Annual Report 2023

Ideas Space

VORWERK

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You just can't get enough of us? That's good. You will find our stories in full length here.

Dear readers,

You just started reading our new Annual Report – what a great idea! After all, it brings light into the darkest of places. Which is not to say that there is darkness all around you, of course … Oh dear, how do we get out of this one?

That's just the way it is: Sometimes you have good ideas and sometimes not so good ones. But it is important to have an environment in which you can simply try them out and develop them further. An open and supportive testing ground. Room for ideas. This is exactly how we understand entrepreneurship.

You will find out what flashes of inspiration our Vorwerk community has already had, how we strengthen creative power and what ideas we have for the future on the following pages and online, of course. Put on your sunglasses and step into our room for ideas.

Have fun!

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Whether today or in the past, Thermomix® or Kobold: a cheerful mood and those special aha moments are guaranteed once our advisors get started.

The Direct Route

Why become an advisor? We would be happy to share a few good reasons with you.

The introduction of direct selling 94 years ago was THE most important idea that we ever came up with at Vorwerk. Today, this selling concept is still our trademark and guarantee of success. 100,000 people work for us around the globe to explain the advantages of Thermomix® and Kobold. We asked a couple of them why they love their jobs. Here is what they have to say – in quite personal selfie videos from Chile, Slovenia, Germany, and Turkey...

Fast Forward – **The Thermomix® of the Future**

Do you have any crazy ideas about what the future will look like? Well, we certainly do. Quite a few in fact. Let's go on an imaginative journey through time together! So, pack your suitcase for the year 2163. Emma, Poppins and the rest of the family are waiting for you to join them.

So, you think this thing here is a QR code? Wrong! It's a time tunnel. Simply scan it with your smartphone and – poof – you're in the middle of our utopia.

“Is it really just packaging? Oh no, a lot of love, passion and effort go into it.”

Jowan Yesdin, Cross Functional Clusters Design Development Engineer for Packaging at Vorwerk

The Packaging Wonder

So, you thought packaging is only packaging?... It is so much more: love and passion, creativity, dedication, endurance, precision and above all potential all go into it. That's because cleverly designed packaging protects the environment and improves many different processes. And it gives customers a real unpacking experience. Our award-winning engineering colleague Jowan Yesdin explains how he achieves all this in this film.

Ever heard of the drop test? Packaging like this really doesn't have it easy. Roll the film!

The Perfect Wave

Antennas and absorber pyramids – do you have any idea what room these gentlemen are in? Looks crazy, doesn't it? It's our laboratory on electromagnetic compatibility (EMC). It's pretty unusual for an appliance manufacturer to operate his own. But this laboratory makes the development of our products highly efficient. Laboratory Manager Robert Plachetka (right) explains to our Kobold advisor Marcel Palte exactly what happens here and what benefits it brings. Curious? Then take a closer look!

Microwave, cell phone or your kids' game consoles – every household is teeming with appliances that can really spoil the show. It's good to know this!

Quite an **International** Family!

You will probably quit your job and join our direct selling team when you read the interview with Isabel Padinha. Just to warn you.

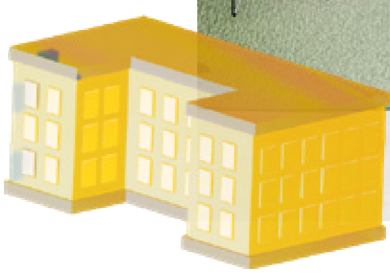
When Isabel Padinha, a Portuguese bank employee, attended a demonstration by chance many years ago, she caught Thermomix® fever. She quit her job soon afterwards and joined us. After working in Mexico and the UK, she now lives in Switzerland and, as Senior Vice President Sales, she is responsible for subsidiaries of our international direct sales – and is still full of enthusiasm and clever ideas.

“I often encourage my teams to think outside the box and be crazy.”

Creativity is the basis of success for Isabel Padinha,
Senior Vice President Sales

New Rooms – New Ideas

We have big plans: we are investing EUR 47 million in our new headquarters in Wuppertal and EUR 57 million in the new Thermomix® production facility in France. How will our new premises look? In our scrollytelling, we invite you on an exploratory flight with a look behind the scenes. Boarding is about to start, so get on board!



What will the workplaces of the future look like? We gave this a lot of thought and then simply built a few of them. Curious? We hope so!

Our Financial Year **2023**

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Dr. Thomas Stoffmehl
Speaker of the
Executive Board

Hauke Paasch
Member of the
Executive Board

Dr. Thomas Rodemann
Member of the
Executive Board

Foreword by the Executive Board

Dear ladies and gentlemen, Dear Vorwerk Community,

Financial year 2023, which we look back on in this Annual Report, was also characterized by many challenges and difficult economic conditions. This affected a whole range of companies from a wide variety of industries. Leading companies in the direct selling sector also experienced declines in sales.

The Vorwerk Group, on the other hand, has once again proven that it can handle these exceptional situations extraordinarily well thanks to its special direct selling model. We are pleased to report sales growth once again in our core business, now for the fourth year in a row. Overall, we have been able to increase our revenue in the Culinary and Cleaning divisions, including akf group, by nearly EUR 720 million since 2019. It is equally pleasing that net profit has increased significantly following the elimination of non-recurring effects in 2023.

We were also able to increase the number of advisors again as of December 31, 2023, with more than 100,000 people working for us in direct sales worldwide.

The positive development of the Group overall in recent years is closely linked to the implementation of our Strategy 2025. There are three core elements that continue to be the focus: Expansion and maintenance of the Vorwerk Community of advisors, customers and employees, the further development of person-based direct sales via three connected channels with the advisors at the center, and innovative products and services.

The Vorwerk Group therefore has every reason to look to the future with confidence despite all the uncertainties. Our particular strength is our core business with Vorwerk direct sales. Our advisors and our employees prove every day how passionately they stand up for Vorwerk.

As the Executive Board, we are particularly proud of this. We would like to thank you all for your daily commitment and express our praise and appreciation.

Wuppertal, March 15, 2024

On behalf of Vorwerk SE & Co. KG

Dr. Thomas Stoffmehl
Speaker of the
Executive Board

Hauke Paasch
Member of the
Executive Board

Dr. Thomas Rodemann
Member of the
Executive Board

About Vorwerk

Vorwerk is the number one direct sales company in Europe and the world's leading direct seller of premium-quality household appliances. The internationally active family-owned company was founded in Wuppertal, Germany, in 1883. Vorwerk's core business is the production and sale of high-quality household products (kitchen machine Thermomix ®/Bimby®, vacuum cleaner Kobold/Folletto). Vorwerk always seeks direct contact with its customers. The advisors are at the focus of its activities and serve as the main points of contact. The akf group is also part of the Vorwerk family. Vorwerk recorded consolidated sales of EUR 3.2 billion (2023) and is active in more than 60 countries.

Vorwerk Group

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Executive Board

Dr. Thomas Stoffmehl
Speaker of the Executive Board
Hauke Paasch
Member of the Executive Board
Dr. Thomas Rodemann
Member of the Executive Board

Supervisory Board

Dr. Jörg Mittelsten Scheid
Honorary Chairman
Dr. Rainer Hillebrand
Chairman
Daniel Klüser
Vice Chairman

Dr. Hildegard Bison
Frank Losem
Dr. Stefan Nöken
Wolfgang Kölker
Dr. Timm Mittelsten Scheid

International Presence

Our Markets

Austria
Canada
China
Czech Republic
France
Germany
Italy
Japan
Mexico
Poland
Portugal
Spain
Sweden
Switzerland
Taiwan
The Netherlands
Turkey
United Kingdom of Great Britain and Northern Ireland
United States of America

Major Export Countries

Argentina
Australia
Belgium
Brazil
Bulgaria
Chile
Colombia
Croatia
Cyprus
Denmark
Estonia
Greece
Guatemala
Hungary
Iceland
Israel
Kazakhstan
Malaysia
Malta
Morocco
New Zealand
Norway
Panama
Paraguay
Peru
Romania
Singapore
Slovakia
Slovenia
South Africa
Thailand
United Arab Emirates
Uruguay
Vietnam

The Vorwerk Group was active in the following business segments in financial year 2023:

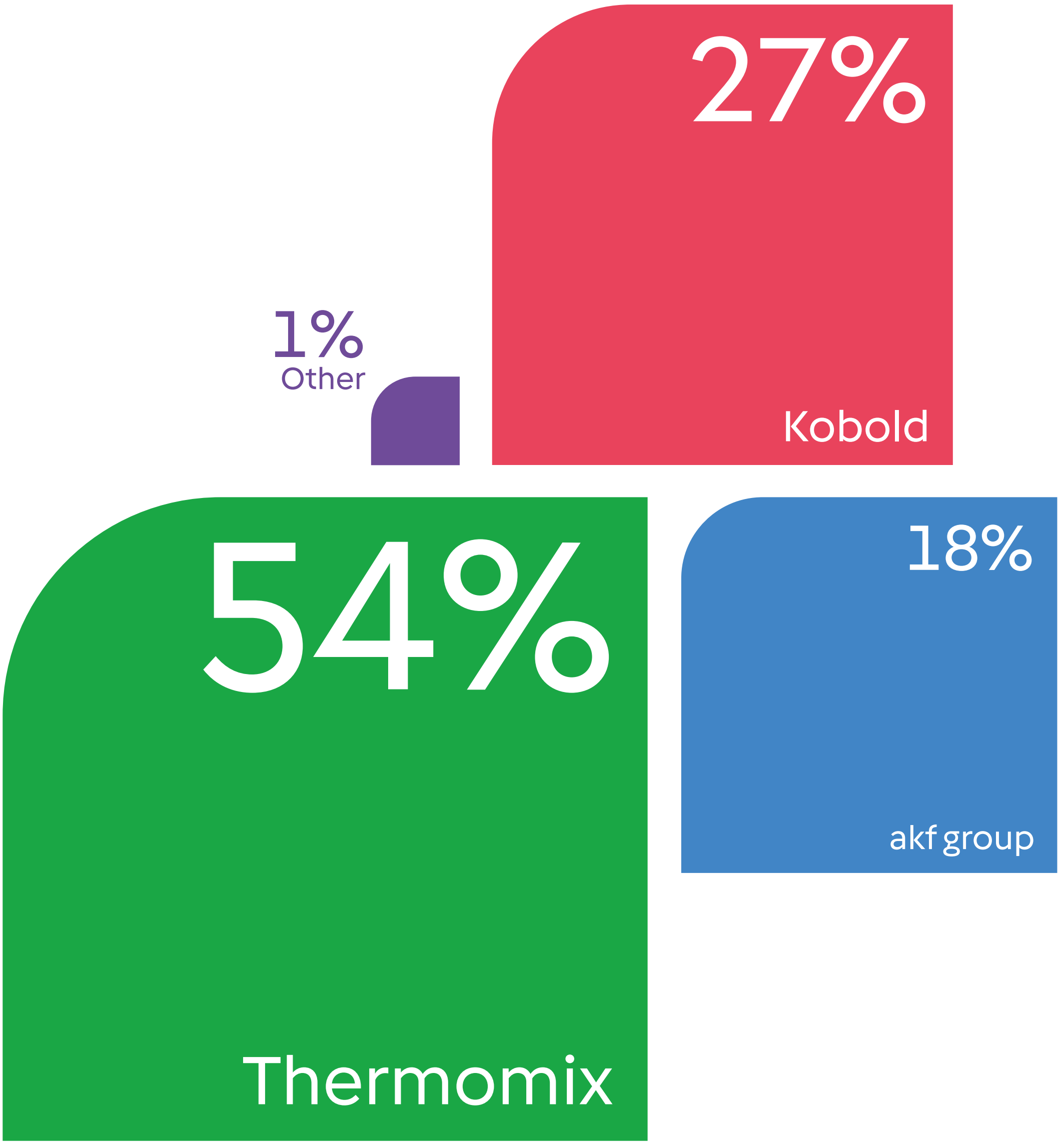
Thermomix/Bimby
Kobold/Folletto
Vorwerk Engineering
Vorwerk Ventures
akf group

Key Figures of the Vorwerk Group

in EUR million	2020	2021	2022	2023
Group sales	3,181	3,383	3,171	3,208
New business, akf group	1,239	1,026	1,178	1,253
Balance sheet total	5,507	5,486	5,313	5,565
Partners' equity	1,473	1,475	1,405	1,491
Equity ratio in % (akf fully consolidated)	27	27	26	27
Financial assets	1,249	1,372	1,380	1,264
Other fixed assets	1,433	1,355	1,230	1,365
Current assets	2,737	2,669	2,636	2,859
Cash and cash equivalents*	1,178	1,360	1,294	1,405
Capital expenditure**	391	395	446	575
Depreciation**	304	336	300	294
Personnel costs	636	656	624	605
Number of employees	12,260	11,698	9,394	9,127
Self-employed advisors***	577,993	577,092	213,447	94,231

* Including short-term realizable assets
** Excluding financial assets
*** JAFRA Mexico and USA included until March 31, 2022

Sales by Division 2023
in EUR million



Total **EUR 3,208.3 million**

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General Section on Business Development

On its 140th anniversary, Vorwerk SE & Co. KG can look back on a positive financial year in 2023. Founded in 1883, the family-owned company based in Wuppertal, Germany, is the number one direct sales company in Europe in terms of sales and the world's leading direct seller of high-quality household appliances.

Vorwerk adopted its Strategy 2025 back in 2019. One of the main elements of the strategy is an active and rapidly growing community of advisors, customers and employees. Within this community, Vorwerk is shaping modern direct sales as part of the strategy via the three associated channels of personalized direct sales, online advisor stores and local stores – always with a focus on the advisors. Its high-quality products and services are the foundation for the company's long-term successful development. The services include the Cookidoo® digital recipe platform as part of the Thermomix®/Bimby® ecosystem.

Sales in the core business of the "Cleaning" and "Culinary" divisions have increased by more than EUR 620 million since 2019.

The Vorwerk Group was thus able to increase its sales in the core business of the "Cleaning" and "Culinary" divisions by more than EUR 620 million between 2019 and 2023; including akf group, sales even rose by nearly EUR 720 million in the same period.

The development and production units of the Vorwerk Group pursue the goal of manufacturing high-quality products that are recognized by consumers. The core of the Vorwerk Group's strategy is to ensure that these products generate enthusiasm, arouse passion and thus help make people in the Vorwerk Community successful and offer a performance culture that is based on meaning, creative freedom and trust. Vorwerk's most important products are cleaning appliances ranging from squeegees to robot vacuum cleaners, which Vorwerk manufactures and sells under the Kobold/Folletto brand, and, on the other, the Thermomix®/Bimby® with its digital recipe platform Cookidoo ®, on which nearly 4.7 million customers had already taken out a recipe subscription by the end of 2023.

The diversified product and service portfolio also includes financing solutions from akf group and the venture capital company Vorwerk Ventures.

Financial year 2023 was also characterized by many challenges and difficult economic conditions. Economic growth in the eurozone weakened in the second half of 2023. Overall, average annual growth in real GDP is expected to slow from 3.4 percent in 2022 to 0.6 percent in 2023. On the demand side, private consumer spending stagnated in the face of high inflation and restrictive financing conditions, while the business climate for consumer goods production deteriorated. Leading companies in the direct sales sector also suffered declines in sales.

The Vorwerk Group, on the other hand, has once again proven that it can counter these exceptional situations by achieving growth in sales, above all thanks to its special direct sales model.

In the 140th year of its existence, the Vorwerk Group achieved total sales of EUR 3.2 billion and was thus slightly above the level of the previous year and in the lower third of the planning corridor of the forecast.

By comparison with the previous year, the Vorwerk Group achieved organic sales growth of EUR 135 million, an increase of 4.4 percent, based solely on revenue from continuing operations (i.e. excluding JAFRA Cosmetics, which was sold in the course of 2022, and Neato Robotics).

Consolidated net profit for the year amounted to EUR 133.1 million, while the Group's operating result* for the year was EUR 291.9 million and thus 50.1 percent higher than in the previous year. The improvement compared to the previous year is due to the absence of non-recurring effects. The operating result for the year is in the upper third of the forecast corridor.

The business volume** of the Vorwerk Group – which takes the new business*** of akf group into account instead of revenue – amounted to EUR 3.9 billion and was thus moderately above the level of the previous year (excluding the discontinued JAFRA Cosmetics and Neato Robotics divisions) and slightly below expectations.

The overall business volume of the Vorwerk Group amounted to EUR 3.9 billion.

Summary of the Development of the Individual Divisions

The "Culinary" division (Thermomix®/Bimby®/Cookidoo®) remains the division with the highest revenue at the Vorwerk Group. At EUR 1.7 billion and an increase of 0.8 percent, "Culinary" once again achieved record sales – as it has consistently done since 2019.

The "Cleaning" division increased its revenue by 7.1 percent and thus achieved a volume of EUR 860 million. This is the second-highest revenue figure for the division in the history of the Vorwerk Group since 2015.

The akf group's revenue amounted to EUR 570 million, an increase of 14.8 percent and a new record figure for akf. New business at the akf group – i.e. the volume of new financing and rental contracts concluded in the year under review – rose by 6.4 percent to EUR 1.3 billion.

The individual divisions are discussed in detail in the following chapters.

The equity ratio of the Vorwerk Group amounted to 26.8 percent. This equity ratio for the Group as a whole includes the fully consolidated akf group, which operates in the financial services sector and therefore has a lower equity ratio typical of the business model.

Cash and cash equivalents are mainly invested in securities held as fixed assets, special funds, cash and cash equivalents and short-term marketable securities and amounted to EUR 1,405 million as of the reporting date.

As announced, the activities of Neato Robotics were finally discontinued in the 2023 reporting year. The remaining sales activities in Indonesia following the sale of JAFRA Cosmetics in 2022 were sold at the beginning of 2023.

* In order to arrive at the operating result, the financial result, management results not directly related to sales or production activities and costs attributable to holding tasks were essentially deducted from the consolidated net profit for the year.
** Business volume: sales of Vorwerk Group less revenue of akf plus the new business of akf group
*** New business: volume of new financing and rental agreements concluded in the financial year

In order to better classify the company's development, percentage changes compared to the previous year are described in parts of this report using the following adjectives: insignificant/minor (1 – 2 percent), moderate/slight (3 – 5 percent), substantial/grave (6 – 10 percent), significant/notable (11 – 15 percent), clear/considerable (16 – 24 percent), significant (over 25 percent).

The strategic management of the Vorwerk Group is the responsibility of Vorwerk SE & Co. KG in Wuppertal. The Group's Executive Board consists of Dr. Thomas Stoffmehl (Speaker of the Executive Board), Hauke Paasch (member of the Executive Board) and Dr. Thomas Rodemann (member of the Executive Board).

The Supervisory Board of the Vorwerk Group consists of half members of the entrepreneurial Mittelsten Scheid family and half external experts. The Supervisory Board is chaired by Dr. Rainer Hillebrand. Members of the Supervisory Board from the entrepreneurial family are Daniel Klüser (Deputy Chairman of the Supervisory Board), Wolfgang Kölker, Dr. Jörg Mittelsten Scheid (Honorary Chairman) and Dr. Timm Mittelsten Scheid. Dr. Hildegard Bison, Frank Losem and Dr. Stefan Nöken are other external members.

The Vorwerk Group has remained loyal to its site in Wuppertal for 140 years. In 2023, the foundation stone was laid for the construction of a new office building in Wuppertal that meets modern requirements. Vorwerk is investing a total of EUR 47 million there by 2025.

The Vorwerk Group will be investing another EUR 57 million by the end of the current year in the construction of a new Thermomix® production building close to the existing French production facility. The goal is to expand capacity and thus meet the expectation of increasing demand for Thermomix®. The topping-out ceremony was held here in September 2023.

Today, the Vorwerk Group is active in direct sales in 61 countries with a focus on Europe, but also in Asia and North and South America. The strong international orientation of the Wuppertal-based family-owned company can also be seen in the distribution of sales: The share of sales generated outside the domestic market of Germany reached 58.5 percent (previous year: 61.5 percent). In direct sales, this share was 70.8 percent (previous year: 71.9 percent).

Sustainability

Vorwerk places great importance on the considerate and sustainable use of natural resources. As a 140-year-old family-owned company, it has always thought across generations.

Vorwerk has been systematically addressing the topic of sustainability since 2016. The sustainability organization created in the same year identified the key sustainability topics across the Group, summarized current programs and developed additional projects.

The Vorwerk Group is a participant in the UN Global Compact (UNGC), the world's largest and most important initiative for sustainable and responsible corporate governance and was nominated for the "German Sustainability Award" for the first time in the year under review.

Vorwerk has been systematically addressing the aspect of sustainability since 2016.

One of the Vorwerk Group's goals is to reduce CO_2 in relation to its own emissions. The company's own CO_2 emissions are being continuously reduced and any remaining emissions are being offset. The proportion required for offsetting is to be gradually reduced; by 2025, 2/3 of emissions are to be saved compared to the reference year 2016. Indirect emissions in the area of materials purchasing for the main products are to be reduced by a total of 20 percent by 2030.

The switch to renewable energies is one of the most important levers in implementing the climate protection target. Photovoltaic systems are being installed on properties where this is structurally possible. Vorwerk is also investing in electromobility when it comes to the company car fleet. The Vorwerk Group pays close attention to durability and reparability in developing and manufacturing its products.

The Group is on the way to making products more sustainable in all phases of its value chain. This includes low energy consumption in production and the subsequent use phase as well as the use of recyclable materials. Durable technology and workmanship are equally important.

The Vorwerk Group is involved in the arts, culture, education and sports. In the year under review, a partnership was agreed with the women's national team of the German Football Association. In the area of art sponsorship, there is a partnership with the renowned Von der Heydt Museum in Wuppertal, among other partners. One focus of social projects is on supporting families and children in need. Together with the RTL "Wir helfen Kindern" foundation as a partner, the Vorwerk Community was the largest donor of emergency aid to the earthquake victims in Turkey and Morocco with a total of EUR 700,000.

The strategic priorities in the area of "People & Culture" were already defined in 2020 and are part of the implementation of Strategy 2025. Particular attention is being paid to the recruitment and development of talented young people and strong succession planning in order to ensure stability and offer opportunities. One main focus here is on the targeted establishment and further development of leadership qualities.

Vorwerk uses non-financial, specific performance indicators for the business divisions in direct sales for company management purposes. These relate to productivity (= sales per active advisor) and activity – i.e. the percentage of active advisors in relation to the total number of advisors. Information on this can be found in the respective detailed chapter of the business areas. The most important key figure in this context is the number of advisors in the "Culinary" and "Cleaning" divisions. This has been rising continuously since 2019, as viewed at the end of the year.

The management of the Vorwerk Group is based on detailed annual planning, regular reporting and variance analyses. For this purpose, sales revenue at the divisional level and the operating result are used as key financial performance indicators.

Economic and social conditions are currently changing rapidly. Vorwerk continues to operate from a strong financial position in an increasingly volatile environment. The Vorwerk Group has successfully launched a program to continuously improve the factors influencing cash flow in the company.

Sales by Divisions

in EUR million	**2020**	**2021**	**2022**	**2023**
Home	2,331.7	2,541.2	2,535.4	2,601.6
Thermomix	1,583.8	1,696.3	1,723.5	1,737.3
Kobold	703.2	819.0	803.4	860.5
Vorwerk flooring*	17.5	0.0	0.0	0.0
Neato Robotics	27.2	25.9	8.5	3.8
Diversification	814.6	806.9	585.9	570.0
JAFRA Cosmetics**	319.0	313.0	89.2	
akf group	495.6	493.9	496.7	570.0
Other	34.3	34.7	50.0	36.7
Group sales	**3,180.6**	**3,382.8**	**3,171.3**	**3,208.3**

* Vorwerk flooring included until July 31, 2020
** JAFRA Mexico and USA included until March 31, 2022

Thermomix®/Bimby®

Since it was invented in 1971, the Thermomix® has matured from a multifunctional kitchen appliance to a digital all-rounder that brings millions of people around the world together with the topic of cooking. The Thermomix® TM6 is easy and intuitive to operate via a touch display. The integrated recipe portal Cookidoo® as part of the Thermomix® Ecosystem had nearly 4.7 million subscribers at the end of 2023 and offers direct access to carefully developed and tested Thermomix® recipes.

The Guided Cooking function guides users through the recipes step by step. A Cookidoo® recipe is started twelve times a second worldwide. More than 90,000 Guided Cooking-enabled recipes are already available for the Thermomix®. This makes it a fully digitalized kitchen machine. Thermomix® is the best-known brand in the category of cooking food processors.

To mark the 140th anniversary of the Vorwerk Group, the Thermomix Division launched the "Sparkling Black Edition," a special limited edition of the appliance, on the market in the reporting year.

The Thermomix® Sensor, which enables precise temperature measurement of dough, meat and fish in conjunction with the Thermomix® is a real product innovation. For the first time, the Guided Cooking function can now also be used outside the Thermomix®. A wide range of accessories is also available. For example, the Thermomix® Vegetable Styler has been a very popular product since its launch.

The Thermomix division is active in a total of 16 countries in Europe, Asia and North America with its own national subsidiaries; Thermomix also has more than 40 distributors. The multifunctional kitchen appliance is sold worldwide via direct sales: advisors demonstrate the Thermomix® at customers' homes in the form of a cooking experience. Customers also benefit from individual, personal service on site after the purchase or are given the opportunity to take part in cooking courses in the company's own cooking studios.

As part of the omnichannel strategy, advisors in some countries also have so-called "MySites," which they can use to contact customers online, make appointments and sell appliances. In addition, the Thermomix® is presented and in some cases also sold in stationary stores in some countries. Thermomix® accessories are also available worldwide via country-specific online stores.

In the reporting year, the division once again achieved record sales and, at EUR 1.7 billion – an increase of 0.8 percent – was above the previous year and exactly in the middle of the planning corridor of expectations. The operating result was 16.6 percent below the previous year, but in the middle of the planning corridor of expectations.

Thermomix sales remain at a high level, with well over one million appliances sold once again. The Cookidoo® digital recipe platform with its growing number of subscribers also contributed to the increase in sales. Nearly 370 million recipes were prepared worldwide using Guided Cooking.

The recipe portal Cookidoo® had nearly 4.7 million subscribers at the end of 2023.

Although the average number of advisors declined by 2.1 percent compared to the previous year, more than 9,200 new advisors were recruited in the last three months of the financial year as part of a recruiting challenge. This means that the number of advisors at the end of 2023 is higher than the comparable figure for 2022. In a direct sales company, it is a key task of management to always make the advisor role attractive, to offer opportunities, make people successful and thereby make progress. The transition from an enthusiastic customer to a committed advisor is often a smooth one.

Average productivity fell slightly compared to the previous year, with activity down 1.8 percent on the previous year. On average, more than 81,500 self-employed advisors worked for the division in 2023.

2023 was also a successful year for most Thermomix markets: Germany was the strongest sales country, with the company achieving sales of EUR 493 million, an increase of 2.7 percent. The Polish sales company once again achieved a significant increase of 9.4 percent and sales of EUR 287 million. The trend in Italy was also positive (sales of EUR 207 million, up 2.2 percent). There, as in Portugal, the Thermomix® is sold under the brand name Bimby®.

The picture was also positive in the other larger national subsidiaries Austria (sales of EUR 71 million, up 9.9 percent), Portugal (sales of EUR 61 million, up 12.5 percent), Switzerland (sales of EUR 46 million, up 16.4 percent), the Czech Republic (sales of EUR 17 million, up 1.2 percent) and Turkey (sales of EUR 11 million, up 132.9 percent).

Sales declined at Thermomix France (EUR 191 million, down 2.5 percent), Spain (sales of EUR 116 million, down 3.4 percent), the United Kingdom of Great Britain and Northern Ireland (sales of EUR 43 million, down 2.3 percent), Mexico (EUR 30 million, down 0.5 percent), the US (EUR 25 million, down 8.0 percent), Canada (EUR 13 million, down 5.5 percent) and Taiwan (EUR 4 million, down 42.3 percent).

Our national subsidiary in China (sales of EUR 43 million, down 21.9 percent) suffered a decline in sales. Even after the lifting of most restrictions due to the coronavirus pandemic, it became apparent that the number of advisors could not be rebuilt to a sufficient extent. There was also a noticeable reluctance to buy. Changes to the sales system had already led to a significant improvement in the sales situation by the end of the year.

The export business – i.e. sales via distributors – recorded a 25.1 percent drop in sales to EUR 79 million.

Kobold/Folletto

The first full financial year with the newly launched Kobold VK7 cordless vacuum cleaner system (marketed in Italy under the brand name Folletto) was a success. The Kobold VK7 offers up to 19 cleaning functions with one main unit and various attachments and nozzles. Whether vacuuming with the EB7 electric brush, vacuuming and mopping with the SP7 vacuum wiper attachment, dusting or cleaning upholstery and mattresses: The VK7 can be transformed into a new appliance to suit individual needs. In the year under review, the new VR7 robot vacuum cleaner complemented the system – more than 90 years after the invention of the first Kobold vacuum cleaner. The Kobold VK7 cordless vacuum cleaner was named test winner by Stiftung Warentest. In total, more than 682,000 units had already been sold since its launch by the end of the year under review. The Kobold VR7 robot vacuum cleaner was also recently named test winner by Stiftung Warentest.

Kobold sells its products through direct sales, in some countries also in conjunction with Vorwerk stores and online. This form of distribution enables potential customers to try out the appliances in their own homes and compare them directly with their current products.

The Kobold division is represented in a total of 11 countries in Europe and Asia with its own national subsidiaries. In addition, 19 distributors sell the products.

In the reporting year, the Kobold division recorded sales of EUR 860 million, an increase of 7.1 percent compared to the previous year. This is the second highest turnover in the division's history since 2015. Despite the considerable increase, sales were below the planning corridor. The operating result was significantly higher than in the previous year and in the middle of the planning corridor. The increase in sales is partly due to the first full financial year of the new Kobold product generation.

On average, over 11,600 self-employed advisors worked for the division in the reporting year, an increase of 5.0 percent compared to the previous year. Activity was 3.5 percent below the previous year, while productivity was 15.3 percent higher than in the previous year.

The Italian Kobold company achieved sales of EUR 428 million, an increase of 9.6 percent. The Kobold is marketed under the brand name Folletto in Italy. Vorwerk Folletto was the first foreign company of the Vorwerk Group in the vacuum cleaner sector, is the most important vacuum cleaner market for Vorwerk and celebrated its 85th birthday in the year under review. In Italian, the word "Folletto" is synonymous with the vacuum cleaner category. In terms of sales, Vorwerk Folletto is the market leader for vacuum cleaners in Italy.

Kobold VK7 and Kobold VR7 are the test winners at Stiftung Warentest

The German Kobold company was also able to increase its sales and achieved EUR 266 million, an increase of 4.5 percent. The companies in France (EUR 61 million, up 18.2 percent), Austria (EUR 25 million, up 5.7 percent), Spain (EUR 19 million, up 10.5 percent), Switzerland (EUR 7 million, up 23.6 percent) and Poland (EUR 5 million, up 211.2 percent) also recorded growth in the reporting year.

The national subsidiaries in the Czech Republic (EUR 9 million, minus 0.9 percent), Taiwan (EUR 7 million, minus 5.1 percent) and the distributor business (EUR 12 million, minus 8.6 percent) recorded declines in sales. Kobold China also suffered a decline in sales (EUR 22 million in sales, minus 25.1 percent). The declining number of active advisors is the reason for this.

Vorwerk Engineering

The Vorwerk Engineering division manufactures its products on behalf of the “Culinary” and “Cleaning” divisions, which manage the development process and – by incorporating the experience gained from sales and direct customer contact – have been successfully designing the products for many years with the goal of achieving market maturity. The Vorwerk Engineering division is therefore highly dependent on and controlled by the Vorwerk sales companies and their business development.

In the company’s own global network of plants with sites in Wuppertal, Germany, Cloyes-sur-les-trois-Rivières, France, and Shanghai, China, Vorwerk manufactures according to uniform specifications and strict quality standards.

The Vorwerk Group is investing EUR 57 million in the construction of a new Thermomix® production building close to the existing French production facility. The goal is to expand capacity and thus meet the expectation of increasing demand for Thermomix®. The topping-out ceremony was celebrated in September 2023.

The largest production site is in Wuppertal with more than 1,250 employees. The Research & Development department is also mainly based there. The connection with Vorwerk’s direct sales is also present in production. Guided tours of the plant and information events for groups of advisors from our national and international sales companies are regularly held in the newly created visitor center at the site in Laaken. In the reporting year alone, more than 1,500 advisors from Germany and the international sales companies were able to see the performance and quality standards of the Engineering division for themselves.

With the new modular Kobold VK7 vacuum cleaner system, the Engineering division successfully made a cordless vacuum cleaner system available to the sales companies in the reporting year. The Kobold VK7 cordless vacuum cleaner and the VR7 robot vacuum cleaner were the winners of the Stiftung Warentest test. The high quality of the new product generation is also reflected in the quality indicators. Measured in terms of the defect rates of the products in use by customers, this is the best Vorwerk product quality of all time.

The sales development of the Vorwerk Engineering division in 2023 was in line with the sales development of the sales divisions. Cost-cutting measures were implemented in order to counter further rising costs in the areas of energy and the supply chain.

The operating result was significantly higher than expected.

The Vorwerk Group has bundled its robotics expertise in Wuppertal Laaken. The intention is to further strengthen the commitment at the German site and the competitive position in the growth market of vacuum cleaner robotics in both the consumer and B2B sectors. In the reporting year, a robotics competence center was established at the largest plant location in Laaken for the central development of commercial and consumer robotics systems.

The Kobold VR7 robot vacuum cleaner, the latest product in the Vorwerk vacuum cleaner family, celebrated its market launch in 2023.

akf group

As a medium-sized company, the Wuppertal-based akf group is a competent financing partner for German SMEs. The akf group is independent, flexible and has been working successfully for its customers in various sectors for more than 55 years. These include the medium-sized metal and plastics industry, printing and paper processing as well as manufacturers and dealers of cars, commercial vehicles, yachts and agricultural technology. The financial product portfolio of akf bank GmbH & Co KG (akf bank) and akf leasing GmbH & Co KG (akf leasing) for the areas of investment, sales and purchase financing includes innovative forms of credit, capital-saving leasing options, a flexible installment plan and factoring to optimize operational liquidity. Full-service leasing and the short and medium-term leasing of vehicles are also offered via akf servicelease GmbH. In addition, akf servicelease acts as a fleet manager and as a partner for bike leasing. Furthermore, akf bank offers private customers attractive, secure and easily available investment products via a purely online-based deposit business. The decades of product specialization, the high level of property know-how, the expert personal support and advice as well as close customer communication on site by the akf sales staff operating throughout Germany have always been highly appreciated by the market players.

Due to the varying development of customers' propensity to invest in the individual sales areas of akf group, the areas also developed unevenly. Overall, however, new business in the banking and leasing sector increased considerably and amounted to EUR 1,253 million (previous year: EUR 1,178 million), which corresponds to an increase of 6.4 percent compared to the previous year.

The sales divisions of akf bank and akf leasing developed as follows:

With a volume of EUR 319 million (previous year: EUR 312 million), vehicle financing in the auto and marine finance sales areas accounted for 25.4 percent (previous year: 26.5 percent) of total business and thus continues to play an important role despite the slight decline in its share.

Financing of machinery and other equipment in the industrial finance sales division and the new robotics finance sales division created in 2023 recorded a significant decline compared to the previous year with a volume of EUR 246 million (previous year: EUR 282 million), accounting for 19.6 percent (previous year: 23.9 percent) of total business.

With a volume of EUR 222 million, the financing volume in the product finance sales division changed only slightly compared to the previous year (EUR 217 million). At EUR 149 million (previous year: EUR 154 million), this includes consumer financing as part of the sales financing of high-quality household appliances of the Vorwerk Group.

Financing of agricultural vehicles and mobile agricultural equipment in the agriculture finance sales area fell significantly to a volume of EUR 188 million in the financial year, accounting for 15.0 percent (previous year: 18.1 percent) of the total volume.

The fleet finance sales division of akf servicelease was able to significantly increase its volume from EUR 153 million to EUR 278 million, mainly due to the bike leasing business segment.

In akf bank's factoring sales division, the purchasing volume increased considerably from EUR 1,166 million to EUR 1,344 million.

At EUR 570 million (previous year: EUR 497 million), akf group's sales increased significantly and were therefore well above expectations. In the case of financing services, sales are calculated on the basis of interest and leasing income as well as other services received as remuneration for the provision of capital or property.

The volume of new business developed significantly compared to the previous year and slightly above expectations. The operating result was moderately up on the previous year and well above expectations.

The interest margin as the difference between the lending and refinancing interest rates is decisive for the akf group's earning power. Due to a slight increase in the interest margin of 23 basis points compared to the previous year, akf bank's net interest income also increased moderately by 5.0 percent.

As in previous years, the akf group's refinancing is mainly carried out with matching maturities through interbank transactions, two revolving ABCP programs and the deposit business. In the deposit business, around 27,000 customers (previous year: around 20,700 customers) with deposits of EUR 1,839 million (previous year: EUR 1,368 million) were managed at the end of the year. As in previous years, the business is operated purely online. Despite the difficult environment caused by the massive rise in interest rates, akf bank treats all customers in the deposit business equally with regard to the interest rates on the various products and refrains from making special offers to new customers or other enticing offers.

Vorwerk Ventures

With its Vorwerk Ventures unit, the Vorwerk Group invests via various investment vehicles in companies that pursue innovative sales concepts with a promising future. The Venture Capital unit makes its investment decisions without any mandatory reference to the strategy of the Vorwerk Group and therefore has the freedom to invest in completely new areas that promise strong growth and high profitability. Some portfolio companies are already among the leading providers in their respective markets and offer a high potential for value growth. The investment portfolio is managed with a view to exit potential.

Since the activity was founded in 2007, the investment vehicle Vorwerk Direct Selling Ventures has invested in a total of 23 companies. Of these, five companies were still in the portfolio at the end of 2023. The Vorwerk Direct Selling Ventures portfolio includes the companies Dinner-for-Dogs, LILLYDOO, OTTOnova, smartfrog and Thermondo. In 2023, three follow-up investments were made in the existing portfolio as part of larger external financing consortia. In the past financial year, two investments in the Vorwerk Direct Selling Ventures investment vehicle were sold or written off at a loss.

As part of implementing the growth strategy, the Venture Capital unit also adopted a market-standard, asset-managing organizational structure at the end of 2019 and launched a new investment fund called Vorwerk Ventures III with a volume of EUR 150 million. The initial investment period of Vorwerk Ventures III has ended. From now on, the investment fund will only make follow-on investments in companies already in the portfolio. Since its launch, the Vorwerk Ventures III investment vehicle has invested in a total of 20 companies. In the past financial year, some substantial follow-up financing took place in the Fund III portfolio with investments from other external investors. In 2023, two investments in the Vorwerk Ventures III investment vehicle were sold or written off at a loss. As Fund III is still in the maturity phase, no major exits have been recorded yet.

To continue investment activities, a further investment fund called Vorwerk Ventures IV was launched in mid-2022. This fund had its final closing in the past financial year with a volume of EUR 150 million. Six investments were made from this investment vehicle in 2023. The Vorwerk Ventures IV investment vehicle has invested in a total of seven companies since its launch. As Fund IV is also still in the development or maturity phase, no exits have been recorded yet.

Personnel Development/People & Culture

The strategic priorities in the area of "People & Culture" were already defined in 2020 and are part of the implementation of Strategy 2025.

Particular attention is paid to the recruitment and development of talent and strong succession planning in order to ensure stability and offer opportunities. A key aspect of this is the targeted development and enhancement of leadership skills, which combines the growth of the Group with the continuous development of its employees. One example of this approach and the further expansion of digital offerings is the "VORyou" training platform. The system enables the People & Culture department to provide internally created learning content and link it to external content in order to make learning exciting, relevant and available to all employees anytime, anywhere.

In 2023, an average of 103,358 people worked for the Vorwerk Group worldwide. The number of salaried employees was 9,127 and the number of self-employed advisors was 94,231.

Average annual number of employees

	2020	2021	2022	2023
Home				
Thermomix*	5,914	5,256	4,210	4,505
Kobold*	1,881	1,908	1,884	1,806
Vorwerk flooring**	180	0	0	0
Vorwerk Engineering	1,603	1,748	1,791	1,836
Neato Robotics	125	151	148	38
Diversification				
JAFRA Cosmetics***	1,696	1,760	465	4
akf group	504	512	507	517
Other	357	363	389	421
Total employees*	**12,260**	**11,698**	**9,394**	**9,127**

* Including employed advisors
** Vorwerk flooring included until July 31, 2020
*** JAFRA US and Mexico included until March 31, 2022

Average annual number of self-employed advisors

	2020	2021	2022	2023
Thermomix	59,890	74,066	83,267	81,501
Kobold	9,581	11,365	11,116	11,673
Other	236	510	171	0
Independent advisors "Home"	69,707	85,941	94,554	93,174
Independent advisors JAFRA Cosmetics**	508,286	491,151	118,893	1,057
Total number of independent advisors	**577,993**	**577,092**	**213,447**	**94,231**
Total number of Vorwerk employees	**590,253**	**588,790**	**222,841**	**103,358**
Thereof advisors*	583,044	581,202	216,511	98,027

* Including employed advisors
** JAFRA US and Mexico included until March 31, 2022

Assets and Earnings Situation

The consolidated balance sheet total of the Vorwerk Group increased by EUR 251.3 million to EUR 5,564.7 million as of the balance sheet date on December 31, 2023, due in part to the increase in receivables from the banking and leasing business and bank balances on the assets side and the increase in liabilities from the deposit business on the liabilities side.

Fixed assets increased by a total of EUR 18.9 million.

Intangible assets fell moderately compared to the previous year, with additions and reclassifications being slightly lower than depreciation and amortization. Property, plant and equipment increased by EUR 136.7 million, of which EUR 119.7 million related to rental assets. The investment ratio (ratio of investments in 2023 to the gross carrying amount of property, plant and equipment in 2022) in property, plant and equipment rose by 5.1 percentage points to 24.8 percent, with the opening balance remaining virtually unchanged compared to the previous year and a significant increase in investments. At 25.0 percent, the property, plant and equipment ratio (ratio of the carrying amount of property, plant and equipment to borrowed capital) was 0.7 percentage points higher than in the previous year with a slight increase in total capital.

In the area of financial assets, securities held as fixed assets fell by EUR 124.5 million, mainly due to sales. Additions to other investments were offset by write-downs and disposals in the same amount.

Current assets recorded a significant increase overall, which is mainly due to a considerable increase in receivables from customers in the banking and leasing business as well as a significant increase in cash and cash equivalents, which include bank balances and marketable securities.

Inventories decreased by EUR 71.0 million or 20.3 percent. The high risk of supply bottlenecks estimated in the previous year due to several global crises was classified as lower due to the flexible management of inventories in advance of demand. The inventory turnover rate (ratio of cost of materials to average inventories from 2023 and 2022) decreased by 3.0 percent to 2.00 due to the significant reduction in the cost of materials – excluding the banking and leasing business – accompanied by a considerable decrease in average inventories.

Trade receivables increased by 18.0 percent overall. Trade receivables in the Home business division rose by EUR 64.1 million, partly due to the increase in installment contracts. The valuation allowances were adjusted to the payment behavior of customers. The value adjustment ratio (ratio of value adjustments on receivables to gross receivables) fell considerably compared to the previous year to 32.0 percent.

Receivables from the banking and leasing business increased by EUR 126.4 million, as fewer receivables were sold off-balance sheet in the banking business and leasing receivables rose sharply due to the high level of new business.

Sufficient allowance is made for all identifiable risks in the financing business by recognizing valuation allowances.

At 51.4 percent, the ratio of current assets including all cash and cash equivalents to total assets was slightly above the previous year's level.

First-degree liquidity, defined as cash available at short notice/current liabilities, amounted to 42.6 percent in the reporting year (previous year: 41.2 percent).

On the liabilities side, equity amounted to EUR 1,491.4 million. The equity ratio (ratio of equity to total assets) was 26.8 percent (previous year: 26.4 percent). The asset coverage ratio (ratio of equity to fixed assets) amounted to 56.7 percent and was slightly above the previous year's level (53.8 percent), as equity increased significantly while fixed assets increased slightly.

Provisions fell by 4.0 percent compared to the previous year. The decrease in provisions for pensions and similar obligations amounted to 4.3 percent and was mainly due to payments and reversals. Provisions to cover tax risks remained nearly at the previous year's level. The moderate decrease in other provisions was mainly due to the utilization and reversal of provisions in connection with the closure of the Neato Robotics division and provisions for outstanding supplier invoices.

Liabilities increased moderately by 4.7 percent overall. The individual items developed differently.

Liabilities to banks declined by a total of EUR 369.8 million, of which EUR 345.2 million was attributable to akf group, while loans from companies in other divisions of the Vorwerk Group were repaid in the amount of EUR 24.5 million. As of the balance sheet date, 93.2 percent of the credit liabilities were attributable to akf group.

The liabilities from the deposit business related exclusively to akf group. The online-based deposit business of akf bank increased by EUR 471.1 million in the year under review due to the inflow of funds from new and existing customers. The inflow of funds was used to refinance the repayment of liabilities to banks on the one hand and led to an increase in the liquidity position with banks on the other. Other deposits from customers increased by EUR 10.7 million.

Due to the slight overall increase in borrowed capital of EUR 121.8 million and a significant increase in equity, the gearing ratio (ratio of borrowed capital to equity) was 6.9 percentage points lower than in the previous year at 253.0 percent.

Deferred income in the amount of EUR 300.8 million includes deferred cash values of lease receivables sold to third-party banks, which are reversed as scheduled, in addition to income deferrals as of the reporting date. In the reporting year, the present value of lease receivables sold led to an increase in this item of EUR 20.9 million and deferred income of EUR 18.8 million.

In financial year 2023, the Vorwerk Group achieved a 1.2 percent increase in Group sales to EUR 3,208.3 million; the return on sales (ratio of consolidated net profit to revenue) showed an increase of 2.7 percentage points compared to the previous year. The increase in sales is mainly attributable to akf group and the "Culinary" and, above all, "Cleaning" divisions with a combined increase of EUR 144.2 million. This was offset by a decline in sales due to the sale of the companies in Mexico and the US in the JAFRA division in April 2022 and the withdrawal from the Neato Robotics division.

For detailed explanations of the sales trend, please refer to the respective comments on the business divisions.

The significant decrease in changes in inventories is directly related to the reduction in inventories of finished goods built up in the previous year to ensure delivery capability.

Other operating income fell considerably, mainly due to lower income from the sale of property, plant and equipment and shares in the JAFRA companies in the US and Mexico compared to the previous year.

Compared to the previous year, the total cost of materials (excluding the banking and leasing business) fell by 12.6 percent. The decline is mainly due to the sale or discontinuation of the business activities of JAFRA and Neato Robotics. Sales in the Culinary and Cleaning divisions were also generated from inventories from the previous year. At 23.8 percent, the cost of materials ratio (ratio of cost of materials to sales) was considerably lower than in the previous year.

Expenses from the lending and leasing business increased due to higher sales and were significantly higher than in the previous year.

Despite general wage and salary increases, the EUR 19.7 million decrease in personnel expenses is mainly due to the departure of key companies at JAFRA Cosmetics and Neato Robotics.

At 1.8 percent, depreciation and amortization was slightly above the previous year's level. In addition, impairment losses fell significantly by EUR 10.7 million, mainly due to the one-time effect of the discontinuation of the Neato Robotics division in the previous year.

Other operating expenses fell slightly by a total of EUR 34.7 million compared to the previous year, which is primarily due to the sale of the main JAFRA companies and the closure of Neato Robotics. The decline in additions to provisions and various expenses, primarily consulting costs, advertising and sales motivation and delivery costs, is offset by an increase in losses from forward exchange transactions and from value adjustments on current loan receivables.

The EUR 7.5 million decline in the financial result is due in particular to the EUR 11.7 million fall in income from financial investments. Net interest income, on the other hand, increased by EUR 9.8 million, while write-downs on investments also increased by EUR 6.2 million.

Overall, the operating result and earnings performance were in the upper third of the forecast corridor. While akf group and the Engineering division exceeded planning, the Thermomix and Kobold divisions were in the middle of the planning corridor. The Nexaro division was below the planning corridor due to the postponed market launch. Overall, the earnings situation of the Vorwerk Group developed well.

Financial Position and Development of Financial Assets

The capital markets were very volatile in 2023. This was due to the various issues of the past year: geopolitical uncertainties, changing but rather gloomy economic prospects and central banks that pursued a restrictive monetary policy. The ECB (European Central Bank) raised its key interest rate in six further steps to 4.5 percent in 2023. The US Federal Reserve also raised its key interest rate to 5.5 percent. On the positive side, inflation rates on both sides of the Atlantic fell again over the course of the year. On the negative side, economic indicators continued to deteriorate over the course of the year. This development in particular led to falling interest rates on the capital market at the end of the year.

In this environment, the stock markets performed very positively in 2023. Shares in developed markets gained around 23.5 percent in euro terms compared to the previous year. Emerging market equities gained around 9.6 percent in currency-adjusted terms over the same period. The yield curve changed significantly this year. Euro swaps with one-year maturities rose by 18 basis points under the influence of the ECB's interest rate measures, while ten-year maturities fell by 71 basis points over the course of the year. At the end of the year, 10-year German government bonds stood at + 2.02 percent, 55 basis points below the previous year's figure (+ 2.57 percent).

The strategic orientation of Vorwerk's investment policy was adapted to the capital market situation in 2023. Equity risks were partially reduced, while the "strategic liquidity" asset class was added to the portfolio. This made it possible to reduce the asymmetrical instruments for avoiding tail risks in the portfolio. Impairments in the area of real estate investments had to be recognized in the income statement. As a result, the expectations for the investment portfolio were not met. In the non-income statement-effective, unrealized area, value recoveries were achieved in the expected volume.

The investments and other operating activities of the Vorwerk Group (excluding akf group) were financed by the cash flows from the operating business. All medium-term financing of EUR 30 million taken out in 2020 was repaid on schedule at the beginning of 2023; we only drew on money market lines temporarily over the course of the year.

As part of our investment policy, we have decided to structure investments in highly liquid instruments, such as equities and bonds, and investments with a longer investment horizon, such as real estate, infrastructure and private equity, in separate portfolios. The proportion of liquid assets was over 70 percent at the end of the year.

Gross liquidity in the Group (excluding akf) increased in 2023 by approx. EUR 73 million. The majority of this is attributable to the inflow from the Group's operating activities.

Risk Management System, Opportunities and Risks

The risk management process includes the identification, assessment, communication, management and control of risks. Risk management is a continuous process in which risks are identified and quantified at least twice a year. A risk is defined as a deviation from an expected planned state.

Risk management matrix

Possible financial impact

Significant (> EUR 30 million)	· Legal (sales)		· Consumer climate	· Information security & information technology
Moderate (> EUR 20–30 million)		· Finance (capital investment)	· Legal (data protection) · Supply chain · Strategy & Management	
Insignificant (EUR 10–20 million)		· Product (production) · Legal (product)	· Finance · Legislation & requirements	
	Very low 2% to 5%	**Low** 5% to 20%	**Medium** 20% to 50%	**High** greater than 50%

Occurrence probability

The year 2023 continued to be characterized by many global challenges and uncertainties, such as the ongoing Ukraine-Russia conflict, the continuing uncertainties regarding energy supply and the associated temporary rise in energy prices in Europe, inflation and the rapid rise in interest rates. This had an impact on the business activities of the Vorwerk Group in 2023, in particular due to the noticeable consumer restraint.

Under these conditions, the Vorwerk Group continued to focus on the further development of direct sales and production. At the end of 2023, the Vorwerk Group once again achieved an increase in sales thanks to the consistently high quality of its products and the loyalty of its advisors and customers as well as the commitment of its employees. In this respect, the structure of the top risks is unchanged compared to the previous year, although the assessments regarding the probability of occurrence and the financial impact have changed in some cases. Consumer restraint remains a highly significant risk for the business success of the Vorwerk Group. The risk in connection with information security is assessed as more relevant, while the risk of supply chain disruptions has become less significant.

The effects of the negative consumer climate have been of great significance since 2022 and are assessed as having a medium probability of occurrence and a high impact on the Vorwerk Group. The main component of this risk is the possible decline in the attractiveness of Vorwerk for new advisors. The attractiveness of working as an advisor for Vorwerk could decline as a result of alternative, higher income opportunities, changes in personal and professional priorities and expectations or a less attractive product portfolio. In addition, lower consumer disposable incomes due to energy price increases, inflation and interest rate rises, as well as fears of recession and uncertainty due to geopolitical uncertainties, could lead to a reprioritization or reduction in consumption. It is therefore important to continuously monitor this risk and react in good time. Measures to ensure that Vorwerk's offering remains attractive for advisors and consumers are continuously reviewed and developed further.

The risk of being affected by a cyberattack is increasing worldwide, and Vorwerk is also continuously registering attacks on its own IT systems. Ransomware and other types of cyberattacks continue to be of very high relevance, while potential risks and challenges also arise from the ongoing digitalization and the rapid increase in the use of artificial intelligence. The risk is therefore now assessed as having a high probability of occurrence. Measures to reduce the information security risk and defend against threats will continue to be implemented with high priority at the Vorwerk Group. Internal structures and processes are being expanded further and external technical expertise is also being called in. Effective measures to minimize risk in terms of prevention are implemented by the Chief Information Security Officer (CISO) at the Vorwerk Group. These include, for example, strengthening the security awareness of employees, numerous awareness-raising campaigns, publications, recorded podcasts, videos and a training platform. Furthermore, technical protection and defense measures for the early detection and effective containment of cyber attacks are being improved.

After three consecutive years as the top risk for the Vorwerk Group, the risks relating to the supply chain have become less significant. Drastic price increases or the unavailability of critical components and logistical capacity problems (e.g. bottlenecks in container shipping) are becoming less significant, although the risk has increased again in the recent past due to the events in the Red Sea. Effective measures such as a multi-sourcing strategy and other measures have reduced both the probability of occurrence and the potential impact.

Other risks were also reassessed and therefore repositioned in the matrix.

The risks relating to data protection and strategy & management have been reclassified. In the area of data protection, the risk is now assessed as having a medium probability of occurrence and a moderate financial impact. The risk in the Strategy & Management area is now included in the matrix, describes unexpected effects on the business model and is also classified as having a medium probability of occurrence and a moderate financial impact.

The legal risks relating to Product & Sales were split. The risk in the area of sales is assessed as unchanged. The risks in the product area are classified as having a low probability of occurrence and insignificant financial impact.

The impact of risks in the areas of finance and legislation & requirements is classified as insignificant compared to the previous year.

The effects of other risks such as finance (capital investment) and product have not changed in comparison and the positioning in the matrix remains stable.

As part of its financial investment strategy, the Vorwerk Group primarily pursues the goal of long-term asset protection. The established Risk Committee regularly reviews the investment strategy with the goal of optimizing the opportunity/risk profile. Risks from changes in exchange rates are also determined and hedged in accordance with the specifications in the treasury guideline and in coordination with the companies. The risks arising from the investment and the currencies are expressed via the conditional value at risk (CVaR, conditional shortfall risk measure) and cash flow at risk (CFaR, risk measure for determining the lowest cash flow in a planning period). At the end of the financial year, the CVaR for investment management was EUR 18.5 million and the CFaR for foreign exchange management was EUR 5.98 million (excluding akf group). Derivative financial instruments are used exclusively to hedge underlying transactions in the areas of foreign exchange and commodity management. Their use is based on the exposures to be systematically determined and monitored as well as the resulting financial risks. The goal of using financial derivatives is to reduce the risks identified.

In Vorwerk's business environment, it is necessary to anticipate the risks that occur worldwide and have a negative impact on the company. These risks generally include natural disasters, shortages of skilled labor and new, disruptive competitors. We are countering a tougher competitive environment with a clear innovation Strategy 2025, in particular our continuous product and service innovations.

In addition, other risk-minimizing measures are constantly evaluated by dedicated experts in order to minimize the impact of these risks in advance and keep their probability of occurrence as low as possible.

akf group operates a predominantly asset-backed and therefore generally low-risk business. In addition to property collateral, there are also take-back guarantees from dealers and manufacturers to reduce the default risk for some of the financing.

Risk-taking is an inherent part of the banking business and a key performance factor. The professional management of these risks enables a balance to be struck between opportunity and risk. From a risk perspective, 2023 was characterized by a slight economic downturn due to the ongoing Russia-Ukraine conflict, the Middle East conflict and rising inflation (gross domestic product of the Federal Republic of Germany in 2023: – 0.3 percent). The "Interest Rate Management Jour Fixe" was held regularly to discuss the implications of the extreme changes on the interest rate markets. After risk costs rose again to the level of the long-term average in 2020 due to the coronavirus crisis, contrary to the downward trend observed since 2010, there was a slight increase in risk costs in 2023 compared to the previous year. In addition, a reduction in the portfolio of non-performing loans was achieved in the course of 2023.

akf group meets the high demands placed on the management of these risks by continuously developing its systems, which are used to identify, measure, monitor and manage expected and unexpected risks. The risk management project to introduce new state-of-the-art software for overall bank management was completed on schedule at the end of 2023.

The separation of functions based on a clear organization ensures regulatory conformity and effectiveness of the risk management process.

As part of the annual risk inventory, counterparty default risks, market price risks, operational risks, liquidity risks and business risks were identified as significant risks.

The counterparty default risk of akf group essentially comprises the credit risk that a customer is unable to meet its contractual obligations or can only meet them to a limited extent. As part of the annually reviewed risk strategy, a broad diversification of borrowers and sectors with high creditworthiness requirements is taken into account. The current credit risk management system includes a detailed lending process with creditworthiness analysis, an effective dunning process and an escalation process.

Market price risks are defined as potential losses due to adverse changes in market prices or price-influencing parameters. The relevant market risks are broken down by influencing factors into interest rate risk and residual value risk (akf leasing group). Neither currency risks nor market price risks from shares and precious metals exist at akf group as a non-trading book institution. Interest rate derivatives are only concluded to manage the interest rate risk.

Interest rate risk describes the risk of having to accept a reduction in the planned or expected interest result or interest margin due to changes in market interest rates. Positions that cannot be adjusted to changes in market interest rates at any time are subject to this risk. The fixed-interest period and the amount of the tied interest rate position are decisive for the level of risk.

Residual value risk describes the risk of having to accept reduced income or even a loss from the sale of used leased assets due to future changes in the calculated prices for used leased assets. In the full-service segment, these risks are managed by constantly monitoring the used vehicle market and implementing any necessary adjustments to the residual value calculation. A reduction in the residual value risk is generally ensured at akf leasing GmbH & Co KG and additionally at akf servicelease GmbH by concluding take-back or residual value guarantees by the dealer or manufacturer.

At akf group, the liquidity risk consists of the insolvency risk and the refinancing cost risk. The insolvency risk is understood as the risk of not being able to meet current or future payment obligations in full or on time. The refinancing cost risk is an earnings risk resulting from maturity transformation. It is defined as the risk of a negative deviation from the expected value of refinancing costs. It arises if the costs for refinancing have increased significantly at the time of prolongation and cannot be fully passed on to customers.

Refinancing is mainly carried out via the deposit business, loans from third-party banks and the revolving sale of receivables as part of an ABCP program (Opusalpha). The main objective is to achieve predominantly congruent refinancing of the lending and leasing business.

Like every company, akf group is also exposed to operational risks. Significant operational risks were identified through a self-assessment as part of the risk inventory, whereby these take the form of legal, operational, technology and personnel risks. In addition, external events (such as fraud) are also relevant.

With the software in use and hardware adapted to ongoing technical developments, the conditions for flexible and secure workflows have been created in the area of IT. A complete back-up data center is operated with organizational and spatial separation from the in-house data center, so that there is the greatest possible protection against the effects of force majeure.

To reduce the risk of other criminal acts, a working group deals with cases involving customers and dealers in order to prevent further criminal acts. In principle, early warning systems are in place for the general avoidance of operational risks, which determine how information indicating a risk of fraud is passed on within the bank and what measures are to be initiated. All departments in the process chains in the vehicle sales business and the movables business are involved.

To monitor operational risks, loss events are reported to Risk Management on a monthly basis and documented in a loss event database.

Business risk is a negative impact on business success that results from unexpected changes in the business environment – e.g. in economic, political, social or technological terms – and is not already covered by other types of risk. It primarily affects the earnings position; a negative impact on the financial position only arises if the business risk exceeds the planned income in the period under review. Business risk is quantified using a VaR calculation based on historical plan/actual differences.

Stress tests are carried out regularly for all material risk types. Stress tests are carried out each month for counterparty default risk, market price risk, liquidity risk and operational risk.

The entire risk management process of akf group, including the methods used and the responsibilities, is documented in the risk manual and reviewed regularly by the internal audit department and by the auditors as part of the Annual Financial Statements.

The opportunities arising from the strategies of the Vorwerk Group companies are described in detail in the individual chapters and in the General Section.

Outlook Report

The Vorwerk Group has defined its future company orientation as part of its Strategy 2025. The goal is to further optimize the successful direct sales approach, to constantly make it more attractive for the community, to become more powerful and modern and to increase efficiency in the global Vorwerk organization. In particular, clear growth and earnings targets, combined with a clear focus on direct sales, are a key component.

As a family-owned company that thinks and acts long-term, the Vorwerk Group intends to master the future challenges with self-financed, organic growth and will also consider acquisitions, should the right opportunity present itself.

In its current economic outlook, the EU Commission assumes that, after already very weak growth figures for 2023, Europe as a whole will see a later and weaker recovery than initially expected. Overall, average annual growth in real GDP is expected to slow from 3.4 percent in 2022 to 0.6 percent in 2023. In 2024, it is likely to recover only slightly to 0.8 percent, supported by the job markets and the decline in inflation, before stabilizing at 1.5 percent in 2025 and 2026.

The highly uncertain geopolitical conditions make planning sales and earnings performance extremely difficult. The current economic conditions, particularly with regard to the further development of consumer and investment propensity as well as the effects of the further development of inflation and the associated development of interest rates, also mean that a forecast for the further business development is subject to considerable uncertainty. Accordingly, the Vorwerk Group has again defined both sales and operating earnings within a planning corridor for the forecast for financial year 2024.

In the Thermomix segment, we expect sales to remain unchanged or to decline moderately. Although the number of advisors will increase considerably, productivity and activity are expected to be slightly below the previous year's level. Due to the planned expenses for the further strategically planned expansion of our sales structure, the planned entry into new countries and increased process and product innovations, the operating result is expected to be significantly lower than in the previous year.

The Kobold division anticipates a slight to significant increase in sales in 2024. The number of advisors is expected to increase significantly in financial year 2024. Activity will slightly exceed the previous year, while productivity is expected to be slightly below the previous year's level. The operating result is expected to be significantly higher than in the previous year.

Against the backdrop of current economic expectations, akf bank anticipates a slight increase in new business and thus a slight increase in business volume, so that a slight increase in net interest income is expected with a constant interest margin. New business at akf group is planned at EUR 1.3 billion.

The development of akf bank's risk provisioning is heavily dependent on further economic developments. Against this backdrop, it is assumed that risk provisioning will be slightly above the level of financial year 2023. Overall, net income for financial year 2024 is expected to be slightly below the previous year's level.

However, due to the uncertainties described above, akf bank's business development could fall significantly short of expectations. For example, the expected earnings situation could be negatively impacted by the fact that net interest income remains below budget and at the same time loan loss provisions increase significantly.

Within this planning corridor, the Vorwerk Group expects a slight decline to a slight increase in sales overall for financial year 2024, mainly driven by the Culinary and Cleaning divisions. The operating result is expected to be in a corridor between a clear and a significant decline. Accordingly, consolidated net income for the year is expected to decline significantly.

Wuppertal, March 15, 2024

Dr. Thomas Stoffmehl
Speaker of the
Executive Board

Hauke Paasch
Member of the
Executive Board

Dr. Thomas Rodemann
Member of the
Executive Board

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Consolidated Balance Sheet

as of December 31, 2023

Assets

in EUR thousand	12/31/2023	12/31/2022
A. Fixed assets		
I. Intangible assets		
1. Concessions, industrial and similar rights and assets, licenses to such rights and assets	34,087	46,011
2. Goodwill	0	989
3. Prepayments	12,194	1,147
	46,281	**48,147**
II. Property, plant and equipment		
1. Land, land rights and buildings including buildings on land owned by others	211,036	207,818
2. Technical equipment and machinery	78,993	90,546
3. Other equipment, plant and office equipment	32,564	34,932
4. Leased assets	931,402	811,691
5. Advance payments made and assets under construction	64,831	37,174
	1,318,826	**1,182,161**
III. Financial assets		
1. Shares in affiliates	25,473	22,310
2. Shareholding investments in associates	35	35
3. Other shareholding investments	157,385	155,802
4. Loans to companies in which a participating interest is held	8,122	8,169
5. Securities held as fixed assets	1,024,805	1,149,338
6. Other loans and other financial assets	47,990	44,058
	1,263,810	**1,379,712**
	2,628,917	**2,610,020**
B. Current assets		
I. Inventories		
1. Raw materials and supplies	55,627	93,770
2. Work in progress	7,670	9,308
3. Finished goods and merchandise	214,987	245,234
4. Advance payments made	41	993
	278,325	**349,305**
II. Receivables and other assets		
1. Trade receivables	478,035	405,240
2. Receivables from customers arising from banking and leasing business	1,267,188	1,140,830
(thereof with a remaining term of more than one year)	(770,734)	(697,448)
3. Receivables from affiliated companies	85	0
4. Receivables from companies in which participations are held	935	612
5. Other assets	161,727	179,546
(of which with a remaining term of more than one year)	(4,551)	(4,433)
	1,907,970	**1,726,228**
III. Other securities	**49,811**	**119,649**
IV. Checks, cash on hand, cash at banks	**622,443**	**440,930**
	2,858,549	**2,636,112**
C. Prepaid expenses	**27,925**	**22,146**
D. Deferred tax assets	**49,285**	**45,150**
	5,564,676	**5,313,428**

Equity and Liabilities

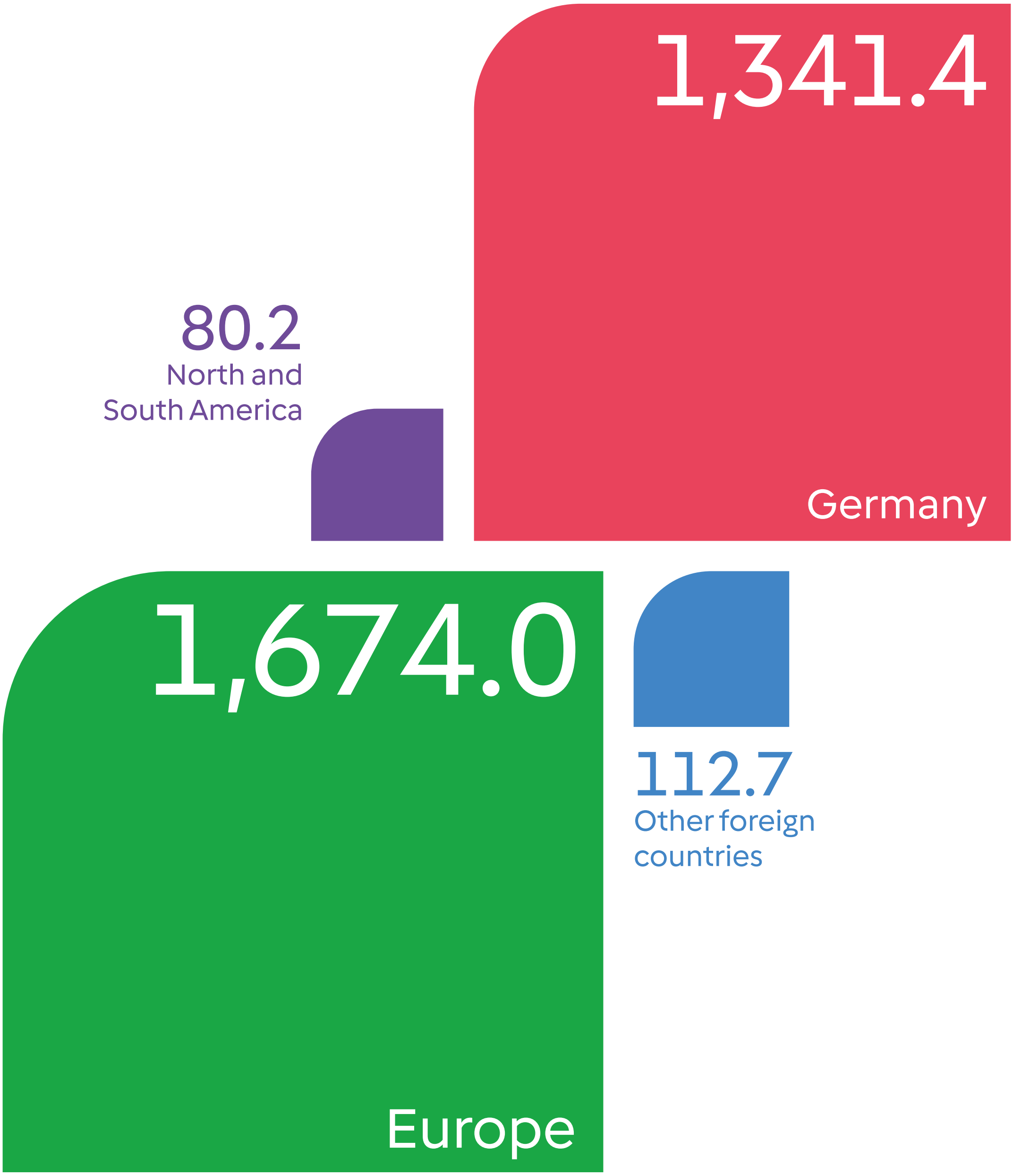
in EUR thousand		12/31/2023	12/31/2022
A.	**Equity**		
I.	**Capital shares of the limited partners**	**26,300**	**26,300**
II.	**Capital of the silent partner**	**23,950**	**23,950**
III.	**Statutory retained earnings of the parent company**	**646,310**	**595,995**
IV.	**Equity difference from currency translation**	**40,369**	**43,740**
V.	**Consolidated net profit**	**740,003**	**702,296**
		1,476,932	**1,392,281**
VI.	**Non-controlling interests**		
	1. in capital and reserves	16,210	13,519
	2. in earnings	−1,756	−791
		14,454	**12,728**
		1,491,386	**1,405,009**
B.	**Provisions**		
	1. Provisions for pensions and similar commitments	171,179	178,854
	2. Provisions for taxes	69,117	69,200
	3. Other provisions	298,079	312,647
		538,375	**560,701**
C.	**Liabilities**		
	1. Liabilities to banks	303,307	673,064
	2. Liabilities from deposit business	1,905,126	1,423,242
	3. Advance payments received on orders	11,477	11,161
	4. Trade receivables	151,980	145,560
	5. Liabilities to companies with which a participation relationship exists	2,852	0
	6. Other liabilities	859,375	836,939
	(of which taxes)	(63,760)	(60,692)
	(of which social security payables)	(20,236)	(20,153)
		3,234,117	**3,089,966**
D.	**Deferred income**	**300,798**	**257,752**
		5,564,676	**5,313,428**

Consolidated Statement of Income

for the period from January 1 to December 31, 2023

in EUR thousand	2023	2022
1. Sales revenue		
a) External sales revenue	2,638,340	2,674,569
b) Income from lending and leasing transactions	569,997	496,716
	3,208,337	**3,171,285**
2. Change in inventories of finished goods and work in progress	−37,013	−8,615
3. Other own work capitalized	1,027	3,721
	3,172,351	**3,166,391**
4. Other operating income	112,868	130,555
(of which income from foreign currency translation)	(14,944)	(16,940)
5. Cost of materials		
a) Cost of raw materials, consumables and supplies and of merchandise purchased	564,881	638,799
b) Cost of services purchased	63,073	79,580
	627,954	**718,379**
6. Expenses from lending and leasing transactions	244,928	188,061
	2,412,337	**2,390,506**
7. Personnel expenses		
a) Wages and salaries	488,513	499,456
b) Social Security, pension and other benefit and support costs	116,266	124,981
(of which for pensions)	(25,594)	(32,525)
	604,779	**624,437**
8. Amortization of intangible assets and depreciation of property, plant and equipment	294,104	299,808
9. Other operating expenses	1,310,167	1,344,885
(of which expenses from foreign currency translation)	(11,789)	(22,612)
10. Income from investments	1,004	707
11. Income from profit and loss transfer agreements	269	0
12. Income from other securities and loans held as financial assets	8,733	20,419
13. Other interest and similar income	20,964	14,334
14. Write-downs of financial assets and of marketable securities	21,290	15,128
15. Interest and similar expenses	18,749	21,881
(of which expenses from compounding of accruals)	(2,634)	(5,756)
16. Income taxes	52,096	67,762
(of which income [previous year: expenses] from the change in deferred taxes)	(−4,168)	(3,665)
17. Income after taxes	**142,122**	**52,065**
18. Other taxes	8,981	6,886
19. Consolidated net loss / income	**133,141**	**45,179**
20. Credit to shareholder accounts in borrowed capital	**−46,154**	**−147,756**
21. Withdrawals from / allocation to statutory reserves	**−51,036**	**50,262**
22. Minority interests in net income / loss for the year		
a) Profit attributable	0	0
b) Loss attributable	1,756	791
	1,756	**791**
23. Consolidated retained earnings carried forward	**702,296**	**753,820**
24. Consolidated retained earnings	**740,003**	**702,296**

Group Sales by Region
in EUR million



Total **EUR 3,208.3 million**

Notes to the Consolidated Financial Statements

As of December 31, 2023

I. General preliminary remarks

Vorwerk SE & Co. KG prepares its Consolidated Financial Statements and a Group Management Report for financial year 2023 in accordance with Sections 290 et seq. HGB in conjunction with the Ordinance on Accounting for Banks and Financial Services Institutions (RechKredV). The Consolidated Statement of Income is prepared using the nature of expense method. The company is based in Wuppertal and is entered in the register of the Local Court of Wuppertal under number HRA 14658. The Consolidated Financial Statements are published in the company register.

The following companies make use of the exemption from disclosure and, if there is an obligation to prepare a Management Report and Notes, also of the exemption from this obligation in accordance with Section 264 (3) and Section 264b of the German Commercial Code (HGB):

- Vorwerk Elektrowerke GmbH & Co. KG, Wuppertal
- Vorwerk Deutschland Stiftung & Co. KG, Wuppertal
- Vorwerk SE & Co. KG, Wuppertal
- Vorwerk & Co. Interholding GmbH, Wuppertal
- Vorwerk & Co. neun GmbH, Wuppertal
- Vorwerk Services GmbH, Wuppertal
- Vorwerk Verwaltung SE, Wuppertal
- Vorwerk Temial GmbH, Wuppertal
- Nexaro GmbH, Wuppertal

II. Scope of consolidation

The parent company is Vorwerk SE & Co. KG, Wuppertal. The Group companies were active in the following business segments in the financial year: Production and direct sales of high-quality household appliances as well as banking and leasing.

Vorwerk Information Technology (Shanghai) Co. Ltd., Shanghai, China, was founded in financial year 2023 and included in the Consolidated Financial Statements for the first time.

The following companies were removed from the scope of consolidation due to liquidation:

- NEWBRAND COSMETICOS DO BRASIL LTDA, São Paulo, Brazil
- Neato Robotics Co. Ltd, Tokyo, Japan
- Neato AB, San José, USA

The following companies were eliminated from the scope of consolidation due to their sale:

- PT Jafra Cosmetics Indonesia, Jakarta, Indonesia

The following companies were merged in the reporting year and thus eliminated from the scope of consolidation:

- Jafra Germany Management Holding GmbH i.L., Wuppertal, to Vorwerk & Co. Interholding GmbH, Wuppertal
- Jafra Cosmetics International B.V., Amsterdam, Netherlands, to CDRJ Europe Holding Company B.V., Amsterdam, Netherlands
- CDRJ Europe Holding Company B.V., Amsterdam, Netherlands, to Jafra Holding Company B.V., Amsterdam, Netherlands
- Jafra Holding Company B.V., Amsterdam, Netherlands to Vorwerk & Co. Interholding GmbH, Wuppertal, Germany

This change in the companies included in the Consolidated Financial Statements is immaterial both in total and individually. Comparability with the Consolidated Financial Statements of the previous year is thus still possible.

Six (previous year: six) associated companies are not included in the Consolidated Financial Statements using the equity method due to their minor significance in accordance with Section 311 (2) of the German Commercial Code (HGB) but are accounted for at cost instead.

Nine (previous year: twelve) companies are not included in the Consolidated Financial Statements in accordance with Section 296 (2) of the German Commercial Code (HGB) due to their minor significance. The total assets and sales of the companies not included in the Consolidated

Financial Statements account for less than 3 percent of the consolidated total assets and 1 percent of consolidated sales, both individually and collectively.

The list of shareholdings can be found in the list of companies belonging to the Group as of December 31, 2023.

III. Structure, accounting and valuation methods

The structure of the Consolidated Balance Sheet and the Consolidated Statement of Income for preparation purposes is based on the layout prescribed for corporations in Sections 290 ff., 266 and 275 of the German Commercial Code (HGB).

Due to the full consolidation of akf group, the Consolidated Balance Sheet and the Consolidated Statement of Income contain items specific to banking and leasing to the extent that the assets, liabilities, expenses and income of akf group could not be allocated to the existing items or allow for more transparent reporting.

Besides loans, other loans and other financial assets include non-securitized minority interests in closed-end real estate funds.

The contributions of silent partners are included in equity due to their equity-like nature, as they are subordinated.

The accounting and valuation principles applied to the Annual Financial Statements of Vorwerk SE & Co. KG and the domestic subsidiaries also apply to the Consolidated Financial Statements. The valuations of akf group have been adopted unchanged in accordance with Section 308 (2) sentence 2 of the German Commercial Code (HGB). The financial statements of consolidated foreign subsidiaries prepared in accordance with deviating national regulations are adjusted by means of the so-called Commercial Balance Sheet II. The valuation methods correspond to a uniform valuation within the meaning of Section 308 (1) of the German Commercial Code (HGB). With the exception of the changes in the valuation of fixed assets explained below, they remained unchanged from the previous year.

Acquired intangible assets are capitalized at cost and amortized on a straight-line basis over their expected useful lives, pro rata temporis in the year of acquisition. The main useful lives are three to five years.

The period of scheduled straight-line amortization for goodwill acquired for consideration is five years.

The useful lives of the intangible assets capitalized in 2017 as part of the initial consolidation of Neato Robotics, Inc. are six years for development know-how, eight years for patents and applications, and 18 years for brand rights.

In the case of property, plant and equipment (taking contractual terms and residual carrying amounts into account) whose use is limited in time, the acquisition or production costs are reduced by scheduled straight-line depreciation corresponding to the expected useful life. Borrowing costs are not recognized. Production costs include the individually attributable costs arising from the consumption of goods and the use of services as well as appropriate portions of the necessary material and production overheads. Additions to property, plant and equipment are generally depreciated pro rata temporis. If the fair values of individual assets fall below their carrying amounts, additional impairment losses are recognized if the impairment is expected to be permanent.

The main useful lives are between 10 and 33 years for buildings and outdoor facilities, between 3 and 17 years for technical equipment and machinery, between 6 and 8 years for vehicles, and between 3 and 13 years for operating and office equipment.

Additions to property, plant and equipment are capitalized at acquisition or production cost. Borrowing costs are not recognized. Production costs include the individually allocable costs incurred from the consumption of goods and the use of services, as well as appropriate portions of the necessary material and production overheads.

Additions to low-value assets up to EUR 250 are recognized directly as other operating expenses. Low-value assets with acquisition costs of between EUR 250 and EUR 800 are capitalized and written off in full immediately in the month they were acquired in and reported as disposals in the Statement of Changes in Non-current Assets in the year of acquisition.

Advance payments on intangible assets and property, plant and equipment are recognized at nominal value.

Financial assets (excluding loans) are measured at cost and loans at nominal value. They are written down to the lower fair value if a permanent impairment is expected.

The development of fixed assets is shown in the Consolidated Statement of Changes in Fixed Assets.

Inventories are measured at the lower of acquisition or production cost and net realizable value. Borrowing costs are not recognized. The acquisition costs of raw materials, consumables and supplies as well as merchandise are determined using the average cost method. In addition to direct costs, the production costs of finished goods and work in progress only include an appropriate share of the necessary material and production overheads and depreciation of fixed assets to the extent that they are attributable to production. Advance payments on inventories are recognized at nominal value.

Receivables and other assets are recognized at nominal value less adequate allowances. Receivables from customers arising from factoring and hire-purchase transactions are carried at present value less specific and general valuation allowances.

Marketable securities are measured at the lower of acquisition cost or fair value as of the balance sheet date. Cash and cash equivalents are recognized at nominal value.

Prepaid expenses include payments that represent expenses after December 31, 2023, for a certain period.

Transactions in foreign currencies are generally recognized at the historical exchange rate at the time of initial recognition. Receivables, other assets, liabilities and cash and cash equivalents denominated in foreign currencies are measured at the mean spot exchange rate on the balance sheet date. The acquisition cost and realization principles are applied for foreign currency items with a remaining term of more than one year. Assets and liabilities of akf group companies are translated into foreign currencies in accordance with the provisions of Section 340 h of the German Commercial Code (HGB).

Reversals of impairment losses pursuant to Section 253 (5) of the German Commercial Code (HGB) are generally recognized.

Provisions are recognized at the settlement amount deemed necessary in accordance with prudent business judgment.

Provisions for pensions and similar obligations take surviving dependents' benefits into account in addition to benefits based on individual and collective commitments. They are recognized based on actuarial calculations taking the 2018G mortality tables of Prof. Dr. Klaus Heubeck into account, which take a generation-dependent life expectancy into consideration, using the projected unit credit method. As part of the Act Implementing the Residential Mortgage Credit Directive, the legislator decided to base pension provisions from 2016 on an average market interest rate for the past ten years published by the Deutsche Bundesbank, based on an assumed remaining term of 15 years. In the reporting year, the actuarial interest rate published for December 2023 was estimated in advance at 1.83 percent (previous year: 1.78 percent) and used to measure pension provisions in order to take current developments on the capital market into account. As of December 31, 2023, the final interest rate of 1.82 percent deviates from the forecast interest rate by 0.01 percentage points. There were no significant effects from the application of the forecast interest rates. A 7-year average interest rate published by the Deutsche Bundesbank was used until December 31, 2015. Based on a 7-year average interest rate, this resulted in a difference of EUR 1.3 million as of December 31, 2023.

The calculation is based on expected pension increases of 2.30 percent (previous year: 2.30 percent) and annual fluctuation depending on the length of service and age that is basically between 1.00 percent and 5.00 percent. In accordance with the pension commitment, the pension beneficiary receives annual components that result in a direct allocation of future benefits to the employee's period of service. As the vested portion of the obligation therefore corresponds to the account balance accrued as of the balance sheet date, it is not necessary to take a salary trend into account.

In principle, the same valuation parameters are used to measure provisions for anniversary bonuses as for pension obligations, with the exception of the growth in eligible remuneration, which is between 2.50 percent and 3.50 percent, and the average market interest rate of the last seven years of 1.75 percent. With regard to provisions for partial retirement (ATZ), term-specific interest rates of 0.99 percent to 1.12 percent are also applied to the ATZ obligations.

An exception is made for obligations arising from time value accounts, which are considered to be retirement benefit obligations with comparable long-term maturities and to which the rules for security-linked pension commitments apply. In this case, in accordance with Section 253 (1) sentence 3 of the German Commercial Code (HGB), they are recognized at the fair value of the plan assets.

If there are plan assets in accordance with Section 246 (2) sentence 2 of the German Commercial Code (HGB), the provision recognized for fair value accounts generally corresponds to the balance of the settlement amount required in accordance with prudent business judgment and the fair value of the plan assets. The fair value of the netted reinsurance claims corresponds to the amortized cost (actuarial reserve plus surplus participation) as reported by the insurer.

Other provisions with a remaining term of more than one year are discounted at the average market interest rate of the past seven financial years corresponding to their remaining term.

Other provisions are measured to take account of identifiable risks and uncertain obligations. Future price and cost increases are taken into account if there is sufficient objective evidence that they will occur.

Liabilities are recognized at their settlement amount. The profit participation rights included in other liabilities are carried at their nominal value. Advance payments received on orders are recognized at their nominal value.

Deferred income mainly includes special lease payments and advance lease payments attributable to future financial years, deferred income relating to the reporting date, and deferred present values of lease receivables sold to banks, which are reversed on a straight-line basis in accordance with the underlying term and, where applicable, following the principle of loss-free measurement.

To offset opposing cash flows and changes in value, assets, liabilities and highly probable forecast transactions in financial instruments are combined (valuation unit). The freezing method is used to account for the effective portions of the valuation units formed. If the requirements for the formation of valuation units are not met, the accounting is based on general valuation principles.

IV. Currency translation

For the foreign subsidiaries outside the euro area included in the Consolidated Financial Statements, the financial statements are translated from the respective local currency into euros using the modified closing rate method. With the exception of equity, which is translated into euros at historical exchange rates, balance sheet items are translated at the average spot exchange rate on the balance sheet date.

The expenses and income from the respective income statements are translated at the average exchange rates for the year 2023 (average of the daily determined average exchange rates from January 1, 2023 – December 31, 2023, published by the information and financial services company Bloomberg L.P.). The resulting difference between the net income translated at the average and closing rates of EUR 0.7 million is recognized directly in equity after reserves in the item “Equity difference from currency translation.” The translation differences resulting from currency fluctuations increased the item “Equity difference from currency translation” by EUR 39.7 million without affecting income. Exchange rate differences arising from the consolidation of foreign currency receivables and liabilities are recognized in other operating expenses in profit or loss. Exchange rate differences arising on the elimination of intercompany profits are recognized directly in equity.

V. Balance sheet date and consolidation principles

The subsidiaries included in the Consolidated Financial Statements have a uniform balance sheet date of December 31. The following principles are applied in consolidating the balance sheets and income statements of the consolidated subsidiaries:

1. Capital consolidation

For acquisitions up until December 31, 2009, capital consolidation was performed using the book value method. For first-time consolidations as of January 1, 2010, capital consolidation is performed using the revaluation method. Under this method, the carrying amounts of the investments are offset against the amount of equity of the subsidiaries attributable to these investments, including reserves and the profit/loss carryforward at the date of acquisition, following a revaluation of the individual balance sheet items to disclose hidden reserves and liabilities.

The remaining positive differences from initial consolidations prior to 2010 were recognized separately in equity. Any negative goodwill arising from these first-time consolidations was already combined with the reserves in previous years due to its reserve character. The debit difference arising in connection with the first-time consolidation of Vorwerk Schweiz AG in financial year 2019 was capitalized as goodwill. Amortization is scheduled over five years due to the use of the customer base and brand name.

The initial consolidation of Neato Robotics, Inc. in financial year 2017 led to the disclosure of hidden reserves. These relate to know-how in the area of development, patents and applications, as well as trademark rights. The valuation of the know-how was based on the residual value method and that of the patents and applications as well as the trademark rights on the basis of the relief-from-royalty method. Following the impairment of the carrying amount of the trademark rights in the previous year, the carrying amount of the patents and applications was written down in the reporting year.

Minority interests in capital and reserves, and in the earnings of consolidated subsidiaries, are reported under the item "Non-controlling interests."

2. Debt consolidation

With regard to the consolidation of liabilities (Section 303 of the German Commercial Code (HGB)), receivables from and payables to Group companies within the scope of consolidation are offset against each other.

3. Profit consolidation

The consolidation of income and expense items in the Consolidated Statement of Income is performed in accordance with Section 305 of the German Commercial Code (HGB). Intercompany sales and the corresponding expenses, as well as other reciprocal expenses and income, from the income statements of the Group companies are offset against each other.

4. Deferred taxes

Deferred taxes are recognized on differences between the carrying amounts of assets and liabilities in the commercial and tax balance sheets to the extent that these will lead to a future tax charge or relief. Deferred taxes are also recognized on any loss and interest carryforwards if they are expected to be utilized within the next five years.

In the Consolidated Financial Statements, use is made of the option to recognize the excess of deferred tax assets over deferred tax liabilities in accordance with Section 274 (1) sentence 2 in conjunction with Section 300 (2) sentence 2 of the German Commercial Code (HGB). Deferred tax assets and liabilities are netted if the requirements are met. For the Consolidated Financial Statements, deferred tax assets and liabilities are reported together with the items pursuant to Section 274 of the German Commercial Code (HGB) (Section 306 sentence 6 HGB).

Deferred taxes are not recognized on tax and commercial law differences arising from the initial recognition of goodwill. In addition, no deferred taxes are recognized on differences between the tax base of an investment in a subsidiary or associate and the carrying amount of the net assets recognized in the Consolidated Financial Statements under commercial law.

As of December 31, 2023, future tax charges and tax credits were calculated on the balance from differences in the carrying amounts in the commercial balance sheet and the tax balance sheet, mainly in respect of receivables from and payables to affiliated companies, inventories, provisions for pensions and other provisions, and loss carryforwards. When calculating taxes for consolidation entries affecting net income in accordance with Section 306 of the German Commercial Code (HGB), a uniform Group average tax rate of 30 percent is generally applied for debt consolidation and the elimination of intercompany profits; otherwise, company-specific tax rates are applied. Deferred taxes in the individual financial statements are calculated on the basis of individual company tax rates of between 13 percent and 33 percent.

In Germany and other countries in which the Vorwerk Group operates, laws were introduced to introduce a minimum global taxation rate of 15 percent. As these laws did not come into force until January 1, 2024, there will be no impact on the Consolidated Financial Statements for 2023. The provision of Section 274 (3) of the German Commercial Code (HGB) on the non-recognition of deferred taxes from the application of domestic or foreign minimum taxation laws must already be applied to the Consolidated Financial Statements as of December 31, 2023, in accordance with Article 91 (2) EGHGB.

Any taxes resulting from the minimum taxation law are to be recognized as actual tax expenses at the time they arise. Based on an initial indicative analysis as of the balance sheet date of December 31, 2023, there are possible effects for the Vorwerk Group from the payment of a Pillar 2 top-up tax for Switzerland, as a local supplementary tax was introduced in Switzerland from 2024 that ensures taxation at an effective tax rate of 15 percent in Switzerland.

VI. Other mandatory disclosures pursuant to Section 314 of the German Commercial Code (HGB) and Notes to individual items of the Consolidated Balance Sheet and the Consolidated Statement of Income

1. Cash and cash equivalents

The items "other securities" and "cash on hand, bank balances and checks" and the shares in the VWUC Fund represent the cash and cash equivalents in the cash flow statement (EUR 1,405.4 million).

2. Provisions

Other provisions include the obligation to employees of the companies arising from working time accounts. The salary components converted under the Group company agreement on the establishment of working time accounts are invested in a reinsurance policy that serves solely to cover the obligation arising from this and is not accessible to other creditors. These cover assets with a fair value of EUR 22.0 million as of December 31, 2023 (which corresponds to the amortized cost), are therefore offset against the obligations from fair value accounts. As the obligation is treated as a security-linked cover obligation, the obligation from fair value accounts corresponds to the fair value of the cover assets. This results in a balance sheet value of zero after offsetting.

in EUR thousand	12/31/2023	12/31/2022
Settlement amount from time value accounts	−21,963.94	−18,745.46
Fair value of plan assets	21,963.94	18,745.46
Net value of obligations from the time value accounts	0.00	0.00
Acquisition cost of plan assets	21,963.94	18,745.46

3. Liabilities

Remaining Terms of Liabilities (RTL)

in EUR thousand	RTL < 1 Y	RTL > 1 Y	thereof RTL > 5 Y	Total
				12/31/2023
Liabilities to banks	153,987	149,320	65	303,307
Liabilities from the deposit business	1,898,279	6,847	3,830	1,905,126
Advance payments received on orders	10,198	1,279	0	11,477
Trade payables	151,980	0	0	151,980
Liabilities to companies in which an equity investment is held	2,852	0	0	2,852
Other liabilities	845,138	14,237	7,264	859,375
Liabilities	**3,062,434**	**171,683**	**11,159**	**3,234,117**
				12/31/2022
Liabilities to banks	460,849	212,215	896	673,064
Liabilities from the deposit business	1,416,280	6,962	3,722	1,423,242
Advance payments received on orders	10,078	1,083	0	11,161
Trade payables	145,560	0	0	145,560
Liabilities to companies in which an equity investment is held	0	0	0	0
Other liabilities	809,955	26,984	16,323	836,939
Liabilities	**2,842,722**	**247,244**	**20,941**	**3,089,966**

Other liabilities include liabilities to shareholders in the amount of EUR 635.1 million (previous year: EUR 625.3 million).

4. Contingent liabilities, other financial commitments and off-balance-sheet transactions

The following contingent liabilities existed on the reporting date:

Contingent liabilities

in EUR thousand	Total 2023	Total 2022
Contingent liabilities from guarantees;	21,048.0	16,117.0
thereof in favor of affiliated companies	0.0	0.0
Joint liability for the pension obligations transferred to the provident fund	42,097.9	45,187.3

The risk of a claim arising from joint liability for the pension obligations transferred to the provident fund can be virtually ruled out, as the provident fund is very likely to be able to meet its obligations from its fund assets in the long term.

The risk of utilization from guarantees in favor of third parties is considered to be low, as this mainly relates to a payment guarantee for the settlement of corporate credit cards and a guarantee in connection with the sale of the hectas Group in 2021, which is secured internally.

Other financial obligations

Commitments under rental and lease agreements as of the balance sheet date amounted to EUR 113.4 million for the following years, EUR 21.7 million of which is due in 2024. Purchase commitments for capital expenditure and repairs to property, plant and equipment amounted to EUR 22.8 million (previous year: EUR 43.2 million). Long-term obligations from contracts with suppliers amounted to EUR 13.3 million on the balance sheet date.

Irrevocable loan commitments at akf bank amounted to EUR 263.1 million (previous year: EUR 222.4 million).

Off-balance-sheet transactions

Among other instruments, akf bank uses an asset-backed commercial paper (ABCP) program to refinance its customer receivables and, in this context, sells customer receivables and thereby transfers all risks and rewards. The receivables sold are removed from the balance sheet at this time. The program runs until further notice and has a volume of EUR 508.2 million, of which all but EUR 176.7 thousand had been utilized as of the balance sheet date.

5. Profit and loss account

Sales including income from lending and leasing transactions

Breakdown by regions in EUR million	2023	2022
Germany	1,341.4	1,243.9
Europe	1,674.0	1,608.8
North and South America	80.2	157.5
Other foreign countries	112.7	161.1
Total	**3,208.3**	**3,171.3**

Breakdown by divisions in EUR million	2023	2022
Home	2,601.6	2,535.4
Thermomix	1,737.3	1,723.5
Kobold	860.5	803.4
Neato Robotics	3.8	8.5
Diversification	570.0	585.9
JAFRA Cosmetics	0.0	89.2
akf group	570.0	496.7
Other	36.7	50.0
Total	**3,208.3**	**3,171.3**

Other operating income

Other operating income includes income relating to other periods from the reversal of provisions and allowances for doubtful accounts amounting to EUR 53.7 million and from the disposal of non-current assets amounting to EUR 6.1 million.

Income from investments

Income from investments includes investment income from affiliated companies in the amount of EUR 0.1 million (previous year: EUR 0.0 million).

Amortization of intangible assets and depreciation of property, plant and equipment

Due to expected permanent impairment, intangible assets and property, plant and equipment amounting to EUR 2.8 million were written down to the lower fair value. This mainly relates to the impairment of patents and applications at Neato Robotics, Inc. in the amount of EUR 2.4 million.

Write-downs of financial assets and marketable securities

Due to expected permanent impairment, financial assets amounting to EUR 21.3 million were written down to the lower fair value in the reporting year.

6. Derivative financial instruments and valuation units

At the Vorwerk Group, commodity swaps and forward exchange transactions are used for hedging purposes in the operating business. The fair value of a derivative financial instrument is the price at which one party would assume the rights and/or obligations arising from this financial instrument from another party. At the Vorwerk Group (excluding akf group), all forward exchange transactions are included in valuation units as of December 31, 2023, in accordance with Section 285 (19) of the German Commercial Code (HGB).

The nominal values of derivative financial instruments are measured at the closing rates on the reporting date. The fair values of forward exchange transactions and forward exchange swaps are determined on the basis of closing rates, taking forward premiums and discounts into account; market rates are used for commodity swaps. The fair values of foreign currency options are measured according to the Black-Scholes option pricing models. The fair values of interest rate hedging instruments (interest rate swaps and options) are determined on the basis of discounted expected future cash flows; the market interest rates applicable for the remaining term of the financial instruments are used.

The Vorwerk Group uses portfolio hedges to hedge currency risks to assets, liabilities and highly probable recurring standard transactions and in this context forms valuation units in accordance with Section 254 of the German Commercial Code (HGB).

As of the balance sheet date, Vorwerk had 84 forward exchange transactions with 7 banks with a total nominal volume of EUR 364.2 million. The net total of the fair values of the forward exchange transactions is derived using the mark-to-market method and amounted to EUR −1.7 million as of the balance sheet date.

In total, the currency risks hedged with valuation units (avoided provisions for impending losses, avoided devaluation of foreign currency receivables and avoided revaluation of foreign currency liabilities) from assets, liabilities and highly probable forecast transactions amounted to EUR 11.2 million.

On the balance sheet date, Vorwerk had two commodity swaps with two banks with a total nominal volume of EUR 2.7 million. The net total of the fair values of the commodity swaps is derived using the mark-to-market method and amounted to EUR 0.05 million on the balance sheet date.

The carrying amount of the hedged assets and liabilities in foreign currency amounts to a total of EUR 32.2 million and can be broken down as follows:

Trade receivables	EUR 20.3 million
Trade payables	EUR 11.9 million

The volume of highly probable forecast transactions in foreign currencies amounted to EUR 332.0 million. The hedged forecast transactions have a high probability of occurrence due to reliable sales, production and purchasing planning.

The changes in the value of the hedged items and hedging instruments are not recognized in the balance sheet until December 2024 using the freezing method. The effectiveness of the valuation units is assessed using the critical term match method.

As of the balance sheet date, akf group had a total of eleven interest rate swaps with three banks with a total nominal volume of EUR 1,115 million. The transactions are allocated to the banking book and serve to hedge interest rates in the banking book. The credit equivalent amount for derivatives of akf bank calculated using the market valuation method is EUR 17.4 million. The total fair value of all derivative transactions is derived using the mark-to-market method and amounted to EUR −4.6 million as of the balance sheet date.

akf bank applies the requirements of the IDW statement on individual issues relating to the loss-free valuation of interest-related transactions in the banking book (IDW RS BFA 3 n.F.). The P&L-oriented valuation of interest-related transactions in the banking book, taking administrative expenses, risk costs and notional refinancing costs into account, did not result in the need to form a provision for impending losses pursuant to Section 340a of the German Commercial Code (HGB) in conjunction with Section 249 (1) (HGB).

7. Information on shares in investment funds

The Vorwerk Group holds 100 percent of the shares in the VWUC Fund. The VWUC Fund is a mixed investment fund under German investment law.

As part of its financial investment strategy, the Vorwerk Group primarily pursues the objective of securing its assets in the long term. The VWUC Fund contributes to this objective with its investments. In order to achieve the investment objective of the fund from a risk diversification perspective, the assets are invested in direct investments or investment funds from the areas of shares, interest-bearing securities and liquidity. In addition, shares can be acquired in open-end and closed-end investment funds in “alternative investments.” These include real estate, infrastructure, absolute return and commodities. The fund may also use securities derivatives and currency instruments to manage and hedge its assets.

Value of shares and differences to the carrying amount

in EUR thousand	Carrying amount	Market value	Difference
VWUC Fund	733,153	716,836	−16,317

Vorwerk received a gross distribution of EUR 6,434 thousand (EUR 0.8007 per share) for the fund's financial year (December 1, 2022 – November 30, 2023).

As no permanent impairment is assumed, no impairment loss was recognized in the VWUC Fund.

Fund shares can be redeemed on any trading day throughout the year.

The Vorwerk Group also holds 50,860 shares in the Aachener Grund-Invest-Fonds. This is a special real estate fund with a conservative, long-term investment strategy geared towards sustainability. The focus is on real estate in traditional shopping locations.

Value of shares and differences to the carrying amount

in EUR thousand	Carrying amount	Market value	Difference
Aachener Grund-Invest-Fonds	5,229	5,341	112

Income of EUR 15 thousand was recognized for the financial year.

The fund shares can be sold subject to a one-year notice period.

The Vorwerk Group also participates in the private equity fund GF Capital Private Equity Fund II with a maximum investment of USD 15 million. This private equity fund invests in medium-sized companies in the consumer goods industry and media companies with an enterprise value of between USD 20 million and USD 150 million. The fund has a term of ten years and the Vorwerk Group's share in this fund is currently as follows:

Value of shares and differences to the carrying amount

in EUR thousand	Carrying amount	Market value	Difference
GF Capital Private Equity Fund II	9,137	9,676	539

The capital invested is tied up in the fund until all investments made are sold.

The GF Capital Private Equity Fund II specializes in the media, consumer and sports sectors. It mainly covers marketing and the staging of events with a high public appeal via company investments (sports/theater/television). The investments in the fund are slowly recovering from the effects of the pandemic.

Furthermore, the Vorwerk Group participates in the private equity fund Euroknights VII No 4 Limited Partnerships with a maximum commitment of EUR 10 million. This private equity fund invests in European companies, primarily in the Benelux countries, France, Germany, Italy, Austria and Switzerland. The investment phase is ten years and the Vorwerk Group's share in this fund is currently as follows:

Value of shares and differences to the carrying amount

in EUR thousand	Carrying amount	Market value	Difference
Euroknights VII No 4	7,462	11,196	3,734

Income of EUR 4 thousand was received for the financial year.

The invested capital is tied up in the fund until 2027.

The Vorwerk Group has held a stake in the DIC Office Balance V real estate fund since 2019. The fund invests in office properties in B locations in A cities or 1A locations in B and C cities. The investment phase is ten years.

The shares of the Vorwerk Group are as follows:

Value of shares and differences to the carrying amount

in EUR thousand	Carrying amount	Market value	Difference
DIC Office Balance V	5,676	5,676	0

Income of EUR 139 thousand was received for the financial year.

The fund units can be redeemed subject to a five-month notice period.

An impairment loss of EUR 208 thousand was recognized in the reporting year.

All fund units are valued at the lower of cost or market throughout the year.

8. Other information

Expenses for auditor's fees in the Group amounted to EUR 563 thousand. For the financial year, EUR 502 thousand was charged for auditing services and EUR 61 thousand for other services.

The highly uncertain geopolitical conditions make planning sales and earnings development extremely difficult. The current economic conditions, particularly with regard to the further development of consumer and investment confidence and the effects of future inflation and the associated interest rate trend, also mean that any forecast for future business development is subject to considerable uncertainty.

With effect from February 18, 2024, the Vorwerk Group sold its shares in Guy Degrenne Industrie SAS, Vire Normandie, France, for a purchase price of EUR 3.0 million.

Beyond this, no events occurred after the balance sheet date worthy of mention that are relevant for assessing the net assets, financial position and results of operations of the Group.

Average number of employees during the year

	2023	2022
Employees*	9,127	9,394
Advisors in direct sales	94,231	213,447
Thermomix	81,501	83,267
Kobold	11,673	11,116
JAFRA Cosmetics	1,057	118,893
Other	0	171

* Including employed advisors

The Executive Board members of the general partner Vorwerk Verwaltung SE, which is entitled and obliged to manage the parent company Vorwerk SE & Co. KG are:

- Dr. Thomas Stoffmehl, Düsseldorf, Chief Sales Officer and Speaker of the Executive Board,
- Hauke Paasch, Wuppertal, Chief Financial Officer,
- Dr. Thomas Rodemann, Essen, Chief Operating Officer.

In accordance with Section 314 (3) sentence 2 of the German Commercial Code (HGB) in conjunction with Section 286 (4) of the German Commercial Code (HGB), the total remuneration of the management in the reporting year is not disclosed.

The remuneration of former board members and their surviving dependents amounted to EUR 356.7 thousand in the reporting year (previous year: EUR 355.1 thousand). Provisions for current pensions of former board members amounted to EUR 3,462 thousand (previous year: EUR 4,815 thousand).

The Supervisory Board of Vorwerk SE & Co. KG is composed as follows:

- Dr. Rainer Hillebrand, Chairman, former Vice Chairman of the Executive Board, Hamburg
- Daniel Christopher Klüser, Vice Chairman, Entrepreneur, Pullach im Isartal
- Dr. Hildegard Bison, member of the Supervisory Board, Düsseldorf
- Frank Losem, Managing Director of Finance, Baldham
- Dr. Jörg Mittelsten Scheid, Honorary Chairman of the Supervisory Board, Wuppertal
- Dr. Timm Christian Mittelsten Scheid, Geographer, Munich
- Dr. Stefan Nöken, former member of the Supervisory Board/Administrative Board, Mörschwil/Switzerland
- Wolfgang Roberto Kölker, Executive Director of Human Resources & Corporate Services, Wuppertal

The remuneration granted for the activities of the Supervisory Board amounted to EUR 700 thousand.

Wuppertal, March 15, 2024

Dr. Thomas Stoffmehl **Hauke Paasch** **Dr. Thomas Rodemann**

Development of fixed assets

from January 1 to December 31, 2023

in EUR thousand	Gross amounts					
	Balance on 01/01/2023	Currency differences and effects of changes in the scope of consoli- dation	Additions	Disposals	Transfers	Balance on 12/31/2023
I. Intangible assets						
1. Concessions acquired against payment, industrial property rights and licenses to such rights and assets	211,401	−1,596	12,007	1,895	2,615	222,532
2. Goodwill	7,351	0	0	0	0	7,351
3. Prepayments made on intangible assets	1,147	0	8,458	0	2,589	12,194
	219,899	**−1,596**	**20,465**	**1,895**	**5,204**	**242,077**
II. Property, plant and equipment						
1. Plots of land, leasehold rights and buildings, including buildings on another party's property	295,462	4,406	7,520	3,745	1,983	305,626
2. Technical equipment and machinery	471,960	−1,381	9,041	17,039	9,747	472,328
3. Other equipment, office and operating equipment	139,965	422	8,756	5,160	1,204	145,187
4. Rental assets	1,292,096	0	478,542	353,513	4,413	1,421,538
5. Prepayments made and assets under construction	38,678	−126	50,849	2,019	−22,551	64,831
	2,238,161	**3,321**	**554,708**	**381,476**	**−5,204**	**2,409,510**
III. Financial assets						
1. Shares in affiliated companies	28,620	0	3,130	2,849	52	28,953
2. Shareholdings in associates	35	0	0	0	0	35
3. Other investments	170,338	0	21,757	6,150	1,863	187,808
4. Loans to companies with which a shareholding relationship exists	10,323	0	4,415	130	−1,915	12,693
5. Securities held as fixed assets	1,154,312	0	4,667	126,240	0	1,032,739
6. Other loans and other financial assets	44,058	0	4,374	442	0	47,990
	1,407,686	**0**	**38,343**	**135,811**	**0**	**1,310,218**
	3,865,746	**1,725**	**613,516**	**519,182**	**0**	**3,961,805**

	Accumulated depreciation					Net amounts	
	Balance on 01/01/2023	**Currency differences and effects of changes in the scope of consoli-dation**	**Additions**	**Disposals**	**Balance on 12/31/2023**	**Balance on 12/31/2023**	**Balance on 12/31/2022**
	165,390	−1,450	26,143	1,638	188,445	34,087	46,011
	6,362	0	989	0	7,351	0	989
	0	0	0	0	0	12,194	1,147
	171,752	**−1,450**	**27,132**	**1,638**	**195,796**	**46,281**	**48,147**
	87,644	−292	10,869	3,631	94,590	211,036	207,818
	381,414	−923	28,666	15,822	393,335	78,993	90,546
	105,033	275	10,960	3,645	112,623	32,564	34,932
	480,405	−4	216,477	206,742	490,136	931,402	811,691
	1,504	−35	0	1,469	0	64,831	37,174
	1,056,000	**−979**	**266,972**	**231,309**	**1,090,684**	**1,318,826**	**1,182,161**
	6,310	0	0	2,830	3,480	25,473	22,310
	0	0	0	0	0	35	35
	14,536	0	15,887	0	30,423	157,385	155,802
	2,154	0	2,417	0	4,571	8,122	8,169
	4,974	0	2,986	26	7,934	1,024,805	1,149,338
	0	0	0	0	0	47,990	44,058
	27,974	**0**	**21,290**	**2,856**	**46,408**	**1,263,810**	**1,379,712**
	1,255,726	**−2,429**	**315,394**	**235,803**	**1,332,888**	**2,628,917**	**2,610,020**

List of companies belonging to the Group

as of December 31, 2023

	Local currency	Subscribed capital	Equity	Direct or indirect shareholding of the parent company in %
1. Companies included in the Consolidated Financial Statements according to the principles of full consolidation				
a) Domestic companies				
Vorwerk Elektrowerke GmbH & Co. KG, Wuppertal	EUR	DEM 18,000,000.00	76,789,890.90	100.0
Vorwerk Deutschland Stiftung & Co. KG, Wuppertal	EUR	DEM 7,100,000.00	33,109,624.74	100.0
Nexaro GmbH, Wuppertal	EUR	25,000.00	11,024,975.00	100.0
Vorwerk Temial GmbH, Wuppertal	EUR	500,000.00	10,725,342.66	100.0
Vorwerk Elektrowerke Verwaltungs GmbH, Wuppertal	EUR	DEM 250,000.00	404,964.42	100.0*16
Vorwerk Direct Selling Ventures GmbH, Wuppertal	EUR	100,000.00	166,477,589.51	100.0
VDSV one GmbH, Wuppertal	EUR	25,000.00	5,678,530.58	100.0
Vorwerk & Co. Interholding GmbH, Wuppertal	EUR	DEM 6,000,000.00	477,699,788.18	100.0
Vorwerk & Co. Vermietungs GmbH, Wuppertal	EUR	DEM 30,000,000.00	55,941,866.88	100.0
Grundstücksgesellschaft BWR mbH, Wuppertal	EUR	DEM 50,000.00	36,831.23	100.0
akf bank Beteiligungs GmbH, Wuppertal	EUR	52,000.00	55,759.84	100.0*17
akf bank GmbH & Co KG, Wuppertal	EUR	11,000,000.00	212,400,000.00	100.0
akf leasing GmbH & Co KG, Wuppertal	EUR	1,100,000.00	9,546,084.41	100.0
akf leasing Beteiligungs GmbH, Wuppertal	EUR	26,000.00	21,444.55	100.0*18
Vorwerk & Co. eins GmbH, Wuppertal	EUR	10,000,000.00	360,274,885.06	100.0
Vorwerk Europe GmbH, Wuppertal	EUR	25,000.00	15,556.98	100.0
Aug. Mittelsten Scheid & Söhne GmbH, Wuppertal	EUR	100,000.00	573,867,517.12	100.0
akf servicelease GmbH, Wuppertal	EUR	4,000,000.00	4,000,000.00	100.0
Vorwerk & Co. vier GmbH, Wuppertal	EUR	25,000.00	36,451,348.51	100.0
Vorwerk & Co. vierzehn GmbH, Wuppertal	EUR	25,000.00	3,078,723.47	100.0
Vorwerk & Co. neun GmbH, Wuppertal	EUR	25,000.00	23,640,440.73	100.0
Vorwerk Services GmbH, Wuppertal	EUR	1,001,000.00	23,559,941.34	100.0
Vorwerk & Co. zehn GmbH, Wuppertal	EUR	500,000.00	443,314.48	100.0
Vorwerk & Co. elf GmbH, Wuppertal	EUR	25,000.00	16,191.06	100.0*19
Vorwerk & Co. zwölf GmbH, Wuppertal	EUR	25,000.00	184,686.22	100.0
Vorwerk & Co. elf Immobilien-Verwaltungsgesellschaft mbH & Co. KG, Wuppertal	EUR	1,000.00	9,694,865.85	100.0
Pioneer Studio 1883 GmbH, Wuppertal	EUR	25,000.00	25,780.81	100.0
Vorwerk Logistik GmbH, Wuppertal	EUR	25,000.00	20,194.59	100.0
Vorwerk & Co. sechzehn GmbH, Wuppertal	EUR	25,000.00	25,804.95	100.0
Vorwerk Verwaltung SE, Wuppertal	EUR	120,000.00	156,000.00	100.0
Jafra Germany Management GmbH i.L., Wuppertal	USD	0.00	0.00	0.0*3
Neato Robotics Europe GmbH, Wuppertal	EUR	25,000.00	24,763.83	100.0
Vorwerk Ventures III GmbH & Co. KG, Berlin	EUR	1,400.00	89,049,454.02	86.9
Vorwerk Ventures IV GmbH & Co. KG, Berlin	EUR	2,100.00	19,071,893.45	85.4

	Local currency	Subscribed capital	Equity	Direct or indirect shareholding of the parent company in %
b) Foreign companies				
akf equiprent S.A.U., Madrid, Spain	EUR	1,005,000.00	601,192.81	100.0
akf leasing Polska S.A., Warsaw, Poland	PLN	31,000,000.00	−23,884,598.01	100.0
Vorwerk France soc.com.s., Nantes, France	EUR	1,635,200.00	4,138,439.95	100.0
Vorwerk Semco S.A.S., Cloyes, France	EUR	520,000.00	90,963,750.01	100.0
Vorwerk Espana M.S.L., S.C., Madrid, Spain	EUR	240,404.84	3,035,271.59	100.0
Vorwerk Italia s.a.s. di Vorwerk Management s.r.l., Milan, Italy	EUR	3,821,000.00	44,232,325.23	100.0
Vorwerk Austria GmbH & Co. KG, Vienna, Austria	EUR	726,728.34	17,024,543.91	100.0
Vorwerk Premium L.da, Carnaxide, Lisbon, Portugal	EUR	250,000.00	2,081,499.94	100.0
Vorwerk CS správni spol. s.r.o., Prague, Czech Republic	CZK	5,000,000.00	32,539,569.66	100.0*20
Vorwerk Polska Sp.z o.o.Sp.k., Wroclaw, Poland	PLN	360,379.57	90,859,146.17	100.0
Vorwerk Gérance SARL, Nantes, France	EUR	7,500.00	10,496.27	100.0*21
Vorwerk Holding Ges.m.b.H., Vienna, Austria	EUR	36,336.42	124,310.66	100.0*22
Vorwerk Espana Management S.L.U., Madrid, Spain	EUR	3,010.00	1,027,203.92	100.0*23
Vorwerk CS k.s., Prague, Czech Republic	CZK	1,000,000.00	148,653,146.56	100.0
Vorwerk Household Appliances Co. Ltd, Shanghai, China	CNY	USD 10,500,000.00	139,588,309.77	100.0
Vorwerk Household Appliances Manufacturing Co. Ltd, Shanghai, China	CNY	84,230,870.43	154,087,824.84	100.0
Vorwerk Polska Sp. z o.o., Wroclaw, Poland	PLN	140,000.00	1,008,207.55	100.0
Vorwerk Asia GmbH, Taiwan Branch, Taipei, Taiwan	TWD	52,000,000.00	80,300,825.00	100.0
Vorwerk Manufacturing Co, Ltd, Shanghai, China	CNY	16,000,000.00	171,427,818.28	100.0
Vorwerk Information Technology (Shanghai) Co, Ltd, Shanghai, China	CNY	1,000,000.00	84,300.81	50.0*1, 2
Vorwerk México S. de R.L. de C.V., Mexico City, Mexico	MXN	1,268,990,000.00	1,371,614,872.91	100.0
Vorwerk UK Limited, Sunninghill, Ascot, United Kingdom of Great Britain and Northern Ireland	GBP	6,000,000.00	5,821,497.02	100.0
Vorwerk (US), Inc., Camden, DE, USA	USD	50,000.00	41,036,636.49	100.0
Vorwerk, LLC, Camden, DE, USA	USD	25,000.00	10,510,887.84	100.0
Vorwerk Turkey Ev Aletleri Limited Sirketi, Istanbul, Turkey	TRL	76,210,000.00	136,098,496.07	100.0
Vorwerk Canada, Ltd, Vancouver, Canada	CAD	100.00	6,600,316.88	100.0
Vorwerk Schweiz AG, Dierikon, Switzerland	CHF	100,000.00	3,986,751.07	100.0
Neato Robotics, Inc., San José, CA, USA	USD	6.00	8,227,102.61	100.0
Neato Robotics Co, Ltd, Tokyo, Japan	JPY	0.00	0.00	0.0*4
Dongguan Neato Robotics Trading Limited, Dongguan, China	USD	280,000.00	18,669.09	100.0
Neato Limited, Reading, United Kingdom of Great Britain and Northern Ireland	GBP	1,000.00	−7,617.82	100.0
Neato AB, San José, CA, USA	SEK	0.00	0.00	0.0*4
Neato s.r.l., Milan, Italy	EUR	10,000.00	39,277.43	100.0

	Local currency	Subscribed capital	Equity	Direct or indirect shareholding of the parent company in %
Neato B.V., Schiphol, Netherlands	EUR	1.00	78,347.76	100.0
Vorestate Corp., DE, USA	USD	1.00	254,524.40	100.0
Vorwerk Lux (Far East) Ltd, Taiwan Branch, Taipei, Taiwan	TWD	52,000,000.00	109,105,769.00	100.0
Vorwerk Lux (Far East) Ltd, Hong Kong, China	HKD	5,120,000.00	−83,304,636.22	100.0
Jafra S.A., Luxembourg, Luxembourg	EUR	30,000.00	30,420.29	100.0
Jafra Worldwide Holdings (Lux) S.a.R.l., Luxembourg, Luxembourg	EUR	12,000.00	86,067.09	100.0
CDRJ Europe Holding Company B.V., Amsterdam, Netherlands	EUR	0.00	0.00	0.0[*3]
Jafra Cosmetics International B.V., Amsterdam, Netherlands	EUR	0.00	0.00	0.0[*3]
PT Jafra Cosmetics Indonesia, Jakarta, Indonesia	IDR	0.00	0.00	0.0[*5]
Jafra Holding Company B.V., Amsterdam, Netherlands	EUR	0.00	0.00	0.0[*3]
Newbrand Cosméticos do Brasil Ltda, São Paulo, Brazil	BRL	0.00	0.00	0.0[*4]
Vorwerk International AG, Wollerau, Switzerland	CHF	1,000,000.00	7,746,042.53	100.0
Vorwerk International & Co. KMG, Wollerau, Switzerland	EUR	CHF 50,000,000.00	471,548,139.68	100.0
Vorwerk Asia GmbH, Wollerau, Switzerland	EUR	CHF 240,000	2,269,614.85	100.0
Vorwerk Management s.r.l., Milan, Italy	EUR	1,000,000.00	8,196,018.81	100.0[*24]
CLOSe Logistics s.r.l., Milan, Italy	EUR	90,000.00	1,008,153.51	100.0
Vorwerk Services Pte. ltd, Singapore, Singapore	SGD	1,300,000.00	2,128,035.66	100.0
Vorwerk IT Services Iberica, S.L., Madrid, Spain	EUR	23,000.00	16,247.20	100.0
Vorwerk IT Services Iberica, S.L.S. Com., Madrid, Spain	EUR	97,000.00	720,994.86	100.0

	Local currency	Subscribed capital	Equity	Direct or indirect shareholding of the parent company in %
2. Companies not included in the Consolidated Financial Statements (pursuant to Section 296 para. 2 German Commercial Code (HGB))				
Mobil Vermietungs GmbH & Co. KG, Wuppertal	EUR	52,000.00	42,725.30	100.0[*13]
akf servicelease Espana S.L., Madrid, Spain	EUR	0.00	0.00	0.0[*4]
akf rent GmbH, Wuppertal	EUR	25,000.00	25,000.00	100.0[*13]
akf abo GmbH, Wuppertal	EUR	25,000.00	22,849.43	100.0[*13]
Vorwerk (Malaysia) SDN BHD i.L., Kuala Lumpur, Malaysia	MYR	0.00	0.00	0.0[*4]
Vorwerk Hellas Single Member S.A, Athens, Greece	EUR	40,000.00	39,822.38	100.0[*1]
Vorwerk Ellas L.P., Athens, Greece	EUR	1,000,000.00	885,418.38	100.0[*1]
Jafra International (Thailand) Ltd. i.L., Bangkok, Thailand	THB	139,620,000.00	0.00	100.0
Competo Development Fonds No. 7 Verwaltungs GmbH, Wuppertal	EUR	25,000.00	26,584.23	100.0[*8, 25]
Competo Development Fonds No. 7 GmbH & Co. KG, Wuppertal	EUR	1,000.00	22,506,468.57	100.0[*8]
HT Löwentorstudios Objekt Stuttgart GmbH & Co. KG, Hamburg	EUR	12,001,000.00	9,671,207.84	80.8[*13]
3. Other investments not included in the Consolidated Financial Statements				
CenturyBiz GmbH, Nuremberg	EUR	50,000.00	−24,125.30	32.5[*10]
Century-License HKV GbR, Rückersdorf	EUR	3.00	1,348,836.83	33.3[*10]
Mädchenflohmarkt GmbH, Stuttgart	EUR	165,414.00	−2,186,655.69	35.7[*11]
Horizn Studios GmbH, Berlin	EUR	260,872.00	5,717,035.03	27.4[*12]
AGRI TEC LEASING (ATL) Vermietungs- & Leasing GmbH, Wuppertal	EUR	25,000.00	56,493.79	40.0[*13, 15]
Agrar Service Renting GmbH, Leinfelden/Echterdingen	EUR	25,000.00	39,713.42	40.0[*13, 15]
AMS Agrar Miet Service GmbH, Wuppertal	EUR	25,000.00	39,310.77	20.0[*13, 15]
LMS Landtechnik Miet Service GmbH, Wuppertal	EUR	25,000.00	31,601.94	40.0[*13, 15]
DEGRENNE S.A.S., Vire/France	EUR	23,627,744.50	57,924,000.00	30.0[*9, 15]
Family Value Real Estate GmbH, Leipzig	EUR	25,000.00	11,757.17	40.0[*10, 15]

	Local currency	Subscribed capital	Equity	Direct or indirect shareholding of the parent company in %
4. Other financial assets not included in the Consolidated Financial Statements				
Hamburg Trust HTG Deutschland 18 GmbH & Co. geschlossene Investment KG, Hamburg	EUR	1,455,050.00	21,098,957.29	27.5*8
MIB MP Leipzig S.à.r.l., Luxembourg, Luxembourg	EUR	15,000.00	233,302.70	36.7*8
CONREN Land Cuatro Beteiligungs GmbH, Frankfurt/Main	EUR	25,000.00	5,959,694.41	28.0*11
Park Side Oberbilker Allee Verwaltungs GmbH, Düsseldorf	EUR	25,000.00	26,152.28	27.5*10, 26
Park Side Oberbilker Allee GmbH & Co. KG, Düsseldorf	EUR	25,000.00	31,169.92	27.5*10

*1 Company was founded in 2023
*2 Company was consolidated for the first time in 2023
*3 Company was merged in 2023
*4 Company was dissolved in 2023
*5 Company was sold in 2023
*8 Figures according to the 2022 Annual Financial Statements
*9 Figures according to the Annual Financial Statements as of March 31, 2023
*10 Figures according to the 2021 Annual Financial Statements
*11 Figures according to the 2020 Annual Financial Statements
*12 Figures according to 2019 Annual Financial Statements
*13 Figures according to the 2023 preliminary Annual Financial Statements
*15 Associates are recognized at cost
*16 The company is the personally liable shareholder of Vorwerk Elektrowerke GmbH & Co. KG, Wuppertal
*17 The company is the personally liable partner of akf bank GmbH & Co. KG, Wuppertal
*18 The company is the personally liable partner of akf leasing GmbH & Co. KG, Wuppertal
*19 The company is the personally liable partner of Vorwerk & Co. elf Immobilien-Verwaltungsgesellschaft mbH & Co. KG, Wuppertal
*20 The company is the personally liable partner of Vorwerk CS k.s., Prague, Czech Republic
*21 The company is the personally liable partner of Vorwerk France soc.com.s., Nantes, France
*22 The company is the personally liable partner of Vorwerk Austria GmbH & Co. KG, Vienna, Austria
*23 The company is the personally liable partner of Vorwerk Espana M.S.L., S.C., Madrid, Spain
*24 The company is the personally liable shareholder of Vorwerk Italia s.a.s. di Vorwerk Management s.r.l., Milan, Italy
*25 The company is the personally liable partner of Competo Development Fonds No. 7 GmbH & Co. KG, Wuppertal
*26 The company is the personally liable partner of Park Side Oberbilker Allee GmbH & Co. KG, Düsseldorf

Consolidated Statement of Cash Flows

for the Financial Year from January 1 to December 31, 2023

in EUR thousand		2023	2022
	Consolidated net income	**133,141**	**45,179**
+	Depreciation and amortization of non-current assets	315,394	314,936
–	Decrease in provisions	−24,632	−15,716
+/–	Other non-cash-effective expenses/income	2,282	31,936
–	Increase in inventories, trade receivables and other assets not attributable to investing or financing activities	−116,539	−109,982
–/+	Decrease/increase in trade payables and other liabilities not attributable to investing or financing activities	548,032	−62,077
–/+	Gain/loss on the disposal of fixed assets	2,324	−26,372
+/–	Interest expense/income	−2,215	7,547
–	Income from other securities and loans held as financial assets	−8,733	−20,419
–	Other income from investments	−1,004	−707
+	Income tax expense	52,096	67,762
–	Income tax payments	−56,346	−62,704
	Cash flows from operating activities	**843,800**	**169,383**
+	Proceeds from disposals of intangible assets	257	1,494
–	Cash outflows for investments in intangible assets	−20,465	−10,196
+	Proceeds from disposals of property, plant and equipment	147,924	141,244
–	Cash outflows for investments in property, plant and equipment	−554,708	−435,656
+	Proceeds from disposals of financial assets	132,873	25,097
–	Payments for investments in financial assets	−38,343	−47,030
+	Payments from disposals from the scope of consolidation	0	219,820
+	Income received from other securities and loans held as financial assets	8,733	20,419
+	Interest received	20,525	14,333
+	Dividends received	1,004	707
	Cash flows from investing activities	**−302,200**	**−69,768**
–	Payments to the shareholders of the parent company	−46,760	−115,461
+	Proceeds from (financial) loans taken out	0	57,132
–	Cash outflow from repayment of (financial) loans	−369,757	−70,474
–	Interest paid	−16,115	−16,125
	Cash flow from financing activities	**−432,632**	**−144,928**
	Cash-effective changes in cash and cash equivalents	108,968	−45,313
+/–	Effect of exchange rate changes on cash and cash equivalents	2,707	−5,541
+/–	Change in cash and cash equivalents due to changes in the scope of consolidation	0	−15,892
+	Cash and cash equivalents as of 01/01	1,293,732	1,360,478
	Cash and cash equivalents as of 12/31*	**1,405,407**	**1,293,732**

* Cash and cash equivalents consist of the items “other securities,” “cash on hand,” “bank balances and checks” and shares in the VWUC Fund

Development of Group equity

from January 1 to December 31, 2023

	Equity of the parent company					
	Capital shares					
in EUR thousand	Capital shares of the limited partners	Capital share of the silent partner	Statutory reserves of Vorwerk SE & Co. KG	Equity difference from currency translation	Consolidated net profit	Total
Consolidated total comprehensive income						
Balance on 01/01/2022	**26,300**	**23,950**	**646,257**	**11,843**	**753,820**	**1,462,170**
Appropriation of earnings						
Increase/reduction in capital shares						
Credit to shareholder accounts in borrowed capital			−100,000		−47,756	−147,756
Transfers to/withdrawals from reserves			49,738		−49,738	0
Currency translation				20,431		20,431
Other changes						
Changes to the scope of consolidation				11,466		11,466
Consolidated net income					45,970	45,970
Consolidated total comprehensive income						
Balance on 12/31/2022 / 01/01/2023	**26,300**	**23,950**	**595,995**	**43,740**	**702,296**	**1,392,281**
Appropriation of earnings						
Increase/reduction in capital shares						
Credit to shareholder accounts in borrowed capital			−721		−46,154	−46,875
Transfers to/withdrawals from reserves			51,036		−51,036	0
Currency translation				−10,130		−10,130
Other changes						0
Changes to the scope of consolidation				6,759		6,759
Consolidated net income					134,897	134,897
Consolidated total comprehensive income						
Balance on 12/31/2023	**26,300**	**23,950**	**646,310**	**40,369**	**740,003**	**1,476,932**

	Non-controlling interests			Group equity
	Non-controlling interests before profit for the year	Gains/losses attributable to non-controlling interests	Total	Total
	10,063	**2,373**	**12,436**	**1,474,606**
		−3,537	−3,537	−3,537
	4,620		4,620	4,620
				−147,756
	−1,164	1,164		0
				20,431
				0
				11,466
		−791	−791	45,179
	13,519	**−791**	**12,728**	**1,405,009**
		−298	−298	−298
	3,780		3,780	3,780
				−46,875
	−1,089	1,089	0	0
				−10,130
				0
				6,759
		−1,756	−1,756	133,141
	16,210	**−1,756**	**14,454**	**1,491,386**

Independent Auditor’s Report

To Vorwerk SE & Co. KG, Wuppertal

Audit assessments

We have audited the Consolidated Financial Statements of Vorwerk SE & Co KG, Wuppertal, and its subsidiaries (the Group), which comprise the Consolidated Balance Sheet as of December 31, 2023, the Consolidated Statement of Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the financial year from January 1 to December 31, 2023, and the Notes to the Consolidated Financial Statements, including the presentation of the accounting policies. In addition, we have audited the Group Management Report of Vorwerk SE & Co. KG for the financial year from January 1 until December 31, 2023.

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

- the accompanying Consolidated Financial Statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the Asset and Financial Position of the Group as of December 31, 2023, and its Earnings Position for the financial year from January 1 to December 31, 2023, and

- the accompanying Group Management Report as a whole provides a suitable view of the Group’s position. In all material respects, this Group Management Report is consistent with the Consolidated Financial Statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322, para. 3 sentence 1 of the German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the Consolidated Financial Statements and of the Group Management Report.

Basis for the audit opinions

We conducted our audit of the Consolidated Financial Statements and of the Group Management Report in accordance with Section 317 HGB and German generally accepted standards for the audit of Financial Statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report” section of our Auditor’s Report. We are independent of the Group companies in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the Consolidated Financial Statements and on the Group Management Report.

Other information

The legal representatives are responsible for the other information.

The other information comprises the report on the 140th financial year – without any further cross-references to external information – with the exception of the audited Consolidated Financial Statements, the audited Group Management Report and our Auditor’s Report.

Our opinions on the Consolidated Financial Statements and on the Group Management Report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

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

- is materially inconsistent with the Consolidated Financial Statements, with the Group Management Report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Management's Responsibility for the Consolidated Financial Statements and the Group Management Report

Management is responsible for the preparation of the Consolidated Financial Statements that comply, in all material respects, with the requirements of German commercial law, and that the Consolidated Financial Statements give a true and fair view of the Asset, Financial and Earnings Position of the Group in compliance with German legally required accounting principles. In addition, management is responsible for such internal control as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud (i.e. accounting fraud or error) or error.

In preparing the Consolidated Financial Statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. Furthermore, they are responsible for disclosing, as applicable, matters related to a going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there are factual or legal circumstances to the contrary.

Furthermore, management is responsible for the preparation of the Group Management Report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the Consolidated Financial Statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the legal representatives are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a Group Management Report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the Group Management Report.

Auditor's responsibilities for the audit of the Consolidated Financial Statements and of the Group Management Report

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and German generally accepted standards for the audit of Financial Statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or taken together, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements and the Group Management Report.

We exercise professional judgment and maintain professional skepticism throughout the audit. In addition,

- we identify and assess the risks of material misstatement of the Consolidated Financial Statements and of the Group Management Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud can involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- we obtain an understanding of internal control relevant to the audit of the Consolidated Financial Statements and of arrangements and measures (systems) relevant to the audit of the Group Management Report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

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

- we conclude on the appropriateness of the legal representatives' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that could cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the Auditor's Report to the related disclosures in the Consolidated Financial Statements and in the Group Management Report or, if such disclosures are inadequate, to modify our respective opinions. We draw our conclusions on the basis of the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions could cause the Group to cease to be able to continue as a going concern.

- we evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements present the underlying transactions and events in a manner that the Consolidated Financial Statements give a true and fair view of the Asset, Financial and Earnings Position of the Group in compliance with German legally required accounting principles.

- we obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the Consolidated Financial Statements and on the Group Management Report. We are responsible for the direction, supervision and performance of the audit of the Consolidated Financial Statements. We are solely responsible for our audit opinions.

- we evaluate the consistency of the Group Management Report with the Consolidated Financial Statements, its conformity with German law, and the view of the Group's position it provides.

- we perform audit procedures on the prospective information presented by the legal representatives in the Group Management Report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the legal representatives as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

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

Essen, March 15, 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Uwe Rittmann	**Heike Böhle**
Certified Public Accountant	Certified Public Accountant

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