Dr. August Oetker KG

Oetker-Gruppe

2019

Annual Report 2019

The Oetker Group

Key Indicators

	2017	in %	2018	in %	2019	in %	% [2]
NET SALES BY DIVISION[1] (IN EUR MILLION)	**11,601**	**100.0**	**7,140**	**100.0**	**7,406**	**100.0**	**3.7**
Food	3,135	27.0	3,460	48.5	3,862	52.1	11.6
Beer and Nonalcoholic Beverages	1,908	16.4	2,181	30.5	1,741	23.5	–20.2
Sparkling Wine, Wine and Spirits	523	4.5	816	11.4	1,044	14.1	27.9
Shipping	5,398	46.5	–	–	–	–	–
Other Interests	637	5.5	684	9.6	759	10.2	11.0
NET SALES BY REGION[1] (IN EUR MILLION)	**11,601**	**100.0**	**7,140**	**100.0**	**7,406**	**100.0**	**3.7**
Germany	3,874	33.4	3,757	52.6	3,427	46.3	–8.8
Rest of the EU	2,799	24.1	2,169	30.4	2,384	32.2	9.9
Rest of Europe	573	4.9	276	3.9	299	4.0	8.3
Rest of the world	4,356	37.5	938	13.1	1,296	17.5	38.1
INVESTMENTS[1] (IN EUR MILLION) (WITHOUT FIRST-TIME CONSOLIDATIONS)	**558**	**100.0**	**350**	**100.0**	**358**	**100.0**	**2.2**
Food	198	35.5	191	54.5	176	49.1	–7.9
Beer and Nonalcoholic Beverages	99	17.8	90	25.7	93	25.9	3.0
Sparkling Wine, Wine and Spirits	15	2.7	33	9.5	36	10.0	8.3
Shipping	217	38.9	–	–	–	–	–
Other Interests	29	5.1	36	10.4	54	15.0	48.1
EMPLOYEES[1] (BY HEADCOUNT)	**32,204**	**100.0**	**30,937**	**100.0**	**34,060**	**100.0**	**10.1**
Food	15,733	48.9	17,394	56.2	18,743	55.0	7.8
Beer and Nonalcoholic Beverages	6,066	18.8	7,989	25.8	7,094	20.8	–11.2
Sparkling Wine, Wine and Spirits	1,934	6.0	2,701	8.7	3,556	10.4	31.7
Shipping	5,874	18.2	–	–	–	–	–
Other Interests	2,597	8.1	2,853	9.2	4,667	13.7	63.6

[1] In the 2017 financial year, the Shipping Division was included until November 30, 2017, the date of deconsolidation.

[2] Percentage change 2018/2019.

The percentages contained in the group management report and consolidated financial statements refer to the exact amounts, not to the rounded amounts. Due to rounding it is possible that individual numbers (€, %, etc.) do not add up exactly to the specified sum.

01 *Group Management Report*

02 *Consolidated Financial Statements*

Ladies and Gentlemen,

In recent years, including 2019, we got used to the digitalization of all social life and the associated, apparently inexorably advancing globalization of the economy. New technologies changed markets and triggered new forms of working and living together, sometimes evolutionarily, sometimes disruptively. The traditional was put to the test and gladly discarded in the face of economic progress, while, perhaps in response to this, liberal economic and social forms were challenged by autocratic ideas and systems in the political sphere. In the area of tension between these poles, insecurity spread across the world. Unfortunately, not all government leaders were looking for solutions and a convincing vision of a stable future in order to find answers to the big questions of our time that cut across borders.

Against this background, the global economy weakened in 2019, with the economic deterioration especially marked in advanced economies while the emerging markets developed more stable than originally expected. The decline in world trade was also a result of the still-smoldering trade conflict between the United States and China. At the same time, bilateral trade declined significantly due to the protectionist tariffs levied on various product groups by the United States. The economic growth of the EU continued to lose momentum due to the lack of external stimulus. Despite the subdued development in production, at least the situation on the labor markets improved slightly. However, there is still great uncertainty regarding the trade conflict with the United States and future economic relations between the EU and the United Kingdom after Brexit.

The market for fast-moving consumer goods (FMCG) developed positively overall with organic growth of 3.2%. Although large hypermarkets and superstores still account for the largest share of sales, growth is shifting more and more towards online retail, discounters and convenience stores.

The German beer market is undergoing a massive structural change process: Innovative new products are flooding the market, and digital platform models are being established along the entire supply chain that are changing conventional business models for the long term. This process is far from over. The German beer industry saw a significant drop in sales in the past financial year.

The sparkling wine market developed positively and continued to present itself as a global growth market, at least in 2019. Germany remained the market with the highest volume, followed by Italy, the USA, Russia and France.

The chemical industry, on the other hand, saw another downward trend in 2019, with production and demand declining and showing no signs of recovery. The hotel industry developed dynamically across the globe, and arrivals of international tourists increased by a strong 4%.

Under these generally difficult conditions, the Oetker Group closed the 2019 financial year at a very pleasing level. Our pleasing sales growth was characterized both by organic growth well above the market level and by acquisitions. Dr. Oetker made a significant contribution in both areas. In addition, Henkell and Freixenet’s first fiscal year was in line with expectations.

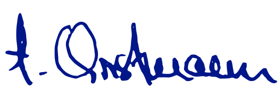
In order to further develop the group, we made future-oriented investments again in 2019, especially in the product and logistics area. I am particularly pleased that we can count more than 3,000 more members of the Oetker family compared to the previous year.

Many people worked with us on the success of the 2019 financial year. I would like to thank both our customers and business partners for the strong cooperation in the reporting year, and especially our employees for their commitment and dedication in their daily work and in many additional projects. I would also like to welcome all new employees who joined the Oetker Group as part of our acquisitions in the past financial year. I and my colleagues from the group management are also grateful to the shareholder committees and the advisory board of Dr. August Oetker KG, who beside their role of supervising the group management were also always available for advice and support.

But what does the year 2019 matter if the world around us can change completely within a few weeks? Since the beginning of 2020, the global corona crisis has redefined the meaning of the word disruption. The SARS-CoV-2 virus has hit all societies, all politicians and the entire global economy and paralyzed public life within a matter of weeks. Nobody can estimate the economic and social consequences of the crisis. However, we must note that they will change the world forever.

The companies in the Oetker Group are also faced in many ways with the challenges posed by the virus and in some cases are massively affected. Fortunately, the Oetker Group has well-functioning risk equalization mechanisms that give us scope for action. In addition to the concern for the health of all employees in our group, we also take our mandate to ensure the supply of good food and associated services to consumers very seriously. We are confident that in the Oetker Group, thanks to our values-based corporate culture, we will get through this difficult time together with solidarity, cooperation and team spirit, in order to then drive forward the further development of our company with commitment and dynamism.

With that in mind and with best regards,



Dr. Albert Christmann

01 *Group Management Report*

The percentages included in the group management report and the consolidated financial statements refer to the exact amounts, not the rounded amounts. Due to rounding it is possible that individual numbers (€, %, etc.) do not add up exactly to the specified sum.

Group Management Report

01

Corporate Structure
Overview

The Oetker Group is one of Germany's major family businesses. The internationally active group of companies, which is represented in more than 50 countries worldwide with production, sales and service units, is characterized by broad diversification into four business areas. In the consolidated financial statements as of December 31, 2019, a total of 407 companies (previous year: 394) are recorded according to the rules of full consolidation, of which 204 are in Germany (previous year: 190) and 203 abroad (previous year: 204). The company's headquarters are located in Bielefeld (Germany).

The group of companies is committed to balancing risks and consists of the following four consolidated divisions:

- Food
- Beer and Nonalcoholic Beverages
- Sparkling Wine, Wine and Spirits
- Other Interests

In addition to the above-mentioned divisions, which are fully consolidated, Bankhaus Lampe and its subsidiaries form the Bank Division, which is included in the consolidated financial statements using the equity method. On March 5, 2020, the shareholders of Bankhaus Lampe KG signed a contract to sell all shares to Hauck & Aufhäuser Privatbankiers AG, Frankfurt. The merger of the two traditional companies is subject to approval by the supervisory authorities.

As the group holding company, Dr. August Oetker KG centralizes the corporate processes and sets the management framework with clear competencies, coordinates finances and personnel and manages central service departments. Standards and values across the group form the cultural framework for effective cooperation that builds on high business continuity. Under the group umbrella and building on the strategic potential and core competencies of the Oetker Group, the divisions are developed and expanded autonomously.

Business Divisions

↗ oetker.com
oetker.de
oetker-professional.de
coppenrath-wiese.de
martinbraungruppe.de

Food

The Food Division is comprised of the companies *Dr. Oetker* including *Conditorei Coppenrath & Wiese* and the *Martin Braun Group*. The group companies are headquartered in Germany and produce food for end consumers and bulk consumers worldwide.

43 subsidiaries on all continents of the world are managed under the umbrella of *Dr. Oetker*, headquartered in Bielefeld. The various products that the company manufactures and markets are sold worldwide in all important distribution channels. Dr. Oetker sales activities are decentralized and organized on a country-specific basis. This means that sales are always geared to the local needs of customers. Sales activities are divided into end consumers and professional customers according to the overarching retail target groups. In the German end-consumer business, Dr. Oetker concentrates on the categories cake/dessert and pizza. In addition, the Dr. Oetker Professional brand offers products in appropriate packaging sizes for kitchens and canteens, hospitals and other institutions. The consumer products sold in Germany are mainly produced at the locations in Bielefeld, Oerlinghausen, Moers (production joint venture), Wittenburg and Wittlich. The bulk consumer product range for Dr. Oetker Professional is mostly produced at the Ettlingen location. In addition to production sites in Germany, Dr. Oetker operates plants in the core European markets and in North and South America as well as Africa, Asia and Australia.

In addition to the Dr. Oetker brand, the company also has other strong brands in several countries that are firmly established in the market. These include cameo and Paneangeli in Italy, D'Gari and Rexal in Mexico, Koopmans in the Netherlands and Chicago Town in the UK. In the previous year, major brands such as Wilton in the USA and Tag El Melouk and Cook's in Egypt were added as part of company acquisitions. Acquisitions in the 2019 financial year expanded the brand portfolio to include Alsa in France, the Netherlands, Belgium, Portugal and Morocco. Furthermore, with the acquisition of Mavalério in Brazil, a major brand manufacturer of decorative items was acquired in South America. The national companies offer both international Dr. Oetker products and national articles adapted to the respective country's taste.

To fulfill the high quality requirements of the Oetker Group, the procurement of all materials is handled exclusively through carefully selected suppliers who have been approved through a regular, periodic quality assurance process. In this process, adherence to the strict quality standards is the top priority.

For Dr. Oetker, innovative new products and services guarantee growth and success. Consumer acceptance and trust in the quality of the products are the benchmark for new products and the continuous improvement of the existing range. International teams accompany the products throughout the entire life cycle. Trends are thus identified and evaluated in a timely fashion, and possibly turned into new products.

Conditorei Coppenrath & Wiese is the German market leader in frozen gateaux and cakes, which are produced in Mettingen. The baked goods manufactured in Germany are sold nationally and internationally to supermarkets and discounters under the Conditorei Coppenrath & Wiese corporate brand and under private labels. The product line of the company includes cream gateaux, baked cakes, sheet cakes, cream rolls and tarts, strudels, mini confectionery and desserts, as well as frozen rolls and baguettes. The business model follows the credo "We provide the best alternative to baking yourself" and combines classic baking traditions and confectionery know-how with state-of-the-art manufacturing methods.

At Coppenrath & Wiese the high quality requirements for the baked products and the needs of customers set the standard for raw materials and the service quality of its suppliers. Procurement is implemented close to the market and, thanks to many years of close supplier relationships over short distances, provides efficient solutions to problems, in particular for new raw materials, packaging and indirect goods.

The *Martin Braun Group*, headquartered in Hanover, develops, produces and sells a full range of convenience products for the baking, confectionery and catering industries. It delivers its products to wholesalers and retailers, bakeries, pastry shops and food service and industrial companies worldwide. The internationally active Martin Braun Group is represented in all relevant sales channels with its wide range of products in many exporting countries. With a focus on the area of "bulk consumer baking", the Martin Braun Group's portfolio includes flavors, fillings, creams, glazes, raw materials, decorative items, ready-made mixes and premixes for baked goods, gelling and binding agents, ice cream products, toppings, concentrates for beverages and fruit purees. The extensive range offers ingredients for sweet products under the Braun brand, ingredients for bread and rolls under the Agrano brand and ingredients for ice cream under the Cresco Italia brand. In addition, the group produces premium frozen bakery products under the brands Wolf ButterBack and Diversi Foods with a full range of bread and rolls, croissants and sweet and savory snack products.

Martin Braun's purchasing guidelines ensure a high level of transparency in the purchasing process within the group. All suppliers are selected based on defined criteria, and all incoming production materials undergo a careful receiving check. The Martin Braun Group secures the customer-oriented range of success-assured baking ingredients and premium frozen baked goods by taking a holistic view of products along the entire value chain while taking into account food law requirements.

↗ radeberger-gruppe.de

Beer and Nonalcoholic Beverages

Headquartered in Frankfurt, the *Radeberger Group* is Germany's largest private brewery group and forms the Beer and Nonalcoholic Beverages Division of the Oetker Group. It offers a broad portfolio of strong international, national and regional brands: In addition to the eponymous Radeberger Pilsner the portfolio includes well-known and popular beer brands such as Jever, Clausthaler nonalcoholic, Schöfferhofer Weizen, Allgäuer Büble Bier, Ur-Krostitzer, Stuttgarter Hofbräu, Berliner Pilsner and Freiberger, as well as the mineral water brand Original Selters. The core sales market of the Radeberger Group is Germany. In addition, its products are marketed in more than 60 countries. The company is also the exclusive distribution partner for Diageo's Guinness and Kilkenny brands, and for the Heineken Group's Mexican beer brand Sol. As part of a long-term partnership with PepsiCo, the Radeberger Group in Germany produces and distributes the Pepsi, Mirinda, 7Up, Schwip Schwap and Punica apple spritzer brands for the out-of-home market and in selected beverage outlets.

With its brand portfolio, the Radeberger Group cultivates German beer and beverage diversity and actively develops new platform models with partners in the area of the supply chain and the out-of-home market. The brand portfolio is regularly expanded and updated to include new products or additions to the range in order to always be able to serve the respective consumer wishes. In addition to its own production and sales locations, the Radeberger Group also includes beverage wholesalers (GFGH) and beverage outlets (GAM) under the umbrella of Getränke Hoffmann.

A particular focus of the Radeberger Group in 2019 was on further verticalization of the business and the establishment and expansion of (digital) platform solutions. Thanks to the participation in the company H. Leiter GmbH, the return and sorting of empties can be further optimized. The participation in DGL Deutsche Getränke Logistik (a joint venture with Veltins) also helped the Radeberger Group to ensure its ability to deliver even during the summer with its high sales peaks and thus keep out-of-stock situations at the point of sale (POS) to a minimum. With its participation in GEVA (The Beverage Solution Company), the Radeberger Group is extending the joint venture Food & Beverage Services operated by Transgourmet through the Oetker Group to include important service components in addition to Team Beverage, thereby decisively strengthening its market position in the direct catering business. In addition, the activities in the GFGH and GAM areas in the Franconia/Northern Bavaria/Saxony region were further strengthened by the purchase of the Lippert Group.

In addition, as one of the key factors for future market success, digitalization will create new business opportunities. The subsidiary Durstexpress, founded in 2017, continues to impress with strong growth rates. The online ordering platform for the delivery of beverages to end users uses the latest artificial intelligence and machine learning systems. After the successful start in Berlin with a total of three logistics warehouses, the online delivery service is now also successfully represented in Leipzig, Hanover, Munich, Hamburg and Dresden. Since the 2019 financial year, Durstexpress's activities have been reported in the

Other Interests Division and bundled together with Oetker Digital and other digital business models.

↗ henkell-freixenet.com

Sparkling Wine, Wine and Spirits

Henkell Freixenet forms the Sparkling Wine, Wine and Spirits Division within the Oetker Group. The world's leading manufacturer of sparkling wine is active in 30 countries with its own production and sales locations and exports sparkling wine, wine and spirits brands to around 150 countries worldwide. Distribution takes place via the wholesale and retail outlets and the restaurant industry. In addition, e-commerce offers and direct business at the locations are being gradually expanded (direct-to-consumer).

The merger of the companies Henkell and Freixenet was reinforced in January 2019 with the new company name *Henkell Freixenet*. Henkell Freixenet offers all the well-known sparkling wines that it produces itself, including Freixenet as the world's leading cava, Mionetto as the world's best-selling prosecco and Henkell Sekt as the most exported German sparkling wine brand. In addition, there are established champagne, cava, crémant and sparkling wine brands from France, Spain, Germany, Hungary, the Czech Republic, Romania and Slovakia.

In addition to sparkling wines, renowned still wines complete the offer from Henkell Freixenet. The German winery Schloss Johannisberg is renowned for exquisite, world-famous Riesling wines. With its wineries in the Czech Republic, Slovakia and Hungary, the group is one of the leading quality wine suppliers in Central Europe and is also represented worldwide with renowned wineries in California and Mexico and with the *i heart* WINES brand, which is one of the fastest-growing wine brands in the UK. In addition, Yvon Mau, based near Bordeaux, is one of the world's leading retailers and bottlers.

Henkell Freixenet also boasts a broad portfolio of spirits, which includes almost all relevant types of vodka, "Korn" schnapps, gin, cream and bitter liqueurs and aperitifs. In the spirits sector, the group is the market leader for vodka in Germany, gin in Poland and brandy in Slovakia.

↗ budenheim.com
oetkercollection.com
oediv.de
oetkerdigital.com
roland-transport.de
atlanticforfaiting.com

Other Interests

The Other Interests Division brings together companies from the Oetker Group that operate in different industries. These include the chemical specialist *Budenheim*, the *Oetker Collection*, the *OEDIV Oetker Daten- und Informationsverarbeitung*, the *Handelsgesellschaft Sparrenberg (HGS), Roland Transport, Oetker Digital, Atlantic Forfaitierung* and other companies.

As a medium-sized company, *Budenheim* has developed on the world markets into a leading international product and service provider for high-quality specialty chemicals. The products are marketed directly through distributors in more than 100 countries. The chemical specialist combines its activities in three different business units: Food Ingredients, Performance Materials and Material Ingredients. The various clusters that open up through these three business areas focus, among other things, on innovations in the pharmaceutical and medical sector, new approaches in the fields of nutrition and health and safety and resource conservation in technical and industrial market segments. Budenheim is one of the leading specialty chemicals companies in many of these market-oriented areas. It has its origins in the eponymous municipality in Rheinhessen. The company has an international presence and produces both at its German location and in the USA, Mexico, Spain and China. With its network of numerous trading partners and sales outlets, such as in Singapore, India and South America, the company is present in the markets and among its customers.

The *Oetker Collection* represents a unique collection of international grand hotels. It includes four group-owned luxury-class hotels in Germany and France. In addition, the Oetker Collection manages five unique, externally owned grand hotels at various locations across the globe. The hotels of the Oetker Collection, including their marketing activities and sales processes, are coordinated by the Oetker Hotel Management Company (OHMC). This enables coordinated and efficient marketing. Cooperation with leading travel agents in the core markets, intensive support for the hotels from the international network of PR agencies and the close cooperation between the hotels to jointly promote the individual companies of the Oetker Collection remain essential to sales success.

OEDIV Oetker Daten- und Informationsverarbeitung not only operates its data centers for the group's own IT systems, but also offers its services to a growing number of external companies from year to year, which now account for significantly more than two thirds of sales. The focus is on SAP and Microsoft applications and associated solutions for mapping holistic process chains for medium-sized companies. In addition to the core applications mentioned above, OEDIV offers a wide range of complementary services. These include hybrid cloud scenarios, human resources services and web and security solutions.

Due to the growing requirements, OEDIV is continuously expanding its range of services, both through company acquisitions and strategic investments. OEDIV services meet the highest quality standards. As a result of the high process criticality of the systems operated by OEDIV, the concepts and architectures used have to withstand the highest availability requirements of the customers. To secure its services, OEDIV operates two data centers, so that in the event of a disaster, the critical systems can still be reached or can be put back into operation as quickly as possible. In addition, up-to-date security systems and infrastructures ensure the necessary data protection.

As a specialized information and procurement service provider, *Handelsgesellschaft Sparrenberg (HGS)* bundles the conceptual procurement know-how in the Oetker Group and supports Oetker Group members and external customers in the development of new strategic perspectives. HGS has many years of experience in the analysis and use of European procurement markets, in the research, processing and interpretation of market and price data and in the derivation of possible future developments.

As an independent and service-oriented fourth-party logistics partner (4PL), *Roland Transport* offers comprehensive logistics services for medium-sized companies. The company acts as a 4PL service provider that is always neutral and without assets of its own, and optimizes the various services offered in a total package.

Since its founding in 2016, *Oetker Digital* has been actively supporting the companies of the Oetker Group on their journey into the digital future. As a partner, Oetker Digital strengthens the group's established brands and identifies and develops new, future-proof business models that expand the group companies' portfolio and sustainably sharpen the Oetker Group's digital profile.

Atlantic Forfaitierung has been dealing with export and trade finance since the late 1950s. The long-standing market presence as a smaller, specialized forfeiting company has led to consolidated business relationships, trust and appreciation among export customers and banks. The focus of the services is on the acceptance of trade receivables without recourse to the seller. In addition, the portfolio also includes import financing and loans as well as the purchase and sale of trade receivables.

↗ bankhaus-lampe.de

Bank

Bankhaus Lampe and its subsidiaries form the Bank Division and are regarded as being among the leading independent and general partner-managed private banks in Germany. The bank's business activities are focused on consultation and support for its three target customer groups: high net worth individuals, companies and institutional clients. It is included in the consolidated financial statements at equity. Additional information is available in the bank's separate annual report. On March 5, 2020, the shareholders of Bankhaus Lampe KG signed a contract to sell all shares to Hauck & Aufhäuser Privatbankiers AG, Frankfurt. The merger of the two traditional companies is subject to approval by the supervisory authorities.

Management Structure

The Oetker Group is one of Germany's major family businesses. The values, which are solidified in more than 129 years of corporate history and place the human being at the center of all action, are still embodied by the members of the highest executive body, the group management, are being upheld by group companies and are being actively transferred into the increasingly digitalized future.

The management structure ensures that decisions are made locally, close to the market and based on the needs of the line of business concerned, while resources are pooled centrally at the same time.

The advisory board oversees the implementation of the strategy adopted jointly with the shareholders and the group management. Operations are managed by the group management and the management teams of the individual companies.

The advisory board of Dr. August Oetker KG, which according to the articles of incorporation consists of stockholders and a majority of persons not belonging to the stockholder families, was led by Dr. h. c. August Oetker until March 31 2019, and has subsequently been led by Mr. Rudolf Louis Schweizer since April 1, 2019.

Group management members are Dr. Albert Christmann, Dr. Niels Lorenz (until March 31, 2020) and Dr. Heino Schmidt.

Stockholders

Advisory Board

Group Management

Dr. Albert Christmann
General Partner of Dr. August Oetker KG and responsible for the Food and Sparkling Wine, Wine and Spirits divisions and Oetker Digital. In addition, chairman of the executive board of Dr. August Oetker Nahrungsmittel KG.

Dr. Niels Lorenz (until March 31, 2020)
Chief Representative of Dr. August Oetker KG and spokesman for the management of Radeberger Gruppe KG and responsible for the Beer and Nonalcoholic Beverages Division.

Dr. Heino Schmidt
Chief Representative of Dr. August Oetker KG and responsible for the Other Interests and Bank divisions as well as for Finance, Controlling, Legal and Taxes.

Executive Boards of the Group Companies

Group Management

Dr. Albert Christmann
Food, Sparkling Wine, Wine and Spirits and Oetker Digital

Dr. Niels Lorenz
Beer and Nonalcoholic Beverages

Dr. Heino Schmidt
Other Interests, Bank, Finance, Controlling, Legal and Taxes

Economic Framework

Macroeconomic conditions

The global economy weakened further in 2019. The increase in global production was comparatively small at 3.0%. Advanced economies continued to deteriorate, while the economic situation of many emerging countries stabilized, above all because production in China continued to rise despite a significant slowdown. The weakness in global industry and world trade (–0.4%) had an impact on other economic sectors, so that the service sector also showed a slowdown.

The decline in world trade and the downturn in manufacturing are among the consequences of the trade conflict between the United States and China. The tariff rates levied by the USA in its various trade disputes, which have been extended to other product groups, have significantly reduced bilateral trade and increased uncertainties about the global economic environment.

The economic expansion in the European Union (EU) continued to lose momentum, particularly because industrial added value declined due to a lack of external stimulus. Gross domestic product grew by 1.5% in 2019, growth was largely based on consumer demand, accompanied by persistently low inflation (1.4%) and real wage increases. Despite the continuing subdued development in production, the situation on the labor market as a whole has improved, even though the unemployment rate is still considerable in some EU countries, such as Italy, Spain and Greece. US trade conflicts with the EU and uncertainty about future economic relations between the UK and the EU have increased uncertainty, with negative consequences for investment. The investment climate in Germany has also deteriorated noticeably. In contrast, consumer-related sectors and the construction industry continued to expand. Nevertheless, the economic recovery was delayed due to the weak economy, with Germany's gross domestic product only increasing by 0.6%. The previously very strong economies of Central and Eastern European EU member states also weakened. Domestic demand in these countries had been increasing significantly until recently, but exports have now slowed.

After a significant increase in production in the United States last year, US economic output rose 2.3% in 2019. On the one hand, this was due to the fact that the strong fiscal stimulus expired, which was set in part by the tax reform in 2018. On the other hand, exports tended to be weak and corporate investment declined, while private consumption – supported by a robust labor market – rose comparatively strongly.

Growth in Asia remained strong. Compared to the previous year, the gross domestic product of the region increased by 5.7%. The driving force behind this increase was mainly China and India. However, the expansion of the Chinese economy has lost momentum. On the one hand, the trade conflict with the USA weighed on foreign trade; on the other hand, economic policy was relaxed, but the degree of expansion was lower compared to earlier downturns.

Monetary policy in the advanced economies has again become more expansionary. The US central bank started cutting interests in summer 2019. The European Central Bank adopted numerous measures in September to make it more expansionary, including a resumption of bond purchases and an announcement that it will not raise key interest rates until inflation expectations are close to the target of just under 2%. Given the fairly stable external value of the euro, there was hardly any stimulus for the economy from the currency markets.

The international business of the Oetker Group is influenced by the exchange rate of the euro to numerous currencies. The development of the currencies important to the Oetker Group against the euro is shown in the following table.

CLOSING AND AVERAGE RATE AGAINST THE EURO	Closing rate December 31, 2018	Closing rate December 31, 2019	Average rate 2018	Average rate 2019
Australian dollar	1.6220	1.5995	1.5832	1.6079
Brazilian real	4.4440	4.5157	4.3294	4.4175
British pound	0.8945	0.8508	0.8860	0.8759
Canadian dollar	1.5605	1.4598	1.5329	1.4822
Mexican peso	22.4921	21.2202	22.6526	21.6082
Polish zloty	4.3014	4.2568	4.2684	4.2990
Turkish lira	6.0588	6.6843	5.6835	6.3577
US dollar	1.1450	1.1234	1.1793	1.1195

Division-related conditions

Food; Beer and Nonalcoholic Beverages; Sparkling Wine, Wine and Spirits

The global FMCG (fast-moving consumer goods) market also grew in 2019 compared to the same period in the previous year. Measured against the 50 largest FMCG companies, the industry grew organically by 3.2%. The above-average volume growth compared to the previous year contributed significantly to the positive overall development of the global FMCG segment. However, the structural changes in the sales channels continued in 2019. Large hypermarkets and superstores in developed markets continue to show the largest share of sales, but at the same time the lowest growth. In the year under review, growth continued to shift towards online food stores, discounters and convenience stores. For example, around 3% of global food sales were generated via the e-commerce channel in 2019, and the annual growth rate forecast for the next five years is 14%. The developments in the sales channels mean a certain departure from so-called big box formats, which is accelerated by the demand of consumers for proximity, convenience and direct availability. With the majority of leading grocers still heavily dependent on the slow-growing hypermarket and superstore channels, traders are developing new multichannel strategies to reach out to all consumers. The necessary investments increase the cost pressure in the retail sector and thus indirectly also among the manufacturers. Driven by retailers that have to compete in a highly competitive market, some supranational purchasing consortia have expanded to achieve better cost prices through bundling effects. Consumer goods manufacturers also countered the change in consumer behavior by strongly driving forward the digital transformation. In addition, the companies continued investing in strategic growth areas and new business models.

The German beer market has also been undergoing a massive structural change process since 2018: New and established competitors are entering the market with innovative solutions and are gaining in importance by means such as digital platform models along the entire value chain. In addition, in times of decreasing brand loyalty among consumers, the pressure on pure brand manufacturers who do not have their own distribution channels and thus can no longer bring their brands to the point of sale, to the catering trade or to consumers is increasing. As a result, market consolidation continued to gain momentum in 2019, resulting in further acquisitions and strategic alliances. According to the Federal Statistical Office, the German beer market recorded a 2.1% decline in domestic sales in 2019. After the summer of the century briefly masked the structural sales decline that had been visible for years and provided a one-off slight growth in sales compared to the weak previous year, the industry returned to reality in 2019. It should be borne in mind that despite this noticeable drop in sales, the supply chain was again under strong pressure in 2019. Retailers and manufacturers have given the supply chain too little added value over the past few years and, at the same time, have increasingly reduced their investments in crates and bottles, meaning not only that out-of-stock situations are prevalent in retail, but also that the stability of the German reusable system is endangered. The export business of German breweries was also unable to compensate, as export volumes declined 1.1% year-on-year. Sales to EU countries were particularly affected, while at the same time the euphoria about the growth market of China has given way to disillusionment.

The sparkling wine market is a global growth market. Germany was the highest-volume market in 2019, followed by Italy, the United States, Russia and France. With a total of 3.1 billion bottles and a retail turnover of 25 billion euros, sparkling wine is still a prospering sales market. The continuous growth of the sparkling wine market results from changing consumption habits, along with an increasing proportion of consumers who enjoy sparkling wine as an aperitif, accompaniment to food or cocktail. The most important growth driver is prosecco, which is the world's best-selling sparkling wine with more than 0.5 billion bottles. The sparkling wine market is led by products in the mid-price segment. Products in the entry-level segment were of minor international importance except in the German market. Premium products have now achieved a respectable market position. As with sparkling wine, the mid-price segment also dominated for still wine. However, the market share of premium products was much more pronounced. Due to the trend towards higher-quality still and sparkling wines as well as the different brand portfolios, the sales and value developments of the market participants differ significantly.

The development trends in the wine trade followed the structural changes in the FMCG environment, although the online share of wine and sparkling wine was 5.6%, significantly higher than the share of online food trade as a whole. On the procurement side, the markets recorded high stocks again after a record harvest in 2018. Due to long periods of drought and heat, and damage to the grapes caused by overexposure to the sun in many places, the 2019 harvest was average.

Chemicals

The chemical industry in Germany experienced a continuing downward trend in 2019: Production and demand declined. The industry turnover dropped significantly (–5%). The decisive factor was lower sales (–6%), which were only offset by imperceptibly increased prices (+1%). In Germany, this was mainly due to weak industrial demand, especially from the automotive sector, which mainly affected the plastics segment. The pharmaceutical business was also significantly weaker. No growth was achieved in exports either. Although there was a slight increase in sales to North America and an improved situation in business with Latin America, sales in all other regions were disappointing to a clearly recessive extent. The consumer chemicals business performed best in comparison.

Hotels

The hotel industry continued to develop dynamically worldwide. In 2019, the number of arrivals of international tourists worldwide rose by 4% or by 56 million to a figure of around 1.46 billion. The long-term positive trend, which was supported by all continents, continued with impressive strength. A look at the individual regions in the world shows a different growth dynamic, which can be attributed to the varying economic, political and security-related framework conditions in tourism. The overall positive development of demand continued to be accompanied by very dynamic developments on the supplier side. The expansion of the luxury segment and of comparison and booking websites, as well as the increasing degree of personalization of leisure travel, continued to be of particular importance.

Business Development
Oetker Group

	2017	in %	2018	in %	2019	in %	%[2]
NET SALES BY DIVISION[1] (IN EUR MILLION)	**11,601**	**100.0**	**7,140**	**100.0**	**7,406**	**100.0**	**3.7**
Food	3,135	27.0	3,460	48.5	3,862	52.1	11.6
Beer and Nonalcoholic Beverages	1,908	16.4	2,181	30.5	1,741	23.5	–20.2
Sparkling Wine, Wine and Spirits	523	4.5	816	11.4	1,044	14.1	27.9
Shipping	5,398	46.5	–	–	–	–	–
Other Interests	637	5.5	684	9.6	759	10.2	11.0
NET SALES BY REGION[1] (IN EUR MILLION)	**11,601**	**100.0**	**7,140**	**100.0**	**7,406**	**100.0**	**3.7**
Germany	3,874	33.4	3,757	52.6	3,427	46.3	–8.8
Rest of the EU	2,799	24.1	2,169	30.4	2,384	32.2	9.9
Rest of Europe	573	4.9	276	3.9	299	4.0	8.3
Rest of the world	4,356	37.5	938	13.1	1,296	17.5	38.1
INVESTMENTS[1] (IN EUR MILLION) (WITHOUT FIRST-TIME CONSOLIDATIONS)	**558**	**100.0**	**350**	**100.0**	**358**	**100.0**	**2.2**
Food	198	35.5	191	54.5	176	49.1	–7.9
Beer and Nonalcoholic Beverages	99	17.8	90	25.7	93	25.9	3.0
Sparkling Wine, Wine and Spirits	15	2.7	33	9.5	36	10.0	8.3
Shipping	217	38.9	–	–	–	–	–
Other Interests	29	5.1	36	10.4	54	15.0	48.1
EMPLOYEES[1] (BY HEADCOUNT)	**32,204**	**100.0**	**30,937**	**100.0**	**34,060**	**100.0**	**10.1**
Food	15,733	48.9	17,394	56.2	18,743	55.0	7.8
Beer and Nonalcoholic Beverages	6,066	18.8	7,989	25.8	7,094	20.8	–11.2
Sparkling Wine, Wine and Spirits	1,934	6.0	2,701	8.7	3,556	10.4	31.7
Shipping	5,874	18.2	–	–	–	–	–
Other Interests	2,597	8.1	2,853	9.2	4,667	13.7	63.6

[1] In the 2017 financial year, the Shipping Division was included until November 30, 2017, the date of deconsolidation.

[2] Percentage change 2018/2019.

The percentages contained in the group management report and consolidated financial statements refer to the exact amounts, not to the rounded amounts. Due to rounding it is possible that individual numbers (€, %, etc.) do not add up exactly to the specified sum.

In view of the difficult global conditions, the Oetker Group performed solidly and in line with expectations in the 2019 financial year. The group achieved sales revenues in the amount of EUR 7,406 million, which is 3.7% above the previous year's figure (EUR 7,140 million). Changes in the scope of consolidation resulted in an overall growth in sales in the amount of EUR 101 million. This is largely due to the fact that the companies acquired by Dr. Oetker and Henkell Freixenet in the previous year are taken into account all year round, as well as by further company acquisitions in 2019. This was offset by sales losses due to deconsolidations, especially Essmann's beverages in the Beer and Nonalcoholic Beverages Division. The development of exchange rates had a positive impact of EUR 33 million overall, mainly as a result of the appreciation of the US and Canadian dollars, the British pound and the Mexican peso, each against the euro. Excluding the effects of initial consolidation and deconsolidation[1], exchange-rate-adjusted[2] sales were EUR 131 million higher than the comparable figure from the previous year. This corresponds to organic sales growth of 1.8%, which is primarily due to the development of the Food and Other Interests divisions.

From a regional perspective, group-wide domestic sales revenue fell by 8.8%, to EUR 3,427 million. This development was driven by the divestiture of Essmann KG, which was brought into a joint venture with the C. & A. Veltins brewery. The loss of these beverage sales in Germany could not be compensated for by increased domestic sales in the other business areas. The share of sales generated outside Germany increased from 47.4% in the previous year to over half (53.7%) of total sales. All regions abroad recorded growth compared to 2018. The increase in sales in the rest of the world region was particularly high, with an increase of 38.1%. This showed above all the positive effects of the acquisitions made in the previous year by Wilton in the USA (Food Division) and Freixenet (Sparkling Wine, Wine and Spirits Division).

The investment volume (excluding first-time consolidations) of EUR 358 million in the Oetker Group was 2.2% above the level of the previous year (EUR 350 million). At 65.6% (previous year: 61.4%), the investment share of domestic companies remained very high. Most of the investment was in the Food Division, although expenditure was 7.9% lower than in the previous year. The focus of investments in the Food Division was again in the areas of production and logistics. Correspondingly, the use of funds was reflected in an increase in the asset categories technical equipment and machinery as well as equipment under construction and advance payments. Investments in the Other Interests Division increased significantly (+48.1%), which resulted in an expenditure volume of EUR 54 million in 2019.

[1] Changes in the scope of consolidation are adjusted for the previous year's figures.
[2] The adjustment of exchange rate effects was determined by applying the annual average exchange rates of the current year to the sales revenues of the previous year.

In 2019, the Oetker Group had a total of 19,015 employees in Germany and 15,046 employees abroad. The number of employees increased by 10.1% to 34,060 employees worldwide. Approximately half of these can be attributed to the Food Division, which counted an average of 7.8% more employees over the previous year. This increase of 1,349 to 18,743 employees resulted in particular from changes related to acquisitions at Dr. Oetker. On the one hand, this mainly reflected the year-round inclusion of employees at Wilton in the USA and Tag El Melouk in Egypt. On the other hand, the annual average increased due to acquisitions in 2019, such as Mavalério in Brazil. Furthermore, personnel development in the Oetker Group was shaped by acquisition-related effects in the Beer and Nonalcoholic Beverages and Sparkling Wine, Wine and Spirits divisions. As a result of Henkell Freixenet's joint financial year 2019, there was an increase of 31.7% to 3,556 employees. In contrast, the Beer and Nonalcoholic Beverages Division reported a decrease of 11.2% to 7,094 employees, mainly due to the deconsolidation of Getränke Essmann and the reclassification of Durstexpress, which have been carried out in the Other Interests Division since 2019 and partially explain the increase in the number of employees there. Without taking into account the changes in the scope of consolidation of the Oetker Group, the number of employees rose by 4.8%.

Food

↗ General information on the division can be found on page 7

Business processes

Dr. Oetker has expanded the factory and storage capacities in the pizza segment, particularly at the international locations in the UK and Canada. In order to be able to serve the growing sales volumes of the Chicago Town brand both in the local market and in exports, Dr. Oetker has expanded the production in the UK by one line. The company has expanded its raw materials warehouse in Canada. In addition, the new administrative and social building that was started in 2018 was completed at the Wittlich location. In South Africa, the company made preparations to move to a larger location for 2020 due to capacity issues. In the cake and dessert sector, work on a new warehouse and a new social building at the Romanian factory site has almost been completed.

Development of the International Supply Chain area

As a major strategic development, Dr. Oetker built up the International Supply Chain area in 2019 and integrated it into the organization. The company has thus set the framework for global management of the entire supply chain.

On the sales side, Dr. Oetker has implemented international projects that further improve the skills of the sales organization, both at the point of sale and in key account management. Last year, employees were trained in various modules in the international in-house academy, the Dr. Oetker Sales Academy.

Furthermore, numerous new products were launched in the 2019 financial year. In the cake and dessert category, Dr. Oetker has expanded the range of decorations with special flavor variations under the title “Für deine Genusswerkstatt” in addition to many successful innovations such as the introduction of cake snacks under the “My Sweet Table” sub-brand. With “Paula-Go”, the product family was supplemented by two flavors in a squeeze bag. In the pizza category, Dr. Oetker revived its frozen snacks with five new flavors under the “Intermezzo” sub-brand. In addition, the company promoted salt reduction, the use of alternative ingredients for pizza bases and compliance with ecological and ethical standards for the ingredients used. Dr. Oetker has expanded the Vitalis range to include crunchy muesli without added sugar and other sweeteners as well as porridge in various flavors in line with current consumer preferences.

In the 2019 financial year, *Conditorei Coppenrath & Wiese* focused on further improving production processes. This included the continuation of projects aimed at faster set-up when changing production, optimizing dosing and low-cost automation. At the Mettingen location, the new grain roll line for Weltmeister and spelt rolls was put into operation in August 2019 in order to meet the increasing demand in the growing roll business. In addition, Conditorei Coppenrath & Wiese has started to set up further production lines for ready-made cakes.

With regard to sales, customer relationships from the e-commerce sector are increasingly important for the company. Last year, Conditorei Coppenrath & Wiese, together with Oetker Digital, initiated a strategy project on the subject of digitalization. The development of this strategy was completed in 2019; resulting measures will be implemented in 2020. In addition to expanding business relationships in e-commerce, the company was also able to expand and strengthen its customer relationships in traditional sales.

Successful continuation of the integration and consolidation process of Diversi Foods into the Martin Braun Group

Following the *Martin Braun Group's* acquisition of Diversi Foods last year, the integration and merger process was successfully continued at various levels in 2019. The integration measures focused not only on the group standards, but also in particular on leveraging synergies. At the same time, Diversi Foods' corporate structure has been further streamlined. The Martin Braun Group's Frozen Food Division, with the companies Wolf ButterBack and Diversi Foods, is now managed as the Frozen Bakery Division. There is also the international Bakery Ingredients Division; both divisions are characterized by a pooling of competencies that are geared to customer needs. Martin Braun has set the course for successful business development, in particular through clear country responsibilities and the focus of the range on premium specialties in the Frozen Bakery Division.

Internationalization remains a focus of corporate development. In terms of sales for Martin Braun, this means being as close to the international customer as possible. As part of the internationalization strategy, projects were implemented for important regions. This included the founding of the sales company in Hong Kong, which serves to further promote the market presence of Capfruit products in this important economic area. In addition, local sales teams have been set up in Russia and Dubai.

In the area of marketing and sales, Martin Braun continued to observe steady growth in demand for natural and low-declaration products. Both industrial customers and craft businesses large and small are part of this market movement. This increased demand is due on the one hand to the growing interest in sustainability and on the other to the desire to be able to offer products with natural ingredients. In addition, there are other trends that are increasingly playing an important role in the industry. Above all, this concerns gluten-free products as well as products with reduced sugar content. Based on the consumer trend of "healthy eating" and expectations of a more restrictive legal framework, Martin Braun launched the sugar reduction project last year and developed it to market maturity in 2019. At Südback (the leading trade fair for the German bakery trade), Martin Braun was one of the first providers to present six reduced-sugar core product range items with corresponding recipe applications, which enable the baking industry to produce reduced-sugar pastries in an application-safe manner and in line with the "health claim" to promote the regulation to the end consumer in Germany. Another innovation is the special baking agent for pyramid cakes, a high-convenience product.

The structural change in the industry, with a declining number of companies and customers in the German craft sector, continued in 2019. Martin Braun had already started to adapt its sales structures to the new requirements last year. In the context of the increasing importance of large chain stores in the bakery trade, a personnel shift has been initiated between the stagnating classic craft market and the wholesale sector. Accordingly, Wolf ButterBack divided its sales team into two more powerful teams and also established key account management for the wholesale business. In the context of structural changes, digitalization remains a strategic focus. The Martin Braun online shop also enjoyed a significant growth rate in 2019. In addition, the area of online marketing was developed to optimally strengthen the business model for the future.

Digitalization remains a strategic focus

Regarding the production and logistics processes, 2019 was marked at Martin Braun in Hanover by the expansion of the logistics center, with the groundbreaking in October. A photovoltaic system for electricity generation and an acid cleaning system for more product safety (Acid CIP) were installed in Spain.

Business development

KEY FIGURES	2018	2019
Sales revenue (in EUR million)	3,460	3,862
Adjusted sales revenue (in EUR million)[1]	3,731	3,862
Investments (in EUR million)	191	176
Employees	17,394	18,743

[1] Sales adjusted for changes in the scope of consolidation and exchange rates.

The Food Division generated total revenues of EUR 3,862 million and thus grew by 11.6% in the year under review. Adjusted for the effects of changes in the scope of consolidation and exchange rates, sales growth was 3.5%. Investments amounted to EUR 176 million (previous year: EUR 191 million). The division saw an increase in the number of employees by 7.8% to 18,743 employees in the reporting period, mainly due to the acquisitions at Dr. Oetker and the year-round inclusion of the companies acquired in the previous year. Without changes in the scope of consolidation, the number of employees rose by 1.4% in 2019.

The two food companies *Dr. Oetker* and *Conditorei Coppenrath & Wiese* increased sales to a total of EUR 3,345 million in the 2019 financial year and were able to grow significantly (+12.3%). Adjusted for the effects of changes in the scope of consolidation and exchange rates, growth was 3.6%. Both companies thus recorded an overall positive development in the still-challenging economic and market environment.

Pleasing development in a challenging market environment

The companies under the umbrella of *Dr. Oetker* were able to increase their sales revenues by 13.7% to EUR 2,923 million. Without taking into account acquisition effects, including the changes in the scope of consolidation made in the previous year, such as the production joint venture in Moers founded with Molkerei Gropper GmbH & Co. KG on July 1, 2018, which has since been accounted for using the equity method and consequently does not result in sales contributions, there was a 4.4% increase in sales. Exchange rate effects had a small positive impact on the growth development of Dr. Oetker, since the significant depreciation of the Turkish lira and the further depreciation of the Brazilian real against the euro were more than compensated for by a strengthening of the US and Canadian dollars as well as the Mexican peso. Adjusted for exchange rate and consolidation effects, Dr. Oetker recorded an overall sales increase of 3.7% compared to the previous year.

In 2019, the adjusted growth was also supplemented by several acquisitions. Effective as of January 1, 2019, Dr. Oetker completed the acquisitions of Confetti in Finland and Bagetid in Denmark. Both companies operate an online platform for the sale of various baked and decorative items from well-known manufacturers to end consumers. In addition, Confetti has its own shops and is a franchiser for five other shops. With the takeover of the Alsa business in France, the Netherlands, Belgium and Portugal on March 1, 2019, and in Morocco on October 1, 2019, Dr. Oetker moved into first place in the French baked goods and dessert market. In July 2019, the manufacturer Mavalério was acquired, which offers cake and dessert decorations for the Brazilian market and the Pan-American export market.

Successful acquisition of the Brazilian manufacturer Mavalério

A major reason for the positive development of the area in the past financial year is the large number of relevant innovations in all product ranges and in many countries. For example, in the cake and dessert category, Dr. Oetker launched the “Seelenwärmer”, a creamy cup pudding that serves both the consumer demand for convenience and the demand for one-person dishes. The “My Sweet Table” cake confectionery was also successfully established on the market. In the pizza category, “La Mia Grande” was Dr. Oetker’s top innovation in Germany in 2019. The raw dough pizza concept “Die Ofenfrische”/Casa di Mama also developed extremely well in many countries.

Sales increase in all regions

There was an increase in sales across all regions, but this growth was not uniform. It is pleasing to see that Dr. Oetker recorded significant adjusted growth, especially in Germany and Eastern Europe, and adjusted and acquisition-driven growth in America, Asia, Africa and Australia.

Sales growth in Germany was based in particular on the strong development of baked goods, fresh and powdered desserts and pizza. In contrast, the muesli business, the professional sector and, as a result of the weather, preserving products fell short of expectations.

With the acquisition of Alsa, the region of Western Europe saw growth above all in France, but also in Belgium, the Netherlands and Portugal. In addition, smaller acquisitions of new business models made additional sales contributions in Western Europe. Despite adverse conditions in the UK due to the multiple postponements of Brexit, Dr. Oetker UK made a pleasing contribution to sales growth. In contrast, there were declining sales in Denmark due to trade conflicts.

The growth in sales in the Eastern Europe region was partly driven by developments in Poland, both in the cake and dessert category and in the pizza category. In addition, Romania, the Czech Republic and Hungary were also able to grow organically.

The national companies in Mexico and Brazil also showed encouraging organic growth. Brazil also benefited from the acquisition of the baking decoration manufacturer Mavalério. All in all, the Americas region saw a sharp leap in sales compared to the previous year, thanks in part to the year-round inclusion of sales of the Wilton business, which was acquired in the USA in October 2018.

The Asia, Africa and Australia region benefited in particular from organic growth in India, South Africa and Korea. Added to this are the growth effects from the acquisition of Tag El Melouk in Egypt in the previous year. In contrast, the distribution of new pizza products in Australia has not yet been set up as planned. Dr. Oetker in Australia kept sales at the previous year's level.

Investments at a high level as the basis for further growth

Investments remained at a high level in 2019 at EUR 109 million (EUR 96 million in the previous year). By keeping investment high, the company is laying the foundations for additional growth in the coming years and ensuring the current state of the art and high-quality processes within the entire supply chain. In this context, large investments were made in new production lines and warehouse expansions at the production sites in Germany, South Africa and Canada.

Conditorei Coppenrath & Wiese was able to increase its sales revenue by 3.4% in 2019. The increase in sales was primarily shaped by the positive brand business in Germany, above all due to the development of the core gateaux/cake business and the strategic segments of sheet cakes and bread rolls. In business with the UK, the negative impact of the still-unfavorable exchange rate of the British pound to the euro was partially offset by positive deviations in raw material costs and an active range policy. To continue expanding its capacity, the company made investments in additional production lines for bread rolls and cheesecake as well as in a new production technology for ready-made cakes.

Particularly positive developments in Germany as well as Western and Northern Europe

The *Martin Braun Group* achieved an increase in sales of 7.3% in the 2019 financial year. As planned, all regions of the group contributed to the encouraging growth. Adjusted for currency and acquisition effects, organic sales growth was 2.8%. The developments in the country regions of Germany and Western/Northern Europe are particularly positive. Despite increasingly difficult market conditions, the Martin Braun Group is consistently continuing its growth process, which has now been going on for many years. Exchange rate developments, particularly in Turkey, partially reduced the sales of the locally very successful business divisions. The price situation for butter eased again compared to the previous year. As in the past, the range of frozen bakery products was able to expand its success across Europe. Other drivers included specialty bread mixes, organic yeast and various sweet product innovations for both small and large bakeries.

Forecast

The two companies *Dr. Oetker* and *Conditorei Coppenrath & Wiese* expected moderate growth in 2020 before the global crisis measures to contain the corona pandemic took effect. The forecast was based on product innovations, the expansion of distribution in the growth regions of Asia, Africa and Australia and the integration and further development of the companies acquired in 2019.

The corona crisis has fundamentally changed future prospects

Since this forecast was made, the outlook for the future has changed fundamentally. As a result of the corona crisis, the *Dr. Oetker* Professional wholesale business has completely collapsed since mid-March. Other ranges, such as the decoration business, have also suffered significant losses. Sales and sales growth in the pizza and food business for domestic consumption at the beginning of the crisis are partly due to stockpiling and may not be sustainable. Additional efforts are required in production and procurement to ensure the ability to deliver. *Martin Braun* will experience a decline in sales, particularly in the food service sector. The bakery sales market as a systemically important supplier will not decline as much, but a decline in sales is currently also expected there. The national markets of Italy, France and Spain will be particularly affected. Extensive measures are being taken in all companies in the Food Division in order to compensate for the loss of sales as much as possible and to secure the liquidity position through cost measures as well as investment and acquisition stops.

Beer and Nonalcoholic Beverages

↗ General information on the division can be found on page 9

Business processes

The *Radeberger Group* has firmly anchored EcoVadis in the procurement process. This tool is used for supplier management and supplier evaluation and makes a decisive contribution to measuring sustainability performance and the standards of existing and potential suppliers. In addition, the digital roadmap in indirect purchasing was further professionalized. In 2019, the company focused on purchase-to-pay (P2P) processes, which were further optimized with the introduction of ProSite, a modern business-to-business (B2B) procurement marketplace. In the procurement of raw materials, the partnership with farmers for the direct purchase of malting barley was expanded. The advantages of the partnership include planning security for both contracting parties, as multiyear fixed prices have been agreed that are independent of fluctuating world market prices. The Radeberger Group also strengthened regional agriculture by promoting biodiversity measures.

Digital control of the entire value chain

In the area of logistics, the new concept for a group-wide warehouse management system was implemented in practice for the first time. Rollouts at other brewery locations of the Radeberger Group will follow in the next few years. In the area of the supply chain, the group has achieved digital control of the entire value chain with the implementation of the Smart Supply Chain project. By combining scanner and inventory data from the food retail, GFGH and brewery sectors with external data, such as weather forecasts, trend forecasts and current events, more precise forecasts for product requirements can be generated. In addition to these cross-group changes, numerous location-specific measures for the further development of production and logistics structures were implemented. These include the commissioning of the new bottle pasteurizer at the Leipzig location and that of the cold hop plant and the dealcoholization system in Dortmund. Four new fermentation tanks were installed in Krostitz as part of the capacity increase.

The marketing department continued the campaigns successfully launched last year for the national brands Schöfferhofer and Clausthaler. In this way, the Schöfferhofer brand was able to positively differentiate itself from competing Bavarian brands. For Clausthaler, too, the extensive bundle of measures, including new TV communications, expansion of the product range, new equipment and a new box, showed initial effects. The brand was further stabilized and can thus benefit from the market growth of the alcohol-free segment in the future. In international business, the Clausthaler brand was marketed in around 50 countries worldwide.

Successful market launches

The Radeberger Group was able to launch several promising new products on the market in 2019. The Berliner Pilsner brand has been supplemented by a naturally cloudy Radler version. Freiberger nonalcoholic and Freiberger nonalcoholic lemon are now offered as 0.0% variants, and an alcoholic natural Freiberg Radler was also introduced. New specialties were introduced for the Hövels (Kellerbier), Rostocker (Dunkles Festbier) and Altenmünster (Landbier) brands. In addition, the new crates from the Altenmünster, Schöfferhofer and Clausthaler brands, as well as the changeover from Selters to the new reusable glass packaging from the Cooperative of German Wells (GdB), provide fresh impetus for the respective brands. The main focus of the development activities within the Radeberger Group was on product development, from which a total of ten new products with a new recipe will be launched in 2020. These include "Jever Fun Blutorange" to expand Jever's alcohol-free range and "Schöfferhofer 0.0%" as the first classic wheat beer brand with a "0.0%" offer. With "Oberdorfer Helles" the Radeberger Group will introduce an independently developed brand in the lager segment.

The group's sales activities consistently focus on customer needs. As a result, the group is able to link the needs of its trading partners with the findings of trade research and shopper insights even better and faster and translate them directly into specific activities. In addition, the introduction of an interdisciplinary customer relationship management (CRM) solution was able to contribute to strengthening customer activities and reducing the administrative workload. In the GAM area, Getränke Hoffmann took over the Dursty beverage markets that previously belonged to the Veltins Group in 2018. These Dursty stores were successfully converted to Getränke Hoffmann branding in 2019.

Business development

KEY FIGURES	2018	2019
Sales revenue (in EUR million)	2,181	1,741
Adjusted sales revenue (in EUR million)[1]	1,776	1,741
Investments (in EUR million)	90	93
Employees	7,989	7,094

[1] Sales adjusted for changes in the scope of consolidation and exchange rates.

Comparatively good development in a challenging market environment

After a record 2018, the Radeberger Group was able to hold its own comparatively well in 2019 in the challenging market environment. In terms of business development, it should be noted that the Getränke Essmann companies that were fully consolidated up to March 1, 2019, were then brought into the joint venture concluded with the C. & A. Veltins brewery. The newly founded joint venture under the name Deutsche Getränke Logistik (DGL) bundles the skills of the beverage and logistics specialists of the two brewery groups. The focus here is on the customer-oriented range of holistic solutions in full and empties logistics. With effect from March 1, 2019, the investment will be accounted for using the equity method, meaning the Radeberger Group's unadjusted sales declined by 20.2% to EUR 1,741 million. After eliminating currency and consolidation effects, the group posted a 2.0% drop in sales to EUR 1,741 million. The number of employees fell from 7,989 to 7,094 in 2019, in particular due to the internal divestiture of Durstexpress and the deconsolidation of Essmann. Adjusted for additions and disposals in the scope of consolidation, there was a slight increasese in the number of employees by 2.0% in 2019.

Increase in the number of employees

The development within the individual segments and brands varied in the year under review. The national brands in the Radeberger Group's portfolio, i.e. Radeberger Pilsner, Jever and Schöfferhofer, recorded a slight decline in sales compared to the previous year. Sales of the main brand, Radeberger Pilsner, stabilized again in 2019 after the significant, essentially price-related decline in the previous year and were roughly at the 2018 level. Sales of Jever increased by 1.2% thanks to Jever Fun and Jever Fun Lemon, while the development of Schöfferhofer Weizen was particularly affected by mixed drinks. This was due both to the cooler spring than the previous year and the increasing competition from Naturradler.

Successful modernization of the Clausthaler and Altenmünster brands

The three volume brands Clausthaler, Guinness and Altenmünster were able to increase their national specialties. The positive effects of the measures implemented to modernize the Clausthaler and Altenmünster brands were evident.

The regional premium brands remained the growth engine in the brand portfolio. In particular, the Ur-Krostitzer and Freiberger brands, as well as the Berlin brands, were able to continue the positive sales development of recent years in a difficult market environment with growth rates between +2.9% and +10.1%. But the Allgäuer Büble beer also saw double-digit growth of +11.0% in 2019. As expected, the regional traditional brands showed a decline compared to the previous year.

In the export business, a decline in volumes in the USA, Italy and China could not be fully offset by growth in Canada, Australia and Namibia. In Italy in particular, sales fell significantly short of expectations due to the bad weather and the increasing price war in food retailing.

The nonalcoholic beverages have continued the successful development of the past years, despite 2019 not seeing a repeat of the summer of 2018. Among other things, Selters benefited from the switch to the new reusable glass GdB container.

The Radeberger Group's distribution and trading activities are becoming increasingly important, which is reflected not least in the increasing earnings contribution as well as in investments in new partnerships and companies in the corresponding business areas.

93 million
euro in investments

In 2019, the Radeberger Group's investments were EUR 93 million, higher than in the previous year. This was partly due to investments in empties, delivery rights, software and various technical systems and machines.

Forecast

The global corona crisis has also radically changed the prospects for the brewing industry and its upstream and downstream segments: Starting in March 2020, Germany's federal government, federal states and municipalities decided to take drastic measures to curb the spread of the coronavirus. The duration of the measures and their effects on the businesses concerned cannot currently be estimated. There will be a significant drop in sales, especially in the catering, festivals and events business, and the group's restaurant-focused subsidiaries will be deprived of their core business during this period. Slumps can also be predicted in the export business, particularly in the important export markets of Italy, the USA and China. For this reason, the Radeberger Group expects significant sales losses with noticeable earnings burdens both in the brewery business and in the catering-oriented beverage wholesalers, which, depending on the duration of the measures adopted, will have a massive impact on the 2020 financial year. To counteract this, it has been decided to implement extensive spending and budget cuts and short-time working, in particular for the administration, sales, festivals and events and beverage wholesale segments.

Sparkling Wine, Wine and Spirits

General information on the division can be found on page 10

Business processes

In the 2019 financial year, the procurement organization was developed. Since the merger of Henkell & Co. and Freixenet SA in the summer of 2018, there has been intensive cooperation with the aim of harmonizing the supply chain that the companies now share. The aim of this collaboration is to improve competitiveness and profitability, not least in order to achieve potential synergies and efficiencies. The group also reacted to the risk of a possible shortage of raw materials for wines and sparkling wines. This development especially affected high-quality raw materials of regional origin. For this reason, Henkell Freixenet has implemented a diversified procurement strategy that takes into account several procurement channels. A cornerstone of this strategy is to take over upstream processes in the value chain, for example by growing its own raw materials. To ensure the successful procurement of additional raw materials, Henkell Freixenet also cooperates with other companies in the Oetker Group, for example Handelsgesellschaft Sparrenberg. Long-term contracts for wine procurement on the open market were also agreed. In cooperation with Freixenet, new suppliers for glass bottles were also acquired. The availability of glass has become an increasing challenge in recent years due to longer summer periods, which leads to increased demand for beverages, and the negative image of PET. The prerequisite for joint and competitive purchasing was the implementation of the lead buyer concept that had been decided on in the previous year.

Process automation

In digital production and logistics, further projects were pushed ahead. The main focus was on the automation of processes, combined with the goal of reducing structural costs. To this end, the group has taken measures to increase efficiency, including networking and the use of modern machines and production robots.

International brand teams for the optimized control of international processes

In marketing and sales activities, Henkell Freixenet continued to focus on its core brands and supported them with classic advertising as well as with point-of-sale, digital and PR activities. The so-called House of Brands was developed to align the brand strategy. Responsibility for brand management lies in the countries of origin. International brand teams have been set up to better manage international processes. With the expansion of Henkell Freixenet Global, both the brand development and the international marketing of the products in Wiesbaden and Sant Sadurni were successfully centralized. In addition, the company has placed greater emphasis on digital marketing in order to further strengthen interactive dialog with consumers. For this purpose, a digital team was created in the group, which will intensify digital communication within Henkell Freixenet and, in addition, should guarantee efficient and sustainable product marketing directly to the end consumer. This is closely linked to the expansion of location marketing (hospitality) in our own wineries. A more attractive on-site offer provides the opportunity to further increase the number of visitors and thus significantly increase customer loyalty and location turnover.

The wishes and needs of customers for new product categories and taste experiences are the driving force for Henkell Freixenet's development activities, as is the group's commitment to the further development of existing brands and products. In line with the ongoing trend towards premiumization, Henkell has introduced Freixenet in the premium range Fürst von Metternich Brut in a matt black bottle and Freixenet prosecco in an eye-catching crystal bottle. There is also demand for convenience drinks. The group served these trends with innovations in the ready-to-drink and mixed drinks sector, such as Mangaroca Batida Passion in a ready-to-drink can.

Business development

KEY FIGURES	2018	2019
Sales revenue (in EUR million)	816	1,044
Adjusted sales revenue (in EUR million)[1]	1,067	1,044
Investments (in EUR million)	33	36
Employees	2,701	3,556

[1] Sales adjusted for changes in the scope of consolidation and exchange rates.

1,044 million
euros in revenue

Henkell Freixenet was able to increase sales revenue from EUR 816 million to EUR 1,044 million in its first full year of business, 2019, which corresponds to an increase of 27.9%. Sales development was supported by almost all regions as well as the rest of the world (RoW)/ global area, which groups together export sales in 150 countries. Adjusted for the effects of changes in the scope of consolidation and exchange rates, sales decreased by 2.2% from EUR 1,067 million in the previous year to EUR 1,044 million in 2019. Henkell Freixenet's investments in 2019 amounted to EUR 36 million compared to EUR 33 million in the previous year. The focus here was on the development of the site in Mionetto, Italy. The average number of employees rose significantly from 2,701 to 3,556 in 2019 due to the year-round consideration of Freixenet, while the number of employees rose by 1.1% with a constant group of consolidated companies.

The DACH region comprises the companies in Germany, Austria and Switzerland. With sales of EUR 297 million, this region achieved growth of 29.4%. The development of Germany's leading premium sparkling wine brand Fürst von Metternich and Wodka Gorbatschow was a source of great excitement. In Austria, sales of Henkell Trocken, Kupferberg, Mionetto and Freixenet increased significantly compared to the previous year. Schloss Johannisberg was able to successfully focus on Schlossweine; Henkell Freixenet Switzerland maintained the strong level of the previous year.

Sales in the Western Europe region grew from EUR 275 million to EUR 356 million in 2019 (+29.7%). The main brands in this region were Freixenet, Mionetto and *i heart* WINES. In the UK, the market position was significantly expanded with Freixenet and *i heart* WINES. The increase in sales in the region is all the more pleasing against the background of consumer restraint due to consumer uncertainty in both Spain (Catalonia conflict) and the UK (Brexit).

The Eastern Europe region is characterized by the strong national companies Bohemia in the Czech Republic, Törley in Hungary and Hubert in Slovakia, each of which has a share of more than 60% of the national sparkling wine market. With the additional group companies in Poland and Ukraine, the region's sales were almost maintained at the previous year's level (EUR 173 million versus EUR 174 million in the previous year). The reason for the stagnation was the high inventory of trading partners from the previous season and the closure of production in Ukraine.

Strong growth in America

The Americas are an increasingly important growth region. With the USA as the most important market, as well as strong business in Canada, the group gained a strong market presence in South and Central America thanks to Freixenet. Sales in the Americas region grew from EUR 110 million to EUR 166 million in 2019 (+50.4%). The backbone of the positive growth trend was Mionetto prosecco. A price increase was successfully implemented for Freixenet and Segura Viudas. In addition, there was positive development in direct business for Gloria Ferrer in Sonoma and for Finca Sala Vivé in Mexico.

In the RoW/global region, the group combines business with importers and distributors in countries where it does not have its own sales company. The duty-free business also belongs to the global region. The globally strong Freixenet brand is particularly important here, helping sales in 2019 to rise very pleasingly to EUR 51 million (previous year: EUR 38 million).

Positive development of the international core brands

The international core brands mostly developed positively. The strong development of Freixenet in the international markets was mainly based on Cordon Negro Brut, while in Germany the brand was characterized by the successful Carta Nevada Semi Seco, which underwent a relaunch in 2019 that increased its value. The new Freixenet prosecco and Italian rosé were also extremely successful. Overall, the brand grew slightly compared to the previous year.

Mionetto prosecco showed a clearly positive trend with its main markets Italy, USA, Germany, UK, France, Canada and Eastern Europe. In the USA and Eastern Europe in particular, the brand was able to achieve high double-digit growth rates and thus grow faster than the prosecco market.

Overall, Henkell was just above the previous year and was able to develop successfully, particularly in Austria, Canada and Australia. Business with the Henkell piccolo grew by double digits.

i heart WINES grew again in double digits. A continuous portfolio expansion with the *i heart* regionals (for example *i heart* Rioja) or new products, such as *i heart* gin, enabled better market coverage and supported growth. After successful market launches outside the UK, the group continued to expand its international presence. The most recent market entries include Poland and Switzerland.

Mangaroca Batida de Côco continues to grow dynamically

Mangaroca Batida de Côco was able to continue the growth momentum that started with the 2017 relaunch. The original Mangaroca Batida de Côco was supplemented with a clear version of Mangaroca Batida com Rum and Mangaroca Batida Passion in a ready-to-drink can. The brand developed consistently positively and was able to grow in double digits for the third year in a row.

Forecast

After a good start to 2020, the corona pandemic is currently leading to drastic changes in all markets. In many countries, public life has come to a standstill, which particularly affects the catering and hotel industry as well as the duty-free business. A forecast for the entire year will depend largely on the further course of the pandemic and on government measures. Henkell Freixenet expects sales to decline in 2020, with the extent of the decline to be decided in the fourth quarter, which is traditionally of great seasonal importance due to the Christmas and year-end business. Should there be a second pandemic surge, this would be particularly disadvantageous for Henkell Freixenet.

Other Interests

↗ General information on the division can be found on page 10

Business processes

In 2019, *Budenheim* implemented a digitalization strategy in the area of procurement processes in order to use the possibilities of procurement platforms more intensively than before. On the one hand, this streamlines procurement processes; on the other, the use of the platforms favors better purchasing conditions through catalog-driven procurement of services and certain product groups. Budenheim also focused on making production and logistics processes prior to delivery to customers more effective and efficient. In 2019, worldwide sales were completed using the Salesforce sales software, a customer relationship management (CRM) system introduced last year. In the area of research and development, Budenheim achieved an innovation rate of 9% in 2019 and was therefore able to maintain the previous year's value. The innovation strategies of the divisions were further specified, and innovation activities were thus more targeted to strategic markets.

The Food Ingredients business unit has stepped up its transformation into a market-oriented solution provider for food ingredients. It has also expanded its global offering with innovations going beyond phosphates. Within the Savory Solutions cluster, a new portfolio of texturing systems with the brand names CARNAL® TEX and ABASTOL® TEX was created. In addition, with CARNAL® READY and ABASTOL® READY, a portfolio of complete solutions for the meat processing market and innovative solutions for the vegan market was developed. The focus of the Nutrition cluster was on the development of specialties with stabilized calcium enrichment under the brand name BUDAL® TEX 320. Furthermore, highly effective nutrients of natural origin have been developed for use in food and nutraceuticals. The focus of the Baking cluster was on the expansion of special acid systems for the growing markets for frozen and chilled dough.

Two new active ingredient products

In the Performance Materials business unit, two new active ingredient products were launched in the Pharmaceutical & Medical Products cluster under the brand name PharSQ® Actives. As a result, phosphate-based calcium and magnesium sources are now available to customers for the formulation of drugs that meet the highest pharmaceutical requirements for active ingredients. The range of the PharSQ® Spheres innovation developed last year was expanded to include two product variants in order to be able to control the active ingredient release of the drugs based on PharSQ® Spheres even more precisely. The Metal Treatment business line has developed new products that underline the positioning of the PHOSPHATHERM® brand as a driver of innovation. Among other things, a graphite-free solution for high-temperature lubricants was developed.

In the Paints cluster in the Material Ingredients business unit, the innovations carried out mainly focused on the constantly growing market for fire protection paints. The newly developed additives FR CROS® 585 and FR CROS® 587 have superior fire protection properties and moisture resistance. The Polymers cluster is expanding its portfolio with innovative solutions for the plastics market. With BUDIT® 620, Budenheim successfully entered the disruptively emerging market of natural-fiber-reinforced plastics. The intensive marketing of the environmentally friendly foaming agents of the BUDIT®-F series was accelerated and accompanied by the application service. The development of BUDIT® 669, which is increasingly being commercialized as a halogen-free flame retardant for applications in the electrical and electronics market, was very encouraging.

OEDIV further expanded its service portfolio during the course of the financial year. For example, the implementation of IT security solutions and the expansion of services to include consulting modules for the rollout of Microsoft Office 365 and S/4HANA Readiness Checks. Due to the increasing customer requirements and the associated increase in complexity, a technical presale to convert the customer requirements into stable IT architectures and solutions is an essential prerequisite for the successful integration of new customers. Responsibilities for technical account management, service catalog management and partner management have been implemented to strengthen sales activities. In order to counteract the shortage of skilled workers prevailing in the IT environment and to position OEDIV in the IT market in relation to the competition, a marketing department was established at the beginning of 2019.

Business development

KEY FIGURES	2018	2019
Sales revenue (in EUR million)	684	759
Adjusted sales revenue (in EUR million)[1]	701	759
Investments (in EUR million)	36	54
Employees	2,853	4,667

[1] Sales adjusted for changes in the scope of consolidation and exchange rates.

54 million
euros in investments

The companies in the Other Interests Division are primarily active in the chemical industry and in the luxury hotel industry. In view of the different markets, the companies of this division developed differently. Overall, the division achieved an increase in sales revenue of 11.0%, to EUR 759 million. The growth primarily comes from the area of other companies and included OEDIV, the e-commerce wine dealer BELVINI and Durstexpress. The latter company was assigned to the Beer and Nonalcoholic Beverages Division in 2018. After adjusting for exchange rate effects and changes in the scope of consolidation, revenue rose by 8.3% in 2019. Expenditure on investments amounted to EUR 54 million for the reporting year compared to EUR 36 million in the previous year. The increase in investment was mainly due to higher spending at OEDIV and on real estate. The number of employees grew from 2,853 to 4,667 in 2019. This corresponds to an increase of 63.6%, which is largely

Significant increase in the number of employees

attributable to Durstexpress. Without changes in the scope of consolidation, the number of employees rose by 31.0%, in particular due to the increase in personnel at Durstexpress, Oetker Digital, OEDIV and Budenheim during the year.

Budenheim was also faced with highly competitive market conditions in 2019. Nevertheless, the group achieved an increase in sales of 3.7% to EUR 325 million compared to the previous year. Adjusted for exchange rate effects, sales increased by 1.0%.

Sales in the highest-selling business unit, Food Ingredients, increased significantly year-on-year. This is the result of intensive customer orientation and successful portfolio optimization, among other things through the introduction of a portfolio in the field of texturizing specialties. The sharp rise in raw material prices in the previous year was largely offset by an increase in average selling prices. The growth driver in the Food Ingredients business unit was the Baking cluster, with a focus on the markets in the regions of North America, Asia and Central and South America. The Dairy & Dairy Substitutes cluster also recorded significant growth rates compared to the previous year. The Nutrition cluster also showed a very positive development in Asia, Europe and North America, which was mainly due to increased value creation activities in the areas of food enrichment and nutraceuticals. Due to the increasing competition and challenging market dynamics, the Animal Protein cluster suffered severe setbacks in Mexico and Europe.

Despite a difficult market environment, the Performance Materials business unit achieved total sales at the previous year's level. The strongest-selling cluster, Pharmaceutical & Medical Products, recorded a slight decline in sales in 2019, which is mainly due to exceptionally high inventory effects among Asian customers. These could not be compensated for by a significant increase in sales of the newly launched active ingredient products. The Ceramics, Metal Treatment and Construction clusters were influenced by the weakening of industrial demand in the second half of the year, which led to a slight reduction in sales for the year as a whole, and to a stable sales trend for Construction. In the Customized Chemicals cluster, a substantial increase was realized due to the growing demand for innovative products in Europe.

In the Material Ingredients business unit, the Polymers cluster achieved a significant share of sales and successfully repositioned itself as a provider of sustainable additive solutions. This enabled it to achieve stable business, contrary to the prevailing trend in the plastics market. This was fueled by the areas of electric mobility and pollutant-free solutions, but was unfortunately dampened in the second half of the year by a downturn in key markets. The turnover of the Paints cluster was increased significantly, especially with the new FR CROS® products. In accordance with the focus and market opportunities set in the Material Ingredients business unit in the Asia-Pacific region in particular was one of the drivers for the disproportionately good development compared to the competition.

Oetker Collection increases sales

The *Oetker Collection* was able to achieve the planned sales targets in 2019 and ended the year with a slight increase in sales of 2.0% to EUR 170 million. The Hotel du Cap-Eden-Roc and Hotel Le Bristol made a significant contribution to this thanks to a strong development in the average room rate, while the Brenners Park-Hotel & Spa recorded a slight decline in sales. Hotel Le Bristol benefited from a slight improvement in occupancy and a good level of food and beverage sales. The Brenners Park-Hotel & Spa was unable to compensate for the lack of overnight stays by guests from the Middle East region. Following the complete renovation of the rooms and the restaurant in the previous year, the Château St. Martin in the south of France increased the number of overnight stays in 2019 and thus improved its occupancy rate, which was reflected in strong development of the hotel's sales. In the Oetker Hotel Management Company, 2019 was affected by the extended closure of Eden Rock St. Barths, which continued until November 2019 after the renovation work required as a result of Hurricane Irma.

OEDIV sales increased significantly in the 2019 financial year. In addition to the organic growth, the sales development was also positively influenced by the year-round inclusion of the sales contributions of Personal Partner Strixner GmbH, which was acquired in August 2018. As in the previous year, the core segments SAP and Microsoft contributed two thirds of the bulk of OEDIV sales. A particular growth driver was the successful acquisition of a large new customer in the retail sector alongside other new customers, which contributed to the increase in sales. In addition, OEDIV benefited from increased demand from existing customers for additional, previously unused services from the OEDIV service portfolio as well as growth-related extensions to existing infrastructures.

The majority of OEDIV's sales were generated by German customers with international locations. These customer groups also accounted for the sales increases described.

Forecast

Budenheim originally predicted moderate sales growth for the core business of the three operating business units. This growth expectation was based on both volume increases and an improvement in the portfolio, diminished by negative currency effects. The growth of the core business was offset by a negative special effect of a similar magnitude from the sale of the acids business in the fourth quarter of 2019. Thus, before the outbreak of the corona crisis, similar sales were expected for 2020, which was predicted overall to be at the level of the past financial year. Due to the global pandemic situation caused by the coronavirus, however, significantly lower sales revenues can be expected than originally anticipated. Budenheim is doing all it can to maintain production, sales and logistics at all locations without restrictions.

In view of the latest developments related to the global corona crisis, the *Oetker Collection* can expect significant declines in sales in the 2020 financial year. All the group's hotels have been closed since mid-March. It remains to be seen whether they will be reopening in the course of the year, especially the seasonal hotels that are only operated in summer. Significant sales and earnings losses are expected. The same applies to the management company OHMC, where the decline in hotel sales will lead to a decline in management fees.

Due to the uncertain situation and a forecast economic downturn, *OEDIV* expects sales to drop significantly in 2020. This decline in sales is particularly due to the unpredictable development in third-party customers (for example: automotive, mechanical engineering, brick-and-mortar retail) and a related reduction in new projects. Along with this, a significant decline in margins is expected.

Financial Position

Total assets increased by EUR 189 million compared to December 31, 2018, to EUR 10,010 million. The balance sheet structure showed no significant changes as of December 31, 2019: The share of fixed assets in total assets was 39.6% (previous year: 38.9%). There were also no structural changes within current assets. The basic values of the balance sheet structure are as follows:

BALANCE SHEET STRUCTURE

In EUR million	2017	2018	**2019**
Total assets	9,143	9,822	10,010
Fixed assets	2,895	3,816	3,962
Inventories, accounts receivable, prepaid expenses	2,074	2,788	2,823
Cash and cash equivalents	4,174	3,217	3,225
Equity	3,749	4,027	4,104
Provisions	1,403	1,387	1,417
Liabilities including deferred income, deferred tax liabilities	3,991	4,408	4,489

Intangible assets rose by EUR 55 million to EUR 958 million compared to the previous year. The additions totaled EUR 316 million in 2019 and, at EUR 292 million, are largely due to the first-time consolidations in 2019. Of this, EUR 218 million was attributable to goodwill, which is mainly accounted for in the Food Division. In addition, brand rights with a value of EUR 73 million were acquired, primarily as a result of the purchase price allocations for the acquisitions of Mavalério and Alsa. The increase in tangible and intangible assets by EUR 101 million to EUR 2,336 million is mainly due to the development of the balance sheet positions for land and buildings and the advance payments and assets under construction. In addition to the ongoing investments of EUR 334 million, which significantly exceeded the depreciation volume in the year under review, acquisition-related additions of EUR 70 million were reflected in this asset category, especially in the food and real estate (Other Interests) segments. The total additions to tangible and intangible assets amounted to EUR 719 million (previous year: EUR 1,331 million). Acquisitions accounted for EUR 361 million of this (previous year: EUR 980 million). Current investments amounted to EUR 358 million, EUR 8 million above the level of the previous year. From a regional perspective, the focus was again on investments in domestic companies; the share of foreign companies in current investments was 34.4% (previous year: 38.6%). Amortization of intangible assets and property, plant and equipment totaled EUR 547 million (previous year: EUR 433 million).

The investments in associated companies include the new addition of Deutsche Getränke Logistik GmbH & Co. KG (DGL) – the joint venture founded together with the brewery C. & A. Veltins GmbH & Co. KG – and the investments in Bankhaus Lampe KG, Moers Frischeprodukte GmbH & Co. KG, S.A. Damm, Barcelona (Spain), and Emaphos Euro Maroc Phosphore S.A., Casablanca (Morocco), which are accounted for using the at-equity method.

The book value of the inventories was EUR 1,123 million and thus only slightly changed compared to the previous year (EUR 1,128 million). Trade receivables decreased by EUR 24 million to EUR 1,204 million on the balance sheet date. The EUR 53 million increase in receivables from affiliated companies to EUR 63 million at the end of the year is primarily due to the new additions to DGL and Food and Beverage Services GmbH, the joint venture operated with Transgourmet. There were liabilities of EUR 12 million (previous year: EUR 19 million). They consist of domestic and foreign investments not included in the consolidation.

Other assets increased to EUR 398 million as of the balance sheet date (previous year: EUR 386 million). In addition to tax refund claims, this balance sheet item shows short-term loans as well as claims from the reinsurance of pension obligations at the Condor insurance group, receivables from empties and the like, which are not offset against liabilities items. This also includes the assets of Atlantic Forfaitierungs AG, which mainly consist of short-term deposits. An amount of EUR 39 million (previous year: EUR 52 million) of the other assets has a remaining term of more than one year.

As of the balance sheet date, the group's funds amounted to EUR 3,225 million (previous year: EUR 3,217 million). They consist of claims against Bankhaus Lampe KG, current asset securities and the item "Cash on hand, deposits with other banks and checks".

The fixed capital of Dr. August Oetker KG remained unchanged at EUR 450 million. The group's reserves increased by EUR 45 million, to EUR 3,638 million on the balance sheet date. The positive change in the equity difference from currency translation of EUR 25 million was largely the result of the appreciation of the Egyptian and British pounds against the euro. The equity item attributable to noncontrolling interests rose from EUR 129 million to EUR 137 million on the balance sheet date and mainly relates to minority interests in the Freixenet Group. This resulted in a total equity increase of EUR 77 million to EUR 4,104 million as of December 31, 2019.

Pension provisions amounted to EUR 487 million as of the balance sheet date and decreased by EUR 4 million compared to the previous year. While pay outs had an impact of EUR –41 million, interest and exchange rate effects had an impact of EUR +39 million. As before, part of the retirement benefits for employees is covered by direct insurance contracts, especially at Condor Lebensversicherungs-AG. The insurance premiums required for this are largely paid through one-off payments. Policy loans are not used. In the tax provisions of EUR 26 million (previous year: EUR 22 million) only effective taxes were included. The other provisions included amounts for outstanding invoices, for credit balances from the Beer and Nonalcoholic Beverage Division, for sales deductions, in particular in the Food Division, and for human resources.

The liabilities amounted to EUR 4,402 million (previous year: EUR 4,317 million) and can be found in the notes, broken down by remaining term. The other accounts payable amounting to EUR 2,692 million (previous year: EUR 2,884 million) include the shareholder accounts within Dr. August Oetker KG.

Deferred tax liabilities decreased by EUR 1 million to EUR 75 million as of the balance sheet date and resulted solely from consolidation measures, as there was an excess of assets at the level of the individual financial statements, mainly as a result of different valuations for pension provisions and thus to the option of Section 274 (1) sentence 2 of German Commercial Code (HGB).

The Oetker Group's financial position is marked by internal financing, largely retained earnings and long-term bank loans. The positive balance of net financial assets decreased from EUR 2,533 million as of December 31, 2018, to EUR 2,300 million as of December 31, 2019, partly as a result of expenditure on acquisitions and ongoing investments.

As compared to the previous year, equity increased by EUR 77 million, to EUR 4,104 million. With a simultaneous increase in total assets by 1.9%, the equity ratio remained unchanged at 41.0%. Bank liabilities are mainly based on loans with long-term maturities that were serviced in accordance with planning. Long-term loans in the amount of EUR 80 million were repaid in the reporting year. New long-term loans totaling EUR 300 million were taken out, and there was also an increase in short-term loans of EUR 65 million. Leasing agreements and other off-balance-sheet financing instruments are of minor importance for the Oetker Group.

Financing and cash investments by subsidiaries are combined within the Oetker Group wherever possible in order to minimize risks and exploit potential optimization. Interest rate, price and currency hedges are primarily carried out by Dr. August Oetker KG using derivative financial instruments in the form of forward exchange transactions.

Forecast Report

The global economy has suffered significantly since the beginning of 2020 as a result of the new coronavirus and the measures taken to contain it. Due to the increasing global spread of the virus, there are negative effects on production and demand worldwide, an exact assessment of which is currently not possible. Although monetary and fiscal policy measures are being launched, global growth will nevertheless be significantly below that of the previous year. Instead of a gradual revival in the global economy, economic institutes such as the Kiel Institute for the World Economy (IfW) are now expecting global production to decrease in the first half of 2020 and the growth rate for the year as a whole to be reduced from an original estimate of 3.0% to at least 2.0%, with the dynamics depending on the containment of the virus. The negative effects are particularly strong in Asia and Europe, where the spread of the virus has progressed significantly and the potential for production downtimes due to disrupted supply chains is comparatively large. The effects of the corona crisis far outweigh the geopolitical and trade uncertainties that are also contributing to dampening the economy, even if the preliminary settlement of the trade conflict between the USA and China and the lesser worries about an uncontrolled exit of the UK from the EU caused a little more optimism at the beginning of the year.

The coronavirus has now reached all countries in which the Oetker Group operates. The closure or severe restriction of the operation of hotels and restaurants is leaving clear marks on the sales and revenue reports of the group companies that either supply these companies with food and beverages or, in the case of the Oetker Hotel Collection, operate them themselves. On the other hand, as more and more people are forced to stay at home, there are positive effects for the group companies that produce products for home preparation and consumption. However, the corona crisis as a whole is likely to have a significantly negative impact on the earnings of the Oetker Group, even if all companies try to counter the loss of revenue by means of cost reduction measures. The group management is confident, however, that by diversifying into various divisions and by working on a wide range of products and sales channels within these divisions, the group will be able to overcome the crisis and, based on a stable foundation, continue on the growth path it has embarked on.

Before the coronavirus broke out, sales planning anticipated moderate sales growth based on both organic growth and acquisition-related sales growth. With regard to the exchange rates of the foreign currencies important for the Oetker Group, with the exception of the US and Canadian dollars as well as the Turkish lira, planning has been consistently close to the annual average for 2019. Investments (excluding first-time consolidations) of around EUR 500 million were expected for 2020, about half of which would have been in the Food Division. The net financial balance will remain clearly positive. With regard to the number of employees – without taking consolidation effects into account – an almost constant value is assumed.

↗ The forecasts for the respective divisions can be found from page 28 onwards

Other aspects of the expected development in the individual divisions are described in their respective sections.

Opportunities and Risks Report

The business activities of the Oetker Group offer many opportunities and are subject to permanent risks. The primary goal is to achieve a balance between opportunities and risks.

All trends in the industries relevant to the group are constantly monitored. Opportunities are considered when formulating plans and pursued as part of periodic reporting. Regular market and competitive analyses are carried out and the crucial success factors for the markets are examined.

The group companies are subject to different economic conditions. In the three consumer goods divisions, consumption trends among consumers are particularly relevant. A diversified product portfolio and continuous development of new products help the group to take account of market and consumer needs. This also includes the trend towards more quality awareness and increased demand for sustainably produced products.

Expanding the group's market presence also offers strategic opportunities. This applies, for example, to the markets in emerging nations. With the help of strategic acquisitions, the product portfolio can be expanded, the market position improved and growth boosted.

Within the context of its structure, which is diversified across both industries and regions, the Oetker Group is also exposed to different risks. These are mainly economic risks, commodity price risks and, to a lesser extent, currency risks. Dealing with these business risks is an essential part of the Oetker Group's corporate management.

Operational opportunities and risks

Procurement market opportunities and risks

According to the group management, prices on the procurement markets will rise in the coming year. However, numerous commodities that are important in the consumer goods business are contracted for 2020 so that there are no risks. Diversification through different suppliers and further measures to secure volumes reduces other procurement risks. However, as a result of the spread of the coronavirus, there may be impairments in the supply chains and thus raw material shortages and production bottlenecks or failures.

Environmental and industry related opportunities and risks

The consumer climate is of crucial importance for the area of consumer goods. The pandemic triggered by the coronavirus may have a significant impact on consumer behavior, an assessment of which is currently not possible. Interventions by national authorities, trade policy conflicts or uncertain geopolitical situations, which have already been observed in several countries, can also have a major impact. The ongoing debt and financial crisis in some countries also creates risks for the group's business segments. In addition, increasingly intense competition and increasing trade concentration pose risks. The group companies are countering these risks by continuously strengthening the brands and developing new products, thereby generating new opportunities. Apart from this, using different sales channels enables a balance between possible structural migration movements or changes in consumers' demand behavior.

Functional opportunities and risks

Financial opportunities and risks

The Oetker Group is subject to financial opportunities and risks in terms of liquidity, currencies and interest rates. In view of the solid earnings structure and financial position of the Oetker Group, the long-term connections to various banks and financing based on classic long-term bank loans, the liquidity and interest rate risk is considered to be low. The liquid funds from the sale of the Shipping Division in 2017 were invested very conservatively in a broadly diversified fund. The upheavals in the financial markets caused by the corona crisis had little impact on this fund. Currency risks are mainly hedged with the help of forward exchange transactions, which limit potential losses.

Legal and regulatory risks

As a company that operates worldwide, the Oetker Group has to observe a large number of legal and regulatory standards. Internal standards, guidelines and instructions on how to implement them are used and regularly checked, including as part of the management systems. All relevant legal and regulatory requirements and compliance with the Oetker Group Code of Conduct are also monitored by a group-wide compliance organization. In addition, the usual insurance policies have been concluded to cover certain legal risks.

Opportunities and risks in the area of IT/digitalization

The use of digital technology enables the ongoing standardization of data systems as well as the harmonization and optimization of processes. Information technology risks are countered by extensive investments in the security architecture of the IT systems. Digital transformation is an unstoppable trend that is influencing consumer behavior and market participants. In addition to risks, including the entry of new market participants, this also gives rise to new forms of offerings and business models that offer the Oetker Group new growth opportunities, especially in the consumer goods divisions.

Personnel opportunities and risks

The financial success of the Oetker Group is largely defined by its employees' skills and motivation. Recruiting highly qualified specialists and managers and binding them to the Oetker Group in the long term is therefore enormously important. To do this, targeted measures to promote employee development and performance-based incentive systems are used. A further focal point in the group's human resources work is on health management and the counseling of employees in different phases of their lives. In the current corona crisis, employee health is a top priority more than ever before. A centrally implemented crisis management response team provides daily information on the current status of the spread of the new coronavirus and exchanges information in order to advise on measures and their communication within the company. This also applies to dealing with suspected cases and illnesses. In this way, the risk of illness-related absenteeism in the workforce and the resulting effects on the operational process are to be minimized.

Environmental and safety factors
Due to its activities at numerous locations worldwide, the Oetker Group has to observe environmental, safety, health and social standards. This could result in adverse effects on people and their environment and damage to goods. Measures that target legal and regulatory risks also help counter environmental and safety risks, as do the certification, counseling and training of employees. In addition, high production standards ensure effective protection against possible environmental and safety risks. Increasing signs of climate change, such as heat periods, lack of water or heavy rain, can have a negative impact on crop yields and thus on the procurement of raw materials, as well as on the locations of the group companies and consumer behavior. The Oetker Group is therefore committed to responsible use of resources.

Logistics opportunities and risks
Despite the advantageous development in the logistics industry, which supports the group companies in their plan to establish an efficient and effective supply chain, risks can still be identified. The strong concentration of the logistics industry, especially in the frozen food sector, has intensified competition over time. In addition, the logistics industry is already suffering from a shortage of skilled workers. Considerable toll increases sometimes make logistics services more expensive, which can also increase costs within the Oetker Group. Moreover, the corona crisis can lead to risks with regard to the timely transport of goods.

Summary of the opportunities and risks situation
There are no concentrations of risk worthy of mention either on the customer side or on the supplier side. Likewise, there are no apparent risks that may put the group's existence at risk in connection to the countries in which the Oetker Group operates.

Risks that could impair the long-term existence of the Oetker Group are not identifiable in other respects either. In addition, over the past few years an increased level of risk coverage has been created through the solid equity base and the improvement in strategic positions, which from today's point of view has made it even easier to control the risk drivers of the business. At the same time, the opportunities offered can be grasped from this solid foundation. The diversification into different lines of business and business areas serves to balance risks and protect the entire group in global threat scenarios such as the corona crisis. At the same time, the opportunities offered can be grasped from this solid foundation.

02 *Consolidated Financial Statements*

The percentages included in the group management report and the consolidated financial statements refer to the exact amounts, not the rounded amounts. Due to rounding it is possible that individual numbers (€, %, etc.) do not add up exactly to the specified sum.

Consolidated Financial Statements

02

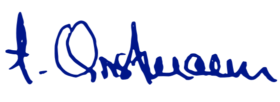
Consolidated Balance Sheet

Dr. August Oetker KG

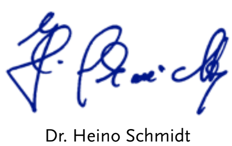
ASSETS In EUR ’000 €	2018	2019
FIXED ASSETS		
Intangible assets		
Acquired concessions, trademarks and similar rights and assets as well as licenses to such rights and assets	538,495	518,236
Goodwill	361,064	433,356
Advance payments	3,647	6,459
	903,205	**958,051**
Tangible assets		
Land, leasehold rights and buildings, including buildings on leasehold land	1,247,429	1,285,556
Machinery and equipment	597,682	608,495
Other equipment, fixtures, furniture and office equipment	286,950	277,583
Advance payments and fixed assets under construction	103,461	164,797
	2,235,522	**2,336,432**
Financial assets		
Shares in subsidiaries	6,907	79
Investments in associated companies	519,449	465,676
Investments in other companies	48,730	55,017
Long-term borrowings to affiliated companies	20	17,351
Fixed-assets securities	2,253	1,396
Other long-term borrowings	99,912	127,898
Advance payments for financial assets	355	
	677,626	**667,418**
	3,816,353	**3,961,900**
CURRENT ASSETS		
Inventories		
Raw materials and supplies	335,770	323,994
Work in progress	283,106	262,274
Finished products and merchandise	495,262	525,614
Advance payments	14,344	10,955
	1,128,482	**1,122,837**
Accounts receivable and other current assets		
Accounts receivable (trade)	1,227,859	1,203,609
Accounts receivable from affiliated companies (apart from banks)	10,019	63,124
Other current assets	385,909	397,745
	1,623,787	**1,664,478**
Funds		
Accounts receivable from affiliated banks	28,009	60,875
Securities held as current assets	2,763,151	2,657,705
Cash in hand, deposits with nonaffiliated banks and checks	425,675	506,530
	3,216,834	**3,225,110**
	5,969,102	**6,012,425**
DEFERRED INCOME	**34,388**	**35,280**
POSITIVE DIFFERENCE BETWEEN PLAN ASSETS AND RETIREMENT BENEFIT OBLIGATIONS	**1,693**	**849**
	9,821,536	**10,010,454**

EQUITY AND LIABILITIES In EUR '000 €	**2018**	**2019**
EQUITY		
Fixed capital	450,000	450,000
Reserves	3,593,253	3,638,108
Difference in equity due to currency translation	–145,341	–120,727
Noncontrolling interests	128,922	136,910
	4,026,834	**4,104,291**
DIFFERENCE DUE TO CAPITAL CONSOLIDATION	**14**	**8**
PROVISIONS		
Provisions for pensions and similar obligations	490,528	486,995
Provisions for taxes	22,286	25,696
Other provisions	873,766	904,331
	1,386,580	**1,417,022**
LIABILITIES		
Liabilities due to banks		
Liabilities due to banks outside the Oetker Group	673,873	914,983
Liabilities due to affiliated banks	9,985	10,005
Advance payments received on orders	17,458	14,289
Accounts payable (trade)	574,556	599,447
Accounts payable to subsidiaries	54	22
Accounts payable to affiliated companies (apart from banks)	19,236	11,765
Miscellaneous liabilities		
Taxes	121,856	141,904
Social security	15,744	17,198
Other	2,883,959	2,692,070
	4,316,721	**4,401,684**
DEFERRED INCOME	**14,894**	**12,427**
DEFERRED TAX LIABILITIES	**76,493**	**75,023**
	9,821,536	**10,010,454**

Bielefeld, April 17, 2020
Dr. August Oetker KG



Dr. Albert Christmann
General Partner



Dr. Heino Schmidt
Chief Representative

Consolidated Statement of Changes in Fixed Assets

Dr. August Oetker KG

CONSOLIDATED STATEMENT OF CHANGES IN FIXED ASSETS In EUR '000	Procurement and manufacturing costs as of January 1, 2019	Currency differences and effects due to change in scope of consolidation	Additions	Disposals	Reclassifications	Procurement and manufacturing costs as of December 31, 2019
Intangibles assets						
Acquired concessions, trademarks and similar rights and assets as well as licenses to such rights and assets	1,401,021	17,767	92,543	–39,764	1,097	1,472,664
Goodwill	591,478	8,664	217,906	–3,313	1,950	816,685
Advance payments	3,721	–4	5,600	–18	–2,715	6,583
	1,996,221	**26,426**	**316,049**	**–43,095**	**332**	**2,295,933**
Tangible assets						
Land, leasehold rights and buildings, including buildings on leasehold land	2,484,957	23,345	74,030	–31,036	37,978	2,589,273
Machinery and equipment	2,610,826	44,757	92,769	–82,645	50,248	2,715,955
Other equipment, fixtures, furniture and office equipment	898,058	8,213	83,228	–97,381	1,833	893,952
Advance payments and fixed assets under construction	103,553	842	153,351	–1,924	–90,392	165,430
	6,097,394	**77,156**	**403,378**	**–212,987**	**–332**	**6,364,609**
Financial assets						
Shares in subsidiaries	6,907		3	–6,830		79
Investments in associated companies	528,370	25	81,387	–23,464	147	586,466
Investments in other companies	51,010	16	9,593	–3,882		56,736
Long-term borrowings to affiliated companies	20		26,363	–9,182	149	17,351
Fixed-assets securities	2,621	91	55	–936		1,830
Other long-term borrowings	111,869	18	56,200	–29,503	–149	138,435
Advance payments for financial assets	355			–208	–147	
	701,151	**150**	**173,601**	**–74,004**		**800,897**
TOTAL	**8,794,765**	**103,733**	**893,027**	**–330,086**		**9,461,439**

Accumulated depreciation and amortization as of January 1, 2019	Currency differences and effects due to change in scope of consolidation	Depreciation and amortization in the financial year	Disposals	Reclassifi-cations	Write-ups in the financial year	Accumulated depreciation and amortization as of December 31, 2019	**Book value as of December 31, 2019**	Book value as of December 31, 2018
–862,527	–8,197	–122,082	38,261		118	–954,428	518,236	538,495
–230,415	–4,333	–150,475	1,895			–383,329	433,356	361,064
–74	–0	–51				–125	6,459	3,647
–1,093,016	**–12,531**	**–272,609**	**40,156**		**118**	**–1,337,882**	**958,051**	**903,205**
–1,237,528	–16,883	–65,455	16,149	1		–1,303,716	1,285,556	1,247,429
–2,013,144	–39,588	–129,099	74,129	172	71	–2,107,460	608,495	597,682
–611,108	–7,823	–79,373	82,076	–173	31	–616,369	277,583	286,950
–92	–11	19	–548			–633	164,797	103,461
–3,861,872	**–64,306**	**–273,907**	**171,806**		**102**	**–4,028,178**	**2,336,432**	**2,235,522**
							79	6,907
–8,921	–3	–111,865				–120,790	465,676	519,449
–2,280			561			–1,719	55,017	48,730
							17,351	20
–368	–91	–1			25	–434	1,396	2,253
–11,956	–17	–1,325	2,626		136	–10,536	127,898	99,912
								355
–23,525	**–110**	**–113,191**	**3,187**		**161**	**–133,479**	**667,418**	**677,626**
–4,978,413	**–76,947**	**–659,707**	**215,148**		**380**	**–5,499,539**	**3,961,900**	**3,816,353**

Notes to the Consolidated Financial Statements
Dr. August Oetker KG

Application of the statutory requirements
As a commercial partnership, Dr. August Oetker KG, registered in the Commercial Register of the Municipal Court of Bielefeld under HRA 8242, is required pursuant to Section 2 of the German Act on Disclosure of Company Financial Statements (below Disclosure Act) to compile and publish consolidated financial statements and a group management report. These consolidated financial statements and group management report, which were prepared in accordance with Section 13 of the Disclosure Act in conjunction with Sections 294 to 315 of the German Commercial Code (below Commercial Code), qualify for exemption within the meaning of Section 264 (4) of the Commercial Code, Section 264b of the Commercial Code and Section 5 (6) of the Disclosure Act for the companies identified in the list of shareholdings pursuant to Section 313 of the Commercial Code (published in the electronic Federal Gazette).

With the exception of the information pursuant to Section 313 (2) of the Commercial Code, this annual report complies with the regulations of Section 13 of the Disclosure Act in conjunction with Sections 294 to 315 of the Commercial Code.

Scope of consolidation
All of the major domestic and foreign companies on which Dr. August Oetker KG can exert a controlling influence directly or indirectly have been included in the consolidated financial statements.

As of the balance sheet date, the scope of consolidation included a total of 407 companies (previous year: 394), of which 204 were German and 203 foreign companies. Eight companies were not fully consolidated due to their minor importance (previous year: eleven). The same applies to eleven companies with which an equity interest exists (previous year: 14 companies), in terms of consolidation at equity.

In addition, as in the previous year, 16 companies are valued at equity.

The following significant changes occurred within the scope of consolidation:

Dr. Oetker acquired the French baking and dessert brand Alsa on March 1, 2019, and in July 2019 shares in the Brazilian Industria de Produtos Alimenticios Mavalério Ltda. In the Beer and Nonalcoholic Beverages Division, the joint venture Deutsche Getränke Logistik was founded with the brewery C. & A. Veltins on March 1, 2019, and is included at equity in the consolidated financial statements of Dr. August Oetker KG. As part of this, Getränke Essmann KG, which was brought into the joint venture, was deconsolidated as of February 28, 2019. Furthermore, the acquisition of the Getränke Lippert Group, completed in July 2019, expanded the scope of consolidation by twelve companies. In the Sparkling Wine, Wine and Spirits Division, the number of consolidated companies decreased, among other things due to some mergers and the sale of four wineries and the champagne manufacturer Henri Abelé, which was completed in May 2019. There were also further additions, which, however, are of minor importance for the group as a whole.

In addition, the scope of consolidation no longer includes several small and insignificant companies that have been merged or liquidated.

A listing of shareholdings is published in the electronic Federal Gazette as an element of the notes to the consolidated financial statements.

Accounting policies and valuation methods

The individual financial statements of the companies included in the consolidated financial statements prepared for consolidation purposes are accounted for and evaluated according to uniform criteria in accordance with the provisions of the Disclosure Act and Commercial Code on the basis of the Oetker Group's reporting, accounting and valuation policies (Handelsbilanz II). The financial statements of the companies accounted for using the equity method were adjusted in part to the uniform group guidelines.

Tangible and intangible assets were valued in accordance with Section 253 of the Commercial Code. No use was made of the option provided for in Section 248 (2), sent. 1, of the Commercial Code to capitalize self-produced intangible assets within the Oetker Group. Goodwill is amortized according to its useful life. The maximum valuation limit for the production cost is the cost pursuant to Section 255 (2), sent. 1 and 2, of the Commercial Code. Investment grants were treated as deductions from the acquisition cost. Scheduled depreciation and amortization were based both on the straight line and the declining balance method (with transition to the straight line method if the amount thus produced was higher than with the declining balance method), largely in accordance with the useful lives recognized by the tax authorities. In Germany, minor assets with an acquisition cost of up to EUR 800 are fully written off in the year of acquisition. A similar approach is taken abroad in comparable cases. In some cases, a collective item is formed for the year for minor assets, for which the acquisition or production cost for the individual asset exceeds EUR 150 but not EUR 1,000, which is written off as a cost evenly over five years.

The value of financial assets is not to exceed their acquisition cost where no lower values are called for. Permanent decreases in the value of fixed assets are accounted for by impairment losses.

Current assets are valued in accordance with Sections 253 and 256 of the Commercial Code. The production cost of inventories includes appropriate manufacturing overheads, observing the production cost limits set by the tax authorities; interest on borrowed capital is not capitalized. Apparent inventory risks are accounted for through loss-free valuation. Adequate specific and general provisions are formed to cover risks in accounts receivable.

Transactions in foreign currencies are translated at the mean spot exchange rate at the time of the transaction for the sake of simplicity and at the monthly average rate in some cases.

The pension provisions are valued according to the rules of the partial value procedure using the 2018 G mortality tables of Prof. Klaus Heubeck. The simplification rule of Section 253 (2), sent. 2, of the Commercial Code is applied and the interest rate determined by the Deutsche Bundesbank for 15-year remaining terms as of October 31, 2019, and forecast as of December 31, 2019 (2.71%, previous year: 3.21%). In addition, an expected wage and salary increase of 2.8% (previous year: 2.8%) and an expected pension increase of 1.3% (previous year: 1.4%) are taken as a basis. The pension obligations of the foreign companies are assessed on the basis of the respective national regulations and are not of material importance. The difference in accordance with Section 253 (6) of the Commercial Code is EUR 41 million.

Assets within the meaning of Section 246 (2), sent. 2, of the Commercial Code of EUR 27 million were set off against corresponding provisions for pension obligations.

Provisions are recognized at the settlement amount necessary based on prudent commercial judgment. The provisions for long service anniversaries are also calculated based on the values stated for interest rates and wage and salary increases. The other provisions take expected price increases of 1.3% (previous year: 1.4%) into account.

Liabilities are recognized at their settlement amount.

On account of an asset surplus in deferred taxes from individual financial statements, the deferred taxes are formed only as provided for by Section 306 of the Commercial Code. Deferred tax assets and liabilities from consolidation transactions are set off against one another, leaving an excess of liabilities. Compared to the previous year, this decreased by EUR 1 million to EUR 75 million. Tax rates specific to the individual companies are applied.

Valuation units within the meaning of Section 4 of the Commercial Code are formed to a minor extent. In these cases, the freezing method is applied.

Currency translation

The currency translation of items in foreign currencies on the balance sheets of the consolidated companies is based on Section 256a of the Commercial Code. Where not already drawn up in euros, the balance sheets of the foreign subsidiaries are translated based on the modified closing rate method of Section 308a of the Commercial Code. Movements in the consolidated statement of changes in fixed assets are translated at the average exchange rate for the year.

Consolidation principles

The annual financial statements of all consolidated companies are compiled as of the date of the consolidated financial statements. Upon consolidation for the first time, the acquisition cost and investment book values are set off against the proportional equity in the capital consolidation based on the principles of the revaluation method. Initial consolidation is carried out on the date on which the company became a subsidiary. The fair value of the acquired assets, debts, accruals and deferrals and special items acquired is derived as far as possible from market prices within the context of comparable transactions. The remaining differences on the assets side are recognized as goodwill and written off as an expense in the subsequent years pursuant to Section 309 (1) of the Commercial Code. The depreciation is linear and the useful life is max. five years. The same applies to the companies consolidated at equity. Differences on the liabilities side are recognized under the item "Difference due to capital consolidation" after equity and treated in accordance with Section 309 (2) of the Commercial Code.

All receivables and payables between consolidated companies are calculated to net and profits and losses on intercompany transactions are eliminated, as are intercompany expenses and income. Deferred taxes are allowed for in the event of differences resulting from consolidation that are expected to be eliminated in subsequent financial years.

Profits on intercompany transactions with companies consolidated at equity are not eliminated.

Other information

Liabilities amount to EUR 4,402 million. Based on remaining maturity, the individual items are structured as shown in Table 1.

TABLE 1: LIABILITIES In EUR million	**Payable within one year (previous year)**	Payable after one year (previous year)	Payable after more than 5 years (previous year)
Liabilities due to banks outside the Oetker Group	345 (305)	570 (369)	186 (71)
Liabilities due to affiliated banks	10 (10)		
Advance payments received on orders	14 (17)		
Accounts payable (trade)	591 (567)	8 (7)	4 (5)
Accounts payable to affiliated companies (apart from banks)	12 (19)		
Miscellaneous liabilities	588 (572)	2,263 (2,449)	1,930 (2,137)
Total	**1,561 (1,491)**	**2,840 (2,826)**	**2,120 (2,213)**

No securities requiring disclosure were granted for these liabilities.

On the balance sheet date, the following contingent liabilities pursuant to Section 251 of the Commercial Code existed:

TABLE 2: CONTINGENT LIABILITIES

In EUR million	2018	**2019**
Liabilities from guarantees	29	22
Liabilities from warranties	9	3

Risks arising from claims with respect to contingent liabilities are not anticipated given the creditworthiness of the debtor concerned.

The other financial obligations pursuant to Section 314 (1), no. 2a, of the Commercial Code total EUR 915 million, of which EUR 327 million is for next year. Off-balance-sheet transactions in accordance with Section 314 (1), no. 2, of the Commercial Code were only carried out to an extent that had a negligible impact on the financial position of the Oetker Group.

As companies operating internationally, Dr. August Oetker KG and its subsidiaries are exposed to interest rate, price and currency risks. To mitigate these risks, Dr. August Oetker KG has, in particular, concluded contracts in derivative financial instruments (futures, swaps and options). At the balance sheet date, there were forward exchange purchases/sales with a transaction volume of EUR 353 million and a fair value of EUR –2 million.

No provisions have been set up for futures, swaps and options not included in valuation units.

The derivative financial instruments are valued based on certain assumptions and valuation models, such as the present value method.

The workforce of the companies consolidated in the Oetker Group rose during the year under review by 10.1% to 34,060 employees (previous year: 30,937). The Food Division increased its headcount from 17,394 to 18,743, which mainly reflects the effects of changes in the scope of consolidation (Alsa, Tag El Melouk, Wilton, Mavalério). In the Beer and Nonalcoholic Beverages Division, the number of employees fell from 7,989 to 7,094, primarily due to the deconsolidation of Essmann KG. The Sparkling Wine, Wine and Spirits Division recorded an increase in staff of 855 to 3,556, which is due to the fact that the Freixenet companies have been taken into account for the first time all year round. The headcount in the Other Interests Division grew from 2,853 to 4,667 employees, mainly due to the reclassification of a company previously assigned to the Beer and Nonalcoholic Beverages Division.

The difference between the corresponding book values and the proportionate equity of all associated companies is EUR 7 million.

The total fee in accordance with Section 314 (1), no. 9, of the Commercial Code amounts to EUR 2,153 thousand. Of this amount, EUR 1,623 thousand went to audit services, EUR 72 thousand to other confirmation services, EUR 106 thousand to tax consulting services and EUR 351 thousand to other services.

Transactions with related companies and persons pursuant to Section 314 (1), no. 13, of the Commercial Code were immaterial in scope.

Income statement

In accordance with Section 13 (3), sent. 2, of the Disclosure Act, no income statement will be published. In the same application of the Disclosure Act to the management report, it also does not provide any explanations regarding the earnings situation or key financial indicators, with the exception of sales revenue. The income statement of the bank can be found in its separate annual report.

The disclosures required pursuant to Section 5 (5), sent. 3, of the Disclosure Act are published in a separate appendix – see Table 3.

TABLE 3: APPENDIX TO THE BALANCE SHEET

Pursuant to Section 13 (3), sent. 2, of the Disclosure Act in conjunction with Section 5 (5), sent. 3, of the Disclosure Act	2018	**2019**
a) External sales (in EUR '000)	7,140,251	7,405,782
b) Income from investments (in EUR '000)	32,536	25,805
c) Wages and salaries, social security contributions, expenditure on pensions and other benefits (in EUR '000)	1,403,499	1,568,640
d) Number of employees Converted into full-time employees, the average number of employees in 2019 was 31,096 (previous year: 28,679)	30,937	34,060

The reported sales revenue is broken down into geographic markets and activities as shown in Table 4.

TABLE 4: BREAKDOWN OF SALES REVENUE

In EUR million	2018	**2019**
Distributed by region:		
Germany	3,757	3,427
Rest of the EU	2,169	2,384
Rest of Europe	276	299
Rest of the world	938	1,296
Distributed by division:		
Food	3,460	3,862
Beer and Nonalcoholic Beverages	2,181	1,741
Sparkling Wine, Wine and Spirits	816	1,044
Other Interests	684	759

Adjusted for changes in the scope of consolidation, sales increased by EUR 165 million compared to the previous year. Excluding exchange rate effects, there is an operational increase in sales revenue of EUR 131 million.

Subsequent events

The pandemic triggered by the coronavirus in early 2020 has paralyzed large parts of public life and had a massive impact on the economy. A precise assessment of the effects on the net worth, financial position and results of operations of the Oetker Group is currently not possible. Further details on this can be found in the Dr. August Oetker KG 2019 group management report.

On March 5, 2020, the shareholders of Bankhaus Lampe KG signed a contract to sell all shares to Hauck & Aufhäuser Privatbankiers AG. The merger of the two traditional companies is subject to approval by the supervisory authorities.

Bielefeld, April 17, 2020
Dr. August Oetker KG

Dr. Albert Christmann
General Partner

Dr. Heino Schmidt
Chief Representative

Auditor's Report on the Complete Consolidated Financial Statements

To Dr. August Oetker KG, Bielefeld

Audit opinions

We have audited the consolidated financial statements of Dr. August Oetker KG, Bielefeld, and its subsidiaries (the Group), consisting of the consolidated balance sheet as of December 31, 2019, and the consolidated income statement for the financial year from January 1 to December 31, 2019, and the notes to the consolidated financial statements, including the presentation of the accounting and valuation methods. In addition, we audited the consolidated management report of Dr. August Oetker KG for the financial year from January 1 to December 31, 2019.

In our opinion, based on the findings of the audit,

- the attached consolidated financial statements comply in all material respects with the German commercial law regulations to be applied according to Section 13 of the Disclosure Act and, taking into account the German principles of proper bookkeeping, give a true and fair view of the net worth and financial position of the Group as of December 31, 2019, and its earnings position for the financial year from January 1 to December 31, 2019, and

- the attached group management report gives an overall accurate picture of the position of the Group. This group management report is in line with the consolidated financial statements in all material respects, complies with German legal requirements and accurately presents the opportunities and risks of future development.

In accordance with Section 322 (3), sent. 1, of the Commercial Code, we declare that our audit has not led to any reservations about the regularity of the consolidated financial statements and the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and the group management report in accordance with Section 14 of the Disclosure Act and the generally accepted standards for the audit of financial statements laid down by the Institute of Public Auditors in Germany.

Our responsibility according to these regulations and principles is further described in the section "Responsibility of the auditor for the audit of the consolidated financial statements and the group management report" in our auditor's report. We are independent of the Group companies in accordance with German commercial and professional regulations and have fulfilled our other professional duties in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our assessment of the consolidated financial statements and the group management report.

Responsibilites of the Executive Directors for the Consolidated Financial Statements and the Group Management Report

The legal representatives are responsible for the preparation of the consolidated financial statements, which comply with the German commercial law applicable under Section 13 of the Disclosure Act in all material respects, and for ensuring that the consolidated financial statements, in accordance with generally accepted German accounting principles, give a true and fair view of the assets, financial and earnings position of the Group. In addition, the legal representatives are responsible for the internal controls that they have determined to be necessary in accordance with generally accepted accounting principles in order to facilitate the preparation of consolidated financial statements that are free from material, contingent or unintentional misstatement.

When preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue its activities. They also have responsibility for disclosing matters relating to the continuation of business, if relevant. In addition, they are responsible for accounting for continuing operations on the basis of the accounting principle, unless contrary to factual or legal circumstances.

In addition, the legal representatives are responsible for the preparation of the group management report, which gives an overall picture of the Group's position, is in all material respects consistent with the consolidated financial statements, complies with German legal requirements and accurately reflects the opportunities and risks of future development. Furthermore, the legal representatives are responsible for the precautions and measures (systems) that they deemed necessary to enable the preparation of a group management report in accordance with the applicable German legal requirements and to provide sufficient suitable evidence for the statements in the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Managament Report

Our aim is to gain sufficient certainty as to whether the consolidated financial statements as a whole are free of material misrepresentations, whether intentional or unintentional, and whether the group management report as a whole conveys an accurate picture of the situation of the Group and is consistent in all material matters with the consolidated financial statements and the knowledge gained during the audit, complies with German legal regulations and correctly presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and the group management report.

Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with Section 14 of the Disclosure Act in compliance with the generally accepted German standards for the audit of financial statements, as laid down by the Institute of Public Auditors in Germany, will always reveal a material misstatement. Misstatements can result from breaches or inaccuracies and are considered material if they could reasonably be expected to influence, individually or collectively, the economic decisions of addressees made on the basis of these consolidated financial statements and the group management report.

During the audit, we exercise due discretion and maintain a critical attitude. Furthermore:

- We identify and assess the risks of material misstatement, whether intentional or unintentional, in the consolidated financial statements and the group management report, plan and perform audit procedures in response to such risks and obtain audit evidence that is sufficient and appropriate to form the basis of our opinion. The risk that material misrepresentations will not be detected is higher for violations than for inaccuracies, as violations may include fraudulent interactions, counterfeiting, intentional incompleteness, misrepresentations or the overriding of internal controls.

- We gain an understanding of the internal control system relevant to the audit of the consolidated financial statements and the arrangements and measures relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not with the aim of providing an opinion on the effectiveness of these systems.

- We assess the appropriateness of the accounting policies used by the legal representatives and the reasonableness of the estimates and related disclosures made by the legal representatives.

- We draw conclusions about the appropriateness of the accounting policy used by the legal representatives in continuing operations and, on the basis of the audit evidence obtained, whether there is material uncertainty surrounding events or circumstances that create significant doubts about the Group's ability to continue its business activity. If we come to the conclusion that there is material uncertainty, we are obliged to draw attention to the relevant information from the consolidated financial statements and the group management report in the auditor's report or, if this information is inappropriate, to modify our respective audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our assessment. However, future events or circumstances may lead to the Group being unable to continue its business activities.

- We assess the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events so that the consolidated financial statements give a true and fair view of the financial position, in accordance with generally accepted accounting principles and the earnings position of the Group.

- We obtain sufficient appropriate audit evidence for the accounting information of the companies or business activities within the Group in order to provide audit assessments on the consolidated financial statements and the group management report. We are responsible for the guidance, supervision and execution of the audit for the consolidated financial statements. We bear sole responsibility for our audit assessments.

- We assess the consistency of the group management report with the consolidated financial statements, its legal representation and the picture of the position of the Group that it conveys.

- We conduct audits of the forward-looking statements presented by the legal representatives in the group management report. On the basis of sufficient suitable audit evidence, we will, in particular, track the significant assumptions on which the forward-looking statements are based, and assess the proper derivation of the forward-looking statements from these assumptions. We do not issue an independent assessment of the forward-looking statements and the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

Among other things, we discuss the planned scope and timing of the audit with those responsible, as well as significant audit findings, including any deficiencies in the internal control system that we identify during our audit.

Bielefeld, April 20, 2020

PricewaterhouseCoopers GmbH
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The Oetker Group
Highlights 2019

January

From January, Henkell and Freixenet will appear under the name **Henkell Freixenet**. At the same time, the changeover to the new name is taking place in 13 countries. The group also launched Freixenet Mionetto with the same logo in the USA and Freixenet Copestick in the UK.

HENKELL X FREIXENET

OEDIV KG is recognized by the magazine FOCUS-BUSINESS as a top employer for medium-sized companies in 2019. As one of around 4,000 qualified companies, OEDIV occupies a place in the top 15 in the IT and telecommunications industry.

Clausthaler from the **Radeberger Group** has been a pioneer in the field of alcohol-free beer in Germany since 1979. The company celebrates its 40th anniversary with a new brand appearance and branded crate.

February

Mini-cakes, massive enjoyment: With “My Sweet Table”, **Dr. Oetker** introduces a new ready-made cake sub-brand. The cake confections and mini-Gugelhupf are ideal for spontaneous coffee guests, family or friends and impress thanks to their high-quality ingredients.

March

On March 17, 2019, **Dr. h.c. August Oetker** celebrates his 75th birthday. As a general partner, he and his colleagues in the group management led the Oetker Group for almost 30 years – from 1981 to the end of 2009. He also served as chairman of the management board of Dr. Oetker GmbH.

April

A new **OEDIV** location with ten employees opens in Oldenburg.

Wolf ButterBack KG, part of the **Martin Braun Group**, repositions the sales structure in the core market of Germany. By doing so the company takes the constantly changing market needs into account.

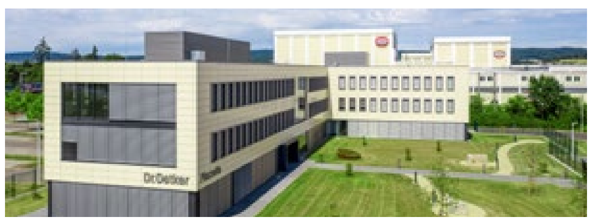
May

Getränke Lippert, one of the most efficient German beverage wholesalers, becomes part of the **Radeberger Group** and expands the positioning of the gastronomic beverage wholesalers as well as the group’s beverage retail activities towards the south.

RADEBERGER GRUPPE
DEUTSCHE BIERKULTUR

June

Dr. Oetker Tiefkühlprodukte KG in Wittlich inaugurates the new “Piazzetta” administration building. With 47 new offices on three floors, the new building makes a significant contribution to the further optimization of the existing infrastructure and thus to the future viability of the Dr. Oetker location.



Food & Beverage Services, the joint venture between the food specialist Transgourmet and the **Radeberger Group**, takes over the majority of GEVA (The Beverage Solution Company), thereby not only expanding its range with important service components, but also strengthening its market position in the direct catering business.

July

Dr. Oetker Brasil Ltda. successfully completes the acquisition of Mavalério, Brazil's market leader in baking decorations. Dr. Oetker is now also strengthening its successful market position there in the baked goods sector.

The spinach and ricotta dumplings from **Dr. Oetker Professional** take second place in the KÜCHE BEST PRODUCT AWARD 2019 organized by the magazine KÜCHE. The vegetarian dumplings impressed with their versatile uses and easy preparation.

With 8com, **OEDIV** enters into a partnership that strategically expands its service portfolio. As a specialized cybersecurity service provider, 8com offers comprehensive protection concepts ranging from effective preventive protection to permanent monitoring (detection) of the systems to rapid analysis of and reaction to security incidents.

August

Budenheim presents the BUDIT620® flame retardant system at K, the world's most important trade fair for the plastics and rubber industry, and thus enters the emerging market of natural-fiber-reinforced plastics. With its environmentally friendly and halogen-free product, the chemical specialist positions itself as a provider of sustainable additive solutions and thus clearly differentiates itself from its competitors.

Conditorei Coppenrath & Wiese puts the new bread line "Unsere Goldstücke kernig & kräftig" into operation for spelt and Weltmeister rolls.

September

Budenheim expands its market share through a partnership with Chemigon, a North American plastics specialist based in Akron, Ohio. The partnership encompasses the product sale of the Budenheim brand BUDIT® and is intended to be not only efficient but also environmentally friendly.

Henkell Freixenet receives receives a large number of awards at the summer tastings of the renowned wine competitions Berliner Wein Trophy and MUNDUS VINI. Mionetto Prosecco DOC Treviso Extra Dry "MO" performs particularly well, winning "Best of Show Prosecco in Retail Markets", while Fürst von Metternich Chardonnay is named "Best of Show German Sparkling Wine in Retail Markets".

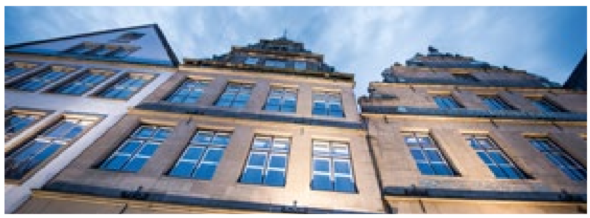
Market launch of the tiger baguette by Diversi Foods, a company of the **Martin Braun Group**. The prebaked, frozen baguette has a unique tiger look thanks to an paste applied after baking. Martin Braun KG introduces a reduced-sugar product range in the German market.

October

On October 31, the French tourism center Atout France awards two **Oetker Collection** hotels, Château Saint-Martin & Spa and L'Apogée Courchevel, the prestigous status Palace distinction.

November

In Bielefeld, **Bankhaus Lampe** celebrates the opening of the historic building on the Alter Markt. After five years of renovation and remodeling, there are now modern offices for 22 employees behind the listed facade.



Dr. Oetker Professional is awarded the silver Catering Star 2019 for "Top innovations in the product group 'Delicatessen'" by the magazine Cooking + Catering Inside for the Mediterranean pasta creation Saccottini Ratatouille.

Martin Braun-Gruppe Hong Kong Ltd. is founded. The new business unit brings the **Martin Braun Group** significantly closer to customers in this important economic area.

Dezember

Overnight Tiefkühl-Service GmbH celebrates its 25th anniversary. The wholly owned subsidiary of **Conditorei Coppenrath & Wiese KG** with headquarters in Osnabrück is one of the leading specialists for frozen food transport in Germany.

At last, a regional beer in stadiums: Stuttgart Hofbräu, a company of the **Radeberger Group**, is the proud new sponsor of VfB Stuttgart.

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