WHAT REALLY COUNTS

H1 2021|22

REPORT ON THE
FIRST HALF OF 2021|22

First half of 2021|22 at a glance

- Revenue: € 1,424.4 million (+8.8%; H1 prior year: € 1,309.3 million)
- EBIT: € 44.8 million (-19.7%; H1 prior year: € 55.8 million)
- EBIT margin: 3.1% (H1 prior year: 4.3%)
- Profit for the period: € 27.1 million (-21.2%; H1 prior year: € 34.4 million)
- Equity ratio: 53.8% (28 February 2021: 53.8%)
- Gearing ratio[1]: 36.7% (28 February 2021: 33.4%)
- Number of employees (FTE)[2]: 8,818 (H1 prior year: 9,150)

[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 Management Board

Dear Investor,

In the first half of 2021|22 we achieved EBIT earnings of € 44.8 million (first half of the prior year: € 55.8 million). Despite an extremely volatile business environment, we thus remain on track and reiterate our positive EBIT guidance for the full financial year. Specifically, this means that in 2021|22, we plan to exceed last year's € 78.7 million operating profit significantly, which is to say by at least 10%.

A heterogeneous business trajectory since the outbreak of the Covid-19 pandemic led to sharp swings between the quarters of the prior year, which is resulting in some base effects in the opposite direction this financial year. This is one reason why, after a weaker first six months of 2021|22, we are projecting significantly stronger earnings in the second half of the year than one year earlier.

It is a well-known fact that commodity markets have soared dramatically in the past several months, also taking the prices of agricultural commodities to levels 30% to 50% above those of a year ago. Higher energy costs too are weighing on earnings in all our business segments. The coronavirus pandemic with all its ripple effects – including for our customers – is not over yet. In the coming months, volatile markets both on the purchasing and sales sides will continue to demand our close attention and careful management.

We are confident that we will master these challenges well. In the past quarters we have already taken measures to both deal with the price increases faced in procurement and to reflect the higher production costs in adjusted sales prices. The strategic partnerships we have built over three decades, as well as our market position, will certainly be helpful in this area.

At AGRANA, the second half of the year is always a time of intensive campaign production (beet, potato, wet corn, apple). In the Sugar segment, all plants have been running at full capacity since the beginning of October, and capacity utilisation is projected to increase compared to the prior year thanks to a higher volume of beet. Rising sugar prices too will improve earnings in the second half of 2021|22. In the Fruit segment, a 2021 apple campaign marked by good volume is expected to lead to a recovery for the fruit juice concentrate business in the latter half of the year.

Sustainability is an integral aspect of AGRANA's business activities. To underpin our commitment to climate protection, the Group joined the Science Based Targets initiative in July 2021 and will establish corresponding climate targets within 24 months.

Dear valued shareholder, please be assured that the AGRANA team will continue to tackle the work ahead with high ambition and motivation. Our goal is not just to achieve our short-term financial targets but, in the long term, to fully leverage the potential of a strong, innovative and well-positioned company.

The Management Board team of AGRANA Beteiligungs-AG

Markus Mühleisen
Chief Executive Officer

Ingrid-Helen Arnold

Stephan Büttner

Norbert Harringer

Group management report

AGRANA Group results for the first half of 2021|22

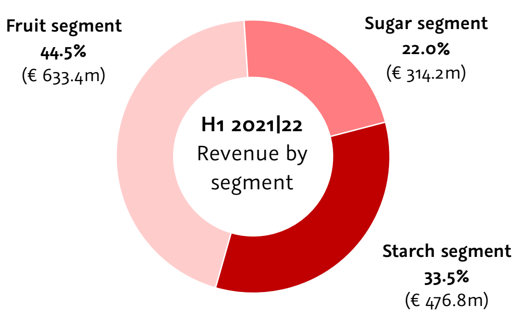
Revenue and earnings

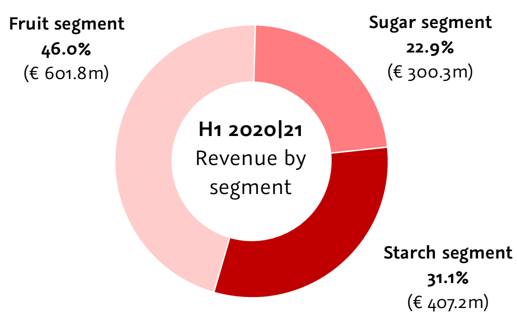
Consolidated income statement (condensed) €m, except as otherwise indicated	**H1 2021|22**	**H1 2020|21**
Revenue	1,424.4	1,309.3
EBITDA[1]	94.0	101.1
Operating profit before exceptional items and results of equity-accounted joint ventures	41.0	47.4
Share of results of equity-accounted joint ventures	6.1	8.9
Exceptional items	(2.3)	(0.5)
Operating profit (EBIT)	**44.8**	**55.8**
EBIT margin	**3.1%**	**4.3%**
Net financial items	(7.1)	(9.1)
Profit before tax	37.7	46.7
Income tax expense	(10.6)	(12.3)
Profit for the period	27.1	34.4
Attributable to shareholders of the parent	28.0	33.9
Earnings per share (€)	0.45	0.54

Consolidated income statement (condensed) €m, except as otherwise indicated	**Q2 2021|22**	**Q2 2020|21**
Revenue	718.6	656.7
EBITDA[1]	49.2	46.4
Operating profit before exceptional items and results of equity-accounted joint ventures	22.3	19.3
Share of results of equity-accounted joint ventures	3.9	5.0
Exceptional items	(2.3)	(0.5)
Operating profit (EBIT)	**23.9**	**23.8**
EBIT margin	**3.3%**	**3.6%**
Net financial items	(3.3)	(3.0)
Profit before tax	20.6	20.8
Income tax expense	(5.6)	(5.6)
Profit for the period	15.0	15.2
Attributable to shareholders of the parent	15.3	15.1
Earnings per share (€)	0.24	0.24

In the first half of the 2021|22 financial year (the six months ended 31 August 2021), **revenue** of the AGRANA Group was € 1,424.4 million, up moderately from the same period one year earlier, with the growth coming largely from higher sales volumes in the Starch segment. The revenue trend in the Fruit and Sugar segments was also positive.

Operating profit (EBIT) was € 44.8 million in the first half of 2021|22, a significant decrease from the year-ago level of € 55.8 million. In the Fruit segment, EBIT declined to € 25.8 million (H1 prior year: € 30.1 million) as a result of a markedly weaker performance in the fruit juice concentrate business. A considerable increase in raw material costs was the main cause of a significant EBIT decrease in the Starch segment to € 29.0 million (H1 prior year: € 34.7 million). In the Sugar segment, EBIT deteriorated from one year earlier to a deficit of € 10.0 million (H1 prior year: deficit of € 9.0 million), due above all to lower margins in the 2020|21 sugar marketing year. The Group's **net financial items** amounted to an expense of € 7.1 million, down from an expense of € 9.1 million in the year-earlier period, thanks primarily to an improvement in currency translation differences. After an income tax expense of € 10.6 million, corresponding to a tax rate of 28.1% (H1 prior year: 26.3%), **profit for the period** was € 27.1 million (H1 prior year: € 34.4 million). **Earnings per share** attributable to AGRANA shareholders decreased to € 0.45 (H1 prior year: € 0.54).





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

Investment[1]

In the first half of the 2021|22 financial year, AGRANA invested € 30.3 million, or € 2.5 million more than in the year-earlier comparative period. Capital expenditure by segment was as follows:

Investment €m, except %	**H1 2021|22**	**H1 2020|21**	**Change**
Fruit segment	12.2	13.4	–9.0%
Starch segment	7.4	9.4	–21.3%
Sugar segment	10.7	5.0	114.0%
Group	**30.3**	**27.8**	**9.0%**

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

Fruit segment

- New filling plant in Mitry-Mory, France
- New construction of an application laboratory in Dachang, China

Starch segment

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

Sugar segment

- Conversion of the boiler plant at the site in Sered', Slovakia, from coal to natural gas/biogas
- Expansion of the distributed control system in Tulln, Austria

Additionally in the first half of 2021|22, € 6.5 million (H1 prior year: € 21.1 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).

Cash flow

Consolidated cash flow statement (condensed) €m, except %	**H1 2021|22**	**H1 2020|21**	**Change**
Operating cash flow before changes in working capital	90.9	112.8	–19.4%
Changes in working capital	(34.7)	(28.1)	–23.5%
Interest received and paid and income tax paid, net	(16.9)	(13.2)	–28.0%
Net cash from operating activities	**39.3**	**71.5**	**–45.0%**
Net cash (used in) investing activities	(23.0)	(32.3)	28.8%
Net cash from/(used in) financing activities	5.3	(29.0)	118.3%
Net increase in cash and cash equivalents	**21.6**	**10.2**	**111.8%**
Effects of movement in foreign exchange rates and hyperinflation adjustments on cash and cash equivalents	(0.4)	(5.3)	92.5%
Cash acquired in initial consolidation of subsidiaries	0.8	0.0	–
Cash and cash equivalents at beginning of period	111.0	93.4	18.8%
Cash and cash equivalents at end of period	**133.0**	**98.3**	**35.3%**

The item "operating cash flow before changes in working capital" eased to € 90.9 million in the first half of 2021|22 (H1 prior year: € 112.8 million), as a result partly of the lower profit for the period. After a larger increase of € 34.7 million in working capital than one year earlier (H1 prior year: increase of € 28.1 million), net cash from operating activities in the first half of 2021|22 was € 39.3 million (H1 prior year: € 71.5 million). Net cash used in investing activities declined to € 23.0 million due to lower payments for purchases of subsidiaries, despite higher payments for purchases of property, plant and equipment and intangibles (H1 prior year: net cash use of € 32.3 million). With a moderately higher dividend pay-

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

ment, a significant increase in borrowings compared to the year-earlier period led to a net cash inflow of € 5.3 million from financing activities (H1 prior year: net outflow of € 29.0 million).

Financial position

Consolidated balance sheet (condensed) €m, except % and pp	**31 August 2021**	**28 February 2021**	**Change**
ASSETS			
Non-current assets	**1,229.1**	**1,232.0**	**−0.2%**
Of which intangible assets, including goodwill	258.4	254.6	1.5%
Of which property, plant and equipment	845.4	859.7	−1.7%
Current assets	**1,229.4**	**1,240.7**	**−0.9%**
Of which inventories	556.4	700.6	−20.6%
Of which trade receivables	422.8	323.1	30.9%
Of which cash and cash equivalents	133.0	111.0	19.8%
Total assets	**2,458.5**	**2,472.7**	**−0.6%**
EQUITY AND LIABILITIES			
Equity	**1,322.1**	**1,329.1**	**−0.5%**
Equity attributable to shareholders of the parent	1,265.0	1,273.8	−0.7%
Non-controlling interests	57.1	55.3	3.3%
Non-current liabilities	**589.1**	**597.4**	**−1.4%**
Of which borrowings	481.9	493.6	−2.4%
Current liabilities	**547.3**	**546.2**	**0.2%**
Of which borrowings	156.5	80.3	94.9%
Of which trade payables	236.1	311.5	−24.2%
Total equity and liabilities	**2,458.5**	**2,472.7**	**−0.6%**
Net debt	**485.8**	**443.5**	**9.5%**
Gearing ratio[1]	**36.7%**	**33.4%**	**3.3pp**
Equity ratio	**53.8%**	**53.8%**	**0.0pp**

Total assets were steady relative to the 2020|21 year-end balance sheet date, at € 2.46 billion as of 31 August 2021 (28 February 2021: € 2.47 billion), with an equity ratio of 53.8% (28 February 2021: 53.8%).

The value of non-current assets was almost unchanged at € 1,229.1 million. Current assets, at € 1,229.4 million, also remained steady overall; while inventories were seasonally reduced, trade receivables increased. Non-current liabilities eased slightly, to € 589.1 million. Current liabilities were virtually constant on balance, as an increase in short-term borrowings coincided with a reduction in trade payables.

Net debt as of 31 August 2021 stood at € 485.8 million, up € 42.3 million from the year-end level of € 443.5 million marked on 28 February 2021. The gearing ratio rose accordingly to 36.7% as of the interim balance sheet date (28 February 2021: 33.4%).

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

AGRANA capital market developments

Share data		H1 2021|22
High (16 June 2021)	€	20.55
Low (25 March 2021)	€	17.18
Closing price (31 August 2021)	€	19.00
Closing book value per share	€	20.24
Closing market capitalisation	€m	1,187.3

AGRANA started the 2021|22 financial year at a share price of € 17.60 and closed at € 19.00 on the last trading day of August 2021, charting a moderate gain of 8.0%. The Austrian blue-chip index, the ATX, rose by 20.2% over the same period.

The average daily trading volume[1] in the period from March to August 2021 measured about 19,000 shares (H1 prior year: approximately 27,000 shares).

AGRANA's share price performance can be followed on the Group's website at www.agrana.com under the tab sequence > Investor > AGRANA Share > Share Price, Share Details & Research. The market capitalisation at the end of August 2021 was € 1,187.3 million.

The 34th Annual General Meeting of AGRANA Beteiligungs-AG on 29 June 2021 approved the payment of a dividend of € 0.85 per share for the 2020|21 financial year (2019|20: € 0.77 per share); the dividend was paid in July 2021.

Corporate governance

CEO Johann Marihart retired on 31 May 2021. Fritz Gattermayer and Thomas Kölbl also left the AGRANA Management Board at the end of May 2021, as part of a reorganisation and rejuvenation of the board.

On 1 June 2021, Markus Mühleisen took over from Johann Marihart as CEO of AGRANA Beteiligungs-AG. At the beginning of June, Thomas Kölbl was succeeded by Ingrid-Helen Arnold, who has been a member of the management board of Südzucker AG, Mannheim, Germany, since 1 May 2021.

Since 1 June 2021, the Management Board of AGRANA Beteiligungs-AG thus has the following four members:

- Markus Mühleisen, Chief Executive Officer
- Ingrid-Helen Arnold
- Stephan Büttner, Chief Financial Officer
- Norbert Harringer, Chief Technology Officer

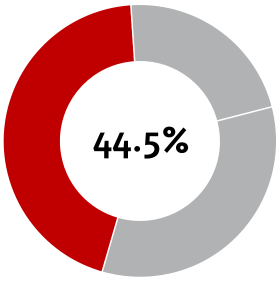
In addition to his duties as CEO of AGRANA, Markus Mühleisen is now also responsible for the Group's sales, among other areas, and has assumed responsibility for the Sugar segment as well effective 1 June 2021. Stephan Büttner is now in charge of purchasing in addition to his CFO responsibilities, and also heads the Fruit segment. Norbert Harringer, in addition to his role as CTO, is now responsible for raw materials and R&D and has also assumed the CEO function in the Starch segment.

Markus Mühleisen was additionally appointed to the management board of Südzucker AG, with effect from 1 June 2021.

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

Fruit segment

Share of Group revenue



Financial results

Fruit segment €m, except %	H1 2021|22	H1 2020|21
Revenue	633.4	601.8
EBITDA[1]	47.1	50.3
Operating result before exceptional items and results of equity-accounted joint ventures	28.1	30.6
Exceptional items	(2.3)	(0.5)
Operating profit [EBIT]	**25.8**	**30.1**
EBIT margin	**4.1%**	**5.0%**

Fruit segment €m, except %	Q2 2021|22	Q2 2020|21
Revenue	312.7	298.1
EBITDA[1]	22.0	24.2
Operating result before exceptional items and results of equity-accounted joint ventures	12.2	14.6
Exceptional items	(2.3)	(0.5)
Operating profit [EBIT]	**9.9**	**14.1**
EBIT margin	**3.2%**	**4.7%**

Fruit segment revenue in the first half of 2021|22, at € 633.4 million, was moderately above the year-earlier level. The fruit preparations business saw revenue growth, stemming partly from higher sales volumes. Revenue in the fruit juice concentrate activities declined slightly for price and volume reasons.

The Fruit segment's EBIT was € 25.8 million in the first six months, off 14.3% from one year earlier. The causes of the deterioration lay in sales of fruit juice concentrates, which saw reduced delivery volumes in combination with lower contribution margins of apple juice concentrates produced from the 2020 crop. In fruit preparations, the solid performance, achieved despite higher costs that were due especially to personnel bottlenecks in North America, was driven by improved earnings in the Europe and Russia regions as well as in Dirafrost's frozen fruit solutions business. Detracting from earnings in the Fruit segment was a one-off combined expense of € 2.3 million from a damage claim and reorganisation measures.

AGRANA Fruit Japan Co., Ltd., Tokyo, Japan, was included in the consolidated financial statements for the first time in the second quarter of 2021|22, by full consolidation; for more information on this new company, see the notes to the interim consolidated financial statements, page 20.

Market environment

The market setting for fruit preparations is determined by consumer trends in the global markets for dairy products, ice-cream, food service and bakery. The top trends continue to revolve around naturalness, health, pleasure, convenience and sustainability. The Covid-19 pandemic is having a big impact on many of these consumer trends. While consumers in Europe and North America increasingly want natural, sustainable and wholesome products, the top criterion in South America, Asia and Africa is the affordability of foods. For fruit preparations this means, on the one hand, ever higher expectations for a given product, and on the other hand, a reduction in fruit content in the final product and/or substitution using aromas.

The main market for fruit preparations, that of yoghurt, is being negatively affected by the Covid-19 pandemic. Current forecasts by Euromonitor project a global volume growth rate for yoghurt of 2.3% in the 2021 calendar year; that is half the percentage rate predicted before the outbreak of the Covid-19 crisis. Especially the market for flavoured spoonable yoghurt is stagnating based on current projections.

In fruit juice concentrates, customer call-offs of apple juice concentrate were up significantly in spring 2021 compared to the fourth quarter of 2020|21 (the three months ended February 2021).

For most of the berry juice concentrate volumes produced from the 2021 harvest, contracts were already concluded with customers. These contracts augur an im-

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

provement in contribution margins relative to one year earlier.

Raw materials and production

For the fruit preparations business, the harvest of strawberry, the principal fruit, was completed in July in all relevant procurement markets. The planned volume requirement was fully contracted in production regions with Mediterranean climate zones such as Egypt, Morocco and Spain, at slightly lower prices than last year. In Mexico, the foremost sourcing country, the prior year's volume was surpassed. As a result of reduced planting acreage and weather-induced unfavourable growing conditions, the strawberry quantities in China were down significantly year-on-year.

The availability of raspberries as a raw material was below normal for the third consecutive year, with substantial price hikes of more than 100% compared to the prior-year period. Reasons for this were repeated weather-related poor harvests in Serbia and North America and sustained high demand from the fresh market and frozen fruit retail segment; both factors led to historic low inventories. In order to be able to cover primarily the European requirements, raspberries were purchased largely in Ukraine, where prices were below the levels in Serbia and Poland.

The global peach harvest was significantly poorer than in the past few years. Frost damage in Greece and Spain and inclement weather in China, the most important producer country, led to below-average yields and thus to considerable price increases.

The forecasts for the harvests still underway for wild and cultivated blueberries in Eastern Europe and North America, the top purchasing regions, point to rising prices compared to last year. To secure the amounts needed, AGRANA is also buying this fruit in alternative procurement regions, such as Peru and Morocco.

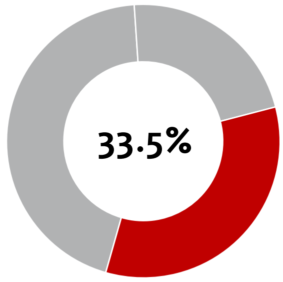
In the first half of 2021|22, about 189,000 tonnes of raw materials were purchased for the fruit preparations business.

In the fruit juice concentrate activities, AGRANA was able to process greater volumes than in the prior year thanks to good availability of red berries (an industry term that includes strawberries, raspberries, black and red currants, sour cherries, chokeberries and elderberries).

For apples, the principal fruit in the juice concentrate business, good raw material availability is expected in the main crop production regions.

Starch segment

Share of Group revenue



Financial results

Starch segment €m, except %	H1 2021|22	H1 2020|21
Revenue	476.8	407.2
EBITDA[1]	46.0	48.0
Operating result before exceptional items and results of equity-accounted joint ventures	22.1	25.1
Share of results of equity-accounted joint ventures	6.9	9.6
Operating profit [EBIT]	**29.0**	**34.7**
EBIT margin	**6.1%**	**8.5%**

Starch segment €m, except %	Q2 2021|22	Q2 2020|21
Revenue	242.2	202.8
EBITDA[1]	25.3	23.4
Operating result before exceptional items and results of equity-accounted joint ventures	13.3	11.8
Share of results of equity-accounted joint ventures	4.2	5.9
Operating profit [EBIT]	**17.5**	**17.7**
EBIT margin	**7.2%**	**8.7%**

The Starch segment's revenue in the first half of 2021|22 was € 476.8 million, representing significant growth of 17.1% from one year earlier. Higher volumes of core products and by-products were demanded than in the same period of the previous year. For ethanol, the Platts

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

quotations moved within a high trading range thanks to increased gasoline demand, averaging € 623 per cubic metre in the first six months of 2021|22, or € 44 more than in the year-ago period. The continuous rise in grain prices since the autumn of 2020 was partly passed on in adjusted prices for starches and by-products on the sales side. There was also an increase in revenue from reselling of purchased animal feedstuffs.

At € 29.0 million, EBIT in the Starch segment was down by a significant 16.4% year-on-year. The main reason for this was a noticeable increase in purchase prices for wheat, corn (maize) and energy compared to the previous year, which could not yet be fully offset by adjusting product prices. Higher depreciation as a result of the major investments made in recent years also had a negative impact on earnings. High selling prices for ethanol made a positive contribution to EBIT performance, especially in the second quarter. The earnings contribution of the equity-accounted HUNGRANA group fell from € 9.6 million to € 6.9 million. Despite increased sales volumes and ethanol prices, the historic high corn prices in Hungary could not yet be made up for by higher prices for saccharification and starch products.

Market environment

In the reporting period, the Covid-19 pandemic remained an influential factor in almost all sales markets for starch products.

Demand in the market for native starches was stable. The packaging paper sector has become a growing sales market due to the boom in online commerce. Graphic paper manufacturers are increasingly converting capacity to the production of corrugated board, which results in a sustained higher requirement for starch.

In the infant formula sector, European producers were faced with shrinking markets. The Chinese market in particular is increasingly being served by domestic producers, resulting in significantly reduced volumes of imports from Europe.

The supply situation for starch-based saccharification products was tight due to the short-term increase in consumption during the summer months. In the medium term, margins in the liquid saccharification products segment are expected to remain under pressure owing to a surplus of installed capacity.

For starch-based feeds, the high raw material prices and the associated uncertainty in the markets, both on the sales and purchasing side, will be the key driver in the coming months.

The ethanol and fuel market is showing strong momentum. In the public policy environment, elements such as the Renewable Energy Directive II (RED II) and the European Commission's "Fit for 55" package of measures, as well as expanding blending mandates in the EU (introduction of E10 in the UK and Sweden), are providing positive impetus for the market and demand.

Raw materials and production

World grain production in the 2021|22 grain marketing year (July to June) is estimated by the International Grains Council in its forecast of 26 August 2021 at 2.28 billion tonnes, which is about 70 million tonnes more than in the prior year, but around 5 million tonnes short of expected consumption. Wheat production is forecast at 782 million tonnes (prior year: 773 million tonnes; estimated 2021|22 consumption: 783 million tonnes) and the projected production of corn is 1,202 million tonnes (prior year: 1,127 million tonnes; estimated 2021|22 consumption: 1,201 million tonnes). Total ending grain stocks are to ease to approximately 589 million tonnes (prior year: 595 million tonnes).

Grain production in the EU-27 is estimated by Stratégie Grains at about 288 million tonnes (prior year: 278 million tonnes). Of this total, the soft wheat harvest is to account for about 130 million tonnes, significantly more than the 2020 crop of 119 million tonnes. The 2021 corn harvest in the EU is expected to reach 65 million tonnes (prior year: 63 million tonnes).

The wheat and corn quotations on the NYSE Euronext Liffe commodity derivatives exchange in Paris rose significantly since early March 2021. A combination of strong demand for corn and grains and weaker harvests due to weather extremes in key production areas was responsible for these price gains, amid increased volatility. At the quarterly balance sheet date, the quotations were around € 220 per tonne for corn and € 249 for wheat (year earlier: € 167 and € 188 per tonne, respectively).

Potatoes

On 2 September 2021 the potato starch factory in Gmünd, Austria, began the processing of starch potatoes from the 2021 harvest. Thanks to the favourable weather conditions during the growing season, contract fulfilment by the growers is expected to reach 100% to 105% of the contracted amount of starch potatoes. The average starch content will be about 18.5%, similar to last year's.

Corn and wheat

The receiving of freshly harvested wet corn at the corn starch plant in Aschach, Austria, began in the middle of September 2021. A wet corn volume of about 120,000 to 130,000 tonnes is expected to be received, comparable to the prior year, and its processing should be completed by mid-December. Processing will then switch to the use of dry corn. In the first half of 2021|22, approximately 247,000 tonnes of corn was processed in Aschach (H1 prior year: 234,000 tonnes).

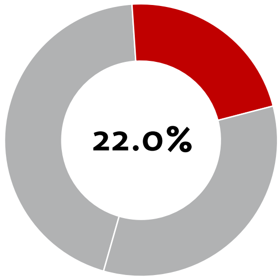
As raw materials for the integrated biorefinery[1] in Pischelsdorf, Austria, in the first half of 2021|22, AGRANA used non-corn grains (wheat, organic wheat, and triticale) and corn in a ratio of approximately 84 to 16. The total processing volume at this facility in the first six months of the financial year was about 551,000 tonnes (H1 prior year: 466,000 tonnes). Processing of wet corn began in the middle of September 2021. A wet corn receiving volume of about 85,000 to 90,000 tonnes is expected, roughly similar to last year, with processing likely to be completed by mid-December.

The purchasing of feedstock for the plants in Aschach and Pischelsdorf from the 2020 crop is complete. Including the amounts contracted from the 2021 harvest, approximately 75% of the raw material supply for the 2020|21 financial year is secured.

The start of the wet corn campaign at the equity-accounted plant in Hungary (HUNGRANA) occurred in early September 2021. The projection is for a wet corn processing volume similar to last year's, which was 250,000 tonnes (quantities given for HUNGRANA, a joint venture, represent the totals rather than each owner's "share"). In the first half of 2021|22, some 557,000 tonnes of corn was processed here (H1 prior year: 521,000 tonnes).

Sugar segment

Share of Group revenue



Financial results

Sugar segment €m, except %	**H1 2021|22**	**H1 2020|21**
Revenue	314.2	300.3
EBITDA[2]	0.8	2.8
Operating result before exceptional items and results of equity-accounted joint ventures	(9.2)	(8.3)
Share of results of equity-accounted joint ventures	(0.8)	(0.7)
Operating loss [EBIT]	**(10.0)**	**(9.0)**
EBIT margin	**(3.2%)**	**(3.0%)**

Sugar segment €m, except %	**Q2 2021|22**	**Q2 2020|21**
Revenue	163.7	155.8
EBITDA[2]	1.8	(1.2)
Operating result before exceptional items and results of equity-accounted joint ventures	(3.2)	(7.1)
Share of results of equity-accounted joint ventures	(0.3)	(0.9)
Operating loss [EBIT]	**(3.5)**	**(8.0)**
EBIT margin	**(2.1%)**	**(5.1%)**

The Sugar segment's revenue in the first half of 2021|22 was up slightly from one year earlier, to € 314.2 million. The increase was driven by rising sugar selling prices and higher revenue from sales of beet seed and other agricultural products.

[1] Wheat starch production as well as bioethanol production from corn, wheat and B- and C-type starches from the wheat starch plant.
[2] EBITDA represents operating profit before exceptional items, results of equity-accounted joint ventures, and operating depreciation and amortisation.

The EBIT result in the first half of 2021|22, at a deficit of € 10.0 million, was weaker than in the year-earlier period. In the 2020 sugar campaign, AGRANA's own production was below average due to pests, especially in Austria. The resulting lower margin from the necessary compensatory reselling and refining of sugar was a key driver of the reduced Sugar EBIT performance in the first six months of 2021|22.

Market environment

World sugar market

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

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

The raw sugar quotation in New York reached a 4½-year high of 20.22 US¢ per pound in August 2021 (about US$ 446 per tonne). This recent price rise was triggered by concerns over frost damage in Brazil, the world's largest sugar exporter.

In its estimate from September 2021 of the world sugar balance for the end of the sugar marketing year (SMY) 2021|22, the analytics firm IHS Markit (formerly F.O. Licht) has projected a production deficit. The forecast calls for production of 182.9 million tonnes (SMY 2020|21: 179.1 million tonnes) and growth in consumption to 185.0 million tonnes (SMY 2020|21: 181.0 million tonnes), which, after an allowance for unrecorded disappearance of –1.2 million tonnes (the difference between world exports and imports), implies a decrease in global sugar stocks to 65.7 million tonnes (SMY 2020|21: 69.1 million tonnes) and a deficit of about 3.4 million tonnes.

At the end of the reporting period, white sugar quoted at US$ 483.3 per tonne and raw sugar stood at US$ 437.4 (year earlier: US$ 359.7 and US$ 279.1 per tonne, respectively).

EU sugar market

In SMY 2020|21, sugar production in the EU-27, at about 14.5 million tonnes, will represent a noticeable decrease from EU production in the previous year (which was 17.5 million tonnes, including the UK); a historic low ending balance is expected.

The EU's crop monitoring service is forecasting an average EU beet yield of 75.0 tonnes per hectare for the new 2021 campaign on a reduced area of 1.387 million hectares (prior year: 1.401 million hectares).

From the abolition of the sugar quotas at the end of September 2017, the average sugar prices under the EU price reporting system had declined significantly for a long time. By January 2019 the price was only € 312 per tonne. In the 2019 and 2020 calendar years the price of sugar in the EU recovered continually, and the threshold of € 400 per tonne was all but reached again in June 2021.

Industrial and reseller markets

In the first half of 2021|22 in the reseller market, the high sugar sales achieved in the summer months of the prior year could not be repeated. However, there was a significant recovery in sales volumes in the industrial market. Overall, the Sugar segment sold only about 5,000 tonnes less sugar than in the previous year.

The sugar price trend continues to be positive. Prices rose year-on-year in both the reseller and industrial business. With the start of the new 2021|22 sugar marketing year on October 1, 2021, sugar deliveries based on new contract agreements already began for a majority of customers. As a result of general market developments as well, further increases in selling prices are to be expected.

Raw materials and production

The area contracted by AGRANA with its growers for sugar beet production in the 2021 crop year was about 87,000 hectares (prior year: around 86,000 hectares). Of this, about 2,100 hectares was dedicated to growing organic sugar beet.

In Austria, the contract area for beet production was expanded by about 13% from the prior year, to almost 39,000 hectares.

Planting of the seed, which was delayed for weather reasons, began from early March and (except in Romania) was completed by mid-April. After damage from night frosts experienced at the beginning of April, ultimately about 7,100 hectares of beet fields were turned over, mainly in Slovakia, Hungary and Austria. However, almost all of this acreage was replanted to beet. The persistently cool and rainy weather, the use of obstacle furrow ploughs (which create a protective deep, steep-sided furrow around the outside of the fields), the deployment of pheromone traps and the effect of the neonicotinoid seed dressing very sharply limited the activity of the beet weevil during this crop year.

In view of the weather and growing conditions to date, beet yields in Austria, the Czech Republic, Romania and Slovakia are likely to be above average. In Hungary, below-average yields are expected due to the summer's severe drought.

The AGRANA Group's actual area under sugar beet is currently nearly 86,000 hectares, including about 38,000 hectares in Austria.

The beet campaigns at all factories started between the middle of September and the beginning of October 2021. In addition, a thick-juice campaign is underway at the Tulln plant in Austria since 6 September 2021.

At the raw sugar refineries in Bosnia and Herzegovina and Romania, about 175,000 tonnes of raw cane sugar were converted into some 169,000 tonnes of white sugar thus far in the 2021|22 financial year. At the plant in Tulln, Austria, the molasses desugarisation facility is operated year-round and crystallised betaine is produced.

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 disease (Covid-19), is provided on pages 88 to 94 of AGRANA's annual report 2020|21.

Number of employees

Average full-time equivalents	**H1 2021|22**	**H1 2020|21**	**Change**
Fruit segment	5,932	6,112	−2.9%
Starch segment	1,140	1,142	−0.2%
Sugar segment	1,746	1,896	−7.9%
Group	**8,818**	**9,150**	**−3.6%**

In the first half of 2021|22 the AGRANA Group employed an average of 8,818 full-time equivalents (H1 prior year: 9,150). The decrease in personnel was due primarily to a reduced need for seasonal workers in the fruit preparations business and to cost reduction measures taken particularly in the Sugar segment.

Related party disclosures

For disclosures on related party relationships, refer to the notes to the interim consolidated financial statements.

Significant events after the interim reporting date

No significant events occurred after the interim balance sheet date of 31 August 2021 that had a material effect on AGRANA's financial position, results of operations or cash flows.

Outlook

AGRANA Group €m	**2020|21 Actual**	**2021|22 Forecast**
Revenue	2,547.0	↑
EBIT	78.7	↑↑
Investment[1]	72.3	95

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

Despite the continuing substantial challenges arising from the Covid-19 pandemic and high raw material and energy costs, the Group's operating profit (EBIT) for the full 2021|22 financial year is expected to mark a significant increase. Group revenue is projected to show moderate growth.

EBIT in the third quarter of this 2021|22 financial year will be broadly in line with the results of the first and second quarter (between € 20 million and € 25 million). EBIT for the fourth quarter is expected to be very significantly above the prior-year comparative period.

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

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

In the **Fruit segment**, AGRANA expects the 2021|22 financial year to bring growth in revenue and EBIT. In the fruit preparations business, the focus is, among other priorities, on full utilisation of the capacity created and on further diversification within the non-dairy business[3]. In fruit juice concentrates, as a result of improved conditions, a significantly higher earnings contribution is expected in the second half of the year compared to the year-earlier period.

Starch segment €m	**2020|21 Actual**	**2021|22 Forecast**
Revenue	558.5	↑
EBIT	(27.3)	↓↓
Investment[1]	15.9	26

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

For the **Starch segment**, moderate growth in revenue is forecast for the 2021|22 financial year. As a result of substantially higher raw material and energy prices, EBIT is expected to be significantly below the prior year's figure. Thanks to the emerging progress towards overcoming the Covid-19 crisis, it is expected that market demand will recover and price increases will become feasible that reflect the higher procurement costs for, in particular, grains, energy and other inputs.

Sugar segment €m	**2020|21 Actual**	**2021|22 Forecast**
Revenue	558.5	↑↑
EBIT	–27.3	↑↑↑
Investment[1]	15.9	22

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

For the **Sugar segment** in 2021|22, AGRANA expects a continual improvement in conditions in the EU sugar market. AGRANA anticipates being able to significantly boost capacity utilisation again in the 2021 campaign, especially at the two Austrian sugar sites, as it has taken various steps to ensure a significant increase in 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, coupled with rigorous cost management, points to a very significant improvement in EBIT.

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

Investment

Total investment across the three business segments in the 2021|22 financial year, at approximately € 95 million, is to exceed the 2020|21 level, but will be significantly below this year's budgeted depreciation of about € 120 million.

[1] Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.
[2] These quantitative terms as used in this "Outlook" section are defined as specific ranges of percentage change; see the definitions on page 26.
[3] The non-dairy product segments are ice-cream, bakery, and food service.

Interim consolidated financial statements

For the first six months ended 31 August 2021 (unaudited)

Consolidated income statement

€000, except per-share data	First six months (1 March – 31 August) H1 2021|22	H1 2020|21	Second quarter (1 June – 31 August) Q2 2021|22	Q2 2020|21
Revenue	1,424,390	1,309,323	718,579	656,709
Changes in inventories of finished and unfinished goods	(146,675)	(166,241)	(64,678)	(69,189)
Own work capitalised	414	375	253	159
Other operating income	17,797	18,865	10,378	9,734
Cost of materials	(889,760)	(750,830)	(459,623)	(394,230)
Staff cost	(169,428)	(168,331)	(84,157)	(85,308)
Depreciation, amortisation and impairment losses	(53,007)	(53,664)	(26,821)	(27,042)
Other operating expenses	(145,032)	(142,577)	(73,881)	(72,007)
Share of results of equity-accounted joint ventures	6,072	8,883	3,873	4,957
Operating profit [EBIT]	**44,771**	**55,803**	**23,923**	**23,783**
Finance income	11,494	16,913	1,095	7,984
Finance expense	(18,594)	(26,029)	(4,424)	(11,025)
Net financial items	**(7,100)**	**(9,116)**	**(3,329)**	**(3,041)**
Profit before tax	**37,671**	**46,687**	**20,594**	**20,742**
Income tax expense	(10,595)	(12,245)	(5,632)	(5,504)
Profit for the period	**27,076**	**34,442**	**14,962**	**15,238**
Attributable to shareholders of the parent	27,968	33,939	15,269	15,093
Attributable to non-controlling interests	(892)	503	(308)	145
Earnings per share under IFRS (basic and diluted)	€ 0.45	€ 0.54	€ 0.24	€ 0.24

Consolidated statement of comprehensive income

€000	First six months (1 March – 31 August) H1 2021|22	H1 2020|21	Second quarter (1 June – 31 August) Q2 2021|22	Q2 2020|21
Profit for the period	**27,076**	**34,442**	**14,962**	**15,238**
Other comprehensive income/(expense):				
Currency translation differences and hyperinflation adjustments	14,722	(41,374)	7,329	(18,933)
Changes in fair value of hedging instruments (cash flow hedges), after deferred taxes	2,166	130	2,622	(1,161)
Effects from equity-accounted joint ventures	1,537	(3,086)	(523)	(1,165)
Income/(expense) to be recognised in the income statement in the future	18,425	(44,330)	9,428	(21,259)
Change in actuarial gains and losses on defined benefit pension obligations and similar liabilities, after deferred taxes	(481)	331	(1,829)	(2,259)
Changes in fair value of equity instruments, after deferred taxes	(111)	0	(93)	0
(Expense)/income that will not be recognised in the income statement in the future	(592)	331	(1,922)	(2,259)
Other comprehensive income/(expense)	**17,833**	**(43,999)**	**7,506**	**(23,518)**
Total comprehensive income/(expense) for the period	**44,909**	**(9,557)**	**22,468**	**(8,280)**
Attributable to shareholders of the parent	45,064	(7,275)	22,895	(7,595)
Attributable to non-controlling interests	(155)	(2,282)	(429)	(685)

Condensed consolidated cash flow statement

For the first six months (1 March – 31 August) €000	H1 2021|22	H1 2020|21
Operating cash flow before changes in working capital	90,908	112,751
Changes in working capital	(34,697)	(28,050)
Interest received and paid and income tax paid, net	(16,928)	(13,161)
Net cash from operating activities	**39,283**	**71,540**
Net cash (used in) investing activities	−22,998	−32,262
Net cash from/(used in) financing activities	5,327	−29,068
Net increase in cash and cash equivalents	**21,612**	**10,210**
Effect of movement in foreign exchange rates and hyperinflation adjustments on cash and cash equivalents	(365)	(5,321)
Cash acquired in initial consolidation of subsidiaries	753	0
Cash and cash equivalents at beginning of period	110,971	93,415
Cash and cash equivalents at end of period	**132,971**	**98,304**

Consolidated balance sheet

€000	31 August 2021	28 February 2021	31 August 2020[1]
ASSETS			
A. Non-current assets			
Intangible assets, including goodwill	258,415	254,599	255,344
Property, plant and equipment	845,405	859,659	884,116
Equity-accounted joint ventures	79,727	72,118	82,717
Securities	19,521	19,416	19,426
Investments in non-consolidated subsidiaries and outside companies	410	1,683	1,004
Other assets	7,907	8,106	11,450
Deferred tax assets	17,709	16,440	15,293
	1,229,094	**1,232,021**	**1,269,350**
B. Current assets			
Inventories	556,362	700,613	556,081
Trade receivables	422,823	323,055	381,847
Other assets	106,199	96,069	80,546
Current tax assets	11,006	10,005	4,327
Cash and cash equivalents	132,971	110,971	98,304
	1,229,361	**1,240,713**	**1,121,105**
Total assets	**2,458,455**	**2,472,734**	**2,390,455**
EQUITY AND LIABILITIES			
A. Equity			
Share capital	113,531	113,531	113,531
Share premium and other capital reserves	540,760	540,760	540,760
Retained earnings	610,693	619,493	594,383
Equity attributable to shareholders of the parent	1,264,984	1,273,784	1,248,674
Non-controlling interests	57,067	55,313	61,139
	1,322,051	**1,329,097**	**1,309,813**
B. Non-current liabilities			
Retirement and termination benefit obligations	65,923	67,786	72,102
Other provisions	29,324	29,396	29,537
Borrowings	481,867	493,637	445,191
Other payables	4,848	1,094	5,451
Deferred tax liabilities	7,094	5,502	9,096
	589,056	**597,415**	**561,377**
C. Current liabilities			
Other provisions	13,968	17,478	19,802
Borrowings	156,450	80,274	152,139
Trade payables	236,148	311,524	207,695
Other payables	135,762	130,800	132,431
Tax liabilities	5,020	6,146	7,198
	547,348	**546,222**	**519,265**
Total equity and liabilities	**2,458,455**	**2,472,734**	**2,390,455**

[1] The prior year data have been restated under IAS 8. Further information is provided on page 20.

Condensed consolidated statement of changes in equity

For the first six months (1 March – 31 August) €000	Equity attributable to shareholders of the parent	Non-controlling interests	Total
2021|22			
At 1 March 2021	**1,273,784**	**55,313**	**1,329,097**
Changes in fair value of equity instruments	−117	0	−117
Changes in fair value of hedging instruments (cash flow hedges)	2,289	−175	2,114
Changes in actuarial gains and losses on defined benefit pension obligations and similar liabilities	−608	−2	−610
Tax effects	−382	44	−338
Currency translation gain and hyperinflation adjustments	15,914	870	16,784
Other comprehensive income for the period	**17,096**	**737**	**17,833**
Profit/(loss) for the period	27,968	−892	27,076
Total comprehensive income/(expense) for the period	**45,064**	**−155**	**44,909**
Dividends paid	−53,116	−242	−53,358
Additional contributions from other shareholders	0	1,800	1,800
Changes in equity interests and in scope of consolidation	−747	350	−397
Other changes	−1	1	0
At 31 August 2021	**1,264,984**	**57,067**	**1,322,051**

For the first six months (1 March – 31 August) €000	Equity attributable to shareholders of the parent	Non-controlling interests	Total
2020|21[1]			
At 1 March 2020	**1,303,586**	**63,435**	**1,367,021**
Changes in fair value of hedging instruments (cash flow hedges)	−13	−62	−75
Changes in actuarial gains and losses on defined benefit pension obligations and similar liabilities	466	−1	465
Tax effects	−131	15	−116
Currency translation (loss) and hyperinflation adjustments	−41,536	−2,737	−44,273
Other comprehensive (expense) for the period	**−41,214**	**−2,785**	**−43,999**
Profit for the period	33,939	503	34,442
Total comprehensive (expense) for the period	**−7,275**	**−2,282**	**−9,557**
Dividends paid	−48,116	−720	−48,836
Other changes	479	706	1,185
At 31 August 2020	**1,248,674**	**61,139**	**1,309,813**

[1] The prior year data have been restated under IAS 8. Further information is provided on page 20.

Notes to the interim consolidated financial statements

For the first six months ended 31 August 2021 (unaudited)

Segment reporting

For the first six months (1 March – 31 August) €000	H1 2021|22	H1 2020|21
Total revenue		
Fruit	633,843	602,501
Starch	481,641	412,494
Sugar	328,441	318,440
Group	**1,443,925**	**1,333,435**
Inter-segment revenue		
Fruit	(422)	(667)
Starch	(4,861)	(5,266)
Sugar	(14,252)	(18,179)
Group	**(19,535)**	**(24,112)**
Revenue		
Fruit	633,421	601,834
Starch	476,780	407,228
Sugar	314,189	300,261
Group	**1,424,390**	**1,309,323**
Operating profit before exceptional items and results of equity-accounted joint ventures		
Fruit	28,064	30,623
Starch	22,117	25,126
Sugar	(9,226)	(8,314)
Group	**40,955**	**47,435**
Exceptional items		
Fruit	(2,256)	(515)
Starch	0	0
Sugar	0	0
Group	**(2,256)**	**(515)**

For the first six months (1 March – 31 August) €000	H1 2021|22	H1 2020|21
Share of results of equity-accounted joint ventures		
Fruit	0	0
Starch	6,912	9,572
Sugar	(840)	(689)
Group	**6,072**	**8,883**
Operating profit [EBIT][1]		
Fruit	25,808	30,108
Starch	29,029	34,698
Sugar	(10,066)	(9,003)
Group	**44,771**	**55,803**
Investment[2]		
Fruit	12,174	13,409
Starch	7,434	9,397
Sugar	10,737	4,965
Group	**30,345**	**27,771**
Number of employees (FTE[3])		
Fruit	5,932	6,112
Starch	1,140	1,142
Sugar	1,746	1,896
Group	**8,818**	**9,150**

[1] Operating profit (EBIT) is after exceptional items and results of equity-accounted joint ventures.
[2] Investment represents purchases of property, plant and equipment and intangible assets (excluding goodwill).
[3] Average number of full-time equivalents in the reporting period.

Basis of preparation

The interim report of the AGRANA Group for the period ended 31 August 2021 was prepared in accordance with the rules for interim financial reporting under IAS 34, in compliance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and their interpretation by the IFRS Interpretations Committee. Consistent with IAS 34, the consolidated financial statements of AGRANA Beteiligungs-Aktiengesellschaft ("AGRANA Beteiligungs-AG") at and for the period ended 31 August 2021 are presented in condensed form. These interim consolidated financial statements were not audited or reviewed. They were prepared by the Management Board of AGRANA Beteiligungs-AG on 4 October 2021.

The restatement under IAS 8 at 29 February 2020 resulting from audit findings of the Austrian Financial Reporting Enforcement Panel (OePR) is presented on page 114 of the annual report 2020|21.

The AGRANA Group's annual report 2020|21 is available on the Internet at www.agrana.com/en/ir/publications for online viewing or downloading.

Accounting policies

In the preparation of these interim financial statements, certain new or changed standards and interpretations became effective for the first time, as described on pages 111 to 113 of the annual report 2020|21 in the notes to the consolidated financial statements, section 2, "Basis of preparation".

Critical assumptions and judgements

- At the time of preparation of the consolidated financial statements for the year ended 28 February 2021, AGRANA's judgement was that the coronavirus crisis would not have any material long-term impact on the AGRANA Group's business activities. The Group still does not expect any significant negative effects on its financial position, results of operations or cash flows.

- No indications of a possible impairment (triggering event) were identified for goodwill and property, plant and equipment.

- The credit risk on trade receivables was assessed and this did not result in any material changes in the applied loss rates and the related impairment allowances.

Except for the newly effective IFRS and interpretations, the same accounting methods were applied as in the preparation of the annual consolidated financial statements for the year ended 28 February 2021 (the latest full financial year).

The notes to those 2020|21 annual consolidated financial statements therefore apply mutatis mutandis to these interim accounts. Corporate income taxes were determined on the basis of country-specific income tax rates, taking into account the tax planning for the full financial year.

Basis of consolidation

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

The acquisition had the following effects on the AGRANA Group:

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

At the half-year balance sheet date, in total in the consolidated financial statements, 59 companies besides the parent were fully consolidated (28 February 2021 year-end: 58 companies) and 13 companies were accounted for using the equity method (28 February 2021: 13 companies).

Seasonality of business

Most of the Group's sugar production falls into the period from September to January. Depreciation and impairment of plant and equipment used in the campaign are therefore incurred largely in the financial third quarter. The material costs, staff costs and other operating expenses incurred before the sugar campaign in preparation for production are recognised intra-year under the respective type of expense and capitalised within inventories as unfinished goods (through the item "changes in inventories of finished and unfinished goods").

Notes to the consolidated income statement

Operating profit (EBIT) in the first half of 2021|22 was € 44.8 million (H1 prior year: € 55.8 million).

Despite higher revenue in all three business segments, earnings were lower than in the first half of the prior year. In the Starch segment, higher raw material prices led to a decline in EBIT; in the Sugar segment, lower margins were largely responsible for the earnings deterioration there. A markedly weaker performance in the fruit juice concentrate business and a net exceptional items expense of € 2.3 million from a damage claim and from reorganisation measures drove an EBIT reduction in the Fruit segment.

The Group's net financial items amounted to an expense of € 7.1 million (H1 prior year: expense of € 9.1 million). This positive change resulted primarily from an improvement in currency translation differences.

The Group's profit for the period was € 27.1 million (H1 prior year: € 34.4 million).

Notes to the consolidated cash flow statement

From the beginning of March to the end of August 2021, cash and cash equivalents increased by € 22.0 million to € 133.0 million.

Net cash from operating activities, at € 39.3 million, was € 32.2 million lower than in the first half of the prior year. The change resulted in part from the year-on-year decrease in profit for the period, combined with a higher cash outflow under changes in working capital through a greater increase in trade receivables than in the year-earlier comparative period.

Net cash used in investing activities, at € 23.0 million (H1 prior year: € 32.3 million), was less than the year-ago level, due mainly to higher proceeds from the disposal of non-current assets and lower purchases of subsidiaries, which outweighed a small increase in capital expenditures.

The net cash inflow from financing activities, at € 5.3 million (H1 prior year: net cash use of € 29.1 million) was attributable mainly to the fact that syndicated credit lines of € 35.0 million were obtained for working capital financing (H1 prior year: repayment of € 15.0 million). The dividend paid in 2021 to the shareholders of AGRANA Beteiligungs-AG increased from the previous year's € 48.1 million to € 53.1 million.

Notes to the consolidated balance sheet

Total assets eased by € 14.2 million compared with 28 February 2021, to a new total of € 2,458.5 million. With non-current assets almost unchanged in amount, the minor decrease on the assets side was driven primarily by a reduction in inventories, while trade receivables and cash and cash equivalents showed increases. The decrease on the liabilities side of the balance sheet was driven by a significant reduction in trade payables and occurred despite an increase in borrowings.

With shareholders' equity of € 1,322.1 million (28 February 2021: € 1,329.1 million), the equity ratio at the end of August remained at 53.8% (28 February 2021: 53.8%).

Financial instruments

To hedge risks from operating and financing activities (risks related to changes in interest rates, exchange rates and commodity prices), the AGRANA Group to a limited extent uses common derivative financial instruments. Derivatives are recognised at cost at the inception of the derivative contract and are subsequently measured at fair value at every balance sheet date. Changes in value are as a rule recognised in profit or loss. Where the hedging relationship meets the hedge accounting requirements under IFRS 9, the unrealised changes in value are recognised directly in equity.

In the table below, the financial assets and liabilities measured at fair value are analysed by their level of the fair value hierarchy. The levels are defined as follows under IFRS 7:

- 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.

In the reporting period no reclassifications were made between levels of the hierarchy.

31 August 2021 €000	**Level 1**	**Level 2**	**Level 3**	**Total**
Securities (non-current)	12,488	0	7,033	19,521
Investments in non-consolidated subsidiaries and outside companies (non-current)	0	0	410	410
Derivative financial assets at fair value through other comprehensive income (hedge accounting)	5,249	22	0	5,271
Derivative financial assets at fair value through profit and loss	0	985	0	985
Financial assets	**17,737**	**1,007**	**7,443**	**26,187**
Liabilities from derivatives at fair value through other comprehensive income (hedge accounting)	2,048	619	0	2,667
Liabilities from derivatives at fair value through profit and loss	61	3,921	0	3,982
Financial liabilities	**2,109**	**4,540**	**0**	**6,649**

31 August 2020 €000	Level 1	Level 2	Level 3	Total
Securities (non-current)	12,276	0	7,150	19,426
Investments in non-consolidated subsidiaries and outside companies (non-current)	0	0	1,004	1,004
Derivative financial assets at fair value through other comprehensive income (hedge accounting)	985	67	0	1,052
Derivative financial assets at fair value through profit and loss	18	6,810	0	6,828
Financial assets	**13,279**	**6,877**	**8,154**	**28,310**
Liabilities from derivatives at fair value through other comprehensive income (hedge accounting)	606	885	0	1,491
Liabilities from derivatives at fair value through profit and loss	0	3,316	0	3,316
Financial liabilities	**606**	**4,201**	**0**	**4,807**

For cash and cash equivalents, securities, investments in non-consolidated subsidiaries, trade receivables and other assets, and trade and other payables, the carrying amount can be assumed to be a realistic estimate of fair value.

The following table presents the carrying amounts and fair values of borrowings. The fair values of bank loans and overdrafts, and other loans from non-Group entities, are measured at the present value of the payments related to the borrowings:

31 August 2021 €000	Carrying amount	Fair value
Bank loans and overdrafts, and other loans from non-Group entities	609,894	611,040
Lease liabilities	28,423	–
Borrowings	**638,317**	**611,040**

31 August 2020 €000	Carrying amount	Fair value
Bank loans and overdrafts, and other loans from non-Group entities	572,062	573,992
Lease liabilities	25,268	–
Borrowings	**597,330**	**573,992**

Further details on the fair value measurement of the individual types of financial instruments and their assignment to levels of the fair value hierarchy are provided on pages 164 to 168 of the annual report 2020|21, in section 11.3, "Additional disclosures on financial instruments".

Number of employees

In the first half of 2021|22 the AGRANA Group employed an average of 8,818 full-time equivalents (H1 prior year: 9,150). The reduction in personnel resulted mainly from a lower requirement for seasonal workers in the Fruit segment (notably in Mexico, Morocco and Poland) and from cost reduction measures taken particularly in the Sugar segment.

Related party disclosures

There were no material changes in related party relationships since the year-end balance sheet date of 28 February 2021 or since the year-ago comparative period. Transactions with related parties as defined in IAS 24 are conducted on arm's length terms. Further information on individual related party relationships is provided in the AGRANA annual report 2020|21 (from page 175).

Significant events after the interim reporting date

No significant events occurred after the interim balance sheet date of 31 August 2021 that had a material effect on AGRANA's financial position, results of operations or cash flows.

Management Board's responsibility statement

We confirm that, to the best of our knowledge:

- the condensed consolidated interim financial statements, which have been prepared in accordance with the applicable accounting standards, give a true and fair view of the Group's financial position, results of operations and cash flows within the meaning of the Austrian Stock Exchange Act, and

- the Group's management report for the first six months gives a true and fair view of the financial position, results of operations and cash flows of the Group, within the meaning of the Stock Exchange Act, in relation to (1) the important events in the first half of the financial year and their effects on the condensed consolidated interim financial statements, (2) the principal risks and uncertainties for the remaining six months of the financial year, and (3) the reportable significant transactions with related parties.

Vienna, 4 October 2021

The Management Board of AGRANA Beteiligungs-AG

Markus Mühleisen
Chief Executive Officer
Strategy and Business Policy, Quality Management,
Sales, Human Resources, Public Relations,
Corporate Secretariat (line authority), and Sugar Segment

Ingrid-Helen Arnold
Member of the Management Board
Internal Audit

Stephan Büttner
Member of the Management Board
Finance, Information Technology, Mergers & Acquisitions,
Legal, Compliance, Purchasing, Investor Relations,
and Fruit Segment

Norbert Harringer
Member of the Management Board
Production/Investment, Raw Materials, Research and
Development, and Starch Segment

Other information

Forward-looking statements

This interim 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 interim 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% up to +5% or more than −1% bis −5%
Moderate(ly)	↑ or ↓	More than +5% up to +10% or more than −5% up to −10%
Significant(ly)	↑↑ or ↓↓	More than +10% up to +50% or more than −10% up to −50%
Very significant(ly)	↑↑↑ or ↓↓↓	More than +50% or more than −50%

This interim report has not been audited or reviewed.

For financial performance indicators not defined in a footnote, please see the definitions on page 204 of the annual report 2020|21.

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 report may contain minor, immaterial rounding errors.

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

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

Financial calendar

13 January 2022	Results for first three quarters of 2021|22
13 May 2022	Results for full year 2021|22 (annual results press conference)
28 June 2022	Record date for participation in Annual General Meeting
7 July 2022	Results for first quarter of 2022|23
8 July 2022	Annual General Meeting in respect of 2021|22
13 July 2022	Ex-dividend date
14 July 2022	Record date for dividend
15 July 2022	Dividend payment date
13 October 2022	Results for first half of 2022|23
12 January 2023	Results for first three quarters of 2022|23

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Report on the first half of 2021|22:

Published 14 October 2021 by
AGRANA Beteiligungs-AG
Friedrich-Wilhelm-Raiffeisen-Platz 1
1020 Vienna, Austria

AGRANA 2020|21 Online:

reports.agrana.com/en

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