetary line items in the statement of financial position and the line items of the statement of comprehensive income was performed on the basis of the consumer price index (CPI). As at December 31, 2022 the price index stood at 1,128.45 (December 31, 2022: 686.95). The adjusted financial statements of the Turkish subsidiary will be converted at the rate on the reporting date. The effects of the purchasing power adjustment of the non-monetary line items in the statement of financial position and the line items of the statement of comprehensive income are presented within the item “Gain or loss from the net monetary position in accordance with IAS 29”.

Intangible assets

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

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

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

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

Property, plant and equipment

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

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

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

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

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

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

Leases

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

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

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

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

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

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

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

Inventories

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

Income taxes, and deferred tax assets and liabilities

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

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

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

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

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

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

Financial instruments

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

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

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

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

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

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

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

Cash and cash equivalents

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

Treasury shares

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

Provisions

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

Employee benefits

The actuarial measurement of the pension provisions for the Company pension plan is carried out using the projected unit credit method prescribed by IAS 19. The defined benefit obligation (DBO) is measured annually by an independent actuary using the projected unit credit method. The present value of the DBO is calculated by discounting the anticipated future cash outflows with the market yields on high quality corporate bonds with equivalent terms to the pension obligations. This was 3.9% during the reporting period (previous year: 0.5%). Actuarial gains and losses based on experience adjustments and the effects of changes to the actuarial assumptions are recognised directly in Other comprehensive income and not in profit or loss.

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

Liabilities

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

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

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

Current liabilities are recognised at their redemption or settlement amount.

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

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

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

Government grants

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

Impairments of financial assets

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

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

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

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

Derecognition of financial assets and liabilities

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

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

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

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

Recognition of income and expenses

The consideration defined in an agreement with a customer is the basis for the measurement of revenues. Revenues are realised when control over the goods is transferred to the customer, i.e. when the goods are delivered. There is no significant financing component, since the actual average period allowed for payment over the entire corporate group is 33 days (previous year: 30 days).

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

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

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

Financial expenses and income are recognised through profit or loss.

Assumptions and estimates

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

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

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

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

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

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

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

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

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

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

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

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

(2.1) Non-current assets

Development of intangible assets and property, plant and equipment in the 2021 and 2022 financial years

	Intangible assets EUR'000	Property, plant and equipment EUR'000	Total non-current assets EUR'000
Acquisition/production cost			
Balance at 01/01/2021	72,596	156,061	228,657
Additions	481	8,008	8,489
Disposals/reclassifications	- 1,573	- 8,914	- 10,487
Currency effects	- 3	- 11	- 14
Balance at 12/31/2021	71,501	155,144	226,645
Additions	366	8,689	9,055
Disposals/reclassifications	- 36	- 3,802	- 3,838
Reclassifications	- 1	1	0
Currency effects	- 1	- 6	- 7
Balance at 12/31/2022	71,829	160,026	231,855
Amortisation/depreciation/impairments			
Balance at 01/01/2021	61,878	113,893	175,771
Additions	1,092	6,420	7,512
Disposals/reclassifications	- 1,226	- 8,690	- 9,916
Currency effects	- 2	- 11	- 13
Balance at 12/31/2021	61,742	111,612	173,354
Additions	790	6,310	7,100
Impairments	0	1,299	1,299
Disposals/reclassifications	- 32	- 3,607	- 3,639
Currency effects	- 1	- 8	- 9
Balance at 12/31/2022	62,499	115,606	178,105
Net carrying amounts 12/31/2022	**9,330**	**44,420**	**53,750**
Net carrying amounts 12/31/2021	**9,759**	**43,532**	**53,291**

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

(2.2) Intangible assets

Development of intangible assets in the 2021 and 2022 financial years

	Goodwill EUR'000	Trademarks, customer lists, and technical knowledge EUR'000	Licences and other intangible assets EUR'000	Advance payments made EUR'000	Total intangible assets EUR'000
Acquisition/production cost					
Balance at 01/01/2021	6,056	62,476	4,064	0	72,596
Additions	0	0	249	232	481
Disposals/reclassifications	0	- 952	- 621	0	- 1,573
Currency effects	0	0	- 3	0	- 3
Balance at 12/31/2021	6,056	61,524	3,689	232	71,501
Additions	0	4	362	0	366
Disposals	0	0	- 36	0	- 36
Reclassifications	0	0	231	- 232	- 1
Currency effects	0	0	- 1	0	- 1
Balance at 12/31/2022	6,056	61,528	4,245	0	71,829
Amortisation/depreciation/impairments					
Balance at 01/01/2021	0	59,133	2,745	0	61,878
Additions	0	776	316	0	1,092
Disposals/reclassifications	0	- 654	- 572	0	- 1,226
Currency effects	0	0	- 2	0	- 2
Balance at 12/31/2021	0	59,255	2,487	0	61,742
Additions	0	460	330	0	790
Disposals	0	0	- 32	0	- 32
Currency effects	0	0	- 1	0	- 1
Balance at 12/31/2022	0	59,715	2,784	0	62,499
Net carrying amounts 12/31/2022	**6,056**	**1,813**	**1,461**	**0**	**9,330**
Net carrying amounts 12/31/2021	**6,056**	**2,269**	**1,202**	**232**	**9,759**

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

	12/31/2022 EUR'000	12/31/2021 EUR'000
Trademarks	1,813	2,077
Technical knowledge	0	192
Trademarks, customer lists, and technical knowledge	1,813	2,269
Goodwill	6,056	6,056
Licences and other intangible assets	1,461	1,202
Advance payments made	0	232
	9,330	**9,759**

Pursuant to IAS 36.10, the goodwill capitalised in financial year 2014 within the framework of the acquisition of Citrocasa GmbH or to be allotted to the *Fresh Juice Systems* CGU in the amount of EUR 6,056 thousand (previous year: EUR 6,056 thousand) is subject to annual impairment testing. The impairment test performed in the 2022 financial year did not give rise to any impairment (as was the case in the previous year). The recoverable amount is determined using the fair value less costs to sell. The fair value less costs to sell was calculated by determining the present value of the future anticipated cash flows (discounted cash flow method), using a planning period of three years.

The weighted average cost of capital (WACC) of an appropriate peer group was applied as the discount rate. This discount rate determined for the CGU was 5.7% (previous year: 3.6%). The parameters for the weighted average cost of capital were determined on the basis of values derived from external market conditions. The applied growth rate was 1.0% (previous year: 1.0%).

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

As in the previous year, no intangible assets were encumbered with security interests as at December 31, 2022. As in the previous year, there were no contractual commitments to purchase intangible assets as at December 31, 2022.

Costs for research and development in the amount of EUR 1,609 thousand (previous year: EUR 1,564 thousand) were recognised as an expense in the reporting period.

(2.3) Property, plant and equipment

Development of property, plant and equipment in the 2021 and 2022 financial years

	Land and buildings EUR'000	Technical equipment and machinery EUR'000	Other equipment, operational and office equipment EUR'000	Advances to suppliers and construction in progress EUR'000	Total property, plant and equipment EUR'000
Acquisition/production cost					
Balance at 01/01/2021	47,757	79,048	29,158	98	156,061
Additions	56	1,160	3,816	2,976	8,008
Disposals	- 10	- 6,594	- 2,310	0	- 8,914
Reclassifications	0	58	8	- 66	0
Currency effects	1	0	- 12	0	- 11
Balance at 12/31/2021	47,804	73,672	30,660	3,008	155,144
Additions	765	951	4,647	2,326	8,689
Disposals	- 3	- 632	- 3,167	0	- 3,802
Reclassifications	297	2,648	63	- 3,007	1
Currency effects	0	0	- 6	0	- 6
Balance at 12/31/2022	48,863	76,639	32,197	- 2,327	160,026
Depreciation/impairments					
Balance at 01/01/2021	27,218	63,654	21,021	0	113,893
Additions	824	2,446	3,130	0	6,420
Disposals	- 7	- 6,405	- 2,278	0	- 8,690
Currency effects	1	1	- 11	0	- 11
Balance at 12/31/2021	30,034	59,716	21,826	0	111,612
Additions	925	2,152	3,233	0	6,310
Impairments	476	823	0	0	1,299
Disposals	- 3	- 585	- 3,019	0	- 3,607
Currency effects	0	0	- 8	0	- 8
Balance at 12/31/2022	31,432	62,106	22,068	0	115,606
Net carrying amounts 12/31/2022	**17,431**	**14,533**	**10,129**	**- 2,327**	**44,420**
Net carrying amounts 12/31/2021	**17,770**	**13,956**	**8,798**	**3,008**	**43,532**

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

As in the previous year, no items of property, plant and equipment were encumbered with security interests as at December 31, 2022. As in the previous year, there were no contractual commitments to purchase items of property, plant and equipment as at December 31, 2022.

Operating leases

The Berentzen Group acts as a lessor under rental and lease agreements that are classified as operating leases. These agreements essentially relate to the leasing business involving fruit presses in the *Fresh Juice Systems* segment as well as to the leasing of building parts and storage facilities. In the financial year rental and lease payments of EUR 167 thousand were received (previous year: EUR 179 thousand). The maturities of the instalments from operating leases to be received in future break down as follows:

	2022 EUR'000	2021 EUR'000
Up to 1 year	73	72
Longer than 1 year and up to 2 years	0	0
Longer than 2 years and up to 3 years	0	0
Longer than 3 years and up to 4 years	0	0
Longer than 4 years and up to 5 years	0	0
Longer than 5 years	0	0
Total operating lease payments	**73**	**72**

(2.4) Leases

The Berentzen Group acts as the lessee in various leases. The leases entered into essentially relate to the vehicle fleet, leased offices and business premises, and plant and office equipment. In the 2022 financial year, the total cash outflow for leases amounts to EUR 1,559 thousand (previous year: EUR 1,487 thousand). The carrying amounts of right-of-use assets developed as follows:

	Vehicle fleet EUR'000	Buildings EUR'000	Other EUR'000	Total EUR'000
Carrying value at January 1, 2021	1,651	358	113	2,122
Additions to right-of-use assets	838	0	13	851
Depreciation and amortisation	- 871	- 211	- 55	- 1,137
Other changes	13	276	21	310
Carrying value as at December 31, 2021	**1,631**	**423**	**92**	**2,146**
Additions to right-of-use assets	740	33	74	847
Depreciation and amortisation	- 928	- 228	- 62	- 1,218
Other changes	244	253	26	523
Carrying value as at December 31, 2022	**1,687**	**481**	**130**	**2,298**

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

	2022 EUR'000	2021 EUR'000
Depreciation and amortisation	- 1,218	- 1,137
Interest expense	- 68	- 68
Short-term lease expense	- 131	- 153
Expense for leases of low-value assets	- 86	- 55
Income from the sublease of right-of-use assets	4	4
Total	**- 1,499**	**- 1,409**

The expected future lease payments from extension and termination options that are not reasonably certain and are not taken into account in determining the lease liability amount to EUR 268 thousand (previous year: EUR 280 thousand).

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

(2.5) Other financial and non-financial assets

	12/31/2022 EUR'000	12/31/2021 EUR'000
Shares in affiliated companies	761	761
Receivables under finance leases	163	176
Accrued revenue reductions	153	179
Syndicated loan transaction costs	80	153
Shares in cooperatives	32	32
Equity interests	11	11
	1,200	**1,312**

Shares in affiliated companies

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

Receivables under finance leases

There are lease agreements in the *Fresh Juice Systems* segment that are to be classified as finance leases on account of their contractual terms. These agreements essentially relate to the leasing business involving fruit presses. In addition, the Berentzen Group subleased bicycles to employees. These subleases are finance leases. The non-current portion of the receivables under finance leases amounts to EUR 163 thousand (previous year: EUR 176 thousand) and is presented within Other financial assets. The current portion of the receivables amounts to EUR 177 thousand (previous year: EUR 199 thousand) and is capitalised under Other current financial assets (Note (2.10)).

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

	2022		2021	
	Lease payments EUR'000	Non-guaranteed residual values EUR'000	Lease payments EUR'000	Non-guaranteed residual values EUR'000
Up to 1 year	183	7	187	26
Longer than 1 year and up to 2 years	110	12	119	7
Longer than 2 years and up to 3 years	36	11	48	12
Longer than 3 years and up to 4 years	3	0	0	0
Longer than 4 years and up to 5 years	0	0	0	0
Longer than 5 years	0	0	0	0
Gross investment in leases	**362**		**399**	
Unrealised financial income	- 22		- 24	
Net investment in leases	**340**		**375**	

Syndicated loan transaction costs

The syndicated loan agreement concluded in December 2016 was extended in the 2021 financial year. The maturity date is now December 31, 2026. The total volume of funding available from the loan agreement amounts to EUR 33,000 thousand. Transaction costs amounting to EUR 194 thousand were incurred directly as a result of the extension. The transaction costs are shown under financial assets and reversed as expenses over the course of the loan agreement. As at December 31, 2022, EUR 80 thousand (previous year: EUR 153 thousand) was shown under non-current financial assets and EUR 27 thousand (previous year: EUR 38 thousand) under current financial assets. The pro-rated transaction costs included in the financial expenses for financial year 2022 amount to EUR 85 thousand (EUR 3 thousand). Utilisations of the syndicated loan agreement bear Interest at a variable rate on the basis of the EURIBOR reference rate plus a fixed interest margin. In addition, a commitment fee will become due for the portion not utilised.

(2.6) Inventories

	12/31/2022 EUR'000	12/31/2021 EUR'000
Raw materials	4,570	3,085
Packaging and equipment	4,952	3,392
Supplies	114	109
Raw materials and supplies	9,636	6,586
Work in progress	20,732	18,278
Finished products	12,460	10,218
Merchandise for resale	8,306	3,909
Finished products and merchandise for resale	20,766	14,127
Inventories	**51,134**	**38,991**

When measuring inventories at the lower of cost or net realisable value, write-downs totalling EUR 224 thousand (previous year: EUR 63 thousand) were charged on inventories. The carrying amount of the inventories measured at net realisable value totalled EUR 1.582 thousand (previous year: EUR 722 thousand). The write-downs were recognised in profit or loss and presented within Other operating expenses and Change in inventories.

(2.7) Current trade receivables

The following table shows the breakdown of current trade receivables:

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

December 31, 2021	Ongoing and less than 30 days past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Gross receivables portfolio (EUR'000)	7,365	48	97	180	7,690
Loss rate	0.5%	0.0%	1.0%	77.2%	
Impairment loss (EUR'000)	- 34	0	- 1	- 139	- 174
Net receivables portfolio (EUR'000)	**7,331**	**48**	**96**	**41**	**7,516**

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

	2022 EUR'000	2021 EUR'000
Balance at 1/1	**174**	**227**
Additions	41	29
Use	0	- 11
Reversals	- 30	- 71
Balance at 12/31	**185**	**174**

Transfers of financial assets

As part of its external funding, the Berentzen Group also utilises factoring lines. The total available financing amount on the basis of two factoring agreements is EUR 60,000 thousand (previous year: EUR 55,000 thousand). The Group can also access a formally unlimited factoring line based on three additional centralised settlement and factoring agreements which stipulate no maximum commitment; instead, the possible drawdown is limited only by the available amount of saleable receivables. The factor concerned normally purchases the receivables at face value. The purchase prices are disbursed less retentions and provisions for bonuses and discounts; in this context, the retentions amount to between 6% and 20% of the face value of the receivables and the companies of the Berentzen Group are required to report the provisions for bonuses and discounts on a monthly basis. Furthermore, any charges and interest accruing are retained. As at December 31, 2022, trade receivables amounting to EUR 56,080 thousand (previous year: EUR 48,575 thousand) had been sold and assigned to the respective factoring companies.

In some instances, interest payments are payable to the factor for the financial assets transferred to the factor up to the date payment is received by the factor, but no more than 120 days after the due date of the receivables. The interest rate to be applied is derived from the 1-week or 3-month Euribor plus a fixed component. This gives rise to the risk of the Berentzen Group having to make additional interest payments due to payments received late or not at all by the factor (late payment risk). The maximum loss from late payment risk for the amounts already transferred amounts to EUR 432 thousand at the reporting date (previous year: EUR 54 thousand). The fair value of the obligation arising from late payment risk totals EUR 37 thousand (previous year: EUR 9 thousand). Some of the servicing activities for the receivables sold under factoring agreements, notably including the reminder procedures, have remained with the Berentzen Group. The resulting liability has not been recognised due to the immateriality of the amount.

Because almost all of the risks and rewards incident to ownership of the financial assets were transferred to the factor, the trade receivables sold were completely derecognised in accordance with IFRS 9.3.2.6 (a). The remaining late payment risk was recognised as an asset representing a continuing involvement of EUR 483 thousand in the 2022 financial year (previous year: EUR 166 thousand). A liability of the same amount was recognised at the same time.

The following table shows the effect of factoring on various items in the Statement of Financial Position:

	Item in the Statement of Financial Position	12/31/2022 EUR'000	12/31/2021 EUR'000
Trade receivables sold and assigned	Current trade receivables	56,080	48,575
Continuing involvement	Other current financial and non-financial assets	483	166
Security retentions and provisions for bonuses and discounts	Other current financial and non-financial assets	8,978	7,312
Cash available	Cash and cash equivalents	8,250	25,812
Cash transferred	Cash and cash equivalents	38,847	15,445
Continuing involvement	Current financial liabilities	483	166
Interest liability from continuing involvement	Current financial liabilities	16	7
Retained interest/ charges/ insurance	Retained earnings/ consolidated comprehensive income	1,144	820

The factor retained collateral amounting to EUR 8,978 thousand (previous year: EUR 7,312 thousand), presented under Other current assets, to secure any deductions from the face value of receivables.

The available cash of EUR 8.250 thousand (previous year: EUR 25.812 thousand) shown in the table above reflects the balance of the cash arising from the sale of trade receivables that has not yet been drawn down by the Berentzen Group from the factor’s customer settlement account. Although these amounts in the customer settlement accounts may be drawn down by the Berentzen Group at any time, they had not been utilised or drawn down at the reporting date. The available cash is covered in more detail in Note (2.9) Cash and cash equivalents. At the same time, the transferred cash of EUR 38,847 thousand (previous year: EUR 15,445 thousand) had already been credited to the current accounts maintained by the Berentzen Group with other banks.

At the time of derecognition of the financial assets, losses totalling EUR 1,144 thousand (previous year: EUR 820 thousand) were incurred during the reporting period. The gains are presented in Financial income in the amount of EUR 1,014 thousand (previous year: EUR 702 thousand) and the losses in Other operating expenses in the amount of EUR 130 thousand (previous year: EUR 118 thousand).

The factoring financing lines (receivables sold) utilised at the reporting date are expected to yield interest payments of EUR 122 thousand (previous year: EUR 20 thousand) for the first quarter of 2023. The interest payments depend among other things on the due dates of the receivables and the different interest rates applicable.

(2.8) Current income tax receivables

	12/31/2022 EUR'000	12/31/2021 EUR'000
Claims to income tax refunds (corporation tax, trade tax)	989	487
	989	**487**

(2.9) Cash and cash equivalents

	12/31/2022 EUR'000	12/31/2021 EUR'000
Cash in banks and cash on hand	13,537	28,297
	13,537	**28,297**

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

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

	12/31/2022 EUR'000	12/31/2021 EUR'000
Cash and cash equivalents		
Cash on hand	13	10
Current account receivables due from banks	5,274	2,475
Receivables from customer settlement accounts with banks	8,250	25,812
Receivables due from banks	13,524	28,287
	13,537	**28,297**
Current financial liabilities		
Overdraft facilities with banks	498	293
	498	**293**
	13,039	**28,004**

(2.10) Other current financial and non-financial assets

	12/31/2022 EUR'000	12/31/2021 EUR'000
Receivables from factoring haircut	8,978	7,312
Refund claims	877	883
VAT receivables	590	581
Continuing involvement	483	166
Other items	1,741	1,011
	12,669	**9,953**

(2.11) Shareholders' equity

Subscribed capital

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

	12/31/2022		12/31/2021	
	EUR'000	No.	EUR'000	No.
Common shares (Bearer shares)	24,960	9,600,000	24,960	9,600,000
Capital stock	24,960	9,600,000	24,960	9,600,000
Treasury shares	- 536	- 206,309	- 536	- 206,309
Subscribed (outstanding) capital / shares outstanding	24,424	9,393,691	24,424	9,393,691

In financial years 2015 and 2016, 206,309 no par value shares were acquired by Berentzen-Gruppe Aktiengesellschaft within the scope of a share buy-back programme. This corresponds to an imputed share of capital stock equal to EUR 536 thousand and thus 2.15% of the Company's capital stock. The average purchase price per share was EUR 7.2706. The shares were purchased for a total purchase price of EUR 1,500 thousand (excluding transaction costs). The cumulative difference between the imputed nominal value and the acquisition cost of the treasury shares purchased was EUR 971 thousand and was offset against retained earnings.

Authorised Capital (not issued)

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

Additional paid-in capital

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

Profit utilisation / dividend

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

At the annual general meeting of May 18, 2022, it was resolved to use the distributable profit of EUR 14,435 thousand (previous year: EUR 14,991 thousand) presented in the annual financial statements of Berentzen-Gruppe Aktiengesellschaft for the 2021 financial year to pay a dividend of EUR 0.22 per qualifying common share (previous year: EUR 0.13) for the 2021 financial year and to carry forward the remaining amount to new account. In consideration of the treasury shares held by the Company at the date of the annual general meeting, which do not qualify for dividends in accordance with Section 71b AktG, this amount corresponded to a total distribution of approximately EUR 2,067 thousand (previous year: EUR 1,221 thousand) and a carry-forward to new account of approximately EUR 12,368 thousand (previous year: EUR 13,770 thousand).

The Executive Board of Berentzen-Gruppe Aktiengesellschaft will propose to the Annual General Meeting that the distributable profit presented in the separate commercial-law financial statements of Berentzen-Gruppe Aktiengesellschaft in the amount of EUR 9,931 thousand for the 2022 financial year be utilised to pay a dividend of EUR 0.22 per qualifying common share for the 2022 financial year and the rest be carried forward to new account. In consideration of the treasury shares held by the Company at the date of the Annual General Meeting, which do not qualify for dividends in accordance with Section 71b AktG, this amount corresponded to an expected total distribution of approximately EUR 2,067 thousand and a carry-forward to new account of approximately EUR 7,864 thousand. Payment of this dividend is dependent on the approval of the annual general meeting of May 10, 2023. The number of shares eligible for dividends may change in the time leading up to the Annual General Meeting. In this case, given an unchanged dividend of EUR 0.22 per common share qualifying for dividends, a correspondingly adjusted recommended resolution for the utilisation of distributable profit will be proposed to the Annual General Meeting.

Currency translation differences and hyperinflation

As at June 30, 2022, IAS 29 "Accounting in Hyperinflationary Economies" was required to be applied for the first time to the separate financial statements of the Turkish subsidiary. The hyperinflation adjustment totalling EUR 709 thousand had a negative effect on the consolidated net income as at December 31, 2022.

This net income effect, the effects of the retroactive opening balance sheet adjustment as at January 1, 2022, and the purchase price adjustment of the shareholders' equity line item as at December 31, 2022, recognised under Other net income, led in total to an increase in shareholders' equity in the amount of EUR 97 thousand.

(2.12) Non-current provisions

	12/31/2022 EUR'000	12/31/2021 EUR'000
Pension provisions	5,804	7,968
Other non-current provisions	1,302	677
	7,106	**8,645**

Pension provisions

Defined benefit plans

The pension provisions based on defined benefit plans pertain to the post-employment benefit obligations (old age, disability, and survivor's pensions) of the companies included in the consolidated financial statements, which are governed by different pension codes. The amount of individual benefits depends on the length of service with the Company and the age and/or salary level of the employee. For the most part, this relates to non-covered pension plans for which the Company itself settles the obligations as soon as they fall due for payment. Some of the obligations are secured by reinsurance policies worth EUR 13 thousand (previous year: EUR 12 thousand) although these are not classified as plan assets within the meaning of IAS 19; these are presented as other current assets.

The benefit obligations cover a total of 183 (previous year: 200) beneficiaries, of whom 182 (previous year: 199) are pensioners and surviving dependants, and 1 (previous year: 1) is a former employee receiving benefits. No defined benefit commitments are being made to newly hired employees at this time. Even if no further benefits become vested at all from commitments made in the past, the Company is nonetheless obliged to continue bearing the resulting actuarial risk, like interest rate risk and longevity risk.

In accordance with IAS 19, the provisions for pension and similar obligations are calculated in accordance with the projected unit credit method for defined benefit plans. The figures are determined on the basis of actuarial reports. The following table shows the development of the defined benefit obligation (DBO) as at December 31, 2022:

	2022 EUR'000	2021 EUR'000
DBO at the start of the financial year	7,968	8,567
Interest expenses on DBO	38	28
Revaluations		
Actuarial gains / losses due to change in financial assumptions	- 1,661	- 110
Actuarial gains / losses due to change in experience-based adjustments	153	195
Pension benefits paid	- 694	- 712
DBO at the end of the financial year	**5,804**	**7,968**

Of the DBO at the end of the 2022 financial year, EUR 5,781 thousand (previous year: EUR 7,931 thousand) relates to pensioners and surviving dependants, and EUR 23 thousand (previous year: EUR 37 thousand) to former employees receiving benefits.

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

	2022 EUR'000	2021 EUR'000
Interest expenses on DBO	38	28
Expenses recognised in the consolidated Income Statement	**38**	**28**
Actuarial gains (-) / losses (+)	- 1,508	85
Expenses/ income recognised in Other comprehensive income	**- 1,508**	**85**
Total pension expenses	**- 1,470**	**113**

Actuarial assumptions

The pension obligations are measured on the basis of actuarial reports. The following parameters have been applied: an actuarial interest rate of 3.9% p.a. (previous year: 0.5% p.a.), a rate of increase in future compensation of 0% p.a. (previous year: 0% p.a.) and an imputed rate of increase in pension benefits of 1.5% p.a. (previous year: 1.5% p.a.). The actuarial calculations for the 2022 and 2021 financial years are based on the 2018 G standard tables prepared by Professor Klaus Heubeck.

Sensitivity analysis

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

		DBO 12/31/2022 EUR'000	DBO 12/31/2021 EUR'000
Actuarial interest rate	+ 1.0 PP	5,440	7,337
	- 1.0 PP	6,217	8,704
Rate of increase in pension benefits	+ 0.5 PP	6,007	8,302
	- 0.5 PP	5,613	7,657
Rate of increase in future compensation	+ 0.5 PP	5,804	7,969
	- 0.5 PP	5,804	7,969
Life expectancy	+ 1 year	6,083	8,422
	- 1 year	5,531	7,531

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

Expected pension payments

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

	Expected pension payments EUR'000
2023	675
2024	637
2025	597
2026	560
2027	525
2028 - 2032	2,108

The average weighted maturity of the benefit obligations as at December 31, 2022, is around 7 years (previous year: 8 years).

Defined contribution plans

As a general rule, the Berentzen Group currently grants its employees post-employment benefits in the form of defined contribution plans. Within the framework of deferred compensation and employer allowances, contributions to post-retirement benefits are essentially paid into a pension fund or pension plans for the employees. Employer contributions of EUR 90 thousand (previous year: EUR 87 thousand) to these defined contribution plans were recognised in Personnel expenses in the 2022 financial year. Allowances are expected to amount to a similar level in the 2023 financial year.

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

In the 2022 financial year, employer contributions of EUR 1.672 thousand (previous year: EUR 1.548 thousand) were paid to the statutory state insurance scheme in Germany and employer contributions of EUR 208 thousand (previous year: EUR 214 thousand) were paid to statutory pension insurance schemes in other countries.

Other non-current provisions

	12/31/2022 EUR'000	12/31/2021 EUR'000
Compensation with performance-based components	1,060	437
Service anniversary awards	242	240
	1,302	**677**

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

Provisions for service anniversary awards are accrued taking into account a general employer contribution to social security of 20% in line with the employee's present length of service and discounted using an interest rate of 1.5% (previous year: 1.4%). The provision is formed on the basis of current employee numbers and future claims to the aforementioned payments through the age of 65. The figures calculated are based on reports using a fluctuation rate of 5.0% and the 2018 G standard tables prepared by Professor Klaus Heubeck as the biometric basis of calculation based on the projected unit credit method in accordance with the generally accepted principles of actuarial mathematics.

Analysis of provisions

	Pension provisions EUR'000	Other non-current provisions EUR'000	Current provisions EUR'000	Total EUR'000
Balance at 01/01/2022	**7,968**	**677**	**81**	**8,726**
Use	694	21	81	796
Addition	0	660	81	741
Compounding	38	0	0	38
Reversal	1,508	14	0	1,522
Balance at 12/31/2022	**5,804**	**1,302**	**81**	**7,187**

(2.13) Non-current financial liabilities

	12/31/2022 EUR'000	12/31/2021 EUR'000
Lease liabilities	1,317	1,305
	1,317	**1,305**

(2.14) Deferred taxes and income tax expenses

	12/31/2022 EUR'000	12/31/2021 EUR'000
Deferred tax assets	91	150
Deferred tax liabilities	1,109	848

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

	12/31/2022		12/31/2021	
	Deferred tax assets EUR'000	Deferred tax liabilities EUR'000	Deferred tax assets EUR'000	Deferred tax liabilities EUR'000
ASSETS				
Non-current assets				
Intangible assets	0	574	4	724
Property, plant and equipment	75	906	27	1,009
Other financial assets	0	0	1	0
Current assets				
Inventories	92	13	162	4
Current trade receivables	11	12	0	10
Other current assets	0	216	0	153
SHAREHOLDERS‘ EQUITY AND LIABILITIES				
Non-current liabilities				
Non-current provisions	325	0	883	0
Current liabilities	414	214	125	0
Subtotal for temporary differences	917	1,935	1,202	1,900
Capitalisation of tax loss carry-forwards	0		0	
Netting	- 826	- 826	- 1,052	- 1,052
Deferred taxes shown in the Statement of Financial Position	**91**	**1,109**	**150**	**848**

Deductible temporary differences without tax assets capitalised amounted to EUR 1.518 thousand (previous year: EUR 305 thousand); impairment losses on deferred tax assets amounted to EUR 448 thousand (previous year:

EUR 86 thousand). The temporary differences related to the equity interest in subsidiaries of Berentzen-Gruppe Aktiengesellschaft, for which no deferred tax liabilities were recognised in accordance with IAS 12.39, amounted to EUR 42 thousand (previous year: EUR 3 thousand).

The reserve of tax loss carry-forwards at the end of the financial year is as follows:

	12/31/2022 EUR'000	12/31/2021 EUR'000
For corporation tax	328	413
For trade tax	10,692	7,529

No deferred tax assets were recognised in respect of corporate tax loss carry-forwards of EUR 328 thousand (previous year: EUR 413 thousand) and trade tax carry-forwards of EUR 10,692 thousand (previous year: EUR 7,529 thousand) despite the positive profit forecasts in specific cases, due to the loss history.

The trade tax loss carry-forwards can all be used without limitation in time. The time periods over which corporation tax loss carry-forwards for which no deferred tax assets were recognised are presented in the table below.

	12/31/2022 EUR'000	12/31/2021 EUR'000
Corporation tax loss carry-forwards	328	413
Expiry date within		
1 year	0	0
2 years	0	0
3 years	0	2
4 years	0	147
5 years	0	0
More than 5 years	0	0
Unlimited usability	328	264

Income tax expenses

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

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

	2022 EUR'000	2021 EUR'000
Earnings before taxes		
Germany	778	4,043
Austria	1,854	1,011
Turkey	1,539	247
	4,171	**5,301**
Taxes paid or owed		
Germany (of which attributable to other periods: EUR 54 thousand; previous year: EUR 1 thousand)	1,232	1,704
Austria (of which attributable to other periods EUR 0 thousand; previous year: EUR 0 thousand)	449	259
Turkey (of which attributable to other periods: EUR 0 thousand; previous year: EUR 0 thousand)	528	0
	2,209	**1,963**
Deferred taxes	**- 139**	**- 324**
Income tax expenses	**2,070**	**1,639**

Due to the change in deferred tax assets recognised in respect of actual gains and losses in connection with the accounting treatment of pension provisions, deferred tax expense of EUR 445 thousand (previous year: deferred tax income of EUR 25 thousand) was additionally recognised in other comprehensive income.

Tax loss carry-forwards of EUR 332 thousand (previous year: EUR 283 thousand) were utilised to reduce corporation tax expenses in the current financial year. The utilisation of tax loss carry-forwards from previous years led to a reduction in taxes on income paid and/or owed of EUR 76 thousand (previous year: EUR 71 thousand) in 2022.

The income tax expenses for the 2022 financial year in the amount of EUR 2,070 thousand (previous year: EUR 1,639 thousand) differed by EUR 840 thousand (previous year: EUR 75 thousand) from the expected tax expenses of EUR 1,230 thousand (previous year: EUR 1,564 thousand) that would have resulted from the application of an expected average tax rate of 29.5% to the Group's earnings before income taxes. The following reconciliation shows the causes of the difference between expected and actual tax expenses in the corporate group:

	2022 EUR'000	2021 EUR'000
Profit after taxes	2,101	3,662
Actual income tax expenses	2,209	1,963
Deferred income tax expenses	- 139	- 324
Income tax expenses	2,070	1,639
Earnings before income taxes	**4,171**	**5,301**
Applicable tax rate	29.5%	29.5%
Expected income tax expenses	**1,230**	**1,564**
Tax effect of trade tax additions	78	41
Tax effect of trade tax reductions	- 16	- 17
Tax increases/reductions due to non-deductible expenses	337	39
Permanent differences from items of the Statement of Financial Position	- 49	- 13
Tax effects of loss carry-forwards and temporary differences	638	50
Current taxes attributable to other periods	54	2
Deferred taxes attributable to other periods	0	0
Deferred taxes arising from other tax benefits	37	- 25
Change in deferred taxes due to amended tax rates	- 47	1
Different domestic/foreign tax rates	- 195	- 11
Other	3	8
Income tax expenses	**2,070**	**1,639**
Effective tax rate in %	**49.6%**	**30.9%**

(2.15) Alcohol tax liabilities

	12/31/2022 EUR'000	12/31/2021 EUR'000
Alcohol tax liabilities	37,605	36,355
	37,605	**36,355**

The stated amount pertains to the reported alcohol tax for the months of November and December 2022, which is payable on January 5 and February 5 of the following year, respectively, pursuant to the German Alcohol Tax Act.

(2.16) Current provisions

	12/31/2022 EUR'000	12/31/2021 EUR'000
Costs of annual financial statements	81	81
	81	**81**

(2.17) Current income tax liabilities

	12/31/2022 EUR'000	12/31/2021 EUR'000
Current income tax liabilities (corporation tax, trade tax)	455	262
	455	**262**

(2.18) Current financial liabilities

	12/31/2022 EUR'000	12/31/2021 EUR'000
Lease liabilities	1,029	971
Liabilities to non-consolidated affiliated companies	565	551
Liabilities to banks	498	7,793
Continuing involvement	483	166
Interest liability continuing involvement	16	7
	2,591	**9,488**

As at December 31, 2021, liabilities due to banks included the short-term utilisation of the syndicated loan agreement concluded in December 2016 in the amount of EUR 7,500 thousand. No utilisation occurred as at December 31, 2022, however.

(2.19) Trade payables and other liabilities

	12/31/2022 EUR'000	12/31/2021 EUR'000
Trade payables	17,214	11,238
Marketing and sales commitments, and bonuses	11,988	13,421
Liabilities for payroll, sales and other taxes	4,862	4,801
Money deposited as security	3,535	1,301
Supplier invoices outstanding	2,864	1,571
Debtors with credit balances	2,065	611
Liabilities for salary components relating to other periods	1,159	1,250
Governments grants for investments	634	721
Other	1,615	1,389
	45,936	**36,303**

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

(2.20) Analysis of contractual residual maturities of financial liabilities

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

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

	Carrying amount 12/31/2021 EUR'000	up to 1 year		1 to 5 years		more than 5 years	
		Principal repayment EUR'000	Future interest payments EUR'000	Principal repayment EUR'000	Future interest payments EUR'000	Principal repayment EUR'000	Future interest payments EUR'000
Liabilities to banks	7,793	7,793	3	0	0	0	0
Lease liabilities	2,276	969	51	1,303	42	0	0
Other current financial liabilities	724	724	4	0	0	0	0
Trade payables	11,238	11,238	0	0	0	0	0
Other liabilities	25,065	25,065	0	0	0	0	0
- of which financial liabilities not subject to IFRS 9	7,862	7,862	0	0	0	0	0
Total	**47,096**	**45,789**	**58**	**1,303**	**42**	**0**	**0**

All financial instruments held as at December 31, 2022, and for which payments had already been contractually agreed are included. Budgeted amounts for future new liabilities are not included. The variable interest payments were determined on the basis of the interest rates last fixed before December 31, 2022. The future interest payments include fixed interest payments on short-term drawings as well as the interest portion of future lease payments.

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

(2.21) Financial instruments

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

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

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

- Level 1: The input factors are quoted (not adjusted) prices in active markets for identical assets or liabilities, which the company can access at the measurement date.

- Level 2: The input factors are inputs other than the quoted market prices applied in Level 1, which are observable for the asset or liability, either directly or indirectly.

- Level 3: The input factors are unobservable inputs for the asset or liability.

As in the previous year, there were no regroupings among the levels in the 2022 financial year.

Carrying amounts and fair values by category of financial instrument

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

	Category in accordance with IFRS 9	12/31/2022 Carrying amount EUR'000	12/31/2022 Fair value EUR'000	12/31/2021 Carrying amount EUR'000	12/31/2021 Fair value EUR'000
Assets					
Cash and cash equivalents	AC [1]	13,537	13,537	28,297	28,297
Trade receivables	AC	10,642	10,642	7,516	7,516
Other financial assets					
Equity instruments	FVPL [2]	804	804	804	804
Other financial assets	AC	11,747	11,747	9,215	9,215
Liabilities					
Liabilities to banks	AC	498	498	7,793	7,793
Trade payables	AC	17,214	17,214	11,238	11,238
Other financial liabilities	AC	21,895	21,895	17,926	17,926

[1] Amortised cost.

[2] Fair Value through Profit & Loss.

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

(3.1) Revenues

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

	2022 EUR'000	2021 EUR'000
Spirits segment	103,976	92,657
Non-alcoholic Beverages segment	44,649	35,346
Fresh Juice Systems segment	18,816	15,363
Other segments	6,775	2,743
Revenues	**174,216**	**146,109**

(3.2) Change in inventories

	2022 EUR'000	2021 EUR'000	Change EUR'000
Work in progress	20,732	18,278	+ 2,454
Finished products	12,460	10,218	+ 2,242
Change in inventories			**+ 4,696**

(3.3) Other operating income

	2022 EUR'000	2021 EUR'000
Reversal of liabilities (accruals)	1,558	809
Sales of empty containers and deposit refunds	952	541
Waste recycling	561	380
Foreign exchange loss	413	43
Income from compensation of loss and damage	350	102
Costs allocations/ cost reimbursements	239	359
Rental income	201	199
Miscellaneous other operating income	473	1,365
	4,747	**3,798**

(3.4) Purchased goods and services

	2022 EUR'000	2021 EUR'000
Cost of raw materials and supplies, and merchandise for resale	90,291	73,318
Cost of purchased services	9,361	4,670
	99,652	**77,988**

(3.5) Personnel expenses

	2022 EUR'000	2021 EUR'000
Wages and salaries	24,374	22,646
Social security	4,380	4,098
Pension costs	49	9
	28,803	**26,753**

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

	Annual average		Year-end	
	2022	**2021**	**2022**	**2021**
Salaried staff	265	264	265	266
Wage-earning staff	207	204	204	199
	472	**468**	**469**	**465**
Apprentices	25	25	26	24
	497	**493**	**495**	**489**

Based on full-time equivalents, the workforce increased from an annual average of 417 to 422.

(3.6) Depreciation and amortisation of assets

	2022 EUR'000	**2021 EUR'000**
Depreciation of property, plant and equipment	6,310	6,420
Depreciation of right-of-use assets	1,218	1,137
Amortisation of intangible assets	790	1,092
	8,318	**8,649**

(3.7) Impairments of assets

	2022 EUR'000	**2021 EUR'000**
Impairments of property plant and equipment	1,299	0
	1,299	**0**

In the 2022 financial year, there were steep price increases and high inflation rates in commodities markets and difficult conditions on financial markets, including higher (market) interest rates. As a result, among other things, the basic interest rate under IDW S1, published for valuation purposes by the Institute of Public Auditors in Germany (IDW), rose by nearly two percentage points in the 2022 financial year. In addition, the non-alcoholic beverages market has shown a particular vulnerability to the higher and still rising energy prices. This development made it necessary to conduct an ad hoc impairment test for the *Non-alcoholic Beverages* segment or cash-generating unit as at June 30, 2022, September 30, 2022 and December 31, 2022. Consideration was given to the interest rate change in the respective discount rate applied – the weighted average cost of capital (WACC). Based on the results of the impairment tests conducted as at June 30 and September 30, there was no need to recognise impairments or reversals of earlier impairments. However, based on the result of the impairment test conducted as at December 31, an impairment loss of EUR 1.299 thousand was recognised.

In the impairment test, the total carrying amount of the CGU is compared with the recoverable amount. The recoverable amount is the higher of the two fair value amounts less the costs to sell and the value in use. For the *Non-alcoholic Beverages* CGU, the impairment test determined a recoverable amount of EUR 22,820 thousand. This corresponds to the fair value less costs to sell. The fair value less costs to sell was calculated by determining the present value of the anticipated cash flows from the operating segment *Non-alcoholic Beverages* (discounted cash flow method).

The anticipated cash flows were planned using a planning period of three years. The cash flows were based on a qualified planning process taking into account internal company experience and extensive market knowledge, and take into account the management's assessment and views of how the regional market for Non-alcoholic Beverages will develop in the future. The principal assumptions applied in the calculation of the fair value less costs to sell pertained to the weighted average cost of capital, the forecast development of revenues, the EBITDA growth rate and the sustainable growth rate of the terminal value. The weighted average cost of capital (WACC) of an appropriate peer group was applied as the discount rate. This discount rate determined for the CGU was 5.7%. The parameters for the weighted average cost of capital were determined on the basis of values derived from external market conditions. The applied growth rate was 0.5%.

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

The impairment was distributed taking into account IAS 36.104 et seq., and outside expert opinions were relied upon in determining the recoverable amount of the CGUs' main items of property, plant and equipment.

The impairment determined as at December 31, 2022 related to land and buildings (EUR 476 thousand) and technical equipment and machinery (EUR 823 thousand).

(3.8) Other operating expenses

	2022 EUR'000	2021 EUR'000
Other selling costs	22,542	15,136
Maintenance	3,542	3,093
Marketing, including advertising	3,258	3,352
Charges, contributions, insurance premiums	1,926	1,940
Other services	1,171	949
Packaging recycling	1,006	854
Legal, consulting, auditing costs	930	591
Temporary staff	782	607
Impairments of Inventoires	632	885
Other personnel expenses	538	572
Rents, office costs, money transfer costs	535	393
Expenses relating to other periods	367	508
Miscellaneous other operating expenses	1,321	1,262
	38,550	**30,142**

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

	2022 EUR'000	2021 EUR'000
Gain or loss from the net monetary position in accordance with IAS 29	- 1,195	0
	- 1,195	**0**

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

(3.10) Financial income/financial expenses

	2022 EUR'000	2021 EUR'000
Other interest and similar income	56	48
Income from equity investments	1	8
Financial income	57	56
Interest and similar expenses	1,717	1,460
Loss absorption expenses	6	6
Impairments of non-current financial assets	5	0
Financial expenses	1,728	1,466
Financial result	**- 1,671**	**- 1,410**

(3.11) Net results by measurement categories

The net results by measurement categories break down as follows in the 2022 financial year:

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

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

		from interest EUR'000	from subsequent measurement at fair value EUR'000	from subsequent measurement currency trans-lation EUR'000	from subsequent measurement from write-downs EUR'000	from disposal EUR'000	Net results 2021 EUR'000
Financial assets and liabilities measured at fair value through profit or loss	FVPL	- 5	0	0	0	0	- 5
Financial liabilities measured at amortised cost	AC	- 646	0	0	0	0	- 646
Financial assets measured at amortised cost	AC	36	0	0	53	0	89
Total		**- 615**	**0**	**0**	**53**	**0**	**- 562**

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

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

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

(3.12) Earnings per share

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

The capital stock of Berentzen-Gruppe Aktiengesellschaft is divided into 9,600,000 shares of common stock (previous year: 9,600,000 shares of common stock). Taking treasury shares into account, there were 9,393,691 weighted average shares outstanding of Berentzen-Gruppe Aktiengesellschaft in the 2022 financial year (previous year: 9,393,691).

Berentzen-Gruppe Aktiengesellschaft has not issued any stock options or convertible bonds; there were no potential diluting instruments that could be exchanged for shares as at December 31, 2022. For this reason, only the basic earnings per share of common stock are presented.

		2022	2021
Consolidated profit	EUR'000	2,101	3,662
Number of common shares [1]	in thousands	9,394	9,394
Basic earnings per share of common stock	**EUR**	**0.224**	**0.390**

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

(4) Other explanatory notes

(4.1) Cash Flow Statement

Cash flow from operating activities

The cash flow from operating activities comprises both the operating cash flow generated from operations as presented in the Group management report (consolidated earnings before interest, taxes, depreciation and amortisation, adjusted for non-cash elements) as the central managerial indicator of liquidity, and cash movements in working capital. In the 2022 financial year, the net cash inflow fell to EUR 4,914 thousand (previous year: EUR 11,623 thousand). The material factors influencing this development are presented below.

The change in what is referred to as trade working capital, i.e., the portion of working capital comprising the cash movements exclusively in inventories, receivables including factoring, alcohol tax liabilities, and trade payables, gave rise to a significant net cash outflow of EUR 8,020 thousand (previous year: cash outflow of EUR 42 thousand). This development resulted particularly from the EUR 12,120 thousand increase in inventories. The increase in other assets caused an additional cash outflow of EUR 2,598 thousand (previous year: cash inflow of EUR 279 thousand), while the change in other liabilities and other non-cash effects led to a cash inflow of EUR 3,197 thousand (previous year: cash outflow of EUR 1,222 thousand).

Cash flow from investing activities

The Group's investing activities led to an overall cash outflow of EUR 9,015 thousand (previous year: EUR 7,299 thousand). Investments in property, plant and equipment and intangible assets totalled EUR 9,055 thousand (previous year: EUR 8,489 thousand). This was accompanied by cash flows from the disposal of assets amounting to approximately EUR 40 thousand (previous year: EUR 1,220 thousand).

Cash flow from financing activities

The Group's financing activities resulted in a net cash outflow of EUR 10,864 thousand (previous year: EUR 2.654 thousand), mainly as a result of the repayment of a EUR 7,500 thousand drawdown taken under the syndicated loan in the 2021 financial year, which was concurrently counter-financed under the same syndicated loan. Other factors contributing to the cash outflow included the dividend payment of EUR 2,067 thousand (previous year: EUR 1,221 thousand) and the lease liability repayments of EUR 1,273 thousand (previous year: EUR 1,203 thousand).

A breakdown of the change in financial liabilities into cash and non-cash components can be found in the following table:

	2022		2021	
	Non-current financial liabilities EUR'000	Current financial liabilities EUR'000	Non-current financial liabilities EUR'000	Current financial liabilities EUR'000
01/01.	1,305	9,488	8,596	1,732
Cash additions and repayments	0	- 8,569	- 7,500	6,555
Non-cash changes				
Exchange rate changes	- 13	- 9	- 29	- 20
Other effects	25	1,681	238	1,221
of which: new and amended lease agreements	25	1,341	27	1,247
12/31	**1,317**	**2,591**	**1,305**	**9,488**

Interest payments are allocated to the cash flow from operating activities and reported under other effects. Interest in the amount of EUR 1,541 thousand (previous year: EUR 1,212 thousand) was paid in the 2022 financial year.

Cash and cash equivalents

At year-end, the cash and cash equivalents as defined in Note (2.9) totalled EUR 13,039 thousand (previous year: EUR 28,004 thousand), of which EUR 8,250 thousand (previous year: EUR 25,812 thousand) relates to receivables from the customer settlement accounts maintained with banks that are used for settlement under two factoring agreements. As at the end of the 2022 financial year, drawdowns of short-term credit lines and financing instruments classified as such were utilised in the amount of EUR 498 thousand (previous year: EUR 293 thousand).

(4.2) Segment reporting

Business segments

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

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

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

The Group's business activities were divided into the following segments in the 2021 and 2022 financial years:

- *Spirits* (domestic branded spirits and export and private-label brands): The marketing, distribution and sale of spirits in the above-mentioned sales divisions are combined in this segment.

- *Non-alcoholic Beverages*: The marketing, distribution and sale of non-alcoholic beverages are combined in this segment.

- *Fresh Juice Systems*: Depending on the system component, the development, manufacture, marketing, distribution and sale of juicers, oranges and filling containers are combined in this segment.

- *Other segments*: This segment primarily includes the tourism, events and webshop business of the Berentzen Group as well as the Spirits business in Turkey, managed by a local Group company.

Segment data

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

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

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

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

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

Segment report for the period from January 1 to December 31, 2021

	2021					
	Spirits EUR'000	Non-alcoholic Beverages EUR'000	Fresh Juice Systems EUR'000	Other segments EUR'000	Elimination of intersegment revenues/ expenses EUR'000	Total EUR'000
Revenues with third parties	**92,657**	**35,346**	**15,363**	**2,743**		**146,109**
Intersegment revenues	291	29	2	10	- 332	
Total revenues	**92,948**	**35,375**	**15,365**	**2,753**	**- 332**	**146,109**
Purchased goods and services (product-related only)	- 54,772	- 9,515	- 8,652	- 1,281	332	- 73,888
Other direct costs	- 4,710	- 4,497	- 1,282	- 73		- 10,562
Marketing, including advertising	- 2,323	- 877	- 72	- 70		- 3,342
Contribution margin after marketing budgets	**31,143**	**20,486**	**5,359**	**1,329**		**58,317**
Other operating income						3,798
Purchased goods and services/change in inventories (if not included in contribution margin)						- 3,764
Personnel expenses						- 26,753
Depreciation and amortisation of assets						- 8,649
Miscellaneous other operating expenses						- 16,238
Consolidated operating profit, EBIT						**6,711**
Financial income						56
Financial expenses						- 1,466
Consolidated profit before income taxes						**5,301**
Income tax expenses						- 1,639
Consolidated profit						**3,662**

Geographical breakdown

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

	2022 EUR'000	2021 EUR'000
Germany	129,303	111,414
Rest of European Union	33,153	28,133
Rest of Europe	8,796	4,271
Rest of world	2,964	2,291
	174,216	**146,109**

Breakdown of revenues by product group

	2022 EUR'000	2021 EUR'000
Private-label and dealer brands	109,699	94,600
Non-alcoholic beverages	44,649	35,346
Fresh juice systems	18,816	15,363
Other product groups	1,052	800
	174,216	**146,109**

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

Dependence on key customers

In the 2022 financial year, more than 10% of consolidated revenues were generated with two (previous year: three) customers in the *Spirits*, *Non-alcoholic Beverages*, and *Fresh Juice Systems* segments, broken down as follows:

	2022		2021	
Customer	**Revenues EUR'000**	**Proportion of total revenues**	**Revenues EUR'000**	**Proportion of total revenues**
Customer A	40,207	23.1%	29,483	20.2%
Customer B	27,462	15.8%	25,041	17.1%
Customer C	17,317	9.9%	14,898	10.2%

(4.3) Contingent liabilities

The following contingent liabilities existed at year-end:

	2022 EUR'000	2021 EUR'000
Liabilities from guarantees	872	872
Other contingent liabilities	355	364
	1,227	**1,236**

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

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

In addition, there are letters of indemnity related to maximum-liability customs bonds in the amount of EUR 776 thousand (previous year: EUR 776 thousand). The current alcohol tax liabilities secured by such guarantees amounted to EUR 37,605 thousand at year-end (previous year: EUR 36,355 thousand).

(4.4) Litigation

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

In connection with the cessation of business activities, claims totalling approximately EUR 414 thousand (previous year: EUR 425 thousand) were asserted, titled and enforced to a minor extent against Berentzen Spirit Sales (Shanghai) Co., Ltd. (which ceased operations many years ago), Shanghai, People's Republic of China, by two former local distribution partners in connection with trade dealings and by the other contractual party under the former lease of the Company's business premises. Berentzen Spirit Sales (Shanghai) Co., Ltd. filed for commencement of an insolvency proceeding due to insolvency in November 2015 and again in August 2016; the motions were rejected by the competent courts for incomprehensible reasons. Considering the economic situation of the Company, however, the Berentzen Group believes that a further assertion of the aforementioned claims will not be successful, for which reason no provisions were formed for legal disputes in this matter.

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

(4.5) Risk management

Organisation

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

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

Liquidity risk

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

Management of liquidity risk

The Executive Board, the Management and the Central Financial Management Department manage the Group’s liquidity risk. The liquidity risk is managed primarily by procuring funds as part of the overall funding of the Berentzen Group, which breaks down as follows for the 2022 financial year:

In December 2021, Berentzen-Gruppe Aktiengesellschaft extended the syndicated loan agreement concluded with a bank syndicate in December 2016 by another five years. The maturity date is therefore now December 31, 2026. A total funding volume of EUR 33.0 million is available to the Berentzen Group in two forms, the first being bilaterally agreed branch lines of credit in the amount of EUR 21.0 million and the second being drawdowns with maturities of one, two, three or six months in the amount of EUR 12.0 million. The parties also agreed on the option of increasing the financing volume through the addition of another repayable-at-maturity facility in the amount of EUR 10.0 million for the financing of acquisitions. Drawdowns bear interest at variable rates based on the EURIBOR reference rate plus an interest margin that is fixed. The syndicated loan agreement is not secured. Three subsidiaries of Berentzen-Gruppe

Aktiengesellschaft are included in the syndicated loan agreement as guarantors as part of a cross-guarantee system taking the form of a guarantor concept based on the minimum fulfilment of certain group inventory levels and flow variables stipulated in the agreement, which Berentzen-Gruppe Aktiengesellschaft as the borrower and the guarantors are obliged to maintain. The borrower is obliged to regularly fulfil two contractually defined covenants, the dynamic gearing ratio and the equity ratio, which are to be measured on the basis of its consolidated financial statements. The syndicated loan agreement, which is essentially based on the international contract standard of the British Loan Market Association ("LMA standard"), also stipulates the customary obligations, conditions, assurances and warranties, particularly on the subject of debt limits, limitations on the sale of assets, and a change-of-control clause. If the covenants, other obligations, conditions, assurances and warranties are breached, and if a change of control occurs, the lenders will be fundamentally entitled to terminate the syndicated loan agreement prematurely and to declare the borrowed funds, outstanding interest, and costs due and payable immediately.

The drawdown of factoring lines represents a further focal point of external funding. In August 2022, the Berentzen Group extended its two existing factoring agreements early by three years each until March 31, 2027 and increased the total funding volume available under these factoring agreements by EUR 5.0 million from EUR 55.0 million to EUR 60.0 million. Added to this is a formally unlimited factoring line under three further, open-ended central settlement and factoring agreements. In the 2022 financial year, this gave rise to an average gross funding volume of EUR 9.6 million (previous year: EUR 8.3 million). The factoring agreements are free of covenants on the whole.

Apart from the syndicated loan agreement, the volume of funding from credit agreements with the providers of working capital to the Berentzen Group totals EUR 1.5 million (previous year: EUR 0.9 million). These credit lines are available to two foreign Group companies and each has an open-ended term. Collateral must be provided for this by a foreign Group company in the translated amount of EUR 1.3 million (previous year: EUR 0.7 million), fundamentally in the form of cash received before the due date or other securities. Furthermore, two surety bonds for alcohol tax in the amount of EUR 0.8 million in total (previous year: EUR 0.8 million) provided by the surety bond issuers are included in the overall financing of the corporate group.

Including the formally unlimited factoring agreements with a central settlement agent, the gross funding volume from factoring arrangements and not falling under the scope of the working capital credit lines of the syndicated loan agreement thus stood at EUR 71.1 million as at December 31, 2022 (previous year: EUR 64.2 million). These short-term external or credit financing arrangements bear interest on the basis of the EURIBOR and EONIA reference interest rates, plus a fixed interest margin, otherwise at interest rates based on local market conditions or at fixed interest rates.

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

Compliance with the covenants and the miscellaneous other arrangements contained in the financing agreements is continuously monitored by the Executive Board and the Central Financial Management Department. The expected financing requirements and the foreseeable development of the covenants are mapped in the planning and budgeting process so that countermeasures can be initiated and the provision of outside capital can be ensured if necessary.

Furthermore, with respect to the financing of the corporate group, measures are continuously reviewed and/or implemented that have the goal of both providing an adequate credit line volume as well as maturity matching. This is supplemented to the extent possible by approaches to reducing traditional use of debt capital (e.g. through alternative financing forms such as leasing or by freeing up capital internally in the working capital).

Credit risk/default risk

Credit risk or risk of default is defined as the risk of a financial loss that arises if a contracting party fails to meet its payment obligations.

Management of credit risk/default risk

The management of credit risk or risk of default in the Berentzen Group is substantially geared towards entering into transactions with creditworthy third parties. Credit references or historical data from the business relationship to date are considered for the purpose of avoiding payment defaults. In the event of discernible risks, appropriate value adjustments are charged against receivables.

Approximately 75% (previous year: 76%) of consolidated revenues are billed via foreign branch offices that also assume the credit risk via del credere agreements. In addition, the risk of default is covered under trade credit insurance. As a general rule, balances in excess of EUR 5 thousand are covered under credit insurance. Trade credit insurance reimburses all defaults on receivables on the part of insured customers up to the agreed deductible of 20% for customers residing in Germany and 10% for customers residing abroad. Alongside export credit insurance, security payments or advance payments are frequently agreed with the Group company domiciled outside of Europe. In the wake of the coronavirus pandemic, the trend of corporate bankruptcies is particularly relevant. Even if a substantial rise in corporate bankruptcies is not observable so far, the credit rating particularly in the hospitality sector has deteriorated, so that insolvencies of food and drink establishments will likely increase in the future. The level of risk to the Berentzen Group is deemed to be manageable in this context, however, because most of the risk of default is covered by the aforementioned commercial credit insurance.

A significant portion of trade receivables is sold under factoring agreements. Since the respective factor also assumes the del credere liability without recourse, these receivables are not reported in the consolidated statement of financial position in accordance with the relevant accounting standards. An exception to this is a relatively insignificant continuing involvement compared to the volume of factored receivables that represents the late payment risk remaining with the group. Measured on the customer structure, the amounts receivable from individual counterparties are accordingly not so large that they would signify a material concentration of risk. The maximum credit risk of the trade receivables corresponds to this carrying amount.

No trade credit insurance is carried for one of the major trade offices because it has furnished an unconditional absolute guarantee of a major German credit insurer to the company to cover the receivables due from it.

	2022		2021	
	EUR'000	%	EUR'000	%
Trade receivables	**10,827**	**100.00%**	**7,690**	**100.00%**
- of which trade credit-insured	5,609	51.81%	3,406	44.30%
- of which secured by a surety	1,137	10.50%	2,037	26.49%
- of which secured by guarantees	1,929	17.82%	1,233	16.03%
- of which unsecured	1,967	18.17%	840	10.92%
- of which written down	185	1.71%	174	2.26%

With regard to the trade receivables for which no value adjustments have been charged and which are not in default, there were no indications at the reporting date to suggest that the debtors will not fulfil their payment obligations. The intrinsic value of receivables is protected by means of assigning limits to all customers on the basis of the assessments of rating agencies or the credit insurer, and by means of regular payment reminders and constant monitoring of all receivables accounts.

Cash and cash equivalents are invested with major banks and state banks.

In the event of counterparty default, the maximum credit risk of the cash and cash equivalents, financial assets measured at fair value through profit or loss, and other financial assets is equal to the carrying amounts of these instruments.

No loans denominated in foreign currencies are granted and no bill transactions are conducted. As a general rule, no deliveries are made to customers not associated with foreign branch offices without first conducting a credit assessment with the help of rating agencies. The receivables portfolio is monitored on an ongoing basis; consequently, the risk of default to which the Group is exposed is manageable and not significant. Furthermore, credit periods for payments are monitored on a regular basis.

In addition, the risk of default includes the country risk and/or the transfer risk. On the one hand, this includes the risk of economic or even political instability in connection with investments or the cross-border financing of Group companies in countries deemed to be risky, and on the other hand also the risk associated with selling directly to customers in these countries. Country risk with respect to equity measures or other forms of cross-border financing for Group companies is managed in connection with the decision to develop or expand a foreign market using a Group company by means of an overall assessment of the general economic and political environment, including the country rating. Companies are not established in countries deemed to be unstable. Subsequent financing measures oriented strictly towards actual capital requirements with respect to previously established foreign Group companies are also accordingly assessed based on continuous monitoring and updated findings and are furthermore managed and accompanied centrally. For example, both intragroup financing made to a subsidiary based in Turkey as well as its current assets are subject to more intense monitoring on account of the economic and political developments of the past years due to the associated implications of a higher risk of default. Security payments or advance payments are agreed in order to minimise the risk associated with selling directly to customers in countries deemed risky if there is no trade credit insurance coverage or it is not possible to sell the receivables under factoring agreements. In addition, any past-due foreign receivables are reported to the competent Executive Board member by means of a separate reporting system.

Market risk

Market risk is defined as the risk that the fair value of future cash flows from a financial instrument changes due to market price fluctuations. Market risk comprises currency risks, interest rate risks and other price risks.

Management of market risk

Market risk is also managed by the Executive Board, the Management and the Group’s Central Financial Management Department.

For presenting market risks, IFRS 7 requires an entity to conduct sensitivity analyses to determine the effects of hypothetical changes in relevant risk variables on net profit and shareholders’ equity. Besides currency risks, the Berentzen Group is exposed to interest rate risk and other price risks.

The periodic effects are determined by applying the hypothetical changes in risk variables to the holdings of financial instruments held at the reporting date. The holdings at the reporting date are representative of the full year.

Foreign currency risks arise from the translation of foreign currency items into the Group’s functional currency (euro) due to exchange rate changes. According to the Berentzen Group’s definition, they generally result from financial items, pending transactions where applicable, and planned transactions denominated in foreign currencies. The foreign currencies relevant for the corporate group particularly include the U.S. dollar and the Turkish lira. In addition to the exchange rate trend, the resulting risk potential also depends on changes in the volume of transactions effected or to be entered into in foreign currencies. So far, the business activities with respect to procurement and sales have been largely settled in euros and US dollars. Furthermore, some currency risk is balanced out in that both procurement as well as sales are carried out in the same foreign currency; as a result, incoming payments offset outgoing payments in the same foreign currency – albeit as a rule not in the same amount or in matching maturities. Without taking consolidation effects into account, liabilities and receivables denominated in foreign currencies amounted respectively to approximately EUR 2.8 million (previous year: EUR 1.9 million) and EUR 2.7 million (previous year: EUR 1.4 million) as at December 31, 2022. Rate-hedging measures are carried out for the most important foreign currency, the U.S. dollar, insofar as an assessment of the foreign currency environment makes this appear to be useful. However, as at December 31, 2022 there were no rate-hedging measures in place (December 31, 2021: no rate-hedging measures).

From the Group's perspective, the value of the Berentzen Group's assets or the nominal amounts of its liabilities located outside of Germany are likewise subject to foreign currency fluctuations. Foreign currency effects arising on the translation of net asset positions from the separate financial statements of foreign Group companies are recognised directly in equity; nevertheless, foreign currency risks that affect profit or loss but not cash flows from the Group's perspective could result from intragroup transactions denominated in foreign currencies, particularly including the financing of foreign companies with the Group's own funds. In the event that foreign subsidiaries are deconsolidated, however, the effects of the foreign currency risks inherent in the currency translation differences previously recognised in Group equity would need to be recognised in profit or loss. No foreign subsidiaries were deconsolidated in the 2022 financial year. As a result, negative currency effects from the translation of Group-internal financing for a Group company in Turkey remain in the Berentzen Group's retained earnings as at December 31, 2022 in the amount of EUR 5.0 million (previous year: EUR 4.4 million). With respect to the Turkish subsidiary, the Berentzen Group is currently subject to sharply rising exchange rates. The exchange rate for Turkish lira rose from 15.23 as at December 31, 2021, to 19.96 as at December 31, 2022. Turkish society is additionally subject to a high inflation rate: in December 2022, the inflation rate compared to the same month of the previous year was 64.3%. As a result of high inflation, Turkey has been considered a hyperinflationary economy as defined in IAS 29 since June 2022. The local business activity of the Turkish subsidiary has not suffered negative impacts from this so far. From the standpoint of the consolidated financial statements, however, there is a risk that the application of IAS 29 may result in a negative impact on consolidated net income in future as well. As at December 31, 2022, the hyperinflation adjustment totalling EUR 0.7 million had a negative effect on the consolidated net income.

The sensitivity of consolidated profit/loss before income taxes and shareholders' equity to a fundamentally possible change in exchange rates according to prudent judgment is presented in the table below using a hypothetical appreciation or depreciation of the euro by 5% vis-a-vis all currencies. All other variables remain constant.

	2022		2021	
	Exchange rate change + 5% EUR'000	Exchange rate change - 5% EUR'000	Exchange rate change + 5% EUR'000	Exchange rate change - 5% EUR'000
USD	441	- 488	437	- 480
TRY	- 47	52	- 47	53
Other	5	- 5	4	- 5
Overall effect on equity and earnings before income taxes	**399**	**- 441**	**394**	**- 432**

Financial instruments are subject to interest rate risk, which results from changes in the market interest rate. Within the Berentzen Group, any utilisation of the syndicated loan agreement, funds provided in connection with two factoring agreements as well as intra-Group loans are subject to variable interest rates on the basis of the EURIBOR reference rate, which means interest rate risks do in principle exist. The effects of any changes in the interest rate can be partially compensated for by the deployment of interest rate hedging instruments. For this reason, the development of interest rates is monitored on an ongoing basis and the possible use of interest rate hedging instruments is regularly reviewed. No financial instruments are currently employed as hedging instruments. Changes in market interest rates affect the interest result of non-derivative variable-interest rate financial instruments and are included in the computation of result-oriented sensitivities.

If the level of market interest rates had been 100 basis points higher in the 2022 financial year, earnings before income taxes would have been EUR 310 thousand (previous year: EUR 131 thousand) lower. If the level of market interest rates had been 100 basis points lower, earnings before income taxes would have been EUR 147 thousand (previous year: EUR 4 thousand) higher. There would not have been any impacts on Other comprehensive income in equity.

The actual average payment term for the entire Group is currently around 33 (30) days. This does not result in elevated liquidity or interest rate risk, because sufficient factoring lines or – particularly outside of Germany – financing instruments with a comparable effect are available for the financing of receivables.

Furthermore, the procurement of raw materials and materials as well as the purchase costs of merchandise and system components are subject to market and/or price risk.

(4.6) Capital management

The objectives of the corporate group with regard to capital management are to secure the continued existence of the Company as a going concern and to support growth targets. In light of these primary objectives, the capital structure needs to be optimised in order to maintain the cost of capital at an appropriate level. The corporate group uses the equity ratio as well as the dynamic debt ratio to monitor its capital.

The equity ratio is calculated as the ratio of adjusted equity to adjusted total consolidated capital (total consolidated assets). Adjusted equity is based on the consolidated capital reported in the Consolidated Statement of Financial Position. If available, receivables from shareholders, outstanding contributions to subscribed capital, pension provisions not recognised as liabilities and deferred tax assets are deducted from the figure, while non-current liabilities to shareholders and mezzanine capital are added. Likewise, receivables from shareholders, outstanding contributions to subscribed capital, pension provisions not recognised as liabilities and deferred tax assets are deducted from total consolidated capital if available.

The equity ratio is calculated in detail as follows:

	12/31/2022 EUR'000	12/31/2021 EUR'000
Consolidated shareholders' equity	50,110	48,856
Tax accruals	91	150
Adjusted shareholders' equity	**50,019**	**48,706**
Total capital	146,310	142,143
Tax accruals	91	150
Adjusted total capital	**146,219**	**141,993**
Equity ratio	**34.2%**	**34.3%**

The dynamic debt ratio provides information on the period theoretically needed in order to repay financial liabilities using profits. Consequently, the ratio is also suitable for indicating the Berentzen Group’s debt servicing ability. This performance indicator is calculated as the ratio of total current and non-current financial liabilities adjusted for cash and cash equivalents to consolidated EBITDA recorded over the past 12 months.

The following table shows the dynamic debt ratio at year-end:

	12/31/2022 EUR'000	12/31/2021 EUR'000
Non-current financial liabilities	1,317	1,305
Current financial liabilities	2,591	9,488
Cash and cash equivalents	13,537	28,297
Total Net Debt	**- 9,629**	**- 17,504**
EBITDA	**16,654**	**15,360**
Dynamic gearing ratio	**- 0.58**	**- 1.14**

Information regarding risk management, particularly the covenants agreed upon, can be found in Note (4.5). As at December 31, 2022, all covenants were met.

(4.7) Related Party Disclosures

The disclosures prescribed by IAS 24 refer to dealings with related entities and persons, to the extent that they are not included in the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft as reporting entities.

Related entities

Berentzen-Gruppe Aktiengesellschaft is the highest-level controlling parent company. Transactions between Berentzen-Gruppe Aktiengesellschaft and those subsidiaries considered to be related entitles were eliminated in the course of consolidation and not explained in the notes to the consolidated financial statements. Transactions with non-consolidated subsidiaries are of minor importance.

Further information about affiliated companies is provided at other points in the present Notes to the Consolidated Financial Statements. The relations between Berentzen-Gruppe Aktiengesellschaft and its subsidiaries in accordance with IAS 24.13 are as shown in the List of Shareholdings for the corporate group (Note 1.7)).

Related persons

Persons related to the reporting entity within the meaning of IAS 24 include persons who either control or have a significant influence over the reporting entity, or who are a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

Related persons are the members of the Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft.

Executive Board

The compensation granted to the members of the Executive Board within the meaning of IAS 24.17 is presented below:

Type of compensation	2022 EUR'000	2021 EUR'000
Short-term benefits	1,359	1,368
Other long-term benefits	96	78
Share-based Payment	583	371
	2,038	**1,817**

In addition to fixed basic salaries, the compensation system for Executive Board members also consists of short- and long-term variable components. The long-term variable components are based on share-based and non-financial performance criteria. Share-based compensation is based on the total shareholder return (TSR) with a performance period of four years. The TSR is calculated as the share price change plus paid dividends at the end of the performance period divided by the share price at the start of the performance period. To determine the extent to which objectives have been met for the TSR, the TSR of Berentzen-Gruppe Aktiengesellschaft and the TSR of a comparable group are ranked and the relative positioning is expressed on the basis of the percentile rank achieved.

Share-based compensation is assessed on the basis of a multivariate Black-Scholes model with Monte Carlo simulations corresponding to IFRS 2 requirements.

The data used in the model for the 2022 financial year encompass the following:

- Exercise price: EUR 1.35 (previous year: EUR 1.01)
- Berentzen Group share price as at December 30, 2022: EUR 5.58 (previous year: EUR 6.30)
- Performance period or term of the option: December 30, 2021 to December 30, 2025 (previous year: December 30, 2020 to December 30, 2024)

The expected price volatility is based on historical volatilities, with a maturity-matched period having been applied. The last 90 trading days before the valuation date was used as the period for the estimates. Correlations are estimated based on historical time series from the three years prior to the valuation day. The estimates are made using Pearson correlation coefficients.

On the basis of this model, a fair value of EUR 495 thousand (previous year: EUR 371 thousand) was determined for share-based compensation for the members of the Executive Board in the 2022 financial year and was recognised on the liabilities side accordingly. In addition, the amount recognised under liabilities for share-based compensation in the 2021 financial year was increased by EUR 88 thousand due to changed parameters. Thus, a total of EUR 955 thousand has been recognised under liabilities as at December 31, 2022 for share-based compensation to members of the Executive Board.

The following total compensation within the meaning of Section 314 (1) No. 6 letter a) HGB or compensation commitments were granted to the members of the Executive Board:

Type of compensation	2022 EUR'000	2021 EUR'000
Non-performance-based components	834	839
Performance-based components	560	560
Total compensation	**1,394**	**1,399**
Committed performance-based components with a long-term incentive effect	**53**	**53**

In addition to the total compensation granted in the respective financial year, commitments of performance-based, non-share-based compensation components were granted to the members of the Executive Board for the respective financial year. The amounts to be paid depend on the level of consolidated EBIT in the respectively following financial year and in the two respectively following financial years. The total amounts so committed amounted to EUR 53 thousand (previous year: EUR 53 thousand).

Share-based compensation with a fair value of EUR 495 thousand (previous year: EUR 371 thousand) was granted to the members of the Executive Board in the 2022 financial year. In addition, the earmark for share-based compensation in the 2021 financial year was increased by EUR 88 thousand due to changed parameters.

No compensation was granted to Executive Board members for exercising mandates on the boards of subsidiaries in the 2022 financial year. Furthermore, neither Berentzen-Gruppe Aktiengesellschaft nor a subsidiary granted loans or advances to members of the Executive Board, nor did they assume contingent liabilities in favour of them in the 2022 financial year.

No compensation was paid to former members of the Executive Board or their surviving dependants in the 2022 financial year. Post-employment benefits or total compensation within the meaning of Section 314 (1) No. 6 letter b) HGB were granted to former managing directors – and their survivors – of Group companies to which Berentzen-Gruppe Aktiengesellschaft is the legal successor in the amount of EUR 28 thousand in the 2022 financial year (previous year: EUR 28 thousand).

As calculated in accordance with IAS 19, the present value of accrued pension obligations for this group of persons amounted to EUR 275 thousand as at December 31, 2022 (previous year: EUR 369 thousand).

Supervisory Board

Short-term benefits within the meaning of IAS 24.17 or total compensation within the meaning of Section 314 (1) No. 6 letter a) HGB in the amount of EUR 187 thousand (previous year: EUR 187 thousand) were granted to the members of the Supervisory Board in their function as members of the Supervisory Board.

The employee representatives on the Supervisory Board received short-term benefits or total compensation in the total amount of EUR 115 thousand (previous year: EUR 105 thousand) for their activity outside their functions as Supervisory

Board members. Neither Berentzen-Gruppe Aktiengesellschaft nor a subsidiary granted subscription rights or other share-based compensation to members of the Supervisory Board in the 2022 financial year, nor do the members of the Supervisory Board hold any such compensation instruments. Similarly, the members of the Supervisory Board were not granted any compensation in the 2022 financial year for positions held with subsidiaries.

Furthermore, neither Berentzen-Gruppe Aktiengesellschaft nor any subsidiary granted loans or advances to members of the Supervisory Board, nor did they assume contingent liabilities in favour of them in the 2022 financial year.

No compensation was granted to former members of the Supervisory Board or their surviving dependants in the 2022 financial year.

Additional related-party disclosures

The outstanding balances due from or to related entities and persons at the end of the financial year as at December 31, 2022, are not secured and do not bear interest. No guarantees have been provided for amounts due to or from related parties.

There were no doubtful receivables related to outstanding balances due from related parties as at December 31, 2022, and therefore no impairments have been recognised for this purpose. No expenses for uncollectible or doubtful receivables due from related parties were recognised in the 2022 financial year, as in the previous year.

(4.8) Announcements and notifications of changes in voting rights arising from shares in Berentzen-Gruppe Aktiengesellschaft pursuant to the German Securities Trading Act

The following persons have notified Berentzen-Gruppe Aktiengesellschaft pursuant to the pertinent provisions of the German Securities Trading Act (WpHG) that the share of voting rights of Berentzen-Gruppe Aktiengesellschaft held by the notifying party has reached, exceeded or fallen below certain thresholds specified in the WpHG:

Person subject to the notification obligation [1]	Names of shareholders [1]	Date when a reporting threshold was reached, exceeded, or fallen below	Reporting threshold reached, exceeded or fallen below [2]	Voting rights	
			%	%	No.
MainFirst SICAV Senningerberg, Luxembourg	MainFirst SICAV	March 2, 2016	> 5	8.50	815,500
Marchmain Invest NV Oud-Turnhout, Belgium	Marchmain Invest NV	December 21, 2022	> 5	5.51	528,925
Lazard Frères Gestion S.A.S. Paris, France	Lazard Frères Gestion S.A.S.	June 22, 2017	> 5	5.07	486,598
Aevum Fondation de Prévoyance Genolier, Switzerland	Aevum Fondation de Prévoyance	October 5, 2022	> 5	5.01	480,503
Aevum Fondation de Prévoyance Genolier, Switzerland	Aevum Fondation de Prévoyance	March 25, 2022	> 3	3.13	300,000
Fondation de Prévoyance Swiss Medical Network Genolier, Switzerland	Fondation de Prévoyance Swiss Medical Network	February 7, 2022	< 3	2.99	286,940
Stichting Administratiekantoor Monolith Amsterdam, The Netherlands	Monolith N.V.	September 29, 2022	< 5	4.99	479,341
Stichting Administratiekantoor Monolith Amsterdam, The Netherlands	Monolith N.V.	December 21, 2022	< 3	0.00	0

[1] If the names of the shareholders deviate from those of the people subject to the notification obligation, voting rights will be attributed as per Section 34 of the German Securities Trading Act (WpHG).

[2] Only the highest or lowest reporting threshold reached is specified.

(4.9) Declaration of Conformity with the German Corporate Governance Code

The annual Declaration of Conformity by the Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft on the German Corporate Governance Code pursuant to Section 161 AktG was issued in December 2022. The declaration has been made permanently accessible on the corporate website of Berentzen-Gruppe Aktiengesellschaft at www.berentzen-gruppe.de/en/.

(4.10) Governing bodies of Berentzen-Gruppe Aktiengesellschaft

Executive Board of Berentzen-Gruppe Aktiengesellschaft

Name	Term of Board membership	Occupation / Responsibilities	Membership in other statutory supervisory boards and in comparable domestic and foreign supervisory bodies of business companies
Ralf Brühöfner Lingen, Germany	since June 18, 2007	Member of the Executive Board of Berentzen-Gruppe Aktiengesellschaft Finance, Controlling, Human Resources, Information Technology, Legal Affairs, Corporate Communications, Investor Relations, Corporate Social Responsibility	Doornkaat Aktiengesellschaft, Norden [1], Germany (Deputy Chairman of the Supervisory Board)
Oliver Schwegmann Timmendorfer Strand, Germany	since June 1, 2017	Member of the Executive Board of Berentzen-Gruppe Aktiengesellschaft Marketing, Sales, Production, Logistics, Purchasing, Research and Development	Doornkaat Aktiengesellschaft, Norden [1], Germany (Chairman of the Supervisory Board)

[1] Non-listed, intra-Group companies.

Supervisory Board of Berentzen-Gruppe Aktiengesellschaft

Name	Term of Supervisory Board membership Member of the Supervisory Board representing the shareholders / employees	Occupation	Membership in other statutory supervisory boards and in comparable domestic and foreign supervisory bodies of business companies
Uwe Bergheim Dusseldorf, Germany Chairman of the Supervisory Board	since May 3, 2018 Member of the Supervisory Board representing the shareholders	Self-employed corporate consultant, Dusseldorf, Germany	
Frank Schübel Gräfelfing, Germany Deputy Chairman of the Supervisory Board	since May 19, 2017 Member of the Supervisory Board representing the shareholders	Managing Director of TEEKANNE Holding GmbH & Co. KG, Dusseldorf, Germany	
Dagmar Bottenbruch Frankfurt/Main, Germany	since July 2, 2020 Member of the Supervisory Board representing the shareholders	Managing Director / Market Manager, Silicon Valley Bank Germany Branch, Frankfurt/Main, Germany	AMG Advanced Metallurgical Group N.V. [1)], Amsterdam, The Netherlands (Member of the Supervisory Board) ad pepper media International N.V. [1)], Amsterdam, The Netherlands (Member of the Supervisory Board)
Heike Brandt Minden, Germany	since May 22, 2014 Member of the Supervisory Board representing the employees	Commercial employee at Berentzen-Gruppe Aktiengesellschaft, Haselünne, Germany	
Bernhard Düing Herzlake, Germany	since June 24, 1999 Member of the Supervisory Board representing the employees	Production Shift Manager at Vivaris Getränke GmbH & Co. KG, Haselünne, Germany	
Hendrik H. van der Lof Almelo, The Netherlands	since May 19, 2017 Member of the Supervisory Board representing the shareholders	Managing Director of Via Finis Invest B.V., Almelo, The Netherlands	

1) Listed, non-Group companies.

(4.11) Total fees paid to the auditor of the consolidated financial statements

At the ordinary annual general meeting of Berentzen-Gruppe Aktiengesellschaft on May 18, 2022, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Osnabrück, was elected as the auditor of the separate and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft as at December 31, 2022.

The auditors of the consolidated financial statements in the 2022 and 2021 financial years charged total fees which break down as shown in the following table:

	2022 EUR'000	2021 EUR'000
Financial statements auditing services	229	188
Other certification services	27	26
Tax advisory services	0	26
Other services	0	0
	256	**240**

The services rendered by the independent auditor relate to the statutory audit of the separate and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft. The fees for other audit-related services relate to the audit of the compensation report as well as to an additional audit-related service in connection with a reusable bottle system for a subsidiary.

(4.12) Events after the reporting date

No reportable events occurred after the close of the financial year.

Haselünne, March 15, 2023

Berentzen-Gruppe Aktiengesellschaft

The Executive Board

Oliver Schwegmann
Executive Board member

Ralf Brühöfner
Executive Board member