WHAT REALLY COUNTS

2020 | 21

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INTEGRATED ANNUAL REPORT

Contents

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2020|21 at a glance[1]

- Revenue: € 2,547.0 million (+2.7%; prior year: € 2,480.7 million)
- Operating profit (EBIT): € 78.7 million (+17.6%; prior year: € 66.9 million)
- EBIT margin: 3.1% (prior year: 2.7%)
- Profit for the period: € 55.0 million (+76.3%; prior year: € 31.2 million)
- Earnings per share: € 0.96 (+113.3%; prior year: € 0.45)
- Equity ratio: 53.8% (prior year: 54.0%)
- Gearing ratio[2]: 33.4% (prior year: 33.9%)
- Dividend proposal of € 0.85 per share (dividend in prior year: € 0.77 per share)
- Number of employees (FTE)[3]: 8,847 (–5.3%; prior year: 9,342)

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
- 56[4] production sites in 24 countries on six continents

Financial calendar for 2021|22

19 Jun 2021	Record date for participation in Annual General Meeting
29 Jun 2021	Annual General Meeting in respect of 2020|21
2 Jul 2021	Ex-dividend date
5 Jul 2021	Record date for dividend
6 Jul 2021	Dividend payment date
8 Jul 2021	Results for first quarter of 2021|22
14 Oct 2021	Results for first half of 2021|22
13 Jan 2022	Results for first three quarters of 2021|22

[1] The prior-year data were restated under IAS 8. Further information is provided in the Notes on page 114.
[2] Debt-equity ratio (ratio of net debt to total equity).
[3] Average number of full-time equivalents in the reporting period.
[4] Number of sites as of 28 February 2021; also see "Our production sites", from page 28.

A SUPPLIER TO COUNT ON

IT IS IN TIMES OF CRISIS THAT YOU LEARN WHOM YOU CAN TRULY RELY ON. AS A PRODUCER OF BASIC FOODSTUFFS, WE ARE AN IMPORTANT PART OF CRITICAL INFRASTRUCTURE AND PROVE OURSELVES DAILY AS A RELIABLE SUPPLIER AND PARTNER – EVEN IN CHALLENGING TIMES.

10m litres

FOR DISINFECTANTS

What really counts is flexibility. Responding quickly and nimbly to changed circumstances, we manufactured urgently needed goods, such as alcohol at the Pischelsdorf site for the disinfectant industry.

150%

GROWTH IN DELIVERY VOLUMES

...in March 2020 marked a record month for the Sugar segment. Thanks to the great commitment and hard work of our employees, we were also able to fulfil all customer requests throughout the year.

The past year confronted all of us with extraordinary circumstances and brought with it many uncertainties. We first had to work out step by step how to manage the new situation so that our customers could always rely on basic supply being assured. As a supplier to the food and beverage industry, AGRANA is a part of critical infrastructure and has a supply responsibility that is significant especially in times of crisis. At the same time, the health and safety of our employees always come first.

In crisis times, it also becomes apparent how well organised and agile a company really is. Whether it can respond to changing circumstances, and how quickly. In a crucial early phase of the pandemic, AGRANA once again demonstrated its agility and resilience by swiftly launching the production of alcohol for the disinfectant industry – a product urgently needed in the spring of 2020 – and subsequently also produced surface and hand disinfectants in-house. The flexibility with which we tackled this special situation was important in helping to supply physical essentials for the pandemic response.

100%

OF PLANTS FULLY OPERATING

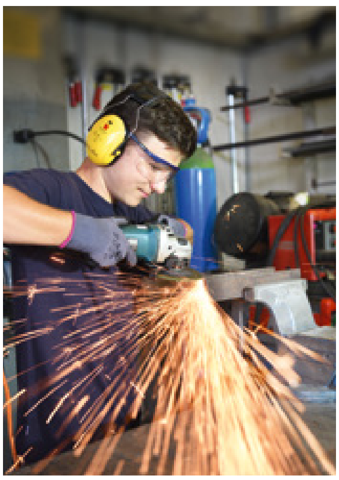
Through measures such as regular antigen testing at the plants, we were able to keep Covid-19 infection levels low among employees, maintain operations at all 56 sites[1] worldwide and thus ensure the unbroken supply to customers.

KEEPING THE SUPPLY OF BASIC GOODS FLOWING IS NOT JUST AN ECONOMIC NECESSITY **BUT ALSO A RESPONSIBILITY TO SOCIETY.**

[1] Except for general, government-imposed regional closures of six working days each at the Indian production site in March 2020 and the Egyptian production site in June 2020.

MORE FLEXIBILITY, MORE TEAMWORK

THE GLOBAL SPREAD OF A VIRAL DISEASE, AND THE RESTRICTIONS TO DEAL WITH IT, HAVE TURNED THE WORLD OF WORK UPSIDE DOWN. THE DIGITAL TRANSFORMATION HAS GAINED ADDITIONAL MOMENTUM AND COLLABORATION HAS TAKEN NEW FORMS.



3%

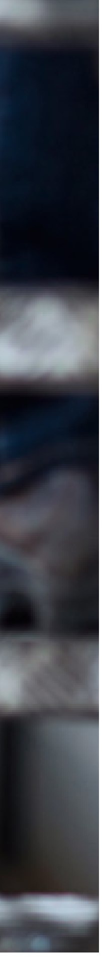
MORE APPRENTICES

…were trained by AGRANA in the last financial year, despite the pandemic.

0%

SHORT-TIME WORK

AGRANA has so far mastered the crisis without work sharing schemes (i.e., “Kurzarbeit”) or other government support. Our employees appreciate working in a crisis-proof industry.



The face of day-to-day work has clearly changed greatly over the last year. To make the best of difficult situations and ultimately be able to do truly great things takes the cohesion and collaboration of everyone involved. Our employees at the plants have shown exceptional commitment and a high degree of flexibility in keeping every customer well supplied during the crisis. For our administrative staff, our IT resources have been crucial in ensuring successful work and communication even from the new “living room offices”. This has both given rise to new forms of collaboration and created an enhanced sense of connection.

16,200

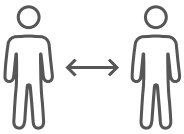
SCHEDULED ONLINE MEETINGS

28,000

UNSCHEDULED CALLS

...per month in the Group. Our IT infrastructure coped very well with the added demands placed on it and all IT tools performed smoothly worldwide.

WORKING REMOTELY

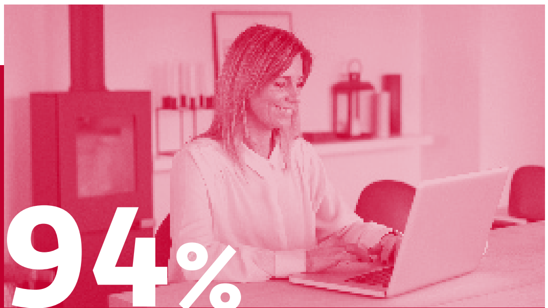


2020|21 has put many existing structures to the test, but has also provided an opportunity to establish new routines. Working from home has become the new normal and community has been redefined. The fact that distance need not prevent closeness is something we have experienced often in this unusual time.

500%

MORE EXTERNAL VPN CONNECTIONS ON OUR SYSTEMS

...in the first week of working from home offices. This number illustrates that an excellent IT infrastructure is a critical factor in keeping communication flowing in the Group and enabling quick decision-making even in crisis mode.



94%

OF STAFF

...in administration felt that the collaboration with colleagues was as good as or better than before the pandemic, despite working remotely. Through an employee survey, AGRANA has gathered insights from the Covid-19-affected time to date and will use them to guide future improvements for employees.

FLEXIBILITY, HOME OFFICE, AND REMOTE TEAMWORK – THE NEW NORMAL THAT WE HAVE ADAPTED TO.

MEETING THE CLIMATE CHALLENGE

CLIMATE PROTECTION IS SOCIETY'S MOST IMPORTANT CHALLENGE OF OUR AGE. WE ARE COMMITTED TO THE GOAL OF CO_2-NEUTRAL PRODUCTION BY 2040. AND BY 2050, THE EMISSIONS GENERATED IN OUR UPSTREAM VALUE CHAIN ARE ALSO TO BE NET ZERO, THUS MAKING OUR PRODUCTS CLIMATE-NEUTRAL. AN AMBITIOUS UNDERTAKING THAT CAN ONLY BE ACHIEVED WITH A WELL-DESIGNED MIX OF MEASURES IMPLEMENTED IN STAGES.

50,000

TRUCK JOURNEYS SAVED

Environmentally friendly transport is an important focus in AGRANA's climate targets. In 2020|21, our use of rail transport saved 50,000 truck journeys in Austria alone, thus preventing 8,150 tonnes of CO_2 emissions.

WE HAVE A PLAN, COMPLETE WITH SPECIFIC PROJECTS, FOR **ACHIEVING CO_2 NEUTRALITY IN OUR MANUFACTURING BY 2040.**

Norbert Harringer, Member of the Management Board

ECO-FRIENDLY ENERGY GENERATION

The AGRANA sugar factory in Kaposvár, Hungary, is home to one of Europe's largest biogas plants, which can cover almost 70% of the primary energy needs for sugar beet processing with its own biogas *(see page 75).*

AGRANA **CLIMATE** STRATEGY

Our climate strategy was launched in the 2019|20 financial year, which is therefore the base year for our emission reduction path.

By 2040, we aim to reduce greenhouse gas emissions from our production facilities (Scope 1+2)[1] to net zero. This great challenge is to be met in four stages, each lasting five years.

25% REDUCTION BY 2025

is the target for our first decarbonisation stage running to the end of the 2025|26 financial year. In addition to ongoing energy efficiency measures, key steps to reduce emissions by 25% will include the phase-out of coal in the last two plants powered by this primary energy source, and a comprehensive green electricity package.

Biomass utilisation will increasingly become a focus of further decarbonisation deliberations from 2025 onward. Raw material components with a low protein content which have so far been processed into animal feed will in future be used for energy recovery – provided that certain economic and societal prerequisites are met, such as an appropriate CO_2 price.

From 2030 at the latest (after appropriate internal and external preparation), structured emission management and reduction measures would have to be introduced for our supply chain in order to be able to operate in a demonstrably climate-neutral manner throughout the entire value chain by 2050.

100% UTILISATION

Complete recycling and the diverse use of raw materials along the entire value chain not only make good economic sense, they are also an effective strategy environmentally.

[1] For the definition, see the glossary, page 192, "Emissions".

ANTICIPATING TOMORROW'S DEMAND TRENDS

IN TIMES OF CONTINUAL CHANGE AND INTENSE COMPETITION, IT IS MORE IMPORTANT THAN EVER TO SPOT TOMORROW'S TRENDS IN ADVANCE.

8,500 t

OF PRODUCTION CAPACITY

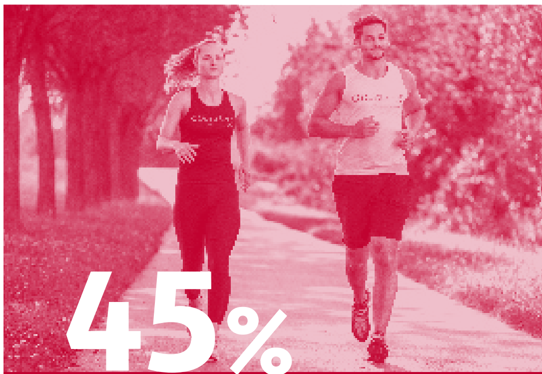
...for natural betaine in crystalline form. This natural substance contained in sugar beet molasses is characterised by a wide variety of positive properties and a broad range of applications. We offer our customers in the cosmetics, food and animal feed industries a high-quality, osmotically effective product.

ANTICIPATING TRENDS TO GUIDE PRODUCT DEVELOPMENT IS ESSENTIAL IN A HIGHLY COMPETITIVE ENVIRONMENT AND **AS THE WORLD MARKET LEADER IN FRUIT PREPARATIONS.**

In each of our business segments, our primary goal is to offer customers in the processing industry new, advanced product solutions that are in sync with current market trends.

In the **Fruit** segment, product development reflects nutritional and consumer trends such as plant-based nutrition and holistic health – for example, by creating fruit preparations for plant-based dairy substitutes in the area of spoonable and drinkable yoghurts.

In the **Starch** business, AGRANA continues to build on its extensive portfolio of organic specialties. For instance, with its innovative AGENANOVA®, a gluten-free, clean label starch that combines extremely low sweetness with high water solubility while providing the body with a long-lasting supply of energy. These features make this maltodextrin ideal for sports nutrition and children's foods.



45% OF CONSUMERS

…worldwide have changed their eating and drinking habits to live more sustainably.[1] At AGRANA Fruit in particular, we differentiate ourselves by working with customers to develop new recipes every day in order to meet evolving consumer preferences.

In the **Sugar** segment, we took another diversification step through the production of natural betaine. Our crystalline betaine is not only a multifunctional nutrient for the food and feed sector but is also valued in the cosmetics industry for its osmoregulatory effect.

Promoting and expanding diversification is an important goal of our basic strategy. This will help ensure that we remain a dependable employer and a successful and profitable company for the long term.

70% OF CONSUMERS

…worldwide think it is important for food to be 100% natural in origin.[1] In the future, AGRANA intends to benefit even more from this organic boom. In the 2020|21 financial year, the Starch and Sugar segments delivered double-digit percentage growth in sales of products of natural origin.

[1] FMCG Gurus; also see international.trendblog.agrana.com/en/af-fruit-trends/2021-agrana-global-consumer-trends.

INTERVIEW WITH CEO MARIHART

THE LAST FULL FINANCIAL YEAR OF HIS 33-YEAR TENURE ON THE MANAGEMENT BOARD OF THE AGRANA GROUP WAS TO BE A PARTICULARLY CHALLENGING ONE FOR CHIEF EXECUTIVE OFFICER JOHANN MARIHART. WE SPOKE WITH THE CEO ABOUT THE EXTRAORDINARY OPERATING ENVIRONMENT, AGRANA'S PROSPECTS FOR THE FUTURE, AND KEY MILESTONES OF HIS PAST THREE DECADES AT AGRANA.

A financial year of operating under exceptional conditions has come to an end. How has AGRANA done so far in meeting the challenges of Covid-19?

We have faced a new reality for over a year now. The pandemic has made everything even more volatile and resulted in a sudden transformation in the way we work. Yet manufacturing itself is something you cannot do in a home office. We have navigated this tension between opposing needs very well.

So what really counted in 2020|21 in particular was more than profit?

Many would probably like to see an earnings result close to the level of the prior year. With our product portfolio, we meet needs that are crisis-proof. But as fortunate as that is, it's not easy to keep everything running as usual and to physically get raw materials to the factories and move our products to customers – amid remote work and virtual meetings. Our employees have shown tremendous dedication this past financial year.

[1] EBIT in the prior, 2019|20 financial year before the retrospective adjustment was € 87.1 million (also see the Notes, page 114).

How did AGRANA's flexibility show during the crisis?

Our flexibility had many faces. Weekly Covid-19-testing became routine, and extra shifts and filling in for absences were a matter of course in production. We also demonstrated our agility as a business when we helped to plug the gap in the supply of disinfectants at the beginning of the pandemic. Thus, we supplied part of our alcohol produced in Pischelsdorf to disinfectant manufacturers. We also made surface and hand disinfectants ourselves.

What lessons has AGRANA learned so far from the Covid crisis?

That stability, freedoms, peace and health are gifts that are never guaranteed and should never be taken for granted; and that even today – despite high living standards – the possibility of losing all these gifts is real. Crisis resistance and resilience are therefore especially important again now – personally, professionally and in business management. Liquidity and debt are subjects that are regaining more attention. Self-sufficiency is a trending topic again, while globalisation has paused.

> OUR EMPLOYEES HAVE SHOWN **TREMENDOUS DEDICATION** THIS PAST FINANCIAL YEAR.

Did you ever imagine that remote working could in a sense become a new standard in your company?

No. And in fact, I personally did not spend a day working from home. But we had to reduce the number of people on site in the company's offices. As always in life, there is a difference between wishing to do something, and having to do it. By now, probably everyone is familiar with the pros and cons of the home office – and I now know that performers also perform at home.

What prospects and future opportunities do you see for the Group as a whole?

In terms of opportunities and prospects for AGRANA, I think nothing has changed as a result of the pandemic. Neither the world of sugar nor that of starch or of fruit will be any different. Our growth opportunities are intact. But even more to the point, the goal is profitable growth, and it's harder to come by acquisitions with a reasonable payback.

What role does betaine play in this?

Betaine fills a specialty role. It is part of our strategy to use 100% of the raw materials employed. Betaine strengthens our position in specialty feeds as well as in cosmetic ingredients.

Speaking of the future, the sugar factory in Leopoldsdorf in Austria was almost on the verge of closure. Where will sugar production in general go from here?

Yes, Leopoldsdorf was on the brink of closing. A combination of rock-bottom prices after the quota abolition, pest pressure, drought and competing alternative crops, but also the high organic share in Austrian agriculture, have all led to reduced beet cultivation. This has us competing for raw materials – only higher sugar prices can guarantee that the requirement for beet will be met. Our market position in the Eastern European sugar deficit region is a good basis for this.

Sustainability is on everyone's lips. What contribution will AGRANA make to achieving the Paris climate goal?

AGRANA uses energy-intensive technologies, especially in the Starch and Sugar segments. We are subject to the EU emissions trading system, which means that for us, CO_2 has had a price for years. We have a plan, complete with specific projects, for achieving CO_2 neutrality in our manufacturing by 2040. In the first stage, up to the 2025|26 financial year, we want to cut emissions by 25%. Specifically, this will be done through the switch to green electricity, the phasing out of coal in the last two sugar factories that operate with this fuel, and through many individual energy efficiency measures. Less-valuable by-products will increasingly also be used for energy recovery, as we have been doing in Hungary for several years with biogas from beet pulp and with straw combustion. However, to provide sufficient impetus, the price of CO_2 will have to rise from the current € 40 per tonne to more than € 100, and there will have to be export relief or import charges for the CO_2 loads.

LESS-VALUABLE BY-PRODUCTS WILL INCREASINGLY **ALSO BE USED FOR ENERGY RECOVERY.**

In the context of climate change, the word "ethanol" also comes up frequently – do you see any opportunities in the short term for ethanol to become an important part of the solution for improving the climate trajectory?

In my opinion, ethanol has a key role to play in the transition from internal combustion to electromobility. The combustion engine has the advantage of range, and with ethanol it becomes low in CO_2 emissions. Ethanol will also be enormously important in replacing petrochemical feedstocks, such as for the plastics industry. Converting ethanol to ethylene is chemically straightforward and makes ethanol a part of products that are analogous to fossil-based ones.

What can AGRANA shareholders expect in the future?

Our shareholders can expect sustainability from AGRANA – which also applies to the dividend. We will grow profitably and, through our products, be part of the solutions to some of the world's problems.

You have served on the company's Management Board for almost 33 years, including a good 29 years as CEO – what were your personal highlights?

I was entrusted with responsibility unusually early and for a long time. I think AGRANA's growth trajectory speaks for itself. We were able to take advantage of the opportunities arising from the opening of Eastern Europe, EU accession and EU enlargement in the years from 1990 to 2000. And later, of course, we successfully diversified into fruit, ethanol and wheat starch. For me there are no highlights I would single out – every business segment, every project needs your full attention and demands determination and perseverance – and then when it succeeds, it's satisfying. In a manager's life, there is seldom the opportunity for true greenfield investments. I had that chance: The construction of the integrated wheat starch and bioethanol plant in Pischelsdorf was something special in this regard.

WE WILL **GROW PROFITABLY** AND, THROUGH OUR PRODUCTS, BE PART OF THE SOLUTIONS TO SOME OF THE WORLD'S PROBLEMS.

What do you wish the AGRANA Group and its employees for the future?

The continued ability to anticipate future developments, remain flexible, be innovative, and do all this in a favourable economic policy environment.

33 years

ON THE MANAGEMENT BOARD

Key financials

		2020|21	2019|20[1]	2018|19	2017|18	2016|17	2015|16
Financial performance[2]							
Revenue	€m	2,547.0	2,480.7	2,443.0	2,566.3	2,561.3	2,477.6
EBITDA[3]	€m	191.2	183.1	147.7	254.2	235.2	192.0
Operating profit before exceptional items and results of equity-accounted joint ventures	€m	73.1	73.1	51.1	164.1	150.8	107.5
Share of results of equity-accounted joint ventures	€m	17.5	16.7	12.2	29.4	30.6	24.5
Exceptional items	€m	(11.9)	(22.9)	3.3	(2.9)	(9.0)	(3.1)
Operating profit [EBIT]	€m	78.7	66.9	66.6	190.6	172.4	129.0
EBIT margin	%	3.1	2.7	2.7	7.4	6.7	5.2
Profit before tax	€m	60.2	49.7	51.2	176.2	154.5	104.4
Profit for the period	€m	55.0	31.2	30.4	142.6	117.9	80.9
Attributable to shareholders of the parent	€m	59.8	28.1	25.4	140.1	111.3	82.7
Attributable to non-controlling interests	€m	(4.8)	3.1	5.0	2.5	6.6	(1.8)
Operating cash flow before changes in working capital	€m	198.8	187.8	177.5	302.7	258.0	225.9
Investment[4]	€m	72.3	149.7	183.8	140.9	114.7	116.0
Return on sales[5]	%	2.4	2.0	2.1	6.9	6.0	4.2
Return on capital employed[6]	%	4.1	4.0	2.9	9.7	9.0	6.7
Non-financial metrics							
Number of employees[7]		8,847	9,342	9,230	8,678	8,638	8,510
Injury rate[8]		1.6	1.6	1.8	2.3	2.5	2.0
Energy consumption (Scope 1+2)	GJ million	14.1	14.2	14.4	14.9	15.7	14.7
Emissions (Scope 1+2)	Tonnes of CO_2	734,717	928,007	918,818	917,999	948,840	879,282
Water consumption[9]	m^3 million	(1.3)	(0.9)	(1.5)	(1.8)	(3.2)	(2.5)
Share data at last day of February							
Closing price[10]	€	17.60	17.56	17.40	24.78	26.50	20.13
Earnings per share[10]	€	0.96	0.45	0.41	2.24	1.78	1.46
Dividend per share[10]	€	0.85[11]	0.77	1.00	1.125	1.00	1.00
Dividend yield[12]	%	4.8[11]	4.4	5.7	4.5	3.8	5.0
Dividend payout ratio	%	88.5[11]	171.1	243.9	50.2	56.1	68.7
Price/earnings ratio		18.3	39.0	42.4	11.0	14.9	13.8
Market capitalisation	€m	1,099.8	1,097.3	1,087.3	1,548.2	1,656.0	1,143.3
Number of shares	'000	62,489.0	62,489.0	62,489.0	15,622.2	15,622.2	14,202.0
Financial strength							
Total assets	€m	2,472.7	2,529.3	2,389.4	2,356.4	2,481.4	2,243.2
Share capital	€m	113.5	113.5	113.5	113.5	113.5	103.2
Core non-current assets[13]	€m	1,207.5	1,285.2	1,229.8	1,138.5	1,113.8	1,002.2
Equity	€m	1,329.1	1,367.0	1,409.9	1,454.0	1,411.9	1,200.1
Equity ratio	%	53.8	54.0	59.0	61.7	56.9	53.5
Net debt	€m	443.5	464.0	322.2	232.5	239.9	405.8
Gearing ratio[14]	%	33.4	33.9	22.9	16.0	17.0	33.8

[1] The prior-year data have been restated under IAS 8. For details, see the Notes, page 114.
[2] Detailed information concerning the calculation methods of individual performance indicators can be found on page 204.
[3] EBITDA represents operating profit before exceptional items, results of equity-accounted joint ventures, and operating depreciation and amortisation.
[4] Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.
[5] Profit before tax, divided by revenue.
[6] Operating profit before exceptional items and results of equity-accounted joint ventures, divided by capital employed.
[7] Average number of full-time equivalents in the reporting period.
[8] See definition on page 84.
[9] Net water consumption is negative, as AGRANA discharges more water than it withdraws.
[10] Values in the 2017|18, 2016|17 and 2015|16 financial years have been adjusted for comparability as a result of the four-for-one stock split in July 2018.
[11] Based on the dividend proposal to the Annual General Meeting.
[12] Based on the number of shares outstanding at the balance sheet date of the respective year.
[13] Non-current assets excluding deferred tax assets and the item "other assets".
[14] Ratio of net debt to total equity.

FRUIT. STARCH. SUGAR.

INTEGRATED ANNUAL REPORT 2020|21

OF AGRANA BETEILIGUNGS-AG FOR THE YEAR ENDED 28 FEBRUARY 2021

Within this annual report on the 2020|21 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 38. 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 2020|21, 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 easy 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,

What really counted at many points in the past financial year was crisis management. At AGRANA, we did extremely well at this thanks to a well-functioning crisis management team, excellent IT infrastructure and the great flexibility of our employees, as extra shifts were added in production operations and administrative staff switched to remote work. As a result of our company's worldwide high standards of hygiene and the practice of weekly antigen testing, there were also relatively few cases of Covid-19 in the AGRANA Group's global workforce.

What also counted in 2020|21 was reliably delivering to our customers during a unique public-health and economic crisis. As a supplier to the food and beverage industry, we not only have a direct responsibility to our customers but are also part of the critical infrastructure in many countries. We are proud to have managed the balancing act between providing the best possible protection for our employees, and fully maintaining production and deliveries. We are also pleased to have come through the crisis without the need, thus far, for work sharing (short-time working) or other government support.

In keeping with the main purpose of an annual report, we would also like to provide a very compact review of the financial year behind us. First of all, it should be mentioned that we have adjusted the prior year's operating profit (i.e., 2019|20 EBIT)[1] to reflect a goodwill impairment expense in the Sugar segment, which is why you will see improvements in key earnings items in the year-on-year comparisons in this annual report even though we did not reach our actual EBIT target of € 87.1 million for 2020|21, as a result of one-time effects in the final quarter, especially in the fruit preparations division.

The Covid-19 pandemic was a defining factor for all AGRANA segments.

In the **Fruit** segment, earnings in the globally operating fruit preparations business were up from a year ago despite one-off effects. Many end consumers stocked up their fridges with a spare supply of fruit yoghurt. However, the Fruit segment also includes the currently difficult fruit juice concentrate business. Here, poor apple harvests coincided with pandemic-related weak demand, especially in the food service and tourism sectors, which led to a significantly reduced earnings performance in the fruit juice concentrate activities.

In the **Starch** segment, the volatility of the business is well illustrated by the example of one of the core products, ethanol. A price plunge in March 2020 to € 350 per cubic metre was followed by a recovery from April with a high of € 700 to € 800 per cubic metre over the summer months, giving way to another significant decline to below € 500 in December 2020. As a result of Covid-19, the expanded wheat starch plant did not yet run at full capacity in 2020|21. Significantly reduced starch volumes sold to the graphic paper industry (the print sector) were offset by increased sales to manufacturers of corrugated cardboard (packaging sector). Overall, starch margins were lower for demand reasons and the segment's operating performance thus fell short of the prior year.

Higher sugar revenue and volumes contributed to a significant year-on-year improvement in the **Sugar** segment's bottom line. With hoarding-driven purchases by retail shoppers, but significant declines in industrial sales, the demand and revenue picture was mixed. The fact that Sugar EBIT is still clearly negative is due primarily to low beet volumes and the resulting once again high idle-capacity costs.

[1] EBIT in the 2019|20 financial year before the retrospective adjustment under IAS 8 was € 87.1 million (for details, see the Notes, page 114).

As the amount of sugar beet crop area in Austria remains low amid the impact of drought and pests, the continued operation of the sugar factory in Leopoldsdorf, Austria, was a matter of debate in the summer of 2020. A contract area target of 38,000 hectares for beet planting in 2021 in this country (as the threshold for the economically required capacity utilisation of the two Austrian sugar factories) was secured through collaborative measures with stakeholders, and the Leopoldsdorf plant will thus operate in the coming campaign as well. The important thing now is to ensure that this planting area is brought to harvest.

We significantly scaled back our capital investment, following the completion of the major projects of the past several years. The betaine crystallisation plant operated in the Sugar segment together with the US joint venture partner The Amalgamated Sugar Company LLC was commissioned in August 2020; the market launch of the crystalline product began under difficult conditions as a result of the Covid-19 pandemic.

An exciting step is the expansion of our presence in Asia: With the acquisition of a fruit preparations production facility in Japan, we intend to expand further in a growing market.

We look to the future with confidence

Our diversified positioning will continue to lend stability to our business performance. For the new, 2021|22 financial year, we expect an improvement in Group EBIT – more on this in our Outlook presented from page 97 of this report.

In 2020|21, we also continued to work diligently on our climate strategy, which aligns with the Paris climate targets and the regulatory requirements at the national and EU levels. All business segments developed a staged plan with specific decarbonisation targets and action steps for their production activities (Scope 1 and 2) in order to be net carbon-neutral by 2040.

After this eventful financial year, we would like to thank our shareholders more than ever for their trust, our employees for their extraordinary commitment, and our business partners for their close collaboration and their loyalty.

Wishing you all the best and good health in challenging times

The Management Board of AGRANA Beteiligungs-AG

Johann Marihart
Chief Executive Officer

Stephan Büttner
Member of the Management Board

Fritz Gattermayer
Member of the Management Board

Norbert Harringer
Member of the Management Board

Thomas Kölbl
Member of the Management Board

Supervisory Board's report

For AGRANA as well, the 2020|21 financial year was very much defined by the global pandemic, which not only shaped the day-to-day work at AGRANA's production sites and in administration but was also a key driving factor for many markets. This manifested itself in changes in consumer demand patterns and was reflected in volatile raw material markets. In addition, there were other challenges due to adverse weather – such as frost in apple orchards in Hungary – and a severe beet weevil infestation in Austrian sugar beet fields. In this difficult environment, AGRANA was able both to successfully maintain production while protecting its employees, and to ensure undisrupted deliveries to customers. By starting production of disinfectants at short notice at the beginning of the pandemic, AGRANA made a valuable contribution to closing a supply gap in Austria. The high standards of quality and hygiene implemented in the production plants worldwide proved their effectiveness, especially in times of pandemic, and were a major factor in the very low incidence rates among AGRANA's workforce to date.

The Supervisory Board actively oversaw the Group's performance in the 2020|21 financial year through close communication with the Management Board and exercised its responsibilities and powers under the law and the Articles of Association while observing the provisions of the Austrian Code of Corporate Governance. Covid-19 also brought about noticeable changes in the way the Supervisory Board works. On the basis of sections 1 et seq. of the Austrian Covid-19 Act under Company Law and in conjunction with section 2 of the Covid-19 Ordinance on Company Meetings, and in accordance with section 94 of the Austrian Stock Corporation Act as well as with the Articles of Association, the meetings of the Supervisory Board and its committees were held both in the form of video conferences conducted to high technical standards, and as hybrid meetings; the respective format always complied with the requirements of the Austrian federal government. Even during this challenging period, the Supervisory Board always had the capacity to act and retained a quorum for passing resolutions, and it and its committees made important decisions through the use of circular resolutions, especially in urgent cases. The Annual General Meeting on 3 July 2020 was also held in virtual form in accordance with sections 1 et seq. Austrian Covid-19 Act under Company Law in conjunction with section 3 Covid-19 Ordinance for Company Meetings and section 102 para. 4 Austrian Stock Corporation Act.

Besides the current Covid-19-related 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 six 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 2020|21 was approximately 94%. 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 ongoing developments in the business operations against the backdrop of the economic and business environment and the impact on the Group's risk situation.

Meetings of the Supervisory Board

In its meeting on 4 May 2020, the Supervisory Board dealt with the audit of the parent company and consolidated financial statements for the year ended 29 February 2020. The independent auditor attended this meeting and reported on the priorities and results of the audit, which also included the accounting-related elements of the internal control system. The Supervisory Board adopted the parent company financial statements and approved the 2019|20 consolidated financial statements. Another agenda item at this meeting was the nomination of the independent auditor for election for the 2020|21 financial year. At this meeting, the Supervisory Board renewed the appointment of Management Board member Thomas Kölbl for a further five years.

In its meeting on 3 July 2020, the Supervisory Board discussed and approved the medium-term planning.

At the Supervisory Board meeting on 25 August 2020, discussions focused on the economic viability of continuing to operate the Sugar segment's facility in Leopoldsdorf, Austria. The Supervisory Board also addressed the succession planning for the Management Board of AGRANA Beteiligungs-AG and approved financing measures.

Items on the agenda of the meeting on 27 November 2020 were the resolution on the continued operation of the Leopoldsdorf, Austria, sugar factory in the 2021 campaign, the 2020|21 earnings outlook, the topic of corporate governance, and personnel matters.

At its meeting on 29 January 2021, the Supervisory Board extended the term of office of Johann Marihart as Chief Executive Officer until 31 May 2021 and appointed Markus Mühleisen as CEO of AGRANA Beteiligungs-AG from 1 June 2021 for a term of three years.

In its meeting on 24 February 2021, the Supervisory Board deliberated especially on the financial planning and the capital investment projects for the 2021|22 financial year, as well as on the strategic development of the Sugar segment. This meeting also dealt with the results of the efficiency review of the Supervisory Board based on a self-assessment.

Committees of the Supervisory Board

The Audit Committee convened for three meetings in the 2020|21 financial year. With the independent auditor in attendance, the Audit Committee dealt exhaustively with the 2019|20 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, and the risk management system and system of internal control. The Audit Committee also dealt with the planning and priorities for the audit of the 2020|21 financial statements and discussed the subjects of anti-corruption and compliance. In addition, the audit committee held a separate meeting to discuss the impairment test for the Sugar segment performed by the Austrian Financial Reporting Enforcement Panel in the 2019|20 financial statements.

The Nomination and Remuneration Committee met three times in the 2020|21 financial year and also addressed the topic of succession planning for the Management Board 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 2021, PwC Wirtschaftsprüfung GmbH, Vienna, has audited the parent company financial statements of AGRANA Beteiligungs-AG for the year ended 28 February 2021 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.

The compliance review of the corporate governance report under section 243c Austrian Commercial Code and the review of AGRANA's compliance with the Austrian Code of Corporate Governance (the ACCG) in the 2020|21 financial year were performed by KPMG Austria GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, and found that AGRANA complied with the provisions of the ACCG in 2020|21 to the extent that these were within the scope of the declaration of compliance. The Supervisory Board has endorsed the result of these reviews.

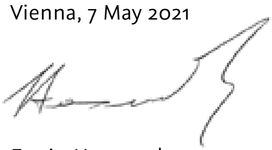
After detailed review and discussion by the Audit Committee on 6 May 2021 and the Supervisory Board on 7 May 2021, the Supervisory Board has approved the parent company financial statements for the year ended 28 February 2021 submitted by the Management Board (including the notes) and the parent company management report, corporate governance report, and the proposal for the appropriation of profit. The parent company financial statements for the year ended 28 February 2021 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.

At the Annual General Meeting on 3 July 2020, Andrea Gritsch was elected as a member of the Supervisory Board of AGRANA Beteiligungs-AG.

On behalf of the Supervisory Board, I would like to convey my special thanks to all employees and the members of the Management Board for their outstanding commitment and the successful work done under last year's difficult conditions to master the Covid-19 crisis.

Vienna, 7 May 2021



Erwin Hameseder
Chairman of the Supervisory Board

CORPORATE GOVERNANCE

MANAGEMENT BOARD

JOHANN MARIHART

Chief Executive Officer

Chief Executive Officer since 1992
First appointed 19 September 1988
Appointed until 31 May 2021

Born 1950. Studied chemical engineering at Vienna University of Technology, majoring in biotechnology and food chemistry. After professional experience in a pharmaceutical company, began his career with AGRANA in 1976 at the starch factory in Gmünd (head of research and development, plant manager, managing director of starch activities). Member of the Management Board of AGRANA Beteiligungs-AG since 1988. Appointed CEO of AGRANA Beteiligungs-AG in 1992.

Responsibilities: Business Strategy, Communication (including Investor Relations), Quality Management, Human Resources, Research and Development

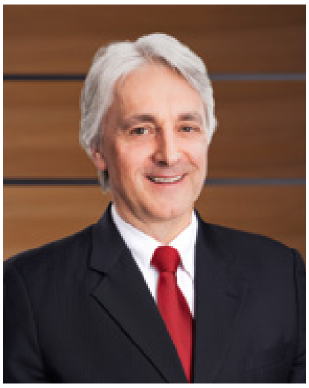
STEPHAN BÜTTNER

Member of the Management Board

First appointed 1 November 2014 | **Appointed until** 31 October 2024

Born 1973. After business studies at Vienna University of Economics and Business, worked in auditing and other areas. In 2001, moved to Raiffeisen Ware Austria AG and in 2004 became CEO of its subsidiary Ybbstaler Fruit Austria GmbH. Working for the AGRANA Group since 2012, most recently as CEO of AUSTRIA JUICE GmbH. Joined the Management Board of AGRANA Beteiligungs-AG on 1 November 2014 and took over the CFO responsibilities on 1 January 2015.

Responsibilities: Finance, Controlling, Treasury, Information Technology and Organisation, Mergers & Acquisitions, Legal, Compliance



FRITZ GATTERMAYER

Member of the Management Board

First appointed 1 January 2009 | **Appointed until** 31 August 2022

Born 1957. Studied agricultural economics at University of Natural Resources and Applied Life Sciences, Vienna, and history and political science at University of Vienna. In 1995 was appointed head of the Group-level "Business Strategy and Raw Materials" department at AGRANA Beteiligungs-AG, with "Prokura"[1]. In 2000 became a management board member of AGRANA Zucker und Stärke AG. From 2004 to 2008 was a member of the senior management of the Starch segment and Sugar segment. In 2008 became CEO of the Sugar segment. Member of the Management Board of AGRANA Group since 2009.

Responsibilities: Sales, Raw Materials, Purchasing & Logistics

NORBERT HARRINGER

Member of the Management Board

First appointed 1 September 2019 | **Appointed until** 31 August 2022

Born 1973. Studied chemistry and chemical technology at Johannes Kepler University in Linz, Austria. Began his career with the AGRANA Group in the Starch segment in 2005 as head of the quality control and quality management department at the Aschach site in Austria. In 2009 joined the production management of the plant in Gmünd, Austria, where he was plant manager from 2014 to 2016. Then plant manager in Aschach until June 2019. Since the end of 2018 is Chief Operating Officer of the Starch segment. On 1 September 2019 additionally became the Group's Chief Technology Officer on the Management Board of AGRANA Beteiligungs-AG.

Responsibilities: Production Coordination, Investment

THOMAS KÖLBL

Member of the Management Board

First appointed 8 July 2005 | **Appointed until** 7 July 2025

Born 1962. Trained in industry, then studied business administration at Mannheim University. Held various positions in the Südzucker group since 1990; was Director in charge of strategic corporate planning, group development and investments prior to his appointment to the Executive Board of Südzucker AG in 2004. Member of the Management Board of AGRANA Beteiligungs-AG since 2005.

Responsibilities: Internal Audit

[1] General commercial power of attorney.

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 2020|21 financial year, AGRANA applied the ACCG in the version of January 2020. At its meetings on 27 November 2020 and 24 February 2021, the Supervisory Board of AGRANA Beteiligungs-AG discussed matters of corporate governance and unanimously adopted the statement of compliance with the ACCG.

In the 2020|21 financial year the implementation of and compliance with the individual rules of the ACCG was evaluated by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft. The evaluation was conducted on the basis of 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 the external evaluation in accordance with rule 62 of the ACCG is available at www.agrana.com/en/ir/corporate-governance.

In the 2020|21 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 Management Board contracts do not contain a ceiling 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 (publication of contracts that require 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 via the Group website at www.agrana.com/en/ir/overview.

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

Management Board

Name	Year of birth	Date first appointed	End of term
Johann Marihart Chief Executive Officer since 1992	1950	19 Sep 1988	31 May 2021
Stephan Büttner	1973	1 Nov 2014	31 Oct 2024
Fritz Gattermayer	1957	1 Jan 2009	31 Aug 2022
Norbert Harringer	1973	1 Sep 2019	31 Aug 2022
Thomas Kölbl	1962	8 Jul 2005	7 Jul 2025

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

- **Johann Marihart**
  As a result of the syndicate agreement between Südzucker AG, Mannheim, Germany, and Zucker-Beteiligungsgesellschaft m.b.H., Vienna, Johann Marihart serves as a member of the management board of Südzucker AG and member of the supervisory board of Freiberger Holding GmbH, Berlin, Germany.

  In Austria he serves as board chairman of TÜV Österreich (Verein), Vienna, and supervisory board chairman of TÜV AUSTRIA HOLDING AG, Vienna, TÜV AUSTRIA SERVICE GmbH, Vienna, and Spanische Hofreitschule – Lipizzanergestüt Piber, Vienna; as vice-chairman of the supervisory boards of Bundesbeschaffung GmbH, Vienna, and Österreichische Forschungsförderungsgesellschaft m.b.H., Vienna; as member of the supervisory board of Ottakringer Holding AG, Vienna, and member of the investment advisory board of tecnet equity NÖ Technologiebeteiligungs-Invest GmbH, St. Pölten, Austria. Johann Marihart is also chairman of the Austrian Food Industry Association (Fachverband der Nahrungs- und Genussmittelindustrie) within the Austrian chamber of commerce (WKO). Until 24 June 2020, Johann Marihart was a member of the supervisory board of Ottakringer Getränke AG, Vienna.

- **Thomas Kölbl**
  Thomas Kölbl is a supervisory board member of K+S Aktiengesellschaft, Kassel, Germany. He also holds the following group positions within the Südzucker group: Member of the supervisory board of Freiberger Holding GmbH, Berlin, Germany, and of PortionPack Europe Holding B.V., Oud-Beijerland, Netherlands (where he was chairman of the supervisory board until 22 April 2020), vice-chairman of the supervisory board of CropEnergies AG, Mannheim, Germany, and chairman of the supervisory board of Südzucker Versicherungs-Vermittlungs-GmbH, Mannheim, Germany. Thomas Kölbl was also a member of the Board of Directors of ED&F MAN Holdings Limited, London, United Kingdom, until 14 September 2020.

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 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
Johann Marihart	Business Strategy, Communication (including Investor Relations), Quality Management, Human Resources, Research and Development
Stephan Büttner	Finance, Controlling, Treasury, Information Technology and Organisation, Mergers & Acquisitions, Legal, Compliance
Fritz Gattermayer	Sales, Raw Materials, Purchasing & Logistics
Norbert Harringer	Production Coordination, Investment
Thomas Kölbl	Internal Audit

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 seven 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 from 1 April 2020; until then was Member 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)

Name and supervisory board positions in listed domestic and foreign companies	Year of birth	Date first appointed	End of term
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 Jul 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 Jul 2009	35th AGM (2022)
Josef Pröll, Vienna, independent Member of the Supervisory Board	1968	2 Jul 2012	35th AGM (2022)
Wolfgang Heer, Ludwigshafen, Germany, independent First Vice-Chairman of the Supervisory Board until 4 March 2020	1956	10 Jul 2009	4 Mar 2020

Employee representatives	Year of birth	Date first appointed
Thomas Buder, Tulln, Austria Chairman of the Group Staff Council and Central Staff Council	1970	1 Aug 2006
Andreas Klamler, Gleisdorf, Austria	1970	10 Nov 2016
Gerhard Kottbauer, Aschach, Austria	1972	17 Jan 2019
Stephan Savic, Vienna	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. The Nomination and Remuneration Committee held three meetings in the 2020|21 financial year. The main focus of the discussions was on succession planning for the CEO, Johann Marihart, who will leave the Management Board at the end of May 2021. 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 2020|21 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 2020|21 financial year the Audit Committee met three times. Its meetings focused particularly on the audit of the 2019|20 financial statements, the preparation of the audit of the 2020|21 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 2019|20 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
Gerhard Kottbauer	Employee representative
Audit Committee	
Klaus Buchleitner	Chairman (and expert advisor on finance)
Hans-Jörg Gebhard	Member
Ernst Karpfinger	Member
Thomas Buder	Employee representative
Stephan Savic	Employee representative

Compliance

For AGRANA, compliance with legal and regulatory requirements is integral to good corporate governance.

AGRANA 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. 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 regularly deliberates 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 foundation for all business actions and decisions. The Code of Conduct is designed to give a clear and systematic understanding of the conduct which AGRANA expects from all employees, managers and directors in all activities and locations of the Group. 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 possibility, a reporting and documentation system has been developed that applies to all AGRANA employees and board members.

Anticorruption 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 Austria 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. The company takes all necessary precautions to ensure that the collection, processing and use of such data is transparent, purpose-driven, traceable and diligent. Compliance with AGRANA's Data Protection Policy is mandatory.

As part of their duty of loyalty, employees must report violations of the Code of Conduct through the Group's internal standard reporting channel. Employees 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.

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 3,206 (or about 90%) of the 3,573 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.

The Internal Audit department verifies compliance with laws, regulations and internal policies. In the 2020|21 financial year it audited 18 of the 54 production sites (i.e., 33.3%) within the GRI reporting boundaries (see page 42 in the "Non-financial information statement"), including audits for corruption and fraud in selected subject areas. Due to the pandemic, 14 of the 18 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. The ultimate hiring decision is made by the Supervisory 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 ratio of at least 30% per gender 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.

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 many countries exacerbated 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 and since several years ago has a Group-wide framework agreement in place for remote working. In 2020|21, as part of Covid-19 prevention, remote work was mandated or recommended for administrative staff during various phases, depending on the local incidence of infection.

In addition, under strict hygiene protocols, the existing internal company amenities, such as a company kindergarten at the headquarters site in Vienna, continued to be provided. As well, in the summer of 2020, at a time when the infection situation allowed it, a week of holiday care was 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, 4 May 2021

The Management Board of AGRANA Beteiligungs-AG

Johann Marihart
Chief Executive Officer

Stephan Büttner
Member of the Management Board

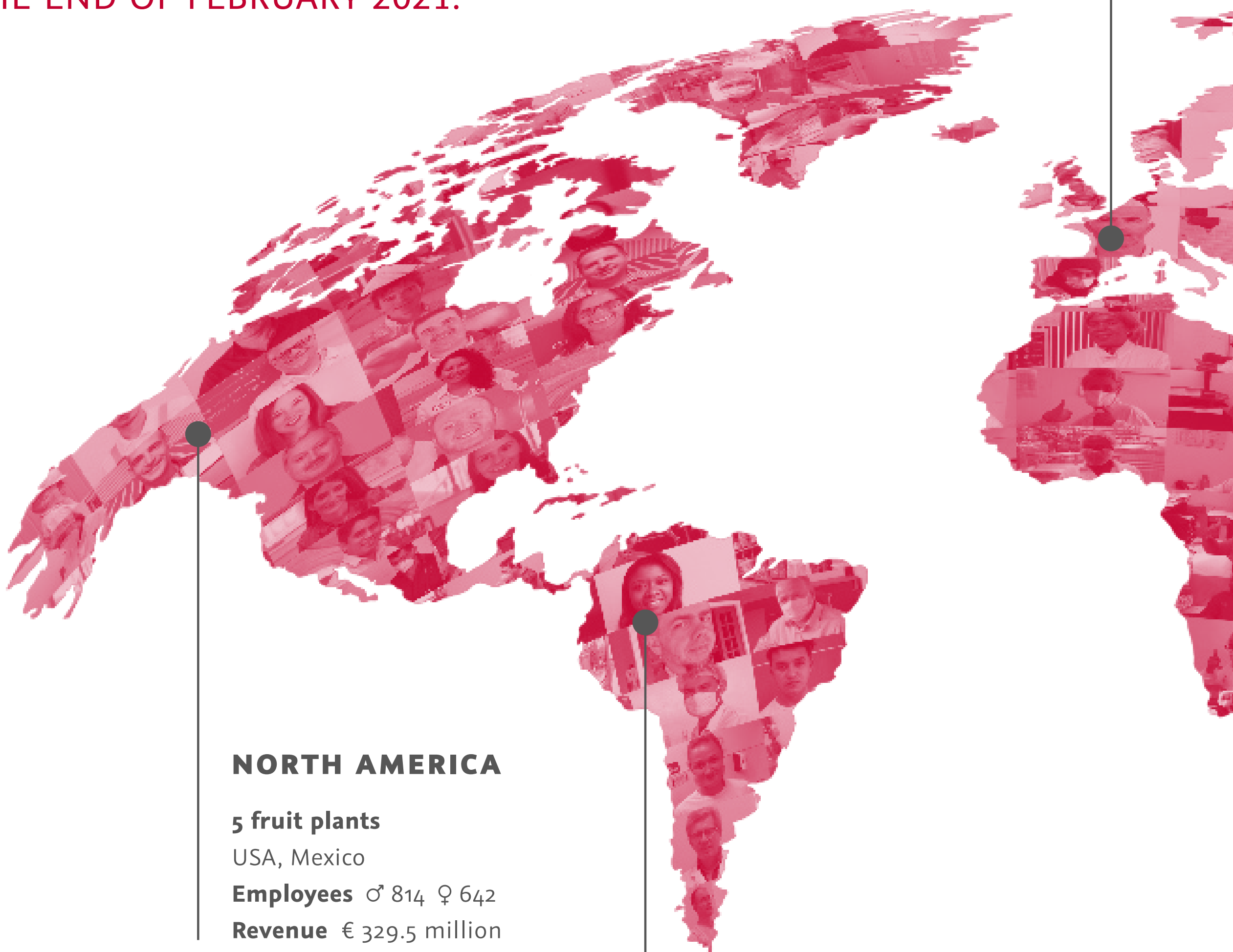
Fritz Gattermayer
Member of the Management Board

Norbert Harringer
Member of the Management Board

Thomas Kölbl
Member of the Management Board

OUR PRODUCTION SITES

AGRANA, AS A PROCESSOR OF AGRICULTURAL RAW MATERIALS WITH THE THREE SEGMENTS FRUIT, STARCH AND SUGAR, OPERATES 56 PRODUCTION SITES[1] IN 24 COUNTRIES[1] AND HAD 8,189 EMPLOYEES[2] AT THE END OF FEBRUARY 2021.



NORTH AMERICA

5 fruit plants
USA, Mexico
Employees ♂ 814 ♀ 642
Revenue € 329.5 million

SOUTH AMERICA

2 fruit plants
Argentina, Brazil
Employees ♂ 204 ♀ 89
Revenue € 24.2 million

[1] Including HUNGRANA group (Starch segment) and AGRANA-STUDEN group (Sugar segment).
[2] By headcount.

EU

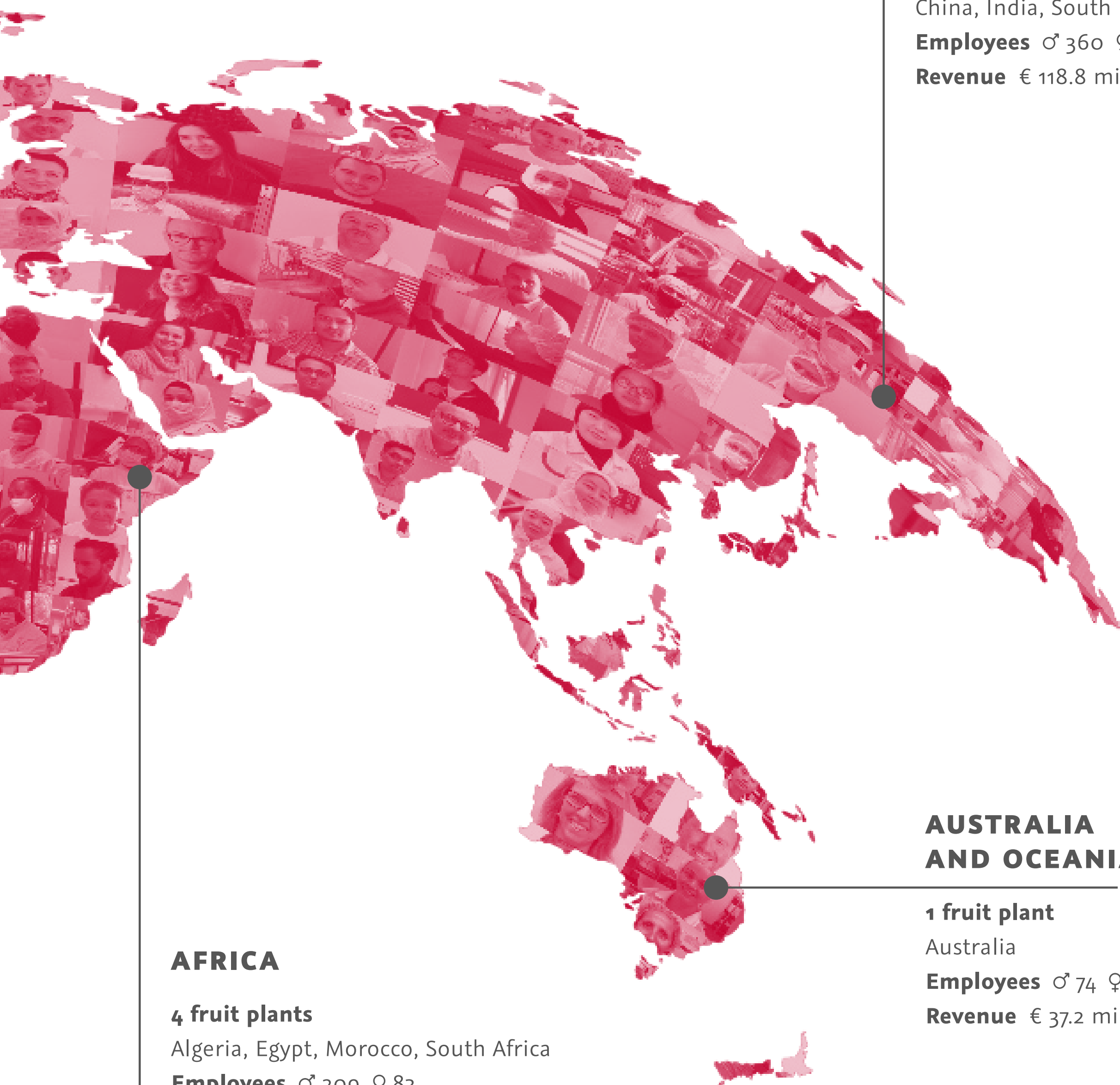
19 fruit plants
5 starch plants
9 sugar plants (incl. Instantina)
Austria, Czech Republic, France, Germany, Hungary, Poland, Romania, Slovakia
Employees ♂ 3,296 ♀ 1,351
Revenue € 1,915.2 million

EUROPE NON-EU

5 fruit plants
1 sugar plant
Bosnia and Herzegovina, Russia, Turkey, Ukraine
Employees ♂ 509 ♀ 381
Revenue € 97.5 million

ASIA

5 fruit plants
China, India, South Korea
Employees ♂ 360 ♀ 141
Revenue € 118.8 million



AUSTRALIA AND OCEANIA

1 fruit plant
Australia
Employees ♂ 74 ♀ 36
Revenue € 37.2 million

AFRICA

4 fruit plants
Algeria, Egypt, Morocco, South Africa
Employees ♂ 209 ♀ 83
Revenue € 24.6 million

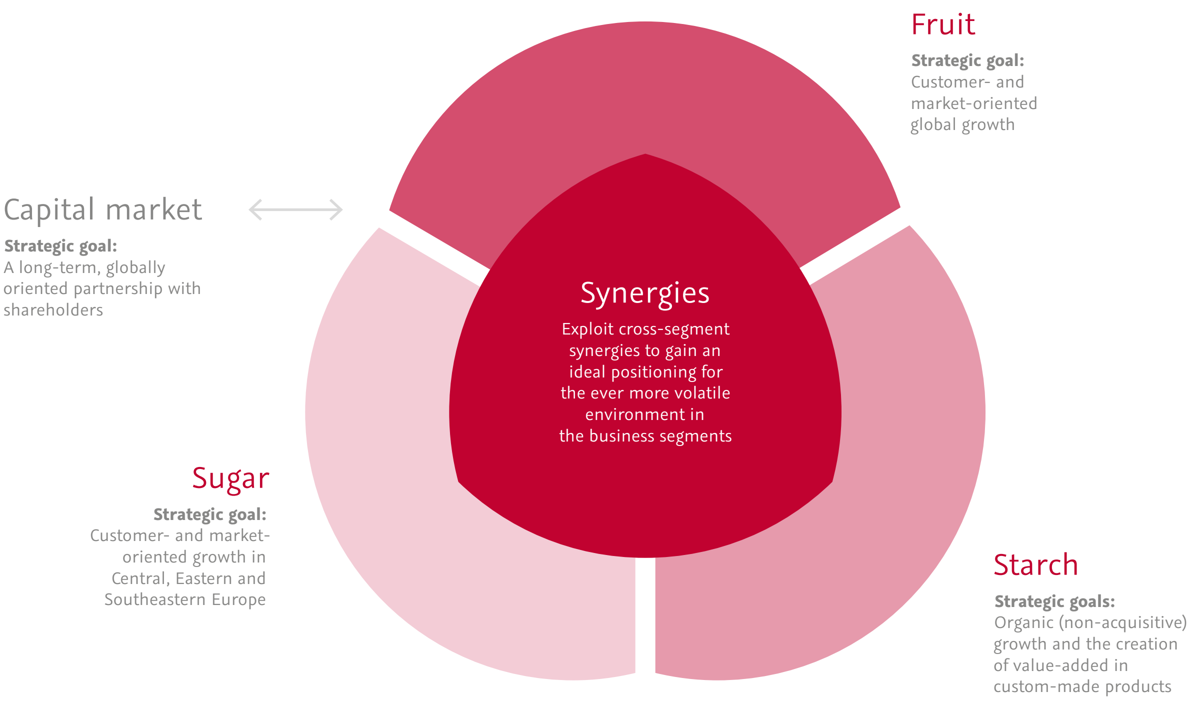
AGRANA's strategy

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. 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.

AGRANA 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 intends 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 quality 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[1] 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 production 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.

[1] GMO-free or GM-free: not derived from genetically modified organisms.

AGRANA in the capital market

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 at
www.agrana.com/en/investor/agrana-shares

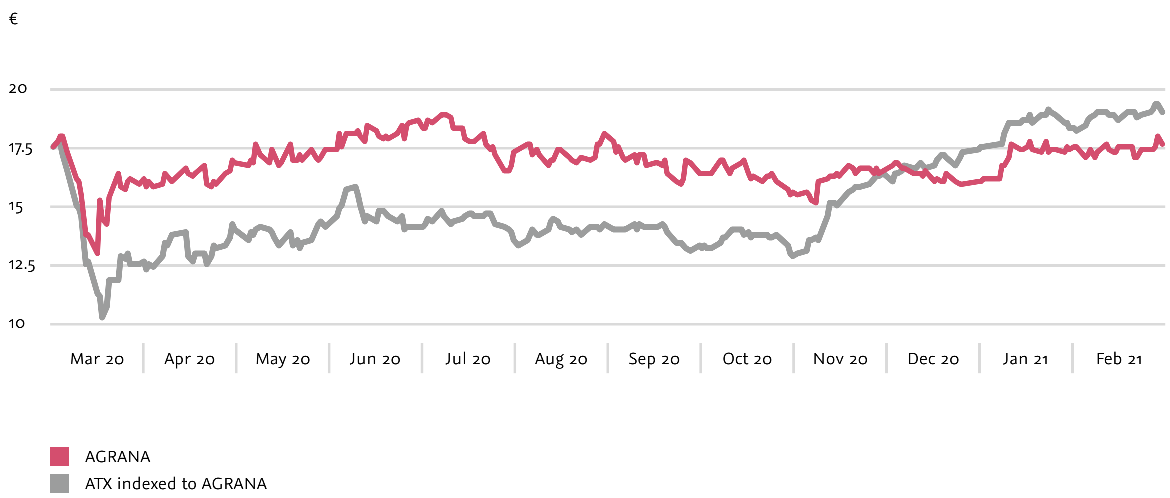
AGRANA share data		2020|21	2019|20[1]
Closing price at year-end	€	17.60	17.56
High	€	18.90	20.90
Low	€	13.02	15.90
Earnings per share	€	0.96	0.45
Closing price/earnings ratio at year-end		18.3	39.0
Closing book value per share at year-end	€	20.38	20.86
Number of shares at year-end	'000	62,489	62,489
Closing market capitalisation at year-end	€m	1,099.8	1,097.3

AGRANA share performance and stock market environment

In March 2020, stock markets reacted to the pandemic and the looming global economic standstill with a dramatic price decline. However, the extensive support measures taken by many national governments and the major central banks had a positive impact and helped the markets to recover to a large extent. The 2020 calendar year in equity markets ultimately presented a very mixed picture. While at the end of the year, in the USA, the technology-heavy Nasdaq Composite Index had gained almost 44% for 2020 and the Dow Jones industrial average on Wall Street was up by a still significant 7%, the German DAX only managed a smaller advance of just under 4%. The pan-European EURO STOXX 50 index meanwhile closed 2020 with a negative performance (–5%), as did the ATX in Vienna, which was down 13% for the calendar year.

AGRANA started the 2020|21 financial year at a share price of € 17.56. The share price performance correlated closely at times with the index performance on the Vienna market, although the pandemic-related share price drop in March 2020 was less pronounced for AGRANA than for the ATX, while the recovery of the ATX beginning in November 2020 outperformed AGRANA's share performance from that point on. The closing price of AGRANA's shares of € 17.60 at the balance sheet date was almost unchanged from the opening price at the start of the financial year. The performance of the ATX index over the same period was 8.0%. AGRANA's average trading volume on the Vienna Stock Exchange was about 24,000 shares per day[2] (prior year: approximately 32,000 shares per day).

AGRANA share performance in 2020|21



[1] The prior-year data have been restated under IAS 8. For details, see the Notes, page 114.
[2] Trading volume based on double counting, as published by the Vienna Stock Exchange.

The market capitalisation at the end of February 2021, with 62,488,976 shares outstanding, was € 1,099.8 million (prior year: € 1,097.3 million).

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.

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. Despite the Covid-19 pandemic, the financial community was kept fully informed, mostly via digital channels.

At the press conferences presenting the annual and half-year 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.

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 2021, 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

		2020|21	2019|20[1]
Dividend per share	€	0.85[2]	0.77
Earnings per share	€	0.96	0.45
Dividend payout ratio	%	88.5[2]	171.1
Dividend yield[3]	%	4.8[2]	4.4

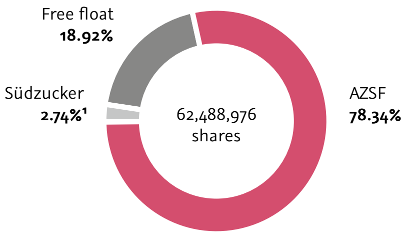
AGRANA is committed to a predictable, reliable and transparent dividend policy designed for continuity. The distributions are based not only on the Group's profit but also on its cash flow and its debt situation, taking into consideration the need to maintain a sound balance sheet structure. In its dividend 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 29 June 2021 to pay a dividend of € 0.85 per share, representing a dividend yield of 4.8% based on the share price of € 17.60 at the end of February 2021 (prior year: 4.4%). The dividend payment date is 6 July 2021.

[1] The prior-year data have been restated under IAS 8. For details, see the Notes, page 114.
[2] Dividend proposal to the Annual General Meeting.
[3] Based on the closing share price at the balance sheet date.

Stable shareholder structure

AGRANA has a 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 indirect 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 2021



In the 2020|21 financial year there was no material change in shareholder structure. In August 2020, with a view to simplifying the Group structure, Z&S Zucker und Stärke Holding AG, which previously directly held 78.34% of the share capital of AGRANA Beteiligungs-AG, was merged into AZSF with retroactive effect from 1 March 2020.

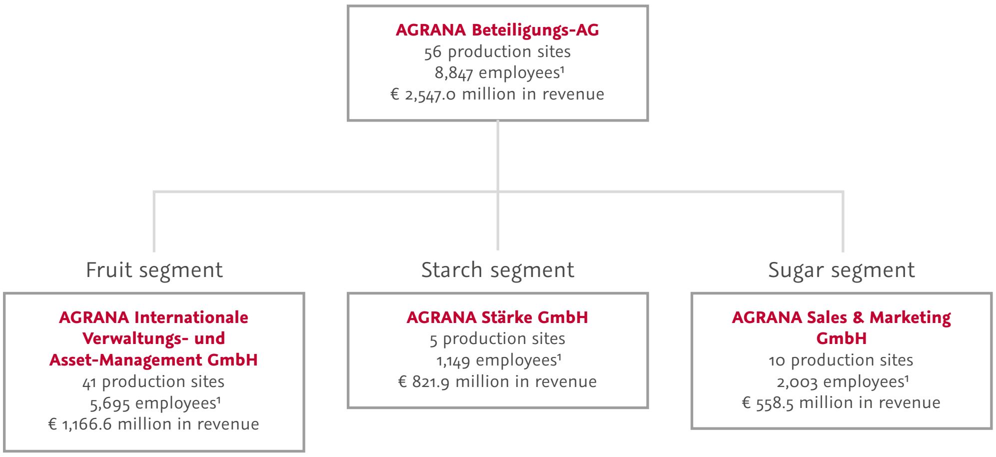
The shareholder structure is presented in detail in the section "Capital, shares, voting rights and rights of control" on page 96.

[1] Directly held.

GROUP MANAGEMENT REPORT 2020|21

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 over 8,800 employees (in FTE[1]) at 56 production sites on six continents, the Group generated revenue of approximately € 2.5 billion in the 2020|21 financial year. AGRANA was established in 1988 and has been quoted on the Vienna Stock Exchange since 1991.



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

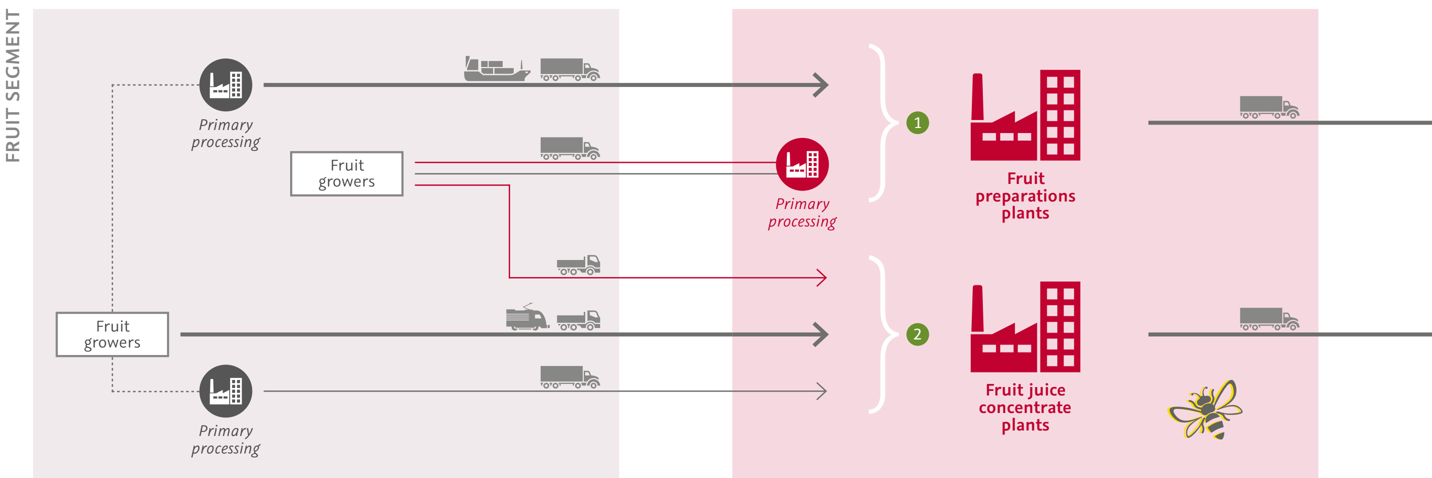
Information on corporate governance is provided in AGRANA's corporate governance report within this annual report, and on the Group's website at www.agrana.com/en/ir/corporate-governance.

Non-financial information statement[1]

The sustainable AGRANA value chain² in 2020|21

Procurement of agricultural raw materials

AGRANA processing: Adding value

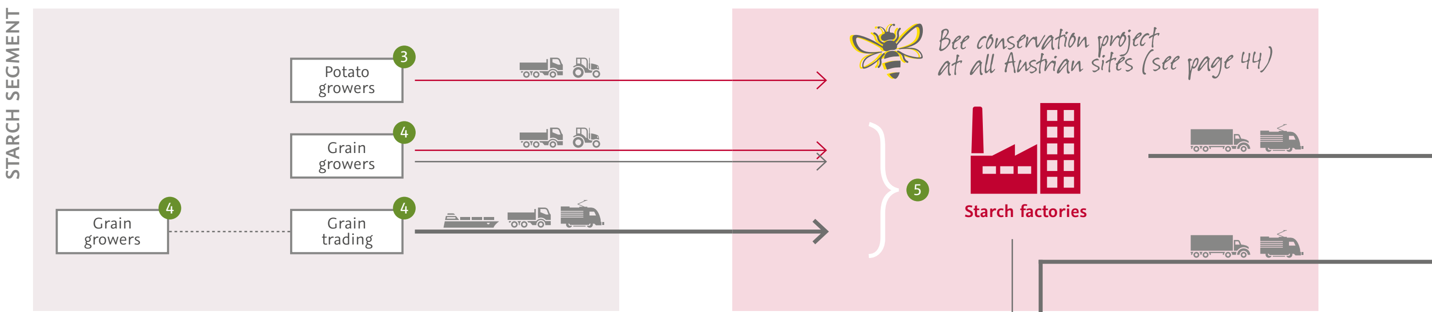


1 67.9% of raw material volume assessed using social criteria (SEDEX); see page 48 and from page 61

2 27% of raw material volume assessed using social and environmental criteria (SAI FSA); see from pages 43 and 61

Fruit preparations:
- Total energy consumption³: 2.02 GJ/t
- Total emissions³: 146 kg of CO_2/t
- Water withdrawal³: 4.09 m³/t⁴
- Water consumption³: 0.66 m³/t

Fruit juice concentrates:
- Total energy consumption³: 3.60 GJ/t
- Total emissions³: 227 kg of CO_2/t
- Water withdrawal³: 4.42 m³/t
- Water consumption³: −0.33 m³/t
- Sustainability assessment (Ecovadis) confirms Gold rating; see page 64



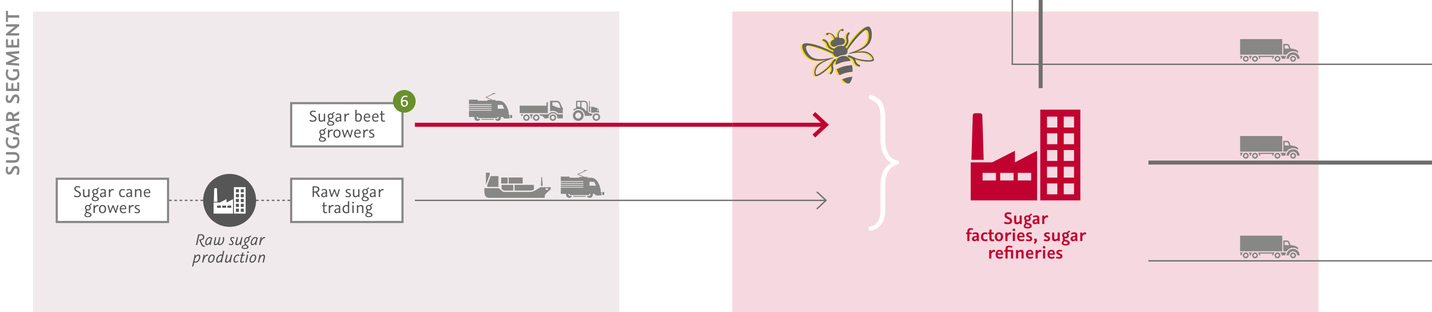
3 100% of Austrian potato growers assessed using social and environmental criteria (SAI FSA)

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

5 70.7% of raw material volume assessed using social and environmental criteria (SAI FSA or FSA benchmarking system); see from pages 43 and 67

- Total energy consumption³: 4.44 GJ/t
- Total emissions³: 173 kg of CO_2/t
- Water consumption³: 0.48 m³/t
- Energy management system at 75% of sites² is certified to ISO 50001

- Social criteria assessed (SEDEX) and externally audited at 75% of sites²; see page 48
- Sustainability assessment of Starch segment (Ecovadis) confirms Silver rating; see page 69



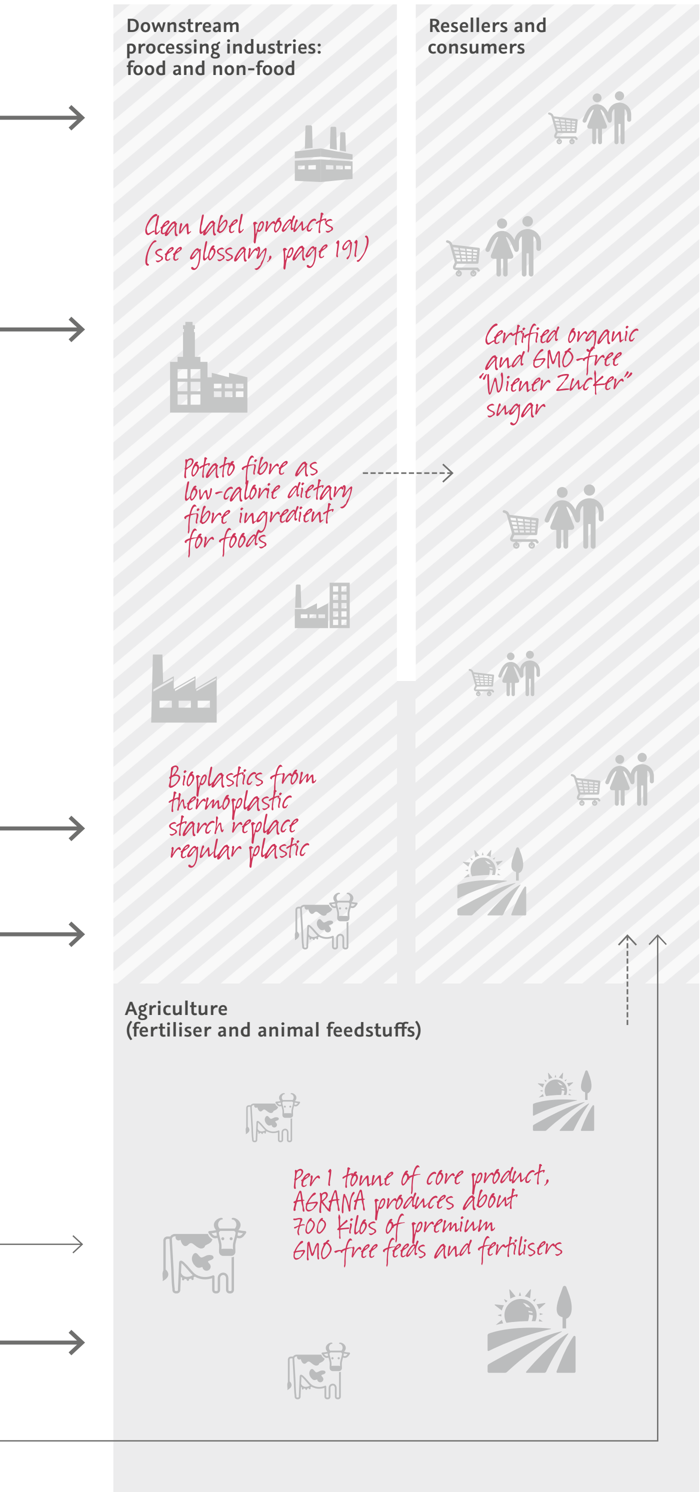
6 100% of sugar beet volume assessed using social and environmental criteria (SAI FSA); see from pages 43 and 73

- Direct energy consumption³: 2.49 GJ/t
- Total energy consumption³: 2.84 GJ/t
- Total emissions³: 177 kg of CO_2/t
- Water withdrawal³: 2.49 m³/t
- Water consumption³: −1.28 m³/t
- Energy management system at 100% of sites² is certified to ISO 50001

- Social criteria assessed (SEDEX) and externally audited at 77.8% of sites²; see page 48
- Sustainability assessment of Sugar segment (Ecovadis) confirms Silver rating; see page 76

¹ The 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.

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+3) for the whole AGRANA Group
2021|22 Collection of relevant emission data from upstream supply chain (Scope 3)

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

Procurement
2021|22 All raw materials directly covered by the FSA verification system are to achieve at least FSA Silver level of sustainability

Sustainability targets of the segments

Fruit segment
Fruit preparations business
Targets by 2025|26:
- ■ 20% of processed fruit is to achieve FSA Silver or equivalent
- ■ Total energy consumption[3] of 1.95 GJ/t[4]
- ✔ Water withdrawal[3] of 4.24 m^3/t[4]
- ■ 100% of production sites are to have a recognised social audit

Fruit juice concentrate business
Targets by 2030:
- ■ 100% sustainable sourcing as defined by the Sustainable Juice Covenant (see from page 61)

Targets by 2020|21:
- ✘ Total energy consumption[3] of 3.43 GJ/t
- ✘ Water withdrawal[3] of 4.21 m^3/t

Starch segment
Targets by 2020|21:
- ✔ Cumulative savings of 91 GWh through plant efficiency measures (since 2015|16)

Sugar segment
Targets by 2020|21:
- ✔ Direct energy consumption[3] of 2.49 GJ/t
- ✘ Water withdrawal[3] of 1.92 m^3/t

[2] Within the GRI reporting boundaries (see page 42).
[3] Per tonne of product output.
[4] The target applies to the fruit preparations plants within the 2018|19 GRI reporting boundaries (excluding primary processing facilities).

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

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 36). 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:

As a result of the pandemic, many of the planned annual formats of stakeholder exchanges could not take place physically in the usual way but were shifted to the virtual space or implemented in micro and small groups while following Covid-19 prevention guidelines.

Formats of AGRANA’s engagement with stakeholders in 2020|21

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	Owing to the pandemic, no traditional trade fairs were held last year. Instead, AGRANA participated in various online formats, including the Biofach eSpecial of the Nuremberg trade fair in February 2021, with 50 employees; implementation of various webinars on specialised topics; launch of the “AGRANA inside” social media campaign in collaboration with customers to illustrate the products and areas of application in which AGRANA is represented; conducting customer satisfaction surveys in the AGRANA Starch and Sugar segments and at some fruit companies
Local communities	Participation by the AGRANA Research & Innovation Center (ARIC) and an Austrian AGRANA production site in the virtual “Long Night of Research” science event; community 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

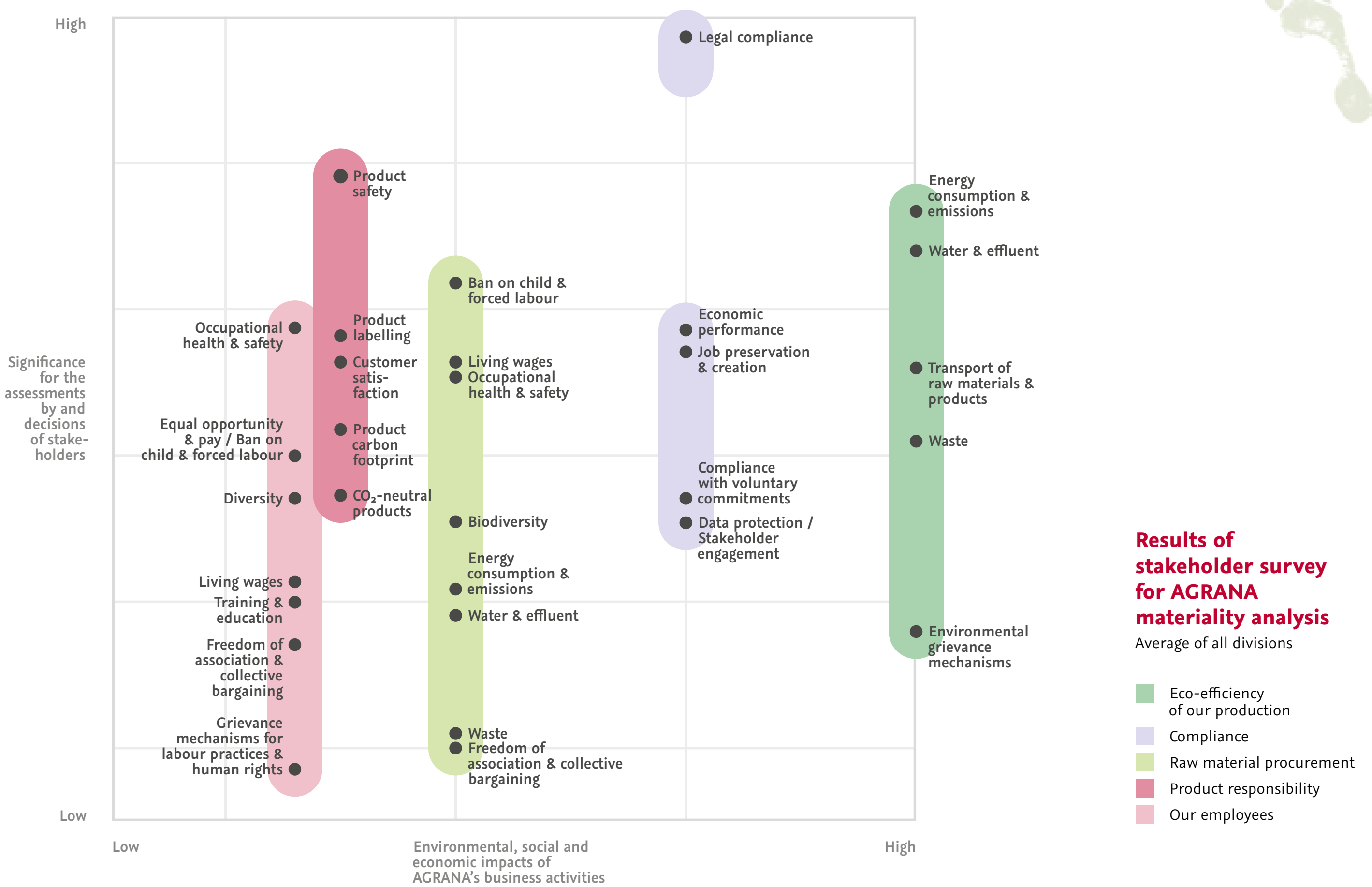
Material non-financial matters/sustainability topics

In the 2020|21 financial year, AGRANA's Fruit, Starch and Sugar segments processed a worldwide total of approximately 8.6 million tonnes of agricultural raw materials (prior year: 8.4 million tonnes) and sold about 5.4 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 the 2020|21 financial year, AGRANA's sustainability core team again performed a materiality analysis to further develop the Group's sustainability strategy, with the involvement of selected representative stakeholders[1]. In this process, the environmental, economic and social impacts of individual sustainability aspects of AGRANA's business activities on society and the environment were assessed and 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. The aspect of energy use and emissions has gained significantly in importance for the stakeholders surveyed compared to the 2017|18 responses, due to increased media coverage of the challenges of climate change and the resulting legal requirements, such as under the European Green Deal. This mounting importance is also reflected in increasing enquiries from customers about AGRANA's strategy for climate change adaptation and decarbonisation. However, the social and ecological impacts of corporate activities are also significantly influenced by the regulatory environment in which companies operate. For the stakeholders surveyed, the aspect



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

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

Sustainability at AGRANA

Segment-specific targets in the supply chain
See page 39 and segment reports

Segment-specific environmental targets by 2020|21
See page 39 and segment reports

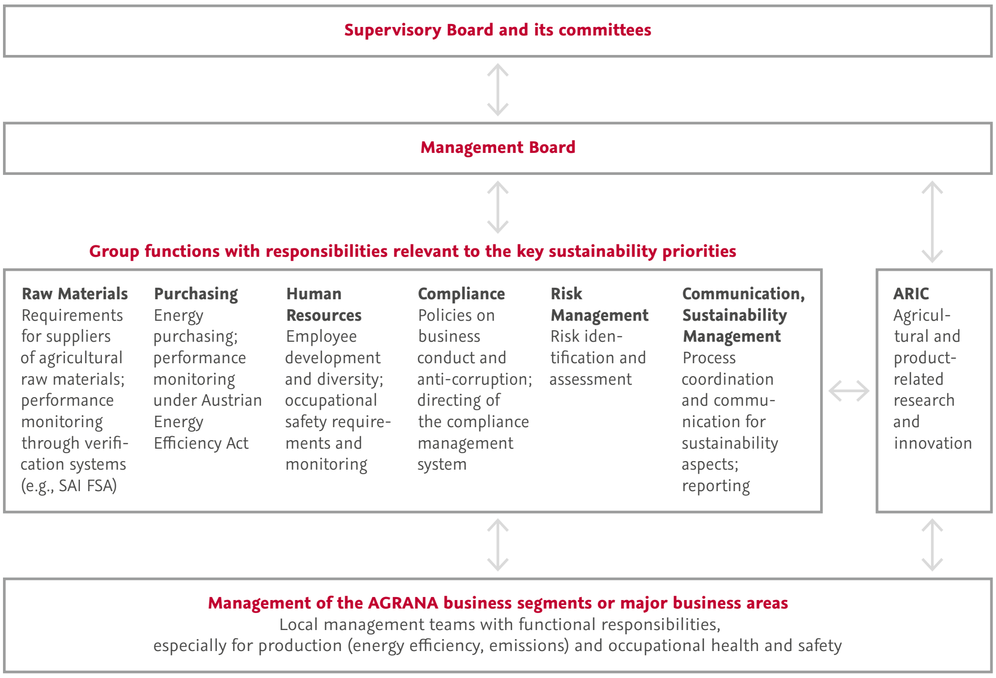
Value chain
wsk.agrana.com/en

of compliance, especially with legal regulations, is therefore of the greatest importance. Product safety is also one of the top priorities for the survey participants. In the stakeholders' view, the focus in raw material procurement should be primarily on compliance with social standards. This is especially true in the Fruit segment, which purchases raw materials worldwide. This view thus also confirms the results of a survey conducted in 2019|20 among selected customers and suppliers as part of a comprehensive strategy process in the fruit preparations business (see materiality analysis at www.agrana.com/en/sustainability/materiality-analysis).

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 2020|21

The organisational boundaries for the reporting of the non-financial (i.e., sustainability) matters integrated in this 2020|21 annual report 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 54 of a total of 56 production sites worldwide.

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 of agricultural intermediate goods (such as frozen fruit pieces) and the non-financial reporting scope is limited to this area of procurement.

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 89.

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, use of pesticides, soil erosion, 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. These procurement principles were revised in 2020|21 and are incorporated in supply contracts.

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 equivalencies 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 were scheduled in all AGRANA segments, although some of these could not be fully completed due to Covid-19 restrictions.

All farmer groups whose external verifications were fully completed achieved FSA Silver level or higher. No substantial deviations were found in the audits. Recommendations for improvement of first aid provisions and emergency preparedness (e.g., regular renewal of the contents of first aid kits) and in the area of waste management will be incorporated in AGRANA's awareness-raising and training activities in the 2021|22 financial year.

In the 2020|21 financial year, AGRANA experts in agricultural production 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 is being published in April 2021 and must be implemented within a transition period of not more than 18 months after 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 and Rainforest Alliance) or participate in company-specific sustainability programmes are assigned an FSA equivalence level, 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 2020|21 financial year, about 85% of the raw material volume processed by AGRANA was covered directly or indirectly in the SAI FSA system.

Biodiversity
Biodiversity is significant for AGRANA especially in its upstream value chain, i.e., in the farming landscape. In this annual report, to the extent possible, biodiversity aspects are reported in the section on the respective business segment – specifically, in the respective discussion of raw material procurement from contract growers. 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 were also used in workshops for elementary schools to teach relationships in nature.

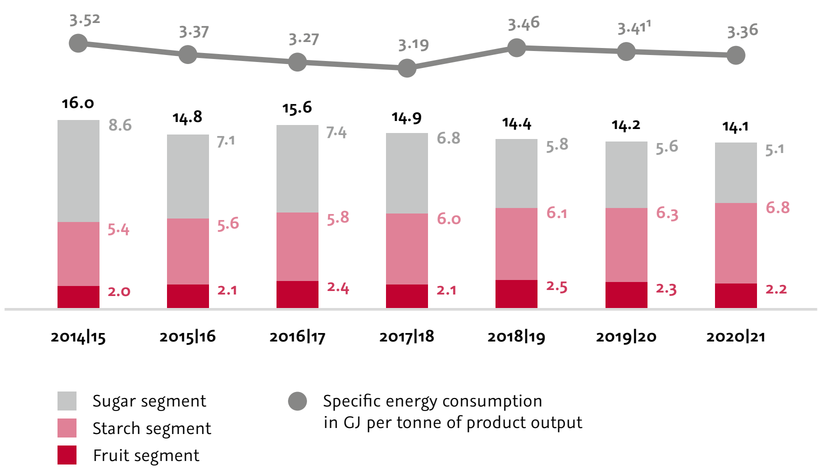
Water in the upstream value chain
Water-related risks indirectly affecting AGRANA that exist in its supply chain, i.e., in agricultural production, are implicitly captured in the risk management process and risk reporting, as part of operational procurement risks (see the section "Risk management", page 89). 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, due mainly to the limited relevance for the Group and also to limited data availability and reliability in international procurement.

Environmental aspects – Eco-efficiency of our production

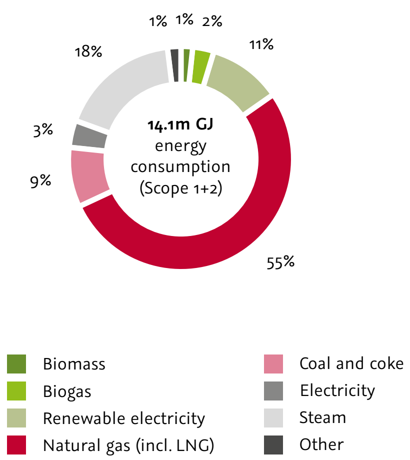
The blueprint for AGRANA's management of environmental and energy matters is its environmental policy, which follows the precautionary approach and underpins the avoidance or reduction of negative economic, environmental and social impacts of AGRANA's production and also includes a complaints process. It was revised in 2020|21 to reflect AGRANA's strategic goal of decarbonising its production 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 CO_2 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 it is only introduced nationally or in the EU and without corresponding

Energy consumption (Scope 1+2) of the AGRANA Group
Bar chart: total amounts, in million gigajoules (GJ)



Energy mix of the AGRANA Group in 2020|21



[1] Adjusted to correct a data collection error.

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" on page 88.

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+2).

The energy management systems at AGRANA's production sites provide the basis for, and support the monitoring of, decarbonisation. The energy management systems of about 37% of all AGRANA production facilities within the GRI reporting boundaries (see page 42) held an ISO 50001 certification in the financial year (prior year: 47.3%). This year-on-year decrease is mainly due to the planned changeover of the fruit juice concentrate business to ISO 14001 certification, which is more comprehensive in terms of other environmental aspects.

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 emissions.

Data on so-called Scope 3 emissions – for example, from the agricultural supply chain, transport, provision of energy supply, business travel or employee mobility – have not been captured in a structured manner to date, as they are difficult to measure or obtain internationally and in some cases (such as business travel) only contribute relatively little to the CO_2 footprint compared to Scope 1 and 2. To help determine a comprehensive corporate carbon footprint as a basis for the further development of AGRANA's climate strategy, the determination of Scope 3 emissions will be a focus of work in the coming financial years.

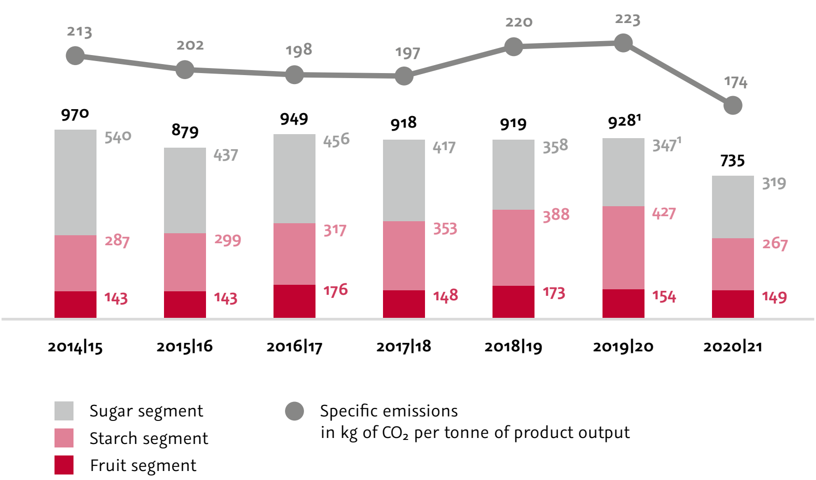
Decarbonisation strategy 2040

For all AGRANA business segments, the 2020|21 reporting year marked the end of the first target period for energy targets relevant to their operations. Target achievement is presented in the respective segment reports (see from pages 61, 68 and 73).

As the AGRANA energy targets for the period from 2014|15 to 2020|21 did not yet address the targets of the Paris climate accord, AGRANA worked intensively in the year under review to develop a decarbonisation strategy in accordance with the currently known requirements of the European Green Deal and the Austrian energy and climate plan, which provide for CO_2 neutrality by 2050 and 2040, respectively.

Emissions (Scope 1+2) of the AGRANA Group

Bar chart: total amounts, in thousands of tonnes of CO_2



[1] Adjusted to correct a data collection error.

AGRANA is committed to the goal of decarbonising its production activities (Scope 1+2) by 2040. By 2050, greenhouse gas emissions from the upstream supply chain (Scope 3) are also to be avoided, in order to achieve net CO_2 neutrality along the entire value chain. The development of what are known as science-based targets that are consistent with the Paris Agreement on climate is an important focus of work on the path to climate neutrality.

To achieve this ambitious goal, AGRANA developed a phased plan in the year under review and already set a quantitative target for the first stage to 2025|26.

By 2025|26, AGRANA intends to invest about € 10 million per year to save 25% of the greenhouse gas emissions (Scope 1+2) caused by its production, relative to the base year 2019|20. Planned measures for this first decarbonisation stage are:

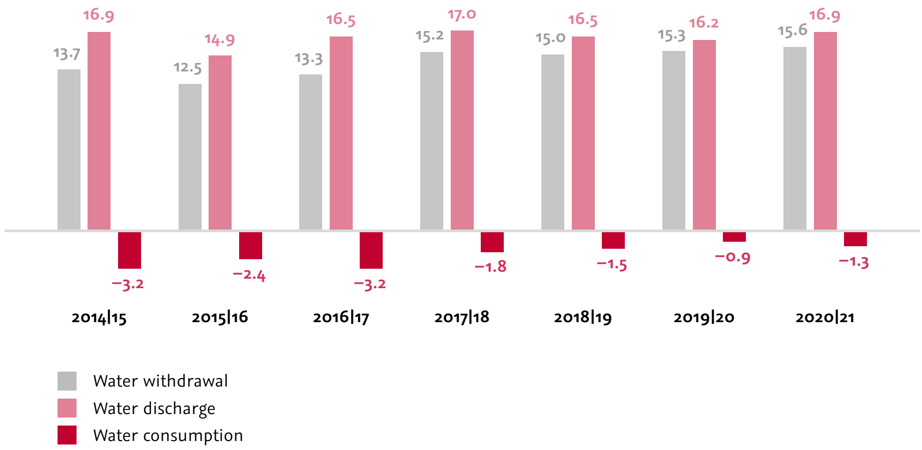
- A package of actions to switch to electricity from renewable sources (i.e., installation of photovoltaic systems on AGRANA's own production buildings and/or purchase of external green electricity), with implementation already begun in Austria in the 2020|21 financial year
- The phase-out of coal as an energy source at the last two coal-fired sugar production sites in Sereď, Slovakia (2021|22) and Opava, Czech Republic (2025|26)
- Implementation of 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 second stage from 2026|27 onwards, energy recovery from low-protein raw material residues could be added to the existing direct material use 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 75). 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+2) generated in its production during the processing of the raw materials used.

From 2025, in collaboration with its suppliers and partners, AGRANA will also seek to implement structured measures to reduce the greenhouse gas emissions generated in its supply chain (Scope 3 emissions) that it cannot directly influence.

Water consumption of the AGRANA Group

In millions of cubic metres



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 2020|21 financial year, based on these analytical tools, 13 of the AGRANA sites (or 24.1%) within the GRI report boundaries (see page 42), 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 (see from pages 63, 69, and 75).

In its quest for efficiency, AGRANA utilises the water contained in the agricultural raw materials for its processes. Its sugar factories (processing sugar beet) and apple juice concentrate plants respectively obtain about 75% and 85% of their process water needs from their raw materials and, after using and treating the water in accordance with all legal requirements, make it available again to other users. Overall, the AGRANA Group discharges more water than it withdraws and thus has a negative water consumption balance.

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, given that annual raw material processing quantities fluctuate. Some AGRANA segments had water withdrawal targets, relevant to their business activity, for the target period to the end of the 2020|21 financial year. Target achievement is presented in the respective segment reports (see from pages 63 and 75).

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
within the GRI reporting boundaries (see page 42)

	2020|21	2019|20[1]	2018|19
Total amount of waste	95,397 t	96,100 t	107,917 t
Of which hazardous waste	438 t	635 t	585 t
Waste per tonne of product output	22.6 kg	23.1 kg	25.9 kg
Of which hazardous waste	104 g	153 g	140 g

Based on total product output, hazardous waste in the 2020|21 financial year amounted to about 22.6 kilograms per tonne of product (core and by-products), of which 104 grams represented 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, from pages 64, 69 and 76).

Transport
Although the transport of raw materials and products only represents a comparatively small share of typically less than 10% of the carbon footprint of AGRANA products (varying with the calculation method and country), the Group strives to make transport activities that are within its sphere of influence as sustainable as infrastructural and economic constraints will allow.

Thus, the 2020|21 modal split for inbound and outbound logistics in the AGRANA Group was approximately 75.8% road, 18.3% rail and 5.9% water.

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.

[1] Adjusted to correct minor data collection errors.

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.

The employment relationships of about 70.5% of AGRANA employees[1] worldwide in 2020|21 fell under collective agreements. The interests of approximately 80.5% of staff 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 2020|21 financial year was defined by the Covid-19 pandemic. The Group was able to keep employee infection rates low, maintain operations at all sites[2] and ensure unrestricted deliveries to customers. AGRANA achieved this by adapting work processes through increased distancing and strengthened hygiene rules on the production side, remote-work arrangements for administrative staff to the extent possible, and in-house Covid-19 testing offered at many sites in the second half of the year.

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 2021, twenty-six of the AGRANA production sites (or 48.1%; prior year: 45.5%) 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 2020|21 regarding working conditions and human rights in relation to AGRANA employees are discussed in the section "AGRANA's people" (see from page 81).

Anti-corruption and anti-bribery – Compliance

The risks, management approaches and activities in 2020|21 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 25).

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 an absolute priority for AGRANA.

In addition to the local legal requirements for foods and feeds, AGRANA is guided by the international 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, under which it is externally certified.

The AGRANA quality management system seeks to identify and optimally fulfil the expectations and requirements of customers and other interested parties. It 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 safety and food defence. The most important standards in this respect globally for AGRANA are FSSC 22000 (Food Safety System Certification), ISO 22000 and IFS (International Food Standard). 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). The key standards for feed safety are GMP+ and the EFISC Feed Standard. Overall in the 2020|21 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.

[1] Calculated based on the average number of employees (headcount) within the GRI reporting boundaries (see page 42).
[2] Except for general, government-imposed regional closures of six working days each at the Indian production site in March 2020 and the Egyptian production site in June 2020.

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. No product recalls affecting end consumers were required in 2020|21.

Sustainable AGRANA products

In the prior, 2019|20 financial year, AGRANA undertook an assessment of its product portfolio based on the information then available on the unified classification system for environmentally sustainable economic activities[1] (known as the "EU taxonomy"). On this basis, the following AGRANA product categories were defined as potentially sustainable:

- Products certified to an organic standard
- Products whose raw materials fulfil the sustainability criteria of the FSA Gold or Silver standard
- Substitutes for products of fossil origin (e.g., bioethanol, and starches for use in bioplastics, cosmetics, and adhesives)
- Products made in a manner consistent with a circular economy (all feeds and fertilisers produced by AGRANA)

In summer 2020, the European Union adopted the EU taxonomy, which defines criteria for reporting sustainable "green" sales, investment and operating expenses. To be considered sustainable, economic activities must serve one of six environmental objectives – climate change mitigation, adaptation to climate change, sustainable use of water resources, transition to a circular economy, pollution prevention, and protection of ecosystems and biodiversity – without significantly compromising any of the other five. In addition, sustainable business activities should meet technical screening criteria, which are currently being developed for enactment as delegated acts. Although reporting under this taxonomy is to become mandatory from the 2021|22 financial year, it is still unclear which AGRANA products will be subject to which regulations and whether the product categories classified by AGRANA as potentially sustainable will actually be able to meet the requirements that will then apply (see the section "Risk management", subheading "Non-financial risks" on page 93).

Disseminating knowledge on nutrition and health

In 2020|21, media coverage on the subject of health was fully preoccupied with Covid-19. The topic of nutrition, including that of dietary sugar, took a back seat for much of the year under review.

The pandemic also limited AGRANA's engagement in knowledge transfer in the areas of general nutrition, lifestyle, energy balances and the properties of sugar in particular. Activity in this regard was restricted to providing support for initiatives such as those of the Forum for Nutrition Today ("Forum Ernährung heute"), the Austrian Nutrition Society ("Österreichische Gesellschaft für Ernährung") and 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 50).

Social consciousness forms an important pillar of AGRANA's corporate culture. Among other expressions of this, AGRANA Fruit México was again awarded the ESR[2] seal for its high degree of social engagement. Separately, employees of AGRANA Fruit México participated in the Volunteer Day initiative in the 2020|21 financial year to collect donations for people in need. As well, under a sponsorship programme, the AUSTRIA JUICE Group supported Team Rynkeby, an initiative whose bicycle tour raises money for critically ill children and their families.

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.

[1] Criteria for environmentally sustainable economic activities from the Proposal for a Regulation of the European Parliament and of the Council on the Establishment of a Framework to Facilitate Sustainable Investment, May 2018.
[2] Empresa socialmente responsable.

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
The 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)
Supplier Ethical Data Exchange (SEDEX)	AGRANA Beteiligungs-AG[1]	2009	Aim: promote sustainable social and environmental practices in the value chain; Members: about 60,000 companies 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: about 60,000 companies in 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	EU
Starch Europe	AGRANA Stärke GmbH	EU
SGF International E.V.	AUSTRIA JUICE GmbH	Worldwide
ePURE – European Renewable Ethanol	AGRANA Stärke GmbH	EU

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

Financial results

The consolidated financial statements for the 2020|21 financial year (the twelve months ended 28 February 2021) were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Changes in the scope of consolidation

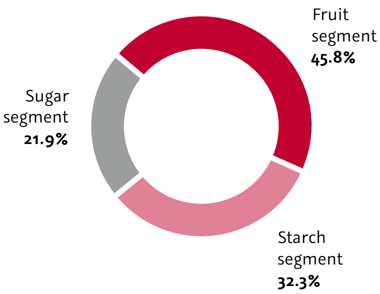
A detailed overview of the additions to and removals from the scope of consolidation is provided in the notes to the consolidated financial statements (from page 115). In total in the consolidated financial statements, 58 companies were fully consolidated (29 February 2020 year-end: 61 companies) and 13 companies were accounted for using the equity method (29 February 2020: 13 companies).

Revenue and earnings

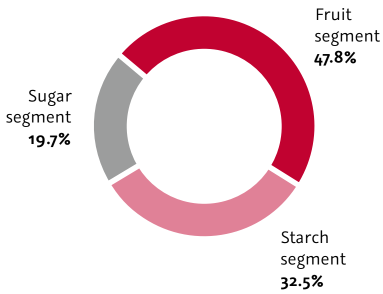
Consolidated income statement (condensed)		**2020|21**	**2019|20[1]**	**Change** % / pp
Revenue	€000	2,546,984	2,480,732	+2.7%
EBITDA[2]	€000	191,219	183,065	+4.5%
Operating profit before exceptional items and results of equity-accounted joint ventures	€000	73,113	73,136	0.0%
Share of results of equity-accounted joint ventures	€000	17,513	16,727	+4.7%
Exceptional items	€000	(11,935)	(22,924)	+47.9%
Operating profit [EBIT][3]	€000	78,691	66,939	+17.6%
EBIT margin	%	3.1	2.7	+0.4 pp
Net financial items	€000	(18,496)	(17,191)	−7.6%
Profit before tax	€000	60,195	49,748	+21.0%
Income tax expense	€000	(5,210)	(18,567)	+71.9%
Profit for the period	€000	54,985	31,181	+76.3%
Attributable to shareholders of the parent	€000	59,787	28,051	+113.1%
Earnings per share	€	0.96	0.45	+113.3%

The AGRANA Group's **revenue** of € 2,547.0 million in the 2020|21 financial year represented a slight increase from the prior year. While revenue in the Fruit segment (€ 1,166.6 million, down 1.6%) eased somewhat, Starch segment revenue (€ 821.9 million, up 1.8%) rose slightly and revenue in the Sugar segment (€ 558.5 million, up 14.4%) increased significantly.

Revenue by segment in 2020|21



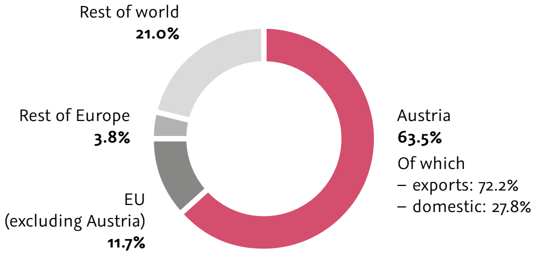
Revenue by segment in 2019|20



[1] The prior-year data have been restated under IAS 8. For details, see the Notes, page 114.
[2] EBITDA represents operating profit before exceptional items, results of equity-accounted joint ventures, and operating depreciation and amortisation.
[3] Operating profit (EBIT) is after exceptional items and results of equity-accounted joint ventures.

Subsidiaries based in Austria generated 63.5% (prior year: 56.7%) of Group revenue.

Revenue by region in 2020|21
based on location of company's registered office



Operating profit (EBIT) was € 78.7 million in 2020|21, an increase of 17.6% from the year before. The prior year's Group EBIT was corrected from € 87.1 million to € 66.9 million as a result of an impairment charge on the goodwill of the Sugar segment, with the write-down recognised in exceptional items (for details, see the notes to the consolidated financial statements, page 114). In the Fruit segment, EBIT decreased to € 41.2 million, a reduction of 26.3% driven primarily by a very significantly weaker performance in the fruit juice concentrate business. EBIT in the Starch segment declined by 13.8% to € 64.8 million owing to a challenging market environment faced especially in the financial fourth quarter of 2020|21. In the Sugar segment, higher sugar sales prices and volumes than in the prior year led to a significant improvement in the operating result, although in absolute terms, EBIT remained significantly negative at a deficit of € 27.3 million. Details on the share of results of equity-accounted joint ventures and on exceptional items can be found in the segment reports and the consolidated financial statements.

Net financial items in 2020|21 amounted to a net expense of € 18.5 million (prior year: net expense of € 17.2 million). While net interest expense improved by € 0.4 million, currency translation differences were somewhat more negative than in the prior year, by € 0.3 million. The moderate overall deterioration in net financial items was thus due to a negative change of € 1.4 million in other financial items, driven by higher commitment fees for committed but undrawn credit facilities and by annualised fees for renewals of syndicated and bilateral loans.

Net financial items		**2020|21**	**2019|20**	**Change**
				%
Net interest (expense)	€000	(7,977)	(8,409)	+5.1%
Currency translation differences	€000	(6,952)	(6,616)	–5.1%
Share of results of non-consolidated subsidiaries and outside companies	€000	22	18	+22.2%
Other financial items	€000	(3,589)	(2,184)	–64.3%
Total	€000	**(18,496)**	**(17,191)**	**–7.6%**

Profit before tax increased from the prior year's € 49.7 million to € 60.2 million. After an income tax expense of € 5.2 million, representing a tax rate of 8.7% (prior year: 37.3%), the Group's **profit for the period** was € 55.0 million (prior year: € 31.2 million). Profit for the period attributable to shareholders of AGRANA was € 59.8 million (prior year: € 28.1 million); earnings per share increased to € 0.96 (prior year: € 0.45).

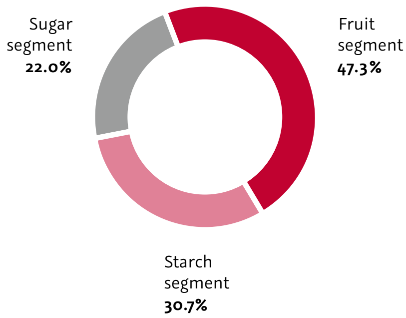
Investment

In 2020|21, AGRANA invested a total of € 72.3 million, or € 77.4 million less 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]		**2020|21**	**2019|20**	**Change** % / pp
Fruit segment	€000	34,185	56,495	−39.5%
Starch segment	€000	22,199	73,609	−69.8%
Sugar segment	€000	15,905	19,557	−18.7%
Group	€000	**72,289**	**149,661**	**−51.7%**
Depreciation and amortisation	€000	118,106	109,929	+7.4%
Investment coverage	%	61.2	136.1	−74.9 pp

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 2020|21



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

Cash flow

Consolidated cash flow statement (condensed)		2020|21	2019|20	Change %
Operating cash flow before changes in working capital	€000	198,825	187,831	+5.9%
Changes in working capital	€000	(14,620)	(52,982)	+72.4%
Interest received and paid and income tax paid, net	€000	(20,582)	(24,753)	+16.9%
Net cash from operating activities	€000	**163,623**	**110,096**	**+48.6%**
Net cash (used in) investing activities	€000	(79,646)	(155,578)	+48.8%
Net cash (used in)/from financing activities	€000	(59,454)	57,322	−203.7%
Net increase in cash and cash equivalents	€000	**24,523**	**11,840**	**+107.1%**
Effects of movements in foreign exchange rates on cash and cash equivalents	€000	(5,437)	(511)	−964.0%
Effect of IAS 29 on cash and cash equivalents	€000	(1,530)	(496)	−208.5%
Cash and cash equivalents at beginning of period	€000	93,415	82,582	+13.1%
Cash and cash equivalents at end of period	€000	**110,971**	**93,415**	**+18.8%**
Free cash flow[1]	€000	83,977	(45,482)	+284.6%

Operating cash flow before changes in working capital was up € 11.0 million year-on-year at a new total of € 198.8 million. After a mainly inventory-driven, significantly smaller increase of € 14.6 million in working capital than a year ago (prior year: increase of € 53.0 million), net cash from operating activities rose to € 163.6 million (prior year: € 110.1 million). Net cash used in investing activities was € 79.6 million, a marked decrease from the prior year as a result of significantly lower outflows for purchases of property, plant and equipment and intangibles (prior year: net cash use of € 155.6 million). This also included the purchase price payment for the acquisition of the US company Marroquin Organic International, Inc., based in Santa Cruz, California, by AGRANA Stärke GmbH. Net cash used in financing activities amounted to € 59.5 million and was driven above all by the dividend payment (prior year: net cash from financing activities of € 57.3 million, primarily reflecting the raising of a Schuldscheindarlehen, or bonded loan). Free cash flow returned to positive territory, at € 84.0 million (prior year: negative FCF of € 45.5 million).

Financial position

Consolidated balance sheet (condensed)		28 Feb 2021	29 Feb 2020[2]	Change % / pp
Non-current assets	€000	1,232,021	1,311,814	−6.1%
Current assets	€000	1,240,713	1,217,519	+1.9%
Total assets	€000	**2,472,734**	**2,529,333**	**−2.2%**
Equity	€000	1,329,097	1,367,021	−2.8%
Non-current liabilities		597,415	565,291	+5.7%
Current liabilities	€000	546,222	597,021	−8.5%
Total equity and liabilities	€000	**2,472,734**	**2,529,333**	**−2.2%**
Net debt	€000	443,524	464,012	−4.4%
Gearing ratio[3]	%	33.4	33.9	−0.5 pp
Equity ratio	%	53.8	54.0	−0.2 pp

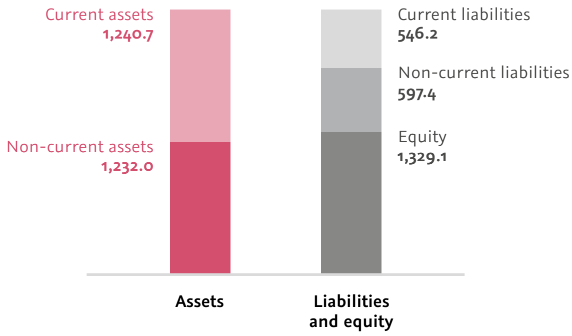
[1] Total of net cash from operating activities and net cash used in investing activities.
[2] The prior-year data have been restated under IAS 8. For details, see the Notes, page 114.
[3] Ratio of net debt to total equity.

Total assets at 28 February 2021 were € 2,472.7 million, a decrease of € 56.6 million from the year-earlier level.

Non-current assets declined moderately, by € 79.8 million, as a result mainly of depreciation that significantly exceeded investment. Current assets rose slightly, by € 23.2 million, with inventories marginally reduced while trade receivables saw a slight increase.

Balance sheet structure at 28 February 2021

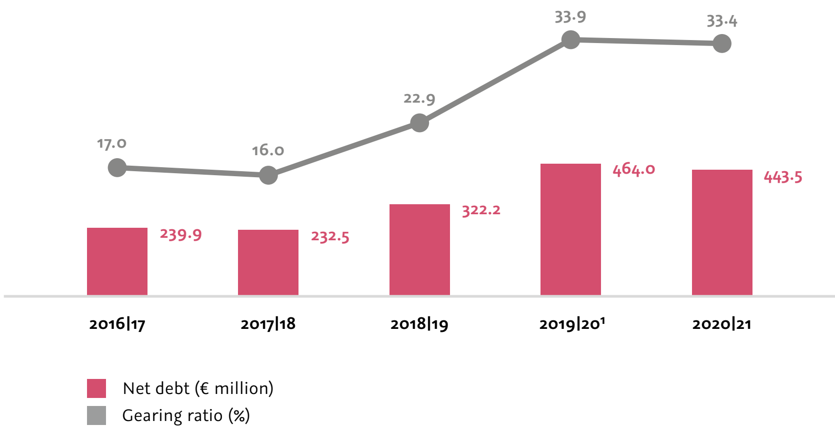
€ million



AGRANA's equity ratio of 53.8% was 0.2 percentage points below that of one year earlier. Non-current liabilities rose moderately, by € 32.1 million, due primarily to an increase in long-term borrowings. Current liabilities fell by € 50.8 million as a result of reduced current borrowings.

Net debt as of 28 February 2021, at € 443.5 million, was down € 20.5 million from the 2019|20 year-end level. The gearing ratio was thus 33.4% at the balance sheet date (29 February 2020: 33.9%).

Net debt and gearing ratio



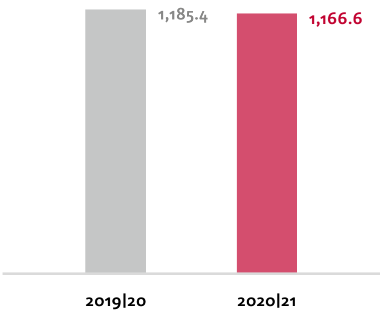
[1] The prior-year data have been restated under IAS 8. For details, see the Notes, page 114.

To fund the working capital requirements, AGRANA in the 2020|21 for the first time obtained a "green" revolving credit facility, with a limit of € 250 million and a basic term of three years. Featuring an interest component that is tied to an ESG rating[1], the facility includes a renewal option for a further two years. As well, two low-interest loans of € 50 million and € 26 million were raised through the TLTRO[2] refinancing programme of the European Central Bank, both with a term of three years.

Segment financial results

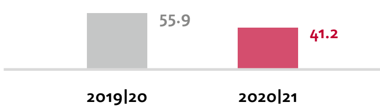
Revenue in the Fruit segment

€ million



EBIT in the Fruit segment

€ million



The **Fruit** segment's revenue in 2020|21 was € 1,166.6 million, or slightly below the year-earlier level. Revenue on the fruit preparations side of the business eased somewhat, for sales volume reasons. Thus, AGRANA Fruit's revenue increased in the Europe and North America regions, while the other regions experienced a slight decrease. In the fruit juice concentrate activities, revenue remained steady, as higher apple juice concentrate prices for product from the 2019 and 2020 crop were offset by lower sales volumes. The Fruit segment was responsible for 45.8% of Group revenue (prior year: 47.8%).

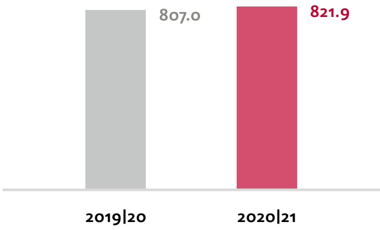
EBIT was € 41.2 million, representing a decrease of 26.3% from one year earlier. The causes of the deterioration lay in the fruit juice concentrate business, where reduced delivery volumes were coupled with lower contribution margins of apple juice concentrate produced from the 2019 and 2020 crop, as well as with idle-capacity costs. The fruit preparations business, overcoming numerous challenges, significantly surpassed its year-earlier profitability in terms of operating profit before exceptional items and before results of equity-accounted joint ventures. This was achieved, among other ways, through savings in administration and an improvement in results in Mexico and North America. At EBIT level, the Fruit segment registered only a moderate increase, due to a net exceptional items expense of € 10.9 million.

Further details on the results in the Fruit business are given in the segment report from page 59.

[1] ESG stands for "environmental, social and governance". The ESG rating is a measure of how sustainable a company or financial product is, i.e., to what extent ESG criteria are implemented in it.
[2] Targeted longer-term refinancing operations.

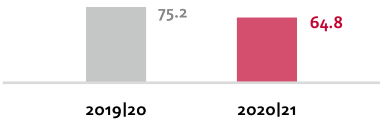
Revenue in the Starch segment

€ million



EBIT in the Starch segment

€ million



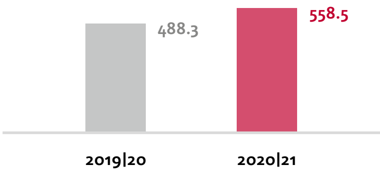
Revenue in the **Starch** segment rose slightly in the 2020|21 financial year, by 1.8% to € 821.9 million. Volume and revenue growth was achieved for wheat starch, through the capacity expansion in Pischelsdorf, Austria. At the same time, market demand for almost all core products eased, leading to higher pressure on prices. Reflecting the impact of the Covid-19 pandemic, ethanol quotations were highly volatile. Revenue with by-products increased slightly on higher wheat gluten sales. The Starch segment accounted for 32.3% of the Group's revenue (prior year: 32.5%).

With EBIT of € 64.8 million, the Starch segment's operating profit came in 13.8% below that of the previous year. While the margins on the core products narrowed amid reduced market demand, the purchase prices for raw materials and energy were in line with the prior year. As a consequence of the larger investments in the last several financial years, depreciation and personnel costs also increased. The earnings contribution of the equity-accounted HUNGRANA group rose from € 16.3 million to € 19.4 million. Although the Hungarian joint venture also recorded price declines for saccharification products and alcohols, currency effects from exports transacted in euros had a positive impact on the result. On balance, the EBIT profit margin of the Starch segment in 2020|21 dipped to 7.9%, from 9.3% in the prior year.

Further details on the results of the Starch business are provided in the segment report from page 65.

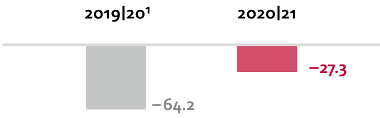
Revenue in the Sugar segment

€ million



EBIT in the Sugar segment

€ million



In 2020|21, revenue in the **Sugar** segment grew by a significant 14.4% to € 558.5 million. Both higher sugar selling prices and increased sugar sales volumes led to this growth. By-product revenue also exceeded the prior-year level. The Sugar segment generated 21.9% of the Group's revenue (prior year: 19.7%).

[1] The prior-year value has been restated under IAS 8. For details, see the Notes, page 114.

Although the 2020|21 EBIT result was still negative at a deficit of € 27.3 million, it marked a substantial improvement year-on-year thanks to a more benign sales price environment and the higher quantities sold. The 2020 campaign once more entailed high idle-capacity costs, as the beet harvest was again poor, due in part to drought and pest infestation in Austria. The EBIT contribution of the equity-accounted AGRANA-STUDEN group was € 0.2 million (prior year: € 0.6 million) and that of Beta Pura GmbH was a deficit of € 2.1 million (prior year: deficit of € 0.2 million). Sugar EBIT in 2020|21 also included a net exceptional items expense of € 0.2 million. In the prior year, the net exceptional items expense was € 20.9 million, due primarily to a retrospective goodwill write-down (for details, see the Notes, page 114).

Further details on the results in the Sugar business are given in the segment report from page 70.

Events after the balance sheet date

No significant events occurred after the balance sheet date of 28 February 2021 that had a material effect on AGRANA's financial position, results of operations or cash flows.

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

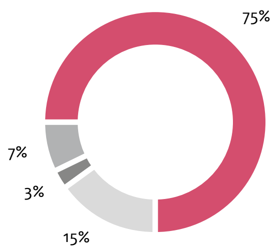
Raw materials processed
Fruits (leading raw material for fruit preparations: strawberry; raw materials for fruit juice concentrates: apples and berries)

Key markets
Marketed worldwide

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

Special strengths
Custom-designed, innovative products

Revenue by product group in 2020|21



- Fruit preparations (dairy and non-dairy)
- Fruit juice concentrates
- Other juice core products (compounds, NFC, fruit wines, etc.)
- Fruit reselling, frozen fruits, etc.

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 19 countries for fruit preparations, and 15 plants in seven countries for the production of apple and berry juice concentrates.

Revenue and earnings

Fruit segment		2020|21	2019|20	Change % / pp
Total revenue	€000	1,167,600	1,186,347	–1.6%
Inter-segment revenue	€000	(1,029)	(890)	–15.6%
Revenue	€000	1,166,571	1,185,457	–1.6%
EBITDA[1]	€000	94,034	101,090	–7.0%
Operating profit before exceptional items and results of equity-accounted joint ventures	€000	52,882	58,002	–8.8%
Exceptional items	€000	(11,723)	(2,070)	–466.3%
Operating profit [EBIT]	€000	41,159	55,932	–26.4%
EBIT margin	%	3.5	4.7	–1.2 pp
Investment[2]	€000	34,185	56,495	–39.5%
Number of employees (FTE)[3]		5,695	6,194	–8.1%

Revenue in the fruit preparations business edged lower by just under 2%, as a result mainly of slightly reduced overall sales volumes.

This came as AGRANA Fruit's revenue increased in Europe and North America, but decreased in the other regions due mainly to the pandemic. The extent of the reduction relative to the prior year was significant in South America, in Russia and in the Dirafrost business.

An analysis of sales volume by product category indicates declines for the non-dairy fruit preparations[4] as well as in fruit reselling and in frozen fruit. The quantities sold into the dairy sector remained steady.

In terms of earnings, the fruit preparations business achieved moderate growth. First of all, savings in administration had a positive impact on the bottom line. Second, a good business performance in Mexico (where margins in primary processing increased) and in North America (through volume growth) also was beneficial for operating earnings. A factor which detracted from EBIT in the fruit preparations activities was a net exceptional items expense of € 10.9 million (prior year: net expense of € 2.1 million). These one-off effects consisted of expenses related to a cost-saving programme, a property, plant and equipment write-down in Egypt, and provisions for a product complaint in Europe.

[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.
[4] The "non-dairy" product segments are ice-cream, bakery, and food service.

The sale of the plant in Coronda, Argentina, which was shut down some time ago, in the 2018|19 financial year, was successfully and definitively completed in August 2020. As well, the former Dirafrost plant in Yube, Serbia, was divested in September 2020.

Revenue in the fruit juice concentrate business was steady in 2020|21 (up 0.5%) compared to the year before. Higher apple juice concentrate prices for product from the 2019 and 2020 crop coincided with lower sales volumes.

Smaller harvest volumes during the 2020 apple campaign led to severely limited raw material availability for AUSTRIA JUICE, with high prices in the European main crop production countries of Poland and Hungary.

In the fruit juice concentrate business, the significant reduction in EBIT from the prior year was due to a poorer margin and sales volume situation and the considerably reduced capacity utilisation of the plants in the 2020 processing season. The EBIT result also included a net exceptional items expense (€ 0.8 million) for the impending closure of one of five plants in Hungary.

Market environment

The trajectory of **AGRANA Fruit's** main market is being slightly negatively affected by the Covid-19 pandemic. Current forecasts by Euromonitor call for average annual volume growth of just under 1% to 2024 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 close to 2%, and in the Middle East and Africa at 4.5% per year. Globally, the category of drinkable yoghurts is projected to have significantly higher average annual growth of 5.3% over the same period. Besides the yoghurt market, ice-cream and bakery are significant product categories 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 2024. In Australia and New Zealand, this market is even expected to expand at a markedly higher rate of about 4% p.a. In the bakery category, the product group of biscuits, snack bars and fruit snacks is particularly relevant. It is forecast to grow at a global rate of approximately 2% p.a. to 2024.

The market environment for fruit preparations is determined by consumer trends in the global markets for, especially, dairy products, ice-cream and bakery. The top trends continue to revolve around naturalness, sustainability, health, pleasure and convenience. The Covid-19 pandemic is having a profound impact on many of these consumer trends. For example, demand is growing for comfort foods, i.e., foods that convey a combined feeling of pleasure, security and nostalgia. More than before, consumers are also focusing on the health theme. At the same time, the global recession is driving a demand trend towards lower-priced and simpler products.

The **fruit juice concentrate** business remains subject to the trends in favour of 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. **AUSTRIA JUICE** addresses this trend with its strategic emphasis on the increased production of beverage bases and aromas.

Demand from the European food retail sector for apple juice concentrate at first rose significantly as a result of the first lockdown in spring 2020, but then declined continually in the summer months. Faced with renewed Europe-wide lockdowns in autumn 2020, customers were slow in their contracting during the 2020 campaign.

In the food service market for juices and concentrates, in general, there were sharp slumps in demand during the 2020|21 financial year. Although the summer months brought a slight improvement, the renewed lockdowns in connection with the Covid-19 crisis led to a pattern of hesitant contract-closing behaviour on the part of buyers in this area as well.

The apple quantities available for the 2020 campaign were well below expectations and the associated higher raw material prices could only partially be passed through to the market.

The berry juice campaign conducted in the period under review was likewise characterised by uncertainty for customers regarding the further business trajectory. The market environment was challenging, especially for cherry and raspberry, and this translated into margins below those of the prior year.

Impacted by Covid-19, sales volumes of beverage bases were lower than expected. The positive sales trend in the segment of natural aromas continued in 2020|21. At the beginning of the coronavirus pandemic, by producing disinfectants at its plant in Kröllendorf, Austria, AGRANA made an important contribution to meeting the locally increased demand for these products, which was also positively reflected in earnings.

Sustainability in the Fruit segment

Fruit preparations
Targets in the supply chain by 2025|26
- 20% of processed fruit volume to have FSA Silver or equivalent certifications

Environmental targets by 2025|26
- Total energy consumption of 1.95 GJ per tonne of product[1]

✔ Water withdrawal of 4.24 m³ per tonne of product[1] (4.09 m³ in 2020|21)

Fruit juice concentrates
Overall target by 2030
- 100% sustainable sourcing, production and trading in compliance with the Sustainable Juice Covenant

Status in the supply chain
✔ SAI FSA audits in Hungary and Poland confirmed at least Silver level (about 27% of processed raw material volume)

Environmental targets by 2020|21
✘ Direct and indirect energy consumption of 3.43 GJ per tonne of product

✘ Water withdrawal of 4.21 m³ per tonne of product

Value chain
wsk.agrana.com/en/fruit

Raw materials and production

In 2020|21, about 384,000 tonnes of raw materials were purchased for the **fruit preparations** activities. The average raw material prices for fruits and ingredients were up slightly overall from the prior year. Price increases were incurred mainly for berries (raspberry and blackberry) and tropical fruits (mango and pineapple).

At about 70,000 tonnes purchased, strawberry was the principal fruit for fruit preparations. Despite lower available raw material volumes due to suppliers' limited processing capacity in connection with the Covid-19 crisis in the regions with a Mediterranean climate, AGRANA was able, on average across all procurement regions, to purchase strawberry at a price that was in line with the prior year.

The second most important fruit by processing volume for fruit preparations was peach, at approximately 23,000 tonnes. The main peach sourcing markets for the AGRANA fruit preparations sites worldwide were the southern European fruit-growing regions of Greece and Spain, followed by China. Average prices were slightly below the prior-year level.

Blueberry ranked third with a processing volume of almost 14,000 tonnes. Canadian blueberries were up significantly in price as a result of persistent drought in the summer months and high demand from the fresh market. However, the average price paid for blueberry was kept at the year-ago level, partly by substituting European varieties.

In tropical fruits, a Covid-19-induced significant decline in supply of mango puree from India caused prices to rise by as much as 12% from the year before.

In the **fruit juice concentrate** business, available supplies of apples in the foremost European processing regions (Poland and Hungary) were significantly below the long-term average harvest volumes, only reaching the low level of the prior year. The Chinese apple crop was satisfactory.

The berry processing season for concentrate production was on the whole marked by limited available volumes of the principal fruits. The prices for the most important fruit categories (strawberry, sour cherry and black currant) were above those of the prior year.

Engagement in the upstream value chain

Supplier environmental and social assessment

In the prior financial year, as part of the development of a new business strategy for the fruit preparations activities for the period to 2025, AGRANA also analysed the procurement of fruit and other raw materials and redefined the database.

In the 2020|21 financial year, 17.9% (prior year: 16.7%) 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 fruits processed worldwide, 9.0% had a sustainability certification (prior year: 5.6%); as in the previous years, these were largely organic certifications. The target under the strategy of the fruit preparations business for the period to 2025 is to increase the proportion of processed fruit with a sustainability certification to 20%. To document compliance with sustainability criteria for raw materials from conventional cultivation, the Farm Sustainability Assessment (FSA) is used in the fruit preparations business, too, as are programmes that are FSA-equivalent under the benchmarking system of the Sustainable Agriculture Initiative Platform (see from page 43 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 page 48). In the 2020|21 financial year, both the basis for supplier risk assessment and the SEDEX questionnaire were changed. At the end of the reporting year, the fruit preparations business had SEDEX data (and audit documents where applicable) for 67.9% of the processed raw material volume.

[1] The target applies to the fruit preparations plants (excluding primary processing facilities) within the 2018|19 GRI reporting boundaries (see 2018|19 annual report).

By 2025|26, the fruit preparations business plans to obtain valid SEDEX data for supplier evaluation for at least 90% of the fruit volume processed each year.

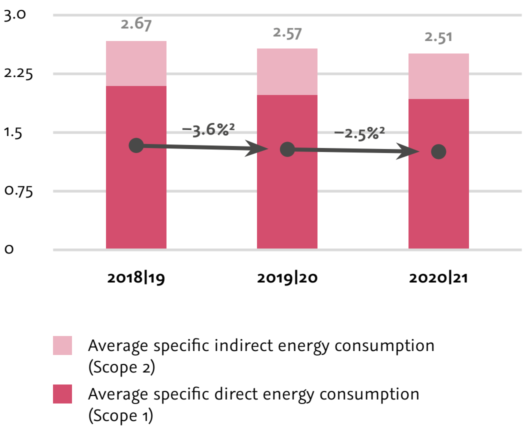
Regenerative agriculture in fruit farming
In the 2020|21 financial year, the fruit preparations business launched a project on regenerative agriculture focusing on the cultivation of fruits for which there is a lack of globally recognised specifications for regenerative production to date. Regenerative 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 measurability schedules for the various measures in the three fruit categories were developed and aspects of geographic transferability to different regions or countries were addressed. The first pilot projects to put these guidelines into practice are planned for the 2021|22 financial 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 begun in Poland in 2007. In the 2020|21 financial year about 14% (prior year: 8%) of all apples processed by AUSTRIA JUICE into apple juice concentrate worldwide came from these two projects.

Average energy consumption (Scope 1+2) in processing operations at AGRANA's fruit plants[1]
In gigajoules (GJ) per tonne of core and by-products



Average emissions (Scope 1+2) from processing operations at AGRANA's fruit plants[1]
In kg of CO_2 per tonne of core and by-products

[1] See GRI reporting boundaries, page 42.
[2] Percentage change based on average specific energy consumption (Scope 1+2) per tonne of core and by-products.
[3] Percentage change based on average specific emissions (Scope 1+2) per tonne of core and by-products.

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 43). 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. 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. Based on the results, AUSTRIA JUICE has been able to advertise at least FSA Silver level for all Polish contract growers of resistant varieties. Under the three-year FSA verification cycle, Polish growers producing resistant apple varieties and other direct suppliers of apples and various berries will participate in re-verification audits in 2021.

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 27% (prior year: 15.5%) of its raw material processing volume.

Environmental and energy aspects of AGRANA's production

Energy consumption and emissions in processing

The average specific total direct energy consumption per tonne of product (both core and by-products) in the Fruit segment declined by about 2.5% in the year under review compared to the prior year (see chart on page 62). While the specific total energy consumption in the fruit preparations business remained constant, the fruit juice concentrate business was able to reduce its total energy consumption per tonne of product output by 5.3%.

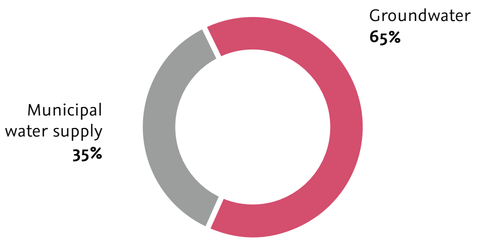
The average specific emissions (Scope 1+2) per tonne of product (core and by-products) in the Fruit segment were reduced by about 1.7% compared to the prior year (see chart on page 62). A slight increase on the fruit preparations side was more than offset in the fruit juice concentrate activities through energy efficiency measures.

To help achieve the Group-wide AGRANA climate goal of decarbonising the production activities by 2040 (for details, see from page 45), the fruit preparations business plans to reduce its emissions (Scope 1+2) by about 4% in absolute numbers by 2025|26 compared to 2019|20 levels. The fruit juice concentrate business will lower its emissions (Scope 1+2) by about 29% in absolute terms by 2025|26 from 2019|20 levels.

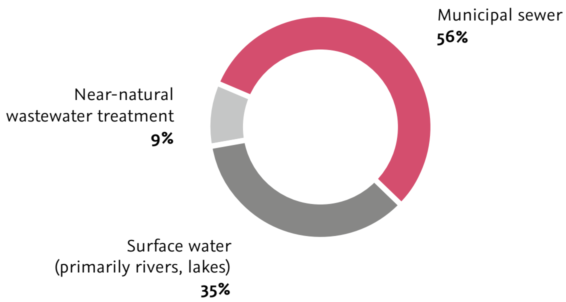
Water consumption in processing operations
at AGRANA's fruit plants
within the GRI reporting boundaries (see page 42)

Fruit segment In m³ per tonne of core and by-products	**2020|21**	**2019|20**	**2018|19**
Water withdrawal	4.70	4.72	4.29
Water discharge	4.37	4.67	4.16
Water consumption	**0.33**	**0.05**	**0.13**

Water withdrawal at AGRANA's fruit plants in 2020|21 by source¹



Receiving waters for the wastewater of AGRANA's fruit plants in 2020|21¹



[1] See GRI reporting boundaries, page 42.

The average specific water consumption in the Fruit segment in the year under review was 0.33 cubic metres (330 litres) of water per tonne of product output. The risk analysis performed for the AGRANA sites in 2019|20 regarding water withdrawal and discharge, using the WWF Water Risk Filter and the Aqueduct Water Risk Atlas (for details, see from page 45), 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. While here too, 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, and the water withdrawal targets for 2020|21 therefore could not be achieved, fruit juice concentrate plants are valued in all municipalities for their water discharge.

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. Although none of the AGRANA fruit preparation 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 order to raise awareness at each site, build a meaningful database, and set water consumption targets where appropriate.

Waste from processing operations
at AGRANA's fruit plants
within the GRI reporting boundaries (see page 42)

Fruit segment	**2020|21**	**2019|20[1]**	**2018|19[1]**
Waste disposed	30,061 t	30,272 t	35,810 t
Of which hazardous waste	258 t	268 t	343 t
Waste per tonne of product	34.5 kg	34.1 kg	37.8 kg
Hazardous waste per tonne of product	296 g	302 g	362 g

In the Fruit segment, the absolute and specific quantities of waste per tonne of product output remained almost constant. Specific hazardous waste per tonne of product fell by about 2% in the Fruit segment compared to the prior year.

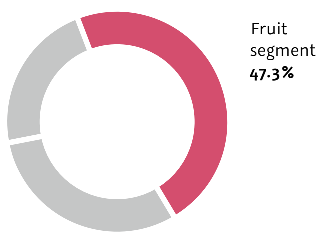
EcoVadis
In the 2020|21 financial year, AUSTRIA JUICE GmbH updated its sustainability data for the purposes of EcoVadis, the international supplier evaluation platform. It again received Gold recognition.

Investment

Capital expenditure in the Fruit segment in 2020|21 amounted to € 34.2 million (prior year: € 56.5 million). The various capex projects across all 41 production sites related primarily to new production lines and continual improvements, as well as asset replacement and maintenance investment. The following individual investments were carried out, among others:

- Effluent treatment in Jacona, Mexico
- Expansion of the warehouse for finished product in Chung-Buk, South Korea
- New production line in Lysander, New York, USA
- New production line in Central Mangrove, Australia

Share of Group investment in 2020|21



[1] Adjusted to correct data collection errors.

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) – and AGRANA TANDAREI S.r.l. with a plant in Romania (corn processing). 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 (one plant in Hungary, where starch products, saccharification products and bioethanol are manufactured). The joint ventures are included in the consolidated financial statements using the equity method of accounting.

Financial results

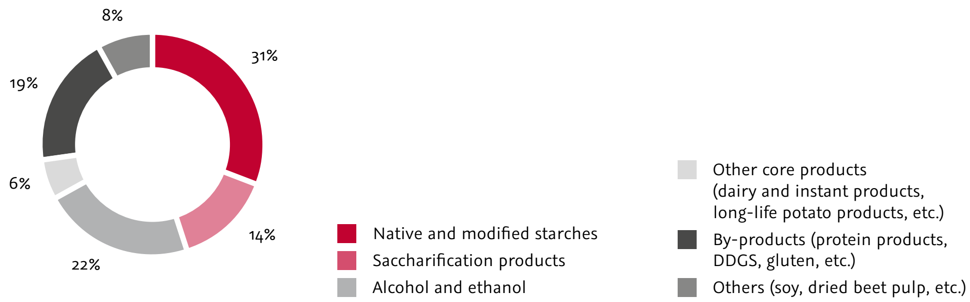
Starch segment		2020|21	2019|20	Change % / pp
Total revenue	€000	831,867	816,802	+1.8%
Inter-segment revenue	€000	(9,975)	(9,805)	−1.7%
Revenue	€000	821,892	806,997	+1.8%
EBITDA[1]	€000	92,117	93,885	−1.9%
Operating profit before exceptional items and results of equity-accounted joint ventures	€000	45,402	58,817	−22.8%
Share of results of equity-accounted joint ventures	€000	19,400	16,341	+18.7%
Operating profit [EBIT]	€000	64,802	75,158	−13.8%
EBIT margin	%	7.9	9.3	−1.4 pp
Investment[2]	€000	22,199	73,609	−69.8%
Number of employees (FTE)[3]		1,149	1,087	5.7%

The Covid-19 pandemic was a key factor affecting the markets served by the Starch segment, as well. A primary objective was to maintain supply chains and production throughout and ensure the deliveries to customers.

In a highly volatile business environment, revenue rose slightly to € 821.9 million. A moderate increase in sales volumes was achieved for the principal products, while weaker demand weighed heavily on prices. Market demand for starches in particular, but also for saccharification products, declined as a result of Covid-19. The Platts quotations for bioethanol averaged € 585 per cubic metre over the year, or about € 35 less than in the year before. Revenue with by-products manufactured in-house increased, due mainly to higher sales volumes of wheat gluten. Revenue from resold animal feedstuffs was down for volume reasons.

Raw material costs rose, largely because the wheat processing volume in Pischelsdorf, Austria, was higher. Raw materials from the 2019 harvest were purchased at long-term average prices. For the 2020 grain crop, prices were at the – expected – level of the prior year until late autumn 2020,

Revenue by product group in 2020|21



[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.

but rose significantly from then. Moderately higher staff costs and significantly higher depreciation were primarily attributable to the capacity expansion in Pischelsdorf. Overall, EBITDA of € 92.1 million was achieved in the Starch segment, slightly below the prior-year level. Operating profit before exceptional items and results of equity-accounted joint ventures was € 45.4 million, or 22.8% less than one year earlier.

In 2020|21, revenue of the HUNGRANA group, the joint venture in Hungary, was flat year-on-year at € 287.2 million. For saccharification products, the market environment remained difficult and led to considerable reductions in sales prices and volumes. In the bioethanol business, ethanol quotations declined from the prior year. Positive earnings effects were achieved through exchange rate gains on exports priced in euros. On balance, the HUNGRANA group generated EBIT of € 45.4 million (prior year: € 39.7 million). Its profit after tax was € 38.8 million (prior year: € 32.6 million), of which one-half, or € 19.4 million (prior year: € 16.3 million), was attributable to AGRANA's Starch segment.

At the beginning of the financial year, AGRANA Stärke GmbH acquired the Santa Cruz, California-based company Marroquin Organic International, Inc. This trading company specialising in organic products serves B2B customers and sources much of its product portfolio from AGRANA. The new subsidiary is included in the Group accounts since 1 March 2020, by full consolidation.

Market environment

The Covid-19 pandemic affected almost all served markets for starch products. This included impacts on aspects ranging from the plannability of business, to new product developments, all the way to approvals at new customers and cancellations of sales fairs.

In the food sector, there was a clear shift away from a food service and tourism orientation and towards classic B2C/retail demand. Saccharification products remained under heavy volume and price pressure in the reporting period. Due to the uncertain situation, new impetus for the market was largely absent.

Potato starch prices are under pressure due to an above-average European potato harvest and the resulting high availability.

In the infant formula segment, a number of new customers were acquired in addition to existing business. The launch of a baby formula product in the US market was successful, while sales in Asia were difficult.

In the technical starch business (i.e., non-food starches), sales to the packaging paper industry trended upward. Particularly in the fourth quarter of the financial year, demand increased as a result of growth in online commerce. Demand for graphic paper grades, on the other hand, was down significantly.

The business performance in animal feed was very encouraging. Prices of ActiProt® in particular rose due to the reduced availability of canola meal and sunflower meal. Higher prices were also received for vital wheat gluten and corn gluten.

During the first lockdown from March 2020, the European fuel alcohol market saw consumption fall by more than 40%. As a result, ethanol quotations came under severe pressure and marked an all-time low of € 350 per cubic metre (FOB Rotterdam). In the first quarter of 2020|21, in spite of numerous cancellations and postponements of ethanol purchases by existing customers, volume losses were largely offset by AGRANA's rapid maximisation of sales into the disinfectant sector. After the subsequent loosening of Covid-19 restrictions and the resurgence of private transport from the summer, ethanol demand also rose again significantly. The combination of the increase in required ethanol content of fuel blends in the EU under the Renewable Energy Directive and delayed ethanol imports exacerbated the shortage in Europe and pushed quotations to a historic high of over € 800 per cubic metre in August. From autumn 2020 on, with renewed mobility restrictions, ethanol quotations fell significantly again, settling at around € 500 per cubic metre from December 2020. In the short term, developments going forward are very much linked to the extent and timing of the loosening of restrictions. For the medium term, the recently announced introduction of E10 in the UK in the autumn of 2021 will provide an additional boost to demand.

Raw materials and production

World grain production in the 2020|21 grain marketing year (1 July to 30 June) is estimated by the International Grains Council (IGC) at 2.22 billion tonnes[1], which marks an increase from the prior year's level, but is slightly less than the expected consumption. Global wheat production is forecast at 773 million tonnes (prior year: 762 million tonnes), compared to expected consumption of 756 million tonnes. The world's corn production is projected at 1,134 million tonnes (prior year: 1,125 million tonnes), versus expected consumption of 1,163 million tonnes. Total grain stocks at the end of the marketing year are estimated to ease to about 611 million tonnes, a reduction of 6 million tonnes from one year earlier.

[1] IGC forecast of 25 February 2021.

Grain futures prices in the first half of the 2020|21 financial year moved sideways. From mid-August to the end of the financial year, prices rose sharply. At the 2020|21 year-end, the prices on the commodity derivatives exchange in Paris (NYSE Euronext Liffe) were € 245 per tonne for wheat (prior year: € 188 per tonne) and € 226 per tonne for corn (prior year: € 166 per tonne).

Potatoes

In the 2020|21 campaign of 189 days (prior year: 161 days), the potato starch plant in Gmünd, Austria, processed about 322,300 tonnes of starch potatoes, a new all-time record for the facility. The processing volume of approximately 25,000 tonnes of food potatoes for the production of long-life potato products was somewhat above the prior-year level.

Corn and wheat

In 2020|21, AGRANA Stärke GmbH processed approximately 666,000 tonnes of corn (prior year: 759,000 tonnes) at the Austrian sites in Aschach and Pischelsdorf. The share of specialty corn (notably waxy corn and organic corn) was about 23%.

Wheat grinding volume at the Pischelsdorf facility for the production of wheat starch and bioethanol was raised to about 804,000 tonnes in 2020|21, an increase of around 38% compared to the year before. Of the 2020 crop, AGRANA secured about 97,000 tonnes of ethanol wheat and ethanol triticale in advance through delivery contracts with growers. As in the prior years, cultivation contracts for ethanol grains were offered for the 2021 crop.

At the HUNGRANA facility in Hungary, a steady total of about 1.0 million tonnes of corn was processed in 2020|21; the amounts for this equity-accounted joint venture are stated at 100% of the respective total. The plant in Romania processed about 72,000 tonnes of corn, a decrease of approximately 5% from the year before.

Engagement in the upstream value chain

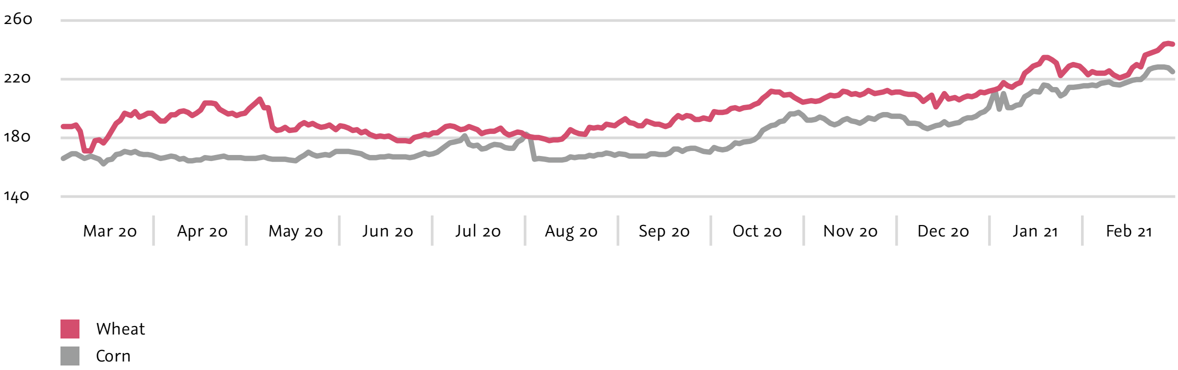
Supplier environmental and social assessment

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 43). In the 2020|21 financial year the recertification audits were held. One hundred per cent of the farms in the AGRANA Starch FMGs achieved at least FSA Silver level.

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.

Corn and wheat commodity prices during AGRANA's 2020|21 financial year

€ per tonne (NYSE Euronext Liffe commodity derivatives exchange in Paris)



Sustainability in the Starch segment

Status in the supply chain
✔ SAI FSA audits of contract potato production in Austria confirmed at least FSA Silver status

Environmental targets by 2020|21
✔ Cumulative savings of 91 GWh through efficiency measures in plants (from 2015|16)

Value chain
wsk.agrana.com/en/starch

Building awareness of good agricultural practice

As BETAEXPO, AGRANA's traditional event for raising awareness of good agricultural practices, had to be cancelled amid 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 held 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 about 30 participants each. 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

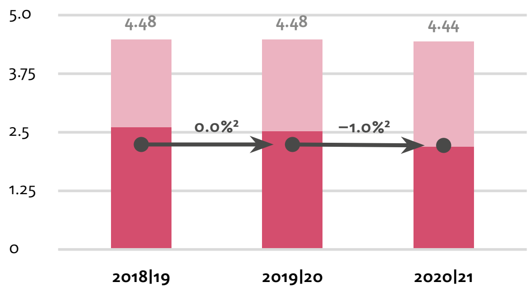
Energy consumption and emissions in processing

The average specific direct energy consumption (Scope 1) per tonne of core and by-products in the Starch segment fell by about 13.0% in the 2020|21 reporting period compared to the prior year. At the same time, average specific indirect energy consumption (Scope 2) changed to a similar degree in the opposite direction, rising by 14.6%. This was due to the increase in external electricity purchases, primarily as a result of the operation of the second wheat starch plant at the Pischelsdorf, Austria, site. On balance, the average specific total energy consumption (Scope 1+2) per tonne of product eased by about 1% year-on-year to 4.44 GJ.

The average specific emissions from direct and indirect energy consumption (Scope 1+2) per tonne of product fell sharply by about 42.7% from the prior year. The reason for this reduction was the strategic decision to procure electricity from renewable sources at all Austrian production sites. This action under AGRANA's climate strategy marked the first step towards decarbonising production activities by 2040 (for details, see from page 45). This switch to green electricity prevented some 149,000 tonnes of CO_2 emissions in the Starch segment alone compared with the prior year. In total, the Starch segment will reduce its emissions (Scope 1+2) by about 42% in absolute terms by 2025|26 compared to 2019|20.

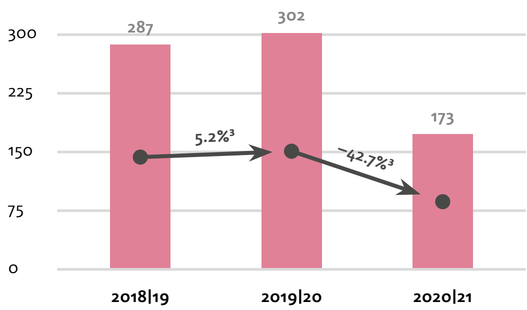
In the year under review the three Austrian starch manufacturing sites held a valid ISO 50001 certification.

Average energy consumption (Scope 1+2) in processing operations at AGRANA's starch plants[1]
In gigajoules (GJ) per tonne of core and by-products



Average specific indirect energy consumption (Scope 2)
Average specific direct energy consumption (Scope 1)

Average emissions (Scope 1+2) from processing operations at AGRANA's starch plants[1]
In kg of CO_2 per tonne of core and by-products



[1] See GRI reporting boundaries, page 42.
[2] Percentage change based on average specific energy consumption (Scope 1+2) per tonne of core and by-products.
[3] Percentage change based on average specific emissions (Scope 1+2) per tonne of core and by-products.

Water consumption in processing operations
at AGRANA's starch plants
within the GRI reporting boundaries (see page 42)

Starch segment In m³ per tonne of core and by-products	**2020|21**	**2019|20**	**2018|19**
Water withdrawal	4.56	4.59	4.86
Water discharge	4.08	4.00	4.22
Water consumption	**0.48**	**0.59**	**0.64**

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.

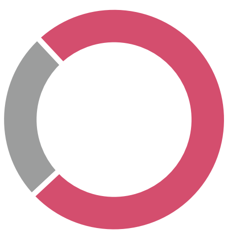
The average specific water consumption per tonne of product output (core and by-products) in the Starch segment during the 2020|21 reporting period was about 0.48 cubic metres (480 litres), a reduction of 18.6% compared to the prior year.

At AGRANA's starch factories, 100% of the wastewater discharged in 2020|21 was released into surface waters (specifically, rivers).

Waste from processing operations
at AGRANA's starch plants
within the GRI reporting boundaries (see page 42)

Starch segment	**2020|21**	**2019|20**	**2018|19**
Waste disposed	30,608 t	27,218 t	28,474 t
Of which hazardous waste	43 t	55 t	52 t
Waste per tonne of product	19.8 kg	19.2 kg	21.1 kg
Hazardous waste per tonne of product	28 g	39 g	39 g

Water withdrawal at AGRANA's starch plants in 2020|21 by source[1]



The specific amount of waste from processing per tonne of product output in the Starch segment in the 2020|21 financial year, at a total of about 19.8 kilograms, remained in line with the prior years. The hazardous waste portion, included in this amount, was reduced by 28.2% to 28 grams per tonne of product output compared to the year before.

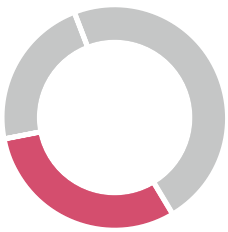
EcoVadis
In the 2020|21 financial year, AGRANA Stärke GmbH updated its sustainability data reported annually for the purposes of EcoVadis, the international supplier evaluation platform, and achieved a Silver rating.

Investment

The Starch segment invested € 22.2 million (prior year: € 73.6 million) during the 2020|21 financial year.
The following projects were carried out among others:

- Measures to increase specialty corn processing in Aschach, Austria
- Major overhaul of the spray drying towers in Gmünd, Austria
- Optimisation work at the wheat starch plant in Pischelsdorf, Austria
- Expansion of the starch derivatives plant in Aschach

Share of Group investment in 2020|21



Additionally, € 14.3 million (prior year: € 20.7 million) was invested in 2020|21 in the HUNGRANA companies (amounts for these equity-accounted entities are stated at 100% of the total).

[1] Within the GRI reporting boundaries (see page 42).

Sugar segment

Basics of the Sugar segment

Marketing relationship
B2B and B2C

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

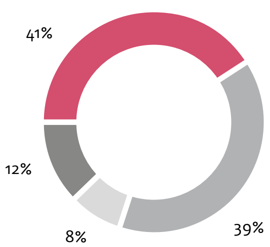
Raw materials processed
Sugar beet, and raw sugar from sugar cane

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

Revenue by product group in 2020|21



Sugar: Resellers
Sugar: Industrial customers
By-products (molasses, beet pulp, etc.)
Others (products of INSTANTINA, seed, services, etc.)

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 are included in the consolidated financial statements using the equity method of accounting.

Financial results

Sugar segment		2020|21	2019|20[1]	Change % / pp
Total revenue	€000	588,559	536,313	+9.7%
Inter-segment revenue	€000	(30,038)	(48,035)	+37.5%
Revenue	€000	558,521	488,278	+14.4%
EBITDA[2]	€000	5,068	(11,910)	+142.6%
Operating (loss) before exceptional items and results of equity-accounted joint ventures	€000	(25,171)	(43,683)	+42.4%
Share of results of equity-accounted joint ventures	€000	(1,887)	386	−588.9%
Exceptional items	€000	(212)	(20,854)	+99.0%
Operating (loss) [EBIT]	€000	(27,270)	(64,151)	+57.5%
EBIT margin	%	(4.9)	(13.1)	+8.2 pp
Investment[3]	€000	15,905	19,557	−18.7%
Number of employees (FTE)[4]		2,003	2,061	−2.8%

The overall sales volume of sugar products grew significantly in 2020|21 compared to the prior year, with differences between the various AGRANA sugar markets. While sales quantities with resellers and industrial customers in Hungary, the Czech Republic and Slovakia were stable year-on-year, sales volumes declined significantly in Austria, particularly in the industrial sector. Sales volumes in Romania and Bulgaria rose significantly relative to the prior year.

Since the beginning of the 2020|21 sugar marketing year, sugar selling prices continued to recover. In sales to resellers, prices were up moderately from the prior financial year, and sales prices for industry were also above the average of the prior year thanks to new contracts with customers.

The earnings improvement was due mainly to higher sugar selling prices and disciplined cost management.

The earnings of the AGRANA-STUDEN group continued to have a positive effect on the Sugar segment's EBIT in 2020|21, although its contribution decreased from € 0.6 million to € 0.2 million. The second sugar joint venture, Beta Pura GmbH, through a deficit, had a negative impact of € 2.1 million (prior year: deficit of € 0.2 million) on the results of equity-accounted joint ventures due to a later production start and a Covid-19-related challenging market environment.

[1] The prior-year data have been restated under IAS 8. For details, see the Notes, page 114.
[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] Average number of full-time equivalents in the reporting period.

The Sugar segment had a net exceptional items expense of € 0.2 million in 2020|21, versus a net expense of € 20.9 million in the prior year that resulted from a restatement for impairment of goodwill (for details, see the Notes, page 114).

Market environment

World sugar market

In its estimate of 6 January 2021 of the world sugar balance for the end of SMY 2020|21, the analytics firm IHS Markit (formerly F.O. Licht) has projected a production deficit. The forecast calls for production of 180.0 million tonnes (SMY 2019|20: 180.6 million tonnes) and growth in consumption to 183.1 million tonnes (SMY 2019|20: 181.6 million tonnes), implying a decrease in global sugar stocks to 70.2 million tonnes (SMY 2019|20: 73.9 million tonnes) and a deficit of 3.7 million tonnes.

World sugar balance[1] Million tonnes, except %	**2020|21**	**2019|20**	**2018|19**
Opening stocks	73.9	79.4	78.6
Production	180.0	180.6	184.5
Consumption	(183.1)	(181.6)	(182.2)
Net exports/imports	(0.6)	(4.5)	(1.5)
Closing stocks	**70.2**	**73.9**	**79.4**
In % of consumption	38.3	40.7	43.6

As a result of the toll taken by the Covid-19 pandemic on market sentiment (with an uncertain consumption outlook), and following the historic drop in oil prices early in the year, world market sugar quotations declined significantly and (although volatility increased) remained at low absolute levels during the first three quarters of the financial year. Thus, in April 2020, a new twelve-year low was reached for raw sugar, at US$ 203.05 per tonne.

The unattractive prices in the world energy market, combined with a weakening Brazilian real, prompted producers in Brazil to maximise the production of sugar relative to ethanol. This increase in sugar production helped compensate for the effect of poor sugar cane harvests especially in India and Thailand, thus reducing the world sugar deficit in SMY 2019|20.

Towards the end of the reporting period, prices rose significantly despite the lasting pandemic and the expectation of high Indian sugar production in SMY 2020|21. The lower than expected supply of raw sugar on the world market during Brazil's off-season between the country's main harvests, combined with institutional investors assuming a rising price curve, had a positive effect on sugar quotations. The stock-to-use ratio[2] based on the January 2021 world sugar balance forecast is expected to fall to 38.3%, below the critical 40% mark. This would bring the stock-to-use ratio down to a level last seen in SMY 2016|17.

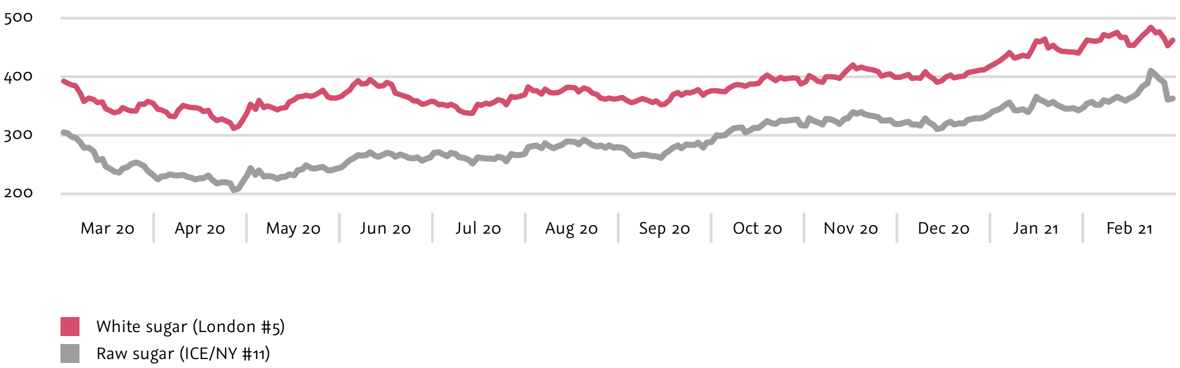
At the end of the financial year under review, white sugar quoted at US$ 455.1 per tonne and raw sugar at US$ 362.7 per tonne.[3] For raw sugar, this was a 3.5-year high.

EU sugar market

The production expectations for the still ongoing SMY 2020|21 are low as a result of the drought-related poorer yields in the large European beet-growing regions. In its April 2021 forecast, the European Commission estimated production at 15.4 million tonnes[4] (SMY 2019|20: 17.5 million tonnes). Like the previous two sugar marketing years, SMY 2020|21 is thus set to fall significantly short of the record production of 21.3 million tonnes in SMY 2017|18.

International sugar prices during AGRANA's 2020|21 financial year

US$ per tonne



[1] IHS Markit (formerly F.O. Licht), Estimate of the World Sugar Balance, dated 6 January 2021.
[2] Ending sugar inventory level in % of consumption.
[3] ICE Connect.
[4] Including United Kingdom (900,000 tonnes).

As a result of the low production volumes in SMY 2019|20, export quantities in that year were again less than imports and the EU thus remained a net importer. A similar trend is expected for SMY 2020|21, which would leave the EU a net importer of sugar for the third consecutive sugar marketing year.

Since the abolition of the sugar quotas at the end of September 2017, the average sugar prices under the EU price reporting system have declined significantly. By January 2019 the price was only € 312 per tonne. In the 2019 calendar year the price of sugar in the EU recovered steadily, a trend which continued in 2020. A price of € 379 per tonne was reported in December 2020.

Industrial and reseller markets

The 2020|21 financial year brought an overall increase in volume and prices for AGRANA's sugar sales. Notably in the reseller sector (and particularly during the summer), the demand situation was very good in the Central and Eastern European markets, generating much of the volume growth in the Sugar segment. In 2021|22 this positive trend is expected to persist.

During the difficult 2020|21 financial year, AGRANA was able to keep its customers supplied at all times. This has further strengthened customer relationships, reinforcing the positive outlook for sales volumes in the 2021|22 financial year.

EU sugar policy

New regulatory measures in the form of various reporting requirements were adopted through 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.

In 2021, 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

The renegotiated free trade agreement between the EU and Mexico is due to enter into force in spring 2021. The European Commission also plans to finalise the free trade agreements with Australia, New Zealand and Indonesia this calendar year.

For the free trade agreement with the Mercosur countries (Argentina, Brazil, Paraguay and Uruguay), partial implementation is currently expected by the end of 2021 to early 2022. The ratification process in some member states, including Austria, has not yet been completed.

Brexit

On 24 December 2020, the Brexit negotiators for the EU and UK reached an agreement in principle on trade and cooperation. Despite the continued maintenance of zero tariffs in bilateral trade with the UK, the present Trade and Cooperation Agreement does not fully make up for the restrictions and additional costs of leaving the single market and the customs union. It is to be feared that with the implementation of this agreement, many new non-tariff trade barriers as well as time-consuming and costly additional administrative burdens will be created for businesses in the EU and UK.

For the first time, rules of origin will have to be observed in goods trade between the two jurisdictions. Only goods originating in the EU or the UK are duty-free.

Raw materials and production

The area planted to sugar beet by the approximately 5,600 AGRANA contract farmers (prior year: approximately 5,500 farmers) was about 86,000 hectares in the 2020|21 sugar marketing year (prior year: about 82,000 hectares). The planting period, from the beginning of March to the beginning of April 2020, was in line with the long-term average. Extreme drought that lasted until the end of May impeded beet emergence and caused enormous pest pressure from the beet weevil and beet flea beetle, especially in Austria. As a result, about 12,000 hectares of beet (prior year: about 4,000 hectares) had to be turned under in Austria; of this area, 7,900 hectares (prior year: about 2,600 hectares) was not replanted to beet. In the other beet-growing regions, outside Austria, a further, smaller amount of beet production area was lost due to drought, wind erosion and animal pests.

Only the widespread precipitation from the end of May 2020 provided some relief. The weather from the beginning of June to early November was characterised by above-average rainfall. Although the rain was certainly beneficial for growth, its late timing meant that only a below-average density of plants per hectare was maintained. Temperatures in the summer were average; only in Romania were the late summer months marked by severe drought with correspondingly heavy leaf loss. High rainfall in October and November led to difficult conditions and delays in beet harvesting, resulting in considerable crop losses.

Sustainability in the Sugar segment

Status in the supply chain
✔ Use of FSA in all contract beet-growing regions; for details of results, see from page 73

Environmental targets by 2020|21
✔ Direct energy consumption of 2.49 GJ per tonne of product

✘ Water withdrawal of 1.92 m³ per tonne of product

Value chain
wsk.agrana.com/en/sugar

Owing to the combined effect of a late start to the growing season, above-average rainfall in the second half of the year, a below-average number of hours of sunshine, and (particularly in Austria) Cercospora leaf infestation, the sugar content of the beet was below average at 15.1% (prior year: 16.1%). Around 4.8 million tonnes of sugar beet (prior year: 4.6 million tonnes) were harvested on a total area of about 76,300 hectares (prior year: around 76,200 hectares), corresponding to an average yield of 63.3 tonnes per hectare (prior year: 60.5 tonnes per hectare).

AGRANA's seven beet sugar factories processed a combined daily average of slightly more than 48,500 tonnes of beet during the campaign (prior year: 51,000 tonnes). As a result of the low beet quantity, in a campaign averaging a length of 100 days (prior year: 91 days), the factories produced a total of 653,500 tonnes of conventional sugar (prior year: 655,000 tonnes). Additionally, at the plant in Tulln, Austria, about 5,000 tonnes of organic sugar was produced in the separate organic campaign. As a result of the volume of beet processed, the average capacity utilisation of the sugar factories was 83% (prior year: 76%).

As planned, the molasses desugarisation facility in Tulln, Austria, produced liquid betaine in the reporting period, which since August 2020 finds additional use as a raw material in the new betaine crystallisation plant.

AGRANA also operates two raw sugar refineries, which in the 2020|21 financial year produced a total of 128,500 tonnes of white sugar (prior year: 220,000 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. Since 2020, multi-year contracts have been in place with the beet farmers in all AGRANA sugar-producing countries. Three-year contracts were concluded in Austria, and two-year contracts in all other countries. In addition, farmers are offered the choice of a one-year contract.

Continuing operation of the sugar plant in Leopoldsdorf, Austria

On 27 November 2020, the Supervisory Board of AGRANA Beteiligungs-AG approved the continuing operation in 2021 of the sugar factory at the site in Leopoldsdorf, Austria, as the stipulated requirement of contracting at least 38,000 hectares of beet planting area in Austria for the 2021 campaign was met by the middle of November 2020.

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 43). 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 audits could not be completed due to travel and contact restrictions amid the Covid-19 pandemic, and the certificates valid since 2017 were therefore extended by one year. At their initial audit, all Slovakian farms already achieved at least FSA Silver status; in Hungary it was 96% of farms and in Romania, 31%.

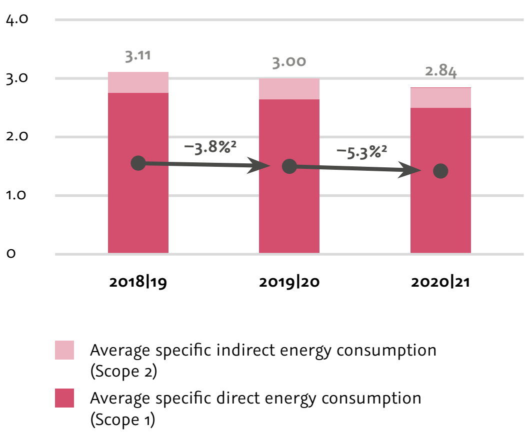
Building awareness of good agricultural practice
Due to the pandemic, BETAEXPO, AGRANA's traditional event for raising awareness of good agricultural practices, had to be cancelled. Activities in this area last year generally had to be limited to events held in small groups and to virtual offerings under the "AGRANA4You" advisory programme. For example, 33 webinars were offered for beet growers, focusing on the subjects of planting, seed, and crop protection for the 2021 season. The virtual channel for discussing plant cultivation topics and trial results, taking the place of the usual physical field visits, was a new experience both for the AGRANA crop consultants and the participants in the 24 digital field visits.

Given the physical distancing requirements, an online contracting option was offered for the first time. Of course, at 196 contract drop-off events held physically under strict hygiene and distancing rules, prospective growers were also able to do their contracting in person. In total, besides the existing growers, the operators of 273 additional farms were persuaded of the attractiveness of sugar beet cultivation and will start growing beet in 2021.

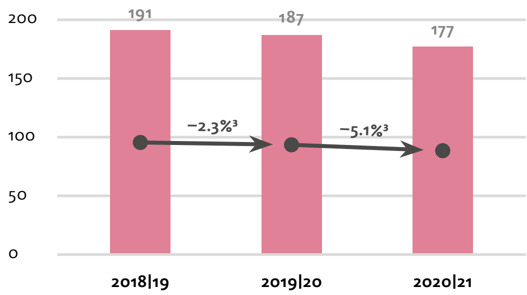
Biodiversity in the supply chain
In 2020, about 3,700 hectares were greened in Austria with catch-crop mixes from Österreichische Rübensamenzucht GmbH, a not-for-profit subsidiary of AGRANA Zucker GmbH that provides farmers with GMO-free seed, largely from its own in-house propagation. The catch-crops 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.

Transport
Depending on the calculation method and country, transport represents 5% to 10% of the carbon footprint of sugar products. AGRANA therefore strives to make transport as sustainable as infrastructure and economics will allow. In total across all production countries in the 2020|21 processing season, about 32% of the beet was delivered to the sugar factories by rail, with the proportion highest in Austria at around 52% and Hungary at approximately 49%.

Average energy consumption (Scope 1+2) in processing operations at AGRANA's sugar plants[1]
In gigajoules (GJ) per tonne of core and by-products



Average emissions (Scope 1+2) from processing operations at AGRANA's sugar plants[1]
In kg of CO_2 per tonne of core and by-products



[1] See GRI reporting boundaries, page 42.
[2] Percentage change based on average specific energy consumption (Scope 1+2) per tonne of core and by-products.
[3] Percentage change based on average specific emissions (Scope 1+2) per tonne of core and by-products.

Environmental and energy aspects of AGRANA's production

Energy consumption and emissions in processing

By harvest time in the 2020|21 financial year, despite a difficult start to the growing season due to drought and pest infestation experienced especially in eastern Austria, the Sugar segment was able to compensate for area losses thanks to eventual high rainfall that led to very good yields per hectare. In the end, about 3.7% more beet was processed than in the prior year. This played a key role in achieving the required capacity utilisation of the two sugar factories in Austria. Meanwhile, raw sugar refining volume at the refining sites in the GRI reporting boundaries (see page 42) was about 61.6% below the prior-year level.

The Sugar segment was able to reduce its average specific direct energy consumption (Scope 1) per tonne of core and by-products by about 5.7% compared to the prior year.

Average specific indirect energy consumption (Scope 2) per tonne of product was also lowered, by about 2.4% from one year earlier. The average specific total energy consumption (Scope 1+2) of about 2.84 GJ per tonne of product output was approximately 5.3% less than in the year before.

These reductions were also reflected in the average specific emissions from direct and indirect energy consumption (Scope 1+2) per tonne of product, which fell by about 5.1% from the prior year (see chart on page 74).

The Kaposvár sugar plant in Hungary generated about 19.3 million cubic metres of biogas from beet pulp in the 2020|21 financial year. This would have been sufficient to cover approximately 69% of the site's primary energy requirement for the 2020|21 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 decarbonisation options as part of its climate strategy up to 2040 (for details, see from page 45). In 2020|21, about 10.3 million cubic metres of the biogas produced at the facility was sold, and most of this was refined by the biogas upgrading plant (installed in autumn 2015) into biomethane for feeding into the local natural gas grid. The biomethane injected into the grid was equivalent to the annual heating requirement of about 2,070 single-family homes. In the future, the in-house utilisation of all the biogas produced here would be conceivable.

By 2025|26, the Sugar segment plans to reduce its emissions (Scope 1+2) by about 12% in absolute terms compared to 2019|20, thus supporting AGRANA's climate strategy (for details, see from page 45).

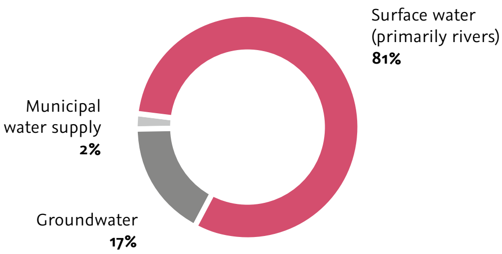
In 2020|21 the energy management systems of all production sites of the Sugar segment within the GRI reporting boundaries (see page 42) held a current certification under ISO 50001.

Water consumption in processing operations
at AGRANA's sugar plants
within the GRI reporting boundaries (see page 42)

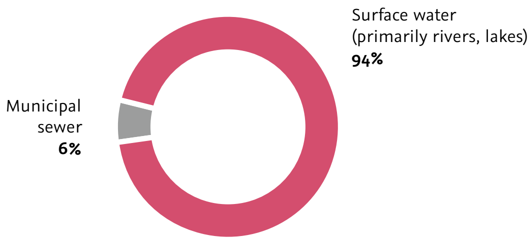
Sugar segment In m³ per tonne of core and by-products	**2020|21**	**2019|20**	**2018|19**
Water withdrawal	2.49	2.45	2.33
Water discharge	3.77	3.45	3.64
Water consumption	**(1.28)**	**(1.00)**	**(1.31)**

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.

Water withdrawal at AGRANA's sugar plants in 2020|21 by source[1]



Receiving waters for the wastewater of AGRANA's sugar plants in 2020|21[1]



[1] Within the GRI reporting boundaries (see page 42).

Sugar beet consists 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 necessary process steam 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.

Per tonne of product output in the 2020|21 financial year, the Sugar segment produced about 1.28 cubic metres (1,280 litres) of water previously bound in the beet, therefore showing a negative water consumption balance.

Waste from processing operations
at AGRANA's sugar plants
within the GRI reporting boundaries (see page 42)

Sugar segment	**2020|21**	**2019|20[1]**	**2018|19**
Waste disposed	34,728 t	38,610 t	43,630 t
Of which hazardous waste	137 t	312 t	189 t
Waste per tonne of product	19.3 kg	20.8 kg	23.3 kg
Hazardous waste per tonne of product	76 g	168 g	101 g

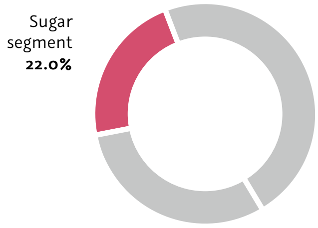
The absolute and specific amounts of waste declined by about 10.1% and 7.2% year-on-year, respectively.

EcoVadis
In the 2020|21 financial year, AGRANA Zucker GmbH again updated its sustainability data reported annually since 2014 for the purposes of EcoVadis, the international supplier evaluation platform. Despite an improvement in the absolute number of points achieved, a change in the basis of assessment resulted in a Silver rating for AGRANA Zucker GmbH (prior year: Gold rating).

Investment

In the Sugar segment, AGRANA had capital expenditure of € 15.9 million in the 2020|21 financial year (prior year: € 19.6 million), including investments in product quality and energy efficiency. As one of the projects involved, the energy supply of the Sered', Slovakia, site was converted to natural gas.

Share of Group investment in 2020|21



Additionally in 2020|21, € 15.1 million (prior year: € 26.4 million) was invested in the equity-accounted joint ventures (the AGRANA-STUDEN group and Beta Pura GmbH; values for these entities are stated at 100% of the total). The largest capital expenditure project was the betaine crystallisation plant of Beta Pura GmbH. Overall in the past two financial years, together with the US partner The Amalgamated Sugar Company LLC of Boise, Idaho, about € 37 million was invested at the site in Tulln, Austria, in the value-added processing of by-products from sugar production. Due to the Covid-19 pandemic, production started with a slight delay, in August 2020. The plant's operation was ramped up over the past number of months and the processes are continually being optimised.

[1] Adjusted to correct minor data collection errors.

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. 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 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 development.

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 and development		2020|21	2019|20
R&D expenditure (internal and external)	€m	18.4	18.9
R&D-to-sales ratio[1]	%	0.72	0.76
Number of employees in R&D (headcount)		270	266

Fruit segment

Technology

To inactivate certain microorganisms in fruit preparations, heat pasteurisation is not sufficient. Concepts for suppressing the growth of heat-resistant mould species, for instance, were developed and tested in various simulations.

The market wants products with an ever longer minimum shelf life as well as storability at ambient temperature, in order to avoid the complications and cost of cold chain logistics. To address this trend, AGRANA carried out a comprehensive study on the effects of time and temperature on quality parameters such as microbiology, colour, taste and micronutrients of fruit preparations. The study provides the knowledge base for the development of an expanded product line that does not require refrigerated logistics.

The development of innovative products is also important in the food sector. One way in which the Group is addressing this is with the development of fruit preparations that are suitable for use in 3D printers.

In a number of products, customers request the addition of chocolate pieces. However, not all national markets served by AGRANA allow chocolate to be imported. To nonetheless ensure that customers have access to chocolate pieces, a simple process was developed that allows them to be produced locally in each country.

[1] R&D expenditure as a share of Group revenue.

Product development
The use of so-called brown sauces plays an important role in the bakery and ice cream industries, with chocolate, caramel and coffee being the most popular flavours. Developments related to viscosity and rheology are crucial for the successful use of such products in these industries.

An essential step in the development of new products is their sensory evaluation. This includes the assessment of smell, appearance, taste and mouthfeel. Tastings are conducted by an in-house sensory panel of tasters, who must first be sensitised to individual flavours by training.

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

New refined manufacturing processes for aromas enable the production of plant extracts and of citrus aromas suitable for beverages.

For the aroma innovations, foundations were laid for tapping other applications outside the beverage space.

In analytics, using statistical procedures, new methods were established in order to make quality control more efficient and targeted.

Starch segment

Raw materials
As a result of the steadily growing share of specialty starches in total starch production, new varieties of corn (maize) and wheat as well as innovative starch raw materials represent a separate area of research. Due to the growing market for waxy corn starch, new waxy corn varieties appear on the market every year, and their processability is tested before they are processed at production scale. This is to ensure the problem-free extraction and refining of the starch.

Research involving wheat varieties with a high amylopectin content led to successful first-time production at the wheat starch factory in Pischelsdorf, Austria. Extensive studies in food applications show this raw material to be a promising and attractive starch innovation.

Food applications
The development of new application concepts and recipes for food starches enables rapid responses to current trends in the food industry and the market. These trends include increased demand for meat-free or vegan foods, clean label offerings, and products high in fibre or reduced in fat and sugar. In order to be able to offer appropriate concepts to address this demand, intensive research was conducted into innovative product solutions based on new technologies or raw materials.

Work was also devoted to novel packaging concepts. By using a new packaging technology, AGRANA was able to significantly extend the storage life of sensitive food products, such as baby foods, without any deviation in quality. This is intended to open up new markets which previously could not be supplied due to long transport routes and insufficient shelf life.

New products and technologies
In collaboration with the manufacturing operations, an alternative, sustainable purification process specifically for biological starch degradation products was developed through process adaptations; it has advantages over the existing production process. In addition, new technologies are being evaluated for their suitability as certifiable organic manufacturing processes. These process advances ensure that the ever more stringent organic quality requirements in the EU can continue to be met in the future.

Another contribution to quality assurance is the development of a method for maintaining the quality of organic potato fibre in order to satisfy the high quality requirements of the organic and conventional food market. Preliminary studies to set the direction of work for the development of new protein sources round out the portfolio of R&D priorities in biotechnology.

The rising demand for plant proteins and plant-based food products for the vegetarian and vegan market are leading to the intensification of efforts in this research area. Here, proteins from by-products of starch production are tested for their potential in feed and food applications, and a resource-saving manufacturing process is pursued.

Non-food applications
In R&D for the broad range of technical (i.e., non-food) applications, the development of resource-conserving and efficient processes as well as research on innovative, sustainable starch products are the main priorities.

By modifying the manufacturing process, the development team succeeded in making available highly degraded pregelatinized starches with a significantly reduced carbon footprint, thus rendering the process not only more economical but also much more eco-friendly. The starch products are characterised especially by very good solubility and excellent stability. In parallel with this, there is a growing trend towards eco-labels, which require a significant reduction in VOC[1] emissions. In response to this trend, innovations were developed in the area of highly modified starch derivatives that are ideally suited to serve this specific market.

Due to economic conditions and the resulting cost pressure, it had become necessary to offer alternative products on the market through more efficient process management and the reduction of raw material costs. Thus, new products based on wheat starch as a raw material have led to the creation of new product groups that have been successfully adopted for use in various technical applications.

The trend towards home-compostable bioplastics is steadily rising and continues to be a focus of research and development for starch-based product solutions. For this reason, a compounder was added to the R&D equipment pool in order to enable the more rapid development of tailor-made solutions. As a result, the product range of compounds was expanded by increasing the starch content and thus the biobased carbon content; this also made process management more cost-effective and hence more economical. The TÜV certification for home compostability of the products developed was successfully completed.

Sugar segment

Raw materials/agriculture
Extensive work continued to be carried out on population control of the beet weevil, pursuing mechanical, biological and insecticidal approaches in sugar beet fields.

The development of alternatives to the use of neonicotinoids, which in several growing regions are not an available option, is a necessity for the successful protection of sugar beet against the beet flea beetle, beet weevil, black bean aphid and green peach aphid. The aphid species are regarded as carriers of various yellowing viruses, which can cause significant yield reductions. Comprehensive monitoring of the occurrence of these pests formed the basis for the establishment and expansion of warning services that allow timely control measures to be taken.

Reliable control of leaf spot (Cercospora) on sugar beet using available systemic and contact fungicides continues to have limitations. The focus was therefore increasingly on testing operationally usable seed that genetically has greater tolerance or resistance to this fungal pathogen.

Situations where there is a lack of available water call for a rethinking of tillage concepts. Tillage methods were studied in interaction with the factors of soil cover, fertilising, variety selection and irrigation, in order to ensure economical use of water as a limited resource.

Special attention continued to be paid to the issue of soil fertility and soil health. In addition to the targeted measurement of nutrient supply – with particular emphasis on the supply of phosphorus to the sugar beet – research projects were devoted to the detection of low-molecular-weight organic compounds through soil analysis using the electro-ultrafiltration method.

Technology
The quality of some of the sugar beet received for processing at AGRANA's factories is impaired due to climatic influences such as drought and heat, as well as by beet diseases. This requires constant optimisation of production processes and of the use of additives.

In order to meet the resulting growing need for cost-efficient process monitoring and control in the area of juice purification, devices developed at ARIC that had already proven themselves individually in factory use were completely redesigned as compact, mobile online measurement systems. These now combine several functions and can be quickly and easily employed throughout the Sugar segment.

In addition to juice purification, one focus of process optimisation in the sugar factories is increasingly on making improvements within the sugar crystallisation stage in order to achieve a higher sugar yield at lower molasses purity and thus also reduce energy consumption.

[1] Volatile organic compounds.

Consistently high sugar quality is also an important success factor in the market. The quality of the sugar produced in the factories, both in terms of physicochemical and microbiological parameters, is assured by various methods, such as monitoring programmes. Importantly, the analytics themselves are validated by means of cross-checks and annual inter-laboratory proficiency tests between ARIC and the sugar plants' production laboratories.

A significant part of ARIC's role is knowledge management regarding sugar technology. This expertise is shared internally through training, technology talks and best-practice meetings.

Product development

In order to satisfy the high quality standards of AGRANA's sugar end products, the intermediate products used as inputs are continually adapted and recipes optimised to ensure consumer satisfaction. In the case of gelling sugar products, for example, adjustments were made to achieve cost-efficiencies in production.

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 project with external funding support was launched in cooperation with Vienna's University of Natural Resources and Applied Life Sciences In this project, factory-specific strategies are being established to ensure the production of molasses with low nitrate and nitrite content.

Betaine crystallisation

Under the diversification strategy for the extraction and marketing of crystalline betaine at AGRANA, there is close collaboration with Beta Pura GmbH. This relates both to analytical process control and to product development matters regarding crystalline betaine and the utilisation of by-products that arise in the course of betaine crystallisation.

AGRANA's people

Workplace safety at AGRANA

Fruit segment – 2020|21 targets
Fruit preparations business
✘ Reduction of injury rate[1] and lost day rate[1] not achieved

Fruit juice concentrate business
✔ Reduction of number of accidents[1] achieved

Starch segment – 2020|21 targets
✔ Measures implemented

✘ Injury rate[1] reduced from prior year, but target not achieved

Sugar segment – 2020|21 targets
✔ Measures implemented

✘ Reduction of injury rate[1] and lost day rate[1] not achieved

In the 2020|21 financial year the AGRANA Group employed an average total of 8,920 people (by headcount; prior year: 9,300). Of this total, 2,519 worked in Austria (prior year: 2,456) and 6,401 were employed in other countries (prior year: 6,844).

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

Segment	Average number of employees (headcount) 2020|21	2019|20	Average number of FTE[2] 2020|21	2019|20	Number of employees (headcount) at balance sheet date 28 Feb 2021	29 Feb 2020
Fruit	5,703	6,098	5,695	6,194	5,215	6,290
Starch	1,178	1,112	1,149	1,087	1,164	1,134
Sugar	2,039	2,090	2,003	2,061	1,810	1,965
Group	**8,920**	**9,300**	**8,847**	**9,342**	**8,189**	**9,389**

In the 2020|21 financial year the AGRANA Group employed an average of 8,847 full-time equivalents (prior year: 9,342). The reduction in the Fruit segment was due mainly to a lower need for temporary employees as a result of lower harvest volumes and shifts in seasonal production. The number of employees in the Starch segment rose primarily because of hiring for the wheat starch plant and the acquisition of the US company Marroquin Organic International, Inc. The Sugar segment saw a cost-related reduction in the number of employees.

The average age of permanent employees[3] on 28 February 2021 was 42 years (for details on the age structure, see the GRI content index, from page 196). Of the permanent employees, 29.5% (prior year: 30.0%) were women, and 66.2% of salaried staff held an academic degree (prior year: 58.1%). The turnover rate[4] for permanent staff in 2020|21 was 14.9% (prior year: 14.2%). The proportion of employees with a part-time contract[5] was 3.7%. The share of temporary agency staff[6] was 5.2%.

Human resources management

AGRANA's human resources strategy follows and promotes the principles of sustainability and entrepreneurial thinking and action. Mutual respect, appreciation and social consciousness are an

AGRANA employees within the GRI reporting boundaries[7]
at the balance sheet date of 28 February 2021[8]

Segment	Non-permanent staff[9] Total	Female	Permanent staff Blue-collar	Female	White-collar	Female	Total	Female	Managers[10] Total	Female	Of whom executive leadership[11] 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[12]	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%**

[1] See definition on page 84.
[2] Full-time equivalents.
[3] Permanent employees of AGRANA Group companies.
[4] Staff turnover rate = total number of departures of permanent AGRANA employees reported in the financial year ÷ average number (headcount) of permanent AGRANA employees.
[5] Proportion of the total workforce at 28 February 2021, by headcount.
[6] Proportion of the average total workforce for the financial year, by headcount.
[7] See GRI reporting boundaries, page 42.
[8] For prior-year values, see GRI content index from page 196.
[9] Almost all non-permanent positions represent seasonal local workers in the processing campaigns.
[10] Management positions at reporting levels 2 and 3.
[11] 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).
[12] The staff of AGRANA Beteiligungs-AG is counted under the Sugar segment.

indispensable part of the corporate culture at AGRANA, as a global company whose internal and external environment worldwide is marked by great cultural diversity.

With operations in more than 13 time zones, 20 different languages, and a workforce that spans generations and a wide variety of nationalities and perspectives, diversity is an inseparable aspect of AGRANA's working life. As the Group aims to expand and further strengthen the preservation and promotion of this diversity among its now approximately 9,000 employees and their equitable participation in the company, diversity and inclusion are part and parcel of its fundamental principles. With its Diversity & Inclusion Initiative, AGRANA is committed to a diverse and inclusive corporate culture for its employees worldwide and contributes daily to creating a work environment that is free of unfair restriction and of discrimination.

Motivation, integrity and collaboration round out the set of values fostered by AGRANA's human resources strategy. AGRANA strives to develop the potential of its employees and to continuously improve their knowledge. The long-term development of all staff helps to secure AGRANA's competitiveness in the marketplace.

In 2020|21, the functionalities of the global human resources management system were further expanded; as a result, the majority of its modules are now successfully implemented. The purpose of the HR management system is to improve the efficiency of personnel processes, support quality assurance, create transparency and increase data security. In the coming years, 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 2020|21 financial year, 10.8% of all employees (prior year: 8.8%) were covered by this incentive-enhanced compensation system.

AGRANA HR team receives multiple awards

In 2020|21, for the second year in succession, AGRANA Beteiligungs-AG took first place in the BEST RECRUITERS study's Austrian industry ranking of food and consumer goods manufacturers and was thus awarded the 2020/21 GOLD BEST RECRUITERS mark, as last year.

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 renewed awarding of the GOLD BEST RECRUITERS mark is testament to the great importance which AGRANA attaches to the appreciative 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 2020|21 with third place in "Employer of the Year 2020" awards in the South Moravia region.

Staff development and training

Developing and fostering the potential of its employees is highly important to AGRANA. Through many job skills trainings, language courses, personal development offerings as well as intensive AGRANA-wide programmes, the Group 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 also offers onboarding programmes and welcome days on an on-going basis to give new staff a big-picture introduction to the Group as a whole and an overview of their own area of activity.

The top training and development priorities in 2020|21 were the development of new managers and technical experts in some selected functional areas, and the expansion of the digital learning offering.

In 2020|21 the Group trained an average of 101 apprentices (of whom 23% were female). An average of 72 apprentices were employed in Austria (11% of them female), and a combined average of 21 apprentices (48% of them female) in Germany, France, Algeria and Brazil, which have a dual education system similar to Austria's, i.e., combining apprenticeship and vocational school. In other educational systems, eight apprentices were trained in Mexico and

Morocco (62.5% of them female). The training was provided in areas such as electrical engineering technology, metalworking technology, lab technology (chemistry), chemical engineering technology, food technology, mechatronics, industrial sales and marketing communications.

In order to increase the attractiveness of apprenticeship professions and to introduce pupils to career opportunities in technical occupations, information brochures for apprentices were created at individual locations. As well, Group sites participated (largely virtually in 2020|21) in events to introduce apprenticeship vocations. Apprentices were also offered workshops and training courses in various subject areas. Further, the online presence on social media was stepped up.

In the 2020|21 financial year, 14 Group employees and managers (of whom four were female) participated in the Advance@AGRANA training programme for operational junior management, successfully completing it in February 2021. The Advance@AGRANA programme is designed for individuals seen as having high potential, excellent performance and exceptional motivation. In addition to course content on leadership, communication, financial management, project management, continuous improvement processes, presentation and argumentation, and conflict and stakeholder management, the participants worked intensively on practice-oriented AGRANA projects, supervised by project sponsors from within the company. At the same time, the participants were supported by internal mentors in order to take advantage of the opportunity to network even more closely within the AGRANA Group and to have conversations on a regular basis. Flexibility was an important feature of this programme. After a successful face-to-face start, the format was digitalised due to Covid-19, which also meant that good communication and coordination became even more important. The participants eventually completed 90% of the modules in a virtual format, something that would have been unimaginable at the time of the kick-off event. The final presentation was safely held in a hybrid event after successful negative tests for Covid-19. The respective project team and the management team were on site in the meeting room and about 35 other stakeholders were connected virtually.

A further focus in the 2020|21 financial year was on the digitalisation of personnel development measures. The existing infrastructures were used to enable employees to learn in a self-directed manner. Training and Q&A sessions were also offered so that the material absorbed could be discussed again with a subject matter expert. The goal was to make it as easy as possible for employees to virtually collaborate and organize within the team. In the

Training hours of AGRANA employees[1]
in the 2020|21 and 2019|20 financial years

	2020|21				2019|20			
	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	18.3	17.3	20.1	83.4%	31.6	32.6	29.5	89.8%
Blue-collar	16.5	15.6	19.5	83.1%	28.9	29.5	26.8	89.9%
White-collar	21.0	21.3	20.7	83.7%	36.0	39.8	31.7	89.7%
Starch	11.2	10.6	12.8	94.0%	21.4	17.4	34.3	89.8%
Blue-collar	9.2	8.6	13.4	92.3%	20.0	14.5	58.0	88.9%
White-collar	14.8	16.7	12.5	97.1%	24.1	26.3	21.6	91.7%
Sugar[2]	16.9	17.5	15.1	95.0%	26.8	27.7	24.4	89.7%
Blue-collar	20.6	21.4	17.3	96.1%	24.8	25.9	19.6	92.2%
White-collar	11.8	10.5	13.9	93.6%	29.5	31.0	27.2	86.2%
Group	**16.8**	**16.2**	**18.1**	**87.9%**	**28.9**	**28.9**	**28.9**	**89.8%**
Blue-collar	16.3	15.7	18.4	87.7%	26.6	26.1	28.3	90.3%
White-collar	17.6	17.4	17.8	88.3%	32.6	35.4	29.3	89.0%

The mandatory portion of training hours in 2020|21 (including occupational health and safety, first aid, compliance training, etc.) amounted to 59.5%. The Group's expenditure for external training and development in the 2020|21 financial year was about € 1.6 million (prior year: € 3.0 million), equivalent to 0.6% (prior year: 1.1%) of total wages and salaries.

[1] Permanent staff within the GRI reporting boundaries (see page 42).
[2] The staff of AGRANA Beteiligungs-AG is counted under the Sugar segment.

spirit of "It can also be done online", a hackathon organized by Human Resources was one of the highlights of the digital collaboration. With more than 60 participants from the entire AGRANA Group, diversity was also a decisive factor – the more diverse the groups, the better the results. "What does AGRANA need right now, and even more importantly, how can learning and development contribute to the growth of AGRANA's profitability now and in the future?" was the question the hackathon participants addressed and for which they developed the first prototypes.

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

Workplace safety data for the AGRANA Group[1]

for the 2020|21, 2019|20 and 2018|19 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**
2020|21									
Fruit	1.1	1.5	0.5	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
Sugar	2.7	3.1	1.7	0.1	0.1	0.0	0	0	0
Group	**1.6**	**2.1**	**0.7**	**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
Starch	2.8	3.4	0.4	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
Group	**1.6**	**2.1**	**0.8**	**0.0**	**0.1**	**0.0**	**0**	**0**	**0**
2018|19									
Fruit	1.5	1.9	0.9	0.1	0.1	0.0	0	0	0
Starch	2.6	3.3	0.0	0.1	0.1	0.0	0	0	0
Sugar	2.2	2.3	1.7	0.0	0.0	0.0	0	0	0
Group	**1.8**	**2.2**	**1.0**	**0.0**	**0.1**	**0.0**	**0**	**0**	**0**

No fatal work accident occurred in the 2020|21 financial year (prior year: zero fatalities). In the 2020|21 financial year there were 146 work accidents in the AGRANA Group[1] (prior year: 148). In addition there were five accidents of contractors (prior year: 15 accidents), which for organisational reasons are not included in the workplace safety data.

Type and number of workplace accidents in 2020|21

Bruises, crushing injuries, lacerations (43), slips/falls/falls from heights resulting in injuries (39), cuts and punctures (19), burns and scalds (19), injuries caused by incorrect lifting, carrying and storage (16), business travel accidents (3), eye injuries (1), others (6).

[1] Non-permanent (i.e., fixed-term or temporary) and permanent employees within the GRI reporting boundaries (see page 42).
[2] Rate of recordable work-related injuries ("injury rate") = (total number of reportable accidents[5] ÷ total paid hours worked[6]) × 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]) × 200,000[7]
[4] An injury is classified as serious if full recovery or healing does not occur 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 of 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 × 50 × 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 2020|21 and 2021|22 financial years

Segment	Workplace safety targets for 2020|21	Target achievement in 2020|21	Workplace safety targets for 2021|22
Fruit Fruit preparations business	Injury rate[2]: 0.8 Lost day rate[3]: 10.5	Injury rate[2]: 1.0 Lost day rate[3]: 10.9 Despite a reduction in the number of work accidents due to fewer total hours worked, the targets were not achieved.	Injury rate[2]: 0.9 Lost day rate[3]: 10.5 Ongoing implementation of workplace safety and Covid-19 containment measures.
Fruit juice concentrate business	Careful documentation and analysis of all workplace accidents; identification of preventive measures and communication of these measures across the business.	Number of accidents in 2018|19: 20 Number of accidents in 2019|20: 17 Number of accidents in 2020|21: 12	Further reduction in number of accidents; raising awareness through ongoing communication and employee training; regular risk and hazard analysis to prevent causes of accidents.
Starch	Injury rate[2]: 2.0 Lost day rate[3]: 20.0 Expansion of the workplace health and safety initiative and plant-wide mandatory use of personal protective equipment and of handrails; raising awareness through a multi-part internal safety training programme based on the "golden rules for work – safe and healthy together".	Injury rate[2]: 2.4 Lost day rate[3]: 20.6 Implemented mandatory use of personal protective equipment; internal trainings slightly delayed due to Covid-19.	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.
Sugar	Injury rate[2]: 2.4 Lost day rate[3]: 25.5 Continuing implementation of site-specific measures and improvement in performance results; reduction of both the injury rate[2] and lost day rate[3] by 7% from the prior year.	Injury rate[2]: 2.7 Lost day rate[3]: 37.1 Increase of 23.8% in the number of work accidents compared to the prior year, with higher lost days due to accidents.	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.

[1] Employees within the GRI reporting boundaries (see page 42).
[2] See definition on page 84.
[3] Lost day rate = (total number of lost days[4] ÷ total paid hours worked)[2] × 200,000[2]
[4] An eight-hour work day is assumed.

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 24 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 also be fulfilled anonymously at some locations, for cultural reasons.

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 supra-regional 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 division, 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.

For the AGRANA Group as well, the Covid-19 pandemic defined the 2020|21 financial year. The year was marked by sharply rising Covid-19 infection rates in many countries and the associated sweeping restrictions on public life such as curfews, business closures and limitations on events. With the measures taken, the AGRANA Group succeeded in keeping the number of Covid-19 cases relatively low. The strict adherence to the infection prevention rules is also essential for orderly work and production in AGRANA's plants. In the food sector in particular, AGRANA is an important link in the supply chain and is classified as part of critical infrastructure in many countries.

From the beginning of the coronavirus pandemic, AGRANA has been able to ensure the supply of its products to its customers despite the additional challenges. Every plant worldwide is diligently producing and working to maintain business continuity. All AGRANA production sites are operating with appropriate safety measures in place, such as non-contact shift handovers, physical distancing rules, personal protective equipment and even-stricter hygiene protocols. Other preventive measures include regular free Covid-19 rapid antigen tests at many sites.

During the phases of acute risk, administrative staff worked remotely where possible. Through virtual meetings and coordination, regular communication was maintained. 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.

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, 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, back fitness training, rowing courses, "deep work", Zumba toning, high-intensity interval training, after work bodyweight, vinyasa flow yoga, Pilates and boot camp courses. The courses were shifted to a digital format during the year to allow employees to participate from home. Alongside the wide variety of numerous health and sports opportunities, the Group also provided many workshops for employee information, awareness-building and continuing development in the areas of work-life balance management, nutrition, stress reduction, burnout prevention, and for good ergonomics in the workplace. Resilience was also an important aspect in the year. Among managers, awareness was raised for personal qualities such as resilience and mindfulness.

The annual Wien Energie Business Run could not take place in 2020 amid the pandemic. However, employees keen on running were offered the opportunity to take part in virtual competitions – running wherever they were while measuring themselves online against participants from all over Europe.

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.

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 27).

Across the Group, this is reflected in many initiatives and offerings for employees. These include remote working, the funding or even direct provision of child care in certain locations, variable working hours, and a parent-child office at the Vienna headquarters.

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.

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 statement", from page 43), the competitive situation, regulatory and legal requirements, and movements in the exchange rates of relevant currencies.

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. Also, where possible, one-year contracts are used both with suppliers and customers.

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.

In the **Starch** segment, the changes in raw material prices relative to the selling prices of the end products vary as a result of the broad product portfolio. In starches and by-products, price changes for raw materials lead to a change in product market prices in the same direction, thus acting as a natural hedge by partly offsetting the raw material 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 the 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.

Planned future cancellations of national coupled premiums for beet cultivation to farmers in the beet production regions of Hungary, Romania, the Czech Republic and Slovakia will have a negative impact on the income 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 the energy efficiency of its manufacturing facilities and designs them for the most cost-effective use of different sources of energy. The quantities and prices of the required energy are also to some extent secured, 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 the 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 intense 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.

The changes in the European sugar market (including the abolition of production quotas at the end of September 2017) and surpluses on the world market have led to sharp declines in sugar selling prices. Going forward, the trend in sugar prices in European markets and outside the EU 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.

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 from page 71 of this report 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 to improve 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: Future free trade agreements of the European Union could have economic impacts on AGRANA. The Group is following ongoing trade talks and analysing and evaluating the 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 now enters 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.

Brexit: AGRANA's direct business relationships with customers and suppliers in the United Kingdom are not material. Therefore, no significant impact from the UK procurement and sales market is expected for the Group. However, it cannot be ruled out that the abolition of import restrictions for sugar in the UK could lead to market disruptions and increased price pressure on the European continent.

EU Renewable Energy Directive

Several years ago, on 21 December 2018, the EU adopted the revised Renewable Energy Directive (RED II). Work is currently underway on the national implementation of this directive, which is due to come into force by 30 June 2021.

The new directive sets a minimum requirement of 14% renewable energy in the transport sector by 2030. It caps the share of cereal-based biofuels 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 ("Südzucker"), Mannheim, Germany. 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 (ECJ) for a preliminary ruling on the scope of the "ne bis in idem" principle in EU competition proceedings. This interim proceeding is still pending. The ECJ's ruling is expected in the first calendar quarter of 2022. AGRANA continues to regard the allegation as unfounded and the fine sought as unwarranted.

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 could come in the 2021|22 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 provisions of the various legislators and 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.

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 to the consolidated financial statements.

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.

Risks 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 (Covid-19)" below).

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

Coronavirus (Covid-19)

The global spread of coronavirus disease, or Covid-19, has led 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.

Following the declaration of a 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 is paid to complying with the authorities' recommendations and orders. As well, restrictions are in place on business travel, and temporary remote work from home was made possible.

The measures taken brought positive results for the Group and full production operations[1] were successfully maintained at the 56 production sites worldwide. 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 a food producer, AGRANA's is one of the less affected industries economically. Nevertheless, Covid-19 will have a sustained impact on the trajectory of the world economy, especially in the immediate future. It is possible that the usual growth at pre-crisis levels will not be achieved again for several years. A key accelerator in overcoming the pandemic lies in achieving the highest possible vaccination rate of the world population. Until then, procurement, production and the markets served may be adversely affected.

After the outbreak of the pandemic, the financial and capital markets as well as interbank trading saw temporary severe turmoil. Likewise, the economic trend going forward remains characterised by macroeconomic uncertainty, influenced in part by lock-down phases. Despite government support measures, the insolvency rate is also expected to rise. A reduction in insurance coverage under trade credit insurance was already observed in the 2020|21 financial year, and also, in individual cases, complete cancellation of coverage or greater difficulty in obtaining first-time cover on sales to new customers. These developments 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. Thus, the successful renewal of a syndicated credit line was the focus of the Group Treasury department's activities at the end of the 2020 calendar year. 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.

Non-financial risks

In the 2020|21 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 (in particular, raw material procurement 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 95).

In the year under review, the Agricultural Research department at the AGRANA Research & Innovation Center continued its ongoing projects in collaboration with Vienna's University of Natural Resources and Life Sciences. These have as their purpose data collection, but most importantly also the consolidation and further development of existing longer-term observations regarding the physical availability of selected raw materials, in order to be able to make long-run, scenario-based predictions on the availability of raw materials under changed climatic conditions in the future.

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 to a low-emission society.

In December 2019, the European Commission presented its decarbonisation roadmap, the Green Deal. To meet the climate and environmental challenges, industrial sectors and all value chains are to be transformed within the next 30 years. The overarching objective is to achieve net zero greenhouse gas (GHG) emissions 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

[1] Except for general, government-imposed regional closures of six working days each at the Indian production site in March 2020 and the Egyptian production site in June 2020.

(i.e., import fees levied by carbon-taxing countries on goods manufactured in non-carbon-taxing countries) and the introduction of a price for CO_2.

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.

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 the achievement of the six EU environmental goals: 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 "green" sales, investments and operating expenses which serve primarily one of the above environmental goals without significantly compromising any of the other five. AGRANA will be required to make these disclosures from the 2021|22 financial year. Technical evaluation criteria for the further development of the taxonomy are currently being elaborated and will take the form of delegated acts. Which of AGRANA's products and segments will be covered by which regulations is still an open question. It is expected that in the 2021|22 financial year, not all AGRANA products (and thus business segments) will be subject to requirements for reporting "green" revenue, capital expenditure or operating expenses. Whether and how this may be expanded in subsequent financial years is unclear at present. In general, it is believed that as the share of "green" revenue, investments or operating expenses increases, there could be advantages in terms of financing and government subsidies.

In recognition of the aspirations of the European Green Deal, AGRANA decided in the 2020|21 financial year to obtain a € 250 million revolving credit facility linked to an ESG rating, a first for the Group. The working principle of the link to the environmental, social and governance rating is that a positive change in the ESG rating leads to a slight improvement in the credit margin, while a negative change in the rating leads to a slight deterioration in the credit margin.

AGRANA takes these potential risks and opportunities into account in its decarbonisation strategy, which was developed further in the 2020|21 financial year (for details, see from page 45).

Both those 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, are described in more detail in the Non-financial information statement from page 38. 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 aggregate risk exposure was marked by high volatility in selling prices and raw material purchasing prices. 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.

Owing to the only gradually increasing EU selling prices for sugar and isoglucose, the volatile price trend for bioethanol and the fluctuating costs due to the high volatility of raw material prices, as well as the continuing uncertainty regarding the extent and duration of the coronavirus crisis, the Group's overall risk position is significantly above the average of the previous years. However, it 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 "Risk management" section, from page 88) 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 2021 was € 113.5 million (29 February 2020: € 113.5 million), divided into 62,488,976 voting ordinary no-par value bearer shares (29 February 2020: 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, Johann Marihart has been nominated by ZBG and appointed as a member of the management board of Südzucker AG, and Thomas Kölbl has been nominated by Südzucker and appointed as a member of the management board of AGRANA Beteiligungs-AG.

The Management Board was authorised until including 4 September 2020 to increase the share capital, subject to the approval of the Supervisory Board, by up to € 4,940,270.20 by issuing up to 679,796 new ordinary bearer shares of the Company against payment in cash or contributions in kind, in one or more tranches, and to determine, in agreement with the Supervisory Board, the issue amount (which must not be less than the proportionate amount of the share capital), the terms of the issue and the other details of the implementation of the capital increase. Since then, the Management Board does not have powers to issue or repurchase shares except to the extent provided by law.

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 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.

AGRANA Group		2020|21 Actual	2021|22 Forecast	
Revenue	€m	2,547.0	Moderate increase	↑
EBIT	€m	78.7	Significant increase	↑↑
Investment[1]	€m	72.3	91	

Despite the continuing substantial challenges as a result of the Covid-19 pandemic, the Group's operating profit (EBIT) is expected to increase significantly in the 2021|22 financial year. Group revenue is projected to show moderate growth.

Total investment across the three business segments in this new financial year, at approximately € 91 million, is to be above the 2020|21 level, but significantly below this year's budgeted depreciation of about € 121 million.

Fruit segment		2020|21 Actual	2021|22 Forecast	
Revenue	€m	1,166.6	Moderate increase	↑
EBIT	€m	41.2	Significant increase	↑↑
Investment[1]	€m	34.2	47	

In the **Fruit** segment, AGRANA expects the 2021|22 financial year to bring growth in revenue and EBIT. For the fruit preparations business, a positive revenue trend is predicted. With the full utilisation of the capacity created and the progressive further diversification in the non-dairy business[2], EBIT is also expected to increase further. In the fruit juice concentrate business, revenue is projected to remain stable in 2021|22, with a significantly improved earnings situation compared to the prior year.

Investment in the Fruit segment this year is budgeted at approximately € 47 million, which is about 8% 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		2020|21 Actual	2021|22 Forecast	
Revenue	€m	821.9	Steady	→
EBIT	€m	64.8	Significant reduction	↓↓
Investment[1]	€m	22.2	24	

For the 2021|22 financial year, the **Starch** segment is forecasting stable revenue and an EBIT result significantly below the prior-year level. For as long as economic output remains below pre-pandemic levels, demand is not expected to rise and price increases are unlikely to be feasible. On the cost side, the segment expects significantly higher grain prices for the 2020 crop, as well as rising energy prices.

The budgeted investment in the Starch segment this year is about € 24 million; after the major projects of the prior years, it will thus be significantly below the level of depreciation. The largest individual portion of this amount is for measures to increase specialty corn processing.

[1] Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.
[2] The non-dairy product segments are ice-cream, bakery, and food service.

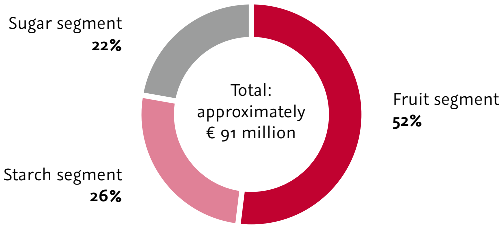
Sugar segment		**2020|21 Actual**	**2021|22 Forecast**	
Revenue	€m	558.5	Significant increase	↑↑
EBIT	€m	(27.3)	Very significant improvement	↑↑↑
Investment[1]	€m	15.9	20	

For the **Sugar** segment, AGRANA expects 2021|22 to bring a continual improvement in conditions in the EU sugar market. AGRANA anticipates being able to significantly boost capacity utilisation again, especially at the two Austrian sugar beet factories, as it has initiated various measures designed to ensure a significant increase in beet supply. On the distribution side, sugar sales volumes in the EU are expected to rise and EU sugar prices are forecast to be stable or to increase. This positive trend in the EU sugar market environment, combined with rigorous cost management, implies a very significant improvement in the EBIT result.

Capital expenditure of approximately € 20 million is planned for the Sugar segment, focusing mainly on asset replacement and maintenance investment.

Due to the ongoing Covid-19 crisis and the associated pronounced volatility in all business segments, the forecast for the full year is subject to very high uncertainty.

Planned share of Group investment by segment in 2021|22



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 2021|22

In the 2020|21 financial year, AGRANA worked intensively to advance its climate strategy, which is consistent with the Paris climate targets and the regulatory requirements at the national and EU levels. All AGRANA business segments developed a staged plan with specific decarbonisation targets and action steps for their production activities (Scope 1+2) in order to be net carbon-neutral by 2040. A project to quantify indirect emissions from the upstream and downstream value chain (Scope 3) will follow in the 2021|22 financial year in order to be able to set relevant, ambitious targets for this sphere as well. Progress in target achievement is reported annually.

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

CONSOLIDATED FINANCIAL STATEMENTS 2020|21

Consolidated income statement
for the year ended 28 February 2021

Note	€000	2020|21	2019|20[1]
(1)	Revenue	2,546,984	2,480,732
(2)	Changes in inventories of finished and unfinished goods	(14,529)	64,764
(2)	Own work capitalised	2,820	1,898
(3)	Other operating income	42,964	37,671
(4)	Cost of materials	(1,759,232)	(1,759,277)
(5)	Staff cost	(345,294)	(341,660)
(6)	Depreciation, amortisation and impairment losses	(120,148)	(130,444)
(7)	Other operating expenses	(292,387)	(303,472)
(8)	Share of results of equity-accounted joint ventures	17,513	16,727
	Operating profit [EBIT]	**78,691**	**66,939**
(9)	Finance income	24,896	22,851
(10)	Finance expense	(43,392)	(40,042)
	Net financial items	**(18,496)**	**(17,191)**
	Profit before tax	**60,195**	**49,748**
(11)	Income tax expense	(5,210)	(18,567)
	Profit for the period	**54,985**	**31,181**
	Attributable to shareholders of the parent	59,787	28,051
	Attributable to non-controlling interests	(4,802)	3,130
(12)	Earnings per share under IFRS (basic and diluted)	€ 0.96	€ 0.45

[1] The prior year data have been restated under IAS 8. Further information is provided on page 114.

Consolidated statement of comprehensive income
for the year ended 28 February 2021

€000	2020|21	2019|20[1]
Profit for the period	**54,985**	**31,181**
Other comprehensive (expense)/income:		
Currency translation differences and hyperinflation adjustments	(43,031)	(2,030)
Changes in fair value of hedging instruments (cash flow hedges), after deferred taxes	356	(288)
Effects from equity-accounted joint ventures	(3,391)	(3,742)
(Expense)/income to be recognised in the income statement in the future	(46,066)	(6,060)
Change in actuarial gains and losses on defined benefit pension obligations and similar liabilities, after deferred taxes	502	(5,069)
Changes in fair value of equity instruments, after deferred taxes	0	367
Effects from equity-accounted joint ventures	4	(10)
Expense that will not be recognised in the income statement in the future	506	(4,712)
Other comprehensive (expense)	**(45,560)**	**(10,772)**
Total comprehensive income for the period	**9,425**	**20,409**
Attributable to shareholders of the parent	17,666	17,643
Attributable to non-controlling interests	(8,241)	2,766

[1] The prior year data have been restated under IAS 8. Further information is provided on page 114.

Consolidated cash flow statement

for the year ended 28 February 2021

Note	€000	2020|21	2019|20
	Profit for the period	54,985	31,181[1]
	Depreciation, amortisation and impairment of non-current assets	120,453	130,473[1]
	Reversal of impairment losses on non-current assets	(199)	(28)
	(Gains) on disposal of non-current assets	(339)	(1)
	Changes in non-current provisions	(3,619)	2,303
	Share of results of equity-accounted joint ventures	(17,513)	(16,727)
	Dividends received from equity-accounted joint ventures	21,000	14,000
	Loss on net monetary position under IAS 29	823	912
	Non-cash expenses/income and other adjustments	23,234	25,718
	Operating cash flow before changes in working capital	**198,825**	**187,831**
	Changes in inventories	(13,503)	(102,588)
	Changes in receivables and current assets	(37,477)	(296)
	Changes in current provisions	(7,434)	(16,548)
	Changes in payables (excluding borrowings)	43,794	66,450
	Changes in working capital	**(14,620)**	**(52,982)**
	Interest received	802	2,001
	Interest paid	(7,930)	(8,814)
	Tax paid	(13,454)	(17,940)
(13)	**Net cash from operating activities**	**163,623**	**110,096**
	Dividends received	22	17
	Proceeds from disposal of non-current assets	2,829	1,971
	Purchases of property, plant and equipment and intangible assets, net of government grants	(70,509)	(150,030)
	Proceeds from disposal of securities	468	6
	Proceeds from disposal of subsidiaries, net of cash	0	582
	Purchases of non-current financial assets	(3,345)	(8,124)
	Purchase of subsidiaries, net of cash acquired	(9,111)	0
(14)	**Net cash (used in) investing activities**	**(79,646)**	**(155,578)**
	Repayment of borrowings to affiliated companies in the Südzucker group	0	(85,000)
	(Repayment of)/proceeds from Schuldscheindarlehen, or bonded loan	(26,000)	164,500
	Outflows from lease liabilities	(7,266)	(6,437)
	Repayment of investment loan of the European Investment Bank	(4,882)	(4,882)
	(Repayment of)/proceeds from syndicated loans	(70,000)	10,000
	Inflows from bank overdrafts and cash advances	97,520	42,344
	Dividend paid	(48,826)	(63,203)
(15)	**Net cash (used in)/from financing activities**	**(59,454)**	**57,322**
	Net increase in cash and cash equivalents	**24,523**	**11,840**
	Effect of movement in foreign exchange rates on cash and cash equivalents	(5,437)	(511)
	Effect of IAS 29 on cash and cash equivalents	(1,530)	(496)
	Cash and cash equivalents at beginning of period	93,415	82,582
	Cash and cash equivalents at end of period	**110,971**	**93,415**

[1] The prior year data have been restated under IAS 8. Further information is provided on page 114.

Consolidated balance sheet
at 28 February 2021

Note	€000	28 Feb 2021	29 Feb 2020[1]
	ASSETS		
	A. Non-current assets		
(16)	Intangible assets	254,599	254,997
(17)	Property, plant and equipment	859,659	932,795
(18)	Equity-accounted joint ventures	72,118	76,919
(18)	Securities	19,416	19,599
(18)	Investments in non-consolidated subsidiaries and outside companies	1,683	919
(19)	Other assets	8,106	12,410
(20)	Deferred tax assets	16,440	14,175
		1,232,021	**1,311,814**
	B. Current assets		
(21)	Inventories	700,613	710,500
(19)	Trade receivables	323,055	319,457
(19)	Other assets	96,069	89,334
	Current tax assets	10,005	4,813
	Cash and cash equivalents	110,971	93,415
		1,240,713	**1,217,519**
	Total assets	**2,472,734**	**2,529,333**
	EQUITY AND LIABILITIES		
(22)	**A. Equity**		
	Share capital	113,531	113,531
	Share premium and other capital reserves	540,760	540,760
	Retained earnings	619,493	649,295
	Equity attributable to shareholders of the parent	1,273,784	1,303,586
	Non-controlling interests	55,313	63,435
		1,329,097	**1,367,021**
	B. Non-current liabilities		
(23a)	Retirement and termination benefit obligations	67,786	73,401
(23b)	Other provisions	29,396	29,756
(24)	Borrowings	493,637	450,212
(25)	Other payables	1,094	6,418
(26)	Deferred tax liabilities	5,502	5,504
		597,415	**565,291**
	C. Current liabilities		
(23b)	Other provisions	17,478	20,789
(24)	Borrowings	80,274	126,814
(25)	Trade payables	311,524	311,771
(25)	Other payables	130,800	131,553
	Tax liabilities	6,146	6,094
		546,222	**597,021**
	Total equity and liabilities	**2,472,734**	**2,529,333**

[1] The prior year data have been restated under IAS 8. Further information is provided on page 114.

Consolidated statement of changes in equity

for the year ended 28 February 2021

€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
	Attributable to the shareholders					
			Retained			
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**

€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
	Attributable to the shareholders					
			Retained			
2019|20[1]						
At 1 March 2019	113,531	540,760	2,743	(331)	(33,988)	(26,545)
Changes in fair value of equity instruments	0	0	489	0	0	0
Changes in fair value of hedging instruments (cash flow hedges)	0	0	0	(394)	0	471
Changes in actuarial gains and losses on defined benefit pension obligations and similar liabilities	0	0	0	0	(6,073)	(10)
Tax effects	0	0	(122)	106	1,073	(116)
Currency translation (loss) and hyperinflation adjustments	0	0	0	0	0	(4,213)
Other comprehensive income/(expense) for the period	**0**	**0**	**367**	**(288)**	**(5,000)**	**(3,868)**
Profit for the period	0	0	0	0	0	0
Total comprehensive income/(expense) for the period	**0**	**0**	**367**	**(288)**	**(5,000)**	**(3,868)**
Dividends paid	0	0	0	0	0	0
Transfer to reserves	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 29 February 2020	**113,531**	**540,760**	**3,110**	**(619)**	**(38,988)**	**(30,413)**
						649,295

[1] The prior year data have been restated under IAS 8. Further information is provided on page 114.

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
823,840	(96,674)	25,406	1,348,742	61,186	1,409,928
0	0	0	489	0	489
0	0	0	77	157	234
0	0	0	(6,083)	(94)	(6,177)
0	0	0	941	(16)	925
0	(1,619)	0	(5,832)	(411)	(6,243)
0	**(1,619)**	**0**	**(10,408)**	**(364)**	**(10,772)**
0	0	28,051	28,051	3,130	31,181
0	**(1,619)**	**28,051**	**17,643**	**2,766**	**20,409**
0	0	(62,489)	(62,489)	(714)	(63,203)
(37,083)	0	37,083	0	0	0
(105)	0	0	(105)	(8)	(113)
(205)	0	0	(205)	205	0
786,447	**(98,293)**	**28,051**	**1,303,586**	**63,435**	**1,367,021**

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 2020|21 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 – Sugar, Starch and Fruit – and thus follows the AGRANA Group's internal reporting structure.

The AGRANA Group has the three reportable segments Sugar, Starch and Fruit, 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
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

[1] Excluding goodwill.

€000	Fruit	Starch	Sugar	Consoli-dation	Group
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
2019|20[2]					
Total revenue	1,186,347	816,802	536,313	(58,730)	2,480,732
Inter-segment revenue	(890)	(9,805)	(48,035)	58,730	0
Revenue	**1,185,457**	**806,997**	**488,278**	**0**	**2,480,732**
EBITDA	101,090	93,885	(11,910)	0	183,065
Depreciation, amortisation and impairment of property, plant and equipment and intangibles[1]	(43,088)	(35,068)	(31,773)	0	(109,929)
Operating profit/(loss) before exceptional items and results of equity-accounted joint ventures	**58,002**	**58,817**	**(43,683)**	**0**	**73,136**
Exceptional items	(2,070)	0	(20,854)	0	(22,924)
Share of results of equity-accounted joint ventures	0	16,341	386	0	16,727
Operating profit/(loss) [EBIT]	**55,932**	**75,158**	**(64,151)**	**0**	**66,939**
Segment assets	1,213,312	716,847	1,684,419	(1,085,245)	2,529,333
Segment equity	436,274	371,663	910,726	(351,642)	1,367,021
Segment liabilities	777,038	345,184	773,693	(733,603)	1,162,312
Purchases of property, plant and equipment and intangibles[1]	56,495	73,609	19,557	0	149,661
Purchases of non-current financial assets	506	400	8,018	0	8,924
Total capital expenditure	57,001	74,009	27,575	0	158,585
Carrying amount of equity-accounted joint ventures	0	58,434	18,485	0	76,919
Number of employees (average full-time equivalents)	6,194	1,087	2,061	0	9,342

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

Exceptional items in the Fruit segment, at a net expense of € 11,723 thousand (prior year: net expense of € 2,070 thousand), concerned a cost reduction programme, a property, plant and equipment write-down in Egypt, two plant closures in Poland and Hungary, and expenses for a product complaint in Europe (prior year: regional restructuring measures and exceptional staff cost effects). In the Sugar segment, the net exceptional items expense in the 2020|21 financial year was € 212 thousand. The prior year's net exceptional items expense was restated by an expense of € 20,111 thousand to a revised total net exceptional items expense of € 20,854 thousand, due to an error correction under IAS 8 as a result of impairment losses on goodwill.

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 € 722,682 thousand (prior year: € 733,603 thousand) and equity capital consolidation of € 351,642 thousand (prior year: € 351,642 thousand).

[1] Excluding goodwill.
[2] The prior year data have been restated under IAS 8. Further information is provided on page 114.

1.2. Segmentation by region

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

Revenue €000	**2020|21**	**2019|20**
Austria	1,616,931	1,406,166
Hungary	7,580	41,126
Romania	27,792	95,944
Rest of EU	262,856	314,790
EU-27	1,915,159	1,858,026
Rest of Europe (Russia, Serbia, Turkey, Ukraine)	97,454	111,188
Other foreign countries	534,371	511,518
Total	**2,546,984**	**2,480,732**

The revenue of the Eastern European companies amounted to € 173,616 thousand (prior year: € 339,338 thousand), or about 6.8% (prior year: 13.7%) of total revenue. The countries defined as Eastern Europe are Hungary, Slovakia, Czech Republic, Romania, Bulgaria, Poland, Russia, Ukraine, Turkey and Serbia.

Purchases of property, plant and equipment and intangibles[1] €000	**2020|21**	**2019|20**
Austria	35,362	90,750
Hungary	3,327	5,717
Romania	2,941	3,013
Rest of EU	11,551	21,737
EU-27	53,181	121,217
Rest of Europe (Russia, Serbia, Turkey, Ukraine)	2,267	7,739
Other foreign countries	16,841	20,705
Total	**72,289**	**149,661**

Carrying amount of property, plant and equipment and intangibles[1] €000	**2020|21**	**2019|20**
Austria	509,738	546,309
Hungary	55,924	62,945
Romania	36,576	38,072
Rest of EU	108,973	115,155
EU-27	711,211	762,481
Rest of Europe (Russia, Serbia, Turkey, Ukraine)	22,552	29,272
Other foreign countries	138,714	154,258
Total	**872,477**	**946,011**

[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 2020|21 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 1	Presentation of Financial Statements (amendment)	31 Oct 2018	29 Nov 2019
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors (amendment)	31 Oct 2018	29 Nov 2019
IAS 39	Financial Instruments: Recognition and Measurement (amendment)	26 Sep 2019	15 Jan 2020
IFRS 3	Business Combinations (amendment)	22 Oct 2018	21 Apr 2020
IFRS 7	Financial Instruments: Disclosures (amendment)	26 Sep 2019	15 Jan 2020
IFRS 9	Financial Instruments (amendment)	26 Sep 2019	15 Jan 2020
Various	Amendments to references to the Conceptual Framework for Financial Reporting	29 Mar 2018	29 Nov 2019

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 2021|22 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	Not to date
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	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	Not to date
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	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 39 IFRS 4 IFRS 7 IFRS 9 IFRS 16	Financial Instruments: Recognition and Measurement (amendment) Insurance Contracts (amendment) Financial Instruments: Disclosures (amendment) Financial Instruments (amendment) Leases (amendment) *The amendments result from Phase 2 of the Interest Rate Benchmark Reform and relate to the impact on financial reporting when existing benchmark rates are actually replaced. The changes are not relevant to AGRANA.*	27 Aug 2020	2021|22	13 Jan 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	Not to date
IFRS 4	Insurance Contracts (amendment) *The standard is not relevant to AGRANA.*	25 Jun 2020	2021|22	15 Dec 2020
IFRS 16	Leases (amendment) *The coronavirus pandemic has led to some lessors providing rent concessions to lessees by deferring or waiving amounts that would otherwise be payable. The standard now contains exemptions for this case, in particular specifying that it should not be treated as a lease modification. In March 2021, the IASB extended the application of the exemptions. As AGRANA does not receive any rent concessions as a lessee, the changes are not relevant.*	28 May 2020 31 Mar 2021	2021|22	9 Oct 2020
IFRS 17	Insurance Contracts *The standard is not relevant to AGRANA.*	18 May 2017 25 Jun 2020	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	Not to date

Restatement under IAS 8

In recent months, the Austrian Financial Reporting Enforcement Panel (OePR) conducted an audit pursuant to section 2 (1) 1 of the Austrian Financial Reporting Enforcement Act (event-driven audit) of the consolidated financial statements and Group management report for the year ended 29 February 2020 and the interim financial report for the first half of the 2019|20 financial year. The audit was prompted by doubts about the impairment test performed under IAS 36 in the Sugar segment, including the presentation in the consolidated financial statements for the year ended 29 February 2020 and in the interim financial report for the first half of the 2019|20 financial year, in particular the estimation of future cash flows.

The OePR concluded that the impairment test performed for the Sugar cash-generating unit was based on cash flow projections that did not reflect reasonable and supportable assumptions in accordance with IAS 36.33 (a) which represent management's best estimate of the economic conditions. In particular, it concluded that in the budgeting of sales prices, the greater weight was not given to external evidence as required by the last sentence of IAS 36.33(a). The recoverability of the goodwill of € 20.1 million allocated to the cash-generating unit could therefore not be demonstrated. As a result, earnings in the 2019|20 financial year and shareholders' equity at 29 February 2020 had been overstated. In preparing those consolidated financial statements for the year ended 29 February 2020, AGRANA itself had performed sensitivity analyses with respect to lower sales prices in order to demonstrate recoverability. In doing so, it had been assumed that beet farmers would grow the same or higher quantities of sugar beet after the current contracts expired, without the premium for beet cultivation being maintained that was agreed at the time. In view of the fact that, without the agreements then in force, it would not have been possible to contract sufficient beet production area in the past, the assumption of increasing or constant cultivation area in the face of falling beet prices was found by the OePR to be neither reasonable nor justifiable and not supported by recent experience. The recoverability at constant sales prices could therefore not be demonstrated. The error was corrected retrospectively in accordance with IAS 8.42 by restating the affected items in the prior year's financial statements. This also resulted in corrections to the interim consolidated financial statements published in the 2020|21 financial year.

The effects of the restatement under IAS 8.42 on the consolidated balance sheet and income statement are presented in the following table:

€000	At 29 Feb 2020 (as published)	IAS 8 restatement	At 29 Feb 2020 (restated)
ASSETS			
Intangible assets	275,108	(20,111)	254,997
Property, plant and equipment	1,056,817	0	1,056,817
Non-current assets	1,331,925	(20,111)	1,311,814
Current assets	1,217,519	0	1,217,519
Total assets	**2,549,444**	**(20,111)**	**2,529,333**
EQUITY AND LIABILITIES			
Equity	1,387,132	(20,111)	1,367,021
Non-current liabilities	565,291	0	565,291
Current liabilities	597,021	0	597,021
Total equity and liabilities	**2,549,444**	**(20,111)**	**2,529,333**
Depreciation, amortisation and impairment losses	(110,333)	(20,111)	(130,444)
Operating profit [EBIT]	87,050	(20,111)	66,939
Profit before tax	69,859	(20,111)	49,748
Profit for the period	**51,292**	**(20,111)**	**31,181**
Attributable to shareholders of the parent	48,162	(20,111)	28,051
Earnings per share under IFRS (basic and diluted)	€ 0.77	€ (0.32)	€ 0.45

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, 58 companies besides the parent were fully consolidated in the Group financial statements (prior year: 61 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 2021

Name of company	Registered office	Country	Equity interest 28 Feb 2021		Equity interest 29 Feb 2020	
			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.	Buzău	Romania	–	100.00%	–	100.00%
AGRANA d.o.o.[2]	Brčko	Bosnia and Herzegovina	–	–	–	75.00%
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 (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.	Michoacán	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.	Michoacán	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%

Name of company	Registered office	Country	Equity interest 28 Feb 2021 Direct	Equity interest 28 Feb 2021 Indirect[1]	Equity interest 29 Feb 2020 Direct	Equity interest 29 Feb 2020 Indirect[1]
AGRANA Group-Services GmbH	Vienna	Austria	100.00%	–	100.00%	–
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	–	87.65%	–	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 TANDAREI S.r.l.[2]	Ţăndărei	Romania	–	–	–	100.00%
AGRANA Trading EOOD	Sofia	Bulgaria	–	100.00%	–	100.00%
AGRANA ZHG Zucker Handels GmbH[3]	Vienna	Austria	–	–	–	100.00%
AGRANA Zucker GmbH	Vienna	Austria	98.91%	1.09%	98.91%	1.09%
AUSTRIA JUICE Germany GmbH (formerly AGRANA Juice Sales & Marketing GmbH)	Bingen	Germany	–	50.01%	–	50.01%
AUSTRIA JUICE Germany GmbH[3]	Bingen	Germany	–	–	–	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	–	87.65%	–	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[4]	Akbou	Algeria	–	26.93%	–	26.93%
“YUBE” doo – u likvidaciji	Požega	Serbia	–	100.00%	–	100.00%

Name of company	Registered office	Country	Equity interest 28 Feb 2021 Direct	Equity interest 28 Feb 2021 Indirect[1]	Equity interest 29 Feb 2020 Direct	Equity interest 29 Feb 2020 Indirect[1]
Non-consolidated subsidiaries						
AGRANA Amidi srl	Sterzing	Italy	–	100.00%	–	100.00%
Reporting date: 28 Feb 2021 | Equity: € 41.2 thousand | Profit for the period: € 11.1 thousand						
AGRANA Croatia d.o.o.[2] *Liquidated in 2020|21*	Zagreb	Croatia	–	–	–	100.00%
AGRANA Fruit Japan Co., Ltd.	Tokyo	Japan	–	100.00%	–	–
Reporting date: 28 Feb 2021 | Equity: € 802.6 thousand | Profit for the period: € 460.4 thousand						
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 2020|21 financial year:

	Full consolidation	Equity method
At 1 March 2020	61	13
Initial consolidation	1	0
Disposal	–4	0
At 28 February 2021	**58**	**13**

In the first quarter of 2020|21 the fully consolidated companies AGRANA TANDAREI S.r.l., Ţăndărei, Romania, and AGRANA d.o.o., Brčko, Bosnia and Herzegovina, were liquidated. The derecognition of the net assets of the two companies did not have a material impact on the consolidated balance sheet and income statement.

In the first half of 2020|21, the fully consolidated AGRANA ZHG Zucker Handels GmbH, Vienna, Austria, was merged into AGRANA Sales & Marketing GmbH, Vienna, Austria, and the fully consolidated AUSTRIA JUICE Germany GmbH, Bingen, Germany, was merged into AGRANA Juice Sales & Marketing GmbH, Bingen, Germany. AGRANA Juice Sales & Marketing GmbH as the absorbing entity in the latter merger was renamed AUSTRIA JUICE Germany GmbH.

[1] Total indirect ownership interest held by the Group.
[2] Liquidated in 2020|21.
[3] Merged in 2020|21.
[4] Disclosure under section 265 (2) UGB: The company is fully consolidated in the Group financial statements because management agreements give AGRANA a majority share of the voting rights.

On 1 March 2020, 100% of the shares of Marroquin Organic International, Inc. of Santa Cruz, California, USA, were acquired by AGRANA Stärke GmbH, Vienna; the new subsidiary was fully consolidated in the Group financial statements in the second quarter of 2020|21. The US company, with annual revenue of about € 20 million, distributes organic and GMO-free food ingredients and is an ideal fit for the execution of AGRANA's specialties strategy in the Starch segment.

The initial consolidation of Marroquin had the following effects on the AGRANA Group:

€000	Carrying amount at acquisition date
Non-current assets	3,527
Inventories	4,403
Receivables and other assets	2,279
Cash and cash equivalents	2,170
Total assets	**12,379**
Less non-current liabilities	(10)
Less current liabilities	(948)
Net assets (i.e., equity)	**11,421**
Negative goodwill	(140)
Acquisition cost (all in cash)	**11,281**

Joint ventures
The information below represents the aggregated financial position and performance of the joint ventures. The joint ventures are listed on page 117.

€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**

€000	AGRANA-STUDEN group	HUNGRANA group	Beta Pura GmbH	Total
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**

€000	AGRANA-STUDEN group	HUNGRANA group	Beta Pura GmbH	Total
29 February 2020				
Non-current assets	35,954	113,539	25,227	174,720
Inventories	22,519	50,906	0	73,425
Receivables and other assets	21,904	32,085	2,156	56,145
Cash, cash equivalents	3,348	4,922	6,755	15,025
Current assets	47,771	87,913	8,911	144,595
Total assets	**83,725**	**201,452**	**34,138**	**319,315**
Equity	22,467	115,898	15,408	153,773
Borrowings	759	785	12,002	13,546
Other liabilities	4,257	1,806	2	6,065
Non-current liabilities	5,016	2,591	12,004	19,611
Borrowings	40,821	53,578	52	94,451
Other liabilities	15,421	29,385	6,674	51,480
Current liabilities	56,242	82,963	6,726	145,931
Total equity and liabilities	**83,725**	**201,452**	**34,138**	**319,315**
Revenue	143,217	287,135	0	430,352
Depreciation, amortisation and impairment losses	(3,032)	(12,461)	(2)	(15,495)
Other (expense), net	(139,051)	(234,999)	(762)	(374,812)
Operating profit/(loss) [EBIT]	**1,134**	**39,675**	**(764)**	**40,045**
Interest income	132	0	0	132
Interest expense	(578)	(707)	(27)	(1,312)
Other finance income/(expense), net	879	(1,720)	(43)	(884)
Profit/(loss) before tax	**1,567**	**37,248**	**(834)**	**37,981**
Income tax (expense)/benefit	(168)	(4,565)	208	(4,525)
Profit/(loss) for the period	**1,399**	**32,683**	**(626)**	**33,456**
Other comprehensive income/(expense)	917	(8,420)	0	(7,503)
Total comprehensive income/(expense) for the period	**2,316**	**24,263**	**(626)**	**25,953**

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 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

€000	AGRANA-STUDEN group	HUNGRANA group	Beta Pura GmbH	Total
29 February 2020				
Equity	22,467	115,898	15,408	153,773
Of which attributable to AGRANA	11,234	57,949	7,704	76,887
Value change at time of transition from proportionate consolidation to equity method	(452)	484	0	32
Investments in equity-accounted joint ventures (carrying amount)	**10,782**	**58,433**	**7,704**	**76,919**
Dividend attributable to AGRANA	0	14,000	0	14,000

Non-controlling interests

The non-controlling interests of € 55,313 thousand (prior year: € 63,435 thousand) represented primarily the co-owners of the AUSTRIA JUICE group, at € 38,987 thousand (prior year: € 45,419 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 2021**	**29 Feb 2020**
Non-current assets	128,949	133,759
Current assets	172,308	191,605
Total assets	**301,257**	**325,364**
Non-current liabilities	5,596	5,807
Current liabilities	210,390	221,422
Total liabilities	**215,986**	**227,229**
Net assets	**85,271**	**98,135**
Revenue	214,227	214,204
Operating profit [EBIT]	(4,653)	12,596
Profit before tax	(9,314)	7,773
Income tax benefit/(expense)	801	(1,589)
(Loss)/profit for the period	(8,513)	6,184
Other comprehensive (expense)	(4,352)	(921)
Total comprehensive (expense)/income for the period	(12,865)	5,263
Net cash from operating activities	15,944	29,995
Net cash (used in) investing activities	(8,414)	(11,949)
Net cash (used in) financing activities	(7,157)	(21,770)
Net increase/(decrease) in cash and cash equivalents	**373**	**(3,724)**

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

AUSTRIA JUICE group €000	**28 Feb 2021**	**29 Feb 2020**
(Loss)/profit for the period	(4,256)	3,092
Carrying amount of net assets	42,626	49,058
Measurement effect from business combination	(3,639)	(3,639)
Non-controlling interest in net assets	**38,987**	**45,419**

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:

€	Currency	Rate at reporting date 28 Feb 2021	29 Feb 2020	Average rate for year 2020|21	2019|20
Albania	ALL	122.74	125.92	122.62	126.14
Algeria	DZD	131.59	134.73	133.30	136.85
Argentina	ARS	68.43	44.56	68.43	44.56
Australia	AUD	1.69	1.60	1.62	1.59
Bosnia and Herzegovina	BAM	1.96	1.96	1.96	1.96
Brazil	BRL	4.92	4.27	4.48	4.36
Bulgaria	BGN	1.96	1.96	1.96	1.96
China	CNY	7.67	7.63	7.73	7.79
Croatia	HRK	7.47	7.43	7.42	7.42
Czech Republic	CZK	25.39	25.60	25.58	25.69
Egypt	EGP	17.05	19.95	18.36	20.68
Fiji	FJD	2.44	2.42	2.42	2.45
Hungary	HUF	337.57	315.96	328.05	320.22

€	Currency	Rate at reporting date 28 Feb 2021	29 Feb 2020	Average rate for year 2020/21	2019/20
India	INR	79.29	80.89	78.47	81.10
Mexico	MXN	21.64	21.91	21.37	22.51
Morocco	MAD	10.59	10.89	10.73	11.01
Northern Macedonia	MKD	61.67	61.50	61.51	61.51
Poland	PLN	4.34	4.31	4.29	4.28
Romania	RON	4.81	4.74	4.75	4.67
Russia	RUB	73.61	75.09	71.43	75.03
Serbia	CSD	117.54	118.18	117.74	118.25
South Africa	ZAR	17.10	15.95	16.25	15.78
South Korea	KRW	1,324.98	1,281.07	1,308.56	1,292.87
Turkey	TRY	6.83	6.07	6.45	5.94
Ukraine	UAH	26.93	30.73	28.21	31.67
USA	USD	1.10	1.14	1.11	1.17

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 2021 stood at 416.36 (29 February 2020: 295.34). The change in the index is shown in the following table:

	Index change 2020|21	2019|20
March	3.3%	4.7%
April	1.5%	3.4%
May	1.5%	3.1%
June	2.2%	2.7%
July	1.9%	2.2%
August	2.7%	4.0%
September	2.8%	5.9%
October	3.8%	3.3%
November	3.2%	4.3%
December	4.0%	3.7%
January	4.0%	2.3%
February	3.7%	1.9%

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 146.

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 0.75% for the year under review (prior year: 0.80%).

- 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 2021: € 241,781 thousand; at 29 February 2020: € 241,781 thousand), other intangible assets (carrying amount at 28 February 2021: € 12,818 thousand; at 29 February 2020: € 13,216 thousand) and property, plant and equipment (acquired and leased) (carrying amount at 28 February 2021: € 859,659 thousand; at 29 February 2020: € 932,795 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 end of the event-driven audit by the OePR was a triggering event for the goodwill impairment test as at 28 February 2021. The planning calculations used as a basis for it were the most recent available, in which the possible effects of the Covid-19 pandemic were taken into account. These planning calculations were approved by the Management Board, but not yet by the Supervisory Board.

At 28 February 2021, the carrying amounts of the CGUs were compared with the updated values in use and the WACC[1] updated to this date was applied. As no long-term negative impacts on the business activities of the AGRANA Group were identified at the date of preparation of these consolidated financial statements at 22 April 2021, the material effects of the coronavirus crisis are limited to the first planning year of the determination of value in use. Depending on the actual effects and further trajectory of the Covid-19 crisis, negative impacts on the 2021|22 financial year or on subsequent years may arise, such as impairment of goodwill and property, plant and equipment.

The forecast uncertainty caused by the volatility of the markets was 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:

Fruit CGU	**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%

Starch CGU	**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%

In neither of the CGUs would an impairment of the carrying amount of goodwill result under the planning scenarios.

[1] Weighted average cost of capital.

The discount rate before tax varies by industry, company risk level and specific market environment; in the financial year it ranged from 6.80% to 7.56% (prior year: 4.65% to 6.81%).

An increase of 0.5 percentage points in WACC would not lead to an impairment.

- The relevant value drivers for the impairment test of property, plant and equipment in the Sugar Sales & Production CGU were identified as sugar beet planting acreages and sugar prices, and sensitivities were calculated on these. A decrease of 10% in the acreage assumed in the five-year-plan would not result in an excess of the carrying amount over the recoverable amount. Likewise, a reduction of 3.4% in the sales prices used in the five-year-plan would not lead to an excess of the carrying amount over the recoverable amount.

- 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 2021: € 67,786 thousand; at 29 February 2020: € 73,401 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:

	Pension benefits		**Termination benefits**	
€000	**28 Feb 2021**	**29 Feb 2020**	**28 Feb 2021**	**29 Feb 2020**
Change in actuarial assumptions				
Discount rate				
+0.5 percentage points	(2,537)	(2,676)	(1,664)	(1,920)
−0.5 percentage points	2,790	2,951	1,785	2,062
Wage and salary increase				
+0.25 percentage points	54	67	851	980
−0.25 percentage points	(53)	(66)	(820)	(945)
Pension increase				
+0.25 percentage points	1,267	1,291	–	–
−0.25 percentage points	(1,215)	(1,238)	–	–
Life expectancy				
Increase by 1 year	4,594	4,189	–	–
Decrease by 1 year	(4,885)	(4,379)	–	–

- The recognition of deferred tax assets (carrying amount at 28 February 2021: € 16,440 thousand; at 29 February 2020: € 14,175 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 2021: € 46,874 thousand; at 29 February 2020: € 50,545 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, 94.87% (prior year: 95.10%), or the great majority, is generated with products manufactured by the Group itself. AGRANA's revenue from services, at 0.22% of the total (prior year: 0.22%), and from the reselling of merchandise, at 4.91% (prior year: 4.68%), is of minor significance as a percentage of total revenue.

Within the business segments, revenue is allocated to regions based on the location of the companies' registered office.

€000	2020|21	2019|20
Fruit segment		
EU-27	554,441	562,751
Europe non-EU	97,454	111,188
North America	309,785	305,205
South America	24,179	31,211
Asia	118,821	109,560
Africa	24,639	26,064
Australia and Oceania	37,252	39,478
	1,166,571	**1,185,457**
Starch segment		
EU-27	802,197	806,997
North America	19,695	0
	821,892	**806,997**
Sugar segment		
EU-27	558,521	488,278
	558,521	**488,278**
Total	**2,546,984**	**2,480,732**

The Group's top ten customers accounted for 30.1% (prior year: 31.1%) of consolidated revenue. One AGRANA customer accounted for 12.4% (prior year: 13.4%) of consolidated revenue. No other customer represented more than 10% of revenue.

Note (2)

8.2. Changes in inventories and own work capitalised

€000	2020|21	2019|20
Changes in inventories of finished and unfinished goods	(14,529)	64,764
Own work capitalised	2,820	1,898

The change in inventories of finished and unfinished goods amounted to a net reduction of € 14,529 thousand (prior year: net increase of € 64,764 thousand), resulted from a decrease in the Sugar segment of € 17,985 thousand (prior year: increase of € 27,462 thousand), a decrease in the Fruit segment of € 8,130 thousand (prior year: increase of € 25,467 thousand) and an increase in the Starch segment of € 11,586 thousand (prior year: increase of € 11,835 thousand).

The changes in inventories included an exceptional items expense in the Fruit segment of € 859 thousand from a product complaint in Europe.

Note (3)

8.3. Other operating income

€000	2020|21	2019|20
Income from		
Currency translation gains	11,537	6,329
Adjustment of payables from the acquisition of subsidiaries	5,951	5,437
Insurance benefits and payments for damages	2,967	2,126
Derivatives	1,817	2,724
Exceptional items	1,617	0
Research incentives	1,400	1,106
Release of provisions for impairment of trade receivables	644	816
Disposal of non-current assets other than financial assets	515	601
Rent and leases	513	518
Beet and pulp cleaning, transport and handling	367	287
Recognition of negative goodwill resulting from a business combination	140	0
Services rendered to third parties	103	96
Net proceeds from disposal of AGRANA Fruit Fiji Pty Ltd.	0	568
Other items	15,393	17,063
Total	**42,964**	**37,671**

Within other operating income, “other items” represent, among other things, revenue from the pass-through of costs for raw materials, consumables and services. The income side of exceptional items in the year under review consisted of income from the release of a provision in connection with a legal dispute, and from tax refunds in Romania, both in the Sugar segment.

Note (4)

8.4. Cost of materials

€000	2020|21	2019|20
Costs of		
Raw materials	1,158,798	1,159,366
Consumables and goods purchased for resale	535,260	526,247
Purchased services	65,174	73,664
Total	**1,759,232**	**1,759,277**

Note (5)

8.5. Staff costs

€000	2020|21	2019|20
Wages and salaries	274,844	270,091
Social security contributions, retirement benefit expenses and other staff costs	70,450	71,569
Total	**345,294**	**341,660**

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 € 641 thousand (prior year: € 1,081 thousand) is included in net financial items. The current and past service costs are included in staff costs.

In the 2020|21 financial year an expense of € 19,591 thousand (prior year: € 19,027 thousand) was recognised for contributions to government pension plans.

€ 1,501 thousand of contributions to a defined contribution termination benefit fund were recognised in the income statement for the year (prior year: € 1,386 thousand).

Staff costs included exceptional expenses, which related largely to regional restructuring measures in the Fruit segment. The net exceptional items expense reflected in staff costs amounted to € 4,602 thousand (prior year: € 1,110 thousand).

Average number of employees during the financial year (average full-time equivalents):

By employee category	2020|21	2019|20
Wage-earning staff	5,972	6,456
Salaried staff	2,779	2,793
Apprentices	96	93
Total	**8,847**	**9,342**

By region	2020|21	2019|20
Austria	2,414	2,361
Hungary	424	465
Romania	537	566
Rest of EU	1,520	1,559
EU-27	4,895	4,951
Rest of Europe (Russia, Serbia, Turkey, Ukraine)	1,157	1,296
Other foreign countries	2,795	3,095
Total	**8,847**	**9,342**

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	2020|21	2019|20
Wage-earning staff	341	324
Salaried staff	205	197
Total	**546**	**521**

Note (6)

8.6. Depreciation, amortisation and impairment

€000	Total	Amorti-sation, depre-ciation	Impair-ment losses	Reversal of impair-ment losses
2020|21				
Intangible assets	3761	3761	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)**
2019|20[1]				
Intangible assets	3,663	3,662	1	0
Property, plant and equipment – acquired	100,427	98,805	1,650	(28)
Property, plant and equipment – leased	5,839	5,839	0	0
Recognised in operating profit before exceptional items	**109,929**	**108,306**	**1,651**	**(28)**
Exceptional items	20,515	0	20,515	0
Recognised in operating profit [EBIT]	**130,444**	**108,306**	**22,166**	**(28)**

Impairment losses and reversals of impairment losses, by segment, were as follows:

€000	Impair-ment losses	Reversal of impair-ment losses
2020|21		
Fruit segment	2,042	0
Starch segment	0	0
Sugar segment	134	(199)
Group	**2,176**	**(199)**
2019|20[1]		
Fruit segment	404	0
Starch segment	8	0
Sugar segment	21,754	(28)
Group	**22,166**	**(28)**

In the year under review, impairment recognised in operating profit before exceptional items related to the shutdown of a production line in Romania; in the prior year, it concerned the redimensioning of a storage and packaging facility in Hungary; both events were in the Sugar segment.

Exceptional items in impairment losses related to the impairment of assets in the compounds business in Egypt in the Fruit segment. In the prior year, the exceptional items in impairment charges were due to the restructuring in Serbia in the Fruit segment and an error correction in accordance with IAS 8 due to goodwill impairment in the Sugar segment.

[1] The prior year data have been restated under IAS 8. Further information is provided on page 114.

Note (7)

8.7. Other operating expenses

€000	2020|21	2019|20
Selling and freight costs	154,054	149,766
Operating and administrative expenses	88,025	103,353
Currency translation losses	11,114	8,794
Advertising expenses	7,324	10,140
Other taxes	6,334	6,626
Exceptional items	6,048	1,299
Rent and lease expenses	6,017	5,487
Derivatives	2,264	3,007
Damage payments	1,661	3,334
Research and development expenses (external)	832	892
Losses on disposal of non-current assets	174	510
Other items	8,540	10,264
Total	**292,387**	**303,472**

Internal and external R&D costs totalled € 18,416 thousand (prior year: € 18,901 thousand).

Within other operating expenses, “other items” included, for instance, provisions and other purchased services.

Within other operating expenses, exceptional items related mainly to plant closures in Poland and Hungary and a product complaint in Europe in the Fruit segment (prior year: regional restructuring measures in the Fruit segment and expenses for legal disputes in the Sugar segment).

The expenses incurred in the financial year for the external auditor, PwC Wirtschaftsprüfung GmbH, were € 467 thousand (prior year: € 425 thousand). Of this total, € 465 thousand (prior year: € 420 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: € 5 thousand) was for other assurance services, and € 0 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 € 17,513 thousand (prior year: € 16,727 thousand) included the Group’s share of the profits or losses of the joint ventures in the HUNGRANA group, the AGRANA-STUDEN group and Beta Pura GmbH.

Note (9)

8.9. Finance income

€000	2020|21	2019|20
Interest income	802	1,137
Currency translation gains	6,537	11,489
Income of non-consolidated subsidiaries and outside companies	22	18
Gains on derivatives	17,225	9,610
Miscellaneous finance income	310	597
Total	**24,896**	**22,851**

Interest income by segment was as follows:

€000	2020|21	2019|20
Fruit segment	534	664
Starch segment	27	2
Sugar segment	241	471
Total	**802**	**1,137**

Note (10)

8.10. Finance expense

€000	2020|21	2019|20
Interest expense	8,138	9,329
Net interest on provisions for pensions and termination benefits	641	1,081
Currency translation losses	16,571	13,340
Losses on derivatives	13,306	12,601
Loss on net monetary position under IAS 29	837	912
Miscellaneous finance expense	3,899	2,779
Total	**43,392**	**40,042**

Interest expense by segment was as follows:

€000	2020|21	2019|20
Fruit segment	2,139	2,606
Starch segment	231	259
Sugar segment	5,768	6,464
Group	**8,138**	**9,329**

Interest expense includes interest of € 1,025 thousand on lease liabilities (prior year: € 1,029 thousand) and the interest component from the discounting of the non-current obligation for long-service awards, at € 84 thousand (prior year: € 144 thousand).

Net currency translation differences on financing activities amounted to a loss of € 10,034 thousand (prior year: loss of € 1,851 thousand). This was composed of a realised loss of € 7,840 thousand (prior year: realised loss of € 5,627 thousand) and an unrealised loss of € 2,194 thousand (prior year: unrealised gain of € 3,776 thousand). The net translation loss was attributable primarily to foreign currency financing in Mexico, Romania, Hungary and Ukraine.

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	2020|21	2019|20
Current tax expense	9,326	20,170
Of which Austrian	(3,259)	4,452
Of which foreign	12,585	15,718
Deferred tax benefit	(4,116)	(1,603)
Of which Austrian	256	(510)
Of which foreign	(4,372)	(1,093)
Total tax expense	**5,210**	**18,567**
Of which Austrian	(3,003)	3,942
Of which foreign	8,213	14,625

Reconciliation of the deferred tax amounts in the balance sheet to deferred tax in the statement of comprehensive income:

€000	2020|21	2019|20
Increase in deferred tax assets in the consolidated balance sheet	2,266	1,866
Decrease in deferred tax liabilities in the consolidated balance sheet	2	1,052
Total change in deferred taxes	**2,268**	**2,918**
Of which recognised in the income statement	4,116	1,603
Of which recognised in other comprehensive income	(1,587)	1,080
Of which from currency translation/hyperinflation/other	(273)	235
Of which changes in scope of consolidation	12	0

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 € 188 thousand – must be deducted from the other comprehensive income of € 1,587 thousand presented in the table above.

Reconciliation of profit before tax to income tax expense

€000	2020|21	2019|20[1]
Profit before tax	60,195	49,748
Standard Austrian tax rate	25%	25%
Nominal tax expense at standard Austrian rate	**15,049**	**12,437**
Tax effect of:		
Different tax rates applied on foreign income	(2,790)	(512)
Restatement of prior year's amount, under IAS 8	0	5,028
Tax-exempt income and tax deductions, including results of equity-accounted joint ventures	(7,206)	(7,442)
Non-temporary differences from consolidation measures	(1,126)	(118)
Non-tax-deductible expenses and additional tax debits	4,472	2,605
Effects from other taxes	2,770	2,730
Effects of tax loss carryforwards	(2,551)	247
Non-recurring tax expenses	(3,408)	3,592
Income tax expense	**5,210**	**18,567**
Effective tax rate	**8.7%**	**37.3%**

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.

[1] The prior year data have been restated under IAS 8. Further information is provided on page 114.

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. € 13,820 thousand (prior year: € 18,274 thousand) of potential tax assets were not recognised. These related to cumulative unused tax loss carryforwards of € 50,059 thousand (prior year: € 82,336 thousand). Of the unused tax loss carryforwards, € 44,732 thousand (prior year: € 48,932 thousand) can be carried forward indefinitely, € 1,069 thousand (prior year: € 20,242 thousand) expire in two to four years and € 4,258 thousand (prior year: € 13,162 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 € 7,011 thousand (prior year: € 8,785 thousand).

For temporary differences on investments in subsidiaries, deferred tax liabilities of € 191,933 thousand (prior year: € 199,259 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

		2020|21	2019|20[1]
Profit for the period attributable to shareholders of the parent (AGRANA Beteiligungs-AG)	€000	59,787	28,051
Average number of shares outstanding		62,488,976	62,488,976
Earnings per share under IFRS (basic and diluted)	€	**0.96**	**0.45**
Dividend per share	€	**0.85[2]**	**0.77**

Subject to the Annual General Meeting’s approval of the proposed allocation of profit for the 2020|21 financial year, AGRANA Beteiligungs-AG will pay a dividend of € 53,116 thousand (prior year: € 48,117 thousand).

[1] The prior year data have been restated under IAS 8. Further information is provided on page 114.
[2] 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 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 € 198,825 thousand (prior year: € 187,831 thousand), or 7.81% of revenue (prior year: 7.57%). Within "non-cash expenses/income and other adjustments", non-cash expenses/income consisted mainly of the unrealised currency translation losses of € 2,194 thousand (prior year: unrealised translation gains of € 3,776 thousand) reflected in net financial items, a net non-cash expense of € 675 thousand (prior year: net expense of € 542 thousand) for impairment of receivables, an increase of € 5,951 thousand (prior year: increase of € 4,878 thousand) in purchase price liabilities for the acquisition of subsidiaries, and non-cash inventory write-downs of € 5,519 thousand (prior year: € 8,472 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 € 163,623 thousand (prior year: € 110,096 thousand).

Note (14)

9.2. Cash flows from investing activities

Net cash used in investing activities decreased by € 75,932 thousand from € 155,578 thousand to € 79,646 thousand, due mainly to lower outflows for purchases of property, plant and equipment and intangibles, which declined by € 79,521 thousand from € 150,030 thousand to € 70,509 thousand (prior year: decline of € 11,160 thousand). The decrease was explained largely by the completion of major projects of recent years (such as the wheat starch plant in Pischelsdorf, Austria, in the Starch segment), which led to correspondingly lower capital expenditures in the 2020|21 financial year, as well as by the initial application of IFRS 16, Leases, in the 2019|20 financial year. Purchases of subsidiaries, net of cash acquired, in the amount of € 9,111 thousand related to the purchase of 100% of the shares of the US company Marroquin Organic International, Inc., Santa Cruz, California, by AGRANA Stärke GmbH, Vienna.

Proceeds from the disposal of non-current assets amounted to € 2,829 thousand (prior year: € 1,971 thousand).

Note (15)

9.3. Cash flows from financing activities

Dividends paid in the amount of € 48,826 thousand (prior year: € 63,203 thousand), which related primarily to the cash dividend paid to the shareholders of AGRANA Beteiligungs-AG, combined with the cash inflows and outflows from borrowings shown in the table below, resulted in net cash used in financing activities of € 59,454 thousand in the 2020|21 financial year (prior year: net cash from financing activities of € 57,322 thousand).

The following table presents the changes in liabilities arising from financing activities:

€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**

€000	Carrying amount at 1 Mar 2019	Changes in maturities	Cash inflows/ (cash outflows)	Currency translation differences and other non-cash changes	Carrying amount at 29 Feb 2020
2019|20					
Schuldscheindarlehen, i.e., bonded loans	7,000	0	200,000	0	207,000
Borrowings from affiliated companies in the Südzucker group	85,000	0	(85,000)	0	0
Investment loan from European Investment Bank	36,618	(4,882)	0	0	31,736
Loans	150,295	0	39,368	(59)	189,604
Lease liabilities	75	0	0	21,797	21,872
Non-current borrowings	**278,988**	**(4,882)**	**154,368**	**21,738**	**450,212**
Schuldscheindarlehen, i.e., bonded loans	35,500	0	(35,500)	0	0
Investment loan from European Investment Bank	4,882	4,882	(4,882)	0	4,882
Syndicated loans	75,000	0	10,000	0	85,000
Bank overdrafts and cash advances	29,187	0	2,976	(183)	31,980
Lease liabilities	70	0	(6,437)	11,319	4,952
Current borrowings	**144,639**	**4,882**	**(33,843)**	**11,136**	**126,814**

10. Notes to the consolidated balance sheet

Note (16)

10.1. Intangible assets, including goodwill

€000	Goodwill	Concessions, licences and similar rights	Total
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**
2019|20[1]			
Cost			
At 1 March 2019	261,892	100,527	362,419
Currency translation differences and hyperinflation adjustments	0	(169)	(169)
Changes in scope of consolidation/other changes	0	13	13
Additions	0	2,022	2,022
Reclassifications	0	398	398
Disposals	0	(298)	(298)
At 29 February 2020	**261,892**	**102,493**	**364,385**
Accumulated amortisation and impairment			
At 1 March 2019	0	85,679	85,679
Currency translation differences and hyperinflation adjustments	0	224	224
Amortisation for the period	0	3,662	3,662
Impairment	20,111	1	20,112
Disposals	0	(289)	(289)
At 29 February 2020	**20,111**	**89,277**	**109,388**
Carrying amount at 29 February 2020	**241,781**	**13,216**	**254,997**

- Intangible assets consist largely of acquired customer relationships, software, patents and similar rights.
- The additions of € 1,083 thousand (prior year: € 2,022 thousand) of intangible assets related primarily to software.
- Of the total carrying amount of goodwill, the Fruit segment accounted for € 240,175 thousand (prior year: € 240,175 thousand) and the Starch segment for € 1,606 thousand (prior year: € 1,606 thousand).

[1] The prior year data have been restated under IAS 8. Further information is provided on page 114.

- 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 2021, 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 cash-generating 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: 8.5%) and a beta factor derived from a segment-specific peer group comprising eight companies per business segment (prior year: nine companies). Both the country risk and the inflation differential are assigned a volatility factor of 1.10 (prior year: 1.22).

- 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 2021	**29 Feb 2020[2]**	**2020|21**	**2019|20**
	€m	€m	%	%
Fruit CGU	240	240	7.56	6.81
Starch CGU	2	2	6.80	4.65
Group	**242**	**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.

- Impairment tests are regularly performed at the second-quarter balance sheet date of 31 August. As a result of the audit by the OePR (triggering event), an update to the goodwill impairment review was carried out at the balance sheet date of 28 February 2021, using the most up-to-date planning calculations available. These planning calculations (released by the Management Board but not yet approved by the Supervisory Board) included the impacts of the coronavirus crisis. No impairment of the carrying amount of goodwill would result in any CGU. Further details are provided in section 7.11, “Critical assumptions and judgements”.

[1] Weighted average cost of capital.
[2] The prior year data have been restated under IAS 8. Further information is provided on page 114.

- The values in use were subjected to a sensitivity analysis. The results are presented on page 130.
- 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 con-struction	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 con-struction	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**

€000	Land, leasehold rights and buildings	Technical plant and machinery	Other plant, furniture and equipment	Assets under con-struction	Total
2019|20					
Property, plant and equipment – acquired					
Cost					
At 1 March 2019	616,904	1,314,868	232,213	124,646	2,288,631
Currency translation differences and hyperinflation adjustments	(3,629)	(3,504)	(387)	(451)	(7,971)
Changes in scope of consolidation/ other changes	(479)	(1,510)	(234)	1	(2,222)
Additions	9,974	43,313	17,079	72,344	142,710
Reclassifications	18,007	20,949	2,851	(42,737)	(930)
Disposals	(607)	(3,776)	(9,150)	(173)	(13,706)
At 29 February 2020	**640,170**	**1,370,340**	**242,372**	**153,630**	**2,406,512**
Accumulated depreciation and impairment					
At 1 March 2019	336,847	908,627	178,554	382	1,424,410
Currency translation differences and hyperinflation adjustments	(1,620)	(2,928)	(18)	(6)	(4,572)
Changes in scope of consolidation/ other changes	(287)	(1,490)	(233)	0	(2,010)
Depreciation for the period	17,641	66,050	15,114	0	98,805
Impairment	1,868	141	13	32	2,054
Reclassifications	(68)	(231)	182	0	(117)
Disposals	(203)	(3,225)	(8,827)	(140)	(12,395)
Reversal of impairment losses	0	0	0	(28)	(28)
At 29 February 2020	**354,178**	**966,944**	**184,785**	**240**	**1,506,147**
Carrying amount at 29 February 2020	**285,992**	**403,396**	**57,587**	**153,390**	**900,365**

€000	Land, leasehold rights and buildings	Technical plant and machinery	Other plant, furniture and equipment	Assets under con-struction	Total
2019|20					
Property, plant and equipment – leased					
Cost					
At 1 March 2019 – date of initial application of IFRS 16	23,625	8,991	951	0	33,567
Currency translation differences	27	(12)	1	0	16
Additions	3,199	777	677	276	4,929
Reclassifications	532 0	0	0	0	532
Disposals	(20)	(771)	(20)	0	(811)
At 29 February 2020	**27,363**	**8,985**	**1,609**	**276**	**38,233**
Accumulated depreciation and impairment					
At 1 March 2019 – date of initial application of IFRS 16	0	0	0	0	0
Currency translation differences	13	(3)	1	0	11
Depreciation for the period	3,674	1,625	540	0	5,839
Reclassifications	117	0	0	0	117
Disposals	(3)	(141)	(20)	0	(164)
At 29 February 2020	**3,801**	**1,481**	**521**	**0**	**5,803**
Carrying amount at 29 February 2020	**23,562**	**7,504**	**1,088**	**276**	**32,430**
Carrying amount of total property, plant and equipment at 29 February 2020	**309,554**	**410,900**	**58,675**	**153,666**	**932,795**

- Additions of property, plant and equipment by segment were as follows:

€000	2020|21	2019|20
Fruit segment	33,853	55,601
Starch segment	21,725	73,045
Sugar segment	15,628	18,993
Group	**71,206**	**147,639**

- 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 largely of investment assistance for the wheat starch plant and a starch dryer in the Starch segment.

- In connection with the forecast sugar beet planting acreages in the non-Austrian countries, an impairment test was performed for the property, plant and equipment of the Sugar Sales & Production CGU as at 28 February 2021. In addition to the trajectory of beet acreage, important planning assumptions are sugar production, sugar consumption trends and especially sugar prices. The recoverable amount was determined as the fair value less costs to sell using the present value method. A five-year plan updated by the management with regard to raw material production, with a planting area of 91,400 hectares, was used as a basis. The after-tax WACC used was 5.1% and the growth rate employed was 1.5%. No impairment was identified. Further information is provided in section 7.11, “Critical assumptions and judgements”.

- AGRANA uses leases mainly for long-term rental agreements for land and buildings in administration and production.

- At 28 February 2021 the weighted average incremental borrowing rate for the measurement of lease liabilities was 3.6% (prior year: 3.8%).

- 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	**2020|21**	**2019|20**
Expenses for short-term leases	2,264	2,158
Expenses for leases of low-value assets	182	189
Interest expenses on lease liabilities	1,025	1,029

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**
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**
2019|20				
At 1 March 2019	69,926	18,843	19	88,788
Currency translation differences	(4,213)	4	0	(4,209)
Capital increase at joint ventures and additions	8,018	0	906	8,924
Share of results of equity-accounted joint ventures	16,727	0	0	16,727
Impairment	0	263	0	263
Dividends of equity-accounted joint ventures and disposals	(14,000)	0	(6)	(14,006)
Other comprehensive income	461	489	0	950
At 29 February 2020	**76,919**	**19,599**	**919**	**97,437**

- The additions of € 1,273 thousand to investments in non-consolidated subsidiaries and outside companies related to the newly established subsidiary AGRANA Fruit Japan Co., Ltd., Tokyo, Japan, which was provided with additional capital and will be fully consolidated in the Group financial statements for the first time when it begins to operate in the 2021|22 financial year.

Note (19)

10.4. Receivables and other assets

€000	28 Feb 2021	29 Feb 2020
Trade receivables	323,055	319,457
Amounts due from affiliated companies and joint ventures	14,621	16,721
Positive fair value of derivatives	4,961	2,134
Amounts due from associates in the Südzucker group	661	2,063
Receivable under government grants	1,536	602
Receivables from outside companies that are investees	0	43
Miscellaneous other financial assets	26,537	20,955
Financial instruments	**371,371**	**361,975**
VAT credits and other tax credits	47,575	50,282
Prepaid expenses	6,858	6,479
Accrued income	1,426	2,465
Total	**427,230**	**421,201**
Of which due after more than 1 year	8,106	12,410

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 2021	29 Feb 2020
Deferred tax assets		
Intangible assets and property, plant and equipment	5,083	2,769
Non-current financial assets (primarily "one-seventh" write-downs on non-consolidated subsidiaries and on outside companies)	2,407	2,342
Inventories	3,416	4,325
Receivables and other assets	1,615	694
Carryforwards of unused tax losses	7,720	4,559
Retirement, termination and long-service benefit obligations	5,162	6,758
Other provisions and liabilities	13,684	15,445
Total deferred tax assets	**39,087**	**36,892**
Deferred tax assets offset against deferred tax liabilities relating to the same tax authority	(22,647)	(22,717)
Net deferred tax assets	**16,440**	**14,175**

Deferred tax liabilities are detailed in note 26.

Note (21)

10.6. Inventories

€000	28 Feb 2021	29 Feb 2020
Raw materials and consumables	223,806	212,629
Finished and unfinished goods	443,888	485,135
Goods purchased for resale	32,919	12,736
Total	**700,613**	**710,500**

Write-downs of € 5,518 thousand (prior year: € 8,472 thousand) were recognised on inventories, with the Fruit segment accounting for € 4,041 thousand (prior year: € 2,579 thousand) of this total and the Sugar segment for € 1,335 thousand (prior year: € 3,906 thousand). The decreases in value were attributable to a reduction in net realisable values of sugar at the balance sheet date.

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 104.

- 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 2021	29 Feb 2020[1]
Total equity	1,329,097	1,367,021
Total assets	2,472,734	2,529,333
Equity ratio	**53.8%**	**54.0%**
Net debt	443,524	464,012
Gearing ratio	**33.4%**	**33.9%**

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 2021	29 Feb 2020
Provisions for:		
Retirement benefits	30,124	31,024
Termination benefits	37,662	42,377
Other	46,874	50,545
Total	**114,660**	**123,946**

[1] The prior year data have been restated under IAS 8. Further information is provided on page 114.

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 2021	29 Feb 2020
Expected rate of wage and salary increases		
Austria and rest of Europe	2.74	3.27
Mexico/South Korea	6.0 / 4.0	6.0 / 4.0
Expected trend of pension increases		
Austria	1.8	2.0
Mexico	6.0	6.0
Discount rate		
Austria and rest of Europe	0.75	0.80
Mexico/South Korea	7.5 / 2.1	7.25 / 2.2

A discount rate of 0.75% (prior year: 0.80%) 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 2021	29 Feb 2020
Pension plans		
Present value of defined benefit obligation	46,405	47,574
Fair value of plan assets	(16,281)	(16,550)
Pension provisions [net liability]	**30,124**	**31,024**
Termination benefit plans		
Present value of defined benefit obligation	39,606	44,160
Fair value of plan assets	(1,944)	(1,783)
Termination benefit provisions [net liability]	**37,662**	**42,377**

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 € 28,207 thousand (prior year: € 27,560 thousand) and the plan assets amounted to € 15,918 thousand (prior year: € 16,069 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 € 14,392 thousand (prior year: € 15,449 thousand), of Österreichische Rübensamenzucht Gesellschaft m.b.H. in the amount of € 697 thousand (prior year: € 734 thousand), of AGRANA Stärke GmbH in the amount of € 1,679 thousand (prior year: € 2,170 thousand) and of AUSTRIA JUICE GmbH in the amount of € 212 thousand (prior year: € 221 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 € 143 thousand (prior year: € 147 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 € 503 thousand (prior year: € 546 thousand) and there were plan assets in the form of pension insurance of € 142 thousand (prior year: € 254 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 € 715 thousand (prior year: € 894 thousand), with plan assets in the form of pension insurance of € 79 thousand (prior year: € 80 thousand).

The pension provisions showed the following movement:

€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**

€000	Present value of obligation	Fair value of plan assets	Pension provisions
2019|20			
At 1 March 2019	43,977	(14,444)	29,533
Current service cost	535	0	535
Interest expense/(income)	699	(238)	461
Taxes and administration cost	0	69	69
Total recognised in the income statement [net pension cost]	**1,234**	**(169)**	**1,065**
(Gains)/losses from:			
Actual return on plan assets	0	(972)	(972)
Changes in financial assumptions	3,990	0	3,990
Experience adjustments	1,000	0	1,000
Currency translation differences	6	(1)	5
Total remeasurement loss/(gain) recognised in the statement of comprehensive income	**4,996**	**(973)**	**4,023**
Benefits paid	(2,633)	355	(2,278)
Employer contributions to plan assets	0	(1,319)	(1,319)
Other movements	**(2,633)**	**(964)**	**(3,597)**
At 29 February 2020	**47,574**	**(16,550)**	**31,024**

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 € 36,440 thousand (prior year: € 41,197 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 € 200 thousand (prior year: € 238 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 € 233 thousand (prior year: € 223 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 € 3 thousand (prior year: € 3 thousand) in Mexico offset the present value of the obligation of € 211 thousand (prior year: € 223 thousand).

The present value of the obligation of the termination benefit plan for South Korea was € 2,522 thousand (prior year: € 2,279 thousand); the plan assets amounted to € 1,941 thousand (prior year: € 1,780 thousand).

The termination benefit provisions showed the following movement:

€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**

€000	Present value of obligation	Fair value of plan assets	Termination benefit provisions
2019|20			
At 1 March 2019	43,329	(1,685)	41,644
Current service cost	1,888	0	1,888
Interest expense/(income)	663	(43)	620
Taxes and administration cost	0	4	4
Total recognised in the income statement [net termination benefit cost]	**2,551**	**(39)**	**2,512**
Losses from:			
Actual return on plan assets	0	24	24
Changes in financial assumptions	2,029	0	2,029
Experience adjustments	93	0	93
Currency translations differences	(62)	57	(5)
Total remeasurement loss recognised in the statement of comprehensive income	**2,060**	**81**	**2,141**
Benefits paid	(3,780)	154	(3,626)
Employer contributions to plan assets	0	(294)	(294)
Other movements	**(3,780)**	**(140)**	**(3,920)**
At 29 February 2020	**44,160**	**(1,783)**	**42,377**

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 € 1,949 thousand (prior year: actuarial loss of € 6,177 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 2021, net cumulative actuarial losses of € 47,404 thousand (prior year: net cumulative actuarial losses of € 49,353 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 2021	29 Feb 2020
Fixed income securities	43.35%	55.72%
Equity securities	30.53%	23.96%
Real estate	4.85%	4.08%
Other	21.27%	16.24%

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 2021 was 10.50 years (prior year: 10.81 years) and that of the termination benefit obligations was 8.76 years (prior year: 9.09 years).

€ 1,022 thousand of contributions are expected to be paid into the plan assets in the subsequent reporting period (prior year: € 855 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 2021|22	2,955	5,109
Financial year 2022|23	2,805	3,068
Financial year 2023|24	2,750	2,732
Financial year 2024|25	2,613	1,835
Financial year 2025|26	2,490	3,088
Financial years 2026|27 to 2030|31	10,976	13,155
Total	**24,589**	**28,987**

Note (23b)

b) Other providers

€000	Recla-mation	Staff costs, including long-service awards	Uncertain liabilities	Total
2020|21				
At 1 March 2020	12,563	18,987	18,995	50,545
Currency translation differences	(95)	(162)	(122)	(379)
Used	(260)	(4,959)	(10,728)	(15,947)
Released	(568)	(984)	(4,216)	(5,768)
Reclassified	(805)	0	805	0
Added	667	5,351	12,405	18,423
At 28 February 2021	**11,502**	**18,233**	**17,139**	**46,874**
Of which due within 1 year	157	2,141	15,180	17,478

The provisions for uncertain liabilities included, among other items, provisions for onerous contracts of € 3,631 thousand (prior year: € 3,800 thousand), for litigation risks of € 2,156 thousand (prior year: € 7,976 thousand) and for costs of beet receiving, loading and storage of € 776 thousand (prior year: € 1,400 thousand).

Of the non-current other provisions of € 29,396 thousand (prior year: € 29,756 thousand), a large portion, at € 13,014 thousand (prior year: € 13,721 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 € 353 thousand (prior year: € 714 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 € 11,345 thousand (prior year: € 12,543 thousand) for reclamation, an outflow of funds is likely to occur in more than five years.

Note (24)

10.9. Borrowings

€000	28 Feb 2021	29 Feb 2020
Bank loans and overdrafts	545,736	550,202
Lease liabilities	28,175	26,824
Borrowings	**573,911**	**577,026**
Of which due after more than 1 year	493,637	450,212

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 2021	29 Feb 2020
Non-current lease liabilities	23,400	21,872
Current lease liabilities	4,775	4,952

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 € 8,893 thousand (prior year: € 9,813 thousand).

Note (25)

10.10. Trade and other payables

€000	28 Feb 2021	29 Feb 2020
Trade payables	311,524	311,771
Amounts due to affiliated companies in the Südzucker group and joint ventures	26,308	31,086
Payables from the acquisition of subsidiaries	4,706	12,192
Derivative liabilities	4,637	3,197
Financial other payables	69,094	67,312
Financial instruments	**416,269**	**425,558**
Payables: deferred income	3,604	3,622
Payables: prepayments	921	575
Payables: other tax	13,194	11,817
Payables: social security	9,430	8,170
Total	**443,418**	**449,742**
Of which due after more than 1 year	1,094	6,418

Trade payables included obligations to beet growers of € 32,112 thousand (prior year: € 38,113 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 2021	29 Feb 2020
Deferred tax liabilities		
Non-current assets	19,852	20,510
Inventories	1,398	575
Receivables and other assets	2,076	2,828
Untaxed reserves in separate financial statements	1,686	1,939
Provisions and other liabilities	3,137	2,369
Total deferred tax liabilities	**28,149**	**28,221**
Deferred tax assets offset against deferred tax liabilities relating to the same tax authority	(22,647)	(22,717)
Net deferred tax liabilities	**5,502**	**5,504**

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 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**

	Average effective interest rate %	At balance sheet date €000	Of which due in Up to 1 year €000	1 to 5 years €000	More than 5 years €000
29 February 2020					
Fixed rate					
CNY	5.00	7,350	1,598	5,752	0
DZD	6.50	2,013	1,086	927	0
EUR	1.28	315,922	5,361	164,455	146,106
	1.40	**325,285**	**8,045**	**171,134**	**146,106**
Variable rate					
CNY	4.79	8,671	8,671	0	0
EGP	15.00	441	441	0	0
EUR	0.75	210,473	99,373	76,000	35,100
HUF	6.00	3,643	3,643	0	0
KRW	2.86	1,585	1,585	0	0
USD	2.25	104	104	0	0
	1.03	**224,917**	**113,817**	**76,000**	**35,100**
Total	**1.25**	**550,202**	**121,862**	**247,134**	**181,206**

Borrowings (excluding lease liabilities) consisted of bank loans and overdrafts in the amount of € 545,736 thousand (prior year: € 550,202 thousand).

The weighted average interest rate paid on these credits was 1.13% (prior year: 1.25%), with an average remaining maturity of 3.4 years (prior year: 4.0 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: € 450,000 thousand) and a Schuldscheindarlehen (bonded loan) of € 181,000 thousand (prior year: € 207,000 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 € 417,930 thousand (prior year: € 325,285 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 € 8,893 thousand (prior year: € 9,813 thousand) were secured by other liens, see note 24.

Cash and cash equivalents increased by € 17,556 thousand from the prior year to a new total of € 110,971 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 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)
EUR	JPY	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**

Purchase	Sale	Nominal amount	Positive fair values	Negative fair values	Net fair value
		€000	€000	€000	€000
29 February 2020					
AUD	EUR	4,426	0	(137)	(137)
CZK	EUR	1,067	6	(1)	5
EUR	AUD	3,373	106	0	106
EUR	CZK	25,824	66	(127)	(61)
EUR	GBP	396	2	0	2
EUR	HUF	17,412	133	(4)	129
EUR	INR	1,740	0	(24)	(24)
EUR	MXN	12,262	31	(143)	(112)
EUR	PLN	10,669	109	0	109
EUR	RON	95,153	13	(306)	(293)
EUR	RUB	2,349	23	(71)	(48)
EUR	USD	68,276	10	(1,041)	(1,031)
EUR	ZAR	2,676	86	0	86
GBP	EUR	9	0	0	0
HUF	EUR	3,275	0	(7)	(7)
INR	EUR	50	0	0	0
PLN	EUR	29,217	22	(117)	(95)
RON	EUR	44,347	131	(11)	120
USD	AUD	922	61	0	61
USD	EUR	47,443	923	(142)	781
USD	RUB	114	3	0	3
Currency derivatives		**371,000**	**1,725**	**(2,131)**	**(406)**
Interest rate swap		50,000	0	(1,059)	(1,059)
Interest cap		50,000	0	0	0
Sugar futures		57,204	71	(7)	64
Wheat and corn futures		408,400	177	0	177
Ethanol futures		9,600	161	0	161
Total		**946,204**	**2,134**	**(3,197)**	**(1,063)**

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 2021		29 Feb 2020	
	Fair value		Fair value	
€000	Positive	Negative	Positive	Negative
Currency derivatives	62	(105)	0	(25)
Interest rate swaps	42	(686)	0	(1,059)
Sugar futures	67	(259)	71	(7)
Wheat and corn futures	1,476	0	153	0
Ethanol futures	0	(644)	161	0
Total	**1,647**	**(1,694)**	**385**	**(1,091)**

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 2020|21 financial year, a loss of € 322 thousand (prior year: loss of € 824 thousand) before taxes, and a tax benefit of € 61 thousand (prior year: € 205 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 € 275 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 2021 Remaining maturity			29 Feb 2020 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	18,382	0	0	2,500	0	0
Average hedged price	USD	1.213	0	0	1.115	0	0
Currency derivatives (HUF)							
Notional amount	€000	16,665	0	0	0	0	0
Average hedged price	HUF	361.367	0	0	0	0	0
Currency derivatives (CZK)							
Notional amount	€000	14,797	0	0	0	0	0
Average hedged price	CZK	26.287	0	0	0	0	0
Interest rate swaps							
Notional amount	€000	76,000	76,000	0	50,000	50,000	0
Average interest rate	%	0.004	0.004	0	0.245	0.245	0
Sugar futures							
Volume	Tonnes	31,548	0	0	4,471	0	0
Average hedged price	€ per tonne	15.624	0	0	14.828	0	0
Wheat and corn futures							
Volume	Tonnes	8,950	0	0	63,100	0	0
Average hedged price	€ per tonne	57.547	0	0	178.740	0	0
Ethanol futures							
Volume	Tonnes	22,600	0	0	9,600	0	0
Average hedged price	€ per tonne	578.933	0	0	628.886	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 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**
29 February 2020										
Currency derivatives										
Positive fair values	1,725	1,725	1,113	508	104	0	0	0	0	0
Negative fair values	(2,131)	(2,131)	(1,899)	(143)	(89)	0	0	0	0	0
Interest rate derivatives										
Positive fair values	0	0	0	0	0	0	0	0	0	0
Negative fair values	(1,059)	(895)	(80)	(80)	(159)	(319)	(257)	0	0	0
Commodity derivatives										
Positive fair values	409	409	291	85	33	0	0	0	0	0
Negative fair values	(7)	(7)	(7)	0	0	0	0	0	0	0
Total	**(1,063)**	**(899)**	**(582)**	**370**	**(111)**	**(319)**	**(257)**	**0**	**0**	**0**

In terms of sensitivities, the net combined fair value of the derivative positions held at 28 February 2021 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:

	Notional amount		Sensitivity (+)		Sensitivity (–)	
€000	28 Feb 2021	29 Feb 2020	28 Feb 2021	29 Feb 2020	28 Feb 2021	29 Feb 2020
Currency derivatives	550,252	371,000	12,137	10,054	(14,834)	(12,289)
Interest rate derivatives	76,000	100,000	1,043	707	(1,043)	(707)
Commodity derivatives	124,341	475,204	(830)	28	(164)	(1,125)

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 € 861 thousand (prior year: increase of € 608 thousand) and for the decrease in rates and prices, an equity increase of € 153 thousand (prior year: decrease of € 1,419 thousand). The effect of the fair value changes on profit before tax would have been, for the increase in rates and prices, a profit increase of € 13,537 thousand (prior year: increase of € 9,979 thousand) and for the decrease in rates and prices, a profit decrease of € 16,244 thousand (prior year: decrease of € 12,229 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	Carrying amount: At fair value through other compre-hensive income (no recycling)	Carrying amount: At fair value through other compre-hensive income (hedging instruments)	Carrying amount: At amortised cost	Carrying amount: Total	Fair value: Level 1	Fair value: Level 2	Fair value: Level 3	Fair value: 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**				

[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	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	Level 1	Level 2	Level 3	Total
	Carrying amount					Fair value			
29 February 2020									
Financial assets at fair value									
Securities (non-current)	13,340	6,259	–	–	**19,599**	12,449	–	7,150	**19,599**
Investments in non-consolidated subsidiaries and outside companies (non-current)	–	919	–	–	**919**	–	–	919	**919**
Derivative financial assets	1,749	–	385	–	**2,134**	409	1,725	–	**2,134**
	15,089	**7,178**	**385**	**–**	**22,652**				
Financial assets not at fair value									
Trade receivables	–	–	–	319,457	**319,457**				
Financial other receivables[1]	–	–	–	40,384	**40,384**				
Cash and cash equivalents	–	–	–	93,415	**93,415**				
	–	**–**	**–**	**453,256**	**453,256**				
Financial liabilities at fair value									
Derivative liabilities	2,106	–	1,091	–	**3,197**	7	3,190	–	**3,197**
	2,106	**–**	**1,091**	**–**	**3,197**				
Financial liabilities not at fair value									
Bank loans and overdrafts	–	–	–	550,202	**550,202**	–	552,790	–	**552,790**
Lease liabilities[2]	–	–	–	26,824	**26,824**				
Trade payables	–	–	–	311,771	**311,771**				
Financial other payables[3]	–	–	–	110,590	**110,590**				
	–	**–**	**–**	**999,387**	**999,387**				

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.

[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 of Level 1 classified as at “fair value through profit or loss” included investment fund units of € 12,266 thousand (prior year: € 12,449 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 € 5,991 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 € 1,283 thousand (prior year: € 13 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 € 400 thousand (prior year: € 906 thousand) was determined using discounted expected future cash flows.

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 2021**	**Dividend 2020|21**	**Carrying amount 29 Feb 2020**	**Dividend 2019|20**
RAIFFEISEN-Holding NIEDERÖSTERREICH-WIEN regGenmbH	5,991	0	5,991	116
Other	1,951	22	1,187	17
Total	**7,942**	**22**	**7,178**	**133**

The change in fair values of Level 3 securities was recognised in other comprehensive income, in the reserve for equity instruments, at a change of € 0 thousand (prior year: increase of € 489 thousand) before tax, and at a tax expense of € 0 thousand (prior year: tax expense of € 122 thousand). In the 2020|21 financial year in the category “at fair value through other comprehensive income (no recycling)”, in Level 3, there was an addition of a non-consolidated subsidiary in the amount of € 1,273 thousand and a disposal of an investment in an outside company in the amount of € 506 thousand. There were no other changes in Level 3 financial instruments. 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	2020|21	2019|20
Fair value through profit or loss	(109)	263
Fair value through profit or loss – derivatives	1,691	3,267
At amortised cost – financial assets	(251)	(3,006)
At amortised cost – financial liabilities	(2,194)	3,776
Net (loss)/gain on financial instruments in the income statement	**(863)**	**4,300**
Fair value through other comprehensive income (no recycling)	0	489
Fair value through other comprehensive income (hedging instruments)	501	(394)
Net gain on financial instruments in other comprehensive income	**501**	**95**
Total net (loss)/gain on financial instruments	**(362)**	**4,395**

The total interest income and expense on financial assets and financial liabilities measured at amortised cost was as follows:

€000	2020|21	2019|20
Total interest income	802	1,137
Total interest expense	(6,580)	(6,829)
Net interest expense	**(5,778)**	**(5,692)**

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.

AGRANA uses the simplified approach under IFRS 9 to measure expected credit losses. Beyond the recognition of individual impairment, the defaults of the past six 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. Projections for non-performing loans were used as the most relevant factor for the 2020|21 financial year for the adjustment of the historical loss rates, as credit spreads, for example, are not currently suitable adjustment factors due to the Covid-19 crisis and excess liquidity. 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.

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 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**

€000	Loss rate %	Gross carrying amount	Impair-ment allowance	Net carrying amount
29 February 2020				
Trade receivables not yet due	0.0234	293,458	(68)	293,390
Trade receivables past due				
Up to 30 days	0.2958	18,146	(54)	18,092
31 to 90 days	0.9841	5,694	(56)	5,638
More than 90 days		2,337	0	2,337
Individual impairment recognised		7,205	(7,205)	0
Total		**326,840**	**(7,383)**	**319,457**

The allowance for impairment of trade receivables showed the following movements:

€000	28 Feb 2021	29 Feb 2020
Allowance at 1 March	7,383	7,341
Currency translation adjustments/other changes	(128)	(24)
Added	1,319	1,358
Used	(776)	(476)
Released	(644)	(816)
Allowance at 28/29 February	**7,154**	**7,383**

The released amount of the allowance included interest income of € 10 thousand (prior year: € 12 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 € 999,910 thousand (prior year: € 1,003,201 thousand). The weighted average remaining maturity of the credit lines at the balance sheet date was 2.8 years (prior year: 3.0 years).

The following maturity profile shows the effects of the cash outflows from liabilities as at 28 February 2021 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 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**
29 February 2020										
Non-derivative financial payables										
Bank loans and overdrafts	550,202	575,876	109,095	12,039	6,140	13,780	120,655	10,131	119,263	184,773
Trade payables	311,771	311,771	283,883	24,278	3,610	0	0	0	0	0
Trade payables and amounts due to affiliated companies in the Südzucker group and joint ventures	31,086	31,086	29,405	1,103	578	0	0	0	0	0
Lease liabilities	26,824	38,583	1,500	1,557	2,807	4,783	4,178	3,268	1,310	19,180
Financial other payables	79,504	79,504	60,059	6,682	6,346	6,256	85	14	14	48
	999,387	**1,036,820**	**483,942**	**45,659**	**19,481**	**24,819**	**124,918**	**13,413**	**120,587**	**204,001**
Derivative financial payables										
Interest rate derivatives	1,059	895	80	80	159	319	257	0	0	0
Currency derivatives	2,131	2,131	1,899	143	89	0	0	0	0	0
Commodity derivatives	7	7	7	0	0	0	0	0	0	0
	3,197	**3,033**	**1,986**	**223**	**248**	**319**	**257**	**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:

€000	Value-at-Risk 28 Feb 2021	Value-at-Risk 29 Feb 2020
Sum of absolute net positions of the currency pairs	128,809	140,281
Value-at-Risk diversified	**6,680**	**3,835**

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).

€000	Foreign-currency position 28 Feb 2021	Foreign-currency position 29 Feb 2020
Currency pair		
EUR/AUD	576	1,911
EUR/CNY	3,863	4,326
EUR/CZK	6,613	5,874
EUR/HUF	20,282	1,078
EUR/INR	981	2,548
EUR/MAD	3,708	3,698
EUR/PLN	1,673	201
EUR/RON	54,294	94,675
EUR/RUB	3,229	4,038
EUR/UAH	3,329	642
EUR/USD	6,107	1,886
USD/ARS	2,546	65
USD/AUD	3,623	1,915
USD/BRL	1,712	2,444
USD/CNY	6,904	9,173
USD/MXN	5,399	80
Other	3,970	5,727
Total	**128,809**	**140,281**

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 € 128,809 thousand (prior year: € 140,281 thousand) related primarily to Romania, China, the Czech Republic, Hungary, the USA and Mexico, and represented a Value-at-Risk of € 6,680 thousand (prior year: € 3,835 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 2021**	**29 Feb 2020**
Net floating rate borrowings	127,806	224,917
Cash-Flow-at-Risk diversified	**369**	**644**
Net fixed rate borrowings	359,137	317,240
Value-at-Risk upon change in interest rates	**13,642**	**15,669**

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 31,548 tonnes of raw sugar (prior year: sale of 4,471 tonnes), the purchase of 8,950 tonnes of wheat for the Austrian bioethanol production operations (prior year: sale of 63,100 tonnes), the sale of 2,300 tonnes of waxy corn derivatives (prior year: purchase of 4,000 tonnes), and the sale of 22,600 tonnes of ethanol (prior year: sale of 9,600 tonnes). These positions represented an aggregate contract amount of € 3,474 thousand (prior year: € 16,782 thousand) and, based on the underlying closing prices, had a combined net positive fair value of € 487 thousand (prior year: positive fair value of € 402 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 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 (ECJ) for a preliminary ruling on the scope of the "ne bis in idem" principle in EU competition proceedings. This interim proceeding is still pending. The ECJ's ruling is expected in the first calendar quarter of 2022. AGRANA continues to regard the allegation as unfounded and the fine sought as unwarranted.

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 could come in the 2021|22 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 2021	29 Feb 2020
Guarantees	43,304	44,728
Warranties, cooperative liabilities	1,365	1,365

The guarantees are not expected to be utilised.

A further contingent liability of € 5,534 thousand (prior year: € 5,925 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 € 15,742 thousand (prior year: € 12,576 thousand).

12. Events after the balance sheet date

No significant events occurred after the balance sheet date of 28 February 2021 that had a material effect on AGRANA's financial position, results of operations or cash flows.

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 NIEDERÖSTEREICH-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**
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**

€000	Südzucker group	Companies with significant influence	Joint ventures	Non-consolidated sub-sidiaries	Total
2019|20					
Revenue	78,973	17,748	19,805	0	**116,526**
Operating expenses	(64,160)	(580)	(61,959)	(254)	**(126,953)**
Credit relationships	(578)	(53,652)	0	0	**(54,230)**
Participation capital	0	5,991	0	0	**5,991**
Bank balances and current receivables	0	13,327	9	0	**13,336**
Non-current financial receivables	0	0	3,500	0	**3,500**
Net trade (payables)/receivables for goods	(10,979)	1,009	(3,796)	(54)	**(13,820)**
Net interest (expense)/income	(545)	(923)	124	0	**(1,344)**
Guarantees issued	0	0	46,000	0	**46,000**
Guarantees utilised	0	0	40,642	0	**40,642**

At the balance sheet date, borrowings from related parties amounted to € 43,383 thousand (prior year: € 54,230 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 € 3,935 thousand (prior year: € 3,936 thousand), consisting of total fixed base salaries of € 1,869 thousand (prior year: € 1,814 thousand) and a total performance-based, variable component of € 2,066 thousand (prior year: € 2,122 thousand). The performance-based elements of the compensation are linked to the amount of the dividend paid for the last three financial years. 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, does not receive compensation for serving on the Management Board.

On 3 July 2020 the Annual General Meeting approved an annual aggregate remuneration for the Supervisory Board of € 325 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 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 2020|21 financial year, pension fund contributions of € 440 thousand were paid (prior year: € 383 thousand). A follow-up payment of € 78 thousand (prior year: € 125 thousand) was made to former Chief Financial Officer Walter Grausam, who retired on 31 December 2014.

The retirement benefit obligations in respect of the Management Board are administered by an external pension fund. In the balance sheet at 28 February 2021, within the item “retirement and termination benefit obligations”, an amount of € 12,289 thousand was recognised for pension obligations (prior year: € 11,491 thousand) and an amount of € 1,551 thousand was recognised for termination benefit obligations (prior year: € 2,565 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 6 May 2021 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, 6 May 2021

The Management Board of AGRANA Beteiligungs-AG

Johann Marihart
Chief Executive Officer

Stephan Büttner
Member of the Management Board

Fritz Gattermayer
Member of the Management Board

Norbert Harringer
Member of the Management Board

Thomas Kölbl
Member of the Management Board

List of members of AGRANA's boards

Management Board

Johann Marihart
Chief Executive Officer

Stephan Büttner
Member

Fritz Gattermayer
Member

Norbert Harringer
Member

Thomas Kölbl
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

Andreas Klamler

Gerhard Kottbauer

Stephan Savic

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 2021, 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 2020|21 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, 6 May 2021

The Management Board of AGRANA Beteiligungs-AG

Johann Marihart
Chief Executive Officer

Stephan Büttner
Member of the Management Board

Fritz Gattermayer
Member of the Management Board

Norbert Harringer
Member of the Management Board

Thomas Kölbl
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 2021 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 2021, 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 our audit of the consolidated financial statements as a whole, and in forming our 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 241,781k (carrying amount as at 29 February 2020: EUR 241,781k (restated)).

Goodwill is reviewed by management at least annually for impairment. This review is performed regularly on 31 August, and additionally whenever there are indications of possible impairment (triggering events). On 13 January 2021, the Österreichische Prüfstelle für Rechnungslegung (OePR) found an error regarding the forecast assumptions for the Sugar segment which are used to determine future cash flows. This finding resulted in a triggering event and a retrospective correction of the test for impairment as at 29 February 2020 for the Sugar CGU.

AGRANA reported a carrying amount of goodwill as at 29 February 2020 of EUR 261,892k of which the Sugar Segment accounted for EUR 20,111k. In line with IAS 8.42, an impairment loss amounting to EUR 20,111k has been recorded with retrospective effect for the goodwill of the Sugar CGU.

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, Sugar 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.

The changes in estimates have been accounted for in the impairment tests in accordance with IAS 36, based on the latest information available. The economic framework conditions and the economic environment must be considered at the time of making a judgement regarding the value in use.

Based on the relevant facts as described, that the determination of the value in use is based on judgement and associated with estimate uncertainties, particular attention was paid to the testing for impairment of Goodwill 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,
- consulted with our valuation specialists,
- 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 knowledge of the industry and our experience,
- assessed the valuation method applied by following the model and analysing whether it is adequate for accurately 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,
- inspected the modified future cash flows as well as an analysis of the assumptions of the future prices in determining these future cash flows,
- reviewed whether the changes in the cash-flow assumptions 2020 have been recognized in the new planning process of the impairment test 2021,
- performed a risk analysis by simulating the effects of the changes in prices on future cash flows and performing sensitivity analysis over the effects of the changes,
- verified the regularity of the adjustments with retrospective effect in accordance with IAS 8 and the corresponding mandatory disclosures in the consolidated financial statements 2021, and
- reviewed the mandatory disclosures regarding the impairment test in accordance with IAS 36 in the notes to the consolidated financial statements 2021.

A review was also carried out of the notes included in the consolidated financial statements for accuracy and completeness.

The accounting and measurement methods used are consistent with IFRSs. We believe the assumptions and parameters to be transparent and appropriate.

Reference to related disclosures
See Note 7.6. for the procedures carried out by management 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 3 July 2020. We were appointed by the Supervisory Board on 26 August 2020. We have audited the Company for an uninterrupted period since 2019|20.

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, 6 May 2021

PwC Wirtschaftsprüfung GmbH

signed:
Werner Stockreiter
Austrian Certified Public Accountant

This report is a translation of the original report in German, which is solely valid. Publication and sharing with third parties of the consolidated financial statements together with our auditor’s report is only allowed if the consolidated financial statements and the management report for the Group are identical with the German audited version. This auditor’s report is only applicable to the German and complete consolidated financial statements with the management report for the Group. For deviating versions, the provisions of section 281 para. 2 UGB apply.

Independent Assurance Report on the Non-Financial Reporting
[Translation]

We have performed an independent limited assurance engagement on the consolidated non-financial report according to Section 267a UGB as well as the sustainability disclosures and indicators for the 2020|21 financial year, which has been published in the Integrated Annual Report ("NFI report") of AGRANA Beteiligungs-AG, Vienna (referred to as "the Company").

Management's Responsibility

The Company's management is responsible for the 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) Option "Core" as reporting criteria.

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. Their responsibility also includes designing, implementing and maintaining of systems, processes and internal controls that are relevant to the preparation of the sustainability report that is free of material misstatements – whether due to fraud or error.

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 accordance, in all material respects, with 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) Option "Core".

Clarification on the assurance scope in view of the integration of the NFI reporting in the Integrated Annual Report: Our assurance work covered the NFI disclosures in the Integrated Annual Report 2020/21 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.

A limited assurance engagement is less in scope than a reasonable assurance enagement, thus providing a lower level of 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 personnel at the group level, who are responsible for the materiality analysis, in order to gain an understanding of the processes for determining material sustainability topics and respective reporting thresholds of the Company;

- 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 as well as bribery, including the consolidation of data;

- Inquiries of personnel at the group level, 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 local data collection, validation and reporting processes as well as the reliability of the reported data through a sample survey of the site in Pischelsdorf (Austria)

- Analytical evaluation of the data and trend 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) and the GRI Standards, Option "Core" 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).

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 accordance, in all material respects, with 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.

Restriction on use
Because our report will be prepared solely on behalf of and for the benefit of the principal, 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 audit certificate together with the NFI report.

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, 6 May 2021

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 2020|21

Parent company income statement

for the year ended 28 February 2021
of AGRANA Beteiligungs-AG, under Austrian Commercial Code (UGB)

€000	2020|21	2019|20
1. Revenue	36,666	35,137
2. Other operating income	122	205
3. Staff costs	(23,357)	(22,524)
4. Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	(1,189)	(1,303)
5. Other operating expenses	(24,661)	(25,090)
6. Operating (loss) [subtotal of items 1 to 5]	**(12,419)**	**(13,575)**
7. Income from investments in subsidiaries and other companies	50,235	74,810
Of which from subsidiaries	50,213	74,793
8. Income from other securities and loans classified as non-current financial assets	4,218	2,524
Of which from subsidiaries	4,218	2,524
9. Other interest and similar income	3,276	3,794
Of which from subsidiaries	3,263	3,794
10. Interest and similar expense	(3,351)	(2,993)
Of which from subsidiaries	(3,233)	(790)
11. Net financial items [subtotal of items 7 to 10]	**54,378**	**78,135**
12. Profit before tax [subtotal of items 1 to 11]	**41,959**	**64,560**
13. Income tax benefit	4,942	320
14. Profit for the period	**46,901**	**64,880**
15. Retained profit brought forward from prior year	22,041	5,278
16. Retained profit	**68,942**	**70,158**

Parent company balance sheet

at 28 February 2021
of AGRANA Beteiligungs-AG, under Austrian Commercial Code (UGB)

€000	28 Feb 2021	29 Feb 2020
ASSETS		
A. Non-current assets		
I. Intangible assets	393	983
II. Property, plant and equipment	1,190	1,050
III. Non-current financial assets	638,283	664,283
	639,866	**666,316**
B. Current assets		
I. Receivables and other assets	369,923	364,213
Of which due in more than 1 year	19,633	15,915
II. Cash and bank balances	22	28
	369,945	**364,241**
C. Prepaid expenses	**61**	**58**
D. Deferred tax assets	**2,438**	**618**
Total assets	**1,012,310**	**1,031,233**
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	68,942	70,158
Of which brought forward from prior year	22,041	5,278
	747,090	**748,306**
B. Provisions		
I. Provisions for retirement and termination benefit obligations	15,707	16,273
II. Provisions for tax and other provisions	3,845	4,390
	19,552	**20,663**
C. Liabilities		
I. Borrowings	221,000	247,000
Of which due in up to 1 year	0	0
Of which due in more than 1 year	221,000	247,000
II. Other liabilities	24,668	15,264
Of which due in up to 1 year	11,932	8,232
Of which due in more than 1 year	12,736	7,032
	245,668	**262,264**
Total equity and liabilities	**1,012,310**	**1,031,233**

Proposal for the appropriation of profit

of AGRANA Beteiligungs-AG
under Austrian Commercial Code (UGB)

	2020|21
	€
The financial year to 28 February 2021 closed with retained profit of	68,942,319
The Management Board proposes to the Annual General Meeting to allocate this retained profit as follows:	
Distribution of a dividend of € 0.85 per ordinary no-par value share on 62,488,976 participating ordinary shares, that is, a total of	53,115,630
Retained profit to be carried forward	15,826,689
	68,942,319

Glossary of industry and trade terms

A

ActiProt®: AGRANA's own brand of high-protein animal feed. This form of distillers dried grains with solubles (DDGS) is a by-product of bioethanol production from cereals, obtained by drying the mash (the residue from distillation). The DDGS is pelleted and marketed as a non-perishable feedstuff. With its high protein content of at least 30% and its valuable energy content, DDGS is a sought-after feed for livestock, particularly dairy animals. In the AGRANA Group this co-product is generated in the bioethanol plant in Pischelsdorf, Austria, which typically processes corn, wheat, triticale and molasses. Like all other products marketed by AGRANA, ActiProt® is GMO-free.

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 CO_2 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.

Clean label: "Clean label" means that a food product was made without certain ingredients such as dyes, preservatives or flavourings, i.e., additives. These and similar substances are sometimes avoided by consumers for health or other reasons. Labels additionally contain "free-from" statements to explicitly highlight the absence of these substances.

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.

Coronavirus disease (Covid-19): Covid-19 is a viral disease caused by the novel coronavirus SARS-CoV-2. First described at the end of 2019 in Wuhan, China, the illness developed into an epidemic in January 2020 in the People's Republic of China and ultimately grew into the worldwide Covid-19 pandemic. The virus is spread primarily by droplet transmission.

CO_2 equivalent: 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.

Cross compliance system: Agricultural policy mechanism in the EU that ties the payment of subsidies to compliance with defined environmental standards.

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

Fermentation: In the context of biotechnology, fermentation (zymosis) means the conversion of biological material through the addition of enzymes (known as "ferment") or in the presence of bacterial, fungal or cell cultures.

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

IHS Markit: IHS Markit is a publicly traded company headquartered in London, UK, that provides data and information services to a wide range of industries, including agribusiness, energy, financial services and shipping.

IGC (International Grains Council): The International Grains Council is an intergovernmental organisation concerned with grains trade. Since 1995 the London-based IGC also administers the Grains Trade Convention, an international agreement. The IGC Secretariat provides both administrative support to the Council, and services to the Food Aid Committee established under the Food Aid Convention of 1999. The IGC's grain market studies are widely used in sector and market research.

ISO (International Organisation for Standardisation): The International Organisation for Standardisation (widely known as ISO) is the leading international association of national standard-setting bodies and develops international standards in all areas but electricity and electronics, which are the responsibility of the International Electrotechnical Commission (IEC), and telecommunication, which is the province of the International Telecommunication Union (ITU). Together, these three organisations form the World Standards Cooperation, or WSC.

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

Marketing year for grains: This period runs from July to June of the following year.

Minimum price for sugar beet (applied until 30 September 2017): The EU sugar regime featured a minimum price for quota beet, specific to a certain delivery stage and quality standard. For deliveries of higher or lower quality, premiums or deductions were applied.

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.

N

Native starch: See starch.

P

Prime Market: A subsegment of the "equity market.at" market segment of the Vienna Stock Exchange. The Prime Market comprises the shares of companies admitted to listing in the Official Market or Second Regulated Market and meeting the special additional requirements for admission to the Prime Market. These securities are traded via the Xetra trading system using the Continuous Trading procedure, in conjunction with auctions.

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.

Quota sugar beet (applied until 30 September 2017): The term referred to the amount of sugar beet required to fully utilise the sugar 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.

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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	36
102-2	Activities, brands, products, and services	36f., 38f.
102-3	Location of headquarters	195
102-4	Location of operations	28f., 36f.
102-5	Ownership and legal form	32ff.
102-6	Markets served	36f., 38f.
102-7	Scale of the organisation	12, 36f., 38f.
102-8	Information on employees and other workers a) Data for the prior year (2019|20)	28f., 81ff.

AGRANA employees within the GRI reporting boundaries[3] at the balance sheet date of 29 February 2020

	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	2,097	72.0%	2,593	23.4%	1,600	47.6c	4,193	32.6%	292	27.1%	10	10.0%
Starch	73	19.2%	695	12.9%	366	46.2%	1,061	24.4%	54	16.7%	3	33.3%
Sugar[7]	162	37.0%	1,036	17.7%	767	39.8%	1,803	27.1%	154	24.0%	18	11.1%
Group	**2,332**	**67.9%**	**4,324**	**20.3%**	**2,733**	**45.2%**	**7,057**	**30.0%**	**500**	**25.0%**	**31**	**12.9%**

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 3.7%, a breakdown of employees by full-time and part-time contracts by gender is omitted.

d) The proportion of temporary agency staff in the 2020|21 financial year was 5.2%.

102-9	Supply chain	38f.
102-10	Significant changes to the organisation and its supply chain	115ff.
102-11	Precautionary principle or approach	43ff., 88ff.
102-12	External initiatives With its sustainability initiatives, AGRANA supports the UN Sustainable Development Goals (SDG).	49
102-13	Membership of associations	50
102-14	Statement from senior decision-maker	8ff.
102-16	Values, principles, standards, and norms of behaviour	25f., 43ff.
102-18	Governance structure	18ff., 42
102-40	List of stakeholder groups	40
102-41	Collective bargaining agreements	47f.
102-42	Identifying and selecting stakeholders	40ff.
102-43	Approach to stakeholder engagement	40ff.
102-44	Key topics and concerns raised	40ff.
102-45	Entities included in the consolidated financial statements	42, 115ff.
102-46	Defining report content and topic boundaries	43ff.
102-47	List of material topics	41ff.
102-48	Restatement of information None	
102-49	Changes in reporting None	

[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 42) operate only in the EU; those of the Fruit segment operate worldwide.
[3] See the GRI reporting boundaries in the AGRANA annual report 2019|20, page 44.
[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]
102-50	Reporting period 2020|21 financial year (year-end: 28 February 2021)	
102-51	Date of most recent previous report 2019|20 financial year, published 7 May 2020	
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, 185f.
102-55	GRI content index	196ff.
102-56	External assurance Yes; see assurance report.	185f.
GRI 103	**Management approach (2016)**	
103-1	Explanation of the material topics and their boundaries	25f., 43ff..
103-2	The management approach and its components	25f., 43ff.
103-3	Evaluation of the management approach	25f., 43ff.
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”.	43ff., 89, 93f.

Compliance and business conduct

GRI	Disclosure	Presented on page
GRI 205	**Anti-corruption (2016)**	
205-1	Operations assessed for risks related to corruption	26
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.	26
205-3	Confirmed incidents of corruption and actions taken No violations were identified at business partners.	26
GRI 206	**Anti-competitive behaviour (2016)**	
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	91

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.	41, 61, 66f., 72f.
GRI 302	**Energy (2016)**	
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.	44ff., 63, 68, 75
302-4	Reduction of energy consumption b) All types of energy relevant for GRI purposes are included in the reductions.	44ff., 63, 68, 75

[1] In page number references, “f.” means “and following page”; “ff.” means “and following pages”.
[2] Also see the Group management report from page 35.

GRI	Disclosure Supplementary explanations	Presented on page[1]
GRI 303	**Water (2018)**	
303-1	Interactions with water as a shared resource	47, 63f., 69, 75f.
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 established 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.	47, 63f., 69, 75f.
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), Mexico (1), Morocco (1), Romania (3), Turkey (1), Ukraine (2). At these sites with risk, a total of 246,121 m^3 of water was consumed in the 2020|21 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.	47, 63f., 69, 75f.
GRI 305	**Emissions (2016)**	
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) Depending on the source of the emission factors (the energy supplier or biograce.net), AGRANA's calculation of direct (Scope 1) and indirect (Scope 2) emissions primarily includes CO_2 emissions, while other greenhouse gases (expressed in CO_2 equivalent) are only included in isolated cases.	44ff., 63, 68, 75
305-5	Reduction of GHG emissions See GRI 305-4	44ff., 63, 68, 75
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.	47, 64, 69, 76
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).	47, 64, 69, 76
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 can not 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.	47, 64, 69, 76

[1] In page number references, "f." means "and following page"; "ff." means "and following pages".

GRI	Disclosure Supplementary explanations	Presented on page[1]

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.	84ff.
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 instruction for workers typically comprises: – Personal initial instruction for every new employee (general safety instruction, fire protection, hygiene training, instruction at the workplace) – Initial personal 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 accident follow-up process 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).	84ff.
403-3	Occupational health services	84ff.
403-4	Worker participation, consultation and communication on occupational health and safety	84ff.
403-5	Worker training on occupational health and safety	84ff.
403-6	Promotion of worker health	86f.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	84ff.
403-9	Work-related injuries a) (v) Total paid hours worked are defined by AGRANA as contractual work hours plus paid overtime. In the 2020|21 financial year, this total was 17,885,990 hours. b) (i) to (v) Data on contractors other than the number of work-related accidents cannot be provided due to lack of information. 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).	84
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.	83

[1] In page number references, "f." means "and following page"; "ff." means "and following pages".

GRI	Disclosure Supplementary explanations	Presented on page[1]

GRI 405 Diversity and equal opportunity (2016)

405-1 Diversity of governance bodies and employees — 18ff.

a) Gender and age of members of governance bodies at the balance sheet date of 28 February 2021

Members of governance bodies	Up to 30 years	31 to 50 years	Over 50 years
Supervisory Board members			
Shareholder representatives			
Male	0%	0%	87.5%
Female	0%	12.5%	0%
Employee representatives			
Male	0%	25%	75%
Female	0%	0%	0%
Management Board members			
Male	0%	40%	60%
Female	0%	0%	0%

b) Age structure of staff, by gender, at the balance sheet date of 28 February 2021 in absolute numbers and % (based on headcount at year-end)

Segment	Female	Male	Total
Fruit	**1,944**	**3,271**	**5,215**
Up to 30 years	456	718	1,174
31 to 50 years	1,089	1,817	2,906
Over 50 years	399	736	1,135
Starch	**279**	**885**	**1,164**
Up to 30 years	74	219	293
31 to 50 years	136	442	578
Over 50 years	69	224	293
Sugar[2]	**500**	**1,310**	**1,810**
Up to 30 years	65	196	261
31 to 50 years	283	667	950
Over 50 years	152	447	599
Group	**2,723**	**5,466**	**8,189**
Up to 30 years	595	1,133	1,728
31 to 50 years	1,508	2,926	4,434
Over 50 years	620	1,407	2,027

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 — 47f., 61f.

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, 26 external social audits were performed at AGRANA sites (see GRI 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.

GRI 408 Child labour (2016)

408-1 Operations and suppliers at significant risk for incidents of child labour — 47f., 61f.

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, 26 external social audits were performed at AGRANA sites (see GRI 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.

[1] In page number references, "f." means "and following page"; "ff." means "and following pages".
[2] The staff of AGRANA Beteiligungs-AG is counted under the Sugar segment.

GRI	Disclosure Supplementary explanations	Presented on page[1]
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, 26 external social audits were performed at AGRANA sites (see GRI 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.	47f., 61f.
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: Argentina (1), Austria (7), Brazil (1), China (1), Czech Republic (2), Germany (1), Hungary (2), India (1), Mexico (1), Morocco (1), Poland (3), Romania (2), Russia (1), Slovakia (1), Turkey (1).	48

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.	43f., 61f., 67, 73f.
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.	43f., 61f., 67, 73f.

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	48f.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	48f.
GRI 417	**Marketing and labelling (2016)**	
417-2	Incidents of non-compliance concerning product and service information and labeling In the 2020|21 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	TCFD recommended disclosures Supplementary explanations	Presented on page[1]

Governance

a) Board's oversight of climate-related risks and opportunities

102-18	Governance structure	18ff., 42
102-19	Delegating authority	18ff., 42
102-20	Executive-level responsibility for economic, environmental, and social topics	18ff., 42
102-26	Role of highest governance body in setting purpose, values, and strategy	18ff., 42
102-27	Collective knowledge of highest governance body a) Sustainability aspects relevant to AGRANA's business activities and related further information are addressed in the meetings of the AGRANA Supervisory Board.	18ff.
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.	42, 88ff.
102-31	Review of economic, environmental, and social topics a) The review is performed twice per year.	88ff.
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	43ff.

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".	43ff., 89, 93f.

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".	30f., 36f.

[1] In page number references, "f." means "and following page"; "ff." means "and following pages".

GRI	TCFD recommended disclosures 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".	43ff., 89, 93f.

b) Management process

	Also see the section "Risk management", sub-heading "Non-financial risks".	43ff., 89, 93f.

c) Integration into overall risk management

	Also see the section "Risk management", sub-heading "Non-financial risks".	43ff., 89, 93f.

Metrics and targets

a) Metrics used for assessment

102-30	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.	20f.

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

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[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		2020|21	2019|20[1]
	Borrowings = Bank loans and overdrafts + lease liabilities	€000	573,911	577,026
CE	Capital employed = (PP&E + intangibles including goodwill) + working capital I	€000	1,778,637	1,845,286
	Dividend yield = Dividend per share ÷ closing share price × 100	%	4.8	4.4
EBIT	Operating profit = Earnings before interest and tax and after exceptional items and results of equity-accounted joint ventures	€000	78,691	66,939
EBITDA	= Operating profit before exceptional items, results of equity-accounted joint ventures, and operating depreciation and amortisation	€000	191,219	183,065
EBITDA margin	= EBITDA ÷ revenue × 100	%	7.5	7.4
EPS	Earnings per share (basic and diluted) = Profit for the period ÷ average number of shares outstanding	€	0.96	0.45
	Equity ratio = Equity ÷ total assets × 100		53.8	54.0
EVS	Equity value per share = Equity attributable to shareholders of the parent ÷ average number of shares outstanding	€	20.4	20.9
FCF	Free cash flow = Net cash from/used in operating activities + net cash from/used in investing activities	€000	83,977	(45,482)
	Gearing ratio = Net debt ÷ total equity × 100	%	33.4	33.9
	Intangible assets including goodwill	€000	254,599	254,997
	Net debt = Borrowings less (cash + cheques + other bank deposits + current securities + non-current securities)	€000	443,524	464,012
	Operating margin = Operating profit before exceptional items ÷ revenue × 100	%	2.9	2.9
	Operating profit before exceptional items and results of equity-accounted joint ventures	€000	73,113	73,136
P/E	Price/earnings ratio = Closing share price at financial year end ÷ earnings per share	€	18.3	39.0
PP&E	Property, plant and equipment	€000	859,659	932,795
ROCE	Return on capital employed = Operating profit before exceptional items and results of equity-accounted joint ventures ÷ capital employed × 100	%	4.1	4.0
ROS	Return on sales = Profit before tax ÷ revenue × 100	%	2.4	2.0
WC I	Working capital I = Inventories + trade receivables + other assets − current provisions − current prepayments received − trade payables − other payables	€000	664,379	657,494

[1] The prior year data have been restated under IAS 8. Further information is provided on page 114.

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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 a footnote, please see the definitions on page 204.

In the interest of readability, this document may occasionally use language that is not gender-neutral. Any gender-specific references should be understood to include masculine, feminine and neuter 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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