



2022

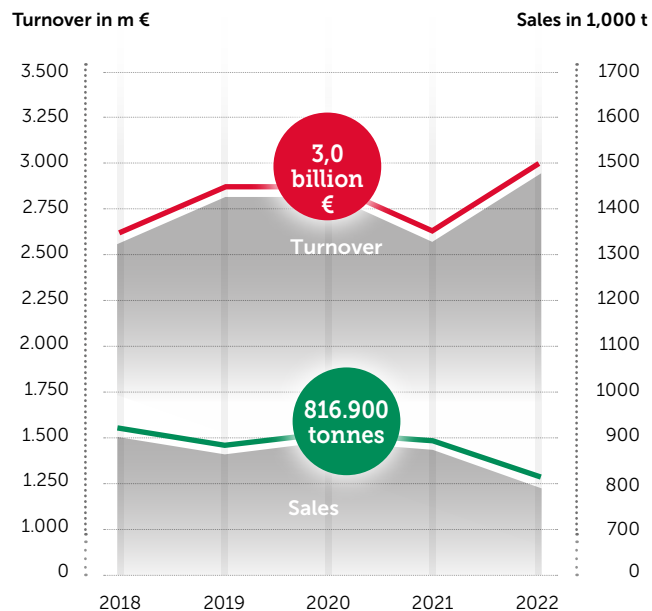
ANNUAL REPORT



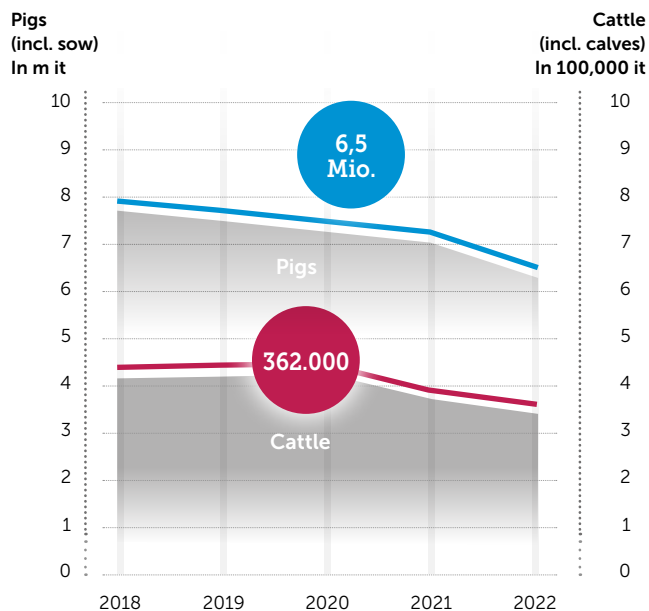
WEST FLEISCH
FROM FARMERS. DIRECTLY.

Key figures

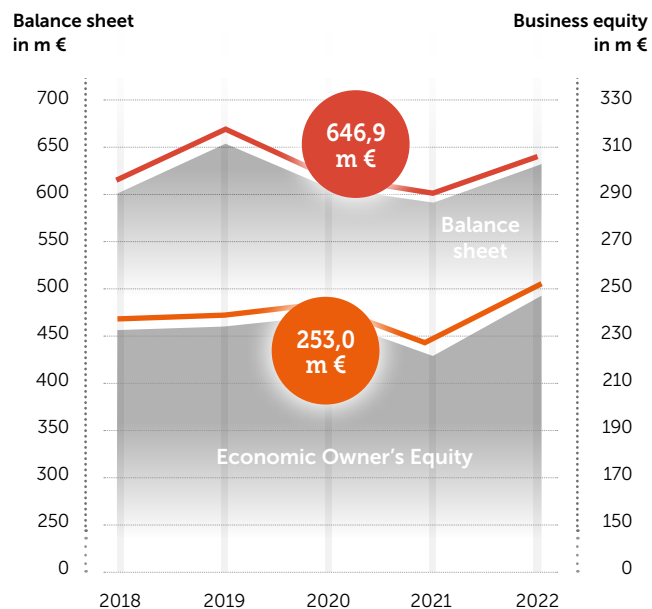
TURNOVER AND SALES



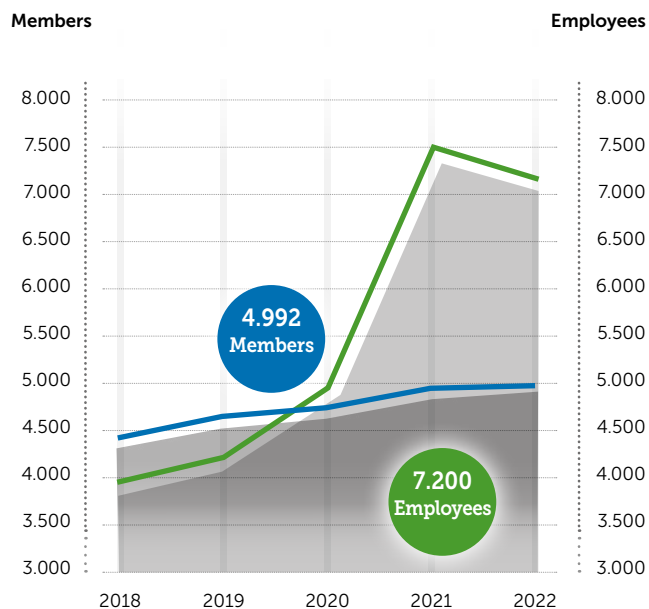
SLAUGHTER VOLUME CATTLE AND PIGS



BALANCE SHEET AND BUSINESS EQUITY



MEMBERS AND EMPLOYEES



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Imprint

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Foreword of the Executive Board



**DEAR LADIES AND GENTLEMEN,
DEAR MEMBERS OF THE COOPERATIVE,**

It is not an overstatement to say that 2022 was historic. It was once again an exceptionally challenging year for both our agricultural shareholders and our corporate group. Following painful financial losses in 2021, we initially began in the major aftermath of the coronavirus crisis, although this was very quickly overtaken by the impact of the Russian invasion of Ukraine. Numerous markets quickly became fundamentally unbalanced. The result was pronounced inflation, with absolutely exploding energy and raw material costs in some cases – for example, the pork price went up by 65 percent within just a few weeks. Goods that were previously reliably available also became in short supply, which had a significant impact on our business and production. Huge cost increases, the energy crisis and supply chain instability remained constant companions and created unpredictable risks.

So it is a good thing that we had already foresightedly launched our efficiency and cost reduction programme 'WEfficient' in 2021, and were able to respond flexibly and consistently to numerous new challenges. For example, we streamlined overhead structures, reduced cost drivers, adapted shift models and tapped further potential for improvement. Together with a successful adjustment of sales prices, this enabled us to offset what were in some cases substantial cost increases, and even achieve a very positive annual result once again. All operational areas of business played their part in this. The very advantageous debt figures and the high equity ratio thanks to consistent working capital and cash flow management over the preceding twelve months are also impressive.

We are extremely proud of what we have achieved in these difficult conditions – in particular the outstanding achievements of our staff. We would like to take this opportunity to sincerely, emphatically thank them! All our employees are also participating in the newly negotiated collective agreement – just like our members and shareholders, who are benefiting from our results via dividend and special bonus payments, which we would like to revive for 2022.

But we have also achieved much more than just respectable financial figures. In 2022, we were able to help ensure that the general public was supplied with high-quality foodstuffs. Our retail customers were able to consistently rely on our capacity to deliver – despite significantly increased demand for our products: around 75 percent of our farmers raise their pigs in accordance with farming levels 2, 3 or 4, putting them above the statutory minimum requirements. We have established additional, reliable value creation models via various special programmes and working in conjunction with our clients from the food retail. Finally, our corporate financing remains on a stable footing thanks to new agreements with our long-term banking partners from summer 2022.

Nevertheless, the still-increasing pressure to change as a result of constantly rising animal welfare requirements and the higher production costs this entails, structural changes in the agricultural sector, the 'Farm to Fork' strategy as part of the European Union's Green Deal, and other factors is continuing to place high demands and prompting permanent, drastic, structural change.

Given this, it is extremely unsatisfactory that we are still not seeing any clear framework conditions from political decision-makers to ensure a reliable future for German animal keeping, conditions that have become even more difficult by the state animal welfare label decision. The resulting uncertainty will further accelerate structural change in 2023 and will also bring radical changes for our sector.

Meat production in Germany has been declining since 2016, and last year more so than ever: for example, pig slaughter fell by 9.2 per cent last year, and other structural adjustments are thus expected within the meat sector. We therefore need to act early and decisively. Firstly, we will remain consistently focused on our efficiency and cost structures. Secondly, we will need to continue anticipating market developments as well as we have during the past year via our commitment to the „Initiative Tierwohl“ (ITW).

Nevertheless, we are very confident that we will be able to successfully overcome this change – which is decisive for the whole industry – in 2023 alongside our employees, and with you, our members, partners, producers, livestock cooperatives and customers. We would like to warmly and sincerely thank all of you for our fantastically trustworthy collaborations in 2022!

Yours sincerely,

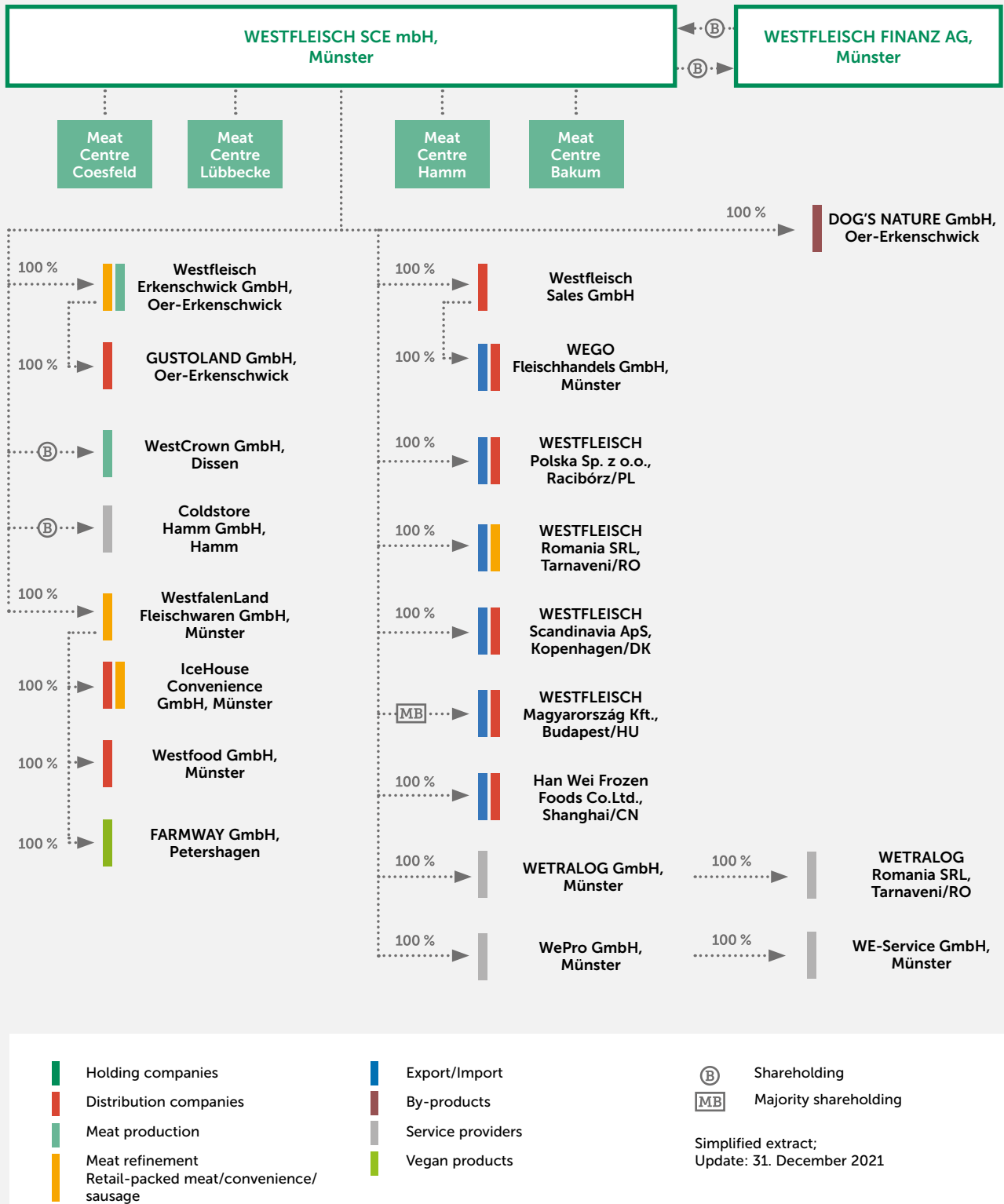
Carsten Schruck, CFO

Michael Schulze Kalthoff, COO Pork & Sales

Johannes Steinhoff, COO Processing & Beef

Members of the Executive Board of Westfleisch SCE mbh, Münster

Corporate Structure



Board of Directors of Westfleisch SCE mbH

HONORARY MEMBERS



Dirk Niederstucke
Chairman of the Executive Board



Gerhard Meierzuherde
Member of the Executive Board



Jochen Westermann
Member of the Executive Board

EXECUTIVE MEMBERS



Carsten Schruck
CFO
Member of the Executive Board



Michael Schulze Kalthoff
COO Pork & Sales
Member of the Executive Board



Johannes Steinhoff
COO Processing & Beef
Member of the Executive Board

Our sites

Westfleisch Meat Centre Bakum

Harmer Straße 25 | 49456 Bakum
DE NI 10142 EG
OrgalInvent-Nr. 10009



Westfleisch Meat Centre Coesfeld

Stockum 2 | 48653 Coesfeld
DE ES 265 EG | DE EZ 320 EG
OrgalInvent-Nr. 10009-11



Westfleisch Erkenschwick GmbH

Industriestraße 8–14
45739 Oer-Erkenschwick
DE ES 249 EG | DE EZ 206 EG
OrgalInvent-Nr. 20059



Westfleisch Meat Centre Hamm

Kranstraße 32 | 59071 Hamm
DE ES 147 EG | DE EZ 119 EG
OrgalInvent-Nr. 10009-12



Westfleisch Meat Centre Lübbecke

Rote Mühle 54–56 | 32312 Lübbecke
DE NW 20150 EG
OrgalInvent-Nr. 10009-13



WestfalenLand Fleischwaren GmbH, IceHouse Convenience GmbH, Westfood GmbH

Hessenweg 2 | 48157 Münster
DE NW 88888 EG
OrgalInvent-Nr. 10009-46



Gustoland GmbH

Industriestraße 8–14
45739 Oer-Erkenschwick
DE EV 42 EG



FARMWAY GmbH

Dingbreite 12
32469 Petershagen



WestCrown GmbH

Dieter-Fuchs-Straße 5-9 | 49201 Dissen
DE NI 10048 EG



Westfleisch Livestock Centre Nienberge

Hägerstraße 65
48161 Nienberge



Fleischcenter | Tochterunternehmen, Verbundbetriebe und Standorte



Pork



Piglet trade



Meatballs



Vegan products



Sow meat



Calves



Sausage



Beef



Smoked pork chops



Self-service/convenience



Veal



Bacon



Frozen meat/convenience

Plant managers



Johannes Bayer
*Plant Manager
Meat Centre Coesfeld*



Marc Christoph Dreseler
*Plant Manager
Meat Centre Hamm*



Jens Heldt
*Plant Manager
Meat Centre Erkenschwick*



Christoph Clemens
*Plant Manager Meat Centre Bakum
and Meat Centre Lübbecke*



Stephan Franke
*Plant Manager Meat Centre Bakum
and Meat Centre Lübbecke*



Andreas Weking
*Plant Manager Meat Centre Bakum
and Meat Centre Lübbecke*



Bernhard Kotthoff
*Managing Director Production/
Technology Gustoland GmbH*



Immo Ehrling-Austrup
*Commercial Managing Director
Gustoland GmbH*



Markus Frehe
*Managing Director Sales
Gustoland GmbH*



Norbert Laumann
*Plant Manager WestfalenLand
Fleischwaren GmbH*



Frank Baum
*Plant Manager WestfalenLand
Fleischwaren GmbH*

Milestones

of the Westfleisch year



March: Investments in Coesfeld: Cold store and social rooms are ready for occupancy



March: Westfleisch Day due to Corona digital again



March: Occupational safety "Next Level" for Hamm



April: "Initiative Tierwohl" Beef launches - many contractors are in the process



May: Westfleisch headquarters moves to the Loddeneide campus Loddeneide



May: Occupational safety "Safe with system" also at WestfalenLand



June: General Assembly in Münster



July: ASP for the first time in Lower Saxony



June: Special event "Cattle fattening" at Schulze Finkenbrink with Westfleisch Support



August: Start of training (apprenticeship) for 24 young people



September: Agricultural Entrepreneur Days in Münster - for the first time again since Corona

**Westfleisch
Offensive
TIERGESUNDHEIT**
ACHTUNG VOR DEM TIER

November: Westfleisch Animal Health Campaign launched

Westfleisch Animal Health Campaign



In the autumn of 2022, we took the topic of animal well-being and health to a new level with Westfleisch's animal health campaign. As a cooperative and agricultural partner, we view our role as encouraging and challenging others in equal measure. In the future, we are seeking to advise, inform and support our agricultural supplier companies even more strongly with a mandatory package of measures.

In September 2022, pictures from seven of Westfleisch's supplier companies prompted concern. Some images showed real violations. The cooperative acted suitably decisively, taking the accusations against individual livestock owners very seriously and resolutely following up. Our employees were in direct, close contact with the farmers affected, official veterinarians, and 'QS Qualität und Sicherheit GmbH'. We conducted comprehensive special monitoring for all seven husbandry. In addition, the veterinary inspection office kept a very close check on the holdings, and six were subsequently authorised to restart deliveries after special QS audits.

As a further step, we visited all of our approximately 2,300 pork suppliers at short notice to document the status quo – and to ensure that the generally exceptional work undertaken by our contractual partners would not be brought into disrepute. We also examined, analysed and discussed the pictures in detail and drew conclusions. Working together with scientists and veterinarians, we developed the 'Westfleisch animal health campaign', a mandatory package of measures to increase the attention paid to individual animals in pens.

The aim is to ensure that in the future, we provide agricultural husbandry with better preventative advice and information as well as greater support. This focuses in particular on mandatory specifications for cooperation between farm veterinarians and farmers, closer communications with official veterinarians, stricter measures and consequences, more frequent visits, and thorough documentation.

The initial response has shown that the sector has been monitoring our approach closely. Once again, we are serving as pioneers. However, it would be good for the German meat industry's image if other market players were to quickly follow suit.

The core points of the new Westfleisch Animal Health Campaign



Mandatory specifications for cooperation between farm veterinarians and farmers

Our farmers' cooperation with farm veterinarians is contractually regulated. In the future, we will introduce more binding specifications, such as regarding more frequent visits.



Closer communications with official veterinarians

Official veterinarians pay daily visits to our meat centres, where every animal and carcass is examined. In the future we plan to significantly increase our existing communications with these experts and improve the information chain – including for the official veterinarians who inspect our supplier companies.



More detailed data analysis: evaluate diagnostic data more effectively for aspects relevant to animal welfare

We already collect around a dozen pieces of diagnostic data for each animal. Previously, this data has all been evaluated on an equal footing. In the future, we will assess this data with a stronger focus on aspects relevant to animal welfare, in order to provide holdings with better preventative advice based on this more detailed data analysis.



Increased use of cameras and artificial intelligence

With the expansion of camera technology and artificial intelligence (AI) in our meat centres, in the future we will be able to collect and evaluate even more diagnostic data in automated form. This will reduce the proportion of subjective assessments and increase objectivity.



Stricter measures and consequences

In the future, a clearly defined series of measures will be implemented earlier and more permanently: we will inform, advise and support our supplier companies more effectively – and impose harsher consequences. If we no longer trust farmers to keep their animals to high welfare standards, even after intense consultation, then we will cease working with them.



Ombudsman as ongoing point of contact

Whether farmers, young farm veterinarians, experienced official veterinarians or our own staff, we provide everyone along the entire chain the opportunity to confide in an independent third party in uncertain circumstances. To achieve this, we have installed an ombudsman as a trusted representative and ongoing point of contact.

Reports from our Business Divisions





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Cooperative model more valuable than ever

**With a good
market position
and increased
profitability,
Westfleisch
achieved a
respectable result
in 2022.**

2022 was a year of surprising twists and turns. Coronavirus and ASF were still having a significant impact during the first few months. From February onwards this was joined by the Russian invasion of Ukraine – the consequences of the war were felt across the world. We experienced unforeseeable and unprecedented rises in energy costs that would shape the entire course of the year. They are still adversely affecting the already challenging economic environment for Westfleisch and its members.

The costs of energy, commodities, auxiliary materials and operating materials saw exorbitant increases during the last financial year compared with 2021. Global availability of raw materials also changed, in some cases drastically. These shortages had a dramatic impact on our sector. Significantly higher expenses for diesel, electricity, gas, feed and fertiliser created issues for Westfleisch and agricultural holdings.

Nevertheless, the company is able to look back at a respectable 2022: firstly we enjoyed a good market position, and secondly we were able to significantly increase profitability thanks to a comprehensive range of measures to reduce costs. We streamlined processes, optimised costs and improved shift models to make our sites more future-proof and even more competitive on an international level.

Once again, it has been proven that the cooperative model is more valuable than ever in challenging times like these. Contractual partnerships with farmers mean that

2.252 BestSchwein partners
delivered **5,7 million**
pigs for slaughter

171 BestFerkel businesses produced
1,7 million piglets

675 beef partner contracts
delivered **89.500** bulls,
cows and heifers

58 BestKalb partners
produced **38.700** calves

animal marketing and our capacity to supply the meat as a high-quality product to trade and processing have been secured for the long term.

Trusted contractual partnerships

We are superbly equipped thanks to our contract partners. We currently have more contracts with with farmers than ever before. Furthermore, the number of livestock owners in our region of northwest Germany is relatively stable: a decline has been recorded, but not as strongly as in other parts of the country.

In a market that has been generally shrinking for several years, with slaughter numbers falling across the country, we are in a very good position with our around 3,200 contract partners. We have seen a fall in the number of animals supplied. In addition, the number of contractual partnerships with BestSchwein contracts also dropped by eight percent. This development is due to the critical, uncertain conditions currently surrounding pig farming in Germany.

2,252 BestSchwein partners supplied the cooperative with a total of 5.7 million pigs for slaughter in 2022. This means that one in ten pigs for slaughter in Germany comes from a Westfleisch contractual business. 171 BestFerkel business produced a total of 1.7 million high-quality piglets during the last financial year.

For cattle, the number of Westfleisch contractual businesses increased in 2022. 675 partner contracts for beef, representing a supply of 89,500 bulls, cows and heifers, meant that the slaughter numbers went up by eight percent. In addition, 58 partners with a BestKalb contract supplied Westfleisch with 38,700 animals, or 7.5 % more than in 2021.

Contractual partners pay off – we currently have more contracts with farmers than ever before.



Supplement payments

Since 2020, the food retail has been distributing temporary solidarity supplements to support farmers in these very challenging times. Last year, the payment of the special 'Ein Herz für Erzeuger' supplement was changed from a one-off annual payout to a payment as part of the relevant sender's settlement. Once again, Westfleisch passed on the food retailer supplement payments transparently, quickly and directly 1:1 to farmers.

Higher welfare requirements firmly established

We set great store in our high proportion of goods from quality programmes and higher animal welfare requirements: more than 75 % of Westfleisch's fresh meat products meet farming levels 2, 3 or 4, a proportion that is only around 50 % on a national scale. And this is no accident: Westfleisch has very good access to the food retail thanks to long-term partnerships. In addition, we concluded contracts with various agricultural producers as soon as we began the third phase of the 'Initiative Tierwohl' (ITW) programme. The high level of commodity availability this has ensured is enabling Westfleisch to firmly establish the ITW system in the retail sector. Secondly, Westfleisch consistently accepts all ITW pigs and pays the correspondingly supplements to the relevant businesses quickly and directly. Not once has this ITW bonus to a contractual business been suspended or questioned. This demonstrates good, reliable planning and cooperation, as only a cooperative can achieve.

In addition, we also run numerous special programmes with long-term trade partners. These often include additional options, such as a special regionality payment. These are still niche in terms of quantity. However, high-quality meat programmes for pigs are extremely valuable as standard bearers, and have a hugely positive impact on the reputation of pork. With food retail brands such as 'BauernLiebe', 'Strohwohl' or 'Westfälisches Hofschwein', we are once again leaving consumers with a positive impression of pork. In terms of beef, we have also been successfully marketing young bulls and calves raised in accordance with farming level 3 via 'BauernLiebe', 'ProWeideland' and 'Mehr Tierwohl - Gemeinsam für die Zukunft'.

Communications with members and shareholders

Over the past year nearly 5,000 members made up the partnership. Westfleisch maintains transparent communications with both them and non-contractual suppliers. The cooperative keeps all partners, members and shareholders regularly updated on current developments. A key part of this is the 'Westfleisch Conference', with the company traditionally inviting guests to four regional meetings in March. Given the ongoing impact of the coronavirus in 2022, as in 2021 the events were combined into a central, digital event that members and shareholders could follow from home and participate in via the livestream.

Traditionally, every June all members are invited to the annual general meeting. During this, the board reports in detail on the previous financial year, provides a current status report and presents medium-term and long-term plans. All interested parties can see details of the results, events and developments of the previous year in the annual report presented. As a result of the ongoing restrictions resulting from the coronavirus pandemic, the 2022 annual general meeting could only take place for the second time in succession in reduced numbers with voting members.

Information, interesting facts and background reports relating to the cooperative, market developments, and sector news are sent to contractual partners several times a year via the 'Info für Landwirte' member magazine. For sustainability reasons, since the last financial year this has primarily been sent out as a digital newsletter to anyone who subscribed to it online.

Further sources of information about the cooperative's work and situation can be found on Westfleisch's website and comprehensive member's extranet. In addition, marketing partners receive important information to their smartphones via the Westfleisch app



For sustainability reasons, since 2022 the 'Info für Landwirte' member magazine has primarily been sent out as a digital newsletter.

'Xtra'. For example, users can quickly and promptly call up the slaughter results and register their animals for slaughter while out and about. The app also presents the latest news from the company.

Investment in the future

For years, the company has been investing in numerous modernisation and construction measures at its meat centres and refinement business as part of the 'Westfleisch 2025' location structure project. 2022 saw numerous projects being launched and continued, to ensure a more future-proof structure for our sites.

For example, Coesfeld gained a new half-car carcass cold store and social rooms for 350 staff. The energy-efficient cold store was put into operation in early 2022, and provides urgently needed space to meet increasing sorting requirements for the various different animal welfare, regional, and special programme classifications.

Profitable once again

Westfleisch managed to move straight back into profit for 2022. Following a loss in 2021, this time the group achieved an annual profit of 27 million euros. Despite declining sales volumes due to prices, turnover increased by around 17 % on the previous year, to 3 billion euros. The consolidated balance sheet for Westfleisch SCE remains good, and the equity ratio increased from 38.1 to 39.1 %.

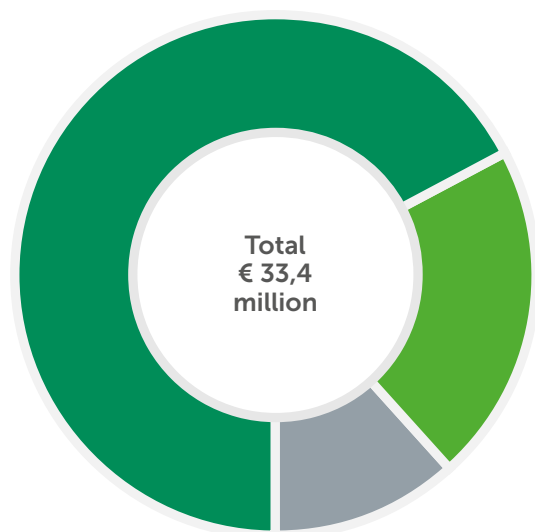
Despite huge cost increases, declining sales in Germany, continuing export issues, and significant structural changes to agriculture, Westfleisch overcame its obstacles well thanks primarily to a comprehensive efficiency programme. With over 250 measures, the costs will fall significantly and the company's efficiency will increase.

The company is expecting the current challenges to continue in 2023. The German meat industry will be consolidated further and market shares will shift. It is important to make the company more future-proof, firm up its market position and achieve positive business performance.

The consolidated balance sheet is stable – equity rose to 39.1 percent in 2022.

Distribution of Business Credit Deposits

Individual members	€ 22,3 million
Member partnerships	€ 7,2 million
Westfleisch Finanz AG and board members	€ 3,9 million







A focus on integration

Cultural diversity is a priority at our company. A workforce is made up of around 60 different nationalities. We at Westfleisch have created the right structures for this: a group-wide integration officer and a team of advisers at every site to ensure that our employees always have a helping hand to turn to. From a supportive working environment, to in-house German classes, to assistance with nursery registration, school enrolment or finding somewhere to live, we help all new arrivals to integrate into their new lives across a wide variety of areas.



Watch the film



YouTube



Successfully handling a challenging environment

For piglet marketing, in 2022 Westfleisch stayed at the same level as the previous year with around 1.7 million animals.

The Westfleisch livestock centre in Nienberge offers healthy, strong bulls for successful rearing and fattening. The portfolio of Germany's leading livestock marketer includes high-quality piglets, Frisian calves, Simmental calves or feeders, and weanlings with traceable, secure origins.

For piglet marketing, in 2022 Westfleisch stayed at the same level as the previous year with around 1.7 million animals. This solid result is a particular success given the difficult conditions that have surrounded piglet production for several years.

Coronavirus, African swine fever and challenging price phases all once again created a tense situation for the sector in 2022. This was further complicated by the drastic rise in piglet production costs as a result of the Russian invasion, meaning that even piglet producers with higher revenue levels failed to achieve a positive result. Piglet feed prices and energy costs shot to extremely high levels in some cases. Despite a declining piglet supply, the reluctance of many fatteners to stock up created high price pressure and a tense sales situation in the autumn. As is well known, inadequate conditions have

been driving huge structural change in pig farming for several years – over the past three years, one in five sow farmers has given up farming. And this trend is continuing, with the piglet supply continuing to decline.

However, piglet production forms the basis for an adequate supply of pigs for slaughter on the German market. The political world therefore needs to create prospects for pig farming, and for piglet producers in particular. The changes to the animal protection and livestock farming regulations in February 2021, including a ban on sow farrowing crates following a transitional period, require investment. This must be approved and also paid for, so that German piglet producers remain competitive against their professional colleagues abroad. Otherwise, less strict regulations and farming criteria that are not permitted in this country will increasingly result in local fatteners buying piglets from other European countries.

Legislators urgently need to create reliable conditions for investment and revenue opportunities to prevent the German piglet supply from shrinking even further.



The long-term contractual collaboration between Westfleisch and its marketing partners within the cooperative network once again proved its worth in 2022. More than 170 BestFerkel partners and other free suppliers ensured a stable supply of high-quality piglets for pig fattening. The company's comprehensive service is another key selling point: for each fattening operation, the appropriate piglet producer is selected individually using such fixed criteria as delivery quantity and rhythm as well as hygiene and health status. Short channels help animal welfare and sustainability: the piglets are mainly housed in fattening operations found locally. In addition, many holdings are improving their revenue situation by joining the 'Initiative Tierwohl' (ITW) with additional market revenue.

Calves and weanlings

Westfleisch advocates sustainable calf production with particular attention paid to animal health, animal protection and preserving resources. Healthy, strong calves form the basis for producing high-quality meat from young bulls, calves and heifers. In 2022, our livestock centre marketed around 60,700 calves and weanlings – almost as many as the previous year. After a bumpy start to the year and given the difficult environment with record prices for calves and young bulls, as well as additional costs in milk production, this is a very satisfactory result.

Our livestock centre obtains the majority of its calves from business in North Rhine-Westphalia and Lower Saxony. Given the traditional structures for professional calf production, animals also come to local fattening farms from southern Germany.

Since 1 January 2023, new animal transport regulations have been in place that increased the minimum age for calf transportation from 14 to 28 days. Despite the impact for dairy farmers, cow dealers and fattening operations (longer stay on the holding, higher transport costs), companies have managed to implement the new regulations and keep animal quality very high.

In order to sustainably produce healthy, strong, quick-growing, high-quality calves, for several years Westfleisch has been very successfully marketing cross-breed calves as an alternative breed to south German animals. Bred and raised in North Rhine-Westphalia, regional rearing in particular combined with short transport routes makes a significant contribution to ensuring sustainable meat production. At the same time they also deliver good meat quality. The cross-breed calves provide the optimal basis to our marketing partners for sustainable and high welfare bull fattening.

**For years,
Westfleisch
has been very
successfully
marketing
cross-breed
calves – a
quick-growing,
meat breed
reared locally.**



Westfleisch retains market share and increases its future viability

2022 once again quickly brought many changes: the German meat market was consolidated further and market shares shifted. Westfleisch has kept up with market developments – which specifically means less pig slaughter and fewer cattle, but calves almost on a par with the previous year. The cooperative has thus retained its market share in the slaughter and butchery industry, thanks in particular to many years of close, trusting collaborations between Westfleisch, farmers, trade and processors.

Over the past year Westfleisch slaughtered 6.5 million pigs (including sows) and therefore 10.3 % fewer animals than in the previous year. For cattle, this was 362,000 cows and calves, so 7.5 % fewer.

Meat production continuing to decline

In 2022, meat production in Germany declined more severely than it has for a long time. This decline was particularly evident for pork and beef. Commercial slaughter companies produced a total of seven million tons of meat – over eight percent less than in 2021. At the same time per capita meat consumption in Germany reduced by around 4.2 kilograms to just under 52 kilograms.

German pork production saw the biggest decline in slaughter figures, at nearly ten percent: in 2022 47 million pigs were slaughtered commercially – 10 % fewer than in the previous year. Slaughter figures for pigs from domestic stalls fell particularly drastically. The slaughter of pigs of domestic origin fell by 9.6 % to just under 45.8 million, whilst the number of imported animals rose by 16.5 % to 1.2 million. In keeping with the ongoing trend, pork consumption in Germany continued to fall – by 2.8 kilograms to 29 kilograms per capita. This means that pork consumption has dropped by a round a quarter over the past decade.

Despite falling consumption, the domestic excess was significantly smaller than in 2021, as pig stocks are also declining – by nearly a fifth since 2020 alone. German pork exports fell by 11.3 % in 2022; exports to non-EU countries in particular fell significantly, due to continuing trade restrictions as a result of African swine fever (ASF). A generally lower supply of pigs for slaughter has affected the price: the producer price was still low in early 2022, but saw a record increase in the spring.

Consumers are more aware of animal welfare and farming conditions than ever.



As an annual average, producers achieved significantly higher sales figures than in previous years. However, this was hugely offset by dramatic increases in feed and energy costs.

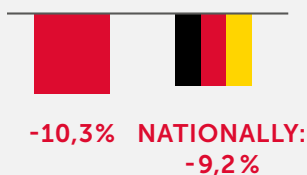
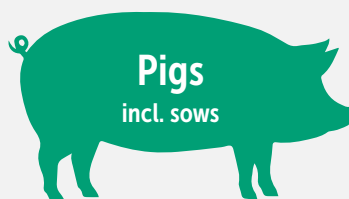
The number of commercially slaughtered cattle in Germany dropped to three million animals in 2022, 7.8 % fewer than the previous year. This is in particular due to the fall in the slaughter of cows, by over ten % to 1 million. However, the number of bulls slaughtered also went down 6.6 % to 1.1 million animals. Here once again, prices have continued to rise after 2021's huge price increases. In 2022, the annual average producer price level for young bulls was 5.09 euros per kilogram, or 1.02 euros higher than the previous year. The consumer price for pork saw a correspondingly high rise, by 30 % on average. This meant that consumers bought beef products significantly less often – a critical development that could well continue.

Sales losses due to ASF

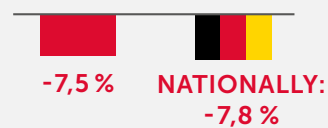
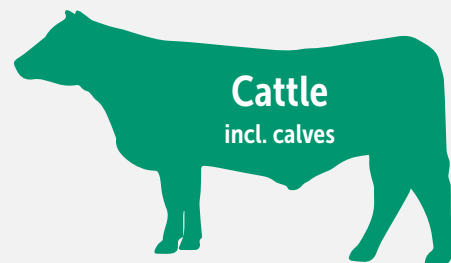
African swine fever (ASF) also continued to put pressure on the sector in 2022. The ASF outbreak in the summer of 2022 on a holding in southern Emsland strikingly demonstrated how quickly the virus can be introduced into a domestic pig herd in Westfleisch's coverage area in northwest Germany – making it impossible overnight to sell animals in the affected area. Reliable, comprehensive biosecurity is therefore vitally important – for the farm itself as well as for neighbours and professional colleagues.

ASF is also the reason why the German meat industry lost sales of around a billion euros last year due to the associated China embargo. We are therefore calling on the political arena to work with the Chinese government as soon as possible to develop new export opportunities via a regionalisation agreement to differentiate between different delivery areas within Germany. This has already been successfully implemented in France.

Westfleisch 2022 compared with the national trend



Westfleisch slaughter 2022:
6.5 million



Westfleisch slaughter 2022:
362,000

Farming level programmes a success story

As well as numerous challenges, last year also offered some positive developments – in particular the farming level programmes. More than 75 % of Westfleisch's fresh meat products meet the higher farming levels 2, 3 or 4, a proportion that is significantly lower on a national scale. Westfleisch is therefore clearly helping to firmly establish the 'Initiative Tierwohl' (ITW) with farming level 2.

Our quality programmes, developed in conjunction with trade partners, have gone down well with consumers.

We also run numerous special programmes with long-term trading partners – often including additional options such as a special regionality payment. Nearly 4,000 porkers and 400 young bulls from farming levels 3 and 4 are marketed every week. The food retail trade appreciates the high level of reliability that our farmers offer, and given them reliable, ongoing support.

These special programmes are still niche in terms of quantity. However, high-quality meat programmes for pigs are extremely valuable as standard bearers, and have a hugely positive impact on the reputation of pork. With products such as 'BauernLiebe', 'Strohwohl' or 'Westfälisches Hofschwein', we are once again leaving consumers with a positive impression of pork.



Johanna Böyer
WestfalenLand

Sascha Pöppelmann
Oer-Erkenschwick, Wetralog

Christian Dumke
Lübbecke, Bakum

Dennis Epping
Coesfeld and Head of
Group Occupational
Safety

Lars Lindemann
Coesfeld

Annika Meier
Wetralog

Lena Ziegeler
Lübbecke, Bakum

Fabian Ross
Oer-Erkenschwick

Manuela Peick
Oer-Erkenschwick

Nevzat Akan
WestfalenLand

**The occupational safety experts for
Westfleisch's sites
(missing Uwe Böhmer (Hamm, DogsNature)
and Norbert Olbricht / Münster head office, Coesfeld).**

Exceptional occupational safety at Westfleisch

After the Coesfeld livestock centre was launched in 2021, a new occupational safety management system was implemented in 2022 for Westfleisch's Hamm, Lübbecke, Bakum and Oer-Erkenschwick production sites, the Münster head office, and subsidiaries WestfalenLand and Wetralog. This is helping to reduce the risk of illness and injury in the workplace. The responsible trade association audited the system at the various sites and provided certificates for the highest possible level of occupational health and safety under DIN ISO 45001.



Industry issues

2022

**Actively
shaping issues,
significantly
strengthening
our market
position.**

2022 will go down in the history books as a year shaped by some particularly challenging issues. The coronavirus pandemic and its aftermath, the Russian invasion, disrupted supply chains, exploding energy and prices of commodities, controversial plans for national farming labelling, ongoing uncertain changes to the livestock industry, and the arrival of African swine fever in Lower Saxony – the German meat market has rarely had so much to deal with as in 2022.

This is combined with the fact that meat consumption in Germany is once again falling. An Allensbach market and advertising analysis showed that more than 90 % of consumers in Germany were still purchasing meat and sausage products. However, political will and key opinion leaders in the media and society have fuelled the downward trend. The meat industry sits in this area of conflict. To Westfleisch, one thing is clear: all of these issues need to be actively shaped if the cooperative is to stay well set up for the future.

Not a 'big deal': national farming labelling

The Green Federal Minister of Agriculture Cem Özdemir set out his plans for national farming labelling for the first time in June 2022 – to huge criticism from all sides. Farming associations, meat industry representatives and animal welfare organisations all saw this law, heralded as a 'big deal', as a damp squib from an expert perspective. Its biggest weaknesses:

Firstly, the planned national farming labelling ignores further processing, out-of-home sales and the restaurant and catering industry. Secondly, this labelling is initially only planned to cover porkers. And finally, the fact that businesses abroad can supply without effective monitoring under this system came as a slap in the face to local farmers.



One thing is clear: any development in the field of animal welfare is good, but this step being forced by the Minister of Agriculture is one in the wrong direction – especially as Germany is already way ahead with its voluntary farm level labelling for all species. This has been learned and taken on board by consumers.

We tried to affect legislation at numerous levels with various conversations. This approach has met with success: in November 2022, the federal government's agricultural committee rejected the draft farming labelling law by a majority. It was therefore overturned, and the Ministry of Agriculture will not adapt its draft law until the spring of 2023. With a few changes (particularly to the design of the 'stall+space' level, the monitoring system and 'downgrading'), the Ministry will at least be moving our industry a few small steps forward. But this still does not completely qualify as a step in the right direction.

Exploding costs and disrupted supply chains

The Russian invasion of Ukraine meant that energy and prices of commodities reached all-time highs at record speed. And whilst existing electricity and gas contracts are subject to 'force majeure', logistics are becoming increasingly unstable. There are numerous reasons for disrupted supply chains: as well as the war, these primarily include a lack of containers, lockdowns in China, a shortage of truck drivers, and coronavirus cases.

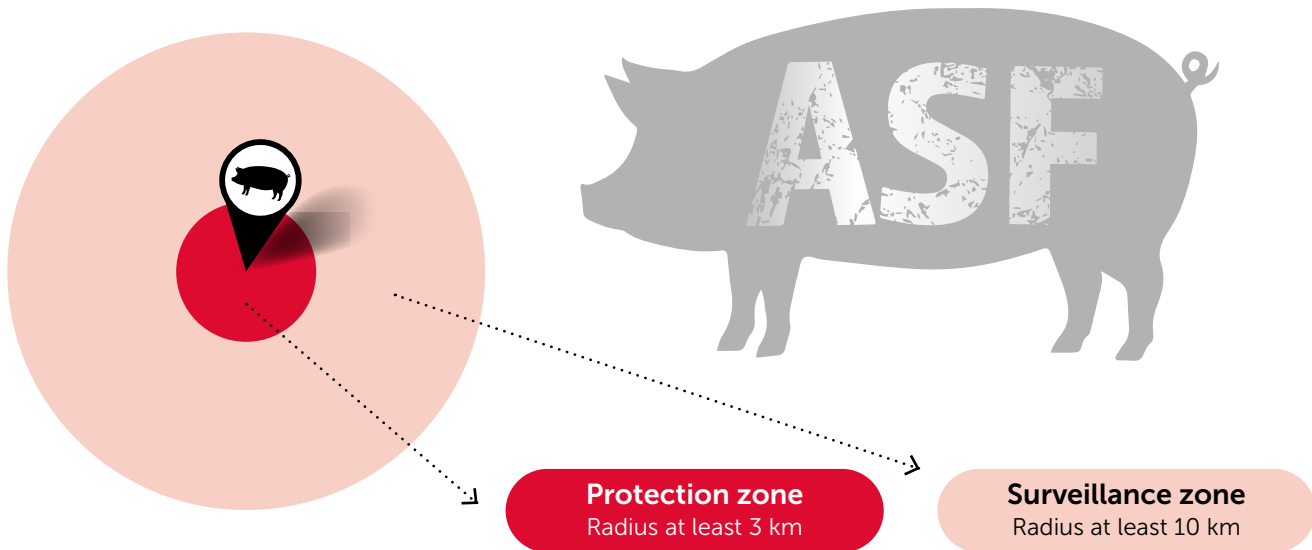
Agricultural and meat companies are also being faced with massively rising energy costs and significantly higher costs for feed and agricultural commodities such as wheat, maize or sunflower oil. The resulting bottlenecks, e.g. for fertiliser, are unavoidable given the lack of alternatives. Finally, the lower availability of CO₂ for anaesthetising slaughter animals is causing issues for many meat companies.

March 2022 saw a historic rise in price for pig quotations. In just two weeks, the price per kilogram of slaughter weight rose by 55 cents to 1.75 euros – an increase of nearly 46 %. Over the subsequent months, the pig price climbed even higher, reaching its annual peak of 2.17 euros.

Disrupted supply chains, exploding costs, declining meat consumption – the challenges are enormous.



ASF handled well in Emsland



**The industry
coped well
with the first
case of ASF
on a farm in
Lower Saxony.**

ASF in northwest Germany for the first time

At the beginning of July 2022, African swine fever (ASF) was detected in animals at a farm in Lower Saxony for the first time. Until that point, ASF had only occurred in domestic pigs and wild boars in Brandenburg, Baden-Württemberg, Saxony and Mecklenburg-Vorpommern. At the time, the affected business in the district of Emsbüren had 280 sows and around 1500 piglets, but the entire stock was immediately humanely killed.

The protection zone immediately established (with a radius of 10 kilometres) contained 296 pig businesses, between them keeping around 195,000 pigs in the middle of 2022. Measures implemented in the restricted zone included sample checks at all companies and a ban on the movement of pigs.

One particular challenge during the three-month restriction period was marketing pigs from the restricted zone that were ready for slaughter. The EU requires that the fresh meat be handled in a way that mitigates risk. However, slaughterhouses failed to find any customers for these goods. Westfleisch was one of the few companies involved in slaughtering and marketing the animals.

In retrospect, it can be concluded that the first ASF case in northwest Germany was handled well thanks to many years of intense preparation by all those involved. The task now is to precisely analyse the experience gained (focusing on marketing issues including 'pig queues') and use this to derive suitable measures.



'WEfficient' takes hold

The 'WEfficient' programme, launched at the end of 2021, has already seen some key successes in 2022. We have streamlined processes, optimised costs, improved shift models and much more. We have been able to significantly reduce administration and overhead costs. Strict expenditure controls have been firmly established. Positions that came vacant were not filled directly. Instead, we determined how we could allocate tasks more effectively and make use of our employees' individual strengths in an even more targeted way. And we are continuing to work across the group on numerous levers to strengthen our organisation and yield additional synergies.



Short-term crises, lasting changes

2022 saw further increased pressure on the meat industry. As well as the topics of long-term structural change, additional need for action has been prompted by short-term crises. For example, the German meat sector suffered the effects of the coronavirus pandemic, Russian invasion, increasing supply chain instability, the energy crisis, and rampant inflation. The latter in particular is prompting changes in Germans' consumption habits and affecting meat sales. In 2022, companies in Germany produced a total of around 4.5 million tons of pork – nearly ten percent less than the previous year. Things were a little less dramatic for beef: at around 985,000 tons of local production, the drop compared with the previous year is around eight %.

**Germany is
also consuming
less meat.**

The transformation of the German meat industry is in full swing. Market shares are shifting, companies are giving sites up, shift schedules are shortening, and less well-positioned companies are abandoning operations completely. This is a trend that will be further cemented over the coming years – as 2022 demonstrated. Whether increasing animal welfare requirements, the ban on exports to China (which will most likely remain in place for a while longer due to the ongoing issues of ASF), significantly higher labour costs, structural changes to the farming industry, the EU Green Deal, or changing consumer behaviour: companies need to position themselves extremely well in order to be able to withstand the changes.

Westfleisch began acting at an early stage, reorganised its site setup, and also streamlined processes, optimised structures and improved shift models as part of the 'WEfficient' programme, launched in 2021. The cooperative is therefore well prepared for the future. And importantly, this also means that we are able to absorb short-term pressures well. We are using additional strategic measures to gradually expand our courses of action, sustainably boost the quality of results, and thus improve our market position.

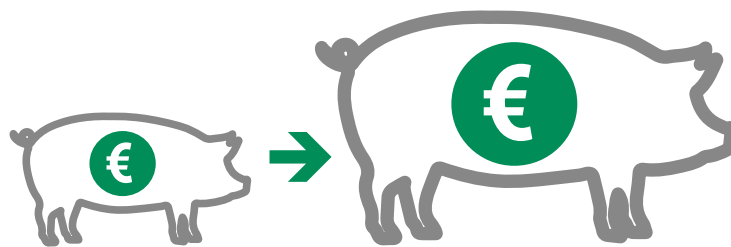


In 2022, soaring prices in particular provided additional pressure. From March onwards, the price of pork went in one direction alone: upwards. In February the price quotation was still 1.27 euros per kilogram of slaughter weight, but by September this had risen to 2.17 euros, and remained above 2 euros for the whole of the final quarter. Meat consumption in Germany also fell. In 2020, Germans consumed an average of 32 kilograms of pork each, but this was just 29 kilograms in 2022.

The figure for 2012 was nearly 39 kilograms. Beef also saw a negative trend: in 2022, Germans ate an average of 10 kilograms of beef and veal per capita, whereas in 2022 this fell to just 8.7 kilograms.

In this tense environment, Westfleisch can benefit both from its focus over many years on the national fresh meat market and reliable business relationships with its food retail and processing partners. This enables us to ensure a stable supply capacity and reliable acceptance capacity. In addition, in 2022 we further strengthened our commitment to the 'Initiative Tierwohl' and the higher farming levels 2, 3 and 4. 75 % of our fresh meat now comes from animals under this animal welfare programme. We also run numerous special programmes with long-term trade partners – often including additional options such as a special regionality payment. As a cooperative, this is one of our big points. Furthermore, it is extremely important to us that these niche programmes serve as valuable image drivers for German pork.

We were also able to continue this trend for animal welfare programmes in the beef sector. Our role as a valuable link between members and trading partners particularly shines through in the further development of programmes and concepts to improve animal keeping conditions. As a leading high-quality provider, we also feel that we have a responsibility to fully meet all trade and industry requests (including short-term ones) across all farming types. We have succeeded thanks to optimally designed sites and our guaranteed raw material base: the number of contracts we hold with farmers is higher than ever.



**Within a year,
the price of pork
rose from
1.20 euros/kg
to 2.28 euros/kg.**

2022 total production in Germany:

4.5 million tonnes of pork
985,000 tonnes of beef

Even stronger focus on Europe

The export situation for our cooperative became even more difficult during the 2022 financial year. After the African swine fever outbreak in eastern Germany in 2020, our sector in Germany was locked out of the Chinese market overnight. We were also no longer able to supply our high-quality goods to many other Asian countries. In 2022, the Russian invasion and resulting energy crisis provided additional pressure: total export sales fell by 14.8 % compared with the previous year, and the 7.8 % increase in turnover was due solely to the significantly higher pig price. Europe is now the focus for the Westfleisch Group's export business activities.

The export embargo, energy crisis and war had a considerable impact on the export market to Asia and non-EU countries.

Energy crisis increasingly impeding non-EU business

There is no market for heads, trotters, tails or necks in Europe. Until a few years ago, China was a reliable customer for these products. Following the export embargo, Westfleisch managed to find some applications in Asian markets and on the African continent, but this business suffered significantly once again in 2022. In countries such as the Republic of the Congo, Ivory Coast and the Democratic Republic of the Congo, the cooperative exported less than half the quantity it did in the previous year.

The significant rise in energy costs in 2022 was the main reason for this decline in sales: goods transported abroad require uninterrupted cooling throughout the entire transport journey, and the cumulative costs of this often exceed the sales price, making exports to more distant countries substantially more difficult.

However, one small ray of hope in exports was the collaboration with Canadian trade partners. Westfleisch entered this market for the first time in 2021, thus creating another option for exports. The company increased on its previous year's sales here in 2022. Europe's second largest meat marketer also increased its efforts with other profitable partnerships in north America.

Reopening of the Chinese market remains doubtful

Westfleisch's focus therefore remains on strong, long-term collaborations. As well as the largest purchasing countries of the Netherlands, Italy and Belgium, Poland and Romania are increasingly establishing themselves as reliable customers. Both countries were already proving to be key 'catch basins' for collapsed Asian business in 2021. Increased sales figures for the 2022 financial year have now reinforced pork's positive development on the European export market.

But one thing is clear: the higher profits we were previously able to achieve in China and other Asian sales markets for products such as trotters or tails can no longer be achieved in Europe, Africa or North America. When the Chinese market will reopen to German companies remains unclear. There has been no appreciable political discussion with China since the change of government in Berlin in 2021. The political arena is not expected to be able to present a solution before the end of next year. Westfleisch's export attentions are therefore firmly turned to Europe.

**Canada offers
a ray of hope –
Europe remains
the core market
for coming years.**



Westfleisch's 'directly from farmers' quality level is also listed in the Canadian food retail trade.



'Strohwohl' stall flagship project

Farming level programmes are a real trend. More than 75 % of Westfleisch's fresh meat products come from higher farming levels. One of these is 'Strohwohl' – farming level 4 – by REWE Region West. Farmer Stefan Rüter was immediately enthusiastic about the programme and completely redesigned his pig keeping. He converted and rebuilt his stalls to the highest animal welfare standards and incorporated numerous details for climate-neutral pig production. Three functional areas were created for the animals: a feeding and resting area, an activity area and a yard. All areas are spread with straw, and the pigs can play and rummage all day long. An innovative flagship project for the meat production of the future!





Innovation drivers for the refrigerated section

Meat consumption fell once again in Germany in 2022 – but remains at a good level. The market for retail-packed fresh meat, convenience and deep frozen products is still large and offers numerous opportunities. Westfleisch sees huge potential here and is building on a wide range of products, strong partnerships with trade, and additional opportunities in collaborating with online retailers. In 2022, the cooperative and its subsidiaries were also able to use new product ideas and innovative concepts to successfully keep up with the sector's shift in demand as a result of innovation.

The new 'DUO flat board' saves around 50% plastic.

Retail-packed fresh meat, deep frozen and convenience products from WestfalenLand

As a producer of retail-packed fresh meat, mince, barbecue and convenience products for the food retail, WestfalenLand plays a vital role within the Westfleisch Group. The company's turnover during the 2022 financial year was 14.9 % higher than the previous year, but unit sales declined by 10.2 %. Rampant inflation caused major market shifts. Whilst there was significantly less demand for expensive organic products compared with the previous year, good growth rates were achieved in the entry-level price segment.

As well as high product quality, presentation is also a key factor in sales success for trade customers. With its further developed combination of cardboard and film for two items in the form of 'DUO flat board', WestfalenLand has managed to create an innovative retail packaging concept that saves up to 50 % plastic and presents the product to consumers in a very appealing way. This creates an additional incentive to buy.

As a reliable supplier for the German retail trade, WestfalenLand traditionally has a strong network and long-lasting partnerships. The company is now also building its business with online supplier companies. Collaborations with established online platforms have proved promising and herald further increasing sales in this emerging market.



WestfalenLand also supplies its high-quality products to major consumers such as restaurants, hotels or canteens. As well as core segments, the range contains premium retail-packaged goods and vegetarian products. Meat alternatives include vegan mince, sausages, meatballs and much more. For Westfleisch as a whole this remains a small but consistent market, and a key driver providing strategic expansion to traditional areas of business.



Sausages and more from Gustoland

Subsidiary Gustoland also adds further product variety to the Westfleisch Group's range of offerings. As well as its expertise in making speciality sausages, cooked and raw cured products, and convenience foods, since 2022 Gustoland has been increasingly focusing on new ranges.

Countering the negative market trend, the company has managed to achieve continuous sales growth in past years. In 2022, Gustoland's total sales rose to around 49,000 tons, or an increase of around 9 %. Things went particularly well in the sausage sector: the more price-conscious buying behaviour of many consumers as a result of rising inflation and the resulting sales in the entry-level price segment played a crucial role in this.

This segment, like fast food 'blockbusters', is also expected to offer good growth potential in the near future: convenience products from the 'slow cooked' and 'ready to heat' ranges, such as spare ribs, pulled pork, pulled beef or precooked roasts, are a segment still offering good development opportunities.

It is well worth investing in these areas, consolidating our market position and keeping an eye out for growth opportunities. This constantly requires new product ideas and optimisations to enable a flexible response to requirements and trends. Our primary goal is always to supply retail customers with the highest possible quality levels in every respect.

Sausages and 'fast food' did well, pulled pork and similar products remained real blockbusters in 2022.



Competence

in various disciplines

In addition to the Westfleisch core competencies in slaughtering and butchery, the group is also successful in other parts of the supply chain with its subsidiaries and affiliated companies.

Westcrown

The WestCrown joint venture in Dissen is a 50:50 cooperation between Westfleisch and the Danish meat marketing cooperative Danish Crown. The joint venture successfully bundles the sow butchery and marketing business lines of both companies.

www.westcrown.de

Wetralog Food Logistics

The group's own forwarder is the specialist for transport and logistics within the Westfleisch group. It has many years of experience in the sensitive special area of "food logistics". In addition to managing domestic meat transport, Wetralog is responsible for return logistics and live animal transport within the group. It also works internationally with the subsidiary Wetralog Romania.

www.wetralog.de

WE-Service

WE Service GmbH is a 100 % subsidiary of Westfleisch and undertakes property management for the group. The tasks include buying, managing and assigning homes, a technical service for all caretaker tasks such as maintenance and repairs as well as tenant support.

DOG'S NATURE

DOG'S NATURE is a respected manufacturer of natural, usually dry dog snacks in Germany, Europe and the USA with "Made in Germany" quality. The production site of DOG'S NATURE is at the Westfleisch location in Oer-Erkenschwick. The raw goods mainly come from the Westfleisch group companies.

www.dogsnature.eu

Coldstore Hamm

Coldstore Hamm is a full service provider for frozen good logistics. The services relating to the cold store right next to the Hamm meat centre cover storage, packaging, freezing and the use of various freezing procedures as well as completing export, import and customs clearance.

www.coldstore-hamm.de



WESTCROWN



WEST FLEISCH
FROM FARMERS. DIRECTLY.



Farmway in Petershagen produces innovative vegan products – such as high-quality mince and burger patties. The base for the purely plant-based food is pea protein. At Farmway the focus is on sustainable production: all of the products are made from regional peas, and do not contain any soya or palm oil. In addition, the company uses low-plastic packaging to avoid environmentally harmful waste.

www.farmway-veggie.com



Consolidated Financial
Statements
Westfleisch SCE 2022



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Consolidated Balance Sheet

as of 31.12.2022

(with comparative figures for the financial year 2021)

ASSETS	31-12-2022		31-12-2021	
in k €				
A. FIXED ASSETS				
I. Intangible assets				
1. Concessions, patents, licenses, trademarks and similar rights and assets.	7,598		11,019	
2. Goodwill	7,620		9,047	
3. Payments on account	1,648	16,866	462	20,528
II. Tangible assets				
1. Land, similar rights and buildings, including buildings on third-party land	113,228		108,353	
2. Technical equipment and machinery	57,694		58,951	
3. Other equipment, factory and office equipment	14,455		17,412	
4. Payments on account and construction in process	25,872	211,249	36,237	220,953
III. Financial assets				
1. Shares in associated undertakings	10,890		8,537	
2. Participating interests	239		239	
3. Shares in cooperatives	17		22	
4. Other loans	179	11,325	195	8,993
		239,440		250,474
B. CURRENT ASSETS				
I. Inventories				
1. Raw materials and consumables	19,496		16,827	
2. Work in process	8,759		6,429	
3. Finished goods and goods for resale	77,853		89,705	
4. Prepayments received	-994	105,114	-2,015	110,910
II. Receivables and other assets				
1. Trade receivables	175,746		127,927	
2. Receivables from undertakings in which the company has a participating interest	717		10,219	
3. Other assets	35,005		43,360	
of which payments in arrears due on Business shares k€ 71 (py k€ 58)		211,468		181,506
III. Securities				
Other securities		9,846		7,956
IV. Cash in hand, bank balances, and cheques		78,051		47,720
		404,479		348,092
C. PREPAID EXPENSES		3,015		2,339
		646,934		600,905

The presentation in k € can lead to rounding differences.

EQUITY AND LIABILITIES	31-12-2022		31-12-2021	
in k €				
A. EQUITY				
I. Subscribed capital				
1. Registered capital	35,085		35,061	
of which minimum capital k€ 10.000				
of which share capital of retiring Members k€ 595 (py k€ 983)				
of which payments on shares of retiring members k€ 587 (py k€ 973)				
2. Subscribed capital unpaid	-1,016		-939	
3. less: Registered capital held by subsidiary	-3,640	30,429	-3,640	30,482
II. Revenue reserves				
1. Legal reserves	28,842		28,046	
of which from the net profit for the financial year booked k€ 796 (py k€ 0)				
2. Other revenue reserves	53,010		52,214	
of which from the net profit for the financial year booked k€ 796 (py k€ 0)		81,852		80,260
III. Difference from Currency conversion		-116		-88
IV. Net income (py net loss) shown in the balance sheet		10,781		-12,878
V. Minority interests				
1. in equity	91,644		92,515	
2. in profit	5,623	97,267	5,967	98,482
VI. Special equity items		32,740		32,740
		252,953		228,998
B. PROVISIONS				
1. Provisions for pensions and similar obligations	10,039		10,410	
2. Tax provisions	6,308		3,048	
3. Other provisions	134,090	150,437	115,004	128,462
C. LIABILITIES				
1. Bank loans	77,984		79,155	
2. Trade payables	128,085		125,796	
3. Amounts owed to undertakings in which the company has a participating interest	1,042		1,041	
4. Other liabilities	21,008		21,447	
of which taxes k€ 3.164 (py k€ 4.067)				
of which social security k€ 394 (py k€ 319)		228,119		227,439
D. ACCRUALS AND DEFERRED INCOME		4		10
E. DEFERRED TAXES		15,421		15,996
		646,934		600,905

The presentation in k € can lead to rounding differences.

Consolidated Profit and Loss Statement 2022

(with comparative figures for the financial year 2021)

FOR THE PERIOD FROM JANUARY 1 ST UNTIL DECEMBER 31 ST	2022		2021	
in k €				
1. Turnover	3,008,960		2,565,837	
2. Increase (+) or decrease (-) in finished goods and work in process	-9,246	2,999,714	18,012	2,583,849
3. Other operating income		19,386		45,444
4. Cost of materials				
a) Cost of raw materials, consumables and goods for resale	-2,350,776		-1,983,737	
b) Cost of purchased services	-93,154	-2,443,930	-98,714	-2,082,451
		575,170		546,842
5. Personnel expenses				
a) Wages and salaries	-260,960		-261,060	
b) Social security, pension and other employee benefits	-53,399	-314,359	-54,141	-315,201
of which k€ -2.057 (py k€ -1.924) for pension costs				
6. Depreciation and write-downs				
Of fixed intangible and tangible assets		-38,506		-44,434
7. Other operating expenses		-186,988		-196,691
		35,317		-9,484
8. Income from participating interests	16		14	
9. Income from associated securities	2,424		361	
10. Other interest and similar income	718		133	
11. costs for associated companies	-34		0	
12. Interest payable and similar expenses	-4,572	-1,448	-3,962	-3,454
13. Profit before taxes on profit		33,869		-12,938
14. Taxes on profit		-6,127		1,935
of which from changes in deferred taxes k€ 574 (py k€ 426)				
15. Profit after taxes on profit		27,742		-11,003
16. Other taxes		-897		-948
17. Profit (py loss) for the financial year		26,845		-11,951
18. Net profit attributable to minority interests		-1,594		-5,866
19. Retained earnings brought forward		-12,878		4,939
20. Allocation to reserves		-1,592		0
21. Net income (py net loss) shown in the balance sheet		10,781		-12,878

The presentation in k € can lead to rounding differences.





WEST FLEISCH
FROM FARMERS. DIRECTLY.