INTEGRATED ANNUAL REPORT
2021|22

Contents →

2021|22 at a glance

- Revenue: € 2,901.5 million (+13.9%; prior year: € 2,547.0 million)
- Operating profit (EBIT): € 24.7 million (–68.6%; prior year: € 78.7 million)
- EBIT margin: 0.9% (prior year: 3.1%)
- Loss for the period: € 12.2 million (–122.2%; prior year: profit for the period of € 55.0 million)
- Loss per share: € 0.20 (–120.8%; prior year: earnings per share of € 0.96)
- Equity ratio: 48.5% (prior year: 53.8%)
- Gearing ratio[1]: 41.5% (prior year: 33.4%)
- Dividend proposal of € 0.75 per share (dividend in prior year: € 0.85 per share)
- Number of employees (FTE)[2]: 8,691 (–1.8%; prior year: 8,847)

Quick facts about AGRANA

- World market leader in the production of fruit preparations
- Largest manufacturer of fruit juice concentrates in Europe
- Major European producer of custom starch products and bioethanol
- The leading sugar manufacturer in Central, Eastern and Southeastern Europe
- 55[3] production sites in 25 countries on six continents

Financial calendar for 2022|23

28 Jun 2022	Record date for participation in Annual General Meeting
7 Jul 2022	Results for first quarter of 2022|23
8 Jul 2022	Annual General Meeting in respect of 2021|22
13 Jul 2022	Ex-dividend date
14 Jul 2022	Record date for dividend
15 Jul 2022	Dividend payment date
13 Oct 2022	Results for first half of 2022|23
12 Jan 2023	Results for first three quarters of 2022|23

[1] Debt-equity ratio (ratio of net debt to total equity).
[2] Average number of full-time equivalents in the reporting period.
[3] Number of sites as of 28 February 2022; also see "Our production sites", from page 22.

This is a moment when our mind is not on attractive photographs and impressive words that serve the corporate image. It is a time when concern for the fate of our colleagues in Ukraine and for the plight of their homeland moves us more than anything else could. That is why, in this year's annual report, we have decided to leave out our usual creative section and simply present facts and figures.

Five days before our company's financial year-end, our world changed. The conflict between Russia and Ukraine escalated into a war when Russian forces invaded Ukraine. A war that is causing nothing but suffering and destruction and has driven millions of people to flee.

This affects us all, and our thoughts are especially with our approximately 600 colleagues and their families in Ukraine. They are the ones directly exposed to the terror and the consequences of the war. But our solidarity is also with all other people of Ukraine and with those who, like all of us, want to live in peace. For AGRANA as a global company, appreciation for cultural diversity and respect in our dealings with one another are essential values. It is from this mindset that we are responding to the Ukraine crisis.

Key financials

		2021|22	2020|21	2019|20	2018|19	2017|18	2016|17
Financial performance[1]							
Revenue	€m	2,901.5	2,547.0	2,480.7	2,443.0	2,566.3	2,561.3
EBITDA[2]	€m	206.7	191.2	183.1	147.7	254.2	235.2
Operating profit before exceptional items and results of equity-accounted joint ventures	€m	86.5	73.1	73.1	51.1	164.1	150.8
Share of results of equity-accounted joint ventures	€m	8.0	17.5	16.7	12.2	29.4	30.6
Exceptional items	€m	(69.8)	(11.9)	(22.9)	3.3	(2.9)	(9.0)
Operating profit [EBIT]	€m	24.7	78.7	66.9	66.6	190.6	172.4
EBIT margin	%	0.9	3.1	2.7	2.7	7.4	6.7
Profit before tax	€m	8.6	60.2	49.7	51.2	176.2	154.5
(Loss)/profit for the period	€m	(12.2)	55.0	31.2	30.4	142.6	117.9
Attributable to shareholders of the parent	€m	(12.6)	59.8	28.1	25.4	140.1	111.3
Attributable to non-controlling interests	€m	0.4	(4.8)	3.1	5.0	2.5	6.6
Operating cash flow before changes in working capital	€m	207.2	198.8	187.8	177.5	302.7	258.0
Investment[3]	€m	82.4	72.3	149.7	183.8	140.9	114.7
Return on sales[4]	%	0.3	2.4	2.0	2.1	6.9	6.0
Return on capital employed[5]	%	4.7	4.1	4.0	2.9	9.7	9.0
Non-financial metrics							
Number of employees[6]		8,691	8,847	9,342	9,230	8,678	8,638
Injury rate[7]		1.4	1.6	1.6	1.8	2.3	2.5
Energy consumption (Scope 1+2)	GJ million	15.6	14.2	14.2	14.4	14.9	15.7
Emissions (Scope 1+2)	Tonnes CO_2	778,626	733,853	928,007	918,818	917,999	948,840
Water consumption[8]	m^3 million	(0.8)	(1.3)	(0.9)	(1.5)	(1.8)	(3.2)
Share data at last day of February							
Closing price[9]	€	16.54	17.60	17.56	17.40	24.78	26.50
(Loss)/earnings per share[9]	€	(0.20)	0.96	0.45	0.41	2.24	1.78
Dividend per share[9]	€	0.75 [10]	0.85	0.77	1.00	1.13	1.00
Dividend yield[11]	%	4.5 [10]	4.8	4.4	5.7	4.5	3.8
Dividend payout ratio	%	Neg. [10]	88.5	171.1	243.9	50.2	56.1
Price/earnings ratio		Neg.	18.3	39.0	42.4	11.0	14.9
Market capitalisation	€m	1,033.6	1,099.8	1,097.3	1,087.3	1,548.2	1,656.0
Number of shares	'000	62,489.0	62,489.0	62,489.0	62,489.0	15,622.2	15,622.2
Financial strength							
Total assets	€m	2,643.6	2,472.7	2,529.3	2,389.4	2,356.4	2,481.4
Share capital	€m	113.5	113.5	113.5	113.5	113.5	113.5
Core non-current assets[12]	€m	1,117.9	1,207.5	1,285.2	1,229.8	1,138.5	1,113.8
Equity	€m	1,281.5	1,329.1	1,367.0	1,409.9	1,454.0	1,411.9
Equity ratio	%	48.5	53.8	54.0	59.0	61.7	56.9
Net debt	€m	532.0	443.5	464.0	322.2	232.5	239.9
Gearing ratio[13]	%	41.5	33.4	33.9	22.9	16.0	17.0

[1] Detailed information concerning the calculation methods of individual performance indicators can be found on page 204.
[2] EBITDA represents operating profit before exceptional items, results of equity-accounted joint ventures, and operating depreciation and amortisation.
[3] Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.
[4] Profit before tax, divided by revenue.
[5] Operating profit before exceptional items and results of equity-accounted joint ventures, divided by capital employed.
[6] Average number of full-time equivalents in the reporting period.
[7] See definition on page 80.
[8] Net water consumption is negative, as AGRANA discharges more water than it withdraws.
[9] Values in the 2017|18 and 2016|17 financial years have been adjusted for comparability as a result of the four-for-one stock split in July 2018.
[10] Based on the dividend proposal to the Annual General Meeting.
[11] Based on the closing share price at the balance sheet date of the respective year.
[12] Non-current assets excluding deferred tax assets and the item "other assets".
[13] Ratio of net debt to total equity.

FRUIT. STARCH. SUGAR.

INTEGRATED ANNUAL REPORT 2021|22

OF AGRANA BETEILIGUNGS-AG FOR THE YEAR ENDED 28 FEBRUARY 2022

Within this annual report on the 2021|22 financial year, AGRANA fulfils its obligation under the Austrian Sustainability and Diversity Improvement Act (also known in German as NaDiVeG) to prepare a non-financial information statement in accordance with section 267a Austrian Commercial Code. This statement is provided from page 30. The non-financial information statement has been prepared in accordance with the framework of the Global Reporting Initiative (GRI), specifically GRI Standards: Core option. In this annual report 2021|22, the reporting of the sustainability topics that are material to AGRANA's business activities is integrated directly in the corporate governance report and Group management report. To make the non-financial information easier to find, the relevant passages are cross-referenced in the non-financial information statement, and a content index of all GRI disclosures in the report, organised by individual GRI Standard addressed, is provided from page 196. In addition, relevant passages are marked with a green footprint on the respective pages. AGRANA also follows the reporting recommendations of the Task Force on Climate-related Financial Disclosures (TCFD); references to the information incorporated in this report can be found in the TCFD content index from page 202.

Letter from the Management Board

Dear Investor,

In our annual report's opening tribute to the Ukraine crisis, we have already made clear how deeply concerned we are by the war in Ukraine.

Regarding the current situation at our sites in Ukraine, we can report that we are in daily contact with our colleagues on the ground. Shortly after the outbreak of the war, production at the two Ukrainian fruit plants in Vinnytsia had to be stopped for safety reasons. By now, we are again trying to fill a few production orders for local customers, as far as the situation allows. For this demanding effort, our colleagues locally in Ukraine deserve our utmost respect. But one thing is clear: The top priority is and will remain the safety of our employees and their families. A crisis team is deployed on site that monitors the situation very closely, prepares for various crisis scenarios and regularly communicates with the management at the business segment and holding company level.

Some of our Ukrainian staff were called up to defend their country. We very much hope that all return unharmed. Other members of our team, family members and children had to flee Ukraine. We are doing our best to help them evacuate and are making accommodation available in the host countries, such as in company-owned apartments. We are also providing products and substantial monetary donations to local and international aid organisations. In addition to their regular salaries, our Ukrainian colleagues receive funds collected by all AGRANA employees in fundraising campaigns and topped up by the Group holding company.

Under the emotional impact of the war, it is very difficult to turn our attention to something as routine as a corporate reporting calendar, but in keeping with the purpose of an annual report, we would like to review the past financial year for you.

Review of 2021|22

We entered the 2021|22 financial year with positive EBIT guidance, projecting that operating profit would be significantly (i.e., at least 10%) above the prior year's figure of € 78.7 million. And despite all the volatility and COVID-19 challenges that we have learned to deal with, we were on track until 23 February 2022 to achieve this.

In accounting terms, the outbreak of war in Ukraine on 24 February 2022 was a so-called adjusting event for AGRANA at the balance sheet date and triggered internal impairment tests. Ultimately, write-downs and impairment of assets and goodwill due to the Ukraine war of just under € 71 million were identified in preparing the annual financial statements. Without these negative exceptional financial effects of the war, we would have achieved Group EBIT of € 95.5 million (prior year: € 78.7 million) and thus reached the targets we had set ourselves. We would like to take this opportunity to sincerely thank all our staff for their continued great commitment in the second year of the pandemic.

Looking at the business performance in the individual segments, the processing campaigns for three key raw materials – sugar beets, potatoes and apples – were very satisfactory in the 2021|22 financial year. In the Sugar segment, capacity utilisation of the factories was improved thanks to higher beet volumes. In the Fruit segment, the good 2021 apple processing campaign led to a recovery for the fruit juice concentrate business. Ethanol prices at historic highs were the main reason for the very strong EBIT performance in the Starch segment seen especially in the second half of 2021|22.

It is a well-known fact, however, that since the summer of 2021, commodity markets have soared dramatically, also taking the prices of agricultural commodities to levels much higher than in the previous year. At the same time, energy costs saw extreme increases that weighed on earnings in all business segments. The coronavirus pandemic with all its ripple effects – including for our customers – thus continued to put us through our paces at AGRANA in 2021|22. In the new financial year as well, volatile markets both on the purchasing and sales sides, now exacerbated by the Russia-Ukraine war, will continue to demand our full attention. AGRANA will keep working hard to counter the price increases in procurement with appropriate and improved measures and to reflect the increased manufacturing costs in adjusted selling prices.

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reports.agrana.com/en

Business and sustainability strategy

As our shareholders know, since 1 June 2021 the Group has a reconfigured Management Board team. Together with our staff, from day one, we have tackled the work in front of us with zeal and determination.

AGRANA is a strong, innovative and well-positioned Group with great potential. Our goal is not only to achieve short-term financial targets, but to fully exploit the possibilities of a diversified company in the long term and make the best use of new opportunities as they arise.

A strategy review has been underway in the Group for several months with the aim of realigning our strategies both at Group and segment level and making AGRANA even more resilient to crises and climate change. We will soon be able to tell you more about this strategy advancement. One of the major themes here will be sustainability – an area in which we had already intensified our efforts in 2020|21 by creating a climate strategy with a concrete, staged plan to achieve CO_2-neutral production by 2040.

In 2021|22, the first assessment of AGRANA's corporate carbon footprint laid the foundation for the further development of our Group's climate strategy. In line with the requirements of the Science Based Targets initiative, and in addition to the staged plan already developed, AGRANA in 2022|23 will also develop reduction measures for emissions in the upstream and downstream value chain – which in our baseline year 2019|20 accounted for 83% of our corporate footprint. In the upstream supply chain, which means in agricultural production, we want to take a leading and supportive role in the development and implementation of emission reduction measures in the cultivation of agricultural raw materials as part of a "coalition of the willing" together with other industrial processors of agricultural crops and stakeholders in the supply chain. Yet, our holistic, integrated sustainability strategy must cover not only environmental aspects but also governance and social criteria. For example, in the areas of occupational safety and diversity, we are working to define concrete targets that are subsequently also intended to be reflected in AGRANA's remuneration system.

Financial outlook for 2022|23 and dividend

AGRANA has learned to weather challenges and volatility not just in the last two years marked by the pandemic, but over more than three decades. As part of the critical infrastructure of economies, we also see our business areas as more crisis-proof than others, thanks to the proximity to food production. Nevertheless, the uncertainty regarding the future supply of natural gas in our core market of Europe is a key factor compelling us to invest even more attention in the development of different scenarios in order to be able to continue to supply our sites with energy securely in the event of the loss of Russian natural gas and thus maintain business continuity. Our forecast for 2022|23 is based on the assumption that the war in Ukraine is temporary and remains regionally limited, that the physical supplies of energy and raw materials are ensured and that the Group's target markets and procurement markets partially normalise in this new financial year. We also expect and assume that, through adjusted customer contracts, we will to be able to pass on the significant price increases witnessed especially in raw materials and energy. On this basis, a very significant increase in Group operating profit (EBIT) is expected for the 2022|23 financial year.

True to our focus on long-term profitable growth and our commitment to dividend continuity, even after a challenging 2021|22 shaped by extraordinary influences, we would like to pay you, our esteemed shareholders, a solid dividend.

The Management Board of AGRANA Beteiligungs-AG

Markus Mühleisen, CEO **Ingrid-Helen Arnold** **Stephan Büttner** **Norbert Harringer**

Supervisory Board’s report

In the last days of the 2021|22 financial year, the outbreak of war in Ukraine changed the world. After the past two years defined by the global pandemic, the war too now dominates the regular deliberations between AGRANA's Management Board and Supervisory Board. The immediate measures in our Ukrainian and Russian subsidiaries are front and centre in these discussions. Our focus is on the safety of our staff in Vinnytsia, Ukraine, where we are also providing support through humanitarian aid. The impacts of the war on energy supply, commodity markets and the supply chain requires an intensive regular exchange especially between the Chief Executive Officer and the Chairman of the Supervisory Board.

Until 24 February 2022, AGRANA's business performance was shaped primarily by the reverberations of the pandemic. These manifested themselves in increasingly volatile commodity markets with a general rising trend in commodity as well as energy prices, and an increase in logistical challenges along the supply chain. Nevertheless, the expectation of significantly higher earnings than in the prior year remained viable until the onset of the war with all its consequences.

The Supervisory Board actively oversaw the Group throughout these developments in the 2021|22 financial year and fulfilled its tasks and duties under the applicable laws, regulatory requirements, the Articles of Association and the Supervisory Board’s terms of reference, while observing the provisions of the Austrian Code of Corporate Governance. The Management Board informed the members of the Supervisory Board on an ongoing basis about the main developments at AGRANA and reported to the Supervisory Board on the current business, financial, risk and capital situation both at and between the regular meetings. The members of the Supervisory Board supervised the management activities of the Management Board, were involved in decisions of material importance to AGRANA's future and assisted the Management Board in an advisory capacity.

Besides the current issues, agenda items of the Supervisory Board’s meetings included the measures for the further strategic development of the Group and the optimisation of business performance in all segments. Convening for a total of five meetings in the year, the Supervisory Board, on the basis of the reports of the Management Board and extensive written material, considered the business situation and financial position of the Group and its subsidiaries, the business performance and exceptional business transactions. The Management Board briefed the Supervisory Board in a timely and comprehensive manner on measures requiring the approval of the Supervisory Board. The Supervisory Board members’ overall attendance at the meetings in 2021|22 was approximately 95%. All members of the Supervisory Board attended at least half of its meetings. In addition, the Chairman of the Supervisory Board had ongoing, numerous conversations with the Management Board and communicated regularly with the Chief Executive Officer to discuss current developments in the business operations against the backdrop of the economic and business environment and the impact on the Group’s risk situation. In view of the persistent COVID-19 pandemic, the operation of the Supervisory Board largely involved hybrid meeting formats, including video conferencing conducted to high technical standards, in compliance with the applicable contact restrictions published by the Austrian federal government. Accordingly, the Supervisory Board and its committees, at all times, had the capacity to act and to pass resolutions.

Meetings of the Supervisory Board

In its meeting on 7 May 2021, the Supervisory Board dealt with the audit of the parent company and consolidated financial statements for the year ended 28 February 2021. The independent auditor attended this meeting and reported on the priorities and results of the audit. The committee chair reported on the deliberations of the Audit Committee and its recommendations on the parent company financial statements. The Supervisory Board adopted the parent company financial statements and approved the 2020|21 consolidated financial statements. Other agenda items at this meeting were the nomination of the independent auditor for election for the 2021|22 financial year, and the compensation report. At this meeting, the Supervisory Board resolved to appoint Ingrid-Helen Arnold as a member of the Management Board effective 1 June 2021 to succeed Thomas Kölbl, who left this position on 31 May 2021.

At the Supervisory Board meeting on 29 June 2021, the focus of discussion was on medium-term planning.

At a special meeting on 19 October 2021, the Supervisory Board addressed the strategic development of the Sugar segment. This discussion was continued in the meeting on 18 November 2021, which additionally dealt with corporate governance.

In its meeting on 17 February 2022, the Supervisory Board deliberated especially on the financial planning and the capital investment projects for the 2022|23 financial year, as well as on medium-term planning. The extension of the Management Board term of Norbert Harringer until 31 August 2027 was also discussed. As well, the Supervisory Board addressed the results of the review of Supervisory Board efficiency.

Committees of the Supervisory Board

The Audit Committee convened for two meetings in the 2021|22 financial year. With the independent auditor in attendance, the Audit Committee dealt exhaustively with the 2020|21 parent company and consolidated financial statements of AGRANA Beteiligungs-AG and discussed the Management Board's proposal for the appropriation of profit. Other topics of the Committee's deliberations were the audit of the corporate governance report; the report from Internal Audit; the risk management system and system of internal control; and the nomination of the independent auditor for 2021|22. The Audit Committee also dealt with the planning and priorities for the audit of the 2021|22 financial statements and discussed the subjects of anti-corruption and compliance.

The Nomination and Remuneration Committee met once in the 2021|22 financial year and also addressed personnel topics in numerous bilateral discussions between the committee members.

The committee chairs reported to the full Supervisory Board in detail on the work of the committees.

Parent company and consolidated financial statements

The independent auditor appointed for the financial year ended 28 February 2022, PwC Wirtschaftsprüfung GmbH, Vienna, has audited the parent company financial statements of AGRANA Beteiligungs-AG for the year ended 28 February 2022 prepared in accordance with Austrian Generally Accepted Accounting Principles and submitted by the Management Board, and the parent company management report of the Management Board. The independent auditor has reported the result of the audit in writing and issued an unqualified audit opinion.

The Supervisory Board has received and reviewed the audit report of the independent auditor. The Audit Committee has reported to the Supervisory Board on the result of the audit of the financial statements, in accordance with section 92 Austrian Stock Corporation Act.

After detailed review and discussion by the Audit Committee on 28 April 2022 and the Supervisory Board on 12 May 2022, the Supervisory Board has approved the parent company financial statements for the year ended 28 February 2022 submitted by the Management Board (including the Notes) and the parent company management report, corporate governance report, and proposal for the appropriation of profit. The parent company financial statements for the year ended 28 February 2022 are thus adopted for the purposes of section 96 (4) Austrian Stock Corporation Act. The Supervisory Board is in agreement with the Management Board's proposal for the appropriation of profit.

The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), were audited by PwC Wirtschaftsprüfung GmbH, Vienna, and received an unqualified audit opinion. The Audit Committee has reviewed the consolidated financial statements (including the Notes) and the group management report, and reported thereon to the Supervisory Board; the Supervisory Board has endorsed the consolidated financial statements (including the Notes) and the group management report.

On behalf of the Supervisory Board, I would like to express my special thanks to all employees and the Management Board team for their outstanding commitment and the successful work done under difficult conditions. Particularly in the current crisis, solidarity and cohesion, above all with our Ukrainian colleagues, are proof of the strength of AGRANA's values, on which we continue to rely and build.

Vienna, 12 May 2022

Erwin Hameseder
Chairman of the Supervisory Board

MANAGEMENT BOARD

MARKUS MÜHLEISEN
Chief Executive Officer (CEO)

First appointed 1 Jun 2021
Appointed until 31 May 2024
Responsibilities: Strategy and Business Policy, Quality Management, Sales, Human Resources, Public Relations, Corporate Secretariat (line authority), and Sugar Segment

INGRID-HELEN ARNOLD
Chief Audit Officer (CAO)

First appointed 1 Jun 2021
Appointed until 30 Apr 2024
Responsibilities: Internal Audit

NORBERT HARRINGER
Chief Technology Officer (CTO)

First appointed 1 Sep 2019
Appointed until 31 Aug 2027
Responsibilities: Production/Investment, Raw Materials, Research and Development, and Starch Segment

STEPHAN BÜTTNER
Chief Financial Officer (CFO)

First appointed 1 Nov 2014
Appointed until 31 Oct 2024
Responsibilities: Finance, Information Technology, Mergers & Acquisitions, Legal, Compliance, Purchasing, Investor Relations, and Fruit Segment

To learn more about the biographies of the Management Board members, visit our online annual report 2021|22. ***reports.agrana.com/en***

Corporate governance report

This corporate governance report combines the corporate governance report of AGRANA Beteiligungs-AG and the consolidated corporate governance report of AGRANA Beteiligungs-AG pursuant to sections 243c and 267b Austrian Commercial Code (UGB) in conjunction with section 251 (3) UGB.

AGRANA Beteiligungs-AG is a public limited company (a stock corporation) under Austrian law and is listed on the Vienna Stock Exchange. The legal framework for corporate governance at AGRANA is provided by Austrian stock corporation law and capital market law, the regulations on employee co-determination, the Articles of Association and the terms of reference (the charters) of the Supervisory Board and Management Board of AGRANA Beteiligungs-AG. In addition, the Austrian Code of Corporate Governance (ACCG), which can be found on the website of the Austrian Working Group for Corporate Governance at www.corporate-governance.at, provides the framework for the direction and oversight of the company with the aim of ensuring a high degree of transparency for all stakeholders.

The ACCG consists of binding so-called L rules (these are based on legal requirements); of C rules (comply-or-explain rules), which are expected to be adhered to, with deviations to be explained in order to achieve compliance with the ACCG; and of R rules (recommendations), non-compliance with which requires neither disclosure nor explanation.

Commitment to the Austrian Code of Corporate Governance

AGRANA is committed to the provisions of the Austrian Code of Corporate Governance. In the 2021|22 financial year, AGRANA applied the ACCG in the version of January 2021. At its meetings on 18 November 2021 and 17 February 2022, the Supervisory Board of AGRANA Beteiligungs-AG discussed matters of corporate governance and unanimously adopted the statement of compliance with the ACCG.

Under rule 62 of the ACCG, the implementation of and compliance with the individual rules of the ACCG must be externally evaluated on a regular basis, at least every three years. This was done for the 2020|21 financial year by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, based on the questionnaire (January 2021 edition) issued by the Austrian Working Group for Corporate Governance for the purpose of assessing compliance with the ACCG. The report on this external evaluation is available at www.agrana.com/en/ir/corporate-governance.

In the 2021|22 financial year, AGRANA adhered to all C rules of the ACCG except as explained in the following:

- **Rule 27 (Management Board compensation criteria)**
  The existing employment contracts of the Management Board members do not tie variable compensation to non-financial criteria and only partly specify maximum amounts. A retroactive change to existing contracts does not appear justified.

- **Rule 27a (severance pay)**
  In the event that a Management Board appointment is withdrawn, severance pay has been agreed in accordance with the provisions of the Employees Act. The contracts of members of the Management Board partly contain ceilings on severance pay.

The approach in respect of rules 27 and 27a was adopted by the Supervisory Board and implemented by the Nomination and Remuneration Committee in the contracts of the Management Board members.

- **Rule 49 (contracts requiring approval)**
  Under section 95 (5)(12) of the Austrian Stock Corporation Act, the approval of the Supervisory Board is required for contracts with members of the Supervisory Board by which members undertake, outside their role on the Supervisory Board, to provide a service to the Company or a subsidiary for a material consideration. This also applies to contracts with companies in which a Supervisory Board member has a significant economic interest. For business policy and competition reasons, the object and terms of such contracts are not published in the annual report as stipulated in rule 49. This divergence was adopted by the Supervisory Board at the time of the initial commitment to the Austrian Code of Corporate Governance in 2005.

To safeguard open and transparent communication with all capital market participants and the interested public, information provided to investors during conference calls and road shows is simultaneously made available to all other shareholders through the Group website at www.agrana.com/en/ir/overview.

AGRANA's boards and functioning of the Management Board and Supervisory Board

Management Board
At 28 February 2022 the Management Board had the following members:

Name	Year of birth	Date first appointed	End of term
Markus Mühleisen Chief Executive Officer	1966	1 June 2021	31 May 2024
Ingrid-Helen Arnold	1968	1 June 2021	30 April 2024
Stephan Büttner	1973	1 Nov 2014	31 Oct 2024
Norbert Harringer	1973	1 Sept 2019	31 Aug 2027

The term of office of outgoing CEO Johann Marihart ended on 31 May 2021. Effective 1 June 2021, Markus Mühleisen was appointed Chief Executive Officer. On 31 May 2021, Fritz Gattermayer and Thomas Kölbl also left the Management Board.

With effect from 1 June 2021, the functional responsibilities previously held by Fritz Gattermayer were assumed by Markus Mühleisen (Sales), Stephan Büttner (Purchasing and Logistics), and Norbert Harringer (Raw Materials). Also on 1 June 2021, Ingrid-Helen Arnold succeeded Thomas Kölbl by taking over the Internal Audit function.

Members of the Management Board held supervisory board or similar positions in the following domestic and foreign companies not included in the consolidated financial statements:

- Markus Mühleisen
  Südzucker AG[1], Mannheim, Germany

- Ingrid-Helen Arnold
  Heineken N.V., Amsterdam, Netherlands; TUI AG, Hanover, Germany

- Johann Marihart
  Südzucker AG[1] (until 31 May 2021)

  TÜV AUSTRIA HOLDING AG, Vienna; TÜV AUSTRIA SERVICE GmbH, Vienna; Bundesbeschaffung GmbH, Vienna; Österreichische Forschungsförderungsgesellschaft mbH; Ottakringer Holding AG, Vienna; Spanische Hofreitschule – Lipizzanergestüt Piber, Vienna (until 6 January 2022); chairman of the Austrian Food Industry Association (Fachverband der Nahrungs- und Genussmittelindustrie) within the Austrian chamber of commerce (WKO).

- Thomas Kölbl
  K+S Aktiengesellschaft, Kassel, Germany

  Positions within the Südzucker Group: PortionPack Europe Holding B.V, Oud-Beijerland, Netherlands; CropEnergies AG, Mannheim, Germany; Südzucker Versicherungs-Vermittlungs-GmbH, Mannheim, Germany; ED&F MAN Holdings Limited, London, United Kingdom.

The corporate culture of the AGRANA Group is marked by open and constructive teamwork between the Management Board and Supervisory Board. The two boards, and especially their chairmen, are engaged in ongoing dialogue regarding the Group's performance and strategic direction, both at and between the meetings of the Supervisory Board.

The Management Board of AGRANA Beteiligungs-AG is responsible for managing the Company independently in such a way as is required by the purpose and for the good of the Company, taking into account the interests of the shareholders and employees as well as the public interest. It manages the Company's business in accordance with the legal requirements – in particular the provisions of stock corporation, stock exchange and company law – and with the provisions of the Articles of Association, the Management Board's terms of reference adopted by the Supervisory Board, and the ACCG. The members of the Management Board are in ongoing communication with each other and, in Management Board meetings held at least every two weeks, discuss the current course of business and make the necessary informal and

[1] Appointment as a result of the syndicate agreement between Südzucker AG, Mannheim, Germany, and Zucker-Beteiligungsgesellschaft m.b.H., Vienna.

formal decisions. The Group is managed on the basis of the open sharing of information and of regular meetings with the segment heads and other senior segment management.

The terms of reference set out the division of responsibilities and the cooperation within the Management Board and its duties in respect of communication and reporting, and list the types of actions that require the approval of the Supervisory Board.

The remits of the Management Board members are as follows:

Name	Responsibilities
Markus Mühleisen	Sales, Business Strategy, Communication, Quality Management, Human Resources, and Sugar segment
Ingrid-Helen Arnold	Internal Audit
Stephan Büttner	Finance, Controlling, Treasury, Investor Relations, Information Technology and Organisation, Mergers and Acquisitions, Legal, Compliance, Purchasing and Logistics, and Fruit segment
Norbert Harringer	Production Coordination and Investment, Raw Materials, Research and Development, and Starch segment

With the new composition of the Management Board from 1 June 2021, business segment responsibility was added to the existing functional briefs. As a result, since 1 June 2021, Markus Mühleisen is also CEO of AGRANA Zucker GmbH and AGRANA Sales & Marketing GmbH, Stephan Büttner is additionally CEO of AGRANA Fruit S.A.S. and Norbert Harringer is also CEO of AGRANA Stärke GmbH.

Responsibility for matters of sustainability forms an integral part of many AGRANA Group functions. This integration is also reflected in the fact that, within the Management Board and within the Supervisory Board, all members as a full board share joint responsibility for sustainability governance.

Supervisory Board

The Supervisory Board of AGRANA Beteiligungs-AG has twelve members, of whom eight are shareholder representatives elected by the Annual General Meeting and four are employee representatives from the staff council. All Supervisory Board members elected by the Annual General Meeting have been elected for a term ending at the conclusion of the General Meeting that considers the results of the 2021|22 financial year. In the reporting period the Supervisory Board convened for five meetings.

Name and supervisory board positions in listed domestic and foreign companies	**Year of birth**	**Date first appointed**	**End of term**
Erwin Hameseder, **Mühldorf, Austria, independent** Chairman of the Supervisory Board - Chairman of the Supervisory Board of Raiffeisen Bank International AG, Vienna - Vice-Chairman of the Supervisory Board of STRABAG SE, Villach, Austria - Second Vice-Chairman of the Supervisory Board of Südzucker AG, Mannheim, Germany	1956	23 Mar 1994	35th AGM (2022)
Hans-Jörg Gebhard, **Eppingen, Germany, independent** First Vice-Chairman of the Supervisory Board - Chairman of the Supervisory Board of Südzucker AG, Mannheim, Germany - Member of the Supervisory Board of CropEnergies AG, Mannheim, Germany	1955	9 Jul 1997	35th AGM (2022)
Klaus Buchleitner, **Mödling, Austria, independent** Second Vice-Chairman of the Supervisory Board - Second Vice-Chairman of the Supervisory Board of BayWa AG, Munich, Germany - Member of the Supervisory Board of Raiffeisen Bank International AG, Vienna	1964	4 Jul 2014	35th AGM (2022)
Andrea Gritsch, **Vienna, independent** Member of the Supervisory Board	1981	3 July 2020	35th AGM (2022)
Helmut Friedl, **Egling an der Paar, Germany, independent** Member of the Supervisory Board - Member of the Supervisory Board of Südzucker AG, Mannheim, Germany	1965	7 Jul 2017	35th AGM (2022)
Ernst Karpfinger, **Baumgarten/March, Austria, independent** Member of the Supervisory Board	1968	14 Jul 2006	35th AGM (2022)
Thomas Kirchberg, **Ochsenfurt, Germany, independent** Member of the Supervisory Board - Member of the Supervisory Board of CropEnergies AG, Mannheim, Germany	1960	10 July 2009	35th AGM (2022)
Josef Pröll, **Vienna, independent** Member of the Supervisory Board	1968	2 Jul 2012	35th AGM (2022)

Employee representative	Year of birth	Date first appointed
Thomas Buder, Tulln, Austria Chairman of the Group Staff Council and Central Staff Council	1970	1 Aug 2006
Daniela Bogner, Vienna	1963	23 April 2021
Andreas Klamler, Gleisdorf, Austria	1970	10 Nov 2016
René Schmid, Gmünd, Austria	1987	23 April 2021
Gerhard Kottbauer, Aschach, Austria (until 23 April 2021)	1972	17 Jan 2019
Stephan Savic, Vienna (until 23 April 2021)	1970	22 Oct 2009

Supervisory Board independence

The Supervisory Board of AGRANA Beteiligungs-AG applies the guidelines for the definition of supervisory board independence as set out in Annex 1 to the Austrian Code of Corporate Governance:

- A Supervisory Board member shall not, in the past five years, have been a member of the Management Board or other management staff of the Company or a subsidiary of the Company.
- A Supervisory Board member shall not have a business relationship of a size significant to him or her with the company or a subsidiary of the Company, and shall not have had such a business relationship in the past year. This also applies to business relationships with companies in which the Supervisory Board member holds a significant economic interest, but does not apply to board positions held within the Group.
- The approval of individual transactions by the Supervisory Board under L rule 48 does not automatically imply a member's designation as non-independent.
- A Supervisory Board member shall not, in the past three years, have been an external auditor of the Company or a partner or employee of the external audit firm.
- A Supervisory Board member shall not be a management board member of another company in which a member of the Company's Management Board is a supervisory board member.
- A Supervisory Board member shall not serve on the Supervisory Board for more than 15 years. This does not apply to Supervisory Board members who are shareholders with a strategic shareholding in the Company or who represent the interests of such a shareholder.
- A Supervisory Board member shall not be a close relative (direct descendant, spouse, common-law spouse, parent, uncle, aunt, sibling, nephew or niece) of a Management Board member or of persons holding any of the positions referred to in the foregoing points.

Committees and their members

Where the importance or specialist nature of a particular subject matter makes it appropriate, the Supervisory Board also exercises its advisory and supervisory functions through the following three committees:

The **Nomination and Remuneration Committee** deals with the legal relationships between the Company and the members of the Management Board. The Committee is responsible for succession planning in respect of the Management Board and approves the compensation schemes for the Management Board members. In a meeting in the 2021|22 financial year, the Committee deliberated on and approved the renewal of the Management Board term of Norbert Harringer for a period ending 31 August 2027. The **Strategy Committee** prepares strategic decisions of the Supervisory Board by providing decision support, and makes decisions in urgent matters. The Strategy Committee held no meetings in the 2021|22 financial year. The **Audit Committee** prepares for transaction by the Supervisory Board all matters related to the Company's separate financial statements and to the auditing of the accounting records and of the consolidated financial statements and Group management report, including the corporate governance report. It monitors the effectiveness of the internal control system and risk management system and of the Internal Audit function, and verifies the independence and qualifications of the external auditors. In the 2021|22 financial year the Audit Committee met twice. Its meetings focused particularly on the audit of the 2020|21 financial statements, the preparation of the audit of the 2021|22 financial statements, and the supervision of the risk management system. The Audit Committee also dealt with the compliance report and the report of the Group's Internal Audit function. One meeting was devoted to the Management Board's report on the audit of the 2020|21 financial statements.

The Supervisory Board terms of reference include the procedures for the Supervisory Board committees; an excerpt of the terms of reference is available on the AGRANA website at www.agrana.com/en/ir/corporate-governance.

Supervisory Board committees consist of the Supervisory Board Chairman or a Vice-Chairman, and of as many other members as the Supervisory Board shall determine. The only exception is the Nomination and Remuneration Committee, which consists of the Supervisory Board Chairman and two members appointed from among the Supervisory Board members elected by the Annual General Meeting. If the Supervisory Board has two Vice-Chairmen, they shall be appointed as these two other members of the Nomination and Remuneration Committee.

Name	**Position on committee**
Nomination and Remuneration Committee	
Erwin Hameseder	Chairman (and expert advisor on compensation)
Hans-Jörg Gebhard	Member
Klaus Buchleitner	Member
Strategy Committee	
Erwin Hameseder	Chairman
Hans-Jörg Gebhard	Member
Klaus Buchleitner	Member
Thomas Kirchberg	Member
Thomas Buder	Employee representative
Andreas Klamler	Employee representative
Audit Committee	
Klaus Buchleitner	Chairman (and expert advisor on finance)
Hans-Jörg Gebhard	Member
Ernst Karpfinger	Member
Thomas Kirchberg	Member
Thomas Buder	Employee representative
René Schmid	Employee representative

Compliance

For AGRANA, compliance with legal and regulatory requirements is fundamental to good corporate governance and is part of Group strategy.

AGRANA's Compliance Management Policy sets out the compliance management system and the Group-wide compliance organisation. The basis of the compliance management system is an internal risk analysis that is regularly updated and improved. It is based on widely recognised indices that rate the compliance risks on a country-specific basis; in addition, the concrete Group-specific risks are evaluated. The risk analysis is annually reviewed, updated, enhanced and discussed with the Group risk management function.

The AGRANA Group has a dedicated Compliance Office that reports directly to the Management Board member responsible and centrally looks after the compliance activities. Additionally, the CFOs of the segments and subsidiaries act as compliance officers in order to implement relevant Group requirements efficiently. The most important responsibilities of the Compliance Office include the implementation and expansion of the compliance management system in the AGRANA Group, with the aim of fulfilling the organisational and supervisory obligations of the Group's management under the law and, beyond this, imparting a clear understanding of the behaviours that the Group expects from all its stakeholders.

Key functions of the Compliance Office are the production, communication and training of internal guidelines, provision of support in compliance matters, documentation of cases of non-compliance, and issuing of recommendations. In addition to the Compliance Office there is a Compliance Board, which deliberates at least once a year on fundamental questions in matters of compliance.

AGRANA's compliance management system comprises the following core elements and policies:

The AGRANA Code of Conduct forms the basis for all business actions and decisions and represents AGRANA's fundamental expectations of its internal and external stakeholders. Together with the mission statement, it guides the entire AGRANA Group, setting unambiguous standards of integrity, correct business conduct and ethical principles.

In addition to the rules on conflicts of interest set out in the Code of Conduct, AGRANA has a separate Conflict-of-Interest Policy. In the course of business activities, it is possible for the personal or financial interests of staff or board members to come into potential or actual conflict with the interests of the AGRANA Group. To address this, an internal reporting and documentation system has been developed.

Anti-corruption laws apply worldwide and must be obeyed everywhere and at all times. In view of Austria's specific anti-corruption legislation, AGRANA has a separate Austrian Anti-Corruption Policy, which complements the Code of Conduct. The policy comprises binding rules and a reporting system and is intended to mitigate the potential risk of violations of the law and of the AGRANA Code of Conduct as well as to facilitate the proper handling of invitations and gifts.

AGRANA also has a Tax Policy, applicable in Austria, that governs the handling of sponsorships, donations and benefits in kind.

The purpose of the globally applicable Antitrust Compliance Policy is to ensure that all employees and the members of the Management Board and Supervisory Board know and abide by the essential provisions of competition and antitrust law and have the awareness to recognise situations with antitrust relevance. The overarching aim of this policy is to safeguard employees from violating antitrust legislation and to provide practical, real-world support in applying the relevant rules.

The Policy on Information-Sharing in Joint Ventures was created to complement the applicable Antitrust Compliance Policy and prescribes what information may be shared with joint venture partners.

As a publicly traded company, AGRANA Beteiligungs-AG has issued a Capital Market Compliance Policy to ensure adherence to stock exchange and capital market laws and regulations. It sets out the principles governing the disclosure of information and prescribes organisational measures such as for safeguarding confidentiality and preventing improper use or transmission of insider information.

The protection of personal data is an important priority for AGRANA. Applying its Data Protection Policy, the company takes all necessary precautions to ensure that the collection, processing and use of such data is transparent, purpose-driven, traceable and diligent.

The screening of business partners is a key tool used by AGRANA for the prevention of economic crime and is performed as a risk-based, automated check of the applicable sanctions lists in a harmonised database. As well, AGRANA has a policy for the prevention of VAT fraud within the EU. The Group expects all its business partners to exercise corporate responsibility.

With the aim of preventing and revealing potential risks, internal and external stakeholders also have the ability to report violations of the Code of Conduct by using the AGRANA Whistleblowing System (available online), while adhering to AGRANA's Whistleblowing System Policy. In the 2021|2022 financial year, 22 compliance-related tips were received through this and other channels. Every such report is followed up with great diligence and full confidentiality. No significant violations were found. Suggestions and measures for improvement are implemented on an ongoing basis.

The electronic training tool known as "AGRANA Compliance E-learning" covers all key topics relevant to compliance; this training must be re-taken annually. In the year under review it was completed by 3,301 (or about 99.8%) of the 3,309 targeted individuals; the target group consisted of all salaried employees and the members of both boards. All members of the Management Board and Supervisory Board received the training. In addition to the e-learning, the Compliance Office trained the upper (including the most senior) management of all AGRANA companies on compliance subjects during the reporting period.

The Internal Audit department verifies compliance with laws, regulations and internal policies. In the 2021|22 financial year it audited 10 of the 53 production sites (i.e., 18.9%) within the GRI reporting boundaries (see page 34 in the "Non-financial information statement"), including audits for corruption and fraud in selected subject areas. Due to the pandemic, seven of the 10 audits could only be conducted virtually. No significant breaches of legal norms regarding anti-corruption were found.

Diversity strategy for the Management Board and Supervisory Board

New or vacant positions on the Management Board of AGRANA-Beteiligungs-AG are filled through structured processes supported by a recruitment consultant, with the aim of finding the most suitable candidate for the position, ideally from within AGRANA. In this search, women are neither discriminated against nor given preference. In June 2021, the Supervisory Board made changes to the membership of the Management Board.

Under the Gender Equality on Supervisory Boards Act (also known in German as the GFMA-G), section 86 (7) Austrian Stock Corporation Act applies to elections and appointments to supervisory boards occurring after 31 December 2017. A gender ratio of at least 30% must be achieved for all supervisory board members elected or appointed from 1 January 2018, failing which the non-compliant election or appointment would be invalid. This also applies to appointments to the Supervisory Board by an employee body elected after 31 December 2017. The tenure of existing supervisory board members is not affected. At the 2020 Annual General Meeting of AGRANA Beteiligungs-AG, Andrea Gritsch was elected to the Supervisory Board following the retirement of Wolfgang Heer. At the 35th Annual General Meeting on 8 July 2022, new elections will be held for the Supervisory Board and its composition adjusted in line with the legal requirements.

Promoting equity for women

For more and more people, the compatibility of work and family life ranks high on the list of expectations for the workplace and is a major element of job satisfaction. Especially for women, it is frequently a critical career factor.

In the year under review, the COVID-19 pandemic and associated temporary school closures in some countries imposed particularly in spring 2021 continued to exacerbate the challenge of balancing work and personal life.

To provide the best possible conditions for achieving a balance between work and family responsibilities for the greatest possible number of employees, AGRANA offers flexible working hours. In 2021|22 as in the prior year, depending on the local COVID-19 situation, remote work from home was periodically required or recommended for administrative staff. Beyond this, thanks to the good results observed with this teleworking in terms of COVID-19 prevention, the opportunity in principle was created in 2021|22 for administrative staff to work remotely for up to half of their work hours.

Under strict hygiene protocols, the existing internal company amenities, such as the use of a company kindergarten at the headquarters site in Vienna, continued to be provided. As well, in the summer of 2021, when the infection situation permitted, two weeks of holiday care were again offered for employees' children at the site in Aschach, Austria, organised and financially supported by the company. Additionally, in Austria and Germany, AGRANA provides financial assistance for the day care of small children up to the age of three.

Vienna, 25 April 2022

The Management Board of AGRANA Beteiligungs-AG

Markus Mühleisen
Chief Executive Officer

Ingrid-Helen Arnold
Chief Audit Officer

Stephan Büttner
Chief Financial Officer

Norbert Harringer
Chief Technology Officer

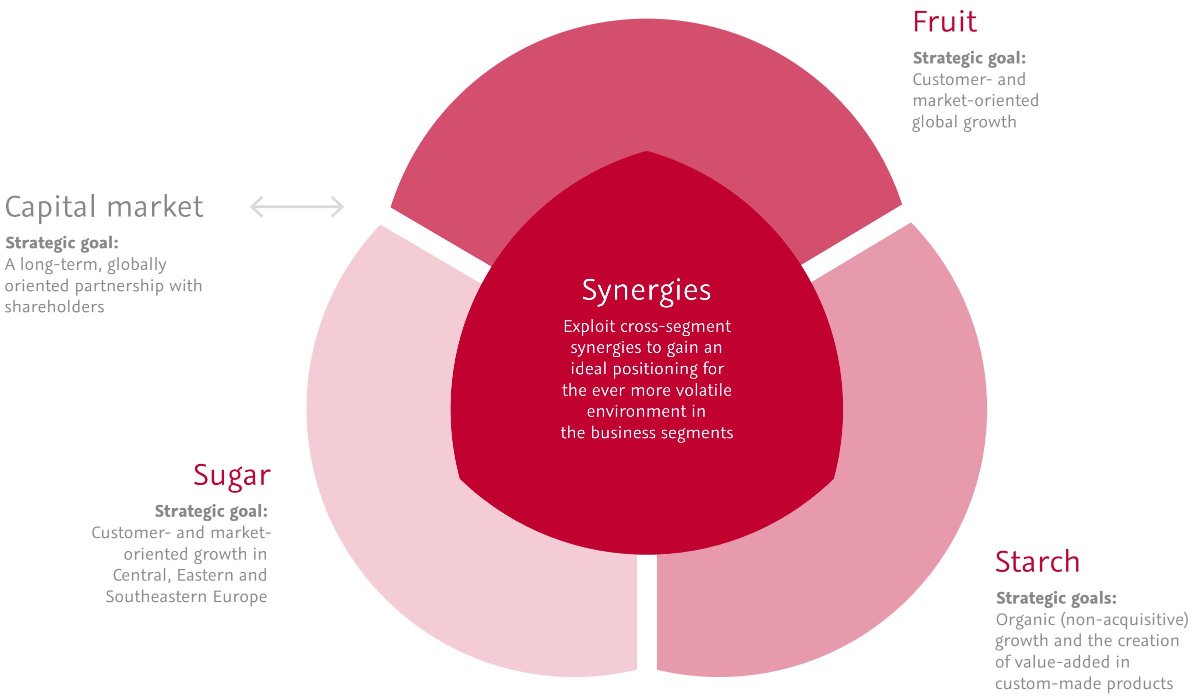
AGRANA's strategy

As an Austrian industrial group with an international focus, AGRANA operates globally in its Fruit segment, while its Starch and Sugar segments operate mainly in Europe. In these markets, AGRANA seeks or already occupies a leading position in the industrial processing of agricultural raw materials. The Group pursues a growth strategy oriented to the respective local market opportunities. Long-lasting, stable customer and supplier relationships, respectful treatment of all stakeholders and continual growth in the company's value are major cornerstones of the corporate strategy, which is guided by the principles of sustainable management. AGRANA's aim is to provide both its globally operating and its regional customers worldwide with high product quality, optimum service and innovative product development ideas and expertise.

The AGRANA Group controls and manages the product value chain from the purchase of agricultural raw materials to the production of the resulting intermediate goods for industrial customers (and end products for consumers in the case of the Sugar segment). AGRANA utilises the Group's strategic know-how across segment boundaries. This is especially true for agricultural grower contract management and raw material procurement, the knowledge of customer requirements and markets, the opportunities for the development of inter-segment products, and synergies in logistics, purchasing, sales and finance. The cross-segment application of these competencies forms the basis for a robust market position relative to competitors in all product groups and underpins AGRANA's innovative strength and its competitiveness.

In its business operations, AGRANA seeks to make the part of the value chain that it can influence as sustainable as possible. By sustainability in this context, AGRANA primarily means the following three aspects, which apply to all business segments:

- Utilisation of almost 100% of the agricultural raw materials employed, and use of low-emission technologies to minimise impacts on the environment
- Respect for all stakeholders and communities where the Group operates
- Working together in long-term partnerships



Fruit segment strategy

Strategic goal: Customer- and market-oriented global growth. In the Fruit segment, the Group's business activities are fruit preparations (AGRANA Fruit, about 80% of the segment's revenue) and fruit juice concentrates (AUSTRIA JUICE, about 20% of segment revenue):

- AGRANA Fruit produces custom fruit preparations for the dairy, ice cream, bakery and food service industries. With local production units in close proximity to customers, AGRANA is the world leader in this global market and strives to further expand its presence, follow its internationally operating customers into new markets and grow faster than the market.

- AUSTRIA JUICE is a producer and reseller mainly of juice concentrates from apples, red fruits and berries. High quality is assured through manufacturing sites close to the crop-growing areas and through modern production facilities and frequent checks. The aim is to increase global sales into the beverage industry, including also the further expansion in not-from-concentrate juices and fruit wines as well as in aromas and beverage bases.

AGRANA wants to consolidate and strengthen its global market position through organic growth and with the help of acquisitions and cooperative new ventures.

Starch segment strategy

Strategic goals: Organic (non-acquisitive) growth and the creation of value-added in custom-made products. In the Starch segment, AGRANA focuses on highly refined specialty products. Innovative, customer-driven products supported by application advice and continuous product development, combined with cost optimisation, are the key to the segment's success. An example is the leading position in organic starches and GMO-free starches for the food industry. As well, in the non-food sector, the Group is a leading supplier of specialty starches for the paper, textile, cosmetics, pharmaceutical and building materials industries.

AGRANA's essential core competency – the large-scale processing of agricultural raw materials into industrial products – is also the basis for the bioethanol business. In Austria, AGRANA is the leading vendor of this climate-friendly fuel thanks to the bioethanol plant in Pischelsdorf, Austria. In bioethanol production, AGRANA successfully realises its goal of completely utilising the agricultural raw materials employed, thus enhancing value-added through the optimal use of all residual components of raw materials by processing them into co-products.

Sugar segment strategy

Strategic goal: Customer- and market-oriented growth. In the Sugar segment, AGRANA is very well positioned as a supplier in the Central, Eastern and Southeastern European countries. AGRANA differentiates itself from the competition through high quality standards, market service, an extensive sugar product portfolio, and by building the Group's regional brands. In addition to the goal of positioning sugar as a regional brand-name product, AGRANA continues to strive for full capacity utilisation everywhere (including yield improvement) and an intensification of marketing activities in Southeastern Europe. The Group's own production of beet sugar is supplemented by the reselling and refining activities of AGRANA's Sugar segment, especially in the Southeastern European countries with beet sugar deficits.

Synergy strategy

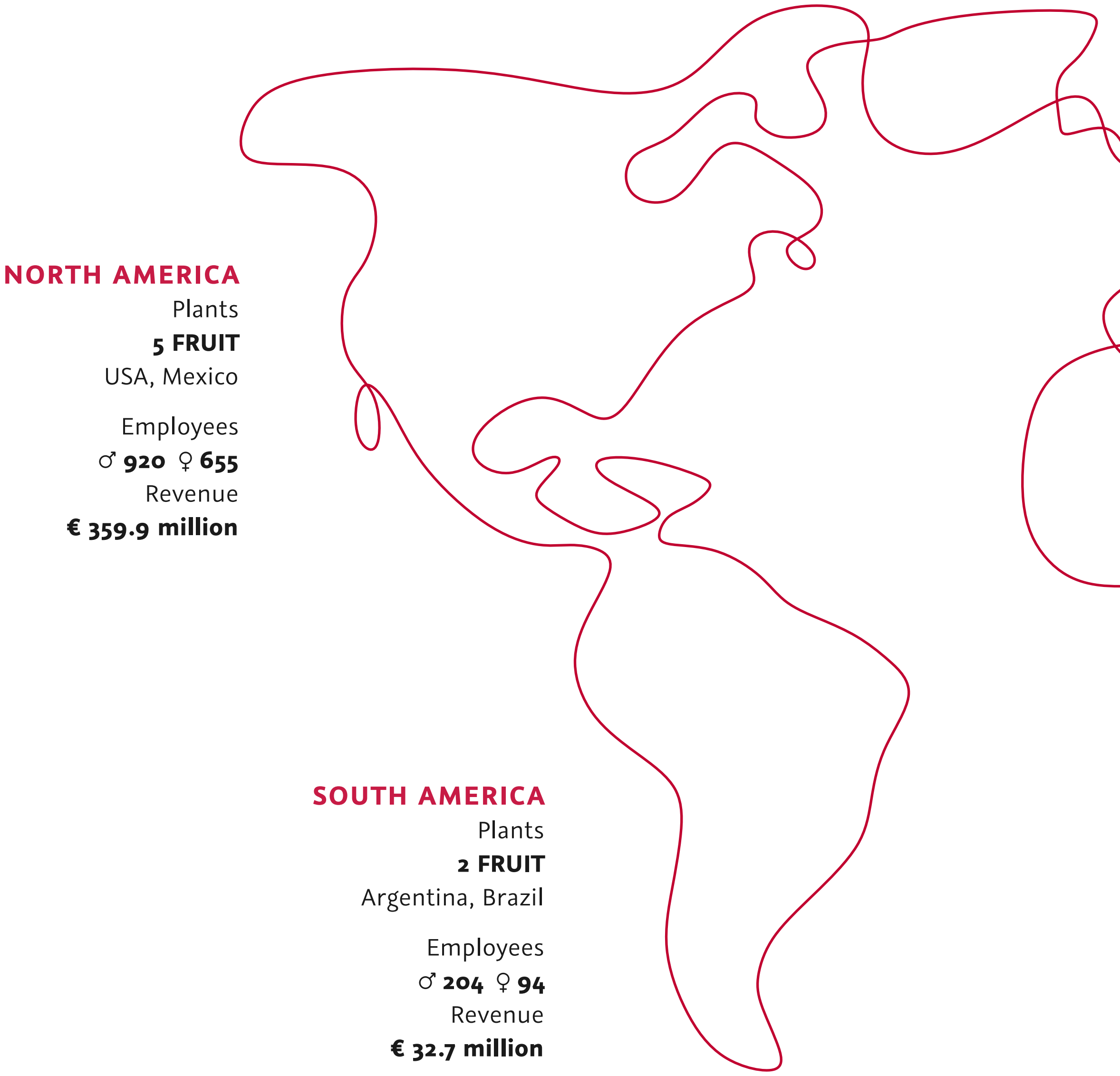
Strategic goal: Raise inter-segment synergies to ensure the Group's optimum positioning amid a volatile operating environment in the business segments. The synergy strategy encompasses the strategies of the three individual segments and also includes the sustainability dimension. Specifically, AGRANA seeks to exploit synergies between the three business segments in raw material procurement, in manufacturing and in marketing. This collaboration across its businesses helps AGRANA to supply a broad portfolio of high-quality products for a wide range of applications, both in the food and non-food sectors.

Capital market strategy

Strategic goal: A long-term partnership with shareholders. The Group's sound equity base gives AGRANA strategic flexibility. For its overall financing needs, AGRANA not only has the ability to self-finance but can draw on committed bilateral loans, syndicated credit lines, and Schuldscheindarlehen (a type of loan with bond-like characteristics, sometimes translated as "bonded loan" or "promissory note loan"). AGRANA sees its shareholders as long-term partners in realising the Group's goals and offers them an attractive long-run return on investment at a reasonable level of risk. With a policy of open and transparent communication, AGRANA aims to safeguard investors' confidence in the Group and make its business performance and its management decisions predictable and easy to understand.

OUR PRODUCTION SITES

AGRANA, as a processor of agricultural raw materials with the three segments Fruit, Starch and Sugar, operates 55 production sites[1] in 25 countries[1] and had 8,375 employees[2] at the end of February 2022.



[1] Including HUNGRANA group (Starch segment) and AGRANA-STUDEN group such as Beta Pura GmbH (Sugar segment).
[2] By headcount.

EU
Plants (incl. Instantina)
17 FRUIT, 5 STARCH, 9 SUGAR
Austria, Czech Republic, France, Germany, Hungary, Poland, Romania, Slovakia

Employees
♂ **3,217** ♀ **1,315**
Revenue
€ 2,213.5 million

EUROPE NON-EU
Plants
5 FRUIT, 1 SUGAR
Bosnia and Herzegovina, Russia, Turkey, Ukraine

Employees
♂ **520** ♀ **378**
Revenue
€ 109.2 million

ASIA
Plants
6 FRUIT
China, India, Japan, South Korea

Employees
♂ **364** ♀ **138**
Revenue
€ 115.7 million

AFRICA
Plants
4 FRUIT
Algeria, Egypt, Morocco, South Africa

Employees
♂ **223** ♀ **236**
Revenue
€ 31.2 million

AUSTRALIA AND OCEANIA
Plant
1 FRUIT
Australien

Australia
♂ **73** ♀ **38**
Revenue
€ 39.3 million

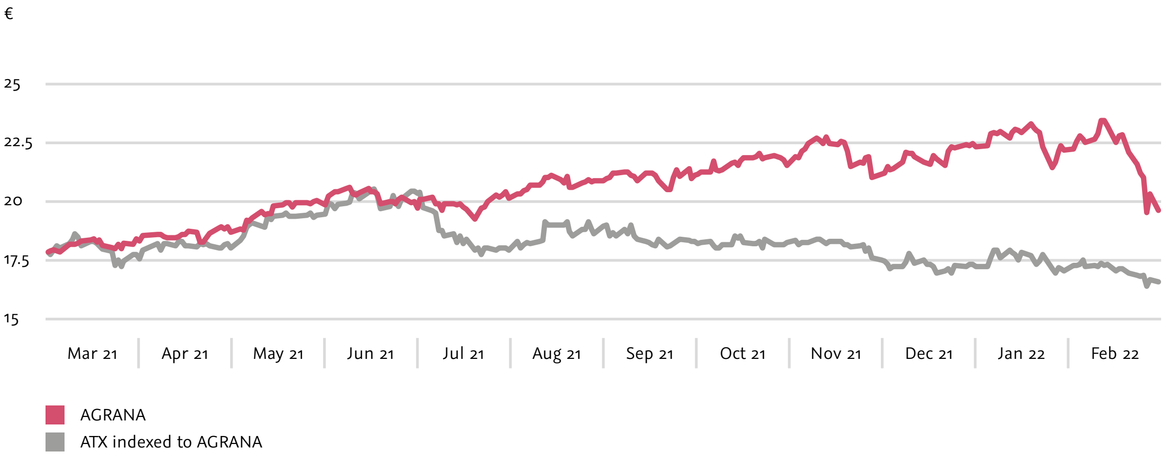
AGRANA in the capital market

AGRANA share data		**2021|22**	**2020|21**
Closing price at Feb 28 year-end	€	16.54	17.60
High	€	20.55	18.90
Low	€	16.36	13.02
(Loss)/earnings per share	€	(0.20)	0.96
Closing price/earnings ratio at year-end		Neg.	18.3
Closing book value per share at year-end	€	19.60	20.38
Number of shares at year-end	'000	62,489.0	62,489.0
Closing market capitalisation at year-end	€m	1,033.6	1,099.8

AGRANA share performance and stock market environment

The COVID-19 pandemic continued to claim the world's attention in 2021. However, a look back at the 2021 calendar year in stock markets underscores that the capital markets were evidently seen as a place of stability and a source of optimism. The international equity markets performed well. While Germany's DAX benchmark index rose by 15.8%, the ATX in Vienna gained fully 38.9%. Performing similarly to the DAX, the US blue chip Dow Jones index continued its record climb with an advance of 20.0%.

AGRANA share performance in 2021|22



AGRANA started the 2021|22 financial year at a share price of € 17.60. The price moved broadly higher until the end of June 2021, in correlation with the index performance of the Vienna market. AGRANA's share quotation reached its high for the financial year on 16 June 2021 at € 20.55. From July on, a downward movement set in, followed by stagnation. The outbreak of the war in Ukraine then led to a decline in the share price towards the end of the financial year. The closing price of AGRANA's shares of € 16.54 at the balance sheet date was off 6.0% from the price at the start of the financial year. The performance of the ATX index over the same period was +12.5%. AGRANA's average trading volume on the Vienna Stock Exchange was about 22,000 shares per day[1] (prior year: approximately 24,000 shares per day).

The market capitalisation at the end of February 2022, with 62,488,976 shares outstanding, was € 1,033.6 million (prior year: € 1,099.8 million).

[1] Trading volume based on double counting, as published by the Vienna Stock Exchange.

Key share information for AGRANA

ISIN code
AT000AGRANA3

Exchange/market segment
VSE/Prime Market

Type of security
Ordinary shares

Number of shares
62,488,976

Reuters code
AGRV.VI

Bloomberg code
AGR:AV

Ticker symbol
AGR

More about AGRANA's shares
www.agrana.com/en/investor/agrana-shares

Sustainability index and ratings

AGRANA is listed in the Prime Market segment of the Vienna Stock Exchange and is also quoted in the VÖNIX, the Austrian Sustainability Index. This equity index comprises those exchange-traded Austrian companies which are leading in social and environmental performance. In the 2021|22 financial year, AGRANA was awarded the VÖNIX Sustainability Award at the 2021 Vienna Stock Exchange Awards ceremony as, according to the expert jury, AGRANA had achieved the greatest year-on-year improvement in its sustainability rating of all companies listed on the VÖNIX.

AGRANA regularly and actively participates in the sustainability ratings of ISS ESG and the CDP (formerly the Carbon Disclosure Project).

Active capital market communication

AGRANA's investor relations activities are based on the key principles of providing comprehensive and timely information, transparency and ongoing communication with investors and analysts. Even amid the continuing COVID-19 pandemic, the financial community was kept fully informed, mostly via digital channels.

At the press conferences presenting the annual results, the Management Board thoroughly reported to the financial and industry media on the financial and business performance. In addition, in press releases and one-on-one interviews with financial, agricultural and other trade journalists, AGRANA provided information on subjects of current relevance to its business activities.

At numerous virtual road shows and investor conferences, the Management Board provided Austrian and international institutional investors and analysts with information on the performance and prospects of the AGRANA Group. This was supplemented by one-on-one conversations as well as conference calls accompanying the publication of the quarterly and full-year results. While observing all COVID-19 regulations, AGRANA invited representatives of the financial community to a face-to-face event in the third quarter of 2021|22 to mark the company's 30 years of being listed on the stock exchange. At this event, the Management Board not only reviewed the milestones since AGRANA's going-public, but also provided information on the current business performance as well as the Group's environmental, social and governance goals.

An additional important channel of investor relations activities is the AGRANA website (www.agrana.com/en/ir/overview), where all financial reports, financial news items, inside information announcements, voting rights notifications, management transaction disclosures and investor presentations are available as soon as they are published. AGRANA endeavours to make the same information available to all market participants at the same time.

At the year-end of 28 February 2022, analyst reports on AGRANA were available from Erste Bank Group, Kepler Cheuvreux and Raiffeisen Bank International, each giving a hold rating. A detailed overview of the research reports can be found on the Internet at www.agrana.com/en/ir/agrana-share/share-price-share-details-research (sub-tab: "Research").

Dividend policy of continuity

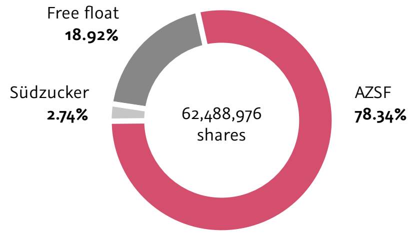
		2021|22	2020|21
Dividend per share	€	0.75[1]	0.85
(Loss)/earnings per share	€	(0.20)	0.96
Dividend payout ratio	%	Neg.[1]	88.5
Dividend yield[2]	%	4.5[1]	4.8

AGRANA is committed to a predictable, reliable and transparent dividend policy designed for continuity. The distributions are based not only on the Group's profit but also on its cash flow and its debt situation, taking into consideration the need to maintain a sound balance sheet structure. In its dividend policy, AGRANA also takes into account current events and the expected future business performance. For the financial year under review, the Management Board will therefore propose to shareholders at the Annual General Meeting on 8 July 2022 to pay a dividend of € 0.75 per share, representing a dividend yield of 4.5% based on the share price of € 16.54 at the end of February 2022 (prior year: 4.8%). The dividend payment date is 15 July 2022.

Stable shareholder structure

AGRANA has a very long-standing, stable principal shareholder in AGRANA Zucker, Stärke und Frucht Holding AG ("AZSF"), Vienna, in which Zucker-Beteiligungsgesellschaft m.b.H. ("ZBG"), Vienna, and Südzucker AG ("Südzucker"), Mannheim, Germany, are shareholders. Under a syndicate agreement between Südzucker and ZBG, the partners in the syndicate have mutual rights to appoint members of each other's management board and supervisory board.

Shareholder structure at 28 February 2022



In the 2021|22 financial year there was no material change in shareholder structure. The shareholder structure is presented in detail in the section "Capital, shares, voting rights and rights of control" on page 94.

[1] Dividend proposal to the Annual General Meeting.
[2] Based on the closing share price at the balance sheet date.

GROUP MANAGEMENT REPORT 2021|22

Organisational structure

AGRANA is a globally operating processor of agricultural raw materials, with its Fruit, Starch and Sugar segments manufacturing high-quality foods and many intermediate products for the downstream food industry as well as for non-food applications. With about 8,700 employees (in FTE) at 55 production sites on six continents, the Group generated revenue of about € 2.9 billion in the 2021|22 financial year. AGRANA was established in 1988 and has been quoted on the Vienna Stock Exchange since 1991.

AGRANA Beteiligungs-AG
55 production sites
8,691 employees[1]
€ 2,901.5 million in revenue

Fruit segment

AGRANA Internationale Verwaltungs- und Asset-Management GmbH
40 production sites
5,662 employees[1]
€ 1,251.1 million in revenue

Starch segment

AGRANA Stärke GmbH
5 production sites
1,137 employees[1]
€ 1,010.4 million in revenue

Sugar segment

AGRANA Sales & Marketing GmbH
10 production sites
1,892 employees[1]
€ 640.0 million in revenue

Business segments and procurement models

The **Fruit segment** custom-designs and produces fruit preparations (fruit ingredients) and fruit juice concentrates. AGRANA is the world's leading manufacturer of fruit preparations for the dairy, bakery, ice cream and food service industries. The fruit used in the fruit preparations is sourced largely from primary processors, in frozen or aseptic form. In some countries, AGRANA also operates its own primary processing plants where fresh fruit (in some cases from contract growers) is received and readied for processing into fruit preparations. In the fruit juice concentrate business, at production sites located mainly in Europe, AGRANA produces apple and berry juice concentrates, not-from-concentrate juices, fruit wines, beverage bases and aromas. AGRANA seeks to achieve the most sustainable and complete utilisation of raw materials possible. While fruit preparations production generates very little residue, the press cake from apple juice production, known as apple pomace, is utilised by the pectin industry and as a feedstuff

[1] Average number of full-time equivalents in the financial year.

In the **Starch segment**, AGRANA processes and refines raw materials grown by contract farmers or purchased in the open market – mainly corn (maize), wheat and potatoes – into premium starch products. These products are sold into the food and beverage industry as well as the paper, textile, cosmetics and building materials sectors and other non-food industries. The starch operations additionally produce fertilisers and high-quality animal feeds. The production of climate-friendly bioethanol for blending with petrol is also part of the Starch segment's activities.

In the **Sugar segment**, AGRANA processes sugar beet from contract growers and also refines raw sugar purchased worldwide. The products are sold to customers in downstream industries for use in, for example, sweets, non-alcoholic beverages and pharmaceutical applications. Under country-specific sugar consumer brands, AGRANA also markets a wide range of granulated sugars and of sugar specialty products to consumers through food retailers. Additionally, in the interest of the most complete possible utilisation of its agricultural raw materials, AGRANA produces a large number of fertilisers and animal feedstuffs. These not only help the economic bottom line but also ecologically close the material cycle by returning minerals and other nutrients to the land and the food chain.

Corporate governance

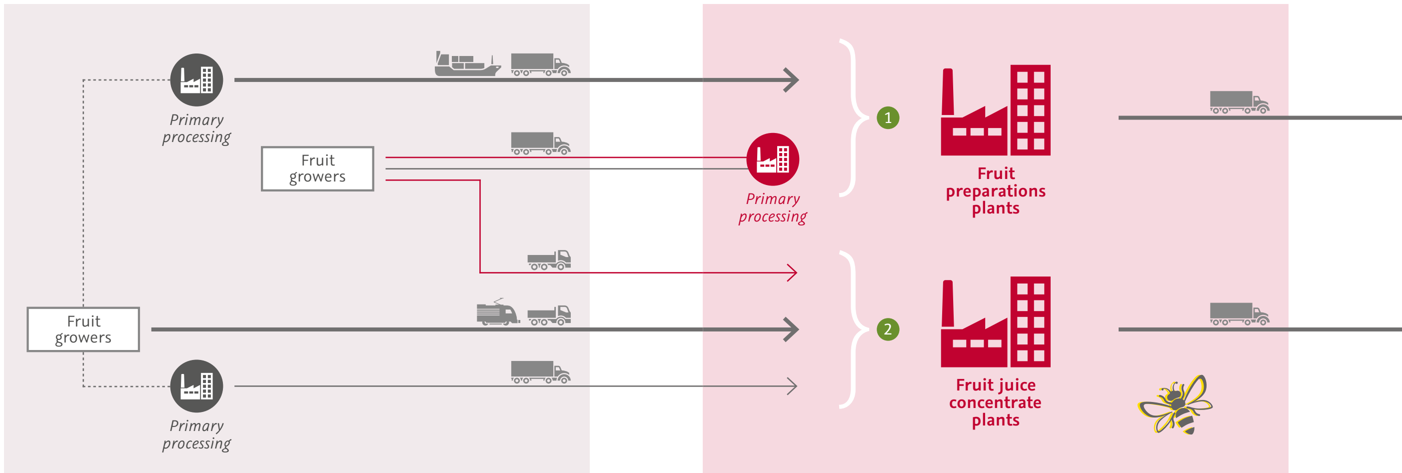
Information on corporate governance is provided in AGRANA's corporate governance report within this annual report, and on the Group's website at www.agrana.com/en/ir/corporate-governance.

Non-financial information statement[1]

The sustainable AGRANA value chain in 2021|22

Procurement of agricultural raw materials | **AGRANA processing: Adding value**

FRUIT SEGMENT



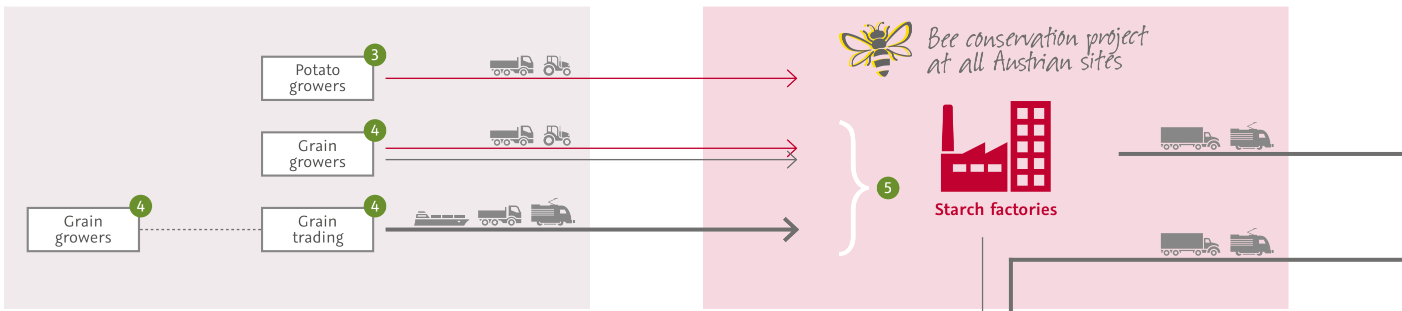
1 72.2% of raw material volume assessed using social criteria (SEDEX)

2 36% of raw material volume assessed using social and environmental criteria (SAI FSA)

Fruit preparations:
- Total energy consumption[2]: 2.06 GJ/t
- Total emissions[2]: 142 kg of CO_2/t
- Water withdrawal[2]: 4.43 m³/t
- Water consumption[2]: 0.73 m³/t
- Social criteria assessed (SEDEX) and externally audited at 42.3% of sites[3]

Fruit juice concentrates:
- Total energy consumption[2]: 3.73 GJ/t
- Total emissions[2]: 239 kg of CO_2/t
- Water withdrawal[2]: 3.91 m³/t
- Water consumption[2]: −0.72 m³/t
- Social criteria assessed (SEDEX) and externally audited at 50% of sites[3]

STARCH SEGMENT



3 100% of Austrian potato growers assessed using social and environmental criteria (SAI FSA)

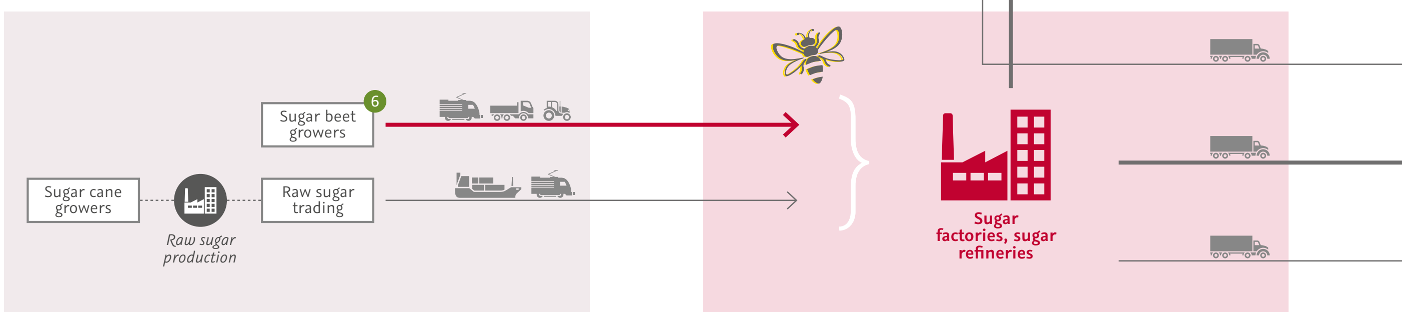
4 100% of raw material volume meets EU cross compliance sustainability requirements

5 71% of raw material volume assessed using social and environmental criteria (SAI FSA or FSA benchmarking system)

- Total energy consumption[2]: 4.31 GJ/t
- Total emissions[2]: 164 kg of CO_2/t
- Water withdrawal[2]: 4.27 m³/t
- Water consumption[2]: 0.72 m³/t

- Energy management system at 75% of sites[3] is certified to ISO 50001
- Social criteria assessed (SEDEX) and externally audited at 75% of sites[3]

SUGAR SEGMENT



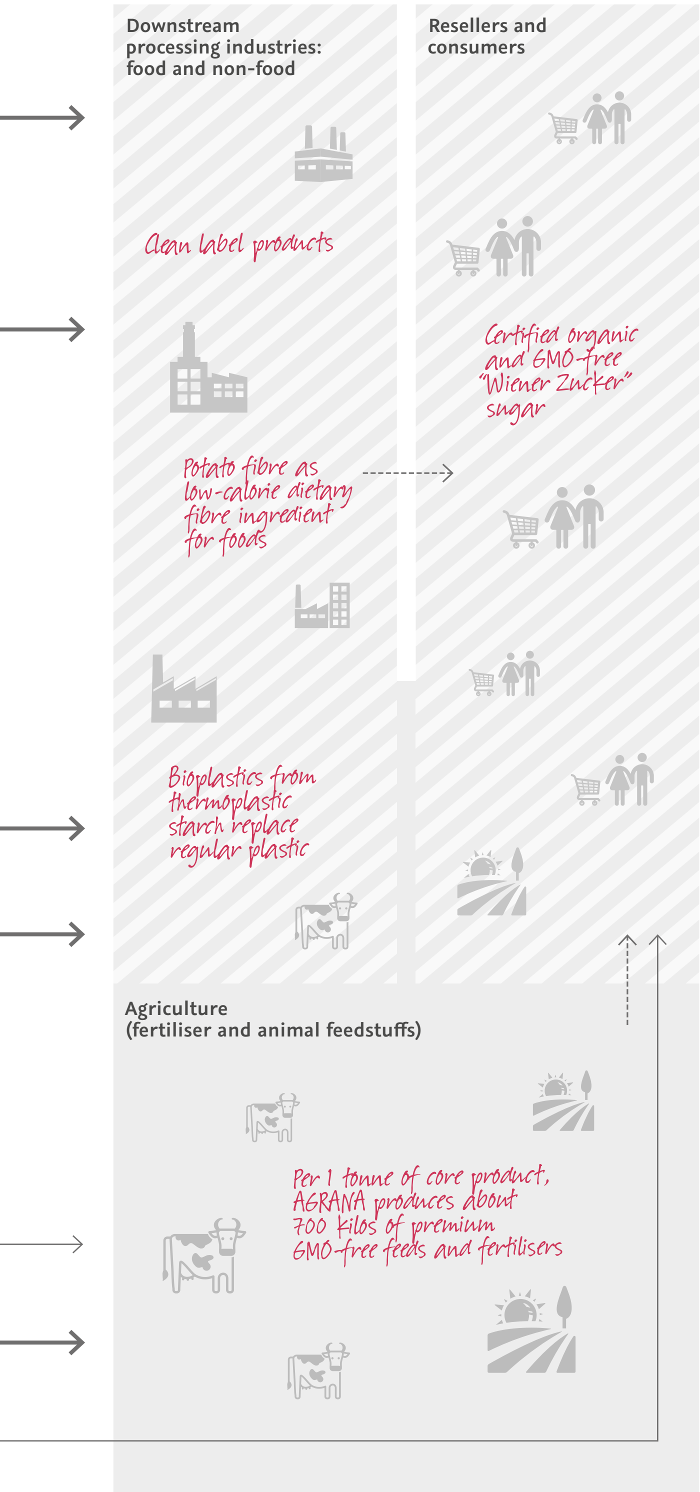
6 100% of sugar beet volume assessed using social and environmental criteria (SAI FSA)

- Total energy consumption[2]: 2.75 GJ/t
- Total emissions[2]: 158 kg of CO_2/t
- Water withdrawal[2]: 2.16 m³/t
- Water consumption[2]: −0.98 m³/t

- Energy management system at 100% of sites[3] is certified to ISO 50001
- Social criteria assessed (SEDEX) and externally audited at 77.8% of sites[3]

[1] This non-financial information statement under section 267a Austrian Commercial Code has been prepared in accordance with the framework of the Global Reporting Initiative (GRI), specifically GRI Standards: Core option.
[2] Per tonne of product output.

Customers and consumers



The thickness of lines marking the business relationships represents the relative volume of flows within the respective business segment.

- Contract farming
- Direct business relationship
- No direct business relationship for AGRANA

Sustainability targets of the AGRANA Group

2050: **Neutral CO_2 balance (Scope 1, 2 and 3) for the whole AGRANA Group**

- 2022: Verification of climate targets (for Scope 1, 2 and 3) through the Science Based Targets initiative (SBTi)

Eco-efficiency of our production

- 2040: Neutral CO_2 balance (Scope 1 and 2) of the AGRANA Group's production operations
- 2025|26: 25% reduction in emissions (Scope 1 and 2) from 2019|20 levels

Additional targets of the Fruit segment

Fruit segment

Fruit preparations business

Targets by 2025|26:

- 20% of processed fruit is to achieve FSA-Silver equivalent
- Total energy consumption[2] of 1.95 GJ/t[4]
- ✔ Water withdrawal[2] of 4.24 cubic metres/t[4] (2021|22 target: 4,08 cubic metres/t[4])
- 100% of production sites are to have a regognised social audit

Fruit juice concentrate business

Target by 2030|31:

- 100% sustainable sourcing as defined by the Sustainable Juice Covenant (see from page 56)

Workplace safety targets of the AGRANA segments:

- See „AGRANA's people", page 81

Further information about the AGRANA value chain is provided at **wsk-mini.agrana.com/index-en.html**

[3] Within the GRI reporting boundaries.
[4] The target applies to the fruit preparations plants within the 2018|19 GRI reporting boundaries (excluding primary processing plants).

AGRANA reports non-financial sustainability matters (i.e., topics) that are material to its business activities by integrating them in the Group management report, with the relevant pages visually marked by a green footprint (for a description of the business model, see the section “Organisational structure” from page 28). This non-financial information statement provides an overview of AGRANA’s understanding of sustainability, presents sustainability-related governance structures, and describes the AGRANA materiality matrix, the management approaches for the key non-financial matters/topics, the organisational and content boundaries of the sustainability reporting, and relevant Group-level performance indicators. Details on relevant actions taken, performance indicators as well as goals in the individual areas are presented in the business segment reports, the section “AGRANA’s people” and the corporate governance report.

AGRANA’s understanding of sustainability

AGRANA as an industrial processor of agricultural raw materials defines sustainability in its business activities as a harmonious balance of economic, environmental and social responsibility. This understanding of sustainability is summed up by three sustainability principles, which serve management and all employees as a practical and intuitive guide to daily sustainable action:

At AGRANA we:
- Utilise almost 100% of our agricultural raw materials and use low-emission technologies to minimise impacts on the environment
- Respect all our stakeholders and the communities where we operate
- Engage in long-term partnerships with suppliers and customers

AGRANA has developed its understanding of sustainability through regular interaction with its stakeholders:

Formats of AGRANA’s engagement with stakeholders in 2021|22

As the pandemic continued in the financial year, many of the annual formats of stakeholder exchanges still could not take place physically in the usual way but, as in the prior year, were held in the virtual space or implemented in micro and small groups while following COVID-19 prevention guidelines.

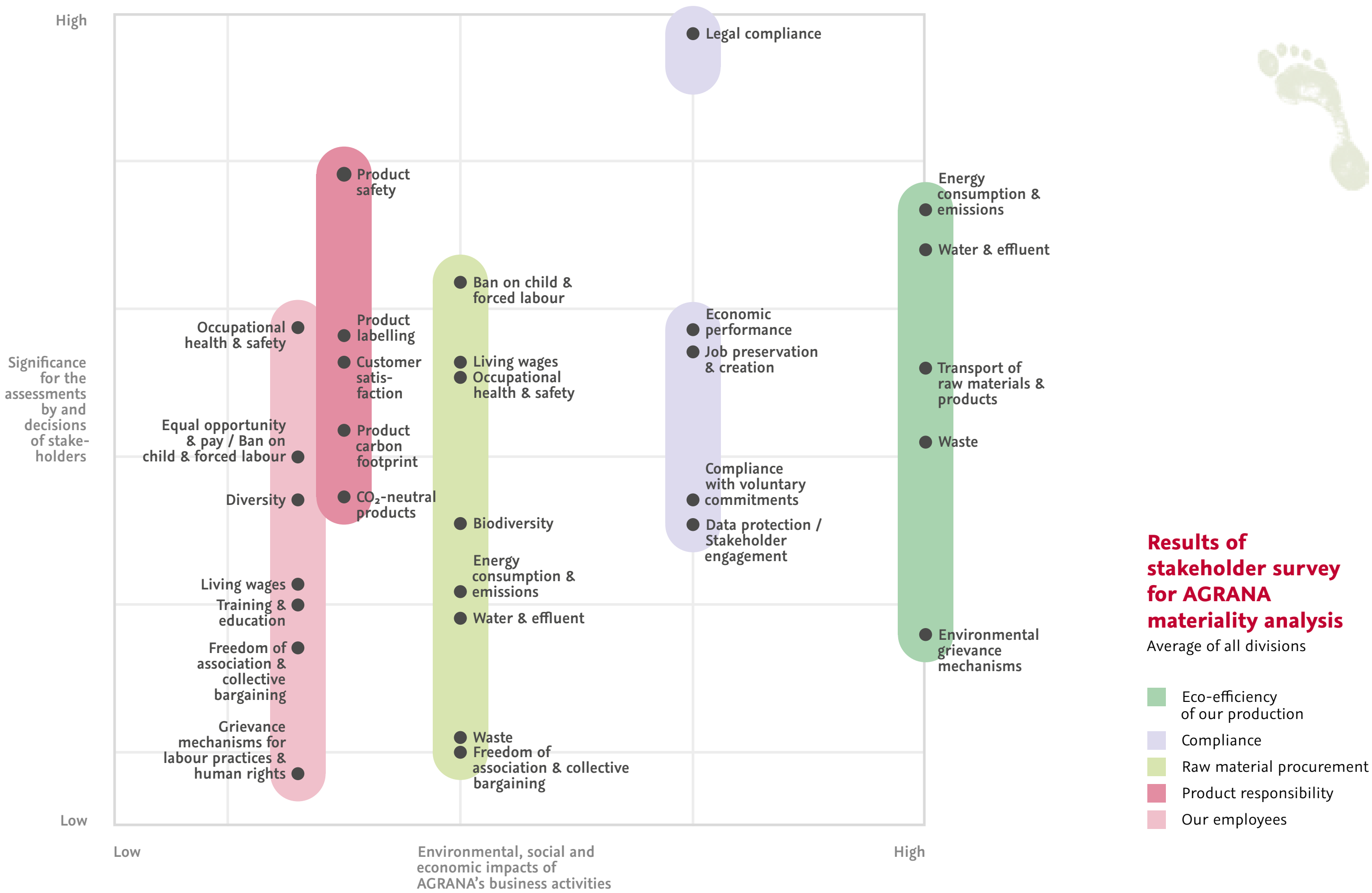
Key stakeholder groups	Formats of dialogue
Raw material suppliers	Regular advisory meetings (largely by telephone) as part of the AGRANA4you programme; field visits, field days and trial tours in small groups; contracting events in the Starch and Sugar segments, both physical and as webinars; special webinars for new beet growers, contracting meetings and technical exchanges outdoors at beet storage locations; increased use of social media (notably Facebook)
Industrial customers	Due to the pandemic, there were still few physical trade fairs in the 2021|22 financial year. Instead, AGRANA participated in various online formats, including IFT Food, the largest food trade fair in North America. AGRANA’s physical presence included exhibits at GULFOOD Manufacturing in Dubai and Fi Europe in Frankfurt in autumn 2021, as well as several regional trade fairs. At the beginning of the financial year, customers of the fruit preparations business, of AUSTRIA JUICE and, for the first time, of Marroquin Organic International were surveyed for their levels of satisfaction.
Local communities	Contact by telephone and in writing as part of local community relations
Investors and the public	Ongoing investor relations and public relations work; digital road shows for institutional investors; online press conferences and virtual annual general meeting

Material non-financial matters/sustainability topics

In the 2021|22 financial year, AGRANA's Fruit, Starch and Sugar segments processed a worldwide total of approximately 9.8 million tonnes of agricultural raw materials (prior year: 8.6 million tonnes) and sold about 5.7 million tonnes of resulting high-quality products (prior year: 5.4 million tonnes). Based on its business activities, AGRANA has identified five sustainability issues of interest along its product value chain:

- **Raw material procurement** – Environmental and social criteria (i.e., labour practices and human rights) in the procurement of agricultural raw materials and intermediate products
- **Eco-efficiency of our production** – Environmental and energy matters in AGRANA's production
- **Our employees** – Working conditions and human rights in relation to AGRANA employees
- **Product responsibility** – Product responsibility and sustainable products
- **Compliance** – Legal and regulatory compliance as well as business conduct

In 2021|22, AGRANA's sustainability core team conducted only a review of the materiality analysis revised in the prior year. In the previous year, the environmental, economic and social impacts of individual sustainability aspects of AGRANA's business activities on society and the environment were assessed and, with the involvement of selected representative stakeholders[1], the influence of these sustainability aspects on the decisions of stakeholders was scrutinised. The AGRANA Group's most significant impacts overall relate to energy consumption and emissions and arise primarily in the Starch and Sugar segments, as a result of their energy-intensive value-added processing of agricultural raw materials. When one includes the greenhouse gas emissions from growing the agricultural raw materials processed (known as Scope 3 emissions), which were estimated for the first time in the financial year, the importance of the issue of energy use and emissions across the entire value chain increases further. However, the social and ecological impacts of corporate activities are also significantly influenced by the regulatory environment in which companies operate, which in the EU includes, among others, new requirements under the European Green Deal.



Results of stakeholder survey for AGRANA materiality analysis
Average of all divisions

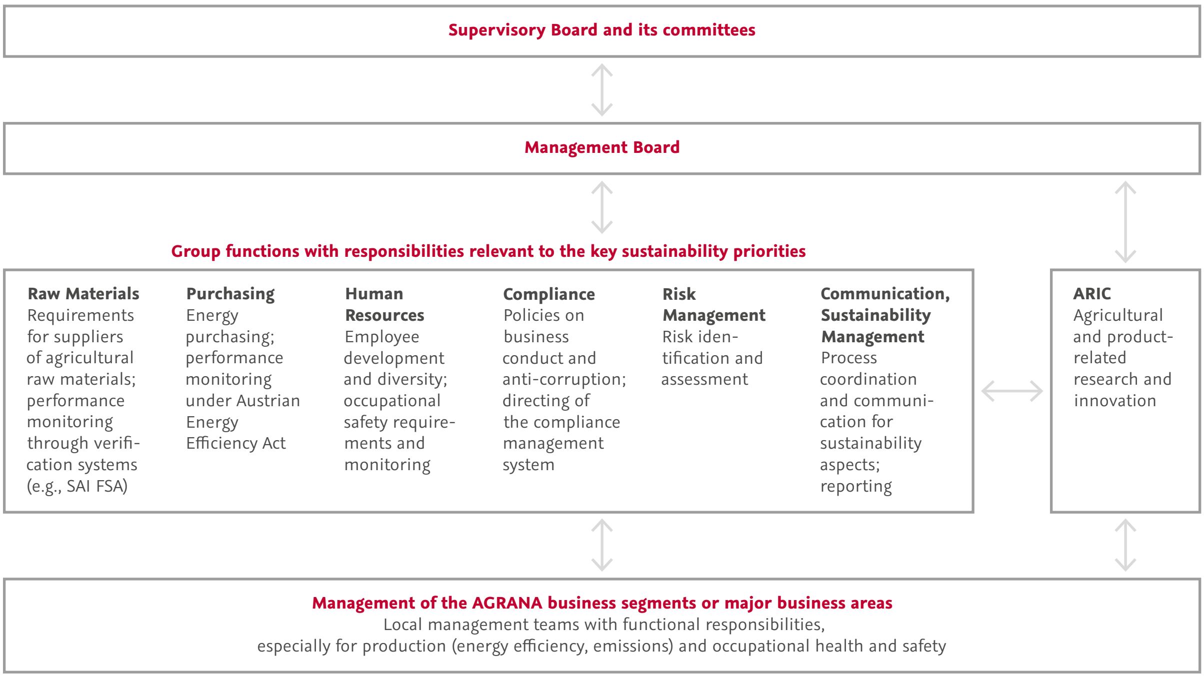
[1] Representatives of the following stakeholder groups: customers, suppliers, employees and local communities.

The topic of compliance, especially with legal regulations, therefore has the highest overall importance for stakeholders. Product safety is also one of the top priorities. In raw material procurement, to date, the stakeholders have wanted the focus to be primarily on compliance with social standards. This is especially true in the Fruit segment, which purchases raw materials worldwide. (For details on the survey in the prior, 2020|21 financial year, see the materiality analysis at www.agrana.com/en/sustainability/materiality-analysis). In the 2022|23 financial year, the AGRANA materiality analysis will be fundamentally revised, taking into account the new findings from the estimation of total emissions across the AGRANA value chain (Scope 1, 2 and 3), the AGRANA climate strategy that will be further developed, and the new requirements of the Global Reporting Initiative.

This report covers all matters in which AGRANA has material impacts or that have high significance for AGRANA's stakeholders (see the GRI content index from page 196

Integration of sustainability responsibilities in AGRANA's organisational structure, and boundaries of this report

Governance responsibility for sustainability topics



Sustainability responsibilities are part and parcel of many or all corporate functions, and the chart therefore shows only the Group functions most significant in this regard. This functional integration of sustainability matters is also reflected in the fact that, within the Management Board and within the Supervisory Board, all members as a full board share joint responsibility for sustainability governance.

Organisational boundaries of reporting for 2021|22

The organisational boundaries for the reporting of the non-financial (i.e., sustainability) matters integrated in this 2021|22 annual report (the GRI reporting boundaries) encompass all AGRANA Group companies worldwide and match the set of companies included in the Group's financial consolidation. The non-financial information thus does not include the joint ventures of the AGRANA Group except where explicitly indicated otherwise; the joint ventures are the HUNGRANA group (in the Starch segment) and AGRANA-STUDEN group and Beta Pura GmbH (in the Sugar segment). In total, the GRI and sustainability reporting thus covers 53 of a total of 55 production sites worldwide. As a result of the invasion of Ukraine by Russian forces on 24 February 2022, non-financial data for the Ukrainian production sites of the Fruit segment partly represent estimates.

Management approaches for material non-financial matters

This section presents, on the one hand, the risks affecting AGRANA as per the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and, on the other hand, the material risks potentially triggered by AGRANA that are likely to have a negative impact on the matters under section 267a Austrian Commercial Code. It also satisfies the requirements of the Global Reporting Initiative (GRI). Further, it provides a content-based demarcation and a general Group-wide overview of matters of particular relevance to AGRANA's stakeholders.

Matters in the supply chain – Raw material procurement

In view of its core business of processing agricultural raw materials and of the associated very significant procurement volumes and costs, as well as the potential for negative environmental and social impacts of crop production, AGRANA's sustainability work in the supply chain focuses on suppliers of agricultural raw materials and agricultural intermediate goods (such as frozen fruit pieces), and the non-financial reporting scope is thus far limited to this area of procurement. In preparation for an EU directive regarding a supply chain law, structured reporting for the procurement of non-agricultural goods and services will be expanded from the 2022|23 financial year.

The procurement of agricultural raw materials by AGRANA is directly affected by the physical risks of climate change, such as in the form of a rising number of extreme weather events, increased pest pressure and the resulting challenges in terms of raw material availability and price volatility. For details on the management of these risks, see the section "Risk Management", subheading "Procurement risks" on page 85.

At the same time, in the context of its raw material procurement, AGRANA indirectly contributes to the potentially negative effects of raw material cultivation or is linked to them through its choice of suppliers. This relates to negative ecological impacts, such as land consumption or land use competition, pesticide use, soil erosion and degradation, water scarcity or poor water quality, as well as reduction of biodiversity. In addition, AGRANA's suppliers could also cause negative social impacts, such as through human rights violations, child labour or poor working conditions.

Although AGRANA has no direct control over the operational management practiced by its suppliers, it strives to avoid or minimise these environmental and social risks through its selection of suppliers, thus following the precautionary principle. AGRANA has set out the requirements for agricultural suppliers in its principles for the procurement of agricultural raw materials and intermediate products, a document which, for the social criteria, incorporates AGRANA's Code of Conduct by reference. The principles for the procurement of agricultural raw materials and intermediate products were revised in 2020|21 and are incorporated in supply contracts. Under the Group's purchase-order-related and general terms and conditions, the AGRANA Code of Conduct also applies to all other business partners from whom AGRANA purchases goods and/or services.

Documentation in connection with the Sustainable Agriculture Initiative Platform (SAI)

In order to work on and document environmental and social responsibility topics in the agricultural supply chain in a structured way regardless of the particular procurement model, AGRANA Beteiligungs-AG has since July 2014 been an active member of the Sustainable Agriculture Initiative Platform (SAI, a food industry initiative founded in 2002), and, with its Fruit, Starch and Sugar segments, participates in the working groups and committees relevant to its raw materials.

The SAI Platform gives processors of agricultural raw materials like AGRANA several helpful tools particularly for the evaluation and documentation of conformity with good environmental and social practices in the agricultural supply chain and for comparing the value and judging the equivalences of different documentation types and international certifications.

The underlying tool is always the Farm Sustainability Assessment (FSA) created by the SAI Platform. This assessment is carried out using a 112-point questionnaire covering all features relevant to sustainability, such as farm management, working conditions (including questions on child and forced labour), soil and nutrient management and crop protection. Depending on the fulfilment of the various criteria, each farm receives a sustainability rating designated by the "Gold", "Silver", or "Bronze" level. AGRANA's goal is that those contract farmers who apply the FSA system achieve at least FSA Silver status.

The external verification of the FSA sustainability level of AGRANA's contract farmers is governed by a three-year cycle that began in 2017. For the 2020|21 financial year, re-verification audits had been scheduled in all AGRANA segments, although some of these could not be fully completed in that year due to COVID-19 restrictions and therefore were only performed in summer 2021.

With the exception of the farmers' group of Romanian beet producers, all farmers' groups (so-called Farm Management Groups) achieved the AGRANA target of

FSA Silver status or higher. The variances detected during the audits were acknowledged by the responsible groups and corrective measures were initiated. These mainly concern the storage and handling of chemicals and waste, as well as first aid and emergency facilities in Romania.

In the 2021|22 financial year, AGRANA experts in agricultural production once again made valuable technical contributions to the further development of the guidelines and to the preparation of version 3.0 of the Farm Sustainability Assessment, which was published in April 2021 and must be implemented within a transition period of not more than 18 months after its publication.

In addition to the direct application of the FSA, the SAI Platform provides a comprehensive benchmarking system that ensures that farms which already have relevant certifications (e.g., Global GAP or Rainforest Alliance) or participate in company-specific sustainability programmes are accorded FSA equivalence, which significantly reduces the verification effort. The verified compliance with national legal requirements or the certification to international or company standards, as well as the external verification of farm self-assessments under the FSA in conformity with the rules of the SAI Implementation Framework, enable agricultural producers and the processing industry to advertise their FSA sustainability status in the B2B space.

In the 2021|22 financial year, about 84.3% of the raw material volume processed by AGRANA was directly or indirectly covered in the SAI FSA system.

Regenerative agriculture and biodiversity

Regenerative agriculture is commonly understood as an approach to agricultural production that aims to conserve or restore agricultural land and ecosystems and includes measures for the management of soil, water and biodiversity.

Basic soil protection measures such as crop rotation, soil-conserving use of technology, or fertiliser recommendations based on regular soil analyses have been a practice required by AGRANA of its suppliers for many years, and innovative further models and measures are under development.

Biodiversity is significant for AGRANA especially in its upstream value chain, i.e., in the farming landscape.

In this annual report, AGRANA to the extent possible publishes biodiversity aspects of raw material procurement from contract growers in the respective business segment's report. AGRANA also carries out some projects at its business locations to protect or increase species diversity. Thus, since 2016, AGRANA maintains a bee conservation project, which involved placing ten bee hives at each of the Group's Austrian sites. Some of these bee colonies are also used in workshops for elementary schools to teach relationships in nature.

Water in the upstream value chain

Water-related risks indirectly affecting AGRANA that exist in its supply chain, i.e., in agricultural production, are implicitly captured in the risk management process and risk reporting, as part of operational procurement risks (see the section "Risk management", page 85). The field crops which AGRANA procures in the European Union for processing are largely grown without irrigation. Data on water use in the production of agricultural raw materials are therefore not reported to date, due mainly to the limited relevance for the Group and also to limited availability and reliability of data in international procurement. Nonetheless, AGRANA is aware of the growing importance of water availability and water quality requirements in the context of climate change and the need to adapt to changes in climate. In the 2022|23 financial year, these risks will be dealt with as part of a climate change scenario analysis (see the section "Risk Management" from page 91).

Environmental aspects – eco-efficiency of our production

The blueprint for AGRANA's management of environmental and energy matters is its environmental policy, which follows the precautionary approach and underpins the avoidance or reduction of negative economic, environmental and social impacts of AGRANA's production and also includes a complaints process. The policy was revised in 2020|21 to reflect AGRANA's climate strategy for the phase-out of fossil fuels in production operations by 2040.

Energy consumption and emissions

In the area of energy supply, AGRANA is exposed to transition risks, such as mooted national legal bans on (certain) fossil fuels or a carbon tax. In AGRANA's view, a system of industry-wide CO_2 taxation is socially necessary to establish the true costs of burning carbon and to incentivise investment in renewable technologies. If carbon taxation is only introduced nationally or in the EU and without corresponding export relief or import charges for CO_2 loads, this would limit the company's international competitiveness. For details on the management of these risks, see the section "Risk management", subheading "Non-financial risks" from page 91.

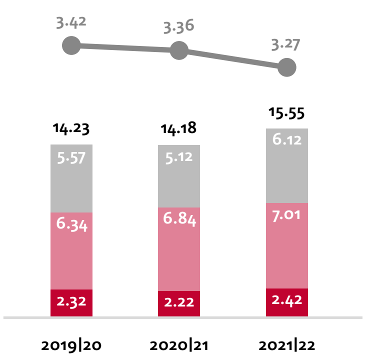
AGRANA's processing of agricultural raw materials is energy-intensive, especially in the Starch and Sugar segments, and is subject to the EU Emissions Trading Scheme. Through the greenhouse gas emissions generated, it has negative impacts on people and the environment. These impacts are within AGRANA's direct control. AGRANA is committed to operating responsibly and will continue to reduce harmful emissions more and more, in order to achieve net CO_2-neutral production by 2040 (Scope 1 and 2). The energy management systems at AGRANA's production sites provide the basis for the monitoring of the Group's climate strategy. The energy management systems of about 37.7% of all AGRANA production facilities within the GRI reporting boundaries (see page 34) held an ISO 50001 certification in the financial year (prior year: 37%).

AGRANA's reporting of energy consumption and emissions has to date been confined to Scope 1 (direct energy consumption and direct emissions) and Scope 2 (indirect energy consumption and indirect emissions). Generally speaking, absolute energy consumption and emission figures are not very meaningful for gauging efficiency improvements because of the sometimes sharp annual fluctuations in raw material processing quantities (especially in the Sugar segment and the fruit juice concentrate business) and the associated inherent variability in absolute energy consumption and in resulting emissions.

Raw material processing volumes were markedly higher in 2021|22 than in the prior year, especially in the Sugar segment (up 20%) and the fruit juice concentrate business (up 41%), with resulting increases in absolute terms of 9.7% in energy consumption and of approximately 6% in CO_2 emissions. However, specific CO_2 emissions per tonne of product (Scope 1 and 2) fell about 5.7% thanks to the emission reduction measures implemented.

Energy consumption (Scope 1+2) of the AGRANA Group

Bar chart: total amounts (gross), in million gigajoules (GJ)

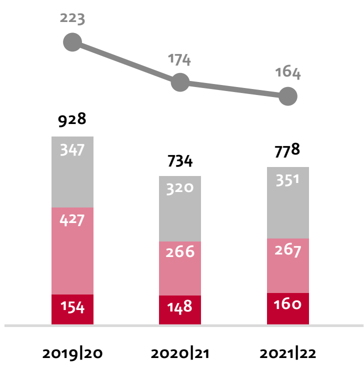


Specific energy consumption in GJ per tonne of product output

Sugar segment
Starch segment
Fruit segment

Emissions (Scope 1+2) of the AGRANA Group

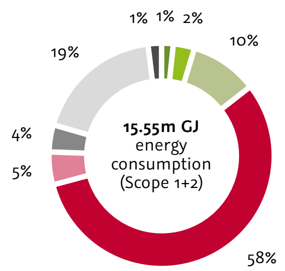
Bar chart: total amounts (gross), in thousands of tonnes of CO_2



Specific emissions in kg of CO_2 per tonne of product output

Sugar segment
Starch segment
Fruit segment

Energy mix of the AGRANA Group in 2021|22



Biomass
Biogas
Renewable electricity
Natural gas (incl. LNG)
Coal and coke
Electricity
Steam
Other

Corporate carbon footprint of the AGRANA Group in the 2019|20 base year

In the 2021|22 financial year, for the first time, data on so-called Scope 3 emissions, such as from the purchase of goods or raw materials and services, transport, investments in facilities, business trips or employee mobility, etc., were collected in a structured way for the 2019|20 base year of AGRANA's climate strategy, in accordance with the Greenhouse Gas Protocol's specifications and using the GHG categories relevant to the business activities. To calculate its corporate carbon footprint for 2019|20, AGRANA combined the primary data from all business segments in the various Scope 3 categories with emission factors from the two methodologically comparable and very comprehensive databases of Ecoinvent and the Quantis World Food Database (which, among other variables, include effects from land use and land use change where relevant). The resulting Scope 3 emissions figure was added to the existing values for Scope 1 and 2 emissions. Emission calculations for the upstream and downstream value chain involve significant assumptions and are subject to a high level of uncertainty, especially in the agricultural sector. This results both from the methodology used and from the limited availability of emission measurements from crop production. Based on these assumptions, the AGRANA Group triggered total emissions (Scope 1, 2 and 3) of about 5.6 million tonnes of CO_{2e} through its business activities in the 2019|20 financial year.

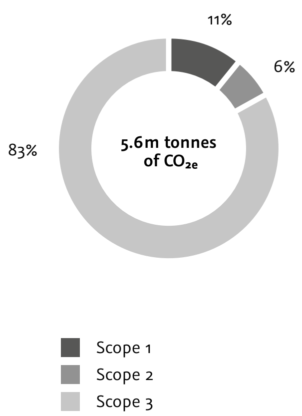
The largest share, 83%, was that of emissions from the upstream and downstream value chain, over which AGRANA has no direct control (Scope 3 emissions).

Around 17% of the total emissions triggered by AGRANA's business activities were attributable to emissions from the Group's own production, which can be directly influenced by AGRANA (Scope 1 and 2).

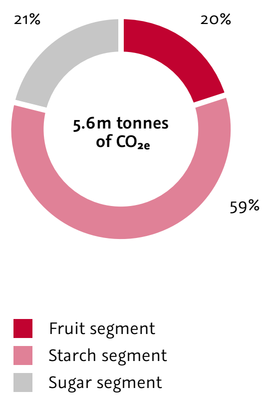
At 3.3 million tonnes of CO_{2e}, the Starch segment accounted for about 59% of the AGRANA Group's total emissions (Scope 1, 2 and 3) in the 2019|20 financial year. This was followed by the Sugar segment with around 1.2 million tonnes CO_{2e} (21%) and the Fruit segment with about 1.1 million tonnes of CO_{2e} (20%).

The largest sources of emissions in the upstream and downstream value chain (Scope 3) in the base 2019|20 financial year were the cultivation of agricultural crops and the purchase of other goods and services (category 3.1.), at a combined total of about 82%. Their transport to AGRANA's production sites (category 3.4) represented the next largest entry, at 6.7%. In addition, the transport of AGRANA products to its customers (category 3.9), over which AGRANA has little control, also contributed a relevant 4.7% to emissions. Under category 3.12, "End-of-life treatment of products sold" (also with a share of 4.7%), AGRANA grouped emissions from the disposal of packaging materials of all kinds. For lack of available data, it is not possible to make further statements on the emissions caused by the use of the foods, food ingredients and technical products produced by AGRANA.

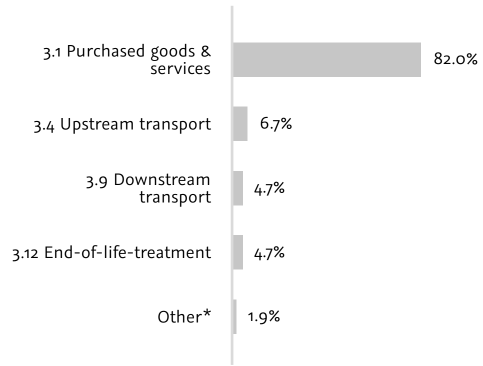
Total emissions (Scope 1+2+3) of the AGRANA Group in 2019|20



Total emissions (Scope 1+2+3) by AGRANA segment in 2019|20



Scope 3 emissions of AGRANA Group by category in 2019|20



* Total of 3.2 Capital goods, 3.6 Business travel, 3.5 Waste, 3.8 Upstream leased assets (primarily storage space, offices) and 3.7 Employee commuting.

AGRANA climate strategy

In the 2019|20 financial year, AGRANA launched the development of a climate strategy in line with the then known requirements of the European Green Deal and the Austrian Energy and Climate Plan, which call for a neutral carbon balance by 2050 and 2040, respectively. AGRANA is committed to the goal of phasing out the use of fossil fuels in its production activities (Scope 1 and 2) by 2040.

The estimation of Scope 3 emissions performed in the 2021|22 financial year enables AGRANA to develop comprehensive greenhouse gas emission reduction targets and measures as part of its membership in the Scienc Based Targets initiative (SBTi), which it joined in July 2021. Under this initiative, companies commit to setting emission reduction targets in line with the Paris Climate Agreement.

Implementing the existing climate protection plan for the Group's own production operations, which targets a greenhouse gas emission reduction in AGRANA's manufacturing (Scope 1 and 2) of 25% compared to the base year 2019|20 for the first stage up to 2025|26, the following measures were taken in the 2021|22 financial year:

- The package of measures for switching to electricity from renewable sources, which started with the purchase of external green electricity in Austria in the 2020|21 financial year, was supplemented by the installation of photovoltaic systems on some of the company's own production buildings in Austria;
- Phase-out of coal as an energy source at the AGRANA Group's second last coal-fired production site, the sugar factory in Sered', Slovakia; the last such site, in Opava, Czech Republic, will follow by 2025|26 at the latest;
- On-going energy efficiency measures in all business segments.

AGRANA follows the principle of complete raw material utilisation to make core products and by-products (the latter being mainly animal feed and fertilisers). In the stage from 2026|27 onwards, in addition to the existing direct material use, energy recovery from low-protein raw material residues will be employed in order to continue to utilise all raw material components not just completely, but also optimally in terms of climate protection. At AGRANA's Hungarian sugar factory in Kaposvár, beet pulp and other beet residues have already been used for biogas production for several years (see the section "Sugar segment", page 72). However, as the biomass utilisation for energy recovery cuts into feedstuff revenue, the right business conditions are required for it to be implemented economically. What is urgently needed in order to achieve the transformation to a low-emission society and facilitate companies' investment decisions to this end is a comprehensive emissions trading system that transparently reveals the CO_2 footprint of every consumer decision in the areas of food, housing, mobility and leisure behaviour and allows carbon-intensive lifestyles to be identified by their higher costs. Based on current assumptions, AGRANA would have to invest a total of about € 400 million by 2040 to avoid the greenhouse gas emissions (Scope 1 and 2) generated in its production during the processing of the raw materials used.

In the 2022|23 financial year, AGRANA will work with its suppliers and partners to develop comprehensive greenhouse gas emission measures – especially for the emissions generated in its upstream value chain (Scope 3.1 and 3.4) that are beyond its direct control – meeting SBTi requirements among others, in order to achieve net-zero CO_2 emissions across the entire value chain by 2050 at the latest.

Water and effluent (wastewater)

Water, the most important resource globally for the world's population, is one of many inputs in the production processes of the AGRANA Group. General water scarcity and the removal of water in water-stressed regions, as well as poor quality or temperature of discharged wastewater, represent environmental and social risks.

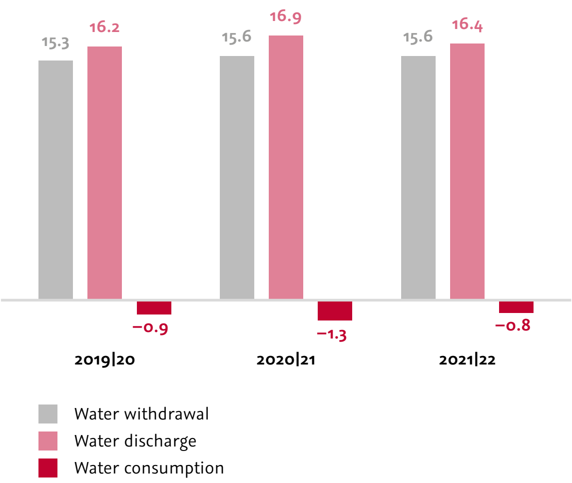
AGRANA evaluated the water risk for all its production sites in 2019|20 using the WWF Water Risk Filter and the Aqueduct Water Risk Atlas of the World Resources Institute, which cover the above risks and numerous others. In the 2021|22 financial year, based on these analytical tools, 13 of the AGRANA sites (or 24.5%) within the GRI report boundaries (see page 34), mostly belonging to the globally operating Fruit segment, were for various reasons located in areas with high or very high water risk. Although none of AGRANA's production sites have so far been operationally affected by a shortage of high-quality water or caused significant problems for the surrounding water users, the sustainable, responsible use and discharge of water, in compliance with all legal standards, is an important aspect of AGRANA's environmental policy. Further details on water management at the production sites are provided in the segment reports (from page 58, and on page 65 and 72).

In its quest for efficiency, AGRANA utilises the water contained in the agricultural raw materials for its processes. For example, sugar beet and apples have an average water content of 75% and 85%, respectively. After using and appropriately treating the water in compliance with all legal requirements, AGRANA makes it available again to other water users. Overall, the

AGRANA Group discharges more water than it withdraws and thus has a negative water consumption balance.

Water consumption of the AGRANA Group

In millions of cubic metres



AGRANA reports water and wastewater figures solely for its core business, the processing of agricultural raw materials in its production plants. Absolute values of water withdrawal and discharge have only very limited meaning as a measure of water use efficiency, since annual raw material processing quantities fluctuate and absolute water withdrawal and discharge values therefore vary.

Waste

The economic, environmental and social risks and impacts of waste generation and disposal in AGRANA's business activities are limited thanks to the Group's policy and practice of minimising waste through the virtually complete utilisation of raw materials. For AGRANA as an agricultural processor, its raw materials are far too valuable not to be utilised to the fullest. The Group-wide principle of complete utilisation is entrenched in the environmental policy and is practiced by producing both a wide range of high-quality foods and intermediate products for downstream industries and – particularly in the Starch and Sugar segments – manufacturing a very broad portfolio of by-products, especially feedstuffs and fertilisers. These not only contribute significantly to the economic bottom line but also close nature's material cycle by returning minerals and other nutrients to the land and the food chain.

Waste generation at the AGRANA Group

	2021|22	2020|21[1]	2019|20[1]
Total amount of waste	95,879 t	95,879 t	96,733 t
Of which hazardous waste	439 t	437 t	638 t
Waste per tonne of product output	20.1 kg	22.8 kg	23.3 kg
Of which hazardous waste per tonne of product ouptput	92 g	104 g	153 g

The absolute volumes of waste generated by the AGRANA Group in the year under review remained unchanged from the prior year, with changes in the shares contributed by the three AGRANA segments. As a result of the higher product output due to the increased processing volumes in the Sugar segment and the fruit juice concentrate business, the specific amount of waste in the 2021|22 financial year fell by about 11.8% to 20.1 kilograms of waste per tonne of product (core and by-products), of which 92 grams was hazardous waste. In accordance with legal requirements, this material was collected and transferred to qualified waste disposal providers for appropriate treatment (for details, see the business segment reports, on page 59, 65 and 73).

Transport

The transport of raw materials and products (categories 3.4. and 3.9., upstream and downstream transportation) contributed only about 11.4% of the greenhouse gas emissions in the upstream and downstream areas (Scope 3), as shown by the first assessment of the AGRANA Group's corporate carbon footprint for the 2019|20 financial year (see page 38). The company will nevertheless seek to make transport sustainable to the extent that it can be influenced by the company and that it is infrastructurally and economically feasible to do so. AGRANA has influence on upstream transport through the ability to give preference to less-distant suppliers.

In 2021|22 the combined modal split for inbound and outbound logistics in the AGRANA Group was approximately 73.2% road, 20.2% rail and 6.6% water.

Packaging

AGRANA relies on reusable packaging systems in its deliveries to customers that are industrial processors. In 2021|22, about 67.3% of the product volume sold worldwide was delivered to AGRANA's customers in this manner, mainly by bulk truck or in returnable large steel containers.

Only 32.7% of the products distributed, especially sugar of the Wiener Zucker family of brands distributed to consumers via retailers, were offered in disposable packaging. In this area, AGRANA strives to pay particular attention to the sustainable production and

[1] Adjusted to correct minor data collection errors.

recyclability of the packaging materials. This means, for example, using paper packaging where product protection requirements permit, and choosing FSC-certified paper. Virgin fibre is only used for packaging that comes into direct contact with the product, in order to avoid the risk of possible product contamination; only recycled materials are used for tertiary packaging made of corrugated board. Composite materials that are virtually free of plastic are used for sealing (e.g., for sugar sticks and single-serving sugar packets). The Wiener Zucker brand family does not use aluminium.

Employee matters – Our staff

The internal normative basis for AGRANA's relationship with its employees is the AGRANA Code of Conduct, which was last revised in 2018|19. Among other things, it prohibits any discrimination or harassment, forbids child labour and forced labour, and addresses issues of health and safety in the workplace. It also affirms the rights of free association and collective bargaining. By adhering to its Code of Conduct, the Group expects to avoid or minimise economic risks to AGRANA (for example, difficulties in employee recruitment, inefficient operating processes, strikes and reputational damage) and social risks for employees (e.g., a work environment that is unsafe, hazardous to health, discriminatory or unfair). In 2019|20 the Code of Conduct was amended to include a Group Diversity and Inclusion Policy. In the 2021|22 financial year, AGRANA also joined the UN Global Compact, to further cement its commitment to social issues. The Compact encompasses ten fundamental principles, covering areas related to human rights and labour standards, environment and climate, and anti-corruption. While AGRANA has always respected these norms of behaviour, in view of current and future challenges the Group considers it essential to accept and demonstrate responsibility publicly, to act as a role model and also, by joining the UN Global Compact, to promote the implementation of the 17 Sustainable Development Goals.

The employment relationships of about 70% of AGRANA employees[1] worldwide in 2021|22 fell under collective agreements. The interests of approximately 80.3% of staff[1] were represented by a local employee council or union representative. At those sites where neither of these forms of representation exists, AGRANA has set up complaint boxes as a formal channel available to all employees for reporting grievances regarding labour practices or human rights. A process is in place for the prompt and fair handling of the complaints received. Employees also have access to the AGRANA Whistleblowing System.

For AGRANA, its employees and the communities in which it operates, the 2021|22 financial year – the second year of the global health crisis – was defined by the continuing COVID-19 pandemic. The AGRANA Group was able to keep infection rates among employees low at almost all sites, through adapted work processes with tightened distancing and hygiene rules in production operations, through very largely remote work by administrative staff in times of locally high infection rates, and by offering in-house COVID-19 testing. Only in the Fruit segment were there some brief closures as a preventive measure against the further spread of COVID-19 among the local workforce: A fruit juice concentrate site in Poland started early into a slightly extended Christmas break of 14 days, and the fruit preparations facility in Algeria paused operations for three days at the end of January 2022. Nonetheless, all AGRANA sites were able to ensure their full delivery capability and unrestricted supply to customers.

Respect for human rights

SEDEX membership and SMETA audits

Since 2009, AGRANA Beteiligungs-AG is a member of the Supplier Ethical Data Exchange (SEDEX). All AGRANA production sites perform an annual SEDEX self-assessment, which focuses primarily on working conditions, workplace safety and human rights (including questions on child labour and forced labour). At the balance sheet date in 2022, 28 of the AGRANA production sites (or 52.8%; prior year: 48.1%) within the GRI reporting boundaries had valid SMETA or comparable social audits. No significant violations were found. The SMETA audit reports on the AGRANA plants are available to SEDEX members on the organisation's online platform.

The areas of focus in 2021|22 regarding working conditions and human rights in relation to AGRANA employees are discussed in the section "AGRANA's people" (see from page 77).

Anti-corruption and anti-bribery – Compliance

The risks, management approaches and activities in 2021|22 with regard to compliance and business conduct, anti-corruption and anti-bribery are presented in the compliance section of the corporate governance report (see from page 15).

Social matters

Product responsibility and sustainable products

Product safety and quality

The foremost aim of the AGRANA quality policy is to produce foods and feedstuffs that meet customer requirements and are safe for consumption. Adherence to the many applicable national and international regulations for product safety at all production sites worldwide is the top priority for AGRANA in this context.

In addition to the local legal requirements for foods and feeds, AGRANA is guided by the international

[1] Calculated based on the average number of employees (headcount) within the GRI reporting boundaries.

standards for food safety, such as the Codex Alimentarius (the food code of the Food and Agriculture Organisation of the World Health Organisation). In the Codex Alimentarius, the General Principles of Food Hygiene introduce the so-called Hazard Analysis and Critical Control Point system. The HACCP system permits the analysis of potential hazards to human health, whether chemical, physical or microbial in nature. AGRANA has already been using HACCP systems in its plants for many years, adapted to the particular production processes. The introduction and especially the regular auditing of an HACCP system ensure that only safe products leave the facility.

In its assurance of food and feed safety, AGRANA goes beyond the legal requirements and has implemented internationally recognised standards of product safety, to which it is externally certified.

The AGRANA quality management system is based on the principles of ISO 9001, the international norm for quality management systems. AGRANA's quality management system is supplemented by numerous certifications for food and feed safety and defence. Depending on the country or region and customer demand, additional certifications are also offered, such as Organic, GMO-Free, Kosher (following Jewish dietary laws) and Halal (adhering to Islamic dietary laws). Overall in the 2021|22 financial year, 100% of AGRANA's feed production sites held certifications to at least one of these standards or of the locally relevant international ones.

The levels of excellence in the hygiene and quality standards of the foods and feeds produced by AGRANA are continually raised further with the aid of external certifications, customer and supplier audits and an internal audit system.

One product recall affecting end consumers was required in 2021|22. In March 2021, an undetectable contamination with hard, sharp-edged metal parts was found in an ingredient (sodium citrate powder) at the Mitry-Mory site in France during a spot check. The contamination, which was also detected in batches at two other AGRANA production sites, resulted from a screen break in a production line of the sodium citrate supplier. As the sodium citrate batches in question had already been processed, AGRANA issued a product recall in the interest of consumer health and the protection of its customers' reputation, which also extended to product already at retailers. After completion of the immediate product recall without a single consumer complaint, the lessons learned from the incident were used in a new prevention programme for foreign-object contamination in powdered ingredients in all relevant AGRANA businesses and segments.

EU-taxonomy-eligible revenue, investment & operating expenses

In summer 2020, the European Union adopted the Taxonomy Regulation (Reg (EU) 2020/852), which defines criteria for reporting revenues, investments and operating expenses from or in sustainable economic activities. To be considered sustainable, economic activities must serve one of six EU environmental objectives – climate change mitigation, adaptation to climate change, sustainable use of water resources, transition to a circular economy, pollution prevention, or protection of ecosystems and biodiversity – without significantly compromising any of the other five. In addition, they must meet minimum social standards. For AGRANA's 2021|22 financial year, non-financial companies only report their EU-taxonomy-eligible revenues, capital expenditures and operating expenses. The determination of these taxonomy-eligible key performance indicators (KPIs) was based on the technical screening criteria for the economic activities identified under the two goals of climate change mitigation (EU objective 1) and climate change adaptation (EU objective 2).

Taxonomy-eligible revenue in 2021|22

As the current EU taxonomy rules do not yet address economic activities in the production of food and beverages or food ingredients, a large part of the AGRANA Group's revenue is not yet within the scope of the EU taxonomy.

For the 2021|22 financial year, in the numerator of the ratio that represents the KPI in question, the AGRANA Group can therefore report taxonomy-eligible revenue only from its business activities under "4.13. Manufacture of biogas and biofuels for use in transport and of bioliquids" from bioethanol produced at the site in Pischelsdorf, Austria; from the biogas production, processing and injection of biomethane into the local natural gas grid at the sugar factory in Kaposvár, Hungary, to be classified under business activity "5.7. Anaerobic digestion of biowaste" (for details, see the Sugar segment report, page 72); and from thermoplastic starch produced at the Gmünd, Austria, starch plant under activity "3.17. Manufacture of plastics in primary forms".

The denominator of this KPI consists of the revenue reported in the 2021|22 consolidated financial statements (on page 98).

Economic activities		Revenue in 2021|22	Share of revenue
Taxonomy-eligible revenue (A2)	€000	226,335	7.8%
Taxonomy-non-eligible revenue (B)	€000	2,675,209	92.2%
Total (A2+B)	€000	2,901,544	100.0%

Taxonomy-eligible capital expenditure in 2021|22
EU-taxonomy-eligible capital expenditure in AGRANA's business activities in the 2021|22 financial year related to investment falling under, among others, the economic activities "4.25. Generation of heat/cold using waste heat", "7.1. Construction of new buildings", "5.1. Construction, expansion and operation of water collection, treatment and supply systems", "6.5. Transport by motorbikes, passenger cars and light commercial vehicles", "7.2. Renovation of existing buildings" and "9.1. Market-oriented research, development and innovation". The sum of these investment expenditures represents the numerator of the KPI.

The denominator consists of the amount of "purchases of property, plant and equipment and intangibles" reported in the 2021|22 consolidated financial statements (on page 107).

Economic activities		Capital expenditure in 2021|22	Share of capital expenditure
Taxonomy-eligible capital expenditure (A2)	€000	8,756	10.6%
Taxonomy-non-eligible capital expenditure (B)	€000	73,611	89.4%
Total (A2+B)	€000	82,367	100.0%

Taxonomy-eligible operating expenses in 2021|22
The EU taxonomy's definition of operating expenses, which is limited to the areas of maintenance and repair, short term leases, building renovation, research and development, and training, together with the ex-post consideration of existing capital and operating expenditures carried out in the 2021|22 financial year, restricts the reporting of taxonomy-eligible operating expenses in the financial year mainly to those for "4.13. Manufacture of biogas and biofuels for use in transport and of bioliquids", "9.1. Market-oriented research, development and innovation", "5.1. Construction, expansion and operation of water collection, treatment and supply systems", "5.7 Anaerobic digestion of bio-waste", and "6.6 Freight transport services by road". The total of these expenses represents the numerator.

The denominator of the KPI in question cannot be obtained from the 2021|22 consolidated financial statements due to the EU-taxonomy-specific definition of operating expenses.

Economic activities		Operating expenses in 2021|22	Share of operating expenses
Taxonomy-eligible operating expenses (A2)	€000	6,370	10.7%
Taxonomy-non-eligible operating expenses (B)	€000	53,151	89.3%
Total (A2+B)	€000	59,521	100.0%

Sugar as a component of a balanced diet

As a producer of sugar among other products, the AGRANA Group is indirectly affected by regulatory risks arising, for example, from sugar taxes and Nutri-Score disclosures. In economic regions with a high standard of living, considerations around health and a balanced diet are a major reason for many people to wish to reduce sugar intake. At the same time, legislators and national health authorities are also interested in reducing sugar in the diet because of concerns about diet- and lifestyle-related diseases that could potentially overburden health care systems. The food industry strives to avoid actual or threatened tax burdens on sugar, such as in the form of a sugar tax (especially on soft drinks), and also makes industry-specific voluntary commitments (e.g., for cereals and yoghurts). The much-discussed display of the Nutri-Score – a system for the nutritional labelling of foods, often colour coded or letter-based – also motivates food manufacturers to reduce sugar in their recipes. The result is a gradual reduction in sugar content. Sugar consumption in the EU has been stagnating or slightly declining for about 20 years. In its forecasts, the OECD assumes an annual decrease of around 0.4% in sugar consumption by 2030. The introduction of sugar taxes is another factor among many leading to the creeping decline in per-capita sugar consumption in Europe.

On the other hand, according to the trade association of the European sugar processing industry (CIUS), there is more concern in the short term that there will not be enough sugar available for processing in the EU due to low EU stocks and lower production from sugar beet.

AGRANA is conscious of its social responsibility. However, in AGRANA's view, reformulations of product recipes that target sugar alone fall short of the mark. Ultimately, what is responsible for overweight (and the medical complications that may result from it) is not sugar but a positive energy balance, i.e., more calories being taken in than expended. Whether these excess calories come from fat, protein, sugar or other carbohydrates makes relatively little difference in this regard.

AGRANA therefore attaches great importance to imparting knowledge about nutrition in general, lifestyle, energy balances and the properties of sugar in particular. In the 2021|22 financial year, for pandemic reasons the Group's engagement in this knowledge transfer was limited to initiatives such as those of Austria's Forum for Health Today ("Forum Ernährung heute"), of the Austrian Nutrition Society ("Österreichische Gesellschaft für Ernährung") and of the platform "Land Grows Life" ("Land schafft Leben").

Social engagement

Beyond striving to maximise the environmental and social sustainability of its core business activities, AGRANA is also engaged as a responsible corporate citizen in its host communities. As part of this engagement, the Group is involved in various sustainability-related initiatives and in industry associations and advocacy groups (see page 45).

AGRANA's contribution to the UN Sustainable Development Goals

In line with its business activities and its sustainability priorities in the areas of climate change mitigation, complete raw material utilisation, attention to environmental and social criteria in procurement, and business ethics, AGRANA supports especially the Sustainable Development Goals (SDGs) 8, 13, 15 and 16 adopted in September 2015 by the General Assembly of the United Nations; for the first time, these UN goals have also engaged the private sector in furthering the achievement of development goals. In addition, AGRANA contributes to the attainment of Goals 2 to 7 and 12 to 14.

Memberships in major sustainability initiatives

Initiative	Member companies from AGRANA Group	Since	Initiative's aim and member base
Sustainable Agriculture Initiative Platform (SAI)	AGRANA Beteiligungs-AG[1]	2014	Aim: develop guidelines for and implement sustainable agriculture practices; Members: from the food production value chain
Sustainable Juice Covenant	AUSTRIA JUICE GmbH	2018	Aim: global initiative for sustainable production of fruit- and vegetable-based juices, purees and juice concentrates; Members: beverage industry, especially members of the European Fruit Juice Association (AIJN)
Science Based Targets initiative	AGRANA Beteiligungs-AG[1]	2021	Aim: members commit to setting climate targets in line with the Paris Agreement; Members: companies from various industries worldwide
Supplier Ethical Data Exchange (SEDEX)	AGRANA Beteiligungs-AG[1]	2009	Aim: promote sustainable social and environmental practices in the value chain; Members: companies from various industries worldwide
UN Global Compact	AGRANA Beteiligungs-AG[1]	2022	Aim: follow ten fundamental principles related to human rights and labour standards, environment and climate, as well as anti-corruption; Members: companies from various industries worldwide
EcoVadis	AUSTRIA JUICE GmbH and some sites of Fruit segment, AGRANA Stärke GmbH, AGRANA Zucker GmbH	2013	Aim: supplier assessment on environmental and social criteria throughout their value chain; Members: companies from a wide range of industries
ARGE Gentechnik-frei (Platform GMO-Free)	AGRANA Beteiligungs-AG[1]	2010	Aim: promote and safeguard Austrian GMO-free agriculture and food production; Members: from the entire food value chain, including many retailers

Memberships in industry associations and advocacy groups

Industry association or advocacy group	Member company	Geographic scope
Industriellenvereinigung (Federation of Austrian Industries)	AGRANA Beteiligungs-AG	Austria
Fachverband der Nahrungs- und Genussmittelindustrie (Austrian Food Industry Association)	AGRANA Beteiligungs-AG	Austria
AÖL – Assoziation ökologischer Lebensmittelhersteller (Association of Sustainable Food Producers)	AGRANA Stärke GmbH	Germany
CEFS – Comité Européen des Fabricants de Sucre (European Association of Sugar Producers)	AGRANA Zucker GmbH	European Union
Starch Europe	AGRANA Stärke GmbH	European Union
SGF International E.V.	AUSTRIA JUICE GmbH	Worldwide
ePURE	AGRANA Stärke GmbH	European Union

[1] AGRANA Beteiligungs-AG, representing all or several AGRANA companies.

Financial results

The consolidated financial statements for the 2021|22 financial year (the twelve months ended 28 February 2022) were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Changes in the scope of consolidation

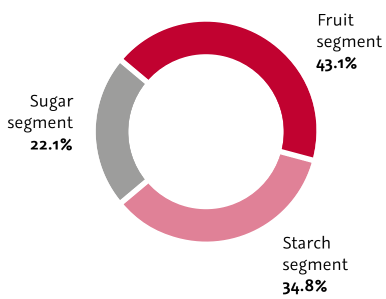
A detailed overview of the additions to and removals from the scope of consolidation is provided in the notes to the consolidated financial statements (the "Notes" from page 112). In total in the consolidated financial statements, 57 companies were fully consolidated (28 February 2021 year-end: 58 companies) and 13 companies were accounted for using the equity method (28 February 2021: 13 companies).

Revenue and earnings

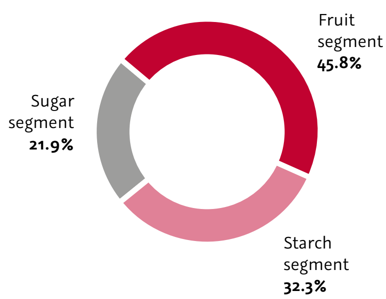
Consolidated income statement (condensed)		**2021|22**	**2020|21**	**Change** % / pp
Revenue	€000	2,901,544	2,546,984	13.9%
EBITDA[1]	€000	206,652	191,219	8.1%
Operating profit before exceptional items and results of equity-accounted joint ventures	€000	86,481	73,113	18.3%
Share of results of equity-accounted joint ventures	€000	8,019	17,513	−54.2%
Exceptional items	€000	(69,768)	(11,935)	−484.6%
Operating profit [EBIT]	€000	24,732	78,691	−68.6%
EBIT margin	%	0.9	3.1	−2.2 pp
Net financial items	€000	(16,099)	(18,496)	13.0%
Profit before tax	€000	8,633	60,195	−85.7%
Income tax expense	€000	(20,866)	(5,210)	−300.5%
(Loss)/profit for the period	€000	(12,233)	54,985	−122.2%
Attributable to shareholders of the parent	€000	(12,612)	59,787	−121.1%
(Loss)/earnings per share	€	(0.20)	0.96	−120.8%

In the 2021|22 financial year, **revenue** of the AGRANA Group was € 2,901.5 million, up significantly from the same period one year earlier, with the growth coming largely from higher sales volumes and selling prices in the Starch segment (€ 1,010.4 million, up 22.9%). The revenue trend in the Fruit and Sugar segments was also positive (Fruit: € 1,251.1 million, up 7.2%; Sugar: € 640.0 million, up 14.6%).

Revenue by segment in 2021|22



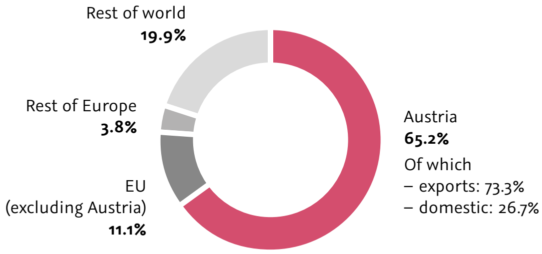
Revenue by segment in 2020|21



[1] EBITDA represents operating profit before exceptional items, results of equity-accounted joint ventures, and operating depreciation and amortisation.

Subsidiaries based in Austria generated 65.2% (prior year: 63.5%) of Group revenue.

Revenue by region in 2021|22
based on location of company's registered office



Operating profit (EBIT) was € 24.7 million in 2021|22, a very significant decrease from the year-ago level of € 78.7 million. The reduction was attributable to a net exceptional items expense of € 69.8 million (prior year: net expense of € 11.9 million) that was due primarily to impairment losses related to the war in Ukraine. Details on the exceptional items are provided in the segment reports (Fruit, page 55, and Sugar, page 68) and in the Notes (page 107). In the Fruit segment, impairment of goodwill of the Fruit CGU[1] as a result of the Ukraine war led to an EBIT loss of 15.8 million (prior year: profit of € 41.2 million). The segment's operating performance, on the other hand, was only slightly below that of the prior year. Despite a significant increase in raw material and energy costs, the Starch segment achieved EBIT growth to € 71.6 million (prior year: € 64.8 million). In the Sugar segment, the EBIT loss of € 31.1 million exceeded the prior year's € 27.3 million deficit, despite stronger capacity utilisation and higher selling prices since the new, 2021|22 sugar marketing year that began in October 2021. Energy cost hikes, exceptional items due to the war in Ukraine, and lower earnings contributions from Vienna-based Beta Pura GmbH were responsible for the decline in the Sugar segment's EBIT result. Details on the share of results of equity-accounted joint ventures can be found in the segment reports and the Notes.

Net financial items amounted to an expense of € 16.1 million in the 2021|22 financial year (prior year: net expense of € 18.5 million), an improvement driven primarily by more favourable currency translation effects. Net interest expense too improved from the prior year.

Net financial items		**2021|22**	**2020|21**	**Change**
				%
Net interest (expense)	€000	(7,382)	(7,977)	7.5%
Currency translation differences	€000	(5,146)	(6,952)	26.0%
Share of results of non-consolidated subsidiaries and outside companies	€000	34	22	54.5%
Other financial items	€000	(3,605)	(3,589)	–0.4%
Total	**€000**	**(16,099)**	**(18,496)**	**13.0%**

[1] CGU: Cash generating unit

Profit before tax fell from the prior year's € 60.2 million to € 8.6 million. After an income tax expense of € 20.9 million, representing a tax rate of 241.7% (prior year: 8.7%), the Group's **loss for the period** was € 12.2 million (prior year: profit of € 55.0 million). Loss for the period attributable to shareholders of AGRANA was € 12.6 million (prior year: € 59.8 million); **loss per share** was € 0.20 (prior year: earnings per share of € 0.96).

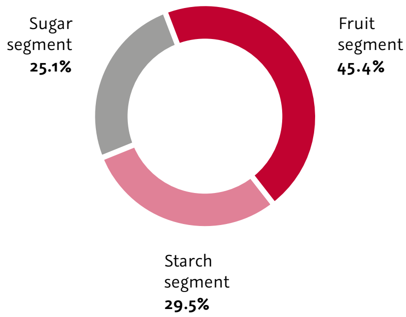
Investment

In 2021|22, AGRANA invested a total of € 82.4 million, or € 10.1 million more than in the prior year. Purchases of property, plant and equipment and intangibles were thus well below operating depreciation and amortisation, with the following distribution by business segment:

Investment[1]		**2021|22**	**2020|21**	**Change** % / pp
Fruit segment	€000	37,382	34,185	9.4%
Starch segment	€000	24,283	22,199	9.4%
Sugar segment	€000	20,702	15,905	30.2%
Group	€000	**82,367**	**72,289**	**13.9%**
Depreciation and amortisation	€000	120,171	118,106	1.7%
Investment coverage	%	68.5	61.2	12.0%

Investment in the Fruit segment focused mainly on capacity expansions and plant modernisation; in the Starch and Sugar segments it centred on improvements in product quality and energy efficiency. The key projects in the individual business segments are detailed in the segment reports.

Investment by segment in 2021|22



[1] Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.

Cash flow

Consolidated cash flow statement (condensed)		2021|22	2020|21	Change %
Operating cash flow before changes in working capital	€000	207,225	198,825	4.2%
Changes in working capital	€000	(128,992)	(14,620)	−782.3%
Interest received and paid and income tax paid, net	€000	(24,998)	(20,582)	−21.5%
Net cash from operating activities	€000	**53,235**	**163,623**	**−67.5%**
Net cash (used in) investing activities	€000	(72,624)	(79,646)	8.8%
Net cash from/(used in) financing activities	€000	17,595	(59,454)	129.6%
Net (decrease)/increase in cash and cash equivalents	€000	**(1,794)**	**24,523**	**−107.3%**
Effects of movement in foreign exchange rates on cash and cash equivalents	€000	(52)	(5,437)	99.0%
Cash acquired in initial consolidation of subsidiaries	€000	753	0	n/a
Effect of IAS 29 on cash and cash equivalents	€000	(6,285)	(1,530)	−310.8%
Cash and cash equivalents at beginning of period	€000	110,971	93,415	18.8%
Cash and cash equivalents at end of period	€000	**103,593**	**110,971**	**−6.6%**
Free cash flow[1]	€000	(19,389)	83,977	−123.1%

Operating cash flow before changes in working capital was up € 8.4 million year-on-year to a new total of € 207.2 million. After a mainly inventory-driven, larger increase of € 129.0 million in working capital than a year ago (prior year: increase of € 14.6 million), net cash from operating activities decreased to € 53.2 million (prior year: € 163.6 million). Net cash used in investing activities eased to € 72.6 million due to lower payments for purchases of subsidiaries and despite higher payments for purchases of property, plant and equipment and intangibles (prior year: net cash use of € 79.6 million). With a moderately higher dividend payment, a significant increase in borrowings compared to the year before led to a net cash inflow of € 17.6 million from financing activities (prior year: net outflow of € 59.5 million). Free cash flow turned negative, at a deficit of € 19.4 million (prior year: positive FCF of € 84.0 million).

Financial position

Consolidated balance sheet (condensed)		28 Feb 2022	28 Feb 2021	Change % / pp
Non-current assets	€000	1,134,960	1,232,021	−7.9%
Current assets	€000	1,508,670	1,240,713	21.6%
Total assets	€000	**2,643,630**	**2,472,734**	**6.9%**
Equity	€000	1,281,542	1,329,097	−3.6%
Non-current liabilities	€000	477,537	597,415	−20.1%
Current liabilities	€000	884,551	546,222	61.9%
Total equity and liabilities	€000	**2,643,630**	**2,472,734**	**6.9%**
Net debt	€000	532,006	443,524	19.9%
Gearing ratio[2]	%	41.5	33.4	8.1 pp
Equity ratio	%	48.5	53.8	−5.3 pp

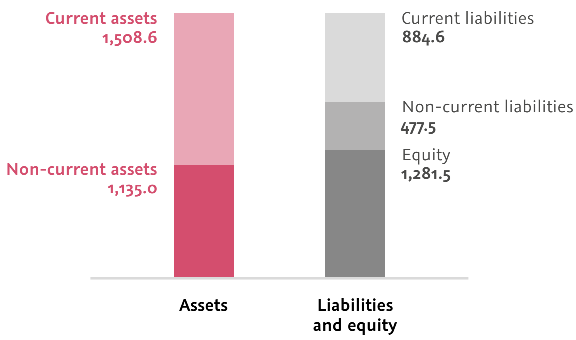
[1] Total net of cash from operating activities and net cash used in investing activities
[2] Ratio of net debt to total equity

Total assets as of 28 February 2022, at € 2.64 billion, were up moderately from one year earlier (28 February 2021: € 2.47 billion), with an equity ratio of 48.5% (28 February 2021: 53.8%).

The value of non-current assets eased moderately (by € 97.1 million), due especially to depreciation and amortisation. Current assets showed a significant increase of € 268.0 million, with a rise both in inventories (for seasonal reasons) and in trade receivables.

Balance sheet structure at 28 February 2022

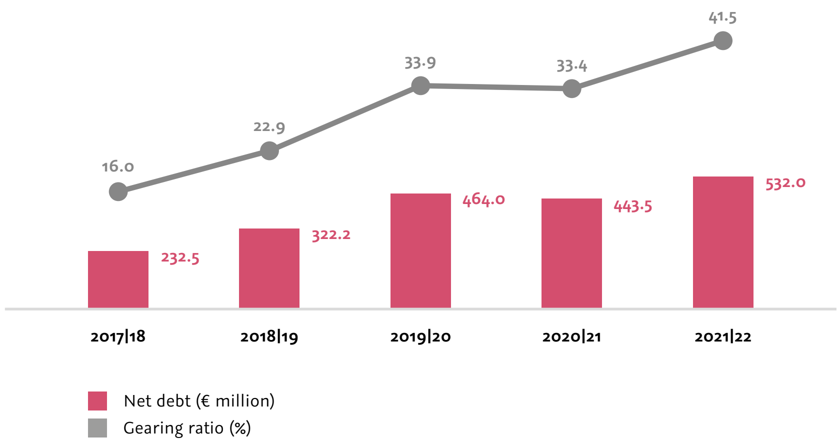
€ million



Non-current liabilities fell significantly, by € 119.9 million, due primarily to a reduction in long-term borrowings. Current liabilities were up € 338.3 million as a result of increased current borrowings and higher trade payables.

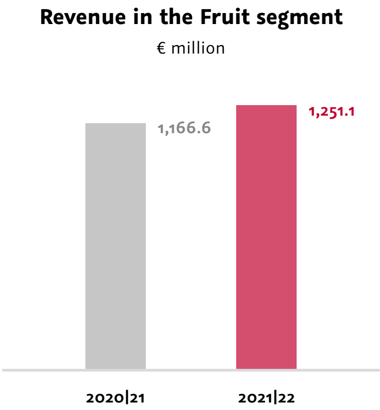
Net debt as of 28 February 2022 amounted to € 532.0 million, up € 88.5 million from the 2020|21 year-end level. The gearing ratio at the balance sheet date was thus 41.5% (28 February 2021: 33.4%).

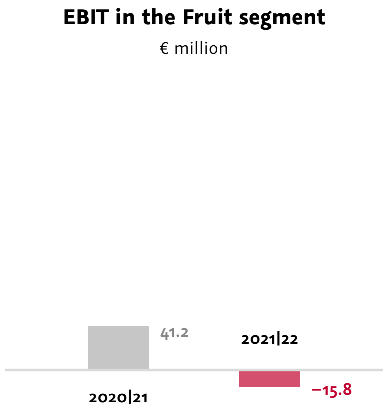
Net debt and gearing ratio



No material new financing was raised in the 2021/22 financial year. For funding the Group, approximately € 400 million under syndicated credit lines and € 181 million from Schuldscheindarlehen (promissory note loans) continue to be available, among other financial resources.

Segment financial results

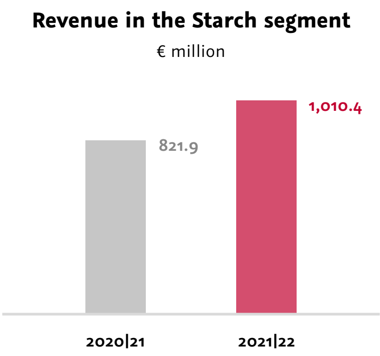


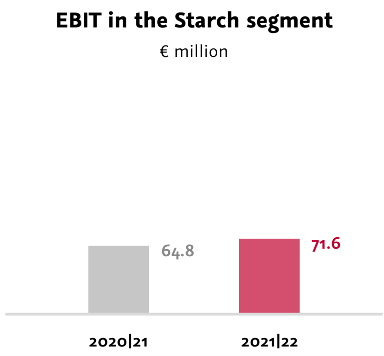


Fruit segment revenue in 2021|22, at € 1,251.1 million, was moderately above the year-earlier level (by 7.2%). The fruit preparations business saw revenue growth stemming mostly from higher sales prices. Revenue in the fruit juice concentrate activities also rose, with higher prices for berry juice concentrates more than offsetting the effect of a decline in apple juice concentrate sales volumes. The Fruit segment was responsible for 43.1% of Group revenue (prior year: 45.8%).

The EBIT result in the Fruit segment was a loss of € 15.8 million, representing a decrease of 138.5% from the profit of one year earlier. The Fruit segment's earnings in 2021|22 were impacted above all by non-cash one-time charges (primarily goodwill impairment of € 55.3 million) related to the war in Ukraine as well as by exceptional items in the form of a damage claim and reorganisation measures, which are explained in the Fruit segment report (page 55) and in the Notes (page 107). There was an improvement in operating profit in the fruit juice concentrate business. A normal apple harvest in 2021, high contract prices for apple juice concentrate and strong contribution margins for berry juice concentrates were the key factors in this. The operating earnings performance in the fruit preparations business decreased, due above all to a combination of higher costs associated with personnel bottlenecks in North America, sales volume declines in China, and significantly risen raw material and energy costs.

Further details on the results of the Fruit business are provided in the segment report from page 54.





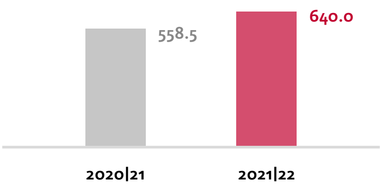
Revenue in the **Starch segment** grew substantially in the 2021|22 financial year, by 22.9% to € 1,010.4 million. In the second year of the COVID-19 pandemic, more core and by-product quantities were demanded than in 2020|21, the first pandemic year. However, the rise in revenue was driven primarily by the adjustment of sales prices in response to extreme increases in raw material and energy costs. The ability to pass on the increased manufacturing costs was dependent on the specific customer contract terms, which led to significant margin losses for individual product groups. In the ethanol business, sales prices are based on the Platts quotations, which reached historic highs in 2021|22. The considerable increase in ethanol revenue also contributed materially to the positive development of the segment result. By-product sales revenues as well increased significantly, following raw material prices higher. The Starch segment accounted for 34.8% of the Group's revenue (prior year: 32.3%).

With EBIT of € 71.6 million, the Starch segment's operating profit surpassed that of the previous year by 10.5%. Margins on the core products, with the exception of ethanol, declined due to the significant uptrend in raw material and energy prices. Depreciation and amortisation also increased as a result of the major investments in the last financial years. The earnings contribution by the equity-accounted HUNGRANA group declined from € 19.4 million to € 13.8 million. This Hungarian joint venture too recorded significant price increases for raw materials and energy, which were only partly offset by high ethanol sales prices. On balance, the EBIT profit margin of the Starch segment in 2021|22 eased to 7.1%, from 7.9% in the prior year.

Further details on the results of the Starch business are provided in the segment report from page 61.

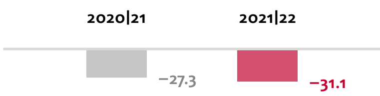
Revenue in the Sugar segment

€ million



EBIT in the Sugar segment

€ million



In 2021|22, revenue in the **Sugar segment** grew by a significant 14.6% to € 640.0 million. Both higher sugar selling prices and increased sugar sales volumes led to this growth. By-product revenue (especially for dried beet pulp) increased, as did revenue from beet seed and other agricultural products. The Sugar segment generated 22.1% of the Group's revenue (prior year: 21.9%).

At a loss of € 31.1 million, the EBIT result remained negative in 2021|22 and was poorer than in the prior year. While the expansion of beet production area – particularly in Austria – and favourable weather conditions led to a campaign with a higher beet volume than in the year before, raw material prices and, above all, energy prices soared compared to the previous year. Furthermore, the lower margin from the necessary reselling and refining of sugar to compensate for the Group's own below-average production in the 2020 campaign weighed on the Sugar EBIT result in the first half of 2021|22. The EBIT contribution of the equity-accounted AGRANA-STUDEN group was € 1.9 million (prior year: € 0.2 million), while that of Beta Pura GmbH; Vienna, was a deficit of € 7.6 million (prior year: deficit of € 2.1 million).

Further details on the results of the Sugar business are given in the segment report from page 67.

Events after the balance sheet date

With the start of the war in Ukraine on 24 February 2022, a higher probability of potential adverse effects on AGRANA's future business performance emerged. This had to be taken into account in these financial statements for the year ended 28 February 2022, in particular through the recognition of corresponding impairment of assets in the Fruit segment with its production facilities in Ukraine and Russia, and in the outlook for the 2022|23 financial year.

At present, it is not possible to assess how the conflict will evolve and what further economic and geopolitical impacts it will have, especially on the supply of agricultural raw materials, on target markets and on raw material and energy prices.

As of the preparation of the consolidated financial statements on 25 April 2022, there were no reliable indications that there will be any further material financial effects beyond those presented.

Fruit segment

Basics of the Fruit segment

Marketing relationship
B2B

Products
Fruit preparations, fruit juice concentrates, not-from-concentrate juices, fruit wines, natural flavours and beverage bases

Raw materials processed
Fruits (leading raw material for fruit preparations: strawberry; raw materials for fruit juice concentrates: apples and berries)

Key markets
Marketed worldwide

Customers
Dairy, ice-cream, bakery, food service and beverage industries

Special strengths
Custom-designed, innovative products

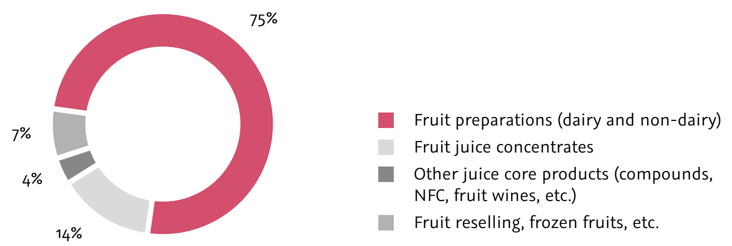
AGRANA Internationale Verwaltungs- und Asset-Management GmbH, Vienna, is the holding company for the Fruit segment. The coordination and operational management of the fruit preparations business are provided by its holding company, AGRANA Fruit S.A.S., based in Mitry-Mory, France. In the fruit juice concentrate business, the operating holding company is AUSTRIA JUICE GmbH, based in Kröllendorf/Allhartsberg, Austria. At the balance sheet date, the Fruit segment as a whole comprised 26 production sites in 20 countries for fruit preparations, and 14 plants in seven countries for the production of apple and berry juice concentrates.

Revenue and earnings

Fruit segment		2021|22	2020|21	Change % / pp
Total revenue	€000	1,251,846	1,167,600	7.2%
Inter-segment revenue	€000	(766)	(1,029)	25.6%
Revenue	€000	1,251,080	1,166,571	7.2%
EBITDA[1]	€000	93,341	94,034	−0.7%
Operating profit before exceptional items and results of equity-accounted joint ventures	€000	51,857	52,882	−1.9%
Exceptional items	€000	(67,696)	(11,723)	−477.5%
Operating (loss)/profit [EBIT]	€000	(15,839)	41,159	−138.5%
EBIT margin	%	−1.3	3.5	−4.8 pp
Investment[2]	€000	37,382	34,185	9.4%
Number of employees (FTE)[3]		5,662	5,695	−0.6%

Revenue in the fruit preparations business grew by almost 8%, mainly as a result of moderately higher prices. All regions participated in the revenue increase, with the greatest gains seen in Mexico, Japan, North America, Ukraine and Russia. The increase in South America was also significant and was largely driven by volume. An analysis of sales volume by product category indicates growth for non-dairy fruit preparations and slight declines in fruit reselling volume, including sales of frozen fruit. The quantities sold into the dairy sector remained steady.

Revenue by product group in 2021|22



[1] EBITDA represents operating profit before exceptional items, results of equity-accounted joint ventures, and operating depreciation and amortisation.
[2] Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.
[3] Average number of full-time equivalents in the reporting period.

Earnings of the fruit preparations business saw a significant decrease. Higher costs could not be recouped through the only slight rise in sales volumes. Specifically, the primary drivers of the reduction in operating profit were one-time impacts relating to raw materials in Mexico (strawberry and mango), combined with low sales prices for apples from the 2018 crop in Ukraine, reduced margins in Europe and the application of hyperinflation accounting in Argentina. Furthermore, the fruit preparations business registered a net exceptional items expense reflecting regional restructuring measures (such as in Serbia) and exceptional staff cost effects. Operating profit in the fruit preparations business was significantly below the previous year's result. Improved results in Mexico (in the so-called first-transformation stage of processing) as well as at Belgium-based Dirafrost and in the India/Middle East/Africa region were not nearly enough to make up for the declines in results witnessed especially in the Europe region (with significantly higher raw material prices), in North America (with higher personnel costs, among other factors) and China (with decreases in sales volumes and margins).

A very negative driver for the EBIT result in the fruit preparations activities was a net exceptional items expense of € 64.8 million (prior year: net expense of € 10.9 million). These one-off effects consisted mostly of impairment losses due to the war in Ukraine (primarily goodwill impairment of € 55.3 million) and to a lesser extent of expenses for a claim in North America and follow-up expenses from the cost reduction programme of the year before. More details on exceptional items are provided in the Notes (page 107).

In the prior year, on 1 April 2020, AGRANA Fruit Japan Ltd. started manufacturing fruit preparations in Japan, thus adding a fourth production country to AGRANA's footprint in Asia, next to China, India and South Korea.

Total revenue in the fruit juice concentrate business was boosted by about 6% in the 2021|22 financial year, as higher berry juice concentrate prices for product from the 2021 crop more than offset lower sales volumes of apple juice concentrate. The significant increase in operating profit in the fruit juice concentrate activities was attributable to an improved margin situation for berry juice concentrates. A downside effect on EBIT was exerted by a net exceptional items expense of € 2.9 million for impairment of receivables and inventories as a result of the war in Ukraine.

Market environment

Current forecasts by Euromonitor for the period to 2026 call for average annual volume growth of just under 1% in the global market for spoonable fruit yoghurts (the principal market for AGRANA's fruit preparations business). Volume in the Western Europe and North America regions is predicted to stagnate. Positive sales volume trends are seen in Asia-Pacific, at estimated average annual growth of 1.5%, and in the Middle East and Africa at 3.7% per year. The category of drinkable yoghurts is projected to have higher average annual growth of 2.9% globally over the same period. Besides the yoghurt market, ice-cream and food service are significant product segments in the diversification of the fruit preparations activities. The ice-cream market is to grow by about 2% p.a. globally in the period to 2026. In the Middle East and Africa as well as Australia and New Zealand, this market is even expanding at an above-average rate of about 3% per year. In the food service segment, the main markets served by AGRANA are quick service restaurants (QSR) and coffee & tea shops. These areas experienced sharp sales declines of up to 35% in 2020 (the start of the COVID-19 pandemic), but recovered rapidly in 2021 and finished that calendar year with positive growth rates. Average annual growth of 5.6% for coffee & tea shops and 4.8% for QSR is forecast for the coming years to 2026.

The market environment for fruit preparations is determined by consumer trends in the global markets for, especially, dairy products, ice-cream and food service. The top trends continue to revolve around naturalness, sustainability, health, pleasure and convenience. The persistent coronavirus pandemic is having a profound impact on many of these consumer trends. The demand for healthy, natural and sustainable products is increasing. Especially the niche market of plant-based alternative products is benefiting from a consumer perception of healthiness and sustainability, reflected in mostly double-digit growth rates. At the same time, the global recession seen at the beginning of the pandemic has driven a demand trend towards lower-priced and simpler products.

The fruit juice concentrate business remains subject to the trends towards lower fruit juice content in beverages and towards not-from-concentrate 100% juices. As a consequence, there is growing demand for beverage bases with a reduced fruit juice content. AGRANA addresses this trend with its strategic emphasis on the increased production of beverage bases and aromas.

In fruit juice concentrates, customer call-offs rose back to a welcome level beginning in the third quarter of 2021|22. Amid good market demand, the contracts for apple juice concentrate made from the 2021 crop were concluded at contribution margins well above those of the prior year. For berry juice concentrates as well, contracts with improved contribution margins compared to the previous year were negotiated for product from the 2021 harvest.

Sales volumes in the value-added business were up. From autumn 2021, the reduced home office use by many customers and the resulting renewed increase in development activity for new products led to corresponding negotiations and further product approvals as well as contract signings in the area of beverage bases and composite aromas.

Logistical challenges increasingly define the export-heavy concentrate business. The shipping situation in China in the past financial year was again characterised by low container availability and historically high freight rates, especially for transport to the USA.

Raw materials and production

In 2021|22, about 354,000 tonnes of raw materials were purchased for the fruit preparations activities. The volatile market setting for commodities and the global trend in freight costs drove an average rise of about 11% year-on-year in raw material costs for fruit and ingredients. Price increases were incurred mainly for berries (raspberry, blackberry and blueberry), peach, tropical fruits and stabilisers. On the energy cost side, there were significant increases due to rate hikes for electricity and gas in the second half of 2021|22, especially in Europe.

In order to both secure the required quantities of supply and counteract the price increases, a focus of efforts in the past months was on making procurement more flexible; as well, the collaboration with strategic suppliers was intensified.

The globally required amount of approximately 50,000 tonnes of strawberry, the most important fruit by volume in the fruit preparations business, was contracted at slightly higher prices than in the year before. Continual substitution of origins between the four main sourcing regions (Mexico, Morocco, Egypt and China) was key in mitigating the impact of local price increases.

The second most important fruit by processing volume for fruit preparations was peach, at around 22,000 tonnes. Below-average harvest volumes due to frosts in the European growing regions as well as in China led to significant price increases.

Blueberry ranked third with a processing volume of about 12,000 tonnes. Repeated poor harvests in Canada and Eastern Europe, low stocks from the previous year and high fresh-market demand for berry fruits led to reduced availability of raw material for industrial processing and consequently to significantly higher blueberry prices.

COVID-19-related supply challenges occurred for tropical fruits such as mango and pineapple due to lockdowns in the Asian growing regions and reduced container availability for shipments to Europe. Due to the global scope of raw material management, however, supplies to all plants were maintained throughout.

In the fruit juice concentrate business, the 2021 apple harvest was characterised by good raw material availability in Poland and Hungary, the relevant main growing regions. What is more, AGRANA was able to process greater volumes than in the prior year thanks to high availability of red berries (an industry term that includes strawberries, raspberries, black and red currants, sour cherries, chokeberries and elderberries). All fruit juice concentrate plants recorded good capacity utilisation.

Engagement in the upstream value chain

Supplier environmental and social assessment

In the 2021|22 financial year, 17.4% (prior year: 17.9%) of the raw materials (fruits and other ingredients) procured by the purchasing organisation, AGRANA Fruit Services GmbH, for the fruit preparations segment had a valid sustainability certification as defined in the AGRANA principles for the procurement of agricultural raw materials and intermediate products. Of the fruit processed worldwide, 6.1% was certified as sustainable (prior year: 9.0%); as in the previous years, these were largely organic certifications. The decrease compared to the previous year was due to a reduction in sustainably procured volumes supplied to a significant customer. The target under the strategy of the fruit preparations business for the period to 2025 to increase the proportion of processed fruit with a sustainability certification to 20% remains in place. To document compliance with sustainability criteria for raw materials from conventional cultivation, the Farm Sustainability Assessment (FSA) is used in the fruit preparations business, as are programmes that are FSA-equivalent under the benchmarking system of the Sustainable Agriculture Initiative Platform (see from page 35 for details).

To evaluate its suppliers for their adherence to social criteria, AGRANA Fruit Services invites new suppliers to participate in the Supplier Ethical Data Exchange, or SEDEX (for details on SEDEX, see from page 41). At the end of the financial year, the fruit preparations business had SEDEX data (and audit documents where applicable) for about 72.2% of the processed volume of raw materials (prior year: 67.9%). By 2025|26, the fruit preparations business plans to receive valid SEDEX data for supplier evaluation for at least 90% of the fruit volume processed each year.

The fruit juice concentrate business, as a result of its procurement structures, is confronted with an especially significant challenge in supply chain management, as most of the raw materials it processes are sourced via collection points from dealers. This is a consequence of legacy regional structures evolved over time which are focused primarily on the fresh market and retail trade and on fruit exports. Fundamentally, the Group would like to purchase more raw materials directly from farmers in the future, not least in order to be able to improve sustainability aspects together with the growers. Since 2018|19, AUSTRIA JUICE is a member of the Sustainable Juice Covenant, a global initiative aimed at making the procurement, production and marketing of fruit- and vegetable-based juices, purees and concentrates 100% sustainable by the year 2030.

AUSTRIA JUICE currently maintains two projects for direct procurement from growers. In Hungary, since the year 2000, AUSTRIA JUICE has supported local farmers in growing pest-resistant apple varieties that require about 60% less pesticide than conventional cultivars. Besides financial assistance for the new planting of the trees and ongoing advice over the growing season, the fruit growers also receive purchasing guarantees. A further project with contract growers was launched in Poland in 2007. In the 2020|21 financial year about 20% (prior year: 14%) of all apples processed by AUSTRIA JUICE into apple juice concentrate worldwide came from these two projects.

In contract crop production, for the documenting of sustainable environmental and social criteria at its suppliers' operations, AUSTRIA JUICE uses the FSA questionnaire provided by the SAI Platform (for details, see from page 35). In the 2020|21 financial year, Hungarian suppliers of disease- and pest-resistant apple varieties, who were selected according to SAI Platform standards, again participated in the mandatory completion of the FSA questionnaire and the external audits. In 2020|21, for the first time, Hungarian contract suppliers of sour cherries, elderberries and carrots also completed the FSA questionnaire and were externally audited on the basis of it. As a result, AUSTRIA JUICE is entitled to claim SAI Silver (and in some cases Gold) status for three years for Hungarian growers for all raw material categories named above. Back in the 2018|19 financial year, the FSA questionnaire and external verification were also used for the contract growers of resistant apple varieties in Poland. In 2021|22, the Polish supplier farms for resistant apple varieties, as well as other direct suppliers of apples and various berries, were re-verified or verified. Based on the results, AUSTRIA JUICE has been able to advertise at least FSA Silver level for all Polish contract growers of resistant varieties.

As well, FSA Silver equivalence can be claimed under the benchmarking of the FSA requirements against the national legislation of, for example, Poland, Spain and Hungary, when combined with a certification to the Global GAP standard. In total, following the calculation methodology of the Sustainable Juice Covenant and based on the respective juice concentration standards of the European Fruit Juice Association (AIJN), AUSTRIA JUICE is thus able to claim at least FSA Silver level for about 36% (prior year: 27%) of its raw material processing volume.

Value chain in the Fruit segment

wsk.agrana.com/en/fruit

Regenerative agriculture in fruit farming

In the 2020|21 financial year, the fruit preparations business launched a project on regenerative agriculture focusing on the cultivation of fruits for which there is a lack of globally recognised specifications for regenerative production to date. Regenerative agriculture, among its other benefits, serves to fix carbon dioxide in the soil by building up humus, thus improving soil health and increasing biodiversity. With the support of external experts, AGRANA has developed sets of guidelines for implementing regenerative agriculture for ground crops (such as strawberries), bush crops (for example, blueberries and raspberries) and tree crops (e.g., peaches).

These guides identified 14 practices that represent regenerative methods in fruit production. The resulting, largely positive effects on soil health, biodiversity and water use were elaborated and indicators developed to measure these effects. In addition, implementation plans and schedules for the measurability of the impacts of the various practices in the three fruit categories were developed and aspects of transferability to different regions or countries were addressed. These targets for regenerative practices were implemented at AGRANA's agricultural production site in Luka, Ukraine, in the 2021|22 financial year. The site, which produces fruit mainly for the local fresh market, was thus able last year to pass the external audit to Global GAP requirements, which are rated as Gold-equivalent in the FSA benchmarking system.

Environmental and energy aspects of AGRANA's production

Energy consumption and emissions in processing

Despite a 41% increase in raw material processing in the fruit juice concentrate business relative to the prior year, the rise in absolute energy consumption (Scope 1 and 2) in the Fruit segment as a whole to a new total of about 2.42 million GJ in the year under review only amounted to an increase of about 9.0%, thanks primarily to improved factory utilisation at the European fruit juice concentrate sites. However, due to a further shift in the product portfolio in the fruit juice concentrate business unit to more highly refined and thus more energy-intensive products, such as aromas, as well as increased drying in the production of apple pomace, specific energy consumption per tonne of product output in the Fruit segment rose by about 4.3% to 2.65 GJ.

The implementation of efficiency projects in the fruit preparations business and, above all, a reduction in processing volume at the Chinese fruit juice concentrate plant compared to the prior year limited the increase in absolute emissions (Scope 1 and 2) in the Fruit segment to about 8.1%, or approximately 160,000 tonnes of CO_2. The average specific emissions from direct and indirect energy consumption (Scope 1 and 2) increased disproportionately little from the previous year, by only 3.5% to 176 kg of CO_2 per tonne of product output.

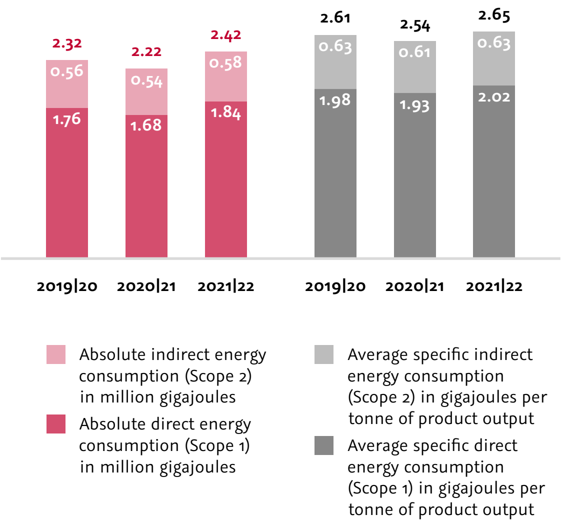
As a contribution to the Group-wide AGRANA climate strategy (for details, see page 39), the fruit preparations business thus far planned to reduce its emissions (Scope 1 and 2) by about 4% in absolute terms by 2025|26 relative to the base year 2019|20. Work is ongoing on further progress towards the quantitative requirements of the Science Based Targets initiative. The fruit juice concentrate division will reduce its emissions (Scope 1 and 2) in absolute terms by around 29% by 2025|26 from 2019|20 levels.

Water consumption in processing operations at AGRANA's fruit plants

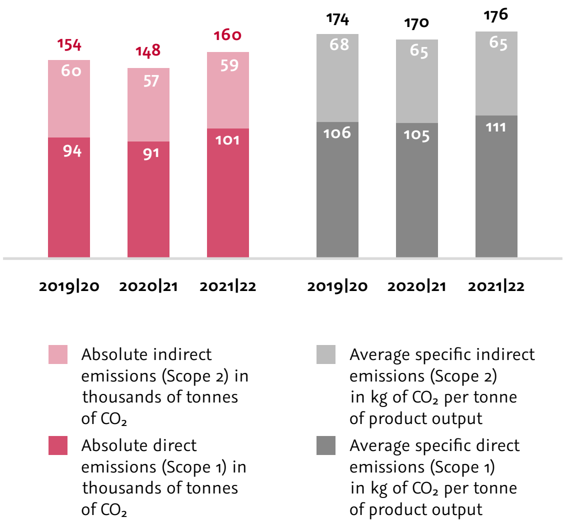
Fruit segment Total in million m³	**2021|22**	**2020|21**	**2019|20**
Water withdrawal	3.9	4.1	4.2
Water discharge	3.7	3.8	4.1
Water consumption	**0.2**	**0.3**	**0.1**

Fruit segment In m³ per tonne of core and by-products	**2021|22**	**2020|21**	**2019|20**
Water withdrawal	4.25	4.70	4.72
Water discharge	4.03	4.36	4.67
Water consumption	**0.22**	**0.34**	**0.05**

Energy consumption (Scope 1+2) in processing operations at fruit plants



Emissions (Scope 1+2) from processing operations at fruit plants



The risk analysis for the AGRANA production sites regarding water withdrawal and discharge, which was revised in the 2021|22 financial year and uses the WWF Water Risk Filter and the Aqueduct Water Risk Atlas (for details, see from page 39), identified potentially high water risk at eight sites of the fruit preparations business and three sites of the fruit juice concentrate operations. In the fruit juice concentrate activities, there are currently no actual operational risks affecting or caused by AUSTRIA JUICE GmbH, as the production of apple juice concentrate releases the water bound in the fruit and thus improves local water availability, although growing customer requirements for greater flexibility and smaller production and filling batches have an unfavourable effect on water consumption due to an increased need for cleaning.

In the fruit preparations area, the picture is more diverse due to the international nature of the business and the less stringent regulatory environments compared to Europe. While none of the AGRANA fruit preparations sites considered to be high-risk locations according to the international risk assessment criteria are currently actually affected by water risks or cause such risks for other local water users, a water management programme for all AGRANA fruit preparation facilities was launched in 2019|20. In the 2021|22 financial year, a number of water saving projects were implemented as part of the management programme, which in total led to a reduction of about 8.4% in absolute water withdrawal from the year before. The largest absolute water saving was realised in the primary-processing plant for fresh fruit at the site in Mexico, by installing a recirculation pump to recycle washing water.

At the fruit preparations site in Poland, an investment was made in the installation of a closed cooling water circuit. The two Chinese fruit preparations sites in Dachang and Jiangsu both invested in systems to recirculate or reuse water.

In total, the Fruit segment reduced its absolute water withdrawal to about 3.9 million cubic metres, or by 5.3% compared to the prior year. Absolute water consumption decreased from 0.3 million cubic metres to 0.2 million cubic metres or 200 million litres.

Waste from processing operations at AGRANA's fruit plants

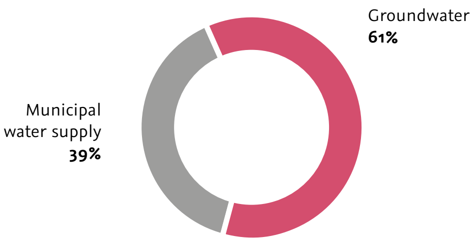
Fruit segment	**2021|22**	**2020|21[1]**	**2019|20[1]**
Waste disposed	30,296 t	30,543 t	31,160 t
Of which hazardous waste	263 t	257 t	267 t
Waste per tonne of product	33.2 kg	35.0 kg	35.1 kg
Hazardous waste per tonne of product	289 g	295 g	301 g

In the Fruit segment, the absolute and specific waste volumes remained near the prior year's levels.

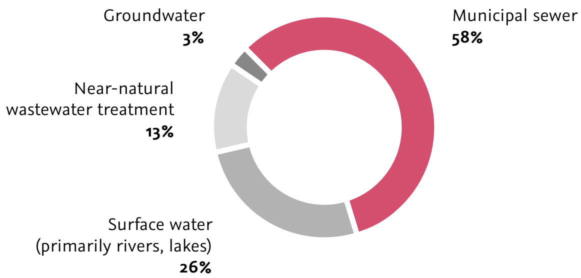
EcoVadis

In the 2021|22 financial year, AUSTRIA JUICE GmbH updated its sustainability data for the purposes of EcoVadis, the international supplier evaluation platform. AUSTRIA JUICE GmbH achieved Gold recognition, as in the prior year.

Water withdrawal at AGRANA's fruit plants in 2021|22 by source



Receiving waters for the wastewater of AGRANA's fruit plants in 2021|22



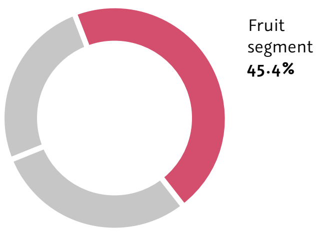
[1] Adjusted to correct data collection errors.

Investment

Capital expenditure in the Fruit segment in 2021|22 was € 37.4 million (prior year: € 34.2 million). The various capex projects across all 40 production sites related primarily to new production lines and continual improvements, as well as asset replacement and maintenance investment. The following individual investments were made, among others:

- New filling plant in Mitry-Mory, France
- Upgrading and capacity expansion of the existing cooling system, combined with heat recovery from the compressors, in Mitry-Mory
- New construction of an application laboratory in Dachang, China
- New construction of the US headquarters in Brecksville, Ohio (the property was acquired in February 2022)

Share of Group investment in 2021|22



Starch segment

Basics of the Starch segment

Marketing relationship
B2B

Products
General division into food, non-food and feed sectors; Native and modified starches, saccharification products, alcohols/bioethanol, by-products (feedstuffs and fertilisers)

Raw materials processed
Corn (maize), wheat, potatoes

Key markets
Central and Eastern Europe, principally Austria and Germany; also specialty markets, e.g., in USA and UAE

Customers
Food sector: food industry; Non-food sector: paper, textile, construction chemicals, pharmaceutical, cosmetics and petroleum industries; Feed sector: feed industry

Special strengths
GMO-free and strong organic focus

The Starch segment includes the two fully consolidated companies AGRANA Stärke GmbH, Vienna, with the three Austrian plants in Aschach (corn starch), Gmünd (potato starch) and Pischelsdorf (integrated wheat starch and bioethanol plants); AGRANA TANDAREI S.r.l. with a plant in Romania (corn processing); and Marroquin Organic International, Inc., Santa Cruz, California, USA, a trading company specialising in organic products. AGRANA Stärke GmbH, together with the joint venture partner Archer Daniels Midland Company based in Chicago, Illinois, USA, also manages and coordinates the joint ventures of the HUNGRANA group (with one plant in Hungary, where starch and saccharification products and bioethanol are manufactured). The joint ventures are included in the consolidated financial statements using the equity method of accounting.

Revenue and earnings

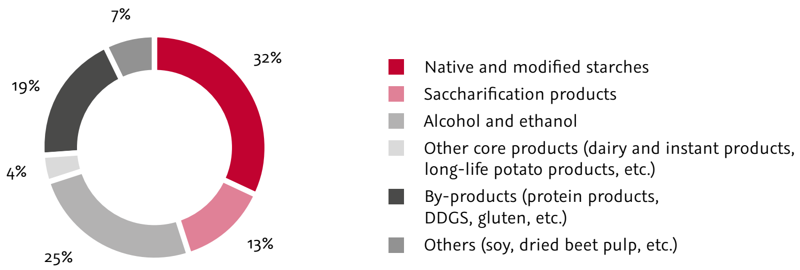
Starch segment		**2021|22**	**2020|21**	**Change** % / pp
Total revenue	€000	1,020,436	831,867	22.7%
Inter-segment revenue	€000	(10,029)	(9,975)	−0.5%
Revenue	€000	1,010,407	821,892	22.9%
EBITDA[1]	€000	106,391	92,117	15.5%
Operating profit before exceptional items and results of equity-accounted joint ventures	€000	57,929	45,402	27.6%
Share of results of equity-accounted joint ventures	€000	13,761	19,400	−29.1%
Operating profit [EBIT]	€000	71,690	64,802	10.6%
EBIT margin	%	7.1	7.9	−0.8 pp
Investment[2]	€000	24,283	22,199	9.4%
Number of employees (FTE)[3]		1,137	1,149	−1.1%

Market activity in the Starch segment's product markets remained influenced by the COVID-19 pandemic in 2021|22. While the first year of the pandemic (the 2020|21 financial year) was still characterised by a demand decline, there was a significant upturn in demand during the year under review. The continuing primary objective was to maintain supply chains and production throughout and ensure reliable deliveries to customers.

Revenue of the Starch segment rose significantly to € 1,010.40 million. About a quarter of the revenue growth came from increased sales volumes of core products. Adjusted sales prices across the product portfolio were the biggest revenue driver. Extremely high increases in raw material and energy costs, primarily in the second half of 2021|22, made it necessary to pass through the rise in manufacturing costs. Depending on the specific customer contracts concluded, there were

[1] EBITDA represents operating profit before exceptional items, results of equity-accounted joint ventures, and operating depreciation and amortisation.
[2] Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.
[3] Average number of full-time equivalents in the reporting period.

Revenue by product group in 2021|22



substantial margin losses for individual product groups and longer contract terms (e.g., for annual contracts).

The high energy prices in turn buoyed ethanol quotations, which averaged € 812 per cubic metre over the year, or about € 228 more than in the year before. The very high ethanol prices more than covered the vastly increased production costs, and the ethanol business thus made a critical contribution to the Starch segment's earnings growth. By-product revenues usually correlate with the trend in raw material costs, which is why this business area too saw revenue growth.

The significant increase in raw material costs in the Starch segment was due primarily to the powerful rise in grain prices, but also to a slight increase in the volume milled. At the same time, energy costs rose by more than 50% year-on-year. Higher operating depreciation reflected the intensive capital spending in the segment in recent years. The significant overall increase in manufacturing costs could only partially be passed on to customers through sales price adjustments and thus weighed on margins. On balance, the Starch segment generated EBITDA of € 106.4 million, up significantly from the prior-year level of € 92.1 million. Operating profit before exceptional items and results of equity-accounted joint ventures was € 57.9 million, an increase of 27.6% from one year earlier.

In 2021|22, revenue of the HUNGRANA group, the joint venture in Hungary, grew by about 24% to € 356.2 million. Its business performance followed the general trend of strong increases in corn (maize) and energy prices and thus massively higher production costs. While the market setting for saccharification products remained difficult and price increases were barely feasible, the high ethanol prices were a stabilising factor for alcohol earnings. On balance, the HUNGRANA group recorded EBIT of € 34.1 million (prior year: € 45.4 million). Its profit after tax decreased to € 27.5 million (prior year: € 38.8 million), of which one-half, or € 13.8 million (prior year: € 19.4 million), was attributable to AGRANA's Starch segment.

Market environment

In 2021|22 the COVID-19 pandemic continued to make itself felt in the market for almost all starch product categories. After the 2020 recession came the 2021 recovery with all its knock-on effects. Market participants are now operating in an environment characterised by scarcity, rising input costs and the short-term covering of supply gaps across all product categories.

For AGRANA, the soaring raw material and energy costs meant that these cost increases had to be passed through to the market as far as possible by adjusting selling prices.

Market demand for corn starch and spray-dried saccharification products in particular was consistently strong; spot requests could only partly be filled due to limited availability.

In general, sales of native and modified starches into the food industry were stable, with gratifying increases in sales volumes in the specialties and organic segments.

The order situation was also very good in the corrugated board sector and for graphic papers, with high demand for cereal starches.

In the market for infant formula, almost all well-known European manufacturers suffered from overcapacity due to restrictions in supplying the Asian market. However, AGRANA's focus on premium products enabled it to achieve stable sales volumes in this market segment.

The performance in animal feeds was largely encouraging. Both high-protein products (vital wheat gluten and corn gluten) and medium-protein feeds (ActiProt®, ActiGrano® and corn gluten feed) benefited from increased demand and the high prices for protein feeds, oilseeds and cereals. In this area, the increased raw material and energy costs were largely passed on to customers.

The ethanol and fuel market continued to show strong momentum in the year under review. In the public policy environment, elements such as the Renewable Energy Directive II (RED II) and the European Commission's "Fit for 55" package of measures, as well as the expansion of blending mandates within and beyond the EU (introduction of E10 in Sweden and the UK), are providing positive impetus for the market and demand. After quotations and prices for ethanol were at all-time highs over the summer months of 2021, uncertainty and volatility related to the COVID-19 wave in winter 2021 caused prices to settle at a somewhat lower general level, but nonetheless above the long-term average. The pandemic is now hardly affecting mobility any more, but other factors such as seasonality and, recently, the war in Ukraine are causing great uncertainty in the market.

Raw materials and production

World grain production in the 2021|22 grain marketing year (1 July to 30 June) is estimated by the International Grains Council (ICC) at 2.284 billion tonnes[1] (prior year: 2.220 billion tonnes), thus exceeding the previous year and approximately in line with expected consumption of 2.278 billion tonnes. Global wheat production is forecast at 781 million tonnes (prior year: 774 million tonnes), barely exceeding expected consumption of 778 million tonnes (prior year: 771 million tonnes). The world's corn production is forecast at 1,207 million tonnes (prior year: 1,132 million tonnes) and the predicted consumption of corn is 1,197 million tonnes (prior year: 1,153 million tonnes). Total grain stocks are estimated to increase by about 7 million tonnes to a new balance of 607 million tonnes.

Grain futures prices were marked by strong volatility throughout 2021|22. From mid-August 2021 until the end of the financial year, prices rose continually, especially for wheat. This price advance resulted both from strong demand and weaker harvests due to weather extremes in key production areas. The geopolitical situation in Eastern Europe then drove prices up explosively at the end of the financial year. At the balance sheet date of 28 February 2022 on the Euronext commodity derivatives exchange in Paris, wheat quoted at € 323 per tonne and corn was at € 311 per tonne (year earlier: € 245 per tonne for wheat and € 226 for corn).

Potatoes

In the 2021|22 campaign, the potato starch factory in Gmünd, Austria, processed about 274,000 tonnes of starch potatoes. The processing of food potatoes for the production of long-life potato products was in line with the prior-year volume.

Corn and wheat

In 2021|22, AGRANA Stärke GmbH processed approximately 8% more corn at the Austrian sites in Aschach and Pischelsdorf than in the year before. The share of specialty corn (notably waxy corn and organic corn) was about 22%.

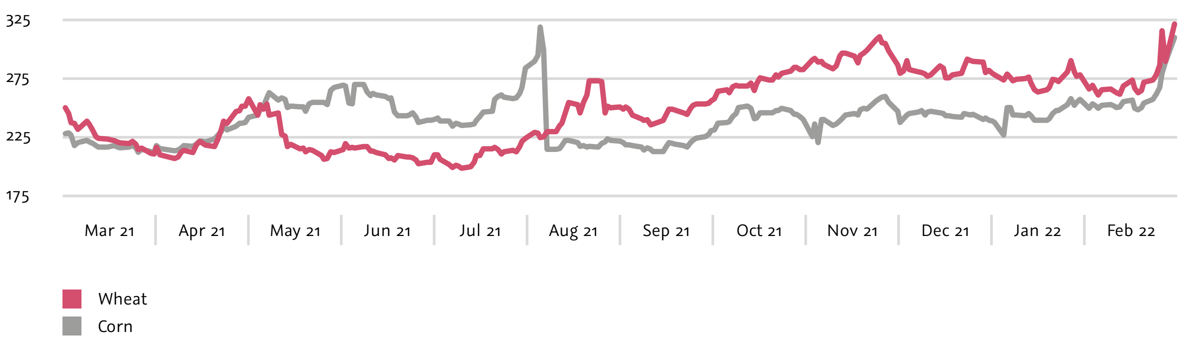
Wheat milling volume at the Pischelsdorf facility for the production of wheat starch and bioethanol was raised by around 7% in 2021|22 compared to the prior year. AGRANA also secured ethanol wheat and ethanol triticale (11% of total processed volume) in advance through delivery contracts with growers. As in the prior years, contracts for growing ethanol grains were offered for the 2022 crop.

At the two Austrian locations, a total of about 1.6 million tonnes of corn and other cereals were processed in the past business year.

At the HUNGRANA facility in Hungary, the total amount of corn processed in 2021|22 was in line with the prior-year level. In the Romanian plant, about 15% less yellow corn was processed due to an increase in the proportion of specialty corn varieties used.

Corn and wheat commodity prices during AGRANA's 2021|22 financial year

€ per tonne (Euronext Paris commodity derivatives exchange)



[1] IGC forecast of 17 March 2022.

Engagement in the upstream value chain

Supplier environmental and social assessment

AGRANA Starch has grouped its Austrian contract growers of potatoes and specialty corn into two so-called Farm Management Groups (FMGs). Previously, in 2017, the sustainability performance of these groups was externally audited in accordance with FSA requirements for the first time after completion of the Farm Sustainability Assessment (for details, see from page 35). In the 2020|21 financial year (the prior year), the re-verification audits were held, which are valid for three years. Every farm in the AGRANA Starch FMGs achieved FSA Silver level or better.

In the sourcing of conventional raw materials for the production of wheat starch and bioethanol, AGRANA has been relying for years on certification systems recognised by the European Commission, namely, the International Sustainability and Carbon Certification (ISCC) and the Austrian Agricultural Certification Scheme (AACS). Both the ISCC EU and AACS are accorded Silver level equivalence in the FSA system.

Building awareness of good agricultural practice

As BETAEXPO, AGRANA's traditional event for raising awareness of good agricultural practices usually held in early summer and in autumn, had to be cancelled in 2021 for the second consecutive year due to the pandemic, activities of this nature in the financial year were limited to small-group physical events and to virtual offerings under the "AGRANA4You" advisory programme for contract growers. Thus, ten field days were offered for special target groups such as organic growers, starch potato and starch corn growers as well as ethanol grain growers. These events were tailored to their audiences of 30 to 50 participants each. In addition, farmers were informed about agricultural commodity-related topics at external events such as trade fairs. AGRANA's own magazine for contract farmers, "Agrosugar/Agrostarch", covered topics such as optimising soil cultivation and nutrient supply and best practices for the handling of seed potatoes.

Environmental and energy aspects of AGRANA's production

Energy consumption and emissions in processing

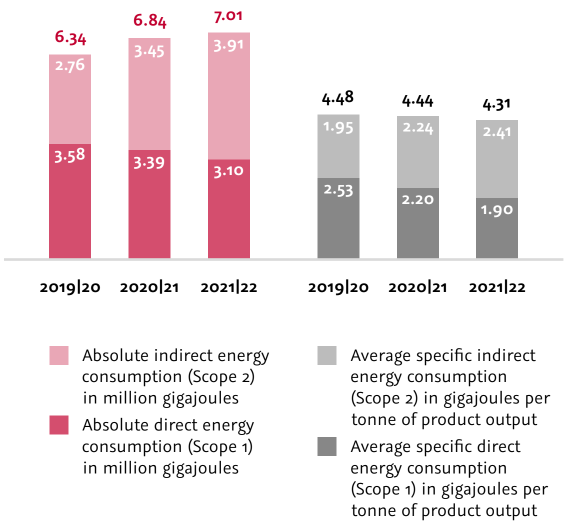
Absolute energy consumption (Scope 1 and 2) in the Starch segment increased slightly in 2021|22, by about 2.5% year-on-year to a new total of about 7 million GJ. However, with higher product output achieved through process optimisations, specific energy consumption (Scope 1 and 2) was reduced by 2.8% to 4.31 GJ per tonne of product made.

Value chain in the Starch segment

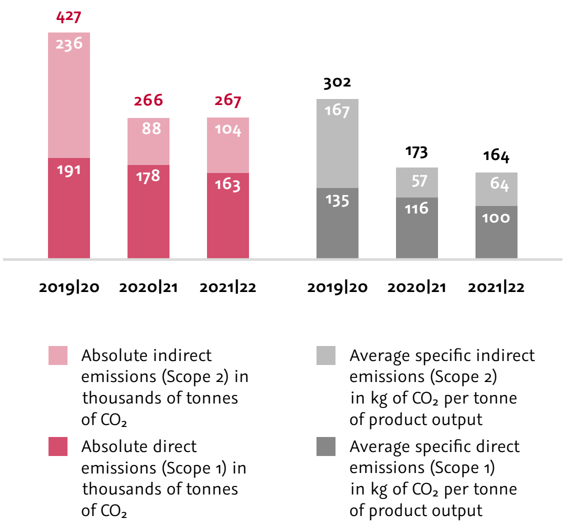
wsk.agrana.com/en/starch

A change in the energy mix – specifically, a reduction in natural gas purchases (Scope 1) in favour of much greater use of lower-emission steam (Scope 2) at the Pischelsdorf site and slightly more use of (in some cases green) electricity (Scope 2) at multiple locations – enabled the Starch segment's absolute emissions (Scope 1 and 2) to be kept stable at about 267,000 tonnes of CO_2 compared to the previous year, despite higher absolute energy consumption. The average specific emissions from direct and indirect energy consumption (Scope 1 and 2) decreased by approximately 4.8% year-on-year to 164 kg of CO_2 per tonne of product output.

Energy consumption (Scope 1+2) in processing operations at starch plants



Emissions (Scope 1+2) from processing operations at starch plants



By 2025|26, in support of AGRANA's climate strategy, the Starch segment will reduce its emissions (Scope 1 and 2) by around 42% in absolute terms from 2019|20 levels.

In the year under review the three Austrian starch manufacturing sites held a valid ISO 50001 certification.

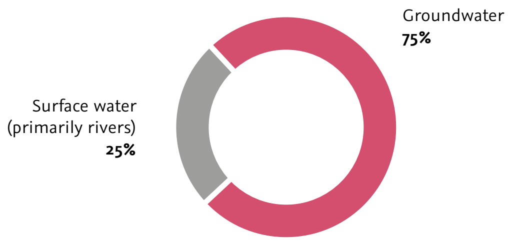
Water consumption in processing at AGRANA's starch plants

Starch segment Total in million m³	**2021|22**	**2020|21**	**2019|20**
Water withdrawal	6.9	7.0	6.5
Water discharge	5.8	6.3	5.7
Water consumption	**1.1**	**0.7**	**0.8**

Starch segment In m³ per tonne of core and by-products	**2021|22**	**2020|21**	**2019|20**
Water withdrawal	4.27	4.56	4.59
Water discharge	3.55	4.08	4.00
Water consumption	**0.72**	**0.48**	**0.59**

In keeping with the Group's environmental policy, water use and effluent at the AGRANA starch plants are managed sustainably. Process water in the starch operations is repeatedly recycled and cleaned.

Water withdrawal at AGRANA's starch plants in 2021|22 by source



Water withdrawal in 2021|22 in absolute numbers was about 6.9 million cubic metres, or 1.2% less than one year earlier. Absolute water discharge declined by 8.3%, a combined effect of lower precipitation at all Austrian sites (as precipitation too is discharged via the receiving waters and cannot be reported separately) and a sharp reduction in water discharge at the Pischelsdorf site due to a change in the operation of the cooling tower and thanks to the stable operation of the second wheat starch plant. The calculated water consumption was therefore about 1.1 million cubic metres. The average specific water consumption per tonne of product output (core and by-products) in the Starch segment during the 2021|22 reporting period was about 0.72 cubic metres or 720 litres.

The wastewater from the AGRANA starch factories was discharged only into surface waters, i.e., rivers.

Waste from processing operations at AGRANA's starch plants

Starch segment	**2021|22**	**2020|21**	**2019|20**
Waste disposed	28,241 t	30,608 t	26,963 t
Of which hazardous waste	61 t	43 t	59 t
Waste per tonne of product	17.4 kg	19.8 kg	19.0 kg
Hazardous waste per tonne of product	37 g	28 g	41 g

The absolute and specific amounts of waste from processing in the Starch segment in the 2021|22 financial year were below the prior-year level, at 28,241 tonnes in total and at 17.4 kg of waste per tonne of product output, respectively.

EcoVadis

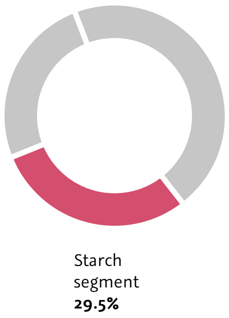
In the 2021|22 financial year, AGRANA Stärke GmbH updated its sustainability data reported annually for the purposes of EcoVadis, the international supplier evaluation platform. As in the prior year, AGRANA Stärke GmbH achieved a Silver rating.

Investment

The Starch segment invested € 24.3 million (prior year: € 22.2 million) during the 2021|22 financial year. The following projects were carried out among others:

- Measures to increase specialty corn processing in Aschach, Austria
- Efficiency improvements to the spray drying towers in Gmünd, Austria
- Upgrading of the drum drying plant for the production of potato flakes in Gmünd
- Expansion of the company wastewater treatment plant in Gmünd

Share of Group investment in 2021|22



Additionally, € 14.1 million (prior year: € 14.3 million) was invested in 2021|22 in the HUNGRANA companies (amounts for these equity-accounted joint ventures are stated at 100% of the total).

Sugar segment

Basics of the Sugar segment

Marketing relationship
B2B and B2C

Products
Sugars and sugar specialty products, by-products (feedstuffs and fertilisers)

Raw materials processed
Sugar beet, and raw sugar from sugar cane

Key markets
Austria, Hungary, Romania, Czech Republic, Slovakia, Bosnia and Herzegovina (Western Balkans region), Bulgaria

Customers
Downstream manufacturers (particularly confectionery, beverage and fermentation industries), food resellers (for consumer products)

Special strengths
High product quality standards; product offering tailored to customer needs

AGRANA Sales & Marketing GmbH is the parent company for the Group's Sugar sales activities and at the same time acts as the holding company for the Sugar segment's businesses in Hungary, the Czech Republic, Slovakia, Romania, Bulgaria, and Bosnia and Herzegovina. AGRANA Zucker GmbH functions as the production company of the two Austrian sugar factories. Also assigned to the Sugar segment are INSTANTINA Nahrungsmittel Entwicklungs- und Produktionsgesellschaft m.b.H., Vienna; AGRANA Research & Innovation Center GmbH, Vienna; Österreichische Rübensamenzucht Gesellschaft m.b.H., Vienna; and the Group's holding company, AGRANA Beteiligungs-AG, Vienna. The joint ventures of the AGRANA STUDEN group and Beta Pura GmbH, Vienna, are included in the consolidated financial statements using the equity method of accounting.

Revenue and earnings

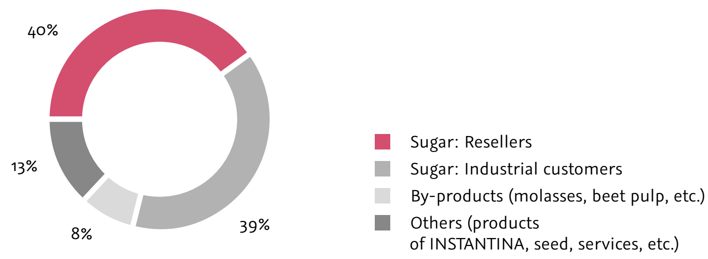
Sugar segment		2021|22	2020|21	Change % / pp
Total revenue	€000	666,173	588,559	13.2%
Inter-segment revenue	€000	(26,116)	(30,038)	13.1%
Revenue	€000	640,057	558,521	14.6%
EBITDA[1]	€000	6,920	5,068	36.5%
Operating (loss) before exceptional items and results of equity-accounted joint ventures	€000	(23,305)	(25,171)	7.4%
Share of results of equity-accounted joint ventures	€000	(5,742)	(1,887)	−204.3%
Exceptional items	€000	(2,072)	(212)	−877.4%
Operating (loss) [EBIT]	€000	(31,119)	(27,270)	−14.1%
EBIT margin	%	(4.9)	(4.9)	0.0 pp
Investment[2]	€000	20,702	15,905	30.2%
Number of employees (FTE)[3]		1,892	2,003	−5.5%

The overall sales volume of sugar products grew significantly in 2021|22 from the prior year, with differences between the various AGRANA sugar markets. In the reseller sector, considerable volume increases were achieved in Hungary, Romania and also Bulgaria, while in the industrial market, sales in Austria, the Czech Republic and Slovakia increased significantly.

Since the beginning of the 2020|21 sugar marketing year, sugar selling prices steadily recovered. In sales to resellers, prices were up about 5% from the prior financial year, and prices for industrial buyers also rose moderately from the average of the prior year thanks to new contracts with customers.

[1] EBITDA represents operating profit before exceptional items, results of equity-accounted joint ventures, and operating depreciation and amortisation.
[2] Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.
[3] Average number of full-time equivalents in the reporting period.

Revenue by product group in 2021|22



EBIT was below the weak prior-year figure and consequently still negative. Higher sugar sales volumes and prices were only able partly to offset the increased raw material costs and, above all, the significantly higher energy prices.

The earnings of the AGRANA-STUDEN group remained a positive factor in the Sugar segment's EBIT in 2021|22, with its contribution to operating profit rising markedly from € 0.2 million to € 1.9 million. The second sugar joint venture, Beta Pura GmbH, Vienna, made a negative contribution to the results of equity-accounted joint ventures (with a deficit of € 7.6 million; prior year: deficit of € 2.1 million) due primarily to a COVID-19-related challenging market environment and high energy prices.

A net exceptional items expense of € 2.1 million (prior year: net expense of € 0.2 million) in connection with impairment of trade receivables from Beta Pura GmbH (triggered by the war in Ukraine) additionally weighed on segment EBIT.

Market environment

World sugar market

In its estimate from 24 March 2022 of the world sugar balance for the end of the 2021|22 sugar marketing year (SMY), the analytics firm IHS Markit (formerly F.O. Licht) has projected a production deficit of 2.9 million tonnes. In December 2021 the estimate had still been for a deficit of 3.4 million tonnes. Higher sugar production volumes in India, Thailand and the EU are cited as reasons for this change. Nevertheless, the third consecutive year of deficits has reduced the stocks-to-use ratio from 42.1% in SMY 2018|19 to just 36.9%, the lowest in more than ten years.

World sugar balance[1] Million tonnes, except %	**2021|22**	**2020|21**	**2019|20**
Opening stocks	**70.8**	**72.2**	**76.7**
Production	181.8	180.1	180.4
Consumption	(183.3)	(180.7)	(181.2)
Net exports/imports	(1.7)	(0.8)	(3.7)
Closing stocks	**67.6**	**70.8**	**72.2**
In % of consumption	36.9	39.2	39.8

Since the plunge in world sugar quotations in March and April 2020 near the beginning of the coronavirus pandemic (with a new twelve-year low for raw sugar of US$ 203.1 per tonne reached at the time), sugar prices have risen steadily, due partly to expectations for the world market sugar balance.

In the financial year under review, prices were further supported by developments such as the delayed availability of Indian raw sugar exports on the markets, a meagre off-season harvest in Brazil and an improving macro environment (amid vaccination programmes and rising prices of agricultural commodities).

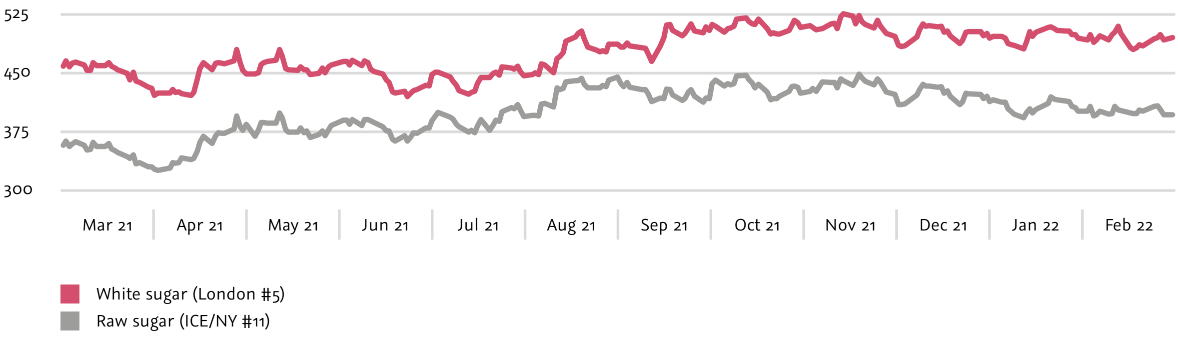
New 4½-year highs in raw sugar quotations in New York were then triggered in the third quarter of 2021|22, partly by expectations of a significant decline in sugar production in the Southern Hemisphere, particularly in Brazil, the world's biggest producer. The invasion of Ukraine pushed up sugar quotations at the end of February (also see the chart on page 69).

At the end of the 2021|22 financial year, white sugar quoted at US$ 496.0 per tonne and raw sugar stood at US$ 396.8 (year earlier: US$ 455.1 and US$ 362.7 per tonne, respectively).

[1] IHS Markit, Estimate of the World Sugar Balance, dated 24 March 2022.

International sugar prices during AGRANA's 2021|22 financial year

US$ per tonne



EU sugar market

In SMY 2020|21, sugar production in the EU-27, at about 14.7 million tonnes, represented a noticeable decrease from the previous year, with a historic low annual ending balance marked at the close of September 2021. The EU in SMY 2020|21 remained a net importer of sugar for the third sugar marketing year in succession.

Higher sugar production of about 16.1 million tonnes is forecast for SMY 2021|22 in the EU-27, owing to a normalisation of beet yields. Based on this, the EU will continue to be a net sugar importer in this sugar marketing year.

From the abolition of the sugar quotas at the end of September 2017, the average sugar prices under the EU price reporting system had declined significantly for a long time. By January 2019 the price was only € 312 per tonne. In the 2019 and 2020 calendar years, the price of sugar in the EU recovered continually, with a price of € 441 per tonne recorded in February 2022.

Free trade agreements

After a considerable delay, negotiations resumed for the EU-Australia free trade agreement. Progress was made on trade in goods and the chapter on rules of origin. Positive discussions were also held on procedural provisions for requesting preferential tariff treatment for originating products as well as for verifying their originating status.

The EU-Central America Association Agreement, which has been provisionally applied since 2013, is currently being evaluated. Sugar cane is one of the few products for which the reduced-tariff quotas are consistently utilised fully or almost fully (except by Panama).

There had been delays in the negotiations on the EU-New Zealand Free Trade Agreement, as well. However, its completion in 2022 is seen as realistic. Sugar will not be covered by the special arrangements regarding seasonal duty-free imports, nor by the 15-year gradual tariff reduction for certain products.

Raw materials and production

The area planted to sugar beet by the approximately 5,800 AGRANA contract farmers (prior year: approximately 5,600 farmers) in the 2021|22 sugar marketing year was about 86,000 hectares, as in the prior year. Growing conditions in 2021 were characterised by a cool and wet spring, a hot and dry June, and temperate and rainy summer months. A mild September and a very dry October, combined with cooler night temperatures, resulted in a significant increase in sugar content of the beet. In September in particular, sugar content rose by about two percentage points. This was driven not only by the weather but also by the healthy beet stocks. In general, the beet fields were in very good condition up to harvest time. Among other factors, the incidence of beet weevil was significantly reduced compared with the year before, thanks in part to the preventive measures taken. The occurrence of Cercospora leaf spot disease was also very limited, held in check by the weather and the increased use of tolerant beet varieties. In October and November, dry weather provided good beet lifting conditions, which meant that only small amounts of soil clung to the beet and that beet losses were low.

Favourable growing conditions, sufficient rainfall, and a higher-than-average number of sunshine hours, especially in September and October, ultimately led to an above-average sugar content of 17.2% (prior year: 15.1%). Around 5.7 million tonnes of sugar beet (prior year: 4.8 million tonnes) were harvested from a total area of about 85,700 hectares (prior year: around 76,300 hectares), corresponding to an average yield of 67 tonnes per hectare (prior year: 63 tonnes per hectare).

AGRANA's seven beet sugar factories processed a combined daily average of slightly more than 49,700 tonnes of beet during the campaign (prior year: 48,500 tonnes). Thanks to the high beet quantity, in a campaign averaging 115 days in length (prior year: 100 days), the factories produced a total of 850,000 tonnes of conventional sugar (prior year: 637,000 tonnes). Additionally, at the plant in Tulln, Austria, about 15,600 tonnes of organic sugar were produced in a ten-day separate organic campaign. As a result of the volume of beet processed, the average capacity utilisation of the sugar factories was 95% (prior year: 83%).

At the plant in Tulln, the molasses desugarisation facility is operated year-round and crystallised betaine is produced.

AGRANA also operates two raw sugar refineries, in Bosnia and Herzegovina and in Romania, which in the 2021|22 financial year produced a total of 208,000 tonnes of white sugar (prior year: 125,800 tonnes).

For beet purchasing, AGRANA follows a beet price arrangement with a variable price schedule tied to the sugar sales price. However, to boost the competitiveness of sugar beet as a crop-growing choice for farmers, a minimum price was established. A three-year contract with beet farmers has been in effect in Austria since 2020. Farmers also have the choice of a one-year or two-year contract.

Contracting for the production of the 2022 crop was still underway at the time of reporting. As of 20 April in Austria, contracts have been concluded for a 2022 planting area of about 36,000 hectares.

Engagement in the upstream value chain

Supplier environmental and social assessment

The Sugar segment has selected the Farm Sustainability Assessment (FSA) of the Sustainable Agriculture Initiative Platform (SAI) for use in documenting sustainable management by its sugar beet contract growers (for details on the SAI and FSA, see from page 35). In the Sugar segment, the contract beet suppliers in all five beet production countries have been grouped into so-called Farm Management Groups (FMGs). In 2017, these groups' sustainability performance had been externally audited in accordance with FSA requirements for the first time, and the re-verification audits took place in 2020. In the groups in Austria and the Czech Republic, 100% of the farms achieved at least FSA Silver status.

In Romania, Slovakia and Hungary, the re-verification audits planned for 2020 could only be finalised in 2021 due to travel and contact restrictions prompted by the COVID-19 pandemic. As in the initial audit in 2017, all Slovak farms achieved at least FSA Silver status. The Farm Management Group in Hungary successfully improved its results compared to the first audit, so that here too, all growers obtained at least FSA Silver standing. Romania also showed an improvement in audit results, with 60% of farms achieving an FSA Silver rating, although the target of 100% FSA Silver was not attained.

Building awareness of good agricultural practice

As the pandemic was still ongoing, BETAEXPO, AGRANA's traditional event for raising awareness of good agricultural practices, had to be cancelled in 2021 as well. Awareness-building activities in 2021|22 remained limited to events held in small groups and to virtual offerings under the "AGRANA4You" advisory programme. For example, subject-specific webinars were offered again for beet growers, focusing on the topics of planting, seed, and crop protection for the 2022 season.

A physical field day all about tillage was conducted in the Tulln, Austria, catchment area at the end of August 2021, in compliance with all COVID-19 prevention measures. Around 500 farmers were able to view and learn about the latest equipment for soil cultivation and hoeing technology. The focus was on machine demonstrations for tasks ranging from primary tillage all the way to planting catch-crops. AGRANA experts provided information on electro-ultrafiltration (EUF) soil testing, automated soil sampling and the evaluation of fertiliser recommendations.

Due to physical contact restrictions, online contracting was again offered via AGRANA's raw materials web portal. In addition, the contracting forms could be dropped off in person, subject to strict distancing and hygiene rules.

Biodiversity in the supply chain

In 2021, about 3,600 hectares were greened in Austria with catch-crop mixes from Österreichische Rübensamenzucht GmbH, a not-for-profit subsidiary of AGRANA Zucker GmbH that provides farmers with GMO-free seed, largely from its own in-house propagation. The catch-crops loosen the soil structure, mobilise nutrients, activate soil fauna and improve field biodiversity. In addition, flowered areas of annuals and perennials were established; together, the flowering fields provide ideal forage for wild animals, offer honey plants for bees, and add to the beauty of the landscape.

Value chain in the Sugar segment

wsk.agrana.com/en/sugar

Transport

Transport contributed about 9.3% to the carbon footprint of the Sugar segment in the 2019|20 base financial year, as determined in the (retrospective) first Group-wide calculation of AGRANA's corporate carbon footprint, performed in 2021|22. Within this transport total, from a value chain perspective, upstream transport of raw materials to AGRANA's processing plants accounted for approximately 5.3 percentage points, while the other 4 percentage points represented emissions from downstream transport, i.e., the shipping of products to customers.

Although transport is thus not an emissions hotspot, and little influence can be exerted on the downstream sector in particular, AGRANA nevertheless strives to make transport sustainable as far as infrastructurally and economically possible.

In total across all production countries in the 2021|22 processing season, about 36% of the beet was delivered to the sugar factories by rail, with the proportion highest in Austria at around 53% and Hungary at approximately 49%.

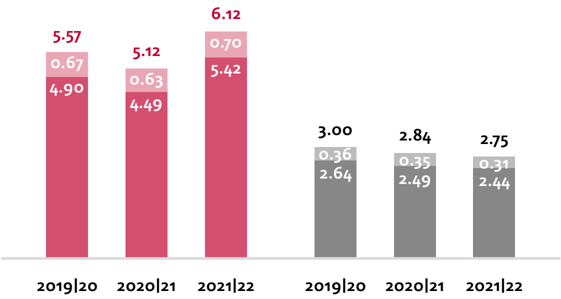
Environmental and energy aspects of AGRANA's production

Energy consumption and emissions in processing

In total in 2021|22 the Sugar segment processed about 20% more raw material (in terms of sugar beet and raw sugar) than in the prior year. Beet processing increased by 18.5% from the year before thanks to more contracted area and higher yields per hectare. Meanwhile, raw sugar refining volume at the refining sites in the GRI reporting boundaries (see page 34), at around 138,000 tonnes, was about 176% above the prior-year level.

The higher processing volumes resulted in an increase of about 19.5% in absolute energy consumption (Scope 1 and 2) in the Sugar segment year-on-year. Approximately 6.12 million GJ of energy was consumed in production (Scope 1 and 2). Through better factory utilisation, the Sugar segment achieved a reduction of about 3.1% in specific energy consumption (Scope 1 and 2) to 2.75 GJ per tonne of product output. By converting the Group's second-last coal-fired sugar factory in Sered', Slovakia, to natural gas in time for the 2021|22 campaign, the increase in absolute emissions (Scope 1 and 2) of the Sugar segment was limited to only 9.8% despite the increase of about 20% in processing volume. The Sugar segment's absolute emissions (Scope 1 and 2) in the financial year were thus around 351,000 tonnes of CO_2. The average specific emissions from direct and indirect energy consumption (Scope 1 and 2) decreased by approximately 11% year-on-year to 158 kg of CO_2 per tonne of product output.

Energy consumption (Scope 1+2) in processing operations at sugar plants



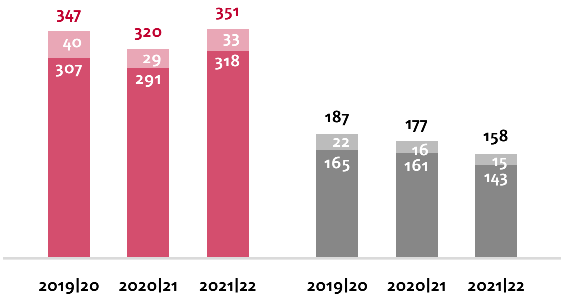
Absolute indirect energy consumption (Scope 2) in million gigajoules

Absolute direct energy consumption (Scope 1) in million gigajoules

Average specific indirect energy consumption (Scope 2) in gigajoules per tonne of product output

Average specific direct energy consumption (Scope 1) in gigajoules per tonne of product output

Emissions (Scope 1+2) from processing operations at sugar plants



Absolute indirect emissions (Scope 2) in thousands of tonnes of CO_2

Absolute direct emissions (Scope 1) in thousands of tonnes of CO_2

Average specific indirect emissions (Scope 2) in kg of CO_2 per tonne of product output

Average specific direct emissions (Scope 1) in kg of CO_2 per tonne of product output

The Kaposvár sugar plant in Hungary generated about 20.36 million cubic metres of biogas from beet pulp in the 2021|22 financial year. This would have been sufficient to cover approximately 83% of the site's primary energy requirement for the 2021|22 beet campaign. This type of complete utilisation of low-protein raw material components for energy capture also represents a pilot project for AGRANA's future transition to renewable energy by 2040 under its climate strategy (for details, see page 39). In 2021|22, about 9.7 million cubic metres of the biogas produced at the facility was sold; most of this was refined by the biogas upgrading plant (installed in 2015) into biomethane for feeding into the local natural gas grid and its sale reported as EU-taxonomy-eligible revenue. The biomethane injected into the grid was equivalent to the annual heating requirement of about 1,970 single-family homes. It would be conceivable in the future for AGRANA to internally utilise all the biogas produced here.

By 2025|26, the Sugar segment thus far planned to reduce its emissions (Scope 1 and 2) by about 12% in absolute terms compared to 2019|20, in order to support AGRANA's climate strategy. This target is currently being revised to meet the requirements of the Science Based Targets initiative.

In 2021|22 the energy management systems of all Sugar segment production sites within the GRI reporting boundaries (see page 34) held a current certification to ISO 50001.

Water withdrawal and discharge in processing operations at AGRANA's sugar plants

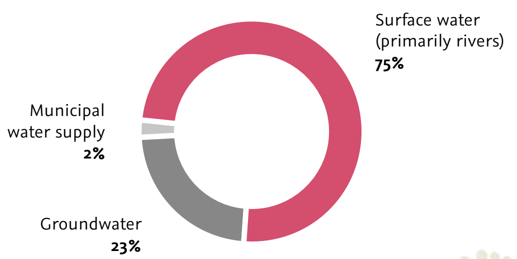
Sugar segment Total in million m³	**2021|22**	**2020|21**	**2019|20**
Water withdrawal	4.8	4.5	4.6
Water discharge	7.0	6.8	6.4
Water consumption	**(2.2)**	**(2.3)**	**(1.8)**

Sugar segment In m³ per tonne of core and by-products	**2021|22**	**2020|21**	**2019|20**
Water withdrawal	2.16	2.49	2.47
Water discharge	3.14	3.77	3.47
Water consumption	**(0.98)**	**(1.28)**	**(1.00)**

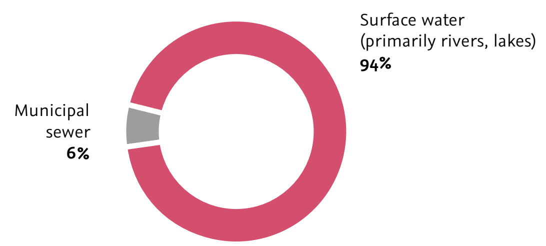
Some of the water required by a sugar factory enters the facility in bound form in the beet itself and is thus obtained from the raw material and then used in processing. Sugar beets consist of about 75% water, which must be separated from the sugar during the manufacturing process.

This water is used in multiple ways: for leaching the sugar from the beet cossettes, for the process steam needed in sugar extraction, and for transporting and cleaning the beets. The water is continually cleaned and returned to the process cycle. In-house or municipal wastewater treatment plants at all sites ensure the environmentally responsible treatment of the effluent in compliance with local government requirements. Only cleaned wastewater satisfying the applicable environmental standards is thus discharged into the receiving waters.

Water withdrawal at AGRANA's sugar plants in 2021|22 by source



Receiving waters for the wastewater of AGRANA's sugar plants in 2021|22



In the 2021|22 financial year, the Sugar segment released about 2.2 million cubic metres of water previously bound in the beet, thus creating a negative water consumption balance. In other words, more water was discharged than withdrawn, which is a desirable situation. Per tonne of product output, approximately 0.98 cubic metres (or 980 litres) of water were discharged into receiving waters.

Waste from processing operations at AGRANA's sugar plants

Sugar segment	2021|22	2020|21	2019|20
Waste disposed	37,342 t	34,728 t	38,610 t
Of which hazardous waste	116 t	137 t	312 t
Waste per tonne of product	16.8 kg	19.3 kg	20.8 kg
Hazardous waste per tonne of product	52 g	76 g	168 g

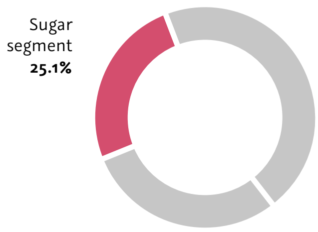
The absolute volume of waste increased by only 7.5% year-on-year, which was less than the growth in processing volume. The specific volume of waste per tonne of product decreased by about 12.9% compared to the prior year, and that of hazardous waste fell by a significant 31.4%.

EcoVadis
For the 2021|22 financial year, AGRANA Zucker GmbH chose not to update its data in the EcoVadis international supplier rating platform, in view of the long waiting periods for the previous year's assessment and the resulting delay in validity of the existing assessment. In the 2020|21 financial year, AGRANA Zucker GmbH had achieved a Silver rating. The next EcoVadis data update will be made in the 2022|23 financial year.

Investment

In the Sugar segment, AGRANA had capital expenditure of € 20.7 million in the 2021|22 financial year (prior year: € 15.9 million), primarily for investments in energy efficiency and product quality. To name two examples, the energy supply of the Sereď, Slovakia, site was converted to natural gas and the distributed control system in Tulln, Austria, was expanded.

Share of Group investment in 2021|22



Additionally in 2021|22, € 2.2 million (prior year: € 15.1 million) was invested in the equity-accounted joint ventures (the AGRANA-STUDEN group and Beta Pura GmbH, Vienna; values for these entities are stated at 100% of the total).

Research and development

Operating in a highly competitive marketplace, it is crucially important for AGRANA to identify market trends early, satisfy the markets' needs through product innovations and develop customised solutions for its clientele. In close partnership with customers, AGRANA's research and development (R&D) teams are always working on new technologies, specialty products and innovative applications for existing products, thus supporting the Group's strategic focus on lasting success.

The AGRANA Research & Innovation Center (ARIC) in Tulln, Austria, is the Group's central research and development hub for the Fruit, Starch and Sugar businesses; it works together with AGRANA's 17 local new-product development centres (NPDs) for fruit products. A key goal of ARIC, which is structured as a separate company wholly owned by AGRANA Beteiligungs-AG, is to develop innovative products from sugar beets, potatoes, corn (maize), waxy corn, wheat and various fruits. ARIC is active nationally and internationally as an in-house R&D service provider for sugar technology, agriculture, food technology, starch technology, microbiology, biotechnology and fruit preparations.

The collaboration of R&D specialists from the different segments (Fruit, Starch and Sugar) under one roof not only drives administrative synergies but, above all, promotes a creative exchange between different research groups and disciplines, particularly on subjects that cut across segment boundaries. The complementarity between the different groups' experience is particularly valuable in cross-segment areas of research, such as technologies, thickening and sweetening solutions, aromas, microbiology, product quality and safety, and organic products.

Research und development		**2021|22**	**2020|21**[1]
R&D expenditure (internal and external)	€m	20.0	19.2
R&D-to-sales ratio[2]	%	0.69	0.75
Number of employees in R&D (headcount)		315	315

Fruit Segment

Technology

When storing fruit preparations for further processing, customers often want to keep them at ambient temperature rather than refrigerated. This saves cold chain logistics and thus reduces costs and energy use. As part of large-scale studies, AGRANA investigated the influence of storage temperature on the quality of fruit preparations, thus creating the basis for a corresponding ambient product range

More than 20% of all hospital patients suffer from severe swallowing difficulties and can only eat food in puréed form. This gave rise to the idea of assembling hospital meals by 3D printing. For this purpose, fruit preparations were developed which both have the right consistency to be printable in multiple layers and are as easy to swallow as possible.

Pasteurisation of food ensures its microbiological safety and shelf life. This also applies to chocolate that is added to fruit preparations. Based on an extensive study, a process for the gentle pasteurisation of chocolate with an optimal taste experience was developed and implemented.

For many consumers, the texture of strawberry pieces in fruit yoghurts is an important quality marker. AGRANA continually develops and improves processes that preserve the firmness of strawberries despite pasteurisation, thus catering to this customer requirement. A particular goal of the most recent process development work in this area was to minimize the resulting loss of juice.

Product development

The entry into the confectionery business was prepared with the development of a foamed and chocolate-coated fruit bar. Despite a very high fruit content, and without using animal gelatine, the R&D department succeeded in developing a stable product that can also be produced by B2B customers using different technologies. The next step is the scale-up to industrial production.

[1] The values for the prior year have been adjusted by including new product development conducted in the fruit preparations business.
[2] R&D expenditure as a share of Group revenue.

Foods based on plant protein are playing an increasingly important role in daily consumption. Acting on this trend, AGRANA has developed a safe process for producing a protein drink from apricot kernels.

Fruit juice concentrates

Strategic investments both in infrastructure and personnel were made in the areas of beverage bases, aromas and the production of fruit-juice and vegetable-juice concentrates.

The utilisation of natural juice aromas and the in-house production of composite aromas continued to be developed further and were systematically expanded in order to build up the growth segment of beverage bases and the aroma business.

Processes for colour enrichment of fruit and vegetable juices were put into practice and continuously improved.

Starch segment

Raw materials

Through the study and further development of new corn (maize) and wheat varieties, valuable insights were gained for optimising implementation on a production scale. New innovative types of starch products are used in various food applications as well as in the technical (i.e., non-food) segment.

Food applications

The food industry market in general is evolving dynamically and the starch sector too expects new application concepts and recipes for starches. By making new food trends a specific focus of research, AGRANA aims to increasingly serve the growing consumer needs in the area of plant-based food (vegan meat products and dairy-alternative products).

New products and technologies

The continuing growth in demand for clean label products free of E numbers is driving the development of new starch products. Novel technologies are being used that enable raw materials to be refined while still complying with organic standards.

Due to changes in legislation, even higher quality standards were introduced for existing organic saccharification products and infant formula, which were met by newly developed and already implemented adjustments in the respective process lines.

In the area of vegetarian and vegan food preparations, AGRANA investigated, among other things, by-products from starch extraction for their potential as food additives to increase nutrient content. Their effects as functional additives for purely plant-based nutrition were also tested.

In connection with AGRANA's climate strategy, which aims to achieve CO_2-neutral production in the Starch segment as well, more evaluations than before were performed on the thermal utilisation or the capture of biogas from by-products of starch and bioethanol production.

Non-food applications

The main areas of focus in the year under review were efficiency improvements in common production processes for technical starches, and research into new starch products in order to be able to offer more sustainable solutions in various applications.

In the building materials segment, new product types were developed, especially for use in tile adhesives. With the development of a particularly environmentally friendly starch ether, the portfolio was expanded in line with the eco-label trend.

Alternatives to synthetic binders, especially in the area of adhesives, are becoming increasingly important, requiring fresh approaches in starch development. With the help of innovative technologies, starch products with new capabilities in terms of adhesive properties were able to be produced for the first time.

The successful development work in home-compostable starch-based bioplastics continued. By optimising process control, the development team achieved an ecologically and economically more advantageous manufacturing process for starch-based compounds. Tailor-made solutions for new applications in food packaging were developed in close cooperation with external partners.

Biotechnology

The waste sludge produced during the processing of agricultural raw materials is a valuable resource for use as biofertiliser. Methods were developed for significantly increasing the dry matter of the fertiliser through its production process.

In bioethanol production, process optimisation is an important part of the R&D activities. AGRANA recently made energy savings a particular focus, working on improvements in the evaporation process, for example.

Sugar segment

Raw material/agriculture

In order to continue to ensure or enhance the competitiveness of sugar beet as a raw material, work is being done on ways to increase sugar yields. Climatic changes in particular are leading to increased pest pressure and a greater spread of leaf diseases in sugar beet stocks.

As active ingredients such as neonicotinoids for protecting sugar beet from pests like the beet weevil are increasingly coming under criticism, AGRANA is working with beet farmers to find new solutions. Comprehensive monitoring of pest occurrence formed the basis for the establishment and operation of warning services that allow timely measures to be taken to regulate the populations of these insect pests. A special focus is on work on population control of the beet weevil, which includes mechanical, insecticidal and, above all, biological measures in sugar beet fields.

Generally speaking, increased restrictions apply in soil and fertiliser management in beet cultivation, and agricultural research must help farmers work with these new operating conditions. The development of new beet varieties with high tolerance to leaf spot disease (Cercospora beticola) is one of the ways in which AGRANA is adapting to the decline in the number of permitted fungicidal active ingredients. Further advances in tillage concepts and the judicious management of varieties and of fertiliser use are to help avoid so-called unproductive water losses. Development work also focuses on improvements in catch-crop mixtures. The cultivation of catch-crops protects soils from erosion and leaching, and improves soil fertility by increasing the organic matter content.

Technology

Climatic influences such as drought and heat, as well as beet diseases, can affect the quality of the sugar beet and thus impact its processing in the factories. AGRANA therefore works continually to optimise the processing methods and the use of additives.

The focus in the year under review was on process optimisation in the sugar crystallisation stage in order to achieve a higher sugar yield at lower molasses purity and thus also reduce energy consumption. Against the backdrop of the European Green Deal, a funded project was launched for this purpose in which various innovative processes and technologies for optimising the quality of sugar syrups are being investigated. The aim is to enable the crystallisation of white sugar with minimum use of fossil fuels.

For retail sugar products, new packaging materials were tested that, while providing the same product protection as before, do not require composite materials and are thus expected to reduce plastics use.

By-products

Prompted by the debate in the EU on guidelines for the content of nitrate and nitrite in animal feed raw materials produced by the sugar industry, a multi-year research project with external funding support was carried out in cooperation with Vienna's University of Natural Resources and Applied Life Sciences and completed in the 2021|22 financial year. The results of the project now ensure the production of molasses with low nitrate and nitrite content in the sugar factories.

AGRANA's people

In the 2021|22 financial year the AGRANA Group employed an average total of 8,877 people (by headcount; prior year: 8,920). Of this total, 2,476 worked in Austria (prior year: 2,519) and 6,401 were employed in other countries (prior year: 6,401).

The number of employees in each business segment was as follows:

Segment	Average number of employees (headcount) in financial year		Average number of FTE[1] in financial year		Number of employees (headcount) at balance sheet date	
	2021|22	2020|21	2021|22	2020|21	28 Feb 2022	28 Feb 2021
Fruit	5,772	5,703	5,662	5,695	5,434	5,215
Starch	1,171	1,178	1,137	1,149	1,162	1,164
Sugar	1,934	2,039	1,892	2,003	1,779	1,810
Group	**8,877**	**8,920**	**8,691**	**8,847**	**8,375**	**8,189**

In the 2021|22 financial year the AGRANA Group employed an average of 8,691 full-time equivalents (prior year: 8,847). In the Fruit segment, the number of employees declined mainly as a result of a reduced need for temporary staff amid low harvest volumes. The reduction in the Starch segment was primarily due to the labour market situation and the lower order volume. In the Sugar segment, organisational changes led to the decrease in staff numbers.

The average age of permanent employees[2] on 28 February 2022 was 42 years (for details on the age structure, see the GRI content index, page 200). Of the permanent employees, 29.8% (prior year: 29.5%) were women, and 64.5% of salaried staff had an academic degree (prior year: 66.2%). The turnover rate[3] for permanent staff in 2021|22 was 16.9% (prior year: 14.9%). The proportion of employees with a part-time contract[4] was 4.0%. The share of temporary agency staff[5] was 5.7%.

Human resources management

AGRANA's personnel strategy focuses on encouraging sustainable and entrepreneurial thinking and action. Appreciation, mutual respect and social consciousness form an essential part of the corporate culture; this is especially important given the international and culturally diverse environment.

AGRANA employees within the GRI reporting boundaries[6]
at the balance sheet date of 28 February 2022[7]

Segment	Non-permanent staff[8]		Permanent staff						Managers[9]		Of whom executive leadership[10]	
	Total	Female	Blue-collar	Female	White-collar	Female	Total	Female	Total	Female	Total	Female
Fruit	1,340	56.9%	2,500	22.4%	1,594	47.2%	4,094	32.1%	303	26.4%	9	11.1%
Starch	51	15.7%	720	12.6%	391	47.1%	1,111	24.8%	71	18.3%	2	50.0%
Sugar[11]	150	33.3%	939	17.3%	690	41.2%	1,629	27.4%	144	27.8%	16	18.8%
Group	**1,541**	**53.2%**	**4,159**	**19.5%**	**2,675**	**45.6%**	**6,834**	**29.8%**	**518**	**25.7%**	**27**	**18.5%**

Diversity and inclusion are embedded as an integral part of AGRANA's fundamental principles – the Code of Conduct – and in a supplementary Diversity & Inclusion (D&I) Policy, in order to expand and further strengthen the preservation and promotion of the diversity of its employees and their equitable participation and belonging in the company. With its D&I initiative, AGRANA is committed to a diverse and inclusive corporate culture for its employees worldwide and

[1] Full-time equivalents.
[2] Permanent employees of AGRANA Group companies.
[3] Staff turnover rate = total number of departures of permanent AGRANA employees reported in the financial year ÷ average number (headcount) of permanent AGRANA employees.
[4] Proportion of the total workforce at 28 February 2022, by headcount.
[5] Proportion of the average total workforce for the financial year, by headcount.
[6] See GRI reporting boundaries.
[7] For prior-year values, see GRI content index, page 196.
[8] Almost all non-permanent positions represent seasonal local workers in the processing campaigns.
[9] Management positions at reporting levels 2 and 3.
[10] Reporting level 1 (the reporting level immediately below the Management Board of AGRANA Beteiligungs-AG; Level 1 also includes the regional managing directors of the three segment).
[11] The staff of AGRANA Beteiligungs-AG is counted under the Sugar segment.

contributes daily to creating a work environment that is free of unfair restriction and of discrimination.

The globally operating fruit preparations business is leading the way in implementing D&I measures. It already has a complete network of D&I officers, who roll out local and multi-site D&I initiatives, ensure compliance with the D&I Policy and core principles, and look after local employees. In the 2021|22 financial year, another important milestone in the D&I programme was reached by conducting training sessions in the fruit preparations business worldwide on unconscious bias in order to raise awareness of this issue.

Motivation, integrity and collaboration are further key values fostered by AGRANA's human resources strategy. Special attention is paid to staff development in order to identify and promote employees' potential and ensure the lasting competitiveness of the company.

In 2021|22, the functionalities of the global human resources management system were further expanded and new modules successfully implemented. The HR management system is designed to improve the efficiency of personnel processes, support quality assurance, create transparency and increase data security. Going forward, the focus will be on gradually further developing the functionalities of this system and adapting it to the constantly changing requirements.

Variable compensation

The incentivising and recognition of performance is a major element of the personnel strategy and a significant factor in the Group's success. To help achieve the company's strategic and operational objectives, a Group-wide performance management system is in place for managerial staff. Next to targets related to the corporate financial position and profit, the variable compensation plan also involves personal targets to encourage and reward outstanding individual performance. In the 2021|22 financial year, 10.5% of all employees (prior year: 10.8%) were covered by this incentive-enhanced compensation system.

AGRANA HR team recognized with multiple awards

AGRANA Beteiligungs-AG took third place in the BEST RECRUITERS study's Austrian industry ranking of food and consumer goods manufacturers in the 2021|22 financial year and was awarded the 2021|22 BEST RECRUITERS mark.

BEST RECRUITERS is the largest recruiting study in the German-speaking countries. It annually reviews the quality of recruiting practices of the top employers in Austria, Germany, Switzerland and Liechtenstein. The study considers more than 200 scientific criteria in assessing recruiting presence, job advertisements and the treatment of applicants.

The awarding of the BEST RECRUITERS mark underlines the great importance which AGRANA attaches to the respectful and friendly treatment of potential new employees. AGRANA sees this recognition as an affirmation of its efforts to continually raise the quality standards it applies to the process of searching for new talent, and takes it as motivation to follow promising new recruiting trends.

The subsidiary Moravskoslezské Cukrovary A.S. in the Czech Republic was recognised in 2021|22 with third place in "Employer of the Year 2021" awards in the South Moravia region.

Staff development and training

At AGRANA, employees and their skills and abilities are a central focus. The Group sees it as highly important to recognise, promote and invest in the potential of its employees. Through many job skills trainings, language courses, personal development offerings as well as intensive Group-wide programmes, AGRANA promotes the continual expansion and transfer of its employees' knowledge and abilities. These staff development measures not only strengthen the Group's competitiveness but also help raise employee motivation and engagement. AGRANA offers onboarding programmes and welcome days on an ongoing basis to give new staff an overview of the Group as a whole and of their own area of activity. Many of these were converted to online mode last year to meet current requirements.

In the 2021|22 financial year, the focus in training and development was on the development of managers and on providing impetus around topical issues such as resilience or collaboration in hybrid work arrangements. Special emphasis was placed on the new ways of working together within and between teams, in order to be able to cope as well as possible with the new demands of the flexible working world.

In 2021|22 the Group trained an average of 93 apprentices (of whom nineteen, or 20.4%, were female). An average of 68 apprentices were employed in Austria (of whom seven, or 10.3%, were female), and a combined average of 25 apprentices (of whom twelve, or 48%, were female) in Germany, France, Algeria and Brazil, which have a dual education system similar to Austria's, i.e., combining apprenticeship and vocational school. The training was provided in areas such as electrical engineering technology, mechanical engineering technology, metalworking technology, lab technology (chemistry), chemical engineering technology, food technology, mechatronics, industrial sales, technical drawing and logistics.

In order to enhance the attractiveness of apprenticeship vocations and to introduce pupils to career opportunities in technical occupations, information brochures for apprentices were created at individual locations. In addition, Group sites participated in events to present apprenticeship occupations, which in 2021|22 were held partly virtually and partly physically. Apprentices were also offered workshops and training courses in various subject areas. As well, the online presence on social media was continued.

During the COVID-19 pandemic, new forms of collaboration were practised. Especially the hybrid format became ever more important in the 2021|22 financial year. At AGRANA, as a result, this format is now being permanently integrated in how the company works. This requires well-thought-out rules and relies on a culture of trust and a focus on results. For this reason, a Home Office Policy was developed for AGRANA's Austrian sites, providing the necessary framework for the new hybrid model. Accompanying supporting measures helped the teams find the right form of hybrid cooperation for them, thus assisting them in developing into "hybrid high-performance teams".

Training hours of AGRANA employees[1]
in the 2021|22 an 2020|21 financial years

	2021|22				2020|21			
	Average training hours per employee			Proportion of employees who received training	Average training hours per employee			Proportion of employees who received training
Segment	Total	Male	Female		Total	Male	Female	
Fruit	19.6	19.3	20.3	90.7%	18.3	17.3	20.1	83.4%
Blue-collar	17.1	17.5	15.9	92.3%	16.5	15.6	19.5	83.1%
White-collar	23.6	23.5	23.7	88.3%	21.0	21.3	20.7	83.7%
Starch	7.6	6.7	10.2	67.7%	11.2	10.6	12.8	94.0%
Blue-collar	7.2	6.7	10.4	51.7%	9.2	8.6	13.4	92.3%
White-collar	8.3	6.6	10.2	97.4%	14.8	16.7	12.5	97.1%
Sugar[2]	16.1	16.7	14.4	97.8%	16.9	17.5	15.1	95.0%
Blue-collar	17.5	18.7	12.4	98.9%	20.6	21.4	17.3	96.1%
White-collar	14.1	13.1	15.6	96.3%	11.8	10.5	13.9	93.6%
Group	**16.8**	**16.5**	**17.6**	**88.7%**	**16.8**	**16.2**	**18.1**	**87.9%**
Blue-collar	15.5	15.7	14.6	86.8%	16.3	15.7	18.4	87.7%
White-collar	18.9	18.1	19.8	91.7%	17.6	17.4	17.8	88.3%

The mandatory portion of training hours in 2021|22 (including occupational health and safety, first aid, compliance training, etc.) amounted to 60.2%. The Group's expenditure for external training and development in the 2021|22 financial year was about € 1.7 million (prior year: € 1.6 million), equivalent to 0.6% (prior year: 0.6%) of total wages and salaries.

Another focus in 2021|22 was on the further digitalisation of personnel development measures. Existing, established formats were now offered in digital form. A good example of this is the INCA meeting (short for Information and Communication @ AGRANA), which promotes networking within the AGRANA Group and getting to know the whole organisation. Here, 32 participants from all over the world had the opportunity to converse with the management and address interesting questions directly to the leadership. The five sessions over the course of three weeks were filled with presentations by experts and the management, an inspiring session on working digitally, and a hackathon. The winning hackathon project was then further developed across business segments. In this way, young, ambitious and motivated employees were offered a platform to make contacts in other business segments and attract the attention of top management.

At AGRANA, feedback is an important tool for personal and professional growth. Employees at AGRANA have the opportunity to take part in 360° feedback rounds. The goal of AGRANA 360° feedback is to give participating employees individualised impetus for their own skills development in terms of competencies that AGRANA particularly encourages. They receive holistic, structured, anonymous feedback from their own working environment based on a questionnaire. The evaluation of these responses identifies individual areas of strength, areas for improvement, and blind spots. In total, 40 employees participated in the AGRANA 360° feedback process in the 2021|22 financial year, thus receiving valuable input to help inform their future path.

[1] Permanent staff within the GRI reporting boundaries
[2] The staff of AGRANA Beteiligungs-AG is counted under the Sugar segment.

Workplace health and safety

In organisational terms, AGRANA's occupational safety management is the responsibility of the managing directors of AGRANA's segments and business units who are responsible for production, the plant managers of AGRANA's production sites and the local workplace health and safety officers. The workplace health and safety officers and safety specialists are responsible for ensuring compliance with all occupational health and safety measures prescribed by law or instituted by the company. These include, for example, both regular and event-driven hazard identification and risk assessment, the development of improvement measures, the organisation of occupational health and safety training and the analysis, documentation (together with Human Resources) and communication of actual occupational accidents. In all 25 countries where AGRANA has production facilities, there is some form of legal obligation for the employer to assess the workplace. This assessment is carried out by the safety specialists, in some cases in collaboration with external consultants, and must be documented in a way that is job-specific and accessible to employees. It must be reviewed at regular intervals or revised as necessary in the event of changes to the facilities or processes or after accidents. Employees are obligated to report identified hazards, such as through documentation in the shift log, via the company suggestion system, or during periodic safety inspection rounds. In the fruit preparations business with its global operations, this reporting obligation can for cultural reasons also be fulfilled anonymously at some locations.

Workplace safety data for the AGRANA Group[1]
for the 2021|22, 2020|21 and 2019|20 financial years

	Rate of recordable work-related injuries[2]			Rate of high-consequence work-related injuries[3]			Rate of fatalities as a result of work-related injury		
Segment	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**
2021|22									
Fruit	1.1	1.5	0.5	0.1	0.1	0.0	0.0	0.0	0.0
Starch	2.3	2.7	0.8	0.0	0.0	0.0	0.0	0.0	0.0
Sugar	1.9	2.4	0.8	0.1	0.1	0.0	0.1	0.1	0.0
Group	**1.4**	**1.9**	**0.6**	**0.0**	**0.1**	**0.0**	**0.0**	**0.0**	**0.0**
2020|21									
Fruit	1.1	1.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0
Starch	2.4	2.8	1.2	0.0	0.0	0.0	0.0	0.0	0.0
Sugar	2.7	3.1	1.7	0.1	0.1	0.0	0.0	0.0	0.0
Group	**1.6**	**2.1**	**0.7**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
2019|20									
Fruit	1.1	1.4	0.6	0.0	0.1	0.0	0.0	0.0	0.0
Starch	2.8	3.4	0.4	0.0	0.0	0.0	0.0	0.0	0.0
Sugar	2.6	2.8	1.9	0.1	0.1	0.0	0.0	0.0	0.0
Group	**1.6**	**2.1**	**0.8**	**0.0**	**0.1**	**0.0**	**0.0**	**0.0**	**0.0**

Two fatal work accidents occurred in the 2021|22 financial year (prior year: zero fatalities). In the 2021|22 financial year there were 127 work accidents in the workplace at the AGRANA Group (prior year: 146)[1]. In addition, there were 5 accidents of contractors (prior year: 5 accidents), which for organisational reasons are not included in the workplace safety data.

Type and number of workplace accidents in 2021|22
Bruises, crushing injuries, lacerations (46), slips/falls/falls from heights resulting in injuries (28), cuts and punctures (19), burns and scalds (10), injuries caused by incorrect lifting, carrying and storage (13), business travel accidents (3), eye injuries (3), others (5).

[1] Non-permanent (i.e., fixed-term or temporary) and permanent employees within the GRI reporting boundaries.
[2] Rate of recordable work-related injuries ("injury rate") = (total number of accidents[5] ÷ total paid hours worked[6]) x 200,000[7]
[3] Rate of high-consequence work-related injuries ("serious injury rate") = (total number of serious injuries[4] ÷ total paid hours worked[6]) x 200,000[7]
[4] An injury is classified as serious if no full recovery or healing occurs within six months of the accident.
[5] In AGRANA's workplace safety data, injuries are counted as accidents. Days are counted as lost from the first scheduled work day missed after the accident (excluding accidents on the way to or from work).
[6] Total paid hours worked are defined by AGRANA as contractual work hours plus paid overtime.
[7] Explanation oft the multiplier 200,000: The multiplier is intended to make the Group's internal workplace safety data comparable with other companies. It is based on the assumption of 40 work hours per week and 50 work weeks per year, for 100 employees (40 x 50 x 100). The effect of the multiplier is thus to convert from a company's average number of accidents, lost days or absentee hours (hours missed as a result of accident or illness) per hour of work done in the company, to an annual number per 100 employees.

Workplace safety targets for the AGRANA Group[1]
in the 2021|22 financial year and subsequent years

Segment	Targets for 2021|22	Target achievement in 2021|22	Targets for 2026|27
Fruit Fruit preparations business	Injury rate[2]: 0.9 Lost day rate[3]: 10.5 Ongoing implementation of workplace safety and COVID-19 containment measures.	✔ Injury rate[2]: 0.9 ✔ Lost day rate[3]: 8.9	Injury rate[2]: 0.65
Fruit juice concentrate business	Further reduction in number of accidents; raising awareness through ongoing communication and employee training; regular risk and hazard analysis to prevent causes of accidents.	■ Number of accidents in 2019|20: 17 ■ Number of accidents in 2020|21: 12 ✘ Number of accidents in 2021|22: 20	Injury rate[2]: 1.4
Starch	Injury rate[2]: 2.0 Lost day rate[3]: 20.0 Continuation of the internal training programme launched in 2020|21; to raise awareness, near misses and dangerous actions will in future be recorded as part of the monthly reporting in every operational area.	✘ Injury rate[2]: 2.3 ✔ Lost day rate[3]: 14.7 Continuation of the internal training programme; creation of a Sharepoint page on occupational safety, and digitalisation of the reporting system, including a workflow-based reporting process; capturing of near misses in the new reporting system.	Injury rate[2]: 1.4 Expansion of the workplace health and safety initiative; continuation of the internal safety training programme based on the "golden rules for work – safe and healthy together"; regular personal safety training for all employees by the respective department heads, with a focus on department-specific hazards; optimisation and digitalisation of the reporting system (including workplace accidents, near misses and incidents); defined target for near misses and dangerous actions in each operational department; development of an approach for regular safety walk-arounds.
Sugar	Injury rate[2]: 2.5 Lost day rate[3]: 31.1 Continuation of quarterly work safety meetings with the plant managers and safety specialists, introduced in 2020|21; mandatory reporting in the weekly meeting of the country managers.	✔ Injury rate[2]: 1.9 ✔ Lost day rate[3]: 30.2 Continuation of quarterly work safety meetings with the plant managers and safety specialists, introduced in 2020|21; mandatory reporting in the weekly meeting of the country managers; "Safety first" as an agenda item in the best-practice meetings of the Sugar segment's department heads.	Injury rate[2]: 1.4 In addition to existing occupational safety initiatives, from 2022|23 internal safety audits will be carried out at the Sugar sites by safety experts from other segments as part of best-practice sharing within the AGRANA Group.

[1] Employees within the GRI reporting boundaries.
[2] See definition on page 80.
[3] Lost day rate = (total number of lost days[4] ÷ total paid hours worked)[2] x 200,000[2]
[4] An eight-hour work day is assumed.

In addition to legally required local occupational health and safety measures and reporting obligations (e.g., to insurance providers), the AGRANA Group has for many years collected monthly, standardised worldwide data on workplace health and safety. This serves to improve the Group-wide comparability and analysis of occupational accidents and forms the basis for the development of improvement measures and targets under the programmes in the business segments and businesses.

The central occupational health and safety committee, which convenes annually, provides the occupational health and safety officers of the European sites, the managing directors responsible, human resources managers and employee representatives with a forum for the supraregional and cross-functional discussion of safety and health issues, such as the analysis of selected accidents or types of accident (including those occurring at non-European sites) and the discussion of further measures for accident prevention. In the internationally operating fruit preparations business, there are also functionally diverse working groups and advisory bodies that have made the division's "Safety First" occupational safety programme the AGRANA Group's leading initiative in workplace safety.

Unfortunately, despite all safety measures, AGRANA has two fatal occupational accidents to report for the 2021|22 financial year, which occurred at the AGRANA sugar factory site in Buzau, Romania. The deceased were employees who, in so-called good-will actions, wanted to assist colleagues or a haulage contractor outside their actual area of responsibility or scope of work. One accident involved an effort to clean a clogged screw conveyor; the other occurred when directing a truck to a loading ramp to pick up product. The tragic fatalities were addressed through the further development of the accident prevention strategy and the strengthening of cross-segment, mutual internal safety audits.

The COVID-19 pandemic continued to shape AGRANA's business activities in 2021|22, the second pandemic year, although to a certain degree, working with the pandemic became routine thanks to the learning effects from the first year of the public health crisis. With a thoughtful prevention strategy, the AGRANA Group was able to keep the number of COVID-19 cases relatively low. All AGRANA production sites used appropriate preventive measures such as non-contact shift handovers, physical distancing rules, personal protective equipment and tightened hygiene protocols, according to the respective needs dictated by the local infection situation. Brief closures were implemented at two sites to help prevent the further spread of COVID-19 among local staff: A fruit juice concentrate site in Poland started early into a slightly extended Christmas break of 14 days, and the fruit preparations facility in Algeria paused operations for three days at the end of January 2022. Other preventive measures included regular free COVID-19 rapid antigen tests and vaccination against the virus at many sites.

During the periods of high local infection rates, administrative staff worked remotely to the extent possible. Regular communication was maintained by meeting and coordinating virtually.

From the beginning of the coronavirus pandemic, the measures taken have enabled AGRANA to ensure the supply of its products to its customers despite the additional challenges. Since the outbreak of the pandemic, AGRANA has not taken advantage of any state-subsidised work sharing schemes (short-time working) for its employees in Austria.

Regarding security measures for employees in Ukraine due to the war, see "War in Ukraine" within the "Risk Management" section, page 91.

Health programmes

As part of its ongoing routine occupational health care under the "AGRANA Fit" programme, at many sites AGRANA offers preventive health check-ups and/or vaccinations (for influenza, tick-borne encephalitis, COVID-19, titre testing, etc.). These are intended to help maintain and improve employees' health and well-being. As well, some locations have individual arrangements with local health care organisations and fitness facilities.

AGRANA provides a broad sports offering for its employees, such as running groups, "deep work", Zumba toning, high-intensity interval training, after work bodyweight, vinyasa flow yoga, Pilates and boot camp courses. The courses were offered in digital format in 2021|22 to enable employees to participate from home. Alongside the wide variety of health and sports opportunities, the Group also provided many workshops for employee information, awareness-building and development in the areas of work-life balance management, nutrition, stress reduction, burnout prevention, and for good ergonomics in the workplace.

As healthful nutrition is such an important element of personal well-being, AGRANA promotes healthy, balanced diets through workshops and local campaigns, such as making available free fresh fruit.

Aside from these opportunities to improve and maintain physical health, an assessment of psychological strain in the workplace was conducted in the 2021|22 financial year at all Austrian sites. The employees were asked about various aspects of their daily work by means of questionnaires and voluntary in-depth group interviews. The response rate was very high, and consistently good levels of psychological health were found across all Austrian locations. Once the analysis was completed, several subject areas were discussed in working groups and the results were presented to the employees, management and the staff council. The project was directed by a cross-segment working group, and the further identification and implementation of measures was then carried out by a wide variety of interest groups within the Group companies.

Balancing work and family

Ensuring that work is compatible with family life is an important part of AGRANA's human resources strategy from a social responsibility perspective. AGRANA in 2016 thus joined the Austrian "Business for Family" network of the Federal Ministry for Work, Family and Youth (also see the corporate governance report, page 17).

Across the Group, this is reflected in numerous initiatives and offerings for employees. The possibility of working from home, the funding or even direct provision of child care in certain locations (including special such services during the holidays), variable work hours, and a parent-child office at the Vienna headquarters are all part of this effort.

Risk management
and system of internal control

The Management Board of the AGRANA Group recognises the importance of active and effective risk management. The basic aim of risk management at AGRANA is to identify risks and opportunities as early as possible and take appropriate measures to safeguard the profitability and continued existence of the Group.

The AGRANA Group uses integrated monitoring and reporting systems that permit regular, Group-wide assessment of the risk situation. For the early identification and monitoring of risks relevant to the Group, two mutually complementary control tools are in place:

- An enterprise-wide, **operational planning and reporting system** forms the basis for the monthly reporting to the appropriate decision-makers. Under this reporting process, a separate risk report is prepared for the Group and for each business segment. Its focus is on the determination of sensitivities to changing market prices for the current and next financial year. The individual risk parameters are assessed on an ongoing basis in relation to the current budget (prepared at the start of the year) or the current forecast (as updated in the course of the year), so as to be able to calculate the impacts on the profit measure "operating profit before exceptional items and results of equity-accounted joint ventures". Besides this ongoing reporting, the risk managers from the business areas regularly discuss the business situation and the use of risk mitigation measures directly with the Management Board.

- The **strategic risk management** aims to identify material individual risks and evaluate their implications for the overall profile of risks and opportunities. Twice every year, the medium- to long-term risks in the individual business areas are analysed by a designated risk management team together with the Group's central risk management function. The process involves risk identification and risk assessment by probability of occurrence and potential magnitude of risk/opportunity, the definition of early warning indicators and the taking of countermeasures. Also, the aggregate risk position of the AGRANA Group is determined for the current financial year using a Monte Carlo simulation, an established standard calculation in risk management. This allows a judgement to be made as to whether a combination or accumulation of individual risks could pose a threat to the ability to continue in business as a going concern. The results are reported to the Management Board and the Audit Committee of the Supervisory Board.

Risk management representatives have been designated for the business segments of the AGRANA Group. These representatives are responsible for initiating loss-minimising measures as required, subject to Management Board approval.

The design and implementation of risk management under rule 83 of the Austrian Code of Corporate Governance is evaluated annually by the independent audit firm, which submits the findings in a final report on the viability of the Group-wide risk management.

Risk policy

AGRANA sees the responsible management of business opportunities and risks as an essential basis for purposeful, value-driven and sustainable business management. The Group's risk policy seeks to ensure risk-aware behaviour, sets out clearly defined responsibilities and stipulates independent risk control as well as integrated internal controls.

Throughout the Group, risks may be assumed only if they arise from the core business of the AGRANA Group and if it does not make economic sense to avoid, insure or hedge them. The policy is to minimise risks to the extent reasonably possible while achieving an appropriate balance of risks and returns. The assumption of risks outside the operating business is prohibited without exception.

AGRANA Beteiligungs-AG is responsible for the Group-wide coordination and implementation of risk management arrangements determined by the Management Board. The use of hedging instruments is permitted only to hedge operating business transactions and financing activities, not for speculative purposes outside the core businesses of the AGRANA Group. The positions in hedge contracts and their current value are regularly reported to the Management Board.

Significant risks and uncertainties

The AGRANA Group is exposed to risks both from its business operations and from its national and international operating environment. Going forward, the consequences of climate change will become increasingly important.

Operational risks

Procurement risks

AGRANA is dependent on the availability of sufficient amounts of agricultural raw materials of the necessary quality. Beyond a possible supply shortfall of appropriate raw materials, a risk is also posed by fluctuation in the prices of these inputs (to the extent that the difference cannot be passed through to customers). Major drivers of availability, quality and price are weather-related conditions in the growing regions (also see “Non-financial information statement”, page XX), the competitive situation, regulatory and legal requirements, and movements in the exchange rates of relevant currencies.

In the area of energy procurement, the 2021|22 financial year was marked by price increases of historic magnitude. The future price trend for energy commodities can have a significant impact on AGRANA's profitability. To lock in energy prices, certain volumes of gas and electricity are hedged over a medium-term horizon.

In the **Fruit segment**, crop failures caused by unfavourable weather and by plant diseases can adversely affect the availability and purchasing prices of raw materials. In the fruit preparations business with its worldwide presence and its knowledge of procurement markets, AGRANA is able to anticipate regional supply bottlenecks and price volatility and take appropriate remedial action in response. On the purchasing side, annual contracts are concluded were possible.

In the fruit juice concentrate business, the risks related to raw materials, production and sales are managed centrally. Both foreign-currency purchases of raw materials and sales contracts in foreign currency are hedged using derivatives. In these derivatives contracts, no short or long positions are taken that exceed the amount necessary for hedging the underlying transaction. The risk of fluctuating energy prices is countered by hedging energy purchases at an early stage. Particular challenges in the 2021|22 financial year were the pass-through of increased raw material prices for berry juices, coping with the global transport crisis, and managing energy and packaging costs.

In the **Starch segment**, corn and wheat are the main raw materials. Energy costs are another significant component of manufacturing costs. The ability to pass on procurement price fluctuations to customers is dependent on the product or industry.

In starches and by-products, changes in procurement prices lead to a change in product market prices in the same direction, which acts as a natural hedge by partly offsetting the raw material and energy price risks. Selling prices of bioethanol in Europe are driven largely by the quotations on the Platts information platform, which do not reflect raw material prices but fluctuations in the ethanol market. The volatility in bioethanol prices is correspondingly high. For saccharification products, the prices are correlated with European sugar prices and are largely unaffected by raw material price movements.

Thanks to procurement in national and international markets, the raw material supply can largely be regarded as secure. The supply of specialty raw materials is sufficiently secured through contract farming and supply contracts. When economical, raw material prices can also be hedged and/or the supply secured through futures contracts and over-the-counter derivatives, both of which require management approval. The volume and results of these hedges are included in the regular reporting and are reported to AGRANA’s Management Board.

In the **Sugar segment**, sugar beet and raw cane sugar are used as raw materials. Besides weather factors, an important determinant of sugar beet availability is how profitable it is for farmers to grow beet compared to other field crops. The availability of sugar beet is becoming an increasingly significant consideration, as final beet prices partly depend on the sales price of sugar.

With the aim of keeping both Austrian sugar plants in production, AGRANA intensified its efforts regarding the collaboration with beet farmers and beet grower associations in order to contract the required volume of beet. Negotiated minimum prices are paid for sugar beet so that farmers can budget with predictable and more stable parameters.

Possible future cancellations of national coupled premiums for beet cultivation paid to farmers in the beet production regions of Hungary, Romania, the Czech Republic and Slovakia will have a negative impact on incomes of local farmers and may represent a price and/or volume risk for AGRANA.

At the refining facilities in Bosnia and Herzegovina and in Romania, the basic driver of AGRANA's profitability is how much value can be added by processing the purchased raw sugar given the market prices achievable for white sugar. Next to the risk of high raw sugar purchasing prices, another procurement risk lies in the regulations on the import of white and raw sugar to the European Union and the CEFTA countries. The prices for the required raw sugar are hedged with commodity derivatives where financially appropriate. Additionally, exports of white sugar and contracts with industrial customers are hedged using commodity derivatives. Hedging is performed in accordance with internal policies and must be reported to the Management Board.

The production processes, especially in the Starch and Sugar segments, are energy-intensive. AGRANA therefore continually invests in improving energy efficiency in the manufacturing facilities and the transition to lower-emission or renewable sources of energy. The quantities and prices of the required forms of energy are also to some extent hedged, for the short and medium term.

Product quality and safety

AGRANA sees the manufacturing and marketing of high-quality, safe products as a fundamental requirement for long-term economic success. The Group applies rigorous quality management that is continually refined and that meets the requirements of the relevant food and beverage legislation, standards and customer specifications. The quality management covers the entire process from raw material procurement, to manufacturing, to delivery of the finished product. The compliance with legal and other quality standards is regularly verified by internal and external audits. In addition, product liability insurance is carried to cover any remaining risks.

Market risks and competitive risks

In its worldwide operations, AGRANA is exposed to strong competition from regional and supraregional competitors. The market entry of new competitors or the addition of more production capacity by existing rivals may intensify competition in the future.

After several years of continuous price declines, an upward trend in average sugar prices in the EU was seen in the 2021|22 financial year. The European sugar market continues to face numerous challenges: The COVID-19 pandemic is still having a significant impact on consumption and trade and has also led to an increase in energy and transport costs, among other consequences. The growing of sugar beet in the EU is also in intense competition with the production of other agricultural crops, such as corn and wheat. Going forward, the trend in sugar prices in European markets and non-EU markets will continue to have a major influence on the earnings situation in the Sugar segment.

The Group's own market position is continually monitored so that any required corrective action can be rapidly initiated. In response to demand and other factors, AGRANA frequently adjusts its capacity and cost structures in order to maintain its competitiveness in the core markets. The early detection of changes in demand patterns and consumer behaviour is based on the constant analysis of sales variances. In this context, AGRANA also monitors new technological developments and production processes in the market that, in the future, could lead to a partial backward integration on the part of customers into core businesses of individual segments of the AGRANA Group.

To strengthen existing market positions, AGRANA invests extensively in all its business segments. As well, investments in new markets are evaluated and undertaken.

The unstable political situation in Belarus and the unrest in Kazakhstan can have a negative impact on the market environment of the Fruit segment. Currently, however, the region continues to show a stable earnings situation; developments are being monitored continuously and closely (for a discussion of the war in Ukraine, see the section "Risk management", page 91). Furthermore, especially in Argentina, China and Turkey, the economic environment and its impact on market conditions are under constant observation by AGRANA.

IT risks

AGRANA is reliant on the functioning of a complex information technology infrastructure. System non-availability, data loss or data tampering and breaches of confidentiality in critical IT systems can have significant impacts on business operations. The general trend in external attacks on IT systems of organisations implies that the AGRANA Group too is or may increasingly be subject to such threats in the future. The maintenance of IT security is ensured by qualified internal and external experts and by appropriate organisational and technical measures. These include redundant IT systems and security tools that are state-of-the-art. Together with external partners, precautions have been taken to counter possible threats and avert potential damage.

Regulatory risks

Risks from sugar market regulation

As part of the risk management process, potential scenarios and their impacts are examined and assessed from an early stage. Current developments and their implications are also reported beginning on page 68 in the section on the Sugar segment.

Sugar regime: Since 1 October 2017 the European sugar industry has been operating in a transformed environment compared to the prior market regime. As part of the underlying new regulations, market transparency is enhanced in the agricultural and food supply chain. The EU Commission has adopted new regulatory measures in the form of various reporting requirements in the implementing regulations (EU) 2017/1185 and (EU) 2019/1746.

The aim is to improve transparency in the agriculture and food sector in order to enable informed decision-making by economic actors and public authorities and enhance market participants' understanding of market developments.

For the first time, this creates the need to determine prices at stages of the value chain that lie between the producers of the raw materials and the final consumers. This applies both to food retailers and wholesalers and to food processors.

Free trade agreements

Fearing competitive disadvantages for European companies, the EU's previously reserved position on bilateral free trade agreements has changed. The EU is negotiating free trade agreements with numerous countries. Future such agreements by the EU could have economic impacts on AGRANA. The company follows ongoing trade talks (which often stretch over years) and trade deals and analyses and evaluates the individual results as they become known.

The EU and the Mercosur countries (Argentina, Brazil, Paraguay and Uruguay) in June 2019 reached political agreement on a comprehensive trade agreement. The proposal then entered a ratification process in each member country.

The European Commission is currently negotiating the terms of a free trade agreement with Australia and New Zealand.

In addition, national tax and customs regulations and their interpretation by local authorities can lead to further risks in the regulatory environment.

European Green Deal

In December 2019, the European Commission presented its climate protection roadmap, the Green Deal. To meet the climate and environmental challenges, industrial sectors and all value chains are to be transformed within the next three decades. The overarching objective is to achieve net zero emissions of greenhouse gases (GHG) within the EU by 2050. An interim EU target adopted in December 2020 is to reduce GHG emissions by 55% by the year 2030 compared to 1990 levels.

Apart from the climate ambitions, under the Green Deal all areas of legislation will be reviewed for their consistency with the goal of climate neutrality. This may lead to legislative amendments, such as in the Industrial Emissions Directive or the Emissions Trading Directive, for example. Also important in this context are the discussions surrounding a carbon border adjustment mechanism, or CBAM (i.e., import fees levied by carbon-taxing countries on goods manufactured in countries that do not tax carbon) and the introduction of a price for CO_2. In addition to the proposed carbon border adjustment mechanism, other measures to ensure compliance with further environmental criteria for certain goods imported from third countries, such as the proposed regulation on deforestation-free supply chains, are currently being discussed.

Other Green Deal work packages that matter for AGRANA, especially when it comes to its supply chain, include the Farm to Fork initiative, the implementation of a circular economy and the biodiversity strategy. A further upcoming focus of work for the European Commission will be ensuring minimum social standards in the supply chain, which Germany has already adopted as part of its Supply Chain Due Diligence Act that will be in force nationally from 2023.

Another important core element of the Green Deal for the transformation towards a low-carbon society is the redirection of financial flows in favour of environmentally sustainable economic activities that contribute to achieving the six EU environmental objectives: climate change mitigation and adaptation, sustainable use of water resources, transition to a circular economy, pollution prevention, and protection of ecosystems and biodiversity. In summer 2020, the European Union adopted the EU taxonomy, a classification system that defines criteria for reporting sustainable (or "green") sales, investments and operating expenses, i.e., which serve primarily one of the above environmental objectives without significantly compromising any of the other five. In July 2021, technical screening criteria for individual economic activities and their contribution to the first two of the environmental objectives were published as part of a delegated act. To date, such criteria have been defined only for a very small proportion of AGRANA's business activities or products, while the majority are not yet covered by the EU taxonomy (see "Non-financial information statement", from page 30). The criteria are expected to be expanded in 2022 to address the production of food and food ingredients, which is material to AGRANA. Generally speaking, it is believed that as the share of "green" revenue, investment or operating expenses increases, there could be advantages in terms of financing and government subsidies.

As the regulatory provisions from the European Green Deal have not yet been finalised, specific statements about the impacts cannot yet be made. Developments on this front are monitored and evaluated on an ongoing basis.

EU Renewable Energy Directive

The EU's Renewable Energy Directive (RED II), adopted in December 2018, has material significance for the business activities of the Starch segment. As clarifications and definitions on the part of the European Commission are still outstanding, work on the national transposition of this directive continues. The relevant transposition deadline passed on 30 June 2021.

This directive sets a minimum requirement of 14% renewable energy in the transport sector by 2030. The share of cereal-based biofuels that can be counted towards this total is set at the level of the national share as of 2020, up to a maximum of 7%. Furthermore, a sub-target of at least a 3.5% share by 2030 was set for so-called advanced biofuels ("second-generation" biofuels). The list of raw materials qualifying for advanced biofuels is given in Annex IX of the directive and can be expanded by the European Commission.

In Austria the target for the biofuel share under the fuel regulation currently in force is 5.75% (based on RED I), of which 3.4% is the target for bioethanol (measured by energy content in both cases). The introduction of E10 would raise the biofuel content directly to the 7% target, at the existing production capacities. At the national level, this would not only meet the RED II requirements but also allow the demonstrable reduction of particle emissions.

Legal risks

AGRANA continually monitors changes in the legal setting relevant to its businesses or to their employees that could result in a risk situation, and takes risk management actions as necessary. Areas of law to which particular attention is devoted are anti-trust, food and environmental legislation, as well as data protection, anti-money laundering and anti-terrorism finance provisions. AGRANA maintains dedicated staff positions for matters of compliance, employment law and general areas of law, and provides regular further training for the employees involved.

As noted in previous annual reports, the Austrian Federal Competition Authority (AFCA) in 2010 sought a fine under an antitrust case for alleged competition-restricting arrangements with respect to Austria filed against AGRANA Zucker GmbH, Vienna, and Südzucker AG, Mannheim, Germany (Südzucker). The Vienna Higher Regional Court on 19 May 2019 dismissed the suit and did not impose a fine; the AFCA has appealed the decision to the Supreme Court. The AFCA justifies this primarily on the grounds that, in its decision, the German Federal Competition Authority took into account only the wrongfulness of Südzucker's behaviour in relation to Germany and that the imposition of an "additional penalty" in relation to Austria was both permissible and appropriate. By a decision of 27 March 2020, the Supreme Court adjourned the appeal proceedings and asked the European Court of Justice for a preliminary ruling on the scope of the "ne bis in idem" principle in EU competition proceedings. The ECJ ruled on 22 March 2022 that (due to the prohibition of "double jeopardy" or double punishment), Südzucker does not have to pay a fine if the facts investigated in Austria were included in the German settlement before the German Cartel Office. The case was therefore sent back to the court of first instance. The duration of the further proceedings is estimated at two years.

AGRANA Stärke GmbH is also a defendant in a proceeding before the Vienna Commercial Court. The plaintiff claims to have suffered damages from non-delivery of promised quantities of product. This proceeding in the court of first instance is at the stage of taking evidence. A first-instance decision is expected to come in the 2022|23 financial year. AGRANA considers the plaintiff's claims to be unfounded in view of the lack of a valid agreement on the purchase quantities.

Otherwise, there are no pending or threatened civil actions against companies of the AGRANA Group that could have a material impact on the Group's financial position, results of operations and cash flows.

Financial risks

AGRANA is subject to risks from movements in exchange rates, interest rates and product prices. It also has exposure to risks related to obtaining the financing required by the Group. The Group's financing management is provided centrally by the Treasury department, which regularly reports to the Management Board on the movement in and structure of the available credit lines, on the Group's net debt, on the financial risks and on the amount and results of the hedging positions taken.

The AGRANA Group operates worldwide and must observe different tax regimes, levy requirements and currency regulations. Changes in these rules by the legislative bodies, as well as their interpretation by local authorities, can have an effect on the financial results of individual Group companies and, consequently, on the Group.

Interest rate risks

Interest rate risks arise from fluctuation in the value of fixed interest financial instruments as a result of changes in market interest rates; this is referred to as interest rate price risk. By contrast, floating rate investments or borrowings are subject to minimal price risk, as their interest rate is adjusted to market rates very frequently. As a result of the negative interest rate environment that has existed in the money market for several years, especially in the euro zone, the AGRANA Group is also adversely affected in connection with floating-rate financial assets and financings. In the case of bank balances, there is the risk of negative interest rates being passed through, whereas in the case of some borrowings the negative interest rate is not passed through to benefit AGRANA.

In addition, the fluctuation in market interest rates entails risk as to the amounts of future interest payments; this is referred to as interest rate cash flow risk. AGRANA strives to employ interest rate hedging instruments that match the amount and maturity of debt financing. In accordance with IFRS 7, the existing interest rate risks are determined by calculating Cash-Flow-at-Risk and the modified duration and are presented in detail in the notes to the consolidated financial statements (the Notes).

Currency risks

Currency risks arise mainly from the purchase and sale of goods in foreign currencies and from financing in non-local currencies. For AGRANA, the principal relevant exchange rates are those between the euro and the US dollar, Hungarian forint, Polish złoty, Romanian leu, Ukrainian hryvnia, Russian ruble, Brazilian real, Mexican peso, Argentine peso and Chinese yuan.

As part of its currency management, AGRANA, on a monthly basis for each Group company, determines the net foreign currency exposure arising from the purchasing, sales, and cash and cash equivalent positions, including the hedging positions held. Open purchasing and sales contracts in foreign currencies that have not yet been settled are also taken into account. For the hedging of currency risks, AGRANA primarily employs forward foreign exchange contracts (also known as currency forwards). Through these, the value of cash flows denominated in foreign currencies is protected against exchange rate movements. In countries with volatile currencies, these risks are further reduced through the shortening of credit periods, indexing of selling prices to the euro or US dollar, and similar methods of risk mitigation.

Currency risk is determined using the Value-at-Risk approach and presented in the Notes.

Liquidity risks

The AGRANA Group's objective and policy is to hold sufficient cash and cash equivalents at all times to meet its payment obligations. Liquidity risks at single-company or country level are detected early through the standardised reporting, thus allowing timely mitigative action to be taken as appropriate. The liquidity of the AGRANA Group is sufficiently assured for the long term through bilateral and syndicated credit lines.

Counterparty and bank risks

Due to the AGRANA Group's transnational scope, bank balances and financial investments are held with various banking partners and have a global distribution. The AGRANA Group closely and regularly monitors the associated risk of default. Under its internal guidelines, business relationships may only be entered into with top-quality banks with a defined minimum credit rating. In cases where the minimum rating cannot be met, upper limits for credit balances are specified and must be strictly adhered to.

Risiks of default on receivables

Risks of default on receivables are mitigated by trade credit insurance, strict credit limits, and the ongoing monitoring of customers' credit quality. The remaining risk is covered by raising appropriate amounts of provisions (also see "Coronavirus disease (COVID-19)" below).

The financial risks are explained in detail in the Notes, in the section "Notes on financial instruments" (from page 157).

Coronavirus disease (COVID-19)

The global spread of coronavirus disease, or COVID-19, in the form of its different variants has continued to lead to drastic restrictions on public, social and economic life in many countries worldwide. AGRANA maintains production sites and sales locations on six continents and is therefore affected in various regions within and outside Europe.

Immediately following the declaration of the pandemic by the World Health Organization, a Group-wide pandemic policy was issued for the safety of employees and the maintenance of production. Essentially, this meant that crisis teams were activated, local business continuity plans implemented, communication and hygiene measures stepped up, and special attention was (and is) paid to complying with the authorities' recommendations and orders. Soon after vaccines became available, AGRANA actively supported the vaccination of employees. Restrictions regarding business trips are still in place. In addition, based on the success experienced with temporary work from home, and at the request of the staff, a hybrid remote work model was introduced in Austria that will remain in place beyond the pandemic.

All measures taken brought positive results for the Group and full production operations were successfully maintained at the 55 production sites worldwide[1]. In addition, the functioning of the transport logistics chains was ensured so that there were no significant delays in deliveries to customers.

As part of the critical infrastructure and as a food producer, AGRANA operates in one of the economically less affected industries. Nevertheless, despite vaccinations, COVID-19 and its variants will continue to have an impact on the trajectory of the global economy and there may be ongoing adverse effects on procurement, production and the markets served.

Immediately after the outbreak of the pandemic, the financial markets and interbank trading suffered temporary powerful disruptions, but these did not recur in AGRANA's 2021|22 financial year and instead the financial markets settled down and stabilised. Nonetheless, the economic trend going forward remains characterized by macroeconomic uncertainty, influenced in part by periods of lock-down. A reduction in insurance coverage under trade credit insurance had affected AGRANA in the prior, 2020|21 financial year, including, in individual cases, complete cancellation of coverage or greater difficulty in obtaining first-time cover on sales to new customers. This situation eased somewhat in 2021|22. All the same, this experience led to closer monitoring of trade receivables and of adherence to credit terms, as well as to alternative risk assessment measures and safeguards. Thanks to the measures taken, no additional significant defaults on receivables are currently being observed.

AGRANA is in close contact with its principal banks and constantly monitors the availability of the existing credit lines. Likewise, the cash holdings in the bank accounts maintained worldwide and the ratings of the banking partners are continually and critically reviewed and reallocations are made where necessary.

[1] Only in the Fruit segment were there brief shutdowns of a few days at sites in Poland and Algeria as a preventive measure to prevent further spread of COVID-19 among the workforce.

War in Ukraine

AGRANA has production facilities in Ukraine and Russia. The military conflict made it necessary to adjust the production operations in Ukraine. For security reasons, production was shut down after the outbreak of the war and, at the time of reporting[1], has resumed only on a limited and temporary basis, depending on the security situation at any given time. About 3%[1] of the Ukrainian employees have fled the war-affected region or have been called up for military service. AGRANA has set up a crisis management team to contain the negative impacts to the extent possible, especially those on employees.

In Russia, production is still being maintained, but the extremely unstable economic situation may have a negative impact on the market environment and consumer behaviour.

It is currently difficult to assess whether further valuation adjustments will have to be made on assets in Ukraine and Russia in the future (also see the Notes, from page 126).

The armed conflict also has an adverse impact on the AGRANA Group's purchase prices and the volatility for its raw materials and process additives. In particular, grain prices are subject to drastic increases. Likewise, prices for energy continued to rise sharply after the outbreak of the war. The medium-term trend in raw material and energy prices is difficult to predict due to the uncertainties in international procurement markets. Given the present high prices on the purchasing front, AGRANA is continually exploring price increases on the sales side as a key countermeasure to the current cost trends.

As well, the war in Ukraine means a higher IT security risk from cyber sabotage and other forms of cyber attack.

Non-financial risks

In the 2021|22 financial year, AGRANA continued to analyse non-financial risks and risks that are not primarily financial. The analysis was based on the requirements of the Austrian Sustainability and Diversity Act and section 267a of the Austrian Commercial Code, as well as the Global Reporting Initiative (GRI) and the reporting recommendations on climate-related risks and opportunities issued by the Task Force on Climate-related Financial Disclosures (TCFD).

While the legal and GRI requirements focus on the non-financial risks and actual impacts triggered *by* companies, the TCFD recommends increased reporting of the risks that climate change poses *to* companies.

AGRANA's risk management addresses the risks affecting AGRANA and, within the scope of its business activities, covers the physical risks acting on the Group (especially raw material procurement risks, but also acute physical risks). Under AGRANA's risk management system and the group-wide uniform planning and reporting system, the observation period for the above risks is five years (for a description, see the section "System of internal control and of risk management", page 93).

In the 2022|23 financial year, AGRANA will perform a comprehensive climate change scenario analysis in accordance with TCFD recommendations, as part of the further development of its business strategy. This project will focus specifically on the long-term risks to AGRANA from global warming and its consequences, i.e., risks with a time horizon of more than five to a maximum of 30 years. Based on three different climate change scenarios developed by international experts and their potential regional impacts, the analysis will identify and quantify acute and chronic physical and transitory risks affecting AGRANA's production activities and its upstream and downstream value chains in the three business segments. Based on this, appropriate climate change adaptation measures are to be developed to safeguard the continued viability of the company's activities and businesses. However, the climate change scenario analysis is also expected to identify opportunities for the further development of existing business models or the opening up of new business areas.

[1] At the date of the independent auditor's report of 25 April 2022.

As an energy-intensive industrial processor especially in the Starch and Sugar segments, AGRANA is subject to the EU Emissions Trading Scheme for most of its production facilities in these segments. For that reason, the company has long paid close attention to potential regulatory (transition) risks related to energy legislation. Political directives in the fight against climate change will, through the 2015 Paris Climate Agreement and the European Green Deal that is based on it, give rise to increased regulatory risks for AGRANA in the coming years in the context of the transformation into a low-emission society (see the section "Regulatory risks").

Both the risks described in this risk report that affect AGRANA, and the risks for and actual impacts on the environment and society caused by AGRANA's business activities, together with the measures taken to manage these risks (such as the development of an AGRANA climate strategy) are described in more detail in the section "Non-financial information statement", page 39. AGRANA, both for the risks affecting it and those triggered by it, has taken appropriate measures to counteract detrimental effects from non-financial risks associated with strategic and operational business conduct. These measures relate to environmental, employee and social matters and are in accordance with national and international standards for the protection of quality and reputation in the interest of the AGRANA Group.

Aggregate risk

The Group's current aggregate risk exposure is marked by high volatility in product selling prices and in purchasing prices for energy and raw materials. In the Sugar segment, the influence of world market prices on prices in Europe has grown in significance. In the bioethanol activities, profitability is critically determined by the future trend in sales prices. The fact that the prices of the corn and wheat used as raw materials can move independently of ethanol prices makes it even more difficult to forecast the earnings trajectory of the bioethanol operations.

Despite the upward-trending EU selling prices for sugar and isoglucose, the Group's aggregate risk exposure is significantly above the average of the previous years, due to the volatile price trend for bioethanol, the financial year's considerable rise in costs for raw materials, energy and consumables, as well as the ongoing uncertainty regarding the extent and duration of the war in Ukraine and the coronavirus crisis. However, the exposure is covered by a high equity base and the AGRANA Group is able to balance out risks thanks to the diversification provided by the three business segments.

As before, there are no risks to the AGRANA Group's ability to continue in business (no such risks are currently discernible).

System of internal control and of risk management

(disclosures under section 243a (2) Austrian Commercial Code)

The Management Board of AGRANA is responsible for the establishment and design of an internal control system and risk management system in respect of both the accounting process and of compliance with the relevant legal requirements.

The internal control system, standardised Group-wide accounting rules and the International Financial Reporting Standards (IFRS) assure both the uniformity of accounting and the reliability of the financial reporting and externally published financial statements.

Most Group companies use SAP as the primary ERP[1] system. All AGRANA companies send the data from their separate financial statements to the central SAP consolidation module. This ensures that the reporting system operates on the basis of uniform data. The consolidated financial statements are prepared by the Group Accounting department. The department is responsible for ensuring the correct and complete transfer of financial data from Group companies, for carrying out the financial statement consolidation, performing the analytical processing of the data and preparing financial reports. On a monthly basis, the Controlling and Group Accounting departments validate and assure the congruence of the internal and external reporting.

The primary control tool for AGRANA's management is the enterprise-wide, uniform planning and reporting system. The system comprises a medium-term plan with a planning horizon of five years, budget planning for the next financial year, monthly reporting including a separate monthly risk report, and, three to four times per year, a projection for the current financial year that incorporates the significant financial developments. In the event of material changes in the planning assumptions, this system is supplemented with ad-hoc forecasts.

The monthly financial reporting produced by the Controlling department portrays the performance of all Group companies. The contents of this report are standardised across the Group and include detailed sales data, the balance sheet, income statement and the financials derived from them, as well as an analysis of significant variances. This monthly report also includes a dedicated risk report both for each business segment and the whole AGRANA Group in which the risk potential is calculated for the current and next financial year for the key profitability factors, based on the assumption of current market prices for not yet contractually secured volumes versus budgeted prices.

A Group-wide risk management system (see the "Risk management" section, from page 84) at both the operational and strategic level, in which all sources and types of risk relevant to AGRANA – such as the regulatory and legal environment, raw material procurement, competitive and market risks, and financing – are analysed for risks and opportunities, enables the management to identify changes in the Group's environment at an early stage and take timely corrective action as required.

Internal Audit monitors all operational and business processes in the Group for compliance with legal provisions and internal policies and procedures, and for the effectiveness of risk management and the systems of internal control. The unit's audit activities are guided by a Management Board-approved annual audit plan that is based on a Group-wide risk assessment. When requested by the Management Board, Internal Audit also performs ad-hoc audits focusing on current and future risks. The audit findings are regularly reported to AGRANA's Management Board and the respective managers responsible as well as the Supervisory Board (represented by the Audit Committee). The implementation of the actions proposed by Internal Audit is assured by follow-up verifications.

As part of the audit of the financial statements, the external independent auditor annually evaluates the internal control system of the accounting process and of the information technology systems. The audit findings are reported to the Audit Committee of the Supervisory Board.

[1] Enterprise resource planning.

Capital, shares, voting rights and rights of control[1]

The share capital of AGRANA Beteiligungs-AG at the balance sheet date of 28 February 2022 was € 113.5 million (28 February 2021: € 113.5 million), divided into 62,488,976 voting ordinary no-par value bearer shares (28 February 2021: 62,488,976 such shares). There are no other classes of shares.

AGRANA Zucker, Stärke und Frucht Holding AG ("AZSF"), based in Vienna, is the majority shareholder, directly holding 78.34% of the share capital of AGRANA Beteiligungs-AG. The share capital of AZSF is in turn held by Zucker-Beteiligungsgesellschaft m.b.H. ("ZBG"), Vienna, which owns a 50% interest less one share (that share being held by AGRANA Zucker GmbH, a subsidiary of AGRANA Beteiligungs-AG) and by Südzucker AG ("Südzucker"), Mannheim, Germany, which holds the other 50%. The following four Vienna-based entities are shareholders of ZBG: „ALMARA" Holding GmbH (a subsidiary of RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung); Marchfelder Zuckerfabriken Gesellschaft m.b.H.; Rübenproduzenten Beteiligungs GesmbH; and Leipnik-Lundenburger Invest Beteiligungs AG. Under a syndicate agreement between Südzucker and ZBG, the voting rights of the syndicate partners are combined in AZSF, there are restrictions on the transfer of shares, and the partners in the syndicate have certain mutual rights to appoint members of each other's management board and supervisory board. Thus, Markus Mühleisen has been nominated by ZBG and appointed as a member of the management board of Südzucker AG, and Ingrid-Helen Arnold has been nominated by Südzucker and appointed as a member of the management board of AGRANA Beteiligungs-AG.

There are no shareholders with special rights of control. Those employees who are also shareholders of AGRANA Beteiligungs-AG exercise their voting rights individually.

The Management Board does not have powers to issue or repurchase shares except to the extent provided by law.

The agreements for the Schuldscheindarlehen (bonded loan) and credit lines (syndicated loans) contain change of control clauses that grant the lenders an extraordinary right to call the loans.

With this exception, there are no significant agreements that take effect, change materially, or end, in the case of a change of control resulting from a takeover offer. No compensation agreements in the event of a public tender offer exist between the Company and its Management Board, Supervisory Board or other staff.

[1] Disclosures under section 243a (1) Austrian Commercial Code.

Outlook

With its diversified business model and sound balance sheet, AGRANA considers itself well positioned for the future.

The war in Ukraine, ongoing since late February 2022, led to a further intensification of the already high volatility in AGRANA's target markets and further price increases in its procurement markets. The resulting economic and financial impacts and the duration of this additional temporary exceptional situation are difficult to estimate. As well, there are still risks associated with the coronavirus pandemic.

The following forecast is based on the assumption that the war in Ukraine is temporary and remains regionally limited, that the physical supply of energy and raw materials is ensured and that the Group's target markets and procurement markets partially return to normal within the 2022|23 financial year. AGRANA also expects to be able to pass on the significant price increases (seen especially in raw materials and energy) in new customer contracts.

AGRANA Group		**2021|22 Actual**	**2022|23 Forecast**	
Revenue	€m	2,901.5	Significant increase	↑↑
EBIT	€m	24.7	Very significant increase	↑↑↑
Investment[1]	€m	82.4	115	

For the 2022|23 financial year, AGRANA expects a very significant increase in **Group** operating profit (EBIT). Group revenue is projected to show significant growth.

Total investment across the three business segments in the 2022|23 financial year, at approximately € 115 million, is expected to exceed the 2021|22 level, but to be below this year's budgeted depreciation of about € 120 million.

Fruit segment		**2021|22 Actual**	**2022|23 Forecast**	
Revenue	€m	1,251.1	Moderate increase	↑
EBIT	€m	(15.8)	Very significant improvement	↑↑↑
Investment[1]	€m	37.4	54	

In the **Fruit segment**, AGRANA expects the 2022|23 financial year to bring growth in revenue and EBIT. For the fruit preparations business, a positive revenue trend is predicted. Its EBIT is forecast to improve very significantly due to the base effect of the 2021|22 financial year with its extraordinary charges resulting from the Ukraine war (mainly goodwill impairment). In the fruit juice concentrate business, revenue is projected to rise moderately in 2022|23, with a further improvement in the earnings situation compared to the year before.

Investment in the Fruit segment this year is budgeted at approximately € 54 million, which is about 23% above the expected level of depreciation. The planned main focus is on asset replacement and maintenance investment as well as production optimisation measures.

Starch segment		**2021|22 Actual**	**2022|23 Forecast**	
Revenue	€m	1,010.4	Significant increase	↑↑
EBIT	€m	71.6	Moderate reduction	↓
Investment[1]	€m	24.3	32	

For the **Starch segment**, a significant increase in revenue is forecast for the 2022|23 financial year, driven primarily by higher sales prices. At the same time, higher raw material and energy prices will weigh on profitability. Currently, Starch EBIT this year is expected to be moderately below the prior year, owing in part to a likely reduction in ethanol earnings.

[1] Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.

The amount of investment planned in the Starch segment this year is about € 32 million; after the major projects of recent years, it will thus be significantly below the level of depreciation.

Sugar segment		**2021|22 Actual**	**2022|23 Forecast**	
Revenue	€m	640.0	Significant increase	↑↑
EBIT	€m	(31.1)	Significant improvement	↑↑
Investment[1]	€m	20.7	29	

In the **Sugar segment**, AGRANA anticipates revenue growth for 2022|23, mainly for price reasons. AGRANA expects and assumes that the capacity utilisation of the two Austrian sugar beet factories in particular can be stabilised at a higher level. Despite higher energy costs and beet prices, a significantly improved bottom-line result is expected to be achieved in the event of a stable EU sugar market environment, through rigorous cost management.

Capital expenditure of approximately € 29 million is budgeted for the Sugar segment, focusing mainly on asset replacement and maintenance investment.

The quantitative statements and direction arrows in the "Outlook" section are based on the following definitions:

Modifier	**Visualisation**	**Numerical rate of change**
Steady	→	0% up to +1%, or 0% up to −1%
Slight(ly)	↗ or ↘	More than +1% and up to +5%, or more than −1% and up to −5%
Moderate(ly)	↑ or ↓	More than +5% and up to +10%, or more than −5% and up to −10%
Significant(ly)	↑↑ or ↓↓	More than +10% and up to +50%, or more than −10% and up to −50%
Very significant(ly)	↑↑↑ or ↓↓↓	More than +50% or more than −50%

Sustainability outlook for 2022|23

In the 2021|22 financial year, AGRANA laid an important foundation for the development of a comprehensive AGRANA climate strategy by determining its corporate carbon footprint for the first time. Based on the continually recorded emissions from its own production (Scope 1 and 2) and the emissions from the upstream and downstream value chain (Scope 3) calculated for the first time for the 2019|20 base year, AGRANA will develop emission reduction targets in the 2022|23 financial year in line with the requirements of the Science Based Targets initiative.

In addition, as part of a corporate-strategy realignment, the Group is working on the integration of a comprehensive sustainability strategy.

[1] Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.

CONSOLIDATED FINANCIAL STATEMENTS 2021|22

Consolidated income statement
for the year ended 28 February 2022

Note	€000	2021|22	2020|21
(1)	Revenue	2,901,544	2,546,984
(2)	Changes in inventories of finished and unfinished goods	99,051	(14,529)
(2)	Own work capitalised	2,069	2,820
(3)	Other operating income	35,742	42,964
(4)	Cost of materials	(2,169,319)	(1,759,232)
(5)	Staff cost	(347,226)	(345,294)
(6)	Depreciation, amortisation and impairment losses	(176,999)	(120,148)
(7)	Other operating expenses	(328,149)	(292,387)
(8)	Share of results of equity-accounted joint ventures	8,019	17,513
	Operating profit [EBIT]	**24,732**	**78,691**
(9)	Finance income	28,564	24,896
(10)	Finance expense	(44,663)	(43,392)
	Net financial items	**(16,099)**	**(18,496)**
	Profit before tax	**8,633**	**60,195**
(11)	Income tax expense	(20,866)	(5,210)
	(Loss)/profit for the period	**(12,233)**	**54,985**
	Attributable to shareholders of the parent	(12,612)	59,787
	Attributable to non-controlling interests	379	(4,802)
(12)	(Loss)/earnings per share under IFRS (basic and diluted)	€ (0.20)	€ 0.96

Consolidated statement of comprehensive income

for the year ended 28 February 2022

€000	2021|22	2020|21
(Loss)/profit for the period	**(12,233)**	**54,985**
Other comprehensive income/(expense):		
Currency translation differences and hyperinflation adjustments	14,094	(43,031)
Changes in fair value of hedging instruments (cash flow hedges), after deferred taxes	427	356
Effects from equity-accounted joint ventures	(1,686)	(3,391)
Income/(expense) to be recognised in the income statement in the future	12,835	(46,066)
Change in actuarial gains and losses on defined benefit pension obligations and similar liabilities, after deferred taxes	3,743	502
Changes in fair value of equity instruments, after deferred taxes	(7)	0
Effects from equity-accounted joint ventures	1	4
Expense that will not be recognised in the income statement in the future	3,737	506
Other comprehensive income/(expense)	**16,572**	**(45,560)**
Total comprehensive income for the period	**4,339**	**9,425**
Attributable to shareholders of the parent	4,586	17,666
Attributable to non-controlling interests	(247)	(8,241)

Consolidated cash flow statement

for the year ended 28 February 2022

Note	€000	2021|22	2020|21
	(Loss)/profit for the period	(12,233)	54,985
	Depreciation, amortisation and impairment of non-current assets	177,372	120,453
	Reversal of impairment losses on non-current assets	(283)	(199)
	(Gains) on disposal of non-current assets	(5,251)	(339)
	Changes in non-current provisions	(4,580)	(3,619)
	Share of results of equity-accounted joint ventures	(8,019)	(17,513)
	Dividends received from equity-accounted joint ventures	12,500	21,000
	Loss on net monetary position under IAS 29	1,038	823
	Non-cash expenses/income and other adjustments	46,681	23,234
	Operating cash flow before changes in working capital	**207,225**	**198,825**
	Changes in inventories	(162,853)	(13,503)
	Changes in receivables and other assets	(122,344)	(37,477)
	Changes in current provisions	997	(7,434)
	Changes in payables (excluding borrowings)	155,208	43,794
	Changes in working capital	**(128,992)**	**(14,620)**
	Interest received	742	802
	Interest paid	(7,617)	(7,930)
	Tax paid	(18,123)	(13,454)
(13)	**Net cash from operating activities**	**53,235**	**163,623**
	Dividends received	33	22
	Proceeds from disposal of non-current assets	7,897	2,829
	Purchases of property, plant and equipment and intangible assets, net of government grants	(77,018)	(70,509)
	Proceeds from disposal of securities	94	468
	Purchases of non-current financial assets	0	(3,345)
	Purchase of a business/ of a subsidiary, net of cash acquired	(3,630)	(9,111)
(14)	**Net cash (used in) investing activities**	**(72,624)**	**(79,646)**
	Proceeds from/(repayment of) Schuldscheindarlehen, or bonded loan	0	(26,000)
	Outflows from lease liabilities	(5,808)	(7,266)
	Repayment of investment loan of the European Investment Bank	(4,882)	(4,882)
	Proceeds from/(repayment of) syndicated loans	0	(70,000)
	Inflows from bank overdrafts and cash advances	84,043	97,520
	Capital increase of a subsidiary trough non-controlling interests	1,800	0
	Purchase of non-controlling interests	(4,201)	0
	Dividend paid	(53,357)	(48,826)
(15)	**Net cash from/(used in) financing activities**	**17,595**	**(59,454)**
	Net (decrease)/increase in cash and cash equivalents	**(1,794)**	**24,523**
	Effect of movement in foreign exchange rates on cash and cash equivalents	(52)	(5,437)
	Cash acquired in initial consolidation of subsidiaries	753	0
	Effect of IAS 29 on cash and cash equivalents	(6,285)	(1,530)
	Cash and cash equivalents at beginning of period	110,971	93,415
	Cash and cash equivalents at end of period	**103,593**	**110,971**

Consolidated balance sheet

at 28 February 2022

Note	€000	28 Feb 2022	28 Feb 2021
	ASSETS		
	A. Non-current assets		
(16)	Intangible assets	204,554	254,599
(17)	Property, plant and equipment	828,168	859,659
(18)	Equity-accounted joint ventures	65,952	72,118
(18)	Securities	18,772	19,416
(18)	Investments in non-consolidated subsidiaries and outside companies	280	1,683
(19)	Other assets	3,500	8,106
(20)	Deferred tax assets	13,734	16,440
		1,134,960	**1,232,021**
	B. Current assets		
(21)	Inventories	864,067	700,613
(19)	Trade receivables	398,509	323,055
(19)	Other assets	132,757	96,069
	Current tax assets	9,744	10,005
	Cash and cash equivalents	103,593	110,971
		1,508,670	**1,240,713**
	Total assets	**2,643,630**	**2,472,734**
	EQUITY AND LIABILITIES		
(22)	**A. Equity**		
	Share capital	113,531	113,531
	Share premium and other capital reserves	540,760	540,760
	Retained earnings	570,269	619,493
	Equity attributable to shareholders of the parent	1,224,560	1,273,784
	Non-controlling interests	56,982	55,313
		1,281,542	**1,329,097**
	B. Non-current liabilities		
(23a)	Retirement and termination benefit obligations	58,848	67,786
(23b)	Other provisions	29,364	29,396
(24)	Borrowings	377,744	493,637
(25)	Other payables	5,363	1,094
(26)	Deferred tax liabilities	6,218	5,502
		477,537	**597,415**
	C. Current liabilities		
(23b)	Other provisions	19,028	17,478
(24)	Borrowings	276,627	80,274
(25)	Trade payables	440,130	311,524
(25)	Other payables	143,780	130,800
	Tax liabilities	4,986	6,146
		884,551	**546,222**
	Total equity and liabilities	**2,643,630**	**2,472,734**

Consolidated statement of changes in equity

for the year ended 28 February 2022

€000			Attributable to the shareholders			
			Retained			
	Share capital	Share premium and other capital reserves	Reserve for equity instruments	Reserve for hedging instruments (cash flow hedges)	Reserve for actuarial gains and losses	Effects from equity-accounted joint ventures
2021|22						
At 1 March 2021	113,531	540,760	3,110	(263)	(38,551)	(33,938)
Changes in fair value of equity instruments	0	0	(117)	0	0	0
Changes in fair value of hedging instruments (cash flow hedges)	0	0	0	656	0	(692)
Changes in actuarial gains and losses on defined benefit pension obligations and similar liabilities	0	0	0	0	4,612	1
Tax effects	0	0	110	(131)	(890)	173
Currency translation (loss)/gain and hyperinflation adjustments	0	0	0	0	0	(996)
Other comprehensive (expense)/income for the period	**0**	**0**	**(7)**	**525**	**3,722**	**(1,514)**
(Loss) for the period	0	0	0	0	0	0
Total comprehensive (expense)/income for the period	**0**	**0**	**(7)**	**525**	**3,722**	**(1,514)**
Dividends paid	0	0	0	0	0	0
Transfer to reserves	0	0	0	0	0	0
Additional contributions by other shareholders	0	0	0	0	0	0
Changes in equity interests and in scope of consolidation	0	0	0	0	0	0
Other changes	0	0	0	0	0	0
At 28 February 2022	**113,531**	**540,760**	**3,103**	**262**	**(34,829)**	**(35,452)**
						570,269

of AGRANA Beteiligungs-AG

earnings

Other retained earnings	Currency translation reserve	(Loss) for the period	Equity attributable to share-holders of the parent	Non-controlling interests	Total
767,030	(137,682)	59,787	1,273,784	55,313	1,329,097
0	0	0	(117)	0	(117)
0	0	0	(36)	(357)	(393)
0	0	0	4,613	46	4,659
0	0	0	(738)	62	(676)
0	14,472	0	13,476	(377)	13,099
0	**14,472**	**0**	**17,198**	**(626)**	**16,572**
0	0	(12,612)	(12,612)	379	(12,233)
0	**14,472**	**(12,612)**	**4,586**	**(247)**	**4,339**
0	0	(53,116)	(53,116)	(242)	(53,358)
6,671	0	(6,671)	0	0	0
0	0	0	0	1,800	1,800
(747)	0	0	(747)	350	(397)
53	0	0	53	8	61
773,007	**(123,210)**	**(12,612)**	**1,224,560**	**56,982**	**1,281,542**

						Attributable to the shareholders
						Retained
€000	**Share capital**	**Share premium and other capital reserves**	**Reserve for equity instruments**	**Reserve for hedging instruments (cash flow hedges)**	**Reserve for actuarial gains and losses**	**Effects from equity-accounted joint ventures**
2020|21						
At 1 March 2020	113,531	540,760	3,110	(619)	(38,988)	(30,413)
Changes in fair value of hedging instruments (cash flow hedges)	0	0	0	501	0	562
Changes in actuarial gains and losses on defined benefit pension obligations and similar liabilities	0	0	0	0	1,857	4
Tax effects	0	0	0	(145)	(1,420)	(141)
Currency translation (loss) and hyperinflation adjustments	0	0	0	0	0	(3,950)
Other comprehensive income/(expense) for the period	**0**	**0**	**0**	**356**	**437**	**(3,525)**
Profit for the period	0	0	0	0	0	0
Total comprehensive income/(expense) for the period	**0**	**0**	**0**	**356**	**437**	**(3,525)**
Dividends paid	0	0	0	0	0	0
Transfer to reserves	0	0	0	0	0	0
Other changes	0	0	0	0	0	0
At 28 February 2021	**113,531**	**540,760**	**3,110**	**(263)**	**(38,551)**	**(33,938)**
						619,493

of AGRANA Beteiligungs-AG

earnings

Other retained earnings	Currency translation reserve	Profit for the period	Equity attributable to share-holders of the parent	Non-controlling interests	Total
786,447	(98,293)	28,051	1,303,586	63,435	1,367,021
0	0	0	1,063	187	1,250
0	0	0	1,861	88	1,949
0	0	0	(1,706)	(69)	(1,775)
0	(39,389)	0	(43,339)	(3,645)	(46,984)
0	**(39,389)**	**0**	**(42,121)**	**(3,439)**	**(45,560)**
0	0	59,787	59,787	(4,802)	54,985
0	**(39,389)**	**59,787**	**17,666**	**(8,241)**	**9,425**
0	0	(48,117)	(48,117)	(710)	(48,827)
(20,066)	0	20,066	0	0	0
649	0	0	649	829	1,478
767,030	**(137,682)**	**59,787**	**1,273,784**	**55,313**	**1,329,097**

Notes to the consolidated financial statements

AGRANA Beteiligungs-Aktiengesellschaft (“the Company”, “AGRANA Beteiligungs-AG”) is the parent company of the AGRANA Group and has its registered office at Friedrich-Wilhelm-Raiffeisen-Platz 1, A-1020 Vienna. The Company together with its subsidiaries constitutes an international group engaged mainly in the world-wide industrial processing of agricultural raw materials.

The consolidated financial statements of the AGRANA Group for 2021|22 were prepared in accordance with International Financial Reporting Standards (IFRS) in effect at the balance sheet date and with International Financial Reporting Interpretations Committee (IFRIC) interpretations, as adopted by the European Union, as well as with the additional requirements of section 245a Austrian Commercial Code (UGB).

1. Segment information

The segment reporting, which conforms with IFRS 8, distinguishes between three business segments – Fruit, Starch and Sugar – and thus follows the AGRANA Group’s internal reporting structure.

The AGRANA Group has the three reportable segments Fruit, Starch and Sugar, which correspond to its strategic businesses. The segments differ in terms of their product portfolios, production technologies, raw material procurement, and sales strategies, and are managed separately. AGRANA Beteiligungs-AG, the Group’s holding company, is considered part of the Sugar segment.

The internal reporting for each segment is provided monthly to the Group’s chief operating decision-maker (the CODM). The CODM is the Management Board of AGRANA Beteiligungs-AG. Information on the results of the reportable segments is found in the overviews below. Segment profitability is evaluated primarily on the basis of “operating profit before exceptional items and results of equity-accounted joint ventures”, which is a key performance indicator included in every internal management report.

In the reporting of the reportable segments to the CODM, AGRANA uses the performance indicator “operating profit before exceptional items and results of equity-accounted joint ventures”. This item differs from the metric “operating profit” (EBIT) used in the consolidated income statement in that operating profit reflects the results of equity-accounted joint ventures and exceptional items. Exceptional items are infrequent or non-recurring expenses or income that exceed a defined amount and that do not arise in the ordinary course of business.

1.1. Segmentation by business activity

€000	Fruit	Starch	Sugar	Consoli-dation	Group
2021|22					
Total revenue	1,251,846	1,020,436	666,173	(36,911)	2,901,544
Inter-segment revenue	(766)	(10,029)	(26,116)	36,911	0
Revenue	**1,251,080**	**1,010,407**	**640,057**	**0**	**2,901,544**
EBITDA	93,341	106,391	6,920	0	206,652
Depreciation, amortisation and impairment of property, plant and equipment and intangibles[1]	(41,484)	(48,462)	(30,225)	0	(120,171)
Operating profit/(loss) before exceptional items and results of equity-accounted joint ventures	**51,857**	**57,929**	**(23,305)**	**0**	**86,481**
Exceptional items	(67,696)	0	(2,072)	0	(69,768)
Share of results of equity-accounted joint ventures	0	13,761	(5,742)	0	8,019
Operating (loss)/profit [EBIT]	**(15,839)**	**71,690**	**(31,119)**	**0**	**24,732**
Segment assets	1,230,632	718,822	1,791,412	(1,097,236)	2,643,630
Segment equity	389,414	384,376	859,394	(351,642)	1,281,542
Segment liabilities	841,218	334,446	932,018	(745,594)	1,362,088

[1] Excluding goodwill.

€000	Fruit	Starch	Sugar	Consoli-dation	Group
Purchases of property, plant and equipment and intangibles[1]	37,382	24,283	20,702	0	82,367
Purchases of non-current financial assets	0	0	0	0	0
Total capital expenditure	37,382	24,283	20,702	0	82,367
Carrying amount of equity-accounted joint ventures	0	53,155	12,797	0	65,952
Number of employees (average full-time equivalents)	5,662	1,137	1,892	0	8,691
2020|21					
Total revenue	1,167,600	831,867	588,559	(41,042)	2,546,984
Inter-segment revenue	(1,029)	(9,975)	(30,038)	41,042	0
Revenue	**1,166,571**	**821,892**	**558,521**	**0**	**2,546,984**
EBITDA	94,034	92,117	5,068	0	191,219
Depreciation, amortisation and impairment of property, plant and equipment and intangibles[1]	(41,152)	(46,715)	(30,239)	0	(118,106)
Operating profit/(loss) before exceptional items and results of equity-accounted joint ventures	**52,882**	**45,402**	**(25,171)**	**0**	**73,113**
Exceptional items	(11,723)	0	(212)	0	(11,935)
Share of results of equity-accounted joint ventures	0	19,400	(1,887)	0	17,513
Operating profit/(loss) [EBIT]	**41,159**	**64,802**	**(27,270)**	**0**	**78,691**
Segment assets	1,160,672	709,699	1,676,687	(1,074,324)	2,472,734
Segment equity	416,679	373,461	890,599	(351,642)	1,329,097
Segment liabilities	743,993	336,238	786,088	(722,682)	1,143,637
Purchases of property, plant and equipment and intangibles[1]	34,185	22,199	15,905	0	72,289
Purchases of non-current financial assets	1,273	0	2,072	0	3,345
Total capital expenditure	35,458	22,199	17,977	0	75,634
Carrying amount of equity-accounted joint ventures	0	52,893	19,225	0	72,118
Number of employees (average full-time equivalents)	5,695	1,149	2,003	0	8,847

The revenue and asset data represent consolidated amounts. Inter-segment charges for products and services are based on comparable market prices.

Within the net exceptional items expense of € 69,768 thousand (prior year: € 11,935 thousand), an expense totalling € 67,494 thousand was attributable to the war in Ukraine. In the Fruit segment, the great majority of the exceptional expenses was incurred in the form of goodwill impairment of € 55,283 thousand. In addition, in the Fruit segment, AGRANA recognised impairment losses of € 6,021 thousand on trade receivables from customers in or near war zones and on sales tax receivables, impairment of € 103 thousand on receivables from employees, impairment of € 1,118 thousand on finished and unfinished goods, impairment of € 1,545 thousand on property, plant and equipment, and impairment of € 379 thousand on raw materials, with a geographic split of € 9,011 thousand in Ukraine, € 136 thousand in Austria and € 19 thousand in China. In Russia, currency translation losses of € 973 thousand due to the depreciation of the Russian rouble were included in exceptional items. Further one-off effects resulted from a damage claim in North America and follow-up expenses from the previous year's cost reduction programme (prior year: mainly cost reduction programme, depreciation of property, plant and equipment, plant closures as well as a product complaint in Europe). The

[1] Excluding goodwill.

exceptional items in the Sugar segment included an allowance for impairment of trade receivables from the joint venture Beta Pura GmbH, Vienna, Austria, which is experiencing financial difficulties as a result of the war in Ukraine.

The items “segment assets” and “segment liabilities” match the allocation used in internal reporting. The inter-segment consolidation consisted of liability and dividend consolidation of € 745,594 thousand (prior year: € 722,682 thousand) and equity capital consolidation of € 351,642 thousand (prior year: € 351,642 thousand).

1.2. Segmentation by region

Companies are assigned to geographic segments based on the location of their registered office.

Revenue €000	**2021|22**	**2020|21**
Austria	1,890,363	1,616,931
Hungary	8,856	7,580
Romania	32,496	27,792
Rest of EU	281,794	262,856
EU-27	2,213,509	1,915,159
Rest of Europe (Russia, Turkey, Ukraine)	109,197	97,454
Other foreign countries	578,838	534,371
Total	**2,901,544**	**2,546,984**

The revenue of the Eastern European companies amounted to € 199,561 thousand (prior year: € 173,616 thousand), or about 6.9% (prior year: 6.8%) of total revenue. The countries defined as Eastern Europe are Hungary, Slovakia, Czech Republic, Romania, Bulgaria, Poland, Russia, Ukraine and Turkey. Revenue in Russia amounted to € 60,040 thousand (prior year: € 52,585 thousand) and that in Ukraine was € 40,463 thousand (prior year: € 34,972 thousand).

Purchases of property, plant and equipment and intangibles[1] €000	**2021|22**	**2020|21**
Austria	38,282	35,362
Hungary	4,234	3,327
Romania	2,718	2,941
Rest of EU	19,586	11,551
EU-27	64,820	53,181
Rest of Europe (Russia, Turkey, Ukraine)	3,118	2,267
Other foreign countries	14,429	16,841
Total	**82,367**	**72,289**

Carrying amount of property, plant and equipment and intangibles[1] €000	**2021|22**	**2020|21**
Austria	475,047	509,738
Hungary	51,393	55,924
Romania	34,382	36,576
Rest of EU	112,991	108,973
EU-27	673,813	711,211
Rest of Europe (Russia, Turkey, Ukraine)	18,026	22,552
Other foreign countries	153,912	138,714
Total	**845,751**	**872,477**

[1] Excluding goodwill.

2. Basis of preparation

Amounts in the consolidated financial statements are presented in thousands of euros (€000) unless otherwise indicated. As a result of automated calculation, rounding errors may occur in totals of rounded amounts and percentages.

In the presentation of the income statement, the nature of expense method was used. The separate financial statements of the fully consolidated companies represented in the consolidated financial statements are based on uniform accounting policies.

In the 2021|22 financial year, the following standards and interpretations became effective (i.e., their application became mandatory) for the first time:

Standard		**Issued by the IASB**	**Adopted by the EU**
IAS 39	Financial Instruments: Recognition and Measurement (amendment)	27 Aug 2020	13 Jan 2021
IFRS 4	Insurance Contracts (amendment)	25 Jun 2020	15 Dec 2020
IFRS 4	Insurance Contracts (amendment)	27 Aug 2020	13 Jan 2021
IFRS 7	Financial Instruments: Disclosures (amendment)	27 Aug 2020	13 Jan 2021
IFRS 9	Financial Instruments (amendment)	27 Aug 2020	13 Jan 2021
IFRS 16	Leases (amendment)	27 Aug 2020	13 Jan 2021
IFRS 16	Leases (amendment)	28 May 2020 31 Mar 2021	9 Oct 2020

The amendments to the standards presented above had no material impacts on the presentation of AGRANA's financial position, results of operations and cash flows.

The following standards will become effective from the 2022|23 financial year or later. For those standards not yet adopted by the EU, the effective year for AGRANA given in the table represents the expected time of adoption. AGRANA has not early-adopted any of the new or changed standards cited below. The information provided on the content of the standards depends on whether and to what extent they are relevant to AGRANA. Where accounting rules becoming effective in subsequent periods do not apply to AGRANA's situation, no information on their content is given.

Standard	**Content** *and expected impact on AGRANA*	**Issued by the IASB**	**Effective for AGRANA from financial year**	**Adopted by the EU**
IAS 1	Presentation of Financial Statements (amendment) *The changes clarify that the classification of liabilities as current or non-current is based on whether there exists a right to defer settlement of an obligation for at least twelve months. The classification thus depends on the right at the balance sheet date and is independent of management's expectations and of events after the balance sheet date. With its initial application deferred, the amendment may become relevant from the 2023|24 financial year.*	23 Jan 2020 15 Jul 2020	2023|24	Not to date

Standard	**Content** *and expected impact on AGRANA*	**Issued by the IASB**	**Effective for AGRANA from financial year**	**Adopted by the EU**
IAS 1	Presentation of Financial Statements (amendment) *The amendment requires that in future only the material accounting policies be presented in the notes. To be material, an accounting policy must be related to material transactions or other events and there must be a reason for its inclusion in the presentation. Going forward, this is intended to promote company-specific rather than standardised disclosures. AGRANA expects that the disclosures on accounting policies will be reduced.*	12 Feb 2021	2023|24	2 Mar 2022
IAS 8	Accounting policies, Changes in Accounting Estimates and Errors (amendment) *The amendment clarifies the distinction between changes in accounting policies and changes in accounting estimates. To this end, it states that an accounting estimate always relates to a measurement uncertainty regarding a monetary amount in the financial statements. The amendment may become relevant from the 2023|24 financial year.*	12 Feb 2021	2023|24	2 Mar 2022
IAS 12	Income Taxes (amendment) *To date, where assets and liabilities are recognised for the first time, the initial recognition exemption (IAS 12.15) has under certain conditions applied, such that in exceptional cases, no deferred taxes were recognised. As there was uncertainty in practice as to whether this exemption also applied to leases and to decommissioning obligations, a narrowly targeted amendment to IAS 12 was issued. Once the amendment becomes effective, the initial recognition exemption will no longer apply to transactions in which deductible and taxable temporary differences arising on initial recognition are equal in amount, even if the other previously applicable conditions are met. The result is that deferred taxes are recognised on, for example, leases accounted for by the lessee and on decommissioning obligations. AGRANA is assessing whether the amendment is relevant to it.*	7 May 2021	2023|24	Not to date
IAS 16	Property, Plant and Equipment (amendment) *The changes relate to proceeds before the intended use of property, plant and equipment. The amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds arising from selling items produced while bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the proceeds from selling such items, and the costs of producing them, must be included in operating profit or loss. It is expected that the provisions will ordinarily not be relevant to AGRANA.*	14 May 2020	2022|23	28 Jun 2021

Standard	Content *and expected impact on AGRANA*	Issued by the IASB	Effective for AGRANA from financial year	Adopted by the EU
IAS 37	Provisions, Contingent Liabilities and Contingent Assets (amendment) *The changes concern onerous contracts (cost of fulfilling a contract) and specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. These may be either incremental costs of fulfilling the contract (e.g., direct labour, materials) or an allocation of other costs directly related to fulfilling contracts (e.g., depreciation of production equipment used in fulfilment). The provisions become relevant when onerous contracts exist.*	14 May 2020	2022|23	28 Jun 2021
IFRS 3	Business Combinations (amendment) *The changes update the reference to the 2018 Conceptual Framework, clarify the scope of IAS 37 or IFRIC 21 and add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. The amendments may become relevant, but are immaterial.*	14 May 2020	2022|23	28 Jun 2021
IFRS 17	Insurance Contracts *The standard is not relevant to AGRANA.*	18 May 2017 25 Jun 2020	2023|24	19 Nov 2021
IFRS 17	Insurance Contracts (amendment) *The standard is not relevant to AGRANA.*	9 Dec 2021	2023|24	Not to date
Diverse	Annual Improvements to IFRSs 2018–2020 Cycle *No impacts on the presentation of the financial position, results of operations and cash flows are expected.*	14 May 2020	2022|23	28 Jun 2021

3. Scope of consolidation

The consolidated financial statements include, by full consolidation, all domestic and foreign companies controlled by AGRANA Beteiligungs-AG (i.e., all subsidiaries), except where the subsidiary's effect on the Group's financial position, results of operations and cash flows is immaterial. Control exists when AGRANA Beteiligungs-AG has the power to participate in positive and negative variable returns of a company (an investee) and to affect these returns. This is usually given when AGRANA Beteiligungs-AG owns more than one-half of the voting rights of the investee.

Companies managed jointly with another entity, where control is exercised jointly and the investors have joint rights to the net assets of the investee, are joint ventures and are included in the consolidated financial statements using the equity method of accounting.

At the balance sheet date, 57 companies besides the parent were fully consolidated in the Group financial statements (prior year: 58 companies) and 13 companies were included using the equity method (prior year: 13 companies).

An overview of the fully consolidated entities, equity-accounted joint ventures, and non-consolidated subsidiaries and joint ventures is presented below.

3.1. Subsidiaries and business interests at 28 February 2022

			Equity interest 28 Feb 2022		Equity interest 28 Feb 2021	
Name of company	**Registered office**	**Country**	**Direct**	**In-direct[1]**	**Direct**	**In-direct[1]**
AGRANA Beteiligungs-Aktiengesellschaft (the parent company)	Vienna	Austria	–	–	–	–
I. Subsidiaries						
Fully consolidated subsidiaries						
AGRANA AGRO S.r.l.	Roman	Romania	–	100.00%	–	100.00%
AGRANA BIH Holding GmbH	Vienna	Austria	–	75.00%	–	75.00%
AGRANA BUZAU S.r.l.[2]	Buzău	Romania	–	–	–	100.00%
AGRANA Fruit Algeria Holding GmbH	Vienna	Austria	–	55.00%	–	55.00%
AGRANA Fruit Argentina S.A.	Buenos Aires	Argentina	–	100.00%	–	100.00%
AGRANA Fruit Australia Pty Ltd.	Sydney	Australia	–	100.00%	–	100.00%
AGRANA Fruit Austria GmbH	Gleisdorf	Austria	–	100.00%	–	100.00%
AGRANA Fruit Brasil Indústria, Comércio, Importação e Exportação Ltda.	São Paulo	Brazil	–	100.00%	–	100.00%
AGRANA Fruit Dachang Co., Ltd.	Dachang	China	–	100.00%	–	100.00%
AGRANA Fruit France S.A.S.	Mitry-Mory	France	–	100.00%	–	100.00%
AGRANA Fruit Germany GmbH	Konstanz	Germany	–	100.00%	–	100.00%
AGRANA FRUIT INDIA PRIVATE LIMITED	Pune	India	–	100.00%	–	100.00%
AGRANA Fruit Istanbul Gida Sanayi ve Ticaret A.S.	Istanbul	Turkey	–	100.00%	–	100.00%
AGRANA Fruit Japan Co., Ltd.	Tokyo	Japan	–	100.00%	–	–
AGRANA Fruit (Jiangsu) Company Limited	Changzhou	China	–	100.00%	–	100.00%
AGRANA Fruit Korea Co. Ltd.	Seoul	South Korea	–	100.00%	–	100.00%
AGRANA Fruit Latinoamerica S. de R.L. de C.V.	Zamora	Mexico	–	100.00%	–	100.00%
AGRANA Fruit Luka TOV	Vinnytsia	Ukraine	–	99.97%	–	99.97%
AGRANA Fruit Management Australia Pty Ltd.	Sydney	Australia	–	100.00%	–	100.00%
AGRANA Fruit México, S.A. de C.V.	Zamora	Mexico	–	100.00%	–	100.00%
AGRANA Fruit Polska SP z.o.o.	Ostrołęka	Poland	–	100.00%	–	100.00%
AGRANA Fruit S.A.S.	Mitry-Mory	France	–	100.00%	–	100.00%
AGRANA Fruit Services GmbH	Vienna	Austria	–	100.00%	–	100.00%
AGRANA Fruit Services S.A.S.	Mitry-Mory	France	–	100.00%	–	100.00%
AGRANA Fruit South Africa (Proprietary) Ltd.	Johannesburg	South Africa	–	100.00%	–	100.00%
AGRANA Fruit Ukraine TOV	Vinnytsia	Ukraine	–	99.80%	–	99.80%
AGRANA Fruit US, Inc.	Brecksville	USA	–	100.00%	–	100.00%
AGRANA Group-Services GmbH	Vienna	Austria	100.00%	–	100.00%	–

Name of company	Registered office	Country	Equity interest 28 Feb 2022		Equity interest 28 Feb 2021	
			Direct	In-direct[1]	Direct	In-direct[1]
AGRANA Internationale Verwaltungs- und Asset-Management GmbH	Vienna	Austria	98.91%	1.09%	98.91%	1.09%
AGRANA JUICE (XIANYANG) CO., LTD	Xianyang City	China	–	50.01%	–	50.01%
AGRANA Magyarország Értékesitési Kft.	Budapest	Hungary	–	88.03%	–	87.65%
Agrana Nile Fruits Processing SAE	Qalyoubia	Egypt	–	51.00%	–	51.00%
AGRANA Research & Innovation Center GmbH	Vienna	Austria	100.00%	–	100.00%	–
AGRANA Romania S.R.L.	Bucharest	Romania	–	100.00%	–	100.00%
AGRANA Sales & Marketing GmbH	Vienna	Austria	100.00%	–	100.00%	–
AGRANA Stärke GmbH	Vienna	Austria	98.91%	1.09%	98.91%	1.09%
AGRANA Trading EOOD	Sofia	Bulgaria	–	100.00%	–	100.00%
AGRANA Zucker GmbH	Vienna	Austria	98.91%	1.09%	98.91%	1.09%
AUSTRIA JUICE Germany GmbH	Bingen	Germany	–	50.01%	–	50.01%
AUSTRIA JUICE GmbH	Kröllendorf/ Allhartsberg	Austria	–	50.01%	–	50.01%
AUSTRIA JUICE Hungary Kft.	Vásárosnamény	Hungary	–	50.01%	–	50.01%
AUSTRIA JUICE Poland Sp. z.o.o	Chełm	Poland	–	50.01%	–	50.01%
AUSTRIA JUICE Romania S.r.l.	Vaslui	Romania	–	50.01%	–	50.01%
AUSTRIA JUICE Ukraine TOV	Vinnytsia	Ukraine	–	50.01%	–	50.01%
Biogáz Fejleszto Kft.	Kaposvár	Hungary	–	88.03%	–	87.65%
Dirafrost FFI N. V.	Lummen	Belgium	–	100.00%	–	100.00%
Dirafrost Maroc SARL	Larache	Morocco	–	100.00%	–	100.00%
Financière Atys S.A.S.	Mitry-Mory	France	–	100.00%	–	100.00%
INSTANTINA Nahrungsmittel Entwicklungs- und Produktionsgesellschaft m.b.H.	Vienna	Austria	66.67%	–	66.67%	–
Koronás Irodaház Szolgáltató Korlátolt Felelösségü Társaság	Budapest	Hungary	–	87.61%	–	87.61%
Magyar Cukorgyártó és Forgalmazó Zrt.	Budapest	Hungary	–	87.61%	–	87.61%
Moravskoslezské Cukrovary s.r.o.	Hrušovany	Czech Republic	–	100.00%	–	100.00%
Marroquin Organic International, Inc.	Santa Cruz	USA	–	100.00%	–	–
Österreichische Rübensamenzucht Gesellschaft m.b.H.	Vienna	Austria	–	86.00%	–	86.00%
o.o.o. AGRANA Fruit Moscow Region	Serpuchov	Russia	–	100.00%	–	100.00%
S.C. A.G.F.D. Tandarei s.r.l.	Ţăndărei	Romania	–	100.00%	–	100.00%
Slovenské Cukrovary s.r.o.	Sereď	Slovakia	–	100.00%	–	100.00%
SPA AGRANA Fruit Algeria	Akbou	Algeria	–	55.02%	–	26.93%
"YUBE" doo – u likvidaciji[3]	Požega	Serbia	–	–	–	100.00%
Non-consolidated subsidiaries						
AGRANA Amidi srl *Reporting date: 28 Feb 2022 / Equity: € 52.3 thousand / Profit for the period: € 8.7 thousand*	Sterzing	Italy	–	100.00%	–	100.00%
AGRANA Fruit Japan Co., Ltd.	Tokyo	Japan	–	–	–	100.00%

Name of company	Registered office	Country	Equity interest 28 Feb 2022		Equity interest 28 Feb 2021	
			Direct	In-direct[1]	Direct	In-direct[1]
II. Joint ventures						
Equity-accounted joint ventures						
Beta Pura GmbH	Vienna	Austria	–	50.00%	–	50.00%
AGRANA-STUDEN group:						
"AGRAGOLD" d.o.o.	Brčko	Bosnia and Herzegovina	–	50.00%	–	50.00%
AGRAGOLD d.o.o.	Zagreb	Croatia	–	50.00%	–	50.00%
AGRAGOLD dooel Skopje	Skopje	Northern Macedonia	–	50.00%	–	50.00%
AGRAGOLD trgovina d.o.o.	Ljubljana	Slovenia	–	50.00%	–	50.00%
AGRANA-STUDEN Albania sh.p.k.	Tirana	Albania	–	50.00%	–	50.00%
AGRANA-STUDEN Beteiligungs GmbH	Vienna	Austria	–	50.00%	–	50.00%
AGRANA-STUDEN Kosovo L.L.C.	Pristina	Kosovo	–	50.00%	–	50.00%
AGRANA Studen Sugar Trading GmbH	Vienna	Austria	–	50.00%	–	50.00%
Company for trade and services AGRANA-STUDEN Serbia d.o.o. Beograd	Belgrade	Serbia	–	50.00%	–	50.00%
STUDEN-AGRANA Rafinerija Secera d.o.o.	Brčko	Bosnia and Herzegovina	–	50.00%	–	50.00%
HUNGRANA group:						
GreenPower Services Kft.	Szabadegyháza	Hungary	–	50.00%	–	50.00%
HUNGRANA Keményitö- és Isocukorgyártó és Forgalmazó Kft.	Szabadegyháza	Hungary	–	50.00%	–	50.00%

The number of companies that were fully consolidated or equity-accounted changed as follows in the 2021|22 financial year:

	Full consolidation	Equity method
At 1 March 2021	58	13
Initial consolidation	1	0
Disposal	–2	0
At 28 February 2022	**57**	**13**

In the first quarter of 2021|22, the fully consolidated company "YUBE" doo – u likvidaciji, Požega, Serbia, was liquidated. The derecognition of the company's net assets did not have a material impact on the consolidated balance sheet and income statement.

In the fourth quarter of 2021|22, the fully consolidated AGRANA BUZAU S.r.l., Buzău, Romania, was merged into AGRANA Romania S.R.L., Bucharest, Romania.

Effective 1 April 2021, a business in the form of individual assets and liabilities was acquired from the Japanese food manufacturer Taiyo Kagaku Co. Ltd, Yokkaichi, Japan. The Tokyo, Japan-based AGRANA Fruit Japan Co., Ltd., as the acquiring company, was included in the consolidated financial statements for the first time in the second quarter of 2021|22, by full consolidation. In addition to dairy and ice-cream manufacturers, the Japanese fruit preparations plant also supplies customers in the bakery industry. AGRANA is thus taking an important step in its expansion in Asia and its presence in the growing Japanese market.

[1] Total indirect ownership interest held by the Group.
[2] Liquidated in 2021|22.
[3] Merged in 2021|22.

The initial consolidation of AGRANA Fruit Japan Co., Ltd. had the following effects on the AGRANA Group:

€000	**Carrying amount at acquisition date**
Non-current assets	5,429
Inventories	2,706
Total assets	**8,135**
Less non-current liabilities	(1,143)
Less current liabilities	(294)
Net assets (i.e., equity)	**6,698**
Goodwill	471
Acquisition cost	**7,169**
Of which in cash	3,630

Joint ventures

The information below represents the aggregated financial position and performance of the joint ventures. The joint ventures are listed on page 114.

€000	**AGRANA-STUDEN group**	**HUNGRANA group**	**Beta Pura GmbH**	**Total**
28 February 2022				
Non-current assets	32,731	105,213	34,372	172,316
Inventories	34,931	71,172	2,713	108,816
Receivables and other assets	23,885	54,901	2,883	81,669
Cash, cash equivalents	5,475	7,744	0	13,219
Current assets	64,291	133,817	5,596	203,704
Total assets	**97,022**	**239,030**	**39,968**	**376,020**
Equity	26,497	105,342	6,369	138,208
Borrowings	341	122	18,521	18,984
Other liabilities	22,789	1,766	4,400	28,955
Non-current liabilities	23,130	1,888	22,921	47,939
Borrowings	43,240	88,595	4,566	136,401
Other liabilities	4,155	43,205	6,112	53,472
Current liabilities	47,395	131,800	10,678	189,873
Total equity and liabilities	**97,022**	**239,030**	**39,968**	**376,020**
Revenue	172,027	356,238	10,580	538,845
Depreciation, amortisation and impairment losses	(2,513)	(13,693)	(2,966)	(19,172)
Other (expense), net	(164,477)	(308,463)	(14,184)	(487,124)
Operating profit/(loss) [EBIT]	**5,037**	**34,082**	**(6,570)**	**32,549**
Interest income	61	5	0	66
Interest expense	(496)	(889)	(467)	(1,852)
Other finance (expense), net	(582)	(1,641)	(15)	(2,238)
Profit/(loss) before tax	**4,020**	**31,557**	**(7,052)**	**28,525**

€000	AGRANA-STUDEN group	HUNGRANA group	Beta Pura GmbH	Total
Income tax (expense)	(211)	(4,035)	(1,871)	(6,117)
Profit/(loss) for the period	**3,809**	**27,522**	**(8,923)**	**22,408**
Other comprehensive (expense)	(1,374)	(1,998)	0	(3,372)
Total comprehensive income/(expense) for the period	**2,435**	**25,524**	**(8,923)**	**19,036**

€000	AGRANA-STUDEN group	HUNGRANA group	Beta Pura GmbH	Total
28 February 2021				
Non-current assets	34,189	107,272	38,126	179,587
Inventories	23,724	53,493	5,152	82,369
Receivables and other assets	19,564	32,571	2,027	54,162
Cash, cash equivalents	4,819	969	0	5,788
Current assets	48,107	87,033	7,179	142,319
Total assets	**82,296**	**194,305**	**45,305**	**321,906**
Equity	24,061	104,817	15,293	144,171
Borrowings	594	299	18,636	19,529
Other liabilities	3,656	1,746	2,230	7,632
Non-current liabilities	4,250	2,045	20,866	27,161
Borrowings	43,355	49,010	5,843	98,208
Other liabilities	10,630	38,433	3,303	52,366
Current liabilities	53,985	87,443	9,146	150,574
Total equity and liabilities	**82,296**	**194,305**	**45,305**	**321,906**
Revenue	146,076	287,222	1,434	434,732
Depreciation, amortisation and impairment losses	(2,744)	(13,083)	(1,673)	(17,500)
Other (expense), net	(141,738)	(228,711)	(5,038)	(375,487)
Operating profit/(loss) [EBIT]	**1,594**	**45,428**	**(5,277)**	**41,745**
Interest income	71	0	0	71
Interest expense	(565)	(726)	(381)	(1,672)
Other finance (expense), net	(538)	(266)	(22)	(826)
Profit/(loss) before tax	**562**	**44,436**	**(5,680)**	**39,318**
Income tax (expense)/benefit	(77)	(5,635)	1,420	(4,292)
Profit/(loss) for the period	**485**	**38,801**	**(4,260)**	**35,026**
Other comprehensive income/(expense)	1,108	(7,882)	0	(6,774)
Total comprehensive income/(expense) for the period	**1,593**	**30,919**	**(4,260)**	**28,252**

The calculation of the carrying amounts of the investments in equity-accounted joint ventures is tabulated below:

€000	AGRANA-STUDEN group	HUNGRANA group	Beta Pura GmbH	Total
28 February 2022				
Equity	26,497	105,342	6,369	138,208
Of which attributable to AGRANA	13,249	52,671	3,185	69,105
Impairment	0	0	(3,185)	(3,185)
Value change at time of transition from proportionate consolidation to equity method	(452)	484	0	32
Investments in equity-accounted joint ventures (carrying amount)	**12,797**	**53,155**	**0**	**65,952**
Dividend attributable to AGRANA	0	12,500	0	12,500

€000	AGRANA-STUDEN group	HUNGRANA group	Beta Pura GmbH	Total
28 February 2021				
Equity	24,061	104,817	15,293	144,171
Of which attributable to AGRANA	12,030	52,409	7,647	72,086
Value change at time of transition from proportionate consolidation to equity method	(452)	484	0	32
Investments in equity-accounted joint ventures (carrying amount)	**11,578**	**52,893**	**7,647**	**72,118**
Dividend attributable to AGRANA	0	21,000	0	21,000

Owing to the sanctions against Russia, the majority of the raw material (betaine molasses) required by Beta Pura GmbH is currently not available. Due to this company's associated short- and medium-term financial difficulties, the equity interest in Beta Pura GmbH, a joint venture, was written down by € 3,185 thousand. In the event that collateral is required for a loan, the shares in Beta Pura GmbH, which are held by AGRANA Sales & Marketing GmbH, serve as security.

Non-controlling interests

The non-controlling interests of € 56,982 thousand (prior year: € 55,313 thousand) represented primarily the co-owners of the AUSTRIA JUICE group, at € 37,382 thousand (prior year: € 38,987 thousand). AGRANA's total interests in the AUSTRIA JUICE group amounted to 50.01%. Therefore, 49.99% of the equity of the AUSTRIA JUICE group must be reported as a non-controlling interest in AGRANA's consolidated financial statements.

The following table presents the financial position and performance of the AUSTRIA JUICE group:

AUSTRIA JUICE group €000	28 Feb 2022	28 Feb 2021
Non-current assets	129,875	128,949
Current assets	205,132	172,308
Total assets	**335,007**	**301,257**
Non-current liabilities	5,612	5,596
Current liabilities	247,334	210,390
Total liabilities	**252,946**	**215,986**
Net assets	**82,061**	**85,271**
Revenue	229,587	214,227
Operating profit/(loss) [EBIT]	2,581	(4,653)
(Loss) before tax	(3,100)	(9,314)
Income tax benefit	701	801
(Loss) for the period	(2,399)	(8,513)
Other comprehensive (expense)	(811)	(4,352)
Total comprehensive (expense) for the period	(3,210)	(12,865)
Net cash from operating activities	8,622	15,944
Net cash (used in) investing activities	(7,410)	(8,414)
Net cash (used in) financing activities	(156)	(7,157)
Net increase in cash and cash equivalents	**1,056**	**373**

The table below shows the interests of the non-controlling shareholders in the AUSTRIA JUICE group:

AUSTRIA JUICE group €000	28 Feb 2022	28 Feb 2021
(Loss) for the period	(1,199)	(4,256)
Carrying amount of net assets	41,021	42,626
Measurement effect from business combination	(3,639)	(3,639)
Non-controlling interest in net assets	**37,382**	**38,987**

3.2. Balance sheet date

The balance sheet date (reporting date) of the consolidated financial statements is the last day of February. Group companies with other reporting dates prepare interim financial statements at the Group reporting date.

4. Consolidation methods

- Acquisitions of companies that are fully consolidated are accounted for using the acquisition method in accordance with IFRS 3. Where a business combination entails the possible recognition of intangible assets not previously recognized in the separate financial statements of the acquired company, such as customer relationships, these are recognized only when the requirements under IFRS 3 for capitalisation are met. For acquisitions of a majority interest that is less than a 100% stake, IFRS 3 provides an accounting policy choice as to how to measure the resulting non-controlling interests. The non-controlling interests may be measured either at their proportionate share of the fair value of the net assets of the acquiree (partial goodwill method) or at their proportionate share of goodwill (full goodwill method). This choice is available individually for each business combination. The full goodwill method has not been applied in the AGRANA Group to date.

- The investments in joint ventures are accounted for using the equity method and are included in the consolidated financial statements from the time of acquisition, provided that the requirements for the application of IFRS 11 (Joint Arrangements) are met. Profits or losses resulting from transactions of the AGRANA Group with a joint venture are eliminated to the extent of the Group's interest in the joint venture.

- Intragroup revenues, expenses and income and all receivables and payables or provisions between the consolidated companies are eliminated. In assets that arise from intragroup flows of products or services and are included in non-current assets or in inventories, intragroup balances are eliminated.

5. Currency translation

- Financial statements of foreign Group companies are translated into euros in accordance with IAS 21. The functional currency of every Group company is its respective national currency. Assets and liabilities are translated at the ECB reference rates of exchange or other published reference rates at the balance sheet date (i.e., at period-end rates). Foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the transaction date. Expenses and income are translated at annual average rates of exchange (the mean of the daily rates of the ECB and the national banks), with the exception of significant currency translation gains and losses near the balance sheet date from the measurement of receivables and liabilities related to Group financing. Expenses and income of subsidiaries in hyperinflationary economies are translated at the closing rate.

- Differences compared to prior-year amounts arising from the translation of balance sheet items at current balance sheet date exchange rates or arising from the use of average rates in translating expenses and income compared to the use of current balance sheet date rates are recognised in other comprehensive income. Specifically, they are presented in the statement of other comprehensive income as currency translation differences related to consolidation.

- In translating the financial statements of foreign Group companies, the following exchange rates were applied:

		Rate at reporting date		Average rate for year	
€	Currency	28 Feb 2022	28 Feb 2021	2021|22	2020|21
Albania	ALL	121.32	123.67	122.10	124.01
Algeria	DZD	158.03	161.57	159.37	149.54
Argentina	ARS	120.81	108.45	120.81	108.45
Australia	AUD	1.55	1.56	1.58	1.65
Bosnia and Herzegovina	BAM	1.96	1.96	1.96	1.96
Brazil	BRL	5.78	6.66	6.31	6.20
Bulgaria	BGN	1.96	1.96	1.96	1.96
China	CNY	7.07	7.84	7.53	7.90
Croatia	HRK	7.57	7.58	7.52	7.56
Czech Republic	CZK	25.00	26.20	25.39	26.60
Egypt	EGP	17.54	19.13	18.35	18.31
Hungary	HUF	369.72	361.43	358.32	355.02
India	INR	84.55	89.58	86.84	86.24

€	Currency	Rate at reporting date 28 Feb 2022	28 Feb 2021	Average rate for year 2021|22	2020|21
Japan	JPY	129.31	–	130.43	–
Mexico	MXN	22.90	25.29	23.79	25.13
Morocco	MAD	10.72	10.83	10.59	10.85
Northern Macedonia	MKD	61.70	61.69	61.64	61.69
Poland	PLN	4.69	4.52	4.57	4.48
Romania	RON	4.95	4.88	4.93	4.85
Russia	RUB	115.48	90.67	86.81	86.13
Serbia	CSD	117.66	117.58	117.58	117.58
South Africa	ZAR	17.29	18.10	17.35	19.10
South Korea	KRW	1,347.62	1,367.10	1,356.32	1,352.11
Turkey	TRY	15.45	9.02	11.57	8.41
Ukraine	UAH	33.17	34.15	31.96	32.00
USA	USD	1.12	1.21	1.17	1.16

6. Financial reporting in hyperinflationary economies

▪ Financial statements of subsidiaries in hyperinflationary economies – in the financial year this was one subsidiary domiciled in Argentina – are adjusted in accordance with IAS 29. Before translation into the Group currency (the euro), non-monetary items of the balance sheet that are measured at cost or amortised cost are adjusted to reflect the price changes that occurred in the financial year, using a suitable price index to measure purchasing power. Monetary items in the balance sheet are not adjusted. All items in the statement of comprehensive income and all components of equity are also adjusted using appropriate price indices. Gains or losses on the net monetary position are reported as a separate line in finance income or expense, in the consolidated income statement.

▪ The financial statements of the Argentine subsidiary were prepared based on the historical cost approach. Since the 2018|19 financial year these must be adjusted as a result of changes in the general purchasing power of the functional currency (the Argentine peso) and are thus stated in the measuring unit current at the balance sheet date. The prices used for the adjustment are the consumer prices published by Argentina's Instituto Nacional de Estadística y Censos, the National Institute of Statistics and Census. The price index at 28 February 2022 stood at 628.63 (28 February 2021: 416.36). The change in the index is shown in the following table:

	Index change 2021|22	2020|21
March	4.8%	3.3%
April	4.1%	1.5%
May	3.3%	1.5%
June	3.2%	2.2%
July	3.0%	1.9%
August	2.5%	2.7%
September	3.5%	2.8%
October	3.5%	3.8%
November	2.5%	3.2%
December	3.8%	4.0%
January	3.9%	4.0%
February	3.9%	3.7%

7. Accounting policies

7.1. Intangible assets (including goodwill) and property, plant and equipment

- Purchased intangible assets (other than goodwill) are capitalised at cost and amortised on a straight-line basis over their expected useful lives of between 5 and 15 years.

- Goodwill is not amortised, but is reviewed at least annually for impairment. This review is performed regularly at 31 August, and additionally whenever there are indications of possible impairment (triggering events). Details on this impairment test are presented in the notes to the balance sheet.

- Acquired items of property, plant and equipment are valued at cost of purchase and/or conversion, less straight-line depreciation and impairment losses. In the conversion costs of internally generated assets, besides materials and labour costs, prorated overheads are capitalised. Borrowing costs directly attributable to the production of an asset that are incurred during the production period are capitalised in accordance with IAS 23. All other borrowing costs are recognized as an expense in the period during which they are incurred. Maintenance costs are expensed as incurred, unless they result in an expansion or significant improvement of the asset concerned, in which case they are capitalised.

- Under IFRS 16, for all leases, the lessee generally recognises a right-of-use asset and a lease liability in the balance sheet, based on the present value of the outstanding lease payments. The present value is determined based on the current incremental borrowing rate, unless the interest rate implicit in the lease is available. The right-of-use asset is depreciated over the term of the lease. The unwinding of discount on the lease liability is performed using the effective interest method and the liability is amortised through lease payments; the resulting interest expenses are reported in finance expense. The right-of-use asset is subject to impairment testing in accordance with IAS 36 (Impairment of Assets). AGRANA does not apply IFRS 16 to leases of intangible assets. For assets of low value and for short-term leases, AGRANA elects not to capitalise the lease, and the expenses are recognised in other operating expenses.

- Depreciation of property, plant and equipment is generally based on the following useful lives:

Buildings	15 to 50 years
Plant and machinery	10 to 15 years
Office furniture and equipment	3 to 10 years

These useful lives are reviewed annually and adjusted as required.

7.2. Government assistance

- Government assistance to reimburse the Group for costs is recognised as other operating income in the period in which the related costs are incurred, unless the assistance is contingent on conditions that are not yet sufficiently likely to be met.

- Government assistance to support capital expenditure is recognised as deferred income from the time of the binding award and deducted from the cost of the intangible assets and property, plant and equipment on a straight-line basis over the useful life of the allocated asset through profit or loss. Details are provided on page 145.

7.3. Financial instruments

- The AGRANA Group distinguishes the following classes of financial instruments:

Financial assets

– Securities, and investments in non-consolidated subsidiaries and outside companies
– Trade receivables
– Other financial assets
– Cash and cash equivalents

Financial liabilities

– Bank loans and overdrafts, and other loans from non-Group entities
– Liabilities to affiliated companies in the Südzucker group and to joint ventures
– Lease liabilities
– Trade payables
– Financial other payables

Derivative financial instruments

– Interest-rate derivatives
– Currency derivatives
– Commodity derivatives

- Investment fund units and uncertificated securities (cooperative shares) in the balance sheet item "securities" are classified as at fair value through profit or loss and are measured at fair value on initial recognition. Equity instruments that are to be held for the long term are assigned to the category "fair value through other comprehensive income (no recycling)". Initial measurement is at fair value, including any transaction costs. Value changes of equity instruments are recognised outside profit or loss (after income tax) in a separate reserve item in equity. Investments in nonconsolidated subsidiaries are recognised at cost at the time of acquisition and classified as at "fair value through other comprehensive income (no recycling)". The fair value of investments in outside companies was determined on the basis of discounted future cash flows. Fair value was not determined for investments in non-consolidated subsidiaries, as the amount was immaterial to the AGRANA Group.

- Financial assets are recognised at the settlement date.

- Cash and cash equivalents include cash on hand and bank deposits having a remaining term to maturity of up to three months at the time of investment. Cash and cash equivalents in foreign currency are measured at the exchange rates at the balance sheet date.

Derivative financial instruments

- Derivative financial instruments are used to hedge risks from changes in interest rates, exchange rates and commodity prices. Derivatives are carried as an asset or liability and, irrespective of their purpose, are measured at fair value. Changes in their fair value are recognised through profit or loss – either in other operating income/expenses (for commodity derivatives and currency derivatives related to purchase and sales transactions) or in net financial items (for interest rate derivatives and currency derivatives related to financings) – unless the derivatives are used to hedge an underlying transaction (cash flow hedges) and meet the requirements for hedge accounting under IFRS 9. In the latter case, the unrealised effective changes in value are recognised in other comprehensive income. If the hedged expected transaction leads to the subsequent recognition of a non-financial item (such as inventories), the amount accumulated in the "reserve for hedging instruments (cash flow hedges)" is included directly in the acquisition cost of the non-financial item at the time of its recognition. In all other cases, the accumulated amount is transferred to the income statement in the period in which the underlying hedged transaction affects profit or loss. Ineffective portions of the valuation gains or losses on cash flow hedges are recognised in the income statement immediately. Derivative financial instruments are classified as at fair value through profit or loss, except for derivatives with a hedging relationship to an underlying transaction. The latter are allocated to the category "fair value through other comprehensive income (hedging instruments)". More information on derivative financial instruments is provided from page 158.

Receivables

- Receivables are initially recognised at fair value and subsequently measured at amortised cost. Non-interest-bearing receivables with a remaining maturity of more than one year are recognised at their present value using the effective interest method. For default risks or other risks contained in receivables, sufficient impairment is allowed individually or on a portfolio basis. The portfolio-based impairment is determined using the simplified approach under IFRS 9. Under this approach, expected credit losses over the entire life of the asset are anticipated based on analysis of historical loss rates for different lengths of time past due. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors that affect customers' ability to pay receivables. The impairment is recognised in separate impairment allowance accounts. The face amounts of the receivables net of the necessary impairment allowance represent the fair values. Irrecoverable receivables are derecognised on an individual case-by-case basis. If the reasons for an impairment charge cease to apply, the impairment loss is reversed, to not more than the asset's historical cost. As the instruments in the item "other financial assets" are not subject to any particular concentrations of risk, and cash and cash equivalents are with minor exceptions payable on demand, an expected impairment loss under IFRS 9 was not calculated for these assets.

- Foreign currency receivables are measured at the exchange rates at the balance sheet date.

Payables

- Borrowings are initially measured at their actual proceeds. Premiums, discounts or other differences between the proceeds and the repayment amount are realised over the term of the instrument by the effective interest method and recognised in net financial items (at amortised cost).

- Trade payables are initially measured (at inception of the liability) at the fair value of the goods or services received. Subsequently these payables are measured at amortised cost. Other payables not resulting from the receipt of goods or services are measured at their payable amount.

- Payables denominated in foreign currencies are recognised at the exchange rates at the balance sheet date.

7.4. Inventories

- Inventories are measured at the lower of cost of purchase and/or conversion and net selling price. The weighted average cost formula is used. In accordance with IAS 2, the conversion costs of unfinished and finished products include – in addition to directly attributable unit costs – reasonable proportions of the necessary material costs and production overheads inclusive of depreciation of manufacturing plant (based on the assumption of normal capacity utilisation) as well as production-related administrative costs. Financing costs are not taken into account. To the extent that inventories are at risk as a result of prolonged storage or reduced saleability, a write-down is recognised.

7.5. Emission allowances

- AGRANA's CO_2 emission rights represent the emission rights (EU Allowances, or EUA) issued in the EU Emissions Trading System and are accounted for in accordance with the provisions of IAS 38 (Intangible Assets), IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) and IAS 37 (Provisions, Contingent Liabilities and Contingent Assets). The EUAs, allocated free of charge or acquired for the respective calendar year, are intangible assets that are reported under other current assets. They are measured at cost, which is zero in the case of allowances allocated free of charge. If the actual emissions exceed the allocated EUAs, a provision for CO_2 emissions is recognised as an expense. The provision is calculated by taking into account the cost incurred for purchased allowances or the market value of allowances at the measurement date.

7.6. Impairment

- Assets (other than inventories and deferred tax assets) are tested at every balance sheet date for evidence of impairment. In addition, these assets are reviewed for impairment when there are indications of possible impairment. Goodwill and other intangible assets with an indefinite useful life are reviewed for impairment annually at 31 August, even when there is no indication of impairment.

- The impairment test involves determining the asset's recoverable amount. The recoverable amount is the higher of an asset's value in use and its fair value less costs of disposal. If the asset's recoverable amount is less than its carrying amount, the difference is expensed as an impairment loss in the income statement.

- An asset's value in use is the present value of the estimated future cash flows from the asset's continuing use and from its disposal at the end of its useful life. The discount rate used in determining present value is a pre-tax market rate adjusted for the specific risks of the asset concerned. Where no largely independent cash inflows can be determined, value in use is determined for the next-larger unit (the cash-generating unit) to which the asset belongs and for which largely independent cash inflows can be determined.

- Where an impairment loss later decreases or is eliminated, the amount of the reversal of the impairment loss (except in the case of goodwill) is recognised as income in the income statement up to the lower of amortised original cost and value in use. Impairment losses on goodwill are not reversed.

7.7. Employee benefit obligations

- The AGRANA Group maintains both defined contribution and defined benefit plans for pensions and termination benefits. Under the defined contribution pension and termination benefit arrangements, AGRANA has no further obligation after paying the agreed premium. Contributions to defined contribution plans are recognised as an expense when they fall due, and are reported in staff costs. Contributions paid to government plans are treated in the same manner as those paid to defined contribution plans. As the Group has no payment obligations beyond making the contributions, no provision is maintained.

- The provisions for defined benefit pension, termination and long-service obligations are calculated using the projected unit credit method in accordance with IAS 19 (Employee Benefits), based on actuarial valuations. This involves determining the present value of the defined benefit obligation and comparing it to the fair value of plan assets at the balance sheet date. In the case of a deficit, a provision is recorded. The defined benefit obligation is measured by the projected unit credit method. Under this method, the future payments determined on the basis of realistic assumptions are accumulated over the period during which the respective beneficiaries acquire the entitlement to these benefits.

- Service cost is recognised in staff costs. Besides the current service cost for the benefits newly earned by staff every year, it may also include past service cost arising from plan curtailments or changes, which is recognised immediately in profit or loss for the period. The net interest cost for the financial year is calculated by applying the discount rate determined at the beginning of the year to the net pension obligation determined at that time, taking into account the expected payment outflows. Net interest is recognised in finance expense.

- Actuarial gains and losses arising from changes in actuarial assumptions or from differences between previous actuarial assumptions and observed outcomes are recognised in other comprehensive income in the period in which they occur, along with their effect on deferred taxes (with the exception of obligations for long-service awards). Correspondingly, the full amount of the obligation is recognised in the balance sheet. The changes in actuarial gains and losses recognised in the respective period are presented separately on the face of the statement of comprehensive income. Actuarial gains and losses previously recognised in other comprehensive income cannot be reclassified to profit or loss in subsequent periods. The recognition in other comprehensive income also includes the differences between (i) the interest income on plan assets based on the discount rate and included in net interest and (ii) the actual return on plan assets determined at the end of the period.

- The calculation is based on extrapolated future trends in salaries, retirement benefits and employee turnover, as well as a discount rate of predominantly 1.65% for the year under review (prior year: 0.75%).

- A portion of pension obligations was transferred to pension funds. The retirement benefit contributions to be paid are calculated so as to fully fund the retirement benefit obligation at the time of retirement. If a plan deficit occurs, there is an obligation to fund the shortfall. The Group also holds benefit insurance policies to secure its ability to meet obligations under pension and termination benefit plans. The individual assets allocated to the pension plan are netted against the present value of the pension obligation to arrive at the net obligation. Likewise, the qualifying insurance policies are treated as plan assets in reducing the present value of the respective pension and termination benefit obligation.

7.8. Other provisions

- Other provisions are recognised where the following conditions are met: the AGRANA Group has a legal or constructive obligation to a third party as a result of a past event, the obligation is likely to lead to an outflow of resources, and the amount of the obligation can be reliably estimated.

- Provisions are measured at the amount representing the best estimate of the expenditure required to settle the obligation. If the present value of the obligation determined on the basis of a market interest rate differs materially from its nominal amount, the present value of the obligation is used.

- The risks arising from contingent liabilities are covered by sufficient provisions.

- Provisions for reclamation comprise obligations for reclamation of properties, emptying and rehabilitation of landfills, remediation or restoration of building structures, legacy soil reclamation and removal of waste residues.

- Provisions for “staff costs, including long-service awards” also include provisions for phased retirement, provisions for redundancy benefit plans under restructuring projects, provisions for bonuses and awards, and other personnel-related provisions. Under IAS 19, long-service awards are classified as long-term employee benefits. These are determined by the projected unit credit method. Actuarial gains and losses are reported in the current period in staff costs. Long-service awards are one-time payments dependent on level of salary or wage and length of service and are stipulated under local company agreements or of collective agreements. Obligations for the payment of such service anniversary bonuses exist especially in Austria. In Austria, provisions for phased retirement must be created as a result of labour laws regarding obligations to employees. The legislation concerning phased retirement makes it easier for companies to employ older staff members working reduced hours with substantial financial security until full retirement. Provisions for redundancy benefit plans under restructurings are created only if a formal, detailed restructuring plan has been prepared and communicated.

- Provisions for uncertain liabilities include, among other items, provisions for litigation risks, onerous contracts, costs of beet receiving, loading and storage, and other uncertain liabilities. A provision for onerous (loss-making) contracts is recognised if the expected economic benefit from a contract is less than the unavoidable cost of fulfilling the contract.

7.9. Deferred taxes

- Deferred taxes are recognised on temporary differences between the IFRS carrying amounts of assets and liabilities and the tax base; on consolidation entries; and on tax loss carryforwards expected to be utilised. Significant differences exist between the IFRS carrying amounts and the tax base for property, plant and equipment, inventories and provisions. Deferred tax assets are recognised for unused tax loss carryforwards insofar as these are expected to be utilised within five years.

- Deferred taxes are calculated by the liability method (under IAS 12), based on the pertinent national income tax rates. Consequently, with the exception of goodwill arising on consolidation, deferred taxes are recognised for all temporary differences between the IFRS balance sheet and the tax base, to the extent that deferred tax assets are likely to be realised.

- When income and expenses are recognised in other comprehensive income, then so are the respective deferred tax assets and liabilities. The assessment of the recoverability of deferred tax assets arising from temporary differences and from tax loss carryforwards takes into account company-specific forecasts of, for instance, the future earnings situation in the respective Group company. Deferred tax assets are recognised only if the associated tax benefits are expected to be realisable over a five-year planning horizon. This is the case if sufficient profits can be earned or if there is sufficient taxable income from the reversal of temporary differences previously recognised as liabilities.

- Deferred tax assets are classified as non-current assets; deferred tax liabilities are recorded as non-current liabilities. Deferred tax assets are offset against deferred tax liabilities if they relate to the same tax authority.

- The income tax reported represents the tax levied in the individual countries on taxable income, and the movement in deferred taxes.

7.10. Recognition of revenue and costs

- Revenue represents the fair value of the consideration received or receivable for products and services sold in the course of ordinary business activities. In the AGRANA Group, revenue is recognised in accordance with the five-step model of IFRS 15, and generally at a point in time. Revenue is recognised when control of a product or service passes to a buyer. The timing of the transfer of control to the buyer is typically determined in accordance with INCOTERMS (International Commercial Terms), which govern the transfer of the risks and rewards incident to ownership. Revenue from services is recognised to the extent that they have been provided by the balance sheet date. For variable price agreements, revenue recognition is based on the expected final prices estimated on a contract-specific basis. Revenue is presented net of rebates, discounts and sales tax, and after eliminating intragroup sales. The costs of obtaining sales contracts predominantly have a short-term relationship to revenue and are expensed immediately. Under the usual industry payment terms, there are no financing terms to consider in revenue recognition.

- Operating expenses are recognised in the income statement upon use of the product or service or as incurred.

- Finance expense comprises the interest expense, similar expenses and transaction costs on debt financing and on lease liabilities; financing-related currency translation gains and losses; and financing-related hedging gains and losses.

- Income from financial investments represents interest, dividend and similar income realised from cash-equivalent investments and investments in other financial assets; gains and losses on the disposal of financial assets; and impairment losses and impairment loss reversals.

- Interest income is recognised on an accrual basis using the effective interest method. Dividend income is recognised at the time of the decision to pay the dividend.

7.11. Critical assumptions and judgements

- The preparation of these consolidated financial statements in accordance with IFRS requires the Company's management to make judgements and to act on assumptions about future developments. These judgements and assumptions can have a material effect on the recognition and measurement of the assets and liabilities, the disclosure of other liabilities at the balance sheet date, and the amounts of income and expenses reported for the financial year.

▪ The following assumptions involve a not insignificant risk that they may lead to a material change in the carrying amounts of assets and liabilities in the next financial year:

– The impairment testing of goodwill (carrying amount at 28 February 2022: € 186,971 thousand; at 28 February 2021: € 241,781 thousand), other intangible assets (carrying amount at 28 February 2022: € 17,583 thousand; at 28 February 2021: € 12,818 thousand) and property, plant and equipment (acquired and leased) (carrying amount at 28 February 2022: € 828,168 thousand; at 28 February 2021: € 859,659 thousand) is based on forward-looking assumptions. The determination of the recoverable amounts for the purpose of the impairment review involves several assumptions, such as regarding future net cash flows and the discount rate. The net cash flows are the amounts in the most current cash flow forecast for the cash-generating units (CGUs) for the next five years (being the most current at the time of the regular impairment test date of 31 August).

  The start of the Ukraine war on 24 February 2022, affecting subsidiaries in Ukraine and Russia, was a triggering event for the goodwill impairment test for the Fruit CGU at 28 February 2022.

  The subsidiaries in both Russia and Ukraine are assumed to remain in business as going concerns. The economic sanctions will have a strong impact on the company's earnings in Russia for 2022|23. AGRANA expects Russia to recover in the long term. The Russian subsidiary manufactures food products that are not directly covered by the sanctions, but indirect effects (such as reduced domestic consumption) are expected. None of the Ukrainian subsidiaries are located in the immediate war zone; their production and domestic sales volume are expected to fall in 2022|23 due to the hostilities, but are assumed to return to pre-war levels in the long term.

  The impairment test of the goodwill of the Fruit CGU was based on the latest available planning calculations from February 2022. COVID-19 pandemic effects were not treated as a separate factor in the planning process. These planning calculations were approved by the Management Board in February 2022.

  The Fruit segment has three subsidiaries in Ukraine and one in Russia. Impacts of the war situation on these companies were projected. In view of the high degree of uncertainty at the time of preparation of the projections, the management developed four possible scenarios for future trajectories in these two countries – building on the basic assumptions presented above on the impacts of the Ukraine conflict – and weighted the scenarios by their expected probability of occurrence. The price increases for energy and raw materials expected to result from the Ukraine crisis were also taken into account in the scenarios.

  The planning calculations adjusted for the effects of the war in Ukraine were presented to the Supervisory Board in a special meeting on 19 April 2022.

  At 28 February 2022, the carrying amount of the Fruit CGU was compared to the value in use determined by applying the WACC[1] updated to that date.

  The forecast uncertainty caused by the volatility of the markets is addressed by taking into account alternative planning scenarios. The planning scenarios differ mainly in the assumptions as to revenue growth and the EBIT margin up to the terminal value stage.

  Excluding the adjustments for the effects of the Russia-Ukraine war, the scenarios show the following picture and would not have led to impairment of goodwill:

Fruit CGU at 28 February 2022	Weighting	CAGR of revenue p.a. (basis: 2021|22)	EBIT margin in 2026|27
Base case	60%	5.9%	5.2%
Downside case – moderate	25%	5.5%	4.6%
Downside case – progressive	15%	5.1%	4.3%

[1] Weighted average cost of capital.

Fruit CGU at 28 February 2021	Weighting	CAGR of revenue p.a. (basis: 2020|21)	EBIT margin in 2025|26
Base case	65%	4.8%	5.7%
Downside case – moderate	25%	4.5%	5.5%
Downside case – progressive	10%	4.2%	5.2%

In the financial year, due to the war situation in Ukraine and the difficulty of assessing the effects of the economic trend going forward, the weighting was chosen more conservatively by giving the base case less weight than the downside progressive case.

In addition to the scenarios presented above, the following four possible cases of future developments in Ukraine and Russia were identified by management and weighted according to probability. A going-concern basis is assumed for both countries.

- The best-case outcome (scenario 1, weighted at a probability of 25%) assumes that the war in Ukraine lasts three months, that business activities can be resumed immediately afterwards and that the sanctions against Russia remain in place until 2024|25.
- The most likely case (scenario 2, weighted at 50%) assumes that the war in Ukraine lasts three months and business activities resume within six months, but that the sanctions against Russia persist beyond 2024|25.
- The unfavourable case (scenario 3, weighted at 23%) assumes that the war in Ukraine will last six months and that the sanctions against Russia will continue beyond 2024|25.
- Scenario 4 (weighted at 2%) assumes the closure of the businesses in both countries.

The scenarios including the effects of the Ukraine crisis are as follows:

Fruit CGU at 28 February 2022	Weighting	CAGR of revenue p.a. (basis: 2021|22)	EBIT margin in 2026|27
Base case	60%	6.2%	4.7%
Downside case – moderate	25%	5.8%	4.1%
Downside case – progressive	15%	5.4%	3.8%

The discount rate before tax is based on the industry, the company risk level and the specific market environment, and is set at 7.25% (prior year: 7.56%).

Including the adjustments for the impacts of the war in Ukraine, the carrying amount of goodwill in the Fruit CGU is subject to impairment of € 55,283 thousand.

Depending on the further trajectory of the war and sanctions, negative impacts on the 2022|23 financial year or on subsequent years may arise, such as impairment of goodwill and property, plant and equipment.

Sensitivities were calculated based on the goodwill impairment test performed at 28 February 2022. An increase of 0.5 percentage points in WACC would lead to additional impairment of € 79,165 thousand in the Fruit CGU. The sensitivities to the weighting of the scenarios were also determined. Assuming that all other parameters remain the same, a weighting distribution of 65% / 25% / 10% would lead to a reduction of € 9,667 thousand in impairment. Conversely, a weighting allocation of 55% / 25% / 20% would result in an increase of € 9,667 thousand in impairment.

In the Starch CGU, a downside case was developed in addition to the base case. Neither scenario would result in an impairment of the carrying amount of goodwill in the Starch CGU:

Starch CGU at 28 February 2022	Weighting	CAGR of revenue p.a. (basis: 2021|22)	EBIT margin in 2026|27
Base case	65%	1.7%	5.0%
Downside case	35%	−3.5%	5.5%

Starch CGU at 28 February 2021	Weighting	CAGR of revenue p.a. (basis: 2020|21)	EBIT margin in 2025|26
Base case	65%	2.9%	6.2%
Downside case	35%	−4.4%	6.1%

The discount rate before tax is based on the industry, the company risk level and the specific market environment, and is set at 7.09% (prior year: 6.80%).

Sensitivities were calculated at 28 February 2022 based on the findings of the goodwill impairment test performed at 31 August 2021. On the assumption of a constant WACC, a reduction in operating profit of approximately 40% in 2026|27 would not jeopardise the excess cover in the Starch CGU (the excess of value in use over the carrying amount).

An increase of 0.5 percentage points in WACC would not lead to an impairment. The sensitivity to the weighting of the scenarios was also determined. Assuming that all other parameters remain constant, a weighting distribution of 55% / 45% would reduce the excess cover by € 8,320 thousand.

– Based on the planning assumptions described above, an impairment test of the property, plant and equipment of the Ukraine CGU was performed and impairment of € 1,545 thousand was identified for the property, plant and equipment of the agricultural business of AGRANA Fruit Luka TOV, Vinnytsia, Ukraine, and for property, plant and equipment located in the war zone at customers.

– The relevant value drivers for the Sugar Sales & Production CGU were identified as the amount of beet production area (beet fields), sugar sales prices, and production costs related to gas prices/energy prices. A substantial reduction in beet production area and a level of sugar prices at which rising gas and energy prices cannot be passed on to customers could lead to impairment.

– AGRANA assumes that cost increases due to rising raw material and energy prices can be passed on to customers, at least with a time lag, and has therefore not identified a triggering event for the Starch and Sugar CGUs.

– Financial instruments for which no active market exists are reviewed for impairment by using alternative discounting-based valuation methods. The inputs used for the determination of fair value are based in part on assumptions concerning the future.

– The measurement of existing retirement and termination benefit obligations (carrying amount at 28 February 2022: € 58,848 thousand; at 28 February 2021: € 67,786 thousand) involves assumptions regarding the discount rate, age at retirement, life expectancy, employee turnover and future increases in pay and benefits.

– The sensitivity analysis below is based on varying one assumption at a time with the other assumptions remaining unchanged from the original calculation. Potential correlation effects between assumptions are thus not taken into account. The changes in assumptions would have the following effects on the present values of the obligations stated in note 23a:

€000	Pension benefits 28 Feb 2022	Pension benefits 28 Feb 2021	Termination benefits 28 Feb 2022	Termination benefits 28 Feb 2021
Change in actuarial assumptions				
Discount rate				
+0.5 percentage points	(2,092)	(2,537)	(1,428)	(1,664)
−0.5 percentage points	2,289	2,790	1,527	1,785
Wage and salary increase				
+0.25 percentage points	33	54	729	851
−0.25 percentage points	(32)	(53)	(704)	(820)
Pension increase				
+0.25 percentage points	1,075	1,267	–	–
−0.25 percentage points	(1,033)	(1,215)	–	–
Life expectancy				
Increase by 1 year	3,629	4,594	–	–
Decrease by 1 year	(3,791)	(4,885)	–	–

– The recognition of deferred tax assets (carrying amount at 28 February 2022: € 13,734 thousand; at 28 February 2021: € 16,440 thousand) is based on the assumption that sufficient taxable profit will be earned over the five-year planning horizon to realise them.

– The off-balance sheet obligations from financial guarantees and from other contingent liabilities, and any reductions in these obligations, are regularly reviewed as to whether they require recognition in the balance sheet.

– In determining the amount of other provisions (carrying amount at 28 February 2022: € 48,392 thousand; at 28 February 2021: € 46,874 thousand), management exercises judgement as to whether AGRANA is likely to incur an outflow of resources from the obligation concerned and whether the amount of the obligation can be estimated reliably.

- The HUNGRANA group, AGRANA STUDEN group and Beta Pura GmbH were classified as joint ventures under IFRS 11 and the agreements existing at the time. The AGRANA Group holds 50% of the share capital of the joint ventures.

- The AGRANA Group holds 50.01% of the share capital of AUSTRIA JUICE GmbH and its subsidiaries. As a result of the underlying contracts and arrangements, AGRANA exercises control over these companies and fully consolidates them in the Group accounts.

8. Notes to the consolidated income statement

Note (1)

8.1. Revenue

AGRANA is a globally operating processor of agricultural raw materials, with its Fruit, Starch and Sugar segments manufacturing high-quality foods and many intermediate products for the downstream food industry as well as for non-food applications.

Revenue in the Fruit segment is generated with fruit preparations for the dairy, bakery, ice-cream and food service industries and with fruit juice concentrates, such as apple and berry juice concentrates, as well as with not-from-concentrate juices and fruit wines, beverage bases and aromas.

In the Starch segment, AGRANA processes and refines primarily corn (maize), wheat and potatoes into premium starch products for the food and beverage industry, the paper, textile, cosmetics and building materials sectors and other non-food industries. The starch operations also produce fertilisers and high-quality animal feeds. The production of bioethanol as well is part of the Starch segment.

The Sugar segment processes sugar beet from contract growers and also refines raw sugar purchased worldwide. The products are sold into downstream industries for use in, for example, sweets, non-alcoholic beverages and pharmaceutical applications. A wide range of sugars and sugar specialty products is also marketed to consumers, through food retailers. In addition, in the interest of optimal utilisation of its agricultural raw materials, the Sugar segment produces a large number of fertilisers and feedstuffs for use in agriculture and animal husbandry.

In all three business segments, revenue is recognised after control of the product passes to the customer, and almost always at a point in time. All supply contracts contain Incoterms, such as DDP, DAP and EXW, which govern the transfer of control to the customer and thus establish the timing of revenue recognition. The payment term is usually up to 90 days. Of AGRANA's revenue, 95.44% (prior year: 94.85%), or the great majority, is generated with products manufactured by the Group itself. AGRANA's revenue from services, at 0.30% of the total (prior year: 0.24%), and from the reselling of merchandise, at 4.26% (prior year: 4.91%), is of minor significance as a share of total revenue.

Within the business segments, revenue is allocated to regions based on the location of the companies' registered office.

€000	2021|22	2020|21
Fruit segment		
EU-27	585,598	554,441
Europe non-EU	109,197	97,454
North America	337,420	309,785
South America	32,661	24,179
Asia	115,664	118,821
Africa	31,208	24,639
Australia and Oceania	39,332	37,252
	1,251,080	**1,166,571**
Starch segment		
EU-27	987,854	802,197
North America	22,553	19,695
	1,010,407	**821,892**
Sugar segment		
EU-27	640,057	558,521
	640,057	**558,521**
Total	**2,901,544**	**2,546,984**

The Group's top ten customers accounted for 29.8% (prior year: 30.1%) of consolidated revenue. One AGRANA customer accounted for 10.9% (prior year: 12.4%) of consolidated revenue. No other customer represented more than 10% of revenue.

Note (2)

8.2. Changes in inventories and own work capitalised

€000	2021|22	2020|21
Changes in inventories of finished and unfinished goods	99,051	(14,529)
Own work capitalised	2,069	2,820

The change in inventories of finished and unfinished goods amounted to a net increase of € 99,051 thousand (prior year: net reduction of € 14,529 thousand), which resulted from an increase in the Sugar segment of € 90,205 thousand (prior year: reduction of € 17,985 thousand), an increase in the Fruit segment of € 19,945 thousand (prior year: decrease of € 8,130 thousand) and a reduction in the Starch segment of € 11,099 thousand (prior year: increase of € 11,586 thousand).

The changes in inventories included an exceptional items expense in the Fruit segment of € 1,118 thousand for impairment of finished and unfinished goods due to the war in Ukraine (prior year: € 859 thousand in the Fruit segment from a product complaint in Europe).

Note (3)

8.3. Other operating income

€000	2021|22	2020|21
Income from		
Currency translation gains	7,705	11,537
Disposal of nun-current assets other than financial assets	5,842	515
Insurance benefits and payments for damages	1,650	2,967
Derivatives	1,298	1,817
Research incentives	1,268	1,400
Release of provisions for impairment of trade receivables	1,027	644
Rent and leases	578	513
Beet and pulp cleaning, transport and handling	525	367
Services rendered to third parties	108	103
Adjustment of payables from the acquisition of subsidiaries	0	5,951
Exceptional items	0	1,617
Recognition of negative goodwill resulting from a business combination	0	140
Other items	15,741	15,393
Total	**35,742**	**42,964**

Within other operating income, “other items” represent, among other things, revenue from the pass-through of costs for raw materials, consumables and services.

Note (4)

8.4. Cost of materials

€000	2021|22	2020|21
Costs of		
Raw materials	1,409,546	1,158,798
Consumables and goods purchased for resale	685,405	535,260
Purchased services	74,368	65,174
Total	**2,169,319**	**1,759,232**

Due to the war in Ukraine, an expense of € 379 thousand for impairment of raw materials was recognised as an exceptional item in the cost of materials in the Fruit segment.

Note (5)

8.5. Staff costs

€000	2021|22	2020|21
Wages and salaries	274,678	274,844
Social security contributions, retirement benefit expenses and other staff costs	72,548	70,450
Total	**347,226**	**345,294**

The expense for the unwinding of discount on the pension and termination benefits newly accrued in prior years, less the return on plan assets, is included within net financial items. The interest component, at € 540 thousand (prior year: € 641 thousand) is included in net financial items. The current and past service costs are included in staff costs.

In the 2021|22 financial year an expense of € 20,345 thousand (prior year: € 19,591 thousand) was recognised for contributions to government pension plans.

€ 1,555 thousand of contributions to a defined contribution termination benefit fund were recognised in the income statement for the year (prior year: € 1,501 thousand).

Staff costs included exceptional expenses, which related largely to follow-up expenses from the prior year's cost reduction programme in the Fruit segment. The net exceptional items expense reflected in staff costs amounted to € 1,001 thousand (prior year: € 4,602 thousand).

Average number of employees during the financial year (average full-time equivalents):

By employee category	2021|22	2020|21
Wage-earning staff	5,863	5,972
Salaried staff	2,736	2,779
Apprentices	92	96
Total	**8,691**	**8,847**

By region	2021|22	2020|21
Austria	2,356	2,414
Hungary	417	424
Romania	491	537
Rest of EU	1,456	1,520
EU-27	4,720	4,895
Rest of Europe (Russia, Turkey, Ukraine)	1,150	1,157
Other foreign countries	2,821	2,795
Total	**8,691**	**8,847**

The average number of employees of joint ventures in full-time equivalents over the year was as follows (reported at company totals, not proportionately):

By employee category	2021|22	2020|21
Wage-earning staff	336	341
Salaried staff	206	205
Total	**542**	**546**

Note (6)

8.6. Depreciation, amortisation and impairment

€000	Total	Amorti-sation, depre-ciation	Impair-ment losses	Reversal of impair-ment losses
2021|22				
Intangible assets	3691	3691	0	0
Property, plant and equipment – acquired	110,647	110,747	183	(283)
Property, plant and equipment – leased	5,833	5,833	0	0
Recognised in operating profit before exceptional items	**120,171**	**120,271**	**183**	**(283)**
Exceptional items	56,828	0	56,828	0
Recognised in operating profit [EBIT]	**176,999**	**120,271**	**57,011**	**(283)**
2020|21				
Intangible assets	3,761	3,761	0	0
Property, plant and equipment – acquired	108,719	108,784	134	(199)
Property, plant and equipment – leased	5,626	5,626	0	0
Recognised in operating profit before exceptional items	**118,106**	**118,171**	**134**	**(199)**
Exceptional items	2,042	0	2,042	0
Recognised in operating profit [EBIT]	**120,148**	**118,171**	**2,176**	**(199)**

Impairment losses and reversals of impairment losses, by segment, were as follows:

€000	Impair-ment losses	Reversal of impair-ment losses
2021|22		
Fruit segment	56,828	(37)
Starch segment	27	(111)
Sugar segment	156	(135)
Group	**57,011**	**(283)**
2020|21		
Fruit segment	2,042	0
Starch segment	0	0
Sugar segment	134	(199)
Group	**2,176**	**(199)**

Impairment losses reflected in operating results in the Sugar and Starch segments related mainly to expenses for shut-down assets (prior year: closure of a production line in Romania in the Sugar segment).

As the war in Ukraine was a triggering event, impairment tests were carried out for the goodwill and property, plant and equipment of the Fruit CGU in Ukraine. Impairment in the amount of € 55,283 thousand was recorded on goodwill, as an exceptional item. Also recognised as an exceptional item in the Fruit segment was combined impairment of € 1,545 thousand on property, plant and equipment of AGRANA Fruit Luka’s agricultural operation in Vinnytsia, Ukraine, and on containers (totes) for finished product located at customers in war zones (prior year: € 2,042 thousand of impairment on assets in the compounds business of the Fruit segment in Egypt).

Note (7)

8.7. Other operating expenses

€000	2021|22	2020|21
Selling and freight costs	173,668	154,054
Operating and administrative expenses	97,122	88,025
Exceptional items	10,442	6,048
Currency translation losses	7,776	11,114
Advertising expenses	7,547	7,324
Other taxes	6,368	6,334
Contingent losses on sales contracts	5,938	0
Rent and lease expenses	5,777	6,017
Derivatives	1,809	2,264
Damage payments	1,632	1,661
Losses on disposal of non-current assets	591	174
Research and development expenses (external)	581	832
Other items	8,898	8,540
Total	**328,149**	**292,387**

Internal and external R&D costs totalled € 19,974 thousand (prior year: € 19,118 thousand).

Within other operating expenses, “other items” included, for instance, provisions and other purchased services.

Exceptional items in other operating expenses related mainly to impairment of receivables from customers in or near war zones in Ukraine, foreign currency losses due to the depreciation of the Russian rouble, and a damage claim in North America, and amounted to a total of € 8,370 thousand in the Fruit segment (prior year: € 6,048 thousand for plant closures in Poland and Hungary and a product complaint in Europe). The exceptional items expense of € 2,072 thousand in the Sugar segment included an allowance for impairment of trade receivables from the joint venture Beta Pura GmbH, which is experiencing financial difficulties as a result of the war in Ukraine.

The expenses incurred in the financial year for the external auditor, PwC Wirtschaftsprüfung GmbH, were € 545 thousand (prior year: € 467 thousand). Of this total, € 485 thousand (prior year: € 465 thousand) related to the audit of the consolidated financial statements (including the audit of the separate financial statements of individual subsidiaries), € 2 thousand (prior year: € 2 thousand) was for other assurance services, and € 58 thousand (prior year: € 0 thousand) represented other non-audit services.

Note (8)

8.8. Share of results of equity-accounted joint ventures

The share of results of equity-accounted joint ventures of € 8,019 thousand (prior year: € 17,513 thousand) included the Group’s share (amounting to € 11,204 thousand) of the profits of the joint ventures in the HUNGRANA group, in the AGRANA-STUDEN group and Beta Pura GmbH, as well as impairment of € 3,185 thousand on the interest held in Beta Pura GmbH.

Note (9)

8.9. Finance income

€000	2021|22	2020|21
Interest income	742	802
Currency translation gains	14,838	6,537
Income of non-consolidated subsidiaries and outside companies	34	22
Gains on derivatives	12,522	17,225
Miscellaneous finance income	428	310
Total	**28,564**	**24,896**

Interest income by segment was as follows:

€000	2021|22	2020|21
Fruit segment	322	534
Starch segment	26	27
Sugar segment	394	241
Total	**742**	**802**

Note (10)

8.10. Finance expense

€000	2021|22	2020|21
Interest expense	7,584	8,138
Net interest on provisions for pensions and termination benefits	540	641
Currency translation losses	7,875	16,571
Losses on derivatives	23,597	13,306
Loss on net monetary position under IAS 29	1,034	837
Miscellaneous finance expense	4,033	3,899
Total	**44,663**	**43,392**

Interest expense by segment was as follows:

€000	2021|22	2020|21
Fruit segment	1,554	2,139
Starch segment	235	231
Sugar segment	5,795	5,768
Group	**7,584**	**8,138**

Interest expense includes interest of € 1,008 thousand on lease liabilities (prior year: € 1,025 thousand) and the interest component from the discounting of the non-current obligation for long-service awards, at € 76 thousand (prior year: € 84 thousand).

Net currency translation differences on financing activities amounted to a gain of € 6,963 thousand (prior year: loss of € 10,034 thousand). This was composed of a realised gain of € 5,127 thousand (prior year: realised loss of € 7,840 thousand) and an unrealised gain of € 1,836 thousand (prior year: unrealised loss of € 2,194 thousand). The net translation gain was attributable primarily to foreign currency financing in US dollars, Mexican pesos and Czech koruna.

Note (11)

8.11. Income tax expense

Current and deferred tax expenses and credits pertained to Austrian and foreign income taxes and had the following composition:

€000	2021|22	2020|21
Current tax expense	17,618	9,326
Of which Austrian	3,020	(3,259)
Of which foreign	14,598	12,585
Deferred tax expense/(benefit)	3,248	(4,116)
Of which Austrian	(2,599)	256
Of which foreign	5,847	(4,372)
Total tax expense	**20,866**	**5,210**
Of which Austrian	421	(3,003)
Of which foreign	20,445	8,213

Reconciliation of the deferred tax amounts in the balance sheet to deferred tax in the statement of comprehensive income:

€000	2021|22	2020|21
(Decrease)/increase in deferred tax assets in the consolidated balance sheet	(2,706)	2,266
(Increase)/decrease in deferred tax liabilities in the consolidated balance sheet	(716)	2
Total change in deferred taxes	**(3,422)**	**2,268**
Of which recognised in the income statement	(3,248)	4,116
Of which recognised in other comprehensive income	(909)	(1,587)
Of which from currency translation/hyperinflation/other	325	(273)
Of which changes in scope of consolidation	410	12

In order to reconcile the amount in other comprehensive income to that in the statement of changes in equity, the tax effects of equity-accounted joint ventures and of their proportionate non-controlling interests – a total amount of € 233 thousand – must be deducted from the other comprehensive income of € 909 thousand presented in the table above.

Reconciliation of profit before tax to income tax expense

€000	2021|22	2020|21
Profit before tax	8,633	60,195
Standard Austrian tax rate	25%	25%
Nominal tax expense at standard Austrian rate	**2,158**	**15,049**
Tax effect of:		
Different tax rates applied on foreign income	(1,091)	(2,790)
Tax-exempt income and tax deductions, including results of equity-accounted joint ventures	(3,579)	(7,206)
Non-temporary differences from consolidation measures	10,871	(1,126)
Non-tax-deductible expenses and additional tax debits	3,868	4,472
Effects from other taxes	3,031	2,770
Effects of tax loss carryforwards	739	(2,551)
Non-recurring tax expenses/(benefits)	4,869	(3,408)
Income tax expense	**20,866**	**5,210**
Effective tax rate	**241.7%**	**8.7%**

The nominal tax expense is based on application of the standard Austrian corporation tax rate of 25%.

The Tax Reform Act of 2005 introduced a concept for the taxation of company groups. In accordance with the provisions of this Act, the AGRANA Group established a group consisting of AGRANA Beteiligungs-AG as the group parent and the following group members: AGRANA Zucker GmbH, AGRANA Stärke GmbH, AGRANA Sales & Marketing GmbH, AGRANA Internationale Verwaltungs- und Asset-Management GmbH, AGRANA Group-Services GmbH, INSTANTINA Nahrungsmittel Entwicklungs- und Produktionsgesellschaft m.b.H and AUSTRIA JUICE GmbH.

Deferred taxes are recognised on differences between carrying amounts in the consolidated financial statements and the tax bases of the individual companies in their home countries. Deferred taxes take into account carryforwards of unused tax losses.

In the interest of conservative planning, deferred taxes reflect carryforwards of tax losses only to the extent that sufficient taxable profit is likely to be earned over the next five years to utilise the deferred tax assets. € 13,344 thousand (prior year: € 13,820 thousand) of potential tax assets were not recognised. These related to cumulative unused tax loss carryforwards of € 52,487 thousand (prior year: € 50,059 thousand). Of the unused tax loss carryforwards, € 47,845 thousand (prior year: € 44,732 thousand) can be carried forward indefinitely, € 1,670 thousand (prior year: € 1,069 thousand) expire in two to four years and € 2,972 thousand (prior year: € 4,258 thousand) expire in five to seven years.

At the balance sheet date the deferred tax assets and liabilities recognised in other comprehensive income amounted to a net asset of € 6,335 thousand (prior year: € 7,011 thousand).

For temporary differences on investments in subsidiaries, deferred tax liabilities of € 176,910 thousand (prior year: € 191,933 thousand) were not recognised, as these gains are intended to be reinvested for an indefinite period and these temporary differences are thus not likely to reverse in the foreseeable future.

Note (12)

8.12. Earnings per share

		2021|22	2020|21
(Loss)/profit for the period attributable to shareholders of the parent (AGRANA Beteiligungs-AG)	€000	(12,612)	59,787
Average number of shares outstanding		62,488,976	62,488,976
(Loss)/earnings per share under IFRS (basic and diluted)	€	**(0.20)**	**0.96**
Dividend per share	€	**0.75**[1]	**0.85**

Subject to the Annual General Meeting's approval of the proposed allocation of profit for the 2021|22 financial year, AGRANA Beteiligungs-AG will pay a dividend of € 46,867 thousand (prior year: € 53,116 thousand).

[1] Proposal to the Annual General Meeting.

9. Notes to the consolidated cash flow statement

The cash flow statement is prepared using the indirect method and in accordance with IAS 7. The statement traces the movements in the AGRANA Group's cash and cash equivalents arising from operating, investing and financing activities.

Cash and cash equivalents, for the purpose of the cash flow statement, represent cash on hand, cheques and bank deposits.

There were restrictions on access to cash and cash equivalents of subsidiaries in Ukraine, Russia and Argentina as a result of currency legislation.

Cash and cash equivalents do not include current bank borrowings or securities classified as current assets.

The currency translation effects, except those on cash and cash equivalents, are already eliminated in the respective balance sheet items.

Note (13)

9.1. Cash flows from operating activities

Operating cash flow before changes in working capital was € 207,225 thousand (prior year: € 198,825 thousand), or 7.14% of revenue (prior year: 7.81%). Within "non-cash expenses/income and other adjustments", non-cash expenses/income consisted mainly of the unrealised currency translation gains of € 1,836 thousand (prior year: unrealised translation losses of € 2,194 thousand) reflected in net financial items, a net non-cash expense of € 280 thousand (prior year: net expense of € 675 thousand) for impairment of receivables, non-cash inventory write-downs of € 6,914 thousand (prior year: € 5,519 thousand) and non-cash exceptional expenses of € 11,158 thousand (prior year: € 8,221 thousand). The component "other adjustments" predominantly concerned corrections of the tax expense and net interest expense reflected in the Group's profit for the period, due to the separate presentation of that portion of interest and income taxes which represents cash flows. After changes in working capital and after cash flows from interest and taxes, net cash from operating activities was € 53,235 thousand (prior year: € 163,623 thousand).

Note (14)

9.2. Cash flows from investing activities

With broadly stable investment of € 77,018 thousand in property, plant and equipment and intangible assets (prior year: € 70,509 thousand), outflows of € 3,631 thousand for the acquisition of the subsidiary AGRANA Fruit Japan Co, Ltd, Tokyo, Japan (prior year: € 9,111 thousand for the purchase of 100% of the shares of Marroquin Organic International, Inc., Santa Cruz, CA, USA), and proceeds of € 7,897 thousand from the disposal of non-current assets (prior year: € 2,829 thousand), net cash used in investing activities was € 72,624 thousand (prior year: net cash use of € 79,646 thousand).

Note (15)

9.3. Cash flows from financing activities

Cash flows from financing activities in the year under review amounted to a net inflow of € 17,595 thousand (prior year: net outflow, at net cash used in financing activities of € 59,454 thousand), reflecting € 53,357 thousand of dividends paid, largely to shareholders of AGRANA Beteiligungs-AG (prior year: € 48,826 thousand); a capital increase of € 1,800 thousand of a subsidiary through non-controlling interests (prior year: € 0 thousand); the purchase of non-controlling interests of € 4,201 thousand (prior year: € 0 thousand); and the cash inflows/outflows from borrowings presented in the table below.

The following table presents the changes in liabilities arising from financing activities:

€000	Carrying amount at 1 Mar 2021	Changes in maturities	Cash inflows/ (cash outflows)	Currency translation differences and other non-cash changes	Carrying amount at 28 Feb 2022
2021|22					
Schuldscheindarlehen, i.e., bonded loans	181,000	(7,000)	0	0	174,000
Investment loan from European Investment Bank	26,854	(4,882)	0	0	21,972
Loans	262,383	(100,000)	(3,543)	233	159,073
Lease liabilities	23,400	(6,558)	0	5,857	22,699
Non-current borrowings	**493,637**	**(118,440)**	**(3,543)**	**6,090**	**377,744**
Schuldscheindarlehen, i.e., bonded loans	0	7,000	0	0	7,000
Investment loan from European Investment Bank	4,882	4,882	(4,882)	0	4,882
Syndicated loans	15,000	0	0	0	15,000
Bank overdrafts and cash advances	55,617	100,000	87,586	939	244,142
Lease liabilities	4,775	6,558	(5,808)	78	5,603
Current borrowings	**80,274**	**118,440**	**76,896**	**1,017**	**276,627**

€000	Carrying amount at 1 Mar 2020	Changes in maturities	Cash inflows/ (cash outflows)	Currency translation differences and other non-cash changes	Carrying amount at 28 Feb 2021
2020|21					
Schuldscheindarlehen, i.e., bonded loans	207,000	0	(26,000)	0	181,000
Investment loan from European Investment Bank	31,736	(4,882)	0	0	26,854
Loans	189,604	0	73,117	(338)	262,383
Lease liabilities	21,872	(5,928)	0	7,456	23,400
Non-current borrowings	**450,212**	**(10,810)**	**47,117**	**7,118**	**493,637**
Investment loan from European Investment Bank	4,882	4,882	(4,882)	0	4,882
Syndicated loans	85,000	0	(70,000)	0	15,000
Bank overdrafts and cash advances	31,980	0	24,403	(766)	55,617
Lease liabilities	4,952	5,928	(7,266)	1,161	4,775
Current borrowings	**126,814**	**10,810**	**(57,745)**	**395**	**80,274**

10. Notes to the consolidated balance sheet

Note (16)

10.1. Intangible assets, including goodwill

€000	Goodwill	Concessions, licences and similar rights	Total
2021|22			
Cost			
At 1 March 2021	261,892	104,628	366,520
Currency translation differences and hyperinflation adjustments	2	3,052	3,054
Changes in scope of consolidation/other changes	471	3,731	4,202
Additions	0	2,527	2,527
Reclassifications	0	768	768
Disposals	0	(1,969)	(1,969)
At 28 February 2022	**262,365**	**112,737**	**375,102**
Accumulated amortisation and impairment			
At 1 March 2021	20,111	91,810	111,921
Currency translation differences and hyperinflation adjustments	0	1,584	1,584
Amortisation for the period	0	3,691	3,691
Impairment	55,283	0	55,283
Reclassifications	0	38	38
Disposals	0	(1,969)	(1,969)
At 28 February 2022	**75,394**	**95,154**	**170,548**
Carrying amount at 28 February 2022	**186,971**	**17,583**	**204,554**
2020|21			
Cost			
At 1 March 2020	261,892	102,493	364,385
Currency translation differences and hyperinflation adjustments	0	(2,439)	(2,439)
Changes in scope of consolidation/other changes	0	3,335	3,335
Additions	0	1,083	1,083
Reclassifications	0	172	172
Disposals	0	(16)	(16)
At 28 February 2021	**261,892**	**104,628**	**366,520**
Accumulated amortisation and impairment			
At 1 March 2020	20,111	89,277	109,388
Currency translation differences and hyperinflation adjustments	0	(1,215)	(1,215)
Changes in scope of consolidation/other changes	0	(1)	(1)
Amortisation for the period	0	3,761	3,761
Reclassifications	0	4	4
Disposals	0	(16)	(16)
At 28 February 2021	**20,111**	**91,810**	**111,921**
Carrying amount at 28 February 2021	**241,781**	**12,818**	**254,599**

- Intangible assets consist largely of acquired customer relationships, software, patents and similar rights.
- The additions of € 2,527 thousand (prior year: € 1,083 thousand) of intangible assets related primarily to software.

- The item "changes in scope of consolidation/other changes" related largely to acquired software and customer relationships on initial consolidation of AGRANA Fruit Japan Co, Ltd, Tokyo, Japan.

- Of the total carrying amount of goodwill, the Fruit segment accounted for € 185,365 thousand (prior year: € 240,175 thousand) and the Starch segment for € 1,606 thousand (prior year: € 1,606 thousand).

- In order to comply with the requirements of IFRS 3 in conjunction with IAS 36 and to allow the determination of any impairment of goodwill, AGRANA defines its cash generating units (CGUs) as the smallest given group of assets that generate cash inflows which are largely independent of the cash inflows of other assets. For the purposes of goodwill impairment testing, AGRANA aggregates the CGUs to the next-higher level at which the goodwill is controlled according to the process of internal control and reporting. At 28 February 2022, the cash-generating units in the AGRANA Group for the purposes of goodwill impairment testing were the Fruit segment and the Starch segment. All goodwill was allocated to these units.

- To test for impairment, the carrying amount of each cash-generating unit is measured by allocating to it the corresponding assets and liabilities, inclusive of attributable goodwill and other intangible assets. Impairment is recognised in profit or loss when the recoverable amount (value in use) of a cash-generating unit is less than its carrying amount inclusive of goodwill.

- In testing for impairment, AGRANA uses a discounted cash flow method to determine the value in use of the cash-generating units. The determination of expected cash flows from each cash-generating unit is based on business plans that are adopted by the governing bodies and have a planning horizon of five years. Projections beyond a five-year horizon are based on the assumption of a constant, inflation-induced growth rate of 1.5% per year (assumption in the prior year: 1.5%). The cost of capital (WACC[1]) is calculated as the weighted average cost of equity and debt capital for each CGU.

- The cost of equity is based on a risk-free rate, a return premium for the business risk, and a premium for country risk and inflation differential. The spot rate of a 30-year zero coupon bond, based on Deutsche Bundesbank data, was used as the risk-free rate of return. Business risk is represented by the product of a general market risk premium of 8.0% (prior year: 8.0%) and a beta factor derived from a segment-specific peer group comprising eight companies per business segment (prior year: eight companies). Both the country risk and the inflation differential are assigned a volatility factor of 1.16 (prior year: 1.10).

- The cost of debt capital is calculated as the risk-free rate, the inflation differential, and the credit spread determined by reference to the capital market.

The following table presents the carrying amounts of the goodwill and the respective discount rate (WACC):

	Goodwill		WACC before tax	
	28 Feb 2022	28 Feb 2021	2021|22	2020|21
	€m	€m	%	%
Fruit CGU	185	240	7.25	7.56
Starch CGU	2	2	7.09	6.80
Group	**187**	**242**	–	–

- The quality of the forecast data is frequently tested against actual outcomes with the help of variance analysis. The insights gained are then taken into account during the preparation of the next annual plan. Projections of value in use are highly sensitive to assumptions regarding future local market developments and volume trends. Value in use is therefore ascertained both on the basis of experience and of assumptions that are reviewed with experts for the regional markets.

[1] Weighted average cost of capital.

- Impairment tests are regularly performed at the second-quarter balance sheet date of 31 August. The start of the war in Ukraine on 24 February 2022 was classified as a triggering event for the impairment test of the Fruit CGU as at 28 February 2022. As a consequence, an update of the goodwill impairment test was carried out at the balance sheet date of 28 February 2022 using the latest available planning calculations from February 2022. These planning calculations (released by the Management Board and noted by the Supervisory Board prior to its pending approval) included impacts of the war situation. This resulted in goodwill impairment of € 55,283 thousand in the Fruit CGU. Further details are provided in section 7.11, "Critical assumptions and judgements".

- The values in use were subjected to a sensitivity analysis. The results are presented on page 129.

- The goodwill is not tax-deductible.

- At the balance sheet date, other intangible assets with an indefinite useful life that were not significant for the AGRANA Group were included.

Note (17)

10.2. Property, plant and equipment

€000	Land, leasehold rights and buildings	Technical plant and machinery	Other plant, furniture and equipment	Assets under construction	Total
2021|22					
Property, plant and equipment – acquired					
Cost					
At 1 March 2021	648,800	1,471,310	242,039	27,826	2,389,975
Currency translation differences and hyperinflation adjustments	6,413	9,370	929	(132)	16,580
Changes in scope of consolidation/ other changes	0	(1,579)	211	663	(705)
Additions	4,889	33,602	13,104	24,228	75,823
Reclassifications	4,543	10,327	1,684	(17,438)	(884)
Disposals	(3,238)	(9,933)	(5,869)	(102)	(19,142)
Government grants	(222)	(1,127)	(237)	0	(1,586)
At 28 February 2022	**661,185**	**1,511,970**	**251,861**	**35,045**	**2,460,061**
Accumulated depreciation and impairment					
At 1 March 2021	360,135	1,014,076	191,372	280	1,565,863
Currency translation differences and hyperinflation adjustments	1,560	5,084	745	(4)	7,385
Changes in scope of consolidation/ other changes	0	(1,089)	(100)	0	(1,189)
Depreciation for the period	17,254	78,102	15,391	0	110,747
Impairment	1,398	35	154	141	1,728
Reclassifications	28	5	(71)	0	(38)
Disposals	(1,852)	(9,295)	(5,458)	0	(16,605)
Reversal of impairment losses	(21)	(215)	0	(47)	(283)
At 28 February 2022	**378,502**	**1,086,703**	**202,033**	**370**	**1,667,608**
Carrying amount at 28 February 2022	**282,683**	**425,267**	**49,828**	**34,675**	**792,453**

€000	Land, lease-hold rights and buildings	Technical plant and machinery	Other plant, furniture and equipment	Assets under construction	Total
2021|22					
Property, plant and equipment – leased					
Cost					
At 1 March 2021	31,568	9,638	2,054	2,306	45,566
Currency translation differences	479	140	17	0	636
Changes in scope of consolidation/ other changes	1,536	0	0	0	1,536
Additions	2,246	1,635	136	0	4,017
Reclassifications	20	2,402	0	(2,306)	116
Disposals	(923)	(293)	(183)	0	(1,399)
At 28 February 2022	**34,926**	**13,522**	**2,024**	**0**	**50,472**
Accumulated depreciation and impairment					
At 1 March 2021	6,863	2,364	792	0	10,019
Currency translation differences	141	51	4	0	196
Depreciation for the period	3,940	1,446	447	0	5,833
Disposals	(829)	(279)	(183)	0	(1,291)
At 28 February 2022	**10,115**	**3,582**	**1,060**	**0**	**14,757**
Carrying amount at 28 February 2022	**24,811**	**9,940**	**964**	**0**	**35,715**
Carrying amount of total property, plant and equipment at 28 February 2022	**307,494**	**435,207**	**50,792**	**34,675**	**828,168**

€000	Land, lease-hold rights and buildings	Technical plant and machinery	Other plant, furniture and equipment	Assets under construction	Total
2020|21					
Property, plant and equipment – acquired					
Cost					
At 1 March 2020	640,170	1,370,340	242,372	153,630	2,406,512
Currency translation differences and hyperinflation adjustments	(20,401)	(32,235)	(5,683)	(1,532)	(59,851)
Changes in scope of consolidation/ other changes	0	(65)	(50)	127	12
Additions	5,860	26,447	8,735	19,989	61,031
Reclassifications	25,634	116,473	1,941	(144,220)	(172)
Disposals	(2,286)	(7,970)	(5,215)	(168)	(15,639)
Government grants	(177)	(1,680)	(61)	0	(1,918)
At 28 February 2021	**648,800**	**1,471,310**	**242,039**	**27,826**	**2,389,975**
Accumulated depreciation and impairment					
At 1 March 2020	354,178	966,944	184,785	240	1,506,147
Currency translation differences and hyperinflation adjustments	(9,224)	(23,852)	(4,092)	(8)	(37,176)
Changes in scope of consolidation/ other changes	0	(27)	(92)	0	(119)
Depreciation for the period	17,208	75,925	15,651	0	108,784
Impairment	0	2,119	9	48	2,176
Reclassifications	0	9	(13)	0	(4)
Disposals	(1,880)	(6,990)	(4,876)	0	(13,746)
Reversal of impairment losses	(147)	(52)	0	0	(199)
At 28 February 2021	**360,135**	**1,014,076**	**191,372**	**280**	**1,565,863**
Carrying amount at 28 February 2021	**288,665**	**457,234**	**50,667**	**27,546**	**824,112**

€000	Land, leasehold rights and buildings	Technical plant and machinery	Other plant, furniture and equipment	Assets under construction	Total
2020|21					
Property, plant and equipment – leased					
Cost					
At 1 March 2020	27,363	8,985	1,609	276	38,233
Currency translation differences	(908)	(161)	(72)	0	(1,141)
Additions	6,083	1,295	767	2,030	10,175
Disposals	(970)	(481)	(250)	0	(1,701)
At 28 February 2021	**31,568**	**9,638**	**2,054**	**2,306**	**45,566**
Accumulated depreciation and impairment					
At 1 March 2020	3,801	1,481	521	0	5,803
Currency translation differences	(197)	(58)	(50)	0	(305)
Depreciation for the period	3,765	1,331	530	0	5,626
Disposals	(506)	(390)	(209)	0	(1,105)
At 28 February 2021	**6,863**	**2,364**	**792**	**0**	**10,019**
Carrying amount at 28 February 2021	**24,705**	**7,274**	**1,262**	**2,306**	**35,547**
Carrying amount of total property, plant and equipment at 28 February 2021	**313,370**	**464,508**	**51,929**	**29,852**	**859,659**

▪ Additions of property, plant and equipment by segment were as follows:

€000	2021|22	2020|21
Fruit segment	35,607	33,853
Starch segment	23,998	21,725
Sugar segment	20,235	15,628
Group	**79,840**	**71,206**

▪ Currency translation differences are the differences between amounts arising from the translation of the opening balances of foreign Group companies at the exchange rates prevailing at the start and at the end of the reporting period. This item also includes the effects of the application of IAS 29 (accounting for hyperinflation).

▪ The government grants consisted mainly of COVID-19 investment incentives in Austria, of support for the starch factory in Romania and of support from the province of Lower Austria for the construction of an aroma storage facility of AUSTRIA Juice GmbH, Kröllendorf.

▪ Triggered by the war in Ukraine, an impairment test was performed for property, plant and equipment in Ukraine. Impairment totalling € 1,545 thousand on property, plant and equipment at the AGRANA Fruit Luka farming operation in Vinnytsia, Ukraine, and on containers (totes) for finished product located at customers in war zones was recognised as an exceptional item in the Fruit segment.

▪ AGRANA uses leases mainly for long-term rental agreements for land and buildings in administration and production.

▪ At 28 February 2022 the weighted average incremental borrowing rate for the measurement of lease liabilities was 3.6% (prior year: 3.6%).

- Expenses for short-term leases and leases of assets with low value recognised in other operating expenses, as well as interest expenses on lease liabilities recognised in net financial items, were as follows in the year under review:

€000	2021|22	2020|21
Expenses for short-term leases	2,017	2,264
Expenses for leases of low-value assets	156	182
Interest expenses on lease liabilities	1,008	1,025

Note (18)

10.3. Equity-accounted joint ventures, securities, and investments in non-consolidated subsidiaries and outside companies

€000	Equity-accounted joint ventures	Securities (non-current)	Investments in non-consolidated subsidiaries and outside companies	Total
2021|22				
At 1 March 2021	72,118	19,416	1,683	93,217
Currency translation differences	(994)	2	0	(992)
Changes in scope of consolidation	0	0	(1,273)	(1,273)
Share of results of equity-accounted joint ventures	11,204	0	0	11,204
Impairment	(3,185)	(475)	(90)	(3,750)
Dividends of equity-accounted joint ventures and disposals	(12,500)	(54)	(40)	(12,594)
Other comprehensive (expense)	(691)	(117)	0	(808)
At 28 February 2022	**65,952**	**18,772**	**280**	**85,004**
2020|21				
At 1 March 2020	76,919	19,599	919	97,437
Currency translation differences	(3,952)	(10)	0	(3,962)
Capital increase at joint ventures and additions	2,072	0	1,273	3,345
Share of results of equity-accounted joint ventures	17,513	0	0	17,513
Impairment	0	(109)	(106)	(215)
Dividends of equity-accounted joint ventures and disposals	(21,000)	(64)	(403)	(21,467)
Other comprehensive income	566	0	0	566
At 28 February 2021	**72,118**	**19,416**	**1,683**	**93,217**

- The deduction of € 1,273 thousand in the item “investments in non-consolidated subsidiaries and outside companies” was related to the subsidiary AGRANA Fruit Japan Co., Ltd., Tokyo, Japan, which was fully consolidated in the Group financial statements for the first time in the year under review.

- Owing to the sanctions against Russia, the majority of the raw material (betaine molasses) required by Beta Pura GmbH is currently not available. As a result of this joint venture’s associated short- and medium-term financial difficulties, an impairment charge of € 3,185 thousand was recorded on the equity interest in Beta Pura GmbH.

Note (19)

10.4. Receivables and other assets

€000	28 Feb 2022	28 Feb 2021
Trade receivables	398,509	323,055
Amounts due from affiliated companies and joint ventures	18,117	14,621
Positive fair value of derivatives	8,032	4,961
Amounts due from associates in the Südzucker group	284	661
Receivable under government grants	1,369	1,536
Miscellaneous other financial assets	34,532	26,537
Financial instruments	**460,843**	**371,371**
VAT credits and other tax credits	61,217	47,575
Prepaid expenses	7,241	6,858
Accrued income	5,465	1,426
Total	**534,766**	**427,230**
Of which due after more than 1 year	3,500	8,106

Amounts due from affiliated companies represent open accounts with non-consolidated subsidiaries, with the Group's parent company Südzucker AG and Südzucker's subsidiaries, and with joint ventures.

Note (20)

10.5. Deferred tax assets

Deferred tax assets were attributable to balance sheet items as follows:

€000	28 Feb 2022	28 Feb 2021
Deferred tax assets		
Intangible assets and property, plant and equipment	3,748	5,083
Non-current financial assets (primarily "one-seventh" write-downs on non-consolidated subsidiaries and on outside companies)	3,408	2,407
Inventories	4,447	3,416
Receivables and other assets	1,340	1,615
Carryforwards of unused tax losses	3,378	7,720
Retirement, termination and long-service benefit obligations	4,248	5,162
Other provisions and liabilities	14,847	13,684
Total deferred tax assets	**35,416**	**39,087**
Deferred tax assets offset against deferred tax liabilities relating to the same tax authority	(21,682)	(22,647)
Net deferred tax assets	**13,734**	**16,440**

Deferred tax liabilities are detailed in note 26.

Note (21)

10.6. Inventories

€000	28 Feb 2022	28 Feb 2021
Raw materials and consumables	296,906	223,806
Finished and unfinished goods	546,207	443,888
Goods purchased for resale	20,954	32,919
Total	**864,067**	**700,613**

Write-downs of € 6,913 thousand (prior year: € 5,518 thousand) were recognised on inventories, with € 1,681 thousand accounted for by the Fruit segment (prior year: € 4,041 thousand), € 2,617 thousand by the Starch segment (prior year: € 142 thousand) and € 2,615 thousand by the Sugar segment (prior year: € 1,335 thousand). The value decline consisted of reductions in net realisable values at the balance sheet date.

In addition, inventory write-downs of € 1,497 thousand in the Fruit segment are included in net exceptional expenses. These represented write-downs of € 1,118 thousand on finished and unfinished products and of € 379 thousand on raw materials due to the war in Ukraine.

Note (22)

10.7. Equity

- The share capital at the balance sheet date was € 113,531,275 (prior year: € 113,531,275), divided into 62,488,976 (prior year: 62,488,976) voting ordinary bearer shares. All shares were fully paid.

- The movements in the Group's equity are presented from page 102.

- The capital reserves ("share premium and other capital reserves") consist of share premium (i.e., additional paid-in capital) and of reserves resulting from the reorganisation of companies. At the balance sheet date, the amount of share premium and other capital reserves was € 540,759,998 (prior year: € 540,759,998).

- Retained earnings consist of the reserve for equity instruments, the reserve for hedging instruments (cash flow hedges), reserves for actuarial gains and losses, and reserves for the share of other comprehensive income of joint ventures, effects of consolidation-related foreign currency translation, hyperinflation adjustments, and accumulated profit for the period.

Disclosures on capital management

A key goal of equity management is the maintenance of sufficient equity resources to safeguard the Company's continuing existence as a going concern and ensure continuity of dividends. Equity bore the following relationship to total capital:

€000	28 Feb 2022	28 Feb 2021
Total equity	1,281,542	1,329,097
Total assets	2,643,630	2,472,734
Equity ratio	**48.5%**	**53.8%**
Net debt	532,006	443,524
Gearing ratio	**41.5%**	**33.4%**

Capital management at AGRANA means the management of equity and of net debt. By optimising these two quantities, the Company seeks to achieve the best possible shareholder returns. In addition to the equity ratio, the most important control variable is the gearing ratio (net debt divided by total equity). The total cost of equity and debt capital employed and the risks associated with the different types of capital are continuously monitored.

The sound equity base gives AGRANA strategic flexibility and also ensures the Group's financial stability and independence. In addition to its self-financing ability, AGRANA also has access to sufficient committed credit lines for its overall financing needs.

The approach to capital management was unchanged from the prior year.

Note (23)

10.8. Provisions

€000	28 Feb 2022	28 Feb 2021
Provisions for:		
Retirement benefits	25,404	30,124
Termination benefits	33,444	37,662
Other	48,392	46,874
Total	**107,240**	**114,660**

Note (23a)

a) Provisions for retirement and termination benefits

Provisions for retirement and termination benefits are measured in accordance with IAS 19, using the projected unit credit method and taking into account future trends on an actuarial basis. For both the retirement and termination benefit obligations, the plans are defined benefit plans.

The present values of the obligations, and the associated plan assets where applicable, were determined based on the following actuarial parameters:

%	28 Feb 2022	28 Feb 2021
Expected rate of wage and salary increases		
Austria and rest of Europe	3.36	2.74
Mexico/South Korea	6.0 / 4.0	6.0 / 4.0
Expected trend of pension increases		
Austria and rest of Europe	1.9	1.8
Mexico	6.0	6.0
Discount rate		
Austria and rest of Europe	1.65	0.75
Mexico/South Korea	8.25 / 2.7	7.5 / 2.1

A discount rate of 1.65% (prior year: 0.75%) was used in almost all cases in the determination of the provisions for pensions and termination benefits. The discount rate is based on the yield of high-quality corporate bonds with a duration matching the average weighted duration of the obligations.

The measurement process also involves other company-specific actuarial assumptions, such as the staff turnover rate. The current mortality tables recognised in the respective country are used as the biometric basis for the calculations – in Austria, this is the version of the computation tables specific to salaried employees ("AVÖ 2018-P-Rechnungsgrundlagen für die Pensionsversicherung").

Defined benefit plans

Pension plans in the AGRANA Group are based largely on direct defined benefit commitments. The amounts of the pension benefits are usually determined by length of service and by pensionable pay. Termination benefit plans exist mainly as a result of legal requirements or of obligations under collective agreements and the benefits represent one-time, lump sum payments. The amount of the termination benefits typically depends on final pay and length of service.

The provision in the balance sheet (the net liability) for pensions and termination benefits in the AGRANA Group represents the present value of the defined benefit obligation less the fair value of the plan assets:

€000	28 Feb 2022	28 Feb 2021
Pension plans		
Present value of defined benefit obligation	41,813	46,405
Fair value of plan assets	(16,409)	(16,281)
Pension provisions [net liability]	**25,404**	**30,124**
Termination benefit plans		
Present value of defined benefit obligation	35,542	39,606
Fair value of plan assets	(2,098)	(1,944)
Termination benefit provisions [net liability]	**33,444**	**37,662**

In connection with defined benefit pension commitments, the AGRANA Group's major plans are the following:

AGRANA Beteiligungs-AG has direct defined benefit commitments in respect of Management Board members for retirement, disability and survivor pensions based on a fixed percentage of a pension assessment base. All pension benefit obligations are transferred to and administered by an external pension fund. The present value of the obligation was € 25,721 thousand (prior year: € 28,207 thousand) and the plan assets amounted to € 16,056 thousand (prior year: € 15,918 thousand). Further detail is provided in the section "Related party disclosures" in these notes.

In addition, there were direct defined benefit commitments, including for survivor benefits, in respect of retired former employees of AGRANA Zucker GmbH in the amount of € 12,508 thousand (prior year: € 14,392 thousand), of Österreichische Rübensamenzucht Gesellschaft m.b.H. in the amount of € 620 thousand (prior year: € 697 thousand), of AGRANA Stärke GmbH in the amount of € 1,473 thousand (prior year: € 1,679 thousand) and of AUSTRIA JUICE GmbH in the amount of € 184 thousand (prior year: € 212 thousand). The present value of the obligation of AUSTRIA JUICE GmbH is offset by plan assets in the form of pension risk transfer insurance of € 139 thousand (prior year: € 143 thousand).

At AGRANA Fruit Austria GmbH there are pension commitments in respect of active employees for retirement, disability and survivor benefits with a contractual (in some cases length-of-service-dependent) fixed benefit amount, and direct obligations in respect of retired former employees, including survivor benefits. The present value of these obligations was € 470 thousand (prior year: € 503 thousand) and there were plan assets in the form of pension insurance of € 155 thousand (prior year: € 142 thousand).

In Mexico there is a contractual obligation in respect of a defined set of recipients in the event of retirement or early retirement to pay a fixed percentage of a specified pensionable pay base in monthly instalments for a period of ten years. Alternatively, the recipient may choose a lump sum payment. The present value of this obligation was € 837 thousand (prior year: € 715 thousand), with plan assets in the form of pension insurance of € 59 thousand (prior year: € 79 thousand).

The pension provisions showed the following movement:

€000	Present value of obligation	Fair value of plan assets	Pension provisions
2021|22			
At 1 March 2021	46,405	(16,281)	30,124
Current service cost	216	0	216
Interest expense/(income)	385	(125)	260
Taxes and administration cost	0	20	20
Total recognised in the income statement [net pension cost]	**601**	**(105)**	**496**
(Gains)/losses from:			
Actual return on plan assets	0	(526)	(526)
Changes in demographic assumptions	17	0	17
Changes in financial assumptions	(3,004)	0	(3,004)
Experience adjustments	631	0	631
Currency translation differences	86	(8)	78
Total remeasurement (gain) recognised in the statement of comprehensive income	**(2,270)**	**(534)**	**(2,804)**
Benefits paid	(2,923)	885	(2,038)
Employer contributions to plan assets	0	(374)	(374)
Other movements	**(2,923)**	**511**	**(2,412)**
At 28 February 2022	**41,813**	**(16,409)**	**25,404**

€000	Present value of obligation	Fair value of plan assets	Pension provisions
2020|21			
At 1 March 2020	47,574	(16,550)	31,024
Current service cost	628	0	628
Interest expense/(income)	429	(137)	292
Taxes and administration cost	0	17	17
Total recognised in the income statement [net pension cost]	**1,057**	**(120)**	**937**
Losses/(gains) from:			
Actual return on plan assets	0	214	214
Changes in demographic assumptions	(42)	0	(42)
Changes in financial assumptions	(512)	0	(512)
Experience adjustments	981	0	981
Currency translation differences	(151)	12	(139)
Total remeasurement loss recognised in the statement of comprehensive income	**276**	**226**	**502**
Benefits paid	(2,502)	489	(2,013)
Employer contributions to plan assets	0	(326)	(326)
Other movements	**(2,502)**	**163**	**(2,339)**
At 28 February 2021	**46,405**	**(16,281)**	**30,124**

The AGRANA Group has the following main termination benefit plans:

The termination benefit plans most significant in amount exist in Austria and France. The plans represent legislated commitments to pay a lump sum benefit on termination of employment (unless terminated by the employee) and in the event of retirement or death. The amount of the benefit depends on final pay and length of service. Termination benefit obligations in Austria and France are funded solely by provisions, in the amount of € 32,333 thousand (prior year: € 36,440 thousand).

In Russia and Ukraine there are termination benefit commitments (either legislated or based on company-wide agreements) that are minor in amount. These are payable as a lump sum on termination of employment (except in the event of termination by the employee) or on retirement. The benefit amount depends on final pay and length of service. These commitments in the amount of € 218 thousand (prior year: € 200 thousand) are covered solely by provisions. In Romania there are termination benefit obligations of three months' pay in the event of retirement. The amount of the provision is € 176 thousand (prior year: € 233 thousand).

The commitments in Mexico are legislated obligations to all permanent and full-time employees. In Mexico the termination benefit is paid if the employment relationship is terminated after 15 years or more of service, at retirement or in the event of disability or death. It takes the form of a lump sum in an amount that is based on final salary and length of service. Plan assets of € 2 thousand (prior year: € 3 thousand) in Mexico offset the present value of the obligation of € 265 thousand (prior year: € 211 thousand).

The present value of the obligation of the termination benefit plan for South Korea was € 2,550 thousand (prior year: € 2,522 thousand); the plan assets amounted to € 2,096 thousand (prior year: € 1,941 thousand).

The termination benefit provisions showed the following movement:

€000	**Present value of obligation**	**Fair value of plan assets**	**Termination benefit provisions**
2021|22			
At 1 March 2021	39,606	(1,944)	37,662
Current service cost	1,711	0	1,711
Past service cost	(247)	0	0
Interest expense/(income)	320	(40)	280
Taxes and administration cost	0	5	5
Total recognised in the income statement [net termination benefit cost]	**1,784**	**(35)**	**1,749**
Losses/(gains) from:			
Actual return on plan assets	0	27	27
Changes in demographic assumptions	(18)	0	(18)
Changes in financial assumptions	(1,338)	0	(1,338)
Experience adjustments	(587)	0	(587)
Currency translation differences	66	(29)	37
Total remeasurement (gain) recognised in the statement of comprehensive income	**(1,877)**	**(2)**	**(1,879)**
Benefits paid	(3,971)	180	(3,791)
Employer contributions to plan assets	0	(297)	(297)
Other movements	**(3,971)**	**(117)**	**(4,088)**
At 28 February 2022	**35,542**	**(2,098)**	**33,444**

€000	Present value of obligation	Fair value of plan assets	Termination benefit provisions
2020|21			
At 1 March 2020	44,160	(1,783)	42,377
Current service cost	1,925	0	1,925
Past service cost	(136)	0	(136)
Interest expense/(income)	387	(38)	349
Taxes and administration cost	0	5	5
Total recognised in the income statement [net termination benefit cost]	**2,176**	**(33)**	**2,143**
Losses/(gains) from:			
Actual return on plan assets	0	9	9
Changes in demographic assumptions	112	0	112
Changes in financial assumptions	(1,145)	0	(1,145)
Experience adjustments	(1,299)	0	(1,299)
Currency translation differences	(179)	56	(123)
Total remeasurement (gain)/loss recognised in the statement of comprehensive income	**(2,511)**	**65**	**(2,446)**
Benefits paid	(4,219)	63	(4,156)
Employer contributions to plan assets	0	(256)	(256)
Other movements	**(4,219)**	**(193)**	**(4,412)**
At 28 February 2021	**39,606**	**(1,944)**	**37,662**

The expense for the unwinding of discount on benefits accrued in prior years, less the return on plan assets, is included within net financial items. The current service cost is included in staff costs. The year’s actuarial result on pension and termination benefit provisions, which is recognised in other comprehensive income as the item “Changes in actuarial gains and losses on defined benefit pension obligations and similar liabilities”, was an actuarial gain of € 4,659 thousand (prior year: actuarial gain of € 1,949 thousand). The movement resulted primarily from a change in the discount rate, experience adjustments, changes in growth assumptions for the pension assessment base and future salaries, changes in expected retirement age and assumed employee turnover rates. As of 28 February 2022, net cumulative actuarial losses of € 42,745 thousand (prior year: net cumulative actuarial losses of € 47,404 thousand) had been offset against retained earnings, not taking into account deferred taxes.

The experience adjustments reflect the impacts on the plan liabilities of differences between the actual movement in the plan obligation during the year and the assumptions made at the beginning of the year. Such differences arise, especially, from actual rates of wage and salary increases, changes in pension benefits, employee turnover and biometric variables such as disability and mortality.

Composition of plan assets

The plan assets consist primarily of investments in an external pension fund and of pension benefit insurance policies. The fundamental objective for the plan assets is to provide, at all times, full coverage of the payment obligations arising from the respective benefit plans. The plan assets include neither financial instruments issued by the Group nor owner-occupied property.

At the balance sheet date the plan assets were invested in the following asset categories:

%	28 Feb 2022	28 Feb 2021
Fixed income securities	35.93%	43.35%
Equity securities	39.13%	30.53%
Real estate	4.86%	4.85%
Other	20.08%	21.27%

Risks
Defined benefit plans are associated with various risks for the AGRANA Group. Besides general actuarial risks such as discount rate risk and longevity risk, these include the risk that actual outcomes will differ from actuarial assumptions such as rates of wage and salary growth, pension benefit trends, retirement age and employee turnover (early departures). Risks in connection with the plan assets are capital market risks, credit risks and investment risks. Other risks lie in exchange rate fluctuation and changes in inflation rates.

The rate of return on plan assets is assumed to equal the discount rate. If the actual rate of return on plan assets is less than the discount rate used, the respective net liability increases. The net liability is particularly strongly influenced by the discount rate, with the current low market interest rates contributing to a relatively high liability. A further decline in corporate bond yields would lead to a further increase in defined benefit liabilities that can only be offset to a small degree by the increase in market values of the corporate bonds in the plan assets.

Potential inflation risks that may lead to an increase in the defined benefit obligations lie, indirectly, in inflation-driven salary growth during active service and in inflation-induced pension benefit increases.

Duration and future payments
The average weighted duration of the present value of the pension obligations at 28 February 2022 was 10.88 years (prior year: 10.50 years) and that of the termination benefit obligations was 8.39 years (prior year: 8.76 years).

€ 1,146 thousand of contributions are expected to be paid into the plan assets in the subsequent reporting period (prior year: € 1,022 thousand).

The amounts of pension and termination benefit payments in the next ten years are expected to be as follows:

€000	Pension benefits	Termination benefits
Financial year 2022|23	2,993	3,428
Financial year 2023|24	2,833	3,368
Financial year 2024|25	2,689	2,038
Financial year 2025|26	2,553	3,044
Financial year 2026|27	2,429	1,992
Financial years 2027|28 to 2031|32	10,854	19,862
Total	**24,351**	**33,732**

Note (23b)

b) Other provisions

€000	Recla-mation	Staff costs, including long-service awards	Uncertain liabilities	Total
2021|22				
At 1 March 2021	11,502	18,233	17,139	46,874
Currency translation differences	118	(42)	131	207
Used	(394)	(2,037)	(7,711)	(10,142)
Released	(37)	(1,631)	(5,164)	(6,832)
Reclassified	0	0	0	0
Added	858	2,025	15,402	18,285
At 28 February 2022	**12,047**	**16,548**	**19,797**	**48,392**
Of which due within 1 year	206	1,270	17,552	19,028

The provisions for uncertain liabilities included, among other items, provisions for onerous contracts of € 8,015 thousand (prior year: € 3,631 thousand), for litigation risks of € 2,523 thousand (prior year: € 2,156 thousand) and for costs of beet receiving, loading and storage of € 1,153 thousand (prior year: € 776 thousand).

Of the non-current other provisions of € 29,364 thousand (prior year: € 29,396 thousand), a large portion, at € 12,244 thousand (prior year: € 13,014 thousand), represented provisions for long-service awards. These are payable under local company agreements or collective agreements and are based on length of service. Phased-retirement provisions of € 445 thousand (prior year: € 353 thousand) are expected to be used in outflows of funds in the next one to three years. For the majority of the non-current provisions of € 11,841 thousand (prior year: € 11,345 thousand) for reclamation, an outflow of funds is likely to occur in more than five years.

Note (24)

10.9. Borrowings

€000	28 Feb 2022	28 Feb 2021
Bank loans and overdrafts	626,069	545,736
Lease liabilities	28,302	28,175
Borrowings	**654,371**	**573,911**
Of which due after more than 1 year	377,744	493,637

Details of bank loans and overdrafts are presented in sections 11.1 to 11.4.

The maturities of the lease liabilities existing at the balance sheet date were as follows:

€000	28 Feb 2022	28 Feb 2021
Non-current lease liabilities	22,699	23,400
Current lease liabilities	5,603	4,775

At the balance sheet date, bank loans and overdrafts were secured by liens. The liens related to collateral in the form of export receivables for an export credit in Austria and in the form of operating assets (such as machinery) for loans in Algeria. The underlying carrying amounts were € 9,082 thousand (prior year: € 8,893 thousand).

Note (25)

10.10. Trade and other payables

€000	28 Feb 2022	28 Feb 2021
Trade payables	440,130	311,524
Amounts due to affiliated companies in the Südzucker group and joint ventures	33,180	26,308
Payables from the acquisition of subsidiaries	4,060	4,706
Derivative liabilities	11,326	4,637
Financial other payables	72,160	69,094
Financial instruments	**560,856**	**416,269**
Payables: deferred income	3,729	3,604
Payables: prepayments	1,480	921
Payables: other tax	13,652	13,194
Payables: social security	9,556	9,430
Total	**589,273**	**443,418**
Of which due after more than 1 year	5,363	1,094

Trade payables included obligations to beet growers of € 63,884 thousand (prior year: € 32,112 thousand).

Financial other payables included, among other items, liabilities to employees and payroll liabilities.

Note (26)

10.11. Deferred tax liabilities

Deferred tax liabilities were attributable to balance sheet items as follows:

€000	28 Feb 2022	28 Feb 2021
Deferred tax liabilities		
Non-current assets	19,807	19,852
Inventories	147	1,398
Receivables and other assets	3,625	2,076
Untaxed reserves in separate financial statements	1,341	1,686
Provisions and other liabilities	2,980	3,137
Total deferred tax liabilities	**27,900**	**28,149**
Deferred tax assets offset against deferred tax liabilities relating to the same tax authority	(21,682)	(22,647)
Net deferred tax liabilities	**6,218**	**5,502**

Deferred tax assets are detailed in note 20.

11. Notes on financial instruments

11.1. Investment and credit transactions (non-derivative financial instruments)

To cover its overall funding needs, the AGRANA Group, in addition to its self-financing capability, has access to syndicated credit lines and bilateral credit lines from banks.

Financial instruments are generally procured centrally and distributed Group-wide. The principal aims of obtaining financing are to achieve sustained growth in enterprise value, safeguard the Group's credit quality and ensure its liquidity.

To manage the seasonally fluctuating cash flows, the AGRANA Group in the course of its day-to-day financial management uses conventional investments (demand deposits, time deposits and securities) and borrowings (in the form of overdrafts, short-term funds and fixed rate loans).

	Average effective interest rate	At balance sheet date	Of which due in		
			Up to 1 year	1 to 5 years	More than 5 years
	%	€000	€000	€000	€000
28 February 2022					
Fixed rate					
CNY	4.69	4,105	3,412	693	0
DZD	7.18	3,307	2,957	350	0
EUR	1.20	355,550	62,648	263,060	29,842
	1.23	**362,962**	**69,017**	**264,103**	**29,842**
Variable rate					
CNY	4.59	5,133	5,133	0	0
EGP	7.50	758	758	0	0
EUR	0.23	253,916	192,816	42,000	19,100
KRW	2.83	2,987	2,987	0	0
TRY	23.25	215	215	0	0
USD	2.25	97	97	0	0
ZAR	9.00	1	1	0	0
	0.39	**263,107**	**202,007**	**42,000**	**19,100**
Total	**0.91**	**626,069**	**271,024**	**306,103**	**48,942**

	Average effective interest rate	At balance sheet date	Of which due in Up to 1 year	1 to 5 years	More than 5 years
	%	€000	€000	€000	€000
28 February 2021					
Fixed rate					
CNY	4.89	5,625	2,500	3,125	0
DZD	4.06	1,092	644	448	0
EUR	1.17	411,213	55,649	254,340	101,224
	1.23	**417,930**	**58,793**	**257,913**	**101,224**
Variable rate					
CNY	4.50	6,002	6,002	0	0
EGP	8.00	427	427	0	0
EUR	0.52	118,960	7,860	76,000	35,100
HUF	2.00	64	64	0	0
KRW	2.17	1,829	1,829	0	0
TRY	9.00	333	333	0	0
USD	2.25	77	77	0	0
ZAR	7.00	114	114	0	0
	0.79	**127,806**	**16,706**	**76,000**	**35,100**
Total	**1.13**	**545,736**	**75,499**	**333,913**	**136,324**

Borrowings (excluding lease liabilities) consisted of bank loans and overdrafts in the amount of € 626,069 thousand (prior year: € 545,736 thousand).

The weighted average interest rate paid on these credits was 0.91% (prior year: 1.13%), with an average remaining maturity of 2.2 years (prior year: 3.4 years).

The credit funding of the AGRANA Group consisted primarily of two syndicated credit lines totalling € 400,000 thousand at the balance sheet date (prior year: € 400,000 thousand) and a Schuldscheindarlehen (bonded loan) of € 181,000 thousand (prior year: € 181,000 thousand). The rest of the credit funding consisted of bilateral credit lines.

The fixed interest portion of bank loans and overdrafts and amounts due to affiliated companies was € 362,962 thousand (prior year: € 417,930 thousand). The fair values (i.e., market values) of the variable rate bank loans and overdrafts are equivalent to their carrying amounts. At the balance sheet date, bank loans and overdrafts in the amount of € 9,082 thousand (prior year: € 8,893 thousand) were secured by other liens (see note 24).

Cash and cash equivalents decreased by € 7,378 thousand from the prior year to a new total of € 103,593 thousand.

11.2. Derivative financial instruments

To hedge part of the risks arising from its operating activities (risks due to movements in interest rates, foreign exchange rates and raw material prices), the AGRANA Group to a limited extent uses derivative financial instruments. AGRANA employs derivatives largely to hedge the following exposures:

- Interest rate risks, which can arise from floating rate borrowings.
- Currency risks, which may arise primarily from the purchase and sale of products in US dollars and Eastern European currencies and from finance in foreign currencies.
- Market price risks, arising especially from changes in commodity prices for sugar in the world market, grain prices, and selling prices for sugar and ethanol.

The Group employs only conventional derivatives for which there is a sufficiently liquid market (for example, interest rate swaps, forward foreign exchange contracts, currency options or commodity futures). The use of these instruments is governed by Group policies under the Group's risk management system. These policies prohibit the speculative use of derivative financial instruments, set ceilings appropriate to the underlying transactions, define authorisation procedures, minimise credit risks, and specify internal reporting rules and the organisational separation of risk-taking and risk oversight. Adherence to these standards and the proper processing and valuation of transactions are regularly monitored by an internal department whose independence is ensured by organisational separation from risk origination.

The notional amounts and market values (fair values) of the derivative financial instruments held by the AGRANA Group were as follows:

Purchase	**Sale**	**Nominal amount**	**Positive fair values**	**Negative fair values**	**Net fair value**
		€000	€000	€000	€000
28 February 2022					
AUD	EUR	2,837	60	0	60
CZK	EUR	15,957	0	(335)	(335)
EUR	AUD	3,723	0	(46)	(46)
EUR	CZK	45,157	231	(684)	(453)
EUR	GBP	552	0	(3)	(3)
EUR	HUF	14,534	244	(27)	217
EUR	INR	1,234	0	(28)	(28)
EUR	JPY	1,349	0	(3)	(3)
EUR	MXN	18,497	0	(1,088)	(1,088)
EUR	PLN	13,610	247	0	247
EUR	RON	108,741	0	(1,396)	(1,396)
EUR	RUB	320	110	0	110
EUR	USD	124,264	2	(1,688)	(1,686)
EUR	ZAR	2,456	0	(119)	(119)
HUF	EUR	2,169	0	(14)	(14)
MXN	EUR	10,978	137	0	137
PLN	EUR	32,100	175	(244)	(69)
RON	EUR	53,864	686	0	686
USD	EUR	40,323	1,888	0	1,888
USD	RON	9,104	102	0	102
Currency derivatives		**501,769**	**3,882**	**(5,675)**	**(1,793)**
Interest rate swaps		76,000	382	(272)	110
Sugar futures		12,196	257	0	257
Wheat and corn futures		132,619	3,511	0	3,511
Ethanol futures		16,687	0	(5,379)	(5,379)
Total		**739,271**	**8,032**	**(11,326)**	**(3,294)**

Purchase	Sale	Nominal amount	Positive fair values	Negative fair values	Net fair value
		€000	€000	€000	€000
28 February 2021					
AUD	EUR	5,572	135	(2)	133
CZK	EUR	20,977	0	(27)	(27)
EUR	AUD	5,120	0	(195)	(195)
EUR	CZK	42,807	30	(126)	(96)
EUR	GBP	495	2	(6)	(4)
EUR	HUF	40,004	257	(31)	226
EUR	INR	1,520	0	(4)	(4)
		202	8	0	8
EUR	MXN	18,268	758	0	758
EUR	PLN	8,946	92	(4)	88
EUR	RON	125,359	0	(1,225)	(1,225)
EUR	USD	97,569	1,250	(82)	1,168
EUR	ZAR	2,425	0	(38)	(38)
HUF	EUR	42,705	11	(413)	(402)
MXN	EUR	8,723	0	(237)	(237)
PLN	EUR	21,517	27	(114)	(87)
RON	EUR	43,750	414	0	414
USD	EUR	64,293	392	(391)	1
Currency derivatives		**550,252**	**3,376**	**(2,895)**	**481**
Interest rate swaps		76,000	42	(686)	(644)
Sugar futures		9,605	67	(259)	(192)
Wheat and corn futures		101,004	1,476	(153)	1,323
Ethanol futures		13,732	0	(644)	(644)
Total		**750,593**	**4,961**	**(4,637)**	**324**

The currency derivatives and commodity derivatives are used to hedge cash flows over periods of up to one year; the interest rate derivatives serve to hedge cash flows for periods of one to five years.

The notional amount of the derivatives represents the face amount of all hedges, translated into euros, the Group currency.

The fair value of a derivative is the amount which the AGRANA Group would have to pay or would receive at the balance sheet date in the hypothetical event of early termination of the hedge position. As the hedging transactions involve only standardised, fungible financial instruments, fair value is determined on the basis of quoted market prices.

Fair value changes of derivatives that were used to hedge future cash flows and have a hedging relationship to an underlying transaction (cash flow hedges) must initially be recognised in other comprehensive income. Subsequently they are taken to profit or loss only when the cash flows are realised, in revenue (for sales transactions) or cost of materials (for purchase transactions) and in net financial items (for interest rate swaps).

The carrying amounts represent the fair values. The derivatives recognised with a hedging relationship to an underlying transaction are presented in the following table:

	28 Feb 2022		28 Feb 2021	
	Fair value		Fair value	
€000	Positive	Negative	Positive	Negative
Currency derivatives	1,743	(560)	62	(105)
Interest rate swaps	382	(272)	42	(686)
Sugar futures	257	0	67	(259)
Wheat and corn futures	3,486	0	1,476	0
Ethanol futures	0	(5,379)	0	(644)
Total	**5,868**	**(6,211)**	**1,647**	**(1,694)**

The hedge relationships concern the hedging of price risk on raw sugar purchases, sugar sales, wheat and corn purchases, corn sales in the case of waxy corn derivatives, and on sales of ethanol. Under the risk management strategy, hedging through futures contracts is intended to hedge a certain percentage of the planned commodity quantities. The goal of the risk management strategy is to lock in the price of future purchases and sales at an early stage by entering into corresponding futures contracts. As part of the hedging of price risk, transactions in US dollars are protected against the effects of exchange rate movements through the use of foreign exchange contracts.

To hedge interest rate risk, the Group holds interest rate swaps with a hedging relationship to the underlying transaction. The underlying transaction is considered to consist of the future cash flows from financial liabilities that carry variable interest at 3-month EURIBOR. The hedging of the variable future interest payments on the financial liability leads to the reduction of volatile valuation components in the income statement and enhances the quality of planning and forecasting. The risk management objective is thus to hedge against the risk of fluctuations in variable cash flows.

For the 2021|22 financial year, a gain of € 656 thousand (prior year: gain of € 501 thousand) before taxes, and a tax expense of € 131 thousand (prior year: tax expense of € 145 thousand) for value changes on derivatives with a hedging relationship to the underlying transaction, were recognised in other comprehensive income. Both in the year under review and the prior year, there was no hedge ineffectiveness to be recognised. Net derivative gains of € 551 thousand relating to already fulfilled underlying transactions were reclassified from the reserve for hedging instruments (cash flow hedges) to the income statement. The fair values of the derivatives remained in the balance sheet until their settlement.

The following table presents the derivatives that have a hedging relationship to an underlying transaction, with the notional amounts or contract volumes, and the average prices and interest rates, by maturity.

		28 Feb 2022 Remaining maturity			28 Feb 2021 Remaining maturity		
		Up to 1 year	1 to 5 years	More than 5 years	Up to 1 year	1 to 5 years	More than 5 years
Currency derivatives (USD)							
Notional amount	€000	46,242	0	0	18,382	0	0
Average hedged price	USD	1.167	0	0	1.213	0	0
Currency derivatives (RON)							
Notional amount	€000	13,059	0	0	0	0	0
Average hedged price	RON	1.587	0	0	0	0	0
Currency derivatives (HUF)							
Notional amount	€000	7,045	0	0	16,665	0	0
Average hedged price	HUF	365.354	0	0	361.367	0	0
Currency derivatives (CZK)							
Notional amount	€000	7,332	0	0	14,797	0	0
Average hedged price	CZK	25.880	0	0	26.287	0	0
Interest rate swaps							
Notional amount	€000	50,000	26,000	0	76,000	76,000	0
Average interest rate	%	0.245	(0.460)	0	0.004	0.004	0
Sugar futures							
Volume	Tonnes	35,003	0	0	31,548	0	0
Average hedged price	€ per tonne	17.330	0	0	15.624	0	0
Wheat and corn futures							
Volume	Tonnes	21,800	0	0	8,950	0	0
Average hedged price	€ per tonne	158.558	0	0	57.547	0	0
Ethanol futures							
Volume	Tonnes	17,100	0	0	22,600	0	0
Average hedged price	€ per tonne	661.289	0	0	578.933	0	0

The value changes of those derivative positions which do not have a hedging relationship to an underlying transaction are recognised in profit or loss in the income statement. Hedging transactions were carried out to hedge sales revenue and raw material expenses.

The table below shows the periods in which the cash outflows are expected to occur, as well as the carrying amounts of the hedging instruments:

€000	Carrying amount	Total	Contractual cash outflows: Up to 3 m	4 to 6 m	7 to 12 m	1 to 2 y	2 to 3 y	3 to 4 y	4 to 5 y	More than 5 y
28 February 2022										
Currency derivatives										
Positive fair values	3,882	3,882	3,624	145	113	0	0	0	0	0
Negative fair values	(5,675)	(5,675)	(5,301)	(257)	(117)	0	0	0	0	0
Interest rate derivatives										
Positive fair values	382	60	6	6	12	25	11	0	0	0
Negative fair values	(272)	(331)	(103)	(103)	(125)	0	0	0	0	0
Commodity derivatives										
Positive fair values	3,768	3,768	3,517	25	226	0	0	0	0	0
Negative fair values	(5,379)	(5,379)	(5,379)	0	0	0	0	0	0	0
Total	**(3,294)**	**(3,675)**	**(3,636)**	**(184)**	**109**	**25**	**11**	**0**	**0**	**0**
28 February 2021										
Currency derivatives										
Positive fair values	3,376	3,376	3,242	68	66	0	0	0	0	0
Negative fair values	(2,895)	(2,895)	(2,576)	(301)	(18)	0	0	0	0	0
Interest rate derivatives										
Positive fair values	42	82	6	6	12	24	24	10	0	0
Negative fair values	(686)	(711)	(97)	(98)	(199)	(317)	0	0	0	0
Commodity derivatives										
Positive fair values	1,543	1,543	1,421	0	122	0	0	0	0	0
Negative fair values	(1,056)	(1,056)	(693)	(248)	(115)	0	0	0	0	0
Total	**324**	**339**	**1,303**	**(573)**	**(132)**	**(293)**	**24**	**10**	**0**	**0**

In terms of sensitivities, the net combined fair value of the derivative positions held at 28 February 2022 would have changed as follows given a reduction or increase of a half percentage point in the market interest rate, an appreciation or depreciation of 10% in the relevant currencies against the euro, and a reduction or increase of 10% in the prices of wheat, corn and sugar:

€000	Notional amount 28 Feb 2022	Notional amount 28 Feb 2021	Sensitivity (+) 28 Feb 2022	Sensitivity (+) 28 Feb 2021	Sensitivity (–) 28 Feb 2022	Sensitivity (–) 28 Feb 2021
Currency derivatives	501,769	550,252	(25,980)	(14,834)	21,257	12,137
Interest rate derivatives	76,000	76,000	546	1,043	(546)	(1,043)
Commodity derivatives	161,502	124,341	(1,335)	(830)	(1,843)	(164)

The effect of the changes in fair value on equity, including the tax effect, would have been, for the increase in rates and prices, an equity decrease of € 6,347 thousand (prior year: increase of € 1,301 thousand) and for the decrease in rates and prices, an equity increase of € 2,788 thousand (prior year: decrease of € 2,009 thousand). The effect of the fair value changes on profit before tax would have been, for the increase in rates and prices, a profit decrease of € 18,528 thousand (prior year: decrease of € 16,316 thousand) and for the decrease in rates and prices, a profit increase of € 15,248 thousand (prior year: increase of € 13,609 thousand).

11.3. Additional disclosures on financial instruments

Carrying amounts and fair values of financial instruments

Set out in the table below are the carrying amounts and fair values of the Group's financial assets and liabilities, both by individual item type and by measurement category. The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The table below also shows how the fair values were determined, broken down by category of financial instrument. The fair value measurements were classified into three categories according to how closely the inputs used were based on quoted market data:

The three levels were defined as follows:

- Level 1 consists of those financial instruments for which the fair value represents exchange or market prices quoted for the exact instrument on an active market (i.e., these prices are used without adjustment or change in composition).

- In Level 2, the fair values are determined on the basis of exchange or market prices quoted on an active market for similar assets or liabilities, or using other valuation techniques for which the significant inputs are based on observable market data.

- Level 3 consists of those financial instruments for which the fair values are determined on the basis of valuation techniques using significant inputs that are not based on observable market data.

The fair value of Level 2 currency derivatives is measured based on the exchange rate at the balance sheet date and the underlying currencies' interest rate differential relevant for the remaining maturity. The mark-to-market price is determined and compared with the price of the hedged item or transaction. The input factors for this are the reference rates of the European Central Bank (ECB; daily fixing) or selected national central banks, and the daily EURIBOR and LIBOR/IBOR rates.

For Level 2 interest rate derivatives, the measurement of fair value involves comparing the fixed interest rate with the swap rates as at the balance sheet date or with the yield curve relevant for the maturity. The fair value is obtained from a separate calculation provided by banking institutions.

In measuring the fair values of bank loans and overdrafts in Level 2, the terms agreed in the existing financing contracts, such as the remaining maturity and interest rate, are compared with the current market terms available at the balance sheet date for new financings with the same remaining maturity. The interest rate differential identified in this comparison determines the difference between the carrying amount and fair value.

The table below does not contain disclosures on the fair value of financial assets and liabilities that do not require measurement at fair value if the carrying amount is a reasonable approximation of fair value. This applies in particular to trade receivables, other financial assets, cash and cash and cash equivalents, trade payables and financial other payables, as a result of the short terms to maturity.

€000	Carrying amount: At fair value through profit or loss	At fair value through other comprehensive income (no recycling)	At fair value through other comprehensive income (hedging instruments)	At amortised cost	Total	Fair value: Level 1	Level 2	Level 3	Total
28 February 2022									
Financial assets at fair value									
Securities (non-current)	12,630	6,142	–	–	**18,772**	11,739	–	7,033	**18,772**
Investments in non-consolidated subsidiaries and outside companies (non-current)	–	280	–	–	**280**	–	–	280	**280**
Derivative financial assets	2,164	–	5,868	–	**8,032**	3,767	4,265	–	**8,032**
	14,794	**6,422**	**5,868**	**–**	**27,084**				
Financial assets not at fair value									
Trade receivables	–	–	–	398,509	**398,509**				
Financial other receivables[1]	–	–	–	54,302	**54,302**				
Cash and cash equivalents	–	–	–	103,593	**103,593**				
	–	**–**	**–**	**556,404**	**556,404**				
Financial liabilities at fair value									
Derivative liabilities	5,115	–	6,211	–	**11,326**	5,379	5,947	–	**11,326**
	5,115	**–**	**6,211**	**–**	**11,326**				
Financial liabilities not at fair value									
Bank loans and overdrafts	–	–	–	626,069	**626,069**	–	624,647	–	**624,647**
Lease liabilities[2]	–	–	–	28,302	**28,302**				
Trade payables	–	–	–	440,130	**440,130**				
Financial other payables[3]	–	–	–	109,400	**109,400**				
	–	**–**	**–**	**1,203,901**	**1,203,901**				

[1] Excluding other tax receivables, and excluding those prepaid expenses and accrued income not resulting in a cash inflow.
[2] In accordance with IFRS 7.29 (d), the fair value is no longer presented.
[3] Excluding payables from other tax, social security, customer prepayments, and deferred income.

€000	Carrying amount: At fair value through profit or loss	At fair value through other compre-hensive income (no recycling)	At fair value through other compre-hensive income (hedging instruments)	At amortised cost	Total	Fair value: Level 1	Level 2	Level 3	Total
28 February 2021									
Financial assets at fair value									
Securities (non-current)	13,157	6,259	–	–	**19,416**	12,266	–	7,150	**19,416**
Investments in non-consolidated subsidiaries and outside companies (non-current)	–	1,683	–	–	**1,683**	–	–	1,683	**1,683**
Derivative financial assets	3,314	–	1,647	–	**4,961**	1,543	3,418	–	**4,961**
	16,471	**7,942**	**1,647**	**–**	**26,060**				
Financial assets not at fair value									
Trade receivables	–	–	–	323,055	**323,055**				
Financial other receivables[1]	–	–	–	43,355	**43,355**				
Cash and cash equivalents	–	–	–	110,971	**110,971**				
	–	**–**	**–**	**477,381**	**477,381**				
Financial liabilities at fair value									
Derivative liabilities	2,943	–	1,694	–	**4,637**	1,056	3,581	–	**4,637**
	2,943	**–**	**1,694**	**–**	**4,637**				
Financial liabilities not at fair value									
Bank loans and overdrafts	–	–	–	545,736	**545,736**	–	547,288	–	**547,288**
Lease liabilities[2]	–	–	–	28,175	**28,175**				
Trade payables	–	–	–	311,524	**311,524**				
Financial other payables[3]	–	–	–	100,108	**100,108**				
	–	**–**	**–**	**985,543**	**985,543**				

The fair values of financial instruments were determined on the basis of the market information available at the balance sheet date and using the methods and assumptions outlined below.

Securities of Level 1 classified as at "fair value through profit or loss" included investment fund units of € 11,739 thousand (prior year: € 12,266 thousand) and are measured at current market values obtained from securities account statements. Level 3 securities categorised as at "fair value through other comprehensive income (no recycling)" consist largely of equity instruments in the amount of € 5,874 thousand (prior year: € 5,991 thousand), for which the market value is determined based on an issuer valuation report. For other securities in Level 3 classified as at "fair value through profit or loss" (uncertificated securities) in the amount of € 891 thousand (prior year: € 891 thousand), the nominal value represents their fair value. For shares of non-listed companies classified as at "fair value through other comprehensive income (no recycling)" in the amount of € 268 thousand (prior year: € 268 thousand) and for € 10 thousand (prior year: € 1,283 thousand) of investments in non-consolidated subsidiaries, the Group chose not to determine fair value based on discounted future cash flows, as this item was not material to the Group. The fair value of investments in outside companies in the amount of € 270 thousand (prior year: € 400 thousand) was determined using discounted expected future cash flows.

[1] Excluding other tax receivables, and excluding those prepaid expenses and accrued income not resulting in a cash inflow.
[2] In accordance with IFRS 7.29 (d), the fair value is no longer presented.
[3] Excluding payables from other tax, social security, customer prepayments, and deferred income.

Securities, investments in non-consolidated subsidiaries and in outside companies that are classified as at "fair value through other comprehensive income (no recycling)" are held for the long term for strategic purposes. The following table shows their fair values and associated dividend payments.

€000	Carrying amount 28 Feb 2022	Dividend 2021|22	Carrying amount 28 Feb 2021	Dividend 2020|21
RAIFFEISEN-Holding NIEDERÖSTERREICH-WIEN regGenmbH	5,874	109	5,991	0
Other	548	33	1,951	22
Total	**6,422**	**142**	**7,942**	**22**

The change in fair values of Level 3 securities was recognised in other comprehensive income, in the reserve for equity instruments, at a decrease of € 117 thousand (prior year: € 0 thousand) before tax, and at a tax benefit of € 110 thousand (prior year: € 0 thousand). In the 2021|22 financial year in the category "at fair value through other comprehensive income (no recycling)", in Level 3, there was a removal of a non-consolidated subsidiary in the amount of € 1,273 thousand as a result of its initial consolidation in the Group financial statements 2021|22. There were no other changes in Level 3 financial instruments.

The positive and negative fair values of commodity derivatives relate partly to cash flow hedges. For the interest rate hedges, the fair values are determined on the basis of discounted future cash flows. Forward foreign exchange contracts are measured on the basis of reference rates, taking into account forward premiums or discounts. The fair values of interest rate derivatives are obtained from the bank confirmations as at the balance sheet date. These fair values represent the present values of the future interest payments based on the yield curves used. The fair values of commodity derivatives are based on official quotations on futures exchanges. The market rates (fair values) of currency derivatives are based on the forward rates determined by AGRANA as at the balance sheet date and on the hedged exchange rates. The interest rates and exchange rates used for the determination of the forward rates are based on the reference rates published by the ECB or the national central banks. In some cases, as a result of differences in interest rates, the fair values determined by the Group may differ to an insignificant extent from the fair values calculated by the commercial banks that issue the bank confirmations.

The fair value of fixed interest liabilities is calculated as the present value of expected future cash flows. For variable rate liabilities, the fair value equals the carrying amount.

The net gains and losses on financial instruments are presented by measurement category in the following table:

€000	2021|22	2020|21
Fair value through profit or loss	(475)	(109)
Fair value through profit or loss – derivatives	(2,093)	1,691
At amortised cost – financial assets	(351)	(251)
At amortised cost – financial liabilities	1,836	(2,194)
Net (loss) on financial instruments in the income statement	**(1,083)**	**(863)**
Fair value through other comprehensive income (no recycling)	(117)	0
Fair value through other comprehensive income (hedging instruments)	656	501
Net gain on financial instruments in other comprehensive income	**539**	**501**
Total net (loss) on financial instruments	**(544)**	**(362)**

The total interest income and expense on financial assets and financial liabilities measured at amortised cost was as follows:

€000	2021|22	2020|21
Total interest income	742	802
Total interest expense	(6,077)	(6,580)
Net interest expense	**(5,335)**	**(5,778)**

11.4. Risk management in the AGRANA Group

The AGRANA Group is exposed to market price risks through changes in exchange rates, interest rates and security prices. On the procurement side, price risks arise largely from energy costs, the purchase of sugar in the world market and the purchase of wheat and corn (maize) for bioethanol production. On the sales side, price risks arise primarily from selling prices that are based on world market prices of ethanol and sugar. In addition, the Group is exposed to credit risks, which are associated especially with trade receivables.

AGRANA uses an integrated system for the early identification and monitoring of risks relevant to the Group. The Group's proven approach to risk management is guided by the aim of achieving a balance between risks and returns. The Group's risk culture is characterised by risk-aware behaviour, clearly defined responsibilities, independent risk control, and the implementation of internal control systems.

AGRANA regards the responsible management of business risks and opportunities as an important part of sustainable, value-driven corporate governance. Risk management thus forms an integral part of the entire planning, management and reporting process and is directed by the Management Board. The parent company and all subsidiaries employ risk management systems that are tailored to their respective operating activity. The systems' purpose is the methodical identification, assessment, control and documenting of risks.

In a three-pronged approach, risk management at the AGRANA Group is based on risk control at the operational level, on strategic control of Group companies by the Group, and on an internal monitoring system delivered by the Group's internal audit department. In addition, emerging trends that could develop into threats to the viability of the AGRANA Group as a going concern are identified and analysed at an early stage and continually re-evaluated as part of the risk management process.

Credit risk

Credit risk is the risk of an economic loss as a result of a counterparty's failure to honour its payment obligations. Credit risk includes both the risk of a deterioration in customers' or other counterparties' credit quality, and the risk of their immediate default.

The trade receivables of the AGRANA Group are largely with the food and chemical industries and the reseller sector (wholesalers and retailers). Credit risk in respect of trade receivables is managed on the basis of internal standards and guidelines.

The AGRANA Group applies the following credit risk management principles:

- Credit analysis of prospective customers and ongoing monitoring of existing customers' credit quality
- Use of trade credit insurance in accordance with internal Group regulations and requirements, supplemented where appropriate with additional security such as bank guarantees, letters of credit or prepayments.
- Systems-supported credit limit checks
- Standardised dunning

Each operating unit is responsible for the implementation and monitoring of the corresponding processes. As well, a monthly credit risk report is prepared by the operating units and aggregated at Group level. The uniform measures monitored as part of credit risk monitoring include, among others, days sales outstanding (DSO), the ageing schedule for receivables, and the types and amounts of credit security.

In determining possible impairment, in accordance with internal guidelines and IFRS 9, trade receivables are deemed irrecoverable when 90 days past due, unless the operating unit has reasonable and supportable information that demonstrates that a longer period past due is justified. However, should impairment be identified in the course of the credit monitoring, individual impairment is applied. This is also true for trade receivables less than 90 days past due. As a result of the war in Ukraine, impairment of € 4,378 thousand was individually recognised on trade receivables from customers in and near war zones. The receivables are not derecognised until an actual default is considered likely.

AGRANA uses the simplified approach under IFRS 9 to measure expected credit losses. Beyond the recognition of individual impairment, the defaults of the past ten years were analysed. Based on the results, loss rates were determined, by length of time past due and by payment profile of the underlying revenue. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors that affect customers' ability to pay receivables. For the measurement model, projections for non-performing loans were identified as the most relevant factor for the adjustment of the historical loss rates. Credit spreads are currently not suitable adjustment factors after the outbreak of the war in Ukraine, and were unsuitable in the prior year due to the coronavirus crisis. Since the start of the war, credit spreads showed increases only in short-term maturities, but a declining trend in the medium-term maturities, which would indicate an undervaluation of credit risk. The factor calculated was weighted based on growth rates of gross domestic products published by the Organisation for Economic Co-operation and Development (OECD) and management judgment.

Due to extreme economic conditions caused by the Russian invasion of Ukraine and the imposition of international sanctions – coupled with uncertainty about the duration of the war – forward-looking assessments are currently highly uncertain and difficult to make. There is no historical precedent for comparable economic conditions. Consequently, post-model adjustments, or "overlays", were used to take into account the effects of the Ukraine war on the macroeconomic indicators and ultimately on default rates, as it is currently not possible to adjust the models used at short notice in order to sufficiently capture risks and uncertainties. As no published expectations of insolvency trends or projections for non-performing loans were available at the time of this analysis, assessments and expectations by rating agencies (the downgrading of companies in the affected areas) in connection with the start of the war in Ukraine were taken into consideration when determining the scalar factors. In addition – to account for the uncertainties existing beyond this – a multiplier of 2 was applied to the scalar factors for Ukraine and Russia and a multiplier of 1.5 was applied for the rest of the world. As a result, the allowance for impairment of trade receivables increased by € 194 thousand, remaining immaterial for the Group overall.

The maturity profile of trade receivables, the loss rates and the impairment allowances raised were as follows:

€000	Loss rate %	Gross carrying amount	Impair-ment allowance	Net carrying amount
28 February 2022				
Trade receivables not yet due	0.0653	370,607	(243)	370,364
Trade receivables past due				
Up to 30 days	0.6201	23,580	(146)	23,434
31 to 90 days	2.7697	3,220	(89)	3,131
More than 90 days		1,580	0	1,580
Individual impairment recognised		10,982	(10,982)	0
Total		**409,969**	**(11,460)**	**398,509**
28 February 2021				
Trade receivables not yet due	0.0510	300,390	(153)	300,237
Trade receivables past due				
Up to 30 days	0.4138	17,536	(73)	17,463
31 to 90 days	1.7124	4,257	(73)	4,184
More than 90 days		1,171	0	1,171
Individual impairment recognised		6,855	(6,855)	0
Total		**330,209**	**(7,154)**	**323,055**

The allowance for impairment of trade receivables showed the following movements:

€000	28 Feb 2022	28 Feb 2021
Allowance at 1 March	7,154	7,383
Currency translation adjustments/other changes	(89)	(128)
Added	5,685	1,319
Used	(263)	(776)
Released	(1,027)	(644)
Allowance at 28 February	**11,460**	**7,154**

The released amount of the allowance included interest income of € 15 thousand (prior year: € 10 thousand).

Liquidity risk
Liquidity risk is the risk that a company will not be able to meet its financial obligations when due or in sufficient measure.

The AGRANA Group generates liquidity with its business operations and from external financing. The funds are used to fund working capital, investment and business acquisitions.

In order to ensure the Group’s solvency at all times and safeguard its financial flexibility, a liquidity reserve is maintained in the form of credit lines and, to the extent necessary, of cash.

To manage the seasonally fluctuating cash flows, both short-term and long-term finance is raised in the course of day-to-day financial management.

At the balance sheet date the Group had credit lines with a total limit of € 1,085,955 thousand (prior year: € 999,910 thousand). The weighted average remaining maturity of the credit lines at the balance sheet date was 1.8 years (prior year: 2.8 years).

The following maturity profile shows the effects of the cash outflows from liabilities as at 28 February 2022 on the Group's liquidity situation. All cash outflows are undiscounted.

			Contractual cash outflows							
€000	Carrying amount	Total	Up to 3 m	4 to 6 m	7 to 12 m	1 to 2 y	2 to 3 y	3 to 4 y	4 to 5 y	More than 5 y
28 February 2022										
Non-derivative financial payables										
Bank loans and overdrafts	626,069	641,373	111,813	4,123	159,845	60,275	120,140	47,534	88,429	49,214
Trade payables	440,130	440,130	380,477	59,236	417	0	0	0	0	0
Trade payables and amounts due to affiliated companies in the Südzucker group and joint ventures	33,180	33,180	32,856	0	324	0	0	0	0	0
Lease liabilities	28,302	40,243	1,846	1,617	3,037	5,584	2,819	2,469	2,126	20,745
Financial other payables	76,220	76,220	57,602	7,238	6,017	2,408	1,208	943	786	18
	1,203,901	**1,231,146**	**584,594**	**72,214**	**169,640**	**68,267**	**124,167**	**50,946**	**91,341**	**69,977**
Derivative financial payables										
Interest rate derivatives	272	331	103	103	125	0	0	0	0	0
Currency derivatives	5,675	5,675	5,301	257	117	0	0	0	0	0
Commodity derivatives	5,379	5,379	5,379	0	0	0	0	0	0	0
	11,326	**11,385**	**10,783**	**360**	**242**	**0**	**0**	**0**	**0**	**0**
28 February 2021										
Non-derivative financial payables										
Bank loans and overdrafts	545,736	565,997	71,282	3,690	5,762	20,657	160,179	119,566	47,299	137,562
Trade payables	311,524	311,524	281,136	26,698	3,690	0	0	0	0	0
Trade payables and amounts due to affiliated companies in the Südzucker group and joint ventures	26,308	26,308	25,754	537	17	0	0	0	0	0
Lease liabilities	28,175	38,711	1,491	1,461	2,677	5,068	4,375	2,226	1,865	19,548
Financial other payables	73,800	73,800	58,581	7,377	6,748	806	225	15	15	33
	985,543	**1,016,340**	**438,244**	**39,763**	**18,894**	**26,531**	**164,779**	**121,807**	**49,179**	**157,143**
Derivative financial payables										
Interest rate derivatives	686	711	97	98	199	317	0	0	0	0
Currency derivatives	2,895	2,895	2,576	301	18	0	0	0	0	0
Commodity derivatives	1,056	1,056	693	248	115	0	0	0	0	0
	4,637	**4,662**	**3,366**	**647**	**332**	**317**	**0**	**0**	**0**	**0**

The undiscounted cash outflows as presented are based on the assumption that repayment of liabilities is applied to the earliest maturity date. Interest payments on floating rate financial instruments are determined by reference to the most recent prevailing rates.

Currency risk
The Group's international business operations expose AGRANA to foreign exchange risks from financing and financial investment, from trade receivables and trade payables, and from future foreign currency cash flows under purchasing and sales contracts. To measure and control these risks, the AGRANA Group uses Value-at-Risk based on the variance-covariance approach at a 95% confidence level. This involves the measurement of the various currency pairs at the given volatilities and takes into account the correlations between them.

The result is stated as diversified Value-at-Risk:

	Value-at-Risk	
€000	**28 Feb 2022**	**28 Feb 2021**
Sum of absolute net positions of the currency pairs	145,696	128,809
Value-at-Risk diversified	**4,882**	**6,680**

The following table gives the foreign currency position by currency pair of the Value-at-Risk calculation. The individual values include both the financing activities and the operating business. This combined presentation allows the quantification of the interactions between these two spheres for each currency pair (natural hedging).

	Foreign-currency position	
€000	**28 Feb 2022**	**28 Feb 2021**
Currency pair		
EUR/CNY	1,954	3,863
EUR/CZK	6,444	6,613
EUR/EGP	1,641	317
EUR/HUF	5,680	20,282
EUR/MAD	2,743	3,708
EUR/PLN	4,195	1,673
EUR/RON	76,572	54,294
EUR/RUB	5,688	3,229
EUR/UAH	4,056	3,329
EUR/USD	7,249	6,107
USD/ARS	2,258	2,546
USD/AUD	8,013	3,623
USD/BRL	653	1,712
USD/CNY	2,927	6,904
USD/MXN	7,581	5,399
Other	8,042	5,210
Total	**145,696**	**128,809**

Most of the Group's foreign exchange risk arises in the operating business, when revenues or costs are denominated in a currency other than that of the related costs or revenues, respectively. The AGRANA Group's currency risk from financing arises from borrowings and financial investments not denominated in the local currency of the respective company.

The total foreign currency positions of € 145,696 thousand (prior year: € 128,809 thousand) related primarily to Romania, China, the Czech Republic, Hungary, the USA and Mexico, and represented a Value-at-Risk of € 4,882 thousand (prior year: € 6,680 thousand).

In the Sugar segment, Group companies based in the European Union whose local currency is not the euro are exposed to foreign exchange risk between the euro and their respective local currency, as the beet prices for a given campaign are partly set in euros. The subsidiaries in Romania and Hungary are subject to currency risk from raw sugar purchases in US dollars and purchases of white sugar in euros, and some companies are exposed to currency risk from the exporting of sugar in US dollars.

In the Starch segment, foreign exchange risks arise from borrowings not denominated in local currency.

In the Fruit segment, foreign exchange risks arise when revenue and materials costs are in foreign currency rather than local currency. In addition, risks arise from borrowings not denominated in local currency.

Interest rate risk
The AGRANA Group is exposed to interest rate risks primarily in the euro zone.

Risks from potential changes in interest rates are reported on an "at risk" basis. AGRANA distinguishes between Cash-Flow-at-Risk (CFaR) for variable rate borrowings and Value-at-Risk (VaR) for changes in market interest rates on fixed rate borrowings.

CFaR: An increase in interest rates would cause an increase in funding costs from variable rate borrowings. The CFaR analysis is based on the volatilities of the individual funding currencies and the correlations between them.

VaR: The analysis examines the implied risk from a decrease in interest rates, as existing fixed rate borrowings would continue to incur interest costs at a constant rate instead of following the market trend. The different maturities of fixed interest borrowings are taken into account through weighted present values and a potential change in variable interest rates under the modified duration approach.

The CFaR and VaR from borrowings were as follows:

€000	28 Feb 2022	28 Feb 2021
Net floating rate borrowings	263,107	127,806
Cash-Flow-at-Risk diversified	**183**	**369**
Net fixed rate borrowings	293,944	359,137
Value-at-Risk upon change in interest rates	**9,404**	**13,642**

The floating rate borrowings are subject to interest rate risk. To hedge against this risk, interest rate swaps were entered into for a portion of the borrowings, thus achieving fixed interest rates on this portion.

Commodity price risk
AGRANA's business activities expose it to market price risk from purchases of commodities and the sale of finished products (ethanol). This is particularly true in the production of bioethanol, where the most important cost factors by far are the prices of the main inputs, corn and wheat. To a lesser but still significant extent, the Sugar segment has exposure to the purchase prices of raw sugar.

At the balance sheet date, the Group had open commodity derivative contracts for the purchase of 35,003 tonnes of raw sugar (prior year: purchase of 31,548 tonnes), the purchase of 21,800 tonnes of wheat for the Austrian bioethanol production operations (prior year: purchase of 8,950 tonnes), the purchase of 1,150 tonnes of waxy corn derivatives (prior year: sale of 2,300 tonnes), and the sale of 17,100 tonnes of ethanol (prior year: sale of 22,600 tonnes). These positions represented an aggregate contract amount of € 2,786 thousand (prior year: € 3,474 thousand) and, based on the underlying closing prices, had a combined net negative fair value of € 1,611 thousand (prior year: positive fair value of € 487 thousand).

Legal risks
AGRANA continually monitors changes in the legal setting relevant to its businesses or to their employees that could lead to a risk situation, and takes risk management actions as necessary. Areas of law to which particular attention is devoted are anti-trust, food and environmental legislation, as well as data protection, anti-money laundering and anti-terrorism finance provisions. AGRANA maintains dedicated staff positions for matters of compliance, employment law and general areas of law, and provides regular further training for the employees involved.

As noted in previous annual reports, the Austrian Federal Competition Authority (AFCA) in 2010 sought a fine under an antitrust case for alleged competition-restricting arrangements with respect to Austria filed against AGRANA Zucker GmbH, Vienna, and Südzucker AG, Mannheim, Germany (Südzucker). The Vienna Higher Regional Court on 19 May 2019 dismissed the suit and did not impose a fine; the AFCA appealed the decision to the Supreme Court. The AFCA justifies this primarily on the grounds that, in its decision, the German Federal Competition Authority took into account only the wrongfulness of Südzucker's behaviour in relation to Germany and that the imposition of an "additional penalty" in relation to Austria was both permissible and appropriate. By a decision of 27 March 2020, the Supreme Court adjourned the appeal proceedings and asked the European Court of Justice (ECJ) for a preliminary ruling on the scope of the "ne bis in idem" principle in EU competition proceedings. The ECJ ruled on 22 March 2022 that (due to the prohibition of "double jeopardy", or double punishment), Südzucker does not have to pay a fine if the facts investigated in Austria were included in the German settlement before the German Cartel Office. The case was therefore sent back to the court of first instance. The estimated further duration of the proceedings is two years.

AGRANA Stärke GmbH is also a defendant in proceedings before the Vienna Commercial Court. The plaintiff claims to have suffered damages from non-delivery of promised quantities of product. This proceeding in the court of first instance is at the stage of taking evidence. A first-instance decision is expected in the 2022|23 financial year. AGRANA considers the plaintiff's claims to be unfounded in view of the lack of a valid agreement on the purchase quantities.

Otherwise, there are no pending or threatened civil actions against companies of the AGRANA Group that could have a material impact on the Group's financial position, results of operations and cash flows.

11.5. Contingent liabilities and commitments
Guarantees were primarily related to bank loans of the joint ventures in the Sugar segment.

€000	28 Feb 2022	28 Feb 2021
Guarantees	43,982	43,304
Warranties, cooperative liabilities	1,373	1,365

The guarantees are not expected to be utilised.

A further contingent liability of € 5,409 thousand (prior year: € 5,534 thousand) was related to a claim for recovery of an EU subsidy in Hungary. The management of the company involved believes the likelihood of repayment is low.

Commitments, in the form of purchase commitments for investments in property, plant and equipment, amounted to € 12,246 thousand (prior year: € 15,742 thousand).

12. Events after the balance sheet date

With the start of the war in Ukraine on 24 February 2022, a higher probability of potential adverse effects on AGRANA's future business performance emerged. This had to be taken into account in these financial statements for the year ended 28 February 2022, in particular through the recognition of corresponding impairment of assets in the Fruit segment with its production facilities in Ukraine and Russia, and in the outlook for the 2022|23 financial year.

At present, it is not possible to assess how the conflict will evolve and what further economic and geopolitical impacts it will have, especially on the supply of agricultural raw materials, on target markets and on raw material and energy prices.

At the time of preparation of the consolidated financial statements on 25 April 2022, there were no reliable indications that there will be any further material financial effects beyond those presented.

13. Related party disclosures

AGRANA Zucker, Stärke und Frucht Holding AG, based in Vienna, holds 78.34% of the share capital of AGRANA Beteiligungs-AG. This holding company is exempt from the obligation to prepare consolidated financial statements, as its accounts are included in the consolidated financial statements of Südzucker AG, Mannheim, Germany. In August 2020, with a view to simplifying the Group structure, Z&S Zucker und Stärke Holding AG, Vienna, which previously directly held 78.34% of the share capital of AGRANA Beteiligungs-AG, was merged into AGRANA Zucker, Stärke und Frucht Holding AG, Vienna, with retroactive effect from 1 March 2020. The ultimate parent of the group of companies is Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG, Stuttgart, Germany.

Related parties for the purposes of IAS 24 are Südzucker AG, Mannheim, Germany, and Zucker-Beteiligungsgesellschaft m.b.H., Vienna, as shareholders of AGRANA Zucker, Stärke und Frucht Holding AG, Vienna. AGRANA's consolidated financial statements are included in the consolidated accounts of Südzucker AG, Mannheim, Germany.

In addition to Südzucker AG, Mannheim, Germany, and its subsidiaries ("Südzucker group"), other related parties are RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN regGenmbH, Vienna, and its subsidiaries ("companies with significant influence").

Equity-accounted joint ventures that are jointly controlled, as well as unconsolidated subsidiaries, are also related parties as defined in IAS 24.

Business relationships with related parties at the balance sheet date can be analysed as follows:

€000	Südzucker group	Companies with significant influence	Joint ventures	Non-consolidated sub-sidiaries	Total
2021|22					
Revenue	76,892	16,851	29,123	0	**122,866**
Operating expenses	(91,278)	(1,548)	(76,107)	(327)	**(169,260)**
Credit relationships	(324)	(40,016)	0	0	**(40,340)**
Participation capital	0	5,968	0	0	**5,968**
Bank balances and current receivables	0	10,620	2	0	**10,622**
Non-current financial receivables	0	0	1,000	0	**1,000**
Net trade (payables)/receivables for goods	(5,760)	1,068	(9,611)	(85)	**(14,388)**
Net interest (expense)/income	(1)	(660)	59	0	**(602)**
Guarantees issued	0	0	46,000	0	**46,000**
Guarantees utilised	0	0	41,684	0	**41,684**

€000	Südzucker group	Companies with significant influence	Joint ventures	Non-consolidated sub-sidiaries	Total
2020|21					
Revenue	59,026	15,915	23,732	0	**98,673**
Operating expenses	(112,685)	(400)	(53,322)	(316)	**(166,723)**
Credit relationships	(323)	(43,060)	0	0	**(43,383)**
Participation capital	0	5,991	0	0	**5,991**
Bank balances and current receivables	0	20,577	5	196	**20,778**
Non-current financial receivables	0	0	3,945	0	**3,945**
Net trade (payables)/receivables for goods	(10,048)	724	(4,727)	(73)	**(14,124)**
Net interest (expense)/income	(1)	(1,708)	92	3	**(1,614)**
Guarantees issued	0	0	46,000	0	**46,000**
Guarantees utilised	0	0	41,220	0	**41,220**

At the balance sheet date, borrowings from related parties amounted to € 40,340 thousand (prior year: € 43,383 thousand).

For fully consolidated subsidiaries, the Group has issued guarantees in favour of companies with significant influence of € 5,000 thousand (prior year: € 5,000 thousand), of which none (prior year: none) was utilised.

The remuneration of the members of the Management Board of AGRANA Beteiligungs-AG totalled € 3,900 thousand (prior year: € 3,935 thousand), consisting of total fixed base salaries of € 1,622 thousand (prior year: € 1,869 thousand) and a total performance-based, variable component of € 2,278 thousand (prior year: € 2,066 thousand). The performance-based elements of the compensation are linked to the amount of the dividend paid for the last three financial years. As Johann Marihart and Fritz Gattermayer left their Management Board positions on 31 May 2021, additional payments of € 3,644 thousand accrued to them in this context (mainly long-service award, termination benefit and holiday pay). The Management Board member of AGRANA Beteiligungs-AG appointed on the basis of the syndicate agreement between Südzucker AG, Mannheim, Germany, and Zucker-Beteiligungsgesellschaft m.b.H., Vienna, did not receive compensation for serving on the Management Board.

On 29 June 2021 the Annual General Meeting approved an annual aggregate remuneration for the Supervisory Board of € 313 thousand (prior year: € 325 thousand) and delegated to the Supervisory Board Chairman the responsibility for allocating this sum. The amount paid to the individual Supervisory Board members is tied to their function on the Board. No meeting fees were paid.

Post-employment benefits granted to the Management Board members Johann Marihart and Fritz Gattermayer and the former Management Board member Walter Grausam under the Company's plan are pension, disability insurance and survivor benefits. The pension becomes available when the pension eligibility criteria of the Austrian public pension scheme (ASVG) are met. The amount of the pension is calculated as a percentage of a contractually agreed assessment base. In the event of early retirement within ASVG rules, the amount of the pension is reduced. For the pension of Markus Mühleisen, Stephan Büttner and of Norbert Harringer there is a defined contribution obligation, which can be claimed after the recipient has reached 55 years of age if the employment contract has been terminated by the employer. For the 2021|22 financial year, pension fund contributions of € 286 thousand were paid (prior year: € 440 thousand). A follow-up payment of € 28 thousand was made to outgoing Chief Executive Officer Johann Marihart, who retired on 31 May 2021 (prior year: € 78 thousand to Walter Grausam).

The retirement benefit obligations in respect of the Management Board are administered by an external pension fund. In the balance sheet at 28 February 2022, within the item "retirement and termination benefit obligations", an amount of € 9,665 thousand was recognised for pension obligations (prior year: € 12,289 thousand) and an amount of € 0 thousand was recognised for termination benefit obligations (prior year: € 1,551 thousand).

In the event that a Management Board appointment is withdrawn, there are severance pay obligations in accordance with the provisions of the Employees Act or the Occupational Pension Plan Act.

Information on the Management Board and Supervisory Board is provided on page 178.

On 25 April 2022 the Management Board of AGRANA Beteiligungs-AG released the consolidated financial statements for review by the Supervisory Board and the Audit Committee and for presentation to the Annual General Meeting and subsequent publication. The Supervisory Board has responsibility for reviewing the consolidated financial statements and stating whether it approves them.

Vienna, 25 April 2022

The Management Board of AGRANA Beteiligungs-AG

Markus Mühleisen
Chief Executive Officer

Ingrid-Helen Arnold
Member of the Management Board

Stephan Büttner
Member of the Management Board

Norbert Harringer
Member of the Management Board

List of members of AGRANA’s boards

Management Board

Markus Mühleisen
Chief Executive Officer

Ingrid-Helen Arnold
Member

Stephan Büttner
Member

Norbert Harringer
Member

Supervisory Board

Erwin Hameseder
Chairman

Hans-Jörg Gebhart
First Vice-Chairman

Klaus Buchleitner
Second Vice-Chairman

Helmut Friedl
Member

Andrea Gritsch
Member

Ernst Karpfinger
Member

Thomas Kirchberg
Member

Josef Pröll
Member

Employee representatives

Thomas Buder
Chairman of the Group Staff Council
and the Central Staff Council

Daniela Bogner

Andreas Klamler

René Schmid

Statement by the members of the Management Board

In accordance with section 124 (1) Austrian Stock Exchange Act, the undersigned members of the Management Board, as the legal representatives of AGRANA Beteiligungs-AG, confirm to the best of their knowledge that:

- the consolidated financial statements of AGRANA Beteiligungs-AG for the year ended 28 February 2022, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, give a true and fair view of the financial position, results of operations and cash flows of the AGRANA Group;

- the Group management report for the 2021|22 financial year presents the business performance, financial results and situation of the AGRANA Group so as to provide a true and fair view of the Group's financial position, results of operations and cash flows, together with a description of the principal risks and uncertainties faced by the Group.

Vienna, 25 April 2022

The Management Board of AGRANA Beteiligungs-AG

Markus Mühleisen
Chief Executive Officer

Ingrid-Helen Arnold
Member of the Management Board

Stephan Büttner
Member of the Management Board

Norbert Harringer
Member of the Management Board

Independent auditor’s report
[Translation]

Report on the Consolidated Financial Statements

Audit Opinion
We have audited the consolidated financial statements of AGRANA Beteiligungs-Aktiengesellschaft, Vienna, and its subsidiaries (the Group), which comprise the separate consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement, the consolidated balance sheet as at 28 February 2022 and the consolidated statement of changes in equity for the financial year then ended, and the notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as at 28 February 2022, and of its financial performance and cash flows for the financial year then ended in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs) and the additional regulations of section 245a Austrian Company Code.

Basis for Opinion
We conducted our audit in accordance with Regulation (EU) No. 537/2014 (hereinafter EU Regulation) and Austrian Generally Accepted Standards on Auditing. Those standards require the application of the International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with Austrian Generally Accepted Accounting Principles and professional requirements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of the auditor’s report is sufficient and appropriate to provide a basis for our opinion by this date.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the financial year. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

We have structured key audit matters as follows:

- Description
- Audit approach and key observations
- Reference to related disclosures

Impairment of goodwill

Description

The carrying amount of goodwill is EUR 186,971k (carrying amount as at 28 February 2021: EUR 241,781k).

Goodwill is reviewed by the Management Board at least annually for impairment. This review is performed regularly on 31 August, and additionally whenever there are indications of possible impairment (triggering events). Due to the Russian military offensive in Ukraine from 24 February 2022 onwards, the Management Board performed an additional review during the preparation of the consolidated financial statements in March/April 2022 to determine whether a triggering event existed that would require an update to the impairment test as at 28 February 2022. The review carried out by the Management Board revealed that, due to the Russian military offensive in Ukraine, there was a triggering event that requires an update of the impairment test of the Fruit CGU as at 28 February 2022.

In the course of the annual assessments as to whether goodwill is to be impaired, the Company determines the value in use for the following cash generating units (CGUs) Fruit and Starch. The Company calculates the values in use based on the discounted cash flow method. This valuation method is significantly influenced by the assumptions and estimates in respect of the future cash flows. These future cash flows are derived from forecast figures which are approved by the respective management bodies and may be subject to adjustments if necessary. The discount rate applied in the discounted cash flow is also influenced by future changes in the market, economic and legal environment.

Based on the relevant facts as described that the determination of the value in use is based on judgement and associated with estimation uncertainties, testing for impairment of goodwill was determined as key audit matter within the audit.

Audit approach and key observations
We:

- evaluated the internal monitoring system to ensure that it is appropriate to detect possible indications of impairment and evaluated the Company's internal assessment for objective evidence of impairment,
- involved our valuation experts,
- compared the valuation method and assumptions in respect of forecasts and valuation parameters applied against appropriate benchmarks and against the accounting regulations of IAS 36, based on our experience,
- assessed the valuation method applied by following the model and analysing whether it is adequate for determining the value in use,
- critically examined the discount rate by assessing the discount rate parameters applied in terms of their appropriateness through comparison with market and industry-specific benchmarks,
- reviewed the Company's forecasting accuracy applied by back testing the underlying forecast figures,
- verified whether the impact of the Russian military offensive in Ukraine (the triggering event) was considered in the 2022 impairment test and
- reviewed the mandatory disclosures regarding the impairment test in accordance with IAS 36 in the notes to the consolidated financial statements 2021/22 and evaluated whether they are accurate and complete.

The accounting and measurement methods used are consistent with IFRSs. We believe the assumptions and parameters to be appropriate.

Reference to related disclosures
See Note 7.6. for the procedures carried out by the Management Board for the performance of impairment tests and Note 10.1. in the notes to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the management report for the Group and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs) and the additional regulations of section 245a Austrian Company Code, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation and with Austrian Generally Accepted Standards on Auditing, which require the application of ISAs, will always detect a material misstatement when it exists. 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.

As part of an audit in accordance with the EU Regulation and with Austrian Generally Accepted Standards on Auditing, which require the application of ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, 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. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit 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 the Group's internal control.

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

- conclude on the appropriateness of management's 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 our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. 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 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 represent the underlying transactions and events in a manner that achieves fair presentation.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee 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 the Audit Committee with a statement that we have complied with all relevant ethical requirements regarding independence, and to 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 the Audit Committee, 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 or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Comments on the Management Report for the Group

Pursuant to Austrian Generally Accepted Accounting Principles, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the management report for the Group was prepared in accordance with the applicable legal regulations. Regarding the consolidated non-financial statement contained in the management report for the Group, it is our responsibility to examine whether it has been prepared, to read it and to consider whether it is, based on our knowledge obtained in the audit, materially inconsistent with the consolidated financial statements or otherwise appears to be materially misstated.

Management is responsible for the preparation of the management report for the Group in accordance with Austrian Generally Accepted Accounting Principles.

We conducted our audit in accordance with Austrian standards on auditing for the audit of the management report for the Group.

Opinion
In our opinion, the management report for the Group was prepared in accordance with the applicable legal regulations, comprising the details in accordance with section 243a UGB, and is consistent with the consolidated financial statements.

Statement
Based on the findings during the audit of the consolidated financial statements and due to the obtained understanding concerning the Group and its circumstances no material misstatements in the management report for the Group came to our attention.

Additional Information in Accordance with Article 10 of the EU Regulation

We were elected as statutory auditor at the ordinary general meeting dated 29 June 2021. We were appointed by the Supervisory Board on 1 September 2021. We have audited the Company for an uninterrupted period since the financial year 2019|20, ending with the balance sheet date 29 February 2020.

We confirm that the audit opinion in the "Report on the Consolidated Financial Statements" section is consistent with the additional report to the Audit Committee referred to in Article 11 of the EU Regulation.

We declare that no prohibited non-audit services (Article 5 para. 1 of the EU Regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

Responsible Engagement Partner

Responsible for the proper performance of the engagement is Mr. Werner Stockreiter, Austrian Certified Public Accountant.

Vienna, 25 April 2022

PwC Wirtschaftsprüfung GmbH

signed:
Werner Stockreiter
Austrian Certified Public Accountant

We draw attention to the fact that the English translation of this auditor's report according to section 274 UGB (Austrian Company Code) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

Independent Assurance Report on the Non-Financial Reporting[1]

[Translation]

We have performed an independent limited assurance engagement on the consolidated non-financial report prepared under Section 267a UGB, and on the sustainability disclosures and indicators for the 2021/22 financial year, which has been published in the Integrated Annual Report ("NFI report") of AGRANA Beteiligungs-AG, Vienna (referred to as "the Company").

Conclusion

Based on the procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the NFI report of the Company is not, in all material respects, in accordance with the legal requirements of the Austrian Sustainability and Diversity Improvement Act (Section 267a UGB), the provisions of Article 8 of Regulation (EU) 2020/852 as amended and the supplementing delegated Regulation (EU) 2021/2178 referred to as the "EU Taxonomy Regulation") and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards), "Core" option.

Management's Responsibility

The Company's management is responsible for the proper preparation of the NFI report in accordance with the reporting criteria. The Company applies the legal requirements of the Austrian Sustainability and Diversity Improvement Act (Section 267a UGB) and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards), "Core" option, as reporting criteria. In addition, the Company prepares disclosures in accordance with the EU Taxonomy Regulation, which are published as part of the sustainability reporting.

The Company's management is responsible for the selection and application of appropriate methods for non-financial reporting (especially the selection of significant matters) as well as the use of appropriate assumptions and estimates for individual non-financial disclosures, given the circumstances. Furthermore, their responsibilities include the design, implementation and maintenance of systems, processes and internal controls that are relevant for the preparation of the sustainability report that is free of material misstatements, whether due to fraud or error.

Emphasis of Matter

We draw attention to the disclosures in section "Social matters", subsection EU-taxonomy eligible CAPEX, OPEX and turnover of the non-financial statement, related to Article 8 of the EU Taxonomy Regulation, in which the Company's management have set out their understanding of the regulations and the delegated legislation adopted in this regard. Both the disclosures as well as the delegated legislation issued in this regard are based on wordings and terms that are subject to significant uncertainty in their interpretation and for which there are no authoritative sources available for clarification. The management is responsible for the selection and reasonableness of these interpretations. Due to the inherent risk that ambiguous legal terms may be interpreted differently, an assessment of legal conformity with regulations is subject to uncertainties. Our conclusion is not modified in respect of this matter.

Auditors' Responsibility

Our responsibility is to state whether, based on our procedures performed and the evidence we have obtained, anything has come to our attention that causes us to believe that the Company's NFI report is not, in all material respects, in accordance with the legal requirements of the Austrian Sustainability and Diversity Improvement Act (Section 267a UGB), the legal requirements of the EU Taxonomy Regulation and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards), "Core" option.

Clarification on the assurance scope in view of the integrated NFI reporting in the Integrated Annual Report: Our assurance work covered the NFI disclosures in the Integrated Annual Report 2021/22 that are referenced in the GRI content index.

Our engagement was conducted in conformity with the International Standard on Assurance Engagements (ISAE 3000) applicable to such engagements. These standards require us to comply with our professional requirements including independence requirements, and to plan and perform the engagement to enable us to express a conclusion with limited assurance, taking into account materiality.

[1] According to Section 267a UGB.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement, thus providing less assurance. Despite diligent engagement planning and execution, it cannot be ruled out that material misstatements, illegal acts or irregularities within the non-financial report will remain undetected.

The procedures selected depend on the auditor's judgment and included the following procedures in particular:

- Inquiries of group-level personnel who are responsible for the materiality analysis, in order to gain an understanding of the processes for determining the Company's material sustainability topics and corresponding reporting boundaries

- A risk assessment, including a media analysis, on relevant information on the Company's sustainability performance in the reporting period;

- Evaluation of the design and implementation of the systems and processes for the collection, processing and monitoring of disclosures on environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters, including the consolidation of data;

- Inquiries of group-level personnel who are responsible for providing, consolidating and implementing internal control procedures relating to the disclosure of concepts, risks, due diligence processes, results and performance indicators;

- Inspection of selected internal and external documents in order to determine whether qualitative and quantitative information is supported by sufficient evidence and presented in an accurate and balanced manner;

- Assessment of the processes for local data collection, validation and reporting, as well as the reliability of the reported data through a (remotely conducted) survey performed on a sample basis at the site in Tulln, Austria.

- Analytical evaluation of the data and trends of quantitative disclosures regarding the GRI Standards listed in the GRI-Index, submitted by all locations for consolidation at the group level;

- Evaluation of the consistency of the Austrian Sustainability and Diversity Improvement Act (Section 267a UGB), the EU Taxonomy Regulation and the GRI Standards, "Core" option to disclosures and indicators of the NFI report, which apply to the Company;

- Evaluation of the overall presentation of the disclosures by critically reading the NFI report.

The procedures that we performed do not constitute an audit or a review. Our engagement did not focus on revealing and clarifying of illegal acts (such as fraud), nor did it focus on assessing the efficiency of management. Furthermore, it is not part of our engagement to audit future-related disclosures, prior-year figures, statements from external sources of information, expert opinions or references to more extensive external reporting formats of the Company. Disclosures audited within the scope of the annual financial statement were assessed for correct presentation (no content examination).

Restriction on use

As our report is prepared solely at the request and for the benefit of the Company, its contents may not be relied upon by any third party, and consequently, we shall not be liable for any third-party claims. We agree to the publication of our assurance report together with the NFI report. However, publication may only be performed in its entirety and as the version that has been certified by us.

General Conditions of Contract

Our responsibility and liability towards the Company and any third party is subject to Item 7 of the General Conditions of Contract for the Public Accounting Professions.

Vienna, 25 April 2022

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Peter Ertl
Wirtschaftsprüfer
(Austrian Chartered Accountant)

This English language independent assurance report is a translation provided for information purposes only. The original German text shall prevail in the event of any discrepancies between the English translation and the German original. We do not accept any liability for the use of, or reliance on, the English translation nor for any errors or misunderstandings that may derive from the translation.

OTHER INFORMATION 2021/22

Parent company income statement

for the year ended 28 February 2022
of AGRANA Beteiligungs-AG, under Austrian Commercial Code (UGB)

€000	2021|22	2020|21
1. Revenue	39,222	36,666
2. Other operating income	133	122
3. Staff costs	(18,247)	(23,357)
4. Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	(841)	(1,189)
5. Other operating expenses	(24,803)	(24,661)
6. Operating (loss) [subtotal of items 1 to 5]	**(4,536)**	**(12,419)**
7. Income from investments in subsidiaries and other companies	51,226	50,235
Of which from subsidiaries	51,193	50,213
8. Income from other securities and loans classified as non-current financial assets	4,063	4,218
Of which from subsidiaries	4,063	4,218
9. Other interest and similar income	3,723	3,276
Of which from subsidiaries	3,723	3,263
10. Interest and similar expense	(3,228)	(3,351)
Of which from subsidiaries	(3,066)	(3,233)
11. Net financial items [subtotal of items 7 to 10]	**55,784**	**54,378**
12. Profit before tax [subtotal of items 1 to 11]	**51,248**	**41,959**
13. Income tax (expense)/benefit	(3,549)	4,942
14. Profit for the period	**47,699**	**46,901**
15. Retained profit brought forward from prior year	15,827	22,041
16. Retained profit	**63,526**	**68,942**

Parent company balance sheet

at 28 February 2022
of AGRANA Beteiligungs-AG, under Austrian Commercial Code (UGB)

€000	28 Feb 2022	28 Feb 2021
ASSETS		
A. Non-current assets		
I. Intangible assets	337	393
II. Property, plant and equipment	947	1,190
III. Non-current financial assets	638,283	638,283
	639,567	**639,866**
B. Current assets		
I. Receivables and other assets	409,527	369,923
Of which due in more than 1 year	13,400	19,633
II. Cash and bank balances	15	22
	409,542	**369,945**
C. Prepaid expenses	**88**	**61**
D. Deferred tax assets	**618**	**2,438**
Total assets	**1,049,815**	**1,012,310**
EQUITY AND LIABILITIES		
A. Equity		
I. Share capital	113,531	113,531
II. Share premium and other capital reserves	550,689	550,689
III. Revenue reserve	13,928	13,928
IV. Retained profit	63,526	68,942
Of which brought forward from prior year	15,827	22,041
	741,674	**747,090**
B. Provisions		
I. Provisions for retirement and termination benefit obligations	11,574	15,707
II. Provisions for tax and other provisions	4,152	3,845
	15,726	**19,552**
C. Liabilities		
I. Borrowings	271,000	221,000
Of which due in up to 1 year	57,000	0
Of which due in more than 1 year	214,000	221,000
II. Other liabilities	21,415	24,668
Of which due in up to 1 year	16,438	11,932
Of which due in more than 1 year	4,977	12,736
	292,415	**245,668**
Total equity and liabilities	**1,049,815**	**1,012,310**

Proposal for the appropriation of profit

of AGRANA Beteiligungs-AG
under Austrian Commercial Code (UGB)

	2021|22
	€
The financial year to 28 February 2022 closed with retained profit of	63,525,582
The Management Board proposes to the Annual General Meeting to allocate this retained profit as follows:	
Distribution of a dividend of € 0.75 per ordinary no-par value share on 62,488,976 participating ordinary shares, that is, a total of	46,866,732
Retained profit to be carried forward	16,658,850
	63,525,582

Glossary of industry and trade terms

B

Biodiversity: Biodiversity, or biological diversity, by the definition of the Convention on Biological Diversity (CBD) is "the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part". This includes diversity within species, diversity between species and diversity of ecosystems. The preservation and sustainable use of biological diversity are considered important foundations of human wellbeing. The destruction and fragmentation of habitats is viewed as the greatest threat to the diversity of life on earth.

Bioethanol: Bioethanol is a fuel manufactured by the fermentation of carbohydrate-containing biomass (renewable carbon sources). It has a minimum alcohol content of 99% by volume and contains effectively no water. In Europe, for climate reasons, bioethanol is produced mainly from starch-containing grain crops or from sugar beet. Unlike fossil fuels, bioethanol is CO2 neutral, and its physical properties differ from those of petrol. Its use as a petrol substitute in more or less undiluted form (in so-called high blends) therefore requires modifications to engines. For low blends (such as E10), engine modification is not needed.

Biogas: Biogas contains methane as a combustible component, which is manufactured through the zymosis of biomass in biogas facilities and is used for the generation of bioenergy. Biogas can be acquired from fermentable recycling material that contains biomass, such as sewage sludge, biowaste or food waste, liquid and solid farmyard manure, or also from energy crops that have been planted specifically for this purpose, i.e., renewable raw materials.

C

Campaign: The processing period for agricultural raw materials that have a limited storage life.

Cane sugar: Sugar produced from sugar cane. Chemically identical to beet sugar.

Corn starch: Starch produced from corn (maize), used especially as an ingredient in foods (such as puddings), but also in industrial applications, such as in paper products and cosmetics.

CO_2 equivalent (CO_{2e}): To make the greenhouse effect of different greenhouse gases comparable and calculable, their global warming potential is used. It indicates the contribution of a gas to the heating of the earth's atmosphere by assigning an equivalent volume of CO_2. The greenhouse effect per kilogram of a given gas is expressed as a multiple ("equivalent factor") of the greenhouse effect of one kilogram of carbon dioxide.

Customs duties: Also known as import duties or customs tariffs, these help to protect domestic products against cheap imports from non-EU countries (thus providing tariff protection). The basic import duty for sugar is a fixed amount. In addition, a special safeguard provision provides for a higher tariff when sugar imports exceed a certain quantity.

D

Deficit countries/markets/regions: Countries, markets or regions that consume more sugar than they produce and which therefore cover their needs through sugar imports.

E

Emissions: Generally signifies the release of noxious substances such as pollutants or greenhouse gases into the environment. A typical example is that of car exhaust fumes.

The Greenhouse Gas Protocol distinguishes between three types of emissions:

- Scope 1 represents directly influenceable emissions from primary energy sources that a company owns or controls.
- Scope 2 refers to indirectly influenceable emissions from purchased secondary energy sources that a company uses.
- Scope 3 comprises other indirectly influenceable emissions from energy use in a company's upstream and downstream value chain.

Ethanol: Ethanol is a form of alcohol and is a clear, flammable liquid. It is also known as pure alcohol, grain alcohol or drinking alcohol, and is found in drinks such as wine and beer. In recent years, ethanol has acquired great importance outside the beverage industry as a biofuel referred to as bioethanol. See *bioethanol*.

EU sugar regime: See *sugar regime*.

F

Fruit juice concentrate: Forming the basis for fruit juice drinks, fruit juice concentrates are sold into the fruit juice and beverage industry. The same quantity of water carefully removed from the pressed fruit juice is later added to the concentrate again to create the end product for consumption. The result is high-quality juice with 100% fruit content.

Fruit preparations: Sometimes referred to as fruit ingredients. High-quality fruit is prepared in liquid or piece form and thermally preserved for further processing, especially for use by the dairy, ice-cream and bakery industries.

G

GMO: Genetically modified organisms are organisms whose genetic material has been altered through genetic engineering.

I

Isoglucose: Isoglucose, a liquid, is a sweetener based on starch that has been converted to sugar. At a fructose content of 42%, it has the same sweetness as sugar and is therefore used as a sugar substitute. The fructose content can be raised to as much as 55% through further process stages. Isoglucose is manufactured from grains, especially corn.

M

Modified starch: Modified starches are obtained by physical, enzymatic or chemical processes and are starch products that meet higher technological requirements. Important properties remain intact after modification. Modified starches are used in the food industry and in industrial applications where they are superior to natural starch in qualities such as stability against heat and acidity, shear strength, and freezing and thawing properties. Modified starches used as food additives must be declared as such if they are chemically changed. Otherwise – if modified physically (through heat or pressure) or enzymatically – they are considered food ingredients and have no E number.

Molasses: Sweet, dark-brown by-product of sugar manufacturing, with the consistency of syrup. It still contains about 50% sugar, which cannot be further crystallised. Molasses is used predominantly in the manufacture of yeast and alcohol, and as a cattle feed supplement.

Q

Quota (applied until 30 September 2017): See *sugar quota*.

Quota sugar (applied until 30 September 2017): The amount of sugar produced and marketed in the course of a sugar marketing year within the allotted production quota.

R

Raw sugar: Raw sugar is a semi-finished form of cane sugar (or of beet sugar) in which the sugar crystals are not yet completely freed from the adhering non-sugar materials, which give it its brown colour.

Refining: The term “refining” in its general sense refers to a technical process for the cleaning, processing, separation or concentration of raw materials. In the case of sugar, it means the de-coloration of brown raw sugar (from sugar cane or sugar beet) through repeated recrystallisation.

S

Starch: Starch is an organic compound and one of the most important energy storage materials in plant cells. In our latitudes, starch is mainly acquired from corn, wheat or potatoes. To extract starch, the starch-containing parts of the plants are milled to a small size and the starch is washed out. Through filtration and centrifugation steps, the starch is extracted. After the final stage of drying, native starch emerges from the process as a white powder.

Sugar: In Europe, sugar is produced from sugar beet. In sub-tropical and tropical regions of the world, sugar cane is the main raw material for sugar production. The term “sugar” in general usage typically refers to granulated sugar, i.e., sucrose. However, there are several other types of sugar, including glucose, fructose and lactose, among others. All are part of the carbohydrate food group.

Sugar beet: Sugar beet is an agricultural crop grown almost exclusively for sugar production. The sugar beet plant consists of the leaves and a large, fleshy root. The root stores sucrose, which is extracted in the sugar factory.

Sugar marketing year (SMY): The sugar marketing year of the European Union begins on 1 October and ends on 30 September of the following year. This definition applies for all regulations of the EU sugar market.

Sugar production: In sugar production from sugar beet, raw juice is extracted from the sugar beet slices. The juice is then cleaned in several stages and eventually thickened until sugar crystallises from it. Through repeated recrystallisation, the sugar is purified to produce clean, white crystals. These crystals have a sucrose content of very close to 100%. That makes sugar an extremely pure food product with an almost unlimited shelf life.

Sugar quota (applied until 30 September 2017): Under the EU sugar regime, a production quota for sugar and isoglucose was set for every EU member state that produces sugar. Each national quota was apportioned among the respective country's sugar-producing companies as their individual production quota. This restricted production volumes and minimised surpluses.

Sugar regime (EU sugar policy): In place since 1968, the European Union's sugar regulatory framework serves to organise the EU common market for sugar and ensure security of intra-EU sugar production.

On 26 June 2013 the European Parliament and European Council reached an agreement to extend the rules of the then-current sugar market policy for a final time, to 30 September 2017. For the era after this expiration date, sweeping changes were decided that have by now come into force. National sugar quotas and minimum beet prices, which for many years had formed the central features of the old market regime, are no longer part of EU sugar policy since 1 October 2017.

Since that date, the sugar-specific rules of the EU's agricultural policy involve the following elements:

- Preferential imports from various countries, including unlimited duty-free imports from the Least Developed Countries and the ACP (African, Caribbean and Pacific) Group of States, as well as duty-free or reduced-duty import quotas under free trade agreements; imports from other non-EU countries are subject to the normal duty rate

- Possibility of private storage aid, at the discretion of the European Commission, which in its decision takes into account the reference thresholds for white and raw sugar

- Requirement to conclude sector-wide master agreements between beet growers and sugar companies

- Official price reporting of the European Commission

After the end of the production quotas and minimum beet prices, and with export subsidies having been discontinued many years ago, the sugar policy of the European Union is thus limited to protecting the EU market from subsidised imports and to employing private storage aid. Protection against unfair competition is of vital importance to the European sugar industry, as nearly all major sugar producing countries subsidise their production. Private storage aid may be granted, by order of the European Commission. Its purpose is to counteract price erosion in the internal market triggered by market imbalances.

As a result of the restriction of the EU's sugar policy to these instruments, combined with the opening of the single market to sugar imports from numerous other countries, particularly many developing economies, the European Union today has one of the most liberal sugar markets in the world.

T

Triticale: As a hybrid grain resulting from the crossing of wheat and rye, triticale combines the characteristics of both these grains in terms of flavour and composition. Thanks to its higher starch content, triticale is also used as an energy crop for the production of bioethanol.

W

White sugar: Also called granulated or table sugar, white sugar is produced by crystallisation and centrifugation.

Contacts

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For the online short version of
the AGRANA annual report 2021|22:
reports.agrana.com/en

Global Reporting Initiative content index

In accordance with the GRI Standards: Core option

GRI	Disclosure Supplementary explanations	Presented On page[1]
GRI 102	**General disclosures[2] (2016)**	
102-1	Name of the organisation	28
102-2	Activities, brands, products, and services	28f., 30f.
102-3	Location of headquarters	195
102-4	Location of operations	22f., 28f.
102-5	Ownership and legal form	24ff.
102-6	Marked served	28f., 30f.
102-7	Size of organisation	28f., 30f.
102-8	Information on employees and other workers a) Data for the prior year (2020|21)	30ff., 77f.

AGRANA employees within the GRI reporting boundaries[3] at the balance sheet date of 28 February 2021

	Non-permanent staff[4]		Permanent staff						Managers[5]		Of whom executive leadership[6]	
Segment	Total	Female	Blue-collar	Female	White-collar	Female	Total	Female	Total	Female	Total	Female
Fruit	1,134	56.3%	2,511	22.7%	1,570	46.9%	4,081	32.0%	302	26.8%	9	0.0%
Starch	48	27.1%	730	12.2%	386	45.9%	1,116	23.8%	77	20.8%	3	33.3%
Sugar[7]	123	34.1%	970	17.7%	717	39.9%	1,687	27.1%	155	28.4%	16	18.8%
Group	**1,305**	**53.1%**	**4,211**	**19.7%**	**2,673**	**44.9%**	**6,884**	**29.5%**	**534**	**26.4%**	**28**	**14.3%**

b) An analysis of staff by contract type (non-permanent and permanent) by region is omitted. Non-permanent positions are used especially for the relatively brief processing campaign season in the primary processing plants of the fruit preparations business (within the Fruit segment, which operates globally) and for the sugar beet campaigns (in the Sugar segment, which operates in the EU).

c) In view of the low part-time share of 4.0%, a breakdown of employees by full-time and part-time contracts by gender is omitted.

d) The proportion of temporary agency staff in the 2021|22 financial year was 5.7%.

GRI	Disclosure Supplementary explanations	Presented On page[1]
102-9	Supply chain	30ff.
102-10	Significant changes to the organisation and its supply chain	112ff.
102-11	Precautionary principle or approach	35ff., 84ff.
102-12	External initiatives With its sustainability initiatives, AGRANA supports the UN Sustainable Development Goals (SDG).	45
102-13	Membership of associations	45
102-14	Statement from senior decision-maker	4f.
102-16	Values, principles, standards, and norms of behaviour	15ff., 35ff.
102-18	Governance structure	10ff., 34
102-40	List of stakeholder groups	32
102-41	Collective bargaining agreements	41
102-42	Identifying and selecting stakeholders	32
102-43	Approach to stakeholder engagement	32f.
102-44	Key topics and concerns raised	33f.
102-45	Entities included in the consolidated financial statements	112ff.
102-46	Defining report content and topic boundaries	35ff.
102-47	List of material topics	35ff.
102-48	Restatement of information None	
102-49	Changes in reporting None	
102-50	Reporting period 2021|22 financial year	

[1] In page number references, "f." means "and following page"; "ff." means "and following pages".
[2] A breakdown by region is not applicable, as AGRANA manages its operations through the Fruit, Starch and Sugar segments, which differ in their geographic boundaries and thus inherently allow a regional allocation. The Starch and Sugar segments' sites within the GRI reporting boundaries (see page 34) operate only in the EU; those of the Fruit segment operate worldwide.
[3] See the GRI reporting boundaries in the AGRANA annual report 2020|21, page 42.
[4] Almost all non-permanent positions represent seasonal local workers in the processing campaigns.
[5] Management positions at reporting levels 2 and 3.
[6] Reporting level 1 (the reporting level immediately below the Management Board of AGRANA Beteiligungs-AG; level 1 also includes the regional managing directors of the three segments).
[7] The staff of AGRANA Beteiligungs-AG is counted under the Sugar segment.

GRI	Disclosure Supplementary explanations	Presented On page[1]
102-51	Date of most recent previous report 2020|21 financial year, published 11 May 2021	
102-52	Reporting cycle Annual report	
102-53	Contact point for questions regarding the report	195
102-54	Claims of reporting in accordance with the GRI Standards	30, 185ff.
102-55	GRI content index	196ff.
102-56	External assurance Yes; see assurance report.	185ff.
GRI 103	**Management approach (2016)**	
103-1	Explanation of the material topics and their boundaries	15ff., 35ff.
103-2	The management approach and its components	15ff., 35ff.
103-3	Evaluation of the management approach	15ff., 35ff.
GRI 201	**Economic performance[2] (2016)**	
201-2	Financial implications and other risks and opportunities due to climate change Physical and regulatory/transition risks from climate change and their potential impacts on the Group are qualitatively described in the "Risk management" section and in the non-financial information (NFI) statement; they are not quantified. Opportunities from the transformation into a low-carbon economy are presented within the NFI statement under "Social matters", subheading "Products".	35ff., 85f., 87f., 91f.

Compliance and business conduct

GRI	Disclosure	Presented On page
GRI 205	**Anti-corruption (2016)**	
205-1	Operations assessed for risks related to corruption	16
205-2	Communication and training about anti-corruption policies and procedures A further breakdown of the information by region and employee category (besides white-collar employees and managers) is not relevant for the management of the topic and is thus not reported.	16
205-3	Confirmed incidents of corruption and actions taken No violations were identified at business partners.	16
GRI 206	**Anti-competitive behaviour (2016)**	
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	89f.

Environmental and energy topics in AGRANA's production activities

GRI	Disclosure	Presented On page
GRI 301	**Materials (2016)**	
301-1	Materials used by weight or volume Report scope: agricultural raw materials. These are renewable materials (numbered "ii" in the GRI Standard). Other materials are non-significant and are therefore not reported; these other materials are largely non-renewable (numbered "i" in the GRI Standard). For competition reasons, no complete analysis by raw material category is provided.	33
GRI 302	**Energy (2016)**	
302-1	Energy consumption within the organisation d) External energy sales by energy source: • Electricity: 11,079 GJ • Biogas: 185,499 GJ f) and g) Energy consumption figures are calculated based on the invoices from energy suppliers and the information they contain on heating values and emission factors of the energy sources.	37

[1] In page number references, "f." means "and following page"; "ff." means "and following pages".
[2] Also see the Group management report from page 27.

GRI	Disclosure Supplementary explanations	Presented On page[1]
302-3	Energy intensity b) In the energy intensity ratio used by AGRANA, the denominator is the total weight of core products and by-products manufactured. c) All types of energy relevant for GRI purposes are used.	37
302-4	Reduction of energy consumption b) All types of energy relevant for GRI purposes are included in the reductions. d) Energy consumption figures are documented by supplier invoices, which usually also state heating values and emission factors of the respective energy sources. All calculations are performed in accordance with the Greenhouse Gas Protocol.	37
GRI 303	**Water (2018)**	
303-1	Interactions with water as a shared resource	39f.
303-2	Management of water discharge-related impacts a) (i) All AGRANA sites within the GRI reporting boundaries are subject to legal requirements on water discharge. a) (ii) AGRANA's internationally operating fruit preparations business set up a water management programme in the 2019|20 financial year that establishes AGRANA's minimum standards. a) (iii) There are no sector-specific standards within AGRANA's areas of business activity. a) (iv) The profile of the receiving water bodies is considered within the scope of the applicable legal requirements.	39f.
303-5	Water consumption b) Sites (number in brackets) with water stress based on WWF Water Risk Filter and/or Aqueduct Water Risk Atlas, in the following countries: Algeria (1), Brazil (1), China (2), India (1), Morocco (1), Mexico (1), Romania (3), Turkey (1), Ukraine (2). At these sites with risk, a total of 471,316 m^3 of water was consumed in the 2021|22 financial year. c) No significant quantities of stored water are used. d) Calculation method: Water consumption = water withdrawal – water discharge. No additional sector-specific standards are used.	39f.
GRI 305	**Emissions (2016)**	
305-1	Direct (Scope 1) GHG emissions c) Biogenic emissions (gross): 34,161 tonnes of CO_{2e} b) and e) Depending on the source of the emission factors (the energy supplier or biograce.net), AGRANA's calculation of direct (Scope 1) emissions primarily includes CO_2 emissions, while other greenhouse gases (expressed in CO_2 equivalent) are only included in isolated cases. f) Emissions are consolidated using the financial control method.	37, 58, 64, 71
305-2	Indirect (Scope 2) GHG emissions a) Scope 2 emissions are not determined using the location-based approach. c) Depending on the source of the emission factors (the energy supplier or biograce.net), AGRANA's calculation of indirect (Scope 2) emissions primarily includes CO_2 emissions, while other greenhouse gases (expressed in CO_2 equivalent) are only included in isolated cases. f) Reporting boundaries under the financial control method.	37, 58, 64, 71
305-3	Other indirect (Scope 3) GHG emissions b) All greenhouse gases relevant for GRI purposes are included. f) and g) See the description of the methodology.	38
305-4	GHG emission intensity b) The organisation-specific metric is the total weight of core and by-products. The calculation is based on site-specific consumption values, guided by the Greenhouse Gas Protocol; emission factors are based on the individual grid mix factor of the respective energy supplier or on the respective national grid mix factor (biograce.net). c) AGRANA's calculation includes direct (Scope 1) and indirect (Scope 2) emissions. d) Depending on the source of the emission factors (reported by the energy supplier or by biograce.net), the calculation primarily includes CO_2 emissions, while other greenhouse gases (expressed in CO_2 equivalent) are only included in isolated cases.	37, 58, 64, 71
305-5	Reduction of GHG emissions See GRI 305-4	39

[1] In page number references, "f." means "and following page"; "ff." means "and following pages".

GRI	Disclosure Supplementary explanations	Presented On page[1]
GRI 306	**Waste (2020)**	
306-1	Waste generation and significant waste-related impacts (ii) The disclosures relate solely to waste generated in AGRANA's own activities. AGRANA does not have waste data for the upstream supply chain or the downstream value chain. In some countries, the feeds and fertilisers marketed (or in some cases given away free) as by-products by AGRANA must be declared as waste for regulatory reporting purposes solely to comply with the local regulatory regimes. Since the 2015|16 financial year, AGRANA no longer reports these as waste in the annual report, as they are directly used as valuable feedstuffs in animal husbandry or as fertilisers in crop cultivation.	40, 59, 65, 73
306-2	Management of significant waste-related impacts b) The waste disposal method is determined by the respective commissioned, qualified (legally compliant) waste disposal provider. c) As waste disposal providers usually report on a calendar year basis and intra-year reporting to match the AGRANA financial year is not possible everywhere, some of the waste data relate to the last calendar year (these are not identified further).	40, 59, 65, 73
306-3	Waste generated As a result of AGRANA's principle of complete utilisation, the Group only disposes of small amounts of residual materials that cannot be further utilised at the respective production site. Acting in accordance with legal requirements, this waste material is quantified, collected and transferred to qualified companies for disposal.	40, 59, 65, 73

Working conditions and human rights in respect of AGRANA employees: Employment

GRI	Disclosure	Presented On page
GRI 403	**Occupational health and safety (2018)**	
403-1	Occupational health and safety management system a) (ii) AGRANA's occupational safety management system is based primarily on legal requirements, which are in many cases guided by international occupational safety standards. b) AGRANA's occupational safety management system includes all sites within the GRI reporting boundaries and all persons working at AGRANA sites (regardless of their employment relationship or reason for being on AGRANA premises). For organisational reasons, occupational safety statistics can only be reported for AGRANA employees.	80ff.
403-2	Hazard identification, risk assessment, and incident investigation a) (i) The qualifications and training of the safety personnel meet the respective local legal requirements. Safety instructions for workers typically comprise: – Personal initial instruction for every new employee (general safety instruction, fire protection, hygiene training, instruction at the workplace) – Personal initial training for contractors (general safety instruction, hygiene training) – An annual training for all employees, the scope of which depends on the individual work area (various online trainings are assigned) – Additional annual trainings are provided for employees in production, such as for handling hot materials or chemicals, use of personal protective equipment, handling of electrical hazards, and vehicle load safety training – An annual evacuation drill for all employees – Personal refresher training is provided as part of the processing of accidents c) AGRANA requires and encourages its employees to actively report hazards. In the event that employees experience negative consequences from the reporting of hazards, they have access to the usual complaint channels (e.g., reporting to the works council, using the local complaint systems if no works council exists, as well as use of the AGRANA whistleblowing system).	80ff.
403-3	Occupational health services	80ff.
403-4	Worker participation, consultation, and communication on occupational health and safety	80ff.
403-5	Worker training on occupational health and safety	80ff.
403-6	Promotion of worker health	83
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	80ff.
403-9	Work-related injuries a) (v) Total paid hours worked are defined by AGRANA as contractual work hours plus paid overtime. In the 2021|22 financial year, this total was 17,884,890 hours. b) (i) to (v) Data on contractors other than the number of work-related accidents cannot be provided due to lack of information.	80

[1] In page number references, "f." means "and following page"; "ff." means "and following pages".

GRI	Disclosure Supplementary explanations	Presented On page[1]
	c) Hazards are not broken down by potential severity of injury. AGRANA's aim is to avoid accidents wherever possible. f) The AGRANA workplace safety data represent all AGRANA employees within the GRI reporting boundaries. Data on contractors are limited to the number of accidents due to lack of information (see b).	
GRI 404	**Training and education (2016)**	
404-1	Average number of hours of training and development per year per employee a) (ii) A further breakdown of employees by category is not relevant to control and is therefore not reported.	79
GRI 405	**Diversity and equal opportunity (2016)**	
405-1	Diversity of governance bodies and employees	11ff.

a) Gender and age of members of governance bodies at the balance sheet date of 28 February 2022

Members of governance bodies	Up to 30 years	31 to 50 years	Over 50 years
Supervisory Board members			
Shareholder representatives			
Male	0.0%	0.0%	87.5%
Female	0.0%	12.5%	0.0%
Employee representatives			
Male	0.0%	25.0%	50.0%
Female	0.0%	0.0%	25.0%
Management Board members			
Male	0.0%	50.0%	25.0%
Female	0.0%	0.0%	25.0%

b) Age structure of staff, by gender, at the balance sheet date of 28 February 2022 in absolute numbers and % (based on headcount at year-end)

Segment	Female	Male	Total
Fruit	**2,075**	**3,359**	**5,434**
Up to 30 years	462	754	1,216
31 to 50 years	1,170	1,869	3,039
Over 50 years	443	736	1,179
Starch	**283**	**879**	**1,162**
Up to 30 years	70	213	283
31 to 50 years	139	442	581
Over 50 years	74	224	298
Sugar[1]	**496**	**1,283**	**1,779**
Up to 30 years	67	185	252
31 to 50 years	289	624	913
Over 50 years	140	474	614
Group	**2,854**	**5,521**	**8,375**
Up to 30 years	599	1,152	1,751
31 to 50 years	1,598	2,935	4,533
Over 50 years	657	1,434	2,091

GRI	Disclosure	Presented On page
GRI 407	**Freedom of association and collective bargaining (2016)**	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk All AGRANA sites are covered by the AGRANA Code of Conduct, which affirms the right to free association and collective bargaining. AGRANA sites perform an annual SEDEX self-assessment. Additionally in the year under review, 28 external social audits were performed at AGRANA sites (see 412-1), which also audit for this potential issue. In the Starch and Sugar segments, which operate in the EU and Europe, the risk in the supply chain is considered to be low, as most contract growers are sole proprietors. The globally operating fruit preparations business uses SEDEX for supplier assessment to evaluate this risk and, where appropriate, to take action.	35, 41f., 56f

[1] In page number references, "f." means "and following page"; "ff." means "and following pages".

GRI	Disclosure Supplementary explanations	Presented On page[1]
GRI 408	**Child labour (2016)**	
408-1	Operations and suppliers at significant risk for incidents of child labour All AGRANA sites are covered by the AGRANA Code of Conduct, which prohibits child labour. AGRANA sites perform an annual SEDEX self-assessment. Additionally in the year under review, 28 external social audits were performed at AGRANA sites (see 412-1), which also audit for this potential issue. In the Starch and Sugar segments, which operate in the EU and Europe, the risk of child labour in the supply chain is classified as low, as a result of the strong regulatory environment and very high degree of mechanisation. The globally operating fruit preparations business uses SEDEX for supplier assessment (especially in higher-risk countries) in order to reduce this risk.	35, 41f., 56f.
GRI 409	**Forced or compulsory labour (2016)**	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour All AGRANA sites and suppliers are subject to the AGRANA Code of Conduct and perform an annual SEDEX self-assessment. Additionally in the year under review, 28 external social audits were performed at AGRANA sites (see 412-1), which also audit for this potential issue. In the Starch and Sugar segments, which operate in the EU and Europe, the risk in the supply chain is classified as low, as a result of the strong regulatory environment and very high degree of mechanisation. The globally operating fruit preparations business uses SEDEX for supplier assessment (especially in higher-risk countries such as Vietnam, Morocco and the Philippines) in order to reduce this risk.	35, 41f., 56f.
GRI 412	**Human rights assessment (2016)**	
412-1	Operations that have been subject to human rights reviews or impact assessments Social audits were conducted in the following countries: Austria (7), China (2), Czech Republic (1), Germany (2), Hungary (2), Mexico (1), Morocco (1), Poland (4), Romania (2), Russia (1), Slovakia (1), Turkey (1), USA (3).	41f.

Environmental and social criteria in procurement

GRI	Disclosure	Presented On page
GRI 308	**Supplier environmental assessment (2016)**	
308-2	Negative environmental impacts in the supply chain and actions taken a) and b) In accordance with the requirements of the Sustainable Agriculture Initiative Platform (SAI), suppliers' statements are verified based on a representative sample (including the use of obligatory external audits). The absolute number of suppliers assessed is therefore not an applicable disclosure. c) No significant actual or potential negative environmental impacts were identified.	35, 56f., 64, 70
GRI 414	**Supplier social assessment (2016)**	
414-2	Negative social impacts in the supply chain and actions taken a) and b) In accordance with the requirements of the Sustainable Agriculture Initiative Platform (SAI), suppliers' statements are verified based on a representative sample (including the use of obligatory external audits). The absolute number of suppliers assessed is therefore not an applicable disclosure. c) No significant actual or potential negative social impacts were identified.	35, 56f., 64, 70

Social performance: Product responsibility and sustainable products

GRI	Disclosure	Presented On page
GRI 416	**Customer health and safety (2016)**	
416-1	Assessment of the health and safety impacts of product and service categories	42
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	42
GRI 417	**Marketing and labelling (2016)**	
417-2	Incidents of non-compliance concerning product and service information and labelling In the 2021|22 financial year there were no reportable incidents.	

[1] In page number references, "f." means "and following page"; "ff." means "and following pages".

Task Force on Climate-related Financial Disclosures (TCFD) – content index

GRI	Disclosure Supplementary explanations	Presented On page[1]

Governance

a) Board's oversight of climate-related risks and opportunities

102-18	Governance structure	10ff., 34
102-19	Delegating authority	10ff., 34
102-20	Executive-level responsibility for economic, environmental, and social topics	10ff., 34
102-26	Role of highest governance body in setting purpose, values, and strategy	10ff., 34
102-27	Collective knowledge of highest governance body a) Sustainability aspects relevant to AGRANA's business activities and related further information are addressed at the meetings of the AGRANA Supervisory Board.	10ff.
102-29	Identifying and managing economic, environmental, and social impacts a) On the Audit Committee of the Supervisory Board, the risk manager responsible presents the risk and opportunity report twice a year to all committee members in the presence of the members of the Management Board, for further discussion and to support strategy development. b) AGRANA conducts structured stakeholder surveys at irregular intervals.	35ff., 84ff.
102-31	Review of economic, environmental, and social topics a) The review is performed twice annually.	84ff.
102-32	Highest governance body's role in sustainability reporting a) The AGRANA Management Board reviews and approves the integrated sustainability report and confirms the completeness of its content to the independent auditor and the Supervisory Board.	

b) Management's role in assessing and managing climate-related risks and opportunities

102-29	Identifying and managing economic, environmental, and social impacts See above	
102-31	Review of economic, environmental, and social topics See above	
102-32	Highest governance body's role in sustainability reporting See above	

Strategy

a) Climate-related risks and opportunities

102-15	Key impacts, risks and opportunities	35ff.

b) Impacts of climate-related risks and opportunities

201-2	Financial implications and other risks and opportunities due to climate change Physical and regulatory/transition risks from climate change and their potential impacts on the Group are qualitatively described in the "Risk management" section and in the NFI statement; they are not quantified. Opportunities from the transformation into a low-carbon economy are presented within the NFI statement under "Social matters", subheading "Products".	35ff., 84ff.

c) Resilience of the organization's strategy

	AGRANA is well positioned to balance physical and transition risks thanks to its strategy of diversification into the three business segments Fruit, Starch and Sugar with their differing profiles in terms of geography, processing, product portfolios and regulatory environments. Also see the sections "AGRANA's strategy" and "Organisational structure".	19ff., 28f.

[1] In page number references, "f." means "and following page"; "ff." means "and following pages".

GRI	Disclosure Supplementary explanations	Presented On page[1]

Risk management

a) Process for identifying and assessing risks

201-2	Financial implications and other risks and opportunities due to climate change Physical and regulatory/transition risks from climate change and their potential impacts on the Group are qualitatively described in the “Risk management” section and in the NFI statement; they are not quantified. Opportunities from the transformation into a low-carbon economy are presented within the NFI statement under “Social matters”, subheading “Products”.	35ff., 84ff.

b) Management process

	Also see the section “Risk management”, sub-heading “Non-financial risks”.	35ff., 84ff.

c) Integration into overall risk management

	Also see the section “Risk management”, sub-heading “Non-financial risks”.	35ff., 84ff.

Metrics and targets

a) Metrics used for assessment

102-29	Effectiveness of risk management processes AGRANA complies with rule 83 C of the Austrian Code of Corporate Governance. This rule requires the independent auditor to assess the effectiveness of the processes. The auditor informs the Management Board and reports to the Audit Committee of the Supervisory Board.	10f.

b) Greenhouse gas emissions

102-29	Identifying and managing economic, environmental, and social impacts See above	
102-30	Effectiveness of risk management processes See above	
201-2	Financial implications and other risks and opportunities due to climate change See above	

c) Goals

		31

[1] In page number references, “f.” means “and following page”; “ff.” means “and following pages”.

Performance indicators and their meaning

AGRANA Group (under IFRS)

Abbreviation if any	**Indicator** Definition		**2021|22**	**2020|21**
	Borrowings = Bank loans and overdrafts + lease liabilities	€000	654,371	573,911
CE	Capital employed = (PP&E + intangibles including goodwill) + working capital I	€000	1,826,803	1,778,637
	Dividend yield = Dividend per share ÷ closing share price × 100	%	4.5	4.8
EBIT	Operating profit = Earnings before interest and tax and after exceptional items and results of equity-accounted joint ventures	€000	24,732	78,691
EBITDA	= Operating profit before exceptional items, results of equity-accounted joint ventures, and operating depreciation and amortisation	€000	206,652	191,219
EBITDA margin	= EBITDA ÷ revenue × 100	%	7.1	7.5
EPS	(Loss)/earnings per share (basic and diluted) = Loss or profit for the period ÷ average number of shares outstanding	€	(0.20)	0.96
	Equity ratio = Equity ÷ total assets × 100		48.5	53.8
EVS	Equity value per share = Equity attributable to shareholders of the parent ÷ average number of shares outstanding	€	19.6	20.4
FCF	Free cash flow = Net cash from or used in operating activities + net cash from or used in investing activities	€000	(19,389)	83,977
	Gearing ratio = Net debt ÷ total equity × 100	%	41.5	33.4
	Intangible assets including goodwill	€000	204,554	254,599
	Net debt = Borrowings less (cash + cheques + other bank deposits + current securities + non-current securities)	€000	532,006	443,524
	Operating margin = Operating profit before exceptional items ÷ revenue × 100	%	3.0	2.9
	Operating profit before exceptional items and results of equity-accounted joint ventures	€000	86,481	73,113
P/E	Price/earnings ratio = Closing share price at financial year end ÷ earnings per share	€	Neg.	18.3
PP&E	Property, plant and equipment	€000	828,168	859,659
ROCE	Return on capital employed = Operating profit before exceptional items and results of equity-accounted joint ventures ÷ capital employed × 100	%	4.7	4.1
ROS	Return on sales = Profit before tax ÷ revenue × 100	%	0.3	2.4
WC I	Working capital I = Inventories + trade receivables + other assets − current provisions − current prepayments received − trade payables − other payables	€000	794,081	664,379

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Forward-looking statements
This annual report contains forward-looking statements, which are based on assumptions and estimates made by the Management Board of AGRANA Beteiligungs-AG. Although these assumptions, plans and projections represent the Management Board's current intentions and best knowledge, a large number of internal and external factors may cause actual future developments and results to differ materially from these assumptions and estimates. Some examples of such factors are, without limitation: negotiations concerning world trade agreements; changes in the overall economic environment, especially in macroeconomic variables such as exchange rates, inflation and interest rates; EU sugar policy; consumer behaviour; and public policy related to food and energy. AGRANA Beteiligungs-AG does not guarantee in any way that the actual future developments and actual future results achieved will match the assumptions and estimates expressed or made in this annual report, and does not accept any liability in the event that assumptions and estimates prove to be incorrect.

The quantitative statements and direction arrows in the "Outlook" section of this report are based on the following definitions:

Modifier	Visualisation	Numerical rate of change
Steady	→	0% up to +1%, or 0% up to −1%
Slight(ly)	↗ or ↘	More than +1% and up to +5%, or more than −1% and up to −5%
Moderate(ly)	↑ or ↓	More than +5% and up to +10%, or more than −5% and up to −10%
Significant(ly)	↑↑ or ↓↓	More than +10% and up to +50%, or more than −10% and up to −50%
Very significant(ly)	↑↑↑ or ↓↓↓	More than +50% or more than −50%

For financial performance indicators not defined in footnotes, please see the definitions on page 204.

AGRANA strives for gender-sensitive language in all its internal and external written documents, including this integrated annual report. In the interest of readability, this document may occasionally use language that is not gender-neutral. Any gender-specific references should be understood to equally include all genders as the context permits.

As a result of the standard round-half-up convention used in rounding individual amounts and percentages, this report may contain minor, immaterial rounding errors. No liability is assumed for misprints, typographical and similar errors.

This English translation of the AGRANA annual report is solely for readers' convenience and is not definitive. In the event of discrepancy or dispute, only the German version shall govern.

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