Franz Haniel & Cie. GmbH
Financial Statements
2022

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

DOREEN NOWOTNE
Chairwoman of the Supervisory Board

Dear shareholders and friends of the Company,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Thanks for outstanding commitment

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

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

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

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

Duisburg, March 30, 2023

Doreen Nowotne
Chairwoman of the Supervisory Board

Report of the Management Board

Franz Haniel & Cie. GmbH
Business performance

Business model of Franz Haniel & Cie. GmbH
Franz Haniel & Cie. GmbH manages a portfolio of independent companies with the aim of creating value for generations as Europe's leading purpose-driven investor. Haniel operates strictly in line with clear criteria relating to sustainability and performance in pursuit of its objective of becoming "*enkelfähig*".

The portfolio companies are managed on the basis of a shared management model – the Haniel Operating Way (HOW) – and are founded on a common culture of performance.

The Company is a 100 percent family-owned company which has been headquartered in Duisburg since it was founded in 1756.

In 2022, Haniel continued to develop its portfolio through acquisitions by the portfolio companies. In the current fiscal year, the CWS and BekaertDeslee investments made a number of larger acquisitions. Furthermore, in December 2022, Haniel and Optimar's management team agreed to the transfer of 30 percent of shares in the company and 50.1 percent of the voting interest in Optimar to the company's management and employees. Since then, Optimar has been managed as a financial investment.

At the Holding Company level, Haniel continues to expand its Growth Capital segment via subsidiaries. By investing in young companies, Haniel aims to participate in growth earlier on and leverage diversification opportunities – focusing on clean tech.

Thus, the Company remained consistent in the pursuit of its strategic objectives despite the difficult macroeconomic environment that was marked by the war in Ukraine, soaring inflation and the coronavirus pandemic.

In the years to come, the investment portfolio will continually grow as further companies are acquired and existing portfolio companies are developed further. In that context, strategic options for all portfolio companies are continually and systematically being evaluated.

Earnings performance of Franz Haniel & Cie. GmbH
For Franz Haniel & Cie. GmbH, the central performance indicators are net income/loss for the year and distributable reserves for potential dividend payments.

Franz Haniel & Cie. GmbH's annual financial statements report a net loss of EUR 111 million in fiscal year 2022 (previous year: net income of EUR 65 million).

This development was primarily the result of negative one-off effects totaling EUR 204 million in relation to the Optimar deal and the write-down of an equity investment due to the permanent impairment of a subsidiary.

Setting these negative one-off effects aside, the previous year's forecast of a positive net income for the year – subject to the uncertainties stemming from the war in Ukraine and the coronavirus pandemic – was thus realized, with the adjusted net income for the year up slightly year on year.

The value of the Company's investment portfolio as of December 31, 2022 amounted to EUR 4,060 million (previous year: EUR 5,371 million). The value is calculated as the sum of the valuations of the portfolio companies, the CECONOMY AG and Optimar financial investments and other financial assets, less the net financial liabilities at the Haniel Holding Company level. The decline was due mainly to decreased valuation multiples on the capital market.

Net assets of Franz Haniel & Cie. GmbH
Total assets as of the reporting date amounted to EUR 3,020 million and consisted primarily of long-term financial assets of EUR 2,470 million and receivables from affiliated companies of EUR 508 million. Long-term financial assets decreased by EUR 76 million. This decline was attributable on the one hand to the Optimar deal and the timely repayment of a long-term loan by a subsidiary, and on the other to the acquisition of shares in and capital increases at subsidiaries.

Receivables from affiliated companies declined by EUR 114 million. The decrease in this amount was due in particular to the conversion of receivables into equity in connection with the Optimar deal.

Financial position of Franz Haniel & Cie. GmbH
On the liabilities side of the statement of financial position, EUR 2,430 million relates to equity and EUR 590 million to provisions and liabilities. The equity ratio thus fell slightly from 83 percent in the previous year to 80 percent. It continues to reflect Franz Haniel & Cie. GmbH's sound financial basis. Fixed assets are fully covered by equity as well as medium- and long-term provisions and liabilities.

The financial management activities of the Company are focused on securing the Company's long-term financial flexibility. Emphasis is generally placed on a sound balance of financial instruments, a broad basis of reputable banks and investors and a balanced maturity structure of financial liabilities. The Company is constantly evaluating which sources of financing best suit the relevant requirements for the time being.

Franz Haniel & Cie. GmbH furthermore has access to confirmed lines of credit amounting to EUR 725 million, of which EUR 507 million has not been drawn down as of December 31, 2022.

Opportunities and risk situation of Franz Haniel & Cie. GmbH

The business and earnings performance of Franz Haniel & Cie. GmbH as a holding company is closely linked to the performance of the Haniel Group. As a consequence, the opportunities and risks faced by the Haniel Group give rise to opportunities and risks for Franz Haniel & Cie. GmbH. The opportunities and risks presented in the Report of the Management Board for the separate financial statements is therefore essentially identical to those presented in the Group report of the Management Board that follows. While the Group's accounting and financial reporting is in accordance with IFRSs, the annual financial statements of the holding company, Franz Haniel & Cie. GmbH, are prepared in accordance with the German Commercial Code (HGB).

Outlook for Franz Haniel & Cie. GmbH

In general, the earnings performance of Franz Haniel & Cie. GmbH is particularly dependent on dividends and profit transfers from the companies in its portfolio as well as on the results from the financing function. Geopolitical conflicts, soaring inflation and interest rate hikes render it difficult to predict how the economy will fare in fiscal year 2023. The coronavirus also remains capable of influencing the global macroeconomic situation. At present, it is not possible to reliably assess or quantify the impact of these factors and risks. Nonetheless, a significantly positive net investment result is still expected for fiscal year 2023. In light of the absence of negative one-off effects, and assuming rising financing costs, the Company's net income for the 2023 fiscal year will be significantly above the figure for the year ended.

Group structure and business models

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

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

"*Enkelfähig*": performance through sustainability

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

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

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

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

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

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

A tradition-steeped family company

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

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

Shared management model HOW

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

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

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

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

Portfolio companies

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

People

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

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

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

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

Planet

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

Progress

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

Transformation

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

Financial investments

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

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

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

Value-oriented management system

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

Haniel portfolio

Portfolio Companies

Equity interest **BauWatch**

100%

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

Equity interest **BekaertDeslee**

100%

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

Equity interest **CWS**

100%

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

Equity interest **Emma**

54.14%

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

Equity interest **KMK kinderzimmer**

60%

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

Equity interest **ROVEMA**

100%

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

Equity interest **TAKKT**

65.51%

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

Growth Capital

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

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

Financial Investments

Equity interest **CECONOMY**

16.7%

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

Equity interest **Optimar**

49.9%*

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

*Voting interest

As at 31 December 2022

Haniel Group
Revenue and earnings performance

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Profit before and after taxes eroded by non-recurring items

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

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

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

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

Outlook affirmed

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

Employees

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

Haniel Group
Financial position

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

Balanced financial governance

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

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

Investment-grade ratings confirmed

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

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

Broad-based financing

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

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

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

Solid financial buffer

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

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

Cash flow from operating activities increases

Cash flow from operating activities is used to assess the strength of the Group's liquidity position in its current business activities. This indicator takes into account cash expenses and income recognized in the income statement, as well as the change in current net assets. In 2022, this increased to EUR 588 million, primarily as a result of consistent working capital management. In the previous year, this figure had amounted to EUR 442 million.

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

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

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

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

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

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

Haniel Group
Assets and liabilities

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

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

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

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

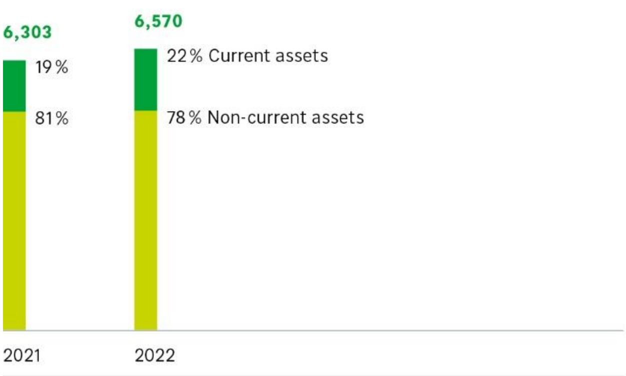
Equity decreases
The equity of the Haniel Group decreased from EUR 2,955 million as of December 31, 2021 to EUR 2,684 million as of December 31, 2022. This development was attributable to the net loss for the year, payments to shareholders and the effects from investment transactions. Because total assets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

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

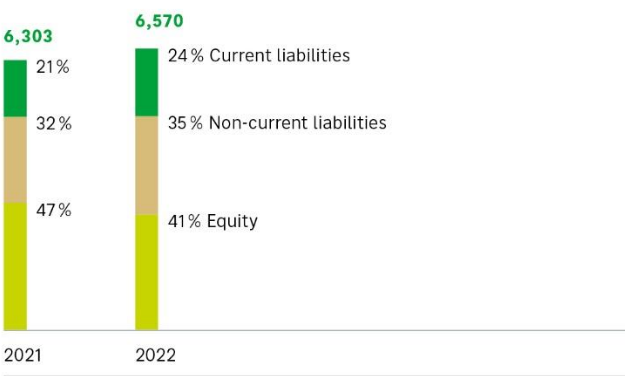
Current liabilities increased from EUR 1,322 million as of December 31, 2021 to EUR 1,580 million as of December 31, 2022. This was due mainly to the increase in financial liabilities as the result of investments made, greater trade payables in connection with revenue growth and effective cash management.

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

ASSET STRUCTURE
EUR million



EQUITY AND LIABILITY STRUCTURE
EUR million



Holding Company Franz Haniel & Cie.

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

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

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

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

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

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

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

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

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

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

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

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

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

Condensed corporate governance declaration: Diversity is the key to forward-thinking entrepreneurship

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

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

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

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

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

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

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

Report on opportunities and risks

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

Seizing opportunities to increase value

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

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

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

Options for sustainable and profitable growth

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

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

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

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

Digitalization: Digitalization is profoundly changing the behavior of private consumers and business customers. For the Haniel Group, digitalization offers great opportunities along the value chain, at the customer interface and for developing new business models. The availability of large quantities of data opens up opportunities to redesign value-added chains and improve the offering to customers.

The development and growing range of solutions based on artificial intelligence open up further avenues of exploration in this area.

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

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

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

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

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

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

Systematic risk management

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on expected developments

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

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

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

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

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

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

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

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

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

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

Annual financial statements

Franz Haniel & Cie. GmbH
Statement of financial position

ASSETS

EUR million	Note	Dec. 31, 2022	Dec. 31, 2021
Fixed assets	**1**		
Intangible fixed assets		0.0	0.0
Tangible fixed assets		26.1	21.1
Financial assets		2,470.1	2,546.5
		2,496.2	**2,567.6**
Current assets			
Accounts receivable and other assets			
Trade receivables		0.0	0.9
Receivables from affiliated companies	2	508.4	622.9
Other assets	3	15.0	13.7
Cash in hand, bank balances		0.0	0.0
		523.6	**637.5**
Prepaid expenses	4	0.4	0.2
		3,020.1	**3,205.3**

EQUITY AND LIABILITIES

EUR million	Note	Dec. 31, 2022	Dec. 31, 2021
Equity	**5**		
Subscribed capital		1,000.0	1,000.0
Par value of treasury shares		–21.1	–8.2
Issued capital		978.9	991.8
Retained earnings			
Other retained earnings		1,371.3	1,582.5
Reserves provided for by the articles of association (Welker Funds)		0.5	0.5
Retained profit		78.9	94.7
		2,429.6	**2,669.4**
Provisions	**6**	**207.6**	**203.5**
Subordinated liabilities	**7**	**163.9**	**170.6**
Liabilities	**8**		
Bonds, commercial paper and other securitized debt		170.5	90.0
Liabilities due to banks		37.8	65.0
Trade payables		5.9	0.8
Liabilities to affiliated companies		0.1	0.1
Other liabilities		4.7	5.8
		219.0	**161.8**
Deferred income		0.1	0.0
		3,020.1	**3,205.3**

Franz Haniel & Cie. GmbH
Income statement

FOR THE PERIOD FROM JANUARY 1, 2022 TO DECEMBER 31, 2022

EUR million	Note	2022	2021
Revenue	10	11.4	6.9
Other operating income	11	8.5	8.9
Cost of materials	12	–1.0	–0.9
Personnel expenses	13	–41.9	–47.6
Depreciation and amortization		–2.0	–2.0
Other operating expenses	14	–77.0	–69.3
		–102.1	**–104.0**
Net investment result	15	–0.5	176.7
Other net financial income	16	–9.0	–7.4
Profit before taxes		**–111.7**	**65.3**
Income tax expenses	17	0.3	–0.1
Profit after taxes/net loss/income for the fiscal year		**–111.4**	**65.3**
Retained earnings		15.3	29.4
Withdrawal from retained earnings		175.0	0.0
Retained profit		**78.9**	**94.7**

Franz Haniel & Cie. GmbH
Statement of cash flows

FOR THE PERIOD FROM JANUARY 1, 2022 TO DECEMBER 31, 2022

EUR million	2022	2021
Profit after taxes/net loss/income for the fiscal year	**–111.4**	**65.3**
Depreciation/amortization (+)/write-ups (-) of fixed assets	124.5	2.0
Increase (+)/decrease (-) in provisions	4.1	25.9
Other non-cash income (-) and expenses (+)	–5.5	0.4
Reclassifications of income (-) / expenses (+) from the disposal of fixed assets and other payments	52.3	30.4
Increase (-)/decrease (+) in trade receivables and other assets	–0.8	7.8
Increase (+)/decrease (-) in trade payables, other liabilities and other current liabilities	9.8	–0.7
Cash inflow (+)/outflow (-) from operating activities	**73.0**	**131.1**
Inflows (+) from the disposals of tangible and intangible fixed assets	0.2	0.0
Outflows (-) from additions to tangible and intangible fixed assets	–7.2	–2.7
Increase (-)/decrease (+) in receivables from and liabilities to affiliated companies and investments	111.9	–120.4
Inflows (+) from the disposals of affiliated companies	0.3	30.0
Outflows (-) from the acquisition of affiliated companies	–96.2	–88.3
Inflows (+) from the disposal of long-term financial assets and from the short-term investment of cash funds	0.0	0.0
Outflows (-) from additions to long-term financial assets and for the short-term investment of cash funds	0.0	0.0
Cash inflow (+)/outflow (-) from investing activities	**9.0**	**–181.4**
Dividends paid (-) to shareholders	–78.4	–60.0
Payments for the purchase (-) of treasury shares	–50.0	–4.7
Cash proceeds (+) from the issuance of financial liabilities	1,140.3	569.9
Cash repayments (-) of financial liabilities	–1,093.9	–454.9
Cash inflow (+)/outflow (-) from financing activities	**–82.0**	**50.3**
Change in cash and cash equivalents	0.0	0.0
Cash and cash equivalents at the beginning of the period	0.0	0.0
Cash and cash equivalents at the end of the period	**0.0**	**0.0**

The cash flow from operating activities includes interest income in the amount of EUR 9.0 million (previous year: EUR 2.6 million), interest payments of EUR 12.9 million (previous year: EUR 9.9 million) as well as dividends and profit transfers from subsidiaries of EUR 121.9 million (previous year: EUR 176.7 million). Income tax reimbursements in the amount of EUR 0.4 million (previous year: payments of EUR 0.1 million) were made during the fiscal year.

The cash flow from investing activities includes payments for purchases and disposals of individual fixed assets, payments for purchases and disposals of affiliated companies and payments in connection with the financing of the affiliated companies and other investments.

Notes
General disclosures and accounting policies

Franz Haniel & Cie. GmbH is domiciled in Duisburg, Germany, and entered in the **commercial register** of the Duisburg Local Court (*Amtsgericht*) under number HR B 25.

The annual financial statements of the 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”). The Company is a medium-sized corporation pursuant to section 267 (2) HGB. The size-related exemptions set out in section 288 (2) HGB were applied when preparing these annual financial statements. In the statement of financial position and the income statement, different line items are aggregated and individual ones are expanded to increase the clarity of presentation. The aggregated items are disclosed separately in the notes to the financial statements. The income statement was prepared using the nature of expense method.

The annual financial statements have been prepared under the going concern assumption in accordance with section 252 (1) no. 2 HGB.

The reporting currency is the euro; figures are shown in EUR million. This may result in rounding differences.

The following accounting policies have been applied in the same manner as in the previous year.

Purchased **intangible fixed assets** are recognized at cost and amortized on a straight-line basis over their expected useful lives of three to five years. Internally generated intangible fixed assets are not capitalized.

Tangible fixed assets are measured at cost, finite-lived tangible fixed assets are systematically depreciated over their useful lives. The straight-line method of depreciation is generally used.

Depreciation is based on the following useful lives:

Buildings	33 to 50 years
Other equipment, operating and office equipment	3 to 13 years

Impairment losses are recognized in respect of impairments on intangible and tangible fixed assets which are expected to be permanent. 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 amortized cost.

Independently used moveable fixed assets that are subject to wear and tear are recognized, written off and disposed of in full in the year of acquisition if their cost does not exceed EUR 250 (prior to 2017: EUR 150). Corresponding fixed assets costing between EUR 250 and EUR 1,000 (prior to 2017: between EUR 150 and EUR 1,000) are pooled annually in a summary account, which is depreciated on a straight-line basis over five years.

Shares in affiliated companies and **other long-term equity investments** are recognized at cost or the lower fair value if an impairment is expected to be permanent. If previously purchased shares are **exchanged for or converted into** new shares in the same equity investment, the Company exercises its option to measure and present the exchange or conversion at book values. **Loans issued** are recognized at the principal amount or the lower fair value if an impairment is expected to be permanent. 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.

Receivables and other assets are generally recognized at the principal amount less any required valuation allowances.

Cash and cash equivalents are measured at their nominal amounts.

Income and expenditures in relation to income and expenses for a certain period after the reporting date are reported under **prepaid expenses and deferred income**. Differences between the settlement amount and the lower issue amount of liabilities are recognized as prepaid expenses and expensed periodically over the term of the liabilities.

Provisions for pensions and similar obligations are determined using the actuarial projected unit credit method based on biometric probabilities (2018G mortality tables published by Klaus Heubeck). The average market interest rate determined by the Deutsche Bundesbank for the past ten fiscal years is used to discount the obligation over a standard assumed residual term of 15 years. The effects resulting from a change in interest rates are recognized under net financial income. Salary and pension increases expected in future are taken into account when determining the obligations. Assets which serve solely to satisfy old-age pension obligations and are shielded from access by all other creditors are offset against these at their fair value and presented on the statement of financial position as net liabilities. If the fair value of these assets is greater than the amount of the obligation, the excess amount is recognized under a separate asset item.

Other 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 seven years. Provisions for expected losses recognized in connection with derivative financial instruments are generally charged to net financial income.

Liabilities are recognized at their settlement amounts. Pension obligations are recognized at their present value and discounted using an appropriate average market rate for matching maturities over the past ten fiscal years.

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 imparity 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.

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. This takes into account not only the differences between items on Franz Haniel & Cie. GmbH's statement of financial position, but also those at consolidated tax group subsidiaries. Deferred tax assets on tax loss carry forwards 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 (net asset), the Company does not exercise the corresponding option to recognize this under section 274 (1) sentence 2 HGB. Deferred taxes are 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 including solidarity surcharge and municipal business income tax, and is calculated based on the currently applicable statutory tax rates (fiscal year: 30.7 percent; previous year: 30.7 percent).

Notes to the statement of financial position

1 Fixed assets

EUR million	Cost					
	Jan. 1, 2022	Additions	Disposals	Reclassifica-tions	Currency ad-justments	Dec. 31, 2022
Intangible fixed assets						
Purchased concessions and similar rights	2.0		–0.5			1.5
Tangible fixed assets						
Land and buildings including buildings on third-party land	74.1			0.7		74.8
Other equipment, operating and office equipment	32.0	0.2	–1.5			30.8
Prepayments and assets under construction	2.6	6.8		–0.7		8.6
	108.8	**7.0**	**–1.5**	**0.0**	**0.0**	**114.2**
Financial assets						
Shares in affiliated companies	2,479.4	198.7	–54.8	–160.8		2,462.5
Loans to affiliated companies	100.0		–100.0			0.0
Investments	0.0			160.8		160.8
Other loans	0.0	2.2	0.0		0.0	2.2
	2,579.5	**200.9**	**–154.8**	**0.0**	**0.0**	**2,625.6**
	2,690.3	**207.9**	**–156.8**	**0.0**	**0.0**	**2,741.3**

Additions to shares in affiliated companies relate to the acquisition of additional shares in two affiliated companies and the conversion of receivables into equity in the context of the sale of shares in a further subsidiary to its management team and employees. Disposals and transfers related exclusively to the disposal of shares in an affiliated company, which resulted in the loss of control over it.

The change in loans to affiliated companies was attributable to the scheduled repayment of a portion of a long-term loan in connection with financing subsidiaries.

Accumulated depreciation, amortization and write-downs						**Carrying amount**	
Jan. 1, 2022	Annual depreciation and amortization	Impairments	Reversals	Disposals	Dec. 31, 2022	Dec. 31, 2022	Dec. 31, 2021
–2.0	–0.0			0.5	–1.5	0.0	0.0
–62.4	–0.6				–63.0	11.8	11.7
–25.3	–1.3			1.5	–25.1	5.6	6.8
0.0					0.0	8.6	2.6
–87.6	**–2.0**	**0.0**	**0.0**	**1.5**	**–88.1**	**26.1**	**21.1**
–33.0		–122.5		155.5	0.0	2,462.5	2,446.4
0.0					0.0	0.0	100.0
–0.0				–155.5	–155.5	5.3	0.0
–0.0					0.0	2.2	0.0
–33.0	**0.0**	**–122.5**	**0.0**	**0.0**	**–155.5**	**2,470.1**	**2,546.5**
–122.7	**–2.0**	**–122.5**	**0.0**	**2.0**	**–245.2**	**2,496.2**	**2,567.6**

2 Receivables from affiliated companies

Receivables from affiliated companies amounted to EUR 508.4 million (previous year: EUR 622.9 million) and resulted from receivables from intragroup settlement accounts, as in the previous year.

As in the previous year, receivables from affiliated companies all have a remaining term of less than one year.

3 Other assets

Other assets includes tax receivables amounting to EUR 14.3 million (previous year: EUR 13.3 million). As in the previous year, the remaining term of all other assets is less than one year.

4 Prepaid expenses

The prepaid expenses of EUR 0.4 million (previous year: EUR 0.2 million) include advance payments for expenditures incurred after the reporting date.

5 Equity

The difference between the cost and the par value of the treasury shares held by the Company was charged to the freely distributable reserves. The par value was offset against subscribed capital on the face of the statement of financial position. Treasury shares with a par value of EUR 13.1 million (previous year: EUR 1.1 million) were acquired during the fiscal year. This was offset by the first-time issuance of treasury shares with a par value of EUR 0.2 million as a dividend-in-kind.

In accordance with section 253 (6) sentence 2 HGB, EUR 6.1 million (previous year: EUR 9.3 million) is subject to a restriction on distribution; in accordance with section 253 (6) sentence 1, that amount represents a difference in the provisions for pensions and similar obligations.

In addition, a restriction on distributions was in force as of the reporting date in accordance with section 268 (8) HGB in relation to the retained profit of EUR 0.8 million (previous year: EUR 1.4 million). This amount was the result of the fair value of the plan assets pursuant to section 246 (2) sentence 2 HGB exceeding their cost, less deferred tax liabilities in relation to them.

6 Provisions

EUR million	Dec. 31, 2022	Dec. 31, 2021
Provisions for pensions and similar obligations	111.8	105.8
Provisions for taxes	0.1	0.0
Other provisions	95.7	97.7
	207.6	**203.5**

The carrying amount of provisions for pensions and similar obligations is determined using the projected unit credit method based on actuarial methods. Provisions were determined based on the following parameters:

%	Dec. 31, 2022	Dec. 31, 2021
Discount rate	1.78	1.87
Salary trend	2.75	2.50
Pension trend	2.00	1.75

Pension provisions amounting to EUR 119.7 million (previous year: EUR 114.5 million) were offset against the fair value of the plan assets amounting to EUR 7.9 million, which are shielded from access by all other creditors, as of the reporting date (previous year: EUR 8.7 million). The cost of the plan assets amounted to EUR 6.7 million as of the reporting date (previous year: EUR 6.7 million). During the year under review, the loss on plan assets amounted to EUR -0.8 million (previous year: gain of EUR 1.4 million), which was recognized under other net financial income, net of interest expenses in connection with provisions for pensions and other employee benefits.

Provisions for pensions and similar obligations are discounted using the average market rate of interest for the past ten fiscal years. Had the provisions been discounted using the average market rate of interest of the past seven fiscal years of 1.44 percent (previous year: 1.35 percent), this would have resulted in a difference of EUR 6.1 million (previous year: EUR 9.3 million) in accordance with section 253 (6) sentence 2 HGB.

The other provisions essentially comprise provisions for personnel remuneration, other personnel-related expenditures, outstanding invoices, as well as provisions in connection with sand-lime bricks made from lime substitutes in former Haniel building materials plants.

7 Subordinated liabilities

The subordinated financial liabilities are subordinated to all other liabilities. The subordinated liabilities are shown in the table below:

EUR million	Dec. 31, 2022	Dec. 31, 2021
Shareholder loans	132.3	129.5
Loans of the Haniel Foundation	29.0	28.9
Haniel Zerobonds	1.4	1.6
Haniel Performance Bonds	0.0	1.8
Participation rights	1.2	0.0
Other financial liabilities	0.0	8.7
	163.9	**170.6**

Of the total amount, EUR 80.0 million (previous year: EUR 91.0 million) had a remaining maturity of up to one year and EUR 83.9 million (previous year: EUR 79.5 million) of more than one year. Of that latter amount, EUR 1.2 million (previous year: EUR 0.1 million) had a remaining term of more than five years. Of the shareholder loans, EUR 71.7 million (previous year: EUR 82.9 million) had a term of up to one year and EUR 60.6 million (previous year: EUR 46.6 million) of more than one year.

8 Liabilities

All unsubordinated obligations of Franz Haniel & Cie. GmbH as of the reporting date are presented under liabilities. The various types and remaining maturities of the other liabilities as of December 31, 2022 are presented in the table below:

EUR million	**Dec. 31, 2022**				**Dec. 31, 2021**			
	Total	Up to 1 year	More than 1 year	of that amount: More than 5 years	Total	Up to 1 year	More than 1 year	of that amount: More than 5 years
Bonds, commercial paper and other securitized debt	170.5	170.5			90.0	90.0		
Liabilities due to banks	37.8	37.8			65.0	65.0		
Trade payables	5.9	5.9			0.8	0.8		
Liabilities to affiliated companies	0.1	0.1			0.1	0.1		
Other liabilities	4.7	4.7			5.9	5.7	0.2	(0.0)
of which for taxes	(1.3)	(1.3)			(2.6)	(2.6)		
	219.0	**219.0**	**0.0**		**161.8**	**161.6**	**0.2**	**(0.0)**

Bonds, commercial paper and other securitized debt relate solely to issued commercial paper. The increase during the fiscal year was attributable in particular to transactions involving portfolio companies.

The maturities of the liabilities due to banks correspond to the respective financing commitments. The year-on-year decline in liabilities was attributable to scheduled repayments.

As in the previous year, liabilities to affiliated companies resulted primarily from the financing of subsidiaries.

EUR 0.2 million of other liabilities (previous year: EUR 0.3 million) is secured by payment guarantees. All of these have a remaining maturity of up to one year.

9 Contingent liabilities and other financial commitments

EUR million	Dec. 31, 2022	Dec. 31, 2021
Liabilities from payment guarantees and provision of collateral for third-party liabilities	**453.5**	**453.5**
of which to affiliated companies	(0.0)	(0.0)
of which to associated companies	(0.0)	(0.0)
of which for pensions	(0.0)	(0.0)
Other financial commitments		
Rental and leasing agreements		
in the following year	0.3	0.2
in 2 to 5 years	0.2	0.3
in 6 or more years	0.8	0.8
Total	**1.3**	**1.3**

The management believes that it is currently improbable that Franz Haniel & Cie. GmbH will have to use the contingent liabilities vis-à-vis third parties to any significant degree. This is due to the current credit rating and prior payment history of the beneficiary. We are not aware of any indications that might necessitate a different assessment as of the date on which these annual financial statements have been prepared.

Notes to the income statement

10 Revenue

EUR million	2022	2021
Service revenue	9.8	5.7
of which from affiliated companies	(9.4)	(5.6)
Rental and lease revenue	1.6	1.3
of which from affiliated companies	(0.4)	(0.3)
	11.4	**6.9**

The increase in service revenue resulted primarily from the on-charging of expenses assumed by the Company in the course of a transaction for a subsidiary.

11 Other operating income

EUR million	2022	2021
Income from disposal of fixed assets	0.2	0.0
Income from reversals of provisions	2.2	5.2
Other income	6.1	3.8
	8.5	**8.9**

12 Cost of materials

Cost of materials includes expenses for the purchase of goods and services in connection with revenues.

13 Personnel expenses

EUR million	2022	2021
Wages and salaries	–32.7	–35.4
Social security, pension costs and other benefits	–9.2	–12.2
of which for pensions	(–7.4)	(–10.6)
	–41.9	**–47.6**
Average number of employees (full-time equivalents)	121.7	118.1
Average number of employees (headcount)	141	128
of which executive employees	26	25

The decrease in wages and salaries was due in particular to the fact that the regular endowment to a long-term remuneration plan was lower than in the previous year.

Given the decrease in the discount rate from 1.87 percent to 1.78 percent, it was moreover necessary to decrease the amount of the additions to old-age pension provisions as compared to the previous year.

14 Other operating expenses

Other operating expenses amounted to EUR -77.0 million (previous year: EUR -69.3 million) and included in particular general administrative expenses and consulting fees. During the fiscal year, this item also included the loss on the disposal of an affiliated company amounting to EUR -52.5 million (previous year: EUR -30.4 million loss).

In addition, this item also included other operating taxes amounting to EUR 0.2 million (previous year: EUR 0.2 million).

15 Net investment result

EUR million	2022	2021
Income from investments	55.9	37.1
of which from affiliated companies	(55.9)	(37.1)
Income from profit and loss transfer agreements	148.4	170.7
of which from tax assessments	(18.6)	(26.4)
Expenses from profit and loss transfer agreements	–82.4	–31.1
Impairment of investments	–122.5	0.0
	–0.5	**176.7**

Impairment of investments related to write-downs on the carrying amount of the investment in a subsidiary.

16 Other net financial income

EUR million	2022	2021
Income from other securities and long-term loans	0.5	1.1
of which from affiliated companies	(0.5)	(1.1)
Other interest and similar income	7.0	1.8
of which from affiliated companies	(1.0)	(1.0)
of which discounting of provisions	(0.0)	(0.0)
Write-downs of financial assets and securities classified as current assets	0.0	0.0
Interest and similar expenses	–16.5	–10.3
of which interest cost on pension provisions	(–2.9)	(–1.0)
of which interest cost on other provisions	(–0.0)	(–0.1)
	–9.0	**–7.4**

Other net financial income includes a currency translation gain amounting to EUR 2.4 million (previous year: EUR 0.0 million), comprising income amounting to EUR 5.5 million (previous year: EUR 0.0 million) and expenses amounting to EUR -3.1 million (previous year: EUR 0.0 million).

17 Income tax expenses

Corporate income tax including the solidarity surcharge, municipal business income tax and income taxes paid in foreign countries are presented as income tax expense. Income tax expenses for the past fiscal year included taxes in relation to EUR 0.5 million in prior-period income (previous year: EUR 0.6 million).

Deferred taxes are not included in the net tax income/expense. As of December 31, 2022, Franz Haniel & Cie. GmbH expects a future tax benefit from timing differences between the financial and tax accounts because the deferred tax assets exceed the deferred tax liabilities. The option to recognize deferred taxes pursuant to section 274 (1) sentence 2 HGB is not exercised.

Deferred tax assets resulted primarily from temporary differences in carrying amounts relating to differences in pension and other provisions as well as for recognized provisions not included in the tax accounts. Additionally, at the reporting date there were deferred tax assets due to previously unutilized tax loss carryforwards. Deferred tax liabilities resulted primarily from temporary differences in the carrying amounts of fixed assets.

Other notes

18 Fees of the independent auditors

The total fee of the auditors, BDO AG Wirtschaftsprüfungsgesellschaft, for the fiscal year was EUR 0.4 million (previous year: EUR 0.4 million; PricewaterhouseCoopers GmbH).

19 Derivative financial instruments

Franz Haniel & Cie. GmbH may be exposed to currency, interest rate, and price change risks as part of its business. Derivative financial instruments, such as currency forwards, interest rate swaps and options, are generally used to hedge these risks where possible and expedient.

At the reporting date, the Company did not hold any derivative financial instruments, as in the previous year.

20 Related-party disclosures

There are no material transactions with related parties that are not at arm's length. From the perspective of Franz Haniel & Cie. GmbH, related parties are affiliated companies and associated companies, parties related to members of the management, the Supervisory Board, the senior management group and close family members of this category of persons.

21 Disclosures on shareholdings

The full list of shareholdings of Franz Haniel & Cie. GmbH and the Haniel Group, which forms a part of these notes to the financial statements, is reproduced in the Annex to these Notes.

The shareholdings of TAKKT AG and CECONOMY AG are indicated in the respective companies' annual reports and on their websites (www.takkt.com, www.ceconomy.de).

22 Executive bodies/governing body remuneration

In accordance with section 286 (4) HGB the total remuneration paid to the management remains undisclosed.

The total remuneration of the Supervisory Board was EUR 1.1 million (previous year: EUR 1.1 million); that of the Advisory Board was EUR 0.4 million (previous year: EUR 0.3 million).

The remuneration for former members of the Management Board and their survivors was EUR 1.9 million (previous year: EUR 2.0 million); pension provisions totaling EUR 31.4 million (previous year: EUR 30.8 million) were recognized for the former members of the above bodies and their survivors.

Disclosures relating to members of the management in accordance with section 285 no. 10 HGB

Thomas Schmidt | CEO
Dr. Florian Funck | CFO

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

Disclosures relating to members of the Supervisory Board in accordance with section 285 no. 10 HGB

Shareholder representatives:
Doreen Nowotne | Chairwoman, Independent business consultant
Prof. Kay Windthorst | 2nd Deputy Chairman, University professor for public law, University of Bayreuth
Dr. Stephan Glander | CEO, Biesterfeld AG
Mathias Pahl | Head of DACH, Managing Director, Acrisure Deutschland GmbH
Patrick Schwarz-Schütte (until April 30, 2022) | Businessman
Dr. Thomas Vollmoeller (from April 30, 2022) | Independent business consultant
Maximilian Schwaiger | Independent business consultant

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

23 Events after the reporting date

There have been no reportable events after the reporting date that would have had to be taken into account in the annual financial statements.

24 Profit appropriation proposal

EUR	Dec. 31, 2022
After deducting appropriate write-downs and recognizing adequate valuation allowances and provisions, the net loss for the fiscal year ending December 31, 2022 amounts to:	–111,399,780.26
Plus retained earnings brought forward from the previous year:	15,312,313.52
and plus withdrawal from other retained earnings:	175,000,000.00
This results in retained profit of:	78,912,533.26

The management proposes that, in relation to the total share capital of the Company, a dividend of EUR 60,000,000.00 be paid out from retained profit. Taking into account the treasury shares held by the Company, EUR 58,734,000.00 will be distributed and EUR 20,178,533.26 will be carried forward to new account.

The shareholders will therefore receive a dividend of 6 percent on share capital of EUR 1,000,000,000.00, which represents an amount of EUR 3.00 per EUR 50.00 ordinary share.

Shareholders will be given the option to receive the dividend for the fiscal year as a dividend-in-kind, either in whole or in part, in the form of shares in the Company.

Duisburg, March 9, 2023

The Management

Schmidt Funck

ANNEX

List of shareholdings as of December 31, 2022

Name and registered office of the company	Shareholding in %	Currency	Equity '000	Net income/ loss for the year ('000)
Holding company activities				
CWS International GmbH, Duisburg	100.00	EUR	983,503	1.)
TAKKT AG, Stuttgart	65.51	EUR	501,132	90,799
BauWatch International GmbH, Düsseldorf	100.00	EUR	230,812	1.)
BekaertDeslee Holding NV, Waregem / Belgium	100.00	EUR	387,294	9,716
ROVEMA International GmbH, Düsseldorf	100.00	EUR	184,490	1.)
Emma International GmbH, Düsseldorf	100.00	EUR	125,025	1.)
Haniel Enkelfähig 2 GmbH, Düsseldorf	100.00	EUR	103,625	1.)
Haniel Finance Deutschland GmbH, Duisburg	100.00	EUR	835,437	1.)
Haniel Immobilien Verwaltungsgesellschaft mbH, Duisburg	100.00	EUR	66	4
Haniel Immobilien GmbH & Co. KG, Duisburg	100.00	EUR	5	0
Haniel Beteiligungs-GmbH, Duisburg	100.00	EUR	2,525	1.)
Haniel Invest I GmbH, Duisburg	100.00	EUR	25	1.)
Haniel Enkelfähig 1 GmbH, Duisburg	100.00	EUR	25	1.)
Carbon Fibre International GmbH i.L., Duisburg	100.00	EUR	1,034	–2
GEWERKSCHAFT SCHIFFSRUDER Verwaltungsgesellschaft für Bergvermögen mbH, Duisburg	100.00	EUR	29	0
Objekt Niederlehme Verwaltungsgesellschaft mbH, Duisburg	50.93	EUR	67	4
Objekt Niederlehme Verwaltungsgesellschaft mbH & Co. Grundstücks KG, Duisburg	51.00	EUR	3,051	–16
VBM Grundstücks- und Projektentwicklungsgesellschaft AG in Abwicklung, Berlin	82.89	EUR	3,820	233
European primary placement facility (Eppf) S.A. compartment Haniel enkelfähig, Luxembourg	-	EUR	0	0
Optimar International AS, Skodje / Norway	49.90	EUR	174,855	–2,298
CECONOMY AG, Düsseldorf (Amounts from HGB single-entity financial statements as of 9/30/2022)	16.70	EUR	1,668,000	51,000
greenzero Beteiligungsgesellschaft mbH, Aachen (HGB subgroup consolidated financial statements as of 12/31/2021)	20.00	EUR	1,766	–75
BauWatch				5.)
BauWatch Group B.V., Assen / Netherlands	100.00	EUR	197,109	–11,632
Stichting Administratiekantoor Haniel, Nijmegen/ Netherlands	100.00	EUR	0	0
Visser Projectservice B.V., Assen / Netherlands	100.00	EUR	43,328	5,927
FIGO B.V., Enschede / Netherlands	100.00	EUR	936	–24
C-24 B.V., Apeldoorn / Netherlands	100.00	EUR	6,528	360
Hillson exploitatie B.V., Alphen aan den Rijn / Netherlands	100.00	EUR	1,628	–5
Hillson B.V., Alphen aan den Rijn / Netherlands	100.00	EUR	7,938	2,092
BauWatch Projekt Service GmbH, Düsseldorf	100.00	EUR	2,053	1.)
C-24 GmbH, Coesfeld	100.00	EUR	197	1.)
BouWatch België BVBA, Brasschaat / Belgium	100.00	EUR	–131	160
C-24 BVBA, Brasschaat / Belgium	100.00	EUR	–52	–1
BauWatch SARL, Boeschepe / France	100.00	EUR	–361	–36
C-24 SARL, Boeschepe / France	100.00	EUR	14	5
BauWatch (UK) Limited, Reading / United Kingdom	100.00	EUR	–1,180	–648
Sicuro (UK) Ltd., Laindon / United Kingdom	100.00	EUR	69	183
BauWatch Polska Sp. z o.o., Warsaw / Poland	100.00	EUR	–17	–17

C-24 Sp. z o.o., Warsaw / Poland	100.00	EUR	–5	–5
BauWatch Monitoring Austria GmbH, Vienna / Austria	100.00	EUR	5	0
BauWatch Austria GmbH, Vienna / Austria	100.00	EUR	5	0
BauWatch Italy Srl., Milan / Italy	100.00	EUR	10	0
BekaertDeslee				6.)
BekaertDeslee Holding NV, Waregem / Belgium	100.00	EUR	387,294	9,716
Bekaert Textiles Holding B.V., Amsterdam / Netherlands	100.00	EUR	52,769	4,653
BekaertDeslee N.V., Waregem, Belgium	100.00	EUR	76,884	33,480
DW Holding N.V., Waregem / Belgium	100.00	EUR	40,090	243
Bekaert Textiles France S.A.S., Laval / France	100.00	EUR	55	2
BekaertDeslee Spain S.L., Barcelona / Spain	100.00	EUR	6,223	80
Bekaert Textiles CZ s.r.o., Aš / Czech Republic	100.00	EUR	6,001	–36
Bekaert Tekstil Sanayi ve Ticare AS, Çorlu / Turkey	100.00	EUR	37,490	459
Bekaert Tekstil Pazarlama Dagtim ve Ticaret Ltd. STI, Çorlu / Turkey	100.00	EUR	1,913	–2,024
BekaertDeslee USA Inc., Wilmington, Delaware / USA	100.00	EUR	28,154	–1,687
Progresive Products de Mexico S. de R.L. de C.V., Tijuana, Baja California / Mexico	100.00	EUR	1,253	230
Maxime Knitting USA Corp., Charlotte, North Carolina / USA	100.00	EUR	250	45
Les Tricots Maxime Inc., Baie d'Urfé / Canada	100.00	EUR	3,334	1,268
9459-4322 Quebec Inc., St.-Laurent (Montreal) / Canada	100.00	EUR	3,368	106
9459-4371 Quebec Inc., St.-Laurent (Montreal) / Canada	100.00	EUR	–111	16
5459-4355 Quebec Inc., Baie d'Urfé / Canada	100.00	EUR	–24	–8
Bekaert Textiles Mexico S. de R.L. de C.V., San Felipe Ixtacuixtla, Tlaxcala / Mexico	100.00	EUR	14,373	–320
Politel S.A. de C.V., San Felipe Ixtacuixtla, Tlaxcala / Mexico	100.00	EUR	22,342	–1,988
Maxime Knitting Mexico S.A. de C.V., Tlaquepaque, Jalisco / Mexico	100.00	EUR	–2,212	69
Bekaert Têxteis do Brasil Ltda., São Paulo / Brazil	100.00	EUR	–1,626	–3
Bekaert Textiles Argentina SA, Buenos Aires / Argentina	100.00	EUR	2,876	1,075
BekaertDeslee Colombia S.A.S., Bogotá / Colombia	100.00	EUR	–852	18
Bekaert Textiles (Wuxi) Co Ltd., Wuxi / China	100.00	EUR	16,427	–620
Bekaert Deslee (Aust) Pty Ltd., Dandenong (Melbourne) / Australia	100.00	EUR	–308	–813
Bekaert Australia Pty Ltd., Dandenong (Melbourne) / Australia	100.00	EUR	0	–304
BekaertDeslee Innovation bvba, Waregem / Belgium	100.00	EUR	37,026	4,377
DesleeClama Eastern Europe S.R.L., Sibiu / Romania	100.00	EUR	7,838	114
DesleeClama Solutions S.R.L., Vâlcea / Romania	100.00	EUR	6,413	561
Deslee Baltic OÜ, Tallinn / Estonia	100.00	EUR	2,656	162
DesleeClama Poland Sp.z.o.o., Łódź / Poland	100.00	EUR	2,194	346
BekaertDeslee Brazil Indústria e Comércio de Artigos Têxteis Ltda., Barueri – São Paulo / Brazil	100.00	EUR	1,104	–1,126
PT Clama Indonesia, Purwakarta, Jawa Barat / Indonesia	100.00	EUR	18,828	821
DesleeMattex (Pty) Ltd., Cape Town, South Africa (financial statements dated 6/30/2022)	40.00	ZAR	128,649	22,498
Emma Sleep				3.)
Emma Sleep GmbH, Frankfurt am Main	54.14	EUR	58,910	23,597
Emma Matratzen GmbH, Frankfurt am Main	100.00	EUR	197	1.)
Dunlopillo Deutschland GmbH, Frankfurt am Main	100.00	EUR	–3,417	–1,922
DIBMat GmbH, Frankfurt am Main	100.00	EUR	197	83
Emma Mattress Inc., Dover, Delaware / USA	100.00	EUR	–3,015	–444

Bettzeit Southeast Asia Inc., Taguig City / Philippines	100.00	EUR	520	372
Emma Sleep Pty Ltd., Brisbane / Australia	100.00	EUR	–1,357	241
Emma Sleep Comércio de Colchoes Brasil LTDA, Jundiaí / Brazil	100.00	EUR	916	619
Emma Sleep Canada Inc., Vancouver / Canada	100.00	EUR	–308	–99
Emma Sleep Mexico S. de R.L. de C.V., Mexico City / Mexico	100.00	EUR	–578	222
Emma Sleep Singapore PTE. LTD. / Singapore	100.00	EUR	–881	–70
Emma Sleep India Private Limited, Hyderabad / India	100.00	EUR	–115	393
Emma Sleep New Zealand Limited, Auckland / New Zealand	100.00	EUR	–179	20
Emma Sleep Japan G.K., Tokyo / Japan	100.00	EUR	–10	–71
Emma Sleep SpA, Santiago de Chile / Chile	100.00	EUR	–420	57
Emma Sleep UK Ltd., London / United Kingdom	100.00	EUR	440	128
Emma Sleep Portugal, Unipessoal LDA, Lisbon / Portugal	100.00	EUR	568	450
Emma Sleep France SAS, Marcq-en-Baroeul / France	100.00	EUR	14	–28
Emma Sleep SAS (Colombia), Bogotá / Colombia	100.00	EUR	–172	–129
Bettzeit (Shanghai) CO., LTD, Shanghai / China	100.00	EUR	–2,957	–3,453
Emma Sleep Hong Kong Limited, Hong Kong	100.00	EUR	51	50
Emma Sleep Taiwan Co., Ltd., Taipei / Taiwan	100.00	EUR	–45	–82
Emma Sleep Korea Limited, Seoul / South Korea	100.00	EUR	65	6
CWS				7.)
CWS Workwear Österreich GmbH, Amstetten (Mauer) / Austria	100.00	EUR	10,766	1,590
profi-con Austria GmbH, Graz / Austria	100.00	EUR	374	99
CWS Hygiene Österreich GmbH, Wiener Neudorf / Austria	100.00	EUR	12,511	2,774
CWS Workwear België N.V., Aartselaar / Belgium	100.00	EUR	51,015	5,223
STAXS Belgium N.V., Niel / Belgium	100.00	EUR	2,812	326
CWS Hygiene België N.V., Wijnegem / Belgium	100.00	EUR	32,208	10,018
Wasserij de Fontein N.V., Puurs / Belgium	100.00	EUR	957	26
profi-con Bulgaria EOOD, Sofia / Bulgaria	100.00	EUR	–184	–12
BERNET Holding AG, St. Gallen / Switzerland	100.00	EUR	12,053	–9
PENTEX AG, St. Gallen / Switzerland	100.00	EUR	–180	69
SaniRent AG, St. Gallen / Switzerland	100.00	EUR	2,909	473
BERNET Textilpflege AG, St. Gallen / Switzerland	100.00	EUR	1,573	–490
BERNET Logistik AG, Lyssach / Switzerland	100.00	EUR	–137	–103
BERNET Immo AG, St. Gallen / Switzerland	100.00	EUR	5,045	86
profi-con Schweiz GmbH Contamination Control, Basel / Switzerland	100.00	EUR	903	514
CWS-boco Suisse SA, Glattbrugg, Switzerland	100.00	EUR	62,064	22,641
CWS-boco Česka republika s.r.o., Prague / Czech Republic	100.00	EUR	14,993	805
CWS Workwear Deutschland GmbH & Co. KG, Dreieich	100.00	EUR	359,797	52,167
profi-con GmbH Contamination Control, Leipzig	100.00	EUR	314	1.)
CWS Fire Safety GmbH, Duisburg	100.00	EUR	11,091	1.)
Phoenix Fire Protect Development GmbH, Emstek	100.00	EUR	317	–55
CWS Safety International GmbH, Duisburg	100.00	EUR	25	1.)
IGS Industrielle Gefahrenmeldesysteme GmbH, Hagen	100.00	EUR	1,584	1.)
CWS Complete Washroom Concepts GmbH, Duisburg	100.00	EUR	40	1.)
CWS-boco Deutschland GmbH, Hamburg	100.00	EUR	68,059	1.)
Verwaltungsgesellschaft CWS-boco HealthCare mbH, Hamburg	100.00	EUR	33	–1
CWS Supply GmbH, Lauterbach	100.00	EUR	8,342	1.)

CWS HealthCare Deutschland GmbH & Co. KG, Dreieich	100.00	EUR	26,227	1,947
CWS Workwear International GmbH, Dreieich	100.00	EUR	1,593	1.)
CWS Hygiene International GmbH, Dreieich	100.00	EUR	647	1.)
CWS Hygiene Deutschland GmbH & Co. KG, Dreieich	100.00	EUR	39,596	62,179
CWS Cleanrooms Deutschland GmbH & Co. KG, Dreieich	100.00	EUR	6,569	8,458
CWS Business Services GmbH, Duisburg	100.00	EUR	558	1.)
Buchholz Textilreinigung GmbH & Co. KG, Malbergweich	100.00	EUR	–3,628	–2,540
GOREX Gebäudemanagement GmbH, Unterhaching	100.00	EUR	2,287	797
Vendor Sarl, Paris / France	100.00	EUR	–13	45
CWS Hygiene (NI) Limited, Newry / United Kingdom	100.00	EUR	171	–40
CWS-boco d.o.o. tekstilservis, Zagreb / Croatia	100.00	EUR	2,406	278
CWS-boco Hungary Kft., Budapest / Hungary	100.00	EUR	5,523	1,410
Specialised Sterile Environments Ltd, Galway / Ireland	100.00	EUR	3,958	1,620
CWS Workwear Ireland Ltd., Dublin / Ireland	100.00	EUR	–14,361	895
CWS Cleanrooms Ireland Ltd., Dublin / Ireland	100.00	EUR	24,818	3,979
CWS Hygiene Limited, Roscommon / Ireland	100.00	EUR	3,505	1,064
CWS Luxembourg Sàrl, Steinfort / Luxembourg	100.00	EUR	13,239	1,007
CWS Workwear Nederland B.V., ’s-Hertogenbosch / Netherlands	100.00	EUR	40,386	1,771
Vendor Public Washrooms B.V., Tilburg / Netherlands	100.00	EUR	–530	109
WERO Specialistische Reiniging B.V., Eindhoven / Netherlands	100.00	EUR	202	–2
STAXS Holding B.V., Amsterdam / Netherlands	100.00	EUR	111,087	–6,144
Stichting Administratiekantoor STAXS Holding, Amsterdam / Netherlands	100.00	EUR	0	0
North Manco B.V., Amsterdam / Netherlands	100.00	EUR	287	4
North Topco B.V., Amsterdam, Netherlands	100.00	EUR	16,402	83
STAXS Group B.V., Amsterdam / Netherlands	100.00	EUR	–9,275	–17
CDC China Disposable Clothing B.V., Heerenveen / Netherlands	100.00	EUR	1,275	27
STAXS The Netherlands B.V., Heerenveen / Netherlands	100.00	EUR	15,299	1,816
CWS Safety Nederland B.V., ’s-Hertogenbosch / Netherlands	100.00	EUR	2,255	–107
Hefas Branddetectie B.V., Duiven / Netherlands	100.00	EUR	1,998	809
Wardenburg Beveiliging B.V., Kolham / Netherlands	100.00	EUR	1,976	904
CWS Hygiene Nederland B.V., ’s-Hertogenbosch / Netherlands	100.00	EUR	69,391	14,002
B2B Bedrijfshygiëne B.V., Nijkerk / Netherlands	100.00	EUR	1,434	92
WIPEX Sp. z o.o., Krakow / Poland	100.00	EUR	147	52
CWS-boco Polska Sp. z o.o., Lodz / Poland	100.00	EUR	16,238	1,200
CWS-boco Customer Fulfilment Center Sp. z o.o., Lodz / Poland	100.00	EUR	–413	–322
CWS Textile Production Sp. z o.o., Lodz / Poland	100.00	EUR	–1	–2
CWS Global Business Services s.r.l., Sibiu / Romania	100.00	EUR	178	–46
CWS-boco Romania s.r.l., Bucharest / Romania	100.00	EUR	2,968	605
CWS-boco Sweden AB, Skara / Sweden	100.00	EUR	20,897	2,290
CWS-boco d.o.o., Celje / Slovenia	100.00	EUR	331	–148
CWS-boco Slovensko s.r.o., Hlohovec / Slovakia	100.00	EUR	5,313	211
Jonny Fresh GmbH, Berlin (financial statements dated 12/31/2021)	23.50	EUR	–1,435	–829

KMK kinderzimmer				4.)
KMK Kinderzimmer Holding GmbH, Hamburg	60.00	EUR	12,276	81
KMK Verwaltungsgesellschaft mbH, Hamburg	100.00	EUR	27	–2
KMK Kinderzimmer GmbH & Co. KG, Hamburg	100.00	EUR	–230	–6,594

KMK Kinderzimmer International GmbH, Hamburg	100.00	EUR	1	–2
KMK Kinderzimmer Alsterberg GmbH, Hamburg	100.00	EUR	269	–545
KMK Kinderzimmer Am Stadtpark GmbH, Hamburg	100.00	EUR	3	–1
KMK Kinderzimmer Astraturm GmbH, Hamburg	100.00	EUR	118	–445
KMK Kinderzimmer Bergstedter Scheune GmbH, Hamburg	100.00	EUR	–88	394
KMK Kinderzimmer Bornheide GmbH, Hamburg	100.00	EUR	–85	–65
KMK Kinderzimmer Brunnbach GmbH, Hamburg	100.00	EUR	–484	–706
KMK Kinderzimmer City Süd GmbH, Hamburg	100.00	EUR	137	–205
KMK Kinderzimmer ConventParc GmbH, Hamburg	100.00	EUR	138	–433
KMK Kinderzimmer Dorotheenstraße GmbH, Hamburg	100.00	EUR	226	–15
KMK Kinderzimmer Eckerkoppel GmbH, Hamburg	100.00	EUR	–1	–2
KMK Kinderzimmer Eißendorf GmbH, Hamburg	100.00	EUR	135	271
KMK Kinderzimmer Elbgau GmbH, Hamburg	100.00	EUR	0	–5
KMK Kinderzimmer Goldbek GmbH, Hamburg	100.00	EUR	–139	348
KMK Kinderzimmer Hammerbrook GmbH, Hamburg	100.00	EUR	274	–263
KMK Kinderzimmer Heidbrook GmbH, Hamburg	100.00	EUR	304	43
KMK Kinderzimmer Heidewinkel GmbH, Hamburg	100.00	EUR	3	–1
KMK Kinderzimmer Inselpark GmbH, Hamburg	100.00	EUR	276	–297
KMK Kinderzimmer Jenfelder Bach GmbH, Hamburg	100.00	EUR	1,449	383
KMK Kinderzimmer Klövensteen GmbH, Hamburg	100.00	EUR	158	114
KMK Kinderzimmer Kupferteich GmbH, Hamburg	100.00	EUR	–25	–20
KMK Kinderzimmer Lehmberg GmbH, Hamburg	100.00	EUR	–2	–4
KMK Kinderzimmer Eilbekpark GmbH, Hamburg	100.00	EUR	4	–7
KMK Kinderzimmer Lohsepark GmbH, Hamburg	100.00	EUR	524	114
KMK Kinderzimmer Maimoor GmbH, Hamburg	100.00	EUR	–16	–4
KMK Kinderzimmer Marmeladenfabrik GmbH, Hamburg	100.00	EUR	218	–37
KMK Kinderzimmer Ochsenstieg GmbH, Hamburg	100.00	EUR	273	180
KMK Kinderzimmer Oolsdörp GmbH, Hamburg	100.00	EUR	–532	–308
KMK Kinderzimmer Othmarschener Höfe GmbH, Hamburg	100.00	EUR	118	–540
KMK Kinderzimmer Rodelberg GmbH, Hamburg	100.00	EUR	85	738
KMK Kinderzimmer Rübenkamp GmbH, Hamburg	100.00	EUR	696	–11
KMK Kinderzimmer Schierenberg GmbH, Hamburg	100.00	EUR	923	402
KMK Kinderzimmer Schilfpark GmbH, Hamburg	100.00	EUR	–34	–38
KMK Kinderzimmer Seebek GmbH, Hamburg	100.00	EUR	632	–242
KMK Kinderzimmer Stubbenhuk GmbH, Hamburg	100.00	EUR	403	10
KMK Kinderzimmer Süderfeld Park GmbH, Hamburg	100.00	EUR	279	–42
KMK Kinderzimmer Tienrade GmbH, Hamburg	100.00	EUR	240	10
KMK Kinderzimmer Unnenland GmbH, Hamburg	100.00	EUR	116	129
KMK Kinderzimmer Valentinshof GmbH, Hamburg	100.00	EUR	70	–216
KMK Kinderzimmer Villa Goldschmidtpark GmbH, Hamburg	100.00	EUR	122	–309
KMK Kinderzimmer Villa Flottbek GmbH, Hamburg	100.00	EUR	236	64
KMK Kinderzimmer Vogelkamp GmbH, Hamburg	100.00	EUR	126	–20
KMK Kinderzimmer Königslande GmbH, Hamburg	100.00	EUR	5	–2
KMK Kinderzimmer Grindelhof GmbH, Hamburg	100.00	EUR	2	–3
KMK Kinderzimmer Schlossmühle GmbH, Hamburg	100.00	EUR	5	–7
KMK Kinderzimmer Liliencronstraße GmbH, Hamburg	100.00	EUR	9	–2
KMK Kinderzimmer Elfmorgenbruch GmbH, Hamburg	100.00	EUR	9	–4

KMK Kinderzimmer Quartier am Zeughaus GmbH, Hamburg	100.00	EUR	4	–8
KMK Kinderzimmer Denninger Anger GmbH, Hamburg	100.00	EUR	10	–2
JTS Kita-Projektgesellschaft 8 GmbH, Hamburg	100.00	EUR	5	–1
JTS Kita-Projektgesellschaft 10 GmbH, Hamburg	100.00	EUR	4	–4
JTS Kita-Projektgesellschaft 11 GmbH, Hamburg	100.00	EUR	6	–1
JTS Kita-Projektgesellschaft 14 GmbH, Hamburg	100.00	EUR	11	–1
JTS Kita-Projektgesellschaft 16 GmbH, Hamburg	100.00	EUR	–59	–14
JTS Kita-Projektgesellschaft 18 GmbH, Hamburg	100.00	EUR	11	–2
JTS Kita-Projektgesellschaft 19 GmbH, Hamburg	100.00	EUR	11	–2
JTS Kita-Projektgesellschaft 22 GmbH, Hamburg	100.00	EUR	11	–1
JTS Kita-Projektgesellschaft 23 GmbH, Hamburg	100.00	EUR	11	–1
JTS Kita-Projektgesellschaft 24 GmbH, Hamburg	100.00	EUR	10	–2
JTS Kita-Projektgesellschaft 25 GmbH, Hamburg	100.00	EUR	11	–1
JTS Kita-Projektgesellschaft 26 GmbH, Hamburg	100.00	EUR	11	–1
KMK Kinderzimmer UK Holding Limited, London / United Kingdom	100.00	GBP	–423	–423
KMK Kinderzimmer 1 Limited, London / United Kingdom	100.00	GBP	0	0
KMK Kinderzimmer 2 Limited, London / United Kingdom	100.00	GBP	0	0
KMK Kinderzimmer 3 Limited, London / United Kingdom	100.00	GBP	0	0
KMK Kinderzimmer 4 Limited, London / United Kingdom	100.00	GBP	0	0
KMK Kinderzimmer 5 Limited, London / United Kingdom	100.00	GBP	0	0

ROVEMA				8.)
ROVEMA Asset GmbH, Fernwald	100.00	EUR	1,067	1.)
ROVEMA GmbH, Fernwald	100.00	EUR	46,247	1.)
ROVEMA Benelux B.V., Oosterhout / Netherlands	100.00	EUR	1,095	–125
DL Packaging BV, Oosterhout / Netherlands	100.00	EUR	1,568	152
ROVEMA France SAS, Neuilly-Plaisance / France	100.00	EUR	–44	–57
ROVEMA Spain and Portugal S.L., Barcelona / Spain	100.00	EUR	106	–292
ROVEMA Italia s.r.l., Novate Milanese / Italy	100.00	EUR	49	–16
ROVEMA Packaging Machines Limited, Aylesbury / United Kingdom	100.00	GBP	1,721	62
ROVEMA Polska Sp. z o.o., Warsaw / Poland	100.00	PLN	2,653	499
OOO "ROVEMA" Russia, St. Petersburg / Russia	100.00	EUR	1,168	475
ROVEMA Makine Sanayi ve Ticaret Turkey A.S., Istanbul / Turkey	70.00	TRY	–2,250	–996
ROVEMA North America Inc., Norcross, Georgia / USA	100.00	USD	11,649	2,191
ROVEMA Latinoamérica Panama S.A., Panama City / Panama	100.00	USD	867	129
ROVEMA Asia Corporation, Makati City / Philippines	99.90	PHP	11,673	3,347
Hassia Packaging Privat Ltd., Maharashtra / India	100.00	INR	394,450	26,702

TAKKT				2.)
TAKKT OCC GmbH, Stuttgart	100.00	EUR	100	0
TAKKT WFC GmbH, Stuttgart	100.00	EUR	100	0
KAISER+KRAFT EUROPA GmbH, Stuttgart	100.00	EUR	104,042	1.)
KAISER+KRAFT GmbH, Stuttgart	100.00	EUR	20,000	1.)
KAISER+KRAFT Gesellschaft m.b.H., Salzburg / Austria	100.00	EUR	4,271	2,433
KAISER+KRAFT N.V., Diegem / Belgium	100.00	EUR	6,880	3,500
KAISER+KRAFT AG, Zug / Switzerland	100.00	EUR	22,528	20,274
KAISER+KRAFT s.r.o., Prague / Czech Republic	100.00	EUR	1,532	1,028

KAISER+KRAFT S.A., Barcelona / Spain	100.00	EUR	3,095	2,135
FRANKEL S.A.S., Morangis / France	100.00	EUR	4,264	3,976
KAISER+KRAFT Ltd., Hemel Hempstead / United Kingdom	100.00	EUR	–477	–28
KAISER+KRAFT Kft., Budaörs / Hungary	100.00	EUR	1,140	1,006
KAISER+KRAFT S.r.l., Fenegro / Italy	100.00	EUR	2,561	2,117
Vink Lisse B.V., Lisse / Netherlands	100.00	EUR	5,015	1,860
KAISER+KRAFT S.A., Lisbon / Portugal	100.00	EUR	–12	–60
KAISER+KRAFT Sp. z o.o., Warsaw / Poland	100.00	EUR	702	527
KAISER+KRAFT OOO, Moscow / Russia	100.00	EUR	–2	–10
KAISER+KRAFT s.r.o., Nitra / Slovakia	100.00	EUR	1,202	62
Gerdmans Inredningar AB, Markaryd / Sweden	100.00	EUR	22,223	4,659
Gerdmans Kontor-og Lagerudstyr A/S, Nivaa / Denmark	100.00	EUR	856	283
Gerdmans Innredninger AS, Sandvika / Norway	100.00	EUR	1,584	781
Gerdmans OY, Espoo / Finland	100.00	EUR	564	157
Runelandhs Försäljnings AB, Kalmar / Sweden	100.00	EUR	2,024	1,035
Kaiser+Kraft Logistics East s.r.o., Syrovice / Czech Republic	100.00	EUR	–153	82
KAISER+KRAFT s.r.l., Ramnicu Valcea / Romania	100.00	EUR	1,361	223
UBEN Unternehmensberatung Enzinger GmbH, Waldkirchen	100.00	EUR	32	1.)
BEG GmbH, Stuttgart	100.00	EUR	100	1.)
VHZ Versandhandelszentrum Pfungstadt GmbH, Pfungstadt	100.00	EUR	31,408	1.)
Ratioform Verpackungen GmbH, Pliening	100.00	EUR	25,560	1.)
Ratioform Imballaggi S.r.l., Calvignasco / Italy	100.00	EUR	1,081	1,047
Ratioform Embalajes, S.A., Sant Esteve Sesrovires / Spain	100.00	EUR	666	107
Ratioform Verpackungen AG, Regensdorf / Switzerland	100.00	EUR	2,763	1,599
R.F. Verpackungsmittel-Versand G.m.b.H., Vienna / Austria	100.00	EUR	1,156	989
Davenport Paper Co. Ltd., Derby / United Kingdom	100.00	EUR	1,497	627
Davpack AB, Markaryd / Sweden	100.00	EUR	24	–15
newport.takkt GmbH, Stuttgart	100.00	EUR	41,000	1.)
TAKKT Beteiligungsgesellschaft mbH, Stuttgart	100.00	EUR	3,199	704
Mydisplays GmbH, Burscheid	100.00	EUR	77	1.)
Certeo Business Equipment GmbH, Stuttgart	100.00	EUR	1,000	1.)
BiGDUG Ltd., Gloucester / United Kingdom	100.00	EUR	3,057	2,098
Equip4work Ltd., Westlinton / United Kingdom	100.00	EUR	2,766	1,106
büromöbelonline GmbH, Stuttgart	100.00	EUR	25	1.)
JUMA International B.V., Wormerveer / Netherlands	100.00	EUR	102	–1,258
TAKKT America Holding, Inc., Milwaukee / USA	100.00	EUR	187,666	18,219
Hubert North America Service LLC, Harrison / USA	100.00	EUR	9,398	3,570
Hubert Company LLC, Harrison / USA	100.00	EUR	48,237	497
Hubert Hong Kong Ltd. / Hong Kong	100.00	EUR	828	142
SPG U.S. Retail Resource LLC, Harrison / USA	100.00	EUR	–399	773
Hubert Distributing Company, Inc., Markham / Canada	100.00	EUR	1,941	201
Central Products LLC, Indianapolis / USA	100.00	EUR	44,132	5,646
D2G Group LLC, Fall River / USA	100.00	EUR	58,520	4,147
Hubert Europa Service GmbH, Pfungstadt	100.00	EUR	500	1.)
Hubert GmbH, Pfungstadt	100.00	EUR	200	1.)
National Business Furniture LLC, Milwaukee / USA	100.00	EUR	57,268	10,924

The figures for the German affiliated companies are taken from their annual financial statements, which have been prepared in accordance with HGB.

The figures for the foreign affiliated companies are taken from their annual financial statements, which have been prepared in accordance with IFRSs. To the extent foreign-currency amounts are disclosed in euros, these are translated at the closing rate for equity and at the average rate for net income/loss for the year.

1.) Consolidated tax group agreement with profit and loss transfer

2.) The share capital of the TAKKT portfolio company relates to the shares held directly and indirectly by TAKKT AG, Stuttgart.

3.) The share capital of the Emma Sleep portfolio company relates to the shares held directly and indirectly by Emma Sleep GmbH, Frankfurt am Main. Emma International GmbH, Düsseldorf, directly holds 54.14 percent of shares in Emma Sleep GmbH.

4.) The share capital of the KMK kinderzimmer portfolio company relates to the shares held directly and indirectly by KMK Kinderzimmer Holding GmbH, Hamburg. Haniel Enkelfähig 2 GmbH, Düsseldorf, directly holds 60 percent of shares in KMK Kinderzimmer Holding GmbH.

5.) The share capital of the BauWatch portfolio company relates to the shares held directly and indirectly by BauWatch International GmbH, Düsseldorf. Haniel Beteiligungs-GmbH, Duisburg, directly holds 100 percent of shares in BauWatch International GmbH.

6.) The share capital of the BekaertDeslee portfolio company relates to the shares held directly and indirectly by BekaertDeslee Holding NV, Waregem, Belgium. Franz Haniel & Cie. GmbH, Duisburg, holds 100 percent of shares in BekaertDeslee Holding NV.

7.) The share capital of the CWS portfolio company relates to the shares held directly and indirectly by CWS International GmbH, Duisburg.

8.) The share capital of the ROVEMA portfolio company relates to the shares held directly and indirectly by ROVEMA International GmbH, Düsseldorf. Haniel Beteiligungs-GmbH, Duisburg, directly holds 100 percent of shares in ROVEMA International GmbH.

INDEPENDENT AUDITORS' REPORT

To Franz Haniel & Cie. GmbH, Duisburg

AUDIT OPINIONS

We have audited the annual financial statements of Franz Haniel & Cie. GmbH, Duisburg which comprise the statement of financial position as of December 31, 2022, and the income statement for the fiscal year from January 1, 2022 to December 31, 2022, and notes to the financial statements, including the recognition and measurement policies presented therein.

In addition, we have audited the management report of Franz Haniel & Cie. GmbH for the fiscal year from January 1, 2022 to December 31, 2022.

In our opinion based on the findings of our audit

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to corporations and give a true and fair view of the assets, liabilities and financial position of the Company as of December 31, 2022 and of its financial performance for the fiscal year from January 1, 2022 to December 31, 2022 in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development

Pursuant to section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the annual financial statements and of the management report in accordance with section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements.

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

OTHER INFORMATION

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

The other information comprises:

– The condensed corporate governance declaration contained in the section of the Report of the Management Board entitled "Holding Company Franz Haniel & Cie."

– the remaining parts of annex I — excluding cross-references to external information — with the exception of the audited annual financial statements, the management report and our auditor's report.

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

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

– is materially inconsistent with the annual financial statements, with the management report or our knowledge obtained in the audit, or

– otherwise appears to be materially misstated.

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

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

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company 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 annual financial statements that are free from material misstatement, whether due to fraud (i.e., manipulation of the accounting and misappropriation) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company'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 management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual 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 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 management report.

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

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

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

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

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

– Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- 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 Company’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 annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company’s position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

Düsseldorf, March 9, 2023

BDO AG
Wirtschaftsprüfungsgesellschaft

signed Höffer German Public Auditor	signed Kahlert German Public Auditor

Publication details

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These separate financial statements of the Subgroup are published in German and English. Both versions can be downloaded at www.haniel.de/en. The German version is controlling. The separate financial statements of Franz Haniel & Cie. GmbH are published in the electronic Federal Gazette (*Bundesanzeiger*). All statements in this brochure with regard to occupations and target groups apply, always and irrespective of the formulation, to all persons of any gender.

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