Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	930 154 490
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	GSD OPTIHOLDING AS
Forretningsadresse:	Valderøyvegen 1129 6050 VALDERØYA

Regnskapsår

Årsregnskapets periode:	01.10.2022 - 31.12.2022

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Cecilie Alnes Dyb
Dato for fastsettelse av årsregnskapet:	23.03.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert

År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 03.08.2024

Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Driftsresultat			
Netto finans			
Ordinært resultat før skattekostnad		**0**	**0**
Ordinært resultat etter skattekostnad		**0**	**0**
Årsresultat		**0**	**0**

Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap		802 000	
Sum finansielle anleggsmidler		**802 000**	
Sum anleggsmidler		**802 000**	**0**
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer		24 000	
Sum fordringer		**24 000**	
Sum omløpsmidler		**24 000**	**0**
SUM EIENDELER		**826 000**	**0**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital		30 000	
Sum innskutt egenkapital		**30 000**	
Opptjent egenkapital			
Annen egenkapital		-6 000	
Sum opptjent egenkapital		**-6 000**	
Sum egenkapital		**24 000**	**0**
Sum langsiktig gjeld		**0**	**0**

Balanse

Beløp i: NOK	Note	2022	2021
Kortsiktig gjeld			
Annen kortsiktig gjeld		802 000	
Sum kortsiktig gjeld		**802 000**	
Sum gjeld		**802 000**	**0**
SUM EGENKAPITAL OG GJELD		**826 000**	**0**

Konsernets resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Driftsresultat			
Netto finans			
Ordinært resultat før skattekostnad		**0**	**0**
Ordinært resultat etter skattekostnad		**0**	**0**
Årsresultat		**0**	**0**

Konsernets balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utvikling		36 837 000	
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter		26 306 000	
Utsatt skattefordel		13 863 000	
Goodwill		84 000	
Sum immaterielle eiendeler		**77 090 000**	
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom		19 016 000	
Driftsløsøre, inventar, verktøy, kontormaskiner o.l.		3 147 000	
Leieavtaler		68 379 000	
Sum varige driftsmidler		**90 542 000**	
Finansielle anleggsmidler			
Investeringer i aksjer og andeler		313 000	
Sum finansielle anleggsmidler		**313 000**	
Sum anleggsmidler		**167 945 000**	**0**
Omløpsmidler			
Varer			
Varer		118 698 000	
Sum varer		**118 698 000**	
Fordringer			
Kundefordringer		100 375 000	
Andre fordringer		120 793 000	
Prosjekter i arbeid		9 884 000	
Sum fordringer		**231 052 000**	
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter o.l.		114 299 000	
Sum bankinnskudd, kontanter og lignende		**114 299 000**	

Konsernets balanse

Beløp i: NOK	Note	2022	2021
Sum omløpsmidler		**464 049 000**	**0**
SUM EIENDELER		**631 994 000**	**0**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		30 000	
Sum innskutt egenkapital		**30 000**	
Opptjent egenkapital			
Annen egenkapital		-6 000	
Sum opptjent egenkapital		**-6 000**	
Minoritetsinteresser		70 933 000	
Sum egenkapital		**70 957 000**	**0**
Gjeld			
Langsiktig gjeld			
Leieavtaler		75 374 000	
Sum avsetninger for forpliktelser		**75 374 000**	
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner		4 600 000	
Øvrig langsiktiig gjeld		368 000	
Sum annen langsiktig gjeld		**4 968 000**	
Sum langsiktig gjeld		**80 342 000**	**0**
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner		16 788 000	
Leverandørgjeld		91 289 000	
Betalbar skatt		1 435 000	
Skyldige offentlige avgifter		18 929 000	
Annen kortsiktig gjeld		313 385 000	

Konsernets balanse

Beløp i: NOK	Note	2022	2021
Prosjekter i arbeid - påstartet		5 521 000	
Prosjekter i arbeid - ikke startet		33 348 000	
Sum kortsiktig gjeld		**480 695 000**	
Sum gjeld		**561 037 000**	**0**
SUM EGENKAPITAL OG GJELD		**631 994 000**	**0**

GSD OPTIHOLDING AS

Konsernregnskap

2022

OPTIMAR

Org.no.: 930 154 490

GSD OPTIHOLDING AS
Styrets årsberetning
2022

Virksomhetens art og tilholdssted

GSD OptiHolding AS er stiftet i 2022. Selskapet har forretningsadresse i Giske kommune. 19. desember 2022 anskaffet selskapet majoriteten av de stemmeberettigede aksjene i Optimar International AS og ble ved det kontrollerende eier i Optimar International AS -konsern, heretter referert til som Optimar.

Optimar International AS eier direkte og indirekte 100% i følgende datterselskap:
Optimar AS
Biometrics AS
Optimar Spain SA
Optimar US Inc
Optimar Fish Handling SRL

Optimar er en av verdens ledende innovasjonsvirksomheter innenfor sin bransje. Optimar tilbyr teknologi innen robotisering og automatisering ved hjelp av bearbedingssystemer innenfor fiskerinæringen til fiskebåter, fiskefabrikker og fiskerinæringen forøvrig. Optimar har virksomhet i Norge, Spania, USA og Romania.

Redegjørelse for årsregnskapet

GSD OptiHolding AS har ingen resultatposter i 2022. Siden anskaffelsen av Optimar skjedde i slutten av desember så inngår hele Optimars resultat for 2022 i konsernregnskapet til tidligere majoritetseier Franz Haniel & Cie. Gmbh.
Konsernet har en samlet balanse på 632 millioner kroner, og hadde per 31.12.22 en egenkapitalandel på 11%. Etter en finansiell restrukturering i konsernet i 2022 har konsernet ikke langsiktig gjeld. Konsernets likviditetsbeholdning var 114 millioner kroner ved utgangen av 2022.

Fremtidig utvikling

Konsernet har et utmerket rykte i fiskeri- og havbruksnæringen som leverandør av innovative og konkurransedyktige integrerte systemer for bærekraftig og effektiv fiskeforedling og håndtering. Basert på dette grunnlaget – bygget over flere tiår – er Optimar i stand til å dra uforholdsmessig fordel av den voksende globale fiskeproduksjonen, spesielt i det raskt voksende oppdrettssegmentet.

Optimar har erkjent de avgjørende, fremtidsrettede trendene på et tidlig stadium og er mer lydhør overfor kundenes individuelle behov. Dette gjør selskapet i stand til å skille seg fra konkurrentene. På grunn av stadig økende kostnader er fiskeindustrien under et sterkt press for å generere effektivitetsgevinster. Optimar støtter dette med intelligente automatiseringsløsninger. Dyrevelferd får økende oppmerksomhet fra sluttforbrukere og er også drevet av regulatoriske initiativer. Optimar adresserer proaktivt det økende behovet for dyrevelferd med intelligente konsepter. For eksempel tilbyr selskapet den beste løsningen for en lidelsesfri prosess ved pålitelig bedøvelse av fisk før slakting. De økende kravene til sømløs sporbarhet er svært godt dekket via Optimar sine digitaliseringsløsninger. I tillegg gir den egenutviklede programvaren selskapets kunder verdifull data som er nødvendig for ytterligere effektivitetsforbedringer.

Selv om det kortsiktige salgspotensialet er redusert sammenlignet med tidligere år, forventer selskapet svært gode vekstutsikter på mellomlang sikt grunnet sin utmerkede markedsposisjon, sitt innovative utvalg av både produkter og tjenester og sine kompetente og høyt motiverte medarbeidere. Siden de aller fleste ansatte også har vært aksjonærer i selskapet siden begynnelsen av 2023, vil det være mulig å beholde den eksisterende omfattende kompetansen. På bakgrunn av uroen forårsaket av krigen i Ukraina, stigende inflasjonsrater og renter, samt en ugunstig skattepolitikk i Norge, er markedet i dag preget av usikkerhet og selskapets kunder holder tilbake på store investeringsprosjekter eller utsetter eksisterende planer. Optimar har reagert på disse markedsforholdene og justert kostnadsstrukturen tilsvarende det siste regnskapsåret for å oppnå et positivt resultat selv med midlertidig lavere inntekter.

Oppsummert ser selskapet seg i en god startposisjon for å generere et positivt resultat i 2023, som har et betydelig potensial for økning i årene som kommer.

Finansiell risiko

Konsernet er eksponert for finansiell risiko på ulike områder, spesielt valutarisiko. Målsettingen er å avdempe den finansielle risikoen i størst mulig grad ved hjelp av valutasikringskontrakter, men konsernet har ved utgangen av året ingen sikringskontrakter. Selskapet bruker regnskapsregler for sikringsbokføring i regnskapet. Konsernets rente- og kredittrisiko er vurdert til å være lav. Selskapet har ikke sikret seg for rente- og kredittrisiko. Konsernet har god likviditet ved tilgjengelig likviditetsbeholdning

Markedsrisiko

GSD Optiholding konsernet er eksponert for endringer i valutakurser på samme måte som andre eksportindustri selskaper i Norge. Konsernets policy har vært å kjøpe og selge sikringskontrakter i utenlandsk valuta, men per utgangen av 2022 har konsernet ingen sikringskontrakter. Konsernet har tilgjengelig kredittfasilitet med Franz Haniel & Cie Gmbh og likviditetssituasjonen er tilfredstillende.

Fortsatt drift

I samsvar med regnskapsloven § 3-3a bekreftes det at forutsetningene om fortsatt drift er til stede. Til grunn for antagelsen ligger resultatprognoser for 2023 og konsernets langsiktige strategiske prognoser for årene fremover. Konsernet er i en sunn økonomisk og finansiell stilling.

Resultatdisponering

Resultat etter skatt i morselskapet er 0 kroner i 2022, derfor ingen resultatdisponering.

Arbeidsmiljø, likestilling og diskriminering

Styret vurderer arbeidsmiljøet i konsernet til å være godt. Sykefraværet i konsernet var 3,9 % i 2022 og målet for året var satt til 3 %. 12 skader ble registrert hvorav 6 har resultert i sykefravær. To av disse har dessverre ført til langtidssykefravær. GSD Optilholding AS har ingen ansatte. Tjenester kjøpes fra Optimar AS og eksternt.

Konsernet har en målsetning om å fremme likhet, sikre samme muligheter og rettigheter, samt å forhindre diskriminering på grunnlag av etnisitet, nasjonalitet, hudfarge, språk, religion og/eller livsfilosofi. Selskapet har gjort tilrettelegginger for medarbeidere med funksjonsnedsettelser. Konsernet har en målsetning om å ha full likhet mellom kvinner og menn, og konsernet har i den forbindelse utarbeidet en kjønnsnøytral personalpolitikk.
Ved utgangen av året var det 330 ansatte i konsernet, hvorav 53 kvinner og 277 menn.
Styret i GSD Optiholding AS består av tre menn.

Konsernets redegjøringsplikt iht. likestillings-, disikrimінerings- og åpenhetsloven vil bli publisert på Optimar sine hjemmesider under følgende link: https://optimar.no/our-responsibility.

Ytre miljø

Virksomheten til konsernselskapene er ikke av en slik art at de forurenser miljøet i noen vesentlig grad. Konsernets virksomhet er ikke regulert av konsesjoner eller pålegg.

Konsernets bærekraftstrategi er innebygd i våre forretningstrategier. Det tverrfaglige bærekraftsteamet har jobbet med disse hovedprosjektene i 2022: Vårt Co2-avtrykk, bærekraftig vurdering av produktene våre, dyrevelferd, avfallsreduksjon og markedsføring og merkebygging. Dette er vårt først år med rapportering av fotavtrykket til virksomheten vår. Målet vårt for 2023 er å jobbe med forbedringe for å redusere fotavtrykket, og hjelpe våre underleverandører med å velge bærekraftige løsninger med spesiell fokus på dyrevelferd og full utnyttelse av fangsten.

Konsernets bærekraftsrapport vil bli publisert på på Optimar sine hjemmesider under følgende link: https://optimar.no/our-responsibility.

Forsikring for styrets medlemmer

Det er ikke tegnet ansvarsforsikring for styrets medlemmer og daglig leder.

Forskning og utvikling

Konsernet driver ikke med forskning men har flere pågående utviklingsprosjekter. Ambisjonen til konsernet er å drive utvikling for produkter som markedet etterspør og forbedringer av eksisterende produkter innenfor vår bransje. Konsernet mottar statlige tilskudd for noen av prosjektene.

Hendelser etter balansedagen

Ingen hendelser har inntruffet etter balansendagen som krever justering av regnskapet.

Valderøya, 23.mars 2023

Georg Holger Maria Saint-Denis
Styrets leder

Kai Ingmar Slettebakk
Styremedlem

Kjell Inge Larsen
Styremedlem

GSD Optiholding AS
RESULTATREGNSKAP
(Beløp i NOK 1000)

Mor 01.10. - 31.12.22		Note	Konsern 19.12. - 31.12.22
0	Salgsinntekter		0
0	Andre driftsinntekter		0
0	**Sum driftsinntekter**		**0**
0	Varekostnad		0
0	Lønnskostnad		0
0	Avskrivninger		0
0	Nedskrivninger		0
0	Andre driftskostnader		0
0	**Sum driftskostnad**		**0**
0	**Driftsresultat**		**0**
0	Finansinntekter		0
0	Finanskostnader		0
0	**Resultat før skattekostnad**		**0**
0	Skattekostnad		0
0	**Årsresultat**		**0**
	Herav til ikke-kontrollerende eierinteresser		0
	Årsresultat til kontrollerende eierinteresser		0

GSD Optiholding AS

BALANSE PR. 31.12.

(Beløp i NOK 1000)

Mor			Konsern
2022	**EIENDELER**	**Note**	**2022**
0	Utvikling	1	36 837
0	Konsesjoner, patenter, lisenser, varemerker o.l . Rettigheter	1	26 306
0	Utsatt skattefordel	4	13 863
0	Goodwill	1	84
0	**Sum immaterielle eiendeler**		**77 090**
0	Tomter, bygninger, maskiner og anlegg	2	19 016
0	Driftsløsøre, inventar, verktøy, kontormaskiner o.l.	2	3 147
0	Leieavtaler	3	68 379
0	**Sum varige driftsmidler**		**90 542**
802	Investeringer i datterselskap	6	0
0	Investeringer i aksjer og andeler		313
802	**Sum finansielle anleggsmidler**		**313**
802	**SUM ANLEGGSMIDLER**		**167 945**
0	**Varer**	7	**118 698**
0	Kundefordringer	8	100 375
24	Andre fordringer		120 793
24	**Sum fordringer**		**221 168**
0	**Prosjekter i arbeid**	9	**9 884**
0	**Bankinnskudd, kontanter o.l.**	10	**114 299**
24	**SUM OMLØPSMIDLER**		**464 049**
826	**SUM EIENDELER**		**631 994**

GSD Optiholding AS

BALANSE PR. 31.12.

(Beløp i NOK 1000)

Mor			Konsern
2022	**EGENKAPITAL OG GJELD**	**Note**	**2022**
30	Aksjekapital	5,11	30
30	**Sum innskutt egenkapital**		**30**
-6	Annen egenkapital	5,11	-6
-6	**Sum opptjent egenkapital**		**-6**
	Ikke-kontrollerende eierinteresser		**70 932**
24	**SUM EGENKAPITAL**		**70 957**
0	Utsatt skatt	4	0
0	Leieavtaler - forpliktelse	3	75 374
0	**Sum avsetninger for forpliktelser**		**75 374**
0	Gjeld til kredittinstitusjoner		4 600
0	Øvrig langsiktig gjeld		368
0	**Sum annen langsiktig gjeld**		**4 968**
0	Gjeld til kredittinstitusjoner		16 788
0	Leverandørgjeld		91 289
0	Prosjekter i arbeid - påstartet	9	5 521
0	Prosjekter i arbeid - ikke startet	9	33 347
0	Betalbar skatt	4	1 435
0	Skyldige offentlige avgifter		18 929
802	Annen kortsiktig gjeld		313 385
802	**Sum kortsiktig gjeld**		**480 694**
802	**SUM GJELD**		**561 037**
826	**SUM EGENKAPITAL OG GJELD**		**631 994**

Valderøya, 23.mars 2023

Georg Holger Maria Saint-Denis
Styrets leder

Kai Ingmar Slettebakk
Styremedlem

Kjell Inge Larsen
Styremedlem

GSD Optiholding AS
KONTANTSTRØMOPPSTILLING
(Beløp i NOK 1000)

Mor		Konsern
2022		2022
	Kontantstrømmer fra operasjonelle aktiviteter	
0	Resultat før skattekostnad	0
0	Periodens betalte skatt	0
0	Tap/gevinst ved salg av anleggsmidler	0
0	Avskrivninger	0
0	Nedskrivning anleggsmidler	0
0	Endring i varelager	0
0	Endring i kundefordringer	0
0	Endring i leverandørgjeld	0
0	Forskjell mellom kostnadsført pensjon og inn-/utbetalinger i pensjonsordninger	0
0	Effekt av valutakursendringer	0
0	Poster klassifisert som investerings- eller finansieringsaktiviteter	0
0	Endring i andre tidsavgrensningsposter	0
0	**Netto kontantstrøm fra operasjonelle aktiviteter**	**0**
	Kontantstrømmer fra investeringsaktiviteter	
0	Innbetalinger ved salg av varige driftsmidler	0
0	Utbetalinger ved kjøp av varige driftsmidler	0
-802	Utbetalinger ved kjøp av andre investeringer	0
0	Innbetalinger ved salg av andre investeringer	0
-802	**Netto kontantstrøm fra investeringsaktiviteter**	**0**
	Kontantstrømmer fra finansieringsaktiviteter	
0	Innbetalinger ved opptak av ny langsiktig gjeld	0
802	Innbetalinger ved opptak av ny kortsiktig gjeld	0
0	Utbetalinger ved nedbetaling av langsiktig gjeld	0
0	Utbetalinger ved nedbetaling av kortsiktig gjeld	0
0	Netto endring i kasskreditt	0
0	Utbetalinger av utbytte	0
0	Innbetalinger av konsernbidrag	0
0	Utbetalinger av konsernbidrag	0
802	**Netto kontantstrøm fra finansieringsaktiviteter**	**0**
	Effekt av valutakursendringer på kontanter og kontantekvivalenter	
0	Netto endring i kontanter og kontantekvivalenter	**0**
0	Beholdning av kontanter og kontantekvivalenter ved periodens begynnelse	114 299
0	**Beholdning av kontanter og kontantekvivalenter ved periodens slutt**	**114 299**

Regnskapsprinsipper

GSD Optiholding AS ble stiftet 1.oktober 2022. Resultatet i selskapsregnskapet viser resultatet fra denne datoen.

GSD Optiholding AS ble kontrollerende eier av Optimar International AS fra 19.desember 2022. Optimar International AS er et holdingselskap med datterselskaper i Norge, Spania, USA og Romania. Optimar International konsern var frem til 19.desember 2022 eid av Franz Haniel & Cie. Gmbh. Resultatet i Optimar International konsern for 2021 og frem til 19.desember i 2022 inngår i konsernregnskapet til Franz Haniel & Cie. Gmbh. Resultat for Optimar International konsern fra 19.desember 2022 inngår i konsernregnskapet til GSD Optiholding. Resultat for perioden 19.-31.desember viser et resultat på kr 0. Bakgrunnen for resultatet er at det ikke var operasjonell aktivitet av betydning i denne perioden.

Årsregnskapet er satt opp i samsvar med regnskapsloven og god regnskapsskikk.

Bruk av estimater

Utarbeidelse av regnskaper i samsvar med regnskapsloven krever bruk av estimater. Videre krever anvendelse av selskapets regnskapsprinsipper at ledelsen må utøve skjønn. Områder som i stor grad inneholder slike skjønnsmessige vurderinger, høy grad av kompleksitet, eller områder hvor forutsetninger og estimater er vesentlige for årsregnskapet, er beskrevet i notene.

Aksjer i datterselskap og tilknyttet selskap
Datterselskaper er selskaper der morselskapet har kontroll, og dermed bestemmende innflytelse på enhetens finansielle og operasjonelle strategi, normalt ved å eie mer enn halvparten av den stemmeberettigede kapitalen.

Følgende selskaper inngår i konsernet 31.12.:

Morselskap
GSD Optiholding AS

Datterselskap og datter av datter
Optimar International AS
Optimar AS
Biometrics AS
Optimar Spain SA
Optimar US Inc
Optimar Fish Handling SRL

Regnskapsprinsipper for aksjer i datterselskaper

Kostmetoden brukes som prinsipp for investeringer i datterselskaper og tilknyttede selskaper i selskapsregnskapet. Kostprisen økes når midler tilføres ved kapitalutvidelse, eller når det gis konsernbidrag til datterselskap. Mottatte utdelinger resultatføres i utgangspunktet som inntekt. Utdelinger som overstiger andel av opptjent egenkapital etter kjøpet føres som reduksjon av anskaffelseskost. Utbytte/konsernbidrag fra datterselskap regnskapsføres det samme året som datterselskapet avsetter beløpet. Utbytte fra andre selskaper regnskapsføres som finansinntekt når utbyttet er vedtatt.

Konsolideringsprinsipper

Datterselskaper blir konsolidert fra det tidspunkt kontrollen er overført til konsernet (oppkjøpstidspunktet).

I konsernregnskapet erstattes posten aksjer i datterselskap med datterselskapets eiendeler og gjeld. Konsernregnskapet utarbeides som om konsernet var én økonomisk enhet. Transaksjoner, urealisert fortjeneste og mellomværende mellom selskapene i konsernet elimineres.

Kjøpte datterselskaper regnskapsføres i konsernregnskapet basert på morselskapets anskaffelseskost. Anskaffelseskost tilordnes identifiserbare eiendeler og gjeld i datterselskapet, som oppføres i konsernregnskapet til virkelig verdi på oppkjøpstidspunktet. Eventuell merverdi ut over hva som kan henføres til identifiserbare eiendeler og gjeld, balanseføres som goodwill. Goodwill behandles som en residual og balanseføres med den andelen som er observert i oppkjøpstransaksjonen. Merverdier i konsernregnskapet avskrives over de oppkjøpte eiendelenes forventede levetid.

Omregning av utenlandske datterselskaper skjer ved at balansen omregnes til balansedagens kurs, og at resultatregnskapet omregnes til en gjennomsnittskurs. Eventuelle vesentlige transaksjoner omregnes til transaksjonsdagens kurs. Alle omregningsdifferanser føres direkte mot egenkapitalen.

Salgsinntekter

Inntekter ved salg av varer og tjenester vurderes til virkelig verdi av vederlaget, netto etter fradrag for merverdiavgift, returer, rabatter og andre avslag. Salg av varer resultatføres når en enhet innenfor konsernet har levert sine produkter til kunden og det ikke er uoppfylte forpliktelser som kan påvirke kundens aksept av leveringen. Levering er ikke foretatt før produktene er sendt til avtalt sted og risiko for tap og ukurans er overført til kunden. Avsetning til forventede garantiarbeider føres som kostnad og avsetning for forpliktelser.

For langsiktige tilvirkningskontrakter blir det benyttet løpende avregning når kravene til å benytte metoden etter god regnskapsskikk er oppfylt. Fullføringsgrad på langsiktige tilvirkningskontrakter måles etter fremdrift av påløpte prosjektkostnader.

Tjenester inntektsføres i takt med utførelsen.

Klassifisering av balanseposter

Eiendeler bestemt til varig eie eller bruk klassifiseres som anleggsmidler. Eiendeler som er tilknyttet varekretsløpet klassifiseres som omløpsmidler. Fordringer for øvrig klassifiseres som omløpsmidler hvis de skal tilbakebetales innen ett år. For gjeld legges analoge kriterier til grunn. Første års avdrag på langsiktige fordringer og langsiktig gjeld klassifiseres likevel ikke som omløpsmiddel og kortsiktig gjeld.

Anskaffelseskost

Anskaffelseskost for eiendeler omfatter kjøpesummen for eiendelen, med fradrag for bonuser, rabatter og lignende, og med tillegg for kjøpsutgifter (frakt, toll, offentlige avgifter som ikke refunderes og eventuelle andre direkte kjøpsutgifter). Ved kjøp i utenlandsk valuta balanseføres eiendelen til kursen på transaksjonstidspunktet.

For varige driftsmidler og immaterielle eiendeler omfatter anskaffelseskost også direkte utgifter for å klargjøre eiendelen for bruk, for eksempel utgifter til testing av eiendelen.

Offentlige tilskudd knyttet til SkatteFUNN eller tilsvarende bokføres som en reduksjon av regnskapspostene tilskuddet vedrører.

Immaterielle eiendeler og goodwill

Goodwill har oppstått i forbindelse med kjøp av datterselskap. Goodwill avskrives over forventet levetid.

Utgifter til utvikling balanseføres i den grad det kan identifiseres en fremtidig økonomisk fordel knyttet til utvikling av en identifiserbar immateriell eiendel og utgiftene kan måles pålitelig. I motsatt fall kostnadsføres slike utgifter løpende. Balanseført utvikling avskrives lineært over økonomisk levetid.

Varige driftsmidler

Tomter avskrives ikke. Andre varige driftsmidler balanseføres og avskrives lineært til restverdi over driftsmidlenes forventede utnyttbare levetid. Ved endring i avskrivningsplan fordeles virkningen over gjenværende avskrivningstid ("knekkpunktmetoden"). Vedlikehold av driftsmidler kostnadsføres løpende under driftskostnader. Påkostninger og forbedringer tillegges driftsmidlets kostpris og avskrives i takt med driftsmidlet. Skillet mellom vedlikehold og påkostning/forbedring regnes i forhold til driftsmidlets stand på anskaffelsestidspunktet.

Leide (leasede) driftsmidler balanseføres som driftsmidler hvis leiekontrakten anses som finansiell.

Andre langsiktige aksjeinvesteringer

Kostmetoden brukes som prinsipp for investeringer i andre aksjer mv. Utdelinger regnskapsføres i utgangspunktet som finansinntekt, når utdelingen er vedtatt. Hvis utdelingene vesentlig overstiger anel av opptjent egenkapital etter kjøpet, føres det overskytende til reduksjon av kostprisen.

Nedskrivning av anleggsmidler

Ved indikasjon om at balanseført verdi av et anleggsmiddel er høyere enn virkelig verdi, foretas det test for verdifall. Testen foretas for det laveste nivå av anleggsmidler som har selvstendige kontantstrømmer. Hvis balanseført verdi er høyere enn både salgsverdi og bruksverdi (nåverdi ved fortsatt bruk/eie), foretas det nedskrivning til det høyeste av salgsverdi og bruksverdi.
Tidligere nedskrivninger, med unntak for nedskrivning av goodwill, reverseres hvis forutsetningene for nedskrivningen ikke lenger er til stede.

Varelager

Varer vurderes til det laveste av anskaffelseskost (etter FIFO-prinsippet) og virkelig verdi. For råvarer brukes gjenanskaffelseskost som tilnærming til virkelig verdi. For ferdig tilvirkede varer og varer under tilvirkning består anskaffelseskost av utgifter til produktutforming, materialforbruk, direkte lønn, og andre direkte og indirekte produksjonskostnader (basert på normal kapasitet). Virkelig verdi er estimert salgspris fratrukket nødvendige utgifter til ferdigstillelse og salg. Bare variable utgifter anses nødvendige for å selge ferdige varer, mens også faste tilvirkningskostnader inkluderes som nødvendige for varer som ikke er ferdig tilvirket.

Anleggskontrakter
Arbeid under utførelse knyttet til fastpriskontrakter med lang tilvirkningstid vurderes etter løpende avregnings metode. Fullførelsesgraden beregnes som påløpte kostnader i prosent av forventet totalkostnad. Totalkostnaden revurderes løpende. For prosjekter som antas å gi tap, kostnadsføres hele det beregnede tapet umiddelbart.

Ved periodeslutt blir hver enkelt kontrakt vurdert individuelt i henhold til fremdrift og fakturert beløp. Hvis akkumulert opptjent kontraktsinntekt er høyere enn fakturert beløp klassifiseres kontrakten som en eiendel i balansen, og hvis opptjent kontraktsinntekt er lavere en fakturert beløp blir kontrakten presentert som en kortsiktig gjeld i balansen.

Fordringer

Kundefordringer føres opp i balansen etter fradrag for avsetning til forventede tap. Avsetning til tap gjøres på grunnlag av individuell vurdering av fordringene og en tilleggsavsetning som skal dekke øvrige påregnelige tap. Vesentlige økonomiske problemer hos kunden, sannsynligheten for at kunden vil gå konkurs eller gjennomgå økonomisk restrukturering, og utsettelser og mangler ved betalinger anses som indikatorer på at kundefordringer må nedskrives.

Andre fordringer, både omløpsfordringer og anleggsfordringer, føres opp til det laveste av pålydende og virkelig verdi. Virkelig verdi er nåverdien av forventede framtidige innbetalinger. Det foretas likevel ikke neddiskontering når effekten av neddiskontering er uvesentlig for regnskapet. Avsetning til tap vurderes på samme måte som for kundefordringer.

Utenlandsk valuta
Fordringer og gjeld i utenlandsk valuta, som ikke er sikret ved bruk av terminkontrakter, balanseføres til kursen ved regnskapsårets slutt. Kursgevinster og kurstap knyttet til varesalg og varekjøp i utenlandsk valuta føres som finansinntekt og finanskostnad.

Gjeld

Gjeld, med unntak for enkelte avsetninger for forpliktelser, balanseføres til nominelt gjeldsbeløp.

Garantiarbeider/reklamasjoner

Garantiarbeider/reklamasjoner knyttet til avsluttede salg vurderes til antatt kostnad for slikt arbeid. Estimatet beregnes med utgangspunkt i historiske tall for garantiarbeider, men korrigert for forventet avvik på grunn av for eksempel endring i kvalitetssikringsrutiner og endring i produktspekter. Avsetningen føres opp under "Annen kortsiktig gjeld", og endringen i avsetningen kostnadsføres.

Pensjoner
Selskapet har ulike pensjonsordninger. Pensjonsordningene er finansiert gjennom innbetalinger til forsikringsselskap. Selskapet har bare innskuddsplaner.

Innskuddsplaner

Ved innskuddsplaner betaler selskapet innskudd til et forsikringsselskap. Selskapet har ingen ytterligere betalingsforpliktelse etter at innskuddene er betalt. Innskuddene regnskapsføres som lønnskostnad. Eventuelle forskuddsbetalte innskudd balanseføres som eiendel (pensjonsmidler) i den grad innskuddet kan refunderes eller redusere framtidige innbetalinger.

Skatt

Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt beregnes på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt eventuelt ligningsmessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverserer eller kan reversere i samme periode er utlignet. Oppføring av utsatt skattefordel på netto skattereduserende forskjeller som ikke er utlignet og underskudd til fremføring, begrunnes med antatt fremtidig inntjening. Utsatt skatt og skattefordel som kan balanseføres oppføres netto i balansen.

Skattereduksjon ved avgitt konsernbidrag, og skatt på mottatt konsernbidrag som føres som reduksjon av balanseført beløp på investering i datterselskap, føres direkte mot skatt i balansen (mot betalbar skatt hvis konsernbidraget har virkning på betalbar skatt, og mot utsatt skatt hvis konsernbidraget har virkning på utsatt skatt). Utsatt skatt både i selskapsregnskapet og i konsernregnskapet regnskapsføres til nominelt beløp.

Kontantstrømoppstilling

Kontantstrømoppstillingen utarbeides etter den indirekte metoden. Kontanter og kontantekvivalenter omfatter kontanter, bankinnskudd og andre kortsiktige likvide plasseringer, som umiddelbart og med uvesentlig kursrisiko kan konverteres til kjente kontantbeløp og med gjenværende løpetid mindre enn tre måneder fra anskaffelsesdato.

Tall er oppgitt i tusen norske kroner.

Note 1 Immaterielle eiendeler og goodwill

Konsernet	Goodwill	Kunde-relasjoner	Utvikling	Andre immaterielle eiendeler	Sum
Anskaffelseskost 19.12	156 551	22 647	121 077	41 547	**341 822**
Tilgang	84	0	0	0	**84**
Anskaffelseskost 31.12.	156 635	22 647	121 077	41 547	**341 906**
Akkumulerte avskrivninger 31.12.	156 551	17 513	84 239	20 375	**278 678**
Balanseført verdi 31.12.	**84**	**5 134**	**36 837**	**21 172**	**63 227**
Årets avskrivninger	0	0	0	0	**0**
Forventet økonomisk levetid	5 år	10 år	10 år	5 år	
Avskrivningsplan	Lineær	Lineær	Lineær	Lineær	

Konsernet har mottatt tilskudd for utviklingsprosjekter på TNOK 304 i 2022.

Note 2 Varige driftsmidler

Konsernet

	Bygninger, tomter og maskiner	IT hardware	Kjøretøy og inventar	Sum
Anskaffelseskost 31.12.	54 711	8 968	9 557	**73 235**
Akkumulerte avskrivninger 31.12.	35 694	6 448	8 930	**51 072**
Balanseført verdi 31.12.	**19 016**	**2 521**	**626**	**22 163**
Årets avskrivninger	0	0	0	**0**
Forventet økonomisk levetid	0-10 år	3 år	3 år	
Avskrivningsplan	Lineær	Lineær	Lineær	

Note 3 Leieavtaler

Finansiell leasing

Konsernet har finansiell leasing. Finansielle eiendeler er knyttet til produksjonsutstyr.

Morselskapet 2022	Balanseførte verdier vedrørende leieavtaler	Konsernet 2022
0	Balanseført verdi av finansiell leasing eiendel	68 379
0	Fremtidig leieforpliktelse	75 374
	Fremtidig leieforpliktelse for finansiell leasing:	
0	Neste år	12 581
0	1-5 år	47 746
0	Over 5 år	15 047

Note 4 Skatt

Beregning av utsatt skatt/utsatt skattefordel

Morselskapet 2022		Konsernet 2022
0	Utsatt skattefordel	88 789
0	Herav ikke balanseført utsatt skattefordel	74 926
0	**Utsatt skattefordel i balansen**	**13 863**
0	**Betalbar skatt i balansen**	**1 435**

Andel balanseført utsatt skattefordel er beregnet med utgangspunkt i forventede skattepliktige resultater i fremtidige år.

Note 5 Egenkapital

Morselskapet

	Aksjekapital	Annen innskutt egenkapital	Annen egenkapital	Sum
Stiftelse 1.okt 2022	30	0	-6	24
Årets resultat	0	0	0	0
Egenkapital 31.12.	**30**	**0**	**-6**	**24**

Konsernet

	Aksjekapital	Annen innskutt egenkapital	Annen egenkapital	Ikke-kontrollerende eierinteresser	Sum
Konserndannelse 19.des 2022	30	0	-6	70 932	70 957
Årets resultat	0	0	0	0	0
Egenkapital 31.12.	**30**	**0**	**-6**	**70 932**	**70 957**

Note 6 Datterselskap

Morselskapet

Datterselskap	**Forretnings-kontor**	**Stemmeandel**	**Egenkapital pr. 31.12**	**Resultat 2022**	**Balanseført verdi**
Optimar International AS	Valderøya, Norge	51 %	30 540	-1 485 099	802
Balanseført verdi 31.12.					**802**

Datterselskaper eid av Optimar International AS

	Forretnings-kontor
Optimar AS	Valderøya, Norge
Biometrics AS	Valderøya, Norge
Optimar Spain SA	Vigo, Spain
Optimar US Inc	Seattle, USA
Optimar Fish Handling SRL	Galati, Romania

Note 7 Varer

Morselskapet 2022		**Konsernet 2022**
0	Råvarer	71 464
0	Varer under tilvirkning	47 233
0	**Sum**	**118 698**
	Ukuransavsetning	**12 046**

Note 8 Fordringer og gjeld

Morselskapet 2022	**Kundefordringer**	**Konsernet 2022**
0	Kundefordringer til pålydende	211 930
0	Avsetning til tap på kundefordringer	111 555
0	**Kundefordringer i balansen**	**100 375**

Note 9 Prosjekter i arbeid

Morselskapet		Konsernet
	Balanseførte verdier vedrørende prosjekter	
2022		**2022**
	Inkludert i prosjekter i arbeid	
0	Opptjent ikke fakturert produksjon	9 884
0	Tilbakeholdte betalinger i.h.t. kontrakt	0
	Inkludert i prosjekter i arbeid - påstartet/ikke startet	
0	Fakturert, ikke utført produksjon (forskudd)	38 868
	Resultatposter vedrørende prosjekter	
2022		**2022**
	Resultat på prosjekter under utførelse	
0	Resultatførte totale inntekter	0
	Resultatførte totale kostnader	0
0	Estimert kontraktsfortjeneste	0
	Tapsprosjekter under utførelse	
0	Gjenværende produksjon	0

Note 10 Bundne bankinnskudd, trekkrettigheter

Morselskapet 2022	Bundne bankinnskudd	Konsernet 2022
0	**Skattetrekksmidler**	**8 627**

Note 11 Aksjekapital og aksjonærinformasjon

Aksjekapitalen på kr. 30 000 består av 3 000 aksjer á kr. 10.

Aksjonærer	Antall	Eierandel
Georg Holger Maria Saint-Denis	3 000	100,0 %
Totalt antall aksjer	**3 000**	**100,0 %**

Note 12 Antall årsverk

Morselskapet 2022	Lønnskostnader	Konsernet 2022
0	Antall årsverk	330

Note 13 Hendelser etter balansedagen

Det er ingen vesentlige hendelser etter balansedagen.

BDO AS
Munkedamsveien 45
Postboks 1704 Vika
0121 Oslo

Uavhengig revisors beretning

Til generalforsamlingen i Gsd Optiholding AS

Konklusjon

Vi har revidert årsregnskapet for Gsd Optiholding AS.

Årsregnskapet består av:

- Selskapsregnskapet, som består av balanse per 31. desember 2022, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter, herunder et sammendrag av viktige regnskapsprinsipper, og
- Konsernregnskapet, som består av balanse per 31. desember 2022, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening:

- Oppfyller årsregnskapet gjeldende lovkrav
- Gir selskapsregnskapet et rettvisende bilde av selskapets finansielle stilling per 31. desember 2022 og av dets resultater og kontantstrømmer for regnskapsåret som ble avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge, og
- Gir konsernregnskapet et rettvisende bilde av konsernets finansielle stilling per 31. desember 2022 og av dets resultater og kontantstrømmer for regnskapsåret som ble avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet nedenfor under Revisors oppgaver og plikter ved revisjonen av årsregnskapet. Vi er uavhengige av selskapet og konsernet i samsvar med kravene i relevante lover og forskrifter i Norge og International Code of Ethics for Professional Accountants (inkludert internasjonale uavhengighetsstandarder) utstedt av International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Innhentet revisjonsbevis er etter vår vurdering tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Annen informasjon

Styret og daglig leder (ledelsen) er ansvarlig for annen informasjon. Annen informasjon består av årsberetningen. Vår konklusjon om årsregnskapet ovenfor dekker ikke annen informasjon.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese annen informasjon. Formålet er å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom annen informasjon og årsregnskapet og den kunnskap vi har opparbeidet oss under revisjonen av årsregnskapet, eller hvorvidt informasjon i annen informasjon ellers fremstår som vesentlig feil. Vi har plikt til å rapportere dersom annen informasjon fremstår som vesentlig feil. Vi har ingenting å rapportere i så henseende.

Konklusjon om årsberetningen

Basert på kunnskapen vi har opparbeidet oss i revisjonen, mener vi at årsberetningen

- er konsistent med årsregnskapet og
- inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav.

Styret og daglig leders ansvar for årsregnskapet

Styret og daglig leder (ledelsen) er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettvisende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets og konsernets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avviklet.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med ISA-ene, alltid vil avdekke vesentlig feilinformasjon. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon er å anse som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke de økonomiske beslutningene som brukerne foretar på grunnlag av årsregnskapet.

For videre beskrivelse av revisors oppgaver og plikter vises det til:
https://revisorforeningen.no/revisjonsberetninger

BDO AS

Yngve Gjethammer
statsautorisert revisor
(elektronisk signert)

PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.

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Yngve Gjethammer
Statsautorisert revisor
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FRANZ HANIEL & CIE. GMBH

Annual Report 2022

Indicators

SUMMARY OF THE CONSOLIDATED FINANCIAL STATEMENTS

EUR million	2021	2022	Change
Revenue and profits			
Revenue	3,585	4,223	+18%
Operating profit (EBITA)	277	310	+12%
Profit after taxes	175	–108	<-100%
Cash flow			
Cash flow from operating activities	442	588	+33%
Capital expenditure	835	661	–21%
Operating free cash flow	116	250	>+100%
Dividend of Franz Haniel & Cie. GmbH	60	78	+30%
Statement of financial position			
Total assets	6,303	6,570	+4%
Equity	2,955	2,684	–9%
Equity ratio (in percent)	47%	41%	–6% points
Net financial position	1,131	1,541	+36%
Employees			
Annual average number of employees (headcount)	20,295	21,519	+6%

Looking back at 2022

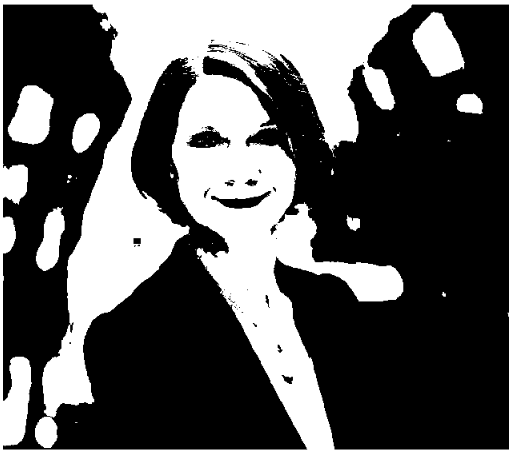
Further milestones achieved in journey to becoming Europe's leading purpose-driven investor – despite the highly volatile and challenging economic environment:

Continued progress with portfolio restructuring: multiple Planet-focused investments in venture capital funds and direct investments, bolt-on acquisitions at CWS and BekaertDeslee, and management buyout at Optimar.

Leadership – Successes achieved in implementing our value creation targets: Strong development of three core performance indicators revenue (+18 percent year-on-year), EBITA (+12 percent) and operating free cash flow (+116 percent). Steady increases in revenue from sustainable solutions contribute to the success: share of "*enkelfähig*" Group revenue rose to 18.5 percent in 2022.

Progress made in establishing a culture of performance, entrepreneurship and diversity – by increasing the number of women on Haniel's management team to 50 percent, among other things.

Haniel's transformation makes headway: Report of the Supervisory Board



DOREEN NOWOTNE
Chairwoman of the Supervisory Board

Dear shareholders and friends of the Company,

In 2022, the business community and society once again faced many challenges which also impacted the operating performance of our Company. Nevertheless, we at Haniel achieved further progress in implementing our transformation, which we launched three years ago.

Aside from the lingering effects of the coronavirus pandemic, the repercussions from Russia's war of aggression in Ukraine in particular influenced the overall economic situation. Haniel has taken a firm stance against this war. As a consequence, every portfolio company has pulled out of Russia. Beyond this, supply bottlenecks, inflation, cyber attacks and labor shortages have proven highly challenging for companies. The management team reacted to the evolving macroeconomic conditions with agility and resolve, introducing countermeasures early on. This has shown us once more the kind of potential the Haniel Group possesses. On the whole, we can look back on fiscal year 2022 with satisfaction.

Haniel's ambition is to be "*enkelfähig*" – i.e., to create value for generations. In order to achieve this, ever since it adopted its strategic realignment in 2019 Haniel has been instituting a series of significant changes in three core areas: portfolio, leadership and culture.

In 2022, our investment team achieved important milestones along the journey to restructure our portfolio: the STAXS take-over enabled CWS Cleanrooms to solidify its position as Europe's first one-stop shop for cleanroom solutions, thereby laying the groundwork for further expansion in this highly attractive, fast-growing segment. BekaertDeslee strengthened its North American business by acquiring the Maxime Group in Canada. In addition, it successfully continued to broaden its investments in the Growth Capital segment, including through direct investments in clean tech start-ups, such as the equity stake in 1KOMMA5°. Haniel has transferred shares in Optimar to the management and employees of the portfolio company. Therefore, Optimar will be managed as a financial investment going forward.

As far as leadership and culture were concerned, we placed a particular focus on realizing our ambition to increase value across every portfolio company. In addition, our efforts concentrated on establishing a culture of diversity, entrepreneurship and performance throughout the entire Haniel Group. We achieved success, for instance, in refining our target of diversity – particularly with regard to executives at the Holding Company level. The opening of the Haniel Campus is also worth highlighting – its aim is to develop our home base of Ruhrort into a beacon for sustainable entrepreneurship and living that creates value for future generations.

2022 was the first year since the pandemic began in which it was possible once again for the management team, the Supervisory Board and the family to gather together and exchange views and information. I am particularly pleased to see how involved the younger generation of the family is and the degree to which they engage and identify with Haniel's transformation.

On behalf of the entire Supervisory Board, I would like to thank Haniel's management team, executives and employees for their extraordinary dedication and commitment over this past year.

A change in the top management
Haniel's CFO, Florian Funck, has notified the Supervisory Board that he does not intend to renew his agreement, which expires in August 2024. We deeply regret this decision. However, we respect his desire to strike out on a new career path and are grateful to him for providing us ample time to initiate an orderly search for a successor. It is still too soon to speak of the outstanding contribution that Florian Funck has made to Haniel. I am pleased that he will continue to offer his full support in the ongoing transformation process this year.

There will also be changes on the Supervisory Board: at the end of April 2023, I will be passing the baton to Maximilian Schwaiger, who has been a member of the Supervisory Board since May 2020. After five years as Chairwoman of the Supervisory Board – during which time it was my privilege to accompany Haniel in achieving many important milestones along its journey of transformation – I am pleased to hand this office back over to a member of the family. I would like to wish Maximilian Schwaiger and the entire Supervisory Board much success with the continued development of the Company. I am extraordinarily grateful for the trust and immense support I have received – as the first non-family member in the Company's history to chair the Supervisory Board – over the past five years.

Close collaboration between management and Supervisory Board
The work between the Supervisory Board and the management was marked by a spirit of openness, mutual trust and a shared desire to successfully transform the Company. The management team informed us regularly about the status of the Haniel Holding Company and the portfolio companies – also with regard to important individual projects.

Aside from the regular meetings of the Supervisory Board, I was also in constant contact with the management team – Thomas Schmidt and Florian Funck in particular. We discussed important operational and strategic issues affecting the Group. The Supervisory Board continually and carefully monitored the Group's management and business development based on regular written and oral reports of the management team. We examined in depth all the decisions requiring our consent in advance of meetings and passed the necessary resolutions at four regular meetings and ten extraordinary meetings, as well as two resolutions in writing. At the meetings, we discussed the current state of the business and the Group's strategic priorities; the acquisitions of Maxime by BekaertDeslee as well as STAXS and BERNET Holding by CWS; and the Optimar management buyout. In addition, we discussed in detail the strategic and operational development of KMK kinderzimmer, TAKKT and CWS with their management teams.

The Audit Committee held four regular meetings and one extraordinary meeting in fiscal year 2022. It monitored the accounting process and the effectiveness of the internal control system, the risk management system, the Internal Auditing office, and the compliance management system. Furthermore, the Committee discussed the independence of the auditor and approved permitted non-audit services. At its meeting on March 21, 2022, it recommended to the Supervisory Board that it propose to the Shareholders' Meeting to elect a new auditor for the fiscal year ending on December 31, 2022. The Personnel Committee met three times in 2022, primarily to discuss matters pertaining to the management team's service agreements and remuneration.

Annual financial statements and consolidated financial statements
BDO AG Wirtschaftsprüfungsgesellschaft audited the annual financial statements of Franz Haniel & Cie. GmbH and the report of the Management Board for the 2022 fiscal year. The auditors confirmed that the annual financial statements and Report of the Management Board comply with legal provisions and the Company's articles of association. The auditors issued an unqualified auditors' report on the annual financial statements and the report of the Management Board. The auditors also issued an unqualified auditors' report on the consolidated financial statements and the Group report of the Management Board. The auditor participated in the Supervisory Board's meeting on the financial statements and in all meetings of the Audit Committee.

The management submitted the consolidated financial statements, the Group report of the Management Board and the Group auditors' report for 2022 to the Supervisory Board for its examination. Following an in-depth examination, the Supervisory Board approved the consolidated financial statements and the Group report of the Management Board. The Supervisory Board also approved the annual financial statements of Franz Haniel & Cie. GmbH and the management's profit appropriation proposal. The annual financial statements are thereby adopted and the consolidated financial statements approved. After conducting its own detailed review, the Supervisory Board concurred with the management's proposal that a dividend totaling EUR 60 million be distributed to the shareholders for fiscal year 2022.

Thanks for outstanding commitment
On behalf of my colleagues on the Supervisory Board, I would like to thank all employees for their dedication and their hard work for customers and the Company. Haniel made it through the year safe and sound despite the overall economic challenges. That is thanks to the outstanding work of the management team and all employees. I would also like to thank the employee representatives and members of the Works Council for their consistent and constructive feedback.

In 2023, we will step up our efforts to implement our transformation. A particular focus will fall on the continued effort to realign our portfolio structure and on systematically leveraging strategic value at each of the portfolio companies.

The environment in which we operate will remain challenging. The management team has taken the necessary precautions and drawn up action plans.

We therefore have great confidence in the Haniel Group's financial strength, stability and future viability.

Duisburg, March 30, 2023

Doreen Nowotne
Chairwoman of the Supervisory Board

Group Report of the Management Board

Group structure and business models

With a portfolio of economically successful and sustainable companies, Haniel is creating value for generations: The Haniel Group comprises seven portfolio companies and two financial investments, organized into the three investment pillars People, Planet and Progress as well as the segment Transformation. In addition, the portfolio features a variety of investments in start-ups via funds and minority stakes. Haniel's portfolio companies are generally independent from an operational standpoint, although they share the common goal of becoming "*enkelfähig*" – i.e., creating sustainable value for generations to come.

Haniel's objective is to become Europe's leading purpose-driven investor. To accomplish this, our strategy is to build sustainable businesses for a future worth living. Our goal is to manage a portfolio of 10 to 15 future-proof enterprises under the investment pillars People, Planet and Progress. Over the medium term, Haniel aims to achieve an overall return in excess of nine percent across all investments, thus outperforming the capital markets.

"*Enkelfähig*": performance through sustainability
When selecting and managing its investments, the Company focuses on sustainability criteria as well as a clear performance orientation. When selecting investments, Haniel is guided by the United Nation's Sustainable Development Goals as well as global megatrends. Haniel has developed its own assessment method: based on the "Future Worth Living" rating, a total of ten principles are examined to quantify the potential offered by a prospective acquisition target. If a company does not meet these criteria or offers no potential for future improvement, the investment is declined – regardless of the potential return. Existing portfolio companies must also meet these minimum requirements.

Since 2019, the Company has classified its investments and potential targets into investment pillars:

People: we enable people to live healthy, happy and peaceful lives.

Planet: we take action to preserve our planet for future generations.

Progress: we foster progress to create innovations, prosperity and economic growth.

In the search for new investments, the focus is on the Planet pillar. Existing portfolio companies which are not as readily classified under the three investment pillars are assigned to the Transformation segment, where they are systematically developed to add value.

A tradition-steeped family company
Franz Haniel & Cie. GmbH is a 100 percent family-owned company which has been headquartered in Duisburg since it was founded in 1756. There is one thing in particular that sets Haniel apart from other family-owned companies: its management has been in the hands of outsiders since the beginning of the 20th century. Not a single family member works at the Group. This means that business decisions are made independently of familial obligations.

As a family-owned enterprise, Haniel has more than 266 years of experience with transformation and to this very day has always boldly adapted its portfolio to keep pace with change.

Shared management model HOW
Haniel's portfolio companies are generally independent from an operational standpoint. However, in order to keep the focus on the Group's sustainable transformation to create value for future generations, we have developed a shared operating system – the Haniel Operating Way (HOW).

By focusing on customer-orientation, employee engagement and growth through forward-facing solutions, the HOW helps to standardize processes and tools throughout the Haniel Group, while giving the individual companies the freedom to structure their own business activities.

Haniel's experts assist every portfolio company not only in implementing the mandatory core elements of the system but also in developing an individual roadmap for every organization. As a strategic architect, we thus actively offer guidance, examine business strategies, set ambitious goals, promote strong talent development and facilitate the exchange of best practices.

The "*Enkelfähig* Academy" is the flagship of Haniel's culture of diversity, entrepreneurship and performance. It is a driving force behind our culture that offers a learning environment in which employees from every portfolio company can achieve growth and development.

Portfolio companies

Haniel's investments operate independently of each other in their respective markets. Except for BekaertDeslee and BauWatch, every portfolio company is headquartered in Germany. The business models differ from one another with respect to their sector, business drivers, customer structure, cyclicity and strategy, which results in an advantageous diversification of the Haniel portfolio.

People

BauWatch, which has its registered office in Apeldoorn (Netherlands), is one of the leading companies for temporary outdoor security solutions. The company's access control, alarm and video systems are presently deployed primarily at construction sites. Other areas of application include warehouses and recycling yards as well as wind and solar energy farms. On average, BauWatch employed 420 people in 2022 (previous year: 361).

BekaertDeslee develops and produces woven and knitted mattress textiles as well as ready-made mattress covers. BekaertDeslee's products help people to get a good night's sleep and thus boost wellbeing. The company focuses on the use of natural resources and recyclability. From its headquarters in Belgium, the company oversees a global network of production and distribution locations. BekaertDeslee employed an average of 3,907 people in 2022 (previous year: 3,831).

Emma – The Sleep Company, with its registered office in Frankfurt am Main, was founded in 2013 and has evolved since then from an online platform for mattresses to an international sleep innovation provider. When it comes to quality of sleep and thus wellbeing, Emma's outstanding research and development expertise continually and holistically raises the bar. Emma employed an average of 856 people in 2022 (previous year: 641).

KMK kinderzimmer is an early-childhood education provider with dynamic growth ambitions that operates nurseries and daycare centers in Hamburg and Munich. It plans to open several sites in London in 2023. The company, founded in 2011, currently looks after more than 4,000 children from a broad range of socioeconomic backgrounds at its facilities. A private entity, KMK kinderzimmer operates within the framework of public law to help cities and municipalities fulfill their obligation to provide state-guaranteed and socially relevant early childhood education – thereby also making a variety of living and working models possible. KMK kinderzimmer thus plays a relevant and sustainable part in the creation of an equal-opportunity society. KMK kinderzimmer employed an average of 664 people in 2022 (previous year: 584).

Planet

CWS offers sustainable service solutions through its Hygiene, Workwear, Cleanrooms and Fire Safety divisions. The textiles are properly prepared in the company's own laundries using environmentally friendly processes, and delivered to customers of all sizes and industries at regular intervals under long-term service agreements. To ensure a safer and more healthy future – so that our world remains livable for future generations as well – CWS is dedicated to improved hygiene and greater safety in the professional and public sphere. On average, CWS employed 11,742 people in 2022 (previous year: 11,247).

Progress

ROVEMA designs and builds packaging machines and equipment that meet the complex needs of the modern circular economy. The portfolio company seeks to develop holistic packaging solutions which from the very beginning take into account the environment, the market and the product. ROVEMA is positioning itself as a partner for sustainable packaging solutions. ROVEMA employed an average of 880 people in 2022 (previous year: 874).

Transformation

TAKKT is an omnichannel seller of business equipment in Europe and North America. The group operates in more than 25 countries through its Industrial & Packaging, Office Furniture & Displays and FoodService divisions. The product range of the subsidiaries comprises more than 600,000 products for the areas of plant and warehouse equipment, office furniture, transport packaging, display articles and equipment for the food service industry, hotel market and retailers. On average, the TAKKT Group employed 2,692 people in 2022 (previous year: 2,629).

Financial investments

The financial investment **CECONOMY** is a leading platform for consumer electronics brands and concepts in Europe. The companies in CECONOMY's portfolio offer products, services and solutions that make life in the digital world as easy and pleasant as possible. Their operating activities focus on the two omnichannel brands MediaMarkt and Saturn.

Optimar is a manufacturer of automated fish handling systems for use onboard, onshore as well as in aquacultures. These systems are installed as turnkey projects, either independently or in connection with third-party components. Optimar also offers additional products and services, including remote diagnostics and online maintenance, spare parts and upgrades. In December 2022, Haniel and Optimar's management team agreed to the transfer of 30 percent of shares in the company and 50.1 percent of the voting interest in Optimar to the company's management and employees. Since then, Optimar has been managed as a financial investment.

Through its **Growth Capital** segment, Haniel invests in start-ups via venture capital funds and direct investments. As a growth investor, Haniel focuses on ambitious cleantech companies. Roughly EUR 600 million in total is available for investment. Examples of direct investments include Aerones, which sells robot-enabled wind turbine maintenance systems, and 1KOMMA5°, an up-and-coming firm that installs carbon-neutral energy systems for private customers.

Value-oriented management system

Creating value for generations is at the core of the activities of the portfolio companies and the Haniel Holding Company. In order to ensure that the conduct of all participants is oriented on this goal, financial and non-financial performance indicators are utilized within the portfolio companies and the Haniel Holding Company. At Group level, the management uses operating profit and operating free cash flow alongside revenue to assess the development of the portfolio companies.

Haniel portfolio

Portfolio Companies

Equity interest: 100%

BauWatch

BauWatch is one of the leading companies for temporary outdoor security solutions offering a tech-enabled service proposition.

Equity interest: 100%

BekaertDeslee

BekaertDeslee develops and produces woven and knitted mattress textiles as well as ready-made mattress covers.

Equity interest: 100%

CWS

CWS offers sustainable service solutions in the fields of hygiene, workwear, cleanrooms and fire safety.

Equity interest: 54.14%

Emma

Emma – The Sleep Company is a fast-growing provider of mattresses and sleep innovations in Europe.

Equity interest: 60%

KMK kinderzimmer

KMK kinderzimmer is an early-childhood education provider with dynamic growth ambitions.

Equity interest: 100%

ROVEMA

ROVEMA designs and builds packaging machines and equipment that meet the complex needs of the modern closed-loop economy.

Equity interest: 65.51%

TAKKT

TAKKT is an omnichannel seller of business equipment in Europe and North America.

Growth Capital

Growth Investments
Minority interests in growth companies focusing on clean tech.

Growth Funds
Investments in venture capital funds focusing on clean tech.

Financial Investments

Equity interest: 16.7%

CECONOMY

CECONOMY is a leading developer of consumer electronics brands and concepts in Europe.

Equity interest: 49.9%*

Optimar

Optimar is a manufacturer of automated fish handling systems for use onboard, onshore as well as in aquacultures.

*Voting interest

As at 31 December 2022

Haniel Group
Revenue and earnings performance

Despite the challenging overall economic environment, Haniel can look back on a successful fiscal year: Revenue from the Haniel Group's continuing operations was up 18 percent year on year, amounting to EUR 4,223 million. Every portfolio company increased its revenue in 2022. In particular BekaertDeslee, Emma and TAKKT made a positive contribution to the increase in operating profit, which was up year on year by 12 percent at EUR 310 million.

Weaker growth rates throughout the global economy
According to the International Monetary Fund (IMF), the global economy expanded by 3.4 percent in 2022 overall (previous year: 6.2 percent). In the eurozone, the economy grew by 3.5 percent in 2022 (compared to 5.3 percent in the previous year). In the United States, economic growth decreased year on year from 5.9 percent to 2.0 percent. According to IMF estimates, the pace of growth in the economies of emerging and developing markets fell from 6.7 percent in the previous year to 3.9 percent.

Global inflation, Russia's invasion of Ukraine and the resurgence of COVID in China adversely impacted global economic development in 2022.

In particular, the economic development in Europe and the USA had an impact on the revenue and earnings performance of the Haniel Group.

Revenue trend positive
The **Haniel Group** posted revenue from continuing operations of EUR 4,223 million in 2022, representing an increase of 18 percent. While every portfolio company contributed to this increase, the positive performance was due in particular to growth at CWS, Emma and TAKKT – each of which contributed nine-figure sums. Adjusted for acquisitions and currency translation effects, revenue grew by 11 percent.

BekaertDeslee faced a universally weak economic environment, inflation and supply squeezes in 2022. In terms of revenue, this environment was marked by year-on-year drops in volume in every region. Active price and cost management as well as the effects of the Maxime acquisition enabled BekaertDeslee to offset these losses, however. On the whole, revenue rose year on year by EUR 51 million.

CWS increased its revenue by EUR 120 million year on year in 2022, particularly as the result of price adjustments in an inflationary business environment in Europe as well as through cleanroom and workwear acquisitions.

Despite the deteriorating economic climate, which saw many competitors suffer declining revenue, **Emma** successfully continued its strong growth trend. Revenue rose year on year by EUR 234 million. Roughly half of the company's absolute revenue growth was generated in the core markets Germany, United Kingdom, France and the Netherlands, with the remaining increase driven by smaller markets.

In a challenging market environment, **TAKKT** increased its revenue year on year by EUR 159 million, thanks to a good demand trend, increased prices and positive currency translation effects. TAKKT also benefited from the reduction in the high number of orders at the beginning of the year and the recovery of individual markets and product groups which had still been feeling the effects of the pandemic in the previous year. Every division contributed to organic growth.

The portfolio companies **BauWatch** and **KMK kinderzimmer** contributed to consolidated revenue for their first full year and increased their revenue sharply year on year. **ROVEMA** also played its part by increasing its revenue.

Operating profit improving
At EUR 310 million, operating profit from continuing operations in 2022 was higher than the previous year's figure of EUR 277 million. In particular, BekaertDeslee, Emma and TAKKT contributed to this increase. This was due in part to the units' solid revenue trend as well as to consistent cost management.

Although the lower volumes at **BekaertDeslee** were also reflected in the operating profit, this was canceled out by various non-recurring items, meaning that the operating profit rose year on year by EUR 8 million.

Despite having suffered a cyber attack and operating in a challenging market environment, **CWS** concluded the year 2022 only slightly below the previous year (by EUR 7 million).

On the basis of rising revenue and thanks to improved operations and economies of scale, **Emma** increased its operating profit by EUR 16 million year on year.

Combined with strict cost management measures, **TAKKT**'s increased revenue lifted its operating profit by EUR 17 million as compared to the previous year.

While **BauWatch** managed to increase its operating profit, the result was negative at **ROVEMA** and **KMK kinderzimmer**.

Profit before and after taxes eroded by non-recurring items

The Haniel Group's profit before taxes – which consists of the operating profit, the investment result and the result from financing activities as well as the effects from purchase price allocations on earnings – fell from EUR 271 million in the previous year to EUR 101 million in the year under review. Profit after taxes amounted to EUR -108 million in 2022 (previous year: EUR 175 million).

One cause for the decrease in the Haniel Group's profit before and after taxes was the increase in amortization and impairment of intangible assets resulting from the purchase price allocation from historical acquisitions (EUR 116 million; previous year: EUR 60 million). That figure also included EUR 47 million in extraordinary depreciation. In addition, the investment result plummeted from EUR 105 million in 2021 to EUR -25 million in the year under review, particularly as the result of the CECONOMY investment and declining returns in the Growth Capital segment.

The result from financing activities during the reporting period amounted to EUR -56 million. In the previous year, this figure had amounted to EUR -35 million. This decline resulted primarily from the increased interest expense as compared to the previous year and changes in the market values of various financial products.

The former portfolio company Optimar, which is now reported as a discontinued operation due to the completed management buyout, looks back on a difficult fiscal year due to its withdrawal from the Russian market. The profit or loss from discontinued operations is materially influenced by Optimar's profit or loss. It includes in particular effects from the deconsolidation of the portfolio company. These resulted in a loss from discontinued operations of EUR -154 million, following a loss of EUR -32 million in the previous year. In the previous year, the profit or loss from discontinued operations related mainly to the portfolio company ELG, which was sold in December 2021.

Outlook affirmed

As forecasted, organic growth at every portfolio company and in the Group was up year on year. The Haniel Group's operating profit was also up significantly as compared to 2021, in line with the forecast.

Employees

The employee headcount at the Haniel Group's continuing operations in 2022 was above the previous year's level, increasing by 6 percent. This increase resulted primarily from acquisitions and organic growth at the portfolio companies. In total, the Group employed on average 21,519 people in 2022. In 2021, the average employee headcount was 20,295.

Haniel Group
Financial position

In 2022, Haniel made progress with its portfolio restructuring: it expanded its Growth Capital segment through a variety of investments. The portfolio companies CWS and BekaertDeslee also expanded their business through acquisitions. Going forward, Optimar will be managed as a financial investment. Haniel continues to have a sound financial structure. The rating agencies Moody's and Scope confirmed their investment-grade ratings for the Haniel Holding Company.

Balanced financial governance
The ultimate objective of financial management is to cover the financing and liquidity needs at all times while maintaining entrepreneurial independence and limiting financial risks.

While staying within the guidelines set out by the Holding Company, the portfolio companies manage their own financing based on their own financial and liquidity planning. Cash management is also the responsibility of the portfolio companies. In order to leverage economies of scale, the Holding Company and its finance company support the portfolio companies and, together with partner banks, offer cash pools in various countries. Combining central directives with the autonomy of the portfolio companies in terms of their financing takes into account the portfolio companies' individual requirements for financial management.

Investment-grade ratings confirmed
All of Haniel's ratings are investment-grade: Moody's again confirmed its Baa3 rating in H1 2022. The European rating agency Scope also confirmed its BBB- investment-grade rating, and also issued a stable outlook.

Haniel's financial policy is distinguished by a moderate target net financial debt level of up to EUR 1 billion at the level of the Holding Company coupled with a solid long-term financing structure. Despite the impact of the coronavirus pandemic and Russia's war of aggression in Ukraine, the key figures which are crucial to the rating – total cash cover and market value gearing – remained steady and on par for the aforementioned ratings.

Broad-based financing
The Haniel Group's financial management relies on diversification of financing: various financing instruments with different business partners ensure access to liquidity at all times and reduce the dependency on individual financial instruments and business partners. A further key pillar of financial management is the ability to obtain funding on the capital market. To that end, the Haniel Holding Company updates its commercial paper programme at larger intervals, and in December 2022 it launched a Single European Debt Issuance Programme which it may utilize at any time.

Overall, the financial liabilities reported in the Haniel Group's statement of financial position amounted to EUR 1,952 million as of December 31, 2022, as compared to EUR 1,476 million as of December 31, 2021. The increase in liabilities was attributable mainly to the purchase of additional TAKKT shares and acquisitions at BekaertDeslee and – to a greater extent – at CWS. In addition, funds were also used to increase current assets.

Moreover, the BekaertDeslee, CWS and TAKKT portfolio companies in particular have access to bank lines of credit as well as a broad range of additional financing instruments.

Solid financial buffer
The net financial liabilities of the Haniel Group, i.e., financial liabilities less cash and cash equivalents, increased to EUR 1,767 million as of December 31, 2022 compared to EUR 1,423 million at the end of 2021. As mentioned above, this was due primarily to the purchase of additional TAKKT shares and acquisitions by BekaertDeslee and CWS.

The net financial position rose from EUR 1,131 million as of December 31, 2021 to EUR 1,541 million as of December 31, 2022. The net financial position comprises net financial liabilities less the Haniel Holding Company's investment position, excluding current and non-current receivables from affiliates.

Cash flow from operating activities increases
Cash flow from operating activities is used to assess the strength of the Group's liquidity position in its current business activities. This indicator takes into account cash expenses and income recognized in the income statement, as well as the change in current net assets. In 2022, this increased to EUR 588 million, primarily as a result of

consistent working capital management. In the previous year, this figure had amounted to EUR 442 million.

Haniel invests in development of portfolio companies
Cash flow from investing activities, that is the balance of payments for investing activities and proceeds from divestment activities, was EUR -576 million in 2022. Overall, payments of EUR 661 million were offset by proceeds from divesting activities of EUR 85 million. Funds were used to strengthen the business of the portfolio companies through acquisitions. CWS acquired the STAXS Group in the Netherlands, BERNET in Switzerland, and GOREX in Germany. BekaertDeslee expanded its North American business by acquiring the Canadian Maxime Group. The Haniel Holding Company also invested in growth capital funds and start-ups in fiscal year 2022, thus further strengthening the Group's Growth Capital investment segment.

The portfolio companies again invested considerable amounts in property, plant and equipment and intangible assets.

The cash flow from financing activities amounted to EUR 121 million in 2022. This figure included payments to shareholders and share increases at already consolidated portfolio companies as well as the issuance of liabilities, primarily for the purposes of financing acquisitions. In the previous year, this figure had amounted to EUR 132 million.

Operating free cash flow amounted to EUR 250 million during the year under review. In the previous year, this figure had amounted to EUR 116 million. This was attributable to the significant improvement in cash flow due to the change in net operating assets. Operating free cash flow indicates how much of the reported net profit or loss for the period is reflected in cash flows from operating activities after changes in net current assets, leasing payments and investments in non-current assets.

In 2022, a dividend of EUR 78 million was paid to the shareholders of Franz Haniel & Cie. GmbH (2021: EUR 60 million).

EUR million	2021	**2022**
Cash flow from operating activities	442	**588**
Cash flow from investing activities	–748	**–576**
Cash flow from financing activities	132	**121**
Operating free cash flow	116	**250**

Haniel Group
Assets and liabilities

Due to the increase in total assets, the Haniel Group's equity ratio fell to 41 percent, thus remaining at a very solid level. This underscores the potential for future investment by Haniel.

Total assets up
The total assets of the Haniel Group increased from EUR 6,303 million as of December 31, 2021 to EUR 6,570 million as of December 31, 2022.

Non-current assets remained virtually constant at EUR 5,123 million, as compared to EUR 5,081 million in the previous year. Additions due to acquisitions by the portfolio companies and in the Holding Company's Growth Capital segment were offset in particular by disposals due to the deconsolidation of Optimar, the measurement of the equity interest in KMK kinderzimmer and the decrease in the carrying amount for CECONOMY due to the dilution in the Group's interest.

Current assets amounted to EUR 1,447 million as of December 31, 2022, compared to EUR 1,223 million as of December 31, 2021. The increase related in particular to the strong business performance, which resulted in cash inflows and increases in receivables at the end of the year.

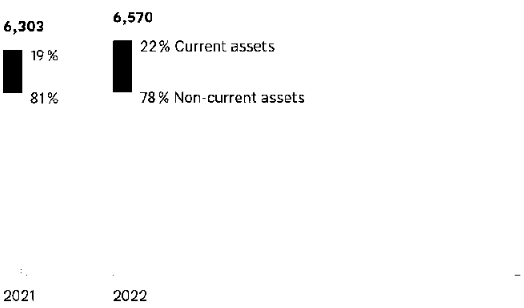
Equity decreases
The equity of the Haniel Group decreased from EUR 2,955 million as of December 31, 2021 to EUR 2,684 million as of December 31, 2022. This development was attributable to the net loss for the year, payments to shareholders and the effects from investment transactions. Because total assets increased, Haniel's equity ratio fell year on year – from 47 percent to 41 percent. The continuing solid level of the equity ratio underscores the investment potential of the Haniel Group.

Non-current liabilities increased from EUR 2,026 million as of December 31, 2021 to EUR 2,306 million as of December 31, 2022. This development was due to an increase in financial liabilities, particularly for the purpose of financing acquisitions and investments made during the fiscal year. By contrast, rising interest rates resulted in a significantly lower carrying amount being recognized for pension provisions.

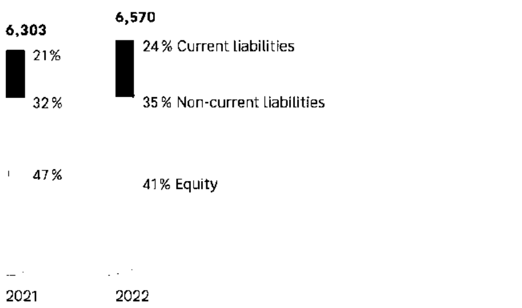
Current liabilities increased from EUR 1,322 million as of December 31, 2021 to EUR 1,580 million as of December 31, 2022. This was due mainly to the increase in financial liabilities as the result of investments made, greater trade payables in connection with revenue growth and effective cash management.

Recognized investments up year on year
Recognized investments amounted to EUR 773 million in 2022, down as compared to the previous year's figure of EUR 1,047 million. The development in 2021 was driven mainly by the acquisition of the portfolio companies BauWatch and KMK kinderzimmer in the previous year. This was offset by lower investments in the past financial year for acquisitions by the portfolio companies as well as the expansion of the Holding Company's Growth Capital segment.

ASSET STRUCTURE
EUR million



EQUITY AND LIABILITY STRUCTURE
EUR million



Holding Company Franz Haniel & Cie.

With the aim of creating value for generations, the Holding Company has realigned its strategy: Haniel now combines a consistent focus on sustainability criteria with a clear performance orientation.

Work on transformation project continues
Haniel's objective is to render its portfolio future-proof and to continue to develop it in order to generate significant growth. In 2022, the Company continued to develop its portfolio through acquisitions by the portfolio companies.

Alongside its focus on established companies, Haniel continues to expand its Growth Capital segment. In 2022, Haniel thus invested a portion of its funds in companies in the early stages of development via venture capital funds and direct investments, with a focus on the investment area Planet. By investing in young companies, Haniel aims to participate in growth earlier on and leverage diversification opportunities – focusing on clean tech. During the year under review, Haniel invested in particular in funds which focus on sustainable investments, such as Verdane Idun and Summa Equity in Europe, as well as Lightrock's Climate Impact Fund and Generation IM's Sustainable Solutions Fund IV in the US. At the same time, additional direct investments were also made: Haniel took a stake in both the Latvian company Aerones, which sells robot-enabled wind turbine maintenance systems, and 1KOMMA5°, an up-and-coming firm that installs carbon-neutral energy systems for private customers. Overall, the Haniel Holding Company committed more than EUR 165 million and USD 232 million in investment capital via its Growth Capital segment until 2022.

Level of debt up
Due to investments in the portfolio companies BekaertDeslee, Emma and TAKKT and the Growth Capital segment, the Haniel Holding Company's net financial liabilities increased from EUR 543 million as of December 31, 2021 to EUR 628 million as of December 31, 2022.

As of December 31, 2022, the financial assets of the Haniel Holding Company amounted to EUR 432 million as compared to EUR 746 million in the previous year. The net financial position of the Haniel Holding Company, defined as net financial liabilities minus financial assets, amounted to EUR 185 million as of December 31, 2022 (December 31, 2021: EUR 203 million).

Based on the self-imposed limit for net financial liabilities of EUR 1 billion, Haniel had approximately EUR 804 million at its disposal as of December 31, 2022 to further develop and expand the portfolio. In that connection, the Haniel Holding Company has access to firmly committed long-term lines of credit of EUR 725 million, a commercial paper programme which it may utilize at any time and a Single European Debt Issuance Programme which it may utilize at any time, and is therefore in a comfortable aggregate liquidity situation.

The debt target is regularly analyzed against the development of the Holding Company's cash flows and development of the portfolio's market value. Even after the planned acquisition of new portfolio companies, Haniel currently aims to maintain net financial liabilities at about EUR 1 billion, appropriate for an investment-grade rating.

Ratings in investment-grade category
The Haniel Holding Company continues to boast investment-grade ratings from both commissioned rating agencies. Moody's confirmed its Baa3 investment-grade rating and Scope confirmed its rating of BBB-.

Responsibility with tradition
Haniel has taken responsibility as a "corporate citizen" of Duisburg and the region for more than 265 years. A large number of initiatives and projects are supported, primarily at the Group Headquarters. Social commitment revolves around three focal points: promoting education, site responsibility and employee commitment.

In 2022, Haniel stepped up its activities in Duisburg-Ruhrort by launching the initiative "Urban Zero – Ruhrort becomes *enkelfähig*". To that end, Haniel teamed up with the municipal construction firm GEBAG, the operator of Duisburg port, duisport, and the consulting firm GREENZERO to launch the "Urban Zero" initiative, which seeks to transform Haniel's home base into the world's first environmentally neutral neighborhood, thereby laying out the blueprint for forward-thinking urban development. This objective, which focuses not only on environmental neutrality but also biodiversity and environmental protection, is expected to be achieved by 2029 thanks to the support of the citizens of Ruhrort, partner companies and policymakers.

The “*Enkelfähig* Campus” is the focal point of the initiative. Haniel aims to make its home base the central location for the exchange and development of innovative, sustainable and future-proof business models by 2025 – a beacon for Haniel as Europe’s leading purpose-driven investor.

In this, as generally in the transformation of the local economic landscape towards more sustainable business models, the collaboration with the Impact Factory is a key to success. The start-up incubator was founded in 2019 and financed primarily by Haniel, and is today Germany’s leading launchpad for sustainable, economically successful start-ups having an impact in the Ruhr region.

The Haniel Foundation is an additional material component of Haniel’s social commitment. Since its formation in 1988, the assets of the Haniel Foundation have increased tenfold – from EUR 5 million to nearly EUR 50 million. Through the projects it finances, it seeks to realize a sustainable society and economy that create value for future generations. The entrepreneurial foundation concentrates on the *Bildung als Chance* (“Education as Opportunity”) and *enkelfähiges Unternehmertum* (“Sustainable entrepreneurship”) initiatives.

Condensed corporate governance declaration: Diversity is the key to forward-thinking entrepreneurship
Haniel’s Supervisory Board and management team recognize and affirm that diversity, equality of opportunity and inclusion are vital to Haniel’s ability to create value for future generations through its portfolio companies. Haniel promotes a culture in which everyone feels respected in order to tap the full potential of its employees. To promote this culture of diversity and commitment, the Supervisory Board and management team at Haniel have set ambitious targets to ensure the equal participation of everyone. One elementary component of this ambition is a clearly embraced and perceived culture of respect. Appropriate measures and opportunities for promoting diversity are continually being refined and implemented. One indicator that serves to measure equal participation is the share of women in leadership positions.

In keeping with the condensed corporate governance declaration, the management of Franz Haniel & Cie. GmbH has accordingly set targets for opportunities for women to serve in leadership positions within the Holding Company. A target of zero percent[1] by December 31, 2024 has been set for the Management Board and Supervisory Board. The target share of women occupying positions in the first two levels of management below the Management Board by December 31, 2026 is 50 percent.

Haniel has already made good progress towards achieving these targets: 50 percent of the seats on the Investment Committee, in the sense of an expanded management team, were occupied by women as of December 31, 2022. As of the same date, 75 percent of level 1 leadership positions at the Holding Company and 33 percent at level 2 were held by women.

Two women are to be represented on the Supervisory Board by December 31, 2026. The members of the Supervisory Board agree that the objective of the FüPoG should be achieved. However, this requires a number of preparations – both for shareholder and for employee representatives. In the Haniel family, members have to be prepared to serve on the Supervisory Board. On the employee side, nominations are made via the relevant works councils, general works councils and trade unions and should ideally reflect

[1] The grounds for this were stated in the text of the resolution as follows: The Supervisory Board supports in principle the targets set out in the Acts Promoting Equal Participation of Women and Men in Leadership Positions (*Gesetze zur Gleichberechtigten Teilhabe von Frauen und Männern an Führungspositionen*, “FüPoG I+II”) and strives to achieve these targets at Franz Haniel & Cie. GmbH. In keeping with the Haniel family’s canon of values and the policies set out by the management team (Management Board) as part of the current transformation process (“Becoming *enkelfähig*”), the Supervisory Board recognizes the great importance of systematically offering opportunities to women – not only on the management team (Management Board) but also at less senior levels of management. However, in the interest of successfully concluding the fundamental and comprehensive transformation process which the Haniel Group is currently undergoing, continuity of the management team (Management Board) is indispensable. Any change in the composition of the management team (Management Board) at the present juncture cannot be supported by the Supervisory Board – the success of the transformation process must not be jeopardized in any event. The binding contractual terms of the members of the management (Management Board) also play a considerable role in this connection. Due to the successful work of the two members of the Management Board, the Supervisory Board wishes to continue this collaboration. However, the members of the Supervisory Board agree without reservation that in the event it is deemed expedient in future to increase the size of the Management Board, the agreed targets should be reassessed and a resolution in this regard should be passed. The common view is that this may also take place before the end of 2024. This is intended to ensure that the equal participation of women and men in leadership positions, which the Supervisory Board also strives for, is adequately taken into account in the event of any changes.

the objectives of the FüPoG. However, limits are set by the existing freedom of choice.

Against this background, the Supervisory Board deems it appropriate to set the target at two. Doing so provides the Company the necessary leeway to gradually achieve the objective of the Acts Promoting Equal Participation on a sustainable basis.

Report on opportunities and risks

Being a successful entrepreneur means seizing opportunities that present themselves and dealing with risk appropriately. The objective is to identify both opportunities and risks for the Haniel Group's business development early on, to analyze them in detail and take measures accordingly.

Seizing opportunities to increase value

In the Haniel Group, opportunities are viewed as entrepreneurial courses of action that must be leveraged in order to attain additional profitable growth. Opportunities are identified primarily by continually and systematically observing markets.

Opportunity management is closely integrated into the process of strategy development. As part of that process, entrepreneurial options are assessed based on a comprehensive understanding of markets, the competition and trends, and initiatives are devised to seize those options to create value.

The strategy and its implementation are discussed in depth by the members of Haniel's management team with the management of the portfolio companies in regularly scheduled meetings. In addition, the Holding Company's strategy is subject to regular review and is modified as need be. To that end, Haniel's management team engages in regular dialog with the Supervisory Board.

Options for sustainable and profitable growth

The Haniel Group enjoys a large number of options for entrepreneurial action. The Holding Company and portfolio companies continually search for possibilities that secure sustainable and profitable growth. The opportunities identified in the Haniel Group are listed below:

Optimization of the business portfolio: Haniel continually reviews the strategic alignment of its portfolio. The Haniel investment portfolio will be further developed in this manner by business acquisitions and disposals in order to enhance value creation sustainably. New portfolio companies should be able to make a long-term value contribution to the economic success of the Group and be in harmony with its ecological and social values. The "*enkelfähig*" strategy is based on the conviction that only sustainable business models which make a positive contribution to a future worth living in are also economically successful in the long run.

International expansion: All Haniel portfolio companies and the financial investments are widely represented in Europe, and BekaertDeslee, ROVEMA and TAKKT in North America as well, and enjoy a strong position there with their various business models. Haniel sees opportunities for further growth by strengthening its presence in these markets and in the fast-growing economies throughout the world. This includes economies in eastern Europe, North America, Latin America and southeast Asia. Opportunities for expansion can be leveraged by founding new companies or by acquiring or investing in existing ones.

"*Enkelfähig*" – Sustainability as a competitive factor: Corporate responsibility has a long tradition in the Haniel Group. It is expressed in its striving to increase economic value in accordance with ecological and social contributions. In order to breathe life into this vision and with the firm conviction that in the future only those business models rooted in sustainability can achieve above-average growth, the Haniel Holding Company has integrated sustainability into every phase of value creation: Haniel assesses acquisition and investment opportunities from a sustainability perspective on the basis of a "Future Worth Living" (FWL) assessment, and helps the portfolio companies to evaluate their product ranges and continually increase their share of "*enkelfähig* solutions", thereby generating additional growth. In that context, the portfolio companies work together with experts from the Holding Company to develop independent initiatives designed to bolster profitable growth while taking into account the respective special characteristics of each business and placing a particular focus on the relevant sustainability aspects. This is because customers increasingly decide in favor of business partners with sustainable business practices, whose products and services are differentiated from the competition by resource efficiency and social compatibility.

Digitalization: Digitalization is profoundly changing the behavior of private consumers and business customers. For the Haniel Group, digitalization offers great opportunities along the value chain, at the customer interface and for developing new business models. The availability of large quantities of data opens up opportunities to redesign value-added chains and improve the offering to customers. The development and growing range of solutions based on artificial intelligence open up further avenues of exploration in this area.

Rising need for hygiene products and services: The coronavirus pandemic is likely to have a long-term impact on people's hygiene awareness and on the requirements placed on public institutions. Stricter hygiene rules in the restaurant and retail sector might be favorable for CWS's sales of washroom hygiene products and rental solutions.

Rising standard of living: Demand for mattresses and solutions which promote health and well-being is expected to grow in markets with a high level of prosperity. The products offered by Emma – The Sleep Company and the materials from BekaertDeslee for mattress covers make a significant contribution here through their design and product characteristics. For Emma and BekaertDeslee medium- and long-term growth opportunities arise from the increasing demand for mattresses in developing economies, in particular in Asia, due to increasing prosperity. ROVEMA will also be able to benefit in the future from the increasing level of prosperity in these markets by supplying high-quality packaging machines: Hygienically flawless, attractive and consumer-friendly packaging will become increasingly important in these markets in the medium and long term. Furthermore, new market opportunities arise through the use of resource-sparing and compostable materials.

Industry 4.0 and automation: The intelligent utilization of data and the networking of production processes will fundamentally change the value chain in many industries in the future. ROVEMA can also benefit from this by using and expanding its expertise as a systems integrator for production machinery. For example, service schedules in product lines could be optimized through the interaction of hardware and software. ROVEMA thus contributes to its customers' ability to operate their equipment better and more efficiently. ROVEMA can even improve customer loyalty with the concomitant expansion of the services and spare parts business.

Education and security: KMK kinderzimmer's scalable business model is adaptable to the constantly growing demand for early childhood education in Germany; the company creates available nursery and day care places for all and promotes a work/life balance through its modern educational concept. It should be noted in particular that there is a shortage of more than 383,000 places in Germany's childcare market and that Germany has a relatively low share of children in day care in an international comparison. This underscores the social relevance of KMK kinderzimmer providing high-quality education for all children – regardless of socioeconomic background.

The BauWatch Group in particular can benefit from the trend towards efficient, automated monitoring of buildings, facilities and construction sites for the purpose of preventing unauthorized access or theft with its state-of-the-art monitoring and access control solutions. The continued strong investment activity in the construction and infrastructure sectors in Germany and Europe is likely to also support this trend in the future.

From an overall perspective, several opportunities remain open to the Haniel Group for sustainable and profitable growth in the future. In particular, the Haniel Holding Company continues to have sufficient financial resources available to acquire new, attractive portfolio companies – offering many new opportunities.

Systematic risk management

Haniel's aim is to become Europe's leading purpose-driven investor and create value for generations. To accomplish this, our strategy is to build sustainable businesses for a future worth living. This entrepreneurial commitment inevitably entails potential risks. Therefore, the responsible management of risks is a key fundamental of our risk management policy and an integral component of our corporate policy. A readiness to accept calculable risks is a necessary requirement to any entrepreneurial activity.

Haniel has established a risk management system that meets the statutory requirements and enables it to keep its business risks in check. Minimum standards apply throughout the Group which are intended to ensure that every portfolio company has established an appropriate risk management system and that risks are duly reported to the Haniel Holding Company. Every portfolio company must implement its own risk management system in line with the relevant legal requirements that is tailored to its business model and its organizational and leadership structure. The risk management process is one in which individual risks are continually identified, documented, and analyzed, and appropriate measures to manage and monitor them are defined, both at the Group and the portfolio company level. All risk-limiting measures are carried out to the extent economically feasible and modified as necessary to adapt to changing conditions.

Dependence on portfolio companies
Given that Haniel is a holding company and typically does not engage in operating activities of its own, its success depends on the portfolio companies. Material risks arise in connection with the investment decisions of the Holding Company and the individual portfolio companies; these risks are classified as market, strategic, operational, or default risks, as well as risks arising in connection with the use of financial instruments.

Market risks
In general, Haniel is exposed to market risks, such as risks relating to economic and industry developments as well as customers, suppliers, interest and exchange rates, financing and price markets. In the current environment, the economic risks are the most significant, particularly in combination with high inflation. In a stagnating economy with high inflation and declining demand, portfolio companies may, for instance, have to pay higher prices for raw materials or energy, which directly impacts their margins. Rising labor costs due to higher inflation can also erode the profits of the portfolio companies. At the Holding Company level as well as at the level of the portfolio companies, Haniel must take suitable measures to cushion the impacts of market risks on its portfolio companies and minimize potential risks. Such measures may include the careful selection of investment projects, changes to business strategies or active inflation management.

Strategic risks
As a holding company with a diversified portfolio, Haniel is affected by developments and trends in a large number of industries and markets. If Haniel fails to properly identify and analyze trends in good time, this can have a considerable impact on the long-term performance and success of individual portfolio companies as well as the Haniel Group overall.

For example, new technologies or disruptive business models may emerge, to the detriment of the investments' competitive position. Another risk to which Haniel is exposed is the risk that it might invest in industries or companies that subsequently reveal themselves to be unprofitable or unstable over the long term, which can lead to losses or poor returns. In order to minimize these risks, Haniel performs a careful and thorough market analysis as well as due diligence as part of the M&A process. In addition, Haniel works closely with the portfolio companies to continually monitor the trends and developments in their industries and adapt their strategies accordingly.

Operational risks
The Company is exposed to potential operational risks which may be caused by disruptions in business processes, supply bottlenecks for input materials or energy, staffing issues or systemic malfunctions. In the worst-case scenario, these risks can result in a business interruption and thus cause material adverse impacts to the portfolio companies' success. For example, if customers cancel contracts due to the interruption or the image of the portfolio companies suffers due to an inability to reliably supply customers and partners.

In recent years, there has also been an elevated risk of cyber attacks, which can also result in business disruptions and reputational damage as well as data breaches.

Measures to counter these risks have been implemented, including the development of contingency plans, the introduction of employee training to raise awareness, the use of security measures to protect against cyber attacks.

Default risks
Haniel invests in high-potential growth companies. However, these early-phase investments also increase exposure to the risk of potential losses in value, for instance due to competition, market volatility or unforeseen developments. If the company's growth is not in line with expectations or the company even fails, this can result in the loss of the invested capital.

When investing financial resources and investing in funds, there is the risk of value fluctuations, which Haniel aims to minimize by diversifying its investments. Moreover, when investing financial resources, there is generally the risk that one counterparty will become insolvent, thus giving rise to the risk of default on receivables. In order to counter that risk, Haniel distributes these investments across a large number of contractual partners and has set corresponding limits depending on the partners' creditworthiness. This is documented in a set of guidelines for investing financial resources, and is subject to regular monitoring.

At the portfolio company level, default risks can materialize in the form of a loss of major customers or an increase in defaults on receivables if an economic downturn, recession, inflation or rising energy costs affects the rate at which companies go insolvent.

Risks from the use of financial instruments
Financing requirements for the operating business are secured in the Haniel Group through equity and debt capital. When outside financing is used, the Company seeks to diversify its financing instruments and its circle of investors in order to be able to respond flexibly to developments on the capital markets and in the banking sector. In addition to committed bilateral lines of credit, which are drawn upon only to a limited extent, the Haniel Holding Company also has secured access to capital markets, for example via the current commercial paper programme and the existing external rating. When financing with borrowed capital, it is of benefit that the Holding Company and its portfolio companies, both as established and reliable partners, enjoy a high degree of trust from banks and other investors. The Haniel Group is thus able to ensure the continuation of the operating business, even if for example economic conditions cause declines in incoming payments from business activities.

Assessment of effectiveness
The effectiveness of the risk management system is monitored regularly and improvements are introduced where necessary.

Risk-bearing capacity
Considered separately, the risks presented could have adverse effects on the Haniel Group. With regard to the overall risk situation however, the diversification of business models and regions has a positive effect: Many risks are restricted to individual portfolio companies or regions and are therefore of comparatively minor significance in relation to the Group.

In particular, the material risk types listed above are quantified when determining a company's risk-bearing capacity. The general business and reputational risks are also expressed as expected losses and factored into the calculation of risk-bearing capacity. The ability to absorb all cumulative expected losses is assumed, even if it is expected that not all identified individual risks will materialize in the same manner and at the same time.

There are no recognizable individual or aggregate risks which jeopardize the Group as a going concern, nor are there any noteworthy future risks beyond the normal entrepreneurial risk.

Report on expected developments

Haniel anticipates that all portfolio companies will report organic revenue growth in fiscal year 2023. Overall, Haniel expects organic revenue growth to be up as compared to that of the previous year. Operating profit is also expected to increase slightly, driven by organic growth at the portfolio companies.

Macroeconomic environment still marred by uncertainties
The IMF expects global economic output to rise only slightly by 2.9 percent in 2023. It forecasts a 0.7 percent growth in the eurozone and 1.4 percent in the United States. The global struggle with inflation and Russia's war in Ukraine will continue to weigh on the global economy in 2023. According to the IMF, inflation rates will ease slightly from 8.8 percent in 2022 to 6.6 percent in 2023.

Since the various portfolio companies are active internationally, the results of the Haniel Group also depend on the development of various exchange rates, particularly the US dollar, the British pound and the Swiss franc.

Increases in profits expected
Haniel's management looks to 2023 with optimism, although it is conscious of the economic uncertainties outlined above.

In 2023, we will step up our efforts to implement our strategy, which has a strict focus on performance through sustainability. Measures to increase efficiency and sustainability at the portfolio companies through the HOW shared operating system support the assumption of improved performance in every business unit.

However, the previously mentioned political and economic risks could give rise to deviations from the outlined general economic conditions and thus to revenue and earnings forecasts.

On the whole, Haniel's management team expects every portfolio company to generate organic revenue growth in fiscal year 2023. The management generally assumes that the Haniel Group's revenue will be up year on year thanks to organic growth. Operating profit is also expected to increase slightly.

Due to non-recurring items in 2022, the management expects operating free cash flow to be down in 2023 as compared to 2022, albeit significantly higher than the level reported in 2021.

Acquisition activities at the level of the Haniel Holding Company and the portfolio companies will remain in focus. As part of its strategic realignment, the Holding Company plans to expand the portfolio in 2023 and to invest in additional investment funds. As a result, the amount of recognized investments remains tangibly high.

Revenue and profits could deviate from the development presented due to the acquisition of additional portfolio companies or supplementary acquisitions by the existing portfolio companies, as well as the disposal of portfolio companies.

Consolidated finan-cial statements

Haniel Group
Statement of financial position

ASSETS

EUR million	Note	Dec. 31, 2022	Dec. 31, 2021
Property, plant and equipment	1	984	911
Intangible assets	2	3,359	3,360
Investments accounted for at equity	3	260	346
Financial assets	4	430	398
Other non-current assets	5	23	22
Deferred taxes	6	68	44
Non-current assets		**5,123**	**5,081**
Inventories	7	466	407
Trade receivables and similar assets	8	524	503
Financial assets	9	89	90
Income tax assets	6	32	32
Cash and cash equivalents	10	185	53
Other current assets	11	150	138
Current assets		**1,447**	**1,223**
Total assets		**6,570**	**6,303**

EQUITY AND LIABILITIES

EUR million	Note	Dec. 31, 2022	Dec. 31, 2021
Equity of shareholders of Franz Haniel & Cie. GmbH		2,411	2,650
Non-controlling interests		273	305
Equity	12	**2,684**	**2,955**
Financial liabilities	13	1,236	886
Pension provisions	14	254	375
Other non-current provisions	15	89	82
Other non-current liabilities	16	470	508
Deferred taxes	6	256	175
Non-current liabilities		**2,306**	**2,026**
Financial liabilities	13	716	590
Current provisions	15	99	99
Trade payables and similar liabilities	17	433	284
Income tax liabilities	6	58	44
Other current liabilities	18	274	305
Current liabilities		**1,580**	**1,323**
Total equity and liabilities		**6,570**	**6,303**

Haniel Group
Income statement

EUR million	Note	2022	2021
Revenue	19	**4,223**	**3,585**
Changes in inventories of finished goods and work in progress		2	10
Other own work capitalized		18	17
Gross revenue		**4,243**	**3,611**
Cost of materials		–1,596	–1,323
Gross profit		**2,647**	**2,288**
Other operating income	20	64	32
Total operating income		**2,711**	**2,320**
Personnel expenses	21	–1,064	–935
Other operating expenses	22	–1,007	–803
EBITDA		**640**	**582**
Depreciation and amortization (other than of intangible assets from purchase price allocation)		–329	–302
Impairment of property, plant and equipment and intangible assets (other than of intangible assets from purchase price allocation)		–1	–3
Operating profit (EBITA)		**310**	**277**
Amortization of intangible assets from purchase price allocation		–69	–60
Impairment of intangible assets from purchase price allocation		–47	0
EBIT		**194**	**217**
Result from investments accounted for at equity	3	–16	47
Other investment result	23	–9	58
Finance costs	24	–56	–35
Other net financial income	25	–12	–16
Net financial income		**–94**	**54**
Profit before taxes		**101**	**271**
Income tax expenses	26	–55	–64
Profit after taxes from continuing operations		**46**	**207**
Profit after taxes from discontinued operations	27	–154	–32
Profit after taxes		**–108**	**175**
of which attributable to non-controlling interests		25	32
of which attributable to shareholders of Franz Haniel & Cie. GmbH		–133	143

Haniel Group
Statement of comprehensive income

EUR million	Note	2022	2021
Profit after taxes		**–108**	**175**
Remeasurements of defined benefit plans recognized in other comprehensive income		128	55
Deferred taxes on remeasurements of defined benefit plans recognized in other comprehensive income		–36	–14
Remeasurements of defined benefit plans		**91**	**40**
Pro-rata other comprehensive income not to be reclassified to profit or loss from investments accounted for at equity		**–2**	**6**
Income and expenses recognized in equity from remeasurement of equity instruments		–11	27
Deferred taxes on remeasurement of equity instruments		0	0
Remeasurement of equity instruments		**–11**	**27**
Total other comprehensive income not to be reclassified to profit or loss		**79**	**73**
Income and expenses recognized in equity from remeasurement of derivative financial instruments		0	0
Reversals recognized in profit or loss		1	2
Deferred taxes on remeasurement of derivative financial instruments		0	0
Remeasurement of derivative financial instruments		**1**	**2**
Income and expenses recognized in equity from remeasurement of debt instruments		–2	0
Deferred taxes on remeasurement of debt instruments		1	0
Remeasurement of financial investments in debt instruments		**–2**	**0**
Income and expenses recognized in equity from foreign currency translation		29	59
Reversals recognized in profit or loss		5	15
Currency translation effects		**34**	**74**
Income and expenses recognized in equity from changes recognized directly in equity of investments accounted for at equity		25	–13
Reversals recognized in profit or loss		16	0
Other comprehensive income from investments accounted for at equity		**41**	**–13**
Total other comprehensive income to be reclassified to profit or loss and reversals recognized in profit or loss		**74**	**63**
Total other comprehensive income		**153**	**136**
of which attributable to non-controlling interests		9	26
of which attributable to shareholders of Franz Haniel & Cie. GmbH		143	110
Comprehensive income	12	**45**	**311**
of which attributable to non-controlling interests		34	58
of which from discontinued operations		0	1
of which from continuing operations		34	57
of which attributable to shareholders of Franz Haniel & Cie. GmbH		10	253
of which from discontinued operations		–150	–19
of which from continuing operations		161	272

Haniel Group
Statement of changes in equity

CHANGES IN 2022

EUR million	Subscribed capital	Capital reserve	Accumulated other comprehensive income	Retained earnings	Treasury shares	**Equity of shareholders of Franz Haniel & Cie. GmbH**	Non-controlling interests	**Equity**
As of Jan. 1, 2022	1,000	678	–288	1,293	–34	**2,650**	305	**2,955**
Dividends				–79		**–79**	–26	**–106**
Changes in the scope of consolidation			30	–30		**0**		**0**
Changes in shares in companies already consolidated				–121		**–121**	–44	**–165**
Capital measures				0		**0**	5	**5**
Changes in treasury shares					–49	**–49**		**–49**
Comprehensive income			143	–133		**10**	34	**45**
of which profit after taxes				–133		**–133**	25	**–108**
of which other comprehensive income			143			**143**	9	**153**
As of Dec. 31, 2022	**1,000**	**678**	**–115**	**931**	**–83**	**2,411**	**273**	**2,684**

CHANGES IN 2021

EUR million	Subscribed capital	Capital reserve	Accumulated other comprehensive income	Retained earnings	Treasury shares	**Equity of shareholders of Franz Haniel & Cie. GmbH**	Non-controlling interests	**Equity**
As of Jan. 1, 2021	1,000	678	–427	1,327	–29	**2,550**	335	**2,885**
Dividends				–60		**–60**	–35	**–95**
Changes in the scope of consolidation			28	–87		**–59**	3	**–55**
Changes in shares in companies already consolidated				–30		**–30**	–56	**–86**
Changes in treasury shares					–5	**–5**		**–5**
Comprehensive income			110	143		**253**	58	**311**
of which profit after taxes				143		**143**	32	**175**
of which other comprehensive income			110			**110**	26	**136**
As of Dec. 31, 2021	**1,000**	**678**	**–288**	**1,293**	**–34**	**2,650**	**305**	**2,955**

For further explanatory comments concerning equity, see note 12.

Haniel Group
Statement of cash flows

EUR million	Note	2022	2021
Profit after taxes		–108	175
Depreciation and amortization, impairment losses and reversals on non-current assets		457	373
Change in pension provisions and other non-current provisions		11	16
Income/expenses from changes in deferred taxes		–6	9
Non-cash income/expenses and dividends of investments accounted for at equity		30	–46
Gains/losses from the disposal of non-current assets and consolidated companies and from remeasurement for changes in shares		84	22
Other non-cash income and expenses and other payments		39	–31
Change in inventories, receivables and similar assets		–82	–150
Change in other current non-interest-bearing liabilities, current provisions and similar liabilities		163	74
Cash flow from operating activities		**588**	**442**
Proceeds from the disposal of property, plant and equipment, intangible assets and other assets		85	56
Payments for investments in property, plant and equipment, intangible assets and other assets		–410	–330
Proceeds from the disposal of consolidated companies and other business units		0	31
Payments for acquisitions of consolidated companies and other business units		–251	–505
Cash flow from investing activities		**–576**	**–748**
Proceeds from contributions to equity		5	0
Payments to shareholders		–155	–101
Payments from changes in shares in companies already consolidated		–104	–124
Proceeds from issuance of financial liabilities		2,023	2,077
Repayments of financial liabilities		–1,648	–1,720
Cash flow from financing activities		**121**	**132**
Cash and cash equivalents at the beginning of the period		53	212
Increase/decrease in cash and cash equivalents		133	–174
Non-cash increase/decrease in cash and cash equivalents		0	2
Cash and cash equivalents acquired in business combinations		–10	–13
Cash and cash equivalents of the sold portfolio company, Optimar, at the end of the period		11	0
Cash and cash equivalents at the end of the period	33	**185**	**53**

The cash flow from operating activities includes dividends received in the amount of EUR 15 million (previous year: EUR 8 million), interest income of EUR 10 million (previous year: EUR 9 million) and interest payments of EUR 47 million (previous year: EUR 41 million). EUR 42 million was paid in income taxes (previous year: EUR 42 million).

The increase/decrease in cash and cash equivalents includes operating free cash flow (OFCF) of EUR 250 million (previous year: EUR 116 million). The notes to the statement of cash flows contain an explanation of how operating free cash flow is calculated (note 33).

Notes to the consolidated financial statements
A. General basis of presentation

Accounting principles
The consolidated financial statements of Franz Haniel & Cie. GmbH for the year ended December 31, 2022 have been prepared in accordance with the International Financial Reporting Standards (IFRSs) in effect on the reporting date and adopted by the Commission of the European Union, and in accordance with the supplementary requirements applicable under section 315e (1) HGB (*Handelsgesetzbuch* – German Commercial Code). Franz Haniel & Cie. GmbH is domiciled in Duisburg, Germany, and entered in the commercial register of the Duisburg Local Court (*Amtsgericht*) under number HR B 25. These consolidated financial statements were prepared by the management on March 9, 2023. They were approved by the Supervisory Board at its meeting on March 30, 2023.

The reporting currency is the euro; figures are shown in EUR million. This may result in rounding differences. For enhanced transparency of presentation, certain items in the statement of financial position and the income statement have been combined. These are explained in the notes. In accordance with IAS 1, the statement of financial position has been classified into non-current and current items. The income statement has been prepared using the nature of expense method.

New accounting standards and interpretations
The following standards, amendments and interpretations that were revised or newly-issued by the IASB (International Accounting Standards Board) or the IFRS Interpretations Committee (IFRS IC), as adopted by the Commission of the European Union, were applicable for the first time beginning with the 2022 fiscal year:

Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)
Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)
Annual Improvements to IFRS Standards 2018—2020
Property, Plant & Equipment: Proceeds before Intended Use (Amendments to IAS 16)
Reference to the Conceptual Framework (Amendments to IFRS 3)

The amendments to IAS 37 specify that the cost of fulfilling an onerous contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts. These amendments apply to contracts for which the reporting entity has not yet fulfilled all its obligations as of the initial application date. This amendment has no material effect on the Haniel Group's accounting practice.

The amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 which were made in the context of the Annual Improvements process became applicable for the first time as of January 1, 2022. The amendment to IFRS 1 introduces an option providing relief for subsidiaries applying IFRSs for the first time as they transition to IFRSs. The amendment to IFRS 9 clarifies which fees an entity includes when assessing whether to derecognize a financial liability. The improvement to IFRS 16 is intended to resolve potential confusion and has no bearing on Haniel's accounting. The amendment to IAS 41 bears no relevance to the Haniel Group.

The amendments to IAS 16 prohibit entities from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use at its intended location. Instead, an entity must recognize such sales proceeds and related cost of producing these goods in profit or loss. The Haniel Group does not usually engage in such transactions.

As a result of the amendments to IFRS 3, the Standard now references the 2018 Conceptual Framework instead of the 1989 Conceptual Framework; this has no material effect on the Haniel Group's accounting.

In response to the coronavirus pandemic and the resulting economic consequences, the IASB published "Covid-19-Related Rent Concessions – Amendment to IFRS 16" on May 28, 2020, which was endorsed by the EU on October 9, 2020. The supplemental provisions simplify the accounting for coronavirus-related amendments to rental agreements, such as concessions. The period over which this practical expedient is available for use was extended in June 2021. These provisions were not applied by the Haniel Group in the past fiscal year or in the prior year.

The IASB and the IFRS IC have issued new and amended rules whose application is not mandatory for the Haniel Group until fiscal year 2023 or later. For these standards to be applicable, the required endorsement by the Commission of the European Union is still pending in some cases. The relevant Standards and Interpretations are:

Standard/Interpretation	Effective date
Endorsed by the Commission of the European Union	
IFRS 17 Insurance Contracts including Amendments to IFRS 17	2023
Disclosure of Accounting Policies (Amendments to IAS 1)	2023
Definition of Accounting Estimates (Amendments to IAS 8)	2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	2023
Initial Application of IFRS 17 and IFRS 9 – Comparative Information	2023
Not yet endorsed by the Commission of the European Union	
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	2024
Non-current Liabilities with Covenants (Amendments to IAS 1)	2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	–

The initial date of mandatory application of IFRS 17 has been postponed until January 1, 2023. The Standard covers the accounting for insurance contracts and replaces the applicable transitional standard IFRS 4. Its scope covers insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. The Standard is also mandatory for non-insurance companies and will therefore be adopted by Haniel beginning in fiscal year 2023. A detailed analysis of the resulting impacts has yet to be performed. It is not expected that this will have any material effects on the presentation of the Group's assets, liabilities, financial position, and financial performance.

Following the amendments to IAS 1 and IFRS Practice Statement 2, entities are required to disclose their material accounting policy information rather than their significant accounting policies.

The amendments to IAS 8 which become applicable in 2023 are intended to clarify the difference between accounting policies and accounting estimates. To that end, the respective definitions were amended. Accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. A change in an accounting estimate that results from new information or new developments is not the correction of an error.

The amendment to IAS 12 restricts the scope of application of the exemption, according to which no deferred tax assets or liabilities are recognized upon initial recognition of an asset or liability. The exemption no longer applies to transactions where both deductible and taxable temporary differences arise on initial recognition that result in the recognition of deferred tax assets and liabilities of the same amount.

Because Haniel already applies IFRS 9, the amendment – which relates to the first-time application of IFRS 9 and IFRS 17 – is of no relevance.

The option of early application of standards already issued was not otherwise exercised. Currently there are also no plans to apply any of the standards issued by the IASB early. The Haniel Group does not foresee any effects from the initial application of the aforementioned standards on presentation of the Group's net assets, financial position, and results of operations.

Consolidation principles
Subsidiaries directly or indirectly controlled by Franz Haniel & Cie. GmbH in accordance with IFRS 10 are fully consolidated in the consolidated financial statements. Control exists if Haniel has power over another entity, is exposed to variable returns from its involvement, such as interest or profit sharing, and can use its power to affect these returns.

Joint ventures as defined by IFRS 11 and associates as defined by IAS 28 are accounted for using the equity method. In the case of joint ventures, the Haniel Group exercises joint control with partners and has an interest in the net assets and/or profits of the joint venture. Associates are companies on which significant influence is exercised. This is normally assumed to be the case with an equity investment of between 20 and 50 percent. To the extent the Haniel Group has an interest in a joint operation as a joint operator, the joint operation's assets and liabilities as well as income and expenses that relate to Haniel's interest are recognized in Haniel's consolidated financial statements.

The reporting date for the separate financial statements of the consolidated subsidiaries is identical with the date for the consolidated financial statements, namely December 31, 2022. The fiscal year for the CECONOMY AG investment, which is accounted for at equity, ends on September 30, 2022. However, the investment is included in Haniel's consolidated financial statements based on annual reports and published quarterly statements using results from January 1 through December 31. The separate financial statements of the domestic and foreign subsidiaries consolidated are prepared in accordance with uniform accounting policies.

Acquisitions are accounted for using the acquisition method on the basis of the fair values as of the date control was obtained (IFRS 3). The portion of the consideration that was transferred in expectation of future positive cash flows from the acquisition and that cannot be allocated to identified or identifiable assets as part of their remeasurement to fair value is reported as goodwill under intangible assets. The full goodwill method was not applied. Non-controlling interests are therefore measured at the proportionate fair value of the identifiable net assets. If the acquisition took place below market value – i.e., the carrying amount of the assets acquired exceeds the amount of consideration transferred – the resulting bargain purchase gain is recognized in profit or loss on the acquisition date. Before recognizing a gain on a bargain purchase, the Company reassesses whether it has correctly identified and recognized all of the assets acquired and all of the liabilities assumed.

In accordance with IFRS 3, goodwill is not amortized. Rather, a write-down to the lower recoverable amount is made if necessary depending on the results of an annual impairment test, or an interim test if there are indications of impairment (triggering events). The recoverable amount corresponds to the higher of the value in use and the fair value less costs of disposal. Any goodwill impairment loss is recognized in profit or loss.

Transactions that change the ownership interest in a subsidiary without resulting in a loss of control are accounted for as equity transactions. Transactions that result in a loss of control are recognized in profit or loss as a gain or loss on disposal. If shares continue to be held after the loss of control, the remaining equity interest is measured at fair value. Any difference between the existing carrying amount of those shares and their fair value is included in the gain or loss on disposal.

Intra-Group profits and losses, sales, income and expenses as well as receivables and payables between companies included in the consolidated financial statements are eliminated. Intercompany profits and losses contained in non-current assets and inventories from intra-Group transactions are adjusted to the extent that they are not of minor significance.

Non-controlling interests are initially measured as of the acquisition date as the acquirer's proportionate share in the recognized amounts of the acquiree's identifiable net assets. Non-controlling interests in fully consolidated subsidiaries are reported in equity separately from the equity of the owners of the parent. The entity's profit or loss and other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is also attributed even if this results in the non-controlling interests having a deficit balance. Changes in Franz Haniel & Cie. GmbH's ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and recognized in other comprehensive income.

Scope of consolidation
Aside from Franz Haniel & Cie. GmbH, 265 domestic and foreign companies were included in full in the consolidated financial statements as of December 31, 2021. In the fiscal year, the number of subsidiaries changed as follows:

Additions due to acquisition of shares or obtaining control	23
Additions due to new company formation	26
Disposals due to sale of shares or loss of control	7
Disposals due to mergers or liquidation	11

Accordingly, in addition to Franz Haniel & Cie. GmbH, a total of 296 subsidiaries are included in the consolidated financial statements as of December 31, 2022. Of that figure, 18 companies belong to BauWatch, 31 to BekaertDeslee, 69 to CWS, 24 to Emma, 16 to ROVEMA, 71 to KMK kinderzimmer and 55 to TAKKT. 12 subsidiaries are allocated to the Holding Company and other companies.

As in the previous year, Haniel leases real estate from an asset leasing company. The corresponding agreement is accounted for in accordance with IFRS 16. In these arrangements and based on the contractual provisions, the Group has neither a legal interest in the company nor can it direct activities that are significant for the returns. As of the reporting date, the lease liability to this unconsolidated leasing company presented in financial liabilities totaled EUR 5 million (previous year: EUR 5 million). The corresponding right-of-use asset was reported at EUR 6 million as of the reporting date (previous year: EUR 6 million).

The Haniel Group also holds equity shares of less than 10 percent each in venture capital funds and through direct investments in the Growth Capital segment. Under the contractual provisions, Haniel does not participate in the funds' investment and disposal decisions that are material for the returns from these involvements and thus does not exercise any control. As of the reporting date, the carrying amount of the funds in the Growth Capital segment corresponding to the fair value was EUR 213 million (previous year: EUR 150 million) and is presented in non-current financial assets. In addition to the amounts already paid-in, Haniel committed itself to make additional capital contributions of EUR 73 million and USD 103 million (previous year: EUR 65 million and USD 145 million) to the funds, which the fund managers can call in for additional investments by the funds. The maximum loss exposure for Haniel from the Growth Capital segment thus corresponds to their carrying amount and the outstanding capital contributions. The increase in other contribution commitments resulted from the subscription of additional funds.

Aside from the fully consolidated subsidiaries, 4 (previous year: 3) associates are accounted for in Haniel's consolidated financial statements using the equity method. As in the previous year, no joint ventures are included in the consolidated financial statements.

Foreign currency translation
Business transactions in foreign currency are translated into the functional currency in the separate financial statements by applying the spot rate prevailing at the time of the transaction. Gains and losses arising from the settlement of such transactions and from the translation of foreign currency monetary assets and liabilities as of the reporting date are recognized in profit or loss.

Franz Haniel & Cie. GmbH's reporting currency is the euro. The foreign currency amounts indicated in the financial statements of companies outside the eurozone that are included in the consolidated financial statements are translated using the concept of functional currency in accordance with IAS 21. Given that the subsidiaries operate as financially, economically and organizationally independent entities, their respective local currency is generally the functional currency. The assets and liabilities of companies outside the eurozone are translated at the closing rate, while their income statement items are translated at average annual exchange rates. Goodwill resulting from the acquisition of foreign companies is assigned to the acquired company and translated at the closing rate. All resulting exchange differences are recognized in other comprehensive income. The currencies that are most relevant for Haniel's consolidated financial statements are:

	2022		2021	
EUR	Average exchange rate	Closing rate	Average exchange rate	Closing rate
US dollar (USD)	1.0512	1.0666	1.1821	1.1326
UK pound Sterling (GBP)	0.8522	0.8869	0.8594	0.8403
Swiss franc (CHF)	1.0044	0.9847	1.0808	1.0331
Norwegian krone (NOK)	10.0898	10.5138	10.1597	9.9888

Since 1 July 2018, Argentina has been classified as a hyperinflationary economy. Since 1 July 2022, Turkey has also been classified as a hyperinflationary economy. Thus, IAS 29 “Financial Reporting in Hyperinflationary Economies” is applied to Bekaert Textiles Argentina SA, Bekaert Tekstil Pazarlama Dagrim ve Ticaret Ltd. and ROVEMA Makine Sanayi ve Ticaret Turkey A. S. The effects resulting from this are immaterial for the Haniel Group.

Accounting policies
The consolidated financial statements are generally prepared based on historical cost. A material exception to that are certain derivative and non-derivative financial instruments measured at fair value.

Property, plant and equipment (tangible assets) are recognized at cost less depreciation and, if applicable, impairment losses. Impairment testing is carried out in respect of items of property, plant and equipment only if there are indications of impairment. At a minimum, the Company assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If the reasons for an impairment loss no longer exist, appropriate reversals are recognized, provided that the resulting carrying amount does not exceed the depreciated cost of the asset. The cost of internally generated property, plant and equipment includes direct costs as well as directly attributable overheads. Allocable borrowing costs are recognized in the cost of qualifying assets.

Property, plant and equipment, with the exception of land, are mainly depreciated over their estimated useful lives using the straight-line method. Depreciation is based on the following useful lives:

Buildings	2 to 50 years
Technical equipment and machinery	2 to 16 years
Operating and office equipment	2 to 25 years

A **lease** is a contract that conveys the right to control the use of an identified asset (leased asset) for a period of time in exchange for consideration.

The Haniel Group generally accounts for all leases as a lessee – with the exception of leased assets of low value and short-term leases (less than 12 months). Right-of-use assets are recognized with respect to the leased assets and liabilities are recognized with respect to the payment obligations resulting from the lease.

The lease liability is measured as the present value of the future lease payments and comprises the following elements: fixed lease payments, less any lease incentives received; variable lease payments; amounts expected to be payable by the lessee under residual value guarantees; the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and payments of penalties for terminating the lease.

The discount rate for lease payments is generally calculated using incremental borrowing rates for the specific lease terms and currencies with comparable payment profiles, as the interest rate implicit in the lease cannot be readily determined. Lease liabilities are subsequently measured by reducing the carrying amount of the liability to reflect the lease payments made (effective interest rate method). Interest expenses are presented in finance costs.

Right-of-use assets are measured at cost, which comprises the following: the amount of the initial measurement of the lease liability; any lease payments made at or before the commencement date, less any lease incentives received; any initial direct costs incurred by the lessee; and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset.

Right-of-use assets are subsequently measured at amortized cost, depreciated on a straight-line basis over the term of the lease and recognized under property, plant and equipment.

The right-of-use assets in relation to leased assets are presented within line items that reflect the nature of the respective leased assets. Thus, the Land, buildings and similar assets, Technical equipment and machinery, and Operating and office equipment line items under Property, plant and equipment include right-of-use assets for leased assets.

The practical expedients for leases for which the underlying asset is of low value and short-term leases (less than 12 months) were applied, and the payments continue to be recognized on a straight-line basis under other operating expenses. Furthermore, the standard is not applied to leases of intangible assets.

Certain leases contain extension and termination options. When determining the term of the leases, all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option to extend the lease, or not to exercise the option to terminate the lease are taken into consideration. Changes in lease terms resulting from the lessee's decision to exercise or not exercise such options are only taken into account if they are reasonably certain.

A lessor shall classify each of its leases as either an operating lease or a finance lease. Under a finance lease, an asset must be recognized in the statement of financial position and presented as a receivable in the amount of the net investment value. Under an operating lease, the leased asset is recognized at amortized cost under property, plant and equipment. The lease payments received during the period under review are presented under other operating income.

Purchased **intangible assets** are recognized at cost less amortization and, if applicable, impairment losses. With the exception of goodwill, brand names and works of art with an indefinite useful life, all useful lives are definite. An indefinite useful life is attributable to the Company's intention to continue using the relevant assets. Intangible assets with finite useful lives are generally amortized over their contractual or estimated useful lives using the straight-line method. This period is between 2 and 10 years. Internally generated intangible assets from which the Group is likely to benefit in future, and which can be measured reliably, are stated at their cost of production. The cost of production includes all costs directly attributable to the development process as well as appropriate portions of the attributable overheads. Attributable borrowing costs for qualifying assets are included. Research and development costs are treated as current expenses if the requirements for capitalization of development costs under IAS 38 are not met. If there are indications that a recognized individual asset may be impaired, an impairment test is performed with respect to this intangible asset – or a corresponding cash-generating unit (CGU) if it is not possible to perform an impairment test for the individual asset. A corresponding impairment loss is recognized in profit or loss. If the indications of impairment no longer exist, some or all of an impairment loss previously recognized is reversed. The increased carrying amount of the asset may not exceed the amount that would have been determined (net of amortization) if no impairment loss had been recognized previously.

In accordance with IAS 36, the carrying amount of goodwill is tested for impairment annually and upon the occurrence of indications of impairment (triggering events), on the basis of CGUs or groups of units. The Haniel Group performs the regular impairment tests during the fourth quarter of each year. The ECB's interest rate hike in the fourth quarter of 2022 constituted a triggering event for certain CGUs, resulting in the performance of a renewed impairment test as of December 31, 2022.

As of the reporting date, there were a total of 19 cash-generating units within the Haniel Group (previous year: 19). Changes in the CGU structure resulted from the disposal of Optimar and restructuring measures at TAKKT AG and CWS; a total of 19 CGUs remain. The carrying amounts of the individual or groups of cash-generating units are compared with their recoverable amount, which is equivalent to the higher of the value in use and the fair value less costs of disposal, determined in a second step if necessary. The fair value is the best estimate of the amount that an independent third party would pay for the (groups of) cash-generating units on the reporting date. Any disposal costs that would be incurred according to best estimate are deducted.

The value in use is measured based on detailed plans of the future cash flows, on the basis of the cash flows before interest and taxes, less maintenance and replacement investments and a perpetual annuity for the years after the detailed planning period. The detailed plans are generally based on five-year financial plans adopted by the responsible management and are used for internal purposes as well. The underlying sales trend and the operating profit margin constitute key planning assumptions. The detailed plans are formulated according to past developments and projected market trends. During the fiscal year, the impacts of the war in Ukraine on the general economic environment in particular as well as the specific impacts on the portfolio companies were monitored. The perpetual annuity is calculated based on expected average market growth, while factoring in expected future company growth. The cash flows thus determined are discounted at a rate reflecting the weighted average cost of capital before taxes (WACC), assigned individually for each cash-generating unit or group of cash-generating units, to determine the value in use of the cash-generating unit. The average cost of capital is determined using market inputs as the weighted average of the costs of equity and debt. The cost of equity used reflects the risk-equivalent return expected from equity investors with respect to the cash-generating units. In addition, business model-specific parameters are also taken into account. The cost of debt used represents the long-term financing terms of companies with comparable creditworthiness.

If the recoverable amount is less than the carrying amount of the individual cash-generating unit or group of cash-generating units, an impairment loss with respect to goodwill is recognized in profit or loss and, if applicable, as well as to other assets of the unit. Subsequent reversals of impairment losses on goodwill are not permitted if the grounds for recognizing impairment losses on goodwill no longer apply.

The table below summarizes the parameters applied in the fiscal year to determine the values in use in the context of the annual impairment tests for each portfolio company as well as for cash-generating units with significant goodwill:

	Weighted average cost of capital before taxes	Expected future company growth (perpetual annuity)	Goodwill as of Dec. 31, 2022
	%	%	EUR million
BauWatch	10.7	2.0	233
BekaertDeslee	12.7 to 13.3	2.0 to 3.0	187
CWS	12.7 to 13.9	2.0	1,011
of which Hygiene	12.9	2.0	553
of which Workwear	13.2 to 13.9	2.0	245
of which Cleanrooms	13.0	2.0	155
of which Fire Safety	12.7	2.0	58
Emma	16.2	2.0	325
KMK kinderzimmer	8.7	2.0	105
ROVEMA	10.5	2.0	137
TAKKT	9.4 to 10.1	1.0 to 2.0	668
of which Industrial & Packaging	10.1	2.0	310

The table below summarizes the parameters applied in the previous year to determine the values in use in the context of the annual impairment tests for each portfolio company as well as for cash-generating units with significant goodwill:

	Weighted average cost of capital before taxes	Expected future company growth (perpetual annuity)	Goodwill as of Dec. 31, 2021
	%	%	EUR million
BauWatch			233
BekaertDeslee	9.0 to 10.2	2.0	146
CWS	8.2 to 8.9	1.5 to 2.0	904
of which Hygiene	8.8	1.5	552
of which Workwear	8.9	1.5	294
of which Fire Safety	8.2	2.0	58
Emma	11.8	2.6	325
KMK kinderzimmer			141
Optimar	9.0	2.5	75
ROVEMA	7.9	2.0	137
TAKKT	7.4 to 8.1	1.0 to 2.0	669
of which Ratioform Group	7.4	2.0	143

In addition to goodwill, the Haniel Group also has EUR 171 million (previous year: EUR 185 million) in other intangible assets with indefinite useful lives. These relate predominantly to brand names acquired through business combinations. Their recoverability is reviewed during impairment tests at the level of the cash-generating units. In relation to the total carrying amount of intangible assets with indefinite useful lives, the BekaertDeslee Americas and ROVEMA cash-generating units have significant brand names with indefinite useful lives amounting to EUR 29 million (previous year: EUR 27 million) and EUR 26 million (previous year: EUR 26 million), respectively. The weighted average cost of capital before taxes is 13.3 percent (previous year: 10.2 percent) for BekaertDeslee Americas and 10.5 percent (previous year: 8.2 percent) for ROVEMA; the expected future company growth rate for the years after the detailed planning period amounts to 2.0 percent (previous year: 2.0 percent) for BekaertDeslee Americas and 2.0 percent (previous year: 2.0 percent) for ROVEMA.

Due to annual impairment testing at the level of the CGUs, EUR 36 million in impairment of goodwill was recognized in the fiscal year in accordance with IAS 36 in relation to the portfolio company KMK kinderzimmer based on the values in use as determined. Thus the EUR 270 million value in use was written down, among other reasons due to delays in government approval processes which meant that fewer childcare facilities could be opened during the fiscal year than planned as of the acquisition date. In addition, the pace of take-up was slower than anticipated in the course of the acquisition, resulting in a corresponding reduction in planned capacity utilization and revenue ramp-up. This reduced the value in use, thus leading to an impairment. The entire portfolio company KMK kinderzimmer represents a cash-generating unit.

The evidence for recoverability at all cash-generating units is based on the value in use. The values in use as determined in the course of the regular impairment tests were checked for plausibility using scenarios relating to key assumptions. At ROVEMA, a hypothetical 5 percent reduction in cash flows before interest and taxes during the detailed planning period, a 0.5 percentage-point increase in the pre-tax weighted average cost of capital or a decrease in the expected growth rate after the detailed planning period would result in a hypothetical impairment. At the Fire Safety cash-generating unit within the CWS portfolio company, a 0.5 percentage-point increase in the pre-tax weighted average cost of capital would result in a hypothetical impairment. The above-mentioned potential scenarios do not result in a hypothetical impairment for any of the other CGUs.

Associates and **joint ventures** are accounted for using the equity method defined in IAS 28 and IFRS 11, respectively. Based on the acquisition cost of the shares in associates and joint ventures at the date of acquisition, the carrying amount of the investments is increased or decreased by the Haniel Group's share of the post-acquisition profits or losses of the investment and other equity changes in the investment. Goodwill included in the carrying amount and determined in accordance with the full consolidation principles is not amortized. An impairment test is conducted if there is objective evidence of a possible impairment of the total carrying amount of the investment.

Financial assets include in particular investments (equity instruments), securities and loans (debt instruments). Financial assets are classified as financial assets recognized at amortized cost, as assets recognized at fair value through other comprehensive income or as assets recognized at fair value through profit or loss depending on the contractual cash flow characteristics of the financial assets and the underlying business model according to which they are managed. Since the cash flow characteristics of equity instruments do not consist exclusively of interest and repayments of outstanding principal, they must generally be classified as financial instruments measured at fair value through profit or loss. An exception to this is made for equity instruments which are not held for trading purposes; the Group may exercise the option to irrevocably classify such instruments as financial instruments measured at fair value through other comprehensive income. Depending on the underlying business model, debt instruments whose cash flow characteristics consist exclusively of interest and repayments of outstanding principal are classified as financial instruments measured either at amortized cost ("hold") or as financial instruments measured at fair value through other comprehensive income ("hold and sell"). All remaining debt instruments are classified as financial instruments measured at fair value through profit or loss, as is generally the case with equity instruments. The classification is determined at the date of acquisition and reviewed as of each reporting date. All financial assets are initially recognized at fair value and, provided they are not classified as at fair value through profit or loss, plus transaction costs.

Debt instruments measured at amortized cost are recognized based on the effective interest method. In the Haniel Group, this category also includes listed bonds and commercial paper. They are also subject to the impairment requirements set out in IFRS 9. To determine the expected credit loss for debt instruments measured at amortized cost, each financial instrument is assigned a ratings-based likelihood of default and a default ratio which is customary for the relevant market. The Haniel Group applies the practical expedient for financial instruments with low credit risk when assessing whether the credit risk has materially increased since initial recognition. The credit risk allowance to be recognized for these financial assets is calculated based on the 12-month expected credit loss.

Debt instruments measured at fair value through other comprehensive income are subsequently measured at fair value as of the reporting date. The changes in value are recognized in other comprehensive income and presented cumulatively in equity under accumulated other comprehensive income. Financial assets in this measurement category are subject to the impairment requirements of IFRS 9. The Haniel Group reports trade receivables eligible for forfaiting under that category.

Equity instruments, debt instruments and derivatives measured at fair value through profit or loss are subsequently measured at fair value as of the reporting date, with fair value changes recognized in profit or loss in this instance. Any transaction costs are recognized in profit or loss upon posting. Financial assets in this measurement category are not subject to the impairment requirements of IFRS 9. In the Haniel Group, mainly venture capital funds and derivatives for which no formal hedge accounting is applied are classified under this measurement category.

If the option to measure equity instruments which are not held for trading purposes at fair value through other comprehensive income is irrevocably exercised upon initial recognition, the resulting unrealized gains and losses and deferred taxes thereon are recognized in other comprehensive income and presented cumulatively in equity under other comprehensive income. The changes in value recognized in other comprehensive income are not reclassified to profit or loss. By contrast, dividend payments are recognized through profit or loss. Financial assets in this measurement category are not subject to the impairment requirements of IFRS 9. This option, which is exercised on a case-by-case basis, is exercised by the Haniel Group solely for non-listed investments in corporations.

Regular way sales and purchases of non-derivative financial assets of all categories are recognized as of the settlement date.

Financial assets and liabilities are presented at net in the statement of financial position if there is a legal right to offset at the present time. In addition, there must be an intention to settle on a net basis or to realize the asset and settle the related liability simultaneously. Otherwise, the financial assets and liabilities are presented at gross in the statement of financial position.

Inventories are stated at cost in general. In addition to the direct material and production costs, production-related portions of the required material and production overheads, as well as depreciation of property, plant and equipment attributable to production, and amortization of intangible assets are included in the cost. Borrowing costs are not taken into account. Depending on the specific circumstances of each portfolio company, different inventory cost formulas are applied. Normally, the costs of inventories are assigned by using a weighted average or a first-in, first-out (FIFO) cost formula. In addition, the standard cost method is also applied. Supplier remuneration classified as a reduction in cost reduces the carrying amount of inventories. If acquisition or production costs exceed the net realizable value at the end of the fiscal year, inventories are written down accordingly. Write-downs are recognized in respect of merchandise for which the net realizable value is lower than the carrying amount. Net realizable value is the estimated selling price less the estimated direct costs necessary to make the sale. If the grounds for recognizing a write-down on merchandise no longer apply, a corresponding reversal is recognized. If products are sold subject to rights of return, revenue is recognized only in the amount of the consideration to which the Company expects to be entitled. The share of those products which the Company expects to be returned is estimated and excluded from the transaction price. The amount for the right of return by a customer is presented under assets from rights of return.

Trade receivables and **other current assets** are initially recognized at the transaction price, which corresponds to the consideration paid in exchange for the transfer of goods or rendering of services to a customer. They are subsequently measured at amortized cost in accordance with the effective interest method. The performance obligations in relation to **assets from construction contracts** and **assets from other contracts with customers** are satisfied over a certain period. Revenue and profits from long-term contracts are recognized relative to the percentage of completion of the respective project.

The percentage of completion is calculated as the ratio of the contract costs already incurred up to the end of the fiscal year to the estimated total project costs (cost-to-cost method) or the work hours performed up to the end of the fiscal year and estimated hours planned. If the cumulative performance per contract (contract costs and contract results) exceeds the prepayments received, the construction contracts are reported as assets. If a negative net amount remains after the prepayments received, this amount is recognized as a **liability from construction costs**. Losses on long-term contracts with customers are immediately recognized in full in the fiscal year in which the loss was identified, irrespective of the stage of completion. An expected credit loss allowance is recognized immediately upon initial recognition before any losses are actually incurred. The simplified approach is applied, under which the valuation allowance is calculated on the basis of the lifetime expected credit loss. Allowances are calculated based on historical experience and current expectations as to credit losses, with adequate methods being applied to reflect the different business activities of the portfolio companies.

Tax assets and **tax liabilities** are recognized at the amount expected to be reimbursed from or paid to the tax authorities.

Derivative financial instruments, such as forward contracts, options and swaps, are generally used for hedging purposes to minimize exchange rate, interest rate and other market price risks arising from the operating business and/or from the associated financing requirements. Under IFRS 9, all derivative financial instruments must be recognized at their fair values, irrespective of the purpose or intention for which they were concluded. Changes in the fair values of derivative financial instruments to which hedge accounting applies are reported either in the income statement (fair value hedge) or, in the case of a cash flow hedge, in other comprehensive income, taking deferred taxes into account. Derivative financial instruments which are not subjected to hedge accounting are classified as equity instruments, debt instruments and derivatives measured at fair value through profit or loss in accordance with IFRS 9.4.1.4.

Derivatives used to hedge items in the statement of financial position are referred to as fair value hedges. The gains and losses from the fair value measurement of the hedging instruments are recognized in profit or loss. The changes in value of the underlyings attributable to the hedged risk are also recognized in profit or loss as adjustments to the carrying amounts. Derivatives used to hedge against future cash flow risks from existing or planned transactions are referred to as cash flow hedges. The changes in fair values of the derivatives attributable to the effective portion of the hedge are initially reported in other comprehensive income. In accordance with IFRS 9, the treatment of amounts recognized under other comprehensive income depended on the nature of the underlying hedged item. If the hedged transaction results in the recognition of a non-financial asset or a non-financial liability, the amount recognized under other comprehensive income is included in the calculation of the acquisition costs or the carrying amount. For all other types of hedged items, the amount is reclassified to the income statement at the same time as the impact of the hedged item on profit or loss. The changes in the fair values of the derivatives attributable to the ineffective portion of the hedge are immediately recognized in the income statement. In cases where hedge accounting is not applied, the changes in the fair value of derivative financial instruments are immediately recognized in profit or loss.

Non-current assets and groups of assets are classified as **held for sale** if their carrying amounts are mainly derived from their potential sale and not from their ongoing use. This condition is deemed to be fulfilled if, among other things, the sale is highly probable, the asset or the group of assets is available for immediate sale and the sale is expected to be completed within one year starting from the time of the classification.

Non-current assets and groups of assets classified as held for sale are no longer depreciated as from the reclassification date but measured at the lower of the carrying amount and the fair value less costs to sell. These fair values are normally determined based on concluded purchase contracts or purchase price offers that are already sufficiently specific. Assets and groups of assets and their respective liabilities (disposal groups) held for sale are shown separately from other assets and liabilities in the statement of financial position, each as a separate current item, as from the reclassification date. The previous year's figures in the statement of financial position are not adjusted to reflect reclassifications. If the disposal group comprises a material business segment or operation, the profit or loss after taxes from discontinued operations is reported separately in the income statement. The previous year's income statement is adjusted accordingly. The profit after taxes from discontinued operations comprises the operation's current earnings, the result of the measurement described above, and the gain or loss on disposal. In the statement of cash flows, the incoming and outgoing payments of the discontinued operations are presented together with the corresponding payments of the continuing operations. The portfolio company classified as held for sale is presented separately.

Deferred taxes are recognized for temporary differences between the values in the tax accounts of the individual companies and the carrying amounts in the consolidated statement of financial position – with the exception of goodwill that is not deductible for tax purposes – as well as for tax loss carryforwards. Deferred tax assets are recognized only if their realization is ensured with reasonable certainty. Deferred taxes are determined on the basis of the tax rates that will be in effect in future under current legislation. Deferred tax assets and liabilities are offset in accordance with IAS 12 if there is a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority for the same taxable entity. The planning horizon over which the tax-relevant interest carryforwards are calculated is four years.

Cash and cash equivalents are recognized at fair value, which generally corresponds to their nominal amount. Cash on hand, checks and bank deposits in foreign currency are translated at the closing rate as of the reporting date. The ECB's reference rate is applied as the exchange rate.

In accordance with IAS 19, **provisions for pensions** are determined using the actuarial projected unit credit method. In addition to biometric calculation principles, this method primarily takes into account the current long-term capital market interest rate as well as assumptions about future increases in salaries and pensions. Remeasurements are recognized in full directly in other comprehensive income and cumulatively in equity under accumulated other comprehensive income. These amounts are not reclassified to profit or loss. Remeasurements comprise actuarial gains and losses as well as the difference between the actual return on plan assets and the expected return recognized in net interest expense. Plan assets are measured at fair value and are deducted when calculating the plan surplus or deficit. In addition, effects from an asset ceiling may be included in the remeasurement. The net interest expense presented in the finance costs includes the expense from compounding the present value of defined benefit obligations and the expected return on plan assets.

With respect to **cash-settled share-based payments**, a **provision** is recognized in accordance with IFRS 2 for the services received, which is measured at fair value upon granting of the payments. The provision is recognized as an accrued expense over the agreed vesting period. Until the liability is settled, the fair value of the liability is remeasured at every reporting date and on the settlement date. All changes in fair value are recognized in profit or loss.

With the exception of provisions for personnel calculated in accordance with IAS 19 or IFRS 2, all **other provisions** are recognized on the basis of IAS 37 if there is a present legal or constructive obligation as a result of past business transactions or events. The outflow of resources embodying economic benefits required to settle the obligation must be probable, and it must be possible to estimate the amount reliably. Provisions with a maturity of more than one year are discounted at market interest rates that are in line with the risk and the period until settlement.

Financial liabilities, with the exception of derivative financial instruments, contingent consideration from business combinations, and financial liabilities held for trading, are initially recognized at fair value plus transaction costs and subsequently at amortized cost using the effective interest method.

Portions of assets and liabilities originally recognized as non-current with a remaining maturity of less than one year are generally reported under current items in the statement of financial position.

Revenue comprises revenues contracts with customers, less discounts and rebates. Revenue is generally recognized when control over the products or services transfers to the customer. This occurs either at a certain point in time or over a certain period of time. A product or service is deemed to be transferred once the customer has obtained control over such assets. This is the case when the customer has the ability to use the asset and direct its further use. The Haniel Group manufactures and sells a variety of products and services through its portfolio companies. While BekaertDeslee, Emma and TAKKT tend to satisfy their performance obligations at a certain point in time, BauWatch, CWS, KMK kinderzimmer and ROVEMA satisfy their performance obligations primarily over a certain period of time. BekaertDeslee generates sales revenue through the manufacture of mattress fabrics and mattress covers, and TAKKT generates sales revenue as a B2B direct marketing specialist which sells business equipment. BauWatch offers temporary outdoor security solutions and technology-based services. CWS generates revenue from services relating to washroom hygiene products and textile solutions as well as fire safety and security solutions. KMK kinderzimmer operates a large number of childcare facilities. ROVEMA manufactures packaging machines and equipment. In general, input-oriented methods are used at CWS and ROVEMA to determine the percentage of completion for performance obligations satisfied over a period of time. BauWatch and KMK kinderzimmer use output-oriented methods. The various products and services are sold at customary payment terms and do not comprise any financing components. The consideration received does not comprise any variable purchase price components. The customers' rights of return are taken into account through the recognition of an asset from return claims and the recognition of a reimbursement liability. If amounts are collected as an agent for third parties, such amounts are not revenue because they do not represent an inflow of economic benefits. Only the compensation for brokering the business is accounted for as revenue in such transactions.

Other operating income is recognized if the economic benefits are probable and the amount can be reliably determined.

Dividends are recognized when a legal right to receive payment is established. Interest income and interest expenses not requiring capitalization in accordance with IAS 23 are recognized in the proper period using the effective interest method.

In accordance with IAS 20, **government grants** are recognized at fair value only if there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received. Grants received as compensation for expenses are recognized as income in the same period in which such expenses are incurred. Grants received for the acquisition or production of assets are deferred as a general rule.

Advertising costs are expensed as soon as there is a right to access the advertising material or services were received in connection with the advertising activities.

The consolidated financial statements are prepared on the basis of certain **assumptions** and **estimates** which have an effect on the amount and presentation of the reported assets, liabilities, income, expenses and contingent liabilities. The assumptions and estimates primarily concern the items set forth below.

Goodwill may arise in the course of business combinations. All identifiable assets, liabilities and contingent liabilities are measured at fair value upon first-time consolidation. The recognized fair values represent key estimates. If intangible assets are identified, the fair value is determined by recognized valuation methods depending on the type of asset. These valuations are closely related to the management's assumptions concerning the future development of the assets and the applied discount rates. Similar assumptions are necessary in the accounting and valuation of investments accounted for at equity.

In addition to the determination of fair values of the assets, liabilities and contingent liabilities acquired, the valuation of contingent consideration for business combinations is based on estimates and assumptions made by the management regarding the future development of the acquired entity. If the actual development of the entity in the future deviates from the expected development, this may affect the amount of contingent consideration and the profit after taxes.

Impairment tests of goodwill, other intangible assets with indefinite useful lives and investments are based on forward-looking assumptions. Paying due regard to past developments and assumptions concerning the future development of markets, the test is generally performed on the basis of a five-year planning period. The key assumptions when assessing impairment are estimated growth rates after the detailed planning period, weighted average cost of capital and tax rates. Further key planning assumptions relate to the future sales trend and the operating profit margin. The premises above and the underlying calculation model can significantly influence the individual values and ultimately the amount of a possible impairment.

The allowance for expected credit losses in relation to trade receivables is calculated primarily on the basis of estimates and assumptions. For instance, at every reporting date an analysis of allowances is conducted to measure the expected credit losses. The rates used to derive the allowances are based on days overdue for groups of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by guarantee credits and similar forms of credit insurance). The calculation reflects the probability-weighted result, the time value of money and appropriate and supported information that is available at the reporting date pertaining to past events, current conditions and forecasts of future economic conditions. Actual cash inflows may deviate from the carrying amounts recognized in respect of the receivables. In addition, when assessing customer-specific construction contracts, the timing and amount of revenue and profit recognition depend on assumptions made by the management.

The key assumptions and estimates for the measurement of provisions, especially those for pensions, real estate, litigations, pending losses, those related to business combinations and disposals and restructuring measures, concern the probability of the provisions being used, the amount of the obligation and, in the case of non- current provisions, the interest rates applied. In addition, pension obligations under defined benefit plans require actuarial assumptions regarding salary growth and pension growth, life expectancies and employee turnover. The actual development, and hence actual payments due in the future, may deviate from the expected development and the recognized provisions.

Deferred tax assets and liabilities are measured on the basis of assumptions and estimates made by management. In addition to the interpretation of the tax regulations applicable to the taxable entity concerned, the key factor in the calculation of deferred tax assets in respect of temporary differences and tax loss carryforwards is an assessment of the likelihood that adequate taxable income will be generated in future or that appropriate tax strategies for utilizing tax loss carryforwards will be implemented.

All assumptions and estimates are based on the circumstances prevailing on the reporting date. Future events and changes in general circumstances often give rise to differences between the actual amounts and the estimates. This also applies in particular to obligations whose existence, amount and timing of occurrence are uncertain. In case of differences, the assumptions and, if necessary, the carrying amounts of the assets and liabilities affected are adjusted accordingly.

The impacts of the war in Ukraine, particularly the resulting increased energy costs, have been factored into assumptions and estimates as well as valuation allowances on trade receivables. In addition, the impacts of inflation and rising interest rates are taken into account when measuring provisions (particularly pension provisions) and performing goodwill impairment tests.

B. Notes to the statement of financial position

1 Property, plant and equipment

EUR million	Land, buildings and similar assets	Technical equipment and machinery	Operating and office equipment	Prepayments and assets under construction	Total
Cost					
As of Jan. 1, 2022	**713**	**344**	**649**	**35**	**1,741**
Foreign exchange rate adjustments	3	6	0	1	**10**
Additions to scope of consolidation	26	9	5		**40**
Additions	54	13	240	41	**348**
Reclassifications	10	6	8	–26	**–2**
Disposals	26	9	138	2	**175**
As of Dec. 31, 2022	**780**	**368**	**765**	**49**	**1,962**
Accumulated depreciation/write-downs					
As of Jan. 1, 2022	**306**	**197**	**327**	**0**	**830**
Foreign exchange rate adjustments	1	3	0	0	**4**
Depreciation	60	24	215		**300**
Impairments	0		0	0	**0**
Reversals of impairment losses	0		0		**0**
Reclassifications	0	–4	4		**0**
Disposals	14	6	135		**156**
As of Dec. 31, 2022	**354**	**214**	**410**	**0**	**978**
Net carrying amounts					
As of Dec. 31, 2022	**426**	**154**	**355**	**49**	**984**
As of Jan. 1, 2022	**407**	**147**	**323**	**34**	**911**

Additions to scope of consolidation during the fiscal year resulted from acquisitions by the portfolio companies CWS and BekaertDeslee. Business combinations in the fiscal year are explained under note 32. As in the previous year, the additions and disposals of operating and office equipment during the fiscal year relate primarily to textiles and hand towel dispensers to be rented out by the portfolio company CWS.

The portfolio company BekaertDeslee modified its depreciation method for certain machinery during the fiscal year in order to ensure that the method applied better reflects the expected pattern of consumption. It switched from the straight-line method to the units-of-production method. As a result, depreciation expenses were EUR 1 million lower during the fiscal year than they would have been under straight-line depreciation.

EUR million	Land, buildings and similar assets	Technical equipment and machinery	Operating and office equipment	Prepayments and assets under construction	Total
Cost					
As of Jan. 1, 2021	**612**	**327**	**575**	**27**	**1,540**
Foreign exchange rate adjustments	8	9	2	0	**20**
Additions to scope of consolidation	73	1	40	4	**117**
Additions	35	28	197	27	**287**
Reclassifications	4	15	1	–21	**–2**
Disposals	18	34	167	3	**222**
As of Dec. 31, 2021	**713**	**344**	**649**	**35**	**1,741**
Accumulated depreciation/write-downs					
As of Jan. 1, 2021	**268**	**200**	**284**	**2**	**754**
Foreign exchange rate adjustments	3	7	2	0	**12**
Depreciation	49	23	205		**278**
Impairments	0	0	0	0	**1**
Reversals of impairment losses	1	0	0		**1**
Reclassifications	0	0	0		**0**
Disposals	14	33	164	2	**214**
As of Dec. 31, 2021	**306**	**197**	**327**	**0**	**830**
Net carrying amounts					
As of Dec. 31, 2021	**407**	**147**	**323**	**34**	**911**
As of Jan. 1, 2021	**343**	**126**	**291**	**26**	**786**

As in the previous year, legally and economically owned property, plant and equipment are not subject to any restrictions on title. EUR 8 million in property, plant and equipment was pledged as collateral for liabilities (previous year: EUR 3 million). No collateral has been provided for third-party liabilities (previous year: EUR 3 million). Purchase commitments for property, plant and equipment amounted to EUR 12 million (previous year: EUR 2 million).

2 Intangible assets

EUR million	Goodwill	Other intangible assets from purchase price allocation	Other intangible assets	Prepayments	Total
Cost					
As of Jan. 1, 2022	**2,686**	**952**	**284**	**8**	**3,931**
Foreign exchange rate adjustments	17	4	1	0	**21**
Additions to scope of consolidation	125	129	0		**255**
Additions			8	3	**11**
Reclassifications			7	–5	**2**
Disposals	97	84	15	0	**196**
As of Dec. 31, 2022	**2,731**	**1,001**	**285**	**7**	**4,024**
Accumulated amortization					
As of Jan. 1, 2022	**55**	**333**	**181**	**2**	**571**
Foreign exchange rate adjustments	–1	2	1		**1**
Amortization		74	35		**108**
Impairments	36	11	1	0	**48**
Reversals of impairment losses			0		**0**
Reclassifications					**0**
Disposals	25	28	10		**63**
As of Dec. 31, 2022	**65**	**392**	**207**	**3**	**665**
Net carrying amounts					
As of Dec. 31, 2022	**2,666**	**609**	**79**	**5**	**3,359**
As of Jan. 1, 2022	**2,631**	**619**	**103**	**6**	**3,360**

Additions to scope of consolidation during the fiscal year resulted from acquisitions by the portfolio companies CWS and BekaertDeslee. Business combinations in the fiscal year are explained under note 32.

As in the previous year, the additions to other intangible assets and prepayments resulted primarily from software.

Other intangible assets from purchase price allocation and other intangible assets include assets with indefinite useful lives totaling EUR 171 million (previous year: EUR 185 million). These relate predominantly to brand names acquired through business combinations as well as works of art belonging to the Haniel Holding Company.

The impairment for the fiscal year consists of the goodwill impairment recognized by the portfolio company KMK kinderzimmer as well as the impairment of the TAKKT AG brand, which is set to be discontinued in 2024.

EUR million	Goodwill	Other intangible assets from purchase price allocation	Other intangible assets	Prepayments	Total
Cost					
As of Jan. 1, 2021	**2,231**	**835**	**260**	**13**	**3,339**
Foreign exchange rate adjustments	40	18	2	0	**60**
Additions to scope of consolidation	415	130	0	1	**546**
Additions			15	8	**23**
Reclassifications			14	–12	**2**
Disposals		31	7	2	**40**
As of Dec. 31, 2021	**2,686**	**952**	**284**	**8**	**3,931**
Accumulated amortization					
As of Jan. 1, 2021	**54**	**291**	**158**	**4**	**507**
Foreign exchange rate adjustments	1	7	1	0	**10**
Amortization		66	27		**93**
Impairments			1	1	**2**
Reversals of impairment losses					**0**
Reclassifications					**0**
Disposals		31	7	2	**40**
As of Dec. 31, 2021	**55**	**333**	**181**	**2**	**571**
Net carrying amounts					
As of Dec. 31, 2021	**2,631**	**619**	**103**	**6**	**3,360**
As of Jan. 1, 2021	**2,178**	**544**	**101**	**10**	**2,833**

As in the previous year, legally and economically owned intangible assets are not subject to any restrictions on title. As in the previous year, no intangible assets have been pledged as security for own liabilities.

As of December 31, 2022, there was a purchase commitment for intangible assets in the amount of EUR 3 million (previous year: EUR 0 million).

3 Investments accounted for at equity

EUR million	2022	2021
As of Jan. 1	**346**	**309**
Foreign exchange rate adjustments	0	0
Additions	7	0
Changes in equity interest recognized in profit or loss	–16	47
Profit distributions	–14	0
Changes in equity interest recognized in other comprehensive income	39	–7
Impairments and reversals of impairment losses	0	–1
Disposals and transfers	–102	–3
As of Dec. 31	**260**	**346**

Investments accounted for at equity essentially consist of the investment in CECONOMY AG held by Haniel. Since December 31, 2022, the investment in the portfolio company Optimar, which had been fully consolidated until then, has also been included in investments accounted for at equity and accounts for the majority of the additions.

CECONOMY AG, with its registered office in Düsseldorf, is the holding company for the leading European platform of the same name for consumer electronics companies, concepts and brands. It operates the MediaMarkt and Saturn brand electronics superstores in Europe.

Haniel's interest in the ordinary shares of CECONOMY AG amounted to 16.70 percent as of the reporting date.

Due to the sectors in which it operates, CECONOMY AG has a fiscal year that runs from October 1 to September 30. However, the investment is included in Haniel's consolidated financial statements based on annual reports and published quarterly statements using results from January 1 through December 31.

The impairment test in relation to the equity interest in CECONOMY AG is generally based on planning of future cash flows, a weighted average cost of capital after taxes of 12.74 percent (previous year: 11.62 percent) and a growth rate of 0.5 percent (previous year: 0.0 percent) for the years after the detailed planning period.

The CECONOMY investment contributed earnings totaling EUR -16 million (previous year: EUR 44 million).

Following a resolution by CECONOMY's General Meeting, CECONOMY's shareholder structure was streamlined in fiscal year 2022. In that connection, CECONOMY AG implemented a capital increase, in which Haniel did not participate. As a result, Haniel's share in the company's capital fell from 22.55 percent to 16.70 percent. The disposals and transfers related entirely to the effects of dilution on the carrying amount of Haniel's shareholding as a result of this transaction.

The stock market value of Haniel's 16.70 percent interest (previous year: 22.55 percent) in the ordinary shares of CECONOMY AG as of the reporting date amounted to EUR 151 million (previous year: EUR 307 million), valued at a share price of EUR 1.86 (previous year: EUR 3.79) per ordinary share.

Material financial information on the IFRS consolidated financial statements of CECONOMY AG as well as a reconciliation to the carrying amount of the investment reported in Haniel's consolidated financial statements are presented below.

EUR million	2022	2021
	CECONOMY AG	CECONOMY AG
Revenue	21,980	20,751
Profit after taxes from continuing operations	98	199
Profit after taxes from discontinued operations		13
Other comprehensive income	88	–30
Comprehensive income	186	182
Dividends received	14	

	Dec. 31, 2022	Dec. 31, 2021
EUR million	CECONOMY AG	CECONOMY AG
Non-current assets	3,807	3,788
Current assets	8,462	9,047
Non-current liabilities	2,661	2,628
Current liabilities	8,875	9,348
Equity	733	859
Equity attributable to shareholders	731	789
Haniel's share of equity	122	178
Remaining adjustments from purchase price allocation	558	747
Impairments on investment accounted for at equity	432	583
Carrying amount of the investment	**248**	**342**

In addition, on September 30, 2022 CECONOMY AG had contingent liabilities amounting to EUR 18 million (previous year: EUR 22 million).

In addition to CECONOMY AG, the Haniel Group holds equity interests in Optimar and other associates. The carrying amount for these equity interests totaled EUR 12 million (previous year: EUR 4 million). The share of comprehensive income from these companies attributable to Haniel was EUR 2 million (previous year: EUR 2 million).

4 Non-current financial assets

EUR million	Dec. 31, 2022	Dec. 31, 2021
Financial assets measured at fair value through profit or loss	**396**	**350**
Venture capital funds and similar debt instruments	213	150
Structured debt instruments	29	21
Investment funds	95	141
Equity instruments held for trading	58	39
Equity instruments measured at fair value through other comprehensive income	**16**	**26**
Debt instruments measured at fair value through other comprehensive income	**14**	**20**
Debt instruments measured at amortized cost	**4**	**2**
	430	**398**

Non-current financial assets consists primarily of investments in growth capital via funds and direct investments, as well as financial instruments held as medium and long-term investments.

The increase in funds and direct investments in the Growth Capital segment and similar debt instruments was attributable in particular to the investments made during the fiscal year. The decrease in investment funds was related to disposals and declining market values in the general market environment. Investments in further direct holdings resulted in an increase in equity instruments held for trading.

Equity instruments measured at fair value through other comprehensive income include non-listed equity investments in corporations.

5 Other non-current assets

EUR million	Dec. 31, 2022	Dec. 31, 2021
Capitalized contract costs	21	21
Miscellaneous non-current assets	1	1
	23	**22**

Capitalized contract costs relate to expenses for initiating contracts with customers of the portfolio company CWS. The contract costs are amortized on a straight-line basis over the expected terms of the contracts. The amount amortized each year is recognized in profit or loss under personnel expenses.

6 Current and deferred taxes

The income tax assets totaling EUR 32 million (previous year: EUR 32 million) concern in particular withholding tax receivables in connection with dividends received. The income tax liabilities of EUR 58 million (previous year: EUR 44 million) essentially contain the income taxes still to be paid for the fiscal year as well as prior-year liabilities of the portfolio company Emma.

Deferred taxes are calculated using the respective local tax rates. Changes in tax rates that were enacted up until the reporting date have already been taken into account. The income tax rates applied in the relevant countries varied between 9.0 percent and 32.3 percent (previous year: 9.0 percent and 32.3 percent).

The following deferred tax assets and liabilities exist for temporary differences in the individual items of the statement of financial position, and for tax loss carryforwards:

	Dec. 31, 2022		Dec. 31, 2021	
EUR million	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	16	103	9	98
Intangible assets	14	259	17	253
Miscellaneous non-current assets	2	13	8	15
Current assets	11	3	10	2
Non-current liabilities	43	1	47	1
Non-current provisions	40	4	75	2
Current provisions	5	0	4	9
Other current liabilities	13	9	12	6
Derivative financial instruments	1	1	1	1
Tax loss carryforwards	61		71	
Less offsetting	136	136	211	211
	68	**256**	**44**	**175**

Deferred tax assets include EUR 52 million (previous year: EUR 64 million) for companies that were making losses in the fiscal year or the previous year. These items are recognized, since future taxable profits are expected for these companies.

The Haniel Group recognized trade tax loss carryforwards of EUR 943 million (previous year: EUR 958 million), unused corporate tax and similar foreign loss carryforwards of EUR 638 million (previous year: EUR 612 million) and interest carryforwards amounting to EUR 491 million (previous year: EUR 398 million), for which no deferred tax assets were recognized in the statement of financial position, given that the realization of the deferred tax assets is not deemed to be sufficiently certain from today's point of view. Of these tax loss carryforwards, EUR 8 million (previous year: EUR 8 million) expire within five years and an additional EUR 0 million (previous year: EUR 0 million) within 15 years.

In accordance with IAS 12, no deferred tax liabilities are recognized for retained earnings of subsidiaries and investments accounted for at equity because the company can control the reversal effect and therefore it is probable that the temporary differences will not be reversed in the foreseeable future. Therefore no deferred tax liabilities are recognized for temporary differences from subsidiaries and investments accounted for at equity in the amount of EUR 119 million (previous year: EUR 125 million).

7 Inventories

EUR million	Dec. 31, 2022	Dec. 31, 2021
Raw materials and production supplies	107	94
Work and services in progress	14	24
Finished goods and merchandise	335	277
Assets from rights of return	3	2
Prepayments	8	10
	466	**407**

The inventories include EUR 15 million (previous year: EUR 13 million) that were written down to the net realizable value. Write-downs in the amount of EUR 8 million (previous year: EUR 9 million) were made during the fiscal year. By contrast, reversals of write-downs totaled EUR 4 million (previous year: EUR 8 million). The year-on-year increase in overall inventories resulted mainly from the positive business development and rising prices in the fiscal year as well as the increase in safety stock levels to cushion the impact of procurement bottlenecks.

With the exception of industry-standard restrictions on title, as in the previous year, no inventories were pledged as security for own liabilities.

8 Trade receivables and similar assets

EUR million	Dec. 31, 2022	Dec. 31, 2021
Trade receivables	515	476
Assets from construction contracts	9	26
	524	**503**

While trade receivables include unconditional claims against customers, assets from construction contracts include conditional claims. Assets from construction contracts as of December 31, 2022 relate primarily to the portfolio company ROVEMA and are settled after completion.

As in the previous year, no trade receivables are pledged as security for own liabilities at the reporting date.

During the fiscal year, a portion of trade receivables was transferred to a bank in exchange for cash and cash equivalents. EUR 55 million in receivables were derecognized in full because essentially all risks and opportunities – primarily default risk – were transferred to the bank. Assets in the amount of EUR 1 million were recognized in respect of the continued involvement with the derecognized receivables. At the same time, this represents the maximum exposure to loss.

Changes in allowances on trade receivables and assets from construction contracts are as follows:

EUR million	2022	2021
As of Jan. 1	**23**	**20**
Additions	16	7
Utilizations	0	4
Reversals	4	3
Foreign currency, changes in the scope of consolidation and other changes	–11	3
As of Dec. 31	**25**	**23**

Allowances are calculated based on a grouping by shared credit risk characteristics, days overdue and adequate impairment rates.

The additions to and reversals of valuation allowances are reported under other operating expenses. A receivable is deemed uncollectible if it has been overdue for longer than 12 months. If a receivable has become uncollectible, it is written off through profit or loss. Subsequent cash inflows in respect of written-off receivables are recognized in profit or loss.

9 Current financial assets

EUR million	Dec. 31, 2022	Dec. 31, 2021
Financial assets measured at fair value through profit or loss	89	90
	89	**90**

Financial assets measured at fair value through profit or loss consisted exclusively of ordinary shares in METRO AG.

10 Cash and cash equivalents

EUR million	Dec. 31, 2022	Dec. 31, 2021
Bank balances	184	52
Cash on hand and checks	1	1
	185	**53**

Bank balances comprise short-term deposits with an original maturity of up to three months. The year-on-year increase was reporting-date related and resulted from increased cash inflows at the end of the fiscal year, particularly from the portfolio company Emma.

Cash and cash equivalents amounting to EUR 1 million (previous year: EUR 4 million) are held in countries with local exchange control regulations.

11 Other current assets

EUR million	Dec. 31, 2022	Dec. 31, 2021
Financial assets		
Receivables from investments	0	1
Derivative financial instruments	2	2
Non-financial assets		
Value-added tax receivables and other tax assets	61	54
Prepaid expenses	26	23
Bonuses and discount claims against suppliers	18	17
Miscellaneous current assets	43	40
	150	**138**

The derivative financial instruments serve to hedge interest rate, exchange rate and other price risks and are described in detail under note 30. As in the previous year, no other current assets are pledged as security for own liabilities in the fiscal year.

12 Equity

As of December 31, 2022, the subscribed capital of Franz Haniel & Cie. GmbH remained unchanged at EUR 1,000 million. All shares are fully paid-in and held either directly or indirectly by the Haniel family.

Treasury shares with a par value of EUR 13 million (previous year: EUR 1 million) were acquired during the fiscal year.

Non-controlling interests in the equity of consolidated subsidiaries related primarily to the free float shares in the Stuttgart-based TAKKT AG. As of the reporting date, Haniel held 65.51 percent (previous year: 59.45 percent) of shares in TAKKT AG, the holding company for the TAKKT portfolio. The 6.06 percent increase in the share in TAKKT AG during the 2022 fiscal year resulted in a EUR 63 million reduction in Group equity.

Following the streamlining of CECONOMY AG's shareholder structure, the share of CECONOMY AG's retained earnings attributable to Haniel declined by EUR 102 million. Accordingly, the carrying amount for CECONOMY AG recognized in accordance with the equity method declined (see note 3).

Changes in equity are shown in the statement of changes in equity. The reduction in retained earnings in the fiscal year was attributable primarily to the distribution of the dividend to shareholders in the previous year, the described changes in shares in CECONOMY AG and TAKKT AG, the repurchase of treasury shares and the net loss for the year. The reduction in retained earnings resulting from changes in the scope of consolidation during the previous year was attributable primarily to the remeasurement of a put option to acquire further shares in the context of a business combination. The remeasurement resulted from an adjustment to estimates made during the first year after acquisition; these were recognized in equity.

The tables below contain the financial information on the portfolio company TAKKT recognized in Haniel's consolidated financial statements:

	Dec. 31, 2022	Dec. 31, 2021
EUR million	TAKKT	TAKKT
Non-current assets	860	890
Current assets	340	303
Non-current liabilities	198	210
Current liabilities	208	195
Equity	794	788
of which attributable to non-controlling interests	229	266

	2022	2021
EUR million	TAKKT	TAKKT
Revenue	1,337	1,178
Operating profit (EBITA)	95	78
Profit after taxes	59	57
of which attributable to non-controlling interests	21	26
Other comprehensive income	25	60
Comprehensive income	85	117
of which attributable to non-controlling interests	31	52
Cash flow from operating activities	86	60
Cash flow from investing activities	–14	–4
Cash flow from financing activities	–68	–58
Dividends paid to non-controlling interests	26	35

Haniel holds a 54.1 percent interest (previous year: 50.1 percent) in Emma Sleep GmbH, Frankfurt am Main, via the holding company for the Emma portfolio. The non-controlling interests in the equity of Emma Sleep GmbH and its subsidiaries reported for the portfolio company Emma amounted to EUR 35 million as of the reporting date (previous year: EUR 30 million). The comprehensive income attributable to Emma Sleep GmbH amounted to EUR 8 million (previous year: EUR 5 million). Of that amount, EUR 8 million (previous year: EUR 5 million) related to profit after taxes and EUR 0 million (previous year: EUR 0 million) related to other comprehensive income.

Haniel holds a 60 percent interest (previous year: 60 percent) in KMK kinderzimmer Holding GmbH, Hamburg, via the holding company for the KMK kinderzimmer portfolio. The non-controlling interests in the equity of KMK kinderzimmer Holding GmbH and its subsidiaries reported for the portfolio company KMK kinderzimmer amounted to EUR 6 million as of the reporting date (previous year: EUR 6 million). The comprehensive income attributable to KMK kinderzimmer Holding GmbH amounted to EUR -4 million (previous year: EUR 0 million). Of that amount, EUR -4 million (previous year: EUR 0 million) related to profit after taxes and EUR 0 million (previous year: EUR 0 million) related to other comprehensive income.

The accumulated other comprehensive income of the Haniel Group changed as follows:

EUR million	As of Jan. 1, 2022	Changes in the scope of consolidation	Changes in shares in companies already consolidated	Other comprehensive income	Currency translation effects	**As of Dec. 31, 2022**
Remeasurements of defined benefit plans	–176		2	128	–1	**–47**
Deferred taxes	51		–1	–36	0	**15**
Other comprehensive income from investments accounted for at equity	–93	29		–2		**–66**
Financial investments in equity instruments	14	1	–1	–11		**3**
Other comprehensive income not to be reclassified to profit or loss	**–204**	**30**	**0**	**79**	**–1**	**–95**
Derivative financial instruments	–0		0	1	0	**1**
Debt instruments measured at fair value through other comprehensive income	0			–2		**–2**
Currency translation effects	6	0	–1	34	1	**39**
Other comprehensive income from investments accounted for at equity	–88			41		**–47**
Other comprehensive income to be reclassified to profit or loss	**–82**	**0**	**–1**	**74**	**1**	**–9**
Accumulated other comprehensive income	**–287**	**30**	**–1**	**153**	**0**	**–105**
of which attributable to non-controlling interests	1	0	–1	9		**10**
of which attributable to shareholders of Franz Haniel & Cie. GmbH	–288	30	0	143		**–115**

EUR million	As of Jan. 1, 2021	Changes in the scope of consolidation	Changes in shares in companies already consolidated	Other comprehensive income	Currency translation effects	**As of Dec. 31, 2021**
Remeasurements of defined benefit plans	–267	36	3	55	–2	**–176**
Deferred taxes	68	–2	–1	–14	0	**51**
Other comprehensive income from investments accounted for at equity	–100			6		**–93**
Financial investments in equity instruments	–4	–10	0	27		**14**
Other comprehensive income not to be reclassified to profit or loss	**–303**	**24**	**3**	**73**	**–2**	**–204**
Derivative financial instruments	–2		0	2	0	**0**
Currency translation effects	–70	0	0	74	2	**6**
Other comprehensive income from investments accounted for at equity	–75			–13		**–88**
Other comprehensive income to be reclassified to profit or loss	**–147**	**0**	**0**	**63**	**2**	**–82**
Accumulated other comprehensive income	**–449**	**24**	**2**	**136**	**0**	**–287**
of which attributable to non-controlling interests	–23	–5	2	26		**1**
of which attributable to shareholders of Franz Haniel & Cie. GmbH	–427	28		110		**–288**

The accumulated other comprehensive income attributable to non-controlling interests included EUR 11 million (previous year: EUR 7 million) in currency translation effects, EUR -3 million (previous year: EUR -15 million) in remeasurements of defined benefit plans, EUR 1 million (previous year: EUR 4 million) in deferred taxes on remeasurements of defined benefit plans, EUR 1 million (previous year: EUR 6 million) in gains and losses on remeasurements of financial investments in equity instruments and EUR 0 million (previous year: EUR -1 million) in gains and losses on remeasurements of derivative financial instruments.

Capital management

The aim of the Haniel Group's capital management is, for one, to safeguard financial flexibility, provide scope for value-enhancing investments, and maintain sound ratios in the statement of financial position. The Group seeks to achieve investment-grade credit ratings. Another aim of capital management is to ensure that the capital employed in the Haniel Group is used to increase value.

In the previous year, taking into account the portfolio companies held for sale, the Haniel Group's net financial position, defined as net financial liabilities less the investment position of the Haniel Holding Company, was broken down as follows:

EUR million	2022	2021
Financial liabilities	1,952	1,476
- Cash and cash equivalents	185	53
Net financial liabilities	1,767	1,423
- Investment position: Haniel Holding Company	226	292
Net financial position	1,541	1,131

The investment position of the Haniel Holding Company, which is available for the acquisition of new portfolio companies, includes non-current and current financial assets and other assets of the Holding Company and other companies.

The Group manages the solidity of its balance sheet ratios by monitoring the equity ratio, the gearing, the interest cover ratio, and the core repayment period.

EUR million	2022	2021
Equity	2,684	2,955
/ Total assets	6,570	6,303
Equity ratio (in %)	**40.9**	**46.9**
Net financial position	1,541	1,131
/ Equity	2,684	2,955
Gearing	**0.6**	**0.4**
(Operating profit (EBITA)	310	277
+ Result from investments accounted for at equity	–16	47
+ Other investment result)	–9	58
/ (Finance costs	–56	–35
– Other net financial income)	–12	–16
Interest cover ratio	**4.1**	**7.5**
(Net financial position	1,541	1,131
– Net financial liabilities allocated to financial investments)	75	100
/ EBITDA	640	582
Core repayment period (in years)	**2.3**	**1.8**

The core repayment period is the ratio of EBITDA of the portfolio companies, as well as the Holding Company and other companies, to the net financial position. Since the financial investment in CECONOMY AG is accounted for at equity and is thus not included in EBITDA, EUR 75 million (previous year: EUR 100 million) in net financial liabilities are deducted and allocated to financial investments for the purpose of calculating the core repayment period.

13 Current and non-current financial liabilities

Financial liabilities comprise the interest-bearing obligations of the Haniel Group that existed as of the respective reporting dates. The different types and maturities of the current and non-current financial liabilities are shown in the table below:

	Dec. 31, 2022				**Dec. 31, 2021**			
EUR million	Up to 1 year	1 to 5 years	More than 5 years	**Total**	Up to 1 year	1 to 5 years	More than 5 years	**Total**
Liabilities due to banks	379	916	3	**1,299**	333	532	20	**885**
Bonds, commercial paper and other securitized debt	183	25		**208**	98	37		**135**
Liabilities to shareholders	72	61		**133**	83	47	0	**130**
Lease liabilities	72	130	66	**267**	67	142	69	**278**
Other financial liabilities	10	26	10	**46**	10	38	0	**48**
	716	**1,158**	**79**	**1,952**	**590**	**796**	**89**	**1,476**
of which subordinated	81	85	10	**176**	92	82	0	**174**

The maturities of the liabilities due to banks correspond to the respective financing commitments.

As of the reporting date, bonds, commercial paper and other securitized debt contained promissory loan notes issued by the portfolio companies amounting to EUR 38 million (previous year: EUR 45 million) and commercial paper.

Liabilities to shareholders relate to shareholders of Franz Haniel & Cie. GmbH.

Financial liabilities include subordinated liabilities in the amount of EUR 176 million (previous year: EUR 174 million). The subordinated financial liabilities are subordinate to all other liabilities. The individual subordinated financial liabilities are shown in the table below:

EUR million	Dec. 31, 2022	Dec. 31, 2021
Shareholder loans: Haniel family	133	130
Loans of the Haniel Foundation	29	29
Haniel Zerobonds	2	2
Haniel Performance Bonds	0	2
Miscellaneous financial liabilities	12	11
Total	**176**	**174**

14 Pension provisions

Pension provisions are recognized for obligations arising from current pensions as well as from commitments under old-age, disability and survivors' pension plans. The benefits paid by the Group vary from country to country, depending on the respective legal, tax and economic circumstances. The Haniel Group's company pension schemes comprise both defined contribution plans and defined benefit plans. Other than the payment of the contributions, no further obligations exist in respect of the defined contribution plans. The contributions are shown under personnel expenses and amounted to EUR 34 million (previous year: EUR 34 million) for the statutory pension insurance and EUR 11 million (previous year: EUR 10 million) for other defined contribution plans.

The obligations from defined benefit plans consist primarily of benefit plans based on final salaries with adjustments to counter the effect of inflation. They are financed using external pension funds and through provisions. As part of their investment strategies, the funds invest in various investment classes to avoid risk concentration. In addition, the maturity profile of the plan assets is adjusted in line with the expected benefit payment dates.

The defined benefit obligations are attributable in particular to Germany and Switzerland. The characteristics specific to the aforementioned countries are described in greater detail below.

In Germany the defined benefit obligations are financed primarily through provisions. The obligations are based either on shop agreements or individual contractual arrangements for executives and other employees. The commitments essentially contain pension payments, but often disability or death benefits as well. In defined contribution benefit plans – depending on the pension plan – the pension capital can be paid out in installments or as a one-time payment or annuity. If fixed annuity payments are paid, either a statutorily prescribed pension adjustment review is made on a 3-year cycle, or for defined contribution plans – depending on the plan – guaranteed annual pension increases between 1.5 percent and 2.5 percent are set. A claim to retirement benefits generally exists upon departure. A claim to payment exists upon reaching the age limit, and for commitments as of 2012, at the earliest upon reaching the age of 62.

The defined benefit obligations in Switzerland are based on commitments for executives and other employees. They are financed through employee and employer contributions to pension funds. The commitments also incorporate benefits in the event of disability or death. The contributions vary depending on salary and age. Pension increases are factored in depending on the return on plan assets. To cover the pension claims, the plans are subject to minimum funding requirements from which future additional contribution obligations may arise. A claim to retirement benefits exists upon departure, however, at the earliest upon reaching the age of 64. Depending on the arrangement/pension plan, the payment can be paid out as an annuity or as a one-time payment.

The defined benefit obligations are measured using the projected unit credit method. This measurement is based on the following specific parameters for each country:

	Dec. 31, 2022		**Dec. 31, 2021**	
%	Germany	Switzerland	Germany	Switzerland
Discount rate	3.5	2.2	1.1	0.1
Salary trend	2.8	1.5	2.5	1.5
Pension trend	2.0	0.0	1.8	0.0

In order to account for the current economic environment, a one-off 5 percent premium was recognized with respect to salary increases.

The discount rate is determined using an interest rate curve approach for each currency area based on the yields of fixed interest corporate bonds that have a minimum AA rating from at least one respected rating agency. For the eurozone, the iBoxx™ Corporates AA bonds were used in the fiscal year.

The mortality tables used for the corresponding countries are based on publicly accessible data. In Germany, the measurement is based on the biometric probabilities from the 2018G Heubeck mortality tables.

The average duration at matching maturities of the defined benefit plans was 16 years (previous year: 19 years).

Pension provisions are presented in the following items of the statement of financial position:

EUR million	Dec. 31, 2022	Dec. 31, 2021
Pension provisions	254	375
Net pension provisions	**254**	**375**

The present value of defined benefit obligations developed as follows in the fiscal year:

EUR million	2022	2021
Present value of defined benefit obligations as of Jan. 1	**480**	**521**
Foreign exchange rate adjustments	1	2
Changes in the scope of consolidation and other changes	14	0
Current service cost	17	18
Past service cost	–2	–1
Gains and losses arising from settlements	1	–3
Interest cost	5	2
Actuarial gains and losses	–139	-50
of which arising from experience adjustments	1	–2
of which arising from changes in demographic assumptions	0	-4
of which arising from changes in financial assumptions	–140	-44
Employees' contributions to plan assets	2	2
Less current pension payments	17	13
Less payments in respect of settlements	1	0
Present value of defined benefit obligations as of Dec. 31	**362**	**480**

The pension payments are expected to be EUR 14 million (previous year: EUR 14 million) in the next fiscal year, EUR 63 million in the following 2 to 5 fiscal years (previous year: EUR 57 million) and EUR 103 million in the next 6 to 10 fiscal years (previous year: EUR 92 million).

The plan assets developed as follows:

EUR million	2022	2021
Fair value of plan assets as of Jan. 1	**106**	**101**
Foreign exchange rate adjustments	0	0
Changes in the scope of consolidation and other changes	13	
Return on plan assets	1	0
Gains and losses arising from settlements	1	–3
Remeasurements of plan assets	–11	0
Employer's contributions to plan assets	4	8
Employees' contributions to plan assets	2	2
Less current pension payments out of plan assets	7	3
Less payments in respect of settlements	1	
Fair value of plan assets as of Dec. 31	**108**	**106**

Employer contributions to the plan assets are expected to be EUR 6 million in the coming fiscal year (previous year: EUR 8 million).

The table below shows the plan asset portfolio structure as of the reporting date:

	2022		2021	
EUR million	with active market	without active market	with active market	without active market
Cash and cash equivalents	1		1	
Equity instruments	14		16	
Debt instruments	20		20	
Real estate	14		15	
Investment funds	12		14	
Insurance contracts	11	21		24
Miscellaneous	2	12	17	
Fair value of plan assets as of Dec. 31	**75**	**33**	**82**	**24**

The table below presents the development of the net pension provisions. It corresponds generally to the difference between the changes to the present value of defined benefit obligations and the fair value of the plan assets.

EUR million	2022	2021
Net pension provisions as of Jan. 1	**374**	**420**
Foreign exchange rate adjustments	1	2
Changes in the scope of consolidation and other changes	1	
Current service cost	17	18
Past service cost	–2	–1
Interest cost from compounding the defined benefit obligation	5	2
Return on plan assets	1	
Actuarial gains and losses in respect of the defined benefit obligation	–139	–50
of which arising from experience adjustments	1	–2
of which arising from changes in demographic assumptions		–4
of which arising from changes in financial assumptions	–140	–44
Remeasurements of plan assets	–11	
Employer's contributions to plan assets	4	8
Less current pension payments	9	10
Net pension provisions as of Dec. 31	**254**	**373**

Of the pension expenses for the fiscal year presented in the income statement, EUR 15 million (previous year: EUR 17 million) are included in personnel expenses and EUR 4 million (previous year: EUR 2 million) are included in finance costs.

The table below presents how the present value of defined benefit obligations as of the reporting date would have changed given variations in isolated significant actuarial parameters.

EUR million	2022	2021
0.5 percentage-point increase in the discount rate	–24	–40
0.5 percentage-point decrease in the discount rate	28	47
0.5 percentage-point increase in the salary growth rate	2	3
0.5 percentage-point decrease in the salary growth rate	–1	–2
0.5 percentage-point increase in the pension growth rate	13	20
0.5 percentage-point decrease in the pension growth rate	–11	–17
One-year increase in life expectancy	9	15
One-year decrease in life expectancy	–8	–14

There was no change in methodology for the sensitivity analysis year on year. Changes in the relevant parameters were reflected to the extent that these were considered appropriate. The respective ranges for potential changes in parameters were selected based on multi-year historical observations. The derivation of potential future changes on the basis of historical data represented a methodological constraint.

15 Other non-current and current provisions

EUR million	As of Jan. 1, 2022	Foreign exchange rate adjustments	Changes in the scope of consolidation	Reclassification, Disposals: IFRS 5	Interest effect	Additions	Reversals	Utilizations	**As of Dec. 31, 2022**
Provisions for personnel	72	0	0	0		19	–4	–7	**78**
Provisions for removal	1	0			0	0			**2**
Provisions for restructuring	0								**0**
Miscellaneous non-current provisions	9	0				0	–1	0	**9**
Other non-current provisions	**82**	**0**	**0**	**0**	**0**	**19**	**–5**	**–7**	**89**
Provisions for personnel	57	0	0	0		48	–6	–48	**51**
Provisions for litigation	3					0		0	**3**
Provisions for warranties	10	0		0		6	0	0	**16**
Provisions for restructuring	6			0		0	–2	–3	**1**
Miscellaneous current provisions	23	0	0			16	–7	–4	**29**
Current provisions	**99**	**0**	**0**	**–1**	**0**	**71**	**–15**	**–55**	**99**

The non-current provisions for personnel comprise obligations from performance cash plans, anniversaries and partial retirement schemes. Current provisions for personnel include bonuses, obligations under social plans and termination benefits.

Provisions for removal usually result from the construction and redesign of land and buildings (improvements and reconstruction) whose removal will be necessary in future because of contractual, constructive or legal obligations. The present value of expected expenses is immediately recognized as a liability and initially corresponds to an appropriate increase in the acquisition cost of the relevant tangible asset. Present value adjustments resulting during the term from changes in the expected settlement amount or from changes in interest rates are generally recognized against the carrying amount of the relevant asset.

Provisions for restructuring include all estimated costs for the restructuring of certain companies and/or business units on the basis of a restructuring plan adopted by the responsible management.

Miscellaneous non-current and current provisions included, among other things, provisions relating to tax risks in the amount of EUR 7 million (previous year: EUR 10 million), provisions recognized in the course of the sale of ELG in the amount of EUR 9 million and provisions amounting to EUR 7 million (previous year: EUR 7 million) in connection with sand-lime bricks that were produced in former Haniel building materials plants using lime substitutes, and which are being settled by Haniel on a goodwill basis.

The other non-current provisions are expected to be utilized as follows:

	Dec. 31, 2022				**Dec. 31, 2021**			
EUR million	Up to 2 years	2 to 5 years	More than 5 years	**Total**	Up to 2 years	2 to 5 years	More than 5 years	**Total**
Provisions for personnel	12	62	4	**78**	13	42	17	**72**
Provisions for removal	0	1	0	**2**	0	1	1	**1**
Provisions for restructuring				**0**				**0**
Miscellaneous non-current provisions	5	3	1	**9**	5	3	1	**9**
	17	**66**	**5**	**89**	**18**	**46**	**18**	**82**

16 Other non-current liabilities

Other non-current liabilities consists primarily of contingent purchase price liabilities in relation to business combinations and liabilities from the granting of a put option to acquire further shares in the context of a business combination.

17 Trade payables and similar liabilities

EUR million	Dec. 31, 2022	Dec. 31, 2021
Trade payables	377	217
Liabilities from construction contracts and advance payments	31	39
Liabilities from other contracts with customers	24	28
	433	**284**

The increase in trade payables was attributable primarily to an increase in payables at the portfolio companies CWS and Emma due to their business situation. The increase at Emma furthermore related to reverse factoring agreements, which – due to extended payment terms – increased the balance of trade payables as of the end of the year. EUR 43 million of trade payables were attributable to these reverse factoring agreements.

Liabilities from construction contracts and advance payments, as well as liabilities from other contracts with customers relate to payments received before the contractual obligations were satisfied.

At the beginning of the fiscal year, revenue amounting to EUR 39 million (previous year: EUR 26 million) was recognized under liabilities from construction contracts and advance payments or from other contracts with customers. The performance obligations recognized as of the reporting date as liabilities from construction contracts have an expected original term of no more than one year; therefore, no further disclosures are made.

18 Other current liabilities

EUR million	Dec. 31, 2022	Dec. 31, 2021
Financial liabilities		
Derivative financial instruments	2	3
Non-financial liabilities		
Liabilities for other taxes	71	67
Liabilities for payroll and social security	26	25
Accrued expenses	124	176
Miscellaneous current liabilities	50	34
	274	**305**

The accrued expenses include in particular periodic expenses for interest, holiday leave not yet taken, rebates, bonuses and invoices in transit. Derivative financial instruments are described in detail under note 30. Miscellaneous current liabilities includes liabilities from business combinations amounting to EUR 6 million (previous year: EUR 8 million).

C. Notes to the income statement

19 Revenue

EUR million	2022	2021
Trade sales	2,857	2,368
Service sales	1,366	1,217
	4,223	**3,585**

The table below presents a further breakdown of revenue according to essential categories by portfolio company:

EUR million		2022	2021
BauWatch		**72**	**45**
BekaertDeslee	Europe	128	113
	Americas	190	150
	Asia/Pacific	70	70
	Total	**388**	**332**
CWS	Hygiene	591	558
	Workwear	552	531
	Cleanrooms	154	99
	Fire Safety	72	60
	Total	**1,369**	**1,249**
Emma		**880**	**645**
KMK kinderzimmer		**47**	**16**
ROVEMA		**132**	**120**
TAKKT	Germany	279	268
	Europe, excl. Germany	464	449
	USA and Canada	592	461
	Total	**1,335**	**1,177**
Group		**4,223**	**3,585**

The portfolio company BauWatch offers services relating to temporary outdoor security solutions and technology-based services. BekaertDeslee manufactures mattress fabrics and mattress covers. CWS offers services relating to washroom hygiene products and textile solutions as well as fire safety and security solutions. Emma is an international sleep tech company that primarily sells mattresses and sleep systems online. KMK kinderzimmer generates revenue by operating childcare facilities. The portfolio company ROVEMA generates revenue primarily through the sale of packaging machines and equipment. TAKKT primarily sells office and business equipment as a B2B direct marketing specialist.

20 Other operating income

EUR million	2022	2021
Income from disposals of non-current assets	31	6
Rental and similar income	2	2
Other operating income	32	24
	64	**32**

Income from disposals of non-current assets in the fiscal year related in particular to the sale of real estate by the portfolio company BekaertDeslee. The sale of the real estate in the context of a sale and leaseback transaction resulted in the recognition of a EUR 28 million gain. In the previous year, this was attributable mainly to the sale of real estate by the portfolio company CWS.

Other operating income included income from the on-charging of expenses, prior-period income and credits, income from insurance reimbursements and income from the sale of certain assets. As in the previous year, no contingent rental income was recognized in the fiscal year.

21 Personnel expenses

EUR million	2022	2021
Wages and salaries	–865	–764
Social security	–159	–137
Expenses for pensions and other benefits	–43	–40
Reversals of provisions for personnel expenses	10	12
Amortization of capitalized internal contract costs	–6	–6
	–1,064	**–935**

22 Other operating expenses

EUR million	2022	2021
Advertising costs and similar expenses	–310	–243
Sales freight	–136	–104
Energy costs	–65	–51
Personnel leasing	–54	–45
Legal and consulting costs	–45	–53
IT services	–45	–35
Repairs and maintenance	–44	–40
Rental and lease expenses	–42	–28
Travel and training costs	–23	–13
Reversals of provisions	10	17
Other operating taxes	–9	–7
Write-off of trade receivables	–5	–4
Impairment losses and reversals on trade receivables	–1	–4
Losses on disposals of non-current assets	–1	–1
Miscellaneous operating, administrative and sales expenses	–236	–190
	–1,007	**–803**

Miscellaneous operating, administrative and sales expenses comprise numerous operating expenses, including communication costs, insurance premiums and auditing expenses. Research and development costs in the amount of EUR -4 million (previous year: EUR -5 million) are also recognized under miscellaneous operating, administrative and sales expenses. Rental and lease expenses included expenses for leases classified as short-term leases as well as for leases for which the underlying asset is of low value.

23 Other investment result

EUR million	2022	2021
Changes in fair value from financial assets designated as at fair value	–10	32
Result from equity investments measured at fair value	2	26
	–8	**58**

Changes in fair value from financial assets designated as at fair value consisted primarily of fair value changes and distributions from investments in growth capital funds, direct investments in partnerships and investment funds held as medium and long-term investments. Equity instruments consist of fair value changes and dividends from equities and direct investments in corporations, specifically from the investment in METRO AG.

24 Finance costs

EUR million	2022	2021
Interest and similar expenses	–46	–29
Interest expenses for provisions	–4	–2
Interest expenses for lease liabilities	–6	–4
	–56	**–35**

The increase in finance costs and, in particular, interest and similar expenses related primarily to the significantly higher level of market interest rates in the current fiscal year.

25 Other net financial income

EUR million	2022	2021
Interest and similar income	10	9
Miscellaneous financial income	–23	–25
	–12	**–16**

The fair value changes in derivative financial instruments recognized through profit or loss are reported under other financial income and amounted to EUR 0 million in the year under review (previous year: EUR 1 million). Additionally, other financial income includes income and expenses from write-downs and reversals of write-downs amounting to EUR 0 million (previous year: EUR 0 million) and fair value changes of non-operating financial instruments amounting to EUR -18 million (previous year: EUR -22 million).

The net exchange differences amounted to EUR 1 million in the fiscal year (previous year: EUR -1 million). They are recognized in other financial income in the amount of EUR -2 million (previous year: EUR -3 million), and in the other operating expenses in the amount of EUR 3 million (previous year: EUR 2 million).

26 Income tax expenses

EUR million	2022	2021
Current taxes	–58	–56
Deferred taxes	3	–8
	–55	**–64**

Current taxes included prior-period tax income of EUR 3 million (previous year: EUR 2 million).

Deferred tax assets on tax loss carryforwards and interest carryforwards in the amount of EUR 13 million were reversed through profit or loss in the fiscal year (previous year: EUR 13 million). EUR 1 million in write-downs were reversed (previous year: EUR 0 million) and no write-downs (previous year: EUR 0 million) were recognized in respect of deferred tax assets.

The table below shows a reconciliation between the reported and the expected tax expense:

EUR million	2022	2021
Profit before taxes	101	271
Expected effective income tax rate	30.7%	30.7%
Expected tax result	**–31**	**–83**
Deviation due to varying foreign tax rates	19	15
Tax portion for tax-exempt income	8	13
Tax portion for non-deductible expenses	–10	–15
Non-recognition, write-downs and utilization of tax loss and interest carryforwards	–22	3
Result from investments accounted for at equity	–5	14
Effect of non-tax-deductible goodwill impairments	–9	1
Prior-period taxes	2	–2
Permanent differences	–1	–9
Tax effects due to local tax rates	–3	–3
Other tax effects	–2	0
Reported tax result	**–55**	**–64**
Reported income tax rate	54.5%	23.7%

The expected effective income tax rate comprises corporate income tax, including the solidarity surcharge, and trade tax as pertinent for German corporations. Other tax effects include effects from changes in tax rates in the amount of EUR 1 million (previous year: EUR -1 million). No deferred tax assets in relation to current losses in the amount of EUR 17 million were recognized in the fiscal year (previous year: EUR 2 million).

27 Profit after taxes from discontinued operations

The after-tax profit or loss from discontinued operations included income and expenses for the company Optimar, and in the previous year also included income and expenses for ELG.

The profit or loss from discontinued operations breaks down as follows:

EUR million	2022	2021
Revenue and income	69	2,095
Expenses	–103	–2,063
Profit or loss from discontinued operations before taxes	**–34**	**32**
Income tax expenses	3	–12
Profit or loss from discontinued operations after taxes	**–31**	**20**
Revaluation and disposal gains/losses before taxes	–123	–52
Income taxes on revaluation and disposal gains/losses		
Revaluation and disposal gains/losses after taxes	**–123**	**–52**
Profit after taxes from discontinued operations according to income statement	**–154**	**–32**

Comprehensive income from discontinued operations attributable to the shareholders of Franz Haniel & Cie. GmbH amounted to EUR -150 million during the fiscal year (previous year: EUR -19 million).

D. Other notes

28 Leases

Property, plant and equipment amounting to EUR 984 million (previous year: EUR 911 million) included EUR 730 million (previous year: EUR 645 million) in property, plant and equipment legally owned by Haniel and EUR 254 million (previous year: EUR 266 million) in assets used by Haniel as lessee in the context of leases. These assets are recognized as right-of-use assets and classified as follows:

EUR million	Land, buildings and similar assets	Technical equipment and machinery	Operating and office equipment	Total
Book value				
As of Jan. 1, 2022	**206**	**2**	**57**	**266**
Modifications due to indexed lease rates	6	0		**6**
Foreign exchange rate adjustments	1	0	0	**1**
Additions to scope of consolidation	6		1	**7**
Additions	40		23	**63**
Depreciation	48	0	30	**78**
Impairments	0		0	**0**
Other changes	–8	–1	–1	**–10**
As of Dec. 31, 2022	**203**	**1**	**50**	**254**

EUR million	Land, buildings and similar assets	Technical equipment and machinery	Operating and office equipment	Total
Book value				
As of Jan. 1, 2021	**146**	**1**	**62**	**209**
Modifications due to indexed lease rates				**0**
Foreign exchange rate adjustments	2	0	0	**2**
Additions to scope of consolidation	69	0	4	**73**
Additions	29	1	22	**52**
Depreciation	37	0	30	**68**
Impairments	0		0	**0**
Other changes	–2		–1	**–4**
As of Dec. 31, 2021	**206**	**2**	**57**	**266**

The future amount of obligations arising from leases signed but not yet commenced as of the reporting date is EUR 46 million (nominal; previous year: EUR 54 million). This related primarily to concluded lease agreements for future childcare facilities, which had not yet been transferred as of the reporting date.

The overview below presents the amounts recognized in the income statement in relation to leases:

EUR million	2022	2021
Depreciation of right-of-use assets	77	66
Interest expenses for lease liabilities	6	4
Expenses relating to short-term leases	16	10
Expenses relating to low-value assets	3	3
Income from subleasing right-of-use assets	–1	–1
	101	**83**

The statement of cash flows includes the following amounts in relation to leases:

EUR million	2022	2021
Payments for short-term leases and leases relating to low-value assets	–19	–13
Repayments of lease liabilities and interest payments	–81	–73
	–100	**–86**

The payments for short-term leases and leases relating to low-value assets, as well as interest payments in connection with lease liabilities, are presented under cash flows from operating activities; the repayment of lease liabilities is presented in cash flows from financing activities.

Leases are treated as operating leases if Haniel is the lessor and substantially all the risks and rewards incidental to ownership of an underlying asset are not transferred to the contracting party. The leased property therefore continues to be reported in the statement of financial position and the lease payments are recognized as other operating income.

The table below presents the minimum incoming payments for operating leases in the coming years:

	2022				**2021**			
EUR million	Up to 1 year	1 to 5 years	More than 5 years	**Total**	Up to 1 year	1 to 5 years	More than 5 years	**Total**
Operating leases	**2**	**4**	**0**	**6**	**1**	**1**	**1**	**3**

29 Financial risk management

In the context of its operating activities, the Haniel Group is exposed to financial risks. These primarily include liquidity risks, default risks, risks resulting from changes in interest and exchange rates, and price fluctuations in the stock or commodity markets. The purpose of financial risk management is to reduce the extent of these financial risks.

The management lays down the basic guidelines for financial risk management and determines the general procedures to be followed for hedging financial risks. The holding companies for the portfolios have their own treasury departments, which identify, analyze and assess the financial risks before initiating preventive or mitigating measures. The Treasury department at the Haniel Holding Company advises the subsidiaries and, in addition to its own hedging transactions, enters into hedges on their behalf as well. All hedges relate to an underlying hedged item. No derivative financial instruments are used for speculative purposes.

For financing purposes, the Haniel Group uses a variety of financing instruments in keeping with industry and commercial practice and subject to customary contractual provisions. No special financial risks arise from this practice.

Liquidity risk
Liquidity risk is the risk of being unable to guarantee the Haniel Group's solvency at all times. Liquidity risk is managed by financial planning measures taken by the portfolios' holding companies to ensure that the necessary resources are available to fund the operating business and investments. The financing requirement is determined according to the financial plans of the subsidiaries and the Haniel Holding Company. In order to cover the financing requirement, the Haniel Holding Company has at its disposal committed, unutilized credit facilities as well as a commercial paper programme. The liquidity risk is also managed within the portfolio companies, which also have their own unutilized bilateral short- and long-term credit facilities. The Haniel Group seeks as a general rule to maintain an appropriate reserve of available credit facilities. On the reporting date, the Haniel Group had access to EUR 1.0 billion in available, committed lines of credit. In addition, there is the Haniel Holding Company's commercial paper programme with a volume of EUR 500 million, on the basis of which EUR 171 million in commercial paper had been issued as of the reporting date.

Default risk
The default or credit risk is the risk of the Haniel Group's contractual partners not fulfilling their obligations. The Haniel Group is exposed to a default risk both in its operating business and in connection with financial instruments.

In view of the Haniel Group's diverse activities and the large number of existing customer relationships, entailing as a rule minor individual receivables, a concentration of default risks generally does not arise in the portfolio companies from trade receivables. In addition, default risks increased during the fiscal year due to various crises; these risks were again taken into account through the recognition of appropriate provisions.

The Group has no significant individual receivables from major customers.

The investment of cash in selected financial products is governed by directives in the Haniel Group. Depending on the assessment of the counterparty's creditworthiness, corresponding limits are prescribed and monitored in order to avoid a concentration of default risks. Based on internal and external ratings, the default risks can be summarized as follows:

EUR million	Dec. 31, 2022	Dec. 31, 2021
Low default risk	180	56
Medium default risk	23	20
Total	**203**	**76**

In addition to the carrying amounts of the financial instruments with positive fair values recognized in the statement of financial position, the maximum default risk of the Haniel Group also includes the nominal volume of the financial guarantee contracts issued. As of the reporting date, there were no financial guarantee contracts, as in the previous year.

Interest rate risk

Interest rate risk is the risk of profit or loss being negatively affected by fluctuating market interest rates. The interest rate risk is limited with derivative financial instruments, chiefly interest rate swaps. Decisions on the use of derivative financial instruments are made on the basis of the planned indebtedness, investment position and interest rate expectations. The interest rate hedging strategy is reviewed and new targets are defined at regular intervals. The Haniel Group generally seeks to maintain an appropriate hedged interest rate position.

The following interest rate sensitivity analysis illustrates the hypothetical effects on profit before taxes, other comprehensive income and equity, had the prevailing market interest rates changed on the reporting date. It is based on the assumptions that the figures as of the reporting date are representative for the whole year, and that the supposed change in market interest rates could have occurred on the reporting date. Tax effects are disregarded.

Dec. 31, 2022	**+ 100 basis points**			**- 100 basis points**		
EUR million	Profit before taxes	Other comprehensive income	**Equity**	Profit before taxes	Other comprehensive income	**Equity**
Euro market interest rates	–10		**–10**	10		**10**
USD market interest rates	–1		**–1**	1		**1**
CHF market interest rates			**0**			**0**

Dec. 31, 2021	**+ 100 basis points**			**- 100 basis points**		
EUR million	Profit before taxes	Other comprehensive income	**Equity**	Profit before taxes	Other comprehensive income	**Equity**
Euro market interest rates	–8		**–8**	8		**8**
USD market interest rates	–1		**–1**	1		**1**
GBP market interest rates			**0**			**0**

The interest rate sensitivities of currencies of material significance to the Haniel Group are presented.

Exchange rate risk

Exchange rate risks arise from investments and financing measures undertaken in foreign currencies, and from the operating business in connection with buying and selling merchandise and services in currencies other than the functional currency. The resulting risk exposure is determined continually and hedged primarily by entering into forward currency contracts and currency swaps. The majority of exchange rate risks originate from changes in the USD-EUR, GBP-EUR and CHF-EUR rates.

Micro-hedges are among the principal instruments used to hedge exchange rate risks. These entail the direct hedging of an underlying transaction with a currency derivative. In addition to this type of hedging, currency risks can also be hedged as part of a portfolio hedging relationship, in which transactions with identical risks are combined into groups. The overall risk position of such a portfolio represents the hedged item in the hedging relationship which is hedged through the use of appropriate derivatives.

Currency derivatives are also used to hedge forecast transactions in foreign currencies. In this case, the currency derivative (or a combination of several derivatives) that best reflects the probability of occurrence and timing of the forecast transaction is selected.

An exchange rate sensitivity analysis illustrates the theoretical effects on profit before taxes, other comprehensive income and equity from changes in the exchange rates of the currencies US dollar (USD), pound Sterling (GBP) and Swiss francs (CHF), which are significant for the Haniel Group. Due to Optimar's classification as an associated company, the Norwegian krone (NOK) will be of less relevance going forward.

The exchange rate sensitivity analysis is based on the non-derivative and derivative financial instruments held by the Group companies in non-functional currencies on the reporting date. It assumes that the exchange rates change by an indicated percentage rate on the reporting date. Movements over time, actual observed changes in other market parameters and tax effects are disregarded.

The medium- and long-term borrowing is predominantly done by Franz Haniel & Cie. GmbH, the holding companies for the portfolios and the financing companies. Depending on the borrowing requirements of the individual Group companies, these companies can also obtain loans in currencies other than the euro for disbursement within the Group. Since these loans are not taken out in the companies' functional currency, IFRS 7.40 requires that they be taken into account when measuring the exchange rate risk, even though such a risk does not exist from the perspective of the Group as a whole.

Dec. 31, 2022	**10%**			**–10%**		
EUR million	Profit before taxes	Other comprehensive income	**Equity**	Profit before taxes	Other comprehensive income	**Equity**
USD/EUR exchange rate	2		**2**	–2		**–2**
GBP/EUR exchange rate		–1	**–1**		1	**1**
NOK/EUR exchange rate			**0**			**0**
CHF/EUR exchange rate	6	–2	**4**	–6	2	**–4**

Dec. 31, 2021	**10%**			**–10%**		
EUR million	Profit before taxes	Other comprehensive income	**Equity**	Profit before taxes	Other comprehensive income	**Equity**
USD/EUR exchange rate	–8	1	**–7**	8	–1	**7**
GBP/EUR exchange rate	–2	–1	**–3**	2	1	**3**
NOK/EUR exchange rate	1		**1**	–1		**–1**
CHF/EUR exchange rate	1	–3	**–2**	–1	3	**2**

The currencies of material significance to the Haniel Group are presented.

Share price and market risk

As part of its investment strategy, the Haniel Group invests in growth capital. In that connection, investments are made in a large number of funds launched by highly reputable investment companies, alongside direct investments in companies in the growth phase. In addition, cash and cash equivalents are used for medium and long-term investments in a variety of financial instruments such as investment funds, equities and structured financial instruments. These equity and debt instruments are measured at fair value through profit or loss or other comprehensive income.

A hypothetical 10 percent increase (decrease) in the market value of equity and debt instruments measured at fair value through profit or loss would result in an improvement (deterioration) of the profit before taxes by EUR 40 million (EUR -40 million). A hypothetical 10 percent increase (decrease) in the fair value of equity and debt instruments measured at fair value through other comprehensive income would result in an increase (decrease) in other comprehensive income by EUR 3 million (EUR -3 million).

In addition, the Haniel Group holds ordinary shares in METRO AG, which are reported as current financial assets and measured at fair value through profit or loss. A hypothetical 10 percent increase (decrease) in METRO AG's quoted share price would lead to an increase (decrease) in the profit before taxes of EUR 9 million (EUR -9 million).

Other price risks
The Haniel Group is not exposed to any material price risks.

Hedge accounting
The Haniel Group enters into hedging transactions for the purpose of hedging both the fair values of certain assets or liabilities and future cash flows. This also includes currency hedges of planned sales and purchases of merchandise and services, and of investments and divestments.

When accounting for hedges, the hedge accounting rules are sometimes applied. Under the hedge accounting rules, a derivative is classified either as a hedging instrument in a cash flow hedge if it is used to hedge future cash flows, as a hedging instrument in a fair value hedge if it is used to hedge the fair values of certain assets and liabilities, or as a hedging instrument in a hedge of a net investment in a foreign operation if it is used to hedge an investment recognized in a foreign currency.

Currency derivatives used to hedge existing items of the statement of financial position are usually not subjected to formal hedge accounting. The changes in the fair values of these derivatives, which, from an economic point of view, represent effective hedges in the context of the Group strategy, are recognized in profit or loss. Those changes are generally matched by opposite changes in the fair values of the hedged items.

Cash flow hedges – interest rate hedging
The Haniel Group obtains financing largely by way of long-term and short-term bilateral credit facilities, bonds, commercial paper and promissory loan notes. The bilateral credit facilities are generally utilized on a revolving basis with a short-term fixed-rate period. By entering into derivative financial instrument transactions, the Group generally hedges against rising market interest rates and thus against future increases in interest expenses.

As of the reporting date, the Group had no designated hedges.

The Haniel Group generally applies the supplemental provisions of IFRS 9 contained in “Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform”.

The Treasury departments of the Haniel Group’s portfolio companies and the Haniel Holding Company’s Treasury department are monitoring developments relating to the interest rate benchmark reform, and will continue to analyze their impacts on an ongoing basis. The necessary adjustments to IT systems, processes, valuation models and implications on accounting and tax will be factored into the analysis.

Because the hedge accounting did not include any interest hedges as of the reporting date, the change in interbank rates had no impact on the Haniel Group.

Cash flow hedges – currency hedging
The Haniel Group enters into forward exchange contracts to hedge euro-denominated payments. The designated hedged items are highly probable payments denominated in various foreign currencies.

The nominal volume of the hedging instruments designated as of December 31, 2022 amounted to EUR 32 million. They will all become due in 2023. The nominal volume of the hedging instruments designated as of December 31, 2021 amounted to EUR 38 million. They all fell due in 2021.

In connection with cash flow hedges, gains/losses of EUR 0 million (previous year: EUR 0 million) were recognized in other comprehensive income for the fiscal year. Gains in the amount of EUR 1 million (previous year: gains of EUR 2 million) were transferred from other comprehensive income to finance costs.

There is an economic connection between the designated underlying and the hedging instruments since the terms of the derivative financial instruments are identical to those for the hedged underlying (i.e., nominal amount and (expected) payment date). In the Haniel Group, a hedge ratio of 1:1 is generally used for hedges since the underlying risk of the hedging instruments is identical to the hedged risk. As in the previous year, there were no significant ineffective portions of cash flow hedges.

Fair value hedge
As in the previous year, fair value hedge accounting was not applied in the fiscal year.

30 Additional disclosures on financial instruments

In compliance with the hedging strategy pursued by the Haniel Group, the total derivative financial instruments position is composed as follows:

	Dec. 31, 2022		Dec. 31, 2021	
EUR million	Fair value	of which cash flow hedges	Fair value	of which cash flow hedges
Assets				
Currency instruments	2	1	2	0
	2	**1**	**2**	**0**
Liabilities				
Currency instruments	2	1	3	1
	2	**1**	**3**	**1**

Please refer to notes 11 and 18 for information on the presentation of derivative financial instruments designated as hedging instruments.

The table below shows the contractually agreed, undiscounted payments of interest and principal over time of the non-derivative financial liabilities, derivative liabilities and financial guarantee contracts existing as of December 31, 2022:

EUR million	Cash flows 2023	Cash flows 2024	Cash flows from 2025 to 2027	Cash flows from 2028 to 2032	Cash flows from 2033 onwards
Non-derivative financial liabilities and financial guarantee contracts					
Liabilities due to banks	–285	–209	–860	–3	
Bonds, commercial paper and other securitized debt	–185	–1	–26		
Liabilities to shareholders	–73	–29	–41	–1	
Lease liabilities	–75	–54	–89	–54	–55
Other financial liabilities	–42	–11	–18	–12	–1
Liabilities from business combinations and fixed dividends minority shareholder	–5	–56	–247	–222	
Trade payables	–377				
Financial guarantee contracts					
	–1,042	**–360**	**–1,281**	**–292**	**–56**
Derivative liabilities					
Hedge accounting					
Derivatives (net settled)					
Derivatives (gross settled) inflows	12				
Derivatives (gross settled) outflows	–13				
	–1	**0**	**0**	**0**	**0**
Excl. hedge accounting					
Derivatives (net settled)					
Derivatives (gross settled) inflows	105				
Derivatives (gross settled) outflows	–107				
	–2	**0**	**0**	**0**	**0**
	–3	**0**	**0**	**0**	**0**

The repayments of principal are classified by the earliest period in which the creditors may demand repayment.

For the financial guarantee contracts, the disclosure is made not on the basis of the estimated probable amount, but in the amount of the agreed maximum guarantee at the earliest possible date.

The contractually agreed, undiscounted payments of interest and principal over time of the non-derivative financial liabilities and derivative liabilities and financial guarantee contracts that existed as of December 31, 2021 were as follows:

EUR million	Cash flows 2022	Cash flows 2023	Cash flows from 2024 to 2026	Cash flows from 2027 to 2031	Cash flows from 2032 onwards
Non-derivative financial liabilities and financial guarantee contracts					
Liabilities due to banks	–114	–80	–637	–53	
Bonds, commercial paper and other securitized debt	–98	–13	–25		
Liabilities to shareholders	–85	–21	–27		
Lease liabilities	–71	–62	–97	–61	–70
Other financial liabilities	–49	–16	–23	–2	
Liabilities from business combinations and fixed dividends minority shareholder	–8	–9	–163	–322	
Trade payables	–217				
Financial guarantee contracts					
	–642	**–201**	**–972**	**–438**	**–70**
Derivative liabilities					
Hedge accounting					
Derivatives (net settled)					
Derivatives (gross settled) inflows	54				
Derivatives (gross settled) outflows	–55				
	–1	**0**	**0**	**0**	**0**
Excl. hedge accounting					
Derivatives (net settled)					
Derivatives (gross settled) inflows	130				
Derivatives (gross settled) outflows	–132				
	–2	**0**	**0**	**0**	**0**
	–3	**0**	**0**	**0**	**0**

Reconciliation of financial instruments to IFRS 9 categories

ASSETS

EUR million	**Carrying amounts as of Dec. 31, 2022**	Debt- and equity instruments and derivatives measured at fair value through profit or loss	Equity instruments measured at fair value through other comprehensive income	Debt instruments measured at fair value through other comprehensive income	Debt instruments measured at amortized cost	Contingent consideration from business combinations	No IFRS 9 category	Outside the scope of IFRS 7
Non-current financial assets	**430**	**396**	**16**	**14**	**4**	**0**	**0**	**0**
Other non-current assets	**23**	**0**	**0**	**0**	**0**	**0**	**0**	**23**
Trade receivables and similar assets	**524**	**0**	**0**	**0**	**515**	**0**	**0**	**9**
Current financial assets	**89**	**89**	**0**	**0**	**0**	**0**	**0**	**0**
Current assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Cash and cash equivalents	**185**	**0**	**0**	**0**	**185**	**0**	**0**	**0**
Derivative financial instruments	**2**	2						
Value-added tax receivables and other tax assets	**61**							61
Prepaid expenses	**26**							26
Bonuses and discount claims against suppliers	**18**				18			
Miscellaneous current assets	**43**				42			1
Other current assets	**150**	**2**	**0**	**0**	**61**	**0**	**0**	**88**

The equity instruments measured at fair value through other comprehensive income include investments in non-listed companies which are held for strategic, rather than trading, purposes.

EUR million	Carrying amounts as of Dec. 31, 2021	Debt- and equity instruments and derivatives measured at fair value through profit or loss	Equity instruments measured at fair value through other comprehensive income	Debt instruments measured at fair value through other comprehensive income	Debt instruments measured at amortized cost	Contingent consideration from business combinations	No IFRS 9 category	Outside the scope of IFRS 7
Non-current financial assets	**398**	**350**	**26**	**20**	**2**	**0**	**0**	**0**
Other non-current assets	**22**	**0**	**0**	**0**	**0**	**0**	**0**	**22**
Trade receivables and similar assets	**503**	**0**	**0**	**0**	**476**	**0**	**0**	**27**
Current financial assets	**90**	**90**	**0**	**0**	**0**	**0**	**0**	**0**
Current assets	**1**	**0**	**0**	**0**	**1**	**0**	**0**	**0**
Cash and cash equivalents	**53**	**0**	**0**	**0**	**53**	**0**	**0**	**0**
Derivative financial instruments	**2**	2						
Value-added tax receivables and other tax assets	**54**							54
Prepaid expenses	**23**							23
Bonuses and discount claims against suppliers	**17**				17			
Miscellaneous current assets	**40**				40			0
Other current assets	**137**	**2**	**0**	**0**	**58**	**0**	**0**	**77**

Reconciliation of financial instruments to IFRS 9 categories

LIABILITIES

EUR million	**Carrying amounts as of Dec. 31, 2022**	Financial liabilities measured at fair value through profit or loss	Contingent consideration from business combinations	Financial liabilities at amortized cost	No IFRS 9 category	Outside the scope of IFRS 7
Liabilities due to banks	**919**			919		
Bonds, commercial paper and other securitized debt	**25**			25		
Liabilities to shareholders	**61**			61		
Lease liabilities	**195**				195	
Other financial liabilities	**36**	10		26		
Non-current financial liabilities	**1,236**	**10**	**0**	**1,031**	**195**	**0**
Other non-current liabilities	**470**	**200**	**255**	**4**	**10**	**2**
Liabilities due to banks	**379**			379		
Bonds, commercial paper and other securitized debt	**183**			183		
Liabilities to shareholders	**72**			72		
Lease liabilities	**72**				72	
Other financial liabilities	**10**			10		
Current financial liabilities	**716**	**0**	**0**	**644**	**72**	**0**
Trade payables and similar liabilities	**433**	**0**	**0**	**377**	**0**	**55**
Liabilities for other taxes	**71**					71
Liabilities for payroll and social security	**26**					26
Accrued expenses	**124**			82		42
Derivative financial instruments	**2**	2			1	
Miscellaneous current liabilities	**50**		4	44	1	2
Other current liabilities	**274**	**2**	**4**	**125**	**2**	**141**
Liabilities held for sale	**0**	0	0	0	0	0

EUR million	Carrying amounts as of Dec. 31, 2021	Financial liabilities measured at fair value through profit or loss	Contingent consideration from business combinations	Financial liabilities at amortized cost	No IFRS 9 category	Outside the scope of IFRS 7
Liabilities due to banks	**552**			552		
Bonds, commercial paper and other securitized debt	**37**			37		
Liabilities to shareholders	**47**			47		
Lease liabilities	**211**				211	
Other financial liabilities	**39**			39		
Non-current financial liabilities	**886**	**0**	**0**	**675**	**211**	**0**
Other non-current liabilities	**508**	**262**	**230**	**3**	**10**	**2**
Liabilities due to banks	**333**			333		
Bonds, commercial paper and other securitized debt	**98**			98		
Liabilities to shareholders	**83**			83		
Lease liabilities	**67**				67	
Other financial liabilities	**10**			10		
Current financial liabilities	**590**	**0**	**0**	**523**	**67**	**0**
Trade payables and similar liabilities	**284**	**0**	**0**	**217**	**0**	**67**
Liabilities for other taxes	**67**					67
Liabilities for payroll and social security	**25**			17		9
Accrued expenses	**176**			109		66
Derivative financial instruments	**3**	2			1	
Miscellaneous current liabilities	**34**		4	28		1
Other current liabilities	**305**	**2**	**4**	**154**	**1**	**143**
Liabilities held for sale	**0**	0	0	0	0	0

Fair value measurement

The table below shows the assets and liabilities measured at fair value in the statement of financial position as of December 31, 2022, classified by the following input levels:

Level 1: Quoted prices in active markets for the identical asset or liability
Level 2: Quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data
Level 3: Valuation techniques for which significant inputs are not based on observable market data

If assets and liabilities recurrently measured at fair value must be reclassified between the various levels because, for example, an asset is no longer traded in an active market or is traded for the first time, the reclassification is made at the end of the reporting period. No such transfers between Levels 1 and 2 took place either during the fiscal year or the previous year.

EUR million	**Total Dec. 31, 2022**	Level 1	Level 2	Level 3	Not measured at fair value
Assets					
Recurring fair value measurement					
Non-current financial assets					
Debt instruments measured at fair value through profit or loss	**337**	95	29	213	0
Equity instruments measured at fair value through profit or loss	**58**	7		52	
Equity instruments measured at fair value through other comprehensive income	**16**			16	
Debt instruments measured at fair value through other comprehensive income	**14**		14		
Current financial assets					
Equity instruments measured at fair value through profit or loss	**89**	89		0	
Cash and cash equivalents					
Money market funds	**0**				
Other current assets					
Derivative financial instruments	**2**		2		
Non-recurring fair value measurement					
Assets held for sale	**0**				
Liabilities					
Recurring fair value measurement					
Other non-current liabilities					
Miscellaneous non-current liabilities	**36**			10	26
Contingent consideration from business combinations	**255**			255	
Other liabilities from business combinations	**200**			200	
Other current liabilities					
Derivative financial instruments	**2**		2		
Contingent consideration from business combinations	**4**			4	
Miscellaneous current liabilities	**10**				10
Non-recurring fair value measurement					
Liabilities held for sale	**0**				

In the previous and current fiscal year, other liabilities from business combinations consisted solely of a liability resulting from the granting of put options in the context of a business combination. If the holder exercises the options, Haniel will receive further shares in the acquired company. In the fiscal year, tranches of the options were exercised in accordance with the relevant agreement.

The table below shows the assets and liabilities measured at fair value in the statement of financial position as of December 31, 2021:

EUR million	Total Dec. 31, 2021	Level 1	Level 2	Level 3	Not measured at fair value
Assets					
Recurring fair value measurement					
Non-current financial assets					
Debt instruments measured at fair value through profit or loss	**312**	141	21	150	
Equity instruments measured at fair value through profit or loss	**39**	20		19	
Equity instruments measured at fair value through other comprehensive income	**26**			26	
Debt instruments measured at fair value through other comprehensive income	**20**		20		
Current financial assets					
Equity instruments measured at fair value through profit or loss	**90**	90			
Cash and cash equivalents					
Money market funds					
Other current assets					
Derivative financial instruments	**2**		2		
Non-recurring fair value measurement					
Assets held for sale	**0**				
Liabilities					
Recurring fair value measurement					
Other non-current liabilities					
Miscellaneous non-current liabilities	**39**				39
Contingent consideration from business combinations	**230**			230	
Other liabilities from business combinations	**262**			262	
Other current liabilities					
Derivative financial instruments	**3**		3		
Contingent consideration from business combinations	**4**			4	0
Miscellaneous current liabilities	**10**				10
Non-recurring fair value measurement					
Liabilities held for sale	**0**				

The fair value of financial instruments traded in an active market (Level 1) is based on the quoted prices as of the reporting date. The fair value of assets and liabilities recurrently measured at fair value within Level 2 is determined using the DCF method. Expected future cash flows from the financial instruments are discounted using market interest rates with matching maturities. The creditworthiness of the respective borrower is taken into account by including risk premiums based on credit ratings and maturities in the discount factors. The risk premiums are determined using observable market prices from fixed-income securities. The DCF method is also used for the measurement of contingent consideration from business combinations.

The following table presents a detailed reconciliation of the assets and liabilities recurrently measured at fair value within Level 3, excluding contingent consideration and other liabilities from business combinations, which are explained in more detail in note 32. The reconciliation relates to venture capital funds mainly in the Holding Company as well as equity investments in non-listed corporations by the portfolio companies CWS and TAKKT as well as the Holding Company. The venture capital funds are measured in accordance with the adjusted net asset method. Under this method, the fair values of the individual investments as determined by the funds on the basis of recognized valuation methods are aggregated and adjusted by an appropriate illiquidity discount for the overall fund. The value of non-listed investments in corporations is calculated based on the one hand on additional capital contributions by investors or on the price at which a third party enters the market in the course of a further financing round (price of recent investment valuation method). On the other hand, recognized company valuation techniques (multiples) are also applied.

EUR million	2022	2021
As of Jan. 1	**194**	**79**
Foreign exchange rate adjustments	4	3
Additions	94	69
Fair value changes recognized in profit or loss	–8	39
Fair value changes recognized in other comprehensive income	–11	27
Disposals	3	23
As of Dec. 31	**270**	**194**
Unrealized gains or losses recognized in profit or loss relating to those financial instruments held at the reporting date	0	0

A hypothetical 10 percent increase (decrease) in the fair value of financial instruments measured at fair value in Level 3 would result in a EUR 27 million increase (decrease) in equity (previous year: EUR 19 million).

The table below shows the fair values of the financial instruments as of December 31, 2022 that are not recognized at fair value in the statement of financial position:

	Carrying amount	Fair value		
EUR million		Level 1	Level 2	Level 3
Assets				
Non-current financial assets				
Debt instruments measured at amortized cost	2		3	
Loans	2		2	
Current assets				
Receivables from investments	0			
Liabilities				
Financial liabilities				
Liabilities due to banks	1,299		1,263	1
Bonds, commercial paper and other securitized debt	208		208	
Liabilities to shareholders	133		134	
Other financial liabilities	46		44	
Other non-current liabilities				
Purchase price liabilities (not contingent) and fixed dividends minority shareholder	4		4	

In accordance with IFRS 7.29 (d), the fair values for lease liabilities need not be disclosed.

The table below shows the fair values of the financial instruments as of December 31, 2021 that were not recognized at fair value in the statement of financial position:

	Carrying amount	Fair value		
EUR million		Level 1	Level 2	Level 3
Assets				
Non-current financial assets				
Debt instruments measured at amortized cost	0			
Loans	2		2	
Current assets				
Receivables from investments	1		1	
Liabilities				
Financial liabilities				
Liabilities due to banks	885		877	
Bonds, commercial paper and other securitized debt	135		136	
Liabilities to shareholders	130		132	
Other financial liabilities	48		50	
Other non-current liabilities				
Purchase price liabilities (not contingent) and fixed dividends minority shareholder	3		3	

The fair value of financial instruments traded in an active market (Level 1) is based on the quoted prices as of the reporting date. The fair values for Level 2 are measured analogously to the method for assets and liabilities recurrently measured at fair value using the DCF method. For current financial instruments the carrying amount represents a reasonable estimate of the fair value due to the short residual maturity.

Offsetting financial assets and liabilities

The tables below provide an overview of the financial assets and liabilities that are offset in the statement of financial position. They also present the extent to which there are netting agreements with contractual partners that do not result in a net presentation in the statement of financial position because not all conditions of IAS 32 for a net presentation are met. Global netting arrangements in the Haniel Group relate to derivative financial instruments, for which, in the event of default, the master agreements with the financial institutions stipulate offsetting mutual receivables and liabilities existing at that date.

Concerning assets, the following items in the statement of financial position are affected:

				Master netting agreements		
EUR million	Financial assets (gross amounts)	Financial liabilities set off in the statement of financial position (gross amounts)	**Financial assets presented in the statement of financial position as of Dec. 31, 2022 (net amounts)**	Financial liabilities not set off in the statement of financial position	Collateral received	**Net amounts as of Dec. 31, 2022**
Cash and cash equivalents						
with netting agreement	79	74	**5**			**5**
without netting agreement	180		**180**			**180**
	259	**74**	**185**	**0**	**0**	**185**
Derivative financial instruments						
with netting agreement	1		**1**			**1**
without netting agreement	1		**1**			**1**
	2	**0**	**2**	**0**	**0**	**2**

The cash and cash equivalents presented on a net basis in the statement of financial position relate to a cash pooling arrangement between the portfolio company BekaertDeslee and a bank.

				Master netting agreements		
EUR million	Financial assets (gross amounts)	Financial liabilities set off in the statement of financial position (gross amounts)	**Financial assets presented in the statement of financial position as of Dec. 31, 2021 (net amounts)**	Financial liabilities not set off in the statement of financial position	Collateral received	**Net amounts as of Dec. 31, 2021**
Cash and cash equivalents						
with netting agreement	49	49	**0**			**0**
without netting agreement	53		**53**			**53**
	102	**49**	**53**	**0**	**0**	**53**
Derivative financial instruments						
with netting agreement	1		**1**			**1**
without netting agreement	1		**1**			**1**
	2	**0**	**2**	**0**	**0**	**2**

Concerning liabilities, the following items in the statement of financial position are affected:

				Master netting agreements		
EUR million	Financial liabilities (gross amounts)	Financial assets set off in the statement of financial position (gross amounts)	**Financial assets presented in the statement of financial position as of Dec. 31, 2022 (net amounts)**	Financial assets not set off in the statement of financial position	Pledged collateral	**Net amounts as of Dec. 31, 2022**
Liabilities due to banks						
with netting agreement			**0**			**0**
without netting agreement	1,299		**1,299**			**1,299**
	1,299	**0**	**1,299**	**0**	**0**	**1,299**
Derivative financial instruments						
with netting agreement	2		**2**			**2**
without netting agreement			**0**			**0**
	2	**0**	**2**	**0**	**0**	**2**

				Master netting agreements		
EUR million	Financial liabilities (gross amounts)	Financial assets set off in the statement of financial position (gross amounts)	**Financial assets in the statement of financial position as of Dec. 31, 2021 (net amounts)**	Financial assets not set off in the statement of financial position	Pledged collateral	**Net amounts as of Dec. 31, 2021**
Liabilities due to banks						
with netting agreement	0		**0**			**0**
without netting agreement	885		**885**			**885**
	885	**0**	**885**	**0**	**0**	**885**
Derivative financial instruments						
with netting agreement	1		**1**			**1**
without netting agreement	2		**2**			**2**
	3	**0**	**3**	**0**	**0**	**3**

Net gains or losses from IFRS 9 categories

The following table shows the net gains or losses recognized in the income statement by IFRS 9 categories:

EUR million	2022	2021
Debt- and equity instruments and derivatives measured at fair value through profit or loss	–23	69
Debt instruments measured at amortized cost	–1	–5
Debt instruments measured at fair value through other comprehensive income	1	1
Financial liabilities measured at fair value through profit or loss	0	
Financial liabilities at amortized cost	–45	–27
Group	**–68**	**38**

The net gains or losses from equity instruments, debt instruments and derivatives measured at fair value through profit or loss included in particular changes in the fair value of these instruments as well as dividends and distributions relating to them. In the fiscal year, negative changes in fair values, particularly as they related to investments in growth capital funds and financial assets held as medium and long-term investments, amounted to EUR -28 million in total (previous year: EUR 52 million). The negative development in the fiscal year was attributable primarily to the general negative performance of the global capital markets as well as the necessity of recognizing illiquidity discounts with respect to growth funds.

The net gains/losses from debt instruments measured at amortized cost include a EUR 2 million improvement in net gains or losses resulting from currency valuation. In addition, the contribution to earnings realized on previously derecognized or impaired receivables was EUR 3 million greater than in the previous year.

Interest and similar expenses include EUR 47 million from financial liabilities not measured at fair value during the fiscal year (previous year: EUR 26 million). Interest and similar income include interest income from financial assets not measured at fair value through profit or loss amounting to EUR 4 million in the fiscal year (previous year: EUR 3 million). The year-on-year increase in interest expenses was due to the increase in the general market level of interest rates as well as increased financial liabilities.

31 Contingent liabilities

Contingent liabilities amounted to a total of EUR 461 million (previous year: EUR 461 million). They contain other guarantees in the amount of EUR 454 million (previous year: EUR 454 million) and tax-related contingent liabilities in the amount of EUR 8 million (previous year: EUR 8 million). As in the previous year the other guarantees concern the Holding Company and other companies and are related to disposals of companies. Certain provisions were also recognized in connection with these matters. These are recognized under the relevant item. In addition, liabilities from bills of exchange amounted to a total of EUR 9 million (previous year: EUR 30 million).

There were no material changes as compared to the previous year.

As in the previous year, no contingent receivables exist as of the reporting date.

32 Business combinations and disposals of consolidated companies

5 business combinations were carried out in the fiscal year. These related to acquisitions by the portfolio companies CWS and BekaertDeslee. In total, 4 companies or groups of companies were acquired and one asset deal was implemented. A 100 percent interest was acquired in each of these companies.

BekaertDeslee acquired the Canadian Maxime Knitting Group on February 1, 2022 by purchasing 100 percent of the shares in Les Tricots Maxime Inc. Maxime Knitting is a manufacturer of mattress fabrics headquartered in Canada. The merger of the two companies with a diversified customer base and a broad range of products will bolster their position in the North American market.

On June 1, 2022, CWS purchased 100 percent of the shares in the STAXS® Contamination Control Experts (STAXS) group, which offers cleanroom consumables in the Benelux region and beyond. CWS Cleanrooms is continuing its expansion in the highly specialized cleanrooms segment through its acquisition of this international portfolio of services.

In addition, CWS acquired BERNET Holding AG in Switzerland as of October 1, 2022. This acquisition was also achieved through the purchase of 100 percent of shares in BERNET. BERNET offers services in the fields of workwear, healthcare and hygiene on the Swiss market. CWS has secured additional growth potential and expanded its comprehensive service offering in Switzerland through this acquisition.

The total assets and liabilities acquired through business combinations in the fiscal year are comprised as follows:

	Fair values				**Fair values**
EUR million	STAXS	BERNET	Maxime Knitting	Other acquisitions	
Assets					
Property, plant and equipment	6	28	6	0	**40**
Intangible assets	70	15	40	5	**129**
Deferred taxes		0	0	0	**0**
Inventories	9	3	9	0	**21**
Trade receivables and similar assets	7	4	6	1	**19**
Cash and cash equivalents	5	3	1	1	**10**
Other assets	1	2		1	**4**
	98	**55**	**61**	**8**	**223**
Liabilities					
Deferred taxes	18	4	12	1	**35**
Trade payables and similar liabilities	4	2	1	0	**8**
Income tax liabilities	0	0	0	0	**1**
Other liabilities	30	12	2	1	**44**
	53	**18**	**15**	**2**	**89**
Net assets acquired	**45**	**37**	**46**	**5**	**134**

The gross contractual amount of the acquired trade and other receivables is EUR 19 million. Taking into account the expectation that EUR 0 million in receivables will not be recoverable, the fair value of the acquired trade and other receivables amounts to EUR 19 million.

The consideration transferred for the business combinations and the resulting goodwill are presented in the table below:

EUR million	STAXS	BERNET	Maxime Knitting	Other acquisitions	**Total**
Consideration paid	**137**	**24**	**65**	**10**	**237**
Contingent consideration				4	4
Other non-cash consideration		2			2
Cash and cash equivalents acquired	5	3	1	1	10
Consideration transferred	**142**	**29**	**66**	**14**	**252**
Net assets acquired	**45**	**37**	**46**	**5**	**134**
Goodwill	**97**		**20**	**9**	**126**
Other operating income (Badwill)		**–8**			**–8**

The reported goodwill essentially represents the future prospects accompanying the business combinations and the expertise of the workforce acquired. Recognized goodwill is not tax-deductible.

The purchase price allocation for CWS's acquisition of BERNET in Switzerland resulted in a gain on a bargain purchase. The purchase price allocation was performed on the basis of an expert opinion prepared by a third party. The remeasurement required in accordance with IFRS 3.36 for such purchases also resulted in a gain on a bargain purchase, which is recognized under other operating income in the fiscal year. The economic grounds for the transaction lie in the seller's desire to sell the company and associated real property in a bundled transaction to a buyer that will continue his life's work in keeping with his principles.

The above amounts were measured on a preliminary basis, meaning that the accounting treatment for the business combination will be adjusted if new information concerning facts and circumstances existing as of the acquisition date which would have resulted in correction of the above amounts becomes known within a year after the acquisition date.

The transaction costs incurred in the context of the business combinations totaled EUR 6 million and are included in other operating expenses.

The companies acquired contributed EUR 67 million to revenue and EUR 2 million to profit after taxes during the fiscal year. The profit after taxes includes expenses from the continuation of the purchase price allocation. If each of the companies had been acquired with effect from the beginning of the fiscal year, they would have contributed EUR 110 million to revenue and EUR 1 million to profit after taxes before adjusting for the transaction costs incurred.

Contingent consideration from business combinations developed as follows in the fiscal year:

EUR million	Contingent receivables	Contingent liabilities
As of Jan. 1	**0**	**235**
Additions		4
Disposals		–1
Foreign exchange rate adjustments		
Interest effect		1
Remeasurements		20
Disposals: IFRS 5		
As of Dec. 31	**0**	**259**

The fair value of the contingent consideration is determined on the basis of revenue and earnings targets, taking into account long-term business planning. The revaluation of the contingent consideration resulted from long-term contingent consideration stemming from the acquisition of the portfolio company Emma, which may yet fall due. The possible payments for the contingent consideration as of the reporting date range between EUR 61 million and EUR 331 million. The potential additional consideration is not limited. The value of the contingent consideration is determined on a regular basis by qualified employees of the relevant units and discussed with the responsible management.

Disposals
During the fiscal year, the portfolio company Optimar, including a total of 6 individual companies, was deconsolidated due to the sale of 50.1 percent of voting shares. The total assets and liabilities disposed of through this disposal are comprised as follows:

EUR million	**Carrying amounts Optimar**
Assets	
Property, plant and equipment	9
Intangible assets	133
Inventories	11
Trade receivables	10
Cash and cash equivalents	11
Other assets	14
	188
Liabilities	
Financial liabilities	8
Provisions for deferred taxes	12
Trade payables	9
Miscellaneous current liabilities	34
	63

The consideration received amounted to EUR 8 million. Taking into account the EUR 11 million in cash and cash equivalents held by the portfolio company subject to disposal and the EUR 1 million in transaction costs already paid in cash, the cash amount for the disposal was EUR -12 million. Taking into account the EUR 1 million in transaction costs expensed in the fiscal year and the EUR -5 million in other comprehensive income to be recycled through the income statement, the deconsolidation gain amounted to EUR -123 million and was reported as part of profit after taxes from discontinued operations.

33 Notes to the statement of cash flows

The statement of cash flows shows the changes in the Haniel Group's cash and cash equivalents in the course of the fiscal year resulting from cash inflows and outflows. The statement of cash flows is divided into cash flow from operating, investing and financing activities. The cash and cash equivalents reported at the reporting date are the total of bank balances with an original maturity of less than three months, cash on hand and checks, and money market funds, and are identical to the cash and cash equivalents reported in the statement of financial position.

The cash flow from operating activities is determined indirectly on the basis of the profit after taxes and essentially contains sales-related payments, dividends from investments accounted for at equity, interest paid and received as well as tax payments. It is hence calculated as the profit after taxes, adjusted for all material non-cash income and expenses, and non-recurring, non-operating income and expenses, plus other cash components. This item also includes the changes in current net assets. The current net assets contain inventories, trade receivables, and similar assets as well as current non-interest-bearing liabilities, current provisions, and similar liabilities. The inventories item included in current net assets changed by EUR 59 million in the fiscal year (previous year: EUR 85 million), trade receivables and similar assets changed by EUR 21 million (previous year: EUR 66 million) and trade payables and similar liabilities changed by EUR 149 million (previous year: EUR 83 million). Cash flow from operating activities included a EUR 34 million positive effect from reverse factoring agreements.

The cash flow from investing activities includes payments for purchases and disposals of individual assets as well as for consolidated companies and other business units. As in the previous year, the proceeds from the disposal of property, plant and equipment, intangible assets and other assets included in particular proceeds from the repayment or sale of financial investments held by the Haniel Holding Company. In contrast to the previous year, cash and cash equivalents acquired in the context of business combinations are not presented in cash flow from investing activities net of the purchase price under the line item payments for acquisitions of consolidated companies and other business units, but rather as a change in cash and cash equivalents. The prior-year figures have been adjusted accordingly.

The cash flow from financing activities comprises payments in connection with shareholder transactions as well as financial liabilities. The shareholder transactions essentially include payments to shareholders and payments from changes in shares in companies already consolidated. Payments to shareholders comprise dividend payments to the shareholders of Franz Haniel & Cie. GmbH in the amount of EUR 78 million (previous year: EUR 60 million) and payments for the purchase of treasury shares in the amount of EUR 50 million (previous year: EUR 5 million).

Operating free cash flow as a cash management indicator
The central cash management indicator for the Haniel Group and the individual portfolio companies is operating free cash flow (OFCF). Operating free cash flow is a cash earnings ratio that represents the Group's ability to generate funds through its operating activities. These funds are available to the Group to finance acquisitions, repay liabilities and pay dividends to shareholders.

Operating free cash flow is calculated based on cash flows from operating activities, as reported in the statement of cash flows. It is adjusted to reflect proceeds and payments relating to operations which are, however, reported in the statement of cash flows as cash flows from investing activities or cash flows from financing activities. Specifically, this includes proceeds and payments in relation to the sale or purchase of property, plant and equipment and intangible assets from cash flows from investing activities and payments to settle lease liabilities using cash flows from financing activities.

In the fiscal year, operating free cash flow amounted to EUR 250 million, as compared to EUR 116 million in the previous year.

The statement of cash flows includes the cash flows from the portfolio company subject to disposal, Optimar, as follows:

EUR million	2022
Cash flow from operating activities	–11
Cash flow from investing activities	–2
Cash flow from financing activities	19

The Haniel Group's cash flows for 2022 were as follows (including and excluding Optimar):

EUR million	incl. Optimar	excl. Optimar
Cash flow from operating activities	588	599
Cash flow from investing activities	–576	–574
Cash flow from financing activities	121	102

The tables below present the reconciliation of financial liabilities taking into account the cash and non-cash changes. The cash changes represent the sum of the proceeds from the issuance of financial liabilities and repayments of financial liabilities as presented in the statement of cash flows.

Financial liabilities have changed as follows:

EUR million	As of Jan. 1, 2022	**Cash flows**	Non-cash changes: Changes in the scope of consolidation	Foreign exchange rate adjustments	New leases	Other changes	**As of Dec. 31, 2022**
Liabilities due to banks	885	**383**	31	1		–1	**1,299**
Bonds, commercial paper and other securitized debt	135	**73**					**208**
Liabilities to shareholders	130	**3**					**133**
Lease liabilities	278	**–82**	7	1	60	3	**267**
Other financial liabilities	48	**–2**					**46**
Financial liabilities	**1,476**	**375**	**38**	**2**	**60**	**2**	**1,953**

EUR million	As of Jan. 1, 2021	**Cash flows**	Non-cash changes: Changes in the scope of consolidation	Foreign exchange rate adjustments	New leases	Other changes	**As of Dec. 31, 2021**
Liabilities due to banks	453	**389**	43				**885**
Bonds, commercial paper and other securitized debt	75	**60**					**135**
Liabilities to shareholders	139	**–9**					**130**
Lease liabilities	220	**–73**	73	4	53	1	**278**
Other financial liabilities	60	**–8**	1			–5	**48**
Financial liabilities	**947**	**357**	**119**	**4**	**53**	**–4**	**1,476**

34 Compensation serving as long-term incentive

For executives, the performance compensation comprises performance cash plans as a variable component. These plans are oriented on the value growth of Haniel or of the respective portfolio companies and therefore on the sustainability of the Haniel Group's success. The objective of this form of remuneration is to enable executives to participate in the appreciation of Haniel's value so as to reward them for their contribution to the increase in enterprise value and promote sustainable corporate profits.

The performance cash plans granted during the fiscal year have a term of four or five years. The actual payment from these plans is partially limited in amount, is made in cash depending on target achievement and the fulfillment of stipulated requirements, such as being in active employment, at the end of the term.

Target achievement for Franz Haniel & Cie. GmbH and all portfolio companies other than TAKKT is measured primarily based on the development of their respective Haniel Value Added, Net Asset Value and Total Shareholder Return. Where the performance cash plans for TAKKT are concerned, target achievement is measured based on share price performance during the period under review. All plans are classified as cash-settled share-based payments as defined in IFRS 2. The future payment amount is measured at the fair value of the liability taking into account the contractual terms and conditions. It is measured based on the expected development of the relevant factors. Material measurement assumptions here concern the risk-free interest rate and the applied volatilities based on historical observable data. The liability is remeasured at each reporting date and at the date of settlement. Any changes in fair value are recognized in profit or loss.

The total expense from cash-settled share-based payments was EUR 9 million (previous year: EUR 21 million). The provision recognized in this respect amounted to EUR 58 million as of the reporting date (previous year: EUR 50 million).

Since 2022, Franz Haniel & Cie. GmbH has offered its executives the chance to participate in the Group’s performance through share ownership programmes. The resulting financial liability of EUR 1 million was recognized as of December 31, 2022.

35 Related-party disclosures

The significant related entities of the Haniel Group are associates including their subsidiaries.

Revenue attributable to business with associates in the fiscal year totaled EUR 4 million (previous year: EUR 4 million). Expenses in connection with transactions with associates amounted to EUR 0 million (previous year: EUR 0 million). As of the reporting date, trade receivables from and payables to associates amounted to EUR 0 million and EUR 0 million, respectively (previous year: EUR 0 million and EUR 0 million, respectively). All business relations with associates are governed by contracts and conducted at prices and conditions that would equally have been agreed with third parties.

Related persons of the Haniel Group are key management personnel. This includes the members of the Supervisory Board of Franz Haniel & Cie. GmbH and the members of the top-tier executive group. The top-tier executive group comprises the members of the management and the investment partners of the Haniel Holding Company as well as the Management Board members or Managing Directors of the holding companies for the portfolios.

As in the previous year, some of the liabilities to shareholders presented under note 13 are attributable to members of the Supervisory Board of Franz Haniel & Cie. GmbH. Since 2015, the portfolio company TAKKT has offered its executives registered debt securities with a five-year maturity, the interest on which is based on the performance of the portfolio company (TAKKT Performance Bonds). As of the reporting date, a liability in the total amount of EUR 0 million (previous year: EUR 0 million) from the registered debt securities subscribed to by members of the top-tier executive group is recognized.

The companies of the Haniel Group have not otherwise entered into reportable transactions with key management personnel. This also applies to close relatives of this group of persons.

In some cases, key management personnel are members of executive or supervisory bodies of other companies with which the Haniel Group engages in regular business relations. All transactions with these companies are conducted at arm’s length.

The table below provides an overview of the remuneration of members of the top-tier executive group.

EUR million	2022	2021
Short-term employee benefits	11	13
Post-employment benefits	1	2
Termination benefits	4	1
Share-based payments	9	11
Other long-term benefits (including reversals)	–1	
	24	**27**

Share-based payments and other long-term benefits are described in greater detail in note 34. As of the reporting date, the present value of defined benefit obligations of members of the top-tier executive group amounted to EUR 16 million (previous year: EUR 17 million). The total remuneration of the members of the Supervisory Board of Franz Haniel & Cie. GmbH is presented under note 36. In addition, employee representatives to the Supervisory Board who work for the Haniel Group received salaries from their employment, which are in line with the market.

36 Disclosures required under national legislation

Disclosures relating to members of the management in accordance with section 285 no. 10 HGB
Thomas Schmidt | CEO
Dr. Florian Funck | CFO

Dr. Florian Funck has notified the Supervisory Board of his intention not to renew his agreement, which expires in August 2024.

Disclosures relating to members of the Supervisory Board in accordance with section 285 no. 10 HGB
Shareholder representatives:
Doreen Nowotne | Chairwoman, Independent business consultant
Prof. Kay Windthorst | 2nd Deputy Chairman, University professor for public law, University of Bayreuth
Dr. Stephan Glander | CEO, Biesterfeld AG
Mathias Pahl | Head of DACH, Managing Director, Acrisure Deutschland GmbH
Patrick Schwarz-Schütte (until April 30, 2022) | Businessman
Dr. Thomas Vollmoeller (from April 30, 2022) | Independent business consultant
Maximilian Schwaiger | Independent business consultant

Employee representatives:
Gerd Herzberg | 1st Deputy Chairman, Former trade union secretary (ver.di)
René Albersmeyer | Sales Consultant Key Accounts, Cleanplan South, CWS Hygiene Deutschland GmbH & Co. KG
Ralf Fritz | Maintenance man, Franz Haniel & Cie. GmbH
Lutz Leischner | Head of Inventory Management, Prokurist, CWS Supply GmbH
Dirk Patermann | Chairman of the General Works Council, CWS Hygiene Deutschland GmbH & Co. KG
Miriam Bürger | Trade union secretary (IG Metall)

Disclosure of shareholdings in accordance with section 313 (2) and (3) of the German Commercial Code
The full list of shareholdings of Franz Haniel & Cie. GmbH as at the end of the fiscal year is an integral component of these notes to the consolidated financial statements. The shareholdings of CECONOMY AG are listed in its annual report.

Number of employees in accordance with section 314 (1) no. 4 of the German Commercial Code

	2022		2021	
	Headcount	FTE	Headcount	FTE
BauWatch	420	392	361	330
BekaertDeslee	3,907	3,789	3,831	3,723
CWS	11,742	10,270	11,247	9,860
Emma	856	799	641	577
FHC & other	141	122	128	118
KMK kinderzimmer	664	594	584	500
ROVEMA	880	854	874	844
TAKKT	2,692	2,481	2,629	2,423
Haniel Group	21,519	19,509	20,295	18,375

Compensation paid to the Company's executive bodies in accordance with section 314 (1) no. 6 of the German Commercial Code
With reference to section 314 (3) HGB in conjunction with section 286 (4) HGB, the total remuneration of the management of Franz Haniel & Cie. GmbH is not disclosed. The total remuneration of the Supervisory Board was EUR 1.1 million (previous year: EUR 1.1 million); that of the Advisory Board was EUR 0.4 million (previous year: EUR 0.3 million). The remuneration of former members of these bodies and of their survivors was EUR 1.9 million (previous year: EUR 2.0 million). Pension provisions amounting to EUR 31.4 million (previous year: EUR 30.8 million) were recognized for the former members of the above bodies and their survivors.

Declaration in accordance with section 161 of the German Stock Corporation Act (AktG), issued by the listed companies included in the consolidated financial statements in accordance with section 314 (1) no. 8 of the German Commercial Code
The following exchange-listed companies are included in the consolidated financial statements as of December 31, 2022: TAKKT AG (fully consolidated) and CECONOMY AG (accounted for at equity). Each of these companies has issued the declaration prescribed by section 161 of the German Stock Corporation Act. These declarations have been made public on the companies' individual websites (www.takkt.com; www.ceconomy.de/en).

Auditor's fee in accordance with section 314 (1) no. 9 of the German Commercial Code
The fee paid to the group auditors, BDO AG Wirtschaftsprüfungsgesellschaft, Germany (previous year: Pricewaterhouse-Coopers GmbH Wirtschaftsprüfungsgesellschaft, Germany), for Franz Haniel & Cie. GmbH and its subsidiaries was comprised as follows:

EUR million	2022	2021
Audit services	1.4	1.9
Other assurance services	0.1	
Tax advisory services		
Other services		0.2
	1.5	**2.1**

Exemption in accordance with sections 264 (3) and 264b of the German Commercial Code
The following companies are exempt from the obligation to publish their annual financial statements in accordance with section 264 (3) of the German Commercial Code:

- BauWatch International GmbH, Düsseldorf
- BauWatch Projekt Service GmbH, Düsseldorf
- C-24 GmbH, Velen
- CWS-boco Deutschland GmbH, Hamburg
- CWS Business Services GmbH, Duisburg
- CWS Complete Washroom Concepts GmbH, Duisburg
- CWS Fire Safety GmbH, Duisburg
- CWS Hygiene International GmbH, Dreieich
- CWS International GmbH, Duisburg
- CWS Safety International GmbH, Duisburg
- CWS Supply GmbH, Lauterbach
- CWS Workwear International GmbH, Dreieich
- Emma International GmbH, Düsseldorf
- GOREX Gebäudemanagement GmbH, Unterhaching
- Haniel Beteiligungs-GmbH, Duisburg
- Haniel Enkelfähig 1 GmbH, Duisburg
- Haniel Enkelfähig 2 GmbH, Düsseldorf
- Haniel Finance Deutschland GmbH, Duisburg
- Haniel Invest I GmbH, Duisburg
- IGS Industrielle Gefahrenmeldesysteme GmbH, Hagen
- Profi-con GmbH Contamination Control, Leipzig
- ROVEMA Asset GmbH, Fernwald
- ROVEMA GmbH, Fernwald
- ROVEMA International GmbH, Düsseldorf
- Verwaltungsgesellschaft CWS-boco HealthCare mbH, Hamburg

The following companies are exempt from the obligation to publish their annual financial statements in accordance with section 264b of the German Commercial Code:

- Buchholz Textilreinigung GmbH & Co. KG, Malbergweich
- CWS Cleanrooms Deutschland GmbH & Co. KG, Dreieich
- CWS HealthCare Deutschland GmbH & Co. KG, Dreieich
- CWS Hygiene Deutschland GmbH & Co. KG, Dreieich
- CWS Workwear Deutschland GmbH & Co. KG, Dreieich

37 Events after the reporting date

At the beginning of January, the Group exercised a put option previously granted in the context of a business combination to acquire further shares in a company.

38 Profit appropriation proposal of Franz Haniel & Cie. GmbH

After deducting appropriate write-downs and recognizing adequate valuation allowances and provisions, the net loss for the fiscal year reported in the annual financial statements of Franz Haniel & Cie. GmbH, prepared in accordance with the German Commercial Code, amounts to EUR 111 million as of December 31, 2022. With EUR 15 million in retained earnings brought forward, this results in a net accumulated loss of EUR 96 million.

The management of Franz Haniel & Cie. GmbH proposes the withdrawal of EUR 175 million from retained earnings and the distribution of a EUR 60 million dividend from retained profit. Taking into account the treasury shares held, EUR 59 million will be distributed and EUR 20 million will be carried forward to new account.

The shareholders will therefore receive a dividend of 6 percent on the subscribed capital of EUR 1.0 billion. This represents an amount of EUR 3.00 per EUR 50 ordinary share.

Duisburg, March 9, 2023

The Management

Schmidt **Funck**

List of shareholdings as of December 31, 2022

No.	Name and registered office of the company	Group share-holding in %	Held by no.
	Group parent		
1	Franz Haniel & Cie. GmbH, Duisburg		
	Affiliated companies		
2	Haniel Beteiligungs-GmbH, Duisburg	100.00	1
3	Haniel Finance Deutschland GmbH, Duisburg	100.00	1
4	Haniel Immobilien Verwaltungsgesellschaft mbH, Duisburg	100.00	1
5	Haniel Immobilien GmbH & Co. KG, Duisburg	100.00	1
6	Haniel Invest I GmbH, Duisburg	100.00	2
7	Haniel Enkelfähig 1 GmbH, Duisburg	100.00	2
8	Carbon Fibre International GmbH i. L., Duisburg	100.00	2
9	GEWERKSCHAFT SCHIFFSRUDER Verwaltungsgesellschaft für Bergvermögen mbH, Duisburg	100.00	1
10	Objekt Niederlehme Verwaltungsgesellschaft mbH, Duisburg	50.93	1
11	Objekt Niederlehme Verwaltungsgesellschaft mbH & Co. Grundstücks KG, Duisburg	51.00	1
12	VBM Grundstücks- und Projektentwicklungsgesellschaft AG in Abwicklung, Berlin	82.89	11
13	European primary placement facility (Eppf) S.A. compartment Haniel enkelfähig, Luxembourg	0.00	2
14	BauWatch International GmbH, Düsseldorf	100.00	2
15	BauWatch Projekt Service GmbH, Düsseldorf	100.00	14
16	C-24 GmbH, Velen	100.00	14
17	BouWatch Group B.V., Assen	100.00	18, 14
18	Stichting Administratiekantoor Haniel, Nijmegen	100.00	1
19	Visser Projectservice B.V., Assen	100.00	17
20	FIGO B.V., Enschede	100.00	19
21	C-24 B.V., Apeldoorn	100.00	19
22	Hillson exploitatie B.V., Alphen aan den Rijn	100.00	17
23	Hillson B.V., Alphen aan den Rijn	100.00	22
24	BouWatch België BVBA, Brasschaat	100.00	19
25	C-24 BVBA, Brasschaat	100.00	19
26	BauWatch SARL, Boeschepe	100.00	19
27	C-24 SARL, Boeschepe	100.00	19
28	BauWatch (UK) Limited, Reading	100.00	19
29	Sicuro (UK) Ltd., Laindon	100.00	19
30	BauWatch Polska Sp. z o.o., Warsaw	100.00	19
31	C-24 Sp. z o.o., Warsaw	100.00	19
32	BekaertDeslee Holding NV, Waregem	100.00	1
33	BekaertDeslee N.V., Waregem	100.00	35, 38
34	BekaertDeslee Innovation bvba, Waregem	100.00	32
35	DW Holding N.V., Waregem	100.00	38, 33
36	Deslee Baltic OÜ, Tallinn	100.00	34
37	BekaertDeslee France S.A.S, Laval	100.00	42
38	Bekaert Textiles Holding B.V., Waalre	100.00	32
39	DesleeClama Poland Sp.z o.o., Łódź	100.00	34
40	DesleeClama Eastern Europe S.R.L., Sibiu	100.00	34
41	DesleeClama Solutions S.R.L., Vâlcea	100.00	32, 34
42	BekaertDeslee Spain S.L.U., Barcelona	100.00	38
43	Bekaert Textiles CZ s.r.o., Aš	100.00	33, 38

44	Bekaert Tekstil Sanayi ve Ticare AS, Çorlu	100.00		38
45	Bekaert Tekstil Pazarlama Dagtim ve Ticaret Ltd. STI, Çorlu	100.00		38
46	BekaertDeslee USA Inc., Wilmington, Delaware	100.00		34
47	Maxime Knitting USA Corp., Charlotte, North Carolina	100.00		48
48	Les Tricots Maxime Inc., Baie d'Urfé	100.00		32
49	9459-4322 Quebec Inc., St.-Laurent (Montreal)	100.00		48
50	9459-4371 Quebec Inc., St.-Laurent (Montreal)	100.00		48
51	5459-4355 Quebec Inc., Baie d'Urfé	100.00		48
52	Bekaert Textiles Mexico S. de R.L. de C.V., San Felipe Ixtacuixtla, Tlaxcala	100.00	33,	38
53	Politel S.A. de C.V., San Felipe Ixtacuixtla, Tlaxcala	100.00	38,	52
54	Progresive Products de Mexico S. de R.L. de C.V., Tijuana, Baja California	100.00	38,	52
55	Maxime Knitting Mexico S.A. de C.V., Tlaquepaque, Jalisco	100.00	51,	48
56	Bekaert Têxteis do Brasil Ltda., São Paulo	100.00	38,	33
57	BekaertDeslee Brazil Indústria e Comércio de Artigos Têxteis Ltda., Barueri - São Paulo	100.00	33,	34
58	Bekaert Textiles Argentina SA, Buenos Aires	100.00	33,	38
59	BekaertDeslee Colombia S.A.S., Bogotá	100.00		38
60	PT Clama Indonesia, Purwakarta, Jawa Barat	100.00	32,	34
61	Bekaert Textiles (wuxi) co Ltd., Wuxi	100.00		33
62	Bekaert Deslee (AUST) Pty Ltd., Dandenong (Melbourne)	100.00		32
63	CWS International GmbH, Duisburg	100.00		1
64	CWS Workwear International GmbH, Duisburg	100.00		63
65	CWS Hygiene International GmbH, Duisburg	100.00		63
66	CWS-boco Deutschland GmbH, Hamburg	100.00		63
67	CWS Workwear Deutschland GmbH & Co. KG, Dreieich	100.00		66
68	CWS Hygiene Deutschland GmbH & Co. KG, Dreieich	100.00		66
69	CWS Cleanrooms Deutschland GmbH & Co. KG, Dreieich	100.00		66
70	Buchholz Textilreinigung GmbH & Co. KG, Malbergweich	100.00		66
71	CWS Healthcare Deutschland GmbH & Co. KG, Dreieich	100.00		66
72	Verwaltungsgesellschaft CWS-boco HealthCare mbH, Hamburg	100.00		63
73	profi-con GmbH Contamination Control, Leipzig	100.00		63
74	CWS Business Services GmbH, Duisburg	100.00		63
75	CWS Supply GmbH, Lauterbach	100.00		63
76	CWS Complete Washroom Concepts GmbH, Duisburg	100.00		63
77	GOREX Gebäudemanagement GmbH, Unterhaching	100.00		63
78	CWS Fire Safety GmbH, Duisburg	100.00		63
79	CWS Safety International GmbH, Duisburg	100.00		63
80	Phoenix Fire Protect Development GmbH, Emstek	100.00		63
81	IGS Industrielle Gefahrenmeldesysteme GmbH, Hagen	100.00		63
82	CWS-boco Suisse SA, Glattbrugg	100.00		63
83	profi-con Schweiz GmbH Contamination Control, Basel	100.00		63
84	BERNET Holding AG, St. Gallen	100.00		84
85	PENTEX AG, St. Gallen	100.00		84
86	SaniRent AG, St. Gallen	100.00		84
87	BERNET Textilpflege AG, St. Gallen	100.00		84
88	BERNET Logistik AG, Lyssach	100.00		84
89	BERNET Immo AG, St. Gallen	100.00		84
90	CWS Workwear Österreich GmbH, Amstetten (Mauer)	100.00		63

91	CWS Hygiene Österreich GmbH, Wiener Neudorf	100.00		63
92	profi-con Austria GmbH, Graz	100.00		83
93	CWS Workwear België N.V., Aartselaar	100.00		63
94	CWS Hygiene België N.V., Wijnegem	100.00		63
95	Wasserij de Fontein N.V., Puurs	100.00	63,	93
96	STAXS Belgium N.V., Niel	100.00		108
97	Vendor Sarl, Paris	100.00		63
98	CWS Workwear Nederland B.V., 's-Hertogenbosch	100.00		63
99	CWS Hygiene Nederland B.V., 's-Hertogenbosch	100.00		63
100	B2B Bedrijfshygiëne B.V., Nijkerk	100.00		99
101	Vendor Public Washrooms B.V., Tilburg	100.00		99
102	WERO Specialistische Reiniging B.V., Eindhoven	100.00		63
103	CWS Safety Nederland B.V., 's-Hertogenbosch	100.00		63
104	Hefas Branddetectie B.V., Duiven	100.00		103
105	Wardenburg Beveiliging & Telekom B.V., Kolham	100.00		103
106	STAXS Holding B.V., Amsterdam	100.00	112,	79
107	North Manco B.V., Amsterdam	100.00		106
108	North Topco B.V., Amsterdam	100.00	107,	106
109	STAXS Group B.V., Amsterdam	100.00		108
110	CDC China Disposable Clothing B.V., Heerenveen	100.00		108
111	STAXS The Netherlands B.V., Heerenveen	100.00		108
112	Stichting Administratiekantoor STAXS Holding, Amsterdam	100.00		79
113	CWS Luxembourg Sarl, Steinfort	100.00		93
114	CWS Workwear Ireland Ltd., Dublin	100.00		63
115	CWS Cleanrooms Ireland Ltd., Dublin	100.00		114
116	Specialised Sterile Environments Ltd, Galway	100.00		63
117	CWS Hygiene Limited, Roscommon	100.00		63
118	CWS Hygiene (NI) Limited, Newry	100.00		117
119	CWS-boco d.o.o. tekstilservis, Zagreb	100.00		63
120	CWS-boco Sweden AB, Skara	100.00		63
121	CWS-boco Polska Sp. z o.o., Lodz	100.00		63
122	CWS-boco Costumer Fulfilment Center Sp. z o.o., Lodz	100.00		63
123	CWS Textile Production Sp. z o.o., Lodz	100.00		63
124	WIPEX Sp. z o.o., Krakow	100.00		84
125	CWS-boco Česka republika s.r.o., Prague	100.00		63
126	CWS-boco Romania s.r.l., Bucharest	100.00		63
127	CWS Global Business Services s.r.l., Sibiu	100.00		63
128	CWS-boco Slovensko s.r.o., Hlohovec	100.00	72,	63
129	CWS-boco d.o.o., Celje	100.00		63
130	CWS-boco Hungary Kft, Budapest	100.00	72,	63
131	profi-con Bulgaria EOOD, Sofia	100.00		92
132	Emma International GmbH, Düsseldorf	100.00		2
133	Emma Sleep GmbH, Frankfurt am Main	54.14		132
134	Emma Matratzen GmbH, Frankfurt am Main	100.00		133
135	Dunlopillo Deutschland GmbH, Frankfurt am Main	100.00		133
136	DIBMat GmbH, Frankfurt am Main	100.00		133
137	Emma Sleep France SAS, Marcq-en-Baroeul	100.00		133

138	Emma Sleep UK Limited, London	100.00	133
139	Emma Sleep Portugal, Unipessoal LDA, Lisbon	100.00	133
140	Emma Mattress Inc., Dover, Delaware	100.00	133
141	Emma Sleep Canada Inc., Vancouver	100.00	133
142	Emma Sleep Comércio de Colchoes Brasil LTDA, Jundiaí	100.00	136, 134
143	Emma Sleep SAS (Colombia), Bogotá	100.00	133
144	Emma Sleep México S. de R.L. de C.V., Ciudad de México	100.00	133
145	Emma Sleep SpA, Santiago de Chile	100.00	133
146	Bettzeit (Shanghai) CO., LTD, Shanghai	100.00	134
147	Emma Sleep Hong Kong Limited, Hong Kong	100.00	133
148	Emma Sleep Taiwan Co., Ltd., Taipei	100.00	133
149	Emma Sleep Japan G.K., Tokyo	100.00	133
150	Emma Sleep Korea Limited, Seoul	100.00	133
151	Bettzeit Southeast Asia Inc., Taguig City	100.00	133
152	Emma Sleep Singapore PTE. LTD., Singapore	100.00	133
153	Emma Sleep India Private Limited, Hyderabad	100.00	133
154	Emma Sleep Pty Ltd., Brisbane	100.00	133
155	Emma Sleep New Zealand Limited, Auckland	100.00	133
156	Haniel Enkelfähig 2 GmbH, Düsseldorf	100.00	2
157	KMK Kinderzimmer Holding GmbH, Hamburg	60.00	156
158	KMK Verwaltungsgesellschaft mbH, Hamburg	100.00	157
159	KMK Kinderzimmer GmbH & Co. KG, Hamburg	100.00	157
160	KMK Kinderzimmer International GmbH, Hamburg	100.00	159
161	KMK Kinderzimmer Alsterberg GmbH, Hamburg	100.00	159
162	KMK Kinderzimmer Am Stadtpark GmbH, Hamburg	100.00	159
163	KMK Kinderzimmer Astraturm GmbH, Hamburg	100.00	159
164	KMK Kinderzimmer Bergstedter Scheune GmbH, Hamburg	100.00	159
165	KMK Kinderzimmer Bornheide GmbH, Hamburg	100.00	159
166	KMK Kinderzimmer Brunnbach GmbH, Hamburg	100.00	159
167	KMK Kinderzimmer City Süd GmbH, Hamburg	100.00	159
168	KMK Kinderzimmer ConventParc GmbH, Hamburg	100.00	159
169	KMK Kinderzimmer Dorotheenstraße GmbH, Hamburg	100.00	159
170	KMK Kinderzimmer Eckerkoppel GmbH, Hamburg	100.00	159
171	KMK Kinderzimmer Eißendorf GmbH, Hamburg	100.00	159
172	KMK Kinderzimmer Elbgau GmbH, Hamburg	100.00	159
173	KMK Kinderzimmer Goldbek GmbH, Hamburg	100.00	159
174	KMK Kinderzimmer Hammerbrook GmbH, Hamburg	100.00	159
175	KMK Kinderzimmer Heidbrook GmbH, Hamburg	100.00	159
176	KMK Kinderzimmer Heidewinkel GmbH, Hamburg	100.00	159
177	KMK Kinderzimmer Inselpark GmbH, Hamburg	100.00	159
178	KMK Kinderzimmer Jenfelder Bach GmbH, Hamburg	100.00	159
179	KMK Kinderzimmer Klövensteen GmbH, Hamburg	100.00	159
180	KMK Kinderzimmer Kupferteich GmbH, Hamburg	100.00	159
181	KMK Kinderzimmer Lehmberg GmbH, Hamburg	100.00	159
182	KMK Kinderzimmer Eilbekpark GmbH, Hamburg	100.00	159
183	KMK Kinderzimmer Lohsepark GmbH, Hamburg	100.00	159
184	KMK Kinderzimmer Maimoor GmbH, Hamburg	100.00	159

185	KMK Kinderzimmer Marmeladenfabrik GmbH, Hamburg	100.00		159
186	KMK Kinderzimmer Ochsenstieg GmbH, Hamburg	100.00		159
187	KMK Kinderzimmer Oolsdörp GmbH, Hamburg	100.00		159
188	KMK Kinderzimmer Othmarschener Höfe GmbH, Hamburg	100.00		159
189	KMK Kinderzimmer Rodelberg GmbH, Hamburg	100.00		159
190	KMK Kinderzimmer Rübenkamp GmbH, Hamburg	100.00		159
191	KMK Kinderzimmer Schierenberg GmbH, Hamburg	100.00		159
192	KMK Kinderzimmer Schilfpark GmbH, Hamburg	100.00		159
193	KMK Kinderzimmer Seebek GmbH, Hamburg	100.00		159
194	KMK Kinderzimmer Stubbenhuk GmbH, Hamburg	100.00		159
195	KMK Kinderzimmer Süderfeld Park GmbH, Hamburg	100.00		159
196	KMK Kinderzimmer Tienrade GmbH, Hamburg	100.00		159
197	KMK Kinderzimmer Unnenland GmbH, Hamburg	100.00		159
198	KMK Kinderzimmer Valentinshof GmbH, Hamburg	100.00		159
199	KMK Kinderzimmer Villa Goldschmidtpark GmbH, Hamburg	100.00		159
200	KMK Kinderzimmer Villa Flottbek GmbH, Hamburg	100.00		159
201	KMK Kinderzimmer Vogelkamp GmbH, Hamburg	100.00		159
202	KMK Kinderzimmer Königslande GmbH, Hamburg	100.00		159
203	KMK Kinderzimmer Grindelhof GmbH, Hamburg	100.00		159
204	KMK Kinderzimmer Schlossmühle GmbH, Hamburg	100.00		159
205	KMK Kinderzimmer Liliencronstraße GmbH, Hamburg	100.00		159
206	KMK Kinderzimmer Elfmorgenbruch GmbH, Hamburg	100.00		159
207	KMK Kinderzimmer Quartier am Zeughaus GmbH, Hamburg	100.00		159
208	KMK Kinderzimmer Denninger Anger GmbH, Hamburg	100.00		159
209	JTS Kita-Projektgesellschaft 8 GmbH, Hamburg	100.00		159
210	JTS Kita-Projektgesellschaft 10 GmbH, Hamburg	100.00		159
211	JTS Kita-Projektgesellschaft 11 GmbH, Hamburg	100.00		159
212	JTS Kita-Projektgesellschaft 14 GmbH, Hamburg	100.00		159
213	JTS Kita-Projektgesellschaft 16 GmbH, Hamburg	100.00		159
214	JTS Kita-Projektgesellschaft 18 GmbH, Hamburg	100.00		159
215	JTS Kita-Projektgesellschaft 19 GmbH, Hamburg	100.00		159
216	JTS Kita-Projektgesellschaft 22 GmbH, Hamburg	100.00		159
217	JTS Kita-Projektgesellschaft 23 GmbH, Hamburg	100.00		159
218	JTS Kita-Projektgesellschaft 24 GmbH, Hamburg	100.00		159
219	JTS Kita-Projektgesellschaft 25 GmbH, Hamburg	100.00		159
220	JTS Kita-Projektgesellschaft 26 GmbH, Hamburg	100.00		159
221	KMK Kinderzimmer UK Holding Limited, London	100.00		160
222	KMK Kinderzimmer 1 Limited, London	100.00		221
223	KMK Kinderzimmer 2 Limited, London	100.00		221
224	KMK Kinderzimmer 3 Limited, London	100.00		221
225	KMK Kinderzimmer 4 Limited, London	100.00		221
226	KMK Kinderzimmer 5 Limited, London	100.00		221
227	ROVEMA International GmbH, Düsseldorf	100.00		2
228	ROVEMA GmbH, Fernwald	100.00		227
229	ROVEMA Asset GmbH, Fernwald	100.00	227,	228
230	ROVEMA Benelux B.V., Oosterhout	100.00		228
231	DL Packaging BV, Oosterhout	100.00		228

232	ROVEMA France SAS, Neuilly-Plaisance	100.00	228
233	ROVEMA Spain and Portugal S.L., Barcelona	100.00	228
234	ROVEMA Italia s.r.l., Novate Milanese	100.00	228
235	ROVEMA Packaging Machines Limited, Aylesbury	100.00	228
236	ROVEMA Polska Sp. z o.o., Warsaw	100.00	228
237	OOO "ROVEMA" Russia, St. Petersburg	100.00	228
238	ROVEMA Makine Sanayi ve Ticaret Turkey A.S., Istanbul	70.00	228
239	ROVEMA North America Inc., Norcross, Georgia	100.00	228
240	ROVEMA Latinoamérica Panama S.A., Panama City	100.00	228
241	ROVEMA Asia Corporation, Makati City (Philippines)	99.90	228
242	Hassia Packaging Pvt. Ltd., Maharashtra	100.00	227, 228
243	TAKKT AG, Stuttgart	65.51	1
244	KAISER+KRAFT EUROPA GmbH, Stuttgart	100.00	243
245	KAISER+KRAFT GmbH, Stuttgart	100.00	244
246	Hubert Europa Service GmbH, Pfungstadt	100.00	244
247	Hubert GmbH, Pfungstadt	100.00	246
248	UBEN Unternehmensberatung Enzinger GmbH, Waldkirchen	100.00	244
249	Ratioform Verpackungen GmbH, Pliening	100.00	243
250	VHZ Versandhandelszentrum Pfungstadt GmbH, Pfungstadt	100.00	243
251	BEG GmbH, Stuttgart	100.00	244
252	newport.takkt GmbH, Stuttgart	100.00	243
253	büromöbelonline GmbH, Stuttgart	100.00	252
254	Certeo Business Equipment GmbH, Stuttgart	100.00	252
255	Mydisplays GmbH, Burscheid	100.00	252
256	TAKKT Beteiligungsgesellschaft mbH, Stuttgart	100.00	252
257	TAKKT OCC GmbH, Stuttgart	100.00	243
258	TAKKT WFC GmbH, Stuttgart	100.00	243
259	KAISER+KRAFT Gesellschaft m.b.H., Salzburg	100.00	244
260	R.F. Verpackungsmittel-Versand G.m.b.H., Vienna	100.00	249
261	KAISER+KRAFT AG, Zug	100.00	244
262	Ratioform Verpackungen AG, Regensdorf	100.00	249
263	Vink Lisse B.V., Lisse	100.00	244
264	Juma International B.V., Wormerveer	100.00	252
265	KAISER+KRAFT N.V., Diegem	100.00	263, 244
266	FRANKEL S.A.S., Morangis	100.00	244
267	KAISER+KRAFT S.r.l., Fenegro	100.00	244
268	Ratioform Imballaggi, S.r.l., Calvignasco	100.00	249
269	KAISER+KRAFT S.A., Barcelona	100.00	244
270	Ratioform Embalajes, S.A., Sant Esteve Sesrovires	100.00	249
271	KAISER+KRAFT S.A., Lisbon	100.00	244
272	KAISER+KRAFT Limited., Hemel Hempstead	100.00	244
273	Davenport Paper Co Limited, Derby	100.00	249
274	BiGDUG Limited, Gloucester	100.00	252
275	Equip4work Ltd., Westlinton	100.00	252
276	Gerdmans Inredningar AB, Markaryd	100.00	244
277	Davpack AB, Markaryd	100.00	249
278	Runelandhs Försäljnings AB, Kalmar	100.00	276

279	Gerdmans Kontor-og Lagerudstyr A/S, Nivaa	100.00		276
280	Gerdmans Innredninger AS, Sandvika	100.00		276
281	Gerdmans OY, Espoo	100.00		276
282	KAISER+KRAFT Sp. z o.o., Warsaw	100.00		244
283	KAISER+KRAFT s r.o., Prague	100.00		244
284	Kaiser+Kraft Logistics East s.r.o., Syrovice	100.00		244
285	KAISER+KRAFT s.r.o., Nitra	100.00	245,	244
286	KAISER+KRAFT Kft., Budaörs	100.00		244
287	KAISER+KRAFT s.r.l., Ramnicu Valcea	100.00		284
288	KAISER+KRAFT OOO, Moscow	100.00	245,	244
289	Hubert Hong Kong Ltd., Hong Kong	100.00		291
290	TAKKT America Holding, Inc., Milwaukee, Wisconsin	100.00		243
291	Hubert North America Service LLC, Harrison, Ohio	100.00		290
292	Hubert Company LLC, Harrison, Ohio	100.00		290
293	SPG U.S. Retail Resource LLC, Harrison, Ohio	100.00		290
294	Central Products LLC, Indianapolis, Indiana	100.00		290
295	National Business Furniture LLC, Milwaukee, Wisconsin	100.00		290
296	D2G Group LLC, Fall River, Massachusetts	100.00		290
297	Hubert Distributing Company Inc., Markham	100.00		290
	Associated companies			
298	DesleeMattex (Pty) Ltd., Cape Town	40.00		34
299	Optimar International AS, Skodje	49.90		1
300	CECONOMY AG, Düsseldorf	16.70		3
301	greenzero Beteiligungsgesellschaft mbH, Aachen	20.00		2
302	Jonny Fresh GmbH, Berlin	23.50		63

INDEPENDENT AUDITORS' REPORT

To Franz Haniel & Cie. GmbH, Duisburg

Audit Opinions

We have audited the consolidated financial statements of Franz Haniel & Cie. GmbH, Duisburg, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2022, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from January 1, 2022 to December 31, 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In addition, we have audited the group management report ("Group report of the Management Board") of Franz Haniel & Cie. GmbH for the fiscal year from January 1, 2022 to December 31, 2022.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at December 31, 2022, and of its financial performance for the financial year from January 1, 2022 to December 31, 2022, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the consolidated financial statements and of the group management report in accordance with section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW).

Our responsibilities under those requirements and principles are further described in the "AUDITORS RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

OTHER INFORMATION

The executive directors and the Supervisory Board are responsible for the other information. The other information comprises:

- The condensed corporate governance declaration contained in the section of the Report of the Management Board of the Holding Company Franz Haniel & Cie. entitled "Report on business situation"
- The remaining parts of the Annual Report – excluding additional cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in so doing to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., manipulation of the accounting and misappropriation) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management

report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Düsseldorf, March 9, 2023

BDO AG
Wirtschaftsprüfungsgesellschaft

signed Höffer	signed Kahlert
German Public Auditor	German Public Auditor

Glossary

Cash flow Balance of cash receipts and cash payments in a reporting period. A measure of a company's financial and earning power. For example, operating cash flow indicates how much of the recognized net profit for the period is reflected in cash inflows from operating activities. This cash flow can be used to finance capital expenditures, repay liabilities or pay dividends.

Commercial paper Special instruments (money market paper), usually discount bonds, issued in order to finance short-term credit needs. As a rule, the issuer requires an excellent → rating in order to place and deal in papers of this kind.

Compliance A key element of corporate governance. It denotes the observance of relevant laws and internal guidelines.

Consolidation In the consolidated financial statements, the Group, comprising several legally independent companies, is depicted as if it were a single business. Consolidation consists of bookkeeping techniques that eliminate all intra-Group transactions. It eliminates the double counting of intra-Group transactions when consolidated financial statements are being prepared from the data contained in the annual financial statements of the individual Group companies.

Core repayment period A capital management indicator within the Haniel Group. It is determined by dividing the → net financial position, reduced by the debt allocated to the financial investment CECONOMY AG, by EBITDA.

Cost of capital Product of the → weighted average cost of capital and the average → capital employed.

Current net assets essentially comprise trade receivables and inventories less trade payables. This is an indicator used to determine the capital needed to finance operating activities.

DCF – Discounted Cash Flow A method by which future cash flows from an asset are discounted to determine the net present value of that asset. The Haniel Group uses DCF calculations to assess the profitability of investment projects and business acquisitions and to determine the → fair value of non-listed financial instruments.

Deferred taxes Differences between the requirements under tax law and the accounting and measurement regulations in accordance with → IFRS give rise to variances in the amounts recognized for assets and liabilities. Consequently, the tax burden anticipated on the basis of the profit before taxes reported in the consolidated financial statements differs from the actual amount payable. To allow a corresponding tax expense to be posted in the income statement, the effects of these deviations are counterbalanced by deferrals.

Derivative (derivative financial instrument) A contract that is dependent on another asset (underlying asset). The → fair value of a derivative can therefore be derived from market values of traditional underlying assets, such as stocks and commodities, or from market prices, such as interest rates or exchange rates. Derivatives exist in a range of different forms, such as → options, → futures, interest rate caps and → swaps. In the context of Haniel's financial management, derivatives are used to hedge risk.

Early risk identification system Systematic reporting measures designed to detect adverse, risk-entailing developments in good time with the help of financial and non-financial company-specific indicators and factors. The early risk identification system forms part of → risk management.

EBIT Earnings before interest, taxes and profit and loss from investments.

EBITA Earnings before interest, taxes, amortization of intangible assets from purchase price allocation and profit and loss from investments.

EBITDA Earnings before interest, taxes, depreciation of property, plant and equipment, amortization of intangible assets, amortization of intangible assets from purchase price allocation and profit and loss from investments.

Equity method A method for measuring investments in companies over whose business and financial policy Haniel can exert a significant influence or over which it has joint control (investments accounted for at equity). Under the equity method, the carrying amount of the investment is determined by the change in the investor's proportionate interest in the investment's equity. Thus, the carrying amount is increased or decreased by the investor's share in the investment's profit or loss for the period. Distributions received from the investment reduce the carrying amount of the investment.

Equity ratio A capital management indicator within the Haniel Group which is calculated by dividing recognized equity by total assets.

Fair value A measurement approach based on market prices in accordance with → IFRS.

Financial liabilities The total non-current and current financial liabilities presented in the consolidated statement of financial position.

Full consolidation Procedure for including subsidiaries in the consolidated financial statements if they are under the parent company's control on the basis of a voting right majority or other means of influence. The subsidiary's individual assets and liabilities are included in full in the consolidated statement of financial position.

Future A listed → derivative in which two parties agree to trade a certain quantity of a reference asset, such as a foreign currency, at a future date at a predetermined price.

Gearing A capital management indicator within the Haniel Group which is calculated by dividing the → net financial position by the recognized equity.

Goodwill An intangible asset that corresponds to the amount by which the purchase price for a business combination exceeds the total → fair value of the assets and liabilities acquired (net assets). Essentially, it represents the favorable future prospects accompanying the acquisition of the combined business and the expertise of the assembled workforce.

Goodwill impairment If → goodwill is recognized in the course of an acquisition, its carrying amount must be tested at least once a year for indication of impairment. If the anticipated future → cash flows from sales and other income and expenses associated with the takeover are lower than the carrying amount of goodwill at the time of the impairment test, the goodwill must be written down accordingly.

Haniel Value Added (HVA) Value-oriented performance indicator used by the Haniel Group, calculated by subtracting → cost of capital from the → return.

Hedging A strategy for managing interest rate, foreign exchange rate, share price or other market price risks by means of → derivatives, which limit the risks associated with the underlying transactions.

HGB – Handelsgesetzbuch (German Commercial Code) Legal basis for the annual financial statements (separate financial statements) of all companies registered in Germany. This is relevant to German corporations in connection with profit distribution.

IAS – International Accounting Standard(s) Financial reporting standard(s) within the → IFRS international regulatory framework.

IASB – International Accounting Standards Board An independent, international body which approves and continuously develops the → International Financial Reporting Standards (IFRS).

ICS – Internal control system Systematic control measures for monitoring whether existing rules for reducing risks are being observed. This is intended to ensure the functionality and cost-effectiveness of business processes and to counteract impairments of assets. It covers all material business processes, including accounting. The purpose of the accounting-related ICS is to ensure that financial reporting is reliable and that the risk of misstatements in the external and internal Group reports is minimized.

IFRS – International Financial Reporting Standard(s) An international regulatory framework of accounting standards and interpretations which are developed by the → IASB (International Accounting Standards Board) and ratified by the European Commission. These accounting standards are intended to ensure the internationally comparable preparation of accounts. → Publicly traded companies registered in the EU are required to prepare their consolidated financial statements in accordance with the provisions of IFRS.

IFRS IC – International Financial Reporting Standards Interpretations Committee An independent, international body which issues interpretations and guidance on issues not specifically covered by the → IFRS.

Interest cover ratio A capital management indicator within the Haniel Group that is derived as a quotient from certain items of the income statement. The sum of the → operating profit, → result from investments accounted for at equity and other investment result is divided by the sum of the finance costs and other net financial income. This indicator states how many times the interest to be paid to lenders and financial investors is covered by earnings from the operating business and investments.

Investment position of the Haniel Holding Company Non-current and current financial assets and other assets held by the Haniel Holding Company, excluding cash and cash equivalents, which are available for the acquisition of new portfolio companies.

Market value gearing Relationship between → net financial liabilities at the Haniel Holding Company and the market value of Haniel's investment portfolio.

Net Asset Value (NAV) Value-oriented performance indicator used by the Haniel Group, calculated by subtracting → net financial liabilities at the Holding Company level from the market value of the investment portfolio.

Net financial liabilities Difference between → financial liabilities and cash and cash equivalents recognized in the consolidated statement of financial position.

Net financial position Difference between the → net financial liabilities and → investment position of the Haniel Holding Company.

Non-controlling interests Interests in the equity of subsidiaries of the Haniel Group held by third parties.

Operating free cash flow Indicates how much of the recognized net profit for the period is reflected in cash inflows from operating activities after financing changes in net working capital, leasing payments and capital expenditures. This cash flow can be used to finance acquisitions, repay liabilities or pay dividends.

Operating profit This measure of earnings shows the profit contribution made in the period by the operating business, that is to say from the purchase and sale of goods and the provision of services, after deducting the associated expenses. The amount recognized in the income statement is the result before amortization of intangible assets from purchase price allocations, the profit/loss from investments and discontinued operations, interest and income tax expense.

Option Agreement between two parties granting one party the right to receive or sell a certain quantity of an underlying asset, such as a foreign currency, at a predetermined price at a later date.

Plan assets Comprise assets that are held by a fund invested for the long term for satisfying payments to employees as well as qualified insurance contracts.

Portfolio companies Various business activities in the Haniel portfolio.

Publicly traded companies Enterprises that have issued securities, e.g. shares or bonds, which are publicly listed and traded (on a stock exchange).

Purchase price allocation Allocation of the purchase price in a business combination to the individual assets and liabilities acquired. The acquired assets and liabilities are measured at → fair value. If the total purchase price exceeds the net assets acquired, this gives rise to → goodwill.

Rating A credit score given to companies or financial instruments by agencies, such as Standard & Poor's, Moody's or Scope or banks.

Recognized investments include the acquisition of non-current assets such as buildings, machinery or software. Specifically, the acquisition of assets reported under property, plant and equipment, intangible assets, investments accounted for at equity or non-current financial assets.

Result from investments accounted for at equity Includes the portion of the net profit for the period attributable to Haniel which is generated by companies measured in the consolidated financial statements in accordance with the → equity method.

Return→ Operating profit of continuing and discontinued operations plus profit/loss from investments and other net financial income less amortization of intangible assets from purchase price allocations and income tax expenses.

Risk management Systematic procedures for identifying and assessing potential risks for the Group, and for deciding on, implementing and monitoring measures to avoid risks and/or reduce their possible negative impact.

Scope of consolidation The companies included in the consolidated financial statements.

Statement of cash flows The statement of cash flows is used to determine and depict cash inflows and outflows. It shows the cash that is generated and expended in a period (→ cash flow).

Sustainability The model of sustainable development pursues the objective of engaging in business activity to create not only economic value, but also ecological and social benefits, without undermining the development opportunities of future generations.

Swap An agreement between two parties to exchange commodity or cash flows in the future. In an interest rate swap, interest payments are exchanged for an agreed principal amount on the basis of different interest rates. Thus, floating interest rates can be exchanged with fixed interest rates, for example.

Total Shareholder Return (TSR) Value-oriented return indicator used by the Haniel Group to determine the return achieved for the shareholders in a given period of time. In addition to the development of the → Net Asset Value, dividends paid are taken into account.

Weighted average cost of capital (WACC) represents the return demanded by providers of capital in relation to the → capital employed in the company. It is defined as the weighted average cost of equity and debt. The cost of the equity component corresponds to the return expectations of shareholders, taking into account business model-specific risks. The cost of the debt component reflects the company's financing conditions.

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