BERENTZEN-GRUPPE

Thirst for life

Group Half-yearly Financial Report 2023

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Key figures

Key figures of the Berentzen Group

		HY 1 2023 or 06/30/2023	HY 1 2022 or 06/30/2022	Change 2023 / 2022	
Consolidated revenues excl. alcohol tax	EURm	89.0	79.0	+ 10.0	+ 12.7 %
Spirits segment	EURm	53.8	47.6	+ 6.2	+ 13.0 %
Non-alcoholic Beverages segment	EURm	22.8	20.0	+ 2.8	+ 14.1 %
Fresh Juice Systems segment	EURm	9.5	8.7	+ 0.8	+ 9.2 %
Other segment	EURm	3.0	2.8	+ 0.2	+ 7.5 %
Total operating performance	EURm	91.1	82.0	+ 9.1	+ 11.1 %
Contribution margin after marketing budgets	EURm	31.2	31.8	- 0.6	- 1.8 %
Consolidated EBITDA [1]	EURm	7.3	7.9	- 0.6	- 7.5 %
Consolidated EBITDA margin	%	8.0	9.6		- 1.6 PP [2]
Consolidated EBIT [1]	EURm	3.3	3.7	- 0.5	- 13.0 %
Consolidated EBIT margin	%	3.6	4.6		- 1.0 PP [2]
Consolidated profit	EURm	0.8	1.8	- 1.0	- 57.5 %
ROCE [3]	%	7.5	9.0		1.5 PP [2]
Operating cash flow	EURm	4.3	6.0	- 1.7	- 28.4 %
Cash flow from investing activities	EURm	- 3.5	- 3.1	- 0.5	- 15.5 %
Free cash flow [4]	EURm	- 19.7	- 11.8	- 7.9	- 67.2 %
Total net debt	EURm	12.9	- 2.8	+15.7	> + 100 %
Consolidated equity ratio	%	34.5	34.2 [5]		+ 0.3 PP [2]
Employees	Number	508	495	+ 13	+ 2.6 %

[1] Adjusted for exceptional effects as well as the gain or loss from the net monetary position in accordance with IAS 29.

[2] PP = percentage points.

[3] Return on capital employed (ROCE): Ratio of consolidated EBIT of the last 12 months to capital employed.

[4] Cash flow from operating activities plus cash flow from investing activities.

[5] 12/31/2022.

Key figures for the Berentzen common share

		HY 1 2023 or 06/30/2023	HY 1 2022 or 06/30/2022	Change 2023 / 2022
Berentzen common share (ISIN DE0005201602, WKN 520160), share price / XETRA	EUR / share	6.10	6.36	- 4.1 %
Market capitalisation	EURm	57.3	59.7	- 4.1 %
Dividend / Berentzen common share	EUR / share	0.22	0.22	+ 0.0 %

Content

BERENTZEN-GRUPPE
Thirst for life

A. To our stakeholders

Dear Berentzen Group stakeholders,

The very good news coming out of the first six months of the current 2023 financial year is that we increased our consolidated revenues year over year by an impressive 12.7% to EUR 89.0 million despite the prevailing trend of consumer restraint under the pressure of inflation. Whereas last year's revenue growth was particularly the result of higher sales volumes, the revenue growth achieved in the first half of financial year 2023 was mainly driven by necessary price increases. This shows that we managed to bring the sometimes difficult negotiations with our distribution partners to a successful conclusion and implement the price increases that were so important for us. But what pleases us most is the fact that we were again able to achieve impressive sales volume growth in strategically important categories this year. Especially remarkable in this context was the growth momentum of our *Mio Mio* brand in the *Non-alcoholic Beverages* segment and the performance of our core brands *Berentzen* and *Puschkin* in the *Spirits* segment. We generated revenue growth in excess of 25% on sales of both *Mio Mio* and our core brands *Berentzen* and *Puschkin*. This performance is ample proof of the fact that our products remain highly relevant for consumers even in these times of stagnant economic growth and reduced purchasing power. It should be noted, however, that all our segments contributed to the positive revenue performance.

However, it is also true that our business activities are being impacted by diverse challenges at the present time. As we have communicated multiple times in the past, the substantial, steadily building cost increases, particularly for raw materials, over the course of last year could be expected to affect the performance of our earnings indicators in the first half of financial year 2023. Accordingly, our adjusted consolidated EBITDA fell by 7.5% to EUR 7.3 million and our adjusted consolidated EBIT by 13.0% to EUR 3.3 million. The percentage declines in consolidated EBITDA and consolidated EBIT were somewhat greater in the first quarter of this year, meaning that our earnings indicators were back on the right track already in the second quarter. We point this out because we anticipated precisely this trend going forward in the rest of this year and expect a further recovery in the second half. On this basis, we are reaffirming the financial year 2023 forecast we published in the Annual Report 2022 in March. We expect consolidated revenues in a range of EUR 185.0 million to EUR 195.0 million, adjusted consolidated EBITDA in a range of EUR 15.6 million to EUR 17.6 million, and adjusted consolidated EBIT in a range of EUR 7.0 million to EUR 9.0 million. Accordingly, we anticipate a significant increase in full-year consolidated revenues, while our earnings indicators are expected to remain at about the same levels as in the preceding year.

Nevertheless, it is our medium-term goal to significantly improve the quality of our earnings. The half-year results published today show that we are well positioned to achieve this goal. We have increased our revenues considerably and even grown our consolidated gross profit year over year in spite of the challenges we had to contend with. And despite the general trend of consumer restraint, we again achieved significant sales volume increases in strategically important categories. It will be necessary to implement further price increases on our products, not only to defray the rising costs, but also to restore the quality of our gross profit margins. In the current context of rising interest rates and price-driven increases in capital tie-ups in net current assets, we will place a greater emphasis on capital profitability as a central aspect of our actions and decisions. We strive to combine high-quality revenue growth with optimally employed working capital in order to preserve and further strengthen the foundation of the Berentzen Group.

In conclusion, we wish to thank you most sincerely for the trust and confidence you have placed in us. We truly hope that you will continue to support us in our ambitious quest for further growth.

Sincerely,

Oliver Schwegmann	Ralf Brühöfner
Executive Board member	Executive Board member

B. Interim Group Management Report

(1) Basic information about the Group

With a company history going back over 260 years, the Berentzen Group is one of the oldest producers of spirits in Germany. Berentzen-Gruppe Aktiengesellschaft based in Haselünne, Germany, is the ultimate parent company of the Berentzen Group, which consists of more than 20 domestic and international subsidiaries in addition to the parent company.

The business activities of the Berentzen Group are divided into the segments: *Spirits*, *Non-alcoholic Beverages*, *Fresh Juice Systems*, and *Other*. For a detailed description of the Group's business activities and how they are attributed to the different segments, please refer to the Berentzen-Gruppe Aktiengesellschaft's 2022 Annual Report, Combined Management Report Section (1), "Basic information about the Group".

(2) Economic report

(2.1) General economic and industry-specific framework conditions

General economic conditions

The global economy regained momentum in the first half of 2023, particularly thanks to the positive development in China. Whereas the strong economic expansion in emerging-market countries bolstered the global economy at the start of the year, high rates of inflation and the high level of interest rates dampened spending and investing activity in the advanced economies. As the Ifo Institute announced in June, inflation has indeed passed its peak, but remains at a high level. A significant slowing of the rate of increase for prices for energy and commodities has been in evidence for some months. For example, the Commodity Price Index published by the Hamburg Institute of International Economics (HWWI) showed a 23.4% year-on-year decline on a euro basis in the first quarter of 2023. According to the German Institute for Economic Research (DIW Berlin), the global economy overall expanded by 1.6% in the first quarter of 2023 from the preceding quarter. DIW Berlin believes that global economic growth slowed in the second quarter of 2023 as the high rates of inflation and high interest rates dampened growth in the advanced economies. By contrast, a strong recovery is expected in most emerging-market countries, although the catch-up effects in China have probably waned.

The German economy has likewise been burdened by continuing high rates of inflation. As the German Federal Statistical Office announced in May, German gross domestic product (GDP) in the first quarter of 2023 was 0.3% below the level of the preceding quarter and 0.5% below the level of the first quarter of last year, after adjusting for price, seasonal and calendar effects. Economic activity was curbed by lower consumption expenditure, including both consumer spending, where purchasing restraint particularly affected food and beverages, and government spending. On the other hand, investment expenditure was higher. Compared to the first quarter of last year, moreover, spending on accommodation and restaurant services were higher due to the fact that the last coronavirus protection measures were still in effect in the first quarter of 2022. DIW Berlin expects that economic output will rise by 0.3% in the second quarter, after having contracted at the start of the year. It anticipates an only slow recovery of consumer spending. Furthermore, the uncertainties related to the development of wages and inflation were considerably allayed by the successful conclusion of the first collective bargaining agreements and the continuing decline in the rate of inflation.

Developments on the drinks market

According to the German Federal Statistical Office, consumer prices in Germany rose in the first six months of 2023, but at a slower rate. The year-over-year change in the Consumer Price Index was + 6.4% in June, as compared to + 8.7% in January. Also in the category of "Alcoholic beverages and tobacco products", which is relevant for the Berentzen Group, prices increased at rates of between 8.1% and 9.2% over the respective year-ago period. The rate of inflation was considerably higher in the category of "Food and non-alcoholic beverages", where prices increased at rates of between 13.4% and 21.2% during this period.

In addition to the food retail trade, the German hospitality industry is another, albeit not quite as important, distribution channel for the spirits and non-alcoholic beverages of the Berentzen Group. Unlike the case in the early weeks of 2022, no new coronavirus protection measures were in effect in the first half of 2023. According to the German Federal Statistical Office, revenues in the German food service industry rose year-over-year in the months of January to March, for a cumulative real revenue increase of 6.7%. On the other hand, the food service industry was adversely impacted by the high rate of inflation, which depressed demand for restaurant services. As a result, revenues declined in the months of April and May, for a cumulative real increase of 1.7% in the period from January to May 2023 compared to the corresponding year-ago period. The high level of prices in the food service industry is also shown by the comparison with the nominal revenue increase over the same period, which was 12.4%. Furthermore, monthly revenues in the hospitality trade have remained well below the respective monthly figures in 2019, before the coronavirus pandemic.

According to the figures published by the market research company Circana (formerly Information Resources GmbH (IRI)), domestic unit sales of spirits amounted to 343.0 million 0.7-litre bottles (357.4 million 0.7-litre bottles) in the observed trade sector in the first half of the current year, that being 4.0% below the level of the year-ago period. On the other hand, the revenue generated on sales in this distribution channel declined by only around 0.3%, from EUR 3.04 billion to EUR 3.03 billion. In the period from January to June, the share of total unit sales contributed by private-label brands was 116.7 million 0.7-litre bottles (118.3 million 0.7-litre bottles), even as the corresponding share of total revenue rose to EUR 0.71 billion (EUR 0.67 billion).

The market research company Circana reported a 3.1% drop in unit sales of non-alcoholic beverages in the observed trade environment in the first six months of 2023, to 11.2 billion litres (11.6 billion litres). By contrast, revenue rose by 7.3%. Unit sales of water products declined by 5.9%. Unit sales of soft drinks and iced tea, the category which includes the mate beverages distributed under the *Mio Mio* brand, were likewise lower by 0.2% and 6.2%, respectively. An opposite development was observed in the category of sports and energy beverages, which saw unit sales growth of 55.7% and 10.6%, respectively.

To the knowledge of the Berentzen Group, comprehensive, reliable market data for the *Fresh Juice Systems* segment are practically not available. In the Group's estimation, a relevant indicator for the development of this segment is the past and future consumer demand for fresh foodstuffs and specifically fresh beverages such as not-from-concentrate juices, freshly squeezed juices, and smoothies. Consumer behaviour continues to be influenced by the years-long trend of heightened consumer awareness of the importance of good nutrition for health and well-being. Values and product qualities such as freshness, organic and regional origin, and transparency regarding the production process are increasingly important factors for end consumers. Aside from the positive influence of heightened nutritional awareness, however, the high rate of inflation has adversely impacted the market environment in the *Fresh Juice Systems* segment and made consumers more price-sensitive.

(2.2) Business performance and economic position

(2.2.1) Business performance – significant developments and events

Significant events that would have affected the course of business, financial performance, cash flows, and financial position of the Berentzen Group did not occur in the reporting period.

(2.2.2) Financial performance

The following table summarises the development of the Group's financial performance. Individual items in the consolidated statement of comprehensive income have been adjusted for income- and expense-related exceptional effects (non-recurring items) in line with the definition of the normalised consolidated EBIT used to manage the Group. The "Gain or loss from the net monetary position in accordance with IAS 29" related to the hyperinflation in Turkey, which was calculated for the first time as at June 30, 2022, has also been adjusted.

	01/01 to 06/30/2023		01/01 to 06/30/2022		Change	
	EUR'000	%	EUR'000	%	EUR'000	%
Consolidated revenues	**88,976**	**97.7**	**78,980**	**96.4**	**+ 9,996**	**+ 12.7**
Change in inventories	+ 2,100	2.3	+ 2,991	3.6	- 891	- 29.8
Total operating performance	**91,076**	**100.0**	**81,971**	**100.0**	**+ 9,105**	**+ 11.1**
Purchased goods and services	53,160	58.4	44,676	54.5	+ 8,484	+ 19.0
Consolidated gross profit	**37,916**	**41.6**	**37,295**	**45.5**	**+ 621**	**+ 1.7**
Other operating income	2,993	3.3	1,574	1.9	+ 1,419	+ 90.2
Operating expenses	37,649	41.3	35,124	42.8	+ 2,525	+ 7.2
Consolidated operating profit (EBIT)	**3,260**	**3.6**	**3,745**	**4.6**	**- 485**	**- 13.0**
Gain or loss from the net monetary position in accordance with IAS 29	- 470	- 0.5	- 619	- 0.8	+ 149	+ 24.1
Financial result and result from equity interests	- 1,652	- 1.8	- 647	- 0.8	- 1,005	> - 100.0
Consolidated profit before taxes	**1,138**	**1.2**	**2,479**	**3.0**	**- 1,341**	**- 54.1**
Income taxes	381	0.4	697	0.9	- 316	- 45.3
Consolidated profit	**757**	**0.8**	**1,782**	**2.2**	**- 1,025**	**- 57.5**

Consolidated revenues and total operating performance

The consolidated revenues generated by the Berentzen Group in the first half of financial year 2023 amounted to EUR 89.0 million (EUR 79.0 million); consolidated revenues including the alcohol tax amounted to EUR 178.6 million (EUR 167.4 million). Considering the inventory changes of EUR 2.1 million (EUR 3.0 million), the Group's total operating performance came to EUR 91.1 million (EUR 82.0 million).

	01/01 to 06/30/2023 EUR'000	01/01 to 06/30/2022 EUR'000	Change EUR'000	%
Spirits segment	53,764	47,577	+ 6,187	+ 13.0
Non-alcoholic Beverages segment	22,767	19,960	+ 2,807	+ 14.1
Fresh Juice Systems segment	9,468	8,673	+ 795	+ 9.2
Other segment	2,977	2,770	+ 207	+ 7.5
Consolidated revenues excluding alcohol tax	**88,976**	**78,980**	**+ 9,996**	**+ 12.7**
Alcohol tax	89,618	88,459	+ 1,159	+ 1.3
Consolidated revenues including alcohol tax	**178,594**	**167,439**	**+ 11,155**	**+ 6.7**

Development of revenues in the individual segments

A major factor influencing business performance is the development of revenues in the various product groups and categories, even though diverse mix effects and especially price effects mean that there is no strictly linear link to the development of consolidated gross profit and earnings indicators. The customer marketing budgets were included to allow for a reconciliation of the product group-specific revenues in the *Spirits* and *Non-alcoholic Beverages* segments with the revenues presented in the Segment Report. The customer marketing budgets are subsidies deducted directly from revenues in accordance with IFRS 15, which can be allocated to the respective customers, but not to the products, product groups, or business categories presented below.

Spirits

	01/01 to 06/30/2023 EUR'000	01/01 to 06/30/2022 EUR'000	Change EUR'000	%
Berentzen	8,942	7,263	+ 1,679	+ 23.1
Puschkin	4,334	3,313	+ 1,021	+ 30.8
Other	350	317	+ 33	+ 10.4
Focus brands	13,626	10,893	+ 2,733	+ 25.1
Other brands	5,393	4,872	+ 521	+ 10.7
Customer sales budget	- 1,055	- 1,177	+ 122	+ 10.4
Branded spirits in Germany	**17,964**	**14,588**	**+ 3,376**	**+ 23.1**
Branded spirits abroad	2,521	3,424	- 903	- 26.4
Premium/medium private-label brands	10,564	11,499	- 935	- 8.1
Standard private-label brands	23,487	18,821	+ 4,666	+ 24.8
Customer sales budget	- 607	- 627	+ 20	+ 3.2
Export and private-label brands	**35,965**	**33,117**	**+ 2,848**	**+ 8.6**
Other and internal revenues	- 165	- 128	- 37	- 28.9
Revenues in the Spirits segment	**53,764**	**47,577**	**+ 6,187**	**+ 13.0**

The revenues generated in the *Spirits* segment rose significantly by 13.0% to EUR 53.8 million in the first six months of financial year 2023. This clearly positive performance is attributable in part to product-specific and customer-specific increases in selling prices and in part to higher unit sales of brand-name spirits. The Berentzen Group generated revenues of EUR 18.0 million (EUR 14.6 million) on sales of domestic branded spirits and revenues of EUR 36.0 million (EUR 33.1 million) on sales of export brands and private-label brands in the first half of financial year 2023.

The revenues generated on sales of domestic brand-name products rose in total by 23.1% in the period ended June 30, 2023. The revenues generated on sales of focus brands were 25.1% higher than the corresponding figure for the first half of last year. The marketing campaign for the different liqueur variants fuelled a significant increase in sales of the spirits products of the *Berentzen* und *Puschkin* brands. The sales success was especially driven by *Berentzen*-brand fruit liqueurs — including in the format of so-called "*Mini's*" — and *Puschkin*-brand vodka products. Significant revenue growth of 10.7% was also achieved on sales of the other spirits brands, specifically the "classic" spirits (*Strothmann*, *Bommerlunder*, etc.). The revenue deductions for the customer marketing budgets employed to promote sales of domestic brand-name products declined slightly from EUR 1.2 million in the first half of last year to EUR 1.1 million in the first half of financial year 2023.

The revenues generated on sales of export-brand and private label-brand spirits amounted to EUR 36.0 million, that being 8.6% higher than the corresponding figure for the first half of last year (EUR 33.1 million). The developments in the individual product categories were mixed. Whereas the revenues generated on sales of standard private-label brands increased significantly by 24.8%, the revenues generated on sales of premium and medium private-label brands decreased by 8.1%. The latter development is almost completely attributable to significant, though temporary bottlenecks for bourbon whiskey, the market demand for which remains high. The revenues generated on export sales of brand-name spirits were significantly lower, by 26.4%, than in the first half of last year, due to lower demand particularly in the markets of the Benelux countries, Japan, the United States, and Chile.

Non-alcoholic Beverages

	01/01 to 06/30/2023 EUR'000	01/01 to 06/30/2022 EUR'000	Change EUR'000	Change %
Mio Mio	10,390	8,105	+ 2,285	+ 28.2
Kräuterbraut	200	80	+ 120	> + 100.0
Focus brands	10,590	8,185	+ 2,405	+ 29.4
Emsland / St. Ansgari	4,913	4,594	+ 319	+ 6.9
Märkisch / Grüneberger	4,164	3,908	+ 256	+ 6.6
Regional brands	9,077	8,502	+ 575	+ 6.8
Other brands	1,744	1,482	+ 262	+ 17.7
Branded business	**21,411**	**18,169**	**+ 3,242**	**+ 17.8**
Franchise business	3,455	3,553	- 98	- 2.8
Contract bottling business	800	649	+ 151	+ 23.3
Other business	**4,255**	**4,202**	**+ 53**	**+ 1.3**
Customer sales budget	- 3,032	- 2,681	- 351	- 13.1
Other and internal revenues	133	270	- 137	- 50.7
Revenues in the Non-alcoholic Beverages segment	**22,767**	**19,960**	**+ 2,807**	**+ 14.1**

The revenues generated on sales of mineral water products and soft drinks in the *Non-alcoholic Beverages* segment in the first six months of financial year 2023 rose by 14.1% to EUR 22.8 million (EUR 20.0 million). In view of the fact that unit sales were slightly lower on the whole, this gratifying development is attributable to higher selling prices accompanied by positive volume effects in the focus brand *Mio Mio*.

Revenues on sales of branded products also registered especially strong growth of EUR 3.2 million or 17.8%, particularly thanks to a 28.2% increase in sales of the beverages distributed under the Group's *Mio Mio* brand, which belong to the product category of focus brands.

Revenue growth in the product category of regional brands, which particularly includes the brands *Emsland Quelle*, *Emsland Sonne*, *Märkisch Kristall*, *St. Ansgari* and *Grüneberg Quelle*, was likewise positive, with revenues rising by 6.8% to EUR 9.1 million.

Significant revenue growth of 17.7% was achieved in the category of Other brands, in which sales of *Vivaris Sport*-brand products generate the lion's share of revenues.

There was a modest revenue decline of 2.8% in the franchise business overall. Whereas sales of the brand-name beverages of the Sinalco corporate group were constant or slightly higher than in the year-ago comparison period, the revenues generated from cooperation projects with prominent artists fell off markedly by 8.4% to EUR 1.4 million in the second quarter of financial year 2023, in line with the market trend.

There was a considerable, 23.3% increase in revenues generated on contract bottling orders thanks to the positive development of business with a private-label mineral water brand.

The customer marketing budgets attributed to the *Non-alcoholic Beverages* segment were 13.1% lower than in the year-ago comparison period.

Fresh Juice Systems

	01/01 to 06/30/2023 EUR'000	01/01 to 06/30/2022 EUR'000	Change EUR'000	%
Fruit juicers	2,797	2,841	- 44	- 1.5
Fruit	4,338	3,433	+ 905	+ 26.4
Bottling systems	2,507	2,502	+ 5	+ 0.2
Other and internal revenues	- 174	- 103	- 71	- 68.9
Revenues in the Fresh Juice Systems segment	**9,468**	**8,673**	**+ 795**	**+ 9.2**

The *Fresh Juice Systems* segment achieved significant revenue growth of 9.2% in the first six months of financial year 2023. However, the revenues generated on sales of fruit juicers and the corresponding spare parts and service were slightly lower, by 1.5%, than in the first half of last year, mainly due to lower unit sales in the markets of Germany, Scandinavia, and Eastern Europe. This development contrasted with the positive performance in the markets of United States and United Kingdom.

Whereas significant revenue growth of 26.4% was achieved on sales of fruit (oranges), the revenues generated on sales of bottling systems were flat. The increase in sales of fruit (oranges) was driven by gains in the core regions of Germany and Austria, which are served by the Group's own sales teams, thanks to the recovery from the effects of the coronavirus pandemic.

Other segment

	01/01 to 06/30/2023 EUR'000	01/01 to 06/30/2022 EUR'000	Change EUR'000	%
Spirits business in the Turkish Group company	2,479	2,323	+ 156	+ 6.7
Tourism, events and web shop business	542	452	+ 90	+ 19.9
Other and internal revenues	- 44	- 5	- 39	> - 100.0
Revenues in the Other segment	**2,977**	**2,770**	**+ 207**	**+ 7.5**

Continuing the strong trend of the year-ago comparison period, the revenues generated on sales of spirits in the Turkish market, which are attributed to the *Other segment*, rose by another 6.7%.

The tourism, event and web shop business of the Berentzen Group, which is likewise attributed to the *Other segment*, also exhibited clearly positive revenue growth of 19.9% in the first six months of financial year 2023, after having been affected at times by the coronavirus pandemic in the year-ago comparison period.

Purchased goods and services and consolidated gross profit

In line with the higher total operating performance at the Group level, purchased goods and services increased to EUR 53.2 million in the first half of financial year 2023 (EUR 44.7 million). The ratio of purchased goods and services to total operating performance rose from 54.5% to 58.4%.

The raw materials and goods purchased by the Berentzen Group for the production of spirits and non-alcoholic beverages are mainly concentrated in the categories of alcohol (including grain alcohol, rectified spirit, whiskey and rum), flavourings (basic substances and aromas) and sugar, as well as packaging (mainly glass and cardboard). In the *Fresh Juice Systems* segment, procurement costs are incurred for the system components of fruit presses, fruit (oranges) and bottling equipment.

The market conditions affecting the procurement of these raw materials, as well as system components in the *Fresh Juice Systems* segment, were highly challenging in the first half of financial year 2023. Among other developments, the prices of purchased alcohol products and a few other ingredients, as well as glass and other packaging, were higher across the board and even substantially higher in some cases. The *Fresh Juice Systems* segment particularly had to contend with higher procurement costs for fruit (oranges), whereas the procurement costs for fruit juicers and bottling systems were largely stable.

Even with the higher costs of purchased goods and services, the Group's consolidated gross profit increased by EUR 0.6 million thanks to the EUR 9.1 million increase in the total operating performance. The consolidated gross profit margin itself was 3.9 percentage points lower than in the previous year.

Other operating income

The total operating income of EUR 3.0 million recognised in the first half of financial year 2023 was notably higher than in the first half of last year (EUR 1.6 million). This figure mainly included income from the reversal or derecognition of provisions and liabilities in the amount of EUR 1.1 million (EUR 0.8 million) and non-period income of EUR 0.5 million (EUR 0.1 million).

Operating expenses

Total operating expenses rose to EUR 37.6 million from EUR 35.1 million in the first half of last year. However, the ratio of operating expenses to total operating performance narrowed to 41.3% (42.8%) thanks to the 11.1% increase in the total operating performance, bringing it to EUR 91.1 million (EUR 82.0 million).

There was a modest, EUR 0.3 million increase in personnel expenses, bringing it to EUR 15.0 million. However, the ratio of personnel expenses to total operating performance fell to 16.4% (17.9%), mainly as a result of the compensation for additionally created positions in the organisational units of sales and marketing and the recognition of provisions for various kinds of personnel expenses. The Group had 508 (495) employees as at the reporting date of June 30, 2023 or 429 (421) full-time equivalents on average in the first half of financial year 2023.

Against slightly higher capital investments of EUR 3.5 million (EUR 3.1 million), current depreciation and amortisation charges amounted to EUR 4.0 million in the first half of financial year 2023, roughly the same as in the year-ago comparison period (EUR 4.1 million).

Other operating expenses rose by EUR 2.3 million to EUR 18.6 million (EUR 16.3 million). Due to higher costs for outward freight and logistics in the *Spirits* and *Non-alcoholic Beverages* segments, transport and selling expenses in particular rose to EUR 10.3 million (EUR 9.4 million). Expenses for marketing and trade advertising were largely unchanged at EUR 1.8 million (EUR 1.9 million), while the maintenance expenses of EUR 1.9 million (EUR 1.6 million) were slightly higher than in the year-ago comparison figure. Other overhead costs rose to EUR 4.6 million from the first half of financial year 2022 (EUR 3.4 million).

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

Turkey has been classified as a hyperinflationary economy according to the definition of IAS 29 since June 2022. Because the Turkish lira is the functional currency of the Turkish subsidiary, IAS 29 must be applied to the separate financial statements of this subsidiary from that time onward. Therefore, the effects of the purchasing power adjustment of the non-monetary line items in the statement of financial position and the line items of the statement of comprehensive income are to be presented within the new item “Gain or loss from the net monetary position in accordance with IAS 29”. These adjustments gave rise to a net loss of EUR 0.5 million in the first half of the 2023 financial year (EUR 0.6 million).

This negative effect on adjusted consolidated EBIT was partially offset by a positive effect of EUR 0.1 million (EUR 0.2 million) resulting from the hyperinflation adjustment to the income statement items and the translation of those items to the reporting currency at the reporting-date exchange rate. Therefore, the total negative effect on consolidated EBIT arising from the application of IAS 29 came to EUR 0.4 million (EUR 0.5 million).

Exceptional effects

No exceptional effects on earnings to be considered as such occurred either in the first half of financial year 2023 or in the first half of financial year 2022.

Financial result and result from equity interests

The financial result and result from equity interests amounted to a net expense of EUR 1.7 million, considerably higher than in the year-ago comparison period (EUR 0.6 million). The increase in this expense item resulted mainly from the higher need for external financing and the unfavourable development of the relevant benchmark interest rates for credit financing.

Income taxes

The income tax expenses of EUR 0.4 million (EUR 0.7 million) included an amount of EUR 0.4 million (EUR 0.7 million) for German trade tax and corporate income tax and comparable foreign income taxes for the 2023 financial year. The measurement of deferred taxes gave rise to an income item of less than EUR 0.1 million (EUR 0.1 million).

Consolidated profit

As a result of the developments described above, the consolidated profit declined to EUR 0.8 million (EUR 1.8 million).

(2.2.3) Cash flows

Funding structure

The total funding of the Berentzen Group as presented in the Annual Report for the 2022 financial year was essentially unchanged at the end of the first half of the 2023 financial year, as shown in the table below:

		Funding line 06/30/2023			Funding line 12/31/2022		
		Long-term EURm	Short-term EURm	Total EURm	Long-term EURm	Short-term EURm	Total EURm
Syndicated loan agreement	Line, limited	0.0	33.0	33.0	0.0	33.0	33.0
Factoring	Line, limited	0.0	60.0	60.0	0.0	60.0	60.0
Central settlement and factoring	Line, unlimited [1]	0.0	9.2	9.2	0.0	9.6	9.6
Working capital loans	Line, limited [2]	0.0	1.4	1.4	0.0	1.5	1.5
Surety bond for alcohol tax liabilities	Line, limited	0.0	0.8	0.8	0.0	0.8	0.8
Total financing		**0.0**	**104.4**	**104.4**	**0.0**	**104.9**	**104.9**

1) Average funding volume in the (half) financial year.

2) This figure includes working capital loans denominated in foreign currencies, which have been translated to the functional currency as at the respective reporting dates.

Compared to December 31, 2022, there was no significant difference in the funding framework at June 30, 2023. It should be noted, however, that in July 2023 the Berentzen Group exercised an option in the syndicated loan agreement to increase the funding volume, which led to the opening of an additional repayable-at-maturity facility for EUR 9.9 million maturing on December 31, 2026.

Abridged consolidated cash flow statement for the period from January 1 to June 30, 2023

The cash flow statement presented below shows the development of liquidity in the Group. Cash and cash equivalents are composed of the line item "Cash and cash equivalents" and part of the line item "Current financial liabilities" presented in the statement of financial position.

Cash and cash equivalents include the current accounts maintained with banks for the purpose of settling two factoring agreements, containing the cash available at all times from the factoring arrangements ("customer settlement accounts"). The receivables from the customer settlement accounts have different characteristics from normal current account receivables from banks, notably with regard to interest. Only those amounts that are immediately available under working capital cash lines of credit are recognised as current financial liabilities.

	01/01 to 06/30/2023 EUR'000	01/01 to 06/30/2022 EUR'000	Change EUR'000
Operating cash flow	4,264	5,957	- 1,693
Cash flow from operating activities	- 16,105	- 8,682	- 7,423
Cash flow from investing activities	- 3,545	- 3,068	- 477
Cash flow from financing activities	9,255	- 10,183	+ 19,438
Change in cash and cash equivalents	**- 10,395**	**- 21,933**	**+ 11,538**
Cash and cash equivalents at the start of the period	**13,039**	**28,004**	**- 14,965**
Cash and cash equivalents at the end of the period	**2,644**	**6,071**	**- 3,427**

Operating cash flow and cash flow from operating activities

The operating cash flow, which by excluding changes in working capital documents the effects of direct operating cash flows and profitability on the change in liquidity, amounted to roughly EUR 4.3 million in the first half of financial year 2023 (EUR 6.0 million). The main reasons for the EUR 1.7 million decrease in the cash inflow were particularly the EUR 1.0 million decrease in consolidated profit and the EUR 0.6 million increase in net income tax payments.

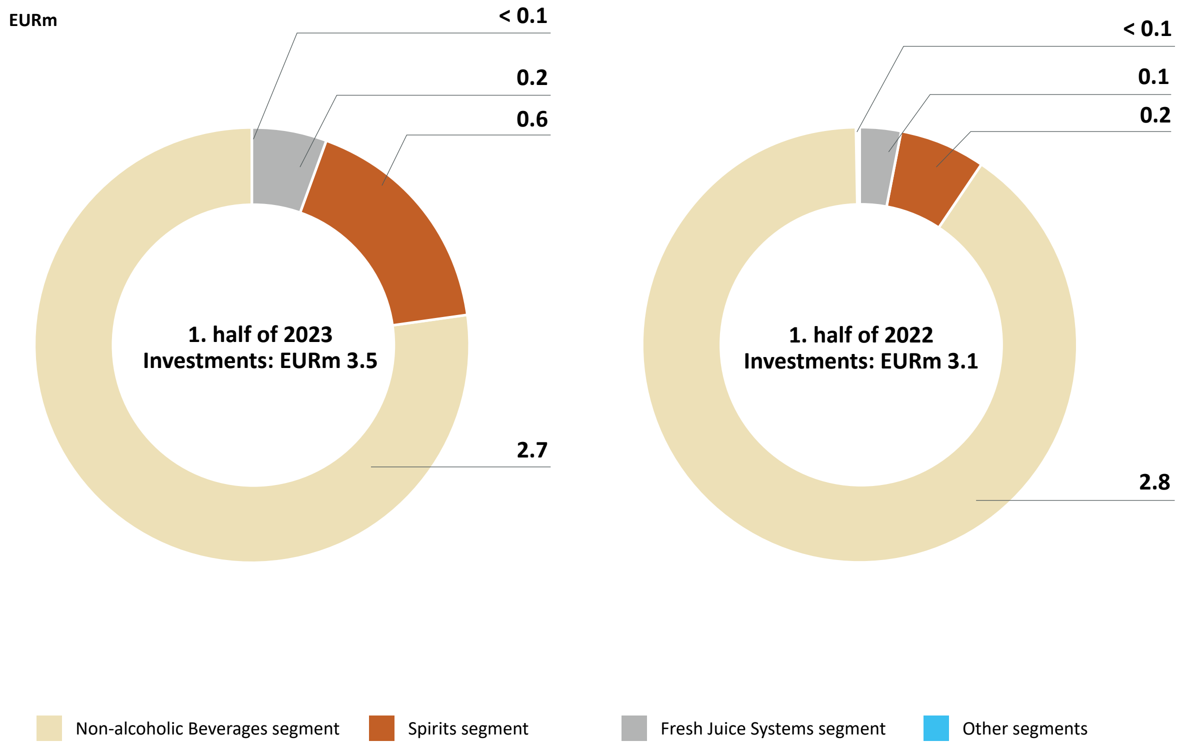
The net cash flow from operating activities was negative, at EUR 16.1 million, in the first six months of financial year 2023 (EUR 8.7 million). Compared to operating cash flow, this figure also includes changes in working capital, which led to a cash outflow of EUR 20.4 million (EUR 14.6 million). The main factors contributing to this result are described in the following:

The change in trade working capital (i.e., the net balance of cash changes in inventories, trade receivables, alcohol tax liabilities, and trade payables) gave rise to a cash outflow of EUR 15.5 million (EUR 15.2 million). The main factors behind this development were the EUR 6.0 million (EUR 5.5 million) decrease in alcohol tax liabilities mainly due to seasonal effects, the EUR 2.7 million (EUR 6.8 million) increase in capital tie-up in inventories, which was driven particularly by higher procurement prices, and the EUR 6.0 million decrease in trade payables (EUR 0.4 million increase).

These developments were partially offset by a cash inflow from Other assets in the amount of EUR 2.6 million (EUR 1.6 million). Furthermore, the change in other items of equity and liabilities and in other non-cash effects together gave rise to a cash outflow of EUR 7.5 million (EUR 1.0 million).

Cash flow from investing activities

The Group's investing activities, particularly for investments in property, plant and equipment, gave rise to a cash outflow of EUR 3.5 million (EUR 3.1 million). As in the year-ago period, this amount was mainly spent on investments in empty bottle containers and crates in the *Non-alcoholic Beverages* segment in the first half of 2023.



Cash flow from financing activities

Financing activities gave rise to a net cash inflow of EUR 9.3 million (net cash outflow of EUR 10.2 million). This development is mainly attributable to drawdowns under the syndicated loan agreement, which led to a net cash inflow of EUR 12.0 million in the first half of financial year 2023, as compared to a cash outflow of EUR 7.5 million in the year-ago comparison period resulting from the repayment of a drawdown. Other factors contributing to the cash outflow were the dividend payment in the amount of EUR 2.1 million (EUR 2.1 million) and the repayment of lease liabilities per IFRS 16 in the amount of EUR 0.7 million (EUR 0.6 million).

Cash and cash equivalents

Total cash and cash equivalents at the end of the first six months of financial year 2023 amounted to EUR 2.6 million (EUR 6.1 million). Of this total, an amount of EUR 0.7 million (EUR 2.4 million) consisted of receivables from the customer settlement accounts maintained with banks for the purpose of executing two factoring agreements. As at June 30, 2023, moreover, drawdowns under short-term lines of credit and financing instruments classified as such amounted to EUR 0.8 million (EUR 0.5 million).

(2.2.4) Financial position

	06/30/2023		12/31/2022		Change
	EUR'000	%	EUR'000	%	EUR'000
Assets					
Non-current assets	57,461	41.5	57,339	39.2	+ 122
Current assets	81,072	58.5	88,971	60.8	- 7,899
	138,533	**100.0**	**146,310**	**100.0**	**- 7,777**
Shareholders' equity and liabilities					
Shareholders' equity	47,792	34.5	50,110	34.2	- 2,318
Non-current liabilities	9,654	7.0	9,532	6.5	+ 122
Current liabilities	81,087	58.5	86,668	59.2	- 5,581
	138,533	**100.0**	**146,310**	**100.0**	**- 7,777**

Assets

Compared to December 31, 2022, total assets declined by 5.3% to EUR 138.5 million (EUR 146.3 million).

Non-current assets

Non-current assets accounted for EUR 57.5 million (EUR 57.3 million) of total consolidated assets. Although non-current assets were only modestly higher, their share of total assets rose to 41.5% (39.2%). The carrying amount of property, plant and equipment increased by EUR 0.3 million. Depreciation, amortisation and impairments amounted to EUR 3.1 million (EUR 3.1 million), as compared to capital investments of EUR 3.4 million (EUR 3.0 million).

The coverage of non-current assets by shareholders' equity and non-current liabilities fell to 100.0% (104.0%).

Current assets

Current assets decreased to EUR 81.1 million (EUR 89.0 million). Trade receivables accounted for 14.1% (12.0%) of current assets. The Berentzen Group currently has at its disposal two factoring agreements with a net funding volume of EUR 60.0 million and a formally unlimited factoring line under three additional central settlement and factoring agreements. On this basis, gross receivables totalling EUR 46.5 million had been sold as at June 30, 2023 (EUR 56.1 million). The still unrecognised volume of receivables rose to EUR 11.5 million (EUR 10.6 million).

Inventories rose to EUR 53.8 million (EUR 51.1 million).

Other current assets mainly consisted of security retentions under factoring transactions in the amount of EUR 7.3 million (EUR 9.0 million). The security retentions declined in line with the lower volume of gross receivables sold as at June 30, 2023.

Cash and cash equivalents of EUR 3.5 million (EUR 13.5 million) were reduced by the negative total cash flow of EUR 10.4 million shown in the consolidated cash flow statement.

Shareholders’ equity and liabilities

Shareholders’ equity

Given consolidated total comprehensive income of EUR -0.3 million in the first half of financial year 2023 (EUR 3.1 million) and in consideration of the dividend payment of EUR 2.1 million resolved by the Annual General Meeting in May 2023 (EUR 2.1 million), shareholders’ equity decreased to EUR 47.8 million (EUR 50.1 million).

Non-current liabilities

Non-current liabilities amounted to EUR 9.7 million (EUR 9.5 million). This item was mainly composed of non-current financial liabilities of EUR 1.4 million (EUR 1.3 million) and pension provisions of EUR 5.6 million (EUR 5.8 million). Non-current liabilities accounted for 10.6% (9.9%) of total consolidated liabilities as at June 30, 2023.

Current liabilities

Current liabilities fell to EUR 81.1 million (EUR 86.7 million), representing 58.5% (59.2%) of total consolidated assets. Current financial liabilities accounted for EUR 15.0 million (EUR 2.6 million) of total current liabilities. This development is attributable to a short-term drawdown under the syndicated loan agreement in the amount of EUR 12.0 million.

Alcohol tax liabilities amounted to EUR 31.6 million (EUR 37.6 million). The EUR 6.0 million decrease in liabilities for alcohol taxes, which are imposed on revenues generated in the *Spirits* and *Other segment* in Germany, from the figure as at December 31, 2022 resulted mainly from the traditionally higher volume of business towards the end of every financial year compared to the middle of the financial year, due to seasonal effects.

The trade payables of EUR 11.3 million were EUR 6.0 million lower than at the end of financial year 2022 (EUR 17.2 million) as a result of liquidity management and reporting date effects. Other current liabilities, including current provisions, fell to EUR 23.3 million (EUR 29.3 million).

Due to the substantially higher net financial liabilities accompanied by a stable consolidated EBITDA in the last 12 months, the dynamic gearing ratio of 0.80 was significantly higher than the ratio at the end of the year-ago comparison period (-0.18).

(2.2.5) General assessment of the Group’s business performance and economic position

In a still difficult economic environment, the Group had to contend with numerous challenges in the first half of financial year 2023, chief among them supply bottlenecks and price inflation. The increases in selling prices accompanied by positive volume effects in some strategically important product categories were behind the significant, 12.7% increase in consolidated revenues to EUR 89.0 million (EUR 79.0 million). After the EUR 0.6 million increase in consolidated gross profit, the EUR 2.5 million increase in operating expenses, and the EUR 1.4 million increase in Other operating income, the Berentzen Group closed the first half of financial year 2023 with an adjusted consolidated operating result (consolidated EBIT) of EUR 3.3 million (EUR 3.7 million) and an adjusted consolidated operating result before depreciation and amortisation (consolidated EBITDA) of EUR 7.3 million (EUR 7.9 million). The consolidated profit fell to EUR 0.8 million (EUR 1.8 million).

The revenue performance of the individual segments was uniformly positive. The *Spirits* segment achieved revenue growth of 13.0%. Revenues in the *Non-alcoholic Beverages* and *Fresh Juice Systems* segments were 14.1% and 9.2% higher, respectively, in the first half of financial year 2023.

The Group's cash flows and financial position are sound. The financial position has been affected by higher capital tie-up in net current assets due to the increased volume of business. The financing for this additional capital requirement is fully assured, as before, particularly with the aid of the external funding components described above. In addition, the Group still generates sufficient operating cash flow to fund its core, operational revenue and earnings processes, as well as capital investments in non-current assets. To finance its further growth, the Berentzen Group exercised an option within the syndicated loan agreement to increase the funding volume by opening an additional repayable-at-maturity facility for EUR 9.9 million after the end of the reporting period, in July 2023. Due to the higher level of net debt accompanied by a stable consolidated EBITDA in the last 12 months, the dynamic gearing ratio of 0.80 was significantly higher than the ratio at the end of the year-ago comparison period (-0.18). Whereas Group equity decreased by EUR 2.3 million in absolute terms, the equity ratio increased slightly to 34.5% from the corresponding ratio at December 31, 2022 (34.2%) due to the fact that consolidated total assets declined by EUR 7.8 million to EUR 138.5 million.

(3) Report on risks and opportunities

The Group's business activities open up numerous opportunities, but also expose the Group to numerous risks. Risks are understood to be internal or external events based on future developments that prevent the Group from achieving defined goals or successfully realising strategies. Conversely, opportunities are understood as possible future successes that exceed the defined goals and thus can positively impact business performance.

The Berentzen Group's risk management system is geared towards promptly identifying risks, assessing them, and countering them by means of appropriate early detection and precautionary measures. The organisation of the risk management system is described in detail in the Report on risks and opportunities in the Berentzen Group's Annual Report for the 2022 financial year.

No significant changes from the risks and opportunities of the Group's anticipated development in the remaining six months of financial year 2023 occurred in the first half of financial year 2023. This assessment includes the overall assessment of risks and opportunities provided therein.

(4) Forecast report

The Forecast Report of the Berentzen Group takes account of the relevant facts and events known at the time of preparing the half-yearly consolidated financial statements that could have an impact on the Group's future business performance. The forecasts made herein on the basis of the current version of the integrated corporate plan of the Berentzen Group for the 2023 financial year and in consideration of the Group's business performance in the first half of the 2023 financial year are based on the assumption of organic development within the Group excluding significant non-recurring exceptional effects and changes arising from possible company acquisitions; where such events need to be taken into account at the time of preparing this Forecast Report, this is stated accordingly.

(4.1) General economic and industry-specific framework conditions

General economic conditions

DIW Berlin expects that the global economy will be influenced by high inflation and restrictive monetary policy also in the further course of financial year 2023, meaning that it will emerge from the current phase of weakness only slowly. The same conclusion is expressed in the global economic growth forecast presented in the World Economic Outlook Update published by the International Monetary Fund (IMF) in July 2023: After growth of 3.5% in 2022, a 3.0% growth rate is expected for the year 2023. However, this forecast is subject to strong downside risks. Although the rate of inflation is expected to fall from 8.7% in 2022 to 6.8% in 2023, inflation rates could remain at high levels or even rise further, which would force central banks to take much more restrictive measures. An additional risk factor is the possible further escalation of the war in Ukraine, which could fuel a renewed rise in prices of raw materials. It is expected that global economic growth in 2023 will be mostly driven by emerging-market countries, for which the IMF predicts a growth rate of 4.0%. By contrast, the IMF is forecasting growth of only 1.5% for the advanced economies. The expectation for economic growth in the Eurozone is even lower, at 0.9%.

A modest 0.3% (IMF) or 0.2% (DIW) contraction of economic output is predicted for the German economy in 2023. According to DIW Berlin, however, this contraction will conceal the fact that the German economy is on a course of recovery. In line with the development of the global economy, a 5.9% inflation rate is expected for the German economy. Also in this case, the risk of inflation cannot be ruled out entirely: If it remains at a higher level, the recovery of consumer spending and the economy overall could be delayed.

Developments on the drinks market

The aforementioned anticipated future developments in the global economy and particularly also the German economy in 2023 will also impact the sales markets of all segments of the Berentzen Group to varying extents.

High levels of inflation are expected to persist also in the sector of fast-moving consumer goods (FMCG), which includes spirits and non-alcoholic beverages. Such high rates of inflation can adversely affect retail sales of these products and prompt consumers to avoid buying them, especially premium spirits, for which reason the Berentzen Group anticipates a trend of declining unit sales in the period remaining before the end of the year. On the other hand, heightened price sensitivity creates opportunities for sales of private-label products, which are often lower-priced. Even if unit sales do not rise, however, the revenues generated on sales of some products could exceed the level of the previous year due to price increases. Moreover, the inflation-induced heightened price sensitivity of consumers can influence their decision to purchase brand-name products insofar as they may look for promotions and purchase products in discount stores to a greater degree.

In the retail business with non-alcoholic beverages, moreover, the mineral waters sub-market in particular is heavily dependent on weather conditions. Longer periods of above-average heat in the summer could lend a boost to sales of these products, although such conditions have not yet occurred in the northwestern part of Germany. While certain trends such as the trend of nutritional awareness, sustainability and regionality may continue to drive the growth of some product segments, they have a rather detrimental effect on other product segments, especially traditional sweetened beverages and products sold in PET bottles. Furthermore, sales of mineral water products are increasingly losing out to the market growth of carbonation systems.

In the opinion of the Berentzen Group, the German hospitality industry as another relevant distribution channel for the Group's spirits and non-alcoholic beverages will be somewhat weaker in the coming months. Even though guests returned to restaurants in the first half of the year after the pandemic, the heightened level of prices is dampening the demand for restaurant services. Moreover, no coronavirus catch-up effects are to be expected in the second half of the year given that no coronavirus protection measures were in effect in the second half of 2022.

To the knowledge of the Berentzen Group, comprehensive, reliable market data for the *Fresh Juice Systems* segment are practically not available. Therefore, the Group relies on the market development of fresh beverages such as not-from-concentrate juices, freshly squeezed fruit juices and also smoothies because such products are also in line with the years-long trend of heightened nutritional awareness. The Berentzen Group believes that the importance attached to healthy nutrition will be even greater after the coronavirus pandemic and therefore the preference for fresh-pressed juices will only increase. There is also a possibility, however, that this trend could be blunted by the heightened price sensitivity resulting from inflation.

(4.2) Anticipated development of financial performance

Anticipated development of the segments

	2022 EURm	Forecast for the 2023 financial year in 2022 forecast report EURm	Forecast for the 2023 financial year Q2/ 2023 EURm
Contribution margin after marketing budgets			
Segment			
Spirits	31.3	32.0 to 35.4	unchanged
Non-alcoholic Beverages	22.9	24.9 to 27.5	23.4 to 25.8
Fresh Juice Systems	6.2	6.3 to 7.0	unchanged
Other segment	4.4	3.1 to 3.4	3.9 to 4.3

The anticipated development of results in the individual segments (contribution margin after marketing budgets) presented in the table above is particularly based on the knowledge gained from the internal planning and forecasting processes in which the respective results achieved in the first seven months of financial year 2023 and the respective forecasts for the period remaining in financial year 2023 are reflected. On this basis, it was necessary in two cases to correct the forecast during the year.

In the *Non-alcoholic Beverages* segment, a contribution margin after marketing budgets of an amount between EUR 23.4 million and EUR 25.8 million (EUR 22.9 million) is now anticipated. In the context of the above-mentioned positive revenue performance and positive product mix effects in the first half of 2023, the total amount of contribution margins also exhibited growth, but fell short of expectations. This trend is expected to continue in the second half of 2023. It is now assumed that marketing and trade advertising expenses will be largely unchanged from the previous year.

The *Other segment* mainly comprises the tourism, event and web shop business of the Berentzen Group, as well as the sales of spirits in Turkey, which are managed by a local subsidiary of the Group. With regard to the latter business, the Berentzen Group had originally expressed a cautious assessment of contribution margin growth due to the highly uncertain economic and political environment in Turkey. Based on the positive development in the first half of 2023 accompanied by the expectation of largely unchanged marketing expenses, the Berentzen Group has raised its forecast of segment earnings to an amount in the range of EUR 3.9 million to EUR 4.3 million (EUR 4.4 million).

Anticipated development of consolidated revenues and consolidated operating profit

	2022 EURm	Forecast for the 2023 financial year in 2022 forecast report EURm	Forecast for the 2023 financial year Q2/ 2023 EURm
Consolidated revenues	174.2	185.0 to 195.0	unchanged
Consolidated operating profit (consolidated EBIT)	8.3	7.0 to 9.0	unchanged
Consolidated operating profit before depreciation and amortisation (consolidated EBITDA)	16.7	15.6 to 17.6	unchanged

Based on the anticipated development of the individual segments described above, the Berentzen Group can now, after the first six months of financial year 2023, confirm the forecasts expressed in the Annual Report 2022 for the consolidated operating result (consolidated EBIT), the consolidated operating result before depreciation and amortisation (consolidated EBITDA), and consolidated revenues. On this basis, the Berentzen Group still anticipates a stable development of financial performance in financial year 2023.

(4.3) Anticipated development of cash flows and financial position

Based on the development of operating activities described above, it is expected that the Group’s cash flows and financial position will continue to be sound on the whole.

Anticipated development of cash flows

	2022 EURm	Forecast for the 2023 financial year in 2022 forecast report EURm	Forecast for the 2023 financial year Q2/ 2023 EURm
Operating cash flow	12.3	11.7 to 13.5	10.1 to 11.8

With regard to the anticipated development of operating cash flow, the Berentzen Group has corrected its forecast to an amount in the range of EUR 10.1 million to EUR 11.8 million (EUR 12.3 million). This correction is mainly based on the expectation that the cash flow contribution of consolidated earnings corrected for depreciation, amortisation and impairments will be less than the corresponding figure for the previous year and on the different timing of cash outflows related to income taxes compared to the original planning assumptions.

Anticipated development of financial position

	2022	Forecast for the 2023 financial year in 2022 forecast report	Forecast for the 2023 financial year Q2/ 2023
Equity ratio	34.2 %	32.2% to 37.2%	unchanged
Dynamic gearing ratio	- 0.58	0.19 to 0.29	0.48 to 0.58

Because the capital requirement, particularly for financing higher working capital, has been found to be more extensive than originally assumed, the Berentzen Group has changed its forecast for the dynamic gearing ratio to an anticipated range of 0.48 to 0.58. The ability of the Berentzen Group to service its debts going forward as reflected in this indicator will remain sound.

Based on the current status of the integrated Group forecast for the 2023 financial year, the Group's financial position and cash flows will remain balanced on the whole. Nevertheless, the indicators used to manage the Group are also subject to reporting-date effects to a large extent, particularly if they are only subject to short commitment periods.

C. Consolidated half-yearly financial statements

Consolidated statement of financial position as at June 30, 2023

	06/30/2023 EUR'000	12/31/2022 EUR'000
ASSETS		
Non-current assets		
Intangible assets	9,152	9,330
Property, plant and equipment	44,751	44,420
Right-of-use assets	2,355	2,298
Other financial and non-financial assets	1,107	1,200
Deferred tax assets	96	91
Total non-current assets	**57,461**	**57,339**
Current assets		
Inventories	53,800	51,134
Current trade receivables	11,453	10,642
Current income tax assets	2,203	989
Cash and cash equivalents	3,459	13,537
Other current financial and non-financial assets	10,157	12,669
Total current assets	**81,072**	**88,971**
TOTAL ASSETS	**138,533**	**146,310**

	06/30/2023 EUR'000	12/31/2022 EUR'000
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Subscribed capital	24,424	24,424
Additional paid-in capital	6,821	6,821
Retained earnings	22,243	23,098
Currency translation differences and hyperinflation	- 5,696	- 4,233
Total shareholders' equity	**47,792**	**50,110**
Non-current liabilities		
Non-current provisions	7,183	7,106
Non-current financial liabilities	1,408	1,317
Deferred tax liabilities	1,063	1,109
Total non-current liabilities	**9,654**	**9,532**
Current liabilities		
Alcohol tax liabilities	31,587	37,605
Current provisions	81	81
Current income tax liabilities	594	455
Current financial liabilities	14,970	2,591
Trade payables and other liabilities	33,855	45,936
Total current liabilities	**81,087**	**86,668**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**138,533**	**146,310**

Consolidated statement of comprehensive income for the period from January 1 to June 30, 2023

	01/01 to 06/30/2023 EUR'000	01/01 to 06/30/2022 EUR'000
Revenues	88,976	78,980
Change in inventories	2,100	2,991
Other operating income	2,993	1,574
Purchased goods and services	53,160	44,676
Personnel expenses	14,970	14,678
Amortisation and depreciation of assets	4,033	4,140
Other operating expenses	18,646	16,306
Gain or loss from the net monetary position in accordance with IAS 29	- 470	- 619
Financial income	62	7
Financial expenses	1,714	654
Earnings before income taxes	**1,138**	**2,479**
Income tax expenses	381	697
Consolidated profit	**757**	**1,782**
Currency translation differences and hyperinflation	- 1,008	333
Items to be reclassified to the income statement at a later date	**- 1,008**	**333**
Revaluation of defined benefit obligations	0	1,337
Deferred taxes on revaluation of defined benefit obligations	0	- 394
Items not to be reclassified to the income statement at a later date	**0**	**943**
Other comprehensive income	**- 1,008**	**1,276**
Consolidated comprehensive income	**- 251**	**3,058**
Earnings per share after profit attributable to shareholders (in euros per share)		
Basic / diluted earnings per common share	0.081	0.190

Consolidated statement of changes in shareholders' equity for the period from January 1 to June 30, 2023

	Subscribed capital EUR'000	Additional paid-in capital EUR'000	Retained earnings EUR'000	Currency translation differences and hyperinflation EUR'000	Total equity EUR'000
Total at 01/01/2022	**24,424**	**6,821**	**20,104**	**- 2,414**	**48,935**
Consolidated profit			2,237	- 455	1,782
Other comprehensive income			943	333	1,276
Consolidated comprehensive income			3,180	- 122	3,058
Dividends paid			- 2,067		- 2,067
Total at 06/30/2022	**24,424**	**6,821**	**21,218**	**- 2,536**	**49,927**
Total at 01/01/2023	**24,424**	**6,821**	**23,098**	**- 4,233**	**50,110**
Consolidated profit			1,115	- 358	757
Other comprehensive income			0	- 1,008	- 1,008
Consolidated comprehensive income			1,115	- 1,366	- 251
Dividends paid			- 2,067		- 2,067
Total at 06/30/2023	**24,424**	**6,821**	**22,146**	**- 5,599**	**47,792**

Consolidated cash flow statement for the period from January 1 to June 30, 2023

	01/01 to 06/30/2023 EUR'000	01/01 to 06/30/2022 EUR'000
Consolidated profit	757	1,782
Income tax expenses	381	697
Interest income	- 62	- 7
Interest expenses	1,714	654
Amortisation and depreciation of assets	4,033	4,140
Gain or loss from the net monetary position in accordance with IAS 29	470	619
Other non-cash effects	- 1,662	951
Increase (+) / decrease (-) in provisions	77	- 1,189
Gains (-) / losses (+) on disposals of property, plant and equipment	3	16
Increase (+) / decrease (-) in receivables assigned under factoring agreements	- 7,866	- 7,500
Decrease (+) / increase (-) in other assets	7,014	- 995
Increase (+) / decrease (-) in alcohol tax liabilities	- 6,018	- 5,546
Increase (+) / decrease (-) in other liabilities	- 12,020	- 476
Cash inflows from subleases	61	53
Cash and cash equivalents generated from operating activities	**- 13,118**	**- 6,801**
Income taxes paid	- 1,510	- 1,266
Interest received	66	5
Interest paid	- 1,543	- 620
Cash flow from operating activities	**- 16,105**	**- 8,682**
Payments for investments in intangible assets	- 130	- 111
Proceeds from disposals of property, plant and equipment	4	6
Payments for investments in property, plant and equipment	- 3,419	- 2,963
Cash flow from investing activities	**- 3,545**	**- 3,068**
Cash inflows from the utilization of loan agreements	47,000	0
Cash outflows linked to the utilisation of loan agreements	0	- 24
Repayment of loans	- 35,000	- 7,500
Dividend payments	- 2,067	- 2,067
Lease liability repayments	- 678	- 593
Cash flow from financing activities	**9,255**	**- 10,183**
Change in cash and cash equivalents	**- 10,395**	**- 21,933**
Cash and cash equivalents at the start of the period	13,039	28,004
Cash and cash equivalents at the end of the period	**2,644**	**6,071**

Abridged notes to the consolidated financial statements

(1) Policies and methods

(1.1) Information about the company

Berentzen-Gruppe Aktiengesellschaft, Haselünne, is a stock corporation organised under German law (Aktiengesellschaft). The company has its registered head office at Ritterstraße 7, 49740 Haselünne, Germany, and is recorded in the Commercial Register maintained by Osnabrück Local Court (entry HRB 120444).

The share capital of Berentzen-Gruppe Aktiengesellschaft is divided into 9.6 million no-par shares of common stock, which are listed in the Regulated Market of the Frankfurt Stock Exchange (General Standard) under ISIN DE0005201602 and WKN 520160.

The business activities of Berentzen-Gruppe Aktiengesellschaft and its affiliated companies comprise the production and distribution of spirits and non-alcoholic beverages and the development and distribution of fresh juice systems.

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

Basic accounting policies

The present consolidated half-yearly financial statements as at June 30, 2023 have been prepared on the basis of Section 117 No. 2 WpHG in conjunction with Section 115 WpHG and in accordance with International Financial Reporting Standards (IFRS) and the corresponding Interpretations of the IFRS Interpretations Committee, as they are to be applied to interim financial reports in the European Union. In particular, IAS 34 Interim Financial Reporting was applied; in addition, the German Accounting Standard No. 16 (GAS 16) Half-Year Financial Reporting was observed.

The accounting policies applied in the consolidated half-yearly financial statements are basically the same as those applied in the last consolidated financial statements as at the end of financial year 2022, with the following exception:

- In the interim reporting period, income taxes were calculated on the basis of the best estimate of the currently anticipated tax rate for the full financial year in accordance with IAS 34 in conjunction with IAS 12. This tax rate is applied to the pre-tax earnings of the interim reporting period.

A detailed description of accounting principles and accounting policies applied is provided in the consolidated financial statements as at December 31, 2022, which form the basis for the present consolidated half-yearly financial statements.

The consolidated half-yearly financial statements as at June 30, 2023 and the interim Group management report for the first half of financial year 2023 have not been subjected to a voluntary audit review nor audited in accordance with Section 317 HGB. They should be read in combination with the consolidated financial statements as at December 31, 2022 and the combined management report of the Berentzen Group (Group) and Berentzen-Gruppe Aktiengesellschaft for the 2022 financial year.

The present consolidated financial statements for the period from January 1 to June 30, 2023 and the interim Group management report for the first half of financial year 2023 were approved for publication by the Executive Board on August 10, 2023.

(1.3) New and amended IFRS standards

No significant new or amended IFRS standards were applied for the first time in financial year 2023.

(1.4) Consolidated group

The consolidated group is unchanged from the consolidated financial statements as at December 31, 2022.

(1.5) Assumptions and estimates

In the course of preparing the consolidated half-yearly financial statements in accordance with IAS 34, the Executive Board must make judgments and estimates, as well as assumptions, that influence the application of accounting standards in the Group and the presentation of assets and liabilities, income and expenses. The actual amounts could differ from these estimates. The results of the reporting period ended on June 30, 2023 do not necessarily allow for conclusions regarding the development of future results.

The methodology applied in making assumptions and estimates is unchanged from the consolidated financial statements as at December 31, 2022.

(1.6) Economic and seasonal factors

The Group's revenues, particularly in the *Spirits* and *Non-alcoholic Beverages* segments, are subject to seasonal factors. In the highest-revenue *Spirits* segment, which is described in more detail in Note (4.2) Segment Report, higher revenues are usually to be expected in the second half than in the first half of the financial year. Moreover, the earnings performance of this segment also depends on the nature and extent of marketing instruments employed. The sales and revenue performance of the *Non-alcoholic Beverages* segment is influenced by the underlying weather conditions. By contrast, the performance of the *Fresh Juice Systems* segment is not subject to significant seasonal effects.

For these reasons, the business results of the first half are not necessarily an indicator of the results to be expected in the second half of the financial year.

(2) Explanatory notes to the consolidated financial statements

(2.1) Non-current assets

Capital investments

An amount of EUR 3,549 thousand (H1 2022: EUR 3,074 thousand) was invested in intangible assets and property, plant and equipment in the first half of financial year 2023.

Commitments to purchase property, plant and equipment

The Group was also subject to commitments to purchase property, plant and equipment in the amount of EUR 635 thousand at June 30, 2023 (12/31/2022: EUR 0 thousand).

(2.2) Current trade receivables

Transfers of financial assets

As part of its external funding, the Berentzen Group also utilises factoring lines. The total available financing amount on the basis of two factoring agreements is EUR 60,000 thousand ((12/31/2022: EUR 60,000 thousand). The Group can also access a formally unlimited factoring line based on three additional centralised settlement and factoring agreements which stipulate no maximum commitment; instead, the possible drawdown is limited only by the available amount of saleable receivables.

As at June 30, 2023, EUR 46,498 thousand (12/31/2022: EUR 56,080 thousand) had been sold and assigned to the respective factoring companies. Because nearly all of the risks and rewards incident to ownership of the financial assets were transferred to the factor, the trade receivables sold were completely derecognised in accordance with IFRS 9.3.2.6 a). An asset in the amount of EUR 544 thousand (12/31/2022: EUR 483 thousand) was recognised at June 30, 2023 to account for the continuing involvement represented by the late payment risk remaining with the Berentzen Group at the time of derecognition. A liability of the same amount was recognised at the same time.

Security retentions totalling EUR 7,263 thousand (12/31/2022: EUR 8,978 thousand) were retained by the factor to account for any deductions from the face value of receivables. The security retentions are presented within Other current assets.

(2.3) Shareholders’ equity

Profit utilisation / dividend

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

It was resolved at the Annual General Meeting of May 10, 2023 to use the distributable profit of approximately EUR 9,931 thousand (previous year: EUR 14,435 thousand) presented in the annual financial statements of Berentzen-Gruppe Aktiengesellschaft for the 2022 financial year to pay a dividend of EUR 0.22 (previous year: EUR 0.22) per qualifying common share for the 2022 financial year and to carry forward the remaining amount to new account. In consideration of the treasury shares held by the Company at the date of the Annual General Meeting, which do not qualify for dividends in accordance with Section 71b AktG, this amount corresponded to a total distribution of approximately EUR 2,067 thousand (previous year: EUR 2,067 thousand) and a carry-forward to new account of approximately EUR 7,864 thousand (previous year: EUR 12,368 thousand).

Currency translation difference and hyperinflation

IAS 29 Financial Reporting in Hyperinflationary Economies has been applied to the separate financial statements of the Turkish subsidiary since June 2022. As at June 30, 2023, this gave rise to an effect on Other comprehensive income of EUR 329 thousand (H1 2022: EUR 492 thousand), which is recognised within the equity item of “Difference from currency translation and hyperinflation”. The effect from currency translation, which amounted to EUR -1,337 thousand (H1 2022: EUR -159 thousand) as at June 30, 2023, is additionally recognised within this equity item.

(2.4) Non-current provisions

	06/30/2023 EUR’000	12/31/2022 EUR’000
Pension provisions	5,566	5,804
Other non-current provisions	1,617	1,302
	7,183	**7,106**

Pension provisions

The pension provisions based on defined benefit plans pertain to the post-employment benefit obligations (old age, disability, and survivor’s pensions) of the companies included in the consolidated financial statements, which are governed by different pension codes. The amount of individual benefits depends on the length of service with the Company and the age and/or salary level of the employee. Defined benefit plans are currently not offered to newly hired employees.

In accordance with IAS 19, the provisions for pensions and similar obligations are calculated in accordance with the projected unit credit method for defined benefit plans. They are calculated on the basis of actuarial reports. The parameters applied for this purpose in the first six months of financial year 2023, those being the actuarial rate, salary dynamic, and imputed adjustment rate for pensions, remained unchanged from those applied as at December 31, 2022. The following table shows the development of the defined benefit obligation (DBO) as at June 30, 2023:

	2023 EUR'000	2022 EUR'000
DBO at the start of the financial year	5,804	7,968
Interest expenses on the DBO	107	38
Revaluations		
Actuarial gains / losses due to change in financial assumptions	0	- 1,661
Actuarial gains / losses due to change in experience-based adjustments	0	153
Pension benefits paid	- 345	- 694
DBO at the end of the first half / financial year	**5,566**	**5,804**

The personnel expenses for the first six months of financial year 2023 and the comparison period were composed as follows:

	01/01 to 06/30/2023 EUR '000	01/01 to 06/30/2022 EUR '000
Interest expenses on the DBO	107	20
Expenses recognised in the Consolidated Statement of Comprehensive Income	**107**	**20**
Actuarial gains (-) / losses (+)	0	- 1,337
Expenses / income recognised in other comprehensive income	**0**	**- 1,337**
Total pension expenses	**107**	**- 1,317**

Other non-current provisions

	06/30/2023 EUR'000	12/31/2022 EUR'000
Compensation with performance-based components	1,355	1,060
Service anniversary awards	262	242
	1,617	**1,302**

For more detailed explanatory notes on the compensation of the Executive Board, including the performance-dependent components, please refer to Section (4.5) "Dealings with related entities and persons" and the description of the Executive Board compensation system at 2022_Compensation Report.

(2.5) Alcohol tax liabilities

	06/30/2023 EUR'000	12/31/2022 EUR'000
Alcohol tax liabilities	31,587	37,605
	31,587	**37,605**

The stated amount as at June 30, 2023 pertains to the notified alcohol tax for the months of May and June 2023. The stated amount as at December 31, 2022 includes the notified alcohol tax for the months of November and December 2022, which was payable in January and February 2023, respectively, in accordance with the regulations of the German Alcohol Tax Act.

(2.6) Current financial liabilities

	06/30/2023 EUR'000	12/31/2022 EUR'000
Liabilities to banks	12,815	498
Lease liabilities	1,032	1,029
Liabilities to non-consolidated affiliated companies	563	565
Continuing involvement	544	483
Interest liability continuing involvement	16	16
	14,970	**2,591**

The liabilities to banks in the amount of EUR 12,815 thousand (12/31/2022: EUR 498 thousand) consisted mainly of a short-term drawdown under the syndicated loan agreement. There were no drawdowns as at December 31, 2022. Liabilities to banks also included the current account liabilities of a foreign Group company.

(2.7) Financial instruments

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

The fair value of liabilities under the syndicated loan agreement approximates the recognised value due to the partially variable interest calculation based on benchmark interest rates. The fair values of other current financial liabilities, such as liabilities due to non-consolidated affiliated companies, are equal to their respective carrying amounts because they have short-term residual maturities and the effects of discounting are immaterial. The market value of derivative financial instruments is determined by application of the present-value method. End-of-day interest rates are applied for this purpose, and ECB reference rates are applied for the last day of the month. The fair value is attributable to Level 2 of the fair value hierarchy of IFRS 13. On balance, the fair value valuation of these items did not result in any earnings effect (H1 2022: no earnings effect). Trade payables and Other liabilities generally have shorter terms. The figures disclosed approximate the fair values.

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

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

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

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

Carrying values and fair values by category of financial instrument

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

	Category in accordance with IFRS 9	06/30/2023		12/31/2022	
		Carrying amount EUR'000	Fair value EUR'000	Carrying amount EUR'000	Fair value EUR'000
Assets					
Cash and cash equivalents	AC [1]	3,459	3,459	13,537	13,537
Trade receivables	AC	11,453	11,453	10,642	10,642
Other financial assets					
Equity instruments	FVPL [2]	804	804	804	804
Other financial assets	AC	9,713	9,713	11,747	11,747
Liabilities					
Liabilities to banks	AC	12,815	12,815	498	498
Trade payables	AC	11,253	11,253	17,214	17,214
Other financial liabilities	AC	16,038	16,038	21,895	21,895

1) Amortised cost.

2) Fair value through profit or loss.

(3) Explanatory notes to the consolidated statement of comprehensive income

(3.1) Revenues

Revenues are generated primarily at a point in time from sales of goods in different geographic regions and within different product groups.

	01/01 to 06/30/2023 EUR'000	01/01 to 06/30/2022 EUR'000
Spirits segment	53,764	47,577
Non-alcoholic Beverages segment	22,767	19,960
Fresh Juice Systems segment	9,468	8,673
Other segment	2,977	2,770
Revenues	**88,976**	**78,980**

(3.2) Other operating income

	01/01 to 06/30/2023 EUR'000	01/01 to 06/30/2022 EUR'000
Reversal of liabilities (accruals)	1,078	762
Foreign exchange loss	468	121
Non-period income	454	63
Miscellaneous other operating income	993	628
	2,993	**1,574**

(3.3) Other operating expenses

	01/01 to 06/30/2023 EUR'000	01/01 to 06/30/2022 EUR'000
Transport and selling expenses	10,273	9,437
Maintenance	1,936	1,586
Marketing, including advertising	1,837	1,869
Miscellaneous other operating expenses	4,600	3,414
	18,646	**16,306**

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

	01/01 to 06/30/2023 TEUR	01/01 to 06/30/2022 TEUR
Gain or loss from the net monetary position in accordance with IAS 29	- 470	- 619
	- 470	**- 619**

Turkey has been classified as a hyperinflationary economy according to the definition of IAS 29 since June 2022. The effects of the purchasing power adjustment of the non-monetary line items in the statement of financial position and the line items of the statement of comprehensive income are presented within the new item “Gain or loss from the net monetary position in accordance with IAS 29”. In the first half of the 2023 financial year, there was a loss from the net monetary position in the amount of EUR 470 thousand (H1 2022: EUR 619 thousand).

(3.5) Income taxes

	01/01 to 06/30/2023 EUR’000	01/01 to 06/30/2022 EUR’000
Current income taxes	439	749
Deferred income tax expenses	- 58	- 52
	381	**697**

(4) Other explanatory notes

(4.1) Consolidated cash flow statement

The cash flow situation, including the abridged consolidated cash flow statement, is described on pages 14 ff. of Section (2.2.3) Cash flows of the Economic Report in the interim Group management report, which is part of the present consolidated half-year financial report. The consolidated cash flow statement is also presented separately on page 28 of the present consolidated half-year financial report.

(4.2) Segment report

Operating segments

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

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

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

The Group was active in the following segments in financial year 2022 and in the first half of financial year 2023:

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

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

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

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

Segment data

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

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

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

Segment report for the period from January 1 to June 30, 2023

	01/01 to 06/30/2023					
	Spirits EUR'000	Non-alcoholic Beverages EUR'000	Fresh Juice Systems EUR'000	Other segment EUR'000	Elimination of intersegment income/ expenses EUR'000	Total EUR'000
Revenues with third parties	**53,764**	**22,767**	**9,468**	**2,977**		**88,976**
Intersegment revenues	1,625	77	0	6	- 1,708	
Total revenues	**55,389**	**22,844**	**9,468**	**2,983**	**- 1,708**	**88,976**
Purchased goods and services (product-related only)	- 37,439	- 7,001	- 5,288	- 702	1,708	- 48,722
Other direct costs	- 2,839	- 3,716	- 803	- 94		- 7,452
Marketing, including advertising	- 725	- 768	- 81	- 39		- 1,613
Contribution margin after marketing budgets	**14,386**	**11,359**	**3,296**	**2,148**		**31,189**
Other operating income						2,993
Purchased goods and services / change in inventories (if not included in contribution margin)						- 2,338
Personnel expenses						- 14,970
Amortisation and depreciation of assets						- 4,033
Miscellaneous other operating expenses						- 9,581
Consolidated operating profit, EBIT						**3,260**
Financial income						62
Financial expenses						- 1,714
Gain or loss from the net monetary position in accordance with IAS 29						- 470
Consolidated profit before income taxes						**1,138**
Income taxes						- 381
Consolidated profit						**757**

Segment report for the period from January 1 to June 30, 2022

	01/01 to 06/30/2022					
	Spirits EUR'000	Non-alcoholic Beverages EUR'000	Fresh Juice Systems EUR'000	Other segment EUR'000	Elimination of intersegment income/ expenses EUR'000	Total EUR'000
Revenues with third parties	**47,577**	**19,960**	**8,673**	**2,770**		**78,980**
Intersegment revenues	1,739	32	0	2	- 1,773	
Total revenues	**49,316**	**19,992**	**8,673**	**2,772**	**- 1,773**	**78,980**
Purchased goods and services (product-related only)	- 30,181	- 4,837	- 4,581	- 982	1,773	- 38,808
Other direct costs	- 2,768	- 3,157	- 775	- 56		- 6,756
Marketing, including advertising	- 719	- 868	- 38	- 27		- 1,652
Contribution margin after marketing budgets	**15,648**	**11,130**	**3,279**	**1,707**		**31,764**
Other operating income						1,574
Purchased goods and services / change in inventories (if not included in contribution margin)						- 2,877
Personnel expenses						- 14,678
Amortisation and depreciation of assets						- 4,140
Miscellaneous other operating expenses						- 7,898
Consolidated operating profit, EBIT						**3,745**
Financial income						7
Financial expenses						- 654
Gain or loss from the net monetary position in accordance with IAS 29						- 619
Consolidated profit before income taxes						**2,479**
Income taxes						- 697
Consolidated profit						**1,782**

(4.3) Contingent liabilities

	06/30/2023 EUR'000	12/31/2022 EUR'000
Liabilities from guarantees	872	872
Other contingent liabilities	333	355
	1,205	**1,227**

The Group is also subject to letters of indemnity related to maximum-liability customs bonds in the amount of EUR 776 thousand (12/31/2022: EUR 776 thousand). The current alcohol tax liabilities secured by these letters of indemnity amounted to EUR 31,587 thousand as at June 30, 2023 (12/31/2022: EUR 37,605 thousand).

(4.4) Litigation

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

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

(4.5) Related Party Disclosures

The disclosures prescribed by IAS 24 refer to dealings with related entities and persons, to the extent that they are not included in the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft as the reporting entity. Entities or persons related to the reporting entity within the meaning of IAS 24 are particularly those entities that belong to the same corporate group as the reporting entity and persons who either control or have a significant influence over the reporting entity, or who are a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

Related persons

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

Executive Board

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

Type of compensation	01/01 to 06/30/2023 EUR'000	01/01 to 06/30/2022 EUR'000
Short-term benefits	609	618
Share-based payment	270	456
Other long-term benefits	43	48
	922	**1,122**

In addition to fixed basic salaries, the compensation system for Executive Board members also consists of short- and long-term variable components. The long-term variable components are based on share-based and non-financial performance criteria. Share-based compensation is assessed on the basis of a multivariate Black-Scholes model with Monte Carlo simulations corresponding to IFRS 2 requirements. For this purpose, a fair value of EUR 270 thousand (H1 2022: EUR 456 thousand) was calculated and recognised as a liability as at June 30, 2022.

Post-employment benefits were granted to former managing directors – and their survivors – of Group companies to which Berentzen-Gruppe Aktiengesellschaft is the legal successor in the amount of EUR 14 thousand (H1 2022: EUR 14 thousand) in the first half of financial year 2023.

As calculated in accordance with IAS 19, the present value of accrued pension obligations for this group of persons amounted to EUR 275 thousand as at June 30, 2023 (12/31/2022: EUR 275 thousand).

Supervisory Board

Short-term benefits within the meaning of IAS 24.17 in the amount of EUR 96 thousand (H1 2022: EUR 94 thousand) were granted to the members of the Supervisory Board in their function as members of the Supervisory Board.

The employee representatives on the Supervisory Board received short-term benefits in the total amount of EUR 52 thousand (H1 2022: EUR 56 thousand) for their activity outside of their functions as Supervisory Board members in the first half of financial year 2023.

Additional disclosures on dealings with related entities and persons

The outstanding balances due from or to related entities or persons at the end of the first half of financial year as at June 30, 2023 are not secured and do not bear interest. No guarantees have been provided for amounts due to or from related entities and persons.

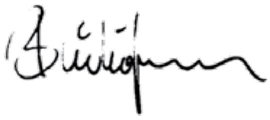
There were no doubtful receivables related to outstanding balances due from related parties as at June 30, 2023 and therefore no impairments have been recognised for this purpose. No expenses for uncollectible or doubtful receivables due from related parties were recognised in the first half of the 2023 financial year.

(4.6) Significant events after the reporting date

In July 2023, the Berentzen Group exercised an option in the syndicated loan agreement to increase the funding volume and took out an additional repayable-at-maturity facility for EUR 9.9 million maturing on December 31, 2026. No other reportable events occurred after the close of the first half of the financial year.

Haselünne, August 10, 2023

Berentzen-Gruppe Aktiengesellschaft
The Executive Board



Oliver Schwegmann
Executive Board member

Ralf Brühöfner
Executive Board member

D. Declarations and other information

Responsibility statement

We hereby declare that, to the best of our knowledge, and in accordance with the applicable accounting principles for half-yearly reports, the consolidated half-yearly financial statements provide a true and fair view of the Group's financial position, cash flows and financial performance, and that the interim Group management report provides a true and fair view of the Group's performance, including its results and position, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remainder of the financial year.

Haselünne, August 10, 2023

Berentzen-Gruppe Aktiengesellschaft

The Executive Board

Oliver Schwegmann	Ralf Brühöfner
Executive Board member	Executive Board member

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Current 2023 financial calendar

August 10, 2023	Group Half-Yearly Financial Report 2023
October 9-10, 2023	Investor Acces Event in Paris (FR)
October 24, 2023	Interim Report Q3 / 2023
November 27-29, 2023	German Equity Forum in Frankfurt am Main

Last updated on August 10, 2023. The financial calendar is provided for information purposes only and will be regularly updated. It is subject to change.

Disclaimer

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