

Annual Financial Report 2019|20



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<sup>1</sup> In German only.



FRUIT. STARCH. SUGAR.

# Annual Financial Report 2019|20

of AGRANA Beteiligungs-AG  
for the year ended 29 February 2020



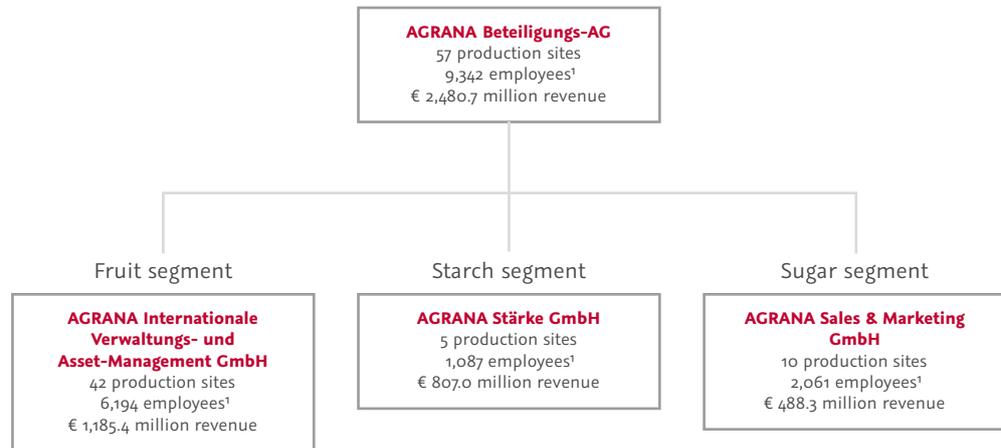
# Group management report 2019|20

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# Organisational structure

AGRANA is a globally operating processor of agricultural raw materials, with its Fruit, Starch and Sugar segments manufacturing high-quality foods and many intermediate products for the downstream food industry as well as for non-food applications. With about 9,300 employees (in FTE<sup>1</sup>) at 57 production sites on six continents, the Group generated revenue of approximately € 2.5 billion in the 2019|20 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.





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.

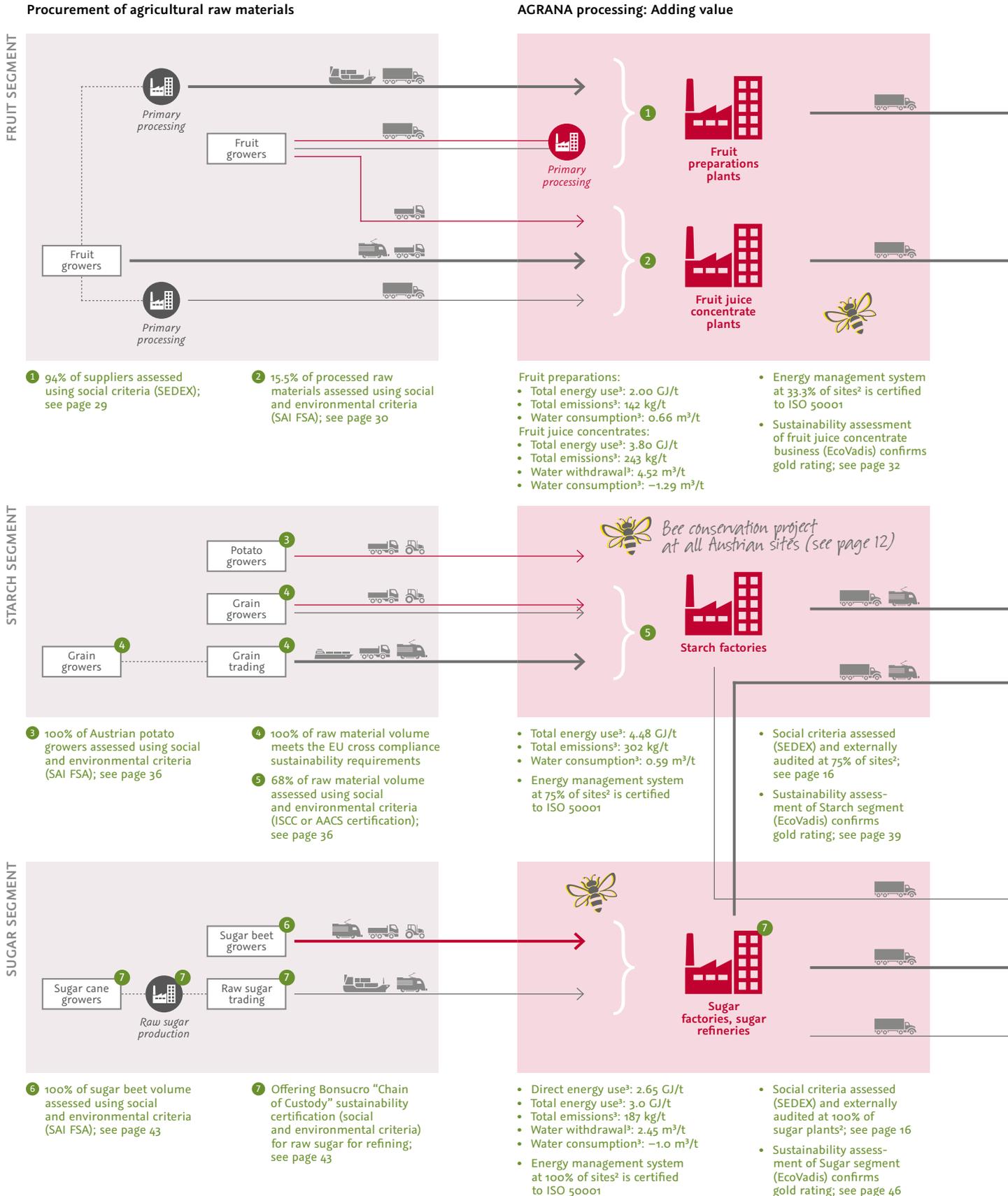
In the **Sugar** segment, AGRANA processes sugar beet from contract growers and also refines raw sugar purchased worldwide. The products are sold to customers in downstream industries for use in, for example, sweets, non-alcoholic beverages and pharmaceutical applications. Under country-specific sugar 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.





# Non-financial information statement<sup>1</sup>

## The sustainable AGRANA value chain<sup>2</sup> in 2019|20



<sup>1</sup> This non-financial information statement under section 267a Austrian Commercial Code has been prepared in accordance with the framework of the Global Reporting Initiative (GRI), specifically GRI Standards: Core option.



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 AGRANA's business segments**

**Fruit segment**

**Fruit preparations business**

2025|26 supply chain target:

- 20% of processed fruit volume is to have an FSA silver or equivalent rating (see page 29)

2025|26 energy and environmental targets:

- Total energy consumption<sup>3</sup> of 1.95 GJ/t<sup>4</sup>
- Water withdrawal<sup>3</sup> of 4.24 m<sup>3</sup>/t<sup>4</sup>

2025|26 target on employee matters:

- 100% of production sites are to have a recognised social audit

**Fruit juice concentrate business**

2030 supply chain target:

- 100% sustainable sourcing as defined by the Sustainable Juice Covenant (see page 30)

2020|21 energy and environmental targets:

- ✗ Total energy consumption<sup>3</sup> of 3.43 GJ/t
- ✗ Water withdrawal<sup>3</sup> of 4.21 m<sup>3</sup>/t

**Starch segment**

2020|21 energy and environmental targets:

- ✓ Target of cumulative savings of 65 GWh through efficiency measures in plants is already achieved, with savings of 91 GWh since the 2015|16 financial year

**Sugar segment**

2020|21 energy and environmental targets:

- ✗ Direct energy consumption<sup>3</sup> of 2.49 GJ/t
- ✗ Water withdrawal<sup>3</sup> of 1.92 m<sup>3</sup>/t

The attainability of the targets in the Sugar segment is primarily determined by the quantity and quality of raw materials available (see page 44).

**Decarbonisation strategy**

AGRANA is committed to achieving a neutral CO<sub>2</sub> balance by 2040. By the end of the 2020|21 financial year (the last year of its current target period), the Group will develop a specific, staged plan for decarbonisation.

**Workplace safety targets of the AGRANA Group**

For the workplace safety targets of all AGRANA segments, see page 55.

<sup>2</sup> Within the GRI reporting boundaries (see page 10).

<sup>3</sup> Per tonne of product output (core and by-products).

<sup>4</sup> The target applies to the fruit preparation plants (excluding primary processing facilities) within the GRI reporting boundaries.





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 fingerprint. This non-financial information statement provides an overview of AGRANA's understanding of sustainability, presents sustainability-related governance structures, and describes the AGRANA materiality matrix, the management approaches for the key non-financial matters/topics, the organisational and content boundaries of the sustainability reporting, and relevant Group-level performance indicators. Details on relevant actions taken, performance indicators as well as goals in the individual areas are presented in the business segment reports, the section "AGRANA's people" and the corporate governance report.

### AGRANA's understanding of sustainability

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

At AGRANA we:

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

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

### Formats of AGRANA's engagement with stakeholders in 2019|20

Key stakeholder groups	Formats of dialogue
Raw material suppliers	Regular agricultural advisory conversations as part of the AGRANA4you programme; group field visits and tours of trials; contracting events (in the Starch and Sugar segments); field days and conferences (such as BETAEXPO) on various subjects
Industrial customers	In-person visits to customers; customer satisfaction survey (Fruit segment); presentations at food, feed, and cosmetics trade fairs
Local communities	Participation by several Austrian AGRANA production sites in the "Long Night of Research" science event; BETAEXPO family day; personal contacts as part of local community relations
Investors and the public	Ongoing investor relations and public relations work; shareholder tour (for retail investors) and Capital Markets Day (for institutional investors); road shows for institutional investors in selected cities in Europe, the USA and Canada; press conferences and background briefings



### Material non-financial matters/sustainability topics

In the 2019|20 financial year, AGRANA's Fruit, Starch and Sugar segments processed a worldwide total of approximately 8.4 million tonnes of agricultural raw materials (prior year: 9.0 million tonnes) and sold about 5.4 million tonnes of resulting high-quality products (prior year: 5.4 million tonnes).



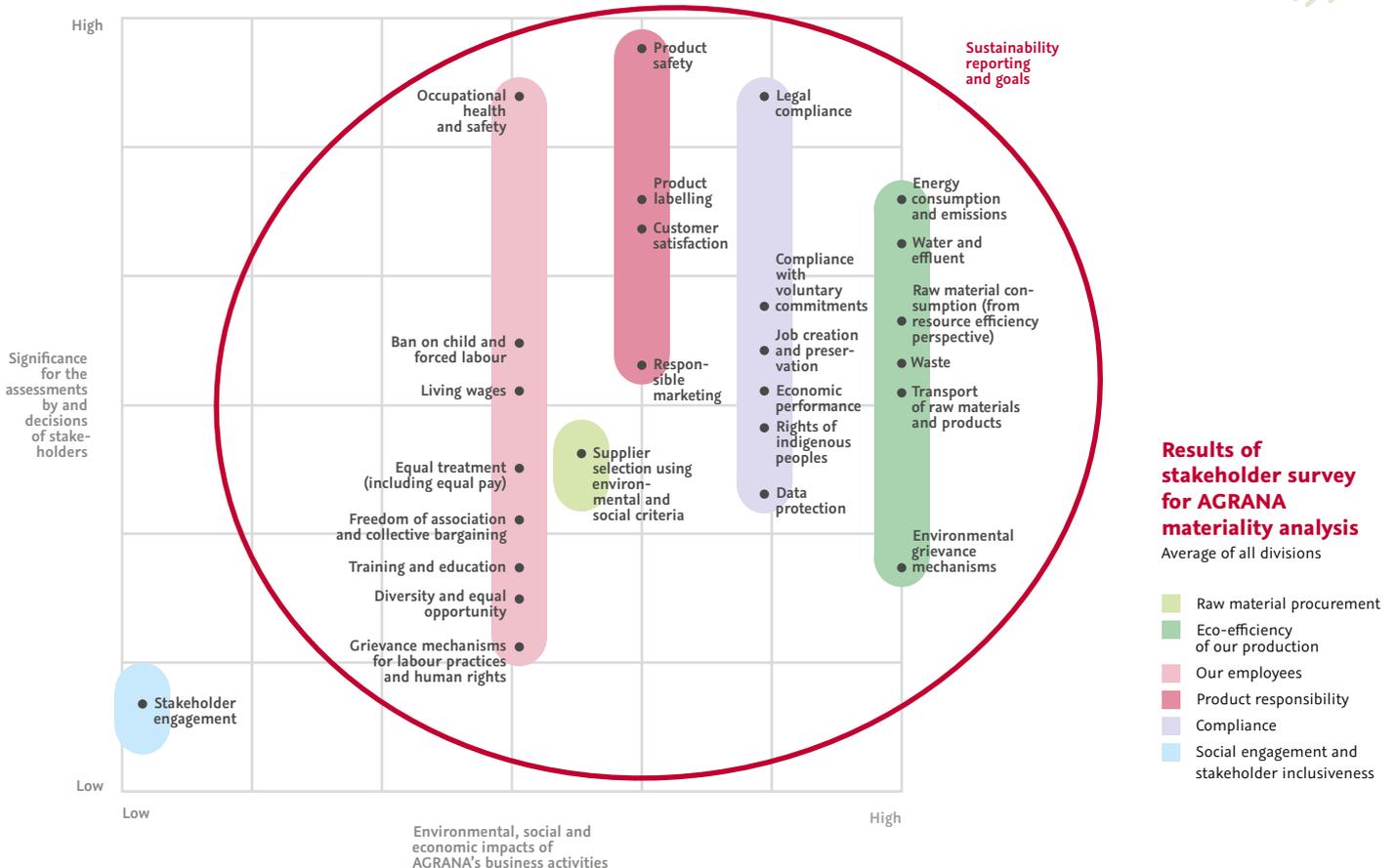
Based on its business activities, AGRANA has identified five sustainability issues of interest along its product value chain:

- **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

As part of a revision of the materiality analysis in the 2017|18 financial year, in which both the AGRANA sustainability core team and selected representative stakeholders<sup>1</sup> participated, the environmental, economic and social impacts of individual sustainability aspects of AGRANA's

business activities on society and the environment were assessed. The AGRANA Group's most significant impacts overall relate to environmental and energy topics and arise primarily in the Starch and Sugar segments, as a result of their energy-intensive value-added processing of agricultural raw materials. Only in the Fruit segment, due to the global scale of its raw material sourcing, are the largest impacts those of the supplier operations from which AGRANA procures its fruit (for details and results, see [www.agrana.com/en/sustainability/core-issues-areas-of-action](http://www.agrana.com/en/sustainability/core-issues-areas-of-action)). To take this aspect into account, AGRANA's globally operating fruit preparations business formulated new sustainability targets in 2019|20 as part of a comprehensive strategy process with the involvement of stakeholders (selected customers and suppliers). Details on the results and targets are provided in the Fruit segment report (page 29) and in the section on the value chain (page 6).

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, Annual Report 2019|20 from page 196).



<sup>1</sup> Representatives of the following stakeholder groups: customers, suppliers, employees, shareholders and local communities.



## Sustainability at AGRANA

**Segment-specific targets in the supply chain**  
See segment reports

**Segment-specific environmental targets by 2020|21**  
Reductions of direct and indirect energy consumption per tonne of product

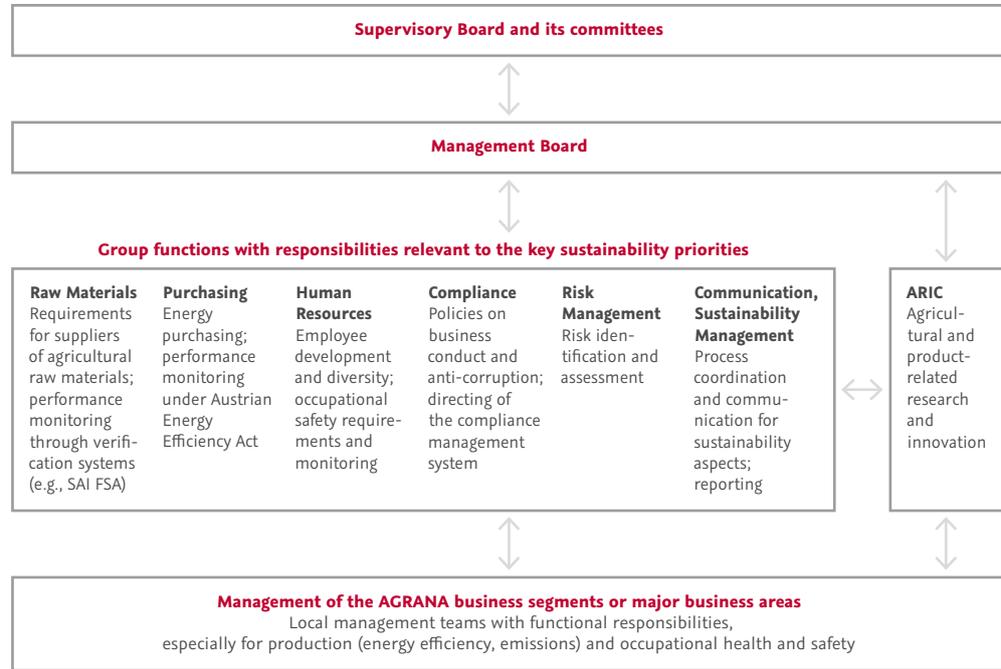
**Reductions of water consumption per tonne of product (see segment reports)**

**Value chain**  
wsk.agrana.com/en



## 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 share joint responsibility for sustainability governance.

### Organisational boundaries of reporting for 2019|20

The organisational boundaries for the reporting of the non-financial (i.e., sustainability) matters integrated in this 2019|20 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 – the HUNGRANA group (in the Starch segment) and AGRANA-STUDEN group (in the Sugar segment) – except where explicitly indicated otherwise. In total, the GRI reporting and sustainability reporting therefore covers 55 of the Group's 57 production sites worldwide.

### Management approaches for material non-financial matters

This section presents, on the one hand, the risks affecting AGRANA in line with 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 58.

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, its suppliers could also cause negative social impacts, such as human rights violations, child labour and poor working conditions. Although AGRANA has no direct control over the operational management practiced by its suppliers, it strives to avoid or minimise these environmental and social risks through its selection of suppliers, thus following the precautionary principle. AGRANA has set out the requirements for agricultural suppliers in its principles for the procurement of agricultural raw materials and intermediate products, a document which, for the social criteria, incorporates AGRANA's Code of Conduct by reference. The principles for the procurement of agricultural raw materials and intermediate products 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 a status of "gold", "silver", "bronze", or "not yet bronze".

In the 2019|20 financial year, experts from AGRANA in the sphere of 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 will come into force at the end of 2020.

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, Rainforest Alliance, Bonsucro, etc.) or participate in company-specific sustainability programmes are accorded FSA equivalence, which significantly reduces the verification effort. The verified compliance with national legal requirements or the certification to international or company standards, as well as the external verification of farm self-assessments under the FSA in conformity with the rules of the SAI Implementation Framework, enable agricultural producers and the processing industry to advertise their FSA sustainability status in the B2B space.

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 are scheduled in all AGRANA segments. Details on the activities for the implementation of AGRANA's principles for the procurement of agricultural raw materials and intermediate products and regarding the FSA sustainability status in the Fruit, Starch and Sugar segments are presented in the respective segment reports (see pages 29, 36 and 43).





### Building awareness of good agricultural practice – BETAEXPO

Awareness-building and ongoing training are key elements of AGRANA's collaboration with its approximately 9,400 contract growers. Besides many training measures in all segments, AGRANA therefore twice annually welcomes growers and others to BETAEXPO, Austria's largest field of demonstration plantings of AGRANA raw material crops. The BETAEXPO field symposium in June 2019 drew about 3,000 visitors. The demonstration plots offered a first-hand impression of the variety trials and fertilization experiments and the results of assorted herbicide and fungicide treatments. The BETAEXPO family day in September 2019, under the slogan "AGRANA4you", focused on AGRANA's services provided to the company's growers by the AGRANA agricultural advisors, all of whom are working farmers themselves.

### 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 installing 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 with indirect effects on 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 the operational procurement risks (see the section "Risk management", page 58). 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.

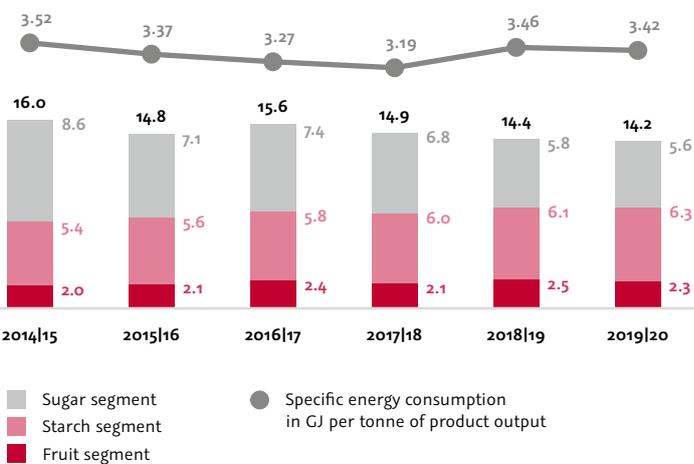
### Environmental aspects – eco-efficiency of our production

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.

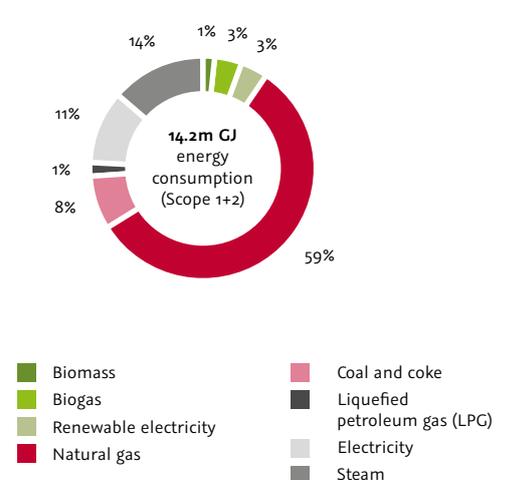


### Energy consumption (Scope 1+2) of the AGRANA Group

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



### Energy mix of the AGRANA Group in 2019|20





### 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<sub>2</sub> tax, which are being considered as part of the fight against climate change and which could limit the Group's international competitiveness in the event of a lack of renewable energy sources available on economically viable terms. For details on the management of these risks, see the section "Risk management", subheading "Non-financial risks" on page 61.

AGRANA's processing of agricultural raw materials is energy-intensive, especially in the Starch and Sugar segments. It is subject to the EU Emissions Trading Scheme and, through the greenhouse gas emissions generated, has negative impacts on people and the environment. These impacts are within AGRANA's direct control. AGRANA is committed to operating responsibly and strives to minimise harmful emissions to the extent possible or reduce them to a lower and lower level.

To achieve this, AGRANA has since 2014 been introducing energy management systems. The energy management systems of 47.3% of all AGRANA production sites within the GRI reporting boundaries (see page 10) are certified to ISO 50001.

All AGRANA segments have energy conservation targets, relevant to their business activity, with a current target period from 2013|14 or 2014|15 up to and including

the 2020|21 financial year. The progress towards goals to date is presented in the respective segment reports (see pages 31, 37 and 44).

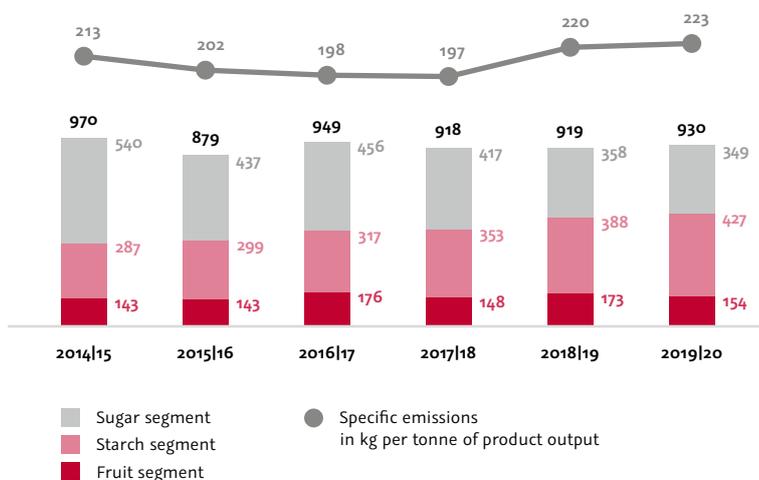
AGRANA's reporting of energy use and emissions is confined to Scope 1 (direct energy consumption and emissions) and Scope 2 (indirect energy consumption and emissions), as data for Scope 3, such as pertaining to the agricultural supply chain, are difficult to obtain or in some cases (such as business travel) only contribute relatively little to the CO<sub>2</sub> footprint compared to Scope 1 and 2. Generally speaking, absolute energy consumption and emission figures are not very meaningful in terms of 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 energy consumption.

### Decarbonisation strategy 2040

As the existing 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 New Green Deal and the Austrian energy and climate plan, which provide for CO<sub>2</sub> neutrality by 2050 and 2040, respectively.

### Emissions (Scope 1+2) of the AGRANA Group

Bar chart: total amounts, in thousands of tonnes of CO<sub>2</sub> equivalent





AGRANA is committed to the goal of CO<sub>2</sub>-neutral production by 2040. This challenging target can only be achieved by a politically and societally supported mix of measures in several steps. The possible measures fall into two main categories: energy efficiency improvements, and the switch to renewable energy sources.

While there is only limited potential for further improvement in energy efficiency using existing technologies, AGRANA's possible ways of transitioning to renewable energy sources include purchasing electricity from renewable sources and, additionally, generating its own energy from biomass.

Thus far, AGRANA has been striving for the complete cascading use of agricultural raw materials in the manufacture of core products (mainly food ingredients) and by-products (animal feed and fertiliser), true to its principle of full utilisation and in line with the concept of a bio-economy. The primary focus in this, besides the products' commercial marketability, is their usability for the human food chain. On the by-products side, AGRANA's high-quality GMO-free protein animal feeds, which help to reduce the European protein feed gap that is covered by imports of predominantly genetically modified soya feed from overseas, are of particular importance.

In principle, in the future, low-protein raw material residues could be used to generate energy and replace fossil energy sources, as in AGRANA's Hungarian sugar

factory in Kaposvár, where beet pulp and other residues have already been used for biogas production for several years (see Sugar segment report, page 44). However, as the utilisation for energy recovery cuts into feedstuff revenue, appropriate business conditions are required for it to be implemented economically.

By the end of the 2020|21 financial year, the last year of its current target period, AGRANA will develop a concrete, staged plan for decarbonisation by 2040 which, in addition to a swift total phase-out of coal and coke use, will include projects for energy recovery from biomass.

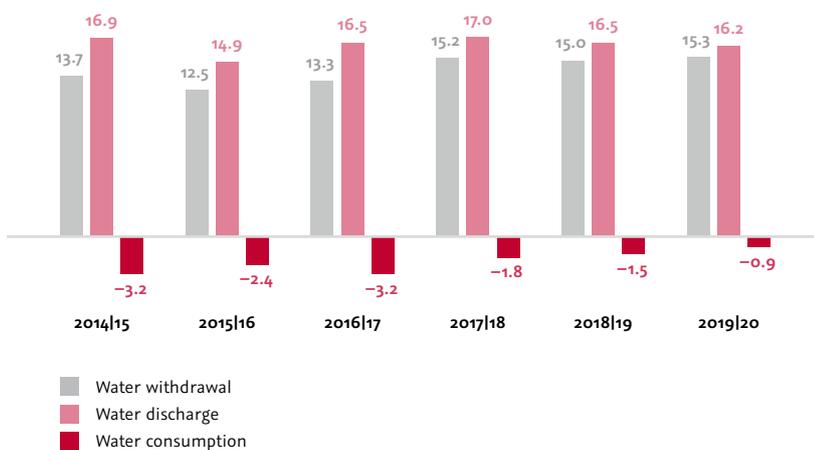
**Water and effluent (wastewater)**

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. Based on these analytical tools, 15 of the AGRANA sites (27%) within the GRI report boundaries (see page 10), mostly belonging to the globally operating Fruit segment, were for various reasons located in

**Water consumption of the AGRANA Group**

In millions of cubic metres





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 pages 31, 38 and 45).

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 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 have water withdrawal targets, relevant to their business activity, for the current target period up to and including the 2020|21 financial year. The progress towards goals to date is presented in the respective segment reports (see pages 31, 38 and 45).

### 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 10)

	2019 20	2018 19	2017 18
Total amount of waste	90,447 t	107,917 t	122,448 t
Of which hazardous waste	634 t	585 t	489 t
Waste per tonne of product output	21.7 kg	25.9 kg	26.2 kg
Of which hazardous waste	152 g	140 g	105 g

Based on total product output, total waste in the 2019|20 financial year amounted to about 21.7 kilograms per tonne of product (core and by-products), of which 152 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 segment reports, pages 32, 38 and 46).

### 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 2019|20 modal split for inbound and outbound logistics in the AGRANA Group was approximately 75.4% road, 17.8% rail and 6.8% water.

### Employee matters – Our employees

The internal normative basis for AGRANA's relationship with its employees is the AGRANA Code of Conduct, which was newly revised in 2018|19. Among other things, it prohibits any discrimination or harassment, forbids child labour and forced labour, and addresses issues of health and safety in the workplace. It also affirms the rights of free association and collective bargaining. By adhering to its Code of Conduct, the Group expects to avoid or minimise economic risks to AGRANA (for example, difficulties in employee recruitment, inefficient operating processes, strikes and reputational damage) and social risks for employees (e.g., a work environment that is unsafe, hazardous to health, discriminatory or unfair).





The employment relationships of about 70% of AGRANA employees<sup>1</sup> worldwide in 2019|20 fell under collective agreements. The interests of approximately 80% 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.

#### **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). In the 2017|18 financial year, all Sugar segment plants within the GRI reporting boundaries (see page 10) and all Austrian manufacturing sites of the Starch segment had their self-assessments verified through so-called “4-Pillar SEDEX Members Ethical Trade Audits” (SMETA) performed by independent third parties and valid for three years. Overall, at the balance sheet date in 2020, twenty-five of the AGRANA production sites (about 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 2019|20 regarding working conditions and human rights in relation to AGRANA employees are discussed in the section “AGRANA’s people” (see page 51).

#### **Anti-corruption and anti-bribery – Compliance**

The risks, management approaches and activities in 2019|20 surrounding compliance and business conduct, anti-corruption and anti-bribery are presented in the compliance section of the corporate governance report (see Annual Report 2019|20 from page 27).

### **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 2019|20 financial year, 100% of AGRANA’s feed production sites held certifications to at least one of these standards or to the locally relevant international ones.

The levels of excellence in hygiene and quality of the foods and feeds produced by AGRANA are continually raised further through external certifications, customer and supplier audits and an internal audit system. The 2019|20 financial year saw a recall affecting consumers that was carried out in Australia.



<sup>1</sup> Calculation based on average number (headcount) of AGRANA employees within the GRI reporting boundaries (see page 10).



### AGRANA products as a contribution to climate protection

AGRANA evaluated its product portfolio based on the criteria for environmentally sustainable economic activities<sup>1</sup> set out in the EU's unified classification system (EU Taxonomy). On this basis, the following AGRANA product categories were defined as sustainable or climate-friendly:

- 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)

Using these criteria, about 56% of the product volume sold by AGRANA in 2019|20 qualified as sustainable or climate-friendly. For AGRANA as well, the growing awareness on the part of consumers that their day-to-day decisions can make a major contribution to climate protection therefore holds opportunities to further expand the Group's offering of sustainable and climate-friendly products.

### Disseminating knowledge on nutrition and health

In 2019|20, sugar continued to struggle with a negative image in the public debate and in media coverage of nutrition and health. Motivated by this media pressure and the 2016 agreement between EU member states that, by 2020, the amount of added sugars in the total food supply is to be reduced by 10% relative to the base year 2015, food manufacturers and retail chains are working on recipe changes for their products. However, reformulations, which very often target sugar alone, fall short. Ultimately, what is responsible for overweight is not sugar but a positive energy balance, i.e., more calories being taken in than expended. Whether these calories come from fat, protein, sugar or other carbohydrates makes relatively little difference in this regard.

AGRANA therefore works to raise the level of public knowledge about nutrition in general, the importance of lifestyle to health, and the properties of sugar. In the year under review the company thus continued to support initiatives such as Austria's Forum for Health Today ("Forum Ernährung heute"), the Austrian Nutrition Society ("Österreichische Gesellschaft für Ernährung") and the platform Land Grows Life ("Land schafft Leben").

By sponsoring the youth programme of a popular Vienna football club, AGRANA aims to motivate children and teenagers to choose a healthy, active lifestyle that includes more exercise in daily life.

In parallel with this, AGRANA helps foster its own employees' knowledge and awareness of balanced nutrition and a healthy lifestyle through a multitude of activities (see the section "AGRANA's people", page 51).

### 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.

### AGRANA's contribution to the UN Sustainable Development Goals

In line with its business activities and its sustainability priorities in the areas of energy efficiency, 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 Goals 12 and 14.



<sup>1</sup> 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.



## 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 <sup>1</sup>	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 <sup>1</sup>	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 <sup>1</sup>	2010	Aim: promote and safeguard Austrian GMO-free agriculture and food production; Members: from the entire food value chain, including many retailers
Bonsucro	AGRANA Zucker GmbH	2014	Aim: improve the sustainability of sugar cane cultivation and of cane sugar production; Members: producers, resellers, processors

## Memberships in industry associations and advocacy groups

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



# Financial results

The consolidated financial statements for the 2019|20 financial year (the twelve months ended 29 February 2020) were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

## Changes in the scope of consolidation

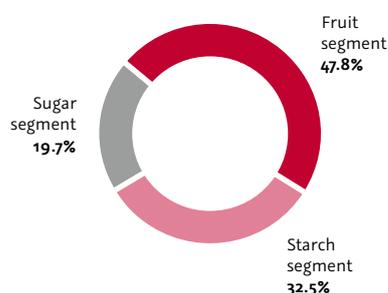
A detailed overview of the additions to and removals from the scope of consolidation is provided in the notes to the consolidated financial statements (from page 84). In total in the consolidated financial statements, 61 companies were fully consolidated (28 February 2019 year-end: 62 companies) and 13 companies were accounted for using the equity method (28 February 2019: 12 companies).

## Revenue and earnings

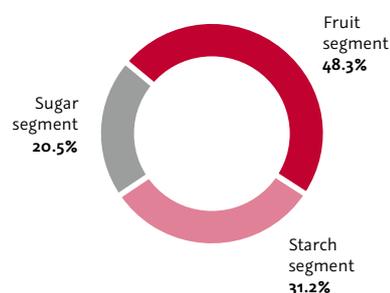
Consolidated income statement (condensed)		2019 20	2018 19	Change % / pp
Revenue	€000	2,480,732	2,443,048	+1.5%
EBITDA <sup>1</sup>	€000	183,065	147,738	+23.9%
Operating profit before exceptional items and results of equity-accounted joint ventures	€000	73,136	51,102	+43.1%
Share of results of equity-accounted joint ventures	€000	16,727	12,222	+36.9%
Exceptional items	€000	(2,813)	3,294	-185.4%
Operating profit [EBIT] <sup>2</sup>	€000	87,050	66,618	+30.7%
EBIT margin	%	3.5	2.7	+0.8 pp
Net financial items	€000	(17,191)	(15,372)	-11.8%
Income tax expense	€000	(18,567)	(20,860)	+11.0%
Profit for the period	€000	51,292	30,386	+68.8%
Earnings per share	€	0.77	0.41	+87.8%

The AGRANA Group's revenue of € 2,480.7 million in the 2019|20 financial year marked a slight increase from the prior year. Revenue was steady in the Fruit segment (at € 1,185.4 million, up 0.5%), eased in the Sugar segment (at € 488.3 million, down 2.6%) and grew in the Starch segment (at € 807.0 million, up 5.8%).

Revenue by segment in 2019|20



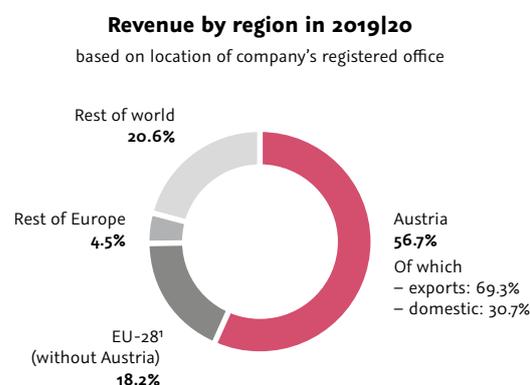
Revenue by segment in 2018|19



<sup>1</sup> EBITDA represents operating profit before exceptional items, results of equity-accounted joint ventures, and operating depreciation and amortisation.

<sup>2</sup> Operating profit (EBIT) is after exceptional items and results of equity-accounted joint ventures.

Subsidiaries based in Austria generated 56.7% (prior year: 52.5%) of Group revenue.



**Operating profit (EBIT)** was € 87.1 million in 2019|20, a significant increase of 30.8% from the prior year. In the Fruit segment, EBIT decreased to € 55.9 million, a reduction of 27.7% driven primarily by a lower result in the fruit preparations business. In the Sugar segment, higher sugar sales prices than in the prior year led to an EBIT improvement, although in absolute terms, EBIT remained significantly negative at a deficit of € 44.0 million. The Starch segment expanded its EBIT substantially by 46.9% to € 75.2 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 2019|20 amounted to a net expense of € 17.2 million (prior year: net expense of € 15.4 million). The increase of € 2.9 million in net interest expense was attributable to an average increase of € 150 million in debt and the additional interest expense of about € 1.0 million resulting from the initial application of IFRS 16, Leases. At the same time, currency translation differences improved by € 1.4 million. In the prior year this item had included a high forex expense due to the depreciation of the Argentine peso, while in 2019|20 this effect was avoided thanks to the debt reduction of the Argentine subsidiary. The change in other financial items (down € 0.3 million) resulted from the issue of the Schuldscheindarlehen by AGRANA Beteiligungs-AG in August 2019 and the renewal of a syndicated credit line by AUSTRIA JUICE GmbH.

<b>Net financial items</b>		<b>2019 20</b>	<b>2018 19</b>	<b>Change</b> %
Net interest (expense)	€000	(8,409)	(5,513)	-52.5%
Currency translation differences	€000	(6,616)	(7,976)	+17.1%
Share of results of non-consolidated subsidiaries and outside companies	€000	18	24	-25.0%
Other financial items	€000	(2,184)	(1,907)	-14.5%
<b>Total</b>	<b>€000</b>	<b>(17,191)</b>	<b>(15,372)</b>	<b>-11.8%</b>

**Profit before tax** increased from the prior year's € 51.2 million to € 69.9 million. After an income tax expense of € 18.6 million based on a tax rate of 26.6% (prior year: 40.7%), the Group's profit for the period was € 51.3 million (prior year: € 30.4 million). **Profit for the period** attributable to shareholders of AGRANA was € 48.2 million (prior year: € 25.4 million); earnings per share increased to € 0.77 (prior year: € 0.41).

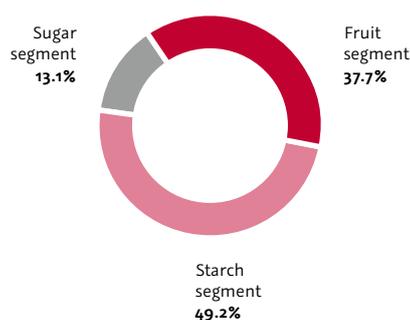
## Investment

In 2019|20, AGRANA invested a total of € 149.7 million, or € 34.1 million less than in the prior year. Purchases of property, plant and equipment and intangibles exceeded depreciation by 35.6% (prior year: 90.1%), with the following distribution by business segment:

Investment <sup>1</sup>		2019 20	2018 19	Change % / pp
Fruit segment	€000	56,495	56,193	+0.5%
Starch segment	€000	73,609	97,011	-24.1%
Sugar segment	€000	19,557	30,549	-36.0%
<b>Group</b>	€000	<b>149,661</b>	<b>183,753</b>	<b>-18.6%</b>
Depreciation, amortisation and impairment	€000	110,333	96,636	+14.2%
Investment coverage	%	135.6	190.1	-54.5 pp

Investment in the Fruit segment focused mainly on capacity expansions and plant modernisation; in the Sugar segment it centred on improvements in product quality and energy efficiency. The highest capital expenditures in the Starch segment were for the completion of the expansion of the wheat starch plant in Pischelsdorf, Austria. The key projects in the individual business segments are detailed in the segment reports.

### Investment by segment in 2019|20



<sup>1</sup> Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.

## Cash flow

<b>Consolidated cash flow statement (condensed)</b>		<b>2019 20</b>	<b>2018 19</b>	<b>Change %</b>
Operating cash flow before changes in working capital	€000	187,831	177,546	+5.8%
Changes in working capital	€000	(52,982)	(5,872)	-802.3%
Interest received and paid and income tax paid, net	€000	(24,753)	(29,965)	+17.4%
<b>Net cash from operating activities</b>	€000	<b>110,096</b>	<b>141,709</b>	<b>-22.3%</b>
Net cash (used in) investing activities	€000	(155,578)	(161,887)	+3.9%
Net cash from/(used in) financing activities	€000	57,322	(18,180)	+415.3%
<b>Net increase/(decrease) in cash and cash equivalents</b>	€000	<b>11,840</b>	<b>(38,358)</b>	<b>+130.9%</b>
Effects of movements in foreign exchange rates on cash and cash equivalents	€000	(511)	(577)	+11.4%
Cash acquired in initial consolidation of subsidiaries	€000	0	637	-100.0%
Effect of IAS 29 on cash and cash equivalents	€000	(496)	(81)	-512.3%
Cash and cash equivalents at beginning of period	€000	82,582	120,961	-31.7%
<b>Cash and cash equivalents at end of period</b>	€000	<b>93,415</b>	<b>82,582</b>	<b>+13.1%</b>
Free cash flow <sup>1</sup>	€000	(45,482)	(20,178)	-125.4%

Operating cash flow before changes in working capital was up € 10.3 million year-on-year at a new total of € 187.8 million. After an inventory-driven significantly larger increase of € 53.0 million in working capital than a year ago (prior year: increase of € 5.9 million), net cash from operating activities decreased to € 110.1 million (prior year: € 141.7 million). Net cash used in investing activities was € 155.6 million, a decrease from the prior year as a result of lower outflows for purchases of property, plant and equipment and intangibles (prior year: net cash use of € 161.9 million). In 2019|20, an overall increase in borrowings (on a net basis across the current and non-current portions) and a lower dividend payment led to net cash from financing activities of € 57.3 million (prior year: net cash use of € 18.2 million). Free cash flow in the year under review decreased by more than 100% year-on-year.

## Financial position

<b>Consolidated balance sheet (condensed)</b>		<b>29 Feb 2020</b>	<b>28 Feb 2019</b>	<b>Change % / pp</b>
Non-current assets	€000	1,331,925	1,252,148	+6.4%
Current assets	€000	1,217,519	1,137,259	+7.1%
<b>Total assets</b>	€000	<b>2,549,444</b>	<b>2,389,407</b>	<b>+6.7%</b>
Equity	€000	1,387,132	1,409,928	-1.6%
Non-current liabilities	€000	565,291	393,046	+43.8%
Current liabilities	€000	597,021	586,433	+1.8%
<b>Total equity and liabilities</b>	€000	<b>2,549,444</b>	<b>2,389,407</b>	<b>+6.7%</b>
Net debt	€000	464,012	322,202	+44.0%
Gearing ratio <sup>2</sup>	%	33.5	22.9	10.6 pp
Equity ratio	%	54.4	59.0	-4.6 pp

Total assets at 29 February 2020 were € 2,549.4 million, an increase of € 160.0 million from the year-earlier level.

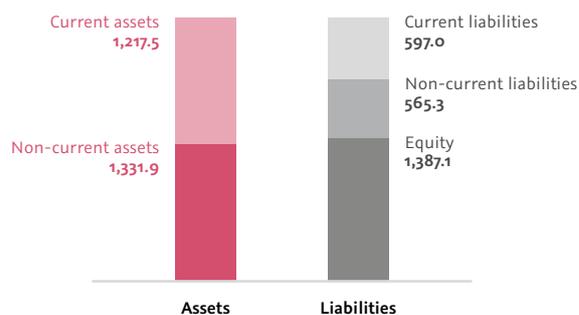
<sup>1</sup> Total of net cash from operating activities and net cash used in investing activities.

<sup>2</sup> Ratio of net debt to total equity.

Non-current assets increased by € 79.8 million, due mainly to the initial application of IFRS 16, Leases, (also see the consolidated financial statements, from page 81), and also reflecting a level of investment that exceeded depreciation. Inventories rose significantly for price and volume reasons. In combination with a rise in cash and cash equivalents, this led to an overall increase in current assets.

### Balance sheet structure at 29 February 2020

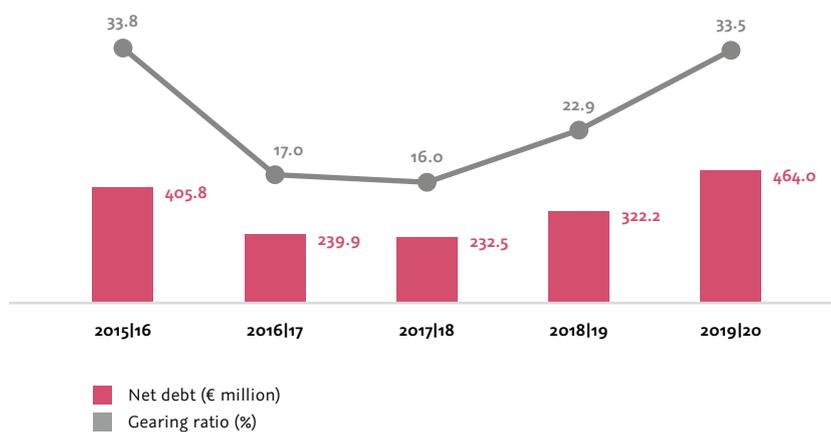
€ million



AGRANA's equity ratio of 54.4% was 4.6 percentage points below that of one year earlier. Non-current liabilities rose significantly, due primarily to an increase in long-term borrowings. Current liabilities increased slightly, which was attributable to a rise in trade payables and in other payables.

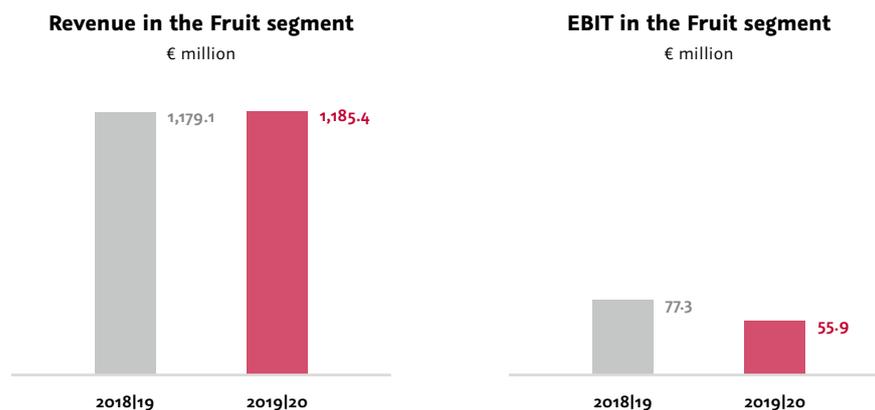
Net debt as of 29 February 2020 amounted to € 464.0 million, up € 141.8 million from the 2018|19 year-end level. The gearing ratio was thus 33.5% at the balance sheet date (28 February 2019: 22.9%).

### Net debt and gearing ratio



To strengthen the long-term funding base and take advantage of the historic low interest rate environment, AGRANA Beteiligungs-AG at 1 August 2019 placed a € 200 million Schuldscheindarlehen (bonded loan) in tranches of five, seven and ten years. The weighted average term to maturity is six years. Approximately 75% of the Schuldscheindarlehen carries a fixed interest rate. As well, in November 2019, AGRANA Beteiligungs-AG raised a long-term bank loan with a seven-year term. Both the Schuldscheindarlehen and the bilateral facility were used for the repayment of a group debt to Südzucker AG and of the Schuldscheindarlehen issued in 2014.

## Segment financial results



**Fruit** segment revenue in 2019|20 was € 1,185.4 million (up 0.5% from the prior year). Fruit preparations revenue rose slightly on higher sales volume, with revenue growth seen especially in North America, the IMEA region (India, Middle East and Africa), Russia and Mexico. In the fruit juice concentrate activities, revenue was down from a year ago due to lower prices for apple juice concentrate from the 2018 crop, while volume was up moderately. The Fruit segment was responsible for 47.8% of Group revenue (prior year: 48.3%).

The segment's EBIT of € 55.9 million was off 27.7% from the prior year. The causes of the deterioration lay mainly in the fruit preparations business. Here, sales volume growth was below expectations and general cost increases thus could not be fully offset by higher sales volumes. The primary drivers of the reduction in operating profit were one-time impacts relating to raw materials in Mexico (strawberry and mango), combined with low sales prices for apples in Ukraine, reduced margins in Europe as well as exceptional staff cost effects. EBIT in the fruit juice concentrate business declined significantly from the year before. This resulted mainly from a combination of poorer contribution margins in apple juice concentrate and idle-capacity costs due to a smaller apple crop in 2019.

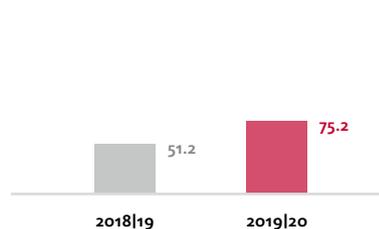
Further details on the results in the Fruit business are supplied in the segment report from page 27.

**Revenue in the Starch segment**

€ million

**EBIT in the Starch segment**

€ million



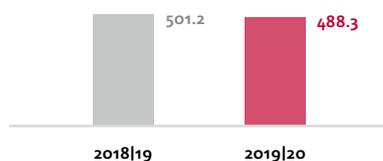
Revenue in the **Starch** segment rose by 5.8% in the 2019|20 financial year, to € 807.0 million. The key reason was a significant improvement in ethanol revenue due to risen market demand in the EU and substantially stronger Platts quotations. In the year under review, production volumes and thus sales quantities were increased in all plants, and in addition, the new second wheat starch plant in Pischelsdorf, Austria, began production in November 2019. Revenue in saccharification products was held constant at lower prices through greater volumes. Increases in revenue were achieved in organic and specialty products, particularly infant formula. Revenue from by-products (including other products) decreased. The Starch segment accounted for 32.5% of the Group's revenue (prior year: 31.2%).

With EBIT of € 75.2 million, the Starch segment surpassed the year-earlier result by 46.9%. The significant earnings growth stemmed primarily from the pronounced rise in the market price of ethanol, as well as from the volume gains in core products. Raw material prices were in line with the prior year, and energy prices eased marginally. The expansion activities at the three Austrian sites weighed on earnings through increases in administrative and staff costs and depreciation. The profit contribution from the equity-accounted HUNGRANA was € 16.3 million, in line with the prior year. This company was able to make up for volume and margin reductions in saccharification products with improved bioethanol earnings. On balance, the EBIT profit margin of the Starch segment in 2019|20 increased to 9.3%, from 6.7% in the prior year.

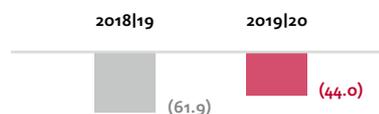
Further details on the results of the Starch business are provided in the segment report from page 33.

**Revenue in the Sugar segment**

€ million

**EBIT in the Sugar segment**

€ million



The **Sugar** segment's revenue in 2019|20, at € 488.3 million, was off 2.6% from the year before. This slight overall decrease was driven by a significant drop in sugar sales volumes (notably with resellers) that outweighed a rise in sugar selling prices. By-product revenue increased from one year earlier. The Sugar segment accounted for 19.7% of Group revenue (prior year: 20.5%).

EBIT in 2019|20, although improved, was still significantly negative at a deficit of € 44.0. The improvement was achieved through the increase in sales prices compared to the prior year. The 2019 campaign once more entailed idle-capacity costs, as the beet harvest was again poor due in part to a renewed beet weevil infestation in Austria. The EBIT contribution of the equity-accounted AGRANA-STUDEN group was € 0.4 million (prior year: loss of € 4.0 million), having improved as a result of a positive market trend and better utilisation.

Further details on the results in the Sugar business are given in the segment report from page 40.

## Events after the balance sheet date

The global spread of coronavirus disease (COVID-19) was declared a pandemic by the World Health Organisation on 11 March 2020. This underlines a higher probability of possible material effects on the future course of business. As of the date of preparation of the annual financial statements on 22 April 2020, it was not possible to estimate the financial effects owing to the rapid pace of developments. Depending on the actual effects and further trajectory of the coronavirus crisis, negative impacts may arise on the 2020|21 financial year or subsequent years, such as impairment of goodwill and property, plant and equipment, effects on medium-term projections, or impacts in other areas relevant to financial results. As of 29 February 2020, these effects were not yet predictable and therefore not accounted for.

Effective 1 March 2020, 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.

No other events of material significance to AGRANA occurred after the balance sheet date of 29 February 2020.

# Fruit segment

## Basics of the Fruit segment

### Marketing relationship

B2B

### Products

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

### Raw materials processed

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

### Key markets

Marketed worldwide

### Customers

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

### Special strengths

Custom-designed, innovative products

AGRANA Internationale Verwaltungs- und Asset-Management GmbH, Vienna, is the holding company for the Fruit segment. The coordination and operational management of the fruit preparations business are provided by its holding company AGRANA Fruit S.A.S., based in Mitry-Mory, France. In the fruit juice concentrate business, the operating holding company is AUSTRIA JUICE GmbH, based in Kröllendorf/Allhartsberg, Austria. At the balance sheet date the Fruit segment as a whole comprised 27 production sites in 20 countries for fruit preparations, and 15 plants in seven countries for the production of apple and berry juice concentrates.

## Revenue and earnings

Fruit segment		2019 20	2018 19	Change % / pp
Total revenue	€000	1,186,347	1,179,603	+0.6%
Inter-segment revenue	€000	(890)	(453)	-96.5%
Revenue	€000	1,185,457	1,179,150	+0.5%
EBITDA <sup>1</sup>	€000	101,090	114,966	-12.1%
Operating profit before exceptional items and results of equity-accounted joint ventures	€000	58,002	77,265	-24.9%
Exceptional items	€000	(2,070)	0	-
Operating profit [EBIT] <sup>2</sup>	€000	55,932	77,265	-27.6%
EBIT margin	%	4.7	6.6	-1.9 pp
Investment <sup>3</sup>	€000	56,495	56,193	+0.5%
Number of employees (FTE) <sup>4</sup>		6,194	6,141	+0.9%

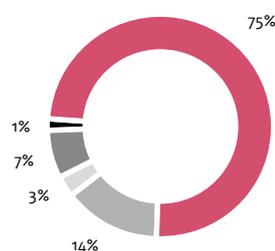
Revenue in the fruit preparations business rose by just under 4%, as a result mainly of slightly higher sales volumes.

AGRANA Fruit saw revenue gains in all regions except Europe and South America. Significant growth from the previous year was achieved in North America and in Ukraine. The IMEA region (India, Middle East and Africa) had the strongest percentage revenue growth, thanks to good business in Algeria. Revenue decreased in South America (particularly Argentina) and Europe (excluding Ukraine).

In the fruit preparations activities, sales volumes in non-dairy<sup>5</sup> product segments were up from the prior year, especially for food service and bakery. The quantities sold into the dairy sector remained steady.

Earnings of the fruit preparations business saw a significant decrease. Higher costs could not be recouped through the only slight rise in sales volumes. Specifically, the primary drivers of the reduction in operating profit were one-time impacts relating to raw materials in Mexico (strawberry and mango), combined with low sales prices for apples from the 2018 crop in Ukraine, reduced margins in Europe and the application of hyperinflation accounting in Argentina. Furthermore, the fruit preparations business registered a net exceptional items expense reflecting regional restructuring measures (such as in Serbia) and exceptional staff cost effects.

### Revenue by product group in 2019|20



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

<sup>1</sup> EBITDA represents operating profit before exceptional items, results of equity-accounted joint ventures, and operating depreciation and amortisation.

<sup>2</sup> Operating profit (EBIT) is after exceptional items and results of equity-accounted joint ventures.

<sup>3</sup> Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.

<sup>4</sup> Average number of full-time equivalents in the reporting period.

<sup>5</sup> The "non-dairy" product segments are ice-cream, bakery, and food service.

An EBIT improvement compared to the prior year was realised in the North America and Russia regions and the Dirafrost business, while earnings eased especially in Europe (including Ukraine), South America and Mexico.

The 2019|20 financial year also for the first time includes the revenue of the new facility in Changzhou near Shanghai in China. Industrial-scale production at the plant started in March 2019. The sale of the facility in Fiji was completed at the end of June 2019.

Revenue in the fruit juice concentrate business was down significantly in 2019|20 compared to the year before. This was a result of lower apple juice concentrate prices for product from the 2018 crop and lower sales quantities from the 2019 campaign in the final quarter of the financial year.

In the 2019 apple campaign of AUSTRIA JUICE, reduced harvest volumes led to sharply limited raw material availability in the European main crop production countries of Poland and Hungary, with significantly higher prices than in the previous year's campaign.

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 2019 processing season compared to the 2018 campaign.

## Market environment

The global market for yoghurt in 2019 grew by about 4% in sales compared to 2018, driven above all by the drinkable yoghurt and natural yoghurt categories. Globally in the same year, spoonable fruit yoghurt, the actual main market of the fruit preparations division, grew only slightly. AGRANA Fruit's largest markets, Western Europe and North America, experienced a contraction in the spoonable fruit yoghurt segment. The planned growth in North and South America, Europe and the Middle East was negatively affected by business cycle-driven reversals and political developments.

Besides striving for the continual expansion of sales quantities in the dairy segment through innovative products, AGRANA Fruit in 2019|20 continued to focus on other market segments such as ice-creams and dairy alternatives as well as the food service sector. The ice-cream market exhibited moderate growth in 2019 globally, with high growth in some regions. In this segment, AGRANA continued to work on expanding collaborations with the global market leaders. The company also continued to generally strengthen the food service activities. The market for dairy alternatives in the yoghurt and ice-cream sectors still represents only a niche in the overall market, but is showing dynamic growth. Particularly in Western Europe and North America, this market grew significantly more strongly than that for traditional milk products. In a subsegment of this market, fruit preparations of the same kind are used as in dairy products.

The top consumer trends shaping developments in the markets of the fruit preparations business (dairy products, ice-cream, bakery and food service) continued to be naturalness, sustainability, health, pleasure and convenience. Features valued in new products were novel and surprising flavours or textures to offer today's variety-seeking consumer new sensory experiences.

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

The 2019 apple campaign was marked by significantly reduced availability of apples. At the same time, on the customer side there were numerous instances of supply overhang from the very good 2018 harvest. Deliveries from the Chinese plant were fairly sluggish in January and February 2020, initially due to the Chinese New Year festival and then to logistical bottlenecks related to the spread of coronavirus disease (COVID-19) in China.

All the berry juice concentrate from the 2019 campaign has already been placed through sales contracts with customers. An organic range in this area was successfully launched.

The volume trend in the product area of "specialties and added value" remained steady.

## 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<sup>1</sup>
- ✘ Water withdrawal of 4.24 m<sup>3</sup> per tonne of product<sup>1</sup>

### 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 of Hungarian and Polish growers of pest-resistant apples confirmed silver or better status for all producers (about 15.5% of 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 m<sup>3</sup> per tonne of product

### Value chain

[wsk.agrana.com/en/fruit](http://wsk.agrana.com/en/fruit)



## Raw materials and production

In 2019|20, about 398,000 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 occurred mainly for strawberry and peach.

At about 71,000 tonnes purchased, strawberry was the principal fruit for fruit preparations. The average purchasing price across all procurement regions was higher than in the year before. Key reasons for this included moderate increases in market prices in the Mediterranean crop regions of Morocco and Egypt. Drastic price hikes were seen in Mexico.

The second most important fruit by processing volume for fruit preparations was peach, at approximately 21,000 tonnes. The main peach sourcing markets for the AGRANA fruit preparations sites worldwide were the southern European fruit-growing regions of Greece and Spain. The harvests in Europe were average and prices were up slightly from the prior year. In terms of processing volume, blueberry was third at about 12,000 tonnes. Major procurement markets were Canada, the USA and Ukraine. Purchasing prices were slightly higher than one year earlier.

In the fruit juice concentrate business, available supplies of apples in the foremost European processing regions (Poland and Hungary) were significantly below the levels of the year before. By contrast, the Chinese apple harvest volume was significantly higher, enabling a record quantity of apple juice concentrate to be produced in China.

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

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 2019|20 financial year, 16.7% (prior year: 17%) of the raw materials (fruits and other ingredients) procured by the purchasing organisation, AGRANA Fruit Services GmbH, for the fruit preparations segment had a sustainability certification as defined in the AGRANA principles for the procurement of agricultural raw materials and intermediate products. Of the fruits processed worldwide, 5.6% had a sustainability certification (prior year based on new definition: 4.3%); 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) will in future be used directly in the fruit preparations business, too, as will programmes that are FSA-equivalent under the benchmarking system of the Sustainable Agriculture Initiative Platform (see page 11 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 16). In the 2019|20 financial year, 94% of its suppliers shared their SEDEX data, and audit documents if any, with AGRANA Fruit Services.

<sup>1</sup> The target applies to the fruit preparation plants (excluding primary processing facilities) within the GRI reporting boundaries (see page 10).



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. In 2018|19, AUSTRIA JUICE joined 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.

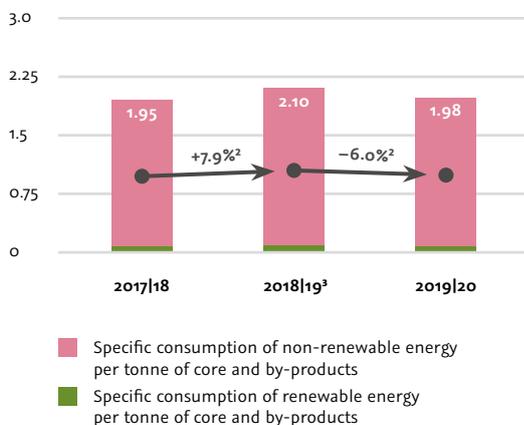
AUSTRIA JUICE currently maintains two projects for direct procurement from growers. In Hungary, since the year 2000, AUSTRIA JUICE has supported local farmers in growing pest-resistant apple varieties that require about 60% to 80% less pesticide than conventional cultivars. Besides financial assistance for the new planting of the trees and ongoing advice over the growing season, the fruit growers also receive purchasing guarantees and a price premium from AUSTRIA JUICE. A further project with contract growers was begun in Poland in 2007. In the financial year about 8% of all apples processed by AUSTRIA JUICE into apple juice concentrate worldwide came from these two projects.

In contract crop production, for the documenting of sustainable environmental and social criteria at its suppliers' operations, AUSTRIA JUICE uses the FSA questionnaire provided by the SAI Platform (for details, see page 11). The 2017|18 financial year was the first in which Hungarian suppliers of disease- and pest-resistant apple varieties, who were selected according to SAI Platform standards, also participated in the mandatory completion of the FSA questionnaire and the external audits. As a result, AUSTRIA JUICE is entitled under SAI standards to claim silver (and in some cases gold) status for three years for all Hungarian growers of resistant varieties. 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. On the strength of the results, AUSTRIA JUICE is able to advertise FSA silver status or better for all Polish contract growers of resistant varieties. Under the three-year FSA verification cycle, the grower groups verified in the 2017|18 financial year to SAI standards will be reverified in 2020|21.

As well, FSA silver status 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 FSA silver or higher status for about 15.5% of its raw material processing volume.

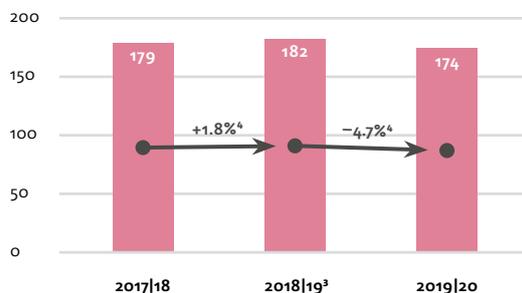
### Average specific direct energy consumption in processing operations at AGRANA's fruit plants<sup>1</sup>

In gigajoules (GJ) per tonne of core and by-products



### Average specific emissions (from direct and indirect energy consumption) from processing operations at AGRANA's fruit plants<sup>1</sup>

In kg of CO<sub>2</sub> equivalent per tonne of core and by-products



<sup>1</sup> See GRI reporting boundaries, page 10.

<sup>2</sup> Percentage change based on average specific direct energy consumption per tonne of core and by-products.

<sup>3</sup> The value for 2018|19 has been adjusted to correct a data collection error in the fruit juice concentrate business.

<sup>4</sup> Percentage change based on average specific emissions (from direct and indirect energy consumption) per tonne of core and by-products.





**Environmental and energy aspects of AGRANA's production**

**Energy consumption and emissions in processing**

The average specific direct energy consumption per tonne of product (both core and by-products) in the Fruit segment fell in the 2019|20 financial year by about 6% compared to the year before.

Average specific indirect energy consumption in the Fruit segment as a whole decreased by about 4.9% from one year earlier.

While the specific total energy use per tonne of product both in the fruit preparations and fruit juice concentrate business remained nearly steady compared to the prior year, the switch to lower-emission energy sources, such as the complete exit from coal at the fruit juice concentrate site in China and greater use of electricity from renewable sources at the Kröllendorf site in Austria, brought a reduction of 4.7% year-on-year in average specific emissions from direct and indirect energy consumption per tonne of product in the Fruit segment.

At the balance sheet date, the energy management systems of 33.3% of all production sites of the Fruit segment within the GRI reporting boundaries (see page 10) held a certification under ISO 50001.

**Water consumption in processing operations at AGRANA's fruit plants**

within the GRI reporting boundaries (see page 10)

Fruit segment	2019 20	2018 19 <sup>1</sup>	2017 18
In m <sup>3</sup> per tonne of core and by-products			
Water withdrawal	4.72	4.29	4.39
Water discharge	4.67	4.16	4.03
<b>Water consumption</b>	<b>0.05</b>	<b>0.13</b>	<b>0.36</b>

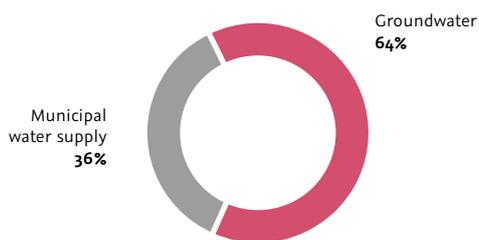
The average specific water consumption in the Fruit segment in the year under review was 0.05 cubic metres, or 50 litres, of water per tonne of product output. The risk analysis performed for the AGRANA sites in 2019|20 regarding water withdrawal and discharge, using the WWF Water Risk Filter and the Aqueduct Water Risk Atlas (for details, see page 14), identified potentially high water risk at eleven sites of the fruit preparations business and three sites of the fruit juice concentrate operations.

On the fruit juice concentrate side there are currently no actual operational risks affecting or caused by AUSTRIA JUICE GmbH, as the production of apple juice concentrate releases the water bound in the fruit and thus improves local water availability. Although here too, growing customer requirements for greater flexibility and smaller batches in production and filling have an unfavourable effect on water consumption due to an increased need for cleaning, and the water withdrawal targets for 2020|21 are unlikely to be achieved, fruit juice concentrate plants are valued in all municipalities for their water discharge.

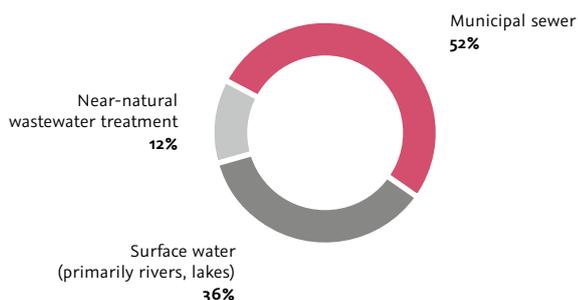
In the fruit preparations area, the picture is more diverse due to the international nature of the business and the less stringent regulatory environments compared to Europe. Although none of the AGRANA fruit preparation sites considered to be high-risk locations according to the international risk assessment 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 the year under review in order to raise awareness, create a meaningful database and set water consumption targets at each site.



**Water withdrawal at AGRANA's fruit plants in 2019|20 by source<sup>2</sup>**



**Receiving waters for the wastewater of AGRANA's fruit plants in 2019|20<sup>2</sup>**



<sup>1</sup> The value for 2018|19 has been adjusted to correct a data collection error in the fruit juice concentrate business.

<sup>2</sup> See GRI reporting boundaries, page 10.

### Waste from processing operations

at AGRANA's fruit plants

within the GRI reporting boundaries (see page 10)

Fruit segment	2019 20	2018 19 <sup>1</sup>	2017 18
Tonnes, except as otherwise indicated			
Waste disposed	25,142	35,708	31,877
Of which hazardous waste	268	343	238
Waste per tonne of product	28.3 kg	37.8 kg	38.5 kg
Hazardous waste per tonne of product	302 g	362 g	287 g
<b>Non-hazardous waste disposed by disposal method</b>			
Composting	3,358	4,670	2,753
Energy recovery	1,743	1,035	855
Reuse	2,306	1,962	2,026
Recycling	9,568	9,975	10,125
Landfill	7,368	16,174	15,454
Other	531	1,549	425

The average specific amount of waste per tonne of product (core and by-products) in the Fruit segment decreased in 2019|20 to about 28.3 kilograms (prior year: 37.8 kilograms). The cut of about 29.6% in the absolute amount of waste was due primarily to the reduction

by both business areas of waste going to landfills. In the fruit preparations business, this reduction in landfill waste was the result of awareness-building to encourage the utilisation of organic waste that previously would in many cases have been discarded. In the fruit juice concentrate activities, the amount of landfill waste decreased thanks mainly to the completion of construction activities at the Hungarian sites in the prior year.

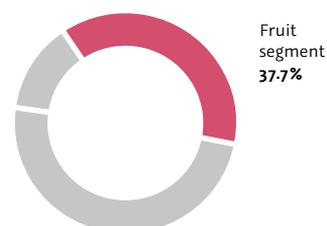
### EcoVadis

In the 2019|20 financial year, AUSTRIA JUICE GmbH updated its sustainability data for the purposes of EcoVadis, the international supplier evaluation platform. It again received a gold rating.

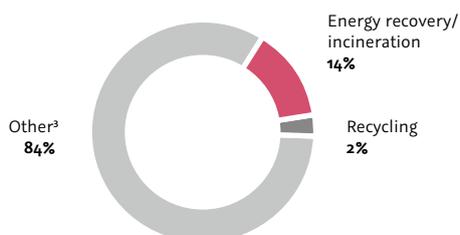
### Investment

The capital expenditures in the Fruit segment in 2019|20 amounted to € 56.5 million (prior year: € 56.2 million). The various investment projects across all 42 production sites related mostly to asset replacement and maintenance, new production lines and continuous improvements.

Share of Group investment in 2019|20



Disposed hazardous waste of AGRANA's fruit plants in 2019|20 by disposal method<sup>2</sup>



<sup>1</sup> Values for 2018|19 have been adjusted to correct a data collection error in the fruit juice concentrate business.

<sup>2</sup> Within the GRI reporting boundaries (see page 10).

<sup>3</sup> Including unknown treatment by waste management contractors.

# 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/bio-ethanol, 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

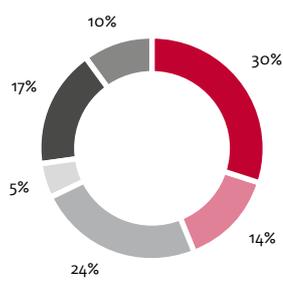
The Starch segment includes the two fully consolidated companies AGRANA Stärke GmbH, Vienna – with the three Austrian plants in Aschach (corn starch), Gmünd (potato starch) and Pischelsdorf (integrated wheat starch and bioethanol plants) – and AGRANA TANDAREI S.r.l. with a plant in Romania (corn processing).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

## Revenue and earnings

Starch segment		2019 20	2018 19	Change % / pp
Total revenue	€000	816,802	772,579	+5.7%
Inter-segment revenue	€000	(9,805)	(9,898)	+0.9%
Revenue	€000	806,997	762,681	+5.8%
EBITDA <sup>1</sup>	€000	93,885	66,459	+41.3%
Operating profit before exceptional items and results of equity-accounted joint ventures	€000	58,817	35,029	+67.9%
Share of results of equity-accounted joint ventures	€000	16,341	16,186	+1.0%
Operating profit [EBIT] <sup>2</sup>	€000	75,158	51,215	+46.7%
EBIT margin	%	9.3	6.7	+2.6 pp
Investment <sup>3</sup>	€000	73,609	97,011	-24.1%
Number of employees (FTE) <sup>4</sup>		1,087	1,025	+6.0%

In the Starch segment, revenue grew by 5.8% to € 807.0 million in the 2019|20 financial year. Significant revenue gains were achieved with core products, while by-product revenue eased. Since raw material milling volumes were raised at all starch plants, sales volumes and revenue from core products also grew. In November 2019, the second wheat starch plant in Pischelsdorf, Austria, successfully came on stream, which besides wheat starch also produces a new brand-name animal feed, ActiGrano®. Revenue from by-products manufactured in-house rose due to higher volumes, while the quantities of resold feeds declined. As a result of a reorganisation of Sugar segment distribution, the animal feeds made by the Sugar segment (molasses, pellets) and sold by AGRANA Stärke GmbH are now charged on a commission basis and no longer contribute to the Starch segment's revenue. By-product sales volume (including other products) therefore decreased overall.

### Revenue by product group in 2019|20



- Native and modified starches
- Saccharification products
- Alcohol and ethanol
- Other core products (dairy and instant products, long-life potato products, etc.)
- By-products (protein products, DDGS, gluten, etc.)
- Others (soy, dried beet pulp, etc.)

<sup>1</sup> EBITDA represents operating profit before exceptional items, results of equity-accounted joint ventures, and operating depreciation and amortisation.

<sup>2</sup> Operating profit (EBIT) is after exceptional items and results of equity-accounted joint ventures.

<sup>3</sup> Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.

<sup>4</sup> Average number of full-time equivalents in the reporting period.

The market prices for starch-based saccharification products remained at a low absolute level, as European sugar prices too did not yet show a clearer rising trend, despite signs of improvement towards the end of the year. In starches, selling prices declined slightly as a result of the additional volumes reaching the market, including from new competitors. Prices for bioethanol showed a very positive trend, as the Platts quotations were historically high: at € 620 per cubic metre, the quotes exceeded the previous year's average by about € 120 per cubic metre.

Raw material costs in the financial year were higher than in the previous year for volume reasons. Prices of raw materials from the 2018 crop had been elevated due to drought and fell back to normal levels during the 2019 harvest. Energy prices, especially for electricity, were also slightly lower than in the prior year. In the course of the segment's major expansion projects, start-up costs weighed on earnings, while staff costs and depreciation increased significantly. Overall, however, thanks primarily to the strong earnings in the bioethanol business, EBITDA in the financial year was up 41.3% to € 93.9 million. Operating profit, at € 58.8 million, grew by 67.9% from the prior year.

In 2019|20, revenue of the HUNGRANA group, the joint venture in Hungary, grew by 2.5% to € 287.1 million. For saccharification products the market environment remained difficult and led to considerable reductions in volumes and prices. At the same time, a significant earnings improvement was achieved in the bioethanol business amid the high ethanol quotations. On balance, the HUNGRANA group generated EBIT of € 39.7 million (prior year: € 38.7 million). Its profit after tax was € 32.6 million, of which one-half, or € 16.3 million, was attributable to AGRANA, closely in line with the prior year.

In the 2019|20 financial year, a minority stake was acquired in BM Health GmbH, Vienna. This start-up company develops and distributes dietary supplements and medicines for glucose management and dementia prevention.

## Market environment

The market setting for native and modified starches proved stable in the reporting period. Sales volume and revenue, both in the food industry and the paper and packaging sector, increased from the year before. New impetus for the food business is emerging from current market trends such as plant-based nutrition (proteins). The organic sector as well is benefiting from growing consumer demand.

In connection with the expansion of the wheat starch plant in Pischelsdorf, Austria, the company implemented intensive market and customer acquisition programs, especially in the paper and corrugated board segment. Demand for containerboard (the material used to make corrugated board) remains high, and new competitors are increasingly entering the market.

Saccharification products remained under heavy volume and price pressure during the reporting period. In the case of isoglucose, installed capacity in Central Europe now significantly exceeds demand, and competition for customers and contract volumes is correspondingly fierce, with a direct impact on the prices obtainable. In selected product groups such as glucose, AGRANA was able to conclude contracts to supply higher volumes than before.

In the case of infant formula, in addition to the existing business, work is being done in parallel on new recipes and projects to expand the sales base.

The animal feed markets showed divergent trends. The high-protein segment (corn gluten and especially wheat gluten) saw a significant price decline compared with the expiring contract prices due to the quantities currently available and those expected still to come on the market. The selling prices of ActiProt® and corn gluten feed moved sideways; for several months, the challenging logistics for ActiProt® due to low water levels on the Danube made matters more difficult. With the opening of the second wheat starch factory, a new, medium-protein feed, ActiGrano®, was launched on the market.

Bioethanol quotations were well above plan throughout the financial year and thus made a significant contribution to the EBIT growth in the Starch segment. The main reasons for the positive ethanol price trend were the increase in blending quotas in some EU countries and a stronger focus of climate policy on fuels with higher greenhouse gas savings.

More information on the economic policy environment and market conditions for ethanol is provided in the section “Risk management” and the subheading “EU renewable energy directive” (see page 60).

## Raw materials and production

World grain production in the 2019|20 grain marketing year (1 July to 30 June) is estimated by the International Grains Council (IGC) at 2.17 billion tonnes<sup>1</sup>, which marks a small increase from the prior year's level but is less than the expected consumption. Global wheat production is forecast at 763 million tonnes (prior year: 733 million tonnes), compared to expected consumption of 753 million tonnes. The world's corn production is projected at 1,112 million tonnes (prior year: 1,130 million tonnes), versus expected consumption of 1,151 million tonnes. Total grain stocks at the end of the marketing year are estimated to decline to about 604 million tonnes, a reduction of 21 million tonnes from one year earlier.

Grain futures prices in the first half of the 2019|20 financial year were flat or slightly declining. From September to the end of the financial year, quotations rose, particularly for wheat. At the 2019|20 year-end, the prices on the commodity derivatives exchange in Paris (NYSE Euronext Liffe) were € 188 per tonne for wheat (prior year: € 193 per tonne) and € 166 per tonne for corn (prior year: € 164 per tonne).

### Potatoes

In the 2019|20 campaign the potato starch plant in Gmünd, Austria, in a campaign lasting 161 days (prior year: 172 days), processed about 276,000 tonnes of starch potatoes, marginally more than in the previous year. The processing volume of approximately 24,000 tonnes of food potatoes for the production of long-life potato products was somewhat below the prior-year level.

### Corn and wheat

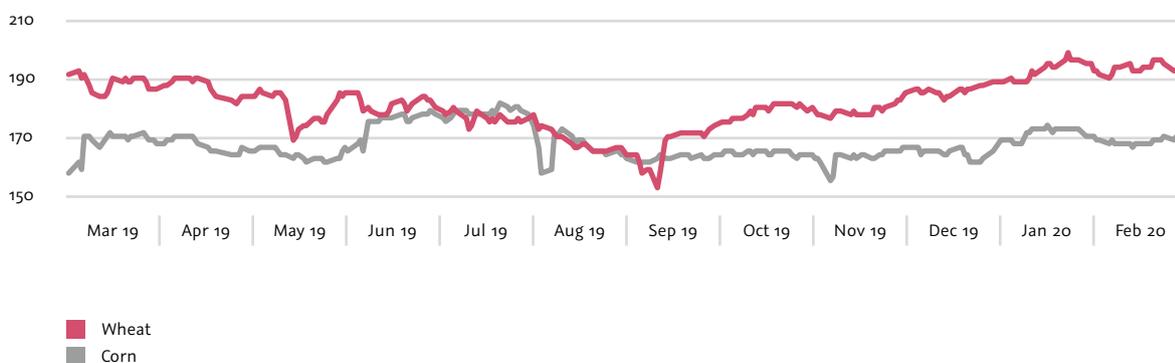
In 2019|20, AGRANA Stärke GmbH processed approximately 759,000 tonnes of corn (prior year: 763,000 tonnes) at the Austrian sites in Aschach and Pischelsdorf. The share of specialty corn (notably waxy corn and organic corn) was about 20%.

Wheat grinding volume at the Pischelsdorf facility for the production of wheat starch and bioethanol was raised to about 584,000 tonnes in 2019|20, an increase of around 8% compared to the year before. Of the 2019 crop, AGRANA secured about 94,000 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 2020 crop.

At the HUNGRANA facility in Hungary, a steady total of about 1 million tonnes of corn was processed in 2019|20; the amounts for this equity-accounted joint venture are stated at 100% of the respective total. The plant in Romania processed about 76,000 tonnes of corn, an increase of approximately 7% from the year before.

## Corn and wheat commodity prices during AGRANA's 2019|20 financial year

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



<sup>1</sup> IGC estimate from 27 February 2020.



## Sustainability in the Starch segment

### Status in the supply chain

✓ SAI FSA audits of contract potato production in Austria confirmed FSA gold or silver status for over 75% of all growers

### Environmental targets by 2020|21

✓ Cumulative actual savings of 91 GWh through efficiency measures in plants, vs. target of 65 GWh

### Value chain

[wsk.agrana.com/en/starch](http://wsk.agrana.com/en/starch)



## Engagement in the upstream value chain

### Supplier environmental and social assessment

In the 2019|20 financial year, the preparations began for the reverification of the sustainability disclosures made in the Farm Sustainability Assessment (FSA) of the Sustainable Agriculture Initiative Platform (SAI) for the documentation of sustainable management by contract potato farmers (for details on the SAI and FSA, see page 11). For more than 75% of all its Austrian contract potato growers, AGRANA's Starch segment is entitled to claim FSA gold or silver status under SAI standards, based on the FSA survey and the corresponding external audits conducted in the 2017|18 financial year and valid for three years. All Austrian contract potato farmers thus fulfil AGRANA's minimum requirements. The FSA reverification audits in accordance with the SAI requirements are scheduled for the 2020|21 financial year.

In the sourcing of sustainable 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 and AACS are accorded silver status in the FSA system.

### BETAEXPO – Austria's largest demonstration field for AGRANA raw material crops

The BETAEXPO field symposium in June 2019, showcasing Austria's largest demonstration field for AGRANA raw material crops, focused on current crop-growing challenges, specifically, field crop production strategies as a guide for family farms.

In the 2019|20 financial year, the activities of AGRANA's Starch segment for contract farmers under the "AGRANA4You" agri-marketing programme were combined under this name with the Sugar segment's corresponding activities previously known as the "Mont Blanc" programme. The goal of the joint programme is to optimise and strengthen the collaboration between AGRANA and its contract farmers and thus stabilise and ultimately increase crop production acreages and raw material volumes. Besides organising BETAEXPO, AGRANA also arranged many other dialogue-rich events for its contract growers in the Starch segment. As in the previous years, AGRANA held a one-day session for new growers to provide information on the production of starch potatoes for industrial use, and arranged several field days for potato and ethanol grain suppliers. In addition, a field day was used to present a novel potato harvesting technology involving pneumatically assisted separation of the crop from foreign matter. Seed seminars to build awareness about the value of seed potatoes attracted great interest from growers.





### Environmental and energy aspects of AGRANA's production

#### Energy consumption and emissions in processing

The average specific direct energy consumption per tonne of core and by-products in the Starch segment fell by about 3.3% in the 2019|20 reporting period compared to one year earlier. Due to an increase in external purchasing of electricity especially by the AGRANA corn starch factory in Aschach, Austria, as a result of the closure of a gas turbine plant in 2018|19, the average specific indirect energy consumption per tonne of product increased by about 4.5%. The average specific total energy consumption per tonne of product thus remained almost constant year-on-year at 4.48 GJ.

The average specific emissions from direct and indirect energy consumption per tonne of product increased by about 5% from the prior year as a consequence of the higher external sourcing of electricity.

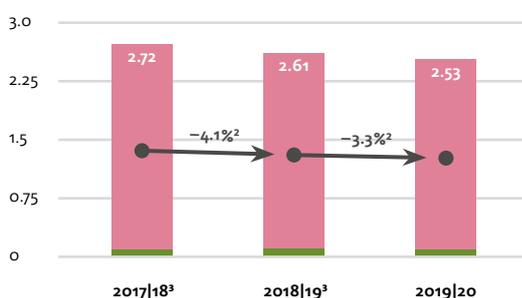
In the year under review the three Austrian starch manufacturing sites held a valid ISO 50001 certification. With the energy-saving initiatives in 2019|20, such as the replacement of compressors, heat recovery projects in the feed drying plant in Pischelsdorf and the boiler house in Gmünd, the installation of condensate collection tanks and refurbishment of the cooling towers in Aschach, about 91 GWh have been saved since the 2015|16 financial year.

The quest for energy efficiency has long been a high priority at AGRANA Stärke GmbH, which was also reflected in its recognition with the klima:aktiv award in November 2019 for an energy-saving project implemented at the Pischelsdorf site. Taking up the challenge of the European Green Deal, AGRANA is striving to incorporate the ambitious climate targets and achieve them. The Group is currently developing a climate strategy for accomplishing decarbonisation by 2040 (also see the non-financial information statement, page 13).



#### Average specific direct energy consumption in processing operations at AGRANA's starch plants<sup>1</sup>

In gigajoules (GJ) per tonne of core and by-products



- Specific consumption of non-renewable energy per tonne of core and by-products
- Specific consumption of renewable energy per tonne of core and by-products

#### Average specific emissions (from direct and indirect energy consumption) from processing operations at AGRANA's starch plants<sup>1</sup>

In kg of CO<sub>2</sub> equivalent per tonne of core and by-products



<sup>1</sup> See GRI reporting boundaries, page 10.

<sup>2</sup> Percentage change based on average specific direct energy consumption per tonne of core and by-products.

<sup>3</sup> Values for 2017|18 and 2018|19 have been adjusted to reflect a necessary change in the definition of the product volumes captured.

<sup>4</sup> Percentage change based on average specific emissions (from direct and indirect energy consumption) per tonne of core and by-products.



**Water consumption in processing operations**  
at AGRANA's starch plants

within the GRI reporting boundaries (see page 10)

Starch segment	2019 20	2018 19 <sup>1</sup>	2017 18 <sup>1</sup>
In m <sup>3</sup> per tonne of core and by-products			
Water withdrawal	4.59	4.86	4.66
Water discharge	4.00	4.22	4.27
<b>Water consumption</b>	<b>0.59</b>	<b>0.64</b>	<b>0.39</b>

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 as well is repeatedly cleaned and reused in cycles.

The average specific water consumption per tonne of product output (core and by-products) in the Starch segment was about 0.59 cubic metres (590 litres), a reduction of 7.8% compared to the prior year.

At AGRANA's starch factories, 100% of the wastewater discharged in 2019|20 was released into surface waters (specifically, rivers).

**Waste from processing operations**  
at AGRANA's starch plants

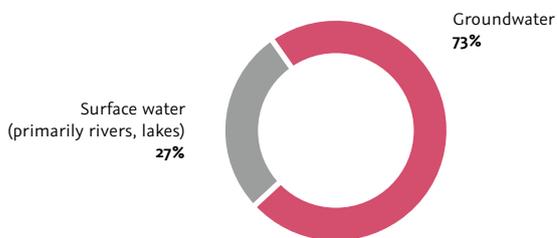
within the GRI reporting boundaries (see page 10)

Starch segment	2019 20	2018 19 <sup>2</sup>	2017 18 <sup>2</sup>
Tonnes, except as otherwise indicated			
Waste disposed	27,218	28,474	27,667
Of which hazardous waste	55	52	53
Waste per tonne of product	19.2 kg	21.1 kg	20.6 kg
Hazardous waste per tonne of product	39 g	39 g	39 g
<b>Non-hazardous waste disposed by disposal method</b>			
Composting	21,988	22,291	21,058
Energy recovery	1,939	1,294	1,742
Reuse	98	69	42
Recycling	470	699	562
Landfill	107	66	77
Other	2,561	4,003	4,133

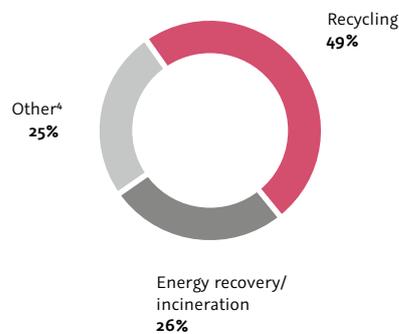
The specific amount of waste from processing per tonne of product output in the Starch segment in 2019|20, at about 19.2 kilograms of total waste, including 39 grams of hazardous waste, remained in line with the prior years.



**Water withdrawal at AGRANA's starch plants in 2019|20 by source<sup>3</sup>**



**Disposed hazardous waste of AGRANA's starch plants in 2019|20 by disposal method<sup>3</sup>**



<sup>1</sup> Values for specific water withdrawal and discharge in 2017|18 and 2018|19 have been adjusted to reflect a necessary change in the definition of the product volumes captured.  
<sup>2</sup> The specific values per tonne of product in 2017|18 and 2018|19 have been adjusted to reflect a necessary change in the definition of the product volumes captured.  
<sup>3</sup> Within the GRI reporting boundaries (see page 10).  
<sup>4</sup> Including unknown treatment by waste management contractors.

### EcoVadis

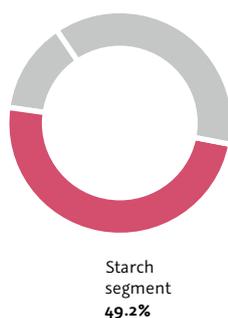
In summer 2019, AGRANA Stärke GmbH updated its sustainability data reported annually for the purposes of EcoVadis, the international supplier evaluation platform. AGRANA Stärke GmbH again achieved a gold rating.

### Investment

The Starch segment invested € 73.6 million (prior year: € 97.0 million) during the 2019|20 financial year. The most significant projects included the following:

- Expansion of the wheat starch plant in Pischelsdorf, Austria
- Expansion of the corn starch derivatives plant in Aschach, Austria
- Measures taken to increase specialty corn processing in Aschach

#### Share of Group investment in 2019|20



Additionally, € 20.7 million (prior year: € 19.2 million) was invested in 2019|20 in the HUNGRANA companies (amounts for these equity-accounted entities are stated at 100% of the total).

# Sugar segment

## Basics of the Sugar segment

### Marketing relationship

B2B and B2C

### Products

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

### Raw materials processed

Sugar beet, and raw sugar from sugar cane

### Key markets

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

### Customers

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

### Special strengths

High product quality standards; product offering tailored to customer needs

Since 1 October 2019, all sales and marketing activities of the Sugar segment are combined in a new distribution company, AGRANA Sales & Marketing GmbH. This company is now also 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 now functions only 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.

## Revenue and earnings

Sugar segment		2019 20	2018 19	Change % / pp
Total revenue	€000	536,313	561,424	-4.5%
Inter-segment revenue	€000	(48,035)	(60,207)	+20.2%
Revenue	€000	488,278	501,217	-2.6%
EBITDA <sup>1</sup>	€000	(11,910)	(33,687)	+64.6%
Operating (loss) before exceptional items and results of equity-accounted joint ventures	€000	(43,683)	(61,192)	+28.6%
Share of results of equity-accounted joint ventures	€000	386	(3,964)	+109.7%
Exceptional items	€000	(743)	3,294	-122.6%
Operating (loss) [EBIT] <sup>2</sup>	€000	(44,040)	(61,862)	+28.8%
EBIT margin	%	(9.0)	(12.3)	+3.3 pp
Investment <sup>3</sup>	€000	19,557	30,549	-36.0%
Number of employees (FTE) <sup>4</sup>		2,061	2,064	-0.1%

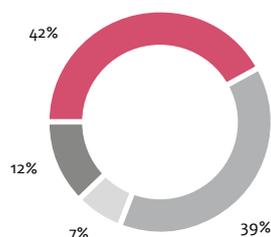
The overall sales volume of sugar products decreased in 2019|20 compared to the prior year, with differences between markets. While sales quantities with resellers and industrial customers in Austria, the Czech Republic and Slovakia were comparable to the prior year, sales volumes declined significantly in Romania and Bulgaria, particularly in the reseller sector.

After sugar sales prices remained low in the first half of the 2019|20 financial year, they rallied since the beginning of the new 2019|20 sugar marketing year. In sales to resellers, prices were up about 11% from the 2018|19 financial year, while sales to industry remained at the prior-year level owing to long-term contacts with customers.

The improvement in EBIT was driven predominantly by the higher sugar prices for resellers compared to the prior year.

The result of the AGRANA-STUDEN group, which is included in the consolidated financial statements by the equity method of accounting, had a positive effect on the Sugar segment's EBIT in 2019|20. The improvement of € 4.4 million in the earnings contribution to the new level of € 0.4 million was driven by the stabilisation in prices and in the market in the Western Balkans and the CEFTA<sup>5</sup> region, which enabled a significant increase in internal production in Bosnia and Herzegovina and a large expansion of the total sugar sales volume. Moreover, the reorganisation of the AGRANA-STUDEN group completed in spring 2019 was beneficial for the EBIT result.

### Revenue by product group in 2019|20



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

<sup>1</sup> EBITDA represents operating profit before exceptional items, results of equity-accounted joint ventures, and operating depreciation and amortisation.

<sup>2</sup> Operating loss (EBIT) is after exceptional items and results of equity-accounted joint ventures.

<sup>3</sup> Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.

<sup>4</sup> Average number of full-time equivalents in the reporting period.

<sup>5</sup> Central European Free Trade Agreement.

Exceptional items amounted to a net expense of € 0.7 million, versus net exceptional income of € 3.3 million in the prior year. The positive result in the prior year arose mainly from exceptional tax refunds in Romania of € 5.6 million that outweighed restructuring expenses of € 1.8 million.

## Market environment

### World sugar market

For the end of the 2019|20 sugar marketing year (SMY, October 2019 to September 2020), the analytics firm F.O. Licht forecast a significant production deficit in its estimate of 24 February 2020 for the world sugar balance. However, this prediction did not yet reflect the global COVID-19 crisis. Excluding the effects of the crisis, the forecast called for production of 174.4 million tonnes (SMY 2018|19: 185.0 million tonnes), growth in consumption to 184.9 million tonnes (SMY 2018|19: 183.4 million tonnes) and a decrease in global sugar stocks to 68.0 million tonnes (SMY 2018|19: 79.1 million tonnes). The expectation as of February 24, 2020 was thus for a deficit of about 11 million tonnes at the end of SMY 2019|20. For the 2020|21 sugar marketing year, a production deficit of 3.0 million tonnes was calculated at the time.

World sugar balance <sup>1</sup>	2020 21e	2019 20	2018 19
Million tonnes, except %			
<b>Opening stocks</b>	<b>68.0</b>	<b>79.1</b>	<b>78.6</b>
Production	184.2	174.4	185.0
Consumption	(186.6)	(184.9)	(183.4)
Net exports/imports	(0.6)	(0.6)	(1.1)
<b>Closing stocks</b>	<b>65.0</b>	<b>68.0</b>	<b>79.1</b>
In % of consumption	34.8	36.8	43.1

The world market price of sugar fluctuated at a low level since the beginning of the 2019|20 financial year. In the reporting period, white sugar even reached a new ten-year low in July 2019 (US\$ 294.0 per tonne); raw sugar did not fall below its existing ten-year low of September 2018 (US\$ 218.3 per tonne). An upward trend in world market quotations occurred from the financial fourth quarter to the middle of February 2020.

Despite an even balance of supply and demand in the 2018|19 sugar marketing year, the considerable inventories, notably in India, had led to low prices. Against this backdrop, the significant deficit expected in SMY 2019|20 was initially seen as providing only moderate support for prices. Especially the ability of mills in Brazil to switch easily between ethanol and sugar production places the likely inventory drawdown in perspective. In the last months of the financial year, however, the deficit for SMY 2019|20 was reaffirmed by weak harvests in India, Mexico and above all in Thailand. Institutional investors were also betting on a recovery of the sugar market and quotations for white sugar rose to over US\$ 450 per tonne.

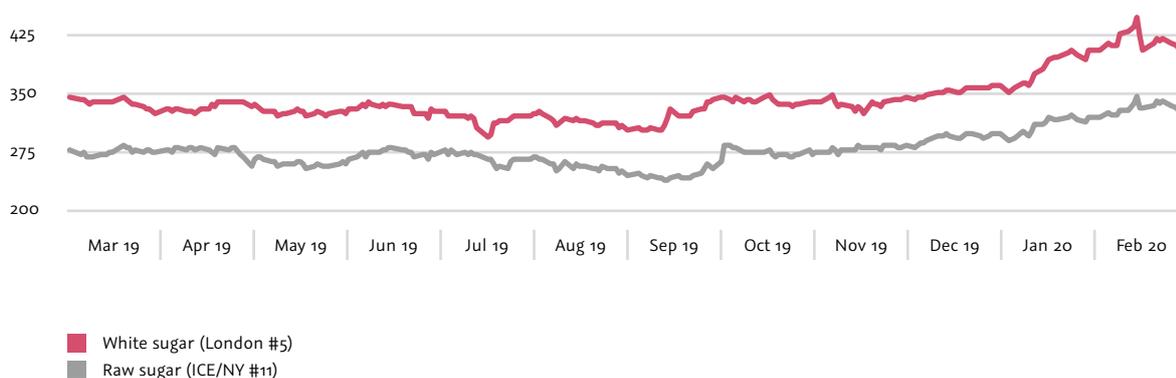
At the 2019|20 balance sheet date, white sugar quoted at US\$ 396.6 per tonne and raw sugar at US\$ 318.8 per tonne.

### EU sugar market

The production expectations for the ongoing SMY 2019|20 are again low, as a result of the drought-related poorer yields in the large European beet growing regions. In its December 2019 estimate, the European Commission expected production of 17.3 million tonnes (SMY 2018|19: 17.3 million tonnes). Like 2018|19, the 2019|20 sugar marketing year will thus fall significantly short of the record production of SMY 2017|18 (20.6 million tonnes).

## International sugar prices during AGRANA's 2019|20 financial year

US\$ per tonne



<sup>1</sup> F.O. Licht, Estimate of the World Sugar Balance, dated 24 February 2020.

In SMY 2019|20, about 355,000 tonnes of sugar were exported by February 2020, compared to 895,000 tonnes in the same period of the previous year; EU sugar exports thus continued to decline. EU imports, on the other hand, rose slightly compared to the previous years. Inventory levels in the EU decreased significantly. The European sugar market thus remained a net import market in SMY 2019|20.

Since the abolition of the sugar quotas at the end of September 2017, the average sugar prices as per the EU price reporting system have declined significantly and continually. In January 2019 the sugar price marked a record low of € 312 per tonne. In the course of the 2019 calendar year, the average price increased again slightly. For January 2020 an average price of € 360 per tonne was reported.

### Customers in industry and resellers

Since 1 October 2019, all sales and marketing activities of the Sugar segment are combined in a new distribution company, AGRANA Sales & Marketing GmbH. This centralisation of all sales and administrative functions is designed to help better meet the challenges in the sugar market.

In the financial year under review, AGRANA sold approximately 930,000 tonnes of sugar. Selling prices increased overall from the prior year. Sales volumes were off about 9% due to lower retail consumption.

### EU sugar policy

Since 1 October 2017 the European sugar industry has been operating in a transformed environment. The biggest changes are the end of the production quotas for sugar and isoglucose and the abolition of the minimum beet prices.

The first years under the new market regime are extremely challenging for the European sugar industry. Despite immense price reductions, the European Commission has refrained from taking exceptional measures that would be available under the Common Market Organisation pursuant to Regulation (EU) No. 1308/2013 (such as private storage).

Protective features which have remained in place unchanged for imports to the EU from countries not party to preferential treaties are the duties of € 419 per tonne for white sugar and € 339 per tonne for raw sugar. The preferential agreements (for duty-free access) with the Least Developed Countries and the ACP<sup>1</sup> Group of States remain intact, as do the duty-free or lower-duty

preferential imports that are subject to volume limits. A division of the preferential volumes between the EU and the United Kingdom as a result of Brexit appears likely.

### Free trade agreements

The European Commission and the Mercosur countries (Argentina, Brazil, Paraguay and Uruguay) in June 2019 reached political agreement on a comprehensive trade agreement. The texts of the final version of the underlying Association Agreement are currently being prepared. It is not yet clear at present what impact the agreement will have on the European sugar sector.

The European Commission is currently negotiating the terms of a free trade agreement with Australia. Sensitive goods such as sugar have not yet been addressed in the discussions.

### Brexit

With the controlled exit of the United Kingdom from the EU on 31 January 2020 under a withdrawal agreement and with the associated transition phase running until the end of December 2020, the 2019|20 sugar marketing year will not be affected by the deal. Should no new free trade agreement be concluded by the end of the transition phase, it is assumed that market access for European white sugar to the UK market will become more difficult.

## Raw materials and production

In SMY 2019|20, AGRANA's approximately 5,500 contract beet farmers harvested only about 76,200 hectares of sugar beet fields (prior year: approximately 83,200 hectares), as about 4,000 hectares of beet fields planted in Austria were destroyed by an insect pest, the beet weevil (area lost in prior year: about 10,000 hectares). Almost 2,000 hectares (prior year: about 800 hectares) of the harvest area represented organic production. From the organic acreage the Group produced around 10,000 tonnes of organic beet sugar (prior year: about 4,000 tonnes).

Planting (i.e., seeding) began in March 2019 and was largely completed by early April 2019. Planting thus occurred slightly earlier than the long-term average. Emergence was somewhat slowed by a lack of rain, especially from the second week of April. In the subsequent weeks of April, severe damage was caused in the Austrian core beet production areas by the beet weevil. A total of approximately 5,300 hectares had to be turned under and only about 23% of this was subsequently 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.

## Sustainability in the Sugar segment

### Status in the supply chain

- ✓ SAI FSA audits of contract beet production in 5 countries confirmed FSA gold or silver status for over 75% of all producers

### Environmental targets by 2020|21

- ✗ Direct energy consumption of 2.49 GJ per tonne of product
- ✗ Water withdrawal of 1.92 m<sup>3</sup> per tonne of product

### Value chain

[wsk.agrana.com/en/sugar](http://wsk.agrana.com/en/sugar)



From the end of April and throughout May, enough precipitation was recorded in the entire production area in all regions. This improved the growth situation, and a continuing rapid juvenile development led to an early or average timing of row closure in most beet fields. Growing conditions in the period of June to August varied widely in the different beet production regions. Austria recorded one of the hottest summers in measurement history, although thunderstorms occurring with a very uneven regional distribution brought some rain in many parts of the country, providing at least partial relief. In the Czech Republic as well, conditions were very dry for some time, notably in the beet production area serving the northern factory. Slovakia, Hungary and Romania had temporary sufficient rainfall until mid-August. September and almost the whole of October again remained comparatively dry. As a result, in almost all growing regions, beets were unhealthy and in some cases smaller than usual due to the generally rather adverse growing conditions and high disease pressure. The normal sugar yield increase from summer to harvest therefore did not materialise this year. The harvests in the Czech Republic, Slovakia and Hungary were thus below average, while average crops were harvested in Austria and Romania.

AGRANA's seven beet sugar factories processed a combined daily average of just over 51,000 tonnes of beet during the campaign (prior year: 50,000 tonnes). As a result of the low beet quantity, in an average campaign lasting only 91 days (prior year: 106 days), the plants produced a total of 655,000 tonnes of regular sugar and, in Austria and the Czech Republic, 10,400 tonnes of organic sugar. Relative to the prior year, energy consumption was reduced by 6.7% per tonne of white sugar.

AGRANA also operates two raw sugar refineries, which in the 2019|20 financial year produced a total of 220,000 tonnes of white sugar (prior year: 34,000 tonnes). To also assure a sustainable supply chain for raw sugar as the input product, AGRANA since 2014 holds a Chain of Custody certification under the internationally recognised Bonsucro standard for all its refining facilities. The Chain of Custody certificate, which confirms the adherence to high social and environmental standards in the entire value chain, entitles AGRANA's customers to display the Bonsucro logo on their products. Bonsucro is accorded FSA gold status, the highest rating, by the benchmarking tool of the Sustainable Agriculture Initiative Platform (SAI; for details, see page 11).

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.

## Engagement in the upstream value chain

### Supplier environmental and social assessment

The AGRANA principles for the procurement of agricultural raw materials and intermediate products stipulate the use of good agricultural practice (GAP) and fair working conditions. In accordance with these principles, 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 page 11).

In the 2017|18 financial year, beet farmers selected by FSA criteria in all five beet-growing countries (Austria, Czech Republic, Hungary, Romania, and Slovakia) participated in the mandatory FSA self-assessment and the external audits to SAI standards. Based on the results of the external verification, which is valid for three years, AGRANA's Sugar segment is entitled to claim gold or silver status under SAI standards for more than 75% of all its sugar beet growers. All contract beet growers thus fulfil AGRANA's minimum requirements. The FSA reverification audits in accordance with the SAI requirements are scheduled for the 2020|21 financial year.



### Building awareness of good agricultural practice

Besides hosting the annual BETAEXPO, which in 2019 focused on current challenges in crop-growing and specifically promoted the importance of field crop production strategies for family farms (for details, see page 12), AGRANA in 2019|20 merged its “Mont Blanc” efficiency improvement programme into AGRANA4You, a new agricultural marketing programme managed jointly with the Starch segment. The goal of the joint programme is to optimise and strengthen the collaboration between AGRANA and its contract farmers and thus stabilise and ultimately increase crop production acreages and raw material volumes. In fields of contract farmers in Austria, AGRANA took about 5,000 soil samples for EUF analysis<sup>1</sup> to support needs-appropriate, precision fertiliser planning. At the 75 demonstration farms across the entire beet-growing region of the AGRANA Group, 150 field tours and seven field days with a total of more than 6,000 participants were held during the growing season.

### Biodiversity in the supply chain

In 2019, about 4,000 hectares were greened in Austria with the catch-crop mix from Österreichische Rübensamen-zucht 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-crop loosens the soil structure, mobilises nutrients, activates soil fauna and improves 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

Although the transport of raw materials and sugar products only represents a comparatively low 5% to 10% of the Sugar segment’s carbon footprint (depending on the calculation method and country), AGRANA strives to make transport as sustainable as infrastructure and economics will allow. In total across all production countries in the 2019|20 processing season, about 32% of the beet was delivered to the sugar factories by rail, with the proportion highest in Hungary at about 50% and in Austria at around 49%.

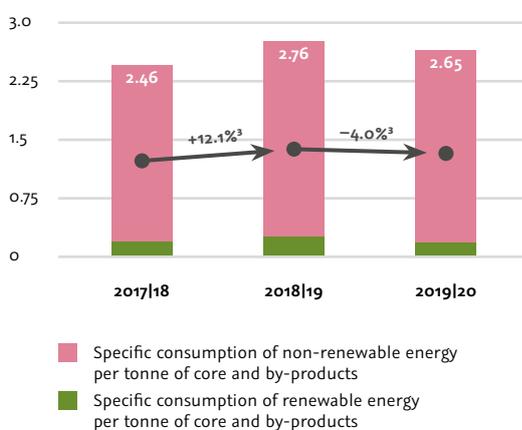
### Environmental and energy aspects of AGRANA’s production

#### Energy consumption and emissions in processing

In 2019|20 the Sugar segment processed about 9% less beet than in the prior year. The decrease resulted largely from crop area losses, caused by a more severe beet weevil infestation in the spring. The refining volume of about 130,000 tonnes of raw sugar at the refining facilities within the GRI reporting boundaries (see page 10) rose back into line with the years before 2018|19, after having been strongly reduced in the prior year for market reasons.

### Average specific direct energy consumption in processing operations at AGRANA’s sugar plants<sup>2</sup>

In gigajoules (GJ) per tonne of core and by-products



### Average specific emissions (from direct and indirect energy consumption) from processing operations at AGRANA’s sugar plants<sup>2</sup>

In kg of CO<sub>2</sub> equivalent per tonne of core and by-products



<sup>1</sup> EUF analysis of soil samples: Electro-ultrafiltration is a laboratory method for the analysis of soil substrates for their plant-available nutrients. The EUF method is employed for a practice-oriented fertiliser advisory system.

<sup>2</sup> See GRI reporting boundaries, page 10.

<sup>3</sup> Percentage change based on average specific direct energy consumption per tonne of core and by-products.

<sup>4</sup> Percentage change based on average specific emissions (from direct and indirect energy consumption) per tonne of core and by-products.

<sup>5</sup> The value for 2018|19 has been slightly adjusted as a result of a data collection error.





Through the relative improvement in beet quality compared to the prior year and with the ongoing energy-saving measures in the facilities, the average specific direct energy consumption per tonne of core and by-products in the Sugar segment was able to be reduced by about 4.0% from the year before.

The average specific indirect energy consumption per tonne of product remained nearly constant compared to the prior year. The average specific total energy consumption of about 3 GJ per tonne of product output was approximately 3.6% less than in the prior year.

Overall, the average specific emissions from direct and indirect energy consumption per tonne of product eased by about 2.3% from the prior year.

The Kaposvár sugar plant in Hungary generated about 23 million cubic metres of biogas from beet pulp in the 2019|20 financial year. This would have been sufficient to cover approximately 73% of the site's primary energy requirement for the 2019|20 beet campaign. About 9.7 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 2,054 single-family homes.

In 2019|20 the energy management systems of all (i.e., of 100% of) production sites of the Sugar segment within the GRI reporting boundaries (see page 10) held a current certification under ISO 50001.

**Water consumption in processing operations at AGRANA's sugar plants**

within the GRI reporting boundaries (see page 10)

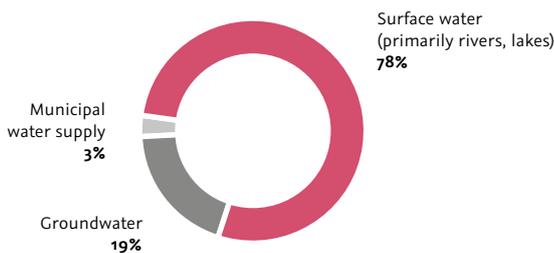
Sugar segment	2019 20	2018 19	2017 18
In m <sup>3</sup> per tonne of core and by-products			
Water withdrawal	2.45	2.33	2.14
Water discharge	3.45	3.64	3.19
<b>Water consumption</b>	<b>(1.00)</b>	<b>(1.31)</b>	<b>(1.05)</b>

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

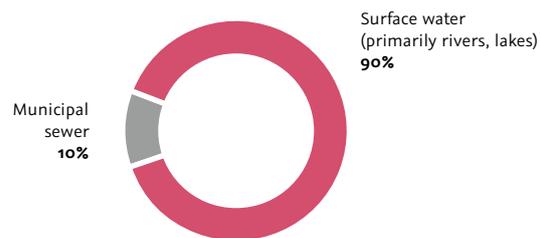
Per tonne of product output in the 2019|20 financial year, the Sugar segment released about 1 cubic metre of water previously bound in the beet, therefore showing a negative water consumption balance.



**Water withdrawal at AGRANA's sugar plants in 2019|20 by source<sup>1</sup>**



**Receiving waters for the wastewater of AGRANA's sugar plants in 2019|20<sup>1</sup>**



<sup>1</sup> Within the GRI reporting boundaries (see page 10).

## Waste from processing operations

at AGRANA's sugar plants

within the GRI reporting boundaries (see page 10)

Sugar segment	2019 20	2018 19 <sup>1</sup>	2017 18 <sup>1</sup>
Tonnes, except as otherwise indicated			
Waste disposed	38,088	43,630	62,905
Of which hazardous waste	311	189	198
Waste per tonne of product	20.4 kg	23.3 kg	25.2 kg
Hazardous waste per tonne of product	167 g	101 g	79 g
<b>Non-hazardous waste disposed by disposal method</b>			
Composting	1,855	1,753	1,107
Energy recovery	688	608	654
Reuse	986	6,768	9,864
Recycling	10,002	7,549	4,045
Landfill	23,187	24,466	30,683
Other	1,060	2,297	16,354

The absolute and specific amounts of waste declined by about 12.7% and 12.3% year-on-year, respectively.

## EcoVadis

In summer 2019, AGRANA Zucker GmbH again updated its sustainability data (reported annually since 2014) for the purposes of EcoVadis, the international supplier evaluation platform, and achieved gold status.

## Investment

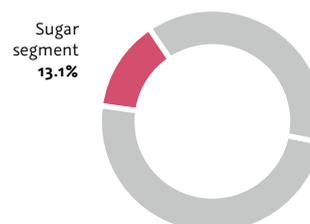
In the Sugar segment, AGRANA invested € 19.6 million during the 2019|20 financial year (prior year: € 30.5 million), including investments in product quality and energy efficiency. The following projects were carried out, among others:

- Completion of the new warehouse for finished product in Buzău, Romania
- New sugar centrifuges for the optimisation of energy consumption in Hrušovany, Czech Republic
- Implementation of a digitalisation project for data capture and process control in all plants in various forms.

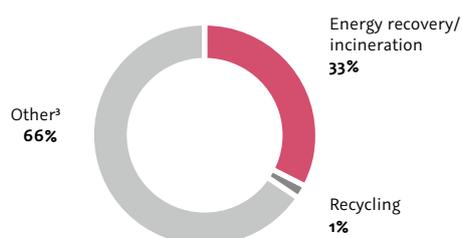
Additionally in 2019|20, € 26.4 million (prior year: € 0.3 million) was invested in the equity-accounted joint ventures (the STUDEN group and Beta Pura GmbH; values for these entities are stated at 100% of the total).

The newly founded Beta Pura GmbH, Vienna, in which AGRANA Zucker GmbH, Vienna, holds a 50% interest, was included in the consolidated financial statements for the first time in 2019|20, using the equity method of accounting. The company, whose purpose is the production of crystalline betaine, is operated together with the joint venture partner The Amalgamated Sugar Company, LLC of Boise, Idaho, USA.

## Share of Group investment in 2019|20



## Disposed hazardous waste of AGRANA's sugar plants in 2019|20 by disposal method<sup>2</sup>



<sup>1</sup> Values have been adjusted to correct various data collection errors, primarily in the items "reuse" and "landfill".

<sup>2</sup> Within the GRI reporting boundaries (see page 10).

<sup>3</sup> Including unknown treatment by waste management contractors.

# 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, food technology, starch technology, microbiology, biotechnology and fruit preparations development. The research center also offers its specialist R&D know-how to third parties and acts as a government-accredited laboratory for sugar beet quality control.

From the beginning of the 2019|20 financial year, AGRANA intensified its efforts in agricultural research through ARIC's new Agricultural Research department. New solutions to safeguard the success of beet production are required in response to changed conditions in beet cultivation caused by increased drought due to climate change and by greater pest pressure, and in order to adapt to European bans on previously available crop protection products. The experts at the Agricultural Research department are also available to address agricultural research questions in the fruit preparations, fruit juice concentrate and starch activities.

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 groups' experience is particularly valuable in cross-segment areas of research, such as technologies, thickeners and aromas, microbiology, product quality and safety, and organic products.

<b>Research and development</b>		<b>2019 20</b>	<b>2018 19</b>
R&D expenditure (internal and external)	€m	18.9	18.8
R&D-to-sales ratio <sup>1</sup>	%	0.76	0.77
Number of employees in R&D (headcount)		266	272

## Fruit segment

### Raw materials

In the area of fruit preparations, a technology for the reduction of microorganisms on the surface of harvested fruit was successfully developed and tested and has since been implemented on an industrial scale. The fruit treated by this method can be processed more gently and is rated more highly than conventionally treated fruit in terms of fragrance, flavour, appearance and colour.

### Technology

The general trend in the food industry towards greater naturalness and freshness is also addressed in AGRANA's Fruit segment. Various projects are investigating the gentlest possible preservation methods for fruits and fruit preparations in order to achieve a significant improvement in sensory qualities while optimising shelf life.

<sup>1</sup> R&D expenditure as a share of Group revenue.

Another development goal is the avoidance of stabilisers and the reduction of added sugar in the finished fruit preparations. Taken together, these advances should ideally give the consumer the sense experience of freshly picked fruit.

Research continued on the high-pressure processing (HPP) of fruit, and different packaging materials were also tested in this context. Initial customer feedback is showing great interest in the HPP concept.

Thanks to a pre-treatment of strawberries that has been newly developed at ARIC, the firmness of the fruit can be maintained during the entire production process. Consumers perceive the difference in the finished product.

### Product development

The production of a natural fruit foam without use of an artificial stabiliser was a challenge that was successfully solved in 2019/20.

The replacement of milk protein with plant-based alternatives is playing an increasingly important role, especially for the rapidly growing vegan market. By developing protein-enriched fruit preparations with the addition of selected vegetable proteins in high concentrations, AGRANA's Fruit segment aims to serve this market as well. Various concepts were developed and presented to customers.

### Fruit juice concentrates

In the financial year, AUSTRIA JUICE continued the successful expansion of the business areas of beverage bases, aromas and the production of fruit-juice and vegetable-juice concentrates.

For these development areas, strategic investments were made in infrastructure and personnel. 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.

The improvement in the quality of the aroma extracts obtained from juice concentrates was optimized through a newly developed production process and initial production trials were successfully completed.

In beverage bases, AGRANA invested particularly in the technology of beverage base emulsions and the development of corresponding new products.

To tap new potential markets, the certification of the fruit juice concentrate plants to Halal and Kosher standards was continued. The conversion of all AUSTRIA JUICE production sites to a uniform, international quality standard (FSSC 22000) to ensure food safety was completed in the year.

## Starch segment

### Raw materials

The production of specialty starches is of paramount strategic importance. AGRANA is always searching for new crop varieties and alternative starch raw materials. Due to the steady expansion in corn (maize) processing, newly bred waxy corn varieties need to be studied in detail for their suitability for processing and for extraction of waxy maize starch in the starch factory.

The project investigating special wheat varieties with a high amylopectin content for use as a new starch raw material was driven forward. The wheat starches obtained from them have promising properties, especially for the manufacture of food products. Planting trials of the new wheat varieties were successfully continued.

### Food applications

The research and development activities relating to food starches focus on current trends in the market and the food industry. These include the current fast growth of the nutritional segment of meatless or vegan products, consumer preferences for clean label offerings, and the reduction of fat and sugar in processed foods. In response to these trends, AGRANA's researchers are working intensively on new technologies, new raw materials and innovative product solutions. The R&D team draws on its expertise in various scientific disciplines to develop, for example, clean label starches as an alternative to chemically modified starches; products for fibre enrichment; and product innovations aimed specifically at replacing fats in foods.

In addition to innovative new product creations, existing products too undergo a continual process of optimization and further development. In collaboration with the production facilities, existing products were manufactured more economically and efficiently by adapting the process technologies. This now also provides the opportunity to develop new, previously unavailable products to expand the product portfolio.

### Non-food applications

In the development of technical (i.e., non-food) starches, a goal is to make processes for the manufacture of new starch products sustainable and efficient.

The use of resource-saving technologies, such as reactive extrusion, allows modified starches to be produced with a minimum of specific energy input. These processes can be used to produce functional starches for the adhesives sector. This not only allows the replacement of petro-based synthetic products but also imparts superior properties to the starch products in use, such as low spatter and optimal bonding.

In the field of biodegradable bioplastics, there are efforts to increase the sustainable portion to 100%. Work for a now-completed dissertation showed that by functionalising the thermoplastic starch, it is possible to increase the starch content of bioplastics, which greatly accelerates their decomposition in home compost. In addition, a more transparent biodegradable film was developed through the right compatibilization of the starch compounds. Through suitable combinations of thermoplastic starch with biodegradable polyesters, biodegradable fibres were produced by melt spinning which have potential as a substitute for polypropylene fibres.

Process optimization steps in the production of a number of starch derivatives enabled an increase in efficiency coupled with higher overall capacity utilization, but that is not all. The increased product yield, savings in energy and process additives, and reduction in the load on the wastewater treatment plant not only provided economic benefits but also, and particularly, enhanced environmental sustainability.

### Bioethanol

A main focus of R&D for bioethanol production, besides continuous process optimisation, is the fine-tuning of yeast fermentation. New market-ready yeasts and enzymes are being tested to increase ethanol yield. A particular focus is also on further improving the quality of the protein-containing by-product. The digestibility of the protein-rich ActiProt® feed is to be enhanced by optimizing the processes. In order to stabilise the properties of the end products, optimizations throughout the production chain also play an important role. A combination of these measures allows the exacting demands of the animal feed market to be met.

### Sugar segment

#### Raw materials/agriculture

The development of alternatives to the use of neonicotinoids, which are the subject of criticism, is a prerequisite for the successful protection of sugar beet against animal pests such as the beet flea beetle and aphids. The latter are also regarded as carriers of the beet yellow virus, which causes significant yield reductions. Comprehensive monitoring of the occurrence of these pests formed the basis for the establishment of warning services, which allowed timely control measures to be taken.

Extensive work was carried out on control of the beet weevil population. Here, mechanical, biological as well as insecticidal measures were taken in sugar beet fields.

The active ingredient desmedipham is a central component of current weed control strategies. The coming expiry of its registration in 2021 required the testing of new combinations of still-approved active ingredients for weed regulation.

Lack of water availability is leading to a rethinking of tillage concepts to ensure that water as a resource is used sparingly. Attention was also given to the supply of the sugar beet with phosphorus, which was reflected in research projects centred on soil analysis and the basic provision of this nutrient.

### Technology

Variation in beet quality, which is becoming more pronounced from year to year due to climate effects, requires continuous optimisation of the dosage of process additives in AGRANA's sugar factories. In the sugar process, this applies especially to the use of alkalizing agents in order to avoid the formation of deposits, as these result in higher energy consumption and thus higher costs, such as in the evaporation of sugar juices. With the help of online measuring devices deployed directly in the plant, which are developed and continuously optimized by ARIC, a need-based use of these process additives is ensured and negative effects are minimised. Not least thanks to these optimizations, all AGRANA sugar factories were able to produce molasses of a quality that allows it to be processed in the molasses desugarisation plant at the facility in Tulln, Austria, in order to extract additional sugar and liquid betaine.

In addition, a device developed by ARIC that allows automatic analysis of the most important quality parameters of syrups in the crystallization process was further optimised and implemented in additional AGRANA sugar plants. This made it possible to automate the extensive analytical quality control of process intermediates.

Against the backdrop of increased demand for organic sugar, an application was filed for approval of the ARIC-developed natural, organic stabilisers (active ingredients based on hops acids and resin acids) for organic beet processing in order to minimize microbiological sugar losses during the extraction of organic sugar in the factory. The application was assessed positively by the relevant EU expert committees and the active ingredients have since been included in the EU whitelist of approved substances for organic sugar production.

### Product development

AGRANA's high quality standards for its sugar products require constant adaptations in the raw materials used and thus entail ongoing optimisation of recipes, which ultimately is also intended to allow more cost-effective production. For example, extensive adjustments were made to syrup sugars (sugar premixed with citric acid for making fruit syrups) and especially to the gelling sugar (jam sugar) products in the portfolio in order to ensure product quality, consumer satisfaction and market leadership.

### By-products

As part of the diversification strategy for the production and marketing of betaine, a novel amorphous betaine dry product was developed from the liquid betaine product ActiBeet® L already established on the market, and a successful patent application was filed.

In a subsidized collaboration with research and industry partners, possibilities for the production of bio-based insulating materials from pressed sugar beet pulp are being studied and the first, promising insulating boards have since been produced.



# AGRANA's people

## Sustainability at AGRANA

### 2019|20 workplace safety targets

#### Fruit segment Fruit preparations business

✓ Target for injury rate<sup>1</sup> reduction achieved

✓ Target for lost day rate<sup>1</sup> reduction achieved

#### Fruit juice concentrate business

✓ Target for reduction of number of accidents<sup>1</sup> achieved

#### Starch segment

✓ Measures implemented

✗ Injury rate<sup>1</sup> nonetheless increased

#### Sugar segment

✓ Measures implemented

✗ Injury rate<sup>1</sup> nonetheless increased

In the 2019|20 financial year the AGRANA Group as a whole employed an average of 9,300 people (by headcount; prior year: 9,242 people). Of this total, 2,456 worked in Austria (prior year: 2,358) and 6,844 were employed in other countries (prior year: 6,884).

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

Segment	Average number of employees (headcount) in financial year		Average number of FTE <sup>2</sup> in financial year		Number of employees (headcount) at balance sheet date	
	2019 20	2018 19	2019 20	2018 19	29 Feb 2020	28 Feb 2019
	Fruit	6,098	6,096	6,194	6,141	6,290
Starch	1,112	1,050	1,087	1,025	1,134	1,061
Sugar	2,090	2,096	2,061	2,064	1,965	1,938
<b>Group</b>	<b>9,300</b>	<b>9,242</b>	<b>9,342</b>	<b>9,230</b>	<b>9,389</b>	<b>9,191</b>

In the 2019|20 financial year the AGRANA Group employed an average of 9,342 full-time equivalents (prior year: 9,230). The increase in personnel was driven primarily by the further development of the fruit preparations plants in Jiangsu, China, and in Pune, India; by the second wheat starch plant in Pischelsdorf, Austria; and by the new starch drier and the product development department in the infant formula business in Gmünd, Austria.

The average age of permanent employees<sup>3</sup> on 29 February 2020 was 42 years, as in the prior year (for details on the age structure, see the GRI content index, Annual Report 2019|20 from page 196). Thirty percent of permanent employees (prior year: 29.9%) were women, and 58.1% of salaried staff held an academic degree (prior year: 56.4%). The turnover rate<sup>4</sup> for permanent staff in 2019|20 was 14.2% (prior year: 13.5%). The proportion of employees with a part-time contract<sup>5</sup> was 3.3%. The share of temporary agency staff<sup>6</sup> was 5.6%.

## Human resources management

Sustainable and entrepreneurial thinking and action form a cornerstone of AGRANA's personnel strategy. Appreciation and mutual respect characterize the corporate culture. This is of great importance in light of the international and culturally diverse environment, especially in the Fruit segment. In the 2019|20 financial year, a Diversity & Inclusion Policy was therefore rolled out worldwide in addition to promoting international networking.

### AGRANA employees within the GRI reporting boundaries<sup>7</sup>

at the balance sheet date of 29 February 2020<sup>8</sup>

Segment	Non-permanent staff <sup>9</sup>		Permanent staff				Managers <sup>10</sup>		Of whom executive leadership <sup>11</sup>			
	Total	Female	Blue-collar	Female	White-collar	Female	Total	Female	Total	Female		
Fruit	2,097	72.0%	2,593	23.4%	1,600	47.6%	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 <sup>12</sup>	162	37.0%	1,036	17.7%	767	39.8%	1,803	27.1%	154	24.0%	18	11.1%
<b>Group</b>	<b>2,332</b>	<b>67.9%</b>	<b>4,324</b>	<b>20.3%</b>	<b>2,733</b>	<b>45.2%</b>	<b>7,057</b>	<b>30.0%</b>	<b>500</b>	<b>25.0%</b>	<b>31</b>	<b>12.9%</b>

<sup>1</sup> See definition on page 54.

<sup>2</sup> Full-time equivalents.

<sup>3</sup> Permanent employees of AGRANA Group companies.

<sup>4</sup> Staff turnover rate = total number of departures of permanent AGRANA employees reported in the financial year ÷ average number (headcount) of permanent AGRANA employees.

<sup>5</sup> Proportion of the total workforce at 29 February 2020, by headcount.

<sup>6</sup> Proportion of the average total workforce for the financial year, by headcount.

<sup>7</sup> See GRI reporting boundaries, page 10.

<sup>8</sup> For prior-year values, see GRI content index, Annual Report 2019|20 on page 196.

<sup>9</sup> Almost all non-permanent positions represent seasonal local workers in the processing campaigns.

<sup>10</sup> Management positions at reporting levels 2 and 3.

<sup>11</sup> 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).

<sup>12</sup> The staff of AGRANA Beteiligungs-AG is counted under the Sugar segment.





Motivation, integrity and social awareness are further pillars of AGRANA's human resources strategy. The company systematically supports the steady improvement of its employees' knowledge and the development of their potential. Only through the long-term development of all its staff can AGRANA's continuing strength as a competitor in the marketplace be ensured.

A global human resource management system was implemented worldwide in 2019|20. Its purpose is to improve the efficiency of personnel processes, create transparency and increase data security. In the coming years, the functionalities of this system are to be further expanded.

**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 honour outstanding individual performance. In the 2019|20 financial year, 8.8% of all employees (prior year: 8.8%) were covered by this incentive-enhanced compensation system.

**AGRANA HR team recognised with multiple awards**

AGRANA Beteiligungs-AG took first place in the BEST RECRUITERS study's Austrian industry ranking of food and consumer goods manufacturers in the 2019|20 financial year and was awarded the 2019|20 golden BEST RECRUITERS mark.

BEST RECRUITERS is the largest recruiting study in the German-speaking countries. It annually reviews the quality of recruiting practices of the top employers in Austria, Germany, Switzerland and Liechtenstein. The study considers more than 200 criteria in its scientific assessment of job advertisements, recruiting presence on various platforms (including social media presence, careers website, etc.), exhibits at career fairs and the treatment of applicants.

The awarding of the golden BEST RECRUITERS mark is testament to the great importance which AGRANA attaches to the respectful and friendly treatment of potential new employees. The Group 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 adopt promising new recruiting trends.

The subsidiary Moravskoslezské Cukrovary A.S. was recognised with second place in "Employer of the Year 2019" awards in the Czech Republic.

**Training hours of AGRANA employees<sup>1</sup>**

in the 2019|20 and 2018|19 financial years

Segment	2019 20				2018 19			
	Average training hours per employee			Proportion of employees who received training	Average training hours per employee			Proportion of employees who received training
	Total	Male	Female		Total	Male	Female	
Fruit	31.6	32.6	29.5	89.8%	31.4	33.4	27.3	94.6%
Blue-collar	28.9	29.5	26.8	89.9%	25.7	28.5	17.0	95.5%
White-collar	36.0	39.8	31.7	89.7%	41.1	45.5	36.2	92.9%
Starch	21.4	17.4	34.3	89.8%	20.0	20.2	19.2	81.2%
Blue-collar	20.0	14.5	58.0	88.9%	18.5	18.1	20.9	76.3%
White-collar	24.1	26.3	21.6	91.7%	22.8	26.2	18.3	90.2%
Sugar <sup>2</sup>	26.8	27.7	24.4	89.7%	30.0	29.8	30.6	89.2%
Blue-collar	24.8	25.9	19.6	92.2%	25.4	26.5	20.5	89.6%
White-collar	29.5	31.0	27.2	86.2%	36.3	36.1	36.6	88.6%
<b>Group</b>	<b>28.9</b>	<b>28.9</b>	<b>28.9</b>	<b>89.8%</b>	<b>29.5</b>	<b>30.4</b>	<b>27.2</b>	<b>91.3%</b>
Blue-collar	26.6	26.1	28.3	90.3%	24.6	26.3	18.0	91.3%
White-collar	32.6	35.4	29.3	89.0%	37.4	40.0	34.1	91.3%



The mandatory portion of training hours in 2019|20 (including occupational health and safety, first aid, compliance training, etc.) amounted to 50.1%. The Group's expenditure for external training and development in the 2019|20 financial year was about € 3.0 million (prior year: € 3.0 million), equivalent to 1.1% (prior year: 1.2%) of total wages and salaries.

<sup>1</sup> Permanent staff within the GRI reporting boundaries (see page 10).

<sup>2</sup> The staff of AGRANA Beteiligungs-AG is counted under the Sugar segment.



## Staff development and training

Developing and fostering the potential of its employees is highly important for AGRANA. Through many job skills trainings, personal development offerings as well as intensive Group-wide programmes, AGRANA promotes the continual improvement of its employees' knowledge and abilities. These training courses not only strengthen the Group's competitiveness but also help raise employee motivation and engagement.

The top training and development priorities in 2019|20 remained the development of managers and of technical experts in some selected functional areas. AGRANA's staff development programme is rounded out by a range of language courses and short seminars.

In 2019|20 the Group trained an average of 100 apprentices (of whom 20% were female). An average of 70 apprentices were employed in Austria (seven of them female, for a ratio of 10%), and an average of 19 apprentices in total in Slovakia, France, Algeria and Brazil, which have a dual education system similar to Austria's, i.e., combining apprenticeship and vocational school. Of these international apprentices, seven, or 37%, were female. In other educational systems, eleven apprentices were trained in Mexico and Morocco (of whom six, or 55%, were female). The training was provided in areas such as mechanical engineering technology, electrical engineering technology, metalworking technology, lab technology (chemistry), chemical engineering technology, food technology, mechatronics, operational logistics, technical drawing, industrial sales and information technology.

In order to increase the attractiveness of apprenticeship professions and to introduce pupils to career opportunities in technology, various initiatives were undertaken at individual locations (creation of information brochures for apprentices, participation in specific events to introduce apprenticeships, special support for apprentices, etc.).

In the 2019|20 financial year, 24 Group employees and managers (of whom ten, or 41.7%, were female) participated in the international AGRANA Competencies Training (ACT) programme held every two years, successfully completing it in February 2020. ACT is designed for individuals seen as having high potential, excellent performance and exceptional motivation. Following their graduation from the programme, the employees were offered the opportunity to take part in AGRANA's in-house mentoring programme. This enables them to network even more intensively within the company and to regularly interact with an AGRANA mentor at senior management level.

AGRANA offers onboarding programmes and welcome days on an on-going basis to give new staff an overview of the Group as a whole and of their own area of activity. In addition, employees benefit from diverse training and development measures, among them the regular INCA meeting (Information and Communication at AGRANA) and the AGRANA Development Programme (ADP). These offerings promote a better cross-divisional understanding and support Group-wide information-sharing. At the same time, such initiatives serve to build synergies across divisional and department lines. Additionally, team-building activities help optimise communication and heighten the effectiveness of collaboration within the various departments.

AGRANA also focuses on training and development of key personnel. Custom-tailored training ensures that employees derive maximum benefit from what they have learned and can put it into practice in their day-to-day work environment. The AGRANA Leadership Academy as well as the newly launched "Advance@AGRANA", an operations-focused management training programme, are designed to strengthen future and existing managers for or in their roles, transfer knowledge within the company and promote cross-divisional collaboration.





## Workplace health and safety

In organisational terms, AGRANA's occupational safety management is the responsibility of the managing directors of AGRANA's segments and business units who are responsible for production, the plant managers of AGRANA's production sites and the local workplace health and safety officers. The workplace health and safety officers and safety specialists are responsible for ensuring compliance with all occupational health and safety measures prescribed by law or instituted by the company. These include, for example, both regular and event-driven hazard identification and risk assessment, the development of improvement measures, the organisation of occupational health and safety training and the analysis, documentation (together with Human Resources) and communication of actual occupational accidents.

In all 25 countries in which AGRANA has production facilities, there is a legal obligation (albeit in different forms) 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 international operations, this reporting obligation can also be fulfilled anonymously at some locations, for cultural reasons.

### Workplace safety data for the AGRANA Group<sup>1</sup>

for the 2019|20 and 2018|19 financial years

Segment	Rate of recordable work-related injuries <sup>2</sup>			Rate of high-consequence work-related injuries <sup>3</sup>			Rate of fatalities as a result of work-related injury		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
<b>2019 20</b>									
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
<b>Group</b>	<b>1.6</b>	<b>2.1</b>	<b>0.8</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2018 19</b>									
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
<b>Group</b>	<b>1.8</b>	<b>2.2</b>	<b>1.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

No fatal work accident occurred in the 2019|20 financial year (prior year: zero fatalities). In the reporting year there were 15 accidents of contractors (prior year: four accidents), which for organisational reasons are not included in the workplace safety data.

#### Type and number of workplace accidents in 2019|20

Bruises, crushing injuries, lacerations (46), slips/falls/falls from heights resulting in injuries (39), cuts and punctures (22), burns and scalds (17), injuries caused by incorrect lifting, carrying and storage (12), eye injuries (5), business travel accidents (3), others (4).



<sup>1</sup> Non-permanent (i.e., fixed-term or temporary) and permanent employees within the GRI reporting boundaries (see page 10).

<sup>2</sup> Rate of recordable work-related injuries ("injury rate") = (total number of accidents<sup>5</sup> ÷ total paid hours worked<sup>6</sup>) × 200,000<sup>7</sup>

<sup>3</sup> Rate of high-consequence work-related injuries ("serious injury rate") = (total number of serious injuries<sup>4</sup> ÷ total paid hours worked<sup>6</sup>) × 200,000<sup>7</sup>

<sup>4</sup> An injury is classified as serious if no full recovery or healing occurs within six months of the accident.

<sup>5</sup> 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).

<sup>6</sup> Total paid hours worked are defined by AGRANA as contractual work hours plus paid overtime.

<sup>7</sup> 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 of the AGRANA Group<sup>1</sup>**

in 2019|20 and the subsequent financial years

Segment	Workplace safety targets for 2019 20	Target achievement in 2019 20	Workplace safety targets for 2020 21
<b>Fruit</b> Fruit preparations business	Injury rate <sup>2</sup> : 1.25 Lost day rate <sup>3</sup> : 17.0	✓ Injury rate <sup>2</sup> : 0.9 ✓ Lost day rate <sup>3</sup> : 10.7	Injury rate <sup>2</sup> : 0.8 Lost day rate <sup>3</sup> : 10.5  Continuation of “Safety First” workplace safety programme
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 2019 20: 17 Number of accidents in 2018 19: 20 Number of accidents in 2017 18: 33	Further reduction in number of accidents; raising awareness through ongoing communication and employee training; regular risk and hazard analysis to prevent causes of accidents.
<b>Starch</b>	Continuation of the workplace health and safety initiative started in 2018 19, with the “golden rules for work – safe and healthy together”; awareness-building through training of every employee; implementation of a uniform segment-wide floor marking scheme and safety equipment system.	Injury rate <sup>2</sup> : 2.8 Lost day rate <sup>3</sup> : 26.7  Continued the workplace health and safety initiative with training of the “golden rules for work – safe and healthy together”; implemented the uniform segment-wide floor marking scheme and safety equipment system.	Injury rate <sup>2</sup> : 2.0 Lost day rate <sup>3</sup> : 20.0  Expansion of the workplace health and safety initiative, plant-wide mandatory use of personal protective equipment and of handrails; building awareness through a multi-part, internal safety training programme based on the “golden rules for work – safe and healthy together”.
<b>Sugar</b>	Continuing implementation of site-specific measures.	Injury rate <sup>2</sup> : 2.6 Lost day rate <sup>3</sup> : 27.4  The site-specific measures were implemented on an ongoing basis and presented in the monthly meetings with all plant managers, and the performance data were monitored regularly. In addition to documentation during the safety tours, suggestions related to occupational safety were also recorded in the company suggestion system (EISAS) and rewarded.	Injury rate <sup>2</sup> : 2.4 Lost day rate <sup>3</sup> : 25.5  Continuing implementation of site-specific measures and improvement of performance results; reduction of both the injury rate <sup>2</sup> and lost day rate <sup>3</sup> by 7% compared to the prior year.



<sup>1</sup> Employees within the GRI reporting boundaries (see page 10).

<sup>2</sup> See definition on page 54.

<sup>3</sup> Lost day rate = (total number of lost days<sup>4</sup> ÷ total paid hours worked)<sup>2</sup> × 200,000<sup>2</sup>

<sup>4</sup> An eight-hour work day is assumed.



In addition to legally required local occupational health and safety measures and reporting obligations (e.g., to insurance providers), the AGRANA Group has for many years collected monthly, standardised worldwide data on workplace health and safety. These statistics serve to improve the Group-wide comparability and analysis of occupational accidents and form 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 supranational 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.

#### Health programmes

Under the AGRANA Fit programme, with the goal of maintaining and improving employees' health and well-being, AGRANA in many locations offers preventive health check-ups and/or vaccinations (for influenza, tick-borne encephalitis, titre testing, etc.) as part of the routine occupational health services. 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, badminton, rowing courses, Zumba toning, high-intensity interval training, fitness boxing, Nordic walking, yoga, Pilates and boot camp courses. Alongside the wide variety of numerous health and sports opportunities, the Group sites also provided many workshops for employee information, sensitisation and continuing development in the areas of work-life balance management, stress reduction, burnout prevention, and for the right ergonomics in the workplace.

In September 2019, a total of 204 AGRANA employees, in 68 teams of three persons each, again entered the annual Wien Energie Business Run. The participation in this event not only nurtures the team spirit and sense of cohesion within AGRANA but has also become an important element of the Group's human resources marketing. As well, it is an opportunity to meet or reconnect with colleagues from the various business areas and sites.

Social consciousness forms an important part of AGRANA's corporate culture. For instance, AGRANA Fruit México was again awarded the ESR<sup>1</sup> seal for its high degree of social engagement. Elsewhere, staff of AGRANA Fruit Australia participated, for example, in the "World's Greatest Shave" campaign to support people with leukemia.

Healthful nutrition is a major element of personal wellbeing. AGRANA therefore uses workshops and local campaigns, such as offering free fresh fruit, to draw employees' attention to the importance of a healthy and balanced diet.

### Balancing work and family

Harmonising the demands of work and family is important to AGRANA from a social responsibility perspective and plays a prominent role in its human resources strategy.

AGRANA thus joined the "Business for Family" network of the Federal Ministry for Family and Youth, in spring 2016 (also see the corporate governance report, Annual Report 2019|20 on page 29).

Across the Group, this is reflected in several initiatives and offerings for employees. Teleworking, funding or even direct provision of child care in certain locations (including special such services during the holidays), variable working hours, and a parent-child office at the Vienna headquarters are all part of this effort. In addition, employees' families are included in a number of events, group meals and sports activities. The fruit preparations plant in Turkey, for instance, again offered employees and family members a communal Ramadan dinner.



# Risk management

## and system of internal control

The Management Board of the AGRANA Group recognises the importance of active 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 conditions in the growing regions, 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 beet prices now depend on the sales price of sugar. AGRANA has intensified its efforts regarding the collaboration with beet farmers and beet grower associations in order to contract the required volume of beet. To this end, in future, a minimum price for sugar beet is also to be paid, so that farmers can budget with predictable and more stable parameters.

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 Sugar and Starch 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 the quotas at the end of September 2017) and the surplus 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. The construction of a second production line in the new, second fruit preparations plant in China was successfully completed in the 2019|20 financial year.

The still unstable political situation between Ukraine and Russia could have a negative impact on the market environment of the Fruit segment. Currently, however, the region continues to show a stable earnings situation. In addition, the current political and economic situation in Argentina and in Algeria is being continually monitored in view of increasing political instability.

### 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 41 in the section on the Sugar segment.

**Sugar regime:** Since 1 October 2017 there is no longer a minimum beet price and the quota system for sugar and isoglucose is abolished. Both of these sweeteners can since then be produced and sold in the EU without quantity restrictions. Even before the end of the quotas in autumn 2017, the anticipation of this change affected the European sugar market through an expansion of the beet planting area in the 2017|18 sugar marketing year (SMY). As well, high crop yields per hectare in SMY 2017|18 increased the supply in the EU area. In the 2018|19 and 2019|20 sugar marketing years, drought and heat waves in Europe led to reductions in supply.

Beet sugar production can be expected to remain high, especially in prime growing regions of the EU. As well, the European market prices are likely to correlate more closely with prices on the world market, making it possible for sugar prices to show a wide range of fluctuation. The new sugar market regime also does not provide for minimum prices for sugar beet, but since 2019 the prices must be reported to the European Commission. Beet prices continue to be negotiated between the beet producers and the beet-using industry. The reform of the sugar regime did not involve a change in the system of import duties for sugar imports from outside the EU nor in the treatment of imports from LDC<sup>1</sup>/ACP<sup>2</sup> countries with preferential EU agreements.

**Free trade agreements:** The free trade agreements currently being negotiated by the European Union could have economic impacts on AGRANA. The company is following the ongoing trade talks and analysing and evaluating the individual results.

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

## EU Renewable Energy Directive

June 2018 saw the conclusion of the tripartite negotiations between the European Commission, the Council of the European Union and the European Parliament for the revision of the Renewable Energy Directive (RED II) from 2020. The revised directive was published on 21 December 2018. The EU member states must transpose it into national law by 30 June 2021.

The new directive sets a minimum requirement of 14% renewable energy in the transport sector by 2030. The share of cereal-based biofuels was capped 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.

Biofuels from so-called high ILUC risk<sup>3</sup> raw materials are being capped at their 2019 share and are to be phased out completely from 2023 to 2030. This includes, for example, biodiesel from palm oil.

The share of individual biofuels counted towards the 14% transport target can be increased with the aid of multipliers. Thus, Annex IX biofuels (advanced biofuels) can be double-counted.

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 and enable a further increase in the production of GMO-free protein feed and fermentation-derived CO<sub>2</sub> as by-products.

## 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.

There are currently 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.

As noted in previous annual reports, the Austrian Federal Competition Authority (FCA) 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. The Vienna Higher Regional Court on 19 May 2019 dismissed the suit and did not impose a fine; the FCA has appealed the decision to the Supreme Court. AGRANA continues to regard the allegation as unfounded and the fine sought as unwarranted.

## 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 largely provided centrally by the Treasury department, which regularly reports to the Management Board on the movement in and structure of the Group's net debt, the financial risks and the amount and results of the hedging positions taken.

<sup>1</sup> Least Developed Countries.

<sup>2</sup> African, Caribbean and Pacific Group of States.

<sup>3</sup> High risk of indirect land use change. The term "indirect land use change" (ILUC) refers to situations where, although plants are grown for agrofuels on areas certified as sustainable, the growing of food plants is thereby displaced to forested or fallow land.

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. However, 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.

### 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 residual risk is covered by raising appropriate amounts of provisions.

The financial risks are explained in detail in the notes to the consolidated financial statements, in the section "Notes on financial instruments" (from page 122).

### Non-financial risks

In the 2019|20 financial year as well, AGRANA worked on the analysis of non-financial risks and risks that are not primarily financial. The starting points for the assessment were 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, for the first time, the reporting recommendations on climate-related risks and opportunities issued by the Task Force on Climate-related Financial Disclosure (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 page 64, "System of internal control and of risk management").

At the end of the 2019|20 financial year, the Agricultural Research department at the AGRANA Research & Innovation Center, in collaboration with Vienna's University of Natural Resources and Applied Life Sciences, launched

a study that is intended to bring together and further develop existing longer-term analyses concerning the physical availability of selected raw materials in order to become able to make long-term, scenario-based predictions about raw material availability under changed climatic conditions.

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. As a result of political steering measures in the fight against climate change at the EU level (EU Green Deal), but also at the national level in the countries in which AGRANA operates, potential restrictions on or increased taxation of the use of fossil fuels can be expected in the next few years in the push to achieve the goals of the Paris Climate Change Agreement. AGRANA will take these risks into account in its decarbonisation strategy, which it began to develop in the 2019|20 financial year.

Both the risks described in this risk report that affect AGRANA and the risks for and actual impacts on the environment and society caused by AGRANA's business activities, as well as the measures taken to manage these risks, are described in more detail in the non-financial information statement under section 267a Austrian Commercial Code, from page 6. 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.

## Coronavirus disease (COVID-19)

The growing global spread of coronavirus disease, or COVID-19, has led to drastic restrictions in 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. At the present time, it is not possible to comprehensively assess the effectiveness of

the (in many cases nationwide) virus containment measures or the extent and duration of their impact on global economic activity. However, a recession in 2020 in large parts of the world must be regarded as likely. AGRANA is a significant food manufacturer and thus makes an important contribution to supplying end customers. As a producer of foods and animal feeds, AGRANA is a key element of critical economic infrastructure. Nevertheless, the pandemic may have negative impacts on the markets for the company's products. In the non-food sector, sales volumes of bioethanol in particular are currently declining and prices have fallen significantly.

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 means 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 the facilitation of temporary homeworking was implemented. It cannot be ruled out, however, that cases of illness may occur or that employees of AGRANA or of customers or suppliers may have to enter home quarantine or self-isolation to contain the spread of the virus and that this may lead to adverse effects on business processes in procurement, production or sales.

AGRANA may be affected by preventive measures of national authorities in terms of border controls and closures, as well as by limited availability of means of transport in the logistics chains.

The financial and capital markets as well as interbank trading have been subject to phases of severe turmoil. Due to the uncertainty of future developments, influenced by COVID-19, further negative impacts are to be expected.

AGRANA is in close contact with its principal banks and constantly monitors the availability of existing credit lines and the cash holdings in the bank accounts maintained worldwide. In doing so, it also focuses more closely on the credit ratings of its banking partners. Where necessary, reallocations are made.

As mentioned, AGRANA operates on every continent and must therefore manage a large number of currencies, both in its operating business and in financing. AGRANA continually analyses the existing and planned currency exposure and seeks to minimise the resulting risks.

## Aggregate risk

The Group's current aggregate risk exposure is 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 persistently low 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 uncertainties regarding the as yet unpredictable 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 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 57) 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.

# Capital, shares, voting rights and rights of control<sup>1</sup>

The share capital of AGRANA Beteiligungs-AG at the balance sheet date of 29 February 2020 was € 113.5 million (28 February 2019: € 113.5 million), divided into 62,488,976 voting ordinary no-par value bearer shares (28 February 2019: 62,488,976 such shares). There are no other classes of shares.

Z&S Zucker und Stärke Holding AG (“Z&S”), based in Vienna, is the majority shareholder, directly holding 78.34% of the share capital of AGRANA Beteiligungs-AG. Z&S is a wholly-owned subsidiary of AGRANA Zucker, Stärke und Frucht Holding AG, Vienna. In this latter company, Zucker-Beteiligungs-gesellschaft m.b.H. (“ZBG”), Vienna, in turn holds 50% less one share (that share being held by AGRANA Zucker GmbH, a subsidiary of AGRANA Beteiligungs-AG) and Südzucker AG (“Südzucker”), Mannheim, Germany, holds the other 50%. The following five 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.; Estezet Beteiligungsgesellschaft 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 Z&S, 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 is 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 shall 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.

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

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

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

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

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<sup>1</sup> Disclosures under section 243a (1) Austrian Commercial Code.

# Outlook

This outlook is issued with the proviso that the economic and financial impacts and the duration of the COVID-19 pandemic are not yet clear at the time of preparation of this annual report in April 2020. In view of the dynamic nature of the pandemic, assumptions about its economic and financial impacts would be largely speculative. **AGRANA has therefore chosen not to incorporate such assumptions in this outlook and instead publishes here a “forecast before COVID-19” based on the budget originally planned for 2020|21.** Although negative impacts of COVID-19 on revenue and operating profit (EBIT) are expected in all business segments, these effects are not yet quantifiable. However, this outlook provides an assessment of COVID-19 risk factors that may affect the pre-COVID-19 forecast.

<b>Fruit segment</b>		<b>2019 20 Actual</b>	<b>2020 21 Forecast before COVID-19</b>	
Revenue	€m	1,185.4	Moderate increase	↑
EBIT	€m	55.9	Significant increase	↑↑
Investment <sup>1</sup>	€m	56.5	38	

In the Fruit segment, **before COVID-19 effects**, AGRANA expects the 2020|21 financial year to bring growth in revenue and EBIT. The fruit preparations business is projecting revenue growth, which is to be achieved through the full utilisation of the capacity created and by further diversification in the non-dairy business<sup>2</sup>. Through higher margins, which are to be realised partly thanks to smaller cost increases than in 2019|20, EBIT is to be raised significantly. In the fruit juice concentrate business, revenue is projected to rise significantly this financial year, with a solid earnings situation.

**COVID-19 risk assessment:** Especially in the Fruit segment with its global production operations (42 sites in 22 countries), the pre-COVID-19 forecast is fraught with high uncertainty. In March 2020 (the first month of the 2020|21 financial year), business was nonetheless still very good both in the fruit preparations and the fruit juice concentrate activities, particularly in terms of sales volumes. Risks are currently seen above all in the food service product segment, where fruit preparations and fruit products are sold into the quick service industry among other sectors. This business accounted for about 3% of total fruit preparations revenue in 2019|20.

Investment in the Fruit segment this year is budgeted at approximately € 38 million, which is about 10% less than the expected level of depreciation. The intended main focus is on replacement and maintenance investment as well as production optimisation.

<b>Starch segment</b>		<b>2019 20 Actual</b>	<b>2020 21 Forecast before COVID-19</b>	
Revenue	€m	807.0	Slight increase	↗
EBIT	€m	75.2	Significant reduction	↓↓
Investment <sup>1</sup>	€m	73.6	22	

For the Starch segment, **before COVID-19 effects**, a slight increase in revenue is forecast for the 2020|21 financial year. For native starches and wheat gluten, however, selling prices are coming under pressure through increased supply volumes. No major recovery in prices should be expected for starch-based saccharification products, due to the persistently challenging market environment. The revenue trend in the Starch segment overall will again be shaped by ethanol price volatility. Consistently positive impetus for growth is anticipated in organic and GMO-free products. Starch segment EBIT is projected to decrease due to foreseeable margin reductions resulting from lower sales prices.

<sup>1</sup> Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.

<sup>2</sup> The non-dairy product segments are ice-cream, bakery, and food service.

**COVID-19 risk assessment:** Bioethanol is a major core product in the Starch segment (at almost 25% of segment revenue in 2019|20), and the business performance in 2020|21 will thus again be largely determined by prices in the European ethanol markets. The fundamentally positive market sentiment, which was driven by the climate debate, is strained by the temporary restrictions on mobility imposed across Europe to contain the COVID-19 pandemic. The impacts on the whole ethanol value chain cannot be predicted until later in the financial year.

The budgeted investment volume in the Starch segment for this year is about € 22 million and, after the major projects of the prior years, will thus be very significantly below the level of depreciation. The largest single portion of this spending is for the completion of the derivatives manufacturing facility in Aschach, Austria.

<b>Sugar segment</b>		<b>2019 20</b>	<b>2020 21</b>	
		<b>Actual</b>	<b>Forecast before</b>	
			<b>COVID-19</b>	
Revenue	€m	488.3	Significant increase	↑↑
EBIT	€m	(44.0)	Significant improvement	↑↑
Investment <sup>1</sup>	€m	19.6	20	

In the Sugar segment, **before COVID-19 effects**, AGRANA anticipates a continual improvement in conditions in the EU sugar market. AGRANA expects that the capacity utilisation of the sugar beet factories can be increased significantly again, as it has initiated various measures together with the beet farmers to ensure an adequate beet supply. On the distribution side, sugar sales volumes and sugar prices in the EU are expected to rise. This positive trend in the EU sugar market environment, combined with rigorous cost management, implies a significantly better EBIT result.

**COVID-19 risk assessment:** In March 2020 the trend in sales volumes was very positive, particularly with the reseller sector. Whether and to what extent the COVID-19 pandemic will affect the expectations for the 2020|21 sugar marketing year (SMY) cannot be predicted at present. Thus, among other factors, the effect which the current erosion in world market prices for sugar will have on EU prices in the coming SMY 2020|21 cannot be projected meaningfully.

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

<b>AGRANA Group</b>		<b>2019 20</b>	<b>2020 21</b>	
		<b>Actual</b>	<b>Forecast before</b>	
			<b>COVID-19</b>	
Revenue	€m	2,480.7	Significant increase	↑↑
EBIT	€m	87.1	Significant increase	↑↑
Investment <sup>1</sup>	€m	149.7	80	

Based on the segments' forecasts before COVID-19, a significant increase in **EBIT before COVID-19 effects** is expected for the AGRANA Group in the 2020|21 financial year. **Group revenue before COVID-19 effects** is also projected to grow significantly.

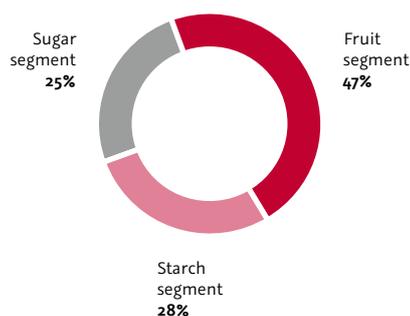
**COVID-19 risk assessment:** The still rapid evolution of the impacts from the COVID-19 pandemic currently prevents any specific determination of parameters and thus presently does not allow a realistically quantified "post-COVID-19" forecast to be made for 2020|21.

<sup>1</sup> Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.

Total **investment** across the three business segments in this new financial year, at approximately € 80 million, is to be significantly below both the 2019|20 capital expenditure and this year's budgeted depreciation of close to € 120 million. This investment plan was already determined before the COVID-19 crisis and is to remain unchanged.

#### Planned share of Group investment by segment in 2020|21

(Total: approx. € 80 million)



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

Depending on the trajectory of the COVID-19 pandemic, a more specific forecast will be provided in the course of the financial year, possibly already in connection with the publication of the results for the first quarter of 2020|21.

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 2020|21

In the 2019|20 financial year, AGRANA began to deal in depth with the topic of decarbonising its production activities. As early as 2014|15 and 2015|16, the Group progressively set goals and targets for further improving environmental and social performance in its own production facilities and for sustainability in its supply chain, with a target period running to the end of the 2020|21 financial year. The performance against targets has been reported annually. However, the energy targets were framed primarily as energy efficiency objectives and did not yet reflect the targets of the Paris climate accord. In the 2020|21 financial year, AGRANA will continue to develop its decarbonisation strategy and formulate specific intermediate targets towards its goal of achieving CO<sub>2</sub> neutrality by 2040.

# Consolidated financial statements 2019|20

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# Consolidated income statement

for the year ended 29 February 2020

Note	€000	2019 20	2018 19
(1)	Revenue	2,480,732	2,443,048
(2)	Changes in inventories of finished and unfinished goods	64,764	(53,505)
(2)	Own work capitalised	1,898	1,120
(3)	Other operating income	37,671	32,980
(4)	Cost of Materials	(1,759,277)	(1,647,491)
(5)	Staff cost	(341,660)	(323,717)
(6)	Depreciation, amortisation and impairment losses	(110,333)	(96,636)
(7)	Other operating expenses	(303,472)	(301,403)
(8)	Share of results of equity-accounted joint ventures	16,727	12,222
	<b>Operating profit [EBIT]</b>	<b>87,050</b>	<b>66,618</b>
(9)	Finance income	22,851	25,464
(10)	Finance expense	(40,042)	(40,836)
	<b>Net financial items</b>	<b>(17,191)</b>	<b>(15,372)</b>
	<b>Profit before tax</b>	<b>69,859</b>	<b>51,246</b>
(11)	Income tax expense	(18,567)	(20,860)
	<b>Profit for the period</b>	<b>51,292</b>	<b>30,386</b>
	Attributable to shareholders of the parent	48,162	25,406
	Attributable to non-controlling interests	3,130	4,980
(12)	Earnings per share under IFRS (basic and diluted)	€ 0.77	€ 0.41

# Consolidated statement of comprehensive income

for the year ended 29 February 2020

€000	2019 20	2018 19
<b>Profit for the period</b>	<b>51,292</b>	<b>30,386</b>
Other comprehensive (expense)/income:		
Currency translation differences and hyperinflation adjustments	(2,030)	2,104
Changes in fair value of hedging instruments (cash flow hedges), after deferred taxes	(288)	(613)
Effects from equity-accounted joint ventures	(3,742)	(521)
(Expense)/income to be recognised in the income statement in the future	(6,060)	970
Change in actuarial gains and losses on defined benefit pension obligations and similar liabilities, after deferred taxes	(5,069)	(3,810)
Changes in fair value of equity instruments, after deferred taxes	367	788
Effects from equity-accounted joint ventures	(10)	(3)
Expense that will not be recognised in the income statement in the future	(4,712)	(3,025)
<b>Other comprehensive (expense)</b>	<b>(10,772)</b>	<b>(2,055)</b>
<b>Total comprehensive income for the period</b>	<b>40,520</b>	<b>28,331</b>
Attributable to shareholders of the parent	37,754	23,687
Attributable to non-controlling interests	2,766	4,644

# Consolidated cash flow statement

## for the year ended 29 February 2020

Note	€000	2019 20	2018 19
	Profit for the period	51,292	30,386
	Depreciation, amortisation and impairment of non-current assets	110,362	96,636
	Reversal of impairment losses on non-current assets	(28)	0
	(Gains) on disposal of non-current assets	(1)	(194)
	Changes in non-current provisions	2,303	342
	Share of results of equity-accounted joint ventures	(16,727)	(12,222)
	Dividends received from equity-accounted joint ventures	14,000	15,000
	Loss on net monetary position under IAS 29	912	1,302
	Non-cash expenses/income and other adjustments	25,718	46,296
	<b>Operating cash flow before changes in working capital</b>	<b>187,831</b>	<b>177,546</b>
	Changes in inventories	(102,588)	19,589
	Changes in receivables and current assets	(296)	(14,326)
	Changes in current provisions	(16,548)	2,065
	Changes in payables (excluding borrowings)	66,450	(13,200)
	<b>Changes in working capital</b>	<b>(52,982)</b>	<b>(5,872)</b>
	Interest received	2,001	3,250
	Interest paid	(8,814)	(7,193)
	Tax paid	(17,940)	(26,022)
(13)	<b>Net cash from operating activities</b>	<b>110,096</b>	<b>141,709</b>
	Dividends received	17	24
	Proceeds from disposal of non-current assets	1,971	3,241
	Purchases of property, plant and equipment and intangible assets, net of government grants	(150,030)	(161,190)
	Proceeds from disposal of securities	6	1,374
	Proceeds from disposal of subsidiaries, net of cash	582	0
	Purchases of non-current financial assets	(8,124)	0
	Purchase of subsidiaries, net of cash acquired	0	(5,336)
(14)	<b>Net cash (used in) investing activities</b>	<b>(155,578)</b>	<b>(161,887)</b>
	Repayment of borrowings to affiliated companies in the Südzucker group	(85,000)	(65,000)
	Proceeds from Schuldscheindarlehen, or bonded loan	164,500	0
	(Outflows) from lease liabilities	(6,437)	0
	Repayment of investment loan of the European Investment Bank	(4,882)	0
	Proceeds from non-current loans	0	40,000
	Proceeds from syndicated loans	10,000	75,000
	Inflows from bank overdrafts and cash advances	42,344	1,219
	Proceeds from ceding of shares of subsidiary without loss of control	0	2,475
	Purchase of non-controlling interests	0	(411)
	Dividends paid	(63,203)	(71,463)
(15)	<b>Net cash from/(used in) financing activities</b>	<b>57,322</b>	<b>(18,180)</b>
	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>11,840</b>	<b>(38,358)</b>
	Effect of movements in foreign exchange rates on cash and cash equivalents	(511)	(577)
	Cash acquired in initial consolidation of subsidiaries	0	637
	Effect of IAS 29 on cash and cash equivalents	(496)	(81)
	Cash and cash equivalents at beginning of period	82,582	120,961
	<b>Cash and cash equivalents at end of period</b>	<b>93,415</b>	<b>82,582</b>

# Consolidated balance sheet

at 29 February 2020

Note	€000	29 Feb 2020	28 Feb 2019
<b>ASSETS</b>			
<b>A. Non-current assets</b>			
(16)	Intangible assets	275,108	276,740
(17)	Property, plant and equipment	932,795	864,221
(18)	Equity-accounted joint ventures	76,919	69,926
(18)	Securities	19,599	18,843
(18)	Investments in non-consolidated subsidiaries and outside companies	919	19
(19)	Other assets	12,410	10,090
(20)	Deferred tax assets	14,175	12,309
		<b>1,331,925</b>	<b>1,252,148</b>
<b>B. Current assets</b>			
(21)	Inventories	710,500	619,133
(19)	Trade receivables	319,457	321,694
(19)	Other assets	89,334	107,790
	Current tax assets	4,813	6,060
	Cash and cash equivalents	93,415	82,582
		<b>1,217,519</b>	<b>1,137,259</b>
	<b>Total assets</b>	<b>2,549,444</b>	<b>2,389,407</b>
<b>EQUITY AND LIABILITIES</b>			
<b>A. Equity</b>			
(22)	Share capital	113,531	113,531
	Share premium and other capital reserves	540,760	540,760
	Retained earnings	669,406	694,451
	Equity attributable to shareholders of the parent	1,323,697	1,348,742
	Non-controlling interests	63,435	61,186
		<b>1,387,132</b>	<b>1,409,928</b>
<b>B. Non-current liabilities</b>			
(23a)	Retirement and termination benefit obligations	73,401	71,177
(23b)	Other provisions	29,756	23,505
(24)	Borrowings	450,212	278,988
(25)	Other payables	6,418	12,820
(26)	Deferred tax liabilities	5,504	6,556
		<b>565,291</b>	<b>393,046</b>
<b>C. Current liabilities</b>			
(23b)	Other provisions	20,789	31,221
(24)	Borrowings	126,814	144,639
(25)	Trade payables	311,771	292,914
(25)	Other payables	131,553	110,713
	Tax liabilities	6,094	6,946
		<b>597,021</b>	<b>586,433</b>
	<b>Total equity and liabilities</b>	<b>2,549,444</b>	<b>2,389,407</b>

# Consolidated statement of changes in equity

for the year ended 29 February 2020

€000	Attributable to the shareholders					
	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	Retained
						Effects from equity-accounted joint ventures
<b>2019 20</b>						
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)
<b>Other comprehensive income/(expense) for the period</b>	<b>0</b>	<b>0</b>	<b>367</b>	<b>(288)</b>	<b>(5,000)</b>	<b>(3,868)</b>
Profit for the period	0	0	0	0	0	0
<b>Total comprehensive income/(expense) for the period</b>	<b>0</b>	<b>0</b>	<b>367</b>	<b>(288)</b>	<b>(5,000)</b>	<b>(3,868)</b>
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
<b>At 29 February 2020</b>	<b>113,531</b>	<b>540,760</b>	<b>3,110</b>	<b>(619)</b>	<b>(38,988)</b>	<b>(30,413)</b>
						<b>669,406</b>

## of AGRANA Beteiligungs-AG

## earnings

Other retained earnings	Currency translation reserve	Profit for the period	Equity attributable to shareholders 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)
<b>0</b>	<b>(1,619)</b>	<b>0</b>	<b>(10,408)</b>	<b>(364)</b>	<b>(10,772)</b>
0	0	48,162	48,162	3,130	51,292
<b>0</b>	<b>(1,619)</b>	<b>48,162</b>	<b>37,754</b>	<b>2,766</b>	<b>40,520</b>
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	1
<b>786,447</b>	<b>(98,293)</b>	<b>48,162</b>	<b>1,323,697</b>	<b>63,435</b>	<b>1,387,132</b>

€000	Attributable to the shareholders					
	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	Retained
						Effects from equity-accounted joint ventures
<b>2018 19</b>						
At 1 March 2018 (as published)	113,531	540,760	3,295	282	(30,234)	(26,043)
Effects of initial application of IFRS 9	0	0	(1,340)	0	0	0
<b>At 1 March 2018 (adjusted)</b>	<b>113,531</b>	<b>540,760</b>	<b>1,955</b>	<b>282</b>	<b>(30,234)</b>	<b>(26,043)</b>
Changes in fair value of equity instruments	0	0	1,051	0	0	0
Changes in fair value of hedging instruments (cash flow hedges)	0	0	0	(806)	0	(92)
Changes in actuarial gains and losses on defined benefit pension obligations and similar liabilities	0	0	0	0	(3,961)	(3)
Tax effects	0	0	(263)	193	207	24
Currency translation (loss)/gain and hyperinflation adjustments	0	0	0	0	0	(431)
<b>Other comprehensive income/(expense) for the period</b>	<b>0</b>	<b>0</b>	<b>788</b>	<b>(613)</b>	<b>(3,754)</b>	<b>(502)</b>
Profit for the period	0	0	0	0	0	0
<b>Total comprehensive income/(expense) for the period</b>	<b>0</b>	<b>0</b>	<b>788</b>	<b>(613)</b>	<b>(3,754)</b>	<b>(502)</b>
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
<b>At 28 February 2019</b>	<b>113,531</b>	<b>540,760</b>	<b>2,743</b>	<b>(331)</b>	<b>(33,988)</b>	<b>(26,545)</b>
						<b>694,451</b>

## of AGRANA Beteiligungs-AG

## earnings

Other retained earnings	Currency translation reserve	Profit for the period	Equity attributable to shareholders of the parent	Non-controlling interests	Total
754,417	(99,036)	140,071	1,397,043	56,954	1,453,997
1,192	0	0	(148)	0	(148)
<b>755,609</b>	<b>(99,036)</b>	<b>140,071</b>	<b>1,396,895</b>	<b>56,954</b>	<b>1,453,849</b>
0	0	0	1,051	0	1,051
0	0	0	(898)	(31)	(929)
0	0	0	(3,964)	(75)	(4,039)
0	0	0	161	26	187
0	2,362	0	1,931	(256)	1,675
<b>0</b>	<b>2,362</b>	<b>0</b>	<b>(1,719)</b>	<b>(336)</b>	<b>(2,055)</b>
0	0	25,406	25,406	4,980	30,386
<b>0</b>	<b>2,362</b>	<b>25,406</b>	<b>23,687</b>	<b>4,644</b>	<b>28,331</b>
0	0	(70,300)	(70,300)	(1,163)	(71,463)
69,771	0	(69,771)	0	0	0
(910)	0	0	(910)	756	(15)4
(630)	0	0	(630)	(5)	(635)
<b>823,840</b>	<b>(96,674)</b>	<b>25,406</b>	<b>1,348,742</b>	<b>61,186</b>	<b>1,409,928</b>

# Notes to the consolidated financial statements

AGRANA Beteiligungs-AG (“the Company”) 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 2019|20 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-Aktiengesellschaft (“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	Consolidation	Group
<b>2019 20</b>					
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
<b>Revenue</b>	<b>1,185,457</b>	<b>806,997</b>	<b>488,278</b>	<b>0</b>	<b>2,480,732</b>
EBITDA	101,090	93,885	(11,910)	0	183,065
Depreciation, amortisation and impairment of property, plant and equipment and intangibles <sup>1</sup>	(43,088)	(35,068)	(31,773)	0	(109,929)
<b>Operating profit/(loss) before exceptional items and results of equity-accounted joint ventures</b>	<b>58,002</b>	<b>58,817</b>	<b>(43,683)</b>	<b>0</b>	<b>73,136</b>
Exceptional items	(2,070)	0	(743)	0	(2,813)
Share of results of equity-accounted joint ventures	0	16,341	386	0	16,727
<b>Operating profit/(loss) [EBIT]</b>	<b>55,932</b>	<b>75,158</b>	<b>(44,040)</b>	<b>0</b>	<b>87,050</b>
Segment assets	1,213,312	716,847	1,704,530	(1,085,245)	2,549,444
Segment equity	436,274	371,663	930,837	(351,642)	1,387,132
Segment liabilities	777,038	345,184	773,693	(733,603)	1,162,312

<sup>1</sup> Excluding goodwill.

€000	Fruit	Starch	Sugar	Consolidation	Group
Purchases of property, plant and equipment and intangibles <sup>1</sup>	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
<b>2018 19</b>					
Total revenue	1,179,603	772,579	561,424	(70,558)	2,443,048
Inter-segment revenue	(453)	(9,898)	(60,207)	70,558	0
<b>Revenue</b>	<b>1,179,150</b>	<b>762,681</b>	<b>501,217</b>	<b>0</b>	<b>2,443,048</b>
EBITDA	114,966	66,459	(33,687)	0	147,738
Depreciation, amortisation and impairment of property, plant and equipment and intangibles <sup>1</sup>	(37,701)	(31,430)	(27,505)	0	(96,636)
<b>Operating profit/(loss) before exceptional items and results of equity-accounted joint ventures</b>	<b>77,265</b>	<b>35,029</b>	<b>(61,192)</b>	<b>0</b>	<b>51,102</b>
Exceptional items	0	0	3,294	0	3,294
Share of results of equity-accounted joint ventures	0	16,186	(3,964)	0	12,222
<b>Operating profit/(loss) [EBIT]</b>	<b>77,265</b>	<b>51,215</b>	<b>(61,862)</b>	<b>0</b>	<b>66,618</b>
Segment assets	1,182,098	626,060	1,607,119	(1,025,870)	2,389,407
Segment equity	409,320	362,872	989,378	(351,642)	1,409,928
Segment liabilities	772,778	263,188	617,741	(674,228)	979,479
Purchases of property, plant and equipment and intangibles <sup>1</sup>	56,193	97,011	30,549	0	183,753
Purchases of non-current financial assets	0	0	0	0	0
Total capital expenditure	56,193	97,011	30,549	0	183,753
Carrying amount of equity-accounted joint ventures	0	60,302	9,624	0	69,926
Number of employees (average full-time equivalents)	6,141	1,025	2,064	0	9,230

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 included expenses for regional restructuring measures (such as in Serbia) and exceptional staff cost effects; in the Sugar segment, the item included expenses for legal disputes in Romania. In the prior year, exceptional items included tax refunds in Romania and expenses for restructuring measures in the Sugar segment.

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 € 733,603 thousand (prior year: € 674,228 thousand) and equity capital consolidation of € 351,642 thousand (prior year: € 351,642 thousand).

<sup>1</sup> Excluding goodwill.

## 1.2. Segmentation by region

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

Revenue €000	2019 20	2018 19
Austria	1,406,166	1,283,665
Hungary	41,126	70,439
Romania	95,944	135,450
Rest of EU	314,790	368,215
EU-28 <sup>1</sup>	1,858,026	1,857,769
Rest of Europe (Bosnia and Herzegovina, Russia, Serbia, Turkey, Ukraine)	111,188	101,912
Other foreign countries	511,518	483,367
<b>Total</b>	<b>2,480,732</b>	<b>2,443,048</b>

The revenue generated by the Eastern European companies was € 339,338 thousand (prior year: € 444,210 thousand), or about 13.7% (prior year: 18.2%) of total revenue. The countries defined as Eastern Europe are Bosnia-Herzegovina, Bulgaria, the Czech Republic, Hungary, Poland, Romania, Russia, Serbia, Slovakia, Turkey and Ukraine.

Purchases of property, plant and equipment and intangibles <sup>2</sup> €000	2019 20	2018 19
Austria	90,750	120,655
Hungary	5,717	7,353
Romania	3,013	7,843
Rest of EU	21,737	14,976
EU-28 <sup>1</sup>	121,217	150,827
Rest of Europe (Bosnia and Herzegovina, Russia, Serbia, Turkey, Ukraine)	7,739	5,245
Other foreign countries	20,705	27,681
<b>Total</b>	<b>149,661</b>	<b>183,753</b>

Carrying amount of property, plant and equipment and intangibles <sup>2</sup> €000	2019 20	2018 19
Austria	546,309	487,298
Hungary	62,945	69,945
Romania	38,072	39,525
Rest of EU	115,155	108,174
EU-28 <sup>1</sup>	762,481	704,942
Rest of Europe (Bosnia and Herzegovina, Russia, Serbia, Turkey, Ukraine)	29,272	23,395
Other foreign countries	154,258	150,732
<b>Total</b>	<b>946,011</b>	<b>879,069</b>

<sup>1</sup> Excluding the United Kingdom from 1 February 2020.

<sup>2</sup> 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 2019|20 financial year, the following standards and interpretations became effective (i.e., their application became mandatory) for the first time:

Standard/Interpretation		Issued by the IASB	Adopted by the EU
IAS 19	Employee Benefits (amended)	7 Feb 2018	13 Mar 2019
IAS 28	Investments in Associates and Joint Ventures (amended)	12 Oct 2017	8 Feb 2019
IFRS 9	Financial Instruments (amended)	12 Oct 2017	22 Mar 2018
IFRS 16	Leases	13 Jan 2016	31 Oct 2017
Various	Annual Improvements to IFRSs, 2015–2017 Cycle	12 Dec 2017	14 Mar 2019
IFRIC 23	Uncertainty over Income Tax Treatments	7 Jun 2017	23 Oct 2018

The amendments to IAS 19 (Employee Benefits), IAS 28 (Investments in Associates and Joint Ventures), IFRS 9 (Financial Instruments) and IFRIC 23 (Uncertainty over Income Tax Treatments) had no material impacts on the presentation of AGRANA's financial position, results of operations and cash flows.

### IFRS 16 (Leasing)

In accordance with the transition rules of IFRS 16 (Leases), the initial application of this standard was performed using the modified retrospective approach and thus without restatement of prior-year data.

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. At the time of initial application, the weighted average incremental borrowing rate was 2.9%. 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.

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

On initial application of IFRS 16, right-of-use assets of € 33,567 thousand, lease liabilities of € 28,081 thousand and a reclamation provision for € 5,380 thousand were recognised. In note 17, "Property, plant and equipment", the additions, carrying amounts, and accumulated depreciation and impairment of the right-of-use assets are tabulated by category in a separate statement for leased property, plant and equipment. The adjustment in current other assets was related mainly to the lease payments accrued in the prior year.

The effects of the initial application of IFRS 16 on the consolidated balance sheet are presented in the following table:

€000	At 28 Feb 2019 (as published)	Effects of application of IFRS 16	At 1 Mar 2019 (adjusted)
<b>ASSETS</b>			
Intangible assets	276,740	0	276,740
Property, plant and equipment	864,221	33,567	897,788
Other assets	111,187	0	111,187
Non-current assets	1,252,148	33,567	1,285,715
Inventories	619,133	0	619,133
Trade receivables	321,694	0	321,694
Other assets	196,432	(106)	196,326
Current assets	1,137,259	(106)	1,137,153
<b>Total assets</b>	<b>2,389,407</b>	<b>33,461</b>	<b>2,422,868</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	1,409,928	0	1,409,928
Provisions	94,682	5,380	100,062
Borrowings	278,988	22,916	301,904
Other liabilities	19,376	0	19,376
Non-current liabilities	393,046	28,296	421,342
Provisions	31,221	0	31,221
Borrowings	144,639	5,165	149,804
Other liabilities	410,573	0	410,573
Current liabilities	586,433	5,165	591,598
<b>Total equity and liabilities</b>	<b>2,389,407</b>	<b>33,461</b>	<b>2,422,868</b>

The reconciliation of the operating lease liabilities at 28 February 2019 to the value of the lease liabilities at 1 March 2019 is as follows:

€000	1 Mar 2019
Operating lease liabilities at 28 February 2019	21,533
Discounting	(2,211)
Present value of operating lease liabilities at 1 March 2019	19,322
Effect of changes in maturity estimates as a result of IFRS 16 adoption	8,759
<b>Total lease liabilities at 1 March 2019</b>	<b>28,081</b>

The following standards will become effective from the 2020|21 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.

<b>Standard</b>	<b>Content</b> <i>and expected impacts on AGRANA</i>	<b>Issued by the IASB</b>	<b>Effective for AGRANA from financial year</b>	<b>Adopted by the EU</b>
IAS 1	Presentation of Financial Statements (amendment) <i>The amendment refines the definition of the term "material".</i>	31 Oct 2018	2020 21	29 Nov 2019
IAS 1	Presentation of Financial Statements (amendment) <i>The amendment clarifies 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. The amendment may become relevant from the 2022 23 financial year.</i>	23 Jan 2020	2022 23	Not to date
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors (amendment) <i>The amendment replaces the definition of "material" with a reference to IAS 1.</i>	31 Oct 2018	2020 21	29 Nov 2019
IAS 39	Financial Instruments: Recognition and Measurement (amendment) <i>In connection with the Interest Rate Benchmark Reform, the amendment deals with how the replacement of an existing interest rate benchmark (such as interbank offered rates, or IBOR) affects certain hedge accounting requirements.</i>	26 Sep 2019	2020 21	15 Jan 2020
IFRS 3	Business Combinations (amendment) <i>The amendment clarifies the definition of a business, as distinct from a group of assets, to help distinguish between the two when reporting an acquisition. In the event of business combinations, the amendment may become relevant from the 2020 21 financial year.</i>	22 Oct 2018	2020 21	Not to date
IFRS 7	Financial Instruments: Disclosures (amendment) <i>See entry for IAS 39.</i>	26 Sep 2019	2020 21	15 Jan 2020
IFRS 9	Financial Instruments (amendment) <i>See entry for IAS 39.</i>	26 Sep 2019	2020 21	15 Jan 2020
IFRS 17	Insurance Contracts <i>The standard is not relevant to AGRANA.</i>	18 May 2017	2020 21	Not to date
Various	Amendments to references to the Conceptual Framework for Financial Reporting <i>No impacts on the presentation of the financial position, results of operations and cash flows are expected.</i>	29 Mar 2018	2020 21	29 Nov 2019

### 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, 61 companies besides the parent were fully consolidated in the Group financial statements (prior year: 62 companies) and 13 companies were included using the equity method (prior year: 12 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 29 February 2020

Name of company	Registered office	Country	Equity interest 29 Feb 2020		Equity interest 28 Feb 2019	
			Direct	In-direct <sup>1</sup>	Direct	In-direct <sup>1</sup>
AGRANA Beteiligungs-Aktiengesellschaft (the parent company)	Vienna	Austria	–	–	–	–
<b>I. Subsidiaries</b>						
<b>Fully consolidated subsidiaries</b>						
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.	Buzau	Romania	–	100.00%	–	100.00%
AGRANA d.o.o.	Brčko	Bosnia and Herzegovina	–	75.00%	–	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 Fiji Pty Ltd.	Sigatoka	Fiji	–	–	–	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 Gıda 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	Vinnitsia	Ukraine	–	99.97%	–	99.97%
AGRANA Fruit Management Australia Pty Ltd.	Sydney	Australia	–	100.00%	–	100.00%

<sup>1</sup> Total indirect ownership interest held by the Group.

Name of company	Registered office	Country	Equity interest 29 Feb 2020		Equity interest 28 Feb 2019	
			Direct	In-direct <sup>1</sup>	Direct	In-direct <sup>1</sup>
			AGRANA Fruit México, S.A. de C.V.	Michoacán	Mexico	–
AGRANA Fruit Polska SP z.o.o.	Ostrołęka	Poland	–	100.00%	–	100.00%
AGRANA Fruit S.A.S.	Mitry-Mory	France	–	100.00%	–	100.00%
AGRANA Fruit Services GmbH	Vienna	Austria	–	100.00%	–	100.00%
AGRANA Fruit Services S.A.S.	Mitry-Mory	France	–	100.00%	–	100.00%
AGRANA Fruit South Africa (Proprietary) Ltd.	Johannesburg	South Africa	–	100.00%	–	100.00%
AGRANA Fruit Ukraine TOV	Vinnytsia	Ukraine	–	99.80%	–	99.80%
AGRANA Fruit US, Inc.	Brecksville	USA	–	100.00%	–	100.00%
AGRANA Group-Services GmbH	Vienna	Austria	100.00%	–	100.00%	–
AGRANA Internationale Verwaltungs- und Asset-Management GmbH	Vienna	Austria	–	100.00%	–	100.00%
AGRANA Juice Sales & Marketing GmbH	Bingen	Germany	–	50.01%	–	50.01%
AGRANA JUICE (XIANYANG) CO., LTD	Xianyang City	China	–	50.01%	–	50.01%
AGRANA Magyarország Értékesítési Kft.	Budapest	Hungary	–	87.65%	–	87.64%
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.	Țândărei	Romania	–	100.00%	–	100.00%
AGRANA Trading EOOD	Sofia	Bulgarien	–	100.00%	–	100.00%
AGRANA ZHG Zucker Handels GmbH	Vienna	Austria	–	100.00%	–	100.00%
AGRANA Zucker GmbH	Vienna	Austria	98.91%	1.09%	98.91%	1.09%
AUSTRIA JUICE Germany GmbH	Bingen	Germany	–	50.01%	–	50.01%
AUSTRIA JUICE GmbH	Kröllendorf/ Allhartsberg	Austria	–	50.01%	–	50.01%
AUSTRIA JUICE Hungary Kft.	Vásárosnamény	Hungary	–	50.01%	–	50.01%
AUSTRIA JUICE Poland Sp. z.o.o.	Chełm	Poland	–	50.01%	–	50.01%
AUSTRIA JUICE Romania S.r.l.	Vaslui	Romania	–	50.01%	–	50.01%
AUSTRIA JUICE Ukraine TOV	Vinnytsia	Ukraine	–	50.01%	–	50.01%
Biogáz Fejlesztő Kft.	Kaposvár	Hungary	–	87.65%	–	87.64%
Dirafrost FFI N.V.	Lummen	Belgium	–	100.00%	–	100.00%
Dirafrost Maroc SARL	Larach	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 Felelősségű Társaság	Budapest	Hungary	–	87.61%	–	87.60%
Magyar Cukorgyártó és Forgalmazó Zrt.	Budapest	Hungary	–	87.61%	–	87.60%
Moravskoslezské Cukrovarý A.S.	Hrušovany	Czech Republic	–	100.00%	–	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.	Țândărei	Romania	–	100.00%	–	100.00%
Slovenské Cukrovarý s.r.o.	Sereď	Slovakia	–	100.00%	–	100.00%
SPA AGRANA Fruit Algeria	Akbou	Algeria	–	26.93% <sup>2</sup>	–	26.93% <sup>2</sup>
Yube d.o.o.	Požega	Serbia	–	100.00%	–	100.00%

<sup>1</sup> Total indirect ownership interest held by the Group.

<sup>2</sup> Disclosure under section 265 (2) UGB: This company is fully consolidated in the Group financial statements because management agreements give AGRANA a majority of the voting rights.

Name of company	Registered office	Country	Equity interest 29 Feb 2020		Equity interest 28 Feb 2019	
			Direct	In-direct <sup>1</sup>	Direct	In-direct <sup>1</sup>
<b>Non-consolidated subsidiaries</b>						
AGRANA Amidi srl	Sterzing	Italy	–	100.00%	–	100.00%
<i>Reporting date: 29 Feb 2020   Equity: € 32.5 thousand   Profit for the period: € 8.7 thousand</i>						
AGRANA Croatia d.o.o.	Zagreb	Croatia	–	100.00%	–	100.00%
<i>Reporting date: 29 Feb 2020   Equity: € 11.0 thousand   Loss for the period: € 2.1 thousand</i>						
AGRANA Makedonija DOOEL Skopje	Skopje	Northern Macedonia	–	–	–	100.00%
<i>Liquidated in 2019 20</i>						
AGRANA Skrob s.r.o. v likvidaci	Hrusovany	Czech Republic	–	–	–	100.00%
<i>Liquidated in 2019 20</i>						
<b>II. Joint ventures</b>						
<b>Equity-accounted joint ventures</b>						
Beta Pura GmbH	Vienna	Austria	–	50.00%	–	–
<i>AGRANA-STUDEN group:</i>						
"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	Belgrade	Serbia	–	50.00%	–	50.00%
<i>AGRANA-STUDEN Serbia d.o.o. Beograd</i>						
STUDEN-AGRANA Rafinerija Secera d.o.o.	Brčko	Bosnia and Herzegovina	–	50.00%	–	50.00%
<i>HUNGRANA group:</i>						
GreenPower Services Kft.	Szabadegyháza	Hungary	–	50.00%	–	50.00%
HUNGRANA Keményítő- 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 2019|20 financial year:

	Full consolidation	Equity method
At 1 March 2019	62	12
Initial consolidation	0	1
Disposal	(1)	0
<b>At 29 February 2020</b>	<b>61</b>	<b>13</b>

The newly formed Beta Pura GmbH, Vienna, in which AGRANA Zucker GmbH, Vienna, owns a 50% interest, was included in the consolidated financial statements for the first time in the financial first quarter of 2019|20, using the equity method of accounting. The company, whose purpose is the production of crystalline betaine, is operated together with the joint venture partner The Amalgamated Sugar Company, LLC, of Boise, Idaho, USA.

Also in the first quarter of 2019|20, AGRANA sold 100% of the shares of AGRANA Fruit Fiji Pty Ltd., Sigatoka, Fiji. The net disposal proceeds of € 568 thousand was recognised in other operating income.

The effects of the disposal in 2019|20 on the AGRANA Group were as follows:

€000	<b>Carrying amount at disposal date</b>
Non-current assets	223
Inventories	125
Receivables and other assets	133
Cash, cash equivalents and securities	9
<b>Total assets</b>	<b>490</b>
Less non-current liabilities	0
Less current liabilities	73
<b>Net assets (i.e., equity)</b>	<b>417</b>
Cash purchase price	985
Net disposal proceeds (i.e., gain)	568

### Joint ventures

The information below represents the aggregated financial position and performance of the joint ventures. The joint ventures are listed on page 86.

€000	<b>AGRANA- STUDEN group</b>	<b>HUNGRANA group</b>	<b>Beta Pura GmbH</b>	<b>Total</b>
<b>29 February 2020</b>				
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 and securities	3,348	4,922	6,755	15,025
Current assets	47,771	87,913	8,911	144,595
<b>Total assets</b>	<b>83,725</b>	<b>201,452</b>	<b>34,138</b>	<b>319,315</b>
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
<b>Total equity and liabilities</b>	<b>83,725</b>	<b>201,452</b>	<b>34,138</b>	<b>319,315</b>
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)
<b>Operating profit/(loss) [EBIT]</b>	<b>1,134</b>	<b>39,675</b>	<b>(764)</b>	<b>40,045</b>
Interest income	132	0	0	132
Interest expense	(578)	(707)	(27)	(1,312)
Other finance income/(expense), net	879	(1,720)	(43)	(884)
<b>Profit/(loss) before tax</b>	<b>1,567</b>	<b>37,248</b>	<b>(834)</b>	<b>37,981</b>
Income tax (expense)/benefit	(168)	(4,565)	208	(4,525)
<b>Profit/(loss) for the period</b>	<b>1,399</b>	<b>32,683</b>	<b>(626)</b>	<b>33,456</b>
Other comprehensive income/(expense)	917	(8,420)	0	(7,503)
<b>Total comprehensive income/(expense) for the period</b>	<b>2,316</b>	<b>24,263</b>	<b>(626)</b>	<b>25,953</b>

€000	AGRANA- STUDEN group	HUNGRANA group	Total
<b>28 February 2019</b>			
Non-current assets	37,620	112,783	150,403
Inventories	17,354	50,442	67,796
Receivables and other assets	18,996	33,490	52,486
Cash, cash equivalents and securities	6,624	2,333	8,957
Current assets	42,974	86,265	129,239
<b>Total assets</b>	<b>80,594</b>	<b>199,048</b>	<b>279,642</b>
Equity	20,151	119,636	139,787
Borrowings	376	0	376
Other liabilities	4,896	1,888	6,784
Non-current liabilities	5,272	1,888	7,160
Borrowings	41,988	51,187	93,175
Other liabilities	13,183	26,337	39,520
Current liabilities	55,171	77,524	132,695
<b>Total equity and liabilities</b>	<b>80,594</b>	<b>199,048</b>	<b>279,642</b>
Revenue	118,719	280,090	398,809
Depreciation, amortisation and impairment losses	(3,002)	(10,929)	(13,931)
Other (expense), net	(123,603)	(230,450)	(354,053)
<b>Operating (loss)/profit [EBIT]</b>	<b>(7,886)</b>	<b>38,711</b>	<b>30,825</b>
Interest income	205	0	205
Interest expense	(805)	(707)	(1,512)
Other finance income/(expense), net	553	(868)	(315)
<b>(Loss)/profit before tax</b>	<b>(7,933)</b>	<b>37,136</b>	<b>29,203</b>
Income tax benefit/(expense)	5	(4,765)	(4,760)
<b>(Loss)/profit for the period</b>	<b>(7,928)</b>	<b>32,371</b>	<b>24,443</b>
Other comprehensive (expense)	(171)	(877)	(1,048)
<b>Total comprehensive (expense)/income for the period</b>	<b>(8,099)</b>	<b>31,494</b>	<b>23,395</b>

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
<b>29 February 2020</b>				
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
<b>Investments in equity-accounted joint ventures (carrying amount)</b>	<b>10,782</b>	<b>58,433</b>	<b>7,704</b>	<b>76,919</b>
Dividend attributable to AGRANA	0	14,000	0	14,000

€000	<b>AGRANA- STUDEN group</b>	<b>HUNGRANA group</b>	<b>Total</b>
<b>28 February 2019</b>			
Equity	20,151	119,636	139,787
Of which attributable to AGRANA	10,076	59,818	69,894
Value change at time of transition from proportionate consolidation to equity method	(452)	484	32
<b>Investments in equity-accounted joint ventures (carrying amount)</b>	<b>9,624</b>	<b>60,302</b>	<b>69,926</b>
Dividend attributable to AGRANA	0	15,000	15,000

### Non-controlling interests

The non-controlling interests of € 63,435 thousand (prior year: € 61,186 thousand) represented primarily the co-owners of the AUSTRIA JUICE group, at € 45,419 thousand (prior year: € 42,787 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:

<b>AUSTRIA JUICE group</b> €000	<b>29 Feb 2020</b>	<b>28 Feb 2019</b>
Non-current assets	133,759	131,899
Current assets	191,605	193,351
<b>Total assets</b>	<b>325,364</b>	<b>325,250</b>
Non-current liabilities	5,807	4,613
Current liabilities	221,422	227,765
<b>Total liabilities</b>	<b>227,229</b>	<b>232,378</b>
<b>Net assets</b>	<b>98,135</b>	<b>92,872</b>
Revenue	214,204	243,028
Operating profit [EBIT]	12,596	20,602
Profit before tax	7,773	15,379
Income tax expense	(1,589)	(2,418)
Profit for the period	6,184	12,961
Other comprehensive (expense)	(921)	(1,154)
Total comprehensive income for the period	5,263	11,807
Net cash from/(used in) operating activities	29,995	(13,659)
Net cash (used in) investing activities	(11,949)	(13,289)
Net cash (used in)/from financing activities	(21,770)	31,147
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(3,724)</b>	<b>4,199</b>

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

<b>AUSTRIA JUICE group</b> €000	<b>29 Feb 2020</b>	<b>28 Feb 2019</b>
Profit for the period	3,092	6,479
Carrying amount of net assets	49,058	46,427
Measurement effect from business combination	(3,639)	(3,639)
<b>Non-controlling interest in net assets</b>	<b>45,419</b>	<b>42,787</b>

### 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 recognised in the separate financial statements of the acquired company, such as customer relationships, these are recognised 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		Average rate for year	
		29 Feb 2020	28 Feb 2019	2019 20	2018 19
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

€	Currency	Rate at reporting date		Average rate for year		
		29 Feb 2020	28 Feb 2019	2019 20	2018 19	
	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
	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 – currently subsidiaries 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 subsidiaries were prepared based on the historical cost approach. In the 2018|19 financial year they had to 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 were the consumer prices published by Argentina's Instituto Nacional de Estadística y Censos, the National Institute of Statistics and Census. The price index at 29 February 2020 was at 295.34 (28 February 2019: 197.19). The change in the index is presented in the following table:

	Index change	
	2019 20	2018 19
March	4.7%	2.3%
April	3.4%	2.7%
May	3.1%	2.1%
June	2.7%	3.7%
July	2.2%	3.1%
August	4.0%	3.9%
September	5.9%	6.5%
October	3.3%	5.4%
November	4.3%	3.2%
December	3.7%	2.6%
January	2.3%	2.9%
February	1.9%	4.0%

## 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 recognised 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 112.

### 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
- Borrowings from affiliated companies in the Südzucker group
- 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 non-consolidated 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 123.

**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 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**

- Emission rights are accounted for in accordance with IAS 38 (Intangible Assets), IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) and IAS 37 (Provisions, Contingent Liabilities and Contingent Assets). Emission allowances are issued for a given calendar year and are intangible assets for the purposes of IAS 38 that, except as noted below, are to be classified as current assets. They are assigned a cost of zero. From the point when emissions exceed allocated allowances (one allowance represents one tonne of carbon dioxide), a provision for CO<sub>2</sub> emissions must be established for actual additional emissions and recognised in the income statement. The provision is calculated by taking into account the cost incurred for purchased emission allowances or any excess of their market value at the measurement date over their cost. CO<sub>2</sub> emission allowances that have already been purchased for use in a subsequent trading period are recorded in non-current assets.

### 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 0.80% for the year under review (prior year: 1.55%).
- 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 29 February 2020: € 261,892 thousand; at 28 February 2019: € 261,892 thousand), other intangible assets (carrying amount at 29 February 2020: € 13,216 thousand; at 28 February 2019: € 14,848 thousand) and property, plant and equipment (acquired and leased) (carrying amount at 29 February 2020: € 932,795 thousand; at 28 February 2019: € 864,221 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).

On the basis of the assumptions of the impairment test performed at 31 August 2019, the impairment test was repeated at 29 February 2020 in order to take into account potential impacts of the coronavirus (COVID-19) crisis as a triggering event. At 29 February 2020 the carrying amounts of the CGUs were compared with their updated values in use. For the determination of value in use, the business plans adopted by the Supervisory Board committees were retained unchanged. A reduction in the item "operating profit before exceptional items and results of equity-accounted joint ventures" as a result of COVID-19 was applied in all CGUs, and the weighted average cost of capital (WACC) updated to the testing date of 29 February 2020 was used.

As of the date of preparation of these consolidated financial statements on 22 April 2020, AGRANA did not foresee long-term negative impacts on its business activities; in the determination of value in use, the effects of the COVID-19 crisis are therefore limited to the first planning year. For the 2020|21 financial year, restrictions in production and distribution can be expected globally due to measures taken by governments worldwide. In the 2019|20 financial year, AGRANA was affected by an approximately two-week closure of Chinese plants.

Two comparative versions of the impairment test were performed at 29 February 2020. One version assumed a reduction of 30% in the item "operating profit before exceptional items and results of equity-accounted joint ventures" in the first planning year; the other assumed a reduction of 50% in this item in the first planning year. In none of the CGUs would this lead to an impairment of the carrying amount of the goodwill. In addition, the two comparative calculations were run in a modified form by adjusting one additional variable: the WACC was increased by 0.5 percentage points due to increased country risks and beta factors. This would also not lead to an impairment.

Depending on the actual effects and further trajectory of the coronavirus crisis, negative impacts on the 2020|21 financial year or on subsequent years may arise, such as impairment of goodwill and property, plant and equipment, effects on medium-term projections, or impacts in other areas relevant to financial results. These effects were not yet predictable at 29 February 2020 and thus not yet accounted for.

It was determined through a simulation that a hypothetical reduction of 5% in sustainable cash flows would not lead to an impairment of goodwill.

The discount rate before tax varies by industry, company risk level and specific market environment; in the financial year it ranged from 4.65% to 6.81% (prior year: 5.47% to 8.10%).

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

- 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 29 February 2020: € 73,401 thousand; at 28 February 2019: € 71,177 thousand) involves assumptions regarding the discount rate, age at retirement, life expectancy, employee turnover and future increases in pay and benefits.
- The sensitivity analysis below is based on varying one assumption at a time with the other assumptions remaining unchanged from the original calculation. Potential correlation effects between assumptions are thus not taken into account. The changes in assumptions would have the following effects on the present values of the obligations stated in note 23a:

€ 000	Pension benefits		Termination benefits	
	29 Feb 2020	28 Feb 2019	29 Feb 2020	28 Feb 2019
<b>Change in actuarial assumptions</b>				
Discount rate				
+ 0.5 percentage points	(2,676)	(2,408)	(1,920)	(1,836)
– 0.5 percentage points	2,951	2,647	2,062	1,972
Wage and salary increase				
+ 0.25 percentage points	67	104	980	949
– 0.25 percentage points	(66)	(103)	(945)	(915)
Pension increase				
+ 0.25 percentage points	1,291	1,159	–	–
– 0.25 percentage points	(1,238)	(1,114)	–	–
Life expectancy				
Increase by 1 year	4,189	3,906	–	–
Decrease by 1 year	(4,379)	(3,821)	–	–

- The recognition of deferred tax assets (carrying amount at 29 February 2020: € 14,175 thousand; at 28 February 2019: € 12,309 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 29 February 2020: € 50,545 thousand; at 28 February 2019: € 54,726 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 and the AGRANA-STUDEN group were classified as joint ventures in accordance with 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 is also 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. Of AGRANA's revenue, 95.10% (prior year: 93.72%), or the great majority, is generated with products manufactured by the Group itself. AGRANA's revenue from services, at 0.22% (prior year: 0.23%), and from the reselling of merchandise, at 4.68% (prior year: 6.05%), 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	2019 20	2018 19
<b>Fruit segment</b>		
EU-28 <sup>1</sup>	562,751	593,871
Europe Non-EU	111,188	101,912
North America	305,205	276,119
South America	31,211	35,822
Asia	109,560	111,582
Africa	26,064	21,488
Australia and Oceania	39,478	38,356
	<b>1,185,457</b>	<b>1,179,150</b>
<b>Starch segment</b>		
EU-28 <sup>1</sup>	806,997	762,681
	<b>806,997</b>	<b>762,681</b>
<b>Sugar segment</b>		
EU-28 <sup>1</sup>	488,278	501,217
	<b>488,278</b>	<b>501,217</b>
<b>Total</b>	<b>2,480,732</b>	<b>2,443,048</b>

The Group's top ten customers accounted for 31.1% (prior year: 30.0%) of consolidated revenue. One AGRANA customer accounted for 13.4% (prior year: 13.3%) of consolidated revenue. No other customer represented more than 10% of revenue.

Note (2)

### 8.2. Changes in inventories and own work capitalised

€000	2019 20	2018 19
Changes in inventories of finished and unfinished goods	64,764	(53,505)
Own work capitalised	1,898	1,120

The change in inventories of finished and unfinished goods amounted to a net increase of € 64,764 thousand (prior year: net decrease of € 53,505 thousand). The change reflected mainly the Sugar segment with an increase of € 27,462 thousand (prior year: decrease of € 46,459 thousand), and the Fruit segment with an increase of € 25,467 thousand (prior year: decrease of € 20,270 thousand).

*Note (3)* **8.3. Other operating income**

€000	2019 20	2018 19
Income from		
Currency translation gains	6,329	8,626
Adjustment of payables from the acquisition of subsidiaries	5,437	0
Derivatives	2,724	434
Insurance benefits and payments for damages	2,126	1,411
Disposal of non-current assets other than financial assets	601	424
Research incentive	1,106	963
Release of provisions for impairment of trade receivables	816	572
Net proceeds from disposal of AGRANA Fruit Fiji Pty Ltd.	568	0
Rent and leases	518	518
Beet and pulp cleaning, transport and handling	287	490
Services rendered to third parties	96	1,822
Exceptional items	0	5,573
Other items	17,063	12,147
<b>Total</b>	<b>37,671</b>	<b>32,980</b>

Within other operating income, "other items" represent, among others, revenue from the pass-through of costs for consumables, raw materials and services. The income side of exceptional items in the prior year, at € 5,573 thousand, consisted of tax refunds in Romania in the Sugar segment.

*Note (4)* **8.4. Cost of materials**

€000	2019 20	2018 19
Costs of		
Raw materials	1,159,366	1,051,208
Consumables and goods purchased for resale	526,247	520,276
Purchased services	73,664	76,007
<b>Total</b>	<b>1,759,277</b>	<b>1,647,491</b>

*Note (5)* **8.5. Staff costs**

€000	2019 20	2018 19
Wages and salaries	270,091	256,632
Social security contributions, retirement benefit expenses and other staff costs	71,569	67,085
<b>Total</b>	<b>341,660</b>	<b>323,717</b>

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 € 1,081 thousand (prior year: € 1,156 thousand) is included in net financial items. The current and past service costs are included in staff costs.

In the 2019|20 financial year an expense of € 19,027 thousand (prior year: € 18,484 thousand) was recognised for contributions to government pension plans.

€ 1,386 thousand of contributions to a defined contribution termination benefit fund were recognised in the income statement for the year (prior year: € 1,260 thousand).

Staff costs included exceptional expenses of € 1,110 thousand for regional restructuring measures in the Fruit segment.

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

<b>By employee category</b>	<b>2019 20</b>	<b>2018 19</b>
Wage-earning staff	6,456	6,456
Salaried staff	2,793	2,686
Apprentices	93	88
<b>Total</b>	<b>9,342</b>	<b>9,230</b>

<b>By region</b>	<b>2019 20</b>	<b>2018 19</b>
Austria	2,361	2,270
Hungary	465	474
Romania	566	566
Rest of EU	1,559	1,560
EU-28 <sup>1</sup>	4,951	4,870
Rest of Europe (Bosnia and Herzegovina, Russia, Serbia, Turkey, Ukraine)	1,296	1,379
Other foreign countries	3,095	2,981
<b>Total</b>	<b>9,342</b>	<b>9,230</b>

The average number of employees of joint ventures in full-time equivalents over the year was as follows (reported at company totals, not proportionately):

<b>By employee category</b>	<b>2019 20</b>	<b>2018 19</b>
Wage-earning staff	324	336
Salaried staff	197	194
<b>Total</b>	<b>521</b>	<b>530</b>

Note (6)

## 8.6. Depreciation, amortisation and impairment

€000	<b>Total</b>	<b>Amorti- sation, depre- ciation</b>	<b>Impair- ment losses</b>	<b>Reversal of impair- ment losses</b>
<b>2019 20</b>				
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
<b>Recognised in operating profit before exceptional items</b>	<b>109,929</b>	<b>108,306</b>	<b>1,651</b>	<b>(28)</b>
Exceptional items	404	0	404	0
<b>Recognised in operating profit [EBIT]</b>	<b>110,333</b>	<b>108,306</b>	<b>2,055</b>	<b>(28)</b>
<b>2018 19</b>				
Intangible assets	3,417	3,417	0	0
Property, plant and equipment	93,220	92,501	719	0
<b>Recognised in operating profit before exceptional items</b>	<b>96,637</b>	<b>95,918</b>	<b>719</b>	<b>0</b>
Exceptional items	0	0	0	0
<b>Recognised in operating profit [EBIT]</b>	<b>96,637</b>	<b>95,918</b>	<b>719</b>	<b>0</b>

<sup>1</sup> Excluding the United Kingdom from 1 February 2020.

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

€000	Impairment losses	Reversal of impairment losses
<b>2019 20</b>		
Fruit segment	404	0
Starch segment	8	0
Sugar segment	1,643	(28)
<b>Group</b>	<b>2,055</b>	<b>(28)</b>
<b>2018 19</b>		
Fruit segment	602	0
Starch segment	117	0
Sugar segment	0	0
<b>Group</b>	<b>719</b>	<b>0</b>

Impairment in the Sugar segment was related to the redimensioning of a storage and packaging facility in Hungary. The exceptional item in the Fruit segment with respect to impairment was related to restructuring in Serbia.

*Note (7)* **8.7. Other operating expenses**

€000	2019 20	2018 19
Selling and freight costs	149,766	142,582
Operating and administrative expenses	103,353	103,255
Advertising expenses	10,140	10,384
Currency translation losses	8,794	8,158
Other taxes	6,626	7,232
Rent and lease expenses	5,487	10,801
Damage payments	3,334	1,558
Derivatives	3,007	351
Exceptional items	1,299	2,279
Research and development expenses (external)	892	580
Losses on disposal of non-current assets	510	230
Other items	10,264	13,993
<b>Total</b>	<b>303,472</b>	<b>301,403</b>

Internal and external R&D costs totalled € 18,901 thousand (prior year: € 18,765 thousand).

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

Within other operating expenses, exceptional items consisted of expenses for regional restructuring in the Fruit segment and expenses for legal disputes in the Sugar segment (prior year: expenses in connection with restructuring measures in the Sugar segment).

The costs incurred in the financial year for the external auditor, PwC Wirtschaftsprüfung GmbH (prior year: KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft), were € 425 thousand (prior year: € 400 thousand). Of this total, € 420 thousand (prior year: € 331 thousand) related to the audit of the consolidated financial statements (including the audit of the separate financial statements of individual subsidiaries), € 5 thousand (prior year: € 31 thousand) was for other assurance services, and € 0 thousand (prior year: € 38 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 € 16,727 thousand (prior year: € 12,222 thousand) included the Group's share of the profits or losses of the joint ventures in the HUNGRANA group, the AGRANA-STUDEN group and, since the 2019|20 financial year, Beta Pura GmbH.

**Note (9) 8.9. Finance income**

€000	2019 20	2018 19
Interest income	1,137	1,623
Currency translation gains	11,489	11,797
Income of non-consolidated subsidiaries and outside companies	18	24
Gains on derivatives	9,610	11,102
Miscellaneous finance income	597	918
<b>Total</b>	<b>22,851</b>	<b>25,464</b>

Interest income by segment was as follows:

€000	2019 20	2018 19
Fruit segment	471	857
Starch segment	2	24
Sugar segment	664	742
<b>Group</b>	<b>1,137</b>	<b>1,623</b>

**Note (10) 8.10. Finance expense**

€000	2019 20	2018 19
Interest expense	9,329	7,599
Net interest on provisions for pensions and termination benefits	1,081	1,156
Currency translation losses	13,340	11,198
Losses on derivatives	12,601	16,755
Loss on net monetary position under IAS 29	912	1,302
Miscellaneous finance expense	2,779	2,826
<b>Total</b>	<b>40,042</b>	<b>40,836</b>

Interest expense by segment was as follows:

€000	2019 20	2018 19
Fruit segment	2,606	921
Starch segment	259	48
Sugar segment	6,464	6,630
<b>Group</b>	<b>9,329</b>	<b>7,599</b>

Interest expense includes interest of € 1,029 thousand on lease liabilities and the interest component from the discounting of the non-current obligation for long-service awards, at € 144 thousand (prior year: € 137 thousand).

Net currency translation differences on financing activities amounted to a loss of € 1,851 thousand (prior year: gain of € 599 thousand). This was composed of a realised loss of € 5,627 thousand (prior year: gain of € 1,728 thousand) and an unrealised gain of € 3,776 thousand (prior year: unrealised loss of € 1,129 thousand). The net translation loss was attributable primarily to foreign currency financings in Hungary and Romania (euro financings).

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	2019 20	2018 19
Current tax expense	20,170	21,087
Of which Austrian	4,434	6,013
Of which foreign	15,736	15,074
Deferred tax benefit	(1,603)	(227)
Of which Austrian	(510)	1,815
Of which foreign	(1,093)	(2,042)
<b>Total tax expense</b>	<b>18,567</b>	<b>20,860</b>
Of which Austrian	3,924	7,828
Of which foreign	14,643	13,032

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

€000	2019 20	2018 19
Increase/(decrease) in deferred tax assets in the consolidated balance sheet	1,866	(1,355)
Decrease in deferred tax liabilities in the consolidated balance sheet	1,052	1,156
<b>Total change in deferred taxes</b>	<b>2,918</b>	<b>(199)</b>
Of which recognised in the income statement	1,603	227
Of which recognised in other comprehensive income	1,080	156
Of which from currency translation/hyperinflation/other	235	(669)
Of which changes in scope of consolidation	0	38
Of which initial application of IFRS 9	0	49

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 € 155 thousand – must be deducted from the other comprehensive income of € 1,080 thousand presented in the table above.

**Reconciliation of profit before tax to income tax expense**

€000	2019 20	2018 19
Profit before tax	69,859	51,246
Standard Austrian tax rate	25%	25%
<b>Nominal tax expense at standard Austrian rate</b>	<b>17,465</b>	<b>12,812</b>
Tax effect of:		
Different tax rates applied on foreign income	(512)	1,922
Tax-exempt income and tax deductions, including results of equity-accounted joint ventures	(7,442)	(5,621)
Non-temporary differences from consolidation measures	(118)	0
Non-tax-deductible expenses and additional tax debits	2,605	3,885
Effects from other taxes	2,730	2,390
Effects of unrecognized tax loss carryforwards in respect of the financial year	247	6,335
Non-recurring tax expenses	3,592	(863)
<b>Income tax expense</b>	<b>18,567</b>	<b>20,860</b>
<b>Effective tax rate</b>	<b>26.6%</b>	<b>40.7%</b>

The nominal tax expense is based on application of the standard Austrian corporation tax rate of 25%.

The Tax Reform Act of 2005 introduced a concept for the taxation of company groups. In accordance with the provisions of this Act, the AGRANA Group established a group consisting of AGRANA Beteiligungs-AG as the group parent and the following group members: AGRANA Zucker GmbH, AGRANA Stärke GmbH, AGRANA Sales & Marketing GmbH, AGRANA Internationale Verwaltungs- und Asset-Management GmbH, AGRANA Group-Services GmbH, INSTANTINA Nahrungsmittel Entwicklungs- und Produktionsgesellschaft m.b.H and AUSTRIA JUICE GmbH.

Deferred taxes are recognised on differences between carrying amounts in the consolidated financial statements and the tax bases of the individual companies in their home countries. Deferred taxes take into account carryforwards of unused tax losses.

In the interest of conservative planning, deferred taxes reflect carryforwards of tax losses only to the extent that sufficient taxable profit is likely to be earned over the next five years to utilise the deferred tax assets. € 18,274 thousand (prior year: € 18,121 thousand) of potential tax assets were not recognised. These related to cumulative unused tax loss carryforwards of € 82,336 thousand (prior year: € 82,159 thousand). Of the unused tax loss carryforwards, € 48,932 thousand (prior year: € 43,497 thousand) can be carried forward indefinitely, € 0 thousand expire in the subsequent year (prior year: € 1,763 thousand), € 20,242 thousand (prior year: € 18,984 thousand) expire in two to four years and € 13,162 thousand (prior year: € 17,915 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 € 8,785 thousand (prior year: € 7,860 thousand).

For temporary differences on investments in subsidiaries, deferred tax liabilities of € 199,259 thousand (prior year: € 202,444 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

		2019 20	2018 19
Profit for the period attributable to shareholders of the parent (AGRANA Beteiligungs-AG)	€000	48,162	25,406
Average number of shares outstanding		62,488,976	62,488,976
<b>Earnings per share under IFRS (basic and diluted)</b>	€	<b>0.77</b>	<b>0.41</b>
<b>Dividend per share</b>	€	<b>0.77<sup>1</sup></b>	<b>1.00<sup>1</sup></b>

Subject to the Annual General Meeting's approval of the proposed allocation of profit for the 2019|20 financial year, AGRANA Beteiligungs-AG will pay a dividend of € 48,117 thousand (prior year: € 62,489 thousand).

## 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 no restrictions on access to cash and cash equivalents of subsidiaries 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 € 187,831 thousand (prior year: € 177,546 thousand), or 7.57% of revenue (prior year: 7.27%). Within "non-cash expenses/income and other adjustments", non-cash expenses/income consisted mainly of the unrealised currency translation gains of € 3,776 thousand (prior year: unrealised currency translation losses of € 1,129 thousand), reflected in net financial items, a non-cash expense of € 542 thousand (prior year: € 558 thousand) for impairment of receivables, a change of € 4,878 thousand in purchase price liabilities for the acquisition of subsidiaries, and non-cash inventory write-downs of € 8,472 thousand (prior year: € 23,320 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 € 110,096 thousand (prior year: € 141,709 thousand).

*Note (14)*

### 9.2. Cash flows from investing activities

Net cash used in investing activities decreased by € 6,309 thousand from € 161,887 thousand to € 155,578 thousand. This reduction from one year earlier resulted mainly from lower outflows for purchases of property, plant and equipment and intangibles, which declined by € 11,160 thousand from € 161,190 thousand to € 150,030 thousand (prior year: decrease of € 28,662 thousand). The decrease was due largely to the commissioning of the Starch segment's second wheat starch plant in Pischelsdorf, Austria, in November 2019 and the resulting lower investment in the 2019|20 financial year. Purchases of non-current financial assets in the amount of € 8,124 thousand related mostly to outflows for the founding and construction of Beta Pura GmbH, Vienna, which is 50% owned by AGRANA Zucker GmbH, Vienna. The joint venture is operated together with the partner The Amalgamated Sugar Company LLC, Boise, Idaho, USA, for the production of crystalline betaine and is equity-accounted in the consolidated financial statements. Net proceeds from the sale of subsidiaries of € 582 thousand represented the disposition of 100% of the shares of AGRANA Fruit Fiji Pty Ltd., Sigatoka, Fiji, and its cash.

Proceeds from the disposal of non-current assets amounted to € 1,971 thousand (prior year: € 3,241 thousand).

*Note (15)*

### 9.3. Cash flows from financing activities

The positive cash flow from borrowings was driven primarily by the raising of Schuldscheindarlehen (bonded loans) in the amount of € 164,500 thousand (prior year: € 0 thousand) and the raising of syndicated loans of € 10,000 thousand (prior year: € 75,000 thousand, as well as the raising of long-term loans of € 40,000 thousand). This more than offset the repayment of borrowings of € 85,000 thousand to affiliated companies of the Südzucker group (prior year: € 65,000 thousand), payments of lease liabilities of € 6,437 thousand (prior year: € 0 thousand) and an investment loan repayment of € 4,882 (prior year: € 0 thousand). Net cash flow from bank overdrafts and cash advances was also positive, at € 42,344 thousand (prior year: € 1,219 thousand).

Cash flow from financing activities also included dividends paid, which related primarily to the cash dividend paid to the shareholders of AGRANA Beteiligungs-AG and which led to a significant overall improvement in financing cash flow to net cash from financing activities of € 57,322 thousand (prior year: net cash use of € 18,180 thousand).

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

	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
€000					
<b>2019 20</b>					
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
<b>Non-current borrowings</b>	<b>278,988</b>	<b>(4,882)</b>	<b>154,368</b>	<b>21,738</b>	<b>450,212</b>
Schuldscheindarlehen, i.e., bonded loans	35,500	0	(35,500)	0	0
Borrowings from affiliated companies in the Südzucker group	0	0	0	0	0
Kredit Europäische Investitionsbank	4,882	4,882	(4,882)	0	4,882
Investment loan from European Investment Bank	104,187	0	12,976	(183)	116,980
Lease liabilities	70	0	(6,437)	11,319	4,952
<b>Current borrowings</b>	<b>144,639</b>	<b>4,882</b>	<b>(33,843)</b>	<b>11,136</b>	<b>126,814</b>
	Carrying amount at 1 Mar 2018	Changes in maturities	Cash inflows/ (cash outflows)	Currency translation differences	Carrying amount at 28 Feb 2019
€000					
<b>2018 19</b>					
Schuldscheindarlehen, i.e., bonded loans	42,500	(35,500)	0	0	7,000
Borrowings from affiliated companies in the Südzucker group	115,000	0	(30,000)	0	85,000
Investment loan from European Investment Bank	41,500	(4,882)	0	0	36,618
Loans	111,572	(10,520)	49,213	105	150,370
<b>Non-current borrowings</b>	<b>310,572</b>	<b>(50,902)</b>	<b>19,213</b>	<b>105</b>	<b>278,988</b>
Schuldscheindarlehen, i.e., bonded loans	0	35,500	0	0	35,500
Borrowings from affiliated companies in the Südzucker group	35,000	0	(35,000)	0	0
Investment loan from European Investment Bank	0	4,882	0	0	4,882
Bank overdrafts and cash advances	26,629	10,520	67,006	102	104,257
<b>Current borrowings</b>	<b>61,629</b>	<b>50,902</b>	<b>32,006</b>	<b>102</b>	<b>144,639</b>

## 10. Notes to the consolidated balance sheet

Note (16)

## 10.1. Intangible assets, including goodwill

€000	Goodwill	Concessions, licences and similar rights	Total
<b>2019 20</b>			
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)
<b>At 29 February 2020</b>	<b>261,892</b>	<b>102,493</b>	<b>364,385</b>
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	0	1	1
Disposals	0	(289)	(289)
<b>At 29 February 2020</b>	<b>0</b>	<b>89,277</b>	<b>89,277</b>
<b>Carrying amount at 29 February 2020</b>	<b>261,892</b>	<b>13,216</b>	<b>275,108</b>
<b>2018 19</b>			
Cost			
At 1 March 2018	260,956	102,700	363,656
Currency translation differences and hyperinflation adjustments	0	755	755
Changes in scope of consolidation/other changes	936	102	1,038
Additions	0	3,097	3,097
Reclassifications	0	735	735
Disposals	0	(6,862)	(6,862)
<b>At 28 February 2019</b>	<b>261,892</b>	<b>100,527</b>	<b>362,419</b>
Accumulated amortisation and impairment			
At 1 March 2018	0	86,841	86,841
Currency translation differences and hyperinflation adjustments	0	501	501
Changes in scope of consolidation/other changes	0	40	40
Amortisation for the period	0	3,417	3,417
Reclassifications	0	58	58
Disposals	0	(5,178)	(5,178)
<b>At 28 February 2019</b>	<b>0</b>	<b>85,679</b>	<b>85,679</b>
<b>Carrying amount at 28 February 2019</b>	<b>261,892</b>	<b>14,848</b>	<b>276,740</b>

- Intangible assets consist largely of acquired customer relationships, software, patents and similar rights.
- The additions of € 2,022 thousand (prior year: € 3,097 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), the Sugar segment for € 20,111 thousand (prior year: € 20,111 thousand) and the Starch segment for € 1,606 thousand (prior year: € 1,606 thousand).
- In order to comply with the requirements of IFRS 3 in conjunction with IAS 36 and to allow the determination of any impairment of goodwill, AGRANA defines its cash generating units (CGUs) as the smallest given group of assets that generate cash inflows which are largely independent of the cash inflows of other assets. For the purposes of goodwill

impairment testing, AGRANA aggregates the CGUs to the next-higher level at which the goodwill is controlled according to the process of internal control and reporting. The cash-generating units in the AGRANA Group for the purposes of goodwill impairment testing are the Fruit segment, Starch segment and Sugar 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 validated and approved by Supervisory Board committees 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) 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 8.50% (prior year: 7.00%) and a beta factor derived from a peer group of nine companies. The country risk and the inflation differential are assigned a volatility factor of 1.22 (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	
	29 Feb 2020 €m	28 Feb 2019 €m	2019 20 %	2018 19 %
Fruit CGU	240	240	6.81	8.10
Starch CGU	2	2	4.65	5.47
Sugar CGU	20	20	5.29	6.39
<b>Group</b>	<b>262</b>	<b>262</b>	<b>–</b>	<b>–</b>

- 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.
- The most important forecast assumptions for the Sugar CGU are the estimates of EU beet sugar production and isoglucose production, of the trajectories of sugar imports and exports, and of sugar prices. The major cost elements for the CGU are raw material and energy costs. Besides the current market developments, these projections also take into consideration internal estimates by the respective businesses.
- On the basis of the assumptions of the impairment test performed at 31 August 2019, the impairment test was repeated in a review at 29 February 2020 in order to take into account potential impacts of the coronavirus (COVID-19) crisis. As of the date of preparation of these consolidated financial statements at 22 April 2020, AGRANA did not foresee long-term negative impacts on its business activities; in the determination of value in use, the effects of the COVID-19 crisis are therefore limited to the first planning year. In none of the CGUs would this lead to an impairment of the carrying amount of goodwill. Further details are provided in section 7.11, "Critical assumptions and judgements".
- The values in use were subjected to a sensitivity analysis. The results are presented on page 98.

- 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
<b>2019 20</b>					
<b>Property, plant and equipment – acquired</b>					
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)
<b>At 29 February 2020</b>	<b>640,170</b>	<b>1,370,340</b>	<b>242,372</b>	<b>153,630</b>	<b>2,406,512</b>
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)
Government grants	0	0	0	(28)	(28)
<b>At 29 February 2020</b>	<b>354,178</b>	<b>966,944</b>	<b>184,785</b>	<b>240</b>	<b>1,506,147</b>
<b>Carrying amount at 29 February 2020</b>	<b>285,992</b>	<b>403,396</b>	<b>57,587</b>	<b>153,390</b>	<b>900,365</b>
<b>Property, plant and equipment – leased</b>					
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	532
Disposals	(20)	(771)	(20)	0	(811)
<b>At 29 February 2020</b>	<b>27,363</b>	<b>8,985</b>	<b>1,609</b>	<b>276</b>	<b>38,233</b>
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)
<b>At 29 February 2020</b>	<b>3,801</b>	<b>1,481</b>	<b>521</b>	<b>0</b>	<b>5,803</b>
<b>Carrying amount at 29 February 2020</b>	<b>23,562</b>	<b>7,504</b>	<b>1,088</b>	<b>276</b>	<b>32,430</b>
<b>Carrying amount of property, plant and equipment in total at 29 February 2020</b>	<b>309,554</b>	<b>410,900</b>	<b>58,675</b>	<b>153,666</b>	<b>932,795</b>

€000	Land, leasehold rights and buildings	Technical plant and machinery	Other plant, furniture and equipment	Assets under con- struction	Total
<b>2018 19</b>					
Cost					
At 1 March 2018	594,232	1,270,184	212,674	46,738	2,123,828
Currency translation differences and hyperinflation adjustments	1,604	6,014	45	(16)	7,647
Changes in scope of consolidation/ other changes	4,729	6,685	3,593	111	15,118
Additions	16,250	47,830	15,032	101,544	180,656
Reclassifications	7,568	9,058	6,161	(23,522)	(735)
Disposals	(5,670)	(24,903)	(5,290)	(209)	(36,072)
Government grants	(1,809)	0	(2)	0	(1,811)
<b>At 28 February 2019</b>	<b>616,904</b>	<b>1,314,868</b>	<b>232,213</b>	<b>124,646</b>	<b>2,288,631</b>
Accumulated depreciation and impairment					
At 1 March 2018	323,408	865,570	165,610	359	1,354,947
Currency translation differences and hyperinflation adjustments	698	4,258	161	0	5,117
Changes in scope of consolidation/ other change	1,373	3,217	1,929	0	6,519
Depreciation for the period	17,035	61,525	13,941	0	92,501
Impairment	66	607	46	0	719
Reclassifications	(96)	(2,114)	2,107	45	(58)
Disposals	(5,637)	(24,436)	(5,240)	(22)	(35,335)
<b>At 28 February 2019</b>	<b>336,847</b>	<b>908,627</b>	<b>178,554</b>	<b>382</b>	<b>1,424,410</b>
<b>Carrying amount at 28 February 2019</b>	<b>280,057</b>	<b>406,241</b>	<b>53,659</b>	<b>124,264</b>	<b>864,221</b>

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

€000	2019 20	2018 19
Fruit segment	55,601	55,145
Starch segment	73,045	96,587
Sugar segment	18,993	28,924
<b>Group</b>	<b>147,639</b>	<b>180,656</b>

- 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).
- AGRANA uses leases mainly for long-term rental agreements for land and buildings in administration and production.
- At 29 February 2020 the weighted average incremental borrowing rate for the measurement of lease liabilities was 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	2019 20
Expenses for short-term leases	2,158
Expenses for leases of low-value assets	189
Interest expenses on lease liabilities	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
<b>2019 20</b>				
At 1 March 2019	69,926	18,843	19	88,788
Currency translation differences	(4,213)	4	0	(4,209)
Additions, including capital increase at joint ventures	8,018	0	906	8,924
Share of results of equity-accounted joint ventures	16,727	0	0	16,727
Disposals, and dividends of equity-accounted joint ventures	(14,000)	0	(6)	(14,006)
Other comprehensive (expense)/income	461	752	0	1,213
<b>At 29 February 2020</b>	<b>76,919</b>	<b>19,599</b>	<b>919</b>	<b>97,437</b>
<b>2018 19</b>				
At 1 March 2018	73,228	18,703	894	92,825
Currency translation differences	(429)	67	0	(362)
Changes in scope of consolidation/other changes	0	243	(606)	(363)
Share of results of equity-accounted joint ventures	12,222	0	0	12,222
Reclassifications	0	269	(269)	0
Disposals, and dividends of equity-accounted joint ventures	(15,000)	(1,330)	0	(16,330)
Other comprehensive (expense)/income	(95)	891	0	796
<b>At 28 February 2019</b>	<b>69,926</b>	<b>18,843</b>	<b>19</b>	<b>88,788</b>

Note (19)

**10.4. Receivables and other assets**

€000	29 Feb 2020	28 Feb 2019
Trade receivables	319,457	321,694
Amounts due from affiliated companies and joint ventures	16,721	19,149
Positive fair value of derivatives	2,134	2,125
Amounts due from associates in the Südzucker group	2,063	222
Receivable under government grants	602	617
Receivables from outside companies that are investees	43	0
Miscellaneous other financial assets	20,955	16,839
<b>Financial instruments</b>	<b>361,975</b>	<b>360,646</b>
VAT credits and other tax credits	50,282	71,012
Prepaid expenses	6,479	5,358
Accrued income	2,465	2,558
<b>Total</b>	<b>421,201</b>	<b>439,574</b>
Of which due after more than 1 year	12,410	10,090

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	29 Feb 2020	28 Feb 2019
Deferred tax assets		
Intangible assets and property, plant and equipment	2,769	2,447
Non-current financial assets (primarily "one-seventh" write-downs on non-consolidated subsidiaries and on outside companies)	2,342	1,700
Inventories	4,325	3,594
Receivables and other assets	694	1,275
Carryforwards of unused tax losses	4,559	1,579
Retirement, termination and long-service benefit obligations	6,758	7,474
Other provisions and liabilities	15,445	10,060
<b>Total deferred tax assets</b>	<b>36,892</b>	<b>28,129</b>
Deferred tax assets offset against deferred tax liabilities relating to the same tax authority	(22,717)	(15,820)
<b>Net deferred tax assets</b>	<b>14,175</b>	<b>12,309</b>

Deferred tax liabilities are detailed in note 26.

**Note (21) 10.6. Inventories**

€000	29 Feb 2020	28 Feb 2019
Raw materials and consumables	212,629	204,605
Finished and unfinished goods	485,135	397,643
Goods purchased for resale	12,736	16,885
<b>Total</b>	<b>710,500</b>	<b>619,133</b>

Write-downs of € 8,472 thousand (prior year: € 23,320 thousand) were recognised on inventories, with the Sugar segment accounting for € 3,906 thousand (prior year: € 21,969 thousand) of this total. These impairment charges 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 74.
- 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 € 540,759,999 (prior year: € 540,759,999).
- 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.
- Changes in ownership interests and scope of consolidation, amounting to a net deduction of € 113 thousand, resulted from the purchase of shares of non-controlling shareholders of the fully consolidated Magyar Cukorgyártó és Forgalmazó Zrt., Budapest, Hungary, and the sale of AGRANA Fruit Fiji Pty Ltd., Sigatoka, Fiji.

**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	29 Feb 2020	28 Feb 2019
Total equity	1,387,132	1,409,928
Total assets	2,549,444	2,389,407
<b>Equity ratio</b>	<b>54.4%</b>	<b>59.0%</b>
Net debt	464,012	322,202
<b>Gearing ratio</b>	<b>33.5%</b>	<b>22.9%</b>

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	29 Feb 2020	28 Feb 2019
Provisions for:		
Retirement benefits	31,024	29,533
Termination benefits	42,377	41,644
Other	50,545	54,726
<b>Total</b>	<b>123,946</b>	<b>125,903</b>

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:

%	29 Feb 2020	28 Feb 2019
Expected rate of wage and salary increases		
Austria and rest of Europe	3.27	3.5
Mexico/USA/South Korea	6.0 / - / 4.0	6.0 / 3.0 / 5.0
Expected trend of pension increases		
Austria	2.0	2.0
Mexico	6.0	6.0
Discount rate		
Austria, rest of Europe, and USA	0.80	1.55
Mexico/South Korea	7.25 / 2.2	10.25 / 2.6

A discount rate of 0.80% (prior year: 1.55%) 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	29 Feb 2020	28 Feb 2019
Pension plans		
Present value of defined benefit obligation	47,574	43,977
Fair value of plan assets	(16,550)	(14,444)
<b>Pension provisions [net liability]</b>	<b>31,024</b>	<b>29,533</b>
Termination benefit plans		
Present value of defined benefit obligation	44,160	43,329
Fair value of plan assets	(1,783)	(1,685)
<b>Termination benefit provisions [net liability]</b>	<b>42,377</b>	<b>41,644</b>

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 € 27,560 thousand (prior year: € 24,138 thousand) and the plan assets amounted to € 16,069 thousand (prior year: € 13,983 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 € 15,449 thousand (prior year: € 15,819 thousand), of Österreichische Rübensamenzucht Gesellschaft m.b.H. in the amount of € 734 thousand (prior year: € 715 thousand), of AGRANA Stärke GmbH in the amount of € 2,170 thousand (prior year: € 2,170 thousand) and of AUSTRIA JUICE GmbH in the amount of € 221 thousand (prior year: € 209 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 € 147 thousand (prior year: € 152 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 € 546 thousand (prior year: € 495 thousand) and there were plan assets in the form of pension insurance of € 245 thousand (prior year: € 231 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 € 894 thousand (prior year: € 431 thousand), with plan assets in the form of pension insurance of € 80 thousand (prior year: € 78 thousand).

The pension provisions showed the following movement:

€000	<b>Present value of obligation</b>	<b>Fair value of plan assets</b>	<b>Pension provisions</b>
<b>2019 20</b>			
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
<b>Total recognised in the income statement [net pension cost]</b>	<b>1,234</b>	<b>(169)</b>	<b>1,065</b>
(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
<b>Total remeasurement loss/(gain) recognised in the statement of comprehensive income</b>	<b>4,996</b>	<b>(973)</b>	<b>4,023</b>
Benefits paid	(2,633)	355	(2,278)
Employer contributions to plan assets	0	(1,319)	(1,319)
<b>Other movements</b>	<b>(2,633)</b>	<b>(964)</b>	<b>(3,597)</b>
<b>At 29 February 2020</b>	<b>47,574</b>	<b>(16,550)</b>	<b>31,024</b>
<b>2018 19</b>			
At 1 March 2018	42,852	(15,452)	27,400
Current service cost	535	0	535
Interest expense/(income)	753	(264)	489
Effects of plan curtailments and settlements	(320)	114	(206)
Taxes and administration cost	0	20	20
<b>Total recognised in the income statement [net pension cost]</b>	<b>968</b>	<b>(130)</b>	<b>838</b>
Losses/(gains) from:			
Actual return on plan assets	0	932	932
Changes in demographic assumptions	1,964	0	1,964
Changes in financial assumptions	1,082	0	1,082
Experience adjustments	(533)	0	(533)
Currency translation differences	38	(4)	34
<b>Total remeasurement loss recognised in the statement of comprehensive income</b>	<b>2,551</b>	<b>928</b>	<b>3,479</b>
Changes in scope of consolidation/reclassifications	693	0	693
Settlement payments	(279)	261	(18)
Benefits paid	(2,808)	347	(2,461)
Employer contributions to plan assets	0	(398)	(398)
<b>Other movements</b>	<b>(2,394)</b>	<b>210</b>	<b>(2,184)</b>
<b>At 28 February 2019</b>	<b>43,977</b>	<b>(14,444)</b>	<b>29,533</b>

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 € 41,197 thousand (prior year: € 40,590 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 € 238 thousand (prior year: € 184 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 € 223 thousand (prior year: € 193 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 € 223 thousand (prior year: € 124 thousand).

The present value of the obligation of the termination benefit plan for South Korea was € 2,279 thousand (prior year: € 2,238 thousand); the plan assets amounted to € 1,780 thousand (prior year: € 1,682 thousand).

The termination benefit provisions showed the following movement:

€000	<b>Present value of obligation</b>	<b>Fair value of plan assets</b>	<b>Termination benefit provisions</b>
<b>2019 20</b>			
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
<b>Total recognised in the income statement [net termination benefit cost]</b>	<b>2,551</b>	<b>(39)</b>	<b>2,512</b>
Losses/(gains) from:			
Actual return on plan assets	0	24	24
Changes in financial assumptions	2,029	0	2,029
Experience adjustments	93	0	93
Currency translation differences	(62)	57	(5)
<b>Total remeasurement loss recognised in the statement of comprehensive income</b>	<b>2,060</b>	<b>81</b>	<b>2,141</b>
Benefits paid	(3,780)	154	(3,626)
Employer contributions to plan assets	0	(294)	(294)
<b>Other movements</b>	<b>(3,780)</b>	<b>(140)</b>	<b>(3,920)</b>
<b>At 29 February 2020</b>	<b>44,160</b>	<b>(1,783)</b>	<b>42,377</b>

€000	<b>Present value of obligation</b>	<b>Fair value of plan assets</b>	<b>Termination benefit provisions</b>
<b>2018 19</b>			
At 1 March 2018	42,758	(1,454)	41,304
Current service cost	1,844	0	1,844
Interest expense/(income)	715	(48)	667
Taxes and administration cost	0	3	3
<b>Total recognised in the income statement [net termination benefit cost]</b>	<b>2,559</b>	<b>(45)</b>	<b>2,514</b>
Losses/(gains) from:			
Actual return on plan assets	0	27	27
Changes in demographic assumptions	(158)	0	(158)
Changes in financial assumptions	1,179	0	1,179
Experience adjustments	19	0	19
Currency translations differences	166	(45)	121
<b>Total remeasurement loss/(gain) recognised in the statement of comprehensive income</b>	<b>1,206</b>	<b>(18)</b>	<b>1,188</b>
Changes in scope of consolidation/reclassifications	340	0	340
Benefits paid	(3,534)	140	(3,394)
Employer contributions to plan assets	0	(308)	(308)
<b>Other movements</b>	<b>(3,194)</b>	<b>(168)</b>	<b>(3,362)</b>
<b>At 28 February 2019</b>	<b>43,329</b>	<b>(1,685)</b>	<b>41,644</b>

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 loss of € 6,177 thousand (prior year: actuarial loss of € 4,039 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 29 February 2020, net cumulative actuarial losses of € 49,353 thousand (prior year: net cumulative losses of € 43,176 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:

%	<b>29 Feb 2020</b>	<b>28 Feb 2019</b>
Fixed income securities	55.72	51.45
Equity securities	23.96	23.65
Real estate	4.08	4.77
Other	16.24	20.13

## 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 29 February 2020 was 10.81 years (prior year: 12.65 years) and that of the termination benefit obligations was 9.09 years (prior year: 8.87 years).

€ 885 thousand of contributions are expected to be paid into the plan assets in the subsequent reporting period (prior year: € 2,004 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(s)		
2020 21	2,578	4,481
2021 22	2,834	3,638
2022 23	2,676	3,830
2023 24	2,629	2,942
2024 25	2,604	2,262
2025 26 to 2029 30	11,319	14,530
<b>Total</b>	<b>24,640</b>	<b>31,683</b>

Note (23b)

## b) Other provisions

€000	Reclamation	Staff costs including long-service awards	Uncertain liabilities	Total
<b>2019 20</b>				
At 1 March 2019 (as published)	8,238	18,443	28,045	54,726
Effects of initial application of IFRS 16	5,380	0	0	5,380
At 1 March 2019 (adjusted)	13,618	18,443	28,045	60,106
Currency translation differences	25	(119)	(9)	(103)
Used	(1,295)	(3,171)	(10,819)	(15,285)
Released	(1,162)	(2,894)	(5,890)	(9,946)
Reclassified	558	0	(558)	0
Added	819	6,728	8,226	15,773
<b>At 29 February 2020</b>	<b>12,563</b>	<b>18,987</b>	<b>18,995</b>	<b>50,545</b>
Of which due within 1 year	20	1,901	18,868	20,789

The provisions for uncertain liabilities included, among other items, provisions for onerous contracts of € 3,800 thousand (prior year: € 9,775 thousand), for litigation risks of € 7,976 thousand (prior year: € 9,032 thousand) and for costs of beet receiving, loading and storage of € 1,400 thousand (prior year: € 1,600 thousand).

Of the non-current other provisions of € 29,756 thousand (prior year: € 23,505 thousand), a large portion, at € 13,721 thousand (prior year: € 12,598 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 € 714 thousand (prior year: € 920 thousand) are expected to be used in outflows of funds in the next one to two years. For the majority of the non-current provisions of € 12,543 thousand (prior year: € 7,455 thousand) for reclamation, an outflow of funds is likely to occur in more than five years.

*Note (24)* **10.9. Borrowings**

€000	29 Feb 2020	28 Feb 2019
Bank loans and overdrafts, and other loans from non-Group entities	550,202	338,482
Borrowings from affiliated companies in the Südzucker group	0	85,000
Lease liabilities	26,824	145
<b>Borrowings</b>	<b>577,026</b>	<b>423,627</b>
Of which due after more than 1 year	450,212	278,988

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	29 Feb 2020
Non-current lease liabilities	21,872
Current lease liabilities	4,952

At the balance sheet date, the bank loans and overdrafts were secured by liens. The liens related to collateral in the form of export receivables for an export credit in Austria and in the form of operating assets (such as machinery) for loans in Algeria. The underlying carrying amounts were € 9,813 thousand (prior year: € 8,904 thousand).

*Note (25)* **10.10. Trade and other payables**

€000	29 Feb 2020	28 Feb 2019
Trade payables	311,771	292,914
Amounts due to affiliated companies in the Südzucker group and joint ventures	31,086	16,564
Payables from the acquisition of subsidiaries	12,192	16,845
Derivative liabilities	3,197	4,588
Financial other payables	67,312	65,033
<b>Financial instruments</b>	<b>425,558</b>	<b>395,944</b>
Payables: deferred income	3,622	3,286
Payables: prepayments	575	705
Payables: other tax	11,817	8,350
Payables: social security	8,170	8,162
<b>Total</b>	<b>449,742</b>	<b>416,447</b>
Of which due after more than 1 year	6,418	12,820

Trade payables included obligations to beet growers of € 38,113 thousand (prior year: € 23,747 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	29 Feb 2020	28 Feb 2019
Deferred tax liabilities		
Non-current assets	20,510	15,756
Inventories	575	373
Receivables and other assets	2,828	2,731
Untaxed reserves in separate financial statements	1,939	2,015
Provisions and other liabilities	2,369	1,501
<b>Total deferred tax liabilities</b>	<b>28,221</b>	<b>22,376</b>
Deferred tax assets offset against deferred tax liabilities relating to the same tax authority	(22,717)	(15,820)
<b>Net deferred tax liabilities</b>	<b>5,504</b>	<b>6,556</b>

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
<b>29 February 2020</b>					
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
	<b>1.40</b>	<b>325,285</b>	<b>8,045</b>	<b>171,134</b>	<b>146,106</b>
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
	<b>1.03</b>	<b>224,917</b>	<b>113,817</b>	<b>76,000</b>	<b>35,100</b>
<b>Total</b>	<b>1.25</b>	<b>550,202</b>	<b>121,862</b>	<b>247,134</b>	<b>181,206</b>

	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
<b>28 February 2019</b>					
Fixed rate					
CNY	5.00	7,425	594	6,831	0
DZD	5.69	2,150	1,291	859	0
EUR	1.53	267,022	45,805	164,051	57,166
	<b>1.66</b>	<b>276,597</b>	<b>47,690</b>	<b>171,741</b>	<b>57,166</b>
Variable rate					
ARS	75.00	28	22	6	0
EGP	12.00	432	432	0	0
EUR	0.68	138,558	88,558	50,000	0
HUF	2.00	5,925	5,925	0	0
KRW	3.32	1,204	1,204	0	0
TRY	22.85	297	297	0	0
USD	2.25	441	441	0	0
	<b>0.86</b>	<b>146,885</b>	<b>96,879</b>	<b>50,006</b>	<b>0</b>
<b>Total</b>	<b>1.38</b>	<b>423,482</b>	<b>144,569</b>	<b>221,747</b>	<b>57,166</b>

Borrowings (excluding lease liabilities) consisted of bank loans and overdrafts, and borrowings from affiliated companies in the Südzucker group, in a total amount of € 550,202 thousand (prior year: € 423,482 thousand).

The weighted average interest rate paid on these credits was 1.25% (prior year: 1.38%), with an average remaining maturity of 4.0 years (prior year: 3.5 years).

The credit funding of the AGRANA Group consisted primarily of two syndicated credit lines totalling € 450,000 thousand at the balance sheet date (prior year: € 450,000 thousand), a Schuldscheindarlehen (bonded loan) of € 207,000 thousand (prior year: € 42,500 thousand) and a financing from Südzucker AG, Mannheim, Germany, in the amount of € 0 thousand (prior year: € 85,000 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 € 325,285 thousand (prior year: € 276,597 thousand). The fair values (i.e., market values) of the variable rate bank loans and overdrafts are equivalent to their carrying amounts. At the balance sheet date, bank loans and overdrafts in the amount of € 9,813 thousand (prior year: € 8,904 thousand) were secured by other liens, see note 24.

Cash and cash equivalents increased by € 10,833 thousand from the prior year to a new total of € 93,415 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, caps, 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:

<b>Purchase</b>	<b>Sale</b>	<b>Notional amount</b>	<b>Positive fair values</b>	<b>Negative fair values</b>	<b>Net fair value</b>
		€000	€000	€000	€000
<b>29 February 2020</b>					
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
<b>Currency derivatives</b>		<b>371,000</b>	<b>1,725</b>	<b>(2,131)</b>	<b>(406)</b>
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
<b>Total</b>		<b>946,204</b>	<b>2,134</b>	<b>(3,197)</b>	<b>(1,063)</b>

Purchase	Sale	Notional amount €000	Positive fair values €000	Negative fair values €000	Net fair value €000
<b>28 February 2019</b>					
AUD	EUR	5,213	8	(27)	(19)
CZK	EUR	25,026	203	0	203
EUR	AUD	5,441	46	(5)	41
EUR	CZK	25,841	0	(249)	(249)
EUR	HUF	11,776	0	(245)	(245)
EUR	INR	1,696	2	(3)	(1)
EUR	MXN	6,030	4	(451)	(447)
EUR	PLN	19,553	25	(34)	(9)
EUR	RON	66,923	505	(2)	503
EUR	RUB	1,494	1	(37)	(36)
EUR	USD	117,725	52	(1,470)	(1,418)
EUR	ZAR	2,868	0	(27)	(27)
MXN	EUR	615	55	0	55
PLN	EUR	53,834	93	(18)	75
RON	EUR	32,765	9	(243)	(234)
USD	AUD	2,494	69	0	69
USD	EUR	89,577	581	(266)	315
<b>Currency derivatives</b>		<b>468,871</b>	<b>1,653</b>	<b>(3,077)</b>	<b>(1,424)</b>
Interest rate swaps		108,000	0	(1,419)	(1,419)
Interest cap		50,000	0	0	0
Sugar futures		20,286	218	(92)	126
Wheat and corn futures		38,730	254	0	254
<b>Total</b>		<b>685,887</b>	<b>2,125</b>	<b>(4,588)</b>	<b>(2,463)</b>

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 – which represent the fair values – of the derivatives recognised with such a hedging relationship are presented in the following table:

€000	29 Feb 2020 Fair value		28 Feb 2019 Fair value	
	Positive	Negative	Positive	Negative
Currency derivatives	0	(25)	19	(76)
Interest rate swaps	0	(1,059)	0	(555)
Sugar futures	71	(7)	218	(92)
Wheat and corn futures	153	0	106	0
Ethanol futures	161	0	0	0
<b>Total</b>	<b>385</b>	<b>(1,091)</b>	<b>343</b>	<b>(723)</b>

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 2019|20 financial year, a loss of € 824 thousand (prior year: loss of € 430 thousand) before taxes, and a tax benefit of € 205 thousand (prior year: € 99 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 € 117 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. At the prior-year balance sheet date, already-realised net derivative gains of € 50 thousand remained in the reserve for hedging instruments (cash flow hedges), to be held there until the underlying transaction was fulfilled.

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.

		29 Feb 2020			28 Feb 2019		
		Remaining maturity			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
<b>Currency derivatives</b>							
Notional amount	€000	2,500	–	–	6,216	–	–
Average hedged price	€	1.115	–	–	1.157	–	–
<b>Interest rate swaps</b>							
Notional amount	€000	50,000	50,000	–	50,000	50,000	–
Average hedged price	%	0.245	0.245	–	0.245	0.245	–
<b>Sugar futures</b>							
Volume	Tonnes	4,471	–	–	61,827	–	–
Average hedged price	€ per tonne	14.828	–	–	10.920	–	–
<b>Wheat and corn futures</b>							
Volume	Tonnes	63,100	–	–	78,800	–	–
Average hedged price	€ per tonne	178.740	–	–	180.802	–	–
<b>Ethanol futures</b>							
Volume	Tonnes	9,600	–	–	–	–	–
Average hedged price	€ per tonne	628.886	–	–	–	–	–

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							More than 5 y
			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	
<b>29 February 2020</b>										
<b>Currency derivatives</b>										
	1,725	1,725	1,113	508	104	0	0	0	0	0
	(2,131)	(2,131)	(1,899)	(143)	(89)	0	0	0	0	0
<b>Interest rate derivatives</b>										
	0	0	0	0	0	0	0	0	0	0
	(1,059)	(895)	(80)	(80)	(159)	(319)	(257)	0	0	0
<b>Commodity derivatives</b>										
	409	409	291	85	33	0	0	0	0	0
	(7)	(7)	(7)	0	0	0	0	0	0	0
<b>Total</b>	<b>(1,063)</b>	<b>(899)</b>	<b>(582)</b>	<b>370</b>	<b>(111)</b>	<b>(319)</b>	<b>(257)</b>	<b>0</b>	<b>0</b>	<b>0</b>

**28 February 2019**

<b>Currency derivatives</b>										
	1,653	1,653	1,371	120	162	0	0	0	0	0
	(3,077)	(3,077)	(2,230)	(360)	(487)	0	0	0	0	0
<b>Interest rate derivatives</b>										
	0	0	0	0	0	0	0	0	0	0
	(1,419)	(1,956)	(402)	(402)	(362)	(283)	(283)	(224)	0	0
<b>Commodity derivatives</b>										
	472	472	230	187	55	0	0	0	0	0
	(92)	(92)	(92)	0	0	0	0	0	0	0
<b>Total</b>	<b>(2,463)</b>	<b>(3,000)</b>	<b>(1,123)</b>	<b>(455)</b>	<b>(632)</b>	<b>(283)</b>	<b>(283)</b>	<b>(224)</b>	<b>0</b>	<b>0</b>

In terms of sensitivities, the net combined fair value of the derivative positions held at 29 February 2020 would have changed as follows given a reduction or increase of a half percentage point in the market interest rate, an appreciation or depreciation of 10% in the relevant currencies against the euro, and a reduction or increase of 10% in the prices of wheat, corn and sugar:

€000	Notional amount		Sensitivity (+)		Sensitivity (-)	
	29 Feb 2020	28 Feb 2019	29 Feb 2020	28 Feb 2019	29 Feb 2020	28 Feb 2019
Currency derivatives	371,000	468,871	10,054	4,243	(12,289)	(5,186)
Interest rate derivatives	100,000	158,000	707	1,112	(707)	(4,045)
Commodity derivatives	475,204	59,016	28	2,521	(1,125)	(3,295)

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 increase of € 608 thousand (prior year: increase of € 3,146 thousand) and for the decrease in rates and prices, an equity decrease of € 1,419 thousand (prior year: decrease of € 5,770 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 € 9,979 thousand (prior year: increase of € 3,681 thousand) and for the decrease in rates and prices, a profit decrease of € 12,229 thousand (prior year: decrease of € 4,833 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, other loans from non-Group entities, and borrowings from affiliated companies in the Südzucker group 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				Total	Fair value			Total
	Fair value through profit or loss	Fair value through other comprehensive income (no recycling)	Fair value through other comprehensive income (hedging instruments)	At amortised cost		Level 1	Level 2	Level 3	
<b>29 February 2020</b>									
<b>Financial assets at fair value</b>									
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
	<b>15,089</b>	<b>7,178</b>	<b>385</b>	<b>–</b>	<b>22,652</b>				
<b>Financial assets not at fair value</b>									
Trade receivables	–	–	–	319,457	319,457				
Financial other receivables <sup>1</sup>	–	–	–	40,384	40,384				
Cash and cash equivalents	–	–	–	93,415	93,415				
	–	–	–	453,256	453,256				
<b>Financial liabilities at fair value</b>									
Derivative liabilities	2,106	–	1,091	–	3,197	7	3,190	–	3,197
	<b>2,106</b>	<b>–</b>	<b>1,091</b>	<b>–</b>	<b>3,197</b>				
<b>Financial liabilities not at fair value</b>									
Bank loans and overdrafts, and other loans from non-Group entities	–	–	–	550,202	550,202	–	552,790	–	552,790
Lease liabilities <sup>2</sup>	–	–	–	26,824	26,824				
Trade payables	–	–	–	311,771	311,771				
Financial other payables <sup>3</sup>	–	–	–	110,590	110,590				
	–	–	–	999,387	999,387				

<sup>1</sup> Excluding other tax receivables, and excluding those prepaid expenses and accrued income not resulting in a cash inflow.

<sup>2</sup> In accordance with IFRS 7.29 (d), as of the initial application of IFRS 16 at 1 March 2019, the fair value is no longer presented.

<sup>3</sup> Excluding payables from other tax, social security, customer prepayments, and deferred income.

€000	Carrying amount				Total	Fair value			Total
	Fair value through profit or loss	Fair value through other comprehensive income (no recycling)	Fair value through other comprehensive income (hedging instruments)	At amortised cost		Level 1	Level 2	Level 3	
<b>28 February 2019</b>									
<b>Financial assets at fair value</b>									
Securities (non-current)	13,072	5,771	0	0	18,843	12,181	–	6,662	18,843
Investments in non-consolidated subsidiaries and outside companies (non-current)	0	19	0	0	19	–	–	19	19
Derivative financial assets	1,782	0	343	0	2,125	472	1,653	–	2,125
	<b>14,854</b>	<b>5,790</b>	<b>343</b>	<b>0</b>	<b>20,987</b>				
<b>Financial assets not at fair value</b>									
Trade receivables	0	0	0	321,694	321,694				
Financial other receivables <sup>1</sup>	0	0	0	36,827	36,827				
Cash and cash equivalents	0	0	0	82,582	82,582				
	<b>0</b>	<b>0</b>	<b>0</b>	<b>441,103</b>	<b>441,103</b>				
<b>Financial liabilities at fair value</b>									
Derivative liabilities	3,865	0	723	0	4,588	92	4,496	–	4,588
	<b>3,865</b>	<b>0</b>	<b>723</b>	<b>0</b>	<b>4,588</b>				
<b>Financial liabilities not at fair value</b>									
Bank loans and overdrafts, and other loans from non-Group entities	0	0	0	338,482	338,482	–	341,127	–	341,127
Borrowings from affiliated companies in the Südzucker group	0	0	0	85,000	85,000	–	86,404	–	86,404
Finance lease liabilities	0	0	0	145	145	–	184	–	184
Trade payables	0	0	0	292,914	292,914				
Financial other payables <sup>2</sup>	0	0	0	98,441	98,441				
	<b>0</b>	<b>0</b>	<b>0</b>	<b>814,982</b>	<b>814,982</b>				

<sup>1</sup> Excluding other tax receivables, and excluding those prepaid expenses and accrued income not resulting in a cash inflow.

<sup>2</sup> Excluding payables from other tax, social security, customer prepayments, and deferred income.

The fair values of financial instruments were determined on the basis of the market information available at the balance sheet date and using the methods and assumptions outlined below.

Securities of Level 1 classified as at “fair value through profit or loss” included investment fund units of € 12,449 thousand (prior year: € 12,181 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: € 5,502 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: € 269 thousand) and for € 13 thousand (prior year: € 19 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 € 906 thousand (prior year: € 0 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		Carrying amount	
	29 Feb 2020	Dividend 2019 20	28 Feb 2019	Dividend 2018 19
RAIFFEISEN-HOLDING				
NIEDERÖSTERREICH-WIEN regGenmbH	5,991	116	5,503	108
Other	1,187	17	287	24
<b>Total</b>	<b>7,178</b>	<b>133</b>	<b>5,790</b>	<b>132</b>

The change in fair values of Level 3 securities was recognised in other comprehensive income, in the reserve for equity instruments, at an increase of € 489 thousand (prior year: increase of € 1,051 thousand) before tax, and at a tax expense of € 122 thousand (prior year: tax expense of € 263 thousand). In the 2019|20 financial year in the category “at fair value through other comprehensive income (no recycling)”, in Level 3, there were additions of two investments in outside companies in the amount of € 906 thousand, and one disposal of an unconsolidated subsidiary in the amount of € 5 thousand. 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	2019 20	2018 19
Fair value through profit or loss	263	(157)
Fair value through profit or loss – derivatives	3,267	(552)
At amortised cost – financial assets	(3,006)	(90)
At amortised cost – financial liabilities	3,776	(1,129)
<b>Net gain/(loss) on financial instruments in the income statement</b>	<b>4,300</b>	<b>(1,928)</b>
Fair value through other comprehensive income (no recycling)	489	1,051
Fair value through other comprehensive income (hedging instruments)	(394)	(430)
<b>Net gain on financial instruments in other comprehensive income</b>	<b>95</b>	<b>621</b>
<b>Total net gain/(loss) on financial instruments</b>	<b>4,395</b>	<b>(1,307)</b>

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

€000	2019 20	2018 19
Total interest income	1,137	1,612
Total interest expense	(6,829)	(5,017)
<b>Net interest expense</b>	<b>(5,692)</b>	<b>(3,405)</b>

#### 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 balancing 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.

Beyond the recognition of individual impairment, the defaults of the past five years were analysed. Based on the results, loss rates were determined, by length of time past due.

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
<b>29 February 2020</b>				
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
<b>Total</b>		<b>326,840</b>	<b>(7,383)</b>	<b>319,457</b>
<b>28 February 2019</b>				
Trade receivables not yet due	0.0414	295,705	(123)	295,582
Trade receivables past due				
Up to 30 days	0.3330	21,316	(71)	21,245
31 to 90 days	1.3030	3,527	(46)	3,481
More than 90 days		1,386	0	1,386
Individual impairment recognised		7,101	(7,101)	0
<b>Total</b>		<b>329,035</b>	<b>(7,341)</b>	<b>321,694</b>

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

€000	<b>29 Feb 2020</b>	<b>28 Feb 2019</b>
Allowance at 1 March	7,341	7,243
Adjustment from initial application of IFRS 9	0	197
Currency translation adjustments/other changes	(24)	13
Added	1,358	1,130
Used	(476)	(670)
Released	(816)	(572)
<b>Allowance at 29/28 February</b>	<b>7,383</b>	<b>7,341</b>

The released amount of the allowance included interest income of € 12 thousand (prior year: € 9 thousand).

### Liquidity risk

Liquidity risk is the risk that a company will not be able to meet its financial obligations when due or in sufficient measure.

The AGRANA Group generates liquidity with its business operations and from external financing. The funds are used to fund working capital, investment and business acquisitions.

In order to ensure the Group's solvency at all times and safeguard its financial flexibility, a liquidity reserve is maintained in the form of credit lines and, to the extent necessary, of cash.

To manage the seasonally fluctuating cash flows, both short-term and long-term finance is raised in the course of day-to-day financial management.

At the balance sheet date the Group had credit lines with a total limit of € 1,003,201 thousand (prior year: € 897,161 thousand). The weighted average remaining maturity of the credit lines at the balance sheet date was 3.0 years (prior year: 2.6 years).

The following maturity profile shows the effects of the cash outflows from liabilities as at 29 February 2020 on the Group's liquidity situation. All cash outflows are undiscounted.

€000	Carrying amount	Total	Contractual cash outflows							More than 5 y
			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	
<b>29 February 2020</b>										
<b>Non-derivative financial payables</b>										
Bank loans and overdrafts, and other loans										
from non-Group entities	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
	<b>999,387</b>	<b>1,036,820</b>	<b>483,942</b>	<b>45,659</b>	<b>19,481</b>	<b>24,819</b>	<b>124,918</b>	<b>13,413</b>	<b>120,587</b>	<b>204,001</b>

€000	Carrying amount	Total	Contractual cash outflows							More than 5 y
			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	
<b>Derivative financial payables</b>										
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
	<b>3,197</b>	<b>3,033</b>	<b>1,986</b>	<b>223</b>	<b>248</b>	<b>319</b>	<b>257</b>	<b>0</b>	<b>0</b>	<b>0</b>

**28 February 2019****Non-derivative****financial payables**

Bank loans and overdrafts, and other loans										
from non-Group entities	338,482	349,078	105,804	14,228	27,481	9,393	10,497	16,598	106,562	58,515
Borrowings from affiliated companies										
in the Südzucker group	85,000	91,040	319	319	637	1,275	1,275	1,275	85,940	0
Trade payables	292,914	292,914	275,990	14,086	2,838	0	0	0	0	0
Trade payables and amounts due to affiliated companies										
in the Südzucker group and joint ventures	16,564	16,564	15,908	0	656	0	0	0	0	0
Finance lease liabilities	145	188	25	25	51	76	11	0	0	0
Financial other payables	81,877	81,877	54,412	6,181	8,464	6,941	5,751	57	23	48
	<b>814,982</b>	<b>831,661</b>	<b>452,458</b>	<b>34,839</b>	<b>40,127</b>	<b>17,685</b>	<b>17,534</b>	<b>17,930</b>	<b>192,525</b>	<b>58,563</b>
<b>Derivative financial payables</b>										
Interest rate derivatives	1,419	1,955	402	402	362	283	283	223	0	0
Currency derivatives	3,077	3,077	2,230	360	487	0	0	0	0	0
Commodity derivatives	92	92	92	0	0	0	0	0	0	0
	<b>4,588</b>	<b>5,124</b>	<b>2,724</b>	<b>762</b>	<b>849</b>	<b>283</b>	<b>283</b>	<b>223</b>	<b>0</b>	<b>0</b>

The undiscounted cash outflows as presented are based on the assumption that repayment of liabilities is applied to the earliest maturity date. Interest payments on floating rate financial instruments are determined by reference to the most recent prevailing rates.

### Currency risk

The Group's international business operations expose AGRANA to foreign exchange risks from financing and financial investment, from trade receivables and trade payables, and from future foreign currency cash flows under purchasing and sales contracts. To measure and control these risks, the AGRANA Group uses Value-at-Risk based on the variance-covariance approach at a 95% confidence level. This involves the measurement of the various currency pairs at the given volatilities and takes into account the correlations between them.

The result is stated as diversified Value-at-Risk:

	Value-at-Risk	
	29 Feb 2020	28 Feb 2019
€000		
Sum of absolute net positions of the currency pairs	140,281	118,435
<b>Value-at-Risk diversified</b>	<b>3,835</b>	<b>9,848</b>

The following table gives the foreign currency position by currency pair of the Value-at-Risk calculation. The individual values include both the financing activities and the operating business. This combined presentation allows the quantification of the interactions between these two spheres for each currency pair (natural hedging).

	Foreign-currency position	
	29 Feb 2020	28 Feb 2019
€000		
Currency pair		
EUR/ARS	7	8,944
EUR/AUD	1,911	559
EUR/CNY	4,326	787
EUR/CZK	5,874	1,059
EUR/HUF	1,078	21,625
EUR/INR	2,548	66
EUR/MAD	3,698	3,724
EUR/RON	94,675	35,311
EUR/RUB	4,038	22,861
EUR/UAH	642	4,258
EUR/USD	1,886	900
USD/AUD	1,915	496
USD/BRL	2,444	1,179
USD/CNY	9,173	386
USD/MXN	80	3,573
Other	5,986	12,707
<b>Total</b>	<b>140,281</b>	<b>118,435</b>

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 € 140,281 thousand (prior year: € 118,435 thousand) related primarily to Romania, China, the Czech Republic, Russia and Morocco, and represented a Value-at-Risk of € 3,835 thousand (prior year: € 9,848 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	<b>29 Feb 2020</b>	<b>28 Feb 2019</b>
Net floating rate borrowings	224,917	147,029
<b>Cash-Flow-at-Risk diversified</b>	<b>644</b>	<b>319</b>
Net fixed rate borrowings	317,240	228,908
<b>Value-at-Risk upon change in interest rates</b>	<b>15,669</b>	<b>11,724</b>

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 sale of 4,471 tonnes of raw sugar (prior year: purchase of 61,827 tonnes), the purchase of 63,100 tonnes of wheat for the Austrian bioethanol production operations (prior year: 78,800 tonnes), the purchase of 4,000 tonnes of waxy corn derivatives (prior year: sale of 2,000 tonnes), and the sale of 9,600 tonnes of ethanol (prior year: 0 tonnes). These positions represented an aggregate contract amount of € 16,782 thousand (prior year: € 29,017 thousand) and, based on the underlying closing prices, had a combined net positive fair value of € 402 thousand (prior year: positive fair value of € 380 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 privacy, anti-money laundering and anti-terrorism finance provisions. AGRANA maintains dedicated staff positions for matters of compliance, employment law and general areas of law.

There are currently 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.

As noted in previous annual reports, the Austrian Federal Competition Authority 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. The Vienna Higher Regional Court on 19 May 2019 dismissed the suit and did not impose a fine; the FCA has appealed the decision to the Supreme Court. AGRANA continues to regard the allegation as unfounded and the fine sought as unwarranted.

**11.5. Contingent liabilities and commitments**

Guarantees were primarily related to bank loans of the joint ventures in the Sugar segment.

€ 000	<b>29 Feb 2020</b>	<b>28 Feb 2019</b>
Guarantees	44,728	43,978
Warranties, cooperative liabilities	1,365	1,365

The guarantees are not expected to be utilised.

A further contingent liability of € 5,925 thousand (prior year: € 6,330 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 were as presented in the table below:

€ 000	<b>29 Feb 2020</b>	<b>28 Feb 2019</b>
Present value of lease payments due within 5 years	0	17,771
Commitments for the purchase of property, plant and equipment	12,576	77,793
<b>Commitments</b>	<b>12,576</b>	<b>95,564</b>

**12. Events after the balance sheet date**

The global spread of the coronavirus disease (COVID-19) was declared a pandemic by the World Health Organisation on 11 March 2020. This underlines a higher probability of possible material effects on AGRANA's future business trajectory. As of the date of preparation of the annual financial statements on 22 April 2020, it was not possible to estimate the financial impacts owing to the rapid pace of developments. Depending on the actual effects and further trajectory of the coronavirus crisis, negative impacts on the 2020|21 financial year or on subsequent years may arise, such as impairment of goodwill and property, plant and equipment, effects on medium-term projections, or impacts in other areas relevant to financial results. These effects were not yet predictable at 29 February 2020 and thus not yet accounted for.

Effective 1 March 2020, AGRANA Stärke GmbH acquired the Santa Cruz, California-based Marroquin Organic International, Inc. This trading company specialising in organic products serves B2B customers and sources much of its product portfolio from AGRANA.

No other events of material significance to AGRANA occurred after the balance sheet date of 29 February 2020.

### 13. Related party disclosures

AGRANA Zucker, Stärke und Frucht Holding AG, Vienna, holds 100% of the ordinary shares of Z&S Zucker und Stärke Holding AG, Vienna, which in turn holds 78.34% of the ordinary shares of AGRANA Beteiligungs-AG. Both holding companies are exempt from the obligation to prepare consolidated financial statements, as their accounts are included in the consolidated financial statements of Südzucker AG, Mannheim, 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 subsidiaries	Total
<b>2019 20</b>					
Revenue	78,973	17,748	19,805	0	<b>116,526</b>
Operating expenses	(64,160)	(580)	(61,959)	(254)	<b>(126,953)</b>
Credit relationships	(578)	(53,652)	0	0	<b>(54,230)</b>
Participation capital	0	5,991	0	0	<b>5,991</b>
Bank balances and current receivables	0	13,327	9	0	<b>13,336</b>
Non-current financial receivables	0	0	3,500	0	<b>3,500</b>
Net trade (payables)/receivables for goods	(10,979)	1,009	(3,796)	(54)	<b>(13,820)</b>
Net interest (expense)/income	(545)	(923)	124	0	<b>(1,344)</b>
Guarantees issued	0	0	46,000	0	<b>46,000</b>
Guarantees utilised	0	0	40,642	0	<b>40,642</b>

€000	Südzucker group	Companies with significant influence	Joint ventures	Non- consolidated sub- sidiaries	Total
<b>2018 19</b>					
Revenue	77,605	18,686	19,762	1	<b>116,054</b>
Operating expenses	(62,300)	(522)	(63,919)	(224)	<b>(126,965)</b>
Credit relationships	(85,656)	(41,684)	0	0	<b>(127,340)</b>
Participation capital	0	5,503	0	0	<b>5,503</b>
Bank balances and current receivables	0	2,936	510	0	<b>3,446</b>
Non-current financial receivables	0	0	4,500	0	<b>4,500</b>
Net trade receivables/(payables) for goods	2,742	979	(4,245)	(39)	<b>(563)</b>
Net interest (expense)/income	(1,373)	(570)	404	0	<b>(1,539)</b>
Guarantees issued	0	0	44,000	0	<b>44,000</b>
Guarantees utilised	0	0	41,591	0	<b>41,591</b>

At the balance sheet date, borrowings from related parties amounted to € 54,230 thousand (prior year: € 127,340 thousand). Of this total, € 0 thousand represented non-current borrowings (prior year: € 85,000 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 € 3,936 thousand (prior year: € 3,741 thousand), consisting of total fixed base salaries of € 1,814 thousand (prior year: € 1,681 thousand) and a total performance-based, variable component of € 2,122 thousand (prior year: € 2,060 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 5 July 2019 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 2019|20 financial year, pension fund contributions of € 383 thousand were paid (prior year: € 350 thousand). A follow-up payment of € 125 thousand (prior year: € 125 thousand) was made to former Chief Financial Officer Walter Grausam, who retired on 31 December 2014. As well, supplementary contributions of € 939 thousand were made to the pension fund.

The retirement benefit obligations in respect of the Management Board are administered by an external pension fund. In the balance sheet at 29 February 2020, within the item "retirement and termination benefit obligations", an amount of € 11,491 thousand was recognised for pension obligations (prior year: € 10,155 thousand) and an amount of € 2,565 thousand was recognised for termination benefit obligations (prior year: € 2,468 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 142.

On 22 April 2020 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, 22 April 2020

The Management Board of AGRANA Beteiligungs-AG



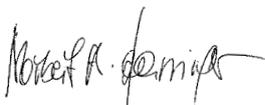
Johann Marihart  
Chief Executive Officer



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

Wolfgang Heer  
First Vice-Chairman<sup>1</sup>

Klaus Buchleitner  
Second Vice-Chairman

Helmut Friedl  
Member

Hans-Jörg Gebhard  
Member<sup>2</sup>

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

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<sup>1</sup> Stepped down on 4 March 2020.

<sup>2</sup> Elected as First Vice-Chairman of the Supervisory Board at the Supervisory Board meeting of AGRANA Beteiligungs-AG on 26 February 2020, with effect from 1 April 2020.

# 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 29 February 2020, 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 2019|20 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, 22 April 2020

The Management Board of AGRANA Beteiligungs-AG



**Johann Marihart**  
Chief Executive Officer  
Present responsibilities: Business Strategy, Communication (including Investor Relations), Quality Management, Human Resources, Research and Development



**Stephan Büttner**  
Member of the Management Board  
Present responsibilities: Finance, Controlling, Treasury, Information Technology and Organisation, Mergers & Acquisitions, Compliance, Legal



**Fritz Gattermayer**  
Member of the Management Board  
Present responsibilities: Sales, Raw Materials, Purchasing & Logistics



**Norbert Harringer**  
Member of the Management Board  
Present responsibilities: Production Coordination, Investment



**Thomas Kölbl**  
Member of the Management Board  
Responsibility on Internal Audit

# 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 consolidated balance sheet as at 29 February 2020, the separate consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the fiscal 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 29 February 2020, and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU and the additional requirements under Section 245a Austrian Commercial Code.

### Basis for Opinion

We conducted our audit in accordance with Regulation (EU) No. 537/2014 (hereinafter EU Regulation) and Austrian generally accepted auditing standards. 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 is sufficient and appropriate to provide a basis for our opinion.

### Other Matter

The consolidated financial statements of AGRANA Beteiligungs-Aktiengesellschaft, Vienna, for the fiscal year ended 28 February 2019 were audited by another audit firm, which issued an unqualified audit opinion dated 24 April 2019 on these consolidated financial statements.

Our audit opinion is not qualified in respect of this matter.

### Emphasis of matter – COVID-19

We refer readers to Section 12 of the notes to the consolidated financial statements, "Events after the balance sheet date", describing the impact of the coronavirus (COVID-19) on the Group.

Our audit opinion is not qualified in respect of this matter.

### 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 fiscal 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 our presentation of these 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 261,892k (carrying amount as at 28 February 2019: EUR 261,892k).

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). Due to the Austrian and global developments in relation to Sars-CoV-2/COVID-19, management additionally assessed internally at the beginning of March 2020, with updates throughout the audit up to the date of this audit report, whether there has been a triggering event which would require an updated impairment test as at 29 February 2020. The assessment carried out by management concluded that there was a triggering event due to COVID-19 requiring an updated impairment test as at 29 February 2020.

In assessing whether goodwill is impaired, the Company determines the value in use for the cash generating units (CGUs). The Company calculates the values in use based on the discounted cash flow method. This measurement 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 method is also influenced by future changes in the market, economic and legal environment.

Based on the facts described above that the determination of value in use is based on judgements and associated with estimate uncertainties, particular audit attention was paid to the testing of goodwill for impairment.

### Audit approach and key observations

We have:

- evaluated the internal monitoring system to ensure that it is appropriate to detect possible indications of impairment and evaluated how the Company assesses objective evidence of impairment,
- consulted with our measurement specialists,
- compared the measurement method and assumptions in respect of forecasts and measurement 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 measurement method applied by following the model and analysing whether it is appropriate 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, and
- reviewed the Company's applied forecasting accuracy by backtesting the underlying forecast figures.

In addition, the notes, which form part of the consolidated financial statements, were reviewed for accuracy and completeness.

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

### Reference to related disclosures

In the notes to the consolidated financial statements, see Section 7.6 for the procedures carried out by management for the performance of impairment tests, and Section 10, Note (16).

## Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements under Section 245a UGB, 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 auditing standards, 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 auditing standards, 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 risk 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. We communicate with the audit committee on 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 the Austrian Commercial Code, 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 requirements. As regards the consolidated non-financial statement included in the management report for the Group, our responsibility is to verify that it has been prepared, to read it and to consider whether it is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Management is responsible for the preparation of the management report for the Group in accordance with the Austrian Commercial Code.

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 requirements, contains accurate disclosures pursuant to 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 on the understanding obtained concerning the Group and its circumstances, no material misstatements in the management report for the Group came to our attention.

### Addendum

As regards the impact of COVID-19, we refer to the disclosures on the Company's risk management made in the management report for the Group (from page 62).

**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 the auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Additional Information in Accordance with Article 10 of the EU Regulation**

We were appointed as statutory auditor at the annual general meeting on 5 July 2019. We were engaged by the supervisory board on 22 August 2019. We have been statutory auditor without interruption 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 we did not provide any prohibited non-audit services (Article 5 (1) of the EU Regulation) and that we remained independent of the audited company in conducting the audit.

**Engagement Partner**

The engagement partner responsible for the audit engagement is Mr. Werner Stockreiter, Austrian Certified Public Accountant.

Vienna, 22 April 2020

PwC Wirtschaftsprüfung GmbH

signed:

Werner Stockreiter

Austrian Certified Public Accountant

# Parent company: financial statements and management report 2019|20

AGRANA Beteiligungs-AG  
under Austrian Commercial Code (UGB)

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<sup>1</sup> In German only.

# Parent company management report

for the year ended 29 February 2020

## INHALTSVERZEICHNIS

Überblick

Geschäftsverlauf und wirtschaftliche Lage der AGRANA Beteiligungs-Aktiengesellschaft

Beteiligungen der AGRANA Beteiligungs-Aktiengesellschaft

Umwelt und Nachhaltigkeit

Forschung und Entwicklung

Personal- und Sozialbericht

Risikomanagement und Internes Kontrollsystem

Berichterstattung gemäß § 243a Abs. 2 UGB

Kapital-, Anteils-, Stimm- und Kontrollrechte

Corporate Governance-Bericht

Zweigniederlassungen

Ereignisse nach dem Bilanzstichtag

Prognosebericht

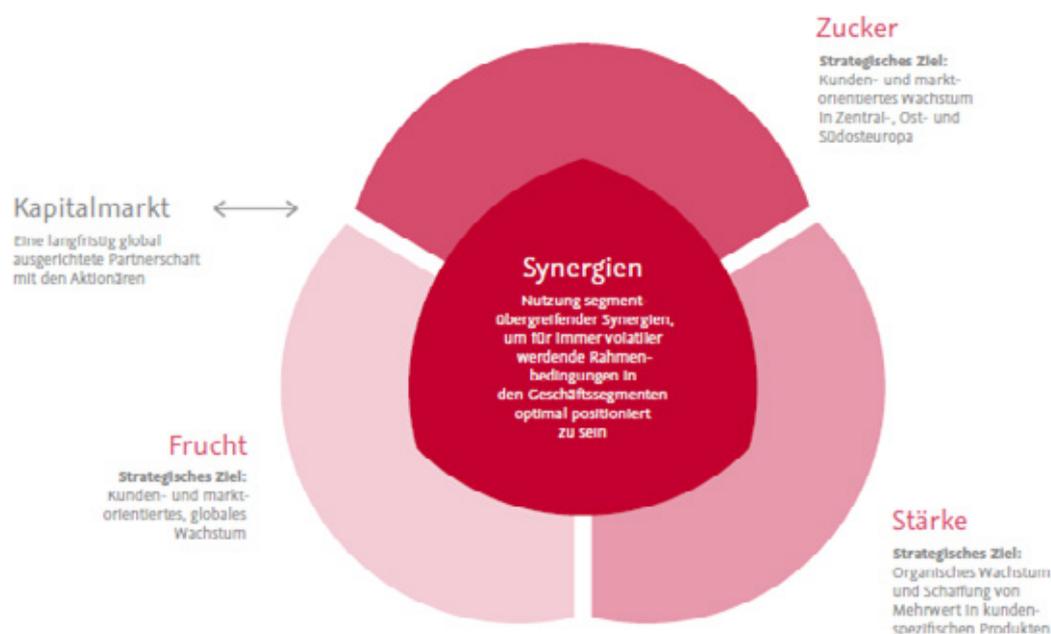
## ÜBERBLICK

Die AGRANA Beteiligungs-Aktiengesellschaft ist als international ausgerichtetes österreichisches Industrieunternehmen in ihrer **Konzernstätigkeit** in den Segmenten Zucker und Stärke hauptsächlich in Europa und im Segment Frucht weltweit tätig und strebt in diesen Märkten eine führende Position in der industriellen Veredelung von agrarischen Rohstoffen an. Die AGRANA Beteiligungs-Aktiengesellschaft bildet die Holding-Gesellschaft der AGRANA-Gruppe („AGRANA“).

Der Konzern verfolgt einen an den jeweiligen lokalen Marktgegebenheiten ausgerichteten Wachstumskurs. Langfristige und stabile Kunden- und Lieferantenbeziehungen, respektvolles Verhalten gegenüber den Stakeholdern sowie die kontinuierliche Steigerung des Unternehmenswertes sind wichtige Eckpfeiler, die an den Grundsätzen nachhaltigen Wirtschaftens ausgerichteten Unternehmensstrategie.

Ziel von AGRANA ist es, sowohl global agierenden als auch regional tätigen Kunden weltweit hohe Produktqualität, optimalen Service sowie innovative Ideen und Know-how in der Produktentwicklung zu bieten.

Die strategischen Ziele der Konzernsegmente, die sich in der AGRANA Beteiligungs-Aktiengesellschaft in den Beteiligungsverhältnissen widerspiegeln, stehen in einer synergetischen Wechselwirkung:



AGRANA kontrolliert und steuert die produktbezogene Wertschöpfungskette vom Einkauf der agrarischen Rohstoffe bis zu den daraus gewonnenen industriellen Vorprodukten, im Segment Zucker auch bis zum Endprodukt für den Konsumenten.

Das Unternehmen nutzt das konzerneigene strategische Know-how über die Segmente hinweg. Dies betrifft v.a. die landwirtschaftliche Kontraktwirtschaft und Rohstoffbeschaffung, Kenntnisse von Kundenbedürfnissen und Märkten, die Möglichkeiten segmentübergreifender Produktentwicklungen sowie Synergien in der Logistik, im Einkauf, Verkauf und im Finanzbereich. Damit wird die Basis für eine

gute Marktstellung gegenüber den Mitbewerbern in allen Produktgruppen sowie die Innovationskraft und die gute Kostenposition der AGRANA geschaffen.

Das Segment **Frucht** umfasst für Kunden individuell konzipierte und produzierte Fruchtzubereitungen und Fruchtsaftkonzentrate. AGRANA ist der weltweit führende Hersteller von Fruchtzubereitungen für die Molkerei-, Backwaren-, Eiscreme- und Food-Service-Industrie. Die in Zubereitungen verarbeiteten Früchte werden größtenteils in tiefgefrorener oder aseptischer Form von Erstverarbeitern bezogen. In einigen Ländern betreibt AGRANA auch eigene Anlagen der ersten Verarbeitungsstufe, in denen frische Früchte teilweise von Vertragsanbauern übernommen und für die Verarbeitung in Fruchtzubereitungen vorbereitet werden. Im Bereich Fruchtsaftkonzentrate werden v.a. an europäischen Produktionsstandorten Apfel- und Beerensaftkonzentrate ebenso wie Direktsäfte und Fruchtweine sowie Getränkegrundstoffe und Aromen hergestellt. AGRANA legt Wert auf eine möglichst nachhaltige, vollständige Verwertung der eingesetzten agrarischen Rohstoffe. Während in der Herstellung von Fruchtzubereitungen kaum Reststoffe anfallen, werden die bei der Produktion von Apfelsaftkonzentrat verbleibenden Presskuchen, sogenannte (Apfel-)Trester, von der Pektinindustrie und als Futtermittel genutzt.

Im Segment **Stärke** verarbeitet und veredelt AGRANA sowohl aus Vertragslandwirtschaft stammende als auch über den Handel bezogene Rohstoffe (primär Mais, Weizen und Kartoffeln) zu hochwertigen Stärkeprodukten. Die erzeugten Produkte werden an die Nahrungs- und Genussmittelindustrie und auch an die Papier-, Textil-, Kosmetik-, Baustoffindustrie sowie andere technische Industriezweige geliefert. Im Rahmen der Stärkegewinnung werden auch Dünge- und hochwertige Futtermittel erzeugt. Die Produktion von Bioethanol, das als klimaschonende Komponente Benzin beigemischt wird, ist ebenfalls Teil des Segmentes Stärke.

AGRANA verarbeitet im Segment **Zucker** Zuckerrüben aus Vertragslandwirtschaft und raffiniert weltweit bezogenen Rohr-Rohzucker. Die Produkte werden an weiterverarbeitende Industrien z.B. für Süßwaren, alkoholfreie Getränke und Pharmaanwendungen geliefert. Zudem vertreibt AGRANA unter länderspezifischen Marken auch eine breite Palette an Kristallzucker und Zuckerspezialprodukten über den Lebensmittelhandel an Endkonsumenten. Daneben produziert AGRANA im Sinne einer möglichst vollständigen Verwertung der eingesetzten agrarischen Rohstoffe eine Vielzahl an Dünge- und Futtermitteln zum Einsatz in der Landwirtschaft und Nutztierhaltung. Diese leisten nicht nur einen Beitrag zum ökonomischen Erfolg, sondern schließen durch die Rückführung von Nähr- und Mineralstoffen in die Natur auch den ökologischen Kreislauf.

Rund 9.300 Mitarbeiter (FTEs)<sup>1</sup> an 57 Produktionsstandorten auf allen Kontinenten erwirtschafteten im Geschäftsjahr 2019|20 einen Konzernumsatz von rund 2,5 Mrd. €. AGRANA wurde 1988 gegründet und notiert seit 1991 an der Wiener Börse.

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<sup>1</sup> Durchschnittlich im Geschäftsjahr beschäftigte Vollzeitäquivalente (FTEs - Full-time equivalents)

## GESCHÄFTSVERLAUF UND WIRTSCHAFTLICHE LAGE DER AGRANA BETEILIGUNGS-AKTIENGESELLSCHAFT

basierend auf dem Jahresabschluss nach UGB zum 29. Februar 2020

<b>Geschäftsentwicklung</b>		<b>2019/20</b>	<b>Veränderung</b>	
			<b>2018/19</b>	<b>in %</b>
Umsatzerlöse	t€	35.137	32.339	8,7%
Sonstige betriebliche Erträge	t€	205	121	69,4%
Betriebsleistung	t€	35.342	32.460	8,9%
Operatives Ergebnis (Betriebserfolg)	t€	-13.575	-14.664	7,4%
Operative Marge <sup>1</sup>	%	-38,4%	-45,2%	
Beteiligungserträge	t€	74.810	64.523	15,9%
Finanzerfolg	t€	78.135	68.122	14,7%
Ergebnis vor Steuern	t€	64.560	53.458	20,8%
Jahresüberschuss	t€	64.880	53.626	21,0%
Investitionen in Sachanlagen und immaterielle Vermögenswerte	t€	728	1.856	-60,8%
Investitionen in Finanzanlagen	t€	204.500	0	x

<sup>1</sup> Operative Marge = Operatives Ergebnis / Betriebsleistung

### Umsatzerlöse

Die **Umsatzerlöse** der AGRANA lagen im Geschäftsjahr 2019|20 mit 35.137 t€ insgesamt über dem Vorjahresniveau (+2.798 t€ bzw +8,7%). Eine positive Entwicklung zeigten die Erträge aus Konzernverrechnungen (+2.408 t€ bzw +13,8%). Bei den Erträgen aus Lizenzeinnahmen verzeichnete man ebenfalls einen Anstieg (+500 t€ bzw +3,5%). Der Anstieg der Konzernverrechnungen ist grundsätzlich durch die erhöhte projektbezogene Weiterverrechnung der IT-Aufwendungen bedingt.

### Ertragslage

Der Betriebserfolg (**operatives Ergebnis**) war zwar negativ, lag aber mit -13.575 t€ um +1.089 t€ bzw +7,4 % über dem Ergebnis des Vorjahres. Diese Veränderung ist insbesondere auf einen Anstieg der Umsatzerlöse zurückzuführen, während die Personalaufwendungen bei 22.524 t€ (VJ 22.707 t€) annähernd gleichgeblieben sind.

Die sonstigen Aufwendungen sind im Vergleich zum Vorjahr um +1.894 t€ bzw +8,2% angestiegen. Der Anstieg war unter anderem durch die Erhöhung der und IT- und Marketingaufwendungen bedingt.

Die **Beteiligungserträge** stiegen im Geschäftsjahr 2019|20 um +10.287 t€ bzw +15,9% an. Dies ist bedingt durch die Dividenden der AGRANA Sales & Marketing GmbH (ehem. AGRANA Marketing- und Vertriebsservice Gesellschaft m.b.H.), Wien.

**Vermögens- und Finanzlage**

<b>Bilanzkennzahlen</b>		<b>Veränderung</b>		
		<b>2019/20</b>	<b>2018/19</b>	<b>in %</b>
Bilanzsumme	t€	1.031.233	816.246	26,3%
Grundkapital	t€	113.531	113.531	0,0%
Immaterielle Vermögensgegenstände und Sachanlagen	t€	2.033	2.659	-23,5%
Anteile an verbundenen Unternehmen	t€	417.025	417.025	0,0%
Andere Finanzanlagen	t€	247.259	42.758	478,3%
Eigenkapital	t€	748.306	745.915	0,3%
Eigenkapitalquote <sup>1</sup>	%	72,6%	91,4%	-20,6%
Haftungsverhältnisse	t€	288.374	252.712	14,1%

<sup>1</sup> Eigenkapitalquote = Eigenkapital / Gesamtkapital

Die **Immateriellen Vermögensgegenstände und Sachanlagen** reduzieren sich im Vergleich zum Vorjahr um -626 t€. Den Investitionen in Höhe von 728 t€ stehen Abschreibungen in Höhe von 1.303 t€ gegenüber. Die wesentlichen Veränderungen betreffen Zu- und Abgänge im Fuhrpark und bei EDV-Anlagen.

Die **Anteile an verbundenen Unternehmen** sind im Vergleich zum Vorjahr unverändert.

**Andere Finanzanlagen** beinhalten Ausleihungen an verbundene Unternehmen und erhöhten sich im Geschäftsjahr 2019/20 um +204.500 t€ durch ein Schuldscheindarlehen, dies spiegelt sich analog in den Verbindlichkeiten gegenüber Kreditinstituten wider.

Die **Eigenkapitalquote** von 72,6 % liegt zwar deutlich unter dem Vorjahr (91,4 %), zeigt aber immer noch eine stabile und solide Eigenkapitalausstattung und Bilanzstruktur der Gesellschaft.

**Cashflow**

		<b>2019/20</b>	<b>2018/19</b>	<b>Veränderung in %</b>
Cashflow aus laufender Geschäftstätigkeit	t€	56.008	65.593	-14,6%
Cashflow aus Investitionstätigkeit	t€	-205.173	-1.798	11311,2%
Cashflow aus Finanzierungstätigkeit	t€	142.011	-70.301	-302,0%
Veränderung der flüssigen Mittel	t€	-7.154	-6.506	10,0%
Bestand an flüssigen Mittel <sup>1</sup>	t€	249.097	256.250	-2,8%

<sup>1</sup> einschließlich Forderungen gegenüber dem Konzern-Cash-Pooling mit AGRANA Group-Services GmbH  
2019/20: t€ 249.068; 2018/19: t€ 256.217

Der Cash-Flow aus der **Investitionstätigkeit** veränderte sich um -203.375 t€ auf -205.173 t€. Im Geschäftsjahr 2019|20 ist der negative Cashflow vor allem durch eine Ausleihung an ein verbundenes Unternehmen bedingt.

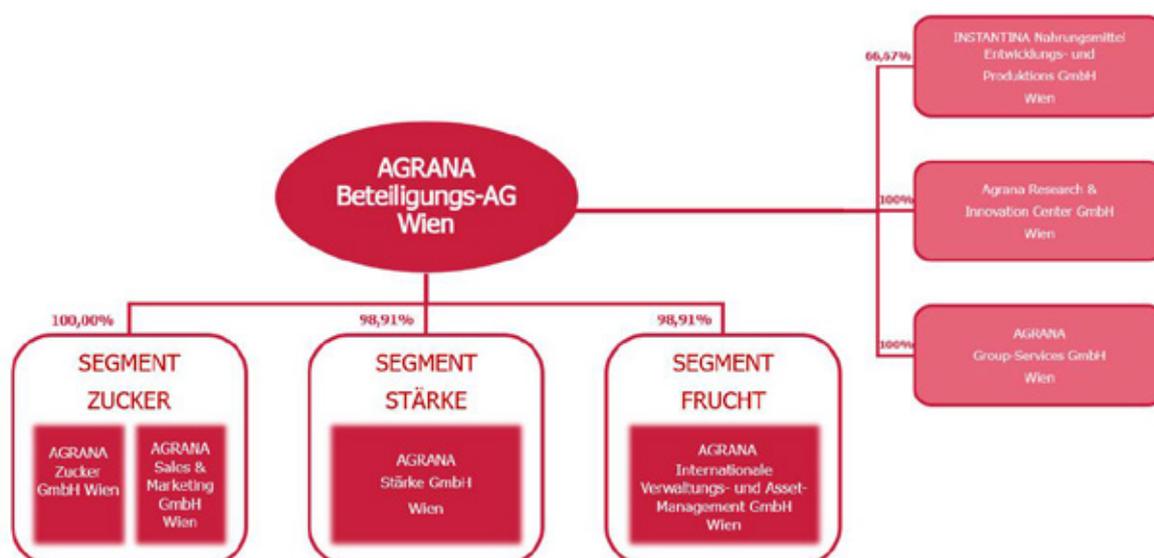
Der Cashflow aus der **Finanzierungstätigkeit** resultiert aus der Dividendenauszahlung von rd. -62.489 t€ (VJ: 70.300 t€) und der Aufnahme eines Schuldscheindarlehens in Höhe von +204.500 t€.

## BETEILIGUNGEN DER AGRANA BETEILIGUNGS- AKTIENGESELLSCHAFT

Die Segmente der AGRANA-Gruppe spiegeln sich in der AGRANA Beteiligungs-Aktiengesellschaft im Finanzanlagevermögen unter den Beteiligungen wider.

Die weiteren Beteiligungen der AGRANA-Beteiligungs-Aktiengesellschaft werden bis auf die INSTANTINA Nahrungsmittel Entwicklungs- und Produktions Gesellschaft m.b.H. zu 100 % gehalten. Die restlichen Anteile auf 100 % (33,33 %) der INSTANTINA Nahrungsmittel Entwicklungs- und Produktions Gesellschaft m.b.H werden von der KRÜGER Gesellschaft m.b.H. & Co. KG, Deutschland gehalten.

Die restlichen Anteile auf 100 % der „Segment-Gesellschaften“ Stärke und Frucht werden von der Tochtergesellschaft AGRANA Sales & Marketing GmbH (ehem. AGRANA Marketing- und Vertriebsservice Gesellschaft m.b.H.) gehalten.



## AGRANA Zucker GmbH

Seit 1. Oktober 2019 sind alle Sales- und Marketingaktivitäten in einer neuen Vertriebsgesellschaft, der AGRANA Sales & Marketing GmbH (ehem. AGRANA Marketing- und Vertriebservice Gesellschaft m.b.H.) zusammengefasst. Diese Gesellschaft ist nunmehr auch die Dachgesellschaft für die Zuckerverkaufsaktivitäten des Konzerns und fungiert gleichzeitig als Holding für die Zucker-Beteiligungen in Ungarn, Tschechien, der Slowakei, Rumänien, Bulgarien und Bosnien und Herzegowina. Die AGRANA Zucker GmbH fungiert nur mehr als Produktionsunternehmen der beiden österreichischen Zuckerfabriken. Dem Segment Zucker werden weiters die INSTANTINA Nahrungsmittel Entwicklungs- und Produktions Gesellschaft m.b.H., Wien, die AGRANA Research & Innovation Center GmbH, Wien, die Österreichische Rübensamenzucht Gesellschaft m.b.H., Wien, sowie die AGRANA Beteiligungs-Aktiengesellschaft, Wien, als Gruppen-Holding zugerechnet. Die Gemeinschaftsunternehmen der AGRANA-STUDEN-Gruppe und der Beta Pura GmbH werden nach der Equity-Methode in den Konzernabschluss einbezogen.

### Geschäftsentwicklung

Segment Zucker		Veränderung		
		2019   20	2018   19	% / pp
Umsatzerlöse (brutto)	t€	536.313	561.424	-4,5%
Umsätze zwischen den Segmenten	t€	-48.035	-60.207	20,2%
Umsatzerlöse	t€	488.278	501.217	-2,6%
EBITDA <sup>1</sup>	t€	-11.910	-33.687	64,6%
Operatives Ergebnis	t€	-43.683	-61.192	28,6%
Ergebnisanteil von Gemeinschaftsunternehmen, die nach der Equity-Methode bilanziert werden	t€	386	-3.964	109,7%
Ergebnis aus Sondereinflüssen	t€	-743	3.294	-122,6%
Ergebnis der Betriebstätigkeit (EBIT)	t€	-44.040	-61.862	28,8%
EBIT-Marge	%	-9,0	-12,3	3,3pp
Investitionen <sup>2</sup>	t€	19.557	30.549	-36,0%
Mitarbeiter (FTEs) <sup>3</sup>		2.061	2.064	-0,1%

<sup>1</sup> Operatives Ergebnis vor operativen Abschreibungen

<sup>2</sup> In Sachanlagen und immaterielle Vermögenswerte, ausgenommen Geschäfts-/Firmenwerte

<sup>3</sup> Durchschnittlich im Geschäftsjahr beschäftigte Vollzeitäquivalente (FTEs - Full-time equivalents)

Der Absatz der Zuckerprodukte im Geschäftsjahr 2019|20 lag unter dem Vorjahresniveau, wobei sich die jeweiligen Märkte unterschiedlich entwickelten. Während die Verkäufe an die Retail- und auch Industriekunden in Österreich, Tschechien und der Slowakei vergleichbar mit oder höher als im Vorjahr waren, gingen die Absätze in Rumänien und Bulgarien insbesondere im Retailbereich deutlich zurück.

Nach weiter niedrigen Zuckerverkaufspreisen im ersten Halbjahr 2019|20, erholten sich diese wieder seit Beginn des neuen Zuckerwirtschaftsjahres 2019|20. Im Retailgeschäft waren die Preise um rund 11 % höher als im Vorjahr, im Bereich Industrie bleiben die Verkaufspreise aufgrund von langfristigen Verträgen mit den Kunden auf dem Niveau des Vorjahres.

Die positive Ergebnisentwicklung war im Wesentlichen durch die höheren Zuckerverkaufspreise im Vergleich zur Vorjahresperiode verursacht.

Das Ergebnis der AGRANA-STUDEN-Gruppe, das nach der Equity-Methode in den Konzernabschluss einbezogen wird, wirkte sich 2019|20 positiv auf das EBIT des Segmentes Zucker aus. Die Verbesserung des Ergebnisbeitrages um 4,4 Mio. € auf 0,4 Mio. € ist auf die Stabilisierung der Preise und des Marktes am Westbalkan und in der CEFTA <sup>2</sup>-Region zurückzuführen, welche eine signifikante Steigerung der Eigenproduktion in Bosnien und Herzegowina sowie eine wesentliche Erhöhung der Gesamtzuckerabsatzmenge ermöglicht hat. Weiters wirkte sich die im Frühjahr 2019 abgeschlossene Reorganisation der AGRANA-STUDEN-Gruppe positiv auf das Ergebnis aus.

Das Ergebnis aus Sondereinflüssen betrug -0,7 Mio. € nach +3,3 Mio. € im Vorjahr. Das positive Ergebnis im Vorjahr beinhaltete neben Restrukturierungsaufwendungen (-1,8 Mio. €) außerordentliche Steuerrückzahlungen in Rumänien (+5,6 Mio. €).

## AGRANA Stärke GmbH

Das Segment Stärke umfasst die beiden vollkonsolidierten Gesellschaften AGRANA Stärke GmbH, Wien, mit den drei österreichischen Fabriken in Aschach (Maisstärke), Gmünd (Kartoffelstärke) und Pischelsdorf (integrierte Weizenstärke- und Bioethanolanlage) sowie die AGRANA TANDAREI S.r.l. mit einem Werk in Rumänien (Maisverarbeitung). Zudem führt und koordiniert die AGRANA Stärke GmbH gemeinsam mit dem Joint Venture-Partner Archer Daniels Midland Company, Chicago|USA, die Gemeinschaftsunternehmen der HUNGRANA-Gruppe (ein Werk in Ungarn; Herstellung von Stärke-, Verzuckerungsprodukten und Bioethanol), die nach der Equity-Methode in den Konzernabschluss einbezogen werden.

## Geschäftsentwicklung

Segment Stärke		Veränderung		
		2019   20	2018   19	% / pp
Umsatzerlöse (brutto)	t€	816.802	772.579	5,7%
Umsätze zwischen den Segmenten	t€	-9.805	-9.898	0,9%
Umsatzerlöse	t€	806.997	762.681	5,8%
EBITDA <sup>1</sup>	t€	93.885	66.459	41,3%
Operatives Ergebnis	t€	58.817	35.029	67,9%
Ergebnisanteil von Gemeinschaftsunternehmen, die nach der Equity-Methode bilanziert werden	t€	16.341	16.186	1,0%
Ergebnis der Betriebstätigkeit (EBIT)	t€	75.158	51.215	46,7%
EBIT-Marge	%	9,3	6,7	2,6pp
Investitionen <sup>2</sup>	t€	73.609	97.011	-24,1%
Mitarbeiter (FTEs) <sup>3</sup>		1.087	1.025	6,0%

<sup>1</sup> Operatives Ergebnis vor operativen Abschreibungen

<sup>2</sup> In Sachanlagen und immaterielle Vermögenswerte, ausgenommen Geschäfts-/Firmenwerte

<sup>3</sup> Durchschnittlich im Geschäftsjahr beschäftigte Vollzeitäquivalente (FTEs - Full-time equivalents)

<sup>2</sup> Central European Free Trade Agreement (Mittleuropäisches Handelsabkommen)

Im Segment Stärke stieg der Umsatz im Geschäftsjahr 2019|20 um 5,8 % auf 807,0 Mio. €. Deutliche Umsatzsteigerungen bei den Hauptprodukten standen Umsatzrückgängen bei den Nebenprodukten gegenüber. Da in allen Stärke-Werken die Rohstoffvermahlungsmengen gesteigert werden konnten, gab es auch höhere Absätze und ein Umsatzwachstum bei den Hauptprodukten. Im November 2019 ging in Pischelsdorf|Österreich die zweite Weizenstärkefabrik erfolgreich in Betrieb, die neben Weizenstärke mit ActiGrano® auch ein neues Markenfuttermittel herstellt. Die Umsätze der eigengefertigten Nebenprodukte stiegen mengenbedingt, während die gehandelten Futtermittelmengen zurückgingen. Im Zuge der Neuorganisation des Zuckervertriebes werden die von der AGRANA Stärke GmbH vertriebenen Futtermittel des Segmentes Zucker (Melasse, Pellets) nunmehr auf Provisionsbasis verrechnet und tragen nicht mehr zum Umsatz des Segmentes Stärke bei. Damit ging die Nebenproduktabsatzmenge (inklusive sonstige Produkte) insgesamt zurück.

Die Marktpreise für stärkebasierte Verzuckerungsprodukte blieben auf niedrigem Niveau, da auch die europäischen Zuckerpreise trotz Erholungstendenz gegen Ende des Geschäftsjahres noch keinen deutlicheren Aufwärtstrend zeigten. Bei den Stärken waren die Verkaufspreise als Folge der im Markt auch von neuen Mitbewerbern angebotenen Mehrmengen leicht rückläufig. Sehr positiv entwickelten sich die Preise für Bioethanol, da die Platts-Notierungen historisch hoch notierten und mit 620 € pro m<sup>3</sup> im Jahresdurchschnitt um rund 120 € pro m<sup>3</sup> das Vorjahr übertrafen.

Im Berichtsjahr lagen die Rohstoffkosten mengenbedingt über dem Vorjahr. Die Rohstoffpreise der Ernte 2018 waren trockenheitsbedingt auf höherem Niveau und gingen während der Ernte 2019 auf normales Niveau zurück. Auch die Energiepreise, insbesondere der Strompreis, lagen im abgelaufenen Geschäftsjahr leicht unter dem Vorjahr. Im Zuge der großen Ausbauprojekte im Segment belasteten Anlaufkosten das Ergebnis, Personalkosten und Abschreibungen stiegen deutlich. Insgesamt konnte aber v.a. durch das ergebnisstarke Bioethanolgeschäft im Berichtsjahr das EBITDA um 41,3 % auf 93,9 Mio. € gesteigert werden. Das operative Ergebnis lag mit 58,8 Mio. € um 67,9 % über dem Vorjahr.

Im Geschäftsjahr 2019|20 stieg der Umsatz der ungarischen HUNGRANA-Gruppe um 2,5 % auf 287,1 Mio. €. Bei Verzuckerungsprodukten blieb das Marktumfeld schwierig und führte zu deutlichen Absatz- und Preisrückgängen. Gleichzeitig konnten im Bioethanolgeschäft aufgrund hoher Ethanolnotierungen deutliche Ergebnisverbesserungen erzielt werden. Insgesamt weist die HUNGRANA-Gruppe ein EBIT von 39,7 Mio. € (Vorjahr: 38,7 Mio. €) aus. Das PAT betrug 32,6 Mio. €, womit der Ergebnisbeitrag für das Segment Stärke mit 16,3 Mio.€ nahezu konstant blieb.

Im Geschäftsjahr 2019|20 wurde eine Minderheitsbeteiligung an der BM Health GmbH, Wien, erworben. Dieses Start-up-Unternehmen entwickelt und vertreibt diätische Mittel und Arzneimittel zur Glukoseversorgung und Demenzprävention.

## AGRANA Internationale Verwaltungs- und Asset-Management GmbH

Die AGRANA Internationale Verwaltungs- und Asset-Management GmbH, Wien, ist die Dachgesellschaft für das Segment Frucht. Die Koordination und operative Führung für den Bereich Fruchtzubereitungen erfolgt durch die Holdinggesellschaft AGRANA Fruit S.A.S. mit Firmensitz in Mitry-Mory|Frankreich. Im Bereich Fruchtsaftkonzentrate operiert die AUSTRIA JUICE GmbH mit Sitz in Kröllendorf/Allhartsberg|Österreich als operative Holding. Insgesamt sind dem Segment zum Bilanzstichtag 27 Produktionsstandorte in 20 Ländern für Fruchtzubereitungen und 15 Werke in sieben Ländern für die Herstellung von Apfel- und Beerensaftkonzentraten zuzurechnen.

### Geschäftsentwicklung

<b>Segment Frucht</b>		<b>2019   20</b>	<b>2018   19</b>	<b>Veränderung % / pp</b>
Umsatzerlöse (brutto)	t€	1.186.347	1.179.603	0,6%
Umsätze zwischen den Segmenten	t€	-890	-453	-96,5%
Umsatzerlöse	t€	1.185.457	1.179.150	0,5%
EBITDA <sup>1</sup>	t€	101.090	114.966	-12,1%
Operatives Ergebnis	t€	58.002	77.265	-24,9%
Ergebnis aus Sondereinflüssen	t€	-2.070	0	-
Ergebnis der Betriebstätigkeit (EBIT)	t€	55.932	77.265	-27,6%
EBIT-Marge	%	4,7	6,6	-1,9pp
Investitionen <sup>2</sup>	t€	56.495	56.193	0,5%
Mitarbeiter (FTEs) <sup>3</sup>		6.194	6.141	0,9%

<sup>1</sup> Operatives Ergebnis vor operativen Abschreibungen

<sup>2</sup> In Sachanlagen und immaterielle Vermögenswerte, ausgenommen Geschäfts-/Firmenwerte

<sup>3</sup> Durchschnittlich im Geschäftsjahr beschäftigte Vollzeitäquivalente (FTEs - Full-time equivalents)

Der Umsatz im Geschäftsbereich Fruchtzubereitungen stieg um knapp 4 %, was v.a. auf leicht gestiegene Absatzmengen zurückzuführen war.

AGRANA Fruit verzeichnete, mit Ausnahme von Europa und Südamerika, in allen Regionen Umsatzsteigerungen. Ein deutlicher Anstieg gegenüber dem Vorjahr wurde in Nordamerika sowie in der Ukraine erzielt. IMEA (Indien, Mittlerer Osten und Afrika) ist jene Region mit der stärksten prozentuellen Umsatzsteigerung aufgrund guter Geschäfte in Algerien. Negativ war die Umsatzentwicklung in den Regionen Südamerika (v.a. Argentinien) und Europa (exklusive Ukraine).

Im Bereich Fruchtzubereitungen waren die Absatzmengen in den Non-Dairy<sup>3</sup>-Produktbereichen im Vergleich zum Vorjahr höher, vor allem bei Food Services und Backwaren. Im Dairy-Bereich blieben die Mengen stabil.

Ergebnismäßig wies der Bereich Fruchtzubereitungen einen signifikanten Rückgang aus. Einerseits konnten höhere Kosten durch die nur leicht gestiegenen Absatzmengen nicht kompensiert werden. Andererseits waren Einmaleffekte im Rohstoffbereich in Mexiko (Erdbeere, Mango), niedrige Vermarktungspreise für Äpfel aus der Ernte 2018 in der Ukraine, geringere Margen in Europa, sowie die Anwendung von Hyperinflation-Accounting in Argentinien für den Rückgang beim operativen Ergebnis ausschlaggebend. Weiters wurde auch ein negatives Ergebnis aus Sondereinflüssen für regionale Umstrukturierungen (u.a. in Serbien) sowie außerplanmäßige Personalkosteneffekte verbucht.

<sup>3</sup> Nicht-Joghurt

Die Regionen Nordamerika und Russland sowie der Bereich Dirafrost erzielten gegenüber dem Vorjahr eine EBIT-Verbesserung, während v.a. in den Regionen Europa inklusive Ukraine, Südamerika und Mexiko schwächere Ergebnisse verzeichnet wurden.

Das Geschäftsjahr 2019|20 beinhaltet erstmalig auch die Umsätze des neuen Werkes in Changzhou bei Shanghai in China. Die industrielle Produktion startete dort im März 2019. Der Verkauf des Werkes in Fidschi wurde mit Ende Juni 2019 erfolgreich abgeschlossen.

Die Umsatzerlöse im Bereich Fruchtsaftkonzentrate lagen im Geschäftsjahr 2019|20 deutlich unter dem Vorjahreswert. Dies war auf niedrigere Apfelsaftkonzentratpreise aus der Ernte 2018 und geringere Absätze aus der Kampagne 2019 im letzten Quartal des Geschäftsjahres zurückzuführen.

Geringere Erntemengen in der Apfelkampagne 2019 der AUSTRIA JUICE führten zu einer stark eingeschränkten Rohstoffverfügbarkeit in den europäischen Hauptanbauländern Polen und Ungarn bei deutlich höheren Preisen im Vergleich zur Vorjahreskampagne.

Das deutlich unter dem Vorjahr liegende EBIT im Fruchtsaftkonzentratgeschäft war auf eine verschlechterte Margen- und Absatzsituation sowie die gegenüber der Kampagne 2018 deutlich gesunkene Kapazitätsauslastung der Werke in der Verarbeitungssaison 2019 zurückzuführen.

#### **INSTANTINA Nahrungsmittel Entwicklungs- und Produktions Gesellschaft m.b.H.**

Die INSTANTINA Nahrungsmittel Entwicklungs- und Produktions Gesellschaft m.b.H. ist auf die Entwicklung und Produktion von Instantprodukten spezialisiert und ist dem Segment Zucker zugeordnet.

#### **AGRANA Research & Innovation Center GmbH**

Bei der AGRANA Research & Innovation Center GmbH, Wien werden schwerpunktmäßig die Forschungs- und Entwicklungsaktivitäten für Zucker und Stärke der AGRANA-Gruppe gebündelt.

#### **AGRANA Group-Services GmbH**

Die AGRANA Group-Services GmbH erfüllt im Konzern die Finanzierungsfunktion und betreibt das Cash-Pooling. Sie ist, wie die Holding, dem Segment Zucker zugeordnet.

## UMWELT UND NACHHALTIGKEIT

### AGRANAs Nachhaltigkeitsverständnis

AGRANA, als industrieller Veredler agrarischer Rohstoffe, versteht im Rahmen ihrer Geschäftstätigkeit unter Nachhaltigkeit die Balance zwischen Ökonomie, Ökologie und Sozialem. Dieses Verständnis von Nachhaltigkeit ist im Rahmen von drei Leitsätzen, die dem Management und allen Mitarbeitern als praktische und leicht verständliche Anleitung zu täglich nachhaltigem Handeln dienen, zusammengefasst:

Wir bei AGRANA...

- verwerten annähernd 100 % der eingesetzten Rohstoffe und nutzen emissionsarme Technologien, um Auswirkungen auf die Umwelt zu minimieren,
- achten alle unsere Stakeholder und die Gesellschaften, in denen wir tätig sind,
- leben langfristige Partnerschaften mit Lieferanten und Kunden.

AGRANA entwickelte ihr Nachhaltigkeitsverständnis auf Basis der regelmäßigen Interaktion mit ihren Stakeholder-Gruppen.

### AGRANA Nachhaltigkeitsaktivitäten im Geschäftsjahr 2019 | 20 und Ziele

Auf Basis ihrer Geschäftstätigkeit hat AGRANA fünf Handlungsfelder der Nachhaltigkeit entlang ihrer Produktwertschöpfungskette identifiziert:

- **Rohstoffbeschaffung** - Umwelt- und Sozialkriterien (d.h. Arbeitspraktiken und Menschenrechte) in der Beschaffung agrarischer Rohstoffe und Vorprodukte
- **Ökoeffizienz unserer Produktion** - Umwelt- und Energieaspekte in der AGRANA-Produktion
- **Unsere Mitarbeiter** - Arbeitsbedingungen und Menschenrechte in Bezug auf AGRANA-Mitarbeiter
- **Produktverantwortung** - Produktverantwortung und nachhaltige Produkte
- **Compliance** - Gesetzes- und Regelkonformität sowie Geschäftsgebarung

Die SAI Platform bietet industriellen Veredlern landwirtschaftlicher Rohstoffe wie AGRANA mehrere hilfreiche Instrumente v.a. zur Evaluierung und Dokumentation der Einhaltung guter Umwelt- und Sozialkriterien in der agrarischen Lieferkette bzw. zum Vergleich der Wertigkeit unterschiedlicher Nachweise bzw. internationaler Zertifizierungen an.

Das Basisinstrument stellt dabei immer das von der SAI Platform erstellte Farm Sustainability Assessment (FSA) dar. Dieses wird mit Hilfe eines Fragebogens, welcher aus 112 Fragen zu allen für die Nachhaltigkeit relevanten Themenschwerpunkten wie Betriebsführung, Arbeitsbedingungen (inklusive Fragen zu Kinder- und Zwangsarbeit), Boden- und Nährstoffmanagement oder Pflanzenschutz besteht, durchgeführt. Je nach Erfüllung der unterschiedlichen Kriterien erhält der Anbaubetrieb eine Nachhaltigkeitsbewertung mit dem Status Gold, Silber, Bronze oder „Noch nicht Bronze“.

Im Geschäftsjahr 2019|20 leisteten AGRANA-Experten im Bereich landwirtschaftliche Produktion einen wertvollen fachlichen Beitrag zur Weiterentwicklung der Vorgaben und zur Vorbereitung der Version 3.0 des Farm Sustainability Assessment, die Ende 2020 in Kraft treten wird.

AGRANA hat bereits 2014 begonnen, Energiemanagementsysteme einzuführen. Die Energiemanagementsysteme von 47,3 % aller AGRANA-Produktionsstandorte in den GRI-Berichtsgrenzen sind nach ISO 50001 zertifiziert.

### Externe Zertifizierungen im Lebensmittel- und Futtermittelbereich

Die Prinzipien der internationalen Norm für Qualitätsmanagementsysteme ISO 9001 bilden die Basis des AGRANA-Qualitätsmanagementsystems. Ergänzt wird das System durch zahlreiche Zertifizierungen für Lebensmittelsicherheit und Produktschutz. Die weltweit wichtigsten Standards in diesem Bereich bei AGRANA sind FSSC 22000 (Food Safety System Certification), ISO 22000 und IFS (International Food Standard). Je nach Land oder Region sowie Kundennachfrage werden noch zusätzliche Zertifizierungen wie Bio, gentechnikfrei, Kosher (nach jüdischen Speisegesetzen) und Halal (nach islamischen Speisegesetzen) angeboten. Die wesentlichen Standards für Futtermittelsicherheit sind der GMP- und der EFISC Feed-Standard. Insgesamt verfügten im Geschäftsjahr 2019|20 100 % der Produktionsstandorte über mindestens eine dieser bzw. die jeweils lokal relevanten internationalen Zertifizierungen.

AGRANA Beteiligungs-Aktiengesellschaft ist seit 2009 Mitglied bei der Supplier Ethical Data Exchange (SEDEX). Alle AGRANA-Produktionsstandorte nehmen jährlich ein SEDEX Self-Assessment, welches v.a. auf Arbeitsbedingungen, -sicherheit und Menschenrechte (inkl. Fragen zu Kinder- und Zwangsarbeit) abzielt, vor.

Seit 2010 ist die AGRANA Beteiligungs-Aktiengesellschaft Mitglied des Vereins ARGE Gentechnik-frei, welcher das Ziel hat, verlässliche Rahmenbedingungen für Produktion, Kennzeichnung und Kontrolle von Gentechnik-freien Lebensmitteln zu schaffen.

## FORSCHUNG UND ENTWICKLUNG

In einem hochkompetitiven Marktumfeld ist es für AGRANA von zentraler Bedeutung, Markttrends frühzeitig zu erkennen, durch Produktinnovationen die Bedürfnisse der Märkte zu erfüllen und maßgeschneiderte Kundenlösungen zu entwickeln. In enger Partnerschaft mit ihren Kunden arbeitet AGRANAs Forschung und Entwicklung (F&E) laufend an neuen Technologien, Spezialprodukten und innovativen Anwendungsmöglichkeiten bestehender Produkte und unterstützt somit ihre auf langfristigen Erfolg ausgelegte Unternehmensstrategie.

Das AGRANA Research & Innovation Center (ARIC) in Wien|Österreich ist neben 17 lokalen NPD<sup>4</sup>-Centern der zentrale Forschungs- und Entwicklungshub des Konzerns für die Bereiche Frucht, Stärke und Zucker. Das ARIC ist als eigenständiges Unternehmen in der AGRANA-Gruppe organisiert und eine 100%-Tochter der AGRANA Beteiligungs-Aktiengesellschaft, deren Ziel es ist, innovative Produkte aus den Rohstoffen Zuckerrübe, Kartoffel, Mais, Wachsmas, Weizen und aus Früchten zu entwickeln. Das ARIC ist national und international als Inhouse-F&E-Dienstleister und -Serviceanbieter in den Bereichen Zuckertechnologie, Lebensmitteltechnologie, Stärketechnologie, Mikrobiologie, Biotechnologie und Fruchtzubereitungsentwicklung tätig. Weiters bietet die Forschungsstätte ihr spezielles F&E-Know-how auch Dritten an und fungiert als staatlich akkreditiertes Labor für die Qualitätsprüfung von Zuckerrüben.

Mit Anfang des Berichtsjahres 2019|20 hat AGRANA mit der neuen ARIC-Abteilung „Agricultural Research“ ihre Anstrengungen in der landwirtschaftlichen Forschung verstärkt. Die Zusammenarbeit von F&E-Spezialisten aus unterschiedlichen Bereichen (Frucht, Stärke und Zucker) unter einem Dach ermöglicht nicht nur verwaltungstechnische Synergieeffekte, sondern fördert v.a. den Austausch unterschiedlicher Forschergruppen und Disziplinen, insbesondere zu bereichsübergreifenden Themen. Durch die sich ergänzenden Erfahrungen ergeben sich Vorteile bei segmentübergreifenden Forschungsschwerpunkten wie z.B. Technologien, Verdicker und Aromen, Mikrobiologie, Produktqualität und -sicherheit sowie Bio-Produkte.

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<sup>4</sup> New Product Development

## F&amp;E-Kennzahlen

	2019 20	2018 19
F&E-Aufwendungen (intern und extern) (Mio. €)	18,9	18,8
F&E-Quote <sup>1</sup> (%)	0,76	0,77
Mitarbeiter in F&E (Köpfe)	266	272

<sup>1</sup> F&E-Aufwendungen gemessen am Konzernumsatz

## PERSONAL- UND SOZIALBERICHT

Die gesamte AGRANA-Gruppe beschäftigte im Geschäftsjahr 2019|20 durchschnittlich 9.300 Mitarbeiter (Köpfe) (Vorjahr: 9.242), davon 2.456 (Vorjahr: 2.358) in Österreich und 6.844 (Vorjahr: 6.884) international.

Im Geschäftsjahr 2019|20 waren im AGRANA-Konzern durchschnittlich 9.342 FTEs (Vorjahr: 9.230 FTEs) beschäftigt. Die Erhöhung des Personalstands ist primär auf den weiteren Aufbau der Fruchtzubereitungswerke in Jiangsu|China und Indien sowie auf die zweite Weizenstärkeanlage in Pischelsdorf|Österreich, die neue Stärketrocknungsanlage sowie die Produktentwicklung im Bereich Säuglingsmilchnahrung in Gmünd|Österreich zurückzuführen.

Im Geschäftsjahr 2019|20 erfolgte die weltweite Implementierung eines globalen Personalmanagementsystems. Dieses soll die Effizienz der Personalprozesse verbessern, Transparenz schaffen sowie die Datensicherheit erhöhen. In den weiteren Jahren ist geplant, die Funktionalitäten dieses System weiter auszubauen.

Die Förderung und Anerkennung von Leistung ist ein wichtiger Bestandteil der Personalstrategie und stellt einen Beitrag zum Unternehmenserfolg dar. Um die strategischen und operativen Ziele des Unternehmens zu erreichen, kommt bei AGRANA für das Management ein konzernweit implementiertes Performance-Management-System zum Einsatz. Neben Finanz- und Ertragszielen umfasst die variable Vergütung auch individuelle Zielvereinbarungen, um herausragende individuelle Leistungen zu honorieren und zu fördern. Im Geschäftsjahr 2019|20 nahmen 8,8 % (Vorjahr: 8,8 %) aller Beschäftigten an diesem erfolgsorientierten Entlohnungssystem teil.

Die Schwerpunkte im Aus- und Weiterbildungsbereich lagen auch im Geschäftsjahr 2019|20 wieder in der Entwicklung der Führungskräfte und der Fachexperten einzelner ausgewählter Funktionsbereiche. Das Angebot und die Durchführung von verschiedenen Sprachkursen und kurzen Seminaren ergänzen das Weiterbildungsprogramm von AGRANA.

AGRANA bot im Geschäftsjahr 2019|20 Lehrlingen eine Ausbildungsmöglichkeit. Die Ausbildung erfolgte u.a. in den Bereichen Maschinenbautechnik, Elektrotechnik, Metalltechnik, Labortechnik (Chemie), Chemieverfahrenstechnik, Lebensmitteltechnik, Mechatronik, Betriebslogistik, technisches Zeichnen, Industriellehre sowie Informationstechnologie.

Im Geschäftsjahr 2019|20 wurden 24 Mitarbeiter und Führungskräfte aus dem Konzern für das alle zwei Jahre stattfindende internationale Nachwuchsführungskräfteprogramm AGRANA Competencies Training (ACT) ausgewählt und haben dieses im Februar 2020 erfolgreich abgeschlossen. Es richtet sich an Kollegen, denen hohes Potenzial, ausgezeichnete Leistungen und überdurchschnittlicher Leistungswille attestiert werden.

Um neuen Mitarbeitern einen Überblick über die gesamte AGRANA-Gruppe und auch den eigenen Arbeitsbereich zu geben, werden laufend konzernweite On-Boarding-Programme und Welcome-Days angeboten. Des Weiteren profitieren Mitarbeiter von diversen Weiterbildungsmaßnahmen, wie dem regelmäßig stattfindenden INCA-Meeting (International Communication at AGRANA) und dem „AGRANA Development Programm“ (ADP).

Die konzernweiten externen Aus- und Weiterbildungskosten beliefen sich im Geschäftsjahr 2019|20 auf rund 3 Mio. € (Vorjahr: 3,0 Mio. €), was 1,1 % (Vorjahr: 1,2 %) der Lohn- und Gehaltssumme entspricht.

### **Arbeitssicherheit und Gesundheit**

Arbeitssicherheit ist AGRANA als industriellem Produktionsunternehmen ein besonderes Anliegen. In allen 25 Ländern, in denen AGRANA Produktionsstandorte unterhält, besteht eine gesetzliche Verpflichtung der Arbeitsplatzevaluierung durch den Arbeitgeber. Diese wird durch die Sicherheitsfachkräfte, teilweise in Zusammenarbeit mit externen Beratern durchgeführt und ist arbeitsplatzbezogen, für die Mitarbeiter zugänglich zu dokumentieren. Sie ist in regelmäßigen Abständen zu überprüfen bzw. anlassbezogen bei Anlagen- oder Verfahrensänderungen oder nach Unfällen zu überarbeiten. Mitarbeiter sind verpflichtet, festgestellte Gefahrenquellen im Rahmen von periodischen Sicherheitsrundgänge zu melden. Die AGRANA-Gruppe erhebt weiters seit vielen Jahren monatlich, weltweit einheitlich definierte Kennzahlen zur Arbeitssicherheit und Gesundheit.

### **Vereinbarkeit von Beruf und Familie**

Die Vereinbarkeit von Beruf und Familie ist für AGRANA im Rahmen ihres sozialen Bewusstseins ein wichtiger Bestandteil der Personalstrategie.

Aus diesem Grund ist AGRANA bereits im Frühjahr 2016 dem vom Bundesministerium für Familien und Jugend initiierten österreichischen Netzwerk „Unternehmen für Familien“ beigetreten.

Konzernweit spiegelt sich dies in mehreren Initiativen und Angeboten für die Mitarbeiter wider. Telearbeit, Förderung bzw. auch das Angebot von Kinderbetreuung an einzelnen Standorten (inklusive spezieller Angebote in den Ferien), variable Arbeitszeit und auch ein Eltern-Kind-Büro am Standort in Wien sind Bestandteile davon. Weiters werden auch Veranstaltungen, gemeinsame Essen und Sportaktivitäten unter Einbindung der Familien veranstaltet.

## RISIKOMANAGEMENT UND INTERNES KONTROLLSYSTEM

Der Vorstand der AGRANA-Gruppe ist sich der Bedeutung eines aktiven Risikomanagements bewusst. Dieses verfolgt das grundsätzliche Ziel, Chancen- und Risikopotenziale ehestmöglich zu erkennen und geeignete Maßnahmen zur Erhaltung der Ertragskraft sowie zur Sicherung des Fortbestandes der Unternehmensgruppe zu setzen.

Die AGRANA-Gruppe bedient sich integrierter Kontroll- und Berichtssysteme, die eine regelmäßige, konzernweite Einschätzung der Risikosituation ermöglichen. Im Rahmen der Früherkennung und Überwachung von konzernrelevanten Risiken wurden *zwei* einander ergänzende Steuerungsinstrumente implementiert:

Ein konzernweites *operatives* Planungs- und Berichtssystem bildet die Basis für die monatliche Berichterstattung an die zuständigen Entscheidungsträger. Im Rahmen dieses Reporting-Prozesses wird für die Gruppe und für jedes Segment ein separater Risikobericht erstellt. Der Fokus liegt dabei auf der Ermittlung von Sensitivitäten in Bezug auf sich verändernde Marktpreise für das gegenwärtige und folgende Geschäftsjahr. Die einzelnen Risikoparameter werden laufend der aktuellen Planung bzw. dem aktuellen Forecast gegenübergestellt, um die Auswirkungen auf das operative Ergebnis berechnen zu können. Neben der laufenden Berichterstattung diskutieren die Verantwortlichen aus den Geschäftsbereichen regelmäßig direkt mit dem Vorstand über die wirtschaftliche Situation sowie den Einsatz risikoreduzierender Maßnahmen.

Das *strategische* Risikomanagement verfolgt die Zielsetzung, wesentliche Einzelrisiken hinsichtlich ihrer Auswirkungen auf das Chancen- und Risikopotenzial zu identifizieren und zu bewerten. Zweimal jährlich werden die mittel- bis langfristigen Risiken in den einzelnen Geschäftsbereichen durch ein definiertes Risikomanagement-Team in Kooperation mit dem zentralen Risikomanagement analysiert. Der Prozess beinhaltet die Risikoidentifikation und deren Bewertung nach Eintrittswahrscheinlichkeit und möglichem Risiko-/Chancenpotenzial, die Definition von Frühwarnindikatoren sowie Maßnahmen zur Gegensteuerung. Zudem wird für das laufende Geschäftsjahr die aggregierte Risikoposition der AGRANA-Gruppe mittels einer im Risikomanagement üblichen Berechnung, der „Monte-Carlo-Simulation“, ermittelt. So kann beurteilt werden, ob ein Zusammenwirken oder die Kumulation von Einzelrisiken ein bestandsgefährdendes Risiko darstellen könnten. Die Ergebnisse werden an den Vorstand sowie den Prüfungsausschuss des Aufsichtsrates berichtet.

Für die Segmente der AGRANA-Gruppe wurden Risikomanagement-Verantwortliche definiert, die in Abstimmung mit dem Vorstand im Bedarfsfall Maßnahmen zur Schadensminimierung einleiten sollen.

Die Funktionsfähigkeit des Risikomanagements gemäß Regel 83 des Österreichischen Corporate Governance Kodex (ÖCGK) wird jährlich vom Wirtschaftsprüfer geprüft und als Ergebnis der Beurteilung ein abschließender Bericht über die Funktionsfähigkeit des unternehmensweiten Risikomanagements erstellt. Für die Überprüfung wurden die Empfehlungen des „Committee of Sponsoring Organizations of the Treadway Commission“ (COSO) als Referenzmodell herangezogen.

### Risikopolitik

AGRANA sieht im verantwortungsvollen Umgang mit Chancen und Risiken eine wesentliche Grundlage für eine ziel- und wertorientierte sowie nachhaltige Unternehmensführung. Die Risikopolitik der Unternehmensgruppe zielt auf risikobewusstes Verhalten ab und sieht klare Verantwortlichkeiten, Unabhängigkeit im Risikomanagement und die Durchführung interner Kontrollen vor.

Risiken dürfen konzernweit nur dann eingegangen werden, wenn sie sich aus dem Kerngeschäft der AGRANA-Gruppe ergeben und nicht ökonomisch sinnvoll vermieden oder abgesichert werden können. Sie sind möglichst zu minimieren, wobei auf ein ausgewogenes Verhältnis von Risiko und Chance Bedacht zu nehmen ist. Das Eingehen von Risiken außerhalb des operativen Geschäftes ist ohne Ausnahmen verboten.

Die AGRANA Beteiligungs-Aktiengesellschaft ist für die konzernweite Koordinierung und Umsetzung der vom Vorstand festgelegten Maßnahmen zum Risikomanagement verantwortlich. Der Einsatz von Hedge-Instrumenten ist nur zur Absicherung von operativen Grundgeschäften und Finanzierungstätigkeiten, nicht jedoch zu Spekulationszwecken außerhalb der Kerngeschäftstätigkeit der AGRANA-Gruppe, erlaubt. Über den Bestand und die Werthaltigkeit von Hedge-Kontrakten wird regelmäßig an den Vorstand berichtet.

## **Wesentliche Risiken und Ungewissheiten**

Die Unternehmensgruppe ist Risiken ausgesetzt, die sich sowohl aus dem operativen Geschäft als auch von nationalen und internationalen Rahmenbedingungen ableiten.

### **Operative Risiken**

#### Beschaffungsrisiken

AGRANA ist auf ausreichende Verfügbarkeit agrarischer Rohmaterialien in der benötigten Qualität angewiesen. Neben einer möglichen Unterversorgung mit geeigneten Rohstoffen stellen deren Preisschwankungen, wenn sie nicht oder nicht ausreichend an die Abnehmer weitergegeben werden können, ein Risiko dar. Wesentliche Treiber für Verfügbarkeit, Qualität und Preis sind wetterbedingte Gegebenheiten in den Anbaugebieten, die Wettbewerbssituation, regulatorische und gesetzliche Regelungen sowie die Veränderung der Wechselkurse relevanter Währungen.

#### Produktqualität und -sicherheit

AGRANA sieht in der Produktion und im Vertrieb von qualitativ hochwertigen und sicheren Produkten eine Grundvoraussetzung für langfristig wirtschaftlichen Erfolg. Das Unternehmen verfügt über ein streng ausgelegtes und laufend weiterentwickeltes Qualitätsmanagement, das den Anforderungen der relevanten lebensmittelrechtlichen Standards und den kundenseitig festgelegten Kriterien entspricht und den gesamten Prozess von der Rohstoffbeschaffung über die Produktion bis zur Auslieferung der gefertigten Waren umfasst. Die Einhaltung der Qualitätsstandards wird regelmäßig durch interne und externe Audits verifiziert. Darüber hinaus sollen abgeschlossene Produkthaftpflichtversicherungen allfällige Restrisiken abdecken.

#### Markt- und Wettbewerbsrisiken

AGRANA steht im Rahmen ihrer globalen Tätigkeit im intensiven Wettbewerb mit regionalen wie auch überregionalen Mitbewerbern. Der Eintritt neuer Mitbewerber bzw. die Schaffung zusätzlicher Produktionskapazitäten bestehender Konkurrenten kann die Wettbewerbsintensität in Zukunft verstärken.

Die eigene Marktposition wird laufend beobachtet, sodass etwaig notwendige korrigierende Maßnahmen schnell eingeleitet werden können. Entsprechend der Nachfrage und auch aufgrund anderer Einflussfaktoren werden die Kapazitäten und die Kostenstrukturen zur Erhaltung der Wettbewerbsfähigkeit auf den Kernmärkten stetig angepasst. Das frühzeitige Erkennen von Änderungen des Nachfrage- und Konsumverhaltens basiert auf stetigen Analysen von Planabweichungen. In diesem Zusammenhang stehen auch neue technologische Entwicklungen und Produktionsprozesse am Markt unter Beobachtung, die in Zukunft zu einer teilweisen Rückwärtsintegration von Kunden in Kernbereiche einzelner Segmente der AGRANA-Gruppe führen können.

AGRANA tätigt zur Stärkung bzw. zum Ausbau bestehender Marktpositionen umfangreiche Investitionen in allen Segmenten. Darüber hinaus werden Investitionen in neue Märkte evaluiert und vorgenommen. Der Bau einer zweiten Produktionslinie im neuen zweiten Fruchtzubereitungswerk in China wurde im Geschäftsjahr 2019|20 erfolgreich abgeschlossen.

Die politisch noch instabile Situation zwischen der Ukraine und Russland kann sich negativ auf das Marktumfeld im Segment Frucht auswirken. Aus derzeitiger Sicht verzeichnet die Region jedoch nach wie vor eine stabile Ertragslage. Des Weiteren stehen die derzeitige politische und wirtschaftliche Lage in Argentinien und Algerien aufgrund zunehmender politischer Instabilität unter ständiger Beobachtung.

#### IT-Risiken

AGRANA ist auf die Funktionstüchtigkeit einer komplexen IT-Technologie angewiesen. Die Nichtverfügbarkeit, Datenverlust oder -manipulation und die Verletzung der Vertraulichkeit bei kritischen IT-Systemen können beträchtliche Auswirkungen auf betriebliche Teilbereiche haben. Die allgemeine Entwicklung in Bezug auf externe Angriffe auf IT-Systeme verdeutlicht das Risiko, dass die AGRANA-Gruppe in Zukunft auch zunehmend solchen Risiken ausgesetzt ist/sein kann. Die Aufrechterhaltung der IT-Sicherheit wird durch qualifizierte interne und externe Experten und durch entsprechende organisatorische und technische Maßnahmen gewährleistet. Dazu zählen redundant ausgelegte IT-Systeme und Security Tools, die dem neuesten Stand der Technik entsprechen. Zusammen mit externen Partnern wurden Vorkehrungen getroffen, um möglichen Bedrohungen zu begegnen und potenziellen Schaden abzuwenden.

### **Regulatorische Risiken**

#### Marktordnungsrisiken für Zucker

Im Rahmen des Risikomanagements werden bereits im Vorfeld mögliche Szenarien und ihre Auswirkungen analysiert und bewertet.

**Zuckermarktordnung:** Seit 1. Oktober 2017 gibt es keinen Rübenmindestpreis mehr und die Quotenregelung für Zucker und Isoglukose wurde aufgehoben. Beide Produkte können seither in der EU ohne quantitative Beschränkungen erzeugt und verkauft werden. Das Antizipieren der Beendigung der Quotenregelung im Herbst 2017 hat bereits im Vorfeld den europäischen Zuckermarkt durch eine Ausweitung der Anbauflächen im Zuckerwirtschaftsjahr (ZWJ) 2017|18 beeinflusst. Des Weiteren haben hohe Ernteerträge pro Hektar im ZWJ 2017|18 das Zuckerangebot im EU-Raum erhöht. In den Zuckerwirtschaftsjahren 2018|19 und 2019|20 führten Trockenheit und Hitzewellen in Europa zu Verringerungen des Angebotes.

Es ist weiterhin mit einer hohen Rübenzuckerproduktion, speziell in Gunstlagen der EU, zu rechnen. Des Weiteren ist davon auszugehen, dass sich die europäischen Marktpreise stärker am Weltmarktniveau orientieren und somit auch hohe Schwankungsbreiten bei Zuckerpreisen möglich sind. Die neue Regelung der Zuckermarktordnung sieht auch keine Mindestpreise für Zuckerrüben vor, jedoch sind die Preise seit 2019 der Europäischen Kommission zu melden. Die Rübenpreise werden weiterhin zwischen den Rübenproduzenten und der rübenverarbeitenden Industrie ausverhandelt. Die Reform der Zuckermarktordnung beinhaltet keine Veränderung im System der Importzölle für Zuckerimporte von außerhalb der EU sowie in der Behandlung von Importen aus LDCs<sup>5</sup>/AKP<sup>6</sup>-Staaten mit EU-Präferenzabkommen.

<sup>5</sup> Least Developed Countries; Am wenigsten entwickelte Länder

<sup>6</sup> African, Caribbean and Pacific Group of States; Gruppe der afrikanischen, karibischen und pazifischen Staaten

**Freihandelsabkommen:** Die derzeit verhandelten Freihandelsabkommen der EU könnten wirtschaftliche Auswirkungen auf AGRANA haben. AGRANA verfolgt die laufenden Verhandlungen und analysiert und bewertet die einzelnen Ergebnisse.

Des Weiteren können nationale Steuer- und Zollvorschriften sowie deren Auslegung durch die lokalen Behörden zu weiteren Risiken im regulatorischen Umfeld führen.

#### EU-Richtlinie für erneuerbare Energien

Die Trilog-Verhandlungen zur Neugestaltung der Erneuerbaren Energie Richtlinie (RED II – Renewable Energy Directive) ab 2020 zwischen EU-Kommission, EU-Rat und EU-Parlament wurden im Juni 2018 abgeschlossen. Am 21. Dezember 2018 wurde die Richtlinie veröffentlicht. Die EU-Mitgliedstaaten müssen die neue Richtlinie bis zum 30. Juni 2021 in nationales Recht umsetzen.

Diese sieht eine Untergrenze von 14 % erneuerbare Energie im Transportbereich bis zum Jahr 2030 vor. Der Anteil der getreidebasierten Biotreibstoffe wurde mit dem nationalen Beitrag im Jahr 2020, maximal jedoch 7 %, begrenzt. Weiters wurde ein Unterziel für sogenannte fortschrittliche Biokraftstoffe („2. Generation“) in Höhe von mindestens 3,5 % bis zum Jahr 2030 festgelegt. Die Rohstoffliste für die fortschrittlichen Biokraftstoffe wird in Anhang IX der Richtlinie festgelegt und kann durch die EU-Kommission ergänzt werden.

Biokraftstoffe aus sogenannten „High-ILUC-Risk“<sup>7</sup>-Rohstoffen werden mit dem Beitrag im Jahr 2019 gedeckelt und sollen stufenweise ab 2023 bis 2030 gänzlich auslaufen. Darunter fällt zum Beispiel Biodiesel aus Palmöl.

#### **Rechtliche Risiken**

AGRANA verfolgt Änderungen der rechtlichen Rahmenbedingungen, die eines ihrer Geschäftsfelder oder deren Mitarbeiter betreffen und allenfalls zu einer Risikosituation führen könnten, kontinuierlich und trifft gegebenenfalls notwendige Maßnahmen. Die unter besonderer Aufmerksamkeit stehenden Rechtsbereiche sind Kartell-, Lebensmittel- und Umweltrecht, neben Datenschutz, Geldwäschebestimmungen und Terrorismusfinanzierung. AGRANA hat für den Bereich Compliance, Personalrecht und allgemeine Rechtsbereiche eigene Stabsstellen eingerichtet.

Derzeit bestehen keine gerichtsanhängigen oder angedrohten zivilrechtlichen Klagen gegen Unternehmen der AGRANA-Gruppe, die eine materielle Auswirkung auf die Ertrags-, Finanz- und Vermögenslage haben könnten.

Wie in den Vorjahresberichten dargestellt, beantragte die österreichische Bundeswettbewerbsbehörde (BWB) im Jahr 2010 ein Bußgeld im Rahmen eines Kartellverfahrens wegen des Verdachtes wettbewerbsbeschränkender Absprachen in Bezug auf Österreich gegen die AGRANA Zucker GmbH, Wien, und die Südzucker Aktiengesellschaft, Mannheim, Deutschland. Das Oberlandesgericht Wien hat am 19. Mai 2019 den Bußgeldantrag der BWB abgewiesen; dagegen hat die BWB Revision an den Obersten Gerichtshof erhoben. AGRANA hält die Beschuldigung sowie das beantragte Bußgeld weiterhin für unbegründet.

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<sup>7</sup> Hohes Risiko indirekter Landnutzungsänderung (Indirect Land Use Change). Von ILUC wird gesprochen, wenn Pflanzen für Agro-Kraftstoffe zwar auf Flächen angebaut werden, die als nachhaltig zertifiziert sind, dabei aber den Anbau von Nahrungspflanzen auf Wald- oder Brachflächen verdrängen.

## Finanzielle Risiken

AGRANA ist Risiken aus der Veränderung von Wechselkursen, Zinssätzen und Produktpreisen ausgesetzt. Darüber hinaus bestehen Risiken, die für den Konzern notwendigen Refinanzierungen zur Verfügung gestellt zu bekommen. Die Finanzierungssteuerung der Unternehmensgruppe erfolgt im Wesentlichen zentral durch die Treasury-Abteilung, die dem Vorstand laufend über die Entwicklung und Struktur der Nettofinanzschulden des Konzerns, die finanziellen Risiken und über den Umfang und das Ergebnis der getätigten Sicherungsgeschäfte berichtet.

Die AGRANA-Gruppe ist weltweit tätig und hat unterschiedliche Steuergesetzgebungen, Abgabenregularien sowie devisarechtliche Bestimmungen zu beachten. Veränderungen von Bestimmungen unterschiedlicher Gesetzgeber und deren Auslegung durch lokale Behörden können einen Einfluss auf den finanziellen Erfolg einzelner Konzerngesellschaften und in weiterer Folge auch auf den Konzern haben.

### Zinsänderungsrisiken

Zinsänderungsrisiken ergeben sich durch Wertschwankungen von fix verzinsten Finanzinstrumenten infolge einer Änderung des Marktzinssatzes (zinsbedingtes Kursrisiko). Variabel verzinsliche Anlagen oder Kreditaufnahmen unterliegen dagegen keinem Wertrisiko, da der Zinssatz zeitnah der Marktzinslage angepasst wird. Durch die Schwankung des Marktzinsniveaus ergibt sich aber ein Risiko hinsichtlich der künftigen Zinszahlungen (zinsbedingtes Zahlungsstromrisiko). Dabei versucht AGRANA, Zins sicherungsinstrumente dem Finanzierungsbedarf und der Fristigkeit entsprechend einzusetzen. Im Rahmen der Umsetzung von IFRS 7 werden die bestehenden Zinsrisiken durch Berechnung des „Cash Flow at Risk“ bzw. der „Modified Duration“ ermittelt und im Konzernanhang detailliert dargestellt.

### Währungsrisiken

Währungsrisiken können aus dem Einkauf von Waren und Verkauf von Produkten in Fremdwährungen sowie aufgrund von Finanzierungen, die nicht in der lokalen Währung erfolgen, entstehen. Für AGRANA sind v.a. die Kursrelationen von Euro zu US-Dollar, ungarischem Forint, polnischem Zloty, rumänischem Leu, ukrainischer Griwna, russischem Rubel, brasilianischem Real, mexikanischem Peso, argentinischem Peso und chinesischem Yuan von Relevanz.

Im Rahmen des Währungsmanagements ermittelt AGRANA monatlich pro Konzerngesellschaft das Netto-Fremdwährungsexposure, welches sich aus den Einkaufs-, Verkaufs- und Finanzmittelpositionen inklusive der im Bestand befindlichen Sicherungsgeschäfte ergibt. Zudem werden bereits kontrahierte, jedoch noch nicht erfüllte Einkaufs- und Verkaufskontrakte in Fremdwährungen berücksichtigt. Als Sicherungsinstrument setzt AGRANA vorrangig Devisentermingeschäfte ein, mit denen die in Fremdwährung anfallenden Zahlungsströme gegen Kursschwankungen abgesichert werden. In Ländern mit volatilen Währungen werden diese Risiken zusätzlich durch eine Verkürzung von Zahlungsfristen, eine Indizierung der Verkaufspreise zum Euro oder US-Dollar und analoge Sicherungsmechanismen weiter reduziert.

Das Währungsrisiko wird durch den „Value at Risk“-Ansatz ermittelt und im Konzernanhang dargestellt.

### Liquiditätsrisiken

Das Bestreben der AGRANA-Gruppe ist darauf ausgerichtet, über ausreichend liquide Mittel zu verfügen, um jederzeit den fälligen Zahlungsverpflichtungen nachzukommen. Liquiditätsrisiken auf Einzelgesellschafts- oder Länderebene werden durch das einheitliche Berichtswesen frühzeitig erkannt, wodurch Gegenmaßnahmen rechtzeitig eingeleitet werden können. Die Liquidität der AGRANA-Gruppe ist durch bilaterale und syndizierte Kreditlinien langfristig und ausreichend abgesichert.

### Risiken aus Forderungsausfällen

Risiken aus Forderungsausfällen werden durch die bestehenden Warenkreditversicherungen, durch strikte Kreditlimits und laufende Überprüfungen der Kundenbonität minimiert. Das verbleibende Risiko wird durch Vorsorgen in angemessener Höhe abgedeckt.

### **Nicht-finanzielle Risiken**

Als energieintensiver industrieller Veredler, v.a. in den Segmenten Stärke und Zucker, unterliegt AGRANA mit dem Großteil ihrer Produktionsstandorte dieser Segmente dem EU-Emissionshandelssystem (ETS<sup>8</sup>). Daher beschäftigt sich das Unternehmen seit jeher auch intensiv mit potenziellen regulatorischen (transitorischen) Risiken im Bereich der Energiegesetzgebung. Durch politische Lenkungsmaßnahmen im Kampf gegen den Klimawandel auf EU-Ebene (EU Green Deal), aber auch auf nationaler Ebene der Länder, in denen AGRANA tätig ist, sind in den nächsten Jahren potenzielle Einschränkungen bei der Nutzung oder die stärkere Besteuerung fossiler Energieträger zu erwarten, um die Ziele des Pariser Klimaschutzabkommens zu erreichen. AGRANA wird diesen Risiken im Rahmen der im Geschäftsjahr 2019|20 gestarteten Entwicklung ihrer Dekarbonisierungsstrategie Rechnung tragen.

### **Coronavirus (COVID-19)**

Die zunehmend globale Verbreitung des Coronavirus hat in vielen Ländern der Welt zu massiven Einschränkungen des öffentlichen, gesellschaftlichen und wirtschaftlichen Lebens geführt. AGRANA ist mit Produktions- und Vertriebsstandorten auf allen Kontinenten vertreten und daher in unterschiedlichen Regionen innerhalb und außerhalb Europas betroffen. Zum derzeitigen Zeitpunkt ist eine umfassende Einschätzung der Wirkungsweise der vielfach landesweiten Eindämmungsmaßnahmen des Virus sowie der Auswirkungen auf die konjunkturelle Entwicklung der Weltwirtschaft in Bezug auf Ausmaß und Dauer nicht möglich. Im Jahr 2020 ist jedoch eine Rezession in vielen Teilen der Welt als wahrscheinlich anzusehen. AGRANA verzeichnet eine hohe Nachfrage an produzierten Nahrungsmitteln und leistet somit einen wichtigen Beitrag zur Versorgung der Endkunden. Als Hersteller von Lebens- und Futtermitteln ist AGRANA ein wichtiger Bestandteil der „kritischen Infrastruktur“. Dennoch kann es aufgrund der Pandemie zu Beeinträchtigungen auf den Absatzmärkten kommen. Speziell im Non-Food-Bereich lässt sich bei Bioethanol zur Zeit ein Absatzrückgang und ein deutlich gesunkenes Preisniveau feststellen.

Nach Ausrufung der Pandemie-Erklärung der WHO wurde zur Sicherheit der Mitarbeiter sowie für die Aufrechterhaltung der Produktion eine konzernweite Pandemie-Richtlinie erlassen. Dies bedeutet im Wesentlichen, dass Krisenteams aktiviert wurden, jeweils lokale Business Continuity-Pläne implementiert, verstärkte Kommunikationsmaßnahmen sowie erhöhte Hygienemaßnahmen ergriffen wurden und ein hohes Augenmerk auf die Einhaltung der behördlichen Empfehlungen und Anordnungen gelegt wird. Des Weiteren bestehen restriktive Maßnahmen in Bezug auf Dienstreisen und die Ermöglichung von temporärer Heimarbeit wurde implementiert. Es kann jedoch dennoch nicht ausgeschlossen werden, dass Krankheitsfälle auftreten bzw. sich Mitarbeiter von AGRANA sowie von Kunden oder Lieferanten zur Eindämmung der Verbreitung des Virus in häusliche Quarantäne begeben müssen und es damit zu Beeinträchtigungen der Geschäftsabläufe in der Beschaffung, in der Produktion oder im Absatz kommen kann.

AGRANA kann durch präventive Maßnahmen der nationalen Behörden bezüglich Grenzkontrollen und -schließungen sowie eine limitierte Verfügbarkeit von Transportmitteln im Rahmen der Logistikketten beeinträchtigt werden.

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<sup>8</sup> Emission Trading System (ETS)

Auf den Finanz- und Kapitalmärkten sowie im Interbankenhandel ist es zeitweise zu massiven Verwerfungen gekommen. Aufgrund der ungewissen Zukunftsentwicklung, beeinflusst durch COVID-19, ist auch weiter mit negativen Einflüssen zu rechnen.

AGRANA steht in engem Austausch mit ihren Hausbanken und überprüft laufend die Verfügbarkeit der vorhandenen Kreditrahmen sowie der Liquidität auf den weltweit unterhaltenen Bankkonten. Dabei wird auch ein verschärfter Fokus auf das Rating der Bankpartner gelegt. Bei Bedarf werden notwendige Umschichtungen vorgenommen.

Wie bereits erwähnt ist AGRANA auf allen Kontinenten aktiv und muss daher eine Vielzahl an Währungen, sowohl im operativen Geschäft als auch bei Finanzierungen, managen. AGRANA analysiert laufend das vorhandene und geplante Währungsexposure und versucht, sich daraus ergebende Risiken zu minimieren.

### **Gesamtrisiko**

Die derzeitige Gesamtrisikoposition des Konzerns ist durch hohe Volatilitäten von Verkaufs- und Rohstoffpreisen gekennzeichnet. Im Segment Zucker ist der Einfluss der Weltmarktpreise auf das europäische Preisniveau von gesteigener Bedeutung. Im Bereich Bioethanol ist der wirtschaftliche Erfolg wesentlich durch die zukünftige Entwicklung der Absatzpreise bestimmt. Da sich die Preise für die verwendeten Rohstoffe Mais und Weizen unabhängig von den Ethanolpreisen entwickeln können, wird die Einschätzung der Ergebnisentwicklung bei Bioethanol zusätzlich erschwert.

Aufgrund der anhaltend niedrigen Verkaufspreise für Zucker und Isoglukose, der volatilen Preisentwicklung bei Bioethanol und der schwankenden Kosten durch die hohe Rohstoffpreisvolatilität sowie aufgrund der noch nicht abschätzbaren Unsicherheiten in Bezug auf Ausmaß und Dauer aus der Coronakrise liegt die Gesamtrisikoposition des Konzerns deutlich über dem Durchschnitt der Vorjahre. Sie ist jedoch durch eine hohe bilanzielle Eigenkapitalausstattung gedeckt und die AGRANA-Gruppe kann durch die Diversifikation in drei Geschäftsbereiche risikoausgleichend agieren.

Es bestehen nach wie vor keine bestandsgefährdenden Risiken für die AGRANA-Gruppe bzw. sind solche auch gegenwärtig nicht erkennbar.

## BERICHTERSTATTUNG GEMÄß § 243A ABS. 2 UGB

Der Vorstand der AGRANA verantwortet die Einrichtung und Ausgestaltung eines internen Kontrollsystems (IKS) und Risikomanagementsystems (RMS) im Hinblick auf den Rechnungslegungsprozess sowie die Einhaltung der maßgeblichen gesetzlichen Vorschriften.

Das IKS, konzernweit geltende Bilanzierungs- und Bewertungsrichtlinien sowie die Vorschriften zur Rechnungslegung nach den International Financial Reporting Standards (IFRS) sichern sowohl Einheitlichkeit der Rechnungslegung als auch die Verlässlichkeit der Finanzberichterstattung und der extern publizierten Abschlüsse.

Der überwiegende Anteil der Konzerngesellschaften verwendet SAP als führendes ERP<sup>9</sup>-System. Sämtliche AGRANA-Gesellschaften übergeben die Werte der Einzelabschlüsse in das zentrale SAP-Konsolidierungsmodul. Es kann somit sichergestellt werden, dass das Berichtswesen auf einer einheitlichen Datenbasis beruht. Die Erstellung des Konzernabschlusses erfolgt durch das Konzernrechnungswesen. Es zeichnet für die Betreuung der Meldedatenübernahme der lokalen Gesellschaften, die Durchführung der Konsolidierungsmaßnahmen und für die analytische Aufbereitung und Erstellung von Finanzberichten verantwortlich. Die Kontrolle und Abstimmung des internen und externen Berichtswesens werden monatlich durch das Controlling und Konzernrechnungswesen durchgeführt.

Das wesentliche Steuerungsinstrument für das Management von AGRANA ist das konzernweit implementierte einheitliche Planungs- und Berichtssystem. Es umfasst eine Mittelfristplanung mit einem Planungshorizont von fünf Jahren, eine Budgetplanung (für das folgende Geschäftsjahr), Monatsberichte inklusive eines eigenen Risikoberichtes sowie dreimal bis viermal jährlich eine Vorscheurechnung des laufenden Geschäftsjahres, in dem die wesentlichen wirtschaftlichen Entwicklungen berücksichtigt werden. Im Falle von wesentlichen Änderungen der Planungsprämissen wird dieses System durch Ad-hoc-Planungen ergänzt.

Die vom Controlling erstellte monatliche Finanzberichterstattung zeigt die Entwicklung aller Konzerngesellschaften. Der Inhalt dieses Berichtes ist konzernweit vereinheitlicht und umfasst neben detaillierten Verkaufsdaten, Bilanz, Gewinn- und Verlustrechnung, die daraus ableitbaren Kennzahlen und auch eine Analyse der wesentlichen Abweichungen. Teil dieses Monatsberichtes ist auch ein eigener Risikobericht, sowohl für jedes Segment als auch für die gesamte AGRANA-Gruppe, in dem unter Annahme von aktuellen Marktpreisen noch nicht fixierter Mengen bei wesentlichen Ergebnisfaktoren im Vergleich zu geplanten Preisen das Risikopotenzial für das laufende und das nachfolgende Geschäftsjahr errechnet wird.

Ein konzernweites Risikomanagementsystem, sowohl auf operativer als auch strategischer Ebene, in dessen Rahmen alle für das Unternehmen relevanten Risikofelder wie regulatorische und rechtliche Rahmenbedingungen, Rohstoffbeschaffung, Wettbewerbs- und Marktrisiken und Finanzierung auf Chancen und Risiken analysiert werden, ermöglicht es dem Management, frühzeitig Veränderungen im Unternehmensumfeld zu erkennen und rechtzeitig Gegenmaßnahmen einzuleiten.

Die Interne Revision überwacht sämtliche Betriebs- und Geschäftsabläufe in der Gruppe im Hinblick auf die Einhaltung gesetzlicher Bestimmungen und interner Richtlinien sowie auf Wirksamkeit des Risikomanagements und der internen Kontrollsysteme. Grundlage der Prüfungshandlungen ist ein vom Vorstand beschlossener jährlicher Revisionsplan auf Basis einer konzernweiten Risikobewertung. Auf Veranlassung des Managements werden Ad-hoc-Prüfungen durchgeführt, die auf aktuelle und zukünftige Risiken abzielen. Die Ergebnisse der Prüfungshandlungen werden regelmäßig an den AGRANA-Vorstand und an das verantwortliche Management sowie an den Aufsichtsrat (Prüfungsausschuss)

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<sup>9</sup> Enterprise-Resource-Planning

berichtet. Die Umsetzung der von der Revision vorgeschlagenen Maßnahmen wird durch Folgekontrollen überprüft.

Im Rahmen der Abschlussprüfung beurteilt der Wirtschaftsprüfer jährlich das interne Kontrollsystem des Rechnungslegungsprozesses und der IT-Systeme. Die Ergebnisse der Prüfungshandlungen werden dem Prüfungsausschuss im Aufsichtsrat berichtet.

## KAPITAL-, ANTEILS-, STIMM- UND KONTROLLRECHTE (Angaben gemäß § 243a Abs. 1 UGB)

Das Grundkapital der AGRANA Beteiligungs-Aktiengesellschaft zum Stichtag 29. Februar 2020 betrug 113,5 Mio. € (28. Februar 2019: 113,5 Mio. €) und war in 62.488.976 (28. Februar 2019: 62.488.976) auf Inhaber lautende Stückaktien (Stammaktien mit Stimmrecht) geteilt. Weitere Aktiengattungen bestehen nicht.

Die Z&S Zucker und Stärke Holding AG (Z&S) mit Sitz in Wien hält als Mehrheitsaktionär direkt 78,34 % des Grundkapitals der AGRANA Beteiligungs-Aktiengesellschaft. Die Z&S ist eine 100 %-Tochter der AGRANA Zucker, Stärke und Frucht Holding AG, Wien, an welcher die Zucker-Beteiligungsgesellschaft m.b.H. (ZBG), Wien, mit 50 % abzüglich einer Aktie, die von der AGRANA Zucker GmbH, einer Tochter der AGRANA Beteiligungs-Aktiengesellschaft, gehalten wird, sowie die Südzucker AG (Südzucker), Mannheim|Deutschland, mit 50 % beteiligt sind. An der ZBG halten die „ALMARA“ Holding GmbH, eine Tochtergesellschaft der RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung, die Marchfelder Zuckerfabriken Gesellschaft m.b.H., die Estezet Beteiligungsgesellschaft m.b.H., die Rübenproduzenten Beteiligungs GesmbH und die LEIPNIK-LUNDENBURGER INVEST Beteiligungs Aktiengesellschaft, jeweils Wien, Beteiligungen. Aufgrund eines zwischen der Südzucker und der ZBG abgeschlossenen Syndikatsvertrages sind die Stimmrechte der Syndikatspartner in der Z&S gebündelt und es bestehen u.a. Übertragungsbeschränkungen der Aktien und bestimmte Nominierungsrechte der Syndikatspartner für die Organe der AGRANA Beteiligungs-Aktiengesellschaft und der Südzucker. So ist Dipl.-Ing. Johann Marihart von der ZBG als Vorstandsmitglied der Südzucker AG und Dkfm. Thomas Kölbl seitens Südzucker als Vorstandsmitglied der AGRANA Beteiligungs-Aktiengesellschaft nominiert und bestellt.

Der Vorstand ist bis einschließlich 4. September 2020 ermächtigt, mit Zustimmung des Aufsichtsrates das Grundkapital um bis zu 4.940.270,20 € durch Ausgabe von bis zu 679.796 Stück neuen auf Inhaber lautenden Stammaktien der Gesellschaft gegen Bar- oder Sacheinlagen auch in mehreren Tranchen zu erhöhen und den Ausgabebetrag, der nicht unter dem anteiligen Betrag des Grundkapitals liegen darf, die Ausgabebedingungen und die weiteren Einzelheiten der Durchführung der Kapitalerhöhung im Einvernehmen mit dem Aufsichtsrat festzusetzen.

Es gibt keine Inhaber von Aktien, die über besondere Kontrollrechte verfügen. Mitarbeiter, die auch Aktionäre der AGRANA Beteiligungs-Aktiengesellschaft sind, üben ihre Stimmrechte individuell aus.

Der Vorstand verfügt über keine über die unmittelbaren gesetzlichen Regelungen hinausgehenden Befugnisse, Aktien auszugeben oder zurückzukaufen.

In den Verträgen betreffend Schuldscheindarlehen und Kreditlinien („Syndicated Loans“) sind Change of Control-Klauseln enthalten, die den Darlehensgebern ein außerordentliches Kündigungsrecht einräumen.

Darüber hinaus bestehen keine bedeutenden Vereinbarungen, die bei einem Kontrollwechsel infolge eines Übernahmeangebotes wirksam werden, sich wesentlich ändern oder enden. Entschädigungsvereinbarungen zwischen der Gesellschaft und ihren Organen oder Arbeitnehmern im Falle eines öffentlichen Übernahmeangebotes bestehen nicht.

## CORPORATE GOVERNANCE-BERICHT

AGRANA bekennt sich zu den Regelungen des ÖCGK. Im Geschäftsjahr 2019|20 hat AGRANA den ÖCGK in der Fassung vom Jänner 2018 zur Anwendung gebracht. Der Aufsichtsrat der AGRANA Beteiligungs-Aktiengesellschaft hat sich in seinen Sitzungen am 20. November 2019 und 26. Februar 2020 mit Fragen der Corporate Governance befasst und einstimmig der Erklärung über die Einhaltung des Kodex zugestimmt.

Die Umsetzung und die Einhaltung der einzelnen Regeln des Kodex wurde im Geschäftsjahr 2017|18 durch die KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft evaluiert. Die Überprüfung erfolgte im Wesentlichen unter Anwendung des Fragebogens zur Evaluierung der Einhaltung des ÖCGK, herausgegeben vom Österreichischen Arbeitskreis für Corporate Governance (Fassung Jänner 2015). Der Bericht über die externe Evaluierung gemäß Regel 62 des ÖCGK ist unter [www.agrana.com/ir/corporate-governance](http://www.agrana.com/ir/corporate-governance) abrufbar.

## ZWEIGNIEDERLASSUNGEN

Die AGRANA Beteiligungs-Aktiengesellschaft hatte in 2019/20 keine Zweigniederlassungen

## EREIGNISSE NACH DEM BILANZSTICHTAG

Die weltweite Ausbreitung der Coronavirus-Erkrankung (COVID-19) wurde am 11. März 2020 von der Weltgesundheitsorganisation (WHO) zu einer Pandemie erklärt. Damit konkretisiert sich eine höhere Wahrscheinlichkeit von möglichen wesentlichen Auswirkungen auf den zukünftigen Geschäftsverlauf. Bis zur Aufstellung des Jahresabschlusses am 22. April 2020 war es aufgrund der dynamischen Entwicklung nicht möglich, die finanziellen Auswirkungen abzuschätzen. In Abhängigkeit der tatsächlichen Auswirkungen bzw. weiterer Entwicklungen durch die Coronakrise können sich negative Einflüsse auf das Geschäftsjahr 2020|21 oder folgende Geschäftsjahre, beispielsweise im Bereich der Werthaltigkeit von Geschäfts-/Firmenwerten sowie Sachanlagen, bei Mittelfristplanungen oder sonstigen finanzrelevanten Teilen ergeben. Zum 29. Februar 2020 waren die Effekte nicht absehbar und daher auch nicht berücksichtigt.

Ansonsten sind nach dem Bilanzstichtag am 29. Februar 2020 keine Vorgänge von besonderer Bedeutung für die AGRANA eingetreten.

## PROGNOSEBERICHT

Diese Prognose steht unter dem Vorbehalt der zum Zeitpunkt der Erstellung dieses Geschäftsberichtes im April 2020 noch nicht absehbaren wirtschaftlichen und finanziellen Auswirkungen und Dauer der temporären Ausnahmesituation im Zusammenhang mit der COVID-19-Pandemie. Aufgrund der sich dynamisch ändernden Situation hätten Annahmen über die weitere Entwicklung der COVID-19-Pandemie und deren wirtschaftliche und finanzielle Auswirkungen überwiegend spekulativen Charakter. **AGRANA hat deshalb davon abgesehen, solche Annahmen im Prognosebericht zu berücksichtigen und veröffentlicht deshalb eine „Prognose vor Corona“, die auf dem ursprünglich geplanten Budget für 2020|21 basiert.** Es wird mit negativen Effekten auf Umsatz und Ergebnis der Betriebstätigkeit (EBIT) in allen Segmenten gerechnet, die aktuell allerdings noch nicht quantifizierbar sind.

AGRANA sieht sich aufgrund des diversifizierten Geschäftsmodelles und einer soliden Bilanzstruktur für die Zukunft gut aufgestellt. Für das Geschäftsjahr 2020|21 wird für die Gruppe mit einem deutlichen Anstieg beim **EBIT ohne Corona-Effekt** gerechnet. Ebenso wird beim **Konzernumsatz ohne Corona-Effekt** von einem deutlichen Anstieg ausgegangen.

**COVID-19-Risikoeinschätzung:** Die sich weiterhin dynamisch verändernden Auswirkungen aus der COVID-19-Pandemie verhindern im Moment jegliche konkrete Festlegung von Parametern und damit der letztendlichen „Prognose nach Corona“ für 2020|21.

Das **Investitionsvolumen** in den drei Segmenten soll in Summe mit rund 80 Mio. € nicht nur deutlich unter dem Wert von 2019|20, sondern auch deutlich unter den geplanten Abschreibungen in Höhe von knapp 120 Mio. € liegen. Dieser Investitionsplan wurde bereits vor der Coronakrise festgelegt und soll unverändert beibehalten werden.

## Nachhaltigkeitsausblick 2020 | 21

Im Geschäftsjahr 2020|21 wird AGRANA weiter an ihrer Dekarbonisierungsstrategie, die eine bilanzielle CO<sub>2</sub>-Neutralität bis 2040 vorsieht, arbeiten und konkrete Etappenziele formulieren.

Aus Sicht der **Einzelgesellschaft**, der AGRANA Beteiligungs-Aktiengesellschaft, wird für das kommende Geschäftsjahr 2020|21 mit einer stabilen Umsatzentwicklung und einem Ergebnis der Geschäftstätigkeit (EGT) auf aktuellem Niveau gerechnet.

Wien, am 22. April 2020

### Der Vorstand



Dipl.-Ing. Johann Marihart



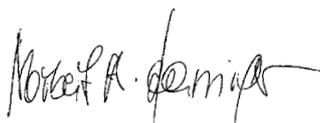
Mag. Dipl.-Ing. Dr. Fritz Gattermayer



Mag. Stephan Büttner



Dipl.-Ing. Dr. Norbert Harringer



Dkfm. Thomas Kölbl

# Parent company financial statements

for the year ended 29 February 2020

## INHALTSVERZEICHNIS

Gewinn- und Verlustrechnung

Bilanz

Anhang zum Jahresabschluss

Allgemeines

Bilanzierungs- und Bewertungsmethoden

Erläuterungen zur Bilanz

Erläuterungen zur Gewinn- und Verlustrechnung

Sonstige Angaben

Aufwendungen für den Abschlussprüfer

Wesentliche Ereignisse nach dem Bilanzstichtag

Ergebnisverwendung

Organe und Arbeitnehmer

Entwicklung des Anlagevermögens

# Parent company income statement

for the year ended 29 February 2020

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

€000	2019 20	2018 19
1. Revenue	35,137	32,339
2. Other operating income	205	121
3. Staff costs	(22,524)	(22,707)
4. Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	(1,303)	(1,221)
5. Other operating expenses	(25,090)	(23,195)
<b>6. Operating (loss) [subtotal of items 1 to 5]</b>	<b>(13,575)</b>	<b>(14,663)</b>
7. Income from investments in subsidiaries and other companies	74,810	64,523
Of which from subsidiaries	74,793	64,499
8. Income from other securities and loans classified as non-current financial assets	2,524	1,864
Of which from subsidiaries	2,524	1,864
9. Other interest and similar income	3,794	2,963
Of which from subsidiaries	3,794	2,906
10. Interest and similar expense	(2,993)	(1,228)
Of which from subsidiaries	(790)	(1,167)
<b>11. Net financial items [subtotal of items 7 to 10]</b>	<b>78,135</b>	<b>68,122</b>
<b>12. Profit before tax [subtotal of items 1 to 11]</b>	<b>64,560</b>	<b>53,459</b>
13. Income tax benefit	320	168
<b>14. Profit for the period</b>	<b>64,880</b>	<b>53,627</b>
15. Retained profit brought forward from prior year	5,278	14,140
<b>16. Retained profit</b>	<b>70,158</b>	<b>67,767</b>

# Parent company balance sheet

at 29 February 2020

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

€000	29 Feb 2020	28 Feb 2019
<b>ASSETS</b>		
<b>A. Non-current assets</b>		
I. Intangible assets	983	1,594
II. Property, plant and equipment	1,050	1,065
III. Non-current financial assets	664,283	459,783
	<b>666,316</b>	<b>462,442</b>
<b>B. Current assets</b>		
I. Receivables and other assets	364,213	353,123
Of which due in more than 1 year	15,915	20,413
II. Cash and bank balances	28	33
	<b>364,241</b>	<b>353,156</b>
<b>C. Prepaid expenses</b>	<b>58</b>	<b>59</b>
<b>D. Deferred tax assets</b>	<b>618</b>	<b>589</b>
<b>Total assets</b>	<b>1,031,233</b>	<b>816,246</b>
<b>EQUITY AND LIABILITIES</b>		
<b>A. Equity</b>		
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	70,158	67,767
Of which brought forward from prior year	5,278	14,140
	<b>748,306</b>	<b>745,915</b>
<b>B. Provisions</b>		
I. Provisions for retirement, termination and long-service benefit obligations	16,728	15,072
II. Provisions for tax and other liabilities	3,935	4,321
	<b>20,663</b>	<b>19,393</b>
<b>C. Liabilities</b>		
I. Borrowings	247,000	42,500
Of which due in up to 1 year	0	35,500
Of which due in more than 1 year	247,000	7,000
II. Other liabilities	15,264	8,438
Of which due in up to 1 year	8,232	6,425
Of which due in more than 1 year	7,032	2,013
	<b>262,264</b>	<b>50,938</b>
<b>Total equity and liabilities</b>	<b>1,031,233</b>	<b>816,246</b>



# Notes to the parent company financial statements

for the year ended 29 February 2020

## A. ALLGEMEINES

Die Erstellung des Jahresabschlusses erfolgte nach den Bestimmungen des Unternehmensgesetzbuches (§ 189 ff UGB) in der geltenden Fassung.

Die Gesellschaft ist als große Kapitalgesellschaft gemäß § 221 UGB einzustufen.

Die Gliederungsvorschriften der §§ 224 und 231 Abs 2 UGB wurden eingehalten, wobei für den Ausweis des Anlagevermögens das Wahlrecht gemäß § 223 Abs 6 UGB zur Verbesserung der Klarheit der Darstellung in Anspruch genommen wurde. Die zusammengefassten Posten sind im Anhang aufgegliedert.

Die zahlenmäßige Darstellung erfolgt in EURO (EUR), jene der Vorjahresbeträge in tausend EURO (TEUR).

Für die Darstellung der Gewinn- und Verlustrechnung wurde das Gesamtkostenverfahren gewählt.

## B. BILANZIERUNGS- UND BEWERTUNGSMETHODEN

### 1. Allgemeine Grundsätze

Der Jahresabschluss wurde unter Beachtung der Grundsätze ordnungsmäßiger Buchführung und Bilanzierung sowie unter Beachtung der Generalnorm, ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Unternehmens zu vermitteln, aufgestellt.

Bei der Erstellung des Jahresabschlusses wurde der Grundsatz der Vollständigkeit eingehalten.

Bei der Bewertung der einzelnen Vermögensgegenstände und Schulden wurde der Grundsatz der Einzelbewertung beachtet und eine Fortführung des Unternehmens unterstellt.

Dem Vorsichtsprinzip wurde dadurch Rechnung getragen, dass nur die am Abschlussstichtag verwirklichten Gewinne ausgewiesen wurden. Alle erkennbaren Risiken und drohenden Verluste wurden berücksichtigt.

Schätzungen beruhen auf einer umsichtigen Beurteilung. Soweit statistisch ermittelbare Erfahrungen aus gleich gelagerten Sachverhalten vorhanden sind, wurde dies bei Schätzungen berücksichtigt.

Die bisherige Form der Darstellung wurde bei der Erstellung des vorliegenden Jahresabschlusses beibehalten.

Der Jahresabschluss der Gesellschaft wird beim Firmenbuch des Handelsgerichtes Wien eingereicht.

Der Konzernabschluss der AGRANA Beteiligungs-Aktiengesellschaft, Wien, wird in den Konzernabschluss der Südzucker Aktiengesellschaft Mannheim, Deutschland, aufgenommen und dieser beim Handelsregister des Amtsgerichtes Mannheim hinterlegt. Der Konzernabschluss der AGRANA Beteiligungs-Aktiengesellschaft wird beim Handelsgericht Wien hinterlegt.

## 2. Anlagevermögen

### a. Immaterielle Vermögensgegenstände

Die immateriellen Vermögensgegenstände werden zu Anschaffungskosten bewertet, die um die planmäßigen Abschreibungen vermindert sind.

Die planmäßige Abschreibung wird linear vorgenommen.

Folgende Nutzungsdauer wird der planmäßigen Abschreibung zugrunde gelegt:

	Jahre	Prozent
Markenrechte	10	10
EDV-Software	3	33,33

Außerplanmäßige Abschreibungen auf einen zum Abschlussstichtag niedrigeren beizulegenden Wert werden vorgenommen, wenn die Wertminderungen voraussichtlich von Dauer sind.

### b. Sachanlagevermögen

Das Sachanlagevermögen wird zu Anschaffungskosten bewertet, die um die planmäßigen Abschreibungen vermindert sind.

Die planmäßige Abschreibung wird linear vorgenommen.

Folgende Nutzungsdauern werden der planmäßigen Abschreibung zugrunde gelegt:

	Jahre	Prozent
Gebäude	40 - 50	2,5 - 2
Geschäftsausstattung	5-10	20 - 10
EDV-Ausstattung	3	33,33
Gebrauchte Geschäftsausstattung und EDV	1 - 5	100 - 20

Gemäß Strukturanpassungsgesetz 1996 ergibt sich eine steuerliche Abschreibungsdauer für Personenkraftfahrzeuge von 8 Jahren. Unternehmensrechtlich wird eine Nutzungsdauer von 5 Jahren zugrunde gelegt.

Außerplanmäßige Abschreibungen auf einen zum Abschlussstichtag niedrigeren beizulegenden Wert werden vorgenommen, wenn die Wertminderungen voraussichtlich von Dauer sind.

### ***c. Finanzanlagen***

Die Anteile an verbundenen Unternehmen und Beteiligungen werden zu Anschaffungskosten oder zu dem niedrigeren Wert, der ihnen gemäß § 204 (2) UGB beizulegen ist, bewertet.

Gemäß Strukturanpassungsgesetz 1996 werden Abschreibungen bzw. Verluste aus Beteiligungen steuerrechtlich auf 7 Jahre verteilt angesetzt. Unternehmensrechtlich wird dieser Aufwand im Entstehungsjahr zur Gänze geltend gemacht.

Die Ausleihungen werden zum Nennwert bewertet. Im Falle einer dauerhaften Wertminderung werden außerplanmäßige Abschreibungen auf den beizulegenden Zeitwert vorgenommen.

### ***d. Zuschreibungen und andere Angaben***

Zuschreibungen zu Vermögensgegenständen des Anlagevermögens werden vorgenommen, wenn die Gründe für die außerplanmäßige Abschreibung weggefallen sind. Die Zuschreibung erfolgt auf maximal den Nettobuchwert, der sich unter Berücksichtigung der Normalabschreibungen, die inzwischen vorzunehmen gewesen wäre, ergibt.

Geringwertige Vermögensgegenstände (Einzelanschaffungswert unter je EUR 400,00) werden aktiviert und sofort abgeschrieben.

Gemäß den steuerrechtlichen Vorschriften wird für Zugänge im ersten Halbjahr eine volle Jahresabschreibung, für Zugänge im zweiten Halbjahr eine halbe Jahresabschreibung vorgenommen.

### 3. Umlaufvermögen

#### *a. Forderungen und sonstige Vermögensgegenstände*

Die Forderungen und sonstigen Vermögensgegenstände sind mit dem Nennwert angesetzt, soweit nicht im Fall erkennbarer Einzelrisiken der niedrigere beizulegende Wert angesetzt wird.

**Zuschreibungen** zu Vermögensgegenständen des Umlaufvermögens werden vorgenommen, wenn die Gründe für die Abschreibung weggefallen sind.

#### *b. Latente Steuern*

Für Unterschiede zwischen unternehmensrechtlichen und steuerrechtlichen Wertansätzen bei Vermögensgegenständen, Rückstellungen, Verbindlichkeiten und Rechnungsabgrenzungen, die sich in späteren Geschäftsjahren abbauen, wird in Höhe der sich insgesamt ergebenden Steuerbelastung eine Rückstellung für passive latente Steuern gebildet. Führen diese Unterschiede in Zukunft zu einer Steuerentlastung werden aktive latente Steuern in der Bilanz angesetzt. Für steuerliche Verlustvorträge wird keine aktive latente Steuer gebildet. Latente Steuern werden auf Basis des aktuellen Körperschaftsteuersatz von 25 % gebildet. Gemäß § 198 (9) UGB wurde im Geschäftsjahr eine aktive latente Steuer in der Höhe von EUR 618.379,32 (im Vorjahr 589 TEUR) in der Bilanz aktiviert.

### 4. Rückstellungen

#### *a. Rückstellungen für Abfertigungen und Jubiläen*

Die Rückstellungen für Abfertigungen und Jubiläen wurden im Einklang mit der „AFRAC-Stellungnahme 27 Personalrückstellungen (UGB) (März 2018)“ nach versicherungsmathematischen Grundsätzen bewertet. Diese werden gemäß den International Accounting Standards IAS 19 mit der versicherungsmathematischen Bewertungsmethode der laufenden Einmalprämien ermittelt. Als Rechnungszinssatz wurde der Stichtagszinssatz von 0,80 % (VJ 1,55 %) herangezogen, die künftigen Gehaltssteigerungen wurden mit 3,27 % (VJ 3,5 %) und Fluktuationsabschläge je nach Dienstangehörigkeit von 0-1,65 % (im Vorjahr 0-1,65 %) für Abfertigungen und von 0-12,79% (im Vorjahr 0-12,79%) für Jubiläen angesetzt.

Als Rechnungsgrundlagen wurden die „AVÖ 2018-P – Rechnungsgrundlagen für die Pensionsversicherung“ in der Ausprägung für Angestellte herangezogen. Als Fluktuation wurden neben Invalidisierungs- und Sterberaten und der Beendigung des Dienstverhältnisses mit dem Erreichen des Pensionsalters jährliche dienstzeitabhängige Raten für vorzeitige Beendigungen des Dienstverhältnisses angesetzt. Das Pensionseintrittsalter für Frauen und Männer wurde mit 65 Jahren gemäß Übergangsregel der Pensionsreform ermittelt.

### **b. Rückstellung für Pensionen**

Die Rückstellungen für Pensionen wurden im Einklang mit der „AFRAC-Stellungnahme 27 Personalarückstellungen (UGB) (März 2018)“ nach versicherungsmathematischen Grundsätzen bewertet. Diese werden gemäß den International Accounting Standards IAS 19 mit der versicherungsmathematischen Bewertungsmethode der laufenden Einmalprämien ermittelt. Als Rechnungszinssatz wurde der Stichtagszinssatz 0,80 % (VJ 1,55 %) herangezogen, die künftigen Gehaltssteigerungen für Aktive wurden mit 1,88 % (VJ 1,92%) angesetzt. Als Rechnungsgrundlagen wurden die „AVÖ 2018-P – Rechnungsgrundlagen für die Pensionsversicherung“ in der Ausprägung für Angestellte herangezogen. Über die Ausscheideursachen Tod und Invalidisierung und der Beendigung des Dienstverhältnisses mit dem Erreichen des Pensionsalters wurden keine weiteren Ausscheideursachen wie Fluktuation berücksichtigt.

Die Pensionsverpflichtungen sind seit 2002 leistungsorientiert an eine Pensionskasse ausgelagert. Es wurde der Gesamtbetrag der rückgestellten Pensionsansprüche an die Kasse übertragen.

Die bilanzierte Rückstellung für Pensionen setzt sich aus dem Barwert abzüglich des beizulegenden Zeitwertes des Planvermögens zusammen:

Pensionspläne	Stand 29.02.2020 EUR	Stand 28.02.2019 EUR
Barwert der leistungsorientierten Verpflichtung	27.559.922,87	24.137.669,93
Beizulegender Zeitwert des Planvermögens	- 16.069.072,45	- 13.982.781,29
<b>Rückstellung für Pensionen</b>	<b>11.490.850,42</b>	<b>10.154.888,64</b>

### **c. Sonstige Rückstellungen**

In den sonstigen Rückstellungen werden unter Beachtung des Vorsichtsprinzips alle zum Zeitpunkt der Bilanzerstellung erkennbaren Risiken und der Höhe sowie dem Grunde nach ungewisse Verbindlichkeiten mit den Beträgen berücksichtigt, die nach vernünftiger unternehmerischer Beurteilung erforderlich sind. Die sonstigen Rückstellungen wurden in Höhe des Erfüllungsbetrages gebildet, der bestmöglich geschätzt wurde. Langfristige Rückstellungen bestehen nicht.

Die Rückstellungen für nicht verbrauchte Urlaube wurden in voller erforderlicher Höhe passiviert.

Die sonstigen Rückstellungen beinhalten auch Verpflichtungen betreffend kollektivvertragliche Verpflichtungen zur Zahlung von Jubiläumsgeldern. Diese Rückstellungen werden nach den für Abfertigungsrückstellungen angewandten Berechnungsmethoden (IAS19) ermittelt.

## 5. Verbindlichkeiten

Die Verbindlichkeiten sind mit dem Erfüllungsbetrag angesetzt. Fremdwährungsverbindlichkeiten sind mit dem höheren Devisenbriefkurs am Bilanzstichtag bewertet.

## C. ERLÄUTERUNGEN ZUR BILANZ

### (1) Anlagevermögen

Die Entwicklung der einzelnen Posten des Anlagevermögens ist im Anlagespiegel (Beilage zum Anhang) dargestellt.

Der Anteilsbesitz gemäß § 238 Abs 1 Z 4 UGB (mindestens 20 % Kapitalanteil) stellt sich wie folgt dar:

Beteiligungsunternehmen	Höhe des Anteils %	Eigenkapital gem. § 229 UGB EUR	Geschäftsjahr	Jahresüberschuss/-fehlbetrag EUR
Anteile an verbundenen Unternehmen:				
AGRANA Sales & Marketing GmbH, Wien (ehem. AGRANA Marketing- und Vertriebsservice Gesellschaft m.b.H.)	100	143.058.272,36	2019/20	14.550.165,03
AGRANA Internationale Verwaltungs- und Asset-Management GmbH, Wien*)	98,91	279.922.822,67	2019/20	11.184.425,48
AGRANA Zucker GmbH., Wien *)	98,91	134.237.461,57	2019/20	0,00
AGRANA Stärke GmbH., Wien *)	98,91	331.821.983,59	2019/20	60.589.570,28
AGRANA Group-Services GmbH, Wien	100	3.951.464,33	2019/20	367.914,48
INSTANTINA Nahrungsmittel Entwicklungs- und Produktions- GesmbH, Wien	66,67	8.737.915,42	2019/20	1.157.320,13
AGRANA Research & Innovation Center GmbH, Wien	100	4.925.856,13	2019/20	729.749,01

\*) Die restlichen Anteile auf 100 % werden von Tochtergesellschaften gehalten.

Die Ausleihungen an verbundene Unternehmen betreffen die AGRANA Group-Services GmbH, Wien. Davon haben EUR 0,00 eine Restlaufzeit von bis zu einem Jahr und EUR 118.000.000,00 eine Restlaufzeit von 1 bis 5 Jahren und EUR 129.000.000,00 eine Restlaufzeit von über 5 Jahren.

**(2) Forderungen und sonstige Vermögensgegenstände**

in EUR (Vorjahr in TEUR)	Restlaufzeit bis 1 Jahr	Restlaufzeit von mehr als 1 Jahr	Bilanzwert
Forderungen gegenüber verbundenen Unternehmen (28.02.2019)	348.281.004,16 (332.612)	15.914.580,63 (20.413)	364.195.584,79 (353.025)
Sonstige Forderungen und Vermögensgegenstände (28.02.2019)	11.018,54 (81)	6.006,05 (16)	17.024,59 (97)
<b>Summe</b> (28.02.2019)	<b>348.292.022,70</b> (332.693)	<b>15.920.586,68</b> (20.430)	<b>364.212.609,38</b> (353.123)

Die Forderungen gegenüber verbundenen Unternehmen betreffen in Höhe von EUR 360.594.169,82 (im Vorjahr 349.488 TEUR) sonstige Forderungen und in Höhe von EUR 3.601.414,97 (im Vorjahr 3.537 TEUR) Forderungen aus Lieferungen und Leistungen.

Die sonstigen Forderungen und Vermögensgegenstände enthalten im Wesentlichen Salden der debitorischen Kreditoren (EUR 11.012,54; Vorjahr TEUR 35), Forderungen aus Kapitalertragsteuer gegenüber dem Finanzamt Wien 1/23 in Höhe von EUR 18.547,50 (im Vorjahr 24 TEUR), welche mit der Position Steuerrückstellungen saldiert sind und andere kurzfristige Forderungen.

In den sonstigen Forderungen sind keine wesentlichen Erträge, die erst nach dem Bilanzstichtag zahlungswirksam werden, enthalten.

**(3) Grundkapital**

In der 31. ordentlichen Hauptversammlung der AGRANA Beteiligungs-AG, Wien, am 6. Juli 2018 wurde ein Aktiensplit im Verhältnis 1:4 beschlossen. Dadurch stieg die Anzahl der Aktien mit Wirksamkeit am 24. Juli 2018 von bisher 15.622.244 auf 62.488.976 auf Inhaber lautende Stückaktien. Das Grundkapital von EUR 113.531.274,76 blieb unverändert.

**(4) Kapitalrücklagen**

Kapitalrücklagen	Stand 01.03.2019 EUR	Veränderung EUR	Stand 29.02.2020 EUR
Gebundene	505.122.085,57	0,00	505.122.085,57
Nicht gebundene	45.566.884,45	0,00	45.566.884,45
<b>Summe</b>	<b>550.688.970,02</b>	<b>0,00</b>	<b>550.688.970,02</b>

**(5) Gewinnrücklagen**

	Stand 01.03.2019 EUR	Veränderung EUR	Stand 29.02.2020 EUR
Gesetzliche Rücklage	47.964,07	0,00	47.964,07
Andere Rücklagen (freie Rücklagen)	13.880.000,00	0,00	13.880.000,00
<b>Summe</b>	<b>13.927.964,07</b>	<b>0,00</b>	<b>13.927.964,07</b>

**(6) Rückstellungen**

Die Berechnung der Rückstellungen für Abfertigungen, Pensionen und der sonstigen Rückstellungen wird unter den Bilanzierungs- und Bewertungsgrundsätzen erläutert.

Die Effekte aus Personalrückstellungsänderungen werden im Personalaufwand erfasst.

Die Abfertigungs-, Pensions- und sonstigen Rückstellungen gliedern sich wie folgt:

	Stand 28.02.2019 in EUR	Verbrauch in EUR	Auflösung in EUR	Zuweisung in EUR	Stand am 29.02.2020 in EUR
Abfertigung	4.501.035,86	0,00	0,00	280.996,82	4.782.032,68
Pensionsansprüche	10.154.888,64	0,00	1.304.086,41	2.640.048,19	11.490.850,42
Jubiläumsgelder	415.879,64	0,00	0,00	39.393,99	455.273,63
Nicht konsumierte Urlaube	1.461.368,27	48.961,48	0,00	0,00	1.412.406,79
Sonderzahlungen	354.539,39	0,00	0,00	34.944,66	389.484,05
Prüfungsaufwand	163.000,00	163.000,00	0,00	27.000,00	27.000,00
Veröffentlichungsaufwand	140.000,00	140.000,00	0,00	151.000,00	151.000,00
Kosten der Hauptver- sammlung	57.000,00	57.000,00	0,00	57.000,00	57.000,00
Kosten Bilanzpresse- konferenz	2.000,00	1.405,40	594,60	2.000,00	2.000,00
Aufsichtsratsvergütungen	325.000,00	325.000,00	0,00	325.000,00	325.000,00
Pensionskasse	32.700,00	12.033,33	20.666,67	0,00	0,00
Sonstige ausstehende Eingangsrechnungen	655.280,00	506.414,98	148.865,02	473.770,00	473.770,00
<b>Summe</b>	<b>18.262.691,80</b>	<b>1.253.815,19</b>	<b>1.474.212,70</b>	<b>4.031.153,66</b>	<b>19.565.817,57</b>

Die Rückstellung für ausstehende Eingangsrechnungen betrifft im Wesentlichen offene Leistungen für IT-Projekte und Abrechnungen.

**(7) Verbindlichkeiten**

	29.02.2020 in EUR	28.02.2019 in TEUR
Verbindlichkeiten gegenüber Kreditinstituten	247.000.000,00	42.500
davon mit RLZ von bis 1 Jahr	(0,00)	(35.500)
davon mit RLZ von 1 bis 5 Jahren	(118.000.000,00)	(7.000)
davon mit RLZ von mehr als 5 Jahren	(129.000.000,00)	(0)
Verbindlichkeiten aus Lieferungen und Leistungen	1.516.423,46	911
davon mit RLZ von bis 1 Jahr	(1.516.423,46)	(911)
Verbindlichkeiten gegenüber verbundenen Unternehmen	7.735.191,11	2.603
davon mit RLZ von bis 1 Jahr	(703.026,17)	(590)
davon mit RLZ von mehr als 1 Jahr	(7.032.164,94)	(2.013)
Sonstige Verbindlichkeiten	6.012.148,69	4.924
davon mit RLZ von bis 1 Jahr	(6.012.148,69)	(4.924)
<b>Summe</b>	<b>262.263.763,26</b>	<b>50.938</b>
davon mit RLZ von bis 1 Jahr	(8.231.598,32)	(41.925)
davon mit RLZ von 1 bis 5 Jahren	(125.032.164,94)	(9.013)
davon mit RLZ von mehr als 5 Jahren	(129.000.000,00)	(0,00)

RLZ = Restlaufzeit

Die Verbindlichkeiten gegenüber Kreditinstituten enthalten ein Schuldscheindarlehen über EUR 247.000.000,00, welches zur Gänze konzernintern mit gleicher Kondition und Laufzeit an die für Finanzierungen zuständige AGRANA Group-Services GmbH weitergeleitet wurde.

In den sonstigen Verbindlichkeiten sind die Abgrenzungen für erfolgsabhängige Personalprämien in Höhe von EUR 3.307.593,50 (im Vorjahr 3.181 TEUR) und Verbindlichkeiten aus Steuer und im Rahmen der sozialen Sicherheit in Höhe von EUR 1.031.473,00 (im Vorjahr 797 TEUR) enthalten.

In den Verbindlichkeiten gegenüber verbundenen Unternehmen sind sonstige Verbindlichkeiten in Höhe von EUR 7.735.191,11 (im Vorjahr 2.603 TEUR) enthalten, welche fast ausschließlich die Verrechnungen aus der Gruppenbesteuerung betreffen.

Die Miete im Raiffeisenhaus für das Geschäftsjahr 2019/20 beträgt EUR 1.633.605,30 (im Vorjahr 1.598 TEUR). Für fünf Jahre beträgt die Miete aus heutiger Sicht insgesamt EUR 8.168.026,50.

**(8) Haftungsverhältnisse, sonstige Verpflichtungen  
(§ 237 Abs 1 Z 2)**

	29.02.2020 in EUR	28.02.2019 in TEUR
Haftungen aus Wechselobligo	7.800.000,00	7.800
Haftungen aus Zahlungsgarantien	280.573.500,00	244.912
<b>Summe</b>	<b>288.373.500,00</b>	<b>252.712</b>
davon gegenüber verbundenen Unternehmen	239.931.480	202.946

**D. ERLÄUTERUNGEN ZUR GEWINN- UND VERLUSTRECHNUNG**

Die Gewinn- und Verlustrechnung umfasst im Berichtsjahr den Zeitraum vom 01. März 2019 bis 29. Februar 2020, im Vorjahr jenen vom 01. März 2018 bis 28. Februar 2019.

**(9) Umsatzerlöse**

Die Umsatzerlöse in Höhe von EUR 35.137.282,02 (im Vorjahr 32.339 TEUR) beinhalten im Wesentlichen Erträge aus der Konzernverrechnung und Erträge für die Nutzung der Lizenzen für Markenrechte (Royalties).

**(10)** Die **Erträge aus dem Abgang von Anlagevermögen mit Ausnahme der** Finanzanlagen belaufen sich auf EUR 4.443,09 (im Vorjahr 22 TEUR).

**(11)** Die **Erträge aus der Auflösung von Rückstellungen** von EUR 170.626,29 (im Vorjahr 97 TEUR) beinhalten im Wesentlichen die Auflösung von Rückstellungen für ausstehende Eingangsrechnungen betreffend IT-Leistungen, Pensionskasse und Konzernkommunikation.

**(12)** Die **übrigen sonstigen betrieblichen Erträge** von EUR 29.906,14 (im Vorjahr 2 TEUR) enthalten Erträge aus realisierten Gewinnen aus Kursdifferenzen und Erträge aus Versicherungsansprüchen.

**(13) Personalaufwand**

	2019/20 in EUR	2018/19 in TEUR
Gehälter	15.980.137,33	15.205
Aufwendungen für Abfertigungen	244.472,21	396
Leistungen an betriebliche Mitarbeitervorsorgekassen (MVK)	179.439,40	169
Aufwendungen für Altersversorgung	2.815.098,87	3.778
Sozialabgaben und Personalnebenkosten	3.018.700,44	2.902
Sonstige Sozialaufwendungen	285.688,79	257
<b>Summe</b>	<b>22.523.537,04</b>	<b>22.707</b>

davon entfallen

	Abfertigungen und Leistungen an betriebliche Mitarbeitervorsorgekassen		Pensionen (Rückstellungen)	
	2019/20 EUR	2018/19 TEUR	2019/20 EUR	2018/19 TEUR
Vorstand u. Personen lt. § 80 AktG	136.897,58	222	2.789.981,47	3.756
andere Arbeitnehmer	287.014,03	343	25.117,40	22
<b>Summe</b>	<b>423.911,61</b>	<b>565</b>	<b>2.815.098,87</b>	<b>3.778</b>

Die durchschnittliche Zahl der Arbeitnehmer (Headcount, ohne Vorstandsmitglieder) während des Geschäftsjahres betrug 161 Angestellte dies entspricht 149,2 FTE (im Vorjahr 156 Headcount entspricht 144,4 FTE).

Die Gesamtbezüge der Vorstandsmitglieder betragen im Berichtsjahr EUR 3.935.593,72 (im Vorjahr 3.741 TEUR). An die Pensionskasse wurden an laufenden Beiträgen EUR 1.445.732,02 (im Vorjahr 476 TEUR) für die Vorstandsmitglieder bezahlt. Weiters wurde bei der Vorsorge für künftige Pensionsansprüche ein Betrag in Höhe von EUR 1.304.086,41 (im Vorjahr 3.281 TEUR) zugeführt.

Die Mitglieder des Aufsichtsrates erhielten für ihre Tätigkeit im Geschäftsjahr 2019/20 eine Vergütung von EUR 325.000,00 (im Vorjahr 325 TEUR).

In den Löhnen und Gehältern sind Dotierungen der Rückstellungen für Jubiläumsgelder in Höhe von EUR 33.301,95 (Vorjahr: TEUR 40) enthalten

Im Posten „Sonstige Verbindlichkeiten“ sind Aufwendungen in Höhe von EUR 3.929.871,29 (Vorjahr: TEUR 3.764) enthalten, die erst nach dem Bilanzstichtag zahlungswirksam werden.

**(14) Sonstige betriebliche Aufwendungen**

Die **übrigen sonstigen betriebliche Aufwendungen** betragen EUR 25.090.527,14 (im Vorjahr 23.197 TEUR) und umfassen EDV-Aufwand inkl. EDV Beratung von EUR 11.926.440,49 (im Vorjahr 10.655 TEUR), Rechts-, Prüfungs- und Beratungsaufwendungen von EUR 1.617.722,28 (im Vorjahr 1.807 TEUR), Leasing, Mieten und Pachten von EUR 2.349.239,55 (im Vorjahr 2.295 TEUR), Werbeaufwendungen von EUR 2.038.176,51 (im Vorjahr 1.665 TEUR), Bankgebühren EUR 104.445,34 (im Vorjahr 100 TEUR) sowie andere Aufwendungen in Höhe von EUR 7.054.502,97 (im Vorjahr 6.675 TEUR).

**(15) Erträge aus Beteiligungen**

	2019/20 in EUR	2018/19 in TEUR
Erträge von verbundenen Unternehmen	74.793.080,25	64.499
Erträge von sonstigen Beteiligungen	17.300,00	24
<b>Summe</b>	<b>74.810.380,25</b>	<b>64.523</b>

**(16) Steuern vom Einkommen**

	2019/20 in EUR	2018/19 in TEUR
Körperschaftsteuer	-2.080.600,00	-3.785
Körperschaftsteuer Vorperioden	-198.234,09	797
Steuerumlagen	2.822.336,62	3.247
Lat. Ertragsst. a. Bewertungsdiff.	29.866,30	21
nicht abzugsfähige Quellensteuer	-253.409,27	-110
<b>Summe</b>	<b>319.959,56</b>	<b>168</b>

Mit dem Steuerreformgesetz 2005 wurde ein neues Konzept der Besteuerung von Unternehmensgruppen eingeführt. Die AGRANA-Gruppe hat entsprechend dieser Bestimmungen eine Unternehmensgruppe bestehend aus AGRANA Beteiligungs-Aktiengesellschaft als Gruppenträger und AGRANA Zucker GmbH, AGRANA Stärke GmbH, AGRANA Sales & Marketing GmbH (ehem. AGRANA Marketing- und Vertriebsservice Gesellschaft m.b.H.), AGRANA Internationale Verwaltungs- und Asset-Management GmbH, AUSTRIA Juice GmbH, AGRANA Group-Services GmbH, INSTANTINA Nahrungsmittel Entwicklungs- und Produktionsgesellschaft m.b.H. als Gruppenmitglieder gebildet. Zwischen den Gruppenmitgliedern und dem Gruppenträger erfolgt eine Steuerumlagenverrechnung.

## E. SONSTIGE ANGABEN

### 1. Beziehungen zu verbundenen Unternehmen (§ 238 Abs. 1 Z 20 UGB)

AGRANA AGRO SRL, Roman, Rumänien  
 AGRANA BiH Holding GmbH, Wien, Österreich  
 AGRANA BUZAU SRL, Buzau, Rumänien  
 AGRANA d.o.o., Brčko, Bosnien-Herzegowina  
 AGRANA Fruit Algeria Holding GmbH, Wien, Österreich  
 AGRANA Fruit Argentina S.A., Buenos Aires, Argentinien  
 AGRANA Fruit Australia Pty Ltd, Central Mangrove, Australien  
 AGRANA Fruit Austria GmbH, Gleisdorf, Österreich  
 AGRANA Fruit Brasil Indústria, Comércio, Importacao e Exportacao Ltda., São Paulo, Brasil  
 AGRANA Fruit Dachang Co., Ltd, Dachang, China  
 AGRANA Fruit France S.A., Mitry-Mory, Frankreich  
 AGRANA Fruit Germany GmbH, Konstanz, Deutschland  
 AGRANA FRUIT INDIA PRIVATE LIMITED, Pune, Indien  
 AGRANA Fruit Istanbul Gida Sanayi ve Ticaret A.S., Istanbul, Türkei  
 AGRANA Fruit (Jiangsu) Company Limited, Jiangsu, China  
 AGRANA Fruit Korea Co. Ltd, Seoul, Südkorea  
 AGRANA Fruit Latinoamerica S. de R.L de C.V, Michoacán, Mexiko  
 AGRANA Fruit Luka TOV, Winniza, Ukraine  
 AGRANA Fruit Management Australia Pty Ltd., Sydney, Australien  
 AGRANA Fruit México, S.A. de C.V., Michoacán, Mexiko  
 AGRANA Fruit Polska SP z.o.o., Ostrołęka, Polen  
 AGRANA Fruit S.A.S., Mitry-Mory, Frankreich  
 AGRANA Fruit Services GmbH, Wien, Österreich  
 AGRANA Fruit Services S.A.S., Mitry-Mory, Frankreich  
 AGRANA Fruit South Africa (Proprietary) Ltd, Johannesburg, Südafrika  
 AGRANA Fruit Ukraine TOV, Winniza, Ukraine  
 AGRANA Fruit US, Inc, Brecksville, USA  
 AGRANA Group-Services GmbH, Wien, Österreich  
 AGRANA Internationale Verwaltungs- und Asset-Management GmbH, Wien, Österreich

AGRANA Juice Sales & Marketing GmbH, Bingen, Deutschland  
AGRANA JUICE (XIANYANG) CO.,LTD, Xianyang City, China  
AGRANA Magyarország Értékesítési Kft., Budapest, Ungarn  
AGRANA Nile Fruits Processing (SAE), Qalyoubia, Ägypten  
AGRANA Research & Innovation Center GmbH, Wien, Österreich  
AGRANA Romania S.R.L., Bukarest, Rumänien  
AGRANA Sales & Marketing GmbH, Wien, Österreich (ehem. AGRANA Marketing- und Vertriebsservice Gesellschaft m.b.H.)  
AGRANA Stärke GmbH, Wien, Österreich  
AGRANA TANDAREI SRL, Țândărei, Rumänien  
AGRANA Trading EOOD, Sofia, Bulgarien  
AGRANA ZHG Zucker Handels GmbH, Wien, Österreich  
AGRANA Zucker GmbH, Wien, Österreich  
AUSTRIA JUICE GmbH, Kröllendorf/Allhartsberg, Österreich  
AUSTRIA JUICE Germany GmbH, Bingen, Deutschland  
AUSTRIA JUICE Hungary Kft., Vásárosnamény, Ungarn  
AUSTRIA JUICE Poland Sp.z.o.o., Chelm, Polen  
AUSTRIA JUICE Romania SRL, Vaslui, Rumänien  
AUSTRIA JUICE Ukraine TOV, Winniza, Ukraine  
Biogáz Fejlesztő Kft., Kaposvár, Ungarn  
Dirafrost FFI N.V., Lummen, Belgien  
Dirafrost Maroc SARL, Laouamra, Marokko  
Financière Atys S.A.S., Mitry-Mory, Frankreich  
INSTANTINA Nahrungsmittel Entwicklungs- und Produktionsgesellschaft m.b.H., Wien, Österreich  
Koronás Irodaház Szolgáltató Korlátolt Felelősségű Társaság, Budapest, Ungarn  
Magyar Cukorgyártó és Forgalmazó Zrt., Budapest, Ungarn  
Moravskoslezské Cukrovarý A.S., Hrušovany, Tschechien  
o.o.o. AGRANA Fruit Moscow Region, Serpuchov, Russland  
AGRANA Amidi srl, Sterzing, Italien  
AGRANA Croatia d.o.o., Zagreb, Kroatien  
Österreichische Rübensamenzucht Gesellschaft m.b.H., Wien, Österreich  
S.C. A.G.F.D. Tandarei s.r.l., Țândărei, Rumänien

Slovenské Cukrovary s.r.o., Sered', Slowakei  
SPA AGRANA Fruit Algeria, Akbou, Algerien  
Yube d.o.o., Požega, Serbien

SÜDZUCKER Aktiengesellschaft Mannheim/Ochsenfurt, Mannheim, Deutschland, mit  
ihren Tochtergesellschaften

## **2. Beziehungen zu assoziierten Unternehmen**

"AGRAGOLD" d.o.o., Brčko, Bosnien-Herzegowina  
AGRAGOLD d.o.o., Zagreb, Kroatien  
AGRAGOLD dooel, Skopje, Nordmazedonien  
AGRAGOLD trgovina d.o.o., Ljubljana, Slowenien  
AGRANA STUDEN Albania sh.p.k., Tirana, Albanien  
AGRANA - STUDEN Beteiligungs GmbH, Wien, Österreich  
AGRANA-STUDEN Kosovo L.L.C., Pristina, Kosovo  
AGRANA - STUDEN Sugar Trading GmbH, Wien, Österreich  
Beta Pura GmbH, Wien, Österreich  
Company for trade and services AGRANA-STUDEN Serbia d.o.o. Beograd, Belgrad, Serbien  
GreenPower Services Kft, Szabadegyháza, Ungarn  
HUNGRANA Keményítő- és Isocukorgyártó és Forgalmazó Kft., Szabadegyháza, Ungarn  
STUDEN-AGRANA Rafinerija Secera d.o.o., Brčko, Bosnien und Herzegowina

Zu den angeführten Unternehmen bestehen fremdübliche Dienstleistungsbeziehungen.

## F. Aufwendungen für den Abschlussprüfer (§ 238 ABS 1 Z18 UGB)

	2019/20 Jahres-ab- schluss  EUR	Andere Bestätigungs- leistungen  EUR	Gesamt  EUR	2018/19 Jahres-ab- schluss  TEUR	Andere Bestätigungs- leistungen  TEUR	Sonstige Leistun- gen  TEUR	Gesamt  TEUR
PwC Wirtschaftsprüfung GmbH	10.000,00	260.000,00	270.000,00	0	0	0	0
KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesell- schaft	0,00	0,00	0,00	35	201	38	274
<b>Summe</b>	<b>10.000,00</b>	<b>260.000,00</b>	<b>270.000,00</b>	<b>35</b>	<b>201</b>	<b>38</b>	<b>274</b>

## G. Wesentliche Ereignisse nach dem Bilanzstichtag

Die weltweite Ausbreitung der Coronavirus-Erkrankung (COVID-19) wurde am 11. März 2020 von der Weltgesundheitsorganisation (WHO) zu einer Pandemie erklärt. Damit konkretisiert sich eine höhere Wahrscheinlichkeit von möglichen wesentlichen Auswirkungen auf den zukünftigen Geschäftsverlauf. Bis zur Aufstellung des Jahresabschlusses am 22. April 2020 war es aufgrund der dynamischen Entwicklung nicht möglich, die finanziellen Auswirkungen abzuschätzen.

Ansonsten sind nach dem Bilanzstichtag am 29. Februar 2020 keine Vorgänge von besonderer Bedeutung für die AGRANA Beteiligungs-AG eingetreten.

## H. Ergebnisverwendung

Es wird vorgeschlagen, aus dem Bilanzgewinn in Höhe von EUR 70.157.981,88 eine Dividende von EUR 0,77 je Aktie, das sind in Summe EUR 48.116.511,52 auszuschütten und den Restbetrag auf neue Rechnung vorzutragen.

## I. ORGANE UND ARBEITNEHMER (§ 239 UGB)

### Aufsichtsrat:

Mag. Erwin HAMESEDER, Mühldorf	Vorsitzender
Dr. Wolfgang HEER, Mannheim (bis 04.03.2020)	Stellvertreter des Vorsitzenden
Mag. Klaus BUCHLEITNER, MBA, Wien	Stellvertreter des Vorsitzenden
Dr. Hans-Jörg GEBHARD, Eppingen	
Dipl.-Ing. Josef PRÖLL, Wien	
Dipl.-Ing. Ernst KARPFFINGER, Oberweiden	
Dr. Thomas KIRCHBERG, Ochsenfurt	
Dipl.-Ing. Helmut FRIEDL, Egling a.d.Paar	

### Vom Betriebsrat delegiert:

Dipl.-Ing. Stephan SAVIC, Wien  
Andreas KLAMLER, Gleisdorf  
Thomas BUDER, Katzelsdorf  
Gerhard KOTTBAUER, Aschach

### Vorstand:

Dipl.-Ing. Johann MARIHART, Limberg	Vorsitzender
Mag. Dipl.-Ing. Dr. Fritz GATTERMAYER, Wien	
Mag. Stephan BÜTTNER, Wien	
Dkfm. Thomas KÖLBL, Mannheim	
Dipl.-Ing. Dr. Norbert Harringer, Wien (ab 01.September 2019)	

Wien, am 22. April 2020

**Der Vorstand:**



Dipl.-Ing. Johann Marihart



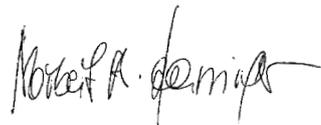
Mag. Dipl.-Ing. Dr. Fritz Gattermayer



Mag. Stephan Büttner



Dkfm. Thomas Kölbl



Dipl.-Ing. Dr. Norbert Harringer

## ENTWICKLUNG DES ANLAGEVERMÖGENS IM WIRTSCHAFTSJAHR 2019|20

ANLAGEVERMÖGEN	Anschaffungskosten				
	Stand 01.03.2019	Zugang	Umbuchung	Abgang	Stand 29.02.2020
<u>I. Immaterielle Vermögensgegenstände</u>					
1. Markenrechte	611.300,93	0,00	0,00	0,00	611.300,93
2. EDV-Software	11.057.288,35	190.956,20	0,00	0,00	11.248.244,55
3. Geringwertige Vermögensgegenstände	0,00	36.779,05	0,00	36.779,05	0,00
	<b>11.668.589,28</b>	<b>227.735,25</b>	<b>0,00</b>	<b>36.779,05</b>	<b>11.859.545,48</b>
<u>II. Sachanlagen</u>					
1. Bauten, einschließlich der Bauten auf fremdem Grund	0,00	0,00	0,00	0,00	0,00
2. Betriebs- und Geschäftsausstattung	4.904.878,69	471.426,87	0,00	173.080,85	5.203.224,71
3. Geringwertige Vermögensgegenstände	0,00	28.639,33	0,00	28.639,33	0,00
	<b>4.904.878,69</b>	<b>500.066,20</b>	<b>0,00</b>	<b>201.720,18</b>	<b>5.203.224,71</b>
<u>III. Finanzanlagen</u>					
1. Anteile an verbundenen Unternehmen	424.145.490,31	0,00	0,00	0,00	424.145.490,31
2. Ausleihungen an verbundene Unternehmen	42.500.000,00	204.500.000,00	0,00	0,00	247.000.000,00
3. Beteiligungen	258.620,00	0,00	-258.620,00	0,00	0,00
4. Wertpapiere (Wertrechte) des Anlagevermögens	0,00	0,00	258.620,00	0,00	258.620,00
	<b>466.904.110,31</b>	<b>204.500.000,00</b>	<b>0,00</b>	<b>0,00</b>	<b>671.404.110,31</b>
<b>Gesamtsumme</b>	<b>483.477.578,28</b>	<b>205.227.801,45</b>	<b>0,00</b>	<b>238.499,23</b>	<b>688.466.880,50</b>

Abschreibungen				Buchwerte		
Stand 01.03.2019	Jahres- abschreibung	Zuschreibung	Abgang	Stand 29.02.2020	Stand 29.02.2020	Stand 28.02.2019
609.095,93	2.205,00	0,00	0,00	611.300,93	0,00	2.205,00
9.465.893,35	799.060,03	0,00	0,00	10.264.953,38	983.291,17	1.591.395,00
0,00	36.779,05	0,00	36.779,05	0,00	0,00	0,00
<b>10.074.989,28</b>	<b>838.044,08</b>	<b>0,00</b>	<b>36.779,05</b>	<b>10.876.254,31</b>	<b>983.291,17</b>	<b>1.593.600,00</b>
0,00	0,00	0,00	0,00	0,00	0,00	0,00
3.839.382,51	436.082,92	0,00	122.230,82	4.153.234,61	1.049.990,10	1.065.496,18
0,00	28.639,33	0,00	28.639,33	0,00	0,00	0,00
<b>3.839.382,51</b>	<b>464.722,25</b>	<b>0,00</b>	<b>150.870,15</b>	<b>4.153.234,61</b>	<b>1.049.990,10</b>	<b>1.065.496,18</b>
7.120.724,48	0,00	0,00	0,00	7.120.724,48	417.024.765,83	417.024.765,83
0,00	0,00	0,00	0,00	0,00	247.000.000,00	42.500.000,00
0,00	0,00	0,00	0,00	0,00	0,00	258.620,00
0,00	0,00	0,00	0,00	0,00	258.620,00	0,00
<b>7.120.724,48</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>7.120.724,48</b>	<b>664.283.385,83</b>	<b>459.783.385,83</b>
<b>21.035.096,27</b>	<b>1.302.766,33</b>	<b>0,00</b>	<b>187.649,20</b>	<b>22.150.213,40</b>	<b>666.316.667,10</b>	<b>462.442.482,01</b>

# 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 separate financial statements for the year ended 29 February 2020 give a true and fair view of the financial position, results of operations and cash flows of the parent company as required by the applicable accounting standards;
- the management report for the 2019|20 financial year presents the business performance, financial results and situation of AGRANA Beteiligungs-AG in such a way as to provide a true and fair view of AGRANA's financial position, results of operations and cash flows, together with a description of the principal risks and uncertainties faced by the company.

Vienna, 22 April 2020

The Management Board of AGRANA Beteiligungs-AG



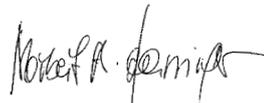
**Johann Marihart**  
Chief Executive Officer  
Present responsibilities: Business Strategy,  
Communication (including Investor Relations),  
Quality Management, Human Resources,  
Research and Development



**Stephan Büttner**  
Member of the Management Board  
Present responsibilities: Finance, Controlling,  
Treasury, Information Technology  
and Organisation, Mergers & Acquisitions,  
Compliance, Legal



**Fritz Gattermayer**  
Member of the Management Board  
Present responsibilities: Sales, Raw Materials,  
Purchasing & Logistics



**Norbert Harringer**  
Member of the Management Board  
Present responsibilities: Production Coordination,  
Investment



**Thomas Kölbl**  
Member of the Management Board  
Responsibility on Internal Audit

# Independent auditor's report

[Translation]<sup>1</sup>

## Report on the Financial Statements

### Audit Opinion

We have audited the financial statements of **AGRANA Beteiligungs-Aktiengesellschaft, Vienna**, which comprise the balance sheet as at 29 February 2020, the income statement for the fiscal year then ended and the notes.

In our opinion, the accompanying financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as at 29 February 2020, and of its financial performance for the fiscal year then ended in accordance with the Austrian Commercial Code.

### Basis for Opinion

We conducted our audit in accordance with Regulation (EU) No. 537/2014 (hereinafter EU Regulation) and Austrian generally accepted auditing standards. 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 Financial Statements" section of our report. We are independent of the Company 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 is sufficient and appropriate to provide a basis for our opinion.

### Other Matter

The financial statements of AGRANA Beteiligungs-Aktiengesellschaft, Vienna, for the fiscal year ended 28 February 2019 were audited by another auditor who issued an unqualified audit opinion dated 24 April 2019 on these financial statements.

Our audit opinion is not qualified in respect of this matter.

### Emphasis of matter – COVID-19

We refer readers to the disclosure in the notes to the financial statements, "*G. Events after the balance sheet date*", describing the impact of the coronavirus (COVID-19) on the Company.

Our audit opinion is not qualified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the fiscal year. These matters were addressed in the context of our audit of the 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

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<sup>1</sup> We draw attention to the fact that the English translation of this auditor's report according to Section 274 of the Austrian Commercial Code (UGB) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

## Valuation of shares in affiliated companies and loans to affiliated companies

### Description

Shares in affiliated companies and loans to affiliated companies amounting to EUR 664,024,765.83 make up a material share of the Company's assets. The major part of shares in affiliated companies and loans to affiliated companies can generally not be valued using market prices as they are not available. Determining the current value therefore requires discretionary decisions, estimates and assumptions. This particularly includes planned cash flows, future market conditions, growth rates and cost of capital. Slight changes in these assumptions as well as in the methods used may have a material impact on the valuation.

Due to the matter described, we considered the valuation of shares in affiliated companies and loans to affiliated companies as a key audit matter in our audit.

### Audit approach and key observations

We:

- evaluated workflows and tested selected key controls,
- checked whether the valuation principles were applied consistently,
- assessed the recognition of individual shares in affiliated companies and loans to affiliated companies based on samples, and
- tested the recoverability of shares in affiliated companies and loans to affiliated companies in selected cases.

The accounting and valuation principles are applied in accordance with the Austrian Commercial Code (UGB). We consider the valuation of shares in affiliated companies and loans to affiliated companies to be justifiable.

### Reference to related disclosures

See chapter *B. Accounting and valuation methods* under *2. Fixed assets, c. Financial assets* in the notes to the financial statements.

## Responsibilities of Management and the Audit Committee for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Austrian Commercial Code, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 auditing standards, 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 financial statements.

As part of an audit in accordance with the EU Regulation and with Austrian generally accepted auditing standards, 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 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 Company'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 Company'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 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 Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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 Company

Pursuant to the Austrian Commercial Code, the management report is to be audited as to whether it is consistent with the financial statements and as to whether the management report was prepared in accordance with the applicable legal requirements.

Management is responsible for the preparation of the management report in accordance with the Austrian Commercial Code.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the management report.

### Opinion

In our opinion, the management report for the Company was prepared in accordance with the applicable legal requirements, includes accurate disclosures pursuant to Section 243a UGB and is consistent with the financial statements.

### Statement

Based on the findings during the audit of the financial statements and due to the obtained understanding concerning the Company and its circumstances no material misstatements in the management report came to our attention.

### Addendum

As regards the impact of COVID-19, we refer to the disclosures on the Company's risk management made in the management report of the Company (from page 171).

**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 financial statements, the management report and the auditor's report. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the 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 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

**Additional Information in Accordance with Article 10 of the EU Regulation**

We were appointed as statutory auditor at the ordinary general meeting dated 5 July 2019. We were engaged by the supervisory board on 22 August 2019. We have audited the Company for the first time in the fiscal year 2019|20, ending at the balance sheet date 29 February 2020.

We confirm that the audit opinion in the "Report on the 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 we did not provide any prohibited non-audit services (Article 5 (1) of the EU Regulation) 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, 22 April 2020

PwC Wirtschaftsprüfung GmbH

signed:

Werner Stockreiter

Austrian Certified Public Accountant

# Proposal for the appropriation of profit

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

	<b>2019 20</b>
	€
The financial year to 29 February 2020 closed with retained profit of	70,157,982
The Management Board proposes to the Annual General Meeting to allocate this retained profit as follows:	
Distribution of a dividend of € 0.77 per ordinary no-par value share on 62,488,976 participating ordinary shares, that is, a total of	48,116,512
Retained profit to be carried forward	22,041,470
	<b>70,157,982</b>

# Publication information

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Creative concept and design: papabogner GmbH  
English translation: Martin Focken Translating & Editing

## 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 in the Annual Report 2019|20 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.



AGRANA 2019|20 Online:  
[reports.agrana.com/en](https://reports.agrana.com/en)