

Supervisory Board's report

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

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

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

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

Meetings of the Supervisory Board

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

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

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

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

Committees of the Supervisory Board

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

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

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

Parent company and consolidated financial statements

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

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

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

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

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

Vienna, 12 May 2022



Erwin Hameseder

Chairman of the Supervisory Board