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CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements

Income Statement

(in € million)

	Note	2021	2022
Sales	01	7,627	8,799
Cost of goods sold	02	-3,267	-3,842
Gross profit		4,360	4,957
Marketing and selling expenses	03	-2,675	-2,998
Research and development expenses	04	-268	-291
General and administrative expenses	05	-448	-524
Other operating income	06	243	266
Other operating expenses	07	-279	-318
Operating result (EBIT)		933	1,092
Interest income	08	32	36
Interest expense	08	-14	-16
Net pension result	08	-8	-10
Other financial result	08	-36	-6
Financial result	08	-26	4
Profit before tax		907	1,096
Income taxes	09	-252	-325
Profit after tax		655	771
Of which attributable to			
- Equity holders of Beiersdorf AG		638	755
- Non-controlling interests		17	16
Basic/diluted earnings per share (in €)	10	2.81	3.33

Statement of Comprehensive Income

 $(in \in million)^1$

	2021	2022
Profit after tax	655	771
Other comprehensive income that will be reclassified subsequently to profit or loss	35	70
Remeasurement of cash flow hedges	-12	28
Remeasurement of securities	-2	-12
Exchange differences	49	54
Other comprehensive income that will not be reclassified subsequently to profit or loss	118	317
Remeasurement of defined benefit pension plans	110	314
Change in fair value of equity instruments measured through other comprehensive income	8	3
Other comprehensive income	153	387
Total comprehensive income	808	1,158
Of which attributable to		
- Equity holders of Beiersdorf AG	791	1,143
- Non-controlling interests	17	15

¹ Net of tax.

Balance Sheet

(
Assets	Note	Dec. 31, 2021	Dec. 31, 2022
Intangible assets	11	538	1,111
Property, plant, and equipment	12	1,845	2,201
Non-current securities	16	3,937	3,184
Other non-current assets	15	56	52
Deferred tax assets	09	292	258
Non-current assets		6,668	6,806
Inventories	13	1,144	1,557
Trade receivables	14	1,306	1,508
Other current financial assets	15	124	147
Income tax receivables	09	207	205
Other current assets	15	198	239
Current securities -	16	616	771
Cash and cash equivalents	17	1,036	1,080
Non-current assets and disposal groups held for sale	15	-	35
Current assets		4,631	5,542
		11,299	12,348
Equity and liabilities	Note	Dec. 31, 2021	Dec. 31, 2022
Share capital	19	252	252
Additional paid-in capital		47	47
		6,879	
Retained earnings		-307	7,725
Accumulated other comprehensive income			
Equity attributable to equity holders of Beiersdorf AG		6,871	7,785
Non-controlling interests			
Equity Provisions for pagings and other pagt ampleument		6,894	7,805
Provisions for pensions and other post-employment benefits	26	808	382
Other non-current provisions	27	127	146
Non-current financial liabilities	28	106	117
Other non-current liabilities	28	1	_
Deferred tax liabilities	09	38	137
Non-current liabilities		1,080	782
Other current provisions	27	582	614
Income tax liabilities	09	160	183
Trade payables	28	1,973	2,328
Other current financial liabilities	28	501	525
Other current liabilities	28	109	111
Current liabilities		3,325	3,761
Current nabilities		3,323	3,701

Cash Flow Statement

Profit after tax 655 771 Reconciliation of profit after tax to not cash flow from operating activities 252 325 Income taxes 252 325 Financial result 26 4 Income taxes paid 305 312 Depreciation and amortization 287 287 Change in non-current provisions (excluding interest components and changes recognized in OCI) 9 22 Gins cash flow 897 1,084 Change in inventories 418 399 Provents for inventories and other assets 419 52 Payments for inventories and contractives 41 54		2021	2022
Income taxes 252 325 Financial result 26	Profit after tax	655	771
Financial result 26 -4 Income taxes paid -305 -312 Depreciation and amortization 287 287 Change in non-current provisions (excluding interest components and changes recognized in OCI) -9 -5 Gain/loss on disposal of property, plant, and equipment, and intangible assets -9 -5 Gross cash flow 897 1,084 Change in inventories -145 -395 Change in inventories -145 -395 Change in inventories -145 -395 Change in receivables and other assets -195 -288 Change in inselidities and current provisions 436 396 Net cash flow from operating activities 993 797 Investments in property, plant, and equipment, and intangible assets -413 -548 Payments for acquisitions (net of cash acquired)	Reconciliation of profit after tax to net cash flow from operating activities		
Depreciation and amortization 287 288 288 288 288 288 288 288 288 288 288 288 288 288 288 289 288 288 288 289 288 289 288 289 28	Income taxes	252	325
Depreciation and amortization 287 287 Change in non-current provisions (excluding interest components and changes recognized in OCI) 9 22 Gain/loss on disposal of property, plant, and equipment, and intangible assets -9 -5 Gross cash flow 897 1.084 Change in inventories -145 -395 Change in receivables and other assets -195 -288 Change in liabilities and current provisions 436 396 Net cash flow from operating activities 993 797 Investments in property, plant, and equipment, and intangible assets in property, plant, and equipment, and intangible assets in property, plant, and equipment, and intangible assets -413 -548 Payments for investments in associated companies and other investments 5 -7 Permoceeds from the sale of property, plant, and equipment, and intangible assets 45 29 Proceeds from the sale of property, plant, and equipment, and intangible assets 45 29 Proceeds from the sale of property, plant, and equipment, and intangible assets 45 29 Proceeds from the sale of subsidiaries (net of cash disposed) 10 10 10	Financial result	26	-4
Change in non-current provisions (excluding interest components and changes recognized in OCI) 9 2.2 Gross cash flow 897 1.084 Change in inventories 1-145 935 Change in inventories 1-145 935 Change in receivables and other assets 1-195 288 Change in liabilities and current provisions 436 396 Net cash flow from operating activities 993 797 Investments in property, plant, and equipment, and intangible assets 413 -548 Payments for acquisitions (net of cash acquired) Payments for investments in associated companies and other investments -5 -7 Payments for investments in associated companies and other investments 45 29 Proceeds from the sale of property, plant, and equipment, and intangible assets 45 29 Proceeds from the sale of property, plant, and equipment, and intangible assets 45 29 Proceeds from the sale of subsidiaries (net of cash disposed) 10 10 Proceeds from the sale of subsidiaries (net of cash disposed) 10 10 Proceeds from the sale of ass	Income taxes paid	-305	-312
recognized in OCI) Gain/loss on disposal of property, plant, and equipment, and intangible assets Gross cash flow Reproseds flow Change in inventories Change in receivables and other assets Change in liabilities and current provisions Net cash flow from operating activities Payments for acquisitions (net of cash acquired) Payments for acquisitions (net of cash acquired) Payments for acquisitions (net of cash acquired) Payments to acquire securities Payments to acquire securities Proceeds from the sale of property, plant, and equipment, and intangible assets 4.11 Proceeds from the sale of property, plant, and equipment, and intangible assets 4.11 Proceeds from the sale of property, plant, and equipment, and intangible assets 4.15 Proceeds from the sale of subsidiaries (net of cash disposed) Proceeds from the sale of subsidiaries (net of cash disposed) Proceeds from the sale of subsidiaries (net of cash disposed) Proceeds from the sale of moperty, plant, and equipment, and intangible assets 4.20 Proceeds from the sale of moperty, plant, and equipment, and intangible assets 8.3 Proceeds from the sale of property, plant, and equipment, and intangible assets 8.4 Proceeds from the sale of property, plant, and equipment, and intangible assets 8.4 Proceeds from the sale of property, plant, and equipment, and intangible assets 8.4 Proceeds from the sale of property, plant, and equipment, and intangible assets 8.4 Proceeds from the sale of property, plant, and equipment, and intangible assets 8.4 Proceeds from the sale of property, plant, and equipment, and intangible assets 8.4 Proceeds from the sale of property, plant, and equipment, and intangible assets 8.4 Proceeds from the sale of property, plant, and equipment, and intangible assets 8.5 Proceeds from the sale of property, plant, and equipment, and intangible assets 8.6 Proceeds from the sale of property, plant, and equipment, and intangible assets 8.6 Proceeds from the sale of property, plant, and equipment, and intang	Depreciation and amortization	287	287
Gross cash flow 897 1,084 Change in inventories -145 -395 Change in receivables and other assets -195 -288 Change in liabilities and current provisions 436 396 Net cash flow from operating activities 993 797 Investments in property, plant, and equipment, and intangible assets -413 -548 Payments for acquisitions (net of cash acquired) - -545 Payments for investments in associated companies and other investments -5 -7 Payments to acquire securities -1,114 -97 Proceeds from the sale of property, plant, and equipment, and intangible assets 45 29 Proceeds from the sale of subsidiaries (net of cash disposed) 10 10 Proceeds from the sale of subsidiaries (net of cash disposed) 10 10 Proceeds from the sale of subsidiaries (net of cash disposed) 10 10 Proceeds from the sale of subsidiaries (net of cash disposed) 10 10 Proceeds from the sale of subsidiaries (net of cash disposed) 39 42 Proceeds from the sale of subsidiaries (net of cash disposed) 38 <td></td> <td>-9</td> <td>22</td>		-9	22
Change in inventories -145 -395 Change in receivables and other assets -195 -288 Change in liabilities and current provisions 436 396 Net cash flow from operating activities 993 797 Investments in property, plant, and equipment, and intangible assets -413 -548 Payments for acquisitions (net of cash acquired) - -545 Payments for investments in associated companies and other investments -5 -7 Payments to acquire securities -1,114 -97 Proceeds from the sale of property, plant, and equipment, and intangible assets 45 29 Proceeds from the sale of property, plant, and equipment, and intangible assets 45 29 Proceeds from the sale of property, plant, and equipment, and intangible assets 45 29 Proceeds from the sale of property, plant, and equipment, and intangible assets 45 29 Proceeds from the sale of subsidiaries (net of cash disposed) 10 10 Proceeds from the sale of subsidiaries (net of cash disposed) 10 10 Interest paid -2 34 Net cash flow from investing activiti	Gain/loss on disposal of property, plant, and equipment, and intangible assets	-9	-5
Change in receivables and other assets Change in liabilities and current provisions Ada 396 Net cash flow from operating activities Payments in property, plant, and equipment, and intangible assets Payments for acquisitions (net of cash acquired) Payments for investments in associated companies and other investments Payments to acquire securities Proceeds from the sale of property, plant, and equipment, and intangible assets Proceeds from the sale of property, plant, and equipment, and intangible assets Proceeds from the sale of subsidiaries (net of cash disposed) Proceeds from the sale of subsidiaries (net of cash disposed) Proceeds from the sale of subsidiaries (net of cash disposed) Proceeds from the sale of subsidiaries (net of cash disposed) Proceeds from the sale of subsidiaries (net of cash disposed) Proceeds from the sale of subsidiaries (net of cash disposed) Proceeds from the sale of subsidiaries (net of cash disposed) Proceeds from the sale of subsidiaries (net of cash disposed) Proceeds from the sale of subsidiaries (net of cash disposed) Proceeds from the sale of subsidiaries (net of cash disposed) Proceeds from dividends and other financing activities Proceeds from dividends and other financing activities Proceeds from dividends and other financing activities Proceeds from loans Proceeds fr	Gross cash flow	897	1,084
Change in liabilities and current provisions 436 396 Net cash flow from operating activities 993 797 Investments in property, plant, and equipment, and intangible assets -413 -548 Payments for acquisitions (net of cash acquired) - -545 Payments for investments in associated companies and other investments -5 -7 Payments to acquire securities -1,114 -97 Proceeds from the sale of property, plant, and equipment, and intangible assets 45 29 Proceeds from the sale of subsidiaries (net of cash disposed) 10 10 Proceeds from the sale of associated companies and other investments 8 Proceeds from the sale of associated companies and other investments 8 Proceeds from the sale of associated companies and other investments 8 Proceeds from the sale of associated companies and other investments 8 Proceeds from the sale of associated companies and other investments 8 Proceeds from the sale of associated companies and other investments 8 Proceeds from the sale of associated companies and other investments 8 <td>Change in inventories</td> <td>-145</td> <td>-395</td>	Change in inventories	-145	-395
Net cash flow from operating activities 993 797 Investments in property, plant, and equipment, and intangible assets -413 -548 Payments for acquisitions (net of cash acquired) - -545 Payments for investments in associated companies and other investments -5 -7 Payments to acquire securities -1,114 -97 Proceeds from the sale of property, plant, and equipment, and intangible assets 45 29 Proceeds from the sale of subsidiaries (net of cash disposed) 10 10 Proceeds from the sale of subsidiaries (net of cash disposed) 10 10 Proceeds from the sale of subsidiaries (net of cash disposed) 10 10 Proceeds from the sale of subsidiaries (net of cash disposed) 10 10 Proceeds from the sale of subsidiaries (net of cash disposed) 10 10 Proceeds from the sale of subsidiaries (net of cash disposed) 10 10 Proceeds from the sale of subsidiaries (net of cash disposed) 20 36 Interest cash flow from investing activities 22 34 Proceeds from the sale of subsidiaries (net of cash disposed) 18 35	Change in receivables and other assets	-195	-288
Investments in property, plant, and equipment, and intangible assets Payments for acquisitions (net of cash acquired) Payments for investments in associated companies and other investments -5 -7 Payments to acquire securities -1,114 -97 Proceeds from the sale of property, plant, and equipment, and intangible assets 45 29 Proceeds from the sale of subsidiaries (net of cash disposed) 10 10 Proceeds from the sale of associated companies and other investments 8 -7 Proceeds from the sale of associated companies and other investments 8 -7 Proceeds from the sale/final maturity of securities 563 680 Interest received 39 42 Proceeds from dividends and other financing activities -845 -402 Free cash flow from investing activities -845 -402 Free cash flow 148 395 Proceeds from loans 185 451 Loan repayments -57 -447 Repayments of lease liabilities -66 -68 Interest paid -12 -15 Other financing expenses paid -14 -19 Cash dividends paid (Beiersdorf AG) -159 -159 Cash dividends paid (Beiersdorf AG) -159 -159 Cash dividends paid (non-controlling interests) -18 -16 Payments to acquire shares from non-controlling interests without a change in control Net cash flow from financing activities -141 -345 Effect of exchange rate fluctuations and other changes on cash held At Cash and cash equivalents 31 44 Cash and cash equivalents as of Jan. 1 1,005 1,036	Change in liabilities and current provisions	436	396
Payments for acquisitions (net of cash acquired)	Net cash flow from operating activities	993	797
Payments for investments in associated companies and other investments -5 -7 Payments to acquire securities -1,114 -97 Proceeds from the sale of property, plant, and equipment, and intangible assets 45 29 Proceeds from the sale of subsidiaries (net of cash disposed) 10 10 Proceeds from the sale of subsidiaries (net of cash disposed) 10 20 Proceeds from the sale of associated companies and other investments 8 -7 Proceeds from the sale of fassociated companies and other investments 8 -7 Proceeds from the sale/final maturity of securities 563 680 Interest received 39 42 Proceeds from dividends and other financing activities 22 34 Net cash flow from investing activities -845 -402 Free cash flow 148 395 Proceeds from loans 185 451 Loan repayments -57 -447 Repayments of lease liabilities -66 -68 Interest paid -12 -15 Other financing expenses paid -14 -19 Cash dividends paid (Beiersdorf AG) -159 -159 Cash dividends paid (non-controlling interests) -18 -16 Payments to acquire shares from non-controlling interests without a change in control Net cash flow from financing activities -141 -345 Effect of exchange rate fluctuations and other changes on cash held At Cash and cash equivalents as of Jan. 1 1,005 1,036	Investments in property, plant, and equipment, and intangible assets	-413	-548
Payments to acquire securities -1,114 -97 Proceeds from the sale of property, plant, and equipment, and intangible assets 45 29 Proceeds from the sale of subsidiaries (net of cash disposed) 10 10 Proceeds from the sale of associated companies and other investments 8 Proceeds from the sale of associated companies and other investments 563 680 Interest received 39 42 Proceeds from dividends and other financing activities 22 34 Net cash flow from investing activities -845 -402 Free cash flow 148 395 Proceeds from loans 185 451 Loan repayments -57 -447 Repayments of lease liabilities -66 -68 Interest paid -12 -15 Other financing expenses paid -14 -19 Cash dividends paid (Beiersdorf AG) -159 -159 Cash dividends paid (non-controlling interests) -18 -16 Payments to acquire shares from non-controlling interests without a change in control Net cash flow from financing activities -141 -345 Effect of exchange rate fluctuations and other changes on cash held 24 -6 Net change in cash and cash equivalents 31 44 Cash and cash equivalents as of Jan. 1 1,005 1,036	Payments for acquisitions (net of cash acquired)	_	-545
Proceeds from the sale of property, plant, and equipment, and intangible assets 45 29 Proceeds from the sale of subsidiaries (net of cash disposed) 10 10 Proceeds from the sale of associated companies and other investments 8 Proceeds from the sale/final maturity of securities 563 680 Interest received 39 42 Proceeds from dividends and other financing activities 22 34 Net cash flow from investing activities 485 -402 Free cash flow 148 395 Proceeds from loans 185 451 Loan repayments 401 -15 Cother financing expenses paid 100 10 100 100 100 100 100 100	Payments for investments in associated companies and other investments	-5	-7
Proceeds from the sale of subsidiaries (net of cash disposed) 10 10 Proceeds from the sale of associated companies and other investments 8 Proceeds from the sale/final maturity of securities 563 680 Interest received 39 42 Proceeds from dividends and other financing activities 22 34 Net cash flow from investing activities -845 -402 Free cash flow 148 395 Proceeds from loans 185 451 Loan repayments -57 -447 Repayments of lease liabilities -66 -68 Interest paid -12 -15 Other financing expenses paid -14 -19 Cash dividends paid (Beiersdorf AG) -159 -159 Cash dividends paid (non-controlling interests) -18 -16 Payments to acquire shares from non-controlling interests without a change in control -72 -72 Net cash flow from financing activities -141 -345 Effect of exchange rate fluctuations and other changes on cash held 24 -6	Payments to acquire securities	-1,114	-97
Proceeds from the sale of associated companies and other investments Proceeds from the sale/final maturity of securities 563 680 Interest received 39 42 Proceeds from dividends and other financing activities 22 34 Net cash flow from investing activities -845 -402 Free cash flow 148 395 Proceeds from loans 185 451 Loan repayments -57 -447 Repayments of lease liabilities -66 -68 Interest paid -12 -15 Other financing expenses paid -14 -19 Cash dividends paid (Beiersdorf AG) -159 -159 -159 Cash dividends paid (non-controlling interests) -18 -16 Payments to acquire shares from non-controlling interests without a change in control Net cash flow from financing activities -141 -345 Effect of exchange rate fluctuations and other changes on cash held Cash and cash equivalents as of Jan. 1 1,005 1,006	Proceeds from the sale of property, plant, and equipment, and intangible assets	45	29
Proceeds from the sale/final maturity of securities 563 680 Interest received 39 42 Proceeds from dividends and other financing activities 22 34 Net cash flow from investing activities -845 -402 Free cash flow 148 395 Proceeds from loans 185 451 Loan repayments -57 -447 Repayments of lease liabilities -66 -68 Interest paid -12 -15 Other financing expenses paid -14 -19 Cash dividends paid (Beiersdorf AG) -159 -159 Cash dividends paid (non-controlling interests) -18 -16 Payments to acquire shares from non-controlling interests without a change in control -72 -72 Net cash flow from financing activities -141 -345 Effect of exchange rate fluctuations and other changes on cash held 24 -6 Net change in cash and cash equivalents 31 44 Cash and cash equivalents as of Jan. 1 1,005 1,036	Proceeds from the sale of subsidiaries (net of cash disposed)	10	10
Interest received 39 42 Proceeds from dividends and other financing activities 22 34 Net cash flow from investing activities -845 -402 Free cash flow 148 395 Proceeds from loans 185 451 Loan repayments -57 -447 Repayments of lease liabilities -66 -68 Interest paid -12 -15 Other financing expenses paid -14 -19 Cash dividends paid (Beiersdorf AG) -159 -159 Cash dividends paid (non-controlling interests) -18 -16 Payments to acquire shares from non-controlling interests without a change in control Net cash flow from financing activities -141 -345 Effect of exchange rate fluctuations and other changes on cash held 24 -6 Net change in cash and cash equivalents 31 44 Cash and cash equivalents as of Jan. 1 1,005 1,036	Proceeds from the sale of associated companies and other investments	8	_
Proceeds from dividends and other financing activities Ret cash flow from investing activities Free cash flow 148 395 Proceeds from loans 185 451 Loan repayments Repayments of lease liabilities -66 -68 Interest paid -12 -15 Other financing expenses paid -14 -19 Cash dividends paid (Beiersdorf AG) -159 Cash dividends paid (non-controlling interests) -18 -16 Payments to acquire shares from non-controlling interests without a change in control Net cash flow from financing activities -141 -345 Effect of exchange rate fluctuations and other changes on cash held Net change in cash and cash equivalents 31 44 Cash and cash equivalents as of Jan. 1 1,005	Proceeds from the sale/final maturity of securities	563	680
Net cash flow from investing activities-845-402Free cash flow148395Proceeds from loans185451Loan repayments-57-447Repayments of lease liabilities-66-68Interest paid-12-15Other financing expenses paid-14-19Cash dividends paid (Beiersdorf AG)-159-159Cash dividends paid (non-controlling interests)-18-16Payments to acquire shares from non-controlling interests without a change in control-72-72Net cash flow from financing activities-141-345Effect of exchange rate fluctuations and other changes on cash held24-6Net change in cash and cash equivalents3144Cash and cash equivalents as of Jan. 11,0051,036	Interest received	39	42
Free cash flow148395Proceeds from loans185451Loan repayments-57-447Repayments of lease liabilities-66-68Interest paid-12-15Other financing expenses paid-14-19Cash dividends paid (Beiersdorf AG)-159-159Cash dividends paid (non-controlling interests)-18-16Payments to acquire shares from non-controlling interests without a change in control-72-72Net cash flow from financing activities-141-345Effect of exchange rate fluctuations and other changes on cash held24-6Net change in cash and cash equivalents3144Cash and cash equivalents as of Jan. 11,0051,036	Proceeds from dividends and other financing activities	22	34
Proceeds from loans 185 451 Loan repayments -57 -447 Repayments of lease liabilities -66 -68 Interest paid -12 -15 Other financing expenses paid -14 -19 Cash dividends paid (Beiersdorf AG) -159 -159 Cash dividends paid (non-controlling interests) -18 -16 Payments to acquire shares from non-controlling interests without a change in control Net cash flow from financing activities -141 -345 Effect of exchange rate fluctuations and other changes on cash held 24 -6 Net change in cash and cash equivalents 31 44 Cash and cash equivalents as of Jan. 1 1,005 1,036	Net cash flow from investing activities	-845	-402
Loan repayments-57-447Repayments of lease liabilities-66-68Interest paid-12-15Other financing expenses paid-14-19Cash dividends paid (Beiersdorf AG)-159-159Cash dividends paid (non-controlling interests)-18-16Payments to acquire shares from non-controlling interests without a change in control72Net cash flow from financing activities-141-345Effect of exchange rate fluctuations and other changes on cash held24-6Net change in cash and cash equivalents3144Cash and cash equivalents as of Jan. 11,0051,036	Free cash flow	148	395
Repayments of lease liabilities -66 -68 Interest paid -12 -15 Other financing expenses paid -14 -19 Cash dividends paid (Beiersdorf AG) -159 -159 Cash dividends paid (non-controlling interests) -18 -16 Payments to acquire shares from non-controlling interests without a change in control -72 Net cash flow from financing activities -141 -345 Effect of exchange rate fluctuations and other changes on cash held 24 -6 Net change in cash and cash equivalents 31 44 Cash and cash equivalents as of Jan. 1 1,005 1,036	Proceeds from loans	185	451
Interest paid -12 -15 Other financing expenses paid -14 -19 Cash dividends paid (Beiersdorf AG) -159 -159 Cash dividends paid (non-controlling interests) -18 -16 Payments to acquire shares from non-controlling interests without a change in control Net cash flow from financing activities -141 -345 Effect of exchange rate fluctuations and other changes on cash held 24 -6 Net change in cash and cash equivalents 31 44 Cash and cash equivalents as of Jan. 1 1,005 1,036	Loan repayments	-57	-447
Other financing expenses paid -14 -19 Cash dividends paid (Beiersdorf AG) -159 -159 Cash dividends paid (non-controlling interests) -18 -16 Payments to acquire shares from non-controlling interests without a change in control -72 Net cash flow from financing activities -141 -345 Effect of exchange rate fluctuations and other changes on cash held 24 -6 Net change in cash and cash equivalents 31 44 Cash and cash equivalents as of Jan. 1 1,005 1,036	Repayments of lease liabilities	-66	-68
Cash dividends paid (Beiersdorf AG) -159 -159 Cash dividends paid (non-controlling interests) -18 -16 Payments to acquire shares from non-controlling interests without a change in control -72 Net cash flow from financing activities -141 -345 Effect of exchange rate fluctuations and other changes on cash held 24 -6 Net change in cash and cash equivalents 31 44 Cash and cash equivalents as of Jan. 1 1,005 1,036	Interest paid	-12	-15
Cash dividends paid (non-controlling interests) Payments to acquire shares from non-controlling interests without a change in control Net cash flow from financing activities -141 -345 Effect of exchange rate fluctuations and other changes on cash held 24 -6 Net change in cash and cash equivalents 31 44 Cash and cash equivalents as of Jan. 1 1,005	Other financing expenses paid	-14	-19
Payments to acquire shares from non-controlling interests without a change in control Net cash flow from financing activities -141 -345 Effect of exchange rate fluctuations and other changes on cash held 24 -6 Net change in cash and cash equivalents 31 44 Cash and cash equivalents as of Jan. 1 1,005 1,036	Cash dividends paid (Beiersdorf AG)	-159	-159
in control Net cash flow from financing activities -141 -345 Effect of exchange rate fluctuations and other changes on cash held 24 -6 Net change in cash and cash equivalents 31 44 Cash and cash equivalents as of Jan. 1 1,005 1,036	Cash dividends paid (non-controlling interests)	-18	-16
Effect of exchange rate fluctuations and other changes on cash held Net change in cash and cash equivalents 31 44 Cash and cash equivalents as of Jan. 1 1,005		-	-72
Net change in cash and cash equivalents3144Cash and cash equivalents as of Jan. 11,0051,036	Net cash flow from financing activities	-141	-345
Cash and cash equivalents as of Jan. 1 1,005 1,036	Effect of exchange rate fluctuations and other changes on cash held	24	-6
	Net change in cash and cash equivalents	31	44
Cash and cash equivalents as of Dec. 31 1,036 1,080	Cash and cash equivalents as of Jan. 1	1,005	1,036
	Cash and cash equivalents as of Dec. 31	1,036	1,080

Statement of Changes in Equity

				Accumula	ted other cor	nprehensive	income			
	Share capital	Addi- tional paid-in capital	Retained earnings ¹	Currency translation adjust- ment	Hedging instru- ments from cash flow hedges	Debt instru- ments	Equity instru- ments		Non- controlling interests	Total
Jan. 1, 2021	252	47	6,283	-349	2	4	_	6,239	24	6,263
Total comprehensive income for the period	_		748	49	-12	-2	8	791	17	808
Reclassifications	_	_	7	_	_	_	-7	_	-	_
Dividend of Beiersdorf AG for previous year	_		-159				_	-159	_	-159
Change in non-controlling interests	_	_		_		_	_		-18	-18
Dec. 31, 2021/Jan. 1, 2022	252	47	6,879	-300	-10	2	1	6,871	23	6,894
Total comprehensive income for the period	_		1,069	55	28	-12	3	1,143	15	1,158
Reclassifications	_	_	4	_	_	_	-4	_	-	_
Dividend of Beiersdorf AG for previous year	_		-159			_	_	-159	_	-159
Change in non-controlling interests	_	_				_	_		-16	-16
Change in non-controlling interests without a change in control	_	_	-68	-2	_	_	_	-70	-2	-72
Dec. 31, 2022	252	47	7,725	-247	18	-10	_	7,785	20	7,805

 $^{^{1}}$ The cost of treasury shares amounting to \in 955 million has been deducted from retained earnings.

Notes to the Consolidated Financial Statements

Segment Reporting

_	Consumer		tesa		Group	
	2021	2022	2021	2022	2021	2022
	6,129	7,131	1,498	1,668	7,627	8,799
(in %)	7.5	16.3	13.1	11.3	8.6	15.4
(in %)	8.8	10.5	13.6	8.8	9.7	10.2
(in %)	80.4	81.0	19.6	19.0	100.0	100.0
	884	1,038	336	341	1,220	1,379
	680	828	253	264	933	1,092
	11.1	11.6	16.8	15.8	12.2	12.4
	740	880	253	278	993	1,158
	12.1	12.3	16.9	16.7	13.0	13.2
	3,885	5,385	1,150	1,250	5,035	6,635
	2,480	2,893	306	298	2,786	3,191
(in %)	48.5	33.2	29.9	27.6	41.5	31.7
	661	817	236	267	897	1,084
	376	1,054	37	83	413	1,137
	204	210	83	77	287	287
	202	216	66	75	268	291
(as of Dec. 31)	15,740	16,419	4,827	4,982	20,567	21,401
	(in %) (in %)	2021 6,129 (in %) 7.5 (in %) 8.8 (in %) 80.4 884 680 11.1 740 12.1 3,885 2,480 (in %) 48.5 661 376 204	2021 2022 6,129 7,131 (in %) 7.5 16.3 (in %) 8.8 10.5 (in %) 80.4 81.0 884 1,038 680 828 11.1 11.6 740 880 12.1 12.3 3,885 5,385 2,480 2,893 (in %) 48.5 33.2 661 817 376 1,054 204 210 202 216	2021 2022 2021 6,129 7,131 1,498 (in %) 7.5 16.3 13.1 (in %) 8.8 10.5 13.6 (in %) 80.4 81.0 19.6 884 1,038 336 680 828 253 11.1 11.6 16.8 740 880 253 12.1 12.3 16.9 3,885 5,385 1,150 2,480 2,893 306 (in %) 48.5 33.2 29.9 661 817 236 376 1,054 37 204 210 83 202 216 66	2021 2022 2021 2022 6,129 7,131 1,498 1,668 (in %) 7.5 16.3 13.1 11.3 (in %) 8.8 10.5 13.6 8.8 (in %) 80.4 81.0 19.6 19.0 884 1,038 336 341 680 828 253 264 11.1 11.6 16.8 15.8 740 880 253 278 12.1 12.3 16.9 16.7 3,885 5,385 1,150 1,250 2,480 2,893 306 298 (in %) 48.5 33.2 29.9 27.6 661 817 236 267 376 1,054 37 83 204 210 83 77 202 216 66 75	2021 2022 2021 2022 2021 6,129 7,131 1,498 1,668 7,627 (in %) 7.5 16.3 13.1 11.3 8.6 (in %) 8.8 10.5 13.6 8.8 9.7 (in %) 80.4 81.0 19.6 19.0 100.0 884 1,038 336 341 1,220 680 828 253 264 933 11.1 11.6 16.8 15.8 12.2 740 880 253 278 993 12.1 12.3 16.9 16.7 13.0 3,885 5,385 1,150 1,250 5,035 2,480 2,893 306 298 2,786 (in %) 48.5 33.2 29.9 27.6 41.5 661 817 236 267 897 376 1,054 37 83 413 204 210 83 77 287 202 216 66

See the disclosures contained in the section entitled "Notes to the Segment Reporting."
 Figures comprise investments in intangible assets and property, plant, and equipment including acquisitions.

Regional Reporting

		Europe		America		Africa/Asia/Australia		Group	
		2021	2022	2021	2022	2021	2022	2021	2022
Net sales		3,676	3,900	1,527	2,126	2,424	2,773	7,627	8,799
Change (nominal)	(in %)	6.0	6.1	13.4	39.2	9.6	14.4	8.6	15.4
Change (organic)	(in %)	6.3	5.5	16.3	21.8	11.0	9.9	9.7	10.2
Share of Group sales	(in %)	48.2	44.3	20.0	24.2	31.8	31.5	100.0	100.0
EBITDA		706	738	109	170	405	471	1,220	1,379
Operating result (EBIT)		539	583	49	108	345	401	933	1,092
as % of sales		14.7	15.0	3.2	5.1	14.2	14.5	12.2	12.4
Operating result (EBIT, excluding special factors) ¹		556	618	91	140	346	400	993	1,158
as % of sales		15.1	15.9	6.0	6.6	14.3	14.5	13.0	13.2
Capital expenditure ²		293	444	75	521	45	172	413	1,137
Depreciation and amortization		166	155	60	62	61	70	287	287
Employees	(as of Dec. 31)	11,888	12,094	3,402	3,771	5,277	5,536	20,567	21,401

See the disclosures contained in the section entitled "Notes to the Segment Reporting."
 Figures comprise investments in intangible assets and property, plant, and equipment including acquisitions.

Significant Accounting Policies

Information on the Company and on the Group

The registered office of Beiersdorf AG is located at Unnastrasse 48 in Hamburg (Germany), and the company is registered with the commercial register of the Hamburg Local Court under the number HRB 1787. Beiersdorf AG is included in the consolidated financial statements of maxing vest ag, the (ultimate) parent company of the Group.

The activities of Beiersdorf AG and its affiliates ("Beiersdorf Group") consist primarily of the manufacture and distribution of branded consumer goods in the area of skin and body care, and of the manufacture and distribution of technical adhesive tapes.

The consolidated financial statements of Beiersdorf AG for the fiscal year from January 1 to December 31, 2022, were prepared by the Executive Board on February 6, 2023, and subsequently submitted to the Supervisory Board for examination and approval.

General Principles

The consolidated financial statements of Beiersdorf AG have been prepared in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), including the IFRS Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the supplementary provisions of German commercial law required to be applied under § 315e (1) *Handelsgesetzbuch* (German Commercial Code, HGB). All IFRSs and IFRICs endorsed by the European Commission and required to be applied as of December 31, 2022, were applied.

The consolidated financial statements were prepared using the historical cost convention. Exceptions to this rule relate to financial instruments assigned to the categories "at fair value through other comprehensive income" (FVOCI) and "at fair value through profit or loss" (FVPL), and derivative financial instruments, which are all measured at fair value.

The consolidated income statement was prepared using the cost of sales method.

Estimates and Assumptions

Preparation of the consolidated financial statements requires management to make estimates and assumptions to a limited extent that affect the amount and presentation of recognized assets and liabilities, income and expenses, and contingent liabilities. Such estimates and assumptions reflect all currently available information. Significant estimates and assumptions were made in particular in relation to the following accounting policies: impairment testing of goodwill and indefinite-lived intangible assets (Note 11 "Intangible Assets"), impairments of financial assets (Note 29 "Additional Disclosures on Financial Instruments, Financial Risk Management, and Derivative Financial Instruments"), the actuarial assumptions for the defined benefit expense as well as for the present value of pension commitments (Note 26 "Provisions for Pensions and Other Post-employment Benefits"), the determination of the amount of eligible deferred tax assets (Note 09 "Income Taxes"), and the recognition of other provisions (Note 27 "Other Provisions"). Given the uncertainty that exists when recognizing the legal risks arising from claims for damages in particular as well as tax and custom risks (Note 30 "Contingent Liabilities, Other Financial Obligations, and Legal Risks"), significant discretion must be exercised in evaluating whether and to what extent potential damages have arisen and how large the claim could be. In determining the amount of possible damages, there is particular discretion in relation to determining the nature of the factors "overcharge" and "pass-on rate" on which the calculation is based. Furthermore, estimates and assumptions are made in particular when determining the useful lives of intangible assets and property, plant, and equipment, and when measuring inventories.

Actual amounts may differ from these estimates. Changes to estimates are recognized in profit or loss when more recent knowledge becomes available. The estimates and assumptions mentioned above also took into account the potential impact of the COVID-19 pandemic.

Consolidation Principles

Acquisition accounting uses the purchase method, under which the cost of the business combination is allocated to the identifiable assets acquired and identifiable liabilities and contingent liabilities assumed, measured at their fair values at the acquisition date. The cost of an acquisition is the sum of the consideration transferred, measured at fair value at the acquisition date, and the non-controlling interests in the acquiree. For each business combination, the non-controlling interests in the acquiree are measured either at fair value or at the proportionate share of the acquiree's identifiable net assets. Any excess of the cost of the business combination over the acquirer's interest in the net fair values of identifiable assets, liabilities, and contingent liabilities is recognized as goodwill. Costs incurred in the course of the business combination are recognized as an expense.

Profit and equity of subsidiaries attributable to non-controlling interests are presented separately in the consolidated income statement and as a component of equity in the consolidated balance sheet. Losses at a subsidiary are attributed to the non-controlling interests even if this results in a negative balance. In the case of successive purchases of the shares of subsidiaries, the difference between the cost of the new shares and the non-controlling interests previously recognized in the Group for these shares is recognized in other comprehensive income. In a business combination achieved in stages, the effects from acquisition-date fair value remeasurement of previously held equity interests in the acquiree are recognized either directly in equity (FVOCI) or in the income statement (FVPL), depending on their classification. Subsequent adjustments of contingent consideration are recognized in the income statement.

All intercompany balances, transactions, income, and expenses, and gains and losses on intragroup transactions that are contained in the carrying amounts of assets are eliminated in full.

The consolidated financial statements include Beiersdorf AG and the subsidiaries over which it has control within the meaning of IFRS 10. Control over an investee exists if Beiersdorf AG has direct or indirect power over the investee, is exposed to variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee.

Currency Translation

The consolidated financial statements have been prepared in euros. The euro is Beiersdorf AG's functional and presentation currency. Unless otherwise stated, all amounts are rounded to millions of euros (€ million). Each company in the Group defines its own functional currency. As the foreign subsidiaries operate as financially, economically, and organizationally independent entities, their functional currency is always the local currency. The items contained in the financial statements of the company concerned are measured using this functional currency. Foreign currency transactions are initially translated at the spot rate at the transaction date. Non-monetary items that are measured at cost in a foreign currency are translated at the exchange rate at the transaction date. Exchange differences arising from the translation of monetary items are recognized in profit or loss. Monetary assets and liabilities in foreign currency are translated into the functional currency at the closing rate.

At the balance sheet date, the assets and liabilities of foreign subsidiaries whose functional currency is not the euro are translated into euros at the closing rate. Income and expenses are generally translated at average exchange rates for the fiscal year. Exchange differences arising from this are recognized as a separate component of equity.

The following table shows the changes in the exchange rates for the currencies material to the consolidated financial statements:

Exchange Rate Changes

(1 € =

	Averag	Average rates		rates
	2021	2022	2021	2022
Brazilian real (BRL)	6.377	5.4076	6.3099	5.6423
Swiss franc (CHF)	1.0797	1.0017	1.0327	0.9848
Chinese yuan (CNY)	7.6059	7.0736	7.194	7.3631
Pound sterling (GBP)	0.8581	0.8548	0.84	0.8869
Japanese yen (JPY)	130.3117	138.0567	130.405	140.7200
Russian ruble (RUB)	87.3371	71.9647	85.3649	77.8827
Thai baht (THB)	37.8797	36.8021	37.6347	36.8486
US dollar (USD)	1.1815	1.0505	1.1326	1.0673

The accounting requirements of IAS 29 Financial Reporting in Hyperinflationary Economies were not applied due to immaterial effect on the Group's net assets, financial position and results of operations.

Changes in Accounting Policies

There were no material effects from the first-time application of new standards or interpretations in fiscal year 2022. The IASB has also revised or issued further accounting standards and interpretations that must be applied in future. However, these will have no material effects on the consolidated financial statements.

Significant Accounting Policies

Sales are recognized when goods and products are delivered, and control has transferred to the customer. Discounts, customer bonuses, and rebates are deducted from sales, as is consideration payable to trading partners in those cases in which the consideration is not matched by a distinct product or service supplied whose fair value can be estimated reliably. The probability of returns is reflected in the recognition and measurement of sales.

Cost of goods sold comprises the cost of internally produced goods sold and the purchase price of merchandise sold. The cost of internally produced goods includes directly attributable costs such as the cost of direct materials, direct labor, and energy, as well as production overheads, including depreciation of production facilities. The cost of goods sold also includes write-downs of inventories and operating expenses for distribution centers and freight shipments to customers.

Marketing and selling expenses comprise the costs of sales and marketing departments, expenditure on advertising, retail (point of sale) marketing, and similar items. This item also includes write-downs of trade receivables.

Research costs are recognized in profit or loss for the period. Development costs for new products are capitalized if the recognition criteria laid down in IAS 38 are met. This is normally not the case, as the expected future economic benefits cannot be measured reliably as long as the products are not market ready. **Other development costs** (e.g. for information systems) are capitalized as intangible assets if the recognition criteria laid down in IAS 38 are met. Once capitalized, they are amortized using the straight-line method over their expected useful lives.

Purchased **intangible assets** such as patents, trademarks, and software are measured at cost. The carrying amounts of finite-lived intangible assets are reduced by straight-line amortization over their expected useful lives. The useful lives, residual values, and amortization methods are reviewed regularly. Goodwill and indefinite-lived intangible assets are not amortized.

Goodwill and indefinite-lived intangible assets are **tested for impairment** at least once a year; such impairment tests are only conducted for finite-lived intangible assets and property, plant, and equipment if there are indications of impairment. An impairment loss is recognized in profit or loss if the recoverable amount of the asset is lower than its carrying amount. Recoverable amount is identified separately for each asset. If an asset does not generate cash inflows that are largely independent from other assets, recoverable amount is identified on the basis of a group of assets designated as the cash-generating unit. Recoverable amount is the higher of net realizable value and value in use. Net realizable value is the amount obtainable from the sale of an asset in an arm's length transaction, less the costs of disposal. Value in use is calculated on the basis of estimated future cash flows expected to arise from the continuing use of an asset and its disposal at the end of its useful life, using the discounted cash flow method. Cash flows are derived from the business plans and reflect current developments. They are discounted to the date of the impairment test using capitalization rates for equivalent risks.

If the reasons for an impairment loss recognized in previous years no longer apply, the impairment loss (except for goodwill) is reversed up to a maximum of amortized cost.

With the exception of lease right-of-use assets, **property, plant, and equipment** is carried at cost and reduced by straight-line depreciation over the assets' expected useful lives. The useful lives, residual values, and depreciation methods are reviewed annually. The following useful lives are generally applied to the depreciation of items of property, plant, and equipment:

Useful Lives of Property, Plant, and Equipment

Buildings	10 to 33 years
Technical equipment and machinery	5 to 15 years
Office and other equipment	3 to 15 years

Production costs of internally manufactured items of property, plant, and equipment are calculated on the basis of attributable direct costs plus an appropriate share of production-related overheads. Interest on borrowings is recognized as a current expense unless it relates to the production of qualifying assets. Repair and maintenance costs for property, plant, and equipment are also expensed as incurred. Substantial renewals or enhancements that materially increase production capacity or significantly extend the useful life of an asset are capitalized. Components that were previously capitalized in this way and replaced by new measures to be capitalized are recognized accordingly as disposals. Government grants reduce the cost of acquisition or production.

Right-of-use assets from leases are reported within property, plant, and equipment. A lease exists if a contract entitles the Group to use an identifiable asset for an agreed period of time in return for payment. At Beiersdorf, leases relate primarily to office space and vehicles.

Lease liabilities are reported within financial liabilities. They are recognized at the inception of the lease at the present value of the lease payments not yet made. Discounting is generally determined using term- and currency-specific incremental borrowing rates.

Lease right-of-use assets are recognized at cost at the commencement of the lease term. The cost of the right-of-use asset comprises the present value of the total expected lease payments less lease

incentives received, initial direct costs, and restoration obligations. Subsequent measurement is at amortized cost. Depreciation is on a straight-line basis over the term of the lease.

The term of the lease commences on the date that the asset is made available for use and includes any rent-free periods. In the case of leases that contain both a basic non-cancelable period and extension and termination options, determination of lease terms takes into account all the facts and circumstances that provide an economic incentive for the exercise of extension options or non-exercise of termination options. The exercise or non-exercise of these options is only factored into the lease term if it is reasonably certain to occur.

The leasing standard is not applied to rights held by a lessee under license agreements within the Scope of IAS 38. In addition, Beiersdorf has exercised the option not to recognize low-value and short-term leases on the balance sheet and is instead continuing to treat these as operating expenses over the term of the lease.

Inventories are carried at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories is measured using the average cost method. In addition to direct costs, production costs include a proportionate share of material and production overheads as well as production-related depreciation. It also includes the proportionate costs of company pension arrangements and voluntary social benefits, as well as production-related administrative expenses.

Cash comprises bank balances, cash-on-hand, and checks. **Cash equivalents** are short-term liquid investments that can be converted into a specified amount of cash at any time and are exposed to no more than insignificant fluctuations in value. In accordance with IFRS 9, cash and cash equivalents are designated as AC.

Non-current assets and disposal groups are classified as held for sale if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups held for sale are measured at fair value less costs to sell (level 3) if the value is lower than the carrying amount. The fair value less cost to sell is generally determined on the basis of (ongoing) purchase price negotiations with potential buyers.

The prerequisite for the classification as held for sale is that the assets and disposal groups can be sold in their current condition and that their sale is highly probable. The sale must be considered within one year from the date of classification. Before any assets are reclassified to assets and disposal groups held for sale, the relevant measurement rules for the balance sheet item are applied for the last time. After classification, depreciation is no longer recognized for the assets. Any expense resulting from the application of the above valuation principles in connection with the write-down to fair value less costs to sell is recognized under other operating expenses.

Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability of another entity. Financial assets and financial liabilities are measured at fair value on initial recognition.

Categories of financial assets under IFRS 9

The "at amortized cost" (AC) category comprises financial assets whose cash flows consist of interest and principal payments and that are held as part of a business model that aims to collect contractual cash flows. Following initial recognition, they are valued at amortized cost less any impairment losses using the effective interest method.

The "at fair value through other comprehensive income" (FVOCI) category comprises financial assets whose cash flows consist of interest and principal payments and that are held as part of a business model that generally aims to hold the assets but also allows them to be sold if required. These assets are measured at fair value. The resulting changes in value are recognized in a separate reserve in other comprehensive income. Upon disposal or impairment of these financial assets, the cumulative gains and losses recognized in equity are recognized in profit or loss. This category also includes equity instruments for which the one-time option to recognize changes in fair value directly in equity has been irrevocably exercised. Subsequent changes in value remain in equity upon disposal or impairment and are not reclassified to the income statement.

The "at fair value through profit or loss" (FVPL) category comprises financial assets that do not fall under the other categories. These assets are measured at fair value. The resulting changes in value are recognized in the income statement.

Financial assets are **tested for impairment** as of each reporting date. Under IFRS 9, a risk provision is recognized based on the expected credit losses over the next 12 months (expected loss model). The estimate is based on ratings and continuously updated risk indicators. Current CDS spreads and the issuers' bond spreads are also used in the calculation. Impairment of financial assets is immediately recognized in profit or loss. For financial assets in the AC category, the impairment reduces the asset's value on the balance sheet; for financial assets in the FVOCI category, the impairment is recognized in a special reserve in other comprehensive income. A simplified process for determining impairment is used for assets that do not contain a significant financing component (e.g. trade receivables). In this approach, expected credit losses over the entire lifetime of the financial instruments are determined. The estimated impairment on receivables is based primarily on the results of previous payment behavior and reflects the age structure, any substantial deterioration in creditworthiness, or a high probability of debtor insolvency, as well as changes in the political and macroeconomic environment. Given the very short terms (e.g. due on demand) and the creditworthiness of our contractual partners, no impairment is identified based on expected credit losses for financial assets such as cash and cash equivalents.

Financial liabilities are carried at amortized cost (AC) using the effective interest method after their initial recognition. Gains and losses resulting from amortization using the effective interest method and from derecognition of liabilities are recognized in profit or loss. Liabilities with remaining contractual maturities of more than one year are classified as non-current. In accordance with IFRS 9, derivative financial instruments used for hedges are not assigned to a separate category; within the Beiersdorf Group, they are subsumed under "derivative financial instruments" (DFI).

Financial assets and financial liabilities are derecognized when control of the contractual rights is lost, when the obligation specified in the contract is discharged or canceled, or when it has expired. Liabilities in connection with reverse factoring agreements are not subject to any substantial modification of the contractual terms and therefore continue to be accounted for as trade accounts payable. The payments made are subsequently shown the statement of cash flows as cash flows from operating activities.

The Beiersdorf Group uses **derivative financial instruments** to manage current and future currency risks. The instruments concerned are mainly currency forwards. Derivative financial instruments are recognized at fair value. They are reported in the balance sheet in other financial assets or other financial liabilities.

The recognition of changes in the fair values of derivative financial instruments depends on whether these instruments are used as hedging instruments and meet the criteria for hedge accounting under IFRS 9. If the criteria are not met despite the existence of an economic hedge, changes in the fair

values of derivative financial instruments are recognized immediately in profit or loss. The effectiveness of the hedge relationship is assessed using the critical terms method.

Derivatives classified as fair value hedges are measured at their fair value. Any resulting changes in fair value are recognized in profit or loss. The carrying amount of the hedged asset or liability is adjusted for the changes in fair value attributable to the hedged risk. Gains or losses resulting from changes in fair value are recognized in profit or loss for the period.

For derivative financial instruments designated as hedging instruments that qualify for hedging accounting as a cash flow hedge, the effective portion of the change in the fair value is recognized in other comprehensive income, net of the related tax effect. The ineffective portion is recognized in profit or loss. When the hedged item (underlying) is settled, the effective portion is also recognized in profit or loss.

The **fair value of financial instruments** is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring fair value, it is assumed that the underlying transaction on which the price is based takes place in either the principal market or the most advantageous market that the Beiersdorf Group has access to. The price is measured using the assumptions that market participants would base pricing on. All financial instruments recognized at fair value in the financial statements are categorized into the following hierarchy levels in accordance with IFRS 13:

- Level 1: Fair values that are measured using quoted prices in active markets
- Level 2: Fair values that are measured using valuation techniques whose significant inputs are based on directly or indirectly observable market data
- Level 3: Fair values that are measured using valuation techniques whose significant inputs are not based on observable market data

Financial instruments regularly measured at fair value are reassessed at the end of the fiscal year to determine whether reclassifications have to be made between the levels of the hierarchy.

Provisions for pensions and other post-employment benefits comprise the provisions for defined benefit plans within the Group. Obligations are measured using the projected unit credit method. The expected benefits are spread over the entire length of service of the employees. The actuarial computation of the pension provisions is based on market rates of interest as well as projected wage/salary and pension increases, and staff turnover trends. Measurement is performed using the relevant local inputs. In Germany, the mortality rate was based on Heubeck's 2018 G mortality tables, while international rates were based on locally recognized mortality tables. The various discount rates used are based on the yields of high-quality corporate bonds with appropriate maturities and currencies and a minimum of an AA rating. Actuarial reports are prepared annually. All assumptions are reviewed for appropriateness at each reporting date.

The amount recognized as a provision comprises the total present value of the defined benefit obligation less the fair value of plan assets available for immediate settlement of obligations. If the fair value of plan assets exceeds the present value of the defined benefit obligation, net assets are only recognized up to the amount of the asset ceiling.

Past service cost is recognized as a component of EBIT in line with the principle of functional allocation, while net interest income is recognized in the financial result. Actuarial gains and losses resulting from changes in actuarial assumptions and deviations between earlier actuarial assumptions and actual developments, as well as from changes in the return on plan assets, are recognized immediately

and in full under retained earnings in consolidated equity. They are not recognized in profit or loss later on, but rather remain in consolidated equity.

In the case of defined contribution plans, contributions are made on a statutory, contractual, or voluntary basis to public or private pension insurance plans. The Group does not have any other payment obligations above and beyond the contributions. The contributions are recognized in profit or loss as a component of EBIT.

Other provisions take account of all identifiable future payment obligations, risks, and uncertain obligations of the Group resulting from current legal or constructive obligations arising from past events where the amount of the obligation can be measured reliably. Such other provisions are mainly due within one year. Non-current provisions expected to be settled after more than one year are discounted insofar as the interest effect is material.

Current **income tax** assets and liabilities for current and prior periods are recognized at the expected amount. The tax rates and tax legislation enacted at the reporting date are used to calculate the amount.

Deferred taxes result from temporary differences between the tax base of assets and liabilities and their carrying amounts in the IFRS balance sheet, and from tax loss carryforwards. Deferred taxes are measured using the balance sheet liability method on the basis of the tax rates expected to be enacted in the individual countries when the temporary differences reverse. These rates are based on the legislation in force at the balance sheet date. No deferred taxes are recognized for differences arising on the initial recognition of assets and liabilities that are not the result of business combinations and do not affect either accounting or taxable profit.

Deferred tax assets in respect of temporary differences, tax loss carryforwards, and tax credits are recognized where it is probable that sufficient taxable profit will be available in future periods against which they can be utilized. Recognized deferred taxes are tested for recoverability every year. Income taxes relating to items recognized in other comprehensive income are not recognized in the income statement but in other comprehensive income.

Current tax assets and liabilities, and deferred tax assets and liabilities, are offset against each other if the Group has a legally enforceable right to offset the actual tax assets against actual tax liabilities and these relate to income taxes levied on the same taxable entity by the same taxation authority.

Summary of selected Measurement Policies

Balance sheet item	Measurement policy		
Assets			
Goodwill	Lower of cost or recoverable amount		
Other intangible assets			
indefinite-lived	Lower of cost or recoverable amount		
finite-lived	(Amortized) cost		
Property, plant, and equipment	(Amortized) cost		
Financial assets			
"Amortized cost" (AC)	(Amortized) cost		
"At fair value through other comprehensive income" (FVOCI)	At fair value through other comprehensive income		
"At fair value through profit or loss" (FVPL)	At fair value through profit or loss		
Inventories	Lower of cost or net realizable value		
Trade receivables	(Amortized) cost		
Cash and cash equivalents	(Amortized) cost		
Non-current assets and disposal groups held for sale	Lower of (amortized) cost or net realizable value		
Equity and liabilities			
Provisions			
Provisions for pensions and other post-employment benefits	Projected unit credit method		
Other provisions	Settlement amount (best estimate)		
Financial liabilities	(Amortized) cost		
Trade payables	(Amortized) cost		
Other liabilities	Settlement amount		

Notes to the Cash Flow Statement

The cash flow statement has been prepared in accordance with IAS 7 and is classified into net cash flows from operating, investing, and financing activities.

Net cash flow from operating activities is determined using the indirect method, while net cash flows from investing and financing activities are determined using the direct method.

Cash funds are composed of cash and cash equivalents that can be converted into cash at any time and that are exposed to no more than insignificant fluctuations in value.

Notes to the Segment Reporting

Segment reporting in the Beiersdorf Group is based on the management of business operations. The breakdown of the Group into the Consumer and tesa Business Segments reflects the internal organizational structure and the reporting to the Executive Board and the Supervisory Board.

The Beiersdorf Group measures the success of its segments on the basis of sales growth and operating result (EBIT), adjusted for non-recurring, non-operating transactions (EBIT, excluding special factors) in conjunction with the corresponding EBIT margin.

In order to show the global breakdown of business activities in the Beiersdorf Group, information on the geographic regions is presented in addition to the operating segments. The external sales shown for the regions are based on the domiciles of the respective companies.

Group companies domiciled in Germany generated sales of €1,419 million in 2022 (previous year: €1,433 million) and reported non-current assets (not including financial instruments, deferred taxes, and plan assets) of €1,492 million (previous year: €1,330 million).

Organic sales growth is the nominal sales growth adjusted for exchange rate effects and structural effects from acquisitions and divestments.

EBIT excluding special factors represents the operating result (EBIT), adjusted for non-operating one-off business transactions.

EBITDA represents the operating result (EBIT) before depreciation, amortization, and impairment losses.

The **EBIT margin on net operating capital** is the ratio of the operating result (EBIT) to net operating capital.

Gross cash flow is the excess of operating income over operating expenses before any further appropriation of funds.

Net operating capital of $\le 3,444$ million (previous year: $\le 2,249$ million) consists of gross operating capital less operating liabilities. The following table shows the reconciliation of net operating capital to the balance sheet items:

Reconciliation of Net Operating Capital to Balance Sheet Items (in € million)

Assets	Dec. 31, 2021	Dec. 31, 2022
Intangible assets	538	1,111
Property, plant, and equipment	1,845	2,201
Inventories	1,144	1,557
Trade receivables	1,306	1,508
Other receivables and other assets (not including tax receivables)	202	258
Gross operating capital	5,035	6,635
Gross non-operating assets	6,264	5,713
Total balance sheet assets	11,299	12,348
Equity and liabilities	Dec. 31, 2021	Dec. 31, 2022
Other provisions	709	760
Trade payables	1,973	2,328
Other liabilities (not including income tax liabilities)	104	103
Operating liabilities	2,786	3,191
Equity	6,894	7,805
Non-operating liabilities	1,619	1,352
Total balance sheet equity and liabilities	11,299	12,348

Consolidated Group, Acquisitions, and Divestments

Consolidated Group

In addition to Beiersdorf AG, the consolidated financial statements include 14 (previous year: 16) German and 171 (previous year: 160) international companies whose financial and business policies Beiersdorf AG is able to control either directly or indirectly.

In the year under review, 13 new companies were included in the consolidated financial statements. In addition, two companies were wound up and two companies were sold.

Beiersdorf AG's Shareholdings

Disclosures of Beiersdorf AG's shareholdings are made in the section entitled "Additional Information." The list shows those companies/equity interests in which Beiersdorf AG holds 5% or more of the shares and/or voting rights.

Significant Acquisitions

With the acquisition of 65% additional shares in Swiss Cosmetics Production AG for a purchase price of €7 million (CHF 7 million), La Prairie Group AG has further increased its equity interest and holds 100% of the shares effective January 5, 2022. Including the shares previously held, the goodwill acquired as part of the merger totals €10 million (CHF 10 million).

The company acquired is a manufacturer and producer of Swiss premium cosmetics. The acquisition will enable La Prairie to own the production of its quality skin care collections at the site in Switzerland, to increase efficiency in production and logistics, and to better respond to unexpected market volatility.

On February 1, 2022, Beiersdorf acquired 100% of Chantecaille Beaute Inc. (USA), a prestige cosmetics company, for a purchase price of €529 million (USD 590 million). Depending on the future development of the Chantecaille business, the purchase price may additionally increase by up to €90 million (USD 100 million) in the next three years. A provisional purchase price allocation was performed for the 2022 Half-Year Report, as the information required for the final purchase price allocation was still being obtained and verified. The purchase price allocation was completed as of the reporting date. The figures in the final purchase price allocation are shown below.

The total purchase price assumed as part of the purchase price allocation is €553 million (USD 617 million). This comprises a basic purchase price following adjustments of €533 million (USD 595 million) and performance-related purchase price components of €20 million (USD 22 million), which have been measured in terms of their likelihood and will only become payable in the future.

Founded in 1997, Chantecaille offers innovative skin care, fragrance, and cosmetics products based on botanical ingredients. The company is headquartered in New York with a global presence and a particular strength in North America and Asia. By acquiring Chantecaille, Beiersdorf is bolstering its portfolio in the prestige beauty segment and strengthening its position, especially in the United States, China, and Korea. Chantecaille will be a complementary selective cosmetics brand in Beiersdorf's Consumer Business Segment.

The Chantecaille companies acquired contributed to comprehensive income from February to December 2022 with sales of €88 million and an operating result (EBIT) (including special factors and initial consolidation effects) of €-3 million. For the full reporting period (12 months) of the Chantecaille companies, the estimated sales would amount to approximately €93 million and the estimated

operating result (EBIT) including special factors and initial consolidation effects to approximately €-4 million. These figures were calculated on the assumption that the preliminary adjustments to fair values made at the acquisition date would also have applied to an acquisition on January 1, 2022.

The acquisition took place via a share deal. The goodwill of €452 million (USD 504 million) comprises the value of expected business potential arising from the acquisition. For tax purposes, the acquisition is being treated as an asset deal and results in tax-deductible depreciation and amortization in the United States; this also applies to the goodwill acquired. Based on the final purchase price allocation as of February 1, 2022, the assets acquired were as follows:

Purchase price allocation for the acquisition of Chantecaille

(in € million)

Total purchase price	553
Identifiable assets at fair value	62
Identifiable liabilities at fair value	31
Trademarks	58
Customer base	16
Deferred tax liability	4
Goodwill	452

The gross amount of trade receivables is €12 million (USD 13 million) and corresponds to the fair value. It is expected that the full contractual amounts can be collected. No material contingent liabilities were identified at the acquisition date.

As of December 15, 2022, Beiersdorf acquired further shares in S-Biomedic NV (Belgium) and therefore holds a majority stake of 92.53%. For initial indication purposes, and subject to a final purchase price allocation, the purchase price is expected to be assigned largely to intangible assets.

S-Biomedic was founded in 2014. The company researches the delicate balance of the skin microbiome and develops active ingredients for cosmetic products based on living skin bacteria. Beiersdorf was early to recognize the potential of the skin microbiome for skin care and, with this acquisition, is strengthening its expertise in acne treatment.

For the purpose of impairment testing, goodwill resulting from business combinations is allocated, starting at the acquisition date, to the cash-generating units of the Group that benefit from the business potential of the business combination and generate resulting cash flows. As part of the Chantecaille acquisition, goodwill of €452 million (USD 504 million) was allocated to the new Chantecaille cash-generating unit (consisting of the individual national companies of the Chantecaille Group). The goodwill of €10 million (CHF 10 million) arising from the acquisition of Swiss Cosmetics Production AG was allocated to the new La Prairie cash-generating unit (consisting of the companies La Prairie Group Switzerland and La Prairie China).

Significant Divestments

As of September 30, 2022, tesa SE has sold the affiliate tesa Labtec GmbH for a total compensation of €9 million. tesa Labtec develops and manufactures transdermal therapeutic systems (medicated patches) as well as oral and buccal films (medicated films that release drugs inside the mouth and allow direct uptake through the oral mucosa) for the pharmaceutical industry. The result from the disposal of the company in the amount of €-6 million is fully allocated to special factors. Beyond this, there were no significant divestments in the Group in the reporting year.

Exercise of Exemption Options

The following German affiliates included in the consolidated financial statements of Beiersdorf AG exercised the exemption option under § 264 (3) HGB in fiscal year 2022:

- Beiersdorf Manufacturing Hamburg GmbH, Hamburg
- · Beiersdorf Manufacturing Berlin GmbH, Berlin
- Beiersdorf Manufacturing Waldheim GmbH, Waldheim
- La Prairie Group Deutschland GmbH, Baden-Baden
- Beiersdorf Shared Services GmbH, Hamburg

Notes to the Income Statement

01 Sales

Sales amounted to $\in 8,799$ million in fiscal year 2022 (previous year: $\in 7,627$ million). A breakdown of sales and their development can be found in the management report, the segment reporting, and regional reporting.

02 Cost of Goods Sold

The cost of goods sold amounted to €3,842 million (previous year: €3,267 million). This item includes inventories expensed in the reporting period as well as direct expenses for distribution logistics.

03 Marketing and Selling Expenses

Marketing and selling expenses were €2,998 million (previous year: €2,675 million). The item includes expenditure on advertising, retail (point of sale) marketing, and similar items amounting to €1,883 million (previous year: €1,689 million).

04 Research and Development Expenses

Research and development expenses totaled €291 million (previous year: €268 million). Research and development expenses in the Consumer business were €216 million (previous year: €202 million). Research and development expenses in the tesa business area amounted to €75 million (previous year: €66 million).

05 General and Administrative Expenses

General and administrative expenses amounted to \in 524 million in the past fiscal year (previous year: \in 448 million). This item comprises personnel expenses and other administration costs, as well as the cost of external services that are not allocated internally to other functions.

06 Other Operating Income

	2021	2022
Gains on disposals of property, plant, and equipment, and other assets	3	17
Income from the reversal of provisions	57	82
Miscellaneous other income	183	167
	243	266

Gains on disposals of property, plant, and equipment, and other assets were mainly attributable to the sale of a property no longer required at La Prairie Group AG. Income from the reversal of provisions was due among other things to personnel risk provisions, litigation risk provisions, and other provisions that are no longer required. Miscellaneous other income includes income from the reversal of no longer required accruals and valuation allowances on receivables, as well as other out-of-period income. Other income also includes effects of $\[mathebox{\ensuremath{\in}} 2\]$ million from the integration of the Chantecaille business. In the previous year, other income included $\[mathebox{\ensuremath{\in}} 30\]$ million from the implementation of a supply contract taken over in the course of the Coppertone acquisition, which expired in fiscal year 2022.

OT Other Operating Expenses

(in € million)

	2021	2022
Restructuring expenses	54	61
Exchange result on operating activities	-5	69
Losses on disposal of non-current assets	3	5
Amortization and impairment of intangible assets from acquisitions	15	18
Miscellaneous other expenses	212	165
	279	318

Restructuring expenses relate in particular to measures in the supply chain organization and other ongoing reorganizations of the consumer business. Amortization and impairment of intangible assets showed amortization of intangible assets from acquisitions amounting to €10 million (previous year: €6 million) and an impairment loss of €8 million on the goodwill of the cash-generating unit tesa Twinlock.

Miscellaneous other expenses included expenditure of €5 million (previous year: €6 million) in connection with the "Care Beyond Skin" donation program and expenditure of €6 million relating to the integration of the newly acquired Chantecaille business. Miscellaneous other expenses also include the result from the sale of tesa Labtec GmbH in the amount of €6 million. In the previous year, other expenses also included expenses from a supply contract of €28 million taken over in the course of the Coppertone acquisition, which expired in fiscal year 2022. Furthermore, other expenses include additions to provisions for litigation and other risks, as well as miscellaneous other operating expenses.

08 Financial Result

(in € million)

	-26	4
Other financial result		-6
Net pension result		-10
Interest expense		-16
Interest income	32	36
	2021	2022

Interest income primarily resulted from "cash and cash equivalents", "current securities", and "non-current securities". It includes interest income from financial investments recognized at amortized cost of €15 million (previous year: €16 million). The interest income from financial investments recognized at fair value through other comprehensive income amounted to €2 million (previous year: €3 million). In addition, interest income also includes income relating to tax reassessments. Interest expense includes, among other things, interest expenditure relating to tax reassessments as well as interest expenditure from lease liabilities in the amount of €1 million (previous year: €3 million). The net pension result contains expenses from unwinding the discount on the net pension obligation

incurred in previous years. Other financial result includes negative effects from the change in the fair value of current securities in the fair value through profit or loss (FVPL) category, effects from movement in exchange rates, and impairment write-downs on operational investments.

09 Income Taxes

Income tax expense including deferred taxes can be broken down as follows:

(in € million)

2021	2022
76	65
193	272
269	337
-17	-12
252	325
	76 193 269 -17

Reconciliation to effective income tax expense

Given an effective tax rate of 29.6% (previous year: 27.8%), the effective income tax expense is \in 59 million (previous year: \in 40 million) higher than the expected income tax expense. The expected tax rate is calculated as the weighted average of the tax rates of the individual Group companies and amounts to 24.3% (previous year: 23.3%).

The following table shows the reconciliation of expected to effective income tax expense:

Effective Income Tax Expense

(in € million)

Expected income tax expense given a tax rate of 24.3% (previous year: 23.3%) Prior-year taxes -14 Decrease in tax expense due to changes in tax-free income -18 Increase in tax expense due to non-tax-deductible impairment of goodwill 2	2022
Decrease in tax expense due to changes in tax-free income -18	266
	-4
Increase in tax expense due to non-tax-deductible impairment of goodwill 2	-19
	2
Increase in tax expense due to other non-deductible expenses 53	55
Decrease in tax expense due to the utilization/recognition of previously unrecognized tax loss carryforwards	-5
Increase in tax expense due to non-recognition of tax loss carryforwards 16	11
Other tax effects 10	19
Effective income tax expense 252	325

No deferred tax assets have been recognized for tax loss carryforwards and unused tax credits of €148 million (previous year: €255 million), whose expiration dates are given below.

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits. Given the positive assessments of future business development, it is assumed there is a reasonable probability that future taxable income will be sufficient to allow utilization of the deferred tax assets.

Expiration Dates of Tax Loss Carryforwards and unused Tax Credits

(in € million)

	Dec. 31, 2021	Dec. 31, 2022
Expiration date within		
1 year	1	1
2 years	1	4
3 years	6	6
more than 3 years	170	54
Unlimited carryforward period	77	83
	255	148

Deferred taxes relate to the following balance sheet items and matters:

Allocation of Deferred Taxes

(in € million)

	Deferred tax assets		Deferred to	ax liabilities
	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022
Non-current assets	15	19	90	104
Inventories	33	44		_
Receivables and other current assets	15	17	17	25
Provisions for pensions and other post-employment benefits	119	40	1	54
Other provisions	75	66	28	36
Liabilities	121	145	3	3
Retained earnings	_		30	24
Loss carryforwards	45	36		
	423	367	169	246
Offset deferred taxes	-131	-109	-131	-109
Deferred taxes recognized in the balance sheet	292	258	38	137

Total net deferred tax assets amounted to €121 million for the year under review (previous year: €254 million). Of the year-on-year decrease of €133 million (previous year: €22 million), €148 million was recognized directly in other comprehensive income, decreasing equity (previous year: decrease in equity of €41 million). €12 million (previous year: €17 million) was recognized in profit or loss. Currency effects increased this item by €3 million (previous year: increase of €2 million).

Deferred taxes are not recognized for retained earnings at foreign affiliates, as these profits are intended to be reinvested indefinitely in those operations from today's perspective. Where distributions are planned, their tax consequences are deferred. The liability is calculated based on the withholding tax rates applicable in each case, taking into account the German tax rate applicable to distributed corporate dividends, where appropriate. Deferred tax liabilities of \leq 24 million (previous year: \leq 30 million) were recognized for this in the reporting period.

Income tax receivables at the balance sheet date are the result of refund claims and receivables recorded in connection with uncertain tax positions in accordance with IFRIC 23.

10 Basic/Diluted Earnings per Share

Earnings per share for 2022 amounted to €3.33 (previous year: €2.81). The basis for the calculation is the profit after tax excluding profit attributable to non-controlling interests. Beiersdorf AG holds 25,181,016 treasury shares (unchanged). These were deducted from the total of 252,000,000 shares

when calculating earnings per share, which resulted in earnings being calculated on the unchanged basis of 226,818,984 shares. As there are no outstanding financial instruments that can be exchanged for shares, there is no difference between diluted and basic earnings per share.

Notes to the Balance Sheet

11 Intangible Assets

Cost

(in € million)

	Finite-lived intangible assets	Indefinite-lived intangible assets	Goodwill	Total
Jan. 1, 2021	516	243	258	1,017
Currency translation adjustment	-29		13	-16
Acquisitions	_	-	-	_
Additions	11	_	_	11
Disposals	-15	_	_	-15
Transfers	4	_	_	4
Dec. 31, 2021/Jan. 1, 2022	487	243	271	1,001
Currency translation adjustment	5	_	31	36
Acquisitions	75	_	499	574
Divestments	-28	_	-1	-29
Additions	5	_	_	5
Disposals	-16	_	_	-16
Transfers	2	_	_	2
Dec. 31, 2022	530	243	800	1,573

Amortization/Impairment Losses

 $(\mathsf{in} \in \mathsf{million})$

	Finite-lived intangible assets	Indefinite-lived intangible assets	Goodwill	Total
Jan. 1, 2021	403	50	19	472
Currency translation adjustment	-30		-1	-31
Acquisitions		_	_	_
Additions	26	_	9	35
Disposals	-13	_	_	-13
Transfers		_	_	_
Dec. 31, 2021/Jan. 1, 2022	386	50	27	463
Currency translation adjustment	1	_	_	1
Acquisitions		_	_	_
Divestments	-27	_	-1	-28
Additions	33		8	41
Disposals	-15		_	-15
Transfers			_	_
Dec. 31, 2022	378	50	34	462

Carrying Amounts

(in € million)

	Finite-lived intangible assets	Indefinite-lived intangible assets	Goodwill	Total
Dec. 31, 2021	101	193	244	538
Dec. 31, 2022	152	193	766	1,111

Goodwill and Intangible Assets

The carrying amounts of goodwill increased by \leq 522 million compared with the previous year to \leq 766 million (previous year: \leq 244 million).

The year-on-year change was attributable in particular to the goodwill of €473 million (including currency effects) from the acquisition of Chantecaille, which has been allocated in full to the new Chantecaille cash-generating unit. Goodwill in the Consumer Business Segment also includes the goodwill of €168 million (previous year: €159 million) in the North American cash-generating unit and the goodwill of €59 million (previous year: €57 million) attributable to Beiersdorf AG (Switzerland). The change versus the previous year (or in the case of Chantecaille: versus the value at the time of acquisition) was attributable to currency effects.

Indefinite-lived intangible assets mainly include acquired trademarks from the acquisition of the Coppertone business amounting to €188 million (previous year: €188 million). The trademarks of €188 million are established in their markets and will continue to be advertised in the future. They therefore represent indefinite-lived intangible assets.

The purchase price allocation for the Chantecaille acquisition identified trademarks and customer relationships. These were classified in their entirety as finite-lived intangible assets and will be amortized over their useful lives. As of the reporting date, the carrying amount was \in 70 million.

Impairment tests were performed as of 31 December, 2022 on the goodwill as well as trademarks recognized for all relevant cash-generating units. Forecast cash flows were used to calculate value in use in order to determine the recoverable amount.

The main estimates on which the impairment tests were based included market shares and rates of sales growth, price trends for commodities, gross profit margins, and corresponding discount rates. The detailed planning anticipates moderate sales growth and a typical EBIT margin for the Group. For the Chantecaille cash-generating unit, the detailed planning anticipates that sales growth and the EBIT margin will be typical for the relevant markets. Estimated future cash flows were based on financial planning with a five-year horizon. Cash flows beyond the planning period were extrapolated using an individual growth rate taking into account external macroeconomic and business-specific factors. Beyond the planning horizon, this growth rate (terminal growth rate) was assumed to be 1.0% (previous year: 1.0%) for North America and Switzerland and 2.5% for Chantecaille. The weighted pre-tax discount rate used to discount the estimated cash flows was 6.9% for North America (previous year: 5.6%), 5.0% for Switzerland (previous year: 4.2%), and 8.3% for Chantecaille.

Due to the increased competitive pressure as well as rising procurement prices and the associated poorer expected cash flows in the tesa Twinlock cash-generating unit, the impairment test showed an impairment of goodwill amounting to €8 million. The impairment was recognized in other operating expenses and is attributable to the tesa Business Segment.

The impairment tests for the other cash-generating units did not reveal any need for impairment of goodwill or trademarks in the reporting year. In the case of these cash-generating units, the Group assumes that the recoverable amount will exceed the carrying amount of the goodwill, even in the

event of reasonably possible changes in the key assumptions used in impairment testing. This observation also considers the potential impacts of the COVID-19 pandemic. These mainly relate to the sales markets and thus the development of forecast sales.

12 Property, Plant, and Equipment

Property, plant, and equipment - owned

Cost

(in € million)

	Land, land rights, and buildings	Technical equipment and machinery	Office and other equipment	Advance payments and assets under construction	Total
Jan. 1, 2021	966	1,194	741	342	3,243
Currency translation adjustment	15	10	10	5	40
Acquisitions	_	=	-	_	_
Additions	21	27	47	307	402
Disposals	-48	-39	-43	-18	-148
Transfers	38	53	12	-109	-6
Dec. 31, 2021/Jan. 1, 2022	992	1,245	767	527	3,531
Currency translation adjustment	12	7	4	5	28
Acquisitions	8	3	5	_	16
Divestments	-5	-15	-5	-1	-26
Additions	12	39	50	441	542
Disposals	-41	-48	-52	-6	-147
Transfers	11	38	31	-164	-84
Dec. 31, 2022	989	1,269	800	802	3,860

Depreciation/Impairment Loss

 $(\mathsf{in} \in \mathsf{million})$

Land, land rights, and buildings	equipment	Office and other equipment	Advance payments and assets under construction	Total
432	780	560	-1	1,771
5	6	6	_	17
_	_	_	_	_
37	85	63	_	185
-32	-32	-39	_	-103
_	_	_	_	_
442	839	590	-1	1,870
3	4	2	_	9
1	_	3	_	4
-2	-12	-4	-1	-19
35	70	72	_	177
-34	-46	-50	_	-130
-41	-16	-7		-64
404	839	606	-2	1,847
	rights, and buildings 432 5	rights, and buildings and machinery 432 780 5 6	rights, and buildings equipment and machinery and other equipment 432 780 560 5 6 6 - - - 37 85 63 -32 -32 -39 - - - 442 839 590 3 4 2 1 - 3 -2 -12 -4 35 70 72 -34 -46 -50 -41 -16 -7	Land, land rights, and buildings Technical equipment and machinery Office and other equipment assets under construction 432 780 560 -1 5 6 6 - 37 85 63 - -32 -32 -39 - - - - - 442 839 590 -1 3 4 2 - 1 - 3 - -2 -12 -4 -1 35 70 72 - -34 -46 -50 - -41 -16 -7 -

Carrying Amounts

(in € million)

Dec. 31, 2022	585	430	194	804	2,013
Dec. 31, 2021	550	406	177	528	1,661
		Technical equipment and machinery	and other	Advance payments and assets under construction	Total

The carrying amounts of property, plant, and equipment amounted to €2,013 million (previous year: €1,661 million). Investments in property, plant, and equipment totaled €542 million (previous year: €402 million). They primarily related to the plants of the two business segments, Consumer and tesa. The largest investment projects included the expansion of the plant locations in Germany (Leipzig), Poland and Mexico (€239 million). The construction of the new Group headquarters resulted in additions of €29 million.

Right-of-use assets - leased

Cost

	Land, land rights, and buildings	Technical equipment and machinery	Office and other equipment	assets under	Total
Jan. 1, 2021	225	4	43	_	272
Currency translation adjustment	8	_	_		8
Acquisitions	_		-	_	_
Additions	77	1	11		89
Disposals	-22		-9		-31
Transfers	_		_		_
Dec. 31, 2021/Jan. 1, 2022	288	5	45		338
Currency translation adjustment	3	_	1		4
Acquisitions	3	_	_	_	3
Additions	57	1	12	_	70
Disposals	-20	-1	-15	_	-36
Transfers					
Dec. 31, 2022	331	5	43		379

Depreciation/Impairment Loss

(in € million)

Jan. 1, 2021 91 1 22 - Currency translation adjustment 3 - - - Acquisitions - - - - Additions 53 1 13 - Disposals -21 - -9 - Transfers - - - - Dec. 31, 2021/Jan. 1, 2022 126 2 26 - Currency translation adjustment 1 - - - Acquisitions - - - - Additions 55 1 13 - Disposals -18 - -15 - Transfers - - - - -	Total	Advance payments and assets under construction	Office and other equipment	Technical equipment and machinery	Land, land rights, and buildings	
Acquisitions - - - - - - Additions 53 1 13 - Disposals -21 - -9 - Transfers - - - - Dec. 31, 2021/Jan. 1, 2022 126 2 26 - Currency translation adjustment 1 - - - Acquisitions - - - - Additions 55 1 13 - Disposals -18 - -15 - Transfers - - - - -	114	-	22	1	91	Jan. 1, 2021
Additions 53 1 13 - Disposals -21 - -9 - Transfers - - - - Dec. 31, 2021/Jan. 1, 2022 126 2 26 - Currency translation adjustment 1 - - - Acquisitions - - - - Additions 55 1 13 - Disposals -18 - -15 - Transfers - - - - -	3	_	_		3	Currency translation adjustment
Disposals -21 - -9 - Transfers - - - - - Dec. 31, 2021/Jan. 1, 2022 126 2 26 - Currency translation adjustment 1 - - - Acquisitions - - - - Additions 55 1 13 - Disposals -18 - -15 - Transfers - - - - -	_	_	_	_	_	Acquisitions
Transfers -	67	_	13	1	53	Additions
Dec. 31, 2021/Jan. 1, 2022 126 2 26 - Currency translation adjustment 1 - - - Acquisitions - - - - Additions 55 1 13 - Disposals -18 - -15 - Transfers - - - - -	-30	_	-9	_	-21	Disposals
Currency translation adjustment 1 - - - Acquisitions - - - - - Additions 55 1 13 - Disposals -18 - -15 - Transfers - - - - -	_	_	_	_	_	Transfers
Acquisitions - - - - Additions 55 1 13 - Disposals -18 - -15 - Transfers - - - - -	154	_	26	2	126	Dec. 31, 2021/Jan. 1, 2022
Additions 55 1 13 - Disposals -18 - -15 - Transfers - - - - - -	1	_	_	_	1	Currency translation adjustment
Disposals -18 - -15 - Transfers - - - - -	_	_	_	_	_	Acquisitions
Transfers	69	_	13	1	55	Additions
	-33	_	-15		-18	Disposals
		_	_	=		Transfers
Dec. 31, 2022 164 3 24 –	191	_	24	3	164	Dec. 31, 2022

Carrying Amounts

(in € million)

Carrying Amounts Property, Plant and Equipment total

(in Mio. €)

	Land, land rights, and buildings	Technical equipment and machinery	Office and other equipment		Total
Dec. 31, 2021	712	409	196	528	1,845
Property, plant, and equipment - owned	550	406	177	528	1,661
Right of use assets - leased	162	3	19	_	184
Dec. 31, 2022	752	432	213	804	2,201
Property, plant, and equipment - owned	585	430	194	804	2,013
Right of use assets - leased	167	2	19	_	188

The Beiersdorf Group leases real estate, mainly in the form of office space, retail stores, and warehouses. The terms of the lease agreements are diverse and individually negotiated. Lease agreements are generally concluded for a period of three to ten years and may contain extension or termination options. The "Office and other equipment" category mainly comprises leased vehicles. Further information regarding the right-of-use assets, lease liabilities, and lease expenses can be found in the section "Significant Accounting Policies" as well as in Notes 8 and 30.

13 Inventories

(in € million)

	1,144	1,557
Advance payments	63 811 4	4
Finished goods and merchandise	811	1,109
Work in progress	63	78
Raw materials, consumables, and supplies	266	366
	Dec. 31, 2021	Dec. 31, 2022

Inventories increased by \leq 413 million compared with the previous year to \leq 1,557 million, \leq 218 million of which (previous year: \leq 176 million) was carried at net realizable value. Write-downs of inventories amounted to \leq 105 million as of the reporting date (previous year: \leq 87 million).

14 Trade Receivables

(in € million)

	Dec. 31, 2021	Dec. 31, 2022
Carrying amount	1,306	1,508
Of which past due:		
1 to 30 days	68	115
31 to 60 days	14	18
more than 60 days	32	74

Under IFRS 9, trade receivables belong to the "at amortized cost" measurement category. They are measured at cost less impairment.

The following changes in valuation allowances on receivables were recorded:

Valuation Allowances

(in € million)

Dec. 31	50	54
Reversals		-6
Utilized		-1
Additions	16	10
Currency translation adjustment	1	1
Jan. 1	51	50
	2021	2022

Further information on calculation is contained in Note 29 "Additional Disclosures on Financial Instruments, Financial Risk Management, and Derivative Financial Instruments."

15 Other assets and Non-current assets and disposal groups held for sale

Other non-current assets comprise investments in associated companies, investments in non-consolidated affiliates, other investments and other assets. Other current financial assets include other receivables, derivative financial instruments and financial receivables. Other current assets mainly comprise other tax receivables and prepaid expenses.

Non-current assets and disposal groups held for sale amount to €35 million as of December 31, 2022 (prior year: €0 million).

The development is mainly attributable to the sale of a production site (disposal group of \le 26 million consisting of fixed assets and raw materials and supplies) in North America and the planned sale of leasehold land (including buildings) of \le 9 million in Asia for the Consumer Business Segment. The production site was sold on February 1, 2023, and the leasehold land is to be sold during fiscal year 2023.

The measurement of assets and disposal groups held for sale to a fair value less costs to sell below the carrying amount resulted in an expense of \in 9 million in 2022. The resulting valuation effect is fully attributable to restructuring expenses in connection with supply chain organization measures (Note 7).

16 Securities

(in € million)

	4,553	3,955
Fair value through profit or loss	16	83
Fair value through other comprehensive income	203	155
Amortized cost	397	533
Current securities	616	771
Amortized cost	3,937	3,184
Non-current securities	3,937	3,184
	Dec. 31, 2021	Dec. 31, 2022

In total, the Beiersdorf Group holds \leqslant 3,955 million (previous year: \leqslant 4,553 million) in listed government and corporate bonds, commercial paper, near-money market retail funds, equities, and equity funds. Securities with a carrying amount of \leqslant 3,184 million (previous year: \leqslant 3,937 million) are expected to be realized more than 12 months after the reporting date. Non-current securities have a term of up to eight years.

Impairments on securities measured at amortized cost and at fair value through other comprehensive income are recognized based on expected credit losses over the next 12 months. At the end of the period, total impairment was €7 million. Please refer to Note 29 "Additional Disclosures on Financial Instruments, Financial Risk Management, and Derivative Financial Instruments."

17 Cash and Cash Equivalents

(in € million)

	1,036	1,080
Cash equivalents	83	76
Cash	953	1,004
	Dec. 31, 2021	Dec. 31, 2022

Cash comprises bank balances, cash-on-hand, and checks. Cash equivalents are short-term liquid investments, such as money market funds, that can be converted into cash at any time and are exposed to no more than insignificant fluctuations in value. Given the very short terms (e.g. due on demand) and the creditworthiness of our contractual partners, no impairment was identified based on expected credit losses.

18 Capital Management Disclosures

The Beiersdorf Group aims to sustainably secure its capital base and generate an appropriate return on its invested capital. As of December 31, 2022, the equity ratio was 63% (previous year: 61%), while the EBIT return on net operating capital was 32% (previous year: 42%). The total dividends distributed in fiscal year 2022 amounted to €175 million (previous year: €177 million). In the case of the dividend

of \leq 159 million (previous year: \leq 159 million) paid by Beiersdorf AG, this corresponds to a distribution of \leq 0.70 per no-par-value share bearing dividend rights (previous year: \leq 0.70).

19 Share Capital

The share capital of Beiersdorf Aktiengesellschaft amounts to €252 million (previous year: €252 million) and is composed of 252 million no-par-value bearer shares, each with an equal share in the company's share capital. Since the settlement of the share buyback program on February 3, 2004, and following implementation of the share split in 2006, Beiersdorf Aktiengesellschaft holds 25,181,016 no-par-value shares, corresponding to 9.99% of the company's share capital.

20 Authorized Capital

The Annual General Meeting on April 29, 2020, authorized the Executive Board to increase the share capital with the approval of the Supervisory Board in the period until April 28, 2025, by up to a total of \in 92 million (Authorized Capital I: \in 42 million; Authorized Capital II: \in 25 million) by issuing new no-par-value bearer shares on one or several occasions. In this context, the dividend rights for new shares may be determined by a different method than that set out in § 60 (2) AktG.

Shareholders shall be granted pre-emptive rights. However, the Executive Board is authorized, with the approval of the Supervisory Board, to disapply shareholders' pre-emptive rights in the following cases:

- to eliminate fractions created as a result of capital increases against cash contributions (Authorized Capital I, II, III);
- 2. to the extent necessary to grant the holders/creditors of convertible bonds or bonds with warrants issued by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, rights to subscribe for new shares in the amount to which they would be entitled after exercising their conversion or option rights, or after fulfilling their conversion obligation (Authorized Capital I, II, III);
- 3. if the total amount of share capital attributable to the new shares for which pre-emptive rights are to be disapplied does not exceed 10% of the share capital existing at the time this authorization comes into effect or, in the event that this amount is lower, at the time the new shares are issued and the issue price of the new shares is not materially lower than the quoted market price of the existing listed shares at the time when the issue price is finalized, which should be as near as possible to the time the shares are placed. If, during the term of the authorized capital, other authorizations to issue or sell shares in the company or to issue rights that enable or oblige the holder to subscribe for shares in the company are exercised while disapplying pre-emptive rights pursuant to or in accordance with § 186 (3) sentence 4 AktG, this must be counted toward the above mentioned 10% limit (Authorized Capital II);
- **4.** in the case of capital increases against non-cash contributions for the purpose of acquiring companies, business units of companies, or equity interests in companies (Authorized Capital III).

The Executive Board may only exercise the above authorizations to disapply pre-emptive rights to the extent that the total proportionate interest in the share capital attributable to the shares issued while disapplying pre-emptive rights does not exceed 10% of the share capital at the time these authorizations become effective or at the time these authorizations are exercised. If other authorizations to issue or sell shares in the company or to issue rights that enable or oblige the holder to subscribe for shares in the company are exercised while disapplying pre-emptive rights during the term of the authorized capital until such time as it is utilized, this must be counted toward the above-mentioned limit.

The Executive Board was also authorized to determine the further details of the capital increase and its implementation with the approval of the Supervisory Board.

21 Contingent Capital

In addition, the Annual General Meeting on April 29, 2020, resolved to contingently increase the share capital by up to a total of €42 million, composed of up to 42 million no-par-value bearer shares. In accordance with the underlying resolution of the Annual General Meeting, the contingent capital increase will be implemented only if:

- the holders or creditors of conversion and/or option rights attached to the convertible bonds and/ or bonds with warrants issued in the period until April 28, 2025, by Beiersdorf Aktiengesellschaft or companies in which it holds a direct or indirect majority interest, choose to exercise their conversion or option rights, or
- 2. the holders or creditors of convertible bonds giving rise to a conversion obligation issued in the period until April 28, 2025, by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, comply with such obligation,

and the contingent capital is required for this in accordance with the terms and conditions of the bonds.

The new shares bear dividend rights from the beginning of the fiscal year in which they are created as a result of the exercise of conversion or option rights, or as a result of compliance with a conversion obligation.

The Executive Board was authorized to determine the further details of the implementation of a contingent capital increase.

22 Additional Paid-in Capital

Additional paid-in capital comprises the premium arising from the issue of shares by Beiersdorf AG.

23 Retained Earnings

Retained earnings comprise the net profit for the fiscal year and undistributed profits generated in prior periods by companies included in the consolidated financial statements. In addition, this item contains the actuarial gains and losses on remeasurements of defined benefit obligations in previous years. The retained earnings are reduced by the cost of the 25,181,016 treasury shares held by Beiersdorf AG amounting to €955 million.

During 2022 Beiersdorf acquired additional shares of a subsidiary in Indonesia. The transaction is recognized directly in equity under retained earnings and results in a shift between the majority and minority shareholders of Beiersdorf AG.

24 Accumulated Other Comprehensive Income

Currency translation adjustment

The currency translation adjustment equity account serves to recognize differences resulting from the translation of the financial statements of affiliates that do not have the euro as their functional currency.

Hedging instruments from cash flow hedges

Changes in the fair value of financial instruments used to hedge future cash flows are reported under this item. As of the reporting date, market values amounting to €18 million (previous year: €-10 million) after deduction of deferred taxes were recognized in other comprehensive income.

Debt and equity instruments

This item includes fair value changes amounting to €-10 million on securities in the "at fair value through other comprehensive income" category after deduction of deferred taxes. It also includes impairment of securities in the "at fair value through other comprehensive income" category.

Changes in the fair value of equity instruments allocated to the "at fair value through other comprehensive income" category under IFRS 9 are also recognized here. Changes in the fair value of equity instruments of €3 million were recognized in other comprehensive income in the fiscal year. Due to the inclusion of S-Biomedic NV in the consolidated group, €4 million of this amount has been reclassified to retained earnings.

25 Dividends

In accordance with the German Stock Corporation Act, dividends are distributed from net retained profits reported in the HGB single-entity financial statements of Beiersdorf AG. The Executive Board and Supervisory Board will propose a dividend of \in 0.70 per no-par-value share bearing dividend rights to the Annual General Meeting. The proposed distribution must be approved by the shareholders at the Annual General Meeting and therefore is not reported as a liability in the consolidated financial statements.

In accordance with the resolution by the Annual General Meeting on April 1, 2021, a dividend of € 0.70 per no-par-value share bearing dividend rights was distributed in 2022 from the net retained profits for fiscal year 2021.

26 Provisions for Pensions and Other Post-employment Benefits

Group companies provide retirement benefits under both defined contribution and defined benefit plans. With the exception of net interest, the defined benefit and defined contribution expenses are included in the costs of the respective functions. Net pension interest is reported in the financial result.

Defined contribution expenses also contain contributions to statutory or state pension insurance funds. There was no material income or expense from the termination of pension plans or the curtailment and transfer of pension benefits in the year under review. Past service cost arose in Germany in the reporting period in connection with a one-time benefit introduced by the sponsoring companies of the TROMA foundation for the existing pensioners and future retirees.

Pension Benefit Expenses

	2021			2022		
	Germany	Other countries	Group	Germany	Other countries	Group
Current service cost	49	13	62	41	15	56
Past service cost	-	-	-	9	-	9
Defined benefit expense (EBIT)	49	13	62	50	15	65
Net interest result attributable to defined benefit plans (pension expense (+)/pension income (-))	7	1	8	9	-	9
Total expenses for defined benefit plans	56	14	70	59	15	74
Defined contribution expense (EBIT)	40	24	64	41	21	62
Total pension expense	96	38	134	100	36	136

Defined benefit pension plans

The structure of the plans varies depending on the legal, economic, and tax situation in the country in question, and the plans are generally based on the employees' length of service, salary, and status, as well as their own contributions. The largest plans can be found at the German companies.

International defined benefit plans are largely spread across the sites in the United Kingdom, Switzerland, and the United States. The present value of the defined benefit obligations and the balance sheet provisions were attributable to Germany and the other countries as follows as of the reporting date:

Provisions for Pensions and Other Post-Employment Benefits

(in € million)

	Dec. 31, 2021					
	Germany	Other countries	Group	Germany	Other countries	Group
Present value of defined benefit obligations	1,647	287	1,934	1,224	235	1,459
Fair value of plan assets	-864	-288	-1,152	-868	-246	-1,114
Net obligation	783	-1	782	356	-11	345
Amounts not recognized due to asset ceiling		9	9	_	15	15
Other recognized amounts	=	17	17	_	22	22
Provisions for pensions and other post-employment benefits	783	25	808	356	26	382

A majority of the defined benefit obligations within the Beiersdorf Group relate to employees in Germany. These are primarily obligations in relation to retirement pensions, disability pensions, and surviving dependents' pensions granted as a supplement to the statutory pension insurance. Pension commitments in Germany largely consist of direct and indirect commitments by Beiersdorf AG and direct commitments by tesa SE. The benefits depend on the employees' length of service and their average salary over the three years immediately preceding the date on which the pension becomes payable. The pension payments to the beneficiaries are adjusted for inflation by at least 1% per annum; this is performed annually in some cases or at the latest every three years.

Defined benefit obligations are funded exclusively by employer payments. Although there is no minimum funding requirement in Germany, both Beiersdorf AG and tesa SE have transferred plan assets to a separate entity. In addition, the benefit plans are protected against the consequences of insolvency in accordance with the *Gesetz zur Verbesserung der betrieblichen Altersversorgung* (German Occupational Pensions Improvement Act, BetrAVG); annual contributions are made to the *Pensions-Sicherungs-Verein* (German Pension Protection Fund) for this.

Beiersdorf AG has transferred plan assets to an entity with the legal form of a foundation (TROMA Alters- und Hinterbliebenenstiftung, Hamburg). The board of trustees of the foundation is composed of representatives of the company and of the Group Works Council. The board of trustees is responsible for setting and implementing the investment strategy. The strategy is regularly reviewed and adjusted as necessary in light of the latest developments.

Plan assets of tesa SE are invested and managed by an independent trustee via a contractual trust agreement (CTA). An investment committee consisting of representatives of the company and of the Works Council sets the investment strategy. Portfolio performance and the current situation are analyzed at regular intervals and, where necessary, the investment strategy is amended to reflect changed conditions.

To mitigate the risk of changes in capital market conditions and demographic developments, the old pension plans were closed to tesa employees in 2005 and to Beiersdorf employees in 2008. Employees joining the companies after this date can join employee-financed benefit plans. Under these plans, they can save part of their pensionable pay and also receive an employer contribution. The plan assets are invested and managed by independent trustees via a CTA. The employer guarantees a minimum return on contributions of 3.25% per annum until retirement. As from 2019, new entrants at Beiersdorf are guaranteed a minimum return of 1.8%. For new entrants at tesa, a minimum interest rate of 1.5% is guaranteed from 2022 onwards. The pension can be paid in the form of an annuity or as a lump sum.

The expenses for defined benefit plans and the present value of pension commitments are determined on the basis of actuarial calculations.

Measurement is based on the following assumptions:

Actuarial Assumptions

(in %

	2021		2022	
	Germany	Other countries	Germany	Other countries
Discount rates	1.25	1.42	3.70	3.68
Projected wage and salary growth	3.00	2.49	3.25	2.73
Projected pension growth ¹	1.76	2.13	2.25	1.85
Projected staff turnover	2.14	9.05	2.14	9.08

 $^{^{1}\,}$ in Germany provided the contractual agreement of 1% does not apply

The figures given are averages. The local parameters were weighted using the present values of the relevant defined benefit obligations. During the period under review, the present value of the defined benefit obligations changed as shown in the table below.

The actuarial gains in the reporting year due to changes in financial assumptions were mainly attributable to the increase in the discount rates. The other changes in the reporting year were mainly attributable to changes in the consolidated Group.

Present Value of Defined Benefit Obligations

(in € million)

2021			2022			
Germany	Other countries	Group	Germany	Other countries	Group	
1,758	271	2,029	1,647	287	1,934	
49	13	62	41	15	56	
			9	_	9	
14	3	17	20	4	24	
-137	-7	-144	-455	-72	-527	
3	4	7	49	6	55	
-140	-8	-148	-558	-75	-633	
	-3	-3	54	-3	51	
9	3	12	10	3	13	
-45	-9	-54	-45	-14	-59	
	15	15		4	4	
-1	-2	-3	-3	8	5	
1,647	287	1,934	1,224	235	1,459	
	1,758 49	Germany Other countries 1,758 271 49 13 - - 14 3 -137 -7 3 4 -140 -8 - -3 9 3 -45 -9 - 15 -1 -2	Germany Other countries Group 1,758 271 2,029 49 13 62 - - - 14 3 17 -137 -7 -144 3 4 7 -140 -8 -148 - -3 -3 9 3 12 -45 -9 -54 - 15 15 -1 -2 -3	Germany Other countries Group Germany 1,758 271 2,029 1,647 49 13 62 41 - - - 9 14 3 17 20 -137 -7 -144 -455 3 4 7 49 -140 -8 -148 -558 - -3 -3 54 9 3 12 10 -45 -9 -54 -45 - 15 15 - -1 -2 -3 -3	Germany Other countries Group Germany Other countries 1,758 271 2,029 1,647 287 49 13 62 41 15 - - - 9 - 14 3 17 20 4 -137 -7 -144 -455 -72 3 4 7 49 6 -140 -8 -148 -558 -75 - -3 3 54 -3 9 3 12 10 3 -45 -9 -54 -45 -14 - 15 15 - 4 -1 -2 -3 -3 8	

The funded status of the present value of the Group's defined benefit obligations as of the reporting date was as follows:

Funded Status of Present Value of Defined Benefit Obligations

	Dec. 31, 2021			Dec. 31, 2022		
	Germany	Other countries	Group	Germany	Other countries	Group
Partly or wholly funded defined benefit obligations	1,640	270	1,910	1,219	218	1,437
Unfunded defined benefit obligations	7	17	24	5	17	22
Present value of defined benefit obligations	1,647	287	1,934	1,224	235	1,459

The change in plan assets during the period under review was as follows:

Fair Value of Plan Assets

(in € million)

	2021			2022		
	Germany	Other countries	Group	Germany	Other countries	Group
Jan. 1	818	246	1,064	864	288	1,152
Return on plan assets	7	2	9	11	4	15
Actuarial gains (+) and losses (-)	3	18	21	-14	-56	-70
Actual return on plan assets	10	20	30	-3	-52	-55
Employer contributions	33	10	43	4	9	13
Contributions by plan participants	13	3	16	13	4	17
Pension benefits paid	-9	-6	-15	-8	-11	-19
Currency translation adjustment	_	15	15	_	3	3
Other changes	-1	_	-1	-2	5	3
Dec. 31	864	288	1,152	868	246	1,114

In fiscal year 2023, employer contributions to plan assets are expected to amount to €15 million. The breakdown of the plan assets as of the reporting date was as follows:

Composition of Plan Assets

(in € million)

		Dec. 31, 2021			Dec. 31, 2022		
	Germany	Other countries	Group	Germany	Other countries	Group	
Equity instruments	84	110	194	76	82	158	
Debt instruments	304	91	395	265	86	351	
Real estate	171	40	211	169	30	199	
Cash and cash equivalents	284	18	302	317	21	338	
Other	21	29	50	41	27	68	
Total plan assets	864	288	1.152	868	246	1,114	

The plan assets serve exclusively to meet the benefit obligations. The funding provided for these benefit obligations represents a provision for future cash outflows. The overarching investment policy and investment strategy are based on the goal of generating a return on plan assets in the medium term which, taken together with the contributions, is sufficient to meet the pension obligations. The plan assets are invested in a variety of different asset classes so as to avoid risk clusters.

The equity instruments comprise investments in equity funds and direct investments. In general, these have quoted market prices in a liquid market. Passive index tracker equities funds may contain a limited number of Beiersdorf shares. No Beiersdorf shares are held directly. Of the equity instruments in Germany, almost all are attributable to the mature markets.

Debt instruments may comprise investments in funds and direct investments in bonds. In general, these have quoted market prices in a liquid market. In Germany, 57% are attributable to corporate bonds and 43% to government bonds.

The real estate consists of residential and commercial properties. Investments can take the form of both investments in listed real estate funds and directly held properties. As of the reporting date, the portfolio included buildings held and used in the amount of \leq 41 million (previous year: \leq 42 million).

Cash and cash equivalents comprise both cash at banks and units in money market funds. This position also includes a short-term deposit of TROMA Alters- und Hinterbliebenenstiftung with Beiersdorf AG in the amount of €204 million (previous year: €246 million).

The following overview provides a breakdown of the weighted average duration of the present values of the defined benefit obligations and a maturity analysis of expected pension payments:

Duration and Maturity Analysis

	Dec. 31, 2021			П	Dec. 31, 2022	
	Germany	Other countries	Group	Germany	Other countries	Group
Duration of the present value of the pension obligations (in years)	18	17	18	15	13	14
Maturity analysis of the expected pension payments (in € million)						
Up to 1 year	48	10	58	57	12	69
More than 1 and up to 2 years	51	10	61	54	12	66
More than 2 and up to 5 years	164	32	196	198	39	237
More than 5 and up to 10 years	305	58	363	331	69	400

The following sensitivity analysis shows the effect of individual changes in assumptions on the present value of the defined benefit obligations:

Sensitivity of the Defined Benefit Obligations

Change in present value of defined benefit obligations (in \in million)

	Dec. 31, 2021				Dec. 31, 2022	
_	Germany	Other countries	Group	Germany	Other countries	Group
Discount rate						
+0.50%	-136	-18	-154	-80	-10	-90
-0.50%	157	20	177	91	9	100
Projected wage and salary growth						
+0.25%	5	1	6	2	1	3
-0.25%	-5		-6	-2	-1	-3
Projected pension growth						
+0.25%	34	6	40	21	3	24
-0.25%	-33	-4	-37	-21	-2	-23
Projected staff turnover						
+0.25%		-2	-2	_	-1	-1
-0.25%			2	_	1	1
Life expectancy						
Increase of one year	74	6	80	46	3	49
Decrease of one year	-69	-6	-75	-44	-3	-47

The sensitivity analysis is based on realistic potential changes as of the end of the reporting period. It was performed using a methodology that extrapolates the effect of realistic changes in the key assumptions at the end of the reporting period on the defined benefit obligation. Each change in the key actuarial assumptions was analyzed separately. No interdependencies were taken into account.

27 Other Provisions

(in € million)

	Personnel	Marketing and selling	Litigation and similar risks	Miscellaneous	Total
Jan. 1, 2022	357	56	131	165	709
Of which non-current	73	_	39	15	127
Currency effects	2	1	5	2	10
Additions	252	66	25	80	423
Utilized	214	35	5	44	298
Reversals	26	5	26	27	84
Dec. 31, 2022	371	83	130	176	760
Of which non-current	70		40	36	146

Provisions are recognized if an obligation toward a third party exists, the outflow of resources is probable, and the likely amount of the obligation can be estimated reliably. The calculation of provisions is determined based on the best possible estimation of the parameters. Long-term provisions are discounted using a discount rate dependent on when they are expected to be settled, provided the interest effect is material.

Provisions for personnel expenses primarily comprise provisions for annual bonuses, vacation pay, anniversary payments, and severance agreements. The provisions for marketing and selling expenses relate in particular to cooperative advertising allowances and other marketing- or customer-related obligations. Provisions for litigation and similar risks include provisions for litigation in Brazil amounting to €27 million (previous year: €24 million), risks in connection with customs audits amounting to €12 million (previous year: €19 million), patent risks amounting to €16 million (previous year: €16 million) and for risks relating to other legal disputes of €75 million (previous year: €72 million). The miscellaneous provisions relate to a wide variety of matters and companies and also include provisions for restructuring. The performance-related purchase price components resulting from the Chantecaille acquisition are also reported under other provisions.

28 Liabilities

The following table gives a breakdown of current liabilities

Current Liabilities

(in € million)

	Dec. 31, 2021	Dec. 31, 2022
Trade payables (AC)	1,973	2,328
Other current financial liabilities	501	525
Other financial liabilities (AC)	473	515
Negative fair value of derivatives (DFI)	28	10
Other current liabilities	109	111
Other tax liabilities	91	94
Social security liabilities	10	11
Other miscellaneous liabilities	8	6
	2,583	2,964

Other financial liabilities primarily comprise short-term bank loans amounting to €163 million (previous year: €95 million), lease liabilities of €78 million (previous year: €76 million), and liabilities to TROMA Alters- und Hinterbliebenenstiftung of €204 million (previous year: €246 million) from

investment activities involving TROMA plan assets. At €111 million (previous year: €109 million), other current liabilities are largely unchanged in amount and composition. As the current liabilities have remaining contractual maturities of less than 12 months as of the reporting date, their carrying amounts at the balance sheet date correspond approximately to their fair value. As part of its strategic supplier management, Beiersdorf offers selected suppliers around the world the opportunity to participate in a supply chain financing program. Once participating suppliers invoice Beiersdorf, Beiersdorf posts the invoices on a bank platform so that the participating suppliers have the opportunity to sell these invoices to the organizing bank and thus generate a faster cash inflow. Beiersdorf does not know to what extent this option to sell the receivables is be used, and Beiersdorf does not incur any costs as a result. Beiersdorf considers this liability as part of its working capital management and, since Beiersdorf has no knowledge of whether the respective supplier has sold this receivable to the organizing bank, Beiersdorf continues to classify this liability as a trade payable. Liabilities to participating suppliers totaled €149 million (previous year: €98 million) at the reporting date-The average payment term for these liabilities was 101 days.

Non-current liabilities are comprised as follows:

Non-current Liabilities

(in € million)

	Dec. 31, 2021	Dec. 31, 2022
Non-current financial liabilities	106	117
Other non-current liabilities	1	_
	107	117

Non-current financial liabilities primarily comprise non-current lease liabilities.

29 Additional Disclosures on Financial Instruments, Financial Risk Management, and Derivative Financial Instruments

The table below shows the carrying amounts and fair values of the Group's financial instruments as of December 31, 2021, and December 31, 2022:

 $(\mathsf{in} \in \mathsf{million})$

		Measurem			
2021	Carrying amount Dec. 31	Amortized cost	Fair value recognized in OCI	Fair value through profit or loss	Fair value Dec. 31
Assets					
Amortized cost (AC)	6,804	6,804			6,828
Non-current financial assets	20	20			20
Trade receivables	1,306	1,306			1,306
Other current financial assets	108	108			108
Cash and cash equivalents	1,036	1,036	_	_	1,036
Securities	4,334	4,334	_	_	4,358
Fair value through other comprehensive income (FVOCI)	208		208		208
Non-current financial assets	5		5		5
Securities	203	_	203	_	203
Fair value through profit or loss (FVPL)	16	_	_	16	16
Securities	16	_	_	16	16
Derivative financial instruments used for hedges (DFI)	16	-	9	7	16
Derivative financial instruments not included in a hedging relationship (FVPL)		_			_
Liabilities					
Other financial liabilities (AC)	2,552	2,552		_	2,552
Non-current financial liabilities	106	106	_	_	106
Trade payables	1,973	1,973	_	_	1,973
Other current financial liabilities	473	473		_	473
Derivative financial instruments used for hedges (DFI)	28		24	4	28
Derivative financial instruments not included in a hedging relationship (FVPL)		_			_

Measurement category under IFRS 9

2022	Carrying amount Dec. 31	Amortized cost	Fair value recognized in OCI	Fair value through profit or loss	Fair value Dec. 31
Assets					
Amortized cost (AC)	6,438	6,438	_	_	6,116
Non-current financial assets	29	29	_	_	29
Trade receivables	1,508	1,508	_	_	1,508
Other current financial assets	104	104	_	_	104
Cash and cash equivalents	1,080	1,080	_	_	1,080
Securities	3,717	3,717	_	_	3,395
Fair value through other comprehensive income (FVOCI)	158		158		158
Non-current financial assets	3		3		3
Securities	155	_	155		155
Fair value through profit or loss (FVPL)	85	_	_	85	85
Non-current financial assets	2	_	_	2	2
Securities	83	_	_	83	83
Derivative financial instruments used for hedges (DFI)	43	_	35	8	43
Derivative financial instruments not included in a hedging relationship (FVPL)	_	_	_	_	_
Liabilities					
Other financial liabilities (AC)	2,960	2,960	_	_	2,960
Non-current financial liabilities	117	117	_	_	117
Trade payables	2,328	2,328	_	_	2,328
Other current financial liabilities	515	515	_	_	515
Derivative financial instruments used for hedges (DFI)	10	_	9	1	10
Derivative financial instruments not included in a hedging relationship (FVPL)		_	_		

The following overview shows the IFRS 13 fair value hierarchy levels used to classify financial instruments that are measured at fair value on a recurring basis:

(in € million)

	Fair Value Hi			
Dec. 31, 2021	Level 1	Level 2	Level 3	Total
Assets				
Fair value through other comprehensive income (FVOCI)	203		5	208
Non-current financial assets			5	5
Securities	203			203
Fair value through profit or loss (FVPL)	16			16
Securities	16			16
Derivative financial instruments used for hedges (DFI)	-	16	_	16
Derivative financial instruments not included in a hedging relationship (FVPL)			_	_
Liabilities				
Derivative financial instruments used for hedges (DFI)	_	28	_	28
Derivative financial instruments not included in a hedging relationship (FVPL)	_	_	_	

	Fair Value Hi			
Dec. 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Fair value through other comprehensive income (FVOCI)	155		3	158
Non-current financial assets			3	3
Securities	155			155
Fair value through profit or loss (FVPL)	83		2	85
Non-current financial assets			2	2
Securities	83			83
Derivative financial instruments used for hedges (DFI)		43		43
Derivative financial instruments not included in a hedging relationship (FVPL)			_	
Liabilities				_
Derivative financial instruments used for hedges (DFI)	_	10	_	10
Derivative financial instruments not included in a hedging relationship (FVPL)		_	_	_

In the Beiersdorf Group, securities carried at fair value are allocated to fair value hierarchy Level 1 and are measured at quoted prices on the balance sheet date.

Derivative financial instruments are assigned to fair value hierarchy Level 2. The fair values of currency forwards are calculated using the exchange rate as of the reporting date and discounted to the reporting date on the basis of their respective yield curves.

Fair value hierarchy Level 3 mainly comprises fair values of equity investments. These are allocated to the "at fair value through other comprehensive income" (FVOCI) category.

During 2022, Beiersdorf reclassified bonds with a book value of \le 240 million from the "at amortized cost" (AC) category to the "at fair value through profit or loss" (FVPL) category and subsequently sold them. This resulted in a gain of \le 2 million, which is recognized within "Other financial result."

Financial instruments that are not measured at fair value predominantly have remaining contractual maturities of less than 12 months as of the reporting date. Therefore, their carrying amounts at the balance sheet date correspond approximately to their fair value. Securities belonging to the "at amortized cost" (AC) category are an exception. The fair values for this item have been assigned to fair value hierarchy Level 1.

Risk management principles

As a result of its operations, the Beiersdorf Group is exposed to various risks such as currency risk, interest rate risk, and default risk. These risks are countered by active treasury management based on a global directive. They are managed and hedged centrally to a very large extent.

Derivative financial instruments are used to hedge the operational business and material financial transactions. The transactions are conducted exclusively with marketable instruments. IFRS 7 requires sensitivity analyses, which show the effects of hypothetical changes in relevant risk variables on profit or loss and equity, to be used in presenting market risk. For the Beiersdorf Group, this mainly relates to currency risk. The effects are ascertained by applying the hypothetical changes in risk variables to the portfolio of financial instruments as of the balance sheet date. It is assumed that the portfolio at the reporting date is representative for the year as a whole.

Currency risk

Currency risk is the risk of fluctuations in the fair value or future cash flows of a financial instrument as a result of changes in exchange rates.

Currency risk within the meaning of IFRS 7 arises through monetary financial instruments that are reported in a currency other than the functional currency. Exchange rate differences arising from the translation of financial statements of affiliates into the Group currency are not included. Relevant risk variables are therefore basically all non-functional currencies in which financial instruments are held by the Beiersdorf Group. As a result of the Beiersdorf Group's international orientation with an emphasis on the eurozone, the euro serves as the key currency. Consequently, the Beiersdorf Group is exposed to risks through financing measures and operational activities when other currencies fluctuate against the euro.

As a matter of principle, currency risks relating to cross-border intragroup financing are hedged centrally in full and at matching maturities using currency forwards (fair value hedges). Owing to these hedging activities, the Beiersdorf Group is not exposed to any significant currency risks in its financing activities as of the balance sheet date. Gains and losses on these currency forwards are offset in full by gains and losses on the hedged items.

With regard to operations, a majority of cash flows in non-functional currencies in the Beiersdorf Group are generally hedged for the next 12 months using standard currency forwards. These transactions are recorded, measured, and managed centrally in the treasury management system. As a result, the Beiersdorf Group is not exposed to any significant currency risks in its operations as of the balance sheet date.

Since material non-derivative financial instruments are either denominated directly in the functional currency or transformed into the functional currency through the use of derivatives, changes in the exchange rate do not have any material effects on profit or loss or equity. Consequently, the Beiersdorf Group is primarily only exposed to risks arising from currency forwards which are designated as hedging instruments and which meet the criteria for recognition as cash flow hedges on forecasted transactions. Changes in market prices largely affect the hedging reserve in equity and the fair values of the hedging transactions.

The fair value of the currency forwards at the balance sheet date was €33 million (previous year: €-12 million), and their notional value was €1,712 million (previous year: €1,881 million). As in the previous year, all of the forward contracts have a remaining maturity of up to one year. The notional values represent the aggregate of all purchase and selling amounts for derivatives. The notional values shown are not netted.

If the euro had appreciated by 10% against all currencies as of December 31, 2022, the fair values of the currency forwards recognized directly within the hedging reserves in equity would have increased by €42 million (previous year: €45 million). If the euro had depreciated by 10%, the fair values of the currency forwards recognized directly within the hedging reserves in equity would have decreased by €49 million (previous year: €54 million). There are no open positions of forward exchange contracts recognized in profit or loss not included in a hedging relationship as of December 31, 2022.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument may fluctuate as a result of changes in market interest rates.

Beiersdorf has only a small volume of non-current financial instruments that are not measured at amortized cost and does not have any interest rate derivatives. Changes in fair values are therefore of

no more than minor significance for the Beiersdorf Group. These are subject to interest rate risk within the meaning of IFRS 7 for the entire fiscal year.

If the interest rates at the quarter-ends of the fiscal year had been 100 basis points higher (lower) in each case than the yield curve, the financial result would have been €5 million (previous year: €8 million) higher (lower). This would have had no impact on accumulated other comprehensive income within equity.

Default risk

The Beiersdorf Group is exposed to default risk within the Scope of its financing activities and in its operations. The maximum default risk can be seen from the carrying amount of each financial asset recognized in the balance sheet. The total carrying amount of the financial assets was $\le 6,724$ million as of December 31, 2022 (previous year: $\le 7,044$ million).

The simplified process is used for determining impairments on trade receivables under IFRS 9. In this approach, expected credit losses over the entire lifetime of the financial instruments are determined. Expected losses are estimated based on analyses of historical defaults and the age structure of the receivables as well as current economic developments and an assessment of the credit quality of individual customers.

Given that historical and expected default rates are low, the impairments did not have a material impact on assets or equity. We counter the risk of bad debts through detailed monitoring of our customer relationships, active receivables management, and the selective use of trade credit insurance.

Potential default risks relating to the investment of the Group's liquid funds are limited by only making investments with defined-reliable counterparties. Counterparty risk is monitored on the basis of ratings and the counterparties' liable capital, as well as continuously updated risk indicators. These parameters are used to determine maximum amounts for investments with partner banks and securities issuers (counterparty limits), which are compared regularly with the investments actually made throughout the Group. We have invested the majority of our liquidity in low-risk investments (such as government and corporate bonds).

Impairments based on expected credit losses over the next 12 months are recognized on securities measured at amortized cost or at fair value through other comprehensive income. The estimate is based on ratings and continuously updated risk indicators. Current CDS spreads and the issuers' bond spreads are also used in the calculation.

Valuation Allowances

(in € million)

	2021	2022
Securities in the "at amortized cost" category	4	6
Securities in the "at fair value through other comprehensive income" category	1	1
	5	7

Financial assets such as cash and cash equivalents include bank balances and very short-term liquid investments. These belong to the "at amortized cost" category. Given the very short terms (e.g. due on demand) and the creditworthiness of our contractual partners, no impairment was identified based on expected credit losses.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulties in meeting the obligations associated with its financial liabilities. As a result of the large amount of cash and cash equivalents as well as securities held as of the balance sheet date, the Beiersdorf Group is not currently exposed to any liquidity risk. Additionally, in order to ensure the liquidity and financial flexibility of the Beiersdorf Group at all times, liquidity reserves are maintained in the form of credit lines.

Other Disclosures

30 Contingent Liabilities, Other Financial Obligations, and Legal Risks

(in € million)

Dec. 31, 2021	Dec. 31, 2022
87	99
171	90
130	66
41	24
	171 130

Other financial obligations

The aggregate nominal amount of the other financial obligations was €90 million (previous year: €171 million).

As of December 31, 2022, future undiscounted lease liabilities with a remaining term of up to one year amounted to \le 61 million (previous year: \le 60 million) and those with a remaining term of more than one year to \le 140 million (previous year: \le 134 million).

Lease expenses in 2022 include expenses for short-term leases of €26 million (previous year: €18 million), expenses for leases of low-value assets of €2 million (previous year: €3 million), and expenses from variable lease payments of €6 million (previous year: €6 million). Total cash outflow for leases in 2022 was €102 million (previous year: €93 million).

The future cash outflows from extension options, whose future exercise was not taken into account in the measurement of the lease liabilities due to the lack of reasonable certainty amount to around \in 104 million (previous year: \in 106 million).

Legal risks

The claim for damages from the liquidator of Schlecker e. K. following closed antitrust proceeding by the Bundeskartellamt, which has been pending since 2016, was rejected by the courts of first and second instance. Upon a complaint against denial of leave to appeal by the plaintiff, the appeal was granted without reasoning by the Federal Court of Justice (BGH). The BGH overturned the appeal judgment and referred the case back to the second instance for a new decision. The proceedings are also directed against six other companies. The claim for compensation, which involves joint and several liability of all defendants, amounts to approximately €200 million plus interest. Decisions on other claims for damages made in and out of court in connection with concluded antitrust proceedings are pending. Beiersdorf contests these claims.

The state of São Paulo is demanding retroactive tax payments of €77 million (previous year: €66 million) from our Consumer Business Segment's Brazilian affiliates for the years 2005 to 2009. This amount has increased from the previous year owing mostly to interest and changes in the exchange rate. State tax authorities allege that VAT on imports should have been paid in São Paulo state instead of the Brazilian state of landing. All cases are in financial court proceedings. Potential claims for back taxes for the years 2010 to 2017 are now time-barred, which means no further notices demanding additional tax payments can be issued for this period. The Brazilian tax authorities also issued additional, in our view unjustified, VAT demands on at least a similar scale in relation to various matters. Our affiliates are appealing these claims through official processes. The Brazilian courts are not expected to reach a definitive decision in any of these cases for several years. The Group has provisions of €27 million (previous year: €24 million) for these cases.

Some of our affiliates are currently undergoing tax audits. In accordance with IFRIC 23, disputed tax items have been recognized with their most probable cash outflow. In one case, a liquidation loss that had been recognized was not accepted for tax purposes by the tax authorities in Austria. We filed appeals against the tax notices for the affected years. We are convinced that our view will prevail in legal proceedings. However, a final decision cannot be expected for several years. A final non-recognition of the tax-deductible loss would reduce Group profit by approximately €47 million (previous year: €47 million).

In addition, some of our affiliates are currently undergoing customs audits. The Group has recognized provisions of €12 million (previous year: €19 million) for the risks resulting from these audits.

Assessments of the course and results of legal disputes as well as tax and customs audits are associated with considerable difficulty and uncertainty. Results that differ from our expectations may have an effect on the amount of the recognized costs and provisions or liabilities. As of the balance sheet date, we assume, based on the currently available information, that no further significant charges for the Group are to be expected.

31 Employees and Personnel Expenses

The breakdown of employees by function is as follows:

Number of Employees as of Dec. 31

	2021	2022
Production, supply chain, and quality management	7,812	8,253
Marketing and sales	7,514	7,644
Research and development	1,530	1,591
Other functions	3,711	3,913
	20,567	21,401
	2021	2022
	2021	2022
Production, supply chain, and quality management	7,857	
		8,166
Marketing and sales	7,479	8,166 7,681
Research and development		<u> </u>
	7,479	7,681

Personnel expenses amounted to €1,747 million (previous year: €1,573 million). This amount breaks down into wages and salaries of €1,404 million (previous year: €1,256 million), social security expense of €217 million (previous year: €192 million), and pension expense of €126 million (previous year: €125 million). A breakdown of employees by business segment can be found in the segment reporting.

32 Auditor's Fees

The Annual General Meeting on April 14, 2022, elected Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft as the auditors for the annual and consolidated financial statements for fiscal year 2022.

The following table gives an overview of the total fee charged by Ernst & Young GmbH Wirtschafts-prüfungsgesellschaft:

Fees paid to the Group Auditors

(in € thousand)

	1,854	1,971
Other services	67	
Tax advisory services	118	_
Other assurance services		252
Audit services	1,447	1,719
		2022

Non-audit services in fiscal year 2022 mainly comprised the voluntary limited assurance engagement on the combined Non-financial Statement, agreed-upon procedures, and other legally prescribed, contractually agreed, or voluntarily requested assurance services.

33 Declaration of Compliance with the German Corporate Governance Code

In December 2022, Beiersdorf Aktiengesellschaft's Executive Board and Supervisory Board issued their Declaration of Compliance with the recommendations of the Government Commission on the German Corporate Governance Code for fiscal year 2022 in accordance with § 161 *AktG*. The Declaration of Compliance was made permanently accessible to shareholders on the company's website at www.beiersdorf.com/declaration_of_compliance.

34 Related Party Disclosures - Individuals

The requirements of IAS 24 apply to key management personnel of the company, their immediate family members, as well as the companies they control. In the Beiersdorf Group, the key management personnel are the members of the Executive and Supervisory Boards of Beiersdorf Aktiengesellschaft.

For fiscal year 2022, the members of the Supervisory Board received remuneration totaling €1,673 thousand (previous year €1,702 thousand) and the members of the Executive Board received remuneration totaling €27,412 thousand (previous year: €16,131 thousand; adjusted), in each case in accordance with the provisions of German commercial law. Of the total compensation of the members of the Executive Board, €15,406 thousand (prior year: €7,517 thousand) relates to long-term benefits (additions to accruals for the LTP equity investments and for the new LTP 2021-2024) and also any multi-year bonuses). The short-term benefits (Fixed Basic Remuneration and Variable Bonus) including ancillary benefits amounted to €12,006 thousand (previous year: €8,614 thousand). For information on the principles of the system governing Executive and Supervisory Board remuneration and the amount of members' individual remuneration, please refer to the remuneration report in the section "Other Information" in the Annual Report. This remuneration report is not part of the combined Management Report. Payments to former members of the Executive Board and their surviving

dependents €5,128 thousand (previous year: €4,775 thousand). Provisions for pension commitments to former members of the Executive Board and their surviving dependents €54,674 thousand (previous year: €59,369 thousand).

With the exception of granting of the remuneration disclosed in the remuneration report, there were no material transactions between the members of Beiersdorf Aktiengesellschaft's Executive Board or Supervisory Board and the companies of the Beiersdorf Group in fiscal year 2022. The same applies to the immediate family members of these persons.

35 Related Party Disclosures - Entities

Since March 30, 2004, maxingvest ag has held more than 50% of Beiersdorf Aktiengesellschaft's share capital. Accordingly, Beiersdorf Aktiengesellschaft is a dependent company within the meaning of § 312 (1) sentence 1 in conjunction with § 17 (2) *AktG*. Since no control agreement exists between Beiersdorf Aktiengesellschaft and maxingvest ag, the Executive Board of Beiersdorf Aktiengesellschaft prepares a report on dealings among Group companies in accordance with § 312 (1) sentence 1 *AktG*. In fiscal year 2022, as in the previous year, Beiersdorf Aktiengesellschaft and its affiliated companies as well as maxingvest ag and its affiliated companies pooled purchase volumes to achieve cost benefits and sourced products and services from each other at standard market terms to an extent that is not material. There was also limited collaboration in various areas.

36 Shareholdings in Beiersdorf Aktiengesellschaft

Beiersdorf Aktiengesellschaft received the following notifications in accordance with the provisions of the *Wertpapierhandelsgesetz* (German Securities Trading Act, *WpHG*), by the preparation date of the accounts.¹ In each case, the disclosures represent the discloser's most recent notification to the company, unless additional notifications are required to be provided for reasons of transparency.

1.

a) Voting right notifications in accordance with § 21 (1) WpHG (former version) dated April 2, 2004, April 14, 2004, and April 16, 2004. The persons subject to the disclosure requirement listed in the table below notified Beiersdorf Aktiengesellschaft on April 2, 2004, April 14, 2004, and April 16, 2004, in accordance with § 21 (1) WpHG (former version) that they had, for the first time, exceeded the 50% threshold and held 50.46% (42,386,400 voting rights) in Beiersdorf Aktiengesellschaft as of March 30, 2004.

After adjustment for Beiersdorf Aktiengesellschaft's share buyback program, which was implemented on February 3, 2004, and the resulting attribution of the 9.99% (8,393,672 own shares) held by Beiersdorf Aktiengesellschaft in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 WpHG (former version), the disclosers in accordance with § 21 (1) WpHG (former version) each exceeded the 50% threshold for the first time as of February 3, 2004, and each held a 59.95% share (50,360,072 voting rights) in Beiersdorf Aktiengesellschaft as of this date. This increase was solely the result of the attribution of the own shares held by Beiersdorf Aktiengesellschaft in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 WpHG (former version).²

The disclosers' total share of voting rights as of March 30, 2004, amounted to 60.45% (50,780,072 voting rights) in each case instead of 50.46% (42,386,400 voting rights).²

¹ The following disclosures do in part not reflect the 1:3 share split resolved by the company's Annual General Meeting on May 17, 2006, because they were received before this date. As a result of this share split, each no-par-value share of the company with a notional interest in the share capital of €2.56 was split into three no-par-value shares with a notional interest in the share capital of €1.00 each (following the increase of the share capital without the issuance of new shares).

² Due to a change in the administrative practice of the Bundesanstalt für Finanzdienstleistungsaufsicht (Federal Financial Supervisory Authority, BaFin) in December 2014 concerning the attribution of own shares, own shares held by the issuer are no longer counted toward a shareholder's share of voting rights.

All shares of voting rights were attributable to the disclosers, with the exception of Tchibo Holding AG (now renamed to maxingvest ag), in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 WpHG (former version). 30.36% (25,500,805 voting rights) were attributable to Tchibo Holding AG in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 WpHG (former version); at the time, it directly held 20.10% (16,884,000 voting rights).

The chains of controlled companies are as follows:

Discloser*	Discloser's domicile and country of residence or of domicile	Disclosures in accordance with § 17 (2) Verordnung zur Konkretisierung von Anzeige-, Mitteilungs- und Veröffentlichungspflichten sowie der Pflicht zur Führung von Insiderverzeichnissen nach dem Wertpapierhandelsgesetz (Regulation setting out in detail the disclosure, notification, and announcement duties as well as the duty to maintain a list of insiders in accordance with the WpHG, WpAIV) (former version) (controlled companies via which the voting rights are effectively held and whose attributed share of the voting rights amounts to 3% or more) at the time of § 17 (1) no. 6 WpAIV (former version)
S.P.M. Beteiligungs- und Verwaltungs GmbH	Hamburg, Germany (formerly Norderstedt, Germany)	Trivium Vermögensverwaltungs GmbH, Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
E. H. Real Vermögensverwaltungs GmbH (formerly named E. H. Real Grundstücksverwaltungsgesellschaft mbH)	Hamburg, Germany (formerly Norderstedt, Germany)	Scintia Vermögensverwaltungs GmbH, E.H. Real Grundstücksgesellschaft mbH & Co. KG, Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Scintia Vermögensverwaltungs GmbH	Hamburg, Germany (formerly Norderstedt, Germany)	Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Trivium Vermögensverwaltungs GmbH	Hamburg, Germany (formerly Norderstedt, Germany)	Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Mr. Michael Herz	Germany	S.P.M. Beteiligungs- und Verwaltungs GmbH, Trivium Vermögensverwaltungs GmbH, Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Mr. Wolfgang Herz	Germany	E.H. Real Grundstücksverwaltungsgesellschaft mbH, E.H. Real Grundstücksgesellschaft mbH & Co. KG, Scintia Vermögensverwaltungs GmbH, Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Max und Ingeburg Herz Stiftung	Hamburg, Germany (formerly Norderstedt, Germany)	Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
maxingvest ag (formerly named Tchibo Holding AG)	Hamburg, Germany	Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft

^{*} The following parties have subsequently reduced their voting rights to 0% (0 voting rights): E. H. Real Grundstücksgesellschaft mbH & Co. KG (Norderstedt, Germany); Agneta Peleback-Herz (Germany); Joachim Herz, represented by the Joachim Herz Stiftung as his legal successor (Hamburg, Germany); Coro Vermögensverwaltungsgesellschaft mbH (Hamburg, Germany); Ingeburg Herz GbR (Norderstedt, Germany). Ingeburg Herz passed away during fiscal year 2015.

To clarify: The own shares held by Beiersdorf Aktiengesellschaft do not bear voting or dividend rights in accordance with § 71b AktG.

b) Voting right notification in accordance with § 21 (1) WpHG (former version) dated December 29, 2004. The voting right notification issued on December 29, 2004, by Tchibo Holding AG in accordance with § 21 (1) WpHG (former version) disclosed that Tchibo Beteiligungsgesellschaft mbH (now renamed to BBG Beteiligungsgesellschaft mbH) exceeded the 50% threshold for the first time when it acquired 20.10% of the voting rights in Beiersdorf Aktiengesellschaft from Tchibo Holding AG, and that it held 50.46% (42,386,400 voting rights) in Beiersdorf Aktiengesellschaft as of December 22, 2004.

After adjustment for Beiersdorf Aktiengesellschaft's share buyback program, which was implemented on February 3, 2004, and the now performed attribution in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG* (former version) of the 9.99% (8,393,672 own shares) acquired as part of the buyback program, Tchibo Beteiligungsgesellschaft mbH exceeded the 50% threshold in accordance with § 21 (1) *WpHG* (former version) for the first time as of December 22, 2004, and held 60.45% of the voting rights in Beiersdorf Aktiengesellschaft (50,780,072 voting rights) as of this date.⁴ A total of 40.35% (33,894,477 voting rights) was attributable to Tchibo Beteiligungsgesellschaft mbH. The chain of controlled companies was as follows: Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft. This increase was solely the result of the attribution of the own shares held by Beiersdorf Aktiengesellschaft in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG* (former version).⁴

c) Voting right notification in accordance with § 21 (1) *WpHG* (former version) dated April 16, 2009. E. H. Real Grundstücksverwaltungsgesellschaft mbH's voting right notification dated March 11, 2008, has hereby been revoked. E. H. Real Grundstücksverwaltungsgesellschaft mbH's share of voting rights also exceeded the 3, 5, 10, 15, 20, 25, 30, and 50% thresholds as of January 15, 2007, and continued to do so thereafter and, including the 9.99% held by Beiersdorf Aktiengesellschaft (25,181,016 own shares) after adjustment for the increase of the share capital from retained earnings without the issuance of new shares and the 1 : 3 reclassification of the share capital (share split) in 2006, continued to amount to 60.45% in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG* (former version) (152,340,216 voting rights).³

2.

In accordance with § 25 (1) sentence 3 in conjunction with § 21 (1) sentence 1 WpHG (former version), Beiersdorf Aktiengesellschaft also announced that it had exceeded the threshold of 5% of the voting rights in its own company on February 3, 2004, and that a share of 9.99% has been attributable to it since then. The own shares held by the company do not bear voting or dividend rights in accordance with § 71b AktG.

All releases on voting rights notifications in accordance with § 40 (1) WpHG that Beiersdorf Aktiengesellschaft has made since January 3, 2018, are available under www.beiersdorf.com/investors/financial-reports/voting-rights-notifications.

Report on Post-Balance Sheet Date Events

As a result of a technical incident on January 24, 2023 at the Italian subsidiary Comet SpA in Solbiate con Cagno/Lombardy, parts of production at this site had to be shut down. Comprehensive measures

³ Due to a change in the administrative practice of the Bundesanstalt für Finanzdienstleistungsaufsicht (Federal Financial Supervisory Authority, BaFin) in December 2014 concerning the attribution of own shares, own shares held by the issuer are no longer counted toward a shareholder's share of voting rights.

were immediately initiated to compensate for possible supply shortfalls. We currently expect maintenance costs to be in the single-digit million range. According to initial analyses, production of a large proportion of the products can be relocated to other tesa production sites without any supply restrictions. A complete relocation is not expected to be possible. Despite the introduction of compensatory measures, sales shortfalls cannot be ruled out, although their amount cannot be quantified sufficiently at the present time.

Beiersdorf AG Boards

Supervisory Board

Name	Profession	Memberships
Hong Chow	Head of China & International, Healthcare, Merck KGaA	
Reiner Hansert	Business Partner tesa & La Prairie Group Corporate Brand Protection Unit, Beiersdorf AG	Member of the Supervisory Board: maxingvest ag ¹
Martin Hansson Deputy Chairman until July 31, 2022	Chief Executive Officer, Salix Group	Member of the Supervisory Board: TCHIBO GmbH ¹
Wolfgang Herz	General Manager Participia Holding GmbH	Chairman of the Supervisory Board: Blume 2000 SE ¹ TOPP Holding AG ¹
		Deputy Chairman of the Supervisory Board: Libri GmbH ¹
		Member of the Supervisory Board: maxingvest ag ¹ TCHIBO GmbH ¹
Uta Kemmerich-Keil since August 1, 2022	Member of the Supervisory Board/ Advisory Board/Administrative Board of various companies	Member of the Supervisory Board: Biotest AG ² Schott AG ¹ Affimed NV, Netherlands ² Karo Healthcare AB, Sweden ¹
		Member of the Administrative Board (Verwaltungsrat): Klosterfrau Zürich AG, Switzerland¹
Andreas Köhn	Chairman of the Works Council, Beiersdorf Manufacturing Hamburg GmbH	
Jan Koltze	Regional Head, Industriegewerkschaft Bergbau, Chemie, Energie	Member of the Supervisory Board: Aurubis AG ² ExxonMobil Central Europe Holding GmbH ¹ maxingvest ag ¹
Dr. Dr. Christine Martel	Business Executive Officer (BEO), Nestlé Suisse S.A.	
Olaf Papier	Chairman of the Works Council, Beiersdorf AG	
Frédéric Pflanz* Deputy Chairman since September 2, 2022	Chief Financial Officer, maxingvest ag	Member of the Administrative Board (Verwaltungsrat): Cambiata Schweiz AG, Switzerland ¹
		Member of the Board of Directors: Cambiata Ltd., British Virgin Islands ¹
Prof. Dr. Reinhard Pöllath Chairman	Lawyer, P+P Pöllath + Partners	Chairman of the Supervisory Board: Elektrobau Mulfingen GmbH (since August 22, 2022) ¹ maxingvest ag ¹ Wanzl GmbH & Co. KGaA ¹
		Member of the Supervisory Board: Elektrobau Mulfingen GmbH (June 22, 2022 until August 21, 2022) ¹ TCHIBO GmbH ¹ Wanzl GmbH & Co. Holding KG ¹
Prof. Manuela Rousseau* Deputy Chairwoman	Senior Advisor Global Diversity & Inclusion, Beiersdorf AG, Professor at the Academy of Music and Theatre, Hamburg	
Kirstin Weiland	Chairwoman of the Works Council, tesa SE	Member of the Supervisory Board: tesa SE (intragroup)¹
4. N		

¹ Non-listed

^{*} The Supervisory Board's diversity officers

Supervisory Board Committees

Members of the Presiding Committee	Members of the Audit Committee	Members of the Finance Committee	Members of the Nomination Com- mittee	Members of the Mediation Committee	Members of the Personnel Com- mittee
Prof. Dr. Reinhard Pöllath Chairman	Dr. Dr. Christine Martel Chairwoman	Frédéric Pflanz Chairman	Prof. Dr. Reinhard Pöllath Chairman	Prof. Dr. Reinhard Pöllath Chairman	Frédéric Pflanz Chairman
Wolfgang Herz	Reiner Hansert	Reiner Hansert	Hong Chow	Martin Hansson until July 31, 2022	Hong Chow
Frédéric Pflanz	Martin Hansson until July 31, 2022	Martin Hansson until July 31, 2022	Martin Hansson until July 31, 2022	Olaf Papier	Reiner Hansert
Prof. Manuela Rousseau	Uta Kemmerich- Keil since September 2, 2022	Uta Kemmerich- Keil since September 2, 2022	Dr. Dr. Christine Martel	Frédéric Pflanz since September 2, 2022	Andreas Köhn
	Olaf Papier	Dr. Dr. Christine Martel	Frédéric Pflanz since September 2, 2022	Prof. Manuela Rousseau	Prof. Dr. Reinhard Pöllath
	Frédéric Pflanz	Olaf Papier			Kirstin Weiland

Executive Board

Name	Function	Responsibilites	Membership ¹
Vincent Warnery	CEO	Corporate Development & Strategy Internal Audit Supply Chain & Quality Assurance Research & Development Corporate Communication Sustainability Greater China / Korea Japan	
Oswald Barckhahn	Europe USA / Canada	Europe USA / Canada	
Astrid Hermann	Finance	Finance & Financial Control Legal & Compliance IT	Deputy Chairwoman of the Supervisory Board: tesa SE (intragroup) ²
Thomas Ingelfinger until June 30, 2022	tesa SE	tesa SE	Chairman of the Advisory Board (<i>Beirat</i>): Tengelmann Verwaltungs- und Beteiligungs GmbH ²
Nicola Lafrentz since May 1, 2022	Human Resources since August 1, 2022	Human Resources General Services & Real Estate (Labor Director)	
Zhengrong Liu until December 31, 2022	Human Resources until July 31, 2022		
Grita Loebsack since January 1, 2022	NIVEA	Brand Management Digital Marketing	
Ramon A. Mirt	Emerging Markets	Latin America Africa Asia (excluding Greater China) Russia	
Patrick Rasquinet	Pharmacy & Selective	Derma Health Care La Prairie Chantecaille	

¹ In connection with their Group management and supervisory duties, the members of the Executive Board of Beiersdorf Aktiengesellschaft also hold offices in comparable supervisory bodies at Group companies and other associated companies.

² Non-listed

Hamburg, February 6, 2023

 $Beiers dorf\,Aktienges ellschaft$

The Executive Board

Attestations

Independent Auditor's Report

To Beiersdorf Aktiengesellschaft

Report on the audit of the consolidated financial statements and of the group management report

Audit Opinions

We have audited the consolidated financial statements of Beiersdorf Aktiengesellschaft, Hamburg, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2022, and the consolidated income statement, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity for the fiscal year from January 1 to December 31, 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Beiersdorf Aktiengesellschaft, which is combined with the management report of the company, for the fiscal year from January 1 to December 31, 2022. In accordance with the German legal requirements we have not audited the components of the group management report stated in the annex.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315e (1) of the German Commercial Code (HGB) and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at December 31, 2022, and of its financial performance for the fiscal year from January 1 to December 31, 2022, and
- The attached Group Management Report provides an accurate picture of the Group's position overall. In all material respects, this Group Management Report is consistent with the consolidated financial statements, complies with German legal requirements, and suitably presents the opportunities and risks associated with the company's future performance. We have not issued an audit opinion on the components of the Group Management Report referred to in the Annex.

Pursuant to Sec. 322 (3) sentence 1 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 Sec. 317 HGB and the EU Audit Regulation (No 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report" section of our auditor's report. We are independent of the Group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in

accordance with these requirements. In addition, in accordance with Article 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year from January 1 to December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be the key audit matters:

1) Recognizing revenue from the sale of goods and products

Reasons why the matter was determined to be a key audit matter

The consolidated financial statements of Beiersdorf Aktiengesellschaft recognize revenue from the sale of goods and products, less discounts, customer bonuses, and rebates, and taking into account returns, when control over the goods and products has transferred to the customer. Considerations payable to trading partners are also deducted from revenue in those cases in which the consideration is not matched by a distinct product or service supplied and its fair value can be estimated reliably. Given the large number of different contractual arrangements and the judgment to be exercised as regards determining rebates, customer bonuses, discounts, and the terms and conditions of returns, there is an elevated risk of material misstatement in the recognition of revenue from the sale of goods and products on an accrual basis. Auditing of the recognition of revenue from the sale of goods and products was therefore one of the key audit matters.

Auditor's response

As part of our audit, we examined the accounting policies applied in the consolidated financial statements of Beiersdorf Aktiengesellschaft for the recognition of revenue from the sale of goods and products using the criteria defined in IFRS 15. We walked through the process for revenue recognition implemented by the executive directors of Beiersdorf Aktiengesellschaft for the Beiersdorf Group and the accruals for expected rebates, customer bonuses, discounts, and expected returns using selected transactions from order receipt to recognition in the consolidated financial statements, and tested and evaluated the effectiveness of controls implemented in this process. Moreover, we performed an examination on a test basis to determine whether the contractually agreed and awarded rebates, customer bonuses, and discounts, actual returns, as well as payments to trading partners without identifiable consideration were deducted from sales revenue on an accrual basis. In addition, we analyzed the calculation of still expected returns of goods and products and their deduction from sales revenue by comparing the plan and actual figures for the assumptions made in previous years, taking into account the contractual agreements made with customers. To prove the existence of sales revenue, we performed, among other things, an examination with the aid of data analyses to establish whether it led to the recognition of trade receivables and whether these receivables were in turn settled by payments received. We examined postings in December 2022 which involved large amounts compared with the average for the year in order to determine whether there were irregularities in respect of the accruals principle.

Our audit procedures did not give rise to any reservations in respect of the recognition of revenue from the sale of goods and products.

Reference to related disclosures

For the accounting policies applied in relation to the recognition of revenue from the sale of goods and products and for the associated disclosures on the exercise of judgment, we refer to the information in the notes to the consolidated financial statements, section "Significant Accounting Policies" in the chapter of the same name.

2) Current and deferred income taxes, import sales taxes and customs duties

Reasons why the matter was determined to be a key audit matter

The Beiersdorf Group operates its business activities in countries with different local tax and customs law, with the associated complexity in relation to the recognition of current and deferred income taxes and the accounting treatment of risks from import sales taxes and customs duties, namely the transfer prices applied, intragroup financing, and changing tax and customs laws. The calculation of provisions for income tax liabilities, the calculation of deferred tax items, and the accounting treatment of risks from import sales taxes and customs duties require the executive directors of Beiersdorf Aktiengesellschaft to exercise significant judgment in evaluating tax- and customs-related matters and to estimate tax and customs law risks as well as the recoverability of deferred tax assets.

Given the risks and their potential impact on the consolidated financial statements from current and deferred income taxes and from import sales taxes and customs duties, the complexity of the individual matters and the existing discretion in exercising judgment, auditing the current and deferred income taxes and import sales taxes and customs duties was one of the key audit matters.

Auditor's response

As part of the audit, we obtained an understanding of the Beiersdorf-Group's processes for assessing tax and customs law risks. As part of these processes, the executive directors of Beiersdorf Aktiengesellschaft regularly engage external tax experts to provide professional statements on individual matters. We involved our tax and customs experts with knowledge of the relevant local tax and customs law for the countries in question to evaluate the tax- and customs-related assessments made by the executive directors of Beiersdorf Aktiengesellschaft, taking into account any professional statements from external experts where these had been provided. We also examined the correspondence with the competent tax and customs authorities and the latest status of ongoing appeal proceedings and court cases. We examined the assumptions used to calculate current income tax provisions and deferred taxes and to account for risks from import sales taxes and customs duties, taking particular account of the transfer prices used, on the basis of our knowledge and experience of the current application of the relevant legal provisions by authorities and courts. We examined the assumptions about the recoverability of deferred tax assets on tax loss carryforwards and temporary differences by testing the plausibility of the underlying forecasts using the development of the relevant companies' results over recent years and publicly available information on the expected development of the markets concerned. We also evaluated the information in the notes to the consolidated financial statements of Beiersdorf Aktiengesellschaft on current and deferred income taxes and risks from import sales taxes and customs duties.

Our audit procedures did not give rise to any reservations in respect of the recognition of current and deferred income taxes or the accounting treatment of risks from import sales taxes and customs duties.

Reference to related disclosures

For information on the accounting policies applied to current and deferred income taxes and the presentation of risks arising from import sales taxes and customs duties, as well as related disclosures on management discretion and sources of estimation uncertainty, please refer to the disclosures in the Notes to the consolidated financial statements in the "Basis of Preparation and Methods" section

under "Significant accounting policies," in the "Notes to the Income Statement" section under Note 09, and in the "Other Disclosures" section under Note 30.

3) Legal disputes in connection with concluded antitrust proceedings

Reasons why the matter was determined to be a key audit matter

In October 2016, a lawsuit was filed against Beiersdorf Aktiengesellschaft by the insolvency administrator of Anton Schlecker e. K. i.l., Ehingen (Donau), seeking damages in connection with German antitrust proceedings concluded in 2013. In addition to Beiersdorf Aktiengesellschaft, the lawsuit was also filed against six other companies. The total value of the claim filed jointly and severally by the insolvency administrator of Anton Schlecker e. K. i.l., Ehingen (Donau), against all defendants amounts to approximately 200 million euros plus interest. This lawsuit was dismissed by the court of first instance in fiscal 2018 and by the court of second instance in fiscal 2020, without the possibility to appeal to Germany's Federal Court of Justice (BGH), the country's supreme court. The insolvency administrator of Anton Schlecker e. K. i.I., Ehingen (Donau), has filed appeal against this denial of leave to appeal with the BGH against the judgment rendered by the court of second instance. In response to the plaintiff's appeal against the denial of leave to appeal, the BGH granted leave to appeal without stating any reasons in January 2022. The BGH granted the appeal against the denial of leave to appeal, reversed the decision by the court of second instance, and referred the case back for a new hearing. In connection with the aforementioned concluded antitrust proceedings, further domestic and foreign customers of the Beiersdorf Group filed claims for damages against companies of the Beiersdorf Group in fiscal years 2016 and 2017, respectively, or asserted claims for damages out of court. Due to the existing uncertainties, the presentation of the legal risks arising from the claims for damages asserted in the consolidated financial statements requires Beiersdorf Aktiengesellschaft's legal representatives to exercise significant discretion in assessing whether and to what extent a potential loss has been incurred, and with regard to the extent of any potential claim arising from joint and several liability. In determining the extent of a possible loss, they have, in particular, considerable discretion with respect to the assumptions regarding what is known as the "overcharge" and the "pass-on rate." The "overcharge" corresponds to the percentage difference between the prices actually seen on the market and the prices expected in the absence of a cartel. The "pass-on rate" corresponds to the percentage extent to which price increases by suppliers were passed on to customers.

Given the risks and potential impact on the consolidated financial statements from the legal disputes in connection with the concluded antitrust proceedings, the complexity of the individual matters, and the existing discretion in exercising judgment, auditing the legal disputes in connection with concluded antitrust proceedings was one of the key audit matters.

Auditor's response

We obtained an understanding of the Beiersdorf Aktiengesellschaft's processes for assessing legal risks. As part of these processes, the executive directors of Beiersdorf Aktiengesellschaft commissioned external lawyers to provide professional statements evaluating the legal basis for the claims filed and the potential joint and several liability, as well as reports from external experts calculating the extent of potential damages. We obtained confirmations from the external lawyers commissioned by Beiersdorf Aktiengesellschaft. We critically examined and evaluated these confirmations and supplementary internal documentation of Beiersdorf Aktiengesellschaft to ascertain whether there were possible changes from the original risk assessment and in the calculation of possible damages. Supported by our legal experts, we examined the existing claims for damages, statements of defense, replies to the statements of defense, court rulings by the court of first instance, and other correspondence to determine whether these had been taken into account in the original risk assessment by the executive directors of Beiersdorf Aktiengesellschaft. Furthermore, we obtained an understanding of the original calculation of possible damages, and particularly of the assumptions based on econometric

models in relation to the amount of the overcharge and the level of the pass-on rate, by evaluating the external expert's methodology with the external expert. We also evaluated the professional qualifications, skills and objectivity of the external expert. In addition, our audit procedures involved assessing the disclosures in the notes to the consolidated financial statements of Beiersdorf Aktiengesellschaft on the legal risks arising from the damages claims filed.

Our audit procedures did not give rise to any reservations in respect of the accounting treatment of the legal risks arising from legal disputes in connection with antitrust proceedings already concluded.

Reference to related disclosures

For the disclosures concerning legal risks in connection with one concluded case of antitrust proceedings, we refer to the information in the notes to the consolidated financial statements, note 30 in the chapter "Other Disclosures."

4) Accounting for the acquisition and impairment of goodwill of the Chantecaille Group

Reasons why the matter was determined to be a key audit matter

Beiersdorf Inc., Stamford, USA, a wholly owned subsidiary of Beiersdorf Aktiengesellschaft, acquired Chantecaille Beaute Inc., New York, USA (hereinafter referred to as the Chantecaille Group) on February 1, 2022 (the "acquisition date"). Since then, Beiersdorf Aktiengesellschaft has indirectly held 100% of the shares in the Chantecaille Group via its affiliates. The acquisition was accounted for in accordance with "IFRS 3 - Business Combinations" on the basis of the completed purchase price allocation.

In this case, the acquired identifiable assets and liabilities are recognized at fair value as of the acquisition date. Goodwill is recognized as the remaining portion of the purchase price that is not allocated to the identifiable assets acquired and liabilities assumed in the purchase price allocation. The goodwill resulting from the initial consolidation, as well as the identifiable assets and liabilities acquired, become part of a cash-generating business unit of the Beiersdorf Group.

Certain identifiable assets acquired, in particular brand names and customer relationships, do not have fair values that can be observed on the market. As a result, complex, assumption-based valuation models are therefore used to determine the corresponding fair values as part of the purchase price allocation at the time of initial consolidation and as part of the impairment test as of the reporting date. The valuation of these assets is therefore highly dependent on estimates of future cash flows and the weighted average cost of capital used, and is subject to considerable uncertainty due to the assumptions that have to be applied and the broad scope for discretion.

In light of the underlying complexity of the valuation models, which, among other aspects, play a key role in the allocation of the purchase price, and the existing estimation uncertainties and scope for discretion, as well as the materiality of the Chantecaille Group's goodwill for the Beiersdorf Group's net assets, financial position, and results of operations, and the associated significant risk of material misstatement, the accounting treatment of the acquisition and the recoverability of the Chantecaille Group's goodwill were among the most significant audit matters addressed in the course of our audit.

Audit Procedure

As part of our audit, we analyzed the processes implemented by the legal representatives of the Beiersdorf Group to plan future expected cash flows, to determine the fair values of assets as of the date of initial consolidation, and to test the recoverability of goodwill as of the reporting date in order to identify potential risks of error and to obtain an understanding of the steps they took in this process. Our audit procedures relating to the purchase price allocation, wherein we drew on the expertise of our internal valuation experts, included, among other measures, assessing the methodological and

computational approach taken by the external appraiser engaged by the legal representatives to identify and value the assets acquired as well as the liabilities assumed and to determine the value of goodwill in accordance with the requirements of IFRS 3. We assessed the plausibility of the expected future cash flows used for the purchase price allocation and the goodwill impairment test on the basis of past earnings and the information provided to us by the Beiersdorf Group's legal representatives regarding the expected future performance of the Chantecaille Group. Similarly, we also assessed the forecasts for expected future cash inflows and outflows by comparing them with the Group's internal system-based budget planning and by reviewing the expectations of analysts and industry associations with respect to general economic and market-specific developments. Where available, a random comparison of historical planning data with actual results was carried out to assess planning accuracy. Furthermore, we reconciled the budget plans approved by the Executive Board with the assessments presented to us.

In addition, we assessed the competence, skills, and objectivity of the appraiser engaged by the legal representatives to perform the purchase price allocation. In addition, with the assistance of internal valuation specialists, we analyzed the assumptions and discretionary estimates used in the purchase price allocation (in particular growth rates, cost of capital rates, royalty rates, and remaining useful lives) to determine the fair values of the identifiable assets acquired (in particular the acquired customer relationships and the brand name) to determine whether they correspond to general economic parameters and industry-specific market expectations. We compared the assumptions regarding the underlying cost of debt, among other factors, with current interest rate trends; with regard to the cost of equity, we assessed the beta coefficient applied, in particular via the composition of the peer companies used, and compared the interest rate on equity with available market data.

With respect to the recoverability of the goodwill of the Chantecaille Group, we assessed the composition of the carrying amounts of the cash-generating unit for completeness, in particular using the criteria defined in IAS 36. Furthermore, we performed an audit of the calculation of the carrying amounts of the cash-generating unit and its inclusion in the consolidated financial statements. We also audited the comparison of the recoverable amount to the carrying amount of the cash-generating unit. In order to understand the potential impact of changes in the calculation parameters applied as well as in the expected cash flows to the recoverable amount and therefore to assess a possible impairment risk, we assessed the level of uncertainty of future financial surpluses based on scenarios and ranges of results and also performed our own sensitivity analyses to verify our client's result.

Further, we examined the disclosures in the Notes to the consolidated financial statements regarding the acquisition of the Chantecaille Group in accordance with IFRS 3 and regarding the recoverability of goodwill in accordance with IAS 36 with respect to the requirements resulting from the IFRS rules.

Ultimately, our audit procedures did not give rise to any reservations regarding the accounting treatment of the acquisition or the recoverability of the goodwill recognized upon initial consolidation of the Chantecaille Group.

Reference to Related Information

With regard to the disclosures and accounting policies applied to the acquisition of the Chantecaille Group, please refer to the section "Scope of consolidation, acquisitions and divestments" in the subsection "Significant acquisitions" in the notes to the consolidated financial statements. For information on the recoverability of the goodwill arising from the initial consolidation, please refer to the disclosures in the notes to the consolidated financial statements in the section "Intangible assets" under Note 11.

Other information

The Supervisory Board is responsible for its own report. The executive directors and the Supervisory Board are responsible for the declaration on the German Corporate Governance Code in accordance

with Sec. 161 of the German Stock Corporation Act (AktG), which is part of the Group's Corporate Governance Statement, and for the remuneration report in accordance with Sec. 162 AktG. The executive directors are responsible for the remaining other information. Other information comprises the components of the group management report stated in the annex, as well as the other components of the annual report, with the exception of the audited consolidated financial statements, the group management report and our related auditor's report, in particular the Executive Board's Responsibility Statement in accordance with Sec. 297 (2) sentence 4 HGB, the report by the Supervisory Board in accordance with Sec. 171 (2) AktG, and the sections "Magazine," "Letter from the Chairman," and "Beiersdorf's Shares and Investor Relations" in the annual report. We had obtained a version of this other information by the time this auditor's report was issued.

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, it is our responsibility to read the other information and to assess whether the other information is:

- Materially inconsistent with the consolidated financial statements, the Group Management Report or our knowledge obtained in the course of the audit, or
- Otherwise materially misrepresented.

If, on the basis of the activities that we have performed, we conclude that there has been a material misstatement of this other information, we are obliged to report that fact. We have nothing to report in this respect.

Responsibilities of the executive directors and the Supervisory Board for the consolidated financial statements and the group management report

The legal representatives are responsible for the preparation of the consolidated financial statements, which comply in all material respects with IFRS as adopted by the EU and the additional requirements of German law pursuant to Section 315e(1) of the German Commercial Code (HGB), and for being satisfied that the consolidated financial statements present a true and fair view of the net assets, financial position, and results of operations of the Group in accordance with these requirements. Furthermore, the legal representatives are responsible for the internal controls that they have determined are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error (i.e., manipulation of the financial statements and misstatement of assets).

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are 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 executive directors 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.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report

Our objective is to be reasonably certain that the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and that the Group Management Report as a whole provides a suitable view of the Group's position and is consistent, in all material respects, with the consolidated financial statements and with our audit findings, complies with German legal requirements, and suitably presents the opportunities and risks as they pertain to the Group's future performance, and to issue an audit opinion that includes our audit assessments of the consolidated financial statements and the Group Management Report.

Reasonable certainty is a high level of certainty, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU-APrVO and in compliance with 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 in the aggregate, 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. We also:

- Identify and assess the risks of material misstatements, whether due to fraud or error, in the
 consolidated financial statements and the Group Management Report, plan and perform audit
 procedures in response to such risks, and obtain audit evidence that is sufficient and appropriate
 to provide a basis for our audit opinions. The risk that material misstatements will not be detected
 is greater in the case of fraudulent acts than in the case of errors, as fraudulent acts may involve
 fraudulent collusion, falsification, intentional incompleteness, misrepresentation, or suspension of
 internal controls;
- 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.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- 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 assets, liabilities, financial position, and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB.

- · 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 group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with the law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the audit of the electronic reproductions of the consolidated financial statements and of the group management report prepared for the purposes of disclosure in accordance with Sec. 317 (3a) HGB

Audit opinion

In accordance with Sec. 317 (3a) HGB, we have performed a reasonable assurance engagement to determine whether the reproductions of the consolidated financial statements and the Group management report contained in the "Beiersdorf_AG_KA+KLB_ESEF_2022-12-31.zip" and prepared for disclosure purposes (hereinafter also referred to as the "ESEF documents") comply in all material respects with the requirements of Sec. 328 (1) HGB regarding the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this audit extends only to the conversion of the information in the consolidated financial statements and the group management report into the ESEF format and therefore neither to the information contained in these reproductions nor to any other information contained in the above-mentioned file.

In our opinion, the electronic versions of the consolidated financial statements and the group management report included in the accompanying file referred to above and prepared for disclosure purposes comply, in all material respects, with the provisions of Sec. 328 (1) HGB concerning the electronic reporting format. We do not express any opinion on the information contained in these reproductions or on the other information contained in the above-mentioned file other than our opinion on the accompanying consolidated financial statements and on the accompanying group management report for the fiscal year from January 1 to December 31, 2022 contained in the preceding "Report on the audit of the consolidated financial statements and Group Management Report".

Basis for the audit opinion

We conducted our audit of the reproductions of the consolidated financial statements and the group management report contained in the above-mentioned file in accordance with Sec. 317 (3a) HGB and IDW Auditing Standard: Auditing of Electronic Reproductions of Financial Statements and Management Reports Prepared for the Purpose of Disclosure pursuant to Sec. 317 (3a) HGB (IDW PS 410 (06.2022)). Our responsibility thereafter is further described in the section "Auditor's Responsibility for the Audit of the ESEF Documents". Our auditing practice has complied with the requirements for the quality assurance system of the IDW Quality Assurance Standard: Requirements for Quality Assurance in the Auditing Practice (IDW QS 1).

Responsibilities of the executive directors and the Supervisory Board for the ESEF documents

The Company's executive directors are responsible for preparing the ESEF documents with the electronic reproductions of the consolidated financial statements and of the group management report in accordance with Sec. 328 (1) sentence 4 no. 1 HGB and for marking up the consolidated financial statements in accordance with Sec. 328 (1) sentence 4 no. 2 HGB.

In addition, the Company's executive directors are responsible for such internal control as they have determined necessary to enable the preparation of the ESEF documents that are free from material violations, whether due to fraud or error, of the requirements for the electronic reporting format stipulated in Sec. 328 (1) HGB.

The Supervisory Board is responsible for overseeing the process of the preparation of the ESEF documents as part of the financial reporting process.

Responsibility of the auditor of the consolidated financial statements for the audit of the ESEF documents

Our objectives are to obtain reasonable assurance about whether the ESEF documents are free from material violations, whether due to fraud or error, of the requirements stipulated in Sec. 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material violations of the requirements stipulated in Sec. 328 (1)
 HGB, 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 opinion.
- Obtain an understanding of internal control relevant to the audit of the ESEF documents 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 such control.
- Assess the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements relating to the technical specification for this file stipulated in the Delegated Regulation (EU) 2019/815 in the version applicable on the balance sheet date.
- Assess whether the ESEF documents enable reproduction of the audited consolidated financial statements and audited group management report with the identical content in XHTML format.
- Assess whether marking up of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of the Delegated Regulation (EU) 2019/815 in the version applicable on the balance sheet date enables an appropriate and full machine-readable XBRL copy of the XHTML reproduction.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on April 14, 2022. We were engaged by the supervisory board on May 20, 2022. We have been the group auditor of Beiersdorf Aktiengesellschaft without interruption since fiscal year 2006.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Art. 11 of the EU Audit Regulation (long-form audit report).

Other Matters - Use of the Auditor's Report

Our auditor's report must always be read in connection with the audited consolidated financial statements, the audited group management report and the audited ESEF documents. The consolidated financial statements and group management report converted into the ESEF format – also the versions to be disclosed in the company register – are only electronic reproductions of the audited consolidated financial statements and the audited group management report and do not replace them. In particular, the ESEF report and our opinion in it must be used only in conjunction with the audited ESEF documents provided in electronic form.

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Britta Siemer.

Annex to the auditor's report: Components of the group management report not included in the audit

The following components of the group management report, which are part of "Other information," were not included in the audit:

- Non-financial Statement
- Chapter "The Corporate Governance Statement"

Furthermore, we have not audited the content specified below that is not a required part of the Group Management Report. Non-required disclosures in the Group Management Report are disclosures that are not required under Sections 315, 315a, or 315b to 315d of the German Commercial Code (HGB):

- Special full-page graph "Strengthen our brands by enriching their purpose" in the "Business and Strategy" chapter
- "Building on strong foundations: Culture Core Values Capabilities Care Beyond Skin" section of the "Business and Strategy" chapter
- The sections on "R&D sustainability pledge"; "Product highlights"; "tesa Product and technology development" in the "Research and Development" chapter
- "People at Beiersdorf" chapter
- "Sustainability" chapter
- "Appropriateness and effectiveness of the internal control and risk management systems" section
 of the "Risk Report" chapter
- Report on Gender Equality and Equal Pay in Accordance with §§ 21, 22 Entgelttransparenzgesetz (Transparency in Wage Structures Act, EntgTranspG).

Hamburg, February 17, 2023

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft

Dr. Janze Siemer

German Public Auditor German Public Auditor

Independent Auditor's Report On A Limited Assurance Engagement

The assurance engagement performed by Ernst & Young (EY) relates exclusively to the German version of the non-financial statement 2021 of Beiersdorf AG. The following text is a translation of the original German independent assurance report.

To Beiersdorf AG, Hamburg

Not subject to our assurance engagement are other references to disclosures made outside the non-financial statement.

Responsibilities of the executive directors

The executive directors of the Company are responsible for the preparation of the non-financial statement in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB ["Handelsgesetzbuch": German Commercial Code] and Art. 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder as well as in accordance with their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as set out in section "EU Taxonomy Reporting" of the non-financial statement.

These responsibilities of the Company's executive directors include the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as the executive directors consider necessary to enable the preparation of a non-financial statement that is free from material misstatement, whether due to fraud (manipulation of the non-financial) or error.

The EU Taxonomy Regulation and the Delegated Acts adopted thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section "EU Taxonomy Reporting" of the non-financial statement. They are responsible for the defensibility of this interpretation. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

Independence and quality assurance of the auditor's firm

We have complied with the German professional requirements on independence as well as other professional conduct requirements.

Our audit firm applies the national legal requirements and professional pronouncements - in particular the BS WP/vBP ("Berufssatzung für Wirtschaftsprüfer/vereidigte Buchprüfer": Professional Charter

for German Public Accountants/German Sworn Auditors) in the exercise of their Profession and the IDW Standard on Quality Management issued by the Institute of Public Auditors in Germany (IDW): Requirements for Quality Management in the Audit Firm (IDW QS 1) and accordingly maintains a comprehensive quality management system that includes documented policies and procedures with regard to compliance with professional ethical requirements, professional standards as well as relevant statutory and other legal requirements.

Responsibilities of the auditor

Our responsibility is to express a conclusion with limited assurance on the non-financial statement based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the IAASB. This standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company's non-financial statement are not prepared, in all material respects, in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as well as the interpretation by the executive directors disclosed in section "EU Taxonomy Reporting" of the non-financial statement. Not subject to our assurance engagement are other references to disclosures made outside the non-financial statement.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgment of the auditor.

In the course of our assurance engagement we have, among other things, performed the following assurance procedures and other activities:

- Inquiries of the employees and inspection of documents regarding the selection of topics for the non-financial statement, the risk assessment and the policies of the Company and the Group for the topics identified as material,
- Inquiries of employees at Group level responsible for data capture and consolidation as well as
 the preparation of the non-financial statement, to evaluate the reporting system, the data capture
 and compilation methods as well as internal controls to the extent relevant for the assurance of the
 disclosures in the non-financial statement,
- Identification of likely risks of material misstatement in the non-financial statement,
- Inspection of the relevant documentation of the systems and processes for the collection, aggregation
 and validation of relevant data during the reporting period and testing such documentation on a
 sample basis,
- Analytical procedures regarding the quality of selected disclosures in the non-financial statement at Group level and at the level of the business segments Consumer and tesa,
- Inquiries and inspection of documents on a sample basis relating to the collection and reporting of selected data,
- Evaluation of the processes to identify the taxonomy-aligned economic activities and the corresponding disclosures in the non-financial statement,
- Evaluation of the presentation of the non-financial statement.

In determining the disclosures in accordance with Art. 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

Assurance conclusion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the non-financial statement of the Company for the period from 1 January 2022 to 31 December 2022 is not prepared, in all material respects, in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as well as the interpretation by the executive directors as disclosed in section "EU Taxonomy Reporting" of the non-financial statement.

We do not express an assurance conclusion on the other references to disclosures made outside the non-financial statement.

Restriction of use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. As a result, it may not be suitable for another purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

General Engagement Terms and Liability

The "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" dated 1 January 2017 are applicable to this engagement and also govern our relations with third parties in the context of this engagement (www.de.ey. com/general-engagement-terms). In addition, please refer to the liability provisions contained there in no. 9 and to the exclusion of liability towards third parties. We accept no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we will not update the report to reflect events or circumstances arising after it was issued, unless required to do so by law. It is the sole responsibility of anyone taking note of the summarized result of our work contained in this report to decide whether and in what way this information is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Munich, February 17, 2023

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft

Nicole RichterGerman Public Auditor
German Public Auditor

Responsibility Statement by the Executive Board

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the Group Management Report, which has been combined with the Management Report for Beiersdorf Aktiengesellschaft, includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group.

Hamburg, February 6, 2023

The Executive Board

Vincent Warnery

Chairman of the **Executive Board** **Oswald Barckhahn**

Member of the **Executive Board** **Astrid Hermann**

Member of the **Executive Board**

Ramon A. Mirt

Nicola D. Lafrentz

Member of the **Executive Board** **Grita Loebsack**

Member of the

Member of the **Executive Board Executive Board**

Patrick Rasquinet

Member of the **Executive Board**