

Annual Financial Statements 2023



Haniel Finance Deutschland GmbH

Statement of financial position

ASSETS			
EUR million	Note	Dec. 31, 2023	Dec. 31, 2022
Fixed assets			
Financial assets	1		
Loans to affiliated companies		31.7	42.7
Investments in associated companies		0.0	304.9
Other investments		201.0	0.0
Long-term securities		138.1	133.9
		370.8	481.5
Current assets			
Accounts receivable and other assets			
Receivables from affiliated companies	2	1,165.3	1,050.7
Other assets	3	2.4	4.5
Securities	4	61.7	89.2
Cash in hand, bank balances		8.9	12.1
		1,238.3	1,156.5
		1,609.1	1,638.0

EQUITY AND LIABILITIES

EUR million	Note	Dec. 31, 2023	Dec. 31, 2022
Equity	5	835.4	835.4
Provisions	6	0.7	1.1
Liabilities	7		
Liabilities due to banks		259.0	267.1
Trade payables		0.0	0.0
Liabilities to affiliated companies		145.7	155.3
Liabilities to shareholders		367.8	378.5
Other liabilities		0.5	0.5
		773.0	801.5
		1,609.1	1,638.0

Haniel Finance Deutschland GmbH

Income statement

FOR THE PERIOD FROM JANUARY 1, 2023 TO DECEMBER 31, 2023

EUR million	Note	2023	2022
Revenue	9	0.2	0.2
Other operating income	10	6.5	20.1
Other operating expenses	11	-0.5	-1.6
		6.1	18.6
Net investment result	12	-103.9	13.8
Other net financial income	13	-4.6	-9.9
Result before income taxes		-102.3	22.5
Income taxes		0.0	0.0
Result after income taxes		-102.3	22.5
Result transferred pursuant to a profit and loss transfer agreement		102.3	-22.5
Net income for the year		0.0	-0.0

Haniel Finance Deutschland GmbH

Statement of cash flows

FOR THE PERIOD FROM JANUARY 1, 2023 TO DECEMBER 31, 2023

EUR million	2023	2022
Result after income taxes	-102.3	22.5
Depreciation/amortization (+)/write-ups (-) of fixed assets	97.9	17.1
Increase (+)/decrease (-) in provisions	-0.4	-2.6
Other non-cash income (-) and expenses (+)	27.7	3.0
Reclassification of income (-)/expenses (+) from the disposal of fixed assets	0.0	-2.6
Increase (-)/decrease (+) in other receivables and other current assets	2.1	-0.4
Increase (+)/decrease (-) in other current liabilities	0.0	-0.1
Cash inflow (+)/outflow (-) from operating activities	25.1	37.0
Increase (-)/decrease (+) in receivables from and liabilities to affiliated companies and investments	-123.2	144.8
Inflows (+) from the disposal of long-term financial assets and from the investment of cash funds for short-term cash management	28.0	46.6
Outflows (-) from additions to long-term financial assets and for the investment of cash funds for short-term cash management	-15.2	-0.0
Cash inflow (+)/outflow (-) from investing activities	-110.5	191.4
Profit/loss transfer to parent company	102.3	-22.5
Increase (+)/decrease (-) in liabilities to shareholders	-10.7	-243.8
Cash proceeds (+) from the issuance of financial liabilities	811.1	917.1
Cash repayments (-) of financial liabilities	-820.5	-868.0
Cash inflow (+)/outflow (-) from financing activities	82.2	-217.3
Change in cash and cash equivalents	-3.2	11.1
Cash and cash equivalents at the beginning of the period	12.1	1.0
Cash and cash equivalents at the end of the period	8.9	12.1

The cash flow from operating activities includes interest income in the amount of EUR 109.5 million (previous year: EUR 32.2 million) and interest payments of EUR 17.5 million (previous year: EUR 8.3 million) as well as tax reimbursements of EUR 2.1 million (previous year: EUR 0.4 million in tax payments).

Notes

General disclosures and accounting policies

General disclosures and other explanatory information on the annual financial statements

The annual financial statements of our Company have been prepared in accordance with the accounting standards of the German Commercial Code (*Handelsgesetzbuch*, "HGB") and the German Limited Liability Companies Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*, "GmbHG").

Haniel Finance Deutschland GmbH is domiciled in Duisburg, Germany, and entered in the commercial register of the Duisburg Local Court (*Amtsgericht*) under the number HR B 9301.

The Company is a small corporation pursuant to section 267 (1) HGB.

The size-related exemptions set out in section 288 (1) HGB were applied when preparing these annual financial statements.

Accounting policies

Loans are recognized at their nominal amounts. If an impairment is expected to be permanent, they are recognized at the lower fair value. If the reasons for an impairment no longer exist in whole or in part, the impairment loss is reversed up to a maximum of the cost or principal amount. **Shares in affiliated companies** and **investments in associated companies** are recognized at cost or the lower fair value if an impairment is expected to be permanent. **Long-term securities** are recognized at cost. Upon subsequent measurement, the Company exercises the option afforded under section 253 (3) sentence 6 HGB. Write-downs are recognized even if an impairment is not expected to be permanent.

Receivables and other assets are generally recognized at the principal amount less any required valuation allowances. Receivables from tax credits are recognized at their present value. **Marketable securities** are recognized at cost or the lower quoted or market price as of the reporting date.

Cash and cash equivalents are recognized using the nominal amount. Money market funds, which are recognized as cash on hand, are recognized at cost or the lower quoted or market price as of the reporting date.

Cash in hand and bank balances as well as receivables and liabilities denominated in **foreign currency** are posted at historical exchange rates and measured at the applicable average spot rate on the reporting date. Receivables and liabilities denominated in foreign currency with a remaining term of more than one year are measured in accordance with the impairment principle, under which unrealized valuation gains are not recognized. Unrealized valuation gains are recognized for items with a remaining term of less than one year.

Provisions cover all identifiable risks and uncertain obligations. They are recognized at the settlement amount as dictated by prudent business judgment. Future price and cost increases are considered. Provisions with a remaining term of more than one year are discounted in accordance with their remaining term at an average market interest rate determined by the Deutsche Bundesbank for the past 7 years. Provisions for expected losses recognized in connection with derivative financial instruments are charged to net financial income.

Liabilities are recognized at their settlement amounts.

To improve transparency, **foreign currency translation** gains and losses are reported in net financial income. The reason for this is that these gains and losses result exclusively from the translation of financial derivatives and transactions.

Deferred taxes are recognized for all temporary differences between the carrying amounts and tax bases for assets, liabilities, prepaid expenses and deferred income. Since Haniel Finance Deutschland GmbH is a member of the consolidated tax group of Franz Haniel & Cie. GmbH, the deferred taxes of the consolidated tax group subsidiaries are accounted for at the parent, Franz Haniel & Cie. GmbH. Deferred tax assets on tax loss carryforwards are recognized only if there is reasonable assurance that they will be realized within five years. Deferred taxes are generally presented on a net basis. A tax burden is recognized on the statement of financial position as a deferred tax liability. In the event of a tax benefit, the Company does not exercise the corresponding option to recognize this under section 274 (1) sentence 2 HGB.

Deferred taxes are generally determined based on the combined income tax rate of the consolidated tax group of Franz Haniel & Cie. GmbH. The combined income tax rate consists of corporate income tax, municipal business income tax and the solidarity surcharge, and is calculated based on the currently applicable statutory tax rates. The Company's share of taxes is calculated based on its applicable company-specific tax rate of 34.0 percent (previous year: 34.0 percent).

Notes to the statement of financial position

1 Financial assets

Changes in financial assets are presented in the statement of changes in fixed assets. Disclosures relating to the shareholdings of Haniel Finance Deutschland GmbH are provided in note 15 below.

EUR million	Cost					Dec. 31, 2023
	Jan. 1, 2023	Additions	Disposals	Reclassifications	Currency adjustments	
Loans to affiliated companies	42.7	15.0	-26.0			31.7
Investments in associated companies	1,218.4			-1,218.4		
Other investments	0.0			1,218.4		1,218.4
Long-term securities	153.3		-2.0		0.1	151.4
	1,414.4	15.0	-28.0	0.0	0.1	1,401.5

The changes in loans to affiliated companies related to the repayment and borrowing of long-term loans in connection with Group financing.

The reclassifications in investments in associated companies and other investments resulted from the elimination of a significant influence over an investment previously reported as an associated company. In addition, the carrying amount for an investment was written down to the fair value as of the reporting date.

Long-term securities consisted of medium- and long-term investments in financial assets such as investment funds, equities and debt. The increase was due mainly to necessary adjustments to carrying amounts due to changes in market value on the basis of general developments on the capital market during the fiscal year.

Accumulated amortization						Carrying amount	
Jan. 1, 2023	Impairments	Reversals	Disposals	Reclassifications	Dec. 31, 2023	Dec. 31, 2023	Dec. 31, 2022
0.0					0.0	31.7	42.7
-913.5				913.5	0,0	0.0	304.9
0,0	-103.9			-913.5	-1,017.3	201.0	0.0
-19.4	-0.6	6.5	0.2		-13.3	138.1	133.9
-932.9	-104.4	6.5	0.2	0.0	-1,030.7	370.8	481.5

2 Receivables from affiliated companies

Receivables from affiliated companies included the receivables for the internal financing of Group companies, all of which have a remaining term of less than one year, as in the previous year.

3 Other assets

Other assets included interest receivables amounting to EUR 0.7 million (previous year: EUR 0.8 million) and tax receivables amounting to EUR 1.7 million (previous year: EUR 3.7 million).

As in the previous year, other assets all have a remaining term of less than one year.

4 Securities

Securities consisted exclusively of the ordinary shares in METRO AG held by the Company.

5 Equity

There were no restrictions on distributions in accordance with section 268 (8) HGB or section 253 (6) sentence 2 HGB as of the reporting date.

Haniel Finance Deutschland GmbH's result for the fiscal year is transferred in full by Franz Haniel & Cie. GmbH based on the existing profit and loss distribution agreement. Equity is composed of subscribed capital in the amount of EUR 25,000 (previous year: EUR 25,000) and capital reserves.

6 Provisions

The decrease in provisions related to provisions for expected losses in connection with negative market values of currency hedges.

There were no provisions for pensions and similar obligations, and no provisions for taxes.

7 Liabilities

All obligations of Haniel Finance Deutschland GmbH existing as of the reporting date are presented under liabilities. The various types and remaining maturities of the other liabilities as of December 31, 2023 are presented in the table below:

EUR million	Dec. 31, 2023				Dec. 31, 2022			
	Total	Up to 1 year	More than 1 year	More than 5 years	Total	Up to 1 year	More than 1 year	More than 5 years
Liabilities due to banks	259.0	259.0			267.1	267.1		
Trade payables	0.0				0.0			
Liabilities to affiliated companies	145.7	145.7			155.3	155.3		
Liabilities to shareholders	367.8	367.8			378.5	378.5		
Other liabilities	0.5	0.5			0.5	0.5		
	773.0	773.0	0.0	0.0	801.5	801.5	0.0	0.0

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

Liabilities to affiliated companies include liabilities from the current internal financing of Group companies.

The Company has not provided its own collateral for the liabilities.

8 Contingent liabilities and other financial commitments

No contingent liabilities or other financial commitments were recognized as of the reporting date.

Notes to the income statement

The income statement was prepared using the classification pursuant to section 275 (2) HGB (nature of expense method).

9 Revenue

Revenue includes revenue received in connection with the provision of various financial services for Group companies.

10 Other operating income

Other operating income is presented in the table below:

EUR million	2023	2022
Income from disposals of long-term financial assets	0.0	2.6
Income from reversals of impairments of long-term financial assets & marketable securities	6.5	13.3
Other income	0.0	4.1
	6.5	20.1

The decrease in income from disposals of long-term financial assets was attributable to income from the disposal of long-term securities in the previous year.

In the current fiscal year, income from reversals of impairments on long-term financial assets & marketable securities included in particular reversals of write-downs on a variety of financial instruments such as investment funds and debt instruments held as medium- and long-term investments.

The decrease in other income was attributable to the fact that, in the previous year, this item consisted solely of prior-period income resulting from the reversal of provisions and the derecognition of liabilities.

11 Other operating expenses

Other operating expenses includes EUR 0.5 million (previous year: EUR 1.6 million) in expenses such as custodial, accounting and audit fees.

The decrease resulted from the previous year's prior-period expenses amounting to EUR 1.2 million, which were attributable to the derecognition of receivables in connection with the liquidation of a company.

12 Net investment result

The net investment result for the current fiscal year resulted from the write-down of an investment.

13 Other net financial income

EUR million	2023	2022
Income from other securities and long-term loans	8.0	9.0
of which from affiliated companies	(0.8)	(1.7)
Other interest and similar income	111.4	29.7
of which from affiliated companies	(110.9)	(29.7)
Write-downs on long-term securities and marketable securities	-36.7	-31.3
Interest and similar expenses	-87.3	-17.2
of which for affiliated companies	(-66.5)	(-9.2)
of which interest cost on provisions	(0.0)	(0.0)
	-4.6	-9.9

Income from other securities and long-term loans related to interest income from debt securities and long-term loans to affiliated companies, as well as to distributions from investment funds and dividends from shares.

Write-downs on long-term securities and marketable securities amounting to EUR 0.6 million (previous year: EUR 30.4 million) were recognized for fixed assets. This item includes write-downs of debt securities, equities and investment funds held as medium- and long-term investments. Reversals of write-downs are presented under other operating income.

Other interest and similar income includes currency translation gains totaling EUR 0.0 million (previous year: EUR 0.0 million). Interest and similar expenses includes currency translation losses totaling EUR 2.2 million (previous year: EUR 3.4 million).

Other notes

14 Derivative financial instruments

Haniel Finance Deutschland GmbH is exposed to currency and interest rate risks as part of its business. Derivative financial instruments, such as currency forwards, swaps and options, are generally used to hedge these risks.

Derivative financial instruments are used wherever possible and expedient to hedge against interest rate risks and exchange rate risks in relation to financial receivables and liabilities. To that end, currency forwards were used during the current fiscal year.

As of the reporting date no valuation units from derivative financial instruments and related hedged items were formed.

EUR million	Notional value		Fair value		Carrying amount	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Currency forwards						
Derivatives with affiliated companies	2.9	14.7	0.0	0.5	0.0	-0.1
Derivatives with third parties	157.7	139.8	1.8	0,0	-0.3	-0.9

As of the reporting date, a EUR 0.7 million provision for expected losses was recognized for negative fair values of derivative financial instruments which had not been combined to form valuation units (previous year: EUR 1.0 million). The provision for expected losses was recognized under other provisions. Under the imparity principle, positive unrealized fair values are generally subject to a prohibition on recognition.

The fair values of the derivatives are determined by discounting the expected future cash flows. Discounting is based on arm's-length interest rates over the remaining term of the instruments and the counterparty's creditworthiness.

The remaining term of the notional value of derivatives is as follows:

EUR million	Remaining terms			Notional value	
	Up to 1 year	More than 1 year	More than 5 years	Dec. 31, 2023	Dec. 31, 2022
Currency forwards					
Derivatives with affiliated companies	2.9			2.9	14.7
Derivatives with third parties	157.7			157.7	139.8

15 Disclosures on shareholdings

The following list contains the companies in which Haniel Finance Deutschland GmbH has an equity interest.

	Shareholding	Equity		Result	
		%	Total EUR million	Share EUR million	2023 EUR million
CECONOMY AG, Düsseldorf	16.70	1,733	289	65	

16 Events after the reporting date

There have been no reportable events after the reporting date.

17 Further disclosures

Managing directors

The managing directors of the Company are:

Dr Axel Gros, Marl, Head of Treasury & Finance (Franz Haniel & Cie. GmbH)

Uta Stein, Wesel, Head of Accounting & Controlling (Franz Haniel & Cie. GmbH)

Christian Rube, Düsseldorf, Sustainability Manager (Franz Haniel & Cie. GmbH)

Christian Wirtz, Moers, Cash & FX Manager (Franz Haniel & Cie. GmbH)

Remuneration of the managing directors

The managing directors do not receive any remuneration from the Company.

Number of employees

The Company does not have any employees.

Parent company

The Company is a subsidiary of Franz Haniel & Cie. GmbH, Duisburg, HR B 25, Local Court (*Amtsgericht*) Duisburg. Franz Haniel & Cie. GmbH, Duisburg, prepares consolidated financial statements for the smallest group of consolidated companies in which Haniel Finance Deutschland GmbH, Duisburg, is included. Any accounting, valuation and consolidation methods that deviate from German law are presented in the notes to the consolidated financial statements of Franz Haniel & Cie. GmbH, Duisburg. These consolidated financial statements are submitted to the Electronic Federal Gazette.

Duisburg, March 21, 2024

The Management

Dr Axel Gros

Uta Stein

Christian Rube

Christian Wirtz

haniel.de/en