20220831038999

Årsredovisning

Byggstommen i Borås AB

Org.nr 556724-1715
Räkenskapsår 2021-03-01 - 2022-02-28

Fastställelseintyg
Undertecknad styrelseledamot intygar härmed att en med denna undertecknade kopia likalydande resultat- och balansräkning blivit fastställd på årsstämman den 30 augusti 2022. Årsstämman beslöt att det uppkomna resultatet skulle balanseras i ny räkning.

Järfälla den 30 augusti 2022

Martin Kauffner

20220831163900

Byggstommen i Borås AB
556724-1715

Årsredovisning

Styrelsen för Byggstommen i Borås AB får härmed avge följande årsredovisning för räkenskapsåret 2021-03-01--2022-02-28.

Innehåll **Sida**

Förvaltningsberättelse	2
Resultaträkning	3
Balansräkning	4
Rapport över förändringar i eget kapital	5
Tilläggsupplysningar	
Redovisningsprinciper m.m.	6
Noter	7

Styrelsens säte: Järfälla
Företagets redovisningsvaluta: Svenska kronor (SEK).
Alla belopp redovisas, om inte annat anges, i tusentals kronor (tkr).

Penneo dokumentnyckel: DYBV1-ZTVH8-UBGDE-U6T4H-POOT4-MXY13

Kopians äkthet
överensstämmer
med originalet
David Zetterman

20220831039O1

Förvaltningsberättelse

Information om verksamheten
Byggstommen i Borås AB bedriver förvaltning av fastigheter och värdepapper, övrig lös och fast egendom samt därmed förenlig verksamhet. Bolaget ägs till 100% av Lidl Sverige KB org.nr. 969667-6312.

Väsentliga händelser under räkenskapsåret
Bolaget har under räkenskapsåret förvärvat samtliga andelar i Byggstommen i Mölnlycke AB (559184-6661) och Byggstommen i Ekerö AB (559065-1195).

Eget kapital förbrukades i samband med en transaktion i slutet av februari och är negativt per balansdagen men återställdes den 25 mars genom ett ovillkorat aktieägartillskott från moderbolaget. Då eget kapital efter tillskottet uppgår till mer än aktiekapitalet har någon kontrollbalansräkning inte upprättats.

Flerårsöversikt

	2022-02-28	2021-02-28	2020-02-29	2019-02-28	2018-02-28
Nettoomsättning	47.370	45.064	44.110	37.492	5.850
Resultat efter finansiella poster	-15.834	10.311	7.545	-13.443	1.418
Balansomslutning	834.055	784.394	793.515	729.271	241.593
Soliditet (%)	-1,19%	1,48%	0,54%	0,54%	5,53%

Förslag till resultatdisposition
Styrelsen föreslår att till förfogande stående medel

Balanserat resultat	4.893
Årets resultat	-21.567
Totalt	**-16.673**
disponeras så att i ny räkning överförs	-16.673

Bolagets resultat och ställning i övrigt framgår av efterföljande resultat och balansräkning med tilläggsupplysningar.

Penneo dokumentnyckel: DYB4V-ZTVH8-U8GDE-U6T4H-POOT4-MXY13

20220831103902

Resultaträkning

	Not	2021-03-01 -2022-02-28	2020-03-01 -2021-02-28
Nettoomsättning		47.370	45.064
Övriga rörelseintäkter	3	4.981	4.713
		52.351	**49.777**
Rörelsens kostnader			
Övriga externa kostnader		-35.569	-5.495
Avskrivningar och nedskrivningar (samt återföringar) av materiella och immateriella anläggningstillgångar	6,7,8,9	-24.921	-25.762
Rörelseresultat		**-8.140**	**18.521**
Resultat från finansiella investeringar			
Övriga ränteintäkter och liknande resultatposter		-	-
Räntekostnader och liknande resultatposter	4	-7.694	-8.209
Resultat efter finansiella poster		**-15.834**	**10.311**
Resultat före skatt		**-15.834**	**10.311**
Skatt på årets resultat		-5.733	-2.947
Årets resultat		**-21.567**	**7.364**

Penneo dokumentnyckel: DYBV1-ZTVH8-UBGDE-U6T4H-POOT4-MXY13

20220831103903

Balansräkning

	Not	2022-02-28	2021-02-28
TILLGÅNGAR			
Anläggningstillgångar			
Materiella anläggningstillgångar			
Mark	5	306.668	330.364
Byggnader	6	345.319	354.938
Markanläggningar	7	85.174	82.268
Inventarier, verktyg och installationer	8	6.201	9.784
Pågående nybyggnation	9	199	2.926
		743.562	**780.280**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	10	41.635	-
		41.635	**-**
Summa anläggningstillgångar		**785.197**	**780.280**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		38.578	-
Övriga fordringar		10.134	3.966
		48.712	**3.966**
Kortfristiga placeringar			
Kassa och bank	11	146	147
		146	**147**
Summa omsättningstillgångar		**48.858**	**4.114**
SUMMA TILLGÅNGAR		**834.055**	**784.394**

Penneo dokumentnyckel: DYBV1-ZTVH8-UBGDE-U6T4H-POOT4-MXY13

20220831039904

	Not	2022-02-28	2021-02-28
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital (1000 aktier)		100	100
Uppskrivningsfond	12	6.632	6.890
		6.732	**6.990**
Fritt eget kapital			
Balanserat resultat		4.893	-2.729
Årets resultat		-21.567	7.364
		-16.673	**4.635**
Summa eget kapital		**-9.941**	**11.626**
Avsättningar			
Uppskjuten skatteskuld	13	1.721	1.788
		1.721	**1.788**
Långfristiga skulder			
Skulder till koncernföretag	14	836.802	767.583
		836.802	**767.583**
Kortfristiga skulder			
Skatteskulder		5.472	3.397
		5.472	**3.397**
SUMMA EGET KAPITAL OCH SKULDER		**834.055**	**784.394**

Rapport över förändringar i eget kapital

	Aktie-kapital	Uppskriv-ningsfond	Balanserat resultat	Årets resultat	Totalt
Ingående balans 2021-03-01	100	6.890	-2.729	7.364	11.626
Omföring resultat föregående år			7.364	-7.364	-
Förändring uppskrivningsfond		-258	258		-
Årets resultat				-21.567	-21.567
Utgående balans 2022-02-28	**100**	**6.632**	**4.893**	**-21.567**	**-9.941**

Penneo dokumentnyckel: DYBV1-ZTVH8-UBGDE-U6T4H-POOT4-MXY13

20220831103905

Tilläggsupplysningar

Redovisningsprinciper m.m.

Allmänna redovisningsprinciper
Årsredovisningen har upprättats enligt Årsredovisningslagen (1995:1554) och BFNAR 2012:1 (K3).
som upprättar koncernredovisning i
Företaget är ett moderföretag men

Företaget är ett moderföretag men upprättar ingen koncernredovisning med hänvisning till undantagsregeln i Årsredovisningslagen 7 kap. 2 §.

Tillgångar och skulder har, om ej annat anges, upptagits till anskaffningsvärdet.

Det inflöde av ekonomiska fördelar som företaget erhållit eller kommer att erhålla för egen räkning redovisas som intäkt. Intäkter värderas till verkliga värdet av det som erhållits, eller kommer att erhållas, med avdrag för rabatter. Intäkterna består av operationell leasing, leasingavgifterna från operationella leasingavtal redovisas linjärt över leasingperioden.

Materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar och eventuella nedskrivningar.

Materiella anläggningstillgångar har delats upp på betydande komponenter när komponenterna har väsentligt olika nyttjandeperioder.

Avskrivningarna görs systematiskt över tillgångarnas förväntade nyttjandeperiod enligt nedanstående förteckning.

Uppskrivning har gjorts för anläggningstillgångar som väsentligt avvikit från bokfört värde. Uppskrivningsbeloppet har använts för avsättning till en uppskrivningsfond. Avskrivning av den tillgång som skrivits upp har beräknats utifrån det uppskrivna värdet, *skattemässigt har avskrivningen av den uppskrivna anläggningstillgången hanterats som ej avdragsgill.*

Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Avskrivningstider

Byggnader	25-33
Stomme	33
Installationer	33
Ytskikt	33
Byggnadsinventarier	5
Markanläggningar	20

Nyckeltalsdefinitioner
Soliditet: Justerat eget kapital i procent av balansomslutningen.

Penneo dokumentnyckel: DYBV1-ZTVH8-IJBGDE-U6T4H-POOT4-MXY13

20220831039O6

Noter

Not 1 Arvode till revisorer

Arvode till Ernst & Young AB för revision har under verksamhetsåret fakturerats Lidl Sverige KB, 969667-6312.

Not 2 Anställda och personalkostnader

Bolaget har under räkenskapsåret ej haft någon anställd och några löner och ersättningar har inte betalats ut.

Not 3 Övriga rörelseintäkter

	2022	2021
Resultat vid avyttring av materiella anläggningstillgångar	4.981	4.713
	4.981	**4.713**

Not 4 Räntekostnader och liknande resultatposter

	2022-02-28	2021-02-28
Räntekostnader till koncernföretag	-7.694	-8.210
Övriga räntekostnader	-	1
	-7.694	**-8.209**

Not 5 Mark

	2022-02-28	2021-02-28
Ingående anskaffningsvärden	327.970	268.894
Årets anskaffningar	-	687
Tillkommit via fusioner	-	62.008
Försäljningar/utrangeringar	-23.696	-3.650
Omklassificeringar	-	32
Utgående ackumulerade anskaffningsvärde	**304.274**	**327.970**
Ingående uppskrivning mark	2.394	2.394
Utgående uppskrivning	**2.394**	**2.394**
Utgående redovisat värde	**306.668**	**330.364**

Not 6 Byggnad

	2022-02-28	2021-02-28
Ingående anskaffningsvärden	432.111	385.157
Årets anskaffningar	3.940	1.281
Försäljningar/utrangeringar	-33.902	-21.812
Omklassificeringar	30.517	67.484
Utgående ackumulerade anskaffningsvärden	**432.667**	**432.111**
Ingående avskrivningar	-83.457	-73.981
Försäljningar/utrangeringar	6.694	5.328
Omklassificeringar	-1.135	-
Årets avskrivningar	-15.409	-14.804
Utgående ackumulerade avskrivningar	**-93.306**	**-83.457**
Ingående anskaffningsvärde uppskrivningar	10.726	10.726
Utgående anskaffnignsvärde uppskrivningar	**10.726**	**10.726**
Ingående avskrivning på uppskrivningar	-4.442	-4.117
Årets avskrivningar på uppskrivningar	-325	-325
Utgående ackumulerade avskrivningar på uppskrivningar	**-4.767**	**-4.442**
Utgående redovisat värde	**345.319**	**354.938**

Penneo dokumentnyckel: DYBV1-ZTVH8-UBGDE-U6T4H-POOT4-MXY13

20220831103907

Not 7 Markanläggningar

	2022-02-28	2021-02-28
Ingående anskaffningsvärden	117.278	108.169
Årets anskaffningar	-	2.486
Försäljningar/utrangeringar	-1.067	-
Omklassificeringar	9.691	6.623
Utgående ackumulerade anskaffningsvärden	**125.902**	**117.278**
Ingående avskrivningar	-35.011	-29.261
Försäljningar/utrangeringar	267	-
Årets avskrivningar	-5.985	-5.750
Utgående ackumulerade avskrivningar	**-40.729**	**-35.011**
Utgående redovisat värde	**85.174**	**82.268**

Not 8 Inventarier, verktyg och installationer

	2022-02-28	2021-02-28
Ingående anskaffningsvärden	57.606	53.867
Årets anskaffningar	192	-
Omklassificeringar	-572	3.739
Utgående ackumulerade anskaffningsvärden	**57.226**	**57.606**
Ingående avskrivningar	-47.822	-42.939
Årets avskrivningar	-3.202	-4.883
Utgående ackumulerade avskrivningar	**-51.024**	**-47.822**
Utgående redovisat värde	**6.201**	**9.784**

Not 9 Anskaffningsvärden mm för pågående nyanläggningar

	2022-02-28	2021-02-28
Ingående anskaffningsvärden	2.926	45.760
Försäljningar/utrangeringar	-1.821	-
Årets anskaffningar	37.596	35.043
Omklassificeringar	-38.502	-77.877
Utgående ackumulerade anskaffningsvärden	**199**	**2.926**
Utgående redovisat värde	**199**	**2.926**

Penneo dokumentnyckel: DYBV1-ZTVH8-UBGDE-U6T4H-POOT4-MXY13

20220831103908

Not 10 Finansiella anläggningstillgångar

	2022-02-28	2021-02-28
Ingående anskaffningsvärden	-	-
Årets anskaffningar	41.635	-
Utgående ackumulerade anskaffningsvärden	**41.635**	**-**
Utgående redovisat värde	**41.635**	**-**

Direkta aktieinnehav

Bolag	Org.nr.	Antal andelar	Andel i %	Årets resultat	Eget kapital	Bokfört värde
Byggstommen i Ekerö AB	559065-1195	500	100	-44	32.049	39.966
Byggstommen i Mölnlycke AB	559184-6661	1.000	100	-362	973	1.668

Samtliga bolag med säte i Järfälla

Not 11 Kassa och bank

	2022-02-28	2021-02-28
Disponibla tillgodohavanden	146	147
	146	**147**

Not 12 Uppskrivningsfond

	2022-02-28	2021-02-28
Ingående saldo	6.890	7.148
Överföring till fritt eget kapital p.g.a. avskrivningar	-258	-258
	6.632	**6.890**

Not 13 Uppskjuten Skatteskuld

	2022-02-28	2021-02-28
Ingående saldo	1.788	1.855
Återförda skatteskulder	-67	-67
	1.721	**1.788**

Not 14 Långfristiga skulder

	2022-02-28	2021-02-28
Förfaller senare än 5 år efter balansdagen	836.802	767.583
	836.802	**767.583**

Not 15 Ställda säkerheter

	2022-02-28	2021-02-28
Ställda panter till förmån för Lidl Sverige KB	400.000	424.000
	400.000	**424.000**

Not 16 Händelser efter balansdagen

Bolaget har den 25 mars mottagit ett ovillkorat aktieägartillskott från moderbolaget på 20 MSEK, i och med detta så är det egna kapitalet återställt.

Bolaget har den 4 april förvärvat samtliga andelar i Byggstommen i Viggbyholm AB (559031-5122).

Not 17 Eventaulförpliktelser

Det finns inga förpliktelser.

Penneo dokumentnyckel: DYBV1-ZTVH8-U8GDE-U6T4H-POOT4-MXY13

Byggstommen i Borås AB
556724-1715

Järfälla, datum enligt våra elektroniska underskrifter

Johan Augustsson

Martin Kauffner

Carl Balcer

Vår revisionsberättelse har lämnats med datum enligt vår elektorniska underskrift

Ernst & Young AB

Annika Engström
Auktoriserad revisor

20220831035909

Penneo dokumentnyckel: DYBV1-ZTVH8-U8GDE-U6T4H-POOT4-MXY13

PENNEO

Signaturerna i detta dokument är juridiskt bindande. Dokumentet är signerat genom Penneo™ för säker digital signering. Tecknarnas identitet har lagrats, och visas nedan.

"Med min signatur bekräftar jag innehållet och alla datum i detta dokumentet."

20220831039l0

JOHAN AUGUSTSSON (SSN-validerad)
Styrelseledamot
Serienummer: 19780307xxxx
IP: 94.234.xxx.xxx
2022-08-15 15:03:50 UTC

BankID

Martin Kauffner (SSN-validerad)
Styrelseledamot
Serienummer: 19690120xxxx
IP: 62.119.xxx.xxx
2022-08-16 05:50:13 UTC

BankID

Carl Friedrich Balcer (SSN-validerad)
Styrelseledamot
Serienummer: 19810325xxxx
IP: 62.119.xxx.xxx
2022-08-16 09:46:18 UTC

BankID

ANNIKA ENGSTRÖM (SSN-validerad)
Auktoriserad revisor
Serienummer: 19670810xxxx
IP: 78.69.xxx.xxx
2022-08-16 10:19:59 UTC

BankID

Penneo dokumentnyckel: DYBV1-ZTVH8-UBGDE-U6T4H-POOT4-MXXY13

Detta dokument är digitalt signerat genom Penneo.com. Den digitala signeringsdatan i dokumentet är säkrad och validerad genom det datorgenererade hashvärdet hos det originella dokumentet. Dokumentet är låst och tidsstämplat med ett certifikat från en betrodd tredje part. All kryptografisk information är innesluten i denna PDF, för framtida validering om så krävs.

Hur man verifierar originaliteten hos dokumentet
Detta dokument är skyddat genom ett Adobe CDS certifikat. När du öppnar dokumentet i Adobe Reader bör du se att dokumentet är certifierat med **Penneo e-signature service <penneo@penneo.com>** Detta garanterar att dokumentets innehåll inte har ändrats.

Du kan verifiera den kryptografiska informationen i dokumentet genom att använda Penneos validator, som finns på **https://penneo.com/validate**

20220831039111

Building a better working world

Revisionsberättelse

Till bolagsstämman i Byggstommen i Borås AB, org.nr 556724-1715

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Byggstommen i Borås AB för räkenskapsåret 2021-03-01--2022-02-28.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Byggstommen i Borås ABs finansiella ställning per den 28 februari 2022 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Byggstommen i Borås AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. Den upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Penneo dokumentnyckel: 45ESD-BKQOM-EGISZ-57KEM-OI8PI-3JVTW

20220831039912

Building a better working world

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för Byggstommen i Borås AB för räkenskapsåret 2021-03-01--2022-02-28 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman behandlar förlusten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Byggstommen i Borås AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Stockholm den dag som framgår av vår elektroniska underskrift

Ernst & Young AB

Annika Engström
Auktoriserad revisor

Penneo dokumentnyckel: 45ESD-BKQOM-EGISZ-57KEM-OI8PI-3JVTW

PENNEO

Signaturerna i detta dokument är juridiskt bindande. Dokumentet är signerat genom Penneo™ för säker digital signering. Tecknarnas identitet har lagrats, och visas nedan.

"Med min signatur bekräftar jag innehållet och alla datum i detta dokumentet."

ANNIKA ENGSTRÖM (SSN-validerad)
Auktoriserad revisor
Serienummer: 19670810xxxx
IP: 78.69.xxx.xxx
2022-08-16 10:19:59 UTC

BankID

Penneo dokumentnyckel: 45ESD-BKOOM-EGISZ-57KEM-OI8PI-3JVTW

Detta dokument är digitalt signerat genom Penneo.com. Den digitala signeringsdatan i dokumentet är säkrad och validerad genom det datorgenererade hashvärdet hos det originella dokumentet. Dokumentet är låst och tidsstämplat med ett certifikat från en betrodd tredje part. All kryptografisk information är innesluten i denna PDF, för framtida validering om så krävs.

Hur man verifierar originaliteten hos dokumentet
Detta dokument är skyddat genom ett Adobe CDS certifikat. När du öppnar dokumentet i Adobe Reader bör du se att dokumentet är certifierat med **Penneo e-signature service <penneo@penneo.com>** Detta garanterar att dokumentets innehåll inte har ändrats.

Du kan verifiera den kryptografiska informationen i dokumentet genom att använda Penneos validator, som finns på **https://penneo.com/validate**

202211040251 2

Lidl Stiftung & Co. KG
Neckarsulm

Audit Report
Consolidated Financial Statements
and Group Management Report
28 February 2022

Translation of the German Report

20221104025I3

Lidl Stiftung & Co. KG

Consolidated Financial Statements and Group Management Report 2021

Translation of the German Report

20221104025l4

Content

Consolidated Balance Sheet as at 28 February 2022 2

Consolidated Income Statement for the Period from 1 March 2021 to 28 February 2022 3

Notes to the Consolidated Financial Statements 4

Basis of Preparation of the Consolidated Financial Statements 4

Notes to the Consolidated Balance Sheet 6

Notes to the Consolidated Income Statement 10

Further Information 12

List of Consolidated Companies 13

Group Management Report 19

Fundamental Information about the Group 19

Business Development 20

Key Non-Financial Performance Indicators Regarding Environmental and Employee-Related Matters 24

Report on Opportunities and Risks 26

Accounting-Related Internal Control and Risk Management System 28

Report on Expected Developments 29

Consolidated Balance Sheet as at 28 February 2022

Assets

€ million	Notes	28.02.2021	28.02.2022
Fixed assets	p. 6	34,852	**38,081**
Intangible assets		112	134
Property, plant and equipment		29,679	32,617
Financial assets		5,061	5,330
Current assets	p. 8	8,762	**9,825**
Inventories		4,137	5,272
Receivables and other assets		1,014	1,651
Cash pool debit balances		759	326
Cash on hand, bank balances and cheques		2,852	2,576
Prepaid expenses		149	**169**
Deferred tax assets	p. 8	5	**5**
		43,768	**48,080**

Equity and liabilities

€ million	Notes	28.02.2021	28.02.2022
Equity	p. 8	14,661	**16,812**
Contribution under company law		7	7
Reserves		14,960	16,922
Currency translation adjustment		-530	-360
Profit participation rights capital		224	243
Provisions and accruals	p. 8	3,593	**3,861**
Liabilities	p. 9	25,453	**27,338**
Deferred income		61	**69**
		43,768	**48,080**

202211040251S

Consolidated Income Statement for the Period from 1 March 2021 to 28 February 2022

€ million	Notes	FY 2020	FY 2021
Revenues	**p. 10**	62,264	**66,704**
Other operating income	p. 10	236	325
Cost of materials	p. 10	45,715	49,046
Personnel expenses	p. 10	5,752	6,238
Amortisation and depreciation		1,617	1,723
Other operating expenses	p. 11	7,078	7,756
Income from participations in associated companies		456	568
Earnings before interest and income taxes (EBIT)		2,794	**2,834**
Other interest and similar income	p. 11	25	24
Interest and similar expenses	p. 11	158	157
Remuneration for profit participation rights capital		18	20
Income taxes	p. 11	620	543
Consolidated net income for the year		2,023	**2,138**

Notes to the Consolidated Financial Statements

Basis of Preparation of the Consolidated Financial Statements

General information

The consolidated financial statements of Lidl Stiftung & Co. KG, Neckarsulm, Germany (Local court Stuttgart (Amtsgericht Stuttgart), number HRA 102314), as at 28 February 2022 have been prepared in accordance with the provisions of the PublG ["Publizitätsgesetz": German Disclosure Act].

The list of consolidated companies including the change on the previous year as well as the simplification rules applied with respect to disclosure of their annual financial statements are presented on p. 13.

To ensure clarity and readability of the consolidated financial statements, some balance sheet and income statement items have been aggregated. The items are analysed separately in the notes to the consolidated financial statements. The additional disclosures required for each line item are also provided in the notes. Amounts in the notes are presented in € million.

The consolidated income statement has been prepared using the nature of expense method.

Accounting principles

Intangible assets and property, plant and equipment were valued at acquisition or production cost less amortisation, depreciation and write-downs. Financial assets were recognised at (amortised) acquisition cost.

Participations in associated companies were accounted for at book value using the equity method. The carrying amount accounted for using the equity method was brought forward according to the share of net income for the year net of distributions.

Inventories were valued at acquisition cost or at their lower net realisable value. Acquisition cost was determined based on the purchase price where possible, and otherwise using the retail method (based on the selling price). The valuation method used ensures compliance with the lower of cost or market principle.

Receivables and other assets were stated at their nominal value less allowances for specific risks and for general credit risk.

Profit participation rights capital was reported at the settlement amount as at 28 February 2022 or at the amount contributed plus accrued interest.

Provisions and accruals were recognised at a reasonable commercial estimate of the amount required to settle the obligation. Provisions and accruals due in more than one year were discounted at a rate of between 0.9% and 1.3%.

Liabilities were recognised at their settlement amount. In some cases, interest and currency derivatives were designated as hedging instruments of bank loans. Offsetting changes in the value of hedged items and hedging instruments were not recognised in the financial statements.

The mandatory disclosures required with respect to contingent liabilities were made at the carrying amount of the underlying transaction as at the balance sheet date. Where warranties were issued for third-party credit lines, the disclosure was made at the maximum amount of liability. Joint liability arising from other contracts is reported at the annual amount of the current obligation.

202211040251 6

In accordance with Sec. 274 HGB ["Handelsgesetzbuch": German Commercial Code], deferred taxes were recognised on temporary differences between the amounts recognised for financial reporting and for tax purposes as well as on substantial tax loss and interest carryforwards. Resulting future tax benefits and tax charges were measured at tax rates ranging from 1.5% to 35.0%. Deferred taxes primarily resulted from fixed assets as well as provisions and accruals and were recognised on a net basis. In exercise of the statutory option, the resulting net deferred tax asset was not recognised.

Consolidation principles

Capital consolidation was performed using the revaluation method as at the acquisition date.

For the associated companies, the statutory option was not exercised in accordance with Sec. 310 HGB.

Receivables and liabilities as well as income and expenses within the group were eliminated.

Pursuant to Sec. 304 par. 1 HGB, profits or losses on intercompany sales were eliminated upon consolidation.

Deferred taxes on consolidation entries were recognised in accordance with Sec. 306 HGB. Resulting future tax benefits were evaluated using a tax rate of 11.3%.

Currency translation

Assets and liabilities denominated in foreign currency were translated in accordance with Sec. 256a HGB. Exchange rate effects resulting from the valuation of intragroup loans in euro are recognised directly in equity without an effect on income until the loans have been repaid. Income and expenses originally denominated in foreign currency have been translated at exchange rates effective at the time of the transaction.

Balance sheet and income statement items were translated in accordance with Sec. 308a HGB. The functional currency of the group is the euro.

Notes to the Consolidated Balance Sheet

Fixed assets

€ million	Acquisition/ production cost 01.03.2021	Currency translation	Additions	Disposals	Reclassifi-cations	Acquisition/ production cost 28.02.2022
Concessions, property rights, licences	266	2	36	-49	0	255
Payments on account	1	0	1	0	0	2
Intangible assets	**267**	**2**	**37**	**-49**	**0**	**257**
Land, land rights and buildings	30,367	374	1,939	-288	716	33,108
Technical equipment and machinery	14	0	0	0	0	14
Other equipment, fixtures, and furniture	7,314	63	1,395	-459	84	8,397
Payments on account and assets under construction	1,285	19	1,195	-59	-800	1,640
Property, plant and equipment	**38,980**	**456**	**4,529**	**-806**	**0**	**43,159**
Participations	5	0	0	0	0	5
Participations in associated companies	4,982	0	271	0	0	5,253
Other loans	74	0	0	-2	0	72
Financial assets	**5,061**	**0**	**271**	**-2**	**0**	**5,330**
	44,308	**458**	**4,837**	**-857**	**0**	**48,746**

Additions to property, plant and equipment consist primarily of the acquisition, new construction and expansion of stores and warehouses as well as the acquisition of other equipment, fixtures and furniture for stores and warehouses.

202211040251 7

Amortisation/ depreciation/ write-downs 01.03.2021	Currency translation	Additions	Disposals	Reclassifi-cations	Amortisation/ depreciation/ write-downs 28.02.2022	Net book value 28.02.2021	Net book value 28.02.2022
155	1	16	-49	0	123	111	132
0	0	0	0	0	0	1	2
155	**1**	**16**	**-49**	**0**	**123**	**112**	**134**
5,919	57	300	-162	-1	6,613	24,448	26,495
11	-1	2	0	0	12	3	2
3,371	25	905	-385	1	3,917	3,943	4,480
0	0	0	0	0	0	1,285	1,640
9,301	**81**	**1,707**	**-547**	**0**	**10,542**	**29,679**	**32,617**
0	0	0	0	0	0	5	5
0	0	0	0	0	0	4,982	5,253
0	0	0	0	0	0	74	72
0	**0**	**0**	**0**	**0**	**0**	**5,061**	**5,330**
9,456	82	1,723	-596	0	10,665	34,852	38,081

The current amortisation and depreciation for the financial year includes write-downs of € 32 million.

Inventories

The amount disclosed relates almost exclusively to merchandise.

Receivables and other assets

€ million	28.02.2021	28.02.2022
Trade receivables	110	469
Other assets	904	1,182
thereof due in more than one year	*60*	*65*
	1,014	**1,651**

Other assets include receivables from suppliers totalling € 36 million (previous year € 27 million), which arise legally after the balance sheet date and mainly relate to bonuses, rebates and repayments.

Cash pool debit balances

The cash pool debit balances consist entirely of balances related to an associated company.

Deferred tax assets

This item consists entirely of deferred taxes as defined in Sec. 306 HGB.

Equity

The annual profit of the parent company was allocated to the limited partner's loss carryforward accounts in the amount of € 132 million and to their clearing accounts in the amount of € 176 million.

Profit participation rights capital comprises eight capital certificates that are subject to profit-based compensation. This capital is subordinated to other creditors, participates in losses, matures at various dates in 2025, 2026, 2027, 2028 and 2029 and is non-cancellable by its holders. The change in the reporting period represents the € 20 million additions of accrued interest.

Provisions and accruals

€ million	28.02.2021	28.02.2022
Tax provisions	648	587
Other provisions and accruals	2,945	3,274
	3,593	**3,861**

€ 520 million of provisions and accruals are due in more than one year.

Other provisions and accruals mainly include provisions for outstanding invoices amounting to € 1,981 million.

202211040251S

Liabilities

€ million	28.02.2021 < 1 year	28.02.2021 Total	28.02.2022 < 1 year	28.02.2022 1 - 5 years	28.02.2022 > 5 years	28.02.2022 Total
Liabilities due to banks	1,851	11,132	4,118	8,394	1,255	13,767
Trade payables	6,603	6,603	7,022	0	0	7,022
Liabilities to associated companies*	2,614	2,686	1,262	36	27	1,325
Other liabilities	5,000	5,032	5,192	31	1	5,224
thereof tax-related	*390*	*390*	*415*	*0*	*0*	*415*
thereof from social security contributions	*112*	*112*	*110*	*0*	*0*	*110*
	16,068	25,453	**17,594**	**8,461**	**1,283**	**27,338**

*relating exclusively to other liabilities

Liabilities due to banks are secured by land charges (€ 4,459 million). Apart from retentions of title common in the industry, trade payables were not secured.

Contingent liabilities

€ million	28.02.2021	28.02.2022
from guarantees	998	1,204
from warranties	8,033	12,337
	9,031	**13,541**

Contingent liabilities are counterbalanced by rights of recourse of € 6,404 million (previous year € 3,560 million). € 2,828 million of the contingent liabilities are due to associated companies. Based on the credit rating of the recipients of the guarantees, there was no identifiable risk that claims will be made on the basis of the contingent liabilities.

Other financial obligations

Other financial obligations totalling € 4,054 million are presented on a discounted basis.

Notes to the Consolidated Income Statement

Revenues

The amount disclosed relates primarily to revenues from the sale of merchandise within Europe.

Other operating income

Other operating income includes foreign currency exchange gains of € 44 million (previous year € 39 million).

Other operating income includes the following income relating to other periods:

€ million	FY 2020	FY 2021
Reversal of provisions	77	122
Disposal of fixed assets	15	54
Miscellaneous	5	7
	97	**183**

Cost of materials

Cost of materials consists entirely of the cost of purchased merchandise.

Cost of materials includes foreign currency exchange losses of € 11 million (previous year € 26 million).

Personnel expenses

€ million	FY 2020	FY 2021
Wages and salaries	4,788	5,207
Social security, pension and other benefit expenses	964	1,031
thereof for pensions	*117*	*131*
	5,752	**6,238**

Average number of staff employed during the financial year:

	FY 2020	FY 2021
Employees	211,468	**223,327**
thereof salaried employees and wage earners, full-time	*89,931*	*97,742*
thereof salaried employees and wage earners, part-time	*121,537*	*125,585*
Trainees	861	**1,399**
	212,329	**224,726**

202211040251 9

Other operating expenses

Other operating expenses include foreign currency exchange losses of € 51 million (previous year € 94 million) and other taxes of € 440 million (previous year € 339 million).

Expenses relating to other periods included in other operating expenses amount to € 41 million (previous year € 43 million). These relate primarily to losses on the disposal of fixed assets.

Other interest and similar income

Other interest and similar income includes income relating to other periods of € 1 million (previous year € 4 million).

Interest and similar expenses

Interest and similar expenses includes expenses relating to other periods of € 3 million (previous year € 6 million).

Moreover, interest of € 2 million (previous year € 2 million) from the unwinding of the discount on provisions is included.

Income taxes

The item includes income taxes relating to other periods of € -49 million (previous year € -11 million).

Further Information

Derivative financial instruments

Derivative financial instruments were used by the consolidated companies to hedge interest rate and currency risk. Market values were determined using generally accepted valuation principles.

Swap agreements with a nominal value of € 2,607 million were designated as hedging instruments at the level of individual contracts. For all hedging instruments, the significant terms relevant to the valuation of the hedged item and the hedging instrument matched for the entire term of the related derivative. As a result, the hedging relationships were highly effective and there were no ineffective portions relevant for accounting purposes over their term. For swap agreements without hedging instruments, the fair value amounted to € -6 million. For this purpose, a provision for potential losses has been recognised.

	Nominal volume	with hedging relationship		without hedging relationship	
€ million	**Total**	**Nominal volume**	**Market value**	**Nominal volume**	**Market value**
Interest rate swaps	833	833	-10	0	0
Cross currency swaps	800	629	-7	171	-6
Currency swaps	1,145	1,145	-26	0	0
	2,778	**2,607**	**-43**	**171**	**-6**

Forward exchange contracts were made to hedge currency risks. The nominal value of all forward exchange contracts amounted to € 1,981 million as at the balance sheet date. Forward exchange contracts were valued at market value. The market value of all forward exchange contracts was € 35 million net as at the balance sheet date. Provisions for potential losses of € 4 million were recognised for negative market values. They are presented in other provisions and accruals.

Audit fees

Fees paid to the auditors for the audit of the annual consolidated financial statements amounted to € 600 thousand and for other services € 618 thousand.

Supplementary report

With regard to the possible effects of the war in Ukraine on the group, we refer to the comments in the management report. No events occurred after the balance sheet date that would have significantly affected the assessment of the net assets, financial position or results of operations of the group.

202211040252O

List of Consolidated Companies

All companies over which control can be exercised were included.

The consolidated companies as at 28 February 2022 are listed in the following table. Companies marked with 1 in the table were consolidated for the first time. Subsidiaries marked with 2 in the table made use of the simplification rules of Sec. 5 par. 6 PublG in conjunction with Sec. 264 par. 3 or Sec. 264 par. 4 in conjunction with par. 3 HGB. Subsidiaries marked with 3 in the table made use of the simplification rules of Sec. 264b HGB.

The assets of the companies that left the consolidated group in the financial year due to integration or merger remained within the group.

In accordance with Sec. 313 par. 3 HGB, one company was not listed.

Neckarsulm, 16 May 2022

LSt Stiftung
Kenneth McGrath
Chairman of the Management Board

LSt Stiftung
Dr. Christian Groh
Member of the Management Board

PVG Geschäftsführungs-KG
Hermann-Josef Hoffmann
General Manager of PVG Geschäftsführungs- und Verwaltungs-GmbH (phG)

List of Consolidated Companies

Name of company			Registered office
Fully consolidated (100% shareholding)			
Lidl Stiftung & Co. KG	2	Neckarsulm	Germany
Alpha Finanz Zweite GmbH	2	Kreuzbruch	Germany
Lidl Österreich GmbH	2	Neckarsulm	Germany
Lidl Bulgaria GmbH	2	Neckarsulm	Germany
LIDL BELGIUM Beteiligungs-GmbH		Neckarsulm	Germany
LIDL BELGIUM GmbH & Co. KG	3	Neckarsulm	Germany
Lidl Eesti GmbH	2	Neckarsulm	Germany
Lidl International Einkaufsagentur GmbH	2	Neckarsulm	Germany
Lidl Ireland GmbH	2	Neckarsulm	Germany
Lidl Magyarorszag GmbH	2	Neckarsulm	Germany
Lidl NEDERLAND GmbH	2	Neckarsulm	Germany
Lidl Nederland Holding GmbH	2	Neckarsulm	Germany
Lidl Norge GmbH	2	Neckarsulm	Germany
Lidl Northern Ireland GmbH	2	Neckarsulm	Germany
Lidl Slovenija GmbH	2	Neckarsulm	Germany
Lidl Suomi GmbH	2	Neckarsulm	Germany
Lidl U.K. Assets GmbH		Neckarsulm	Germany
Lidl U.K. GmbH	2	Neckarsulm	Germany
AMRS Warenhandel GmbH	2	Neckarsulm	Germany
DMRS Warenhandel GmbH	2	Neckarsulm	Germany
EMRS Warenhandel GmbH	2	Neckarsulm	Germany
AE- Beteiligungs-GmbH	2	Neckarsulm	Germany
AE Zweite- Beteiligungs-GmbH	2	Neckarsulm	Germany
C E- Beteiligungs-GmbH	2	Neckarsulm	Germany
C E- International GmbH	1	Neckarsulm	Germany
C E- International Zweite GmbH	1	Neckarsulm	Germany
CRF-Beteiligungs-GmbH	2	Neckarsulm	Germany
FRF-Beteiligungs-GmbH		Neckarsulm	Germany
LPL Erste Beteiligungs-GmbH	1	Neckarsulm	Germany
LPL Zweite Beteiligungs-GmbH	1	Neckarsulm	Germany
MRF-Beteiligungs-GmbH		Neckarsulm	Germany
QRF- Beteiligungs-GmbH	2	Neckarsulm	Germany
QRF- International GmbH	1	Neckarsulm	Germany
TE- Beteiligungs-GmbH	2	Neckarsulm	Germany
W E- Beteiligungs-GmbH	2	Neckarsulm	Germany
W E- Holding GmbH	2	Neckarsulm	Germany
W E- International GmbH	2	Neckarsulm	Germany
W E- International Zweite GmbH		Neckarsulm	Germany
LPL Holding GmbH	1	Neckarsulm	Germany
LPL Erste Geschäftsführungs-GmbH	1	Neckarsulm	Germany
LPL Zweite Geschäftsführungs-GmbH	1	Neckarsulm	Germany
Omikron Management Beratungs-GmbH	2	Neckarsulm	Germany
YRF- Verwaltungs-GmbH	2	Neckarsulm	Germany

20221104025 21

Name of company			Registered office
YRF-Immobilien-GmbH		Neckarsulm	Germany
LSTR-1 GmbH	1	Neckarsulm	Germany
LSTR-2 GmbH	1	Neckarsulm	Germany
Kochzauber Food GmbH	2	Neckarsulm	Germany
Rosecreek GmbH	2	Neckarsulm	Germany
PHO 1 Beteiligungs-GmbH		Neckarsulm	Germany
PHO 1 GmbH & Co. KG	3	Neckarsulm	Germany
Lidl EMB Beteiligungs-GmbH		Neckarsulm	Germany
Lidl EMB KG	3	Neckarsulm	Germany
Lidl Export International Beteiligungs-GmbH		Neckarsulm	Germany
Lidl Export International GmbH & Co. KG	3	Neckarsulm	Germany
OWIM Beteiligungs-GmbH		Neckarsulm	Germany
OWIM GmbH & Co. KG	3	Neckarsulm	Germany
Blitz 22-477 GmbH	1	Munich	Germany
Tailwind Shipping Lines GmbH & Co. KG	1	Neckarsulm	Germany
Blitz 22-479 GmbH	1	Munich	Germany
Tailwind Panda 002 GmbH & Co. KG	1	Neckarsulm	Germany
LIDL ITALIA S.r.l.		Arcole	Italy
Lidl Servizi Immobiliari S.r.l.		Arcole	Italy
Lidl Supermercados S.A.U.		Montcada i Reixac	Spain
Brotos Gestiona S.L.		Gülmar	Spain
Pittsfield Invest, S.L.U.		Madrid	Spain
Lidl Great Britain Limited		London	England
Lidl UK Trading Limited		London	England
Limburgse Distributie Maatschappij N.V.		Genk	Belgium
Centre Logistique des Ardennes S.A.		Marche-en-Famenne	Belgium
Centre Logistique de Wallonie S.A.		Courcelles	Belgium
Logistiek Centrum Lele N.V.		Wevelgem	Belgium
SINT-NIKLAAS LOGISTICS N.V.		Sint Niklaas	Belgium
V.R.D. bvba		Merelbeke	Belgium
Lidl & Companhia		Sintra	Portugal
Lidl Logistics B.V.		Huizen	Netherlands
Lidl Reizen B.V.		Huizen	Netherlands
Metropool Development B.V.		Huizen	Netherlands
Devco Zwolle Stadshagen B.V.		Huizen	Netherlands
Lidl Hellas & Sia. O.E.		Sindos-Thessaloniki	Greece
Lidl Hellas E.P.E.		Sindos-Thessaloniki	Greece
Church Road Development Limited		Newbridge	Ireland
Shankill Shopping Centre Management Company Limited		Tallaght	Ireland
Lidl Northern Ireland Limited		Crumlin	Northern Ireland
The Dunlady Arms Limited	1	Antrim	Northern Ireland
Lidl Malta Limited		Luqa	Malta
Lidl Immobiliare Malta Limited		Luqa	Malta
Lidl Logistica Malta Ltd.		Luqa	Malta
Lidl Suomi Kommandiittiyhtiö		Vantaa	Finland

Name of company			Registered office
Lidl Holding Suomi Oy		Vantaa	Finland
Lidl Kiinteistöt Oy		Vantaa	Finland
Lidl Sverige Kommanditbolag		Solna	Sweden
Lidl Sverige AB		Solna	Sweden
Byggstommen i Borås AB		Solna	Sweden
Byggstommen i Ekerö AB	1	Solna	Sweden
Byggstommen i Mölnlycke AB	1	Gothenburg	Sweden
Lidl Danmark K/S		Kolding	Denmark
Lidl Management Danmark ApS		Kolding	Denmark
Lidl sp. z o.o. sp. k.		Tarnowo Podgorne	Poland
Lidl sp. z o.o.		Tarnowo Podgorne	Poland
Lidl Polska sp. z o.o.		Tarnowo Podgorne	Poland
Delta Marketing Services sp. z o.o.		Tarnowo Podgorne	Poland
Lidl Ceska republika v.o.s.		Prague	Czech Republic
Lidl Holding s.r.o.		Prague	Czech Republic
Lidl stravenky v.o.s.		Prague	Czech Republic
Akur Estates s.r.o.		Prague	Czech Republic
Mudarro Invest, a.s.		Prague	Czech Republic
Lidl International Holding s.r.o		Prague	Czech Republic
Limmo alpha s.r.o.	1	Prague	Czech Republic
Limmo beta s.r.o.	1	Prague	Czech Republic
Limmo gamma s.r.o.	1	Prague	Czech Republic
Lidl Slovenska republiká v.o.s.		Bratislava	Slovakia
Lidl Holding Slovenska republiká s.r.o.		Bratislava	Slovakia
LEC SK Holding s.r.o.		Bratislava	Slovakia
LEC SK, k.s.		Bratislava	Slovakia
Nadácia Lidl Slovenská republika		Bratislava	Slovakia
Lidl Magyarország Bt.		Budapest	Hungary
Lidl Holding KFT		Budapest	Hungary
Lidl US, LLC		Wilmington	USA
Lidl US Management, Inc.		Wilmington	USA
Lidl US Operations, LLC		Wilmington	USA
Lidl US Purchasing, LLC		Wilmington	USA
Lidl US Trading, LLC		Wilmington	USA
LUS Gift Card, LLC		Arlington	USA
LUS ONE, LLC		Arlington	USA
LUS TWO, LLC		Arlington	USA
LUS THREE, LLC		Arlington	USA
LUS FOUR, LLC		Arlington	USA
LUS FIVE, LLC		Arlington	USA
LUS SIX, LLC		Arlington	USA
LUS SEVEN, LLC		Arlington	USA
LUS EIGHT, LLC		Arlington	USA
LUS NINE, LLC		Arlington	USA
LUS TEN, LLC		Arlington	USA

20221104025222

Name of company		Registered office
LUS ELEVEN, LLC	Arlington	USA
LUS Licensing, LLC	Arlington	USA
LUS Holding, LLC	Arlington	USA
Mt. Olive Properties, LLC	Arlington	USA
Best Market of Holmdel, Inc.	Holmdel	USA
Best Yet Market, Inc.	Bethpage	USA
Best Market of Astoria, Inc.	Astoria	USA
Best Market of Commack, Inc.	Commack	USA
Best Market of Great Neck, Inc.	Great Neck	USA
Best Market of East Rockaway, Inc.	East Rockaway	USA
Best Market of Islip, Inc.	Islip	USA
Best Market of Merrick, Inc.	Merrick	USA
Best Market of Selden, Inc.	Selden	USA
Best Market of Syosset, Inc.	Syosset	USA
Best Market of Shirley, Inc.	Shirley	USA
Best Market of West Babylon 2, Inc.	West Babylon	USA
Best Market of Westhampton Beach, Inc.	Westhampton Beach	USA
Best Yet Market of Farmingdale, Inc.	Farmingdale	USA
Best Yet Market of Harlem, Inc.	Harlem	USA
Best Yet Market of Franklin Square, Inc.	Franklin Square	USA
Best Yet Market of Massapequa, Inc.	Massapequa	USA
Best Yet Market of New Hyde Park, Inc.	New Hyde Park	USA
Best Yet Market of Riverhead, Inc.	Riverhead	USA
Best Yet Market of West Islip, Inc.	West Islip	USA
Best Market of Plainview, Inc.	Plainview	USA
Lidl Hrvatska d.o.o. k.d.	Velika Gorica	Croatia
Lidl d.o.o.	Velika Gorica	Croatia
LIDL Slovenija d.o.o. k.d.	Komenda	Slovenia
LIDL Slovenija d.o.o.	Komenda	Slovenia
LIDL CYPRUS	Larnaca	Cyprus
LIDL HOLDING LIMITED	Larnaca	Cyprus
Lidl Ventures Cyprus Limited	Larnaca	Cyprus
Merora Holdings Limited	Larnaca	Cyprus
Lidl Schweiz AG	Weinfelden	Switzerland
Lidl Schweiz DL AG	Weinfelden	Switzerland
LIDL ROMANIA SOCIETATE IN COMANDITA	Chiajna	Romania
LIDL ROMANIA S.R.L.	Chiajna	Romania
Lidl Imobiliare Romania Management S.C.S.	Aricesti Rahtivani	Romania
Lidl Discount S.R.L.	Aricesti Rahtivani	Romania
Lidl Bulgaria EOOD & CO. KD	Ravno pole	Bulgaria
LIDL BULGARIA EOOD	Ravno pole	Bulgaria
UAB "Lidl Lietuva"	Vilnius	Lithuania
Lidl Srbija KD	Nova Pazova	Serbia
Lidl Srbija Prodavnice DOO	Nova Pazova	Serbia
Lidl Latvija SIA	Riga	Latvia

Name of company			Registered office
Lidl Eesti OÜ		Tallinn	Estonia
LIDL NORTH MACEDONIA DOOEL Skopje		Skopje	Northern Macedonia
Lidl BH d.o.o.	1	Sarajevo	Bosnia and Herzegovina
MMS PROPERTY SOLUTIONS DOO	1	Podgorica	Montenegro
LVM Real Estate Investments Sh.p.k.	1	Tirana	Albania
BVL Real Property L.L.C.	1	Prishtina	Kosovo
Lidl Hong Kong Limited		Hong Kong	China
Schwarz Asia Pacific Sourcing Limited		Hong Kong	China
QA Services Hong Kong Limited		Hong Kong	China
LIDL ASIA LIMITED		Hong Kong	China
QAT Services Limited		Hong Kong	China
Lidl & Kaufland Supply Chain Management (Shanghai) Co., Limited	1	Shanghai	China
LIDL ASIA PTE. LIMITED		Singapore	Singapore
LIDL & KAUFLAND SERVICES PTE. LIMITED	1	Singapore	Singapore
At-Equity inclusion (50% voting rights)			
SG Finance & Treasury Limited (72.74% shareholding)		Dublin	Ireland
VOF De Stadsmaker (50% shareholding)		Hengelo	Netherlands
Companies which left the consolidated group in the financial year			
ERF - Beteiligungs-GmbH		Kreuzbruch	Germany
C E - Holding GmbH		Neckarsulm	Germany
CESU GmbH		Neckarsulm	Germany
Lidl Hrvatska GmbH		Neckarsulm	Germany
Lidl Hellas GmbH		Neckarsulm	Germany
Lidl CANARIAS S.L.		Montcada i Reixac	Spain
Lidl Romania Digital SCS		Bucharest	Romania
Best Market of East Meadow, Inc.		East Meadow	USA
Best Market of Huntington, Inc.		Huntington	USA
Best Market of Lake Grove, Inc.		Lake Grove	USA
Best Market of Oakdale, Inc.		Oakdale	USA
Best Market of West Babylon, Inc.		West Babylon	USA
Best Yet Market of East Northport, Inc.		East Northport	USA
Best Yet Market of East Patchogue, Inc.		Patchogue	USA
Best Yet Market of Hicksville, Inc.		Hicksville	USA
Best Market of Center Moriches, Inc.		Center Moriches	USA

20221104025 23

Group Management Report

Fundamental Information about the Group

Business activities

The group is a retail trading company with international operations and generated retail revenues in 28 European countries with the brand "Lidl" during the past financial year. First stores were opened in Latvia in October 2021 and in Estonia in March 2022.

Economic environment[1]

Economic conditions worldwide in 2021 continued to be characterised by recurring restrictions as a result of the coronavirus pandemic and by shortages on the supply side. The global economy was on an upward trend in the second half of 2021, gaining slightly in momentum compared with the first half of the year. China and the USA in particular recorded accelerated growth rates, while growth in the Eurozone slowed in the 4th quarter. Overall, the global economy grew by around 6.0%.

The Eurozone recorded an increase of 5.3% in 2021- after the significant decline of 6.8% in the previous year. Labour and intermediate input shortages had a dampening effect on the economic recovery. The shortages were caused by lower migration due to the pandemic in the case of labour, and pandemic-related production losses and disruptions in maritime transport in the case of materials and intermediate inputs. Of the four largest economies within the Eurozone, Germany and Spain were below average with increases of 2.9% and 5.0% respectively, while France and Italy were above average with increases of 7.0% and 6.6% respectively. Private consumer spending increased again in the Eurozone. The unemployment rate decreased slightly from 8.0% to 7.7%. Consumer prices continued to rise with an average of 2.6% compared to the previous year. Consumer price increases have accelerated in recent months, largely due to the rapid rise in energy prices. Prices for food, alcohol and tobacco increased by 4.2%, mainly driven by weather-related factors, higher transport costs and fertiliser prices.

The Central and Eastern European EU member states recorded an average increase in gross domestic product of 5.5%. In Great Britain, economic output rose by 7.5% and was thus clearly above the level of the Eurozone.

Retail industry trend[2]

The rise in private consumption is also reflected in retail sales, which increased by 5.0% in the Eurozone compared to the previous year. Clearly above the Eurozone level were Greece and France with increases of 10.5% and 9.8% respectively, while Spain and Germany recorded lower increases of 3.2% and 0.8% respectively. Among Eastern European countries, Slovenia (18.9%), Romania (10.2%) and Poland (9.3%) showed very high increases.

Sales in the food retail trade developed much more cautiously. In the Eurozone, they rose by 0.9% in 2021 after 3.6% in the previous year. Sales in German food retailing were even in negative range with a decline of 1.5%. Bulgaria (7.6%) and Croatia (7.1%) achieved increases that were significantly above average. In France, food sales increased by 4.8%.

1 Information according to the Economic Forecast of the German Council of Economic Experts from 30 March 2022.
2 Information according to EuroStat as at 8 April 2022.

Business Development

Results of operations

The revenues of the group increased from € 62,264 million in the previous year to € 66,704 million, which equals an increase of € 4,440 million or 7.1%.

	FY 2020 € million	FY 2021 € million	Total	Change in %
Revenues	62,264	**66,704**	**4,440**	**7.1**
Cost of materials	45,715	49,046	3,331	7.3
Gross profit	16,549	**17,658**	**1,109**	**6.7**
Gross profit margin	*26.6%*	*26.5%*		
Personnel expenses	5,752	6,238	486	8.4
Other expenses less income	6,386	6,863	477	7.5
EBITDA	4,411	**4,557**	**146**	**3.3**
Return on sales EBITDA	*7.1%*	*6.8%*		
Amortisation and depreciation	1,617	1,723	106	6.6
EBIT	2,794	**2,834**	**40**	**1.4**
Return on sales EBIT	*4.5%*	*4.2%*		
Interest expenses less income	151	153	2	1.3
Income taxes	620	543	-77	-12.4
Consolidated net income for the year	2,023	**2,138**	**115**	**5.7**
Return on sales	*3.2%*	*3.2%*		

After adjustment for currency effects, the growth in revenues of the group was 5.6%.

Development of consolidated net income

EBIT increased slightly by € 40 million to € 2,834 million compared to the previous year. The return on sales based on EBIT decreased from 4.5% to 4.2%. Consolidated net income for the year rose by € 115 million to € 2,138 million. At 3.2%, the return on sales was at previous year's level.

20221104025 24

Net assets

The group continued along its growth path in financial year 2021. Total assets increased from € 43.8 billion to € 48.1 billion. This development equals an increase of 9.9%.

	28.02.2021		28.02.2022		Change	
	€ million	%	€ million	%	€ million	in %
Fixed assets	34,852	79.7	**38,081**	**79.2**	**3,229**	**9.3**
Intangible assets	112	0.3	134	0.3	22	19.6
Property, plant and equipment	29,679	67.8	32,617	67.8	2,938	9.9
Financial assets	5,061	11.6	5,330	11.1	269	5.3
Current assets	8,762	20.0	**9,825**	**20.4**	**1,063**	**12.1**
Inventories	4,137	9.5	5,272	11.0	1,135	27.4
Receivables and other assets	1,014	2.2	1,651	3.4	637	62.8
Cash and cash equivalents	3,611	8.3	2,902	6.0	-709	-19.6
Prepaid expenses	149	0.3	**169**	**0.4**	**20**	**13.4**
Deferred tax assets	*5*	*0.0*	**5**	**0.0**	**0**	**0.0**
Total assets	43,768	100.0	**48,080**	**100.0**	**4,312**	**9.9**

Current assets exceeded the previous year by € 1,063 million. The greatest change resulted from the increase in inventories, mainly due to higher revenues and higher non-food orders compared to the previous year to ensure the availability of goods.

The item cash and cash equivalents includes cash on hand, bank balances and cheques as well as cash pool debit balances.

Capital expenditure

	FY 2020 € million	FY 2021 € million	Total	Change in %
Investments in property, plant and equipment	4,012	**4,529**	**517**	**12.9**
thereof in real estate	*2,765*	*3,134*	*369*	*13.3*

Due to the construction of new stores and warehouses, total additions to property, plant and equipment rose to € 4.5 billion and remain furthermore at a high level. Thereof, € 3.1 billion relates to investments in real estate.

	28.02.2021 € million	28.02.2022 € million
Equity	14,661	16,812
Fixed assets	34,852	38,081
Coverage rate I	42.1%	**44.1%**
Long-term and medium-term liabilities	9,856	10,264
Coverage rate II	70.3%	**71.1%**

In financial year 2021, equity covered 44.1% of fixed assets. Taking long-term and medium-term liabilities into account, the equity-to-fixed-assets ratio is 71.1%.

Compared to the previous year, average merchandise on hand grew by 15.0%, mainly due to higher revenues and higher non-food orders compared to the previous year to ensure the availability of goods. The average inventory turnover rate fell to 10.4.

	FY 2020 € million	FY 2021 € million
Average merchandise on hand	4,093	4,705
Cost of materials	45,715	49,046
Average inventory turnover period in days	32.2	**34.5**
Average inventory turnover rate	11.2	**10.4**

Financial position

The group had equity of € 16,812 million as at the balance sheet date.

	28.02.2021 € million	28.02.2021 %	28.02.2022 € million	28.02.2022 %	Total	Change in %
Equity	14,661	33.5	16,812	35.0	2,151	14.7
Long-term and medium-term liabilities	9,856	22.5	10,264	21.3	408	4.1
Short-term liabilities	19,190	43.9	20,935	43.6	1,745	9.0
Deferred income	61	0.1	69	0.1	8	13.1
Total equity and liabilities	43,768	100.0	**48,080**	**100.0**	**4,312**	**9.9**

At 35.0%, the equity ratio lies above previous year's ratio.

Long-term and medium-term liabilities rose by € 408 million to € 10,264 million.

Short-term liabilities rose by € 1,745 million. This is primarily due to the increase in short-term liabilities due to banks (€ 2,267 million) as well as the contrasting decrease of trade liabilities (€ -613 million).

Liquidity

	FY 2020 € million	FY 2021 € million	Total	Change in %
Long-term liabilities due to banks	1,324	1,255	-69	-5.2
Medium-term liabilities due to banks	7,957	8,394	437	5.5
Short-term liabilities due to banks	1,851	4,118	2,267	>100
Total liabilities due to banks	11,132	**13,767**	**2,635**	**23.7**
less cash and cash equivalents	3,611	2,902	-709	-19.6
Net financial debt	7,521	**10,865**	**3,344**	**44.5**

Net financial debt increased from € 7,521 million to € 10,865 million in financial year 2021. This represents a rise of 44.5% and results from the constantly high increase in investments property, plant and equipment.

20221104025 25

Comparison of budget to actual

In the previous year, the group was expecting a moderate positive business development. Due to the new openings and modernisation of the branch network, revenues increased by € 4,440 million compared to the previous year.

Within the 2020 management report, the consolidated net income for financial year 2021 was expected to decrease slightly. At € 2,138 million, the actual consolidated net income for the year is above the previous year's level.

Overall assessment of the group's economic situation

The economic situation in financial year 2021 continued to be affected by the coronavirus pandemic. In particular, pandemic-related production downtimes and disruptions in maritime transport led to delivery delays and rising costs. As expected, the removal of restrictions in the food service sector in the second half of the year resulted in a shift of sales away from food retail. Despite the low growth in food retail sales in the Eurozone, store sales increased by 7.1% year-on-year.

Consolidated net income for the year increased compared to the previous year from € 2,023 million to € 2,138 million. The development of the annual result is thus above expectations.

Key Non-Financial Performance Indicators Regarding Environmental and Employee-Related Matters

In addition to business performance indicators, more sustainable factors are increasingly coming into focus, especially for our customers and employees. The group has established a holistic sustainability strategy and is already implementing numerous measures in the area of sustainability. In the following, only the legally required information on environmental and employee-related matters will be discussed.

Environmental matters

The issue of environmental protection poses enormous challenges for our society, especially in achieving climate targets. As part of its sustainability strategy, the group has therefore set itself ambitious goals in the areas of focus on ecological and recycling systems as well as product quality. In particular, operational emissions are to be reduced by 55% by 2030 compared to 2019.

- **Climate change** makes action at all levels of society indispensable. As an international group, we are committed to minimising the impact of climate change and constantly reducing greenhouse gas emissions. As part of our group-wide climate strategy, the group officially joined the Science Based Targets Initiative (SBTi) in August 2020. In order to achieve the climate targets, the group will, among other things, obtain 100% of its electricity from renewable energies from financial year 2022 onwards[3]. In addition, the group is obliging suppliers, who are responsible for 78% of product-related emissions, to set their own climate targets in accordance with the SBTi criteria by 2026.

- In the **construction of our stores and warehouses**, we try to reduce our energy requirements by using **sustainable construction methods**, thus contributing to the conservation of resources and climate protection. Awards and certifications confirm our commitment to sustainable construction and energy management.

- For climate-friendly transportation, we are increasingly focusing on **charging stations** for electric cars and electric bicycles. Our customers and employees can currently use them free of charge.

- In the **procurement** of various raw materials, we support initiatives such as "Roundtable on Sustainable Palm Oil" and cooperate selectively with seal organisations such as "Fairtrade", "Rainforest Alliance" or "MSC".

3 Exceptions to this are purchase contracts, such as rental properties with electricity purchase commitments, which cannot be influenced.

20221104025 26

Employee-related matters

Our employees are one of our most important success factors. The group employed on average a total of 224,726 employees during the past financial year 2021.

In many countries the group has been honoured as "Top Employer 2021". The independent "Top Employer Institute" evaluates categories such as personnel planning, talent management, training and development or salaries and social benefits. The group was honoured in Bulgaria, Poland, Romania, Czech Republic, Slovakia, Belgium, Cyprus, Finland, Greece, Great Britain, Ireland, Italy, Lithuania, Luxembourg, Malta, the Netherlands, Northern Ireland, Portugal, Switzerland, Sweden, Serbia, Slovenia, Spain and Hungary.

The group has already introduced an internal minimum wage in Germany in 2010, which is continuously adjusted to the labour market situation. In most countries with a legally required minimum wage, we exceed those requirements. In addition, the group, together with its business partners, is committed to decent employment with good working conditions and fair remuneration.

The group's employees should be offered a respectful working environment in which all employees have the same opportunities to develop themselves personally and professionally. The training and development of our employees has a high value to us.

Development of headcount

	FY 2020	FY 2021	Total	Change in %
Total number of employees	212,329	224,726	12,397	5.8
Total number of full-time equivalents (FTE)	161,765	168,581	6,816	4.2

Personnel key indicators

		FY 2020	FY 2021	Total	Change in %
Personnel expenses	€ million	5,752	6,238	486	8.4
Personnel expenses ratio	in %	9.2	9.4		
Revenues per full-time-equivalent (FTE) staff	€ thousand	385	396	11	2.9

Total personnel expenses of the group increased by € 486 million to € 6,238 million, exceeding the previous year's level as expected. The increase primarily reflects the development of the number of employees due to higher revenues as well as wage and salary adjustments.

As a percentage of revenues, the personnel expenses ratio rose slightly from 9.2% to 9.4%. Revenues per FTE increased from € 385 thousand to € 396 thousand.

Report on Opportunities and Risks

Economic opportunities and risks

As an international operating group, there are primarily dependencies on the economic situation in the individual countries. This can affect private consumption and have an impact on the sales and earnings of the group, e.g., through debt crises, high unemployment, health measures in connection with the coronavirus pandemic or through the war in Ukraine.

The further international orientation reduces the dependency on the development of individual markets and increases the possibility of compensating fluctuations in demand in individual countries. In financial year 2021, store sales were generated for the first time in Latvia. In March 2022, the first Lidl stores opened in Estonia. The development of other countries is planned in the coming financial years. The expansion into new countries has an impact on the results of the group.

Sector-specific opportunities and risks

The main challenges for the food retail business lie within the increasing changes in consumer behaviour. Due to the coronavirus pandemic, the average number of consumer transactions in the stores has decreased, while the average customer expenditure has increased. The industry continues to be characterised by intense competition, especially in the markets of Western Europe.

To counterbalance these effects, the group is mainly focusing on the extension of the product range by regionally traded products. In addition to high quality combined with favourable prices, the group tries to meet growing customer expectations by focusing on ecological, social and health aspects. Referring to this, the number of organic products of the whole product range is increasing steadily. By expanding and internationalising internet trading, we enlarge our distribution channels and increase our opportunities to gain new customers. Goods are now available in six countries via the Lidl online shop. The launch of additional countries is planned for the coming financial years.

Financial opportunities and risks

The group's liquidity is continually monitored in order to detect opportunities and risks on a timely basis. The supply of liquidity is ensured by the cash flows generated and additional lines of credit.

Changes in foreign exchange rates affect net cash flows and earnings as a result of goods purchased in foreign currencies. The changes are analysed with respect to opportunities and risks on an ongoing basis. Potential risks, which arise mainly from purchases made in foreign currencies, are secured using forward exchange contracts. As at the balance sheet date, forward exchange contracts had a total nominal volume of € 2.0 billion.

Earnings can be influenced by changes to the interest rate level for short-term fixed interest rates. Therefore, the development of interest rates is analysed continually. Approximately 14% of the group's lines of credit bear long-term fixed interest rates, among other SWAPs, to limit any potential risk related to interest rate fluctuations.

20221104025 27

Supplier-related opportunities and risks

Significant reputation risks can arise in the process of selecting suppliers and their products. The group aims to prevent potential damage to its image by carefully reviewing suppliers as well as requiring compliance with its quality standards and certifications. In order to ensure the quality of the goods purchased, the group performs a variety of product analyses itself.

The retail business can be subject to seasonal fluctuations in demand or, due to health policy measures, production may be delayed. Longer delivery periods can lead to potential supply bottlenecks. For that reason, the group continually monitors supplier market risks and risks related to the suppliers' ability to deliver and acquires new suppliers. By expanding its group of suppliers, the group can offer new products to attract further customers. By establishing our own sea freight logistics, dependencies and delivery bottlenecks are to be minimized. The first ships and containers have already been acquired in this regard.

Personnel-related opportunities and risks

Demographic trends and increasingly intense competition for executives and specialised staff can result in difficulties in recruiting qualified employees.

Its continued rapid expansion as well as expansion of business activity provides the group with the opportunity to recruit qualified staff in numerous geographic regions. An attractive working environment and regular training measures provide our employees with opportunities for both professional and personal development, thus contributing to their lasting commitment to the group.

Legal and tax risks

Legal risks primarily relate to employment and civil law as well as antitrust and patent law proceedings. Appropriate provisions have been recognised for these risks if the related obligation is sufficiently specific.

Tax risks arise mainly in connection with tax audits which may result in different conclusions regarding issues and transactions. The risks are reviewed on a regular basis and provisions are recognised if sufficiently specific.

Information technology risks

Our business processes are placing ever-growing demands on information technology, e.g., in the form of new distribution channels such as our online trading activities or increasing regulation such as in the area of data protection. These give rise to various risks, for instance regarding availability, confidentiality and integrity of information.

Therefore, a management system for identifying and mitigating these risks was established based on the internationally recognised ISO/IEC 27001 framework. State-of-the-art security technology is used to protect the IT systems and our data. Measures to reduce any downtime of our systems to a minimum have also been taken.

Overall assessment of risks

Significant opportunities and risks are discussed and basic decisions for avoiding or reducing risks are taken at the highest management and decision-making levels and implemented at all operative levels and monitored by the internal audit department.

There are currently no identifiable risks facing the group that directly affect the continued existence or liquidity of the group. The group is currently not expecting any fundamental changes to its risks.

Accounting-Related Internal Control and Risk Management System

The accounting-related internal control and risk management system of the group is designed to ensure the compliance of external financial reporting with the applicable financial reporting standards by timely identifying and minimising any potential risks that may result in a misstatement in the financial statements. The internal control system consists of indirect management controls, controls within the financial statement preparation and consolidation process and independent controls performed by internal and external auditors.

Management controls

The uniform groupwide accounting and consolidation manuals represent the core of these controls. The manuals are revised, agreed with the external auditors and presented to the local operating units each year. The manuals define groupwide minimum requirements for performing controls over financial reporting, which are mandatory for the various operating units. The group also establishes an overall schedule to facilitate planning and managing financial statement preparation. The periods scheduled for preparation and audit or review are agreed with the local country units and the auditors in advance. Deadlines are monitored centrally to ensure that the status of financial statement preparation can be tracked at any time.

In order to protect the security of the group's information technology, the group has defined rules governing access to financial reporting-related EDP systems and these rules are administered centrally. Centralised administration of access rights ensures that users can only access system information as needed for their duties.

Financial statement preparation and consolidation process controls

The financial statements of consolidated companies are prepared mainly using SAP ERP systems. These systems are organised such that general ledgers are separate from ledgers such as fixed asset or inventory subledgers. Consistent segregation of duties in combination with defined approval processes ensures that the principle of dual control is complied with in all significant processes relevant to financial reporting.

The financial statements of the group are consolidated using a centralised SAP consolidation system (SEM-BCS). Data is provided by the SAP ERP systems mainly via automated data flows with no possibility of manual interference. Extensive checks and validation routines are performed in SAP SEM-BCS at all levels of the preparation process. In addition, the various consolidation steps are subject to both system-based and manual controls that are embedded in an SAP-based risk and control system. These controls are revised annually and are made available to the external auditors. Moreover, analyses of the group's financial statements are prepared and changes in the various line items compared to the previous year are reviewed for plausibility.

Internal audit and external audit or review controls

In consultation with the Management Board, internal audit develops an annual audit plan covering the key management and business processes on a rolling basis. The plan includes an audit of the financial statement preparation process in different countries each year. The subject of the audit is whether the required minimum controls are performed and whether the accounting and consolidation manuals are complied with.

The auditor of Lidl Stiftung & Co. KG reviews the accounting and consolidation manuals in advance and provides them to the local auditors. The latter then audit or review the financial statements prepared by the companies consolidated with respect to whether they comply with the applicable financial reporting requirements and then issue a written opinion confirming full compliance with these requirements. The group auditor audits the financial statements of Lidl Stiftung & Co. KG and issues the audit opinion.

20221104025 28

Report on Expected Developments

Economic environment[4]

The overall economic development is considered to remain robust, although both the war in Ukraine and the resurgence of infections in some regions could dampen growth in the short term. In the long term, however, the economic impact of the coronavirus pandemic should continue to diminish. The tense situation in the supply and value chains will again intensify in view of the war in Ukraine. Economic output is expected to rise by 3.3% worldwide as a result. Global trade volume is expected to increase by 1.8% in 2022.

Economic output in the Eurozone faces obstacles to growth in 2022. Supply-side bottlenecks will weigh heavily on economic growth. The war in Ukraine is also likely to have a negative impact on growth. International supply chains will be disrupted and the already high prices for energy sources will continue to rise. Positive growth effects should come from the high order backlogs in industry, a solid labour market and expansive government consumption. The lifting of the containment measures against the coronavirus pandemic should also lead to a normalisation of consumer behaviour. Overall, economic growth of 2.9% is expected in the Eurozone in 2022. The unemployment rate is expected to fall to 6.9% and consumer prices are expected to increase by 6.2% in 2022.

Developments in the pandemic and the war in Ukraine have significantly worsened the outlook for the German economy, with economic output expected to grow by only 1.9% in 2022. Consumer prices are expected to rise by 6.1% due to high energy costs. Exports are expected to increase by 2.8% and private consumer spending by 3.2%.

Development of the group

The war in Ukraine may have an impact on the price development and availability of certain goods and raw materials. The development of the coronavirus pandemic continues to include uncertainties in existing supply chains as well as consumer behaviour. For these reasons, as well as due to rising inflation worldwide, the planning for financial year 2022 is subject to numerous unforeseeable factors that may influence the current forecast. For financial year 2022, however, a moderate increase in sales compared to the previous year is assumed.

In the next financial year, the group plans to continue to invest in the expansion and modernisation of its branch network, in the internationalisation of internet trading. Furthermore, the establishment of the group's own sea freight logistics is planned.

Taking into account the uncertainties regarding the war in Ukraine and the course of the pandemic, we expect a net income at the previous year's level in 2022.

Neckarsulm, 16 May 2022

4 Information according to the Economic Forecast of the German Council of Economic Experts from 30 March 2022.

202211040252 9

Translation of the German independent auditor's report concerning the audit of the consolidated financial statements and group management report prepared in German

Independent auditor's report

To Lidl Stiftung & Co. KG

Qualified opinion on the consolidated financial statements and opinion on the group management report

We have audited the consolidated financial statements of Lidl Stiftung & Co. KG, Neckarsulm, and its subsidiaries (the group), which comprise the consolidated balance sheet as at 28 February 2022, the consolidated income statement for the financial year from 1 March 2021 to 28 February 2022, and the notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Lidl Stiftung & Co. KG for the financial year from 1 March 2021 to 28 February 2022.

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

- except for the effects of the matter described in the "Basis for the qualified opinion on the consolidated financial statements and the opinion on the group management report" section, the accompanying consolidated financial statements comply, in all material respects, with the requirements of German commercial law as defined by Sec. 11 PublG ["Publizitätsgesetz": German Disclosure Act] applicable to companies that meet the requirements of Sec. 13 par. 3 sentence 2 PublG; the consolidated financial statements give a true and fair view of the assets, liabilities and financial position of the group as at 28 February 2022 and of its financial performance for the financial year from 1 March 2021 to 28 February 2022 in compliance with German legally required accounting principles, 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 consolidated financial statements prepared according to German commercial law, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Sec. 322 par. 3 sentence 1 HGB ["Handelsgesetzbuch": German Commercial Code], we declare that, with the exception of the qualified opinion on the consolidated financial statements, our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Translation of the German independent auditor's report concerning the audit of the consolidated financial statements and group management report prepared in German

Basis for the qualified opinion on the consolidated financial statements and opinion on the group management report

The Company has not applied the exemptions allowed by Sec. 13 par. 3 sentence 1 PublG with respect to the exempting effect of the consolidated financial statements in accordance with Sec. 291 HGB and Sec. 264 par. 4 HGB in conjunction with Sec. 264 par. 3 HGB for the duty of certain subsidiaries to prepare accounts. In contravention of the duties then arising from Sec. 314 par. 1 no. 6a HGB in conjunction with Sec. 13 par. 2 PublG it has, however, not disclosed the remuneration earned by the corporate boards in the notes to the consolidated financial statements.

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Sec. 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 "Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report" section of our auditor's report. We are independent of the group companies 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 qualified opinion on the consolidated financial statements and our opinion on the group management report.

Responsibilities of the executive directors 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 the requirements of German commercial law as defined by Sec. 11 PublG applicable to companies that meet the requirements of Sec. 13 par. 3 sentence 2 PublG, and 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 German legally required accounting principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

202211040253O

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, provided no actual or legal circumstances conflict therewith.

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.

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 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 Sec. 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 scepticism 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 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 control.

- 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 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 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 German legally required accounting principles.

202211040253 1

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express 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 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.

Heilbronn, 17 May 2022

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Werling	Boz
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]