Interim statement for the first quarter of 2020|21

#HELLO TOMORROW

Ready for the future.

First quarter of 2020|21 at a glance

- Revenue: € 652.6 million (+2.2%; Q1 prior year: € 638.4 million)
- EBIT: € 32.0 million (+3.6%; Q1 prior year: € 30.9 million)
- EBIT margin: 4.9% (Q1 prior year: 4.8%)
- Profit for the period: € 19.2 million (+4.9%; Q1 prior year: € 18.3 million)
- Equity ratio: 54.9% (29 February 2020: 54.4%)
- Gearing ratio[1]: 35.0% (29 February 2020: 33.5%)
- Number of employees (FTE)[2]: 9,136 (Q1 prior year: 9,506)

[1] Debt-equity ratio (ratio of net debt to total equity).
[2] Average number of full-time equivalents in the reporting period.

Contents

Letter from the CEO

Dear Investor,

In the first three months of the 2020|21 financial year we practiced crisis management. The all-important twin objective was to protect our employees worldwide and still maintain full production in order to reliably supply our customers despite the COVID-19 pandemic.

That we have accomplished this extremely successfully is due to a well-functioning crisis management team, excellent IT infrastructure and the great flexibility of our employees, as administrative staff switched to home office arrangements and extra shifts were added in production operations. Thanks to our company's worldwide high standards of hygiene, there were also very few COVID-19 cases in the AGRANA Group's global workforce.

Despite the coronavirus crisis, we are able to report operating profit (EBIT) in Q1 2020|21 slightly above that of the year-earlier quarter.

The main reason for the solid Group EBIT was the performance in the Sugar segment, which saw a substantial improvement in earnings over the same quarter of the prior year. A boom in sugar sales in March 2020 was a key driver for this.

EBIT in the Starch segment was moderately below the year-ago result; the decline resulted largely from a slump in bioethanol prices to briefly below € 400 per cubic metre early in the COVID-19 crisis. In the meantime, prices have stabilised at above € 500 per cubic metre. Ethanol sales remained stable in volume terms despite the lockdown, thanks to the firm market for bioethanol with high CO_2 savings and the sale of 10 million litres into the disinfectant sector.

In the Fruit segment, earnings were significantly below the prior year. On the one hand, the performance of the fruit juice concentrate business was weaker for harvest reasons, and on the other hand there were COVID-19-related decreases in the fruit preparations business.

The first quarter was challenging not only due to the general environment created by the COVID-19 pandemic, but also because of the extremely dry crop-growing conditions faced by our suppliers of agricultural raw materials. Beet cultivation areas suffered greatly as a result of this, especially in Austria. A positive factor for the Starch segment is that rainfall for corn (maize) has been timely.

For this financial year we have significantly reduced our investment spending after completing the major capital projects of the last several years. The betaine crystallization project in Tulln, Austria, is slightly delayed as a result of COVID-19 and is now to come on stream in August 2020.

Dear shareholder, the duration and extent of COVID-19 and its effects on our business performance cannot yet be reliably estimated. It is hoped that, after most restrictions have been lifted, intensive monitoring will help to immediately contain any new flare-up of the virus and thus allow a renewed lockdown to be avoided.

Wishing you good health!

Sincerely

Johann Marihart
Chief Executive Officer

Group report

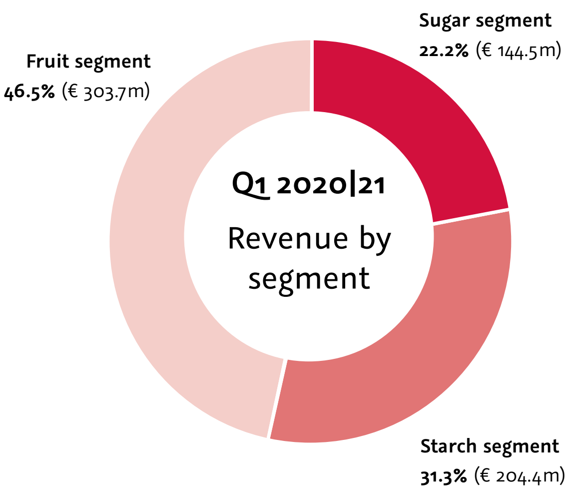
AGRANA Group results for the first quarter of 2020|21

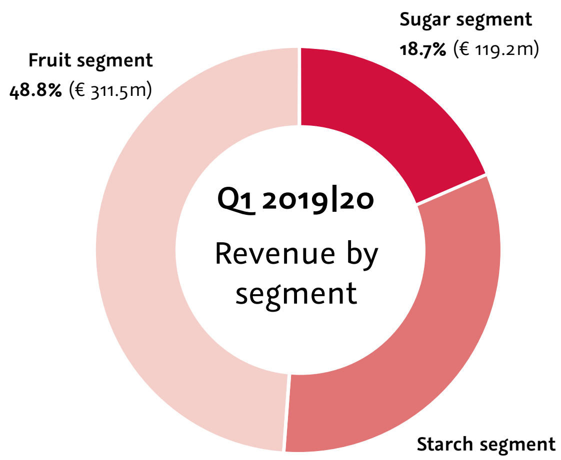
Revenue and earnings

Consolidated income statement (condensed) €m, except as otherwise indicated	Q1 2020|21	Q1 2019|20	Change
Revenue	652.6	638.4	+2.2%
EBITDA[1]	54.7	51.5	+6.2%
Operating profit before exceptional items and results of equity-accounted joint ventures	28.1	27.5	+2.2%
Share of results of equity-accounted joint ventures	3.9	3.4	+14.7%
Operating profit (EBIT)	**32.0**	**30.9**	**+3.6%**
EBIT margin	**4.9%**	**4.8%**	**+0.1pp**
Net financial items	(6.1)	(3.8)	-60.5%
Profit before tax	25.9	27.1	-4.4%
Income tax expense	(6.7)	(8.8)	+23.9%
Profit for the period	19.2	18.3	+4.9%
Earnings per share (€)	0.30	0.27	+11.1%

In the financial first quarter of 2020|21 (the three months ended 31 May 2020), **revenue** of the AGRANA Group was € 652.6 million, up slightly from the same period one year earlier, with the growth coming from a positive revenue trend in the Sugar segment.

Operating profit (EBIT) was € 32.0 million in the first three months of 2020|21, a slight increase from the year-ago quarter. In the Fruit segment, EBIT decreased to € 16.0 million, a reduction of 26.6% driven primarily by a weaker result in the fruit juice concentrate business. Lower ethanol prices led to a moderate EBIT decline to € 17.0 million in the Starch segment. In the Sugar segment, as a result of firmer prices and higher sugar sales quantities than one year earlier, EBIT improved very significantly to a deficit of only € 1.0 million (Q1 prior year: deficit of € 9.3 million). The Group's **net financial items** amounted to a net finance expense of € 6.1 million (versus a net expense of € 3.8 million in the year-earlier period) due to a deterioration in currency translation differences. After an income tax expense of € 6.7 million, corresponding to a tax rate of 25.9% (Q1 prior year: 32.5%), profit for the period was € 19.2 million (Q1 prior year: € 18.3 million). Earnings per share attributable to AGRANA shareholders increased to € 0.30 (Q1 prior year: € 0.27).





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

Investment[1]

In the first quarter of 2020|21, AGRANA invested € 11.1 million, or € 22.5 million less than in the year-earlier comparative period. Capital expenditure by segment was as follows:

Investment[1] €m, except %	Q1 2020|21	Q1 2019|20	Change
Fruit segment	5.0	10.1	-50.5%
Starch segment	5.0	20.8	-76.0%
Sugar segment	1.1	2.7	-59.3%
Group	**11.1**	**33.6**	**-67.0%**

In addition to the regular projects for product quality improvement, asset replacement and maintenance across all production sites, the following individual investments are worth highlighting:

Fruit segment

- Wastewater treatment in Jacona, Mexico
- New production line in Central Mangrove, Australia
- Expansion of warehouse for finished product in Chung-Buk, South Korea

Starch segment

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

Sugar segment

- Conversion of the energy supply of the Sereď, Slovakia site to gas

Additionally in the first quarter of 2020|21, € 9.4 million (Q1 prior year: € 5.6 million) was invested in the equity-accounted joint ventures (the HUNGRANA and STUDEN groups and Beta Pura GmbH; values for these entities are stated at 100% of the totals).

The betaine crystallisation project of Beta Pura GmbH represents the largest capital expenditure for this 2020|21 financial year. Together with the US partner The Amalgamated Sugar Company LLC, Boise, Idaho, about € 37 million (stated at 100% of the total for both partners) is being invested in the value-added processing of by-products from sugar production at the site in Tulln, Austria. Due to the COVID-19 pandemic, the commissioning of the new plant will be delayed until August 2020.

Cash flow

Consolidated cash flow statement (condensed)

€m, except %	Q1 2020|21	Q1 2019|20	Change
Operating cash flow before changes in working capital	56.0	47.9	+16.9%
Changes in working capital	(48.9)	(71.3)	+31.4%
Interest received and paid and income tax paid, net	(4.5)	(7.3)	+38.4%
Net cash from/(used in) operating activities	**2.6**	**(30.7)**	**+108.5%**
Net cash (used in) investing activities	(21.1)	(34.6)	+39.0%
Net cash from financing activities	17.8	71.8	-75.2%
Net increase/(decrease) in cash and cash equivalents	**(0.7)**	**6.5**	**-110.8%**
Effects of movements in foreign exchange rates and hyperinflation adjustment on cash and cash equivalents	(3.4)	0.0	-
Cash and cash equivalents at beginning of period	93.4	82.6	+13.1%
Cash and cash equivalents at end of period	**89.3**	**89.1**	**+0.2%**

Operating cash flow before changes in working capital rose to € 56.0 million in the first quarter of 2020|21 (Q1 prior year: € 47.9 million) as a result partly of the higher profit for the period. After a significantly smaller increase of € 48.9 million in working capital than one year earlier (Q1 prior year: increase of € 71.3 million), operating cash flow improved to net cash from operating activities of € 2.6 million (Q1 prior year: net cash use of € 30.7 million). Net cash used in investing activities was € 21.1 million, reflecting significantly reduced payments for purchases of property, plant and equipment and intangibles (Q1 prior year: net cash use of € 34.6 million). This includes the purchase price payment for the acquisition of the Santa Cruz, California-based Marroquin Organic International, Inc. by AGRANA Stärke GmbH. A significant decrease in borrowings compared to the year before led to a net cash inflow of € 17.8 million from financing activities (Q1 prior year: net cash inflow of € 71.8 million).

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

Financial position

Consolidated balance sheet (condensed)

€m, except % and pp	31 May 2020	29 February 2020	Change
ASSETS			
Non-current assets	**1,314.6**	**1,331.9**	**-1.3%**
Of which intangible assets, including goodwill	273.9	275.1	-0.4%
Of which property, plant and equipment	904.4	932.8	-3.0%
Current assets	**1,208.5**	**1,217.5**	**-0.7%**
Of which inventories	660.7	710.5	-7.0%
Of which trade receivables and other assets	372.2	319.5	+16.5%
Of which cash and cash equivalents	89.3	93.4	-4.4%
Total assets	**2,523.1**	**2,549.4**	**-1.0%**
Equity and liabilities			
Equity	**1,386.4**	**1,387.1**	**-0.1%**
Equity attributable to shareholders of the parent	1,324.3	1,323.7	+0.0%
Non-controlling interests	62.1	63.4	-2.1%
Non-current liabilities	**559.8**	**565.3**	**-1.0%**
Of which borrowings	446.4	450.2	-0.8%
Current liabilities	**576.9**	**597.0**	**-3.4%**
Of which borrowings	147.9	126.8	+16.6%
Of which trade and other payables	267.7	311.8	-14.1%
Total equity and liabilities	**2,523.1**	**2,549.4**	**-1.0%**
Net debt	**485.8**	**464.0**	**+4.7%**
Gearing ratio[1]	**35.0%**	**33.5%**	**+1.5pp**
Equity ratio	**54.9%**	**54.4%**	**+0.5pp**

Total assets as of 31 May 2020, at € 2.52 billion, were off marginally from the 2019|20 year-end balance sheet date (29 February 2020: € 2.55 billion), with an equity ratio of 54.9% (29 February 2020: 54.4%).

The value of non-current assets declined slightly due to depreciation. Current assets remained stable; while inventories were reduced, trade receivables increased. On the other side of the balance sheet, non-current liabilities remained almost constant. Current liabilities eased slightly as an increase in short-term borrowings coincided with a reduction in trade payables.

Net debt as of 31 May 2020 amounted to € 485.8 million, up € 21.8 million from the year-end level of 29 February 2020 (year-ago level of 31 May 2019: € 415.4 million). The gearing ratio rose accordingly to 35.0% as of the quarterly balance sheet date (29 February 2020: 33.5%; 31 May 2019: 29.2%).

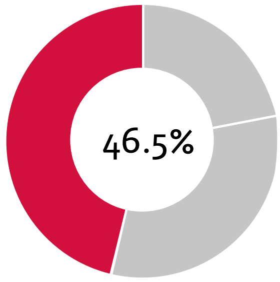
[1] Debt-equity ratio (ratio of net debt to total equity).

Fruit segment

Financial results

Fruit segment €m, except %	Q1 2020|21	Q1 2019|20	Change
Revenue	303.7	311.5	-2.5%
EBITDA[1]	26.1	31.5	-17.1%
Operating profit before exceptional items and results of equity-accounted joint ventures	16.0	21.8	-26.6%
Operating profit [EBIT]	**16.0**	**21.8**	**-26.6%**
EBIT margin	**5.3%**	**7.0%**	**-1.7pp**

Share of Group revenue



The Fruit segment's revenue in the first quarter of 2020|21 was € 303.7 million, or slightly below the year-earlier level. Revenue from fruit preparations fell slightly due to lower sales volumes. In the fruit juice concentrate activities, revenue was down moderately from a year ago, also for volume reasons.

EBIT in the Fruit segment reached € 16.0 million in the first three months, down 26.6% from one year earlier. The reasons for the deterioration lay primarily in the fruit juice concentrate business, which notably saw reduced delivery volumes in combination with lower contribution margins of apple juice concentrates produced from the 2019 crop. Earnings in fruit preparations were moderately below the prior year's level. An improvement in EBIT in Mexico and savings in administration were offset by earnings decreases in South America and China, resulting from lower sales volumes mainly due to coronavirus effects.

Market environment

The market environment for fruit preparations is determined by consumer trends in the global markets for dairy products, ice-cream, bakery and food service. The main trends continue to revolve around naturalness, sustainability, health, pleasure and convenience. The global COVID-19 pandemic has a major impact on many of these consumer trends. For example, there is a growing demand for comfort food, i.e., food that conveys a combined feeling of pleasure, security and nostalgia. Consumers are also focusing on the health theme. Products aimed at boosting the immune system have great short- and medium-term market potential. Despite these opportunities, the global threat of recession is driving a trend towards lower-priced and simpler products. Premium products must be very well positioned in order not to lose market share to cheaper private labels in economically difficult times.

The main target market, that for fruit yoghurt, is being slightly negatively influenced by the COVID-19 pandemic. Current forecasts by Euromonitor show a global growth rate for yoghurt of 1.8% in the calendar year 2020. This is 0.5 percentage points below the growth rate predicted before the outbreak of the coronavirus crisis.

Demand for apple juice concentrate remained solid this spring and was able to be met from the 2019 crop.

For all berry juice concentrates produced from the 2019 harvest, contracts were successfully concluded with customers. For the upcoming berry campaign, demand is expected to remain stable at the level of the prior year.

Raw materials and production

The harvest of strawberry, the segment's principal fruit, was substantially completed at the end of May 2020 in countries with Mediterranean climate zones, such as Morocco, Egypt, Spain and Mexico. As a result of lower processing capacity in connection with the COVID-19 crisis, less strawberry was contracted in Egypt and Morocco than originally planned; at the same time, purchase prices were on average almost 5% higher than in the previous year. Alternative markets such as China and South America are being considered for the outstanding procurement volume.

The harvest of mango in India, the main production region for this important fruit, began in May 2020, with good availability of industrial product, but there is now a shortage of both labour and transport capacity due to the national lockdown. Market prices for Indian mangoes are expected to be at least 10% higher than last year, and therefore increasing amounts are being purchased in other procurement regions, such as Vietnam and Mexico.

The effects of late frosts in parts of Europe on fruit harvests this summer cannot yet be clearly predicted at the time of reporting. However, it is assumed that the harvest of apricots, for example, will be up to one-third smaller than in the previous year.

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

In the first quarter of 2020|21, about 118,000 tonnes of raw materials were purchased for the fruit preparations activities.

In the fruit juice concentrate business, for the 2020 berry juice processing season that has just begun, availability of raw materials can be expected to be normal.

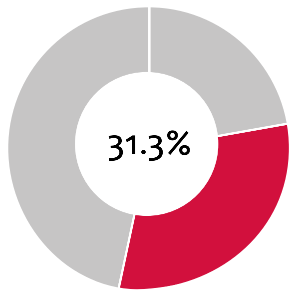
For apples, the most important fruit in the juice concentrate business, good availability is expected in Poland, the main apple production region. Due to the spring frost in Hungary, harvest expectations there are in line with the low level of last year; a more precise estimate will not be possible until mid-July 2020.

Starch segment

Financial results

Starch segment €m, except %	Q1 2020|21	Q1 2019|20	Change
Revenue	204.4	207.7	-1.6%
EBITDA[1]	24.6	23.6	+4.2%
Operating profit before exceptional items and results of equity-accounted joint ventures	13.3	15.2	-12.5%
Share of results of equity-accounted joint ventures	3.7	3.2	+15.6%
Operating profit [EBIT]	**17.0**	**18.4**	**-7.6%**
EBIT margin	**8.3%**	**8.9%**	**-0.6pp**

Share of Group revenue



Revenue in the first quarter of 2020|21 was € 204.4 million, a slight decrease from one year earlier. With the full operation of the new, second wheat starch plant, sales volumes and revenues of the products manufactured in-house rose significantly year-on-year. At the same time, revenue from resold merchandise declined sharply because the sale of sugar by-products is now charged on a commission basis and the corresponding sales are no longer included in the Starch segment's revenue. Platts ethanol quotations collapsed in March 2020 amid the COVID-19 lockdown and the significant drop in demand for petrol, but recovered again in the course of the rest of the financial quarter in line with the renewed increase in private transport. Sales volumes of saccharification products were negatively affected by the COVID-19 crisis.

At € 17.0 million, the Starch segment's EBIT was moderately below the year-earlier amount. In the period under review, weaker market demand dampened prices and put pressure on margins. On the cost side, savings in energy and administrative costs in connection with the COVID-19 measures were beneficial for earnings, but the commissioning of the new wheat starch plant led to significantly higher depreciation. The earnings contribution of the equity-accounted HUNGRANA facility rose from € 3.2 million to € 3.7 million. The earnings impact of lower sales volumes and margins for isoglucose and other saccharification products was more than made up for by increased sales of alcohol, including of pharmaceutical grade, e.g., as a basis for disinfectants.

Market environment

The global COVID-19 pandemic also had impacts on product markets of the Starch segment. After a strong month for sales in March 2020, sales volumes of some product groups, such as saccharification products (for example, glucose and isoglucose), declined in the following two months. This was attributable to the complete standstill of the hotel and catering sector and changes in the amount of retail space allocated, as more shelf space was given to basic foodstuffs at the expense of confectionary.

Not only the prices, but also the sales volumes of native and modified starches in the food sector were largely stable overall in the first quarter of 2020|21, and in some cases sales volumes even increased, as purchases were

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

brought forward. Demand from the European paper and corrugated board industry is currently weak. Many graphic paper manufacturers significantly reduced their capacity during the COVID-19 lockdown.

The bioethanol business in the first quarter was defined by a slump in Platts quotations. Following the global spread of the COVID-19 epidemic, ethanol prices fell to an all-time low (€ 350 per cubic metre FOB Rotterdam). In the meantime, prices have settled within a band between € 550 and € 600 per cubic metre. Fuel demand in Europe fell by about 50% in April 2020. The volume losses in the refinery business were cushioned or made up for by intensively pursuing spot sales and sales into the disinfection segment (permitted by an exemption under the EU Biocides Regulation).

Raw materials and production

World grain production in the 2020|21 grain marketing year (July to June) is estimated by the International Grains Council in its forecast of 28 May 2020 at 2.23 billion tonnes, exceeding the prior year's volume by about 53 million tonnes and outpacing expected consumption by around 12 million tonnes. Wheat production is forecast at 766 million tonnes (prior year: 762 million tonnes; estimated 2020|21 consumption: 750 million tonnes) and the projected production of corn (maize) is 1,169 million tonnes (prior year: 1,118 million tonnes; estimated 2020|21 consumption: 1,177 million tonnes). Total ending grain stocks are to increase by approximately 13 million tonnes to a new balance of 627 million tonnes.

Grain production in the EU-27 is estimated by Stratégie Grains at about 300 million tonnes (prior year: 311 million tonnes). Of this total, the soft wheat harvest is to account for about 133 million tonnes, significantly less than the 2019 crop of 147 million tonnes. The 2020 corn harvest in the EU is expected to reach 66 million tonnes (prior year: 64 million tonnes).

The corn quotations on the NYSE Euronext Liffe commodity derivatives exchange in Paris moved sideways from the beginning of March 2020. For wheat, the COVID-19 pandemic led to greater volatility and overall higher prices. On the balance sheet date, the quotations were around € 167 per tonne for corn and € 188 per tonne for wheat (year earlier: € 166 and € 185 per tonne, respectively).

Potatoes

For potato starch for the 2020 crop year, contracts were concluded with about 1,400 farmers to grow 281,000 tonnes of (regular and organic) industrial starch potatoes (prior year: 322,000 tonnes). The contracts for regular and organic potatoes for the food industry remained nearly constant year-on-year at about 17,000 tonnes.

Corn and wheat

The purchasing of feedstock for the starch plants in Aschach, Austria (corn) and Pischelsdorf, Austria (wheat) from the 2019 crop is almost fully completed. The raw material prices in the first quarter of the financial year were below the budgeted levels.

In the bioethanol activities, the grain and corn purchases for the plant in Pischelsdorf are largely secured until up to the new crop. About 82% of the raw material supply for the 2020|21 financial year, including the ethanol grain production contracts, is provided for.

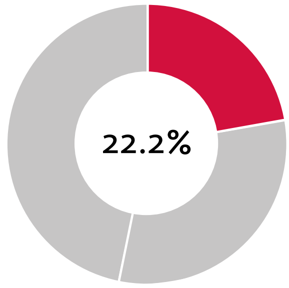
At the plant in Hungary (HUNGRANA), a total of 1.07 million tonnes of corn is expected to be processed in 2020|21 (prior year: 1.02 million tonnes); the amounts for this equity-accounted joint venture are stated at 100% of the respective total.

Sugar segment

Financial results

Sugar segment €m, except %	Q1 2020|21	Q1 2019|20	Change
Revenue	144.5	119.2	+21.2%
EBITDA[1]	4.0	(3.6)	+211.1%
Operating (loss) before exceptional items and results of equity-accounted joint ventures	(1.2)	(9.5)	+87.4%
Share of results of equity-accounted joint ventures	0.2	0.2	+0.0%
Operating (loss) [EBIT]	**(1.0)**	**(9.3)**	**+89.2%**
EBIT margin	**(0.7%)**	**(7.8%)**	**+7.1pp**

Share of Group revenue



The Sugar segment's revenue in the first quarter of 2020|21, at € 144.5 million, was up significantly from one year earlier. Both higher sugar selling prices and increased sugar sales volumes led to this positive development.

Although EBIT in the first three months of 2020|21 was still negative at a deficit of € 1.0 million, it improved substantially compared to the same quarter of the previous year due to a more benign sales price environment.

Market environment

World sugar market

The beginning of the 2020|21 financial year was marked by the COVID-19 crisis. The raw sugar price fell to a 13-year low of US$ 203.05 per tonne in April 2020. Owing to a higher white sugar premium, the price of white sugar did not plumb its ten-year low of July 2019 of US$ 294.0 per tonne.

As a result of the COVID-19-induced current sharp reduction in confidence, the historic slump in oil prices and a generally very uncertain consumption outlook, sugar prices fell globally. In this context, Brazil is expected to make greater use of its sugar production capacity, as its ethanol production is hardly competitive when oil prices are low. The weakness in the Brazilian real also had a negative impact on prices.

Towards the end of the reporting period, sugar quotations recovered somewhat from the lows. A rebound in the oil market, a change in the behaviour of institutional investors and a recovery in the Brazilian real are factors that could have a positive effect on prices.

At the end of the financial period under review, white sugar quoted at US$ 362.2 per tonne and raw sugar at US$ 240.52.

EU sugar market

In the 2019|20 sugar marketing year (SMY), sugar production in the EU was about 17.4 million tonnes. According to the latest estimate from May 2020, the European Commission expects a similar production volume for SMY 2020|21.

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. By January 2019 the price was only € 312 per tonne. In the 2019 calendar year, the price of sugar in the EU recovered steadily, and a price of € 379 per tonne was reported in April 2020.

Industrial and reseller markets

In the first quarter of 2020|21, sales reductions relative to one year earlier in the industrial segment were more than outweighed by resellers' purchases brought forward in connection with stocking up for the COVID-19 crisis. Prices increased by more than 10%, largely because of higher prices for the 2019|20 sugar marketing year contracts.

Lower sales volumes are expected in the coming months due to the remaining COVID-19 restrictions and the strained economic situation. The further price trend for SMY 2020|21 will depend on weather conditions and the associated yield expectations for European sugar beet production.

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

Raw materials and production

In the 2020 crop year, the sugar beet production acreage contracted by AGRANA with beet growers is approximately 86,000 hectares, or about 4,000 hectares more than the contract area in the prior year. Group-wide, around 2,100 hectares have been contracted for the production of organic sugar beet.

Generally speaking, beet planting occurred early. Juvenile development was very slow in all growing regions in April and May 2020, for lack of rainfall. Above all in the Weinviertel region of Austria and also in parts of Slovakia, the extreme drought caused total losses in beet cultivation. Likewise, fields in Romania had to be turned under because of drought, but these were able to be replanted. In addition, about 1,000 hectares in Austria, the Czech Republic and Slovakia had to be replanted due to frost damage. From the middle of April, severe damage was once again caused in the Austrian core beet production areas by insect pests, including the beet weevil and the beet flea beetle. To combat and contain the further spread of the beet weevil, a variety of measures were taken, such as the use of obstacle furrow ploughs, the placing of more than 180,000 pheromone traps, and insecticidal plant protection. While the damage sustained could not be prevented, very valuable advance work was done with regard to controlling the establishment of a new population of weevils with a view to beet production in 2021. In Central Hungary, too, crop area was lost due to the return of the beet weevil. In total, Group-wide about 14,500 hectares of beet were thus turned under as a result of adverse weather and animal pests; only a small portion of this was replanted. From 22 May 2020, enough precipitation was recorded in the entire production area in all regions. This eased the situation regarding beet growth. Given the weather and growing conditions to date, the approximately 77,000 hectares remaining under beet at the balance sheet date are expected to provide average yields at best.

In the first quarter of 2020|21, the raw sugar refinery in Bosnia and Herzegovina produced about 41,300 tonnes of white sugar from 43,000 tonnes of raw cane sugar. A total of about 140,000 tonnes of raw sugar is planned to be refined at the two sites in Bosnia and Herzegovina and Romania during this financial year.

Management of risks and opportunities

AGRANA uses an integrated system for the early identification and monitoring of risks that are relevant to the Group.

There are currently no known risks to the AGRANA Group's ability to continue as a going concern and no future risks of this nature are discernible at present.

A detailed description of the Group's business risks, including risks related to the coronavirus (COVID-19), is provided on pages 91 to 97 of AGRANA's annual report 2019|20.

Number of employees

Full-time equivalents	Q1 2020|21	Q1 2019|20	Change
Fruit segment	6,129	6,549	-6.4%
Starch segment	1,111	1,041	+6.7%
Sugar segment	1,896	1,916	-1.0%
Group	**9,136**	**9,506**	**-3.9%**

In the first quarter of 2020|21 the AGRANA Group employed an average of 9,136 full-time equivalents (Q1 prior year: 9,506). The decrease in personnel was due primarily to a reduced need for seasonal workers in the fruit preparations business.

Significant events after the interim reporting date

No significant events occurred after the quarterly balance sheet date of 31 May 2020 that had a material effect on AGRANA's financial position, results of operations or cash flows.

Outlook

AGRANA Group €m	2019|20 Actual	2020|21 Forecast before COVID-19
Revenue	2,480.7	↑↑
EBIT	87.1	↑↑
Investment[1]	149.7	73

↑↑ *Significant increase*[2]
↑↑ *Significant increase*[2]

On the basis of the planning before the advent of COVID-19, AGRANA had expected a significant increase in Group revenue and Group EBIT for the full 2020|21 financial year. This forecast remains subject to the proviso that the economic and financial impacts of the COVID-19 pandemic are currently not quantifiable and the further trajectory of the pandemic is uncertain.

The outlook **BEFORE COVID-19 based on the originally planned budget for 2020|21** is supplemented at the end of this section by a **COVID-19 assessment of risk factors** that could affect the Group forecast.

Starch segment €m	2019|20 Actual	2020|21 Forecast before COVID-19
Revenue	807.0	↗
EBIT	75.2	↓↓
Investment[1]	73.6	21

↗ *Moderate increase*[2]
↓↓ *Significant decrease*[2]

The **Starch segment, before COVID-19 effects,** was forecasting a slight increase in revenue for the 2020|21 financial year. Sales prices for native starches and wheat gluten were expected to be reduced due to increased supply. For starch-based saccharification products, no major recovery in prices could be expected, due to the persistently challenging market environment. In 2020|21 the revenue performance in the Starch segment overall will continue to be shaped by the ethanol price volatility. Consistently positive impetus for growth was anticipated in organic and GMO-free products. Starch segment EBIT was projected to decrease significantly due to foreseeable margin reductions resulting from lower sales prices.

Fruit segment €m	2019|20 Actual	2020|21 Forecast before COVID-19
Revenue	1,185.4	↑
EBIT	55.9	↑↑
Investment[1]	56.5	33

↑ *Moderate increase*[2]
↑↑ *Significant increase*[2]

In the **Fruit segment, before COVID-19 effects,** AGRANA predicted growth in revenue and EBIT for the 2020|21 financial year. The fruit preparations business projected a revenue increase, which was to be achieved through full utilisation of the capacity created and by further diversification in the non-dairy business[3]. EBIT was to be raised significantly through higher margins, which were to be realised partly via smaller cost increases than in 2019|20. In the fruit juice concentrate business, revenue was projected to rise significantly this financial year, with a solid earnings situation.

Sugar segment €m	2019|20 Actual	2020|21 Forecast before COVID-19
Revenue	488.3	↑↑
EBIT	(44.0)	↑↑
Investment[1]	19.6	19

↑↑ *Significant increase*[2]
↑↑ *Significant improvement*[2]

In the **Sugar segment, before COVID-19 effects,** AGRANA expected a continual improvement in conditions in the EU sugar market. On the distribution side, sugar prices in the EU were expected to rise. This positive trend in the EU sugar market environment, combined with rigorous cost management, implied a significant improvement in EBIT.

[1] Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.
[2] For definitions of these quantitative terms as used here in the "Outlook" section, see page 14.
[3] The non-dairy product segments are ice-cream, bakery, and food service.

COVID-19 risk assessment

The AGRANA Group's business performance in the first quarter was satisfactory across the board and was on target. The still rapid evolution of the impacts from the COVID-19 pandemic prevents a specific determination of parameters and thus does not allow a realistically quantified **post-COVID-19** forecast to be made for the full 2020|21 financial year.

Especially in the **Fruit segment** with its global production operations (42 sites in 22 countries), the BEFORE COVID-19 forecast is subject to a high degree of uncertainty, including with regard to the short- and medium-term demand situation in many regions of the world.

Bioethanol is a major core product in the **Starch segment**. In the first quarter of 2020|21, the universal restrictions on operations and mobility had a negative impact especially on the price trend in the European ethanol markets. The loosening of COVID-19 restrictions should lead to an increase in fuel demand in general and in the demand for renewable, low-carbon energy in particular. Nonetheless, the sustained impacts on the whole ethanol value chain in the further course of the financial year are difficult to predict.

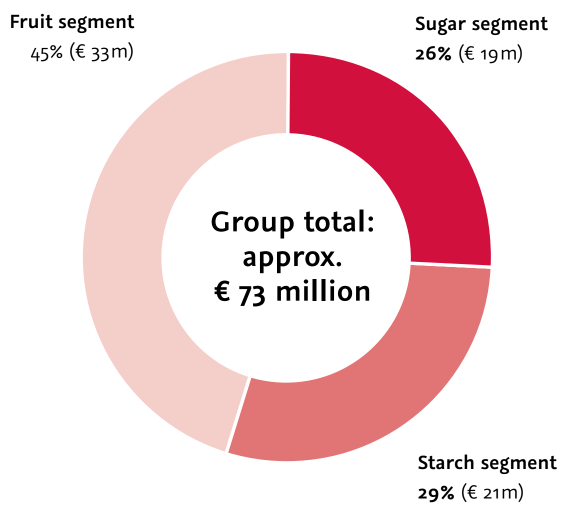
The sales volume gains and revenue growth in the **Sugar segment** in the first quarter were encouraging, but were also due to the pulling-forward of sugar purchases by many consumers at the beginning of the COVID-19 pandemic. It remains to be seen how the demand situation will unfold over the next few months, especially in the industrial sector. Currently, the effect which the low world market sugar quotations will have on EU prices in the coming SMY 2020|21 also cannot yet be predicted meaningfully.

In view of the uncertainty about the further trajectory of the COVID-19 pandemic and its impact on all areas of life, a more specific earnings forecast for the full year 2020|21 will be provided in the course of the financial year.

Investment

Total **investment** across the three business segments in this financial year, at approximately € 73 million, is to be significantly below both the 2019|20 level and this year's budgeted depreciation of close to € 120 million.

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



Other information

Financial calendar

9 July 2020	Record date for dividend
10 July 2020	Dividend payment date
8 October 2020	Results for first half of 2020|21
14 January 2021	Results for first three quarters of 2020|21

Contacts

AGRANA Beteiligungs-AG
Friedrich-Wilhelm-Raiffeisen-Platz 1
1020 Vienna, Austria
www.agrana.com

Corporate Communications/Investor Relations
Hannes Haider
Phone: +43-1-211 37-12905
Fax: +43-1-211 37-12926
E-mail: investor.relations@agrana.com

Corporate Communications/Public Relations
Markus Simak
Phone: +43-1-211 37-12084
Fax: +43-1-211 37-12926
E-mail: info.ab@agrana.com

Interim statement for the first quarter of 2020|21

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Friedrich-Wilhelm-Raiffeisen-Platz 1
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FORWARD-LOOKING STATEMENTS

This interim statement 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 interim statement, 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 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%

This interim statement has not been audited or reviewed. It was prepared by the Management Board of AGRANA Beteiligungs-AG on 29 June 2020.

For financial performance indicators not defined in a footnote, please see the definitions on page 204 of the annual report 2019|20.

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 interim statement may contain minor, immaterial rounding errors.

No liability is assumed for misprints, typographical and similar errors.

This English translation of the interim statement is solely for readers' convenience and is not definitive. In the event of discrepancy or dispute, only the German version shall govern.

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