

MANAGEMENT REPORT AND FINANCIAL STATEMENTS

SÜDZUCKER AG

DATED 28 FEBRUARY 2022 (GERMAN GAAP – HGB)



The annual report is also available in German. This translation is provided for convenience only and should not be relied upon exclusively. The German version of the annual report is definitive and takes precedence over this translation.

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The numbers in parenthesis in the report represent the corresponding prior year's figures or item.

REPORT OF THE SUPERVISORY BOARD

Ladies and Gentlemen,

Before reviewing the supervisory board's activities in the financial year just ended, I would like to express – on behalf of all members of the supervisory board – our deep sympathy for all those affected by the war in Ukraine and our condemnation of the attack by Russia on its sovereign neighboring state. The concern for the well-being of its own employees and other people affected by the humanitarian crisis has led the company to initiate a variety of relief measures and to take immediate action – socially responsible conduct that is expressly welcomed by the supervisory board.

The supervisory board will discuss the economic impact of this war on Südzucker Group's business activities and the measures the executive board will be deriving from it with the necessary due diligence and the interests of the company in mind.

The coronavirus pandemic in particular shaped much of our work on the supervisory board in the 2021/22 financial year just ended. Communication within the supervisory board and with the executive board via hybrid meetings or conference calls became increasingly routine during the second year of the pandemic. However, it is no substitute for in-person meetings over the long term.

This is all the more true when it comes to discussing serious issues such as the aforementioned consequences arising from the war in Ukraine or measures for further implementation of the group's 2026 PLUS strategy. As the supervisory board, it is particularly important for us to confront these challenges responsibly and with foresight. But now that we have presented a brief outlook on future challenges, let us return our attention to the 2021/22 financial year.

The supervisory board continued to work on the basis of mutual trust and in the spirit of a results-oriented team with the executive board in fiscal 2021/22. In doing so, the supervisory board concentrated on the tasks for which it is responsible by law, the company's articles of association and the rules of procedure: to monitor and advise the executive board in the latter's management of the company.

The supervisory board was directly involved in all decisions of material importance affecting Südzucker Group and was continuously advised in detail and in a timely manner on all issues related to corporate planning and further strategic development, business activities, the status and development of Südzucker Group including risk situation, as well as risk management and compliance.

The executive board updated the supervisory board at all ordinary meetings on the course of business as well as the company's situation. Between meeting dates, the supervisory board was regularly informed about current developments and all significant business transactions. The executive board reports were mainly updates about the company's situation and development, strategy and sustainability, corporate policy and profits as well as Südzucker AG's and Südzucker Group's corporate, treasury, investment, research and personnel budgets. In addition, the supervisory board chairman took part in executive board meetings and was informed by the CEO in several working meetings about all important business activities. Since the start of the Corona pandemic outbreak, the executive board regularly updated the supervisory board on developments, actions taken and the situation of the company.

Supervisory board meetings and decisions

The supervisory board met with the executive board at four ordinary meetings and two extraordinary meetings in fiscal 2021/22. The executive board took part in the ordinary meetings – except when discussing internal matters of the supervisory board. Because of the Corona pandemic, all meetings were held as hybrid events – the supervisory board members were partly present on site and partly connected virtually. In addition to the meetings, the supervisory board made four decision by written procedure. The supervisory board approved all of the executive board's decisions after a thorough review and discussions.

The supervisory board approved a real estate matter by written procedure on **23 March 2021**.

At an extraordinary meeting on **7 April 2021**, the proposal for a new executive board compensation system was discussed in depth.

The new executive board compensation system was approved in principle and personnel decisions were made at the extraordinary meeting on **26 April 2021**.

The main focus of the 19 May 2021 meeting was the review and approval of Südzucker AG's financial statements and the consolidated financial statements dated 28 February 2021. The CFO presented the 2020/21 consolidated financial statements, outlined the individual financial statements and dealt with the dependent company report. The auditor PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC) then reported on the material findings and results of the audit, which included the accounting-system-related internal control systems. The board followed the executive board's proposal for the appropriation of retained earnings and approved the supervisory board report. The board made preparations for the 2021 virtual annual general meeting and adopted the agenda and proposed resolutions. In addition, the board presented its

choice for the auditor to shareholders at the annual general meeting based on the recommendations of the audit committee. The concept for the sugar and starch segments was also presented and intensively discussed. The supervisory board dealt with the regular agenda item of compliance. Furthermore, the supervisory board approved a supplement to the investment plan of BENE0 and Freiburger. In addition, personnel matters were discussed. The new executive board compensation system was also discussed again and finally resolved.

On **9 June 2021**, the supervisory board approved by written procedure an adjustment to the executive board's compensation and retirement benefits.

At its meeting on **14 July 2021** – the day before the ordinary annual general meeting – the CFO presented the mid-term plan. The supervisory board approved the investment plans for 2022/2023, the long-term investment programs of Südzucker Group as well as investment amendments. In addition, a real estate matter was approved. Personnel matters were also dealt with and targets were set for the 2021/22 fiscal year relating to the executive board compensation system.

The supervisory board approved at its meeting on **23 September 2021** a real estate matter by written procedure.

The meeting on **11 November 2021** focused on the investments in ED&F Man, Freiburger-Richelieu Foods and AGRANA Zucker. The CFO provided an update of the result projections for 2021/22. Corporate governance was discussed as always during the November meeting. In addition, the board conducted the annual self-assessment of its activities and adopted the 2021 declaration of compliance and the amendment of the standard rules of procedure for the audit committee. In addition, the board approved CropEnergies investment supplements and a real estate matter. Finally, internal supervisory board

matters were dealt with as a separate agenda item.

The supervisory board approved an adjustment to the executive board's compensation by written procedure on **25 November 2021**.

At the **23 February 2022** meeting, the CFO presented the updated results projection for 2021/22. The supervisory board approved investment supplements for the sugar (Südzucker), BENEOL and PortionPack Europe divisions. It also discussed the current status of the 2026 PLUS strategy project. The supervisory board decided to reorganize its committees, amend its rules of procedure and the rules of procedure for the audit committee, and revise the diversity concepts for the supervisory board and executive board. A resolution was also passed on the invitation to tender for the audit of the 2023/24 financial statements. Personnel matters were also discussed and the targets were set for 2022/2023 the fiscal year relating to the executive board compensation system.

Supervisory board committees

The supervisory board to date set up six committees to enable its efficient fulfillment of duties (executive committee, mediation committee, audit committee, agricultural committee, nomination committee and economic and social committee), each of which is made up of an equal number of shareholders' and employees' representatives. The current members of the committees are presented in the notes under item 37 "Supervisory board and executive board".

In its meeting on **23 February 2022**, the supervisory board decided on a reorganization of its committees. With a new supervisory board to be elected at the 2022 Annual General Meeting, the reorganization and composition of the committees will be implemented when the newly elected supervisory board is constituted. A new strategy and sustainability committee will subsequently be

formed, with equal numbers of four representatives each from the shareholder and employee sides. The agricultural committee will also address increasingly important raw material issues, so it will be renamed the "agriculture and raw material markets committee" and will have four representatives each from the stockholders' and employees' sides instead of three.

The supervisory board executive committee convened eleven times in fiscal 2021/22: on 18 March 2021, on 7, 14, 19, 23, and 26 April 2021, on 19 May 2021, 14 July 2021, 11 November 2021 as well as on 15 and 23 February 2022. In particular, the strategic alignment of the company, but also corporate governance issues and the introduction and implementation of the new executive board compensation system as well as personnel matters were discussed in advance.

The **audit committee** convened four times during the year, in two telephone conferences and two hybrid meetings:

At its **6 May 2021** meeting and in the presence of the external auditors PwC the audit committee discussed matters relating to the annual financial statements of Südzucker AG and the consolidated financial statements as of 28 February 2021. It prepared the supervisory board financial review meeting – at which the chair of the audit committee reported – and approved the recommendations of the audit committee. In addition, the audit committee discussed the recommendation regarding the appointment of the auditors, checked their independence and finally submitted a recommendation to the supervisory board in favor of the appointment of PwC as auditor of the consolidated financial statements and as auditor of the non-financial statement (limited assurance) for the financial year. The audit committee had previously evaluated the quality of the financial statements audit. At its May meeting, the supervisory board also dealt with the topic of compliance.

At the meeting on **6 July 2021**, the audit committee discussed with the executive board the quarterly statement Q1 of the 2021/22 financial year. It dealt with the auditor's quotation for the audit assignment and awarded the audit assignment for the annual audit of the financial statements and the audit of the non-financial declaration (Limited Assurance) to PwC – subject to its election as auditor by the Annual General Meeting.

In the **12 October 2021** audit committee meeting, the auditors dealt with monitoring the accounting process, the effectiveness of the internal controlling system, the risk management system and the internal audit system, as instructed by the supervisory board. This included discussions on expanding risk reporting to include sustainability, climate change-related risks, and consideration of the disclosures recommended by the Task Force on Climate-related Financial Disclosures (TCFD). Another agenda item was the discussion of the 2021/22 half-year financial report.

In the telephone conference on **11 January 2022**, the audit committee discussed the Q3 2021/22 quarterly statement with the executive board.

All members attended at the audit committee meetings and telephone conferences.

The **agricultural committee** convened on **11 November 2021**. Südzucker AG's agricultural division presented its report and information was provided and discussed on Carbon Farming.

The chairs of the committees reported their findings at the subsequent supervisory board meetings.

The **mediation committee** had no reason to convene in fiscal year 2021/22. Neither did the **social committee** and the **nomination committee** meet.

Attendance

Mr. Erwin Hameseder and Dr. Stefan Streng were absent from the extraordinary supervisory board meetings on 7 and 26 April 2021, respectively. Mr. Fred Adjan and Ms. Julia Merkel did not attend the supervisory board meetings on 14 July and 11 November 2021, respectively. Mr. Erwin Hameseder was absent from the meetings of the executive committee held on 18 March and 7 April. Otherwise, all supervisory board and/or committee members physically or virtually attended the meetings. Nonparticipation was excused in each case.

Supervisor board self-assessment

In accordance with recommendation D.13 of the German Corporate Governance Code, the supervisory board again assessed how effectively it works overall and how its committees fulfill their work. This is done annually using a questionnaire, without external assistance. Each year, the questionnaire is revised according to the text of the current code. The questionnaire was assessed in the meeting on 11 November 2021, at which time the results were discussed and improvement recommendations made. The aim is to continuously improve the work of the supervisory board and its committees.

Compliance

On 20 January 2022, the executive board, external auditor, chairman of the supervisory board and audit committee sat for the regular fraud and corruption risks review meeting. The topics presented and discussed included the assessment of business risks and measures to limit the risks arising from fraud and corruption.

Corporate Governance

A detailed description of corporate governance at Südzucker, including the wording of the supervisory board's diversity goals for its future composition and the declaration of compliance for 2021 issued by the executive and supervisory boards, can be reviewed in the corporate governance report. In addition, all relevant information is available on the Internet at www.suedzucker.de/en/Investor-Relations/Corporate-Governance/.

The executive board fully complied with its duties as prescribed by law and the standard rules of procedure regarding reporting to the supervisory board and did so in a timely manner. The supervisory board is confident that company management is acting properly, and that the company's organizational structure is effective. It discussed these subjects in detail with the auditors. The same applies to the effectiveness of Südzucker Group's risk management system. Here too, the supervisory board was updated in detail by the executive board.

Conflicts of interest

The supervisory board was not advised in fiscal 2020/21 of any conflict of interest on the part of any of its members, nor of members of the executive board, especially one that could arise as a result of a consultation or board duty related to customers, suppliers, creditors or other business partners.

Financial statements

The auditors PwC were selected by the shareholders at the ordinary annual general meeting on 15 July 2021 at the recommendation of the supervisory board. PwC has reviewed the financial statements and management report of Südzucker AG for fiscal 2021/22, the recommendation of the executive board for appropriation of retained earnings and the consolidated financial statements and management report for 2021/22 and

issued a qualified audit opinion on each of them. The auditor also confirmed that the executive board suitably complied with its duties as outlined in article 91, paragraph 2 of the German Stock Corporation Act (AktG). In particular, it established an appropriate information and monitoring system that meets the needs of the company and that is suitable for early detection of developments that may threaten the company's survival. PwC has audited the group and individual financial statements since the 2003/04 fiscal year. Christina Pöpperl has been the responsible auditor at PwC for Südzucker AG since 2020/21.

In view of the declaration by Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG (SZVG), Ochsenfurt, Germany, which states that SZVG holds over 50 % of the voting rights of Südzucker AG in terms of own holdings or minority interests, the executive board has prepared a report on related party transactions in accordance with article 312 of the German Stock Corporation Act (AktG). The auditor reviewed this report and reported its findings in writing. It confirmed that the facts set out in the report are true, that the contractual transactions itemized in the report are not unreasonably high and that there are no grounds for the measures referred to in the report or a significantly different assessment than that of the executive board.

The documents to be audited and the PwC audit reports were sent to each supervisory board member in a timely manner. Representatives of the auditors PwC participated virtually in the audit committee's 10 May 2022 meeting and in the supervisory board's financial review meeting of 18 May 2022 and provided a detailed report on the proceedings and result of the audit of the financial statements and the non-financial statement (Limited Assurance). After carefully reviewing the auditor's reports, the supervisory board agreed with the results of the PwC audit. The results of the preliminary review by the audit committee and the results of its own review are in complete agreement with the results of the external audit.

The supervisory board raised no objections to the audit reports submitted. In its meeting of 18 May 2022, it endorsed the financial statements for Südzucker AG and consolidated Südzucker Group financial statements prepared by the executive board. The financial statements of Südzucker AG are thus adopted.

The supervisory board concurs with the executive board's recommendation made on 4 April 2022 regarding the distribution of a dividend in the amount of € 0.40 per share.

Personnel matters

There were no personnel changes on the **supervisory board** in the 2021/22 fiscal year.

Ms. Ingrid-Helen Arnold was appointed to the executive board as an additional member (Chief Digital Officer, CDO) with effect from 1 May 2021. As successor to Mr. Johann Marihart, whose appointment expired on 31 May 2021, Mr. Markus Mühleisen, CEO of AGRANA Beteiligungs-AG, Vienna, Austria, was appointed as an additional executive board member with effect from 1 June 2021.

Together with the executive board, the members of the supervisory board would like to pay their respect to those active and former employees and members of the supervisory board of the Südzucker Group who passed away during the year. The supervisory board thanks the executive board and all employees of Südzucker AG and its affiliated companies for their performance during the year.

Mannheim, Germany, 18 May 2021

On behalf of the supervisory board



Dr. Hans-Jörg Gebhard

Chairman

MANAGEMENT REPORT

About the group

Group structure

Südzucker AG, a German stock corporation based in Mannheim, is the parent company of Südzucker Group and also its largest operating company. The consolidated financial statements include the parent company – Südzucker AG – and 134 (140) other entities, of which Südzucker AG is directly or indirectly the majority shareholder. For additional details about Südzucker's share ownership in other companies, please see the list of shareholdings starting on page 92 "List of shareholdings in accordance with section 313 (2) HGB" in the notes to this annual report.

Südzucker Group comprises five segments: sugar, special products, CropEnergies, starch and fruit. The sugar, special products and fruit segments are subdivided into a total of eight divisions according to product or region. AGRANA Beteiligungs-AG, comprising the sugar, fruit juice concentrates and fruit preparations divisions and the starch segment, is managed as an exchange-listed company; CropEnergies AG is also a stock exchange-listed company.

Corporate departments of Südzucker AG with group functions perform tasks and functions for several segments or divisions or for the entire Südzucker Group. Other subtasks are bundled in financial shared service centers and research activities at several research centers.

Group management

Südzucker AG's executive board independently manages the businesses and is supervised and guided by the supervisory board. The executive board is bound to work in the corporation's interests and is responsible for increasing shareholder value

The executive board members are jointly responsible for managing the entire company. Individual executive board members bear sole responsibility for the executive board decisions related to the group functions assigned to them. The executive board's rules of procedure outline the details of the board's work.

The Chief Operating Officer (COO) and the Chief Executive Officer of AGRANA Beteiligungs-AG (CEO AGRANA) jointly manage the sugar segment. As part of this joint segment governance, the COO has regional responsibility for the country subsidiaries – Germany, Belgium, France, Poland, Moldova and distributors – of the sugar division (Südzucker). AGRANA's CEO has regional responsibility for the sugar division's (AGRANA) country subsidiaries in Austria, the Czech Republic, Slovakia, Hungary, Romania, Bulgaria and Bosnia. The COO is also assigned the CropEnergies segment and the CEO of AGRANA the starch and fruit segments. The Chief Digital Officer (CDO) heads the special products segment with the BENE0, Freiburger and PortionPack Europe divisions.

Südzucker AG's articles of association stipulate that important business transactions are additionally subject to the consent of the supervisory board.

The executive board is responsible for appropriate risk monitoring and management at the company. It is also responsible for ensuring that executive management positions are appropriately filled. The executive board is also responsible for ensuring that the company complies with statutory requirements and inhouse corporate policies and that group companies adhere to these rules (compliance).

The segment and divisional management organizations also manage the day-to-day operational businesses in compliance with the aforementioned requirements. The company uses a matrix organizational structure, whereby the line functions are supported and advised by central departments, which are authorized to issue directives.

VALUE BASED MANAGEMENT The corporation's policies focus on steadily improving shareholder value. The objective of Südzucker's value-based management system is to generate a higher return on capital employed than the cost of capital in each segment and division and thus create added value for the company's shareholders.

Südzucker uses a consistent group-wide reporting and budgeting system together with centrally defined key indicators. Main key indicator on segment level is the operating result as well as only on group level the return on capital employed (ROCE).

When calculating operating result, the result from operations reported in the income statement is adjusted to reflect the results of restructuring and special items as well as companies consolidated at equity. After deducting non-cash depreciation and amortization, EBITDA is the measure of the company's strong operating cash flow capacity.

Capital employed comprises the invested items of property, plant and equipment plus acquired goodwill and working capital as of the reporting date. Return on capital employed (ROCE) is the ratio of operating result to capital employed. Südzucker calculates the cost of capital for the operating assets as the average of weighted equity and debt capital. The costs of capital are specified for the segments and divisions by taking into account the respective country and business risks. Currently Südzucker Group's primary indicators for management purposes are the financial performance indicators.

FINANCING MANAGEMENT Südzucker's growth is financed by a steady, strong cash flow, a stable relationship with the company's various shareholder groups, access to international capital markets and reliable bank relationships. Südzucker's clear strategy is to confirm its investment grade rating. Südzucker operates an optimal mix of financial instruments, taking into consideration terms to maturity and interest rates, including hybrid equity capital, bonds, promissory notes and bank credits. The unique financing requirements during the fiscal year due to the seasonality of the sugar sector (financing beet purchases and inventories) means that securing short-term cash is an important aspect of our financing structure. These short-term financing needs are primarily secured through a commercial paper program in the amount of € 600 million. Südzucker Group has additional liquidity reserves from unused syndicated credit lines and other bilateral bank credit lines. These amounted to € 1.4 (1.4) billion as of the balance sheet date.

The capital structure is managed based on a long-term outlook and focuses on the factors associated with an investment grade rating. The key indicators Südzucker uses to manage its capital structure are the debt factor (ratio of net financial debt to cash flow), debt to equity ratio (net financial debt as a percentage of equity) and the equity ratio (equity as a percentage of total assets).

However, for Südzucker AG, pursuant to the provisions of the Commercial Code (HGB), the metrics operating result (HGB) and profit after tax are the key figures for corporate management.

Business model and strategy

BUSINESS MODEL

Südzucker's business model involves the use of plants to produce and market high-quality foods, food ingredients, animal feed, ethanol and other products.

Various technologies are used for the procurement and processing of plant-based raw materials, which are being continuously developed with regard to sustainability and efficiency.

Südzucker Group's product portfolio includes sugar and specialty sugar products, food ingredients, frozen and chilled pizzas, starch saccharification products, portion-pack articles, ethanol, animal feed, as well as fruit preparations and fruit juice concentrates.

The business activities to manufacture and market these products and the related services are allocated to five segments (→group structure).

We reliably serve the food, animal feed and petroleum industries as well as consumer markets such as retail and the food service market with our products in a customer-focused approach. In the industrial markets, requirements such as quantity, availability and price are decisive, while in the consumer markets taste, innovation and convenience are key factors.

Südzucker operates worldwide with its special products, starch and fruit segments. The sugar and CropEnergies segment's business activities are mainly focused on Europe.

Our raw materials and the markets we serve are globally intertwined and subject to price fluctuations. Südzucker's diversified product portfolio and the various regional markets ensure a balance of risks.

Our business model is based on sustainable operations. We conserve resources when producing our products by using low-emission and energy-efficient technologies and utilize the agricultural raw materials to the fullest extent possible. Numerous production sites are part of rural regions where agriculture is of great importance. European standards for compliance, human rights and working conditions, and adherence to the requirements for healthy, safe food are essential pillars of our business.

Our employees contribute diverse experience, skills, knowledge, personalities and cultures to Südzucker and thus make our company successful.

STRATEGY

Market situation

Current social developments and far-reaching changes in some of our markets are presenting us with new challenges. Present and emerging health trends combined with deliberations regarding sugar consumption in Europe, rising demand for sustainable, plant-based products, the desire for new technologies and CO₂ reduction and growing demand for food across the globe are changing the needs of our customers.

Moreover, our business is also influenced by megatrends such as the global sugar consumption trend, per capita income, energy demand and animal feed production, as well as volatile and cyclical market conditions.

Going forward, Südzucker Group sees these trends as an opportunity to even better meet those needs and those of society as a whole.



Group Strategy 2026 PLUS

Südzucker Group has set ambitious goals and launched a pioneering change process with its Group Strategy 2026 PLUS. We are transforming from a major processor of agricultural raw materials to a leading partner of plant-based solutions for a livable, healthy and sustainable world.

Our group of companies aims to be even more innovative, customer-focused and consistently aligned to sustainability and profitable growth. Our strategy is based on our Purpose, Mission and Vision.



Purpose

Our Purpose is to contribute to an enjoyable, healthy, and sustainable world based on the power of plants.



Mission

Our mission is to create value from plants – for nutrition, energy and beyond – being the partner of choice for farmers, customers and consumers.








Vision

Our Vision is to become the leading integrated group for plant-based solutions – locally, regionally & globally.

FIVE STRATEGIC DIRECTIONS ARE KEY ELEMENTS OF OUR GROUP STRATEGY 2026 PLUS

Our key directions demonstrate how we intend to achieve our vision.

				
Our employees	Sustainability	Markets and customers	Plant-based solutions	Profitable growth
Using the skills and passion of our employees to leverage more power from the Group	Committed to sustainable business	Market and customer access improvement	Expansion of technology- and market-driven value creation from plant-based raw materials	Growing more profitably and faster than competitors

Get the Power of Plants GROUP STRATEGY 2026 PLUS



The focus is on expanding the proteins business area and establishing the new bio-based chemi-

cal business, as well as developing and implementing the digitization and sustainability strategy.

PROTEINS Changing dietary habits, climate protection and animal welfare are driving the demand for alternative protein products. The focus is on markets for plant-based meat and fish substitutes. We rely on a sustainable raw material base, which for us primarily means procuring raw materials locally or regionally.

Prioritizing the use of legumes helps us support evolving agricultural and climate policy measures on extended crop rotation. Our roots and connection to agriculture are key elements of this strategy. For instance, we partner with a network of beet growers and use our own acreage – particularly in the test and startup phase. We implement our strategy in myriad ways: by deliberately investing in our own production and through cooperative alliances.

BIO-BASED CHEMICALS The Südzucker Group's development work in the field of bio-based chemicals is aimed at decarbonization, defossilization of chemical production, recyclability and the biodegradability of plastics, among other objectives. This is how we strike a balance between economy and ecology.

Our bio-based chemicals enable us to offer sustainable alternatives to fossil-based products. Producing consumable and packaging materials from starch is one example of this.

DIGITALIZATION For the Südzucker Group digitalization means ensuring and advancing an adequate, efficient IT infrastructure that connects as many areas of the company as possible digitally supporting new business models. We involve our customers and agricultural partners in the process and develop new digital service solutions.

More effective integration of digital solutions in the production environment – for instance using applications for daily work along the entire value chain – helps us improve transparency and contributes to increased efficiency and quality.

The introduction of a groupwide solution to support distribution enables us to design our sales processes even more efficiently. We also take a systems-oriented approach that focuses on customers more than ever before.

In addition, based on new technologies and the systematic use of data from our own agriculture, we are implementing an integrated concept that creates the basis for new options for digital business models in a changing agricultural environment.

SUSTAINABILITY Südzucker Group is committed to sustainable business in all areas of the company and its activities. Detailed information on the specification of our sustainability roadmap and the development and implementation of the sustainability measures set out therein can be found in the group Report →sustainability.

DIVISIONS' STRATEGIES Südzucker Group Strategy 2026 PLUS and the divisional strategies are designed to complement and reinforce each other. In addition to organic growth, we also have acquisition opportunities as a group and innovations achieved through cooperative ventures. We also take into account the requirements and trends in the respective markets. Details of the respective divisional strategies are provided directly in the corresponding segments.

Employees

People from widely differing backgrounds and cultures work hand in hand at our globally active group of companies. We focus on their individual skills and talents. Every day, we work to create a climate of mutual trust at our group of companies, as well as a work environment free of any type of prejudice and discrimination, where everyone is accepted and can contribute with their talents, knowledge, experience and opinions.

We want to continue to successfully follow this path together with our employees and social partners and create conditions that allow these principles to be lived day-to-day. A new group-wide comprehensive HR plan was developed to implement the 2026 PLUS strategy in a precise, forward-looking manner. It covers topics such as leadership, digitalization, diversity, internationalization, talent management, incentive systems, teamwork and work environment and forms the basis for numerous new measures and programs.

Südzucker AG employed an average of 2,393 (2,512) persons during the financial year.

AGE STRUCTURE AND LENGTH OF SERVICE The company's age structure continues to be relatively balanced and the average length of service within the group is almost unchanged from last year. About 55 % have been working for the company for more than five years.

EMPLOYEE DEVELOPEMENT/TRAINING AND CONTINUING EDUCATION

CAREER TRAINING Südzucker Group's apprenticeship program in about 20 different professions continues to be a key building block toward securing its own skilled workforce for the long term. The number of apprentices dropped slightly to 348 (354) as of 28 February 2022. In total, 198 apprentices were enrolled in the dual

system or as part of an in-company study program at Südzucker AG, Freiburger Group and AGRANA in Germany as of 28 February 2022

PERSONAL DEVELOPMENT AND CAREER PLANNING We are working on aligning personnel development with Südzucker Group's strategic focus. This includes talent management, executive development and succession planning. Among other things, we are offering broad access to working remotely, new digital collaboration tools and opportunities to work in international project groups. In this connection, we launched the Catalyst program, among others. It offers project managers intensive courses in applying agile working methods.

A new group-wide on-boarding concept aims to rapidly orient new employees and at the same time provide a basis for personnel development and establish networks throughout the divisions and departments. A pilot project is currently in progress to test a suitable standard.

To continuously support employees in their personal and professional development, Südzucker regularly offers feedback sessions at least once a year where employees work with their supervisors to develop ideas for their further training and individual development. In addition, Südzucker conducts trainee programs and junior management development programs at regular intervals to support employees in their personal and career development.

Vacancies are advertised internally throughout the group and, if appropriate, preference is given to employees from within. This allows employees to advance inside the company, which develops expertise and expands experience within the company.

EXECUTIVE DEVELOPMENT In fiscal 2021/22 we launched our manager development program, which includes the modules fundamentals of contemporary leadership, employee motivation and feedback. For example, the production sites now offer specific training for foremen. We also pressed ahead with the Empowering Women program launched in 2020, which aims to foster and better network women in management positions. Guidelines for managers are being further developed in accordance with the new HR strategy.

Research and development

The Südzucker Group's Research and Development supports all supply chain operations from plant cultivation to the market maturity of its products. Key topics were defined as part of the new group strategy and firmly anchored in the form of focus initiatives.

In the field of process-oriented research and development, for instance, we are providing impetus for achieving sustainability targets and the future orientation toward **CO₂-neutral production**. The innovative field of **proteins** is undergoing a thorough examination with various focal points. From agricultural cultivation to processing to the development of functional market products (e.g. meat substitutes), we are investigating a broad spectrum of protein-containing plants. Additional areas of focus include **sustainable chemicals** based on the group's existing and new raw materials and the use of CO₂ generated during ethanol production.

Innovations in the food sector are closely linked to the core business in the divisions; this is where trends such as sugar reduction and fiber enrichment are conceptually developed and provided as system solutions for our customers' increasingly diverse requirements.

Partnerships with research facilities, other companies, startups, government institutions or universities, including within the scope of publicly funded projects, enable us to identify the potential for innovation early on and integrate it into Südzucker's development strategies.

167 (158) employees are responsible for tasks in the area of research, development and technological services at Südzucker AG; the total expenditure in 2021/22 for research, development and technological services was €'000 25,580 (23,394).

RAW MATERIALS

One of our core tasks is to ensure and enhance the quality of the agricultural raw materials we process for our products and to expand our raw materials portfolio.

Organic farming, organic products and new agricultural raw materials are gaining in importance within the group landscape. At the same time, plant production, including the cultivation of sugar beet, is facing tremendous challenges. In addition to policy guidelines for reducing fertilization and crop protection as part of the from-farm-to-fork strategy within the framework of the European Green Deal, increasing resistance along with new diseases and pests are making sustainable farming more difficult.

This is why we are focusing on research and field testing in areas that shed light on sustainability, climate protection and resource conservation. One of the main areas of development work is in the field of mechanical weed control with towed or autonomous machines. Furthermore, a number of collaborations have been formed to investigate ways of stimulating plants' natural defense systems to enable them to protect themselves from pathogenic fungi, viruses and bacteria. We are seeking natural opponents to diseases and pests in this context. Rapid advances in analysis technology have now also made it possible to take a closer look at soil biology. The importance of the soil biome for sustainable production should not be underestimated here. And finally, the insights gained from these efforts are currently being transformed into an individually tailored agricultural consulting service. To do this, we draw on data available in the company and combine it with information from other sources, such as satellite data. Research on the topic of new plant diseases and pests is ongoing. We do

this on a group-wide basis by establishing test plots.

RAW MATERIALS WITH SPECIAL PROPERTIES The focus in the food segment is on products that can be produced with established technologies or extracted from secondary streams. We are also investigating the use of other crops – from cultivation to the finished product – to find technologies that enrich and separate the ingredients and develop product concepts for introducing these to the market. Ingredients center around functional polysaccharides, starches and dietary fiber as well as proteins

RAW MATERIALS FOR STARCH Studies on special wheat varieties were continued and valuable new findings were gathered in the transfer to production scale. The innovative starch type produced can be used in a wide array of food applications and in the field of technology for even more promising new areas of application.

PROCESSING TECHNOLOGY

As part of the sustainable design of production processes in our factories, focus is placed on energy, yield, product quality and the use of by-products.

The close interaction between process development and engineering in the research and development department enables the Südzucker Group to make rapid, targeted investment decisions. Computer-based modeling systems are used to ensure that new processes can be quickly introduced at the production plants.

Improving sugar factory production processes is an ongoing task. This includes reducing energy consumption, replacing fossil fuels, increasing overall yield and quality and using byproducts.

For starch production, the focus is on developing processes and technologies for organic and clean label products. Alongside the development of new products, processes and technologies for existing organic products are continuously optimized. This has enabled us to meet higher, legally required quality standards for organic sweeteners and infant milk formula thanks to previously implemented adaptations in the respective process lines.

To meet the increasing demand for plant proteins in the future, especially for use in vegetarian and vegan food preparations, we have initiated technical analyses to obtain new food ingredients from byproducts of starch extraction.

We completed a process optimization project to boost yields and improve crystal quality for functional carbohydrates. We are working closely with stakeholders to implement new production technologies on a production scale. We modified the fructan process technology to produce new liquid variants that were subsequently introduced to the market.

An existing system was converted to produce a new soluble fiber made from sucrose. To do this, we tested enzyme systems in advance and developed the individual process steps on a laboratory and process scale. Research into new enzyme systems was intensified.

In ethanol production we are mainly working on process optimization. Specific focus is placed on measures to save energy and prevent production disruptions.

We continue to conduct studies and experiments with various feedstocks and recyclables as potential raw materials for ethanol production – so-called 2G concepts – with various materials on a larger scale.

PRODUCTS, PRODUCT DEVELOPMENTS AND APPLICATION CONCEPTS

We are evaluating new raw materials and product concepts with the help of innovative technologies. The objective is to create a basis for penetrating new business sectors, especially from a sustainability and bioeconomic perspective.

Food

New application concepts and recipes for novel and existing starches and starch byproducts are required to keep pace with the dynamic developments in the food industry and the market. Food trends in clean label products, products with higher fiber content and organic farming products are the focus of research and development activities.

SUGAR AND SPECIALTY SUGAR PRODUCTS For the production of beet raw sugar, a production process that does not require any other additives was developed to maturity. We continued our work on the development of reduced-sugar fondants, which includes dry and paste products.

FUNCTIONAL FOOD INGREDIENTS Researchers developed additional product concepts for functional food ingredients, often by working hand-in-hand with customers. Claims supporting nutritional and physiological benefits are essential to marketing these products, which is why we continue to conduct intensive nutritional research on Palatinose™, inulin and oligofructose. The studies focus on improved blood glucose management, metabolic regulation, bowel health and

statements concerning protein value. The communication of a nutritional health benefit of food to the European consumers is strictly regulated by the EU authorities and the member states. Based on BENEQ ingredients, food manufacturers can choose from 10 approved health and 16 nutrition claims to communicate health and nutrition benefits to consumers

Researchers developed new recipes for the use of Palatinose™ in beverages, baked goods, dairy products and sweets and brought them to market. Südzucker developed the use of Palatinose™ in icings and glazings to improve storage stability and successfully implemented it with its customers. The product's properties enable manufacturers to dispense with costly packaging and improve product stability to prevent food waste in the end products.

PLANT-BASED PROTEINS Our continued research focus on new food trends enables us to serve the dynamically growing market of vegetarian and vegan foods with vegan meat and dairy alternatives. When producing textured plant proteins, key aspects include optimizing the fiber structure and brightening the color by using additives. The co-extrusion of gluten with other vegetable proteins allows us to develop products for new areas of application to expand the product portfolio.

FRUIT PREPARATIONS Heat pasteurization of food guarantees its microbiological safety and extends shelf life. This also applies to chocolate processed in fruit preparations. We have developed and implemented a process for gentle pasteurization that does not adversely affect the flavor profile, which maintains the optimal taste.

The texture of strawberry pieces in fruit yogurts is a very important quality parameter for consumers. This is why we are developing methods of preserving the mouthfeel of strawberries despite pasteurization and minimal juice loss.

A foamed and chocolate-coated fruit bar was developed to enter the confectionery business. A stable product with a very high fruit content was generated without the use of animal gelatine.

ETHANOL Following the adaptation of the manufacturing process for drinking ethanol, this product can now also be advertised as vegan

Non Food

ORGANIC CHEMICALS One of our research goals is to develop sustainable product concepts in which the company's existing products and by-products are used as raw material sources to offer alternatives to petrochemical-based products. We are pursuing both chemical-catalytic and biotechnological processes for this purpose.

As part of its use of carbohydrates, Südzucker is developing a process to produce hydroxymethylfurfural (HMF), a sustainable synthesis building block for plastic applications. Most of the work is carried out internally; in addition, collaborations with partners and universities, including funding projects, are intended to accelerate implementation.

High-purity biogenic CO₂ is one raw material that ethanol plants produce in large quantities. In combination with green hydrogen, sustainable products can be produced that can be used as a fuel additive, platform chemical or monomer component in organic products.

One approach is the material use of CO₂ obtained from ethanol fermentation. The "ZeroCarb FP" project sponsored by the German Federal Ministry of Education and Research (BMBF) has made further progress. A technology platform was created to produce sustainable organic acids along with other organic chemicals from CO₂ using microbiological processes. Following intensive market evaluations, we are now working on specific implementation concepts and upscaling.

A consortium is analyzing implementation of a power to gas concept under the auspices of a BMBF project – also using CO₂ from fermentation. The focus is on optimizing biotechnological conversion of CO₂ into methane. A pilot plant was developed and put into operation to provide data that will enable implementation concepts to be designed. Hydrogen is supplied by coupling with an electrolysis unit fed with regenerative energy. With this concept now finalized, data will be generated and implementation concepts created. The transferability to the production of other substances such as methanol is also being conceptually investigated.

In a Power-to-X joint project sponsored by the German Federal Ministry for Economic Affairs and Energy (BMWi), a concept for the production of so-called "green methanol" was developed and the economic evaluation determined considering location-specific conditions.

The future use of biogenic CO₂ requires the availability of green hydrogen and a corresponding supply infrastructure. To investigate these aspects, Südzucker participated in the privately financed German hydrogen study "Wasserstoff Mitteldeutschland" for the Zeitz site. The biogenic CO₂ source at CropEnergies in Zeitz gives us a USP in the region of Central Germany.

Producing organic chemicals from renewable ethanol remains a focus. Together with partners from industry and science, we are working on concepts for material applications with renewable ethanol.

STARCH New product types were developed for the construction sector, especially in tile adhesive application. Process flows for producing highly modified starch ethers were optimized and efficiency increased. The wide availability of various raw materials enabled us to expand our portfolio of highly modified starch derivatives to meet market requirements. We also developed a particularly environmentally friendly starch ether, which allowed us to position new products in the marketplace in line with the eco-label trend

In the adhesives sector in particular, alternatives to synthetic binders based on starch are in demand. New technologies enabled us to produce the first starch products to exhibit suitable adhesive properties. This makes it possible to use starch in these new areas of application.

Process control optimization in the field of home-compostable bioplastics made manufacturing starch-based compounds more ecological and economical. We were able to develop new tailor-made solutions by combining thermoplastic starches with different biopolymers.

The field of application for starch-based bioplastics will be expanded. An important project in this context is BioPrima. Sponsored by the Agency of Renewable Resources (FNR), the Südzucker Group has set itself the target of developing a home-compostable, organic primary foil for Freiburger frozen pizzas. The project has a funding period of three years.

PACKAGING Packaging changes in the food sector are challenging and require intensive storage tests to confirm the suitability of the materials. We are currently examining new packaging materials for sugar products in the retail segment. These materials should not only be designed to protect products as effectively as existing materials, but also be able to do away with composites, thereby avoiding plastic altogether.

Business report

General and industry-specific business conditions

WORLD SUGAR MARKET In its March 2022 estimate of the world sugar balance for the current 2021/22 marketing year (1 October – 30 September), market analyst IHS Markit assumes a deficit of 3.2 million tonnes – the third deficit year in a row. Inventories will be reduced once again despite a slight increase in production and a likewise slight growth in world sugar consumption. As a result, the ratio of inventories to consumption will fall to 36.9 % – the lowest level in more than ten years.

For the new 2022/23 marketing year, IHS Markit forecasts in an initial estimate an even sugar balance. Production will increase more strongly than world sugar consumption – especially in Brazil and Thailand – thus avoiding a further deficit. With world sugar production and consumption

balanced, inventories will remain at a very low level.

In the 2020 calendar year, the world market price for white sugar was still around 330 €/t on average; from the beginning of 2021 to mid-February 2021 prices climbed up to 403 €/t. At the beginning of the fiscal year, world market prices initially fluctuated in a range between around 350 and about 400 €/t, then rose again from August 2021 and reached a level of up to 460 €/t in November 2021. The world market price has since moved between 420 and 460 €/t. At the end of the reporting period it was 443 €/t. At the beginning of the new fiscal year, the world market price once again increased

Global sugar balance

Million of tonnes	2022/23e	2021/22	2020/21	2019/20	2018/19
Opening stocks	67.6	70.8	72.2	76.7	76.1
Production	186.8	181.8	180.1	180.4	184.7
Consumption	-185.6	-183.3	-180.7	-181.2	-182.3
Corrections	-1.2	-1.7	-0.8	-3.7	-1.8
Ending stocks	67.6	67.6	70.8	72.2	76.7
In % of consumption	36.4	36.9	39.2	39.8	42.1

Source: IHS Markit, March 2022

EU SUGAR MARKET During the past 2021/21 sugar marketing year (1 October to 30 September), sugar production (EU excluding UK; including isoglucose) fell again due to smaller cultivation areas, difficult weather conditions and increased pest infestation. This drop in production from 16.8 to 15.2 million tonnes is greater than

the decline in demand caused by structural factors and the additional temporary impact of the Corona pandemic. The EU thus remained a net importer of sugar in the 2020/21 sugar marketing year with a significant reduction in inventories.

In the current 2021/22 sugar marketing year, the EU Commission is currently forecasting sugar production (EU excluding UK; including isoglucose) of 16.7 (15.2) million tonnes, assuming a further slight reduction in cultivation area and a return to normal yields. This means that the EU would remain a net importer of sugar for the fourth time in a row in the current sugar marketing year.

For the coming 2022/23 sugar marketing year, market analysts are forecasting a further slight decline in cultivation area in the EU-27.

The price for sugar (food and non-food, ex-factory) published by the EU commission was quoted at 381 €/t at the beginning of the past sugar marketing year in October 2020 and rose to 441 €/t by the last available publication in February 2022. There are significant regional price differences across the deficit and surplus regions within the EU.

SUGAR MARKETS The largest markets for sugar continue to be the beverage industry (soft drinks and alcoholic beverages), followed by the dairy industry and baked goods manufacturers.

The Corona pandemic further impacted volume growth in these markets. Again in 2021, lockdowns and other restrictions resulted in significantly lower consumption outside the home, which led to lower volumes in the food service sector and fewer impulse purchases¹. Soft drinks and snacks (convenience foods) were particularly hard-hit, which led to lower sugar volumes.

In contrast, significantly more is being consumed at home. Consumer awareness of nutrition has risen. They want to do something for their health and strengthen their immune systems. The healthy eating trend thus continues and is even accelerating in some areas.

In this context, the societal and political focus on sugar reduction and the associated consumer topics has sharpened further and is weighing on the sugar business.

For example, in Germany, Belgium, France and Poland, consumption in the retail sector has fallen over 8 %². This means that in some markets, the generally accepted sector sales volume decline of two to three percent over an average of ten years will be exceeded by a wide margin; for example, the drop in Germany in calendar year 2021 was almost 10 %.

Presently it is unclear how consumer behavior will evolve after the end of the pandemic-driven restrictions. Evaluating which changes are pandemic related and which are consumer related will also have to wait until then.

ANIMAL FEED AND MOLASSES MARKETS The markets for sugary byproducts were marked by rising raw material prices worldwide in fiscal 2021/22. Prices for sugary byproducts also rose to previously unheard of levels

¹ Source: Euromonitor

² Source: Nielsen; December 2020 – November 2022

The decline in European mixed feed production of 1.2 % with associated lower demand for sugary byproducts has no impact on the price increases because of the sharply higher cost of agricultural raw materials worldwide.

Global molasses production is expected to decline slightly to 63.5 (64.5) million tonnes in 2021/22. In contrast, the EU expects an increase to 3.40 (3.00) million tonnes. This production increase is urgently needed by the refining industry and has no price dampening effect.

Dried beet pulp production will recover in the EU in 2021/22 after a poor harvest the previous year, particularly in France. It should rise to over 3.00 (2.78) million tonnes. Similar to molasses, prices are not falling despite the slight increase in volume. In contrast to grains, dried beet pulp was solid thanks to its regional availability and largely undisrupted supply chains.

Legal and political environment

WORD MARKET/WTO The WTO Dispute Settlement Panel's report on India was released on 14 December 2021. The dispute concerns India's domestic subsidies for cane sugar producers and sugar export subsidies. It dates back to 2019, when Brazil, Australia and Guatemala simultaneously filed complaints to the WTO. The WTO panel's conclusions demonstrate that both the domestic subsidies for cane sugar producers and the export subsidies contravene the WTO rules and that India has thus violated the terms of the WTO Agricultural Agreement. The WTO gave India 120 days to refrain from these measures. In the interim, India has exercised its rights and has appealed the WTO's decision. The WTO Dispute Settlement Panel can thereby not finalize the panel report. Since the US government is currently also refusing to name members to the WTO appellate body, this important court case to settle the dispute can presently not proceed and is blocked for the time being. The clear decision of the initial WTO panel is thus not binding for India.

FREE TRADE AGREEMENTS The EU is negotiating potential free trade agreements with various countries, such as Australia, and/or trade blocs. In the event sugar and sugary products are not defined as sensitive products – contrary to current trade practice – additional sugar volumes could in future be imported into the EU at preferential tariff rate.

The ratification process of the Mercosur agreement is ongoing. The agreement will not enter into force until it has been approved by the European Council, the European Parliament and all parliaments of the 27 EU member states.

EU SUGAR MARKET INTERNATIONAL COMPETITIVE POSITION The EU has one of the world's least regulated sugar markets. In contrast to other major sugar producing countries, sugar exports are not subsidized. The EU commission hardly takes

any action against this unfair competition practices and additional import concessions or imports under circumvention of the origin rules.

CONTINUED COUPLED DIRECT PAYMENTS IN THE EUROPEAN DOMESTIC SUGAR MARKET Coupled premiums for sugar beets continue to be paid in 11 of 19 EU countries that cultivate beets, without any regional differentiation. As a result, unfair competitive practices continue to exist within the domestic European sugar market, putting competitive cultivating regions at a disadvantage. In line with the trilogue decision of the EU Council, EU Parliament and EU Commission in 2021, coupled support for sugar beet is to be continued in the new funding period of the European Agricultural Policy until 2027.

STATUTORY RESTRICTIONS AND BANS AFFECTING PLANT PROTECTION IN THE EU In the EU, the ingredients of chemical plant protection substances must be reviewed regularly and registered. The registration criteria have become stricter, so we expect that a number of substances will no longer be approved in future.

Following the temporary granting of exemptions for the use of neonicotinoids under strict conditions in 15 European countries for the 2021 season, the number of exemptions for the 2022 cultivation year was 13.

In Germany, emergency approvals were granted for the 2021 cultivation year for certain cultivation areas under strict conditions and with a very low dosage of the dressing. The respective seed was allowed to be used on around one-third of the cultivated area in 2021. In contrast to 2021, no emergency approvals were issued for the 2022 cultivation year – despite intensive efforts.

BREXIT After leaving the EU, the United Kingdom opened its own sugar market to further imports from the world market and is thus significantly limiting sales opportunities for EU-27 sugar producers and the sugar beet industry in the UK. Right after becoming independent, the UK released an annual duty-free import agreement for 180,000 tonnes of raw sugar from the world market. Now 80,000 tonnes of duty-free raw sugar imports per year will be added under the terms of a trade agreement concluded with Australia at the end of 2021. This volume is to be increased by 20,000 tonnes in each of the next eight years, so that by the end of this period, 220,000 tonnes of sugar will be eligible for duty-free import from Australia

Beet harvest and campaign chronology

Südzucker AG's cultivation area was increased by 0.7 % in 2021 compared to the previous year.

The first beet pellets were sown in the traditional early sowing areas of Offstein and Offenau at the end of February 2021. The main sowing period started around 22 March and was almost completely finished without interruptions by the beginning of April, around the same time as the previous year. April was initially characterised by very changeable weather. Snow, rain and frosty nights slowed down the emergence of the beet. Until mid-April there was frost in many places, with temperatures as low as -8°C . Where the beet had already emerged, frost damage and uprooting occurred. At the beginning of May, regional storms caused damage in exposed areas. Nevertheless, most of the beet developed well to very well in May. There was sufficient rainfall and no extreme temperatures. By June, the beet stands had compensated for the slow start to the season. In addition, the stands were much more even than in the previous year. The wet and mild summer ensured very good beet growth, but the conditions also favoured the spread of leaf diseases. In mid-August, many stands lightened for various reasons (SBR, nitrogen supply, water supply).

Yields did not vary as much regionally as in previous years. They varied from 84.3 (62.6) t/ha in Zeitz to 94.6 (95.5) t/ha in Plattling. The sugar content ranged from 16.7 (16.7) % in Offenau to 18.0 (18.2) % in Wabern. Südzucker AG's total sugar production was a good 1.861 (1.613) million tonnes, an increase of 15.4 %. The German organic beet was processed at the Rain factory from 8 to 19 September. About 17,000 (13,500) t of organic sugar were produced there. Rotting conditions in autumn 2021 were good almost everywhere; there was no heavy, prolonged rainfall. Despite the fourth Corona wave, beet delivery to the sugar factories was assured at all times.

Offenau ended the campaign on 4 January 2022 after 106 campaign days; Zeitz was the last German factory to finish processing on 5 March 2022 after 177 campaign days. On average, Südzucker AG's campaign lasted 131 (113) days.



Business performance

The 2021/22 financial year was characterised by rising sugar prices across the EU. This led to a significant increase in revenue. However, the negative operating result (HGB) worsened due to higher energy and raw material costs in terms of volume and value, and due to a parameter-related high addition to pension provisions.

REVENUE AND OPERATING PROFIT

(in € millions)	2021/22	2020/21
Revenues	1,383.4	1,181.3
Change in work in progress and finished goods and internal costs capitalized	85.6	67.9
Other operating income	28.9	27.2
Cost of materials	-1,002.0	-884.1
Personnel expenses	-311.9	-213.9
Depreciation of intangible assets and fixed assets	-66.7	-67.5
Other operating expenses	-227.3	-208.7
Operating profit (HGB)	-110.0	-97.8
Investment income/expense	217.4	-51.1
Depreciation of financial assets and marketable securities	-6.5	-1.5
Interest income/expense	-14.8	-18.9
Income from ordinary activities	86.1	-169.3

Sales revenues were up 17.1% or € 202.1 million in fiscal 2021/22, from € 1,181.3 million to € 1,383.4 million. This is due in particular to the EU-wide increase in price levels and higher sales volumes.

Other operating income in the amount of € 28.9 (27.2) million includes € 12.3 (12.6) million in income from prior periods. These result mainly from book profits and the release of provisions.

Also included is income from the reversal of a special item that included a reserve fund of € 0.2 (0.2) million.

The increase in the **cost of materials** by € 117.9 million to € 1,002.0 (884.1) million resulted from the higher processing volume compared to the previous year and correspondingly higher energy and raw material costs.

Personnel expenses increased by € 98.0 million to € 311.9 (213.9) million despite a decrease in the average number of employees. Pension costs increased by € 97.7 million, mainly due to changes in the actuarial parameters for pension obligations.

Depreciation was € 66.7 (67.5) million, about the same as the year prior. Write-downs totaled € 0.0 (0.3) million.

Other operating expenses were € 18.6 million above the previous year's level at € 227.3 (208.7) million due to higher distribution costs resulting from higher sales volumes.

Operating result (HGB) deteriorated by € 12.2 million compared to the previous year, and at € -110.0 (-97.8) million is significantly below our expectations due to the changes in pension parameters, some of which could not be planned.

Due to the higher profit transfer, the **income from investments** was far above the previous year's level at € 217.4 (-51.1) million. The reason for this is that in the previous year expenses from loss transfer of € 220.1 million from necessary value adjustments of the investment in ED&F Man Holdings Limited of € -203.1 million and Saint

Louis Sucre S.A.S. of € –93.9 million at the controlled company Südzucker Holding GmbH had a strong negative impact on the investment result.

Depreciation of financial assets and marketable securities of € 6.5 (1.5) million was necessary due to devaluations of marketable securities to lower market prices in prior year.

The **net interest result** improved by € 4.1 million to € –14.8 (–18.9) million. The interest result includes expenses from the compounding of pension provisions, other provisions and long-term liabilities totalling € 14.4 (16.8) million.

The **income from ordinary activities** increased by € 255.4 million to € 86.1 (–169.3) million.

(in € millions)	2021/22	2020/21
Income from ordinary activities	86.1	-169.3
Taxes on income	3.0	0.3
Profit after taxes/ Net earnings for the year	89.1	-169.0
Profit brought forward from the previous year	0.6	6.4
Allocations revenue reserves	0.0	204.0
Net earnings available for distribution	89.7	41.4

As in the previous year, no current tax expenses were incurred as **taxes on income**. The figure of € +3.0 (+0.3) million relates to tax income from the release of provisions for previous years.

Net earnings were thus € 89.1 (–169.0) million.

In the financial year, there was no **withdrawal from retained earnings** (prior year € 204.0 million) . **Net earnings available for distribution** totaled € 89.7 (41.4) million, including last year's profit of € 0.6 (6.4) million carried forward.

INVESTMENTS AND FINANCING

Investments in property, plant and equipment and intangible assets totalled € 43.9 (58.4) million in the financial year. The investments focused on environmental, replacement and optimization measures in the sugar factories.

Net financial debt		
(in € millions)	28 Feb 22	28 Feb 21
Securities	-108.2	-114.3
Cash and cash equivalents	-23.8	-13.2
Receivables as part of group financing	-150.7	-133.4
Bonds	150.0	330.1
Financial liabilities to banks	144.2	105.7
Liabilities as part of group financing	760.1	731.8
Net financial debt	771.6	906.7

Net financial debt fell from € 906.7 million last year to € 906.7 million as of 28 February 2022, while cash flow from operating activities rose to € 219.8 (-73.9) million. Investments in fixed and intangible assets climbed to € 43.9 (58.4) million. No financial assets were acquired, the same as last year. The dividend distribution for fiscal 2020/21 totalled € 40.8 million (40.8) million).

Südzucker has the following outstanding bonds as at 28 February 2022:

	Coupon	Volume (€)	ISIN	Stock exchange listing
Hybrid bond 2015 Perceptual NC 10	3-Month- EU- RIBOR +310 BP	700 million	XS0222524372	Luxembourg (official market)
Bond 2016/2023	1,25 %	300 million	XS1524573752	Luxembourg (official market)
Bond 2017/2025	1,00 %	500 million	XS1724873275	Luxembourg (official market)

The financial instruments are generally issued via the group financing company Südzucker International Finance B.V., Oud-Beijerland, Netherlands, and used throughout the group. Südzucker AG provided guarantees for the bonds.

A commercial paper (CP) program with a volume of € 600 million is also available for seasonal campaign financing. This program was utilized in the amount of € 150.0 (330.0) million as at 28 February 2022.

The seasonal liquidity requirements are also secured by the € 600 million syndicated credit line concluded through July 2026.

See the section on "Corporate management" for information on corporate management at Südzucker AG.

BALANCE-SHEET

ASSETS		
(in € millions)	28 Feb 22	28 Feb 21
Intangible assets	7.5	11.2
Property, plant and equipment	455.6	477.1
Financial assets	2,764.2	2,764.4
Fixed assets	3,227.3	3,252.7
Inventories	564.6	538.1
Receivables and other assets	504.5	412.7
Securities	108.2	114.3
Cash and cash equivalents	23.8	13.2
Current assets	1,201.1	1,078.3
Accrued and deferred items	2.2	2.3
	4,430.6	4,333.3

Südzucker AG's **total assets** as of 28 February 2022 were € 4,430.6 (4,333.3) million, up from last year.

Fixed assets totalled € 3,227.3 (3,252.7) million, € 25.4 million lower than last year.

The increase in **inventories** to € 564.6 (538.1) million is due to the higher manufacturing costs of the finished products of the 2021/22 campaign compared to the previous year. In contrast to previous years, the manufacturing costs also include appropriate parts of the costs of general administration as well as appropriate expenses for social facilities of the company, for voluntary social benefits and for the company pension scheme, insofar as these are attributable to the period of manufacture.

Receivables and other assets were above the previous year's level at € 504.5 (412.7) million. In addition to the turnover-related higher trade receivables, the granting of intra-group loans to affiliated companies increased.

The other provisions item of € 263.5 (263.6) million consists of taxes, personnel expenses, litigation risks and recultivation obligations.

Liabilities decreased by € 59.3 million from € 1,430.3 million to € 1,371.0 million. This resulted from the reduction in liabilities from short-term bonds (commercial paper). This was offset by higher liabilities to beet growers and intra-Group financing.

LIABILITIES AND SHAREHOLDERS' EQUITY

(in € millions)	28 Feb 22	28 Feb 21
Shareholders' equity	2,004.5	1,956.5
Special items with an equity portion	28.0	28.3
Provisions for pensions and similar obligations	763.6	654.6
Other provisions	263.5	263.6
Liabilities	1,371.0	1,430.3
	4,430.6	4,333.3

Equity increased to € 2,004.5 (1,956.5) million. The equity ratio was 45.2 % (45.2 %). As in the prior year, Südzucker AG's fixed assets at the balance sheet date were financed entirely through medium and long-term capital; the equity to fixed assets ratio decreased to 109.6 % (103.1 %).

Pension provisions were up € 109 million to € 763.6 (654.6) million. Adjustment of the discount rate from 2.23 to 1.82% boosted the number as well as pension parameter adjustments.

CURRENT AND PROJECTED BUSINESS PERFORMANCE

In last year's forecast report we had expected a significant increase in sales and turnover. This has been the case. The expected significant increase in personnel expenses due to a declining interest rate for pension obligations has also materialised. In addition, the expected salary and pension trends in particular changed, leading to higher pension obligations. This resulted in a significantly worse operating result than forecast at € -110.0 million.

The investment income was not only able to return to the 2019/20 level as predicted, but also significantly exceeded it. The annual surplus of € 93.5 million expected for 2021/22 was not quite achieved.

Outlook

The 2022/23 business year will be characterised by further increasing geopolitical imponderables and economic policy uncertainties. The Ukraine war will perpetuate the trend of rising commodity and energy prices. We hope that this war will remain limited and end soon. We assume that it will be possible, at least with a time lag, to pass on most of the resulting cost increases to the market and thus achieve a significant increase in turnover in the course of the 2022/23 financial year. Due to offsetting higher raw material and energy costs, operating profit in both the Sugar and Starch divisions will improve only slightly compared to the prior year.

The operating result (HGB) 2021/22 with a loss of € -110.0 million will improve significantly and end in balance if the 2022/23 business year goes well. In addition to the improvements in the operating result, the reasons for this are the strong weakening of the burdens due to parameter changes for pension obligations in the 2022/23 business year.

The income from investments will remain significantly below the level of the past business year (€ 217.4 million). However, there will also no longer be a burden from the value adjustments of the participation in ED&F Man Holdings Limited. With an improved interest result, we therefore expect a net profit of more than € 100 million for the 2022/23 financial year.

Risks and opportunities report

Risk management

RISKS AND OPPORTUNITIES POLICY Südzucker Group's business policies aim to safeguard the company's continued life, to earn sustainable, reasonable returns and systematically and steadily improve shareholder value. Risk management systems are installed throughout the group to detect and actively manage risks.

Südzucker Group believes a responsible attitude toward business risks and opportunities is an important element of a sustainable, value-oriented management system. Südzucker views risks and opportunities as future developments and events that can negatively and/or positively influence implementation of strategic goals and operational plans. Südzucker uses an integrated system for the early identification and monitoring of group-specific risks. The guiding principle for successfully managing risk is to balance opportunities and risks. The company's risk culture is characterized by risk-aware conduct, clear responsibilities, independent risk controlling and internal audits. Insofar as it is possible and economically practical, insurable risks are covered by a group-wide insurance policy.

PURPOSE OF RISK MANAGEMENT The risk management system is embedded in Südzucker Group's value-oriented management and planning system. The purpose of the risk management system is to detect existing risks early and systematically, to evaluate them and to provide the relevant decision makers with properly organized risk information. This is accompanied by improving the internal transparency of all processes that have an element of risk and creating a culture of risk awareness among all employees. One of the key risk management tasks is to limit strategic, operative, legal and financial risks.

Südzucker Group's risk management system includes a monitoring system that ensures compliance with all actionable items.

RISK MANAGEMENT SYSTEM The executive board is responsible for the group-wide risk management system, particularly for the early detection and mitigation of existential and strategic as well as climate-related risks. The risk management committee and the compliance committee support the board in this task and regularly evaluate the suitability of the installed risk management and compliance rules and improves them if necessary. In addition, it continuously monitors material risks, including cross-business risks, and alerts those responsible if action is necessary. It also informs the audit committee of the supervisory board at least once a year about the status of the risk management system and significant developments. The supervisory board also examines the effectiveness of the risk management system as part of its executive board monitoring responsibility.

The auditor assesses the reliability and performance capability of the risk early warning system as part of the risk management system.

RISK MANAGEMENT ORGANIZATION The operating units (divisions and the CropEnergies segment and starch) and the central departments are responsible as risk managers for identifying and assessing opportunities and risks as well as for risk management in their areas of responsibility. They take steps to reduce and hedge operational risks, as well as financial and legal risks.

Changes in market prices can exert considerable positive or negative pressure on the operating result. The company has therefore installed risk steering committees that evaluate how to handle such risks in those operating units in which operating results are materially affected by market price volatility. Market price risks resulting from commodity and selling prices, as well as currency exchange and interest-rate risks are also countered by selectively using derivatives. The executive board has defined the acceptable instruments for risk mitigation in a management directive of price risks from operating business, which also governs hedging strategies, responsibilities, processes and control mechanisms. Financial derivative instruments are only used to hedge underlying transactions and entered into with banks that have a high credit rating or on futures exchanges.

All relevant operating entities and group functions submit regular reports and documentation on operative, financial and strategic risks to the risk management and risk steering committees, and in accordance with the value-oriented management and planning system. All those responsible for managing risk thereby regularly evaluate and document all material corporate risks. In addition, ad hoc reports of any new risks or changes to the risk structure must immediately be submitted to the executive board. The risk management committee maintains a risk inventory by compiling the individual risks in a group-wide risk registry

Medium and long-term opportunities and risks are determined on the basis of strategic analyses,

considering risk-relevant factors such as market developments in the sales and procurement markets, competitive position, technical innovations, cost structure development, employees and sustainability. Risks and opportunities arising for companies associated with the transition to a lower-carbon economy, as well as physical risks impacting the company as defined by the Task Force on Climate-related Financial Disclosures (TCFD), are assessed by the climate-related risks and opportunities committee. Medium and long-term risks are identified and assessed annually as part of the group-wide conducted strategic analysis of the segments and divisions. It also aggregates the group-wide risks and identifies any potential existential threats.

Climate-related risks (short, medium and long-term) are identified, assessed and managed as part of the general risk management process.

INTERNAL AUDIT The internal group auditors are a process-independent entity that monitors the parent company and the group companies. The department reports directly to the chairman of the executive board. It systematically and precisely assesses the effectiveness of the risk management system, control methods, management and monitoring processes on the basis of independent, objective auditing and consultation, focusing on continuously improving them and the underlying business processes.

RISK COMMUNICATION Openly communicating with the employees within the company who are responsible for the businesses and processes is essential to a properly functioning risk management system. As such, the executive board, division and business managers as well as group executives communicate risks quickly and transparently. Employees are required to be aware of and deal with risks proactively. Regular meetings between the executive board and division and business units heads to discuss earnings developments and budgets is one tool Südzucker uses to ensure that information flows directly between the parties. Mitigating measures are defined and initiated for any strategic or operational risks identified during the sessions. Not only the heads of divisions and business areas, but also the group departments regularly report to their respective department heads concerning current developments in their areas of responsibility.

Summary of risk and opportunity situation

Südzucker Group's fruit segment operates production plants in Russia and Ukraine. Because of the war, most of the Ukrainian operations had to be shut down. A deteriorating economy can also negatively impact production and the market situation in Russia. As a result, a goodwill impairment of € 29 million was recognized in the fruit segment in fiscal 2021/22. It is difficult from today's perspective to estimate the further development of the conflict and the resulting financial impact. AGRANA and Südzucker have each formed crisis management teams whose task it is to limit the negative effects – especially in regard to our employees – to the greatest extent possible. The crisis teams are working on emergency plans for any conceivable escalation scenarios pertaining to continuation of the war or interruptions of oil and gas supplies from Russia. The consequences of interrupting production at Südzucker plants would have a major impact on operational results. Such ramifications are not considered in the forecast based on the assumption that the duration of the war will be limited and that it will not spread regionally. Additionally it is assumed in the forecast, that significantly higher raw material and energy prices can be passed on in new customer contracts.

The COVID-19 outbreak has led to massive interventions in public life, particularly in Europe, and has significantly impacted economies and societies. Südzucker Group's risks have considerably increased as a result. Maintaining production under pandemic conditions involved increased hygiene measures, restricted contact and employees who fell ill. These factors along with the challenges of product procurement, logistics and sales led to high levels of stress at the company. Despite the ongoing vaccinations, the further course of the pandemic and the consequences for Südzucker Group are still highly uncertain, also due to possible future virus variants.

The price trends for the input agricultural raw materials and the sugar, ethanol and starch products made from them have a significant influence on the future development of the Südzucker Group.

The sometimes extreme price fluctuations experienced at the beginning of fiscal 2022/23 are being influenced mainly by the war in Ukraine. The development of the crisis in the region has already led to sharp price hikes in the past few months, which directly impacted world market prices of sugar, ethanol and especially cereals in the sugar, CropEnergies and starch segments. Energy prices, which are a very important input cost for manufacturing our products in all segments, have risen quite significantly. The company is only able to influence other important factors driving price developments of agricultural raw materials, such as regulations related to agricultural production conditions, restrictions on plant protection, weather and harvest conditions, CO₂ reduction climate policies, blending targets for renewable raw materials and the demand for and availability of competing raw materials and substitutes, to a limited extent in the short term. Demand growth for foodstuff is undergoing changes that are accompanied by changes in the nutritional behavior of consumers, but also by increasing EU consumer policy regulations.

Long-term competitiveness is ensured by measures to optimize the cost structure. These include concentrating beet cultivation on high-yielding areas close to the factory and continuously improving production, logistics and administrative processes.

Competition in the European Union's sugar production sector is high. Necessary capacity adjustments in non-competitive EU countries are being hindered by national subsidies for the cultivation of sugar beets or the intervention of national agricultural and economic policy interests.

The CropEnergies, starch and fruit segments and the BENEOL and Freiburger divisions contribute significantly to balancing Südzucker Group's risk and opportunity profile. The focus of climate policy on renewable energies has increased the long-term opportunities for additional market growth in the CropEnergies segment.

The group's overall risk position is high. Nevertheless, currently there are still no apparent existential risks that threaten the organization.

SUMMARY OF SHORT TERM OPPORTUNITIES AND RISKS

The persons responsible for risk management quantify identified short-term risks and opportunities according to the dimensions of probability of occurrence and financial impact in the event of their occurrence. Subsequently, they are aggregated into risk factors using statistical methods.

The following section describes the main opportunity and risk factors for Südzucker and outlines their significance, considering the potential financial impact and likelihood of their occurrence on the results of the 2022/23 financial year. The effect of implemented countermeasures is taken into account in each case.

	Occurrence probability	Financial impact (€)
low	○○●	<5 million
medium	○●●	5–20 million
high	●●●	>20 million

The greatest individual risks currently are the availability and price volatility of raw materials, product volume risks, unchanged high product price volatility, and production and investment risks. The potential financial impact of the other risks outlined in this report is comparably minor.

Opportunities and risks	Occurrence probability in 2021/22	
	Risks	Opportunities
Environment and sector		
Market and competition	○●●	●○○
Risks of changes in legal and political environment	○○●	●○○
Company-specific opportunities and risks		
Raw materials	○●●	●○○
Production and investments	○○●	●○○
Sales markets	○●●	●●●
Information technology	○●●	●○○
Acquisition / Restructuring	○○●	●○○
Legal risks	○○●	●○○
Fraud and corruption risks	○○●	○○○
Financial		
Exchange rate fluctuation risks	○●●	●○○
Other financial Opportunities and risks	●●●	●●●

Environment and sector

MARKET AND COMPETITION In the EU sugar market, necessary capacity adjustments in non-competitive EU regions will continue to be obstructed by nationally coupled premiums for sugar beet cultivation. Moreover, competition is also affected by differences in the approval practice for plant protection products. Changes in this area cannot be expected in the short term.

CHANGES IN LEGAL AND POLITICAL CONDITIONS

The companies of the Südzucker Group operate worldwide and thus also in regions suffering from unstable political conditions. As a result, there may also be short-term negative effects from social or political conflicts in these countries.

The Südzucker Group operates production facilities in Russia and Ukraine and is also represented in the sugar segment with Südzucker Moldova in Moldova. In some cases, the group has also purchased grain in the region (Ukraine) for the CropEnergies segment. The war directly impacted AGRANA Fruit's subsidiaries in Ukraine and can have far-reaching political instability consequences in Europe. The risks for Südzucker Group have risen sharply. These relate to direct consequences such as rising energy and raw material prices right through to interrupted production as a result of limited availability of energy or broken logistics chains.

Changes to EU economic and agricultural regulations, international trade relations and national taxation and tariff schemes, as well as interpretation by regional authorities, pose further risks associated with general legal and political conditions.

However, changes in the political framework can also create opportunities. For example, we consider the adoption of E10 and in future E20 in the context of climate policy to be an opportunity for a further increase in demand for ethanol in a growing number of European countries.

Company-specific opportunities and risks

RAW MATERIALS In fiscal 2021/22, Südzucker Group processed 33 (31) million tonnes of agricultural raw materials grown on just under 1,000,000 hectares of land. In addition to 28 (24) million tonnes of sugar beets, the crops comprise corn, wheat, barley, rice, triticale, chicory, potatoes and fruits.

As a processor of these raw materials, Südzucker is exposed – in spite of broad diversification of the cultivation regions – to procurement risks. These relate mainly to above-normal fluctuations of harvest yields, due primarily to extreme weather conditions. Such risks include, on the one hand, long periods of drought, and on the other hand, heavy rain and long rainy periods, including flooding. Plant pests and diseases also pose a serious risk to the supply of raw materials. For example, major beet-growing regions in Europe have seen massive yield losses in the past. The temporary exemptions from the use of neonicotinoids in beet cultivation granted last year in most of the affected growing regions have been extended in many countries – with the exception of Germany – until 2022.

We are already observing how shifting climate zones due to the general rise in temperature can favor the entry of new pests into crop areas for raw materials. These include Cixiidae, which infest sugar beets, among other crops, and transfer bacteria that cause Syndrome Basses Richesses – low sugar content syndrome. This poses a threat to beet cultivation in the affected regions.

The EU ties the making of fuels produced from biomass to compliance with certain sustainability criteria. Ethanol produced at our plants meets these requirements, provided sustainably produced raw materials are available.

Alongside procurement risks, agricultural raw materials are also subject to price fluctuations, which above all are currently being influenced by the crisis in Ukraine. This crisis led to a sharp rise and extreme volatility in commodity prices over the past several months, which had a direct impact on the price of ethanol and the world market price of sugar as well as grain prices in particular. Energy prices, which play an especially important role in manufacturing our products, also increased dramatically. It is very difficult to offer any forecast on the development of raw material

prices at present due to continuing global uncertainties.

The price the sugar segment pays for beets is partly aligned with its realized sugar sales revenues. Other factors, such as the return on beet cultivation in comparison to growing other crops and the beet prices paid in relation to competitors, are also taken into consideration when setting beet prices. This competition has intensified in recent years, which may result in declining beet cultivation areas.

For producing ethanol agricultural raw materials containing carbohydrates, such as grain and sugar syrup, are required. Price fluctuations on global agricultural markets directly impact raw material costs. To assess the risk of producing ethanol, we calculate raw material costs minus sales revenues from food and animal feed (according to net raw material costs). Because changes in the grain market environment generally also have an impact on the market environment for food and animal feed containing protein and further by-products, we are able to partly offset higher raw material costs with increased sales revenues from these products. Our business policy in ethanol production will mitigate residual risks of raw material price increases by entering into long-term supply agreements and utilizing commodity futures contracts as a hedge, as well as using alternative raw materials.

PRODUCTION AND INVESTMENTS We strive to avoid unplanned factory shutdowns – especially during the campaigns – by conducting comprehensive maintenance programs and continually upgrading our plants. We mitigate investment risks through comprehensive investment project planning and project controlling.

The price of energy and raw materials are key input cost factors, especially for the production of sugar, starch, inulin and ethanol. Price fluctuations directly impact production costs. This applies not only to the energy sources themselves, but also to CO₂ certificates that must be purchased if free allocations do not cover operating requirements. The company has a forward-looking procurement policy and utilizes long-term supply contracts or derivatives to price hedge some of the fuels or CO₂ certificates used during the campaign. This reduces the impact of price fluctuations on our results.

In addition, investments to improve the energy efficiency of the production plants and the reduction of CO₂ emissions throughout the group are an ongoing priority.

The availability of suitable transportation means for timely delivery of raw materials and finished products is also subject to fluctuation. For example, particularly high or low water levels, especially on the Rhine, can result in limited availability and loading capacity of inland waterway vessels and thus higher logistics costs. In particular, the shortage of truck drivers is also putting a strain on production and distribution.

Serious safety standards violation incidents for food and other products could impact on consumer health, damage Südzucker's reputation and reduce the volumes of our products. Our ambition is to supply customers with safe, high quality products at all times. In order to guarantee this, the company has a quality management system that documents responsibilities, activities and processes. The quality management system covers all processes; from the procurement of

raw materials, through the production process itself, to delivery to customers.

Adherence to all internal and external specifications is regularly checked within the framework of the quality management system. The company takes any necessary steps to further optimize its products and processes, which contributes to further risk minimization.

Various production facilities are located at sites close to rivers. Some of the plants use surface water for continuous cooling systems, which exposes them to the risks of high water/flooding. Climate resilience measures are being taken to counteract these effects.

Extreme heat waves can also affect the functionality of production facilities. This risk is limited in the case of sugar and inulin production, because the campaign production takes place during a cooler time of the year.

The risk of power outage is relatively low for sugar, inulin, ethanol and starch production, because the production locations are able to generate power on their own.

TARGET MARKETS The sugar segment is exposed to opportunities and risks resulting from price fluctuations in the world sugar market, the EU common market and animal feed markets. In the event that the deficit on the world sugar market decreases or increases more than expected, global market prices may fall or rise. The world market price trend also influences the sugar price level in the EU. However, since many sales contracts are signed for one year at a fixed price, short-term market price changes have only a limited or delayed impact on earnings. This applies to opportunities and risks.

For the volumes tied directly to global market prices, we enter into sugar futures contracts on the exchanges in London and New York according to market conditions. The company thus pays particular attention to consistency in its sales strategy and long-term planned customer loyalty to mitigate the volume and price risk for animal feed.

Ethanol prices in Europe are affected by various factors such as supply and demand at the local level, the price level and availability in the United States, Brazil and other exporting countries, as well as general political conditions. They reached record levels in the past fiscal year and may continue to be subject to major fluctuations. In order to reduce the impact of price fluctuations on earnings, these risks are controlled by structuring sales contracts, derivative instruments and the flexibly operating of the ethanol plant in Wilton, Great Britain, depending on the market situation and the associated costs and earnings. Ethanol sales volume numbers continue to be highly uncertain due to the pandemic.

Südzucker could suffer relevant losses if its customers were unable to meet their contractual payment obligations. Südzucker counters these credit and default risks by using credit insurance and bank guarantees. The creditworthiness and payment history of debtors is also constantly monitored and verified by group-wide credit management.

INFORMATION TECHNOLOGY The management of our group is largely dependent on a sophisticated computer system, which is increasingly exposed to information security risks from internal and external sources. We apply appropriate processes and programs to protect the availability, confidentiality and integrity of business-related information and data processing systems. The processes and programs rely on relevant standards, and are operated, monitored and continuously updated by qualified internal and external experts. As part of the critical infrastructure, Südzucker Group companies are subject to both national and EU-level regulations. Changes to requirements at the national level (IT Security Act (IT-Sicherheitsgesetz)) led to higher statutory fines, thus requiring a reassessment of risk potential. Additional requirements were taken into account as part of the continuous optimization of measures.

With regard to IT security, an increase in disinformation, sabotage and cyber attacks can be expected as a result of the war in Ukraine. These factors have increased the threat level for Südzucker.

ACQUISITIONS/RESTRUCTURING Südzucker Group buys companies in order to expand its business activities. Acquisition risks include failing to meet strategic objectives or delaying the execution of operative plans. There are also risks associated with integrating the various corporate cultures and processes.

Restructuring programs can result in myriad expenses that exceed initial estimates and expected savings may not be achieved. Risks associated with the restructuring of production plants and administrative departments can impact the respective businesses and production processes.

Südzucker Group in addition owns shares in joint ventures and associated companies and has other shareholdings as well. These companies are subject to the business environment specific to their respective activities. With a minority interest, the possibility of integration and influence at these companies is limited.

LEGAL RISKS Südzucker is exposed to potential changes in the legal environment, particularly as relates to food and environmental laws. Such risks are documented without delay, their impact on the group's business activities evaluated and appropriate action taken if necessary.

Südzucker analyzed the obligations and risks contained in the EU general data protection regulation and implemented the organizational steps in order to guarantee the protection and security of personal data, especially of its employees, customers, suppliers and other business partners.

There is a general risk that antitrust authorities may interpret the conduct of company organs and employees as violating antitrust laws, and that they may initiate proceedings. Such proceedings always negatively impact the company's reputation and can result in high fines and potentially, unfounded claims for compensation from third parties.

Südzucker is continuously pursuing antitrust compliance measures, in particular by conducting audits and in the area of internal reporting. Training courses and audits to prevent antitrust law violations are conducted at regular intervals.

As expected, following the conclusion of the German sugar cartel fine proceedings in February 2014, customers filed claims for damages and in some cases sued citing alleged cartel-related price surcharges. Südzucker is defending itself against the claims on the basis that customers did not suffer any disadvantages during the period identified by the Federal Cartel Office. The legal proceedings pending at various German regional courts are costly and tedious.

The Cologne Regional Court issued case rulings in October 2020. All claims pending there were dismissed and costs assigned to the plaintiffs because the court could not identify a sufficiently high probability of injury. One of the judgments has already become final; in the other proceedings the plaintiffs have appealed.

In all previous court judgments to date, lawsuits were dismissed due to inadmissibility. This also included the lawsuit filed with the Hanover Regional Court with the highest claim amount nationwide. The plaintiff in this case also filed an appeal.

The majority of the lawsuits, particularly at the Mannheim Regional Court, have not yet been adjudicated.

Südzucker will likely also have to continue to deal with these proceedings in the coming years.

The claim filed by the Austrian Federal Competition Authority in 2010 for setting a fine for suspected anticompetitive agreements against Südzucker AG and AGRANA Zucker GmbH, Vienna, Austria, was rejected by the Vienna Cartel Court in its 2019 decision. The Federal Competition Authority has appealed against this decision. The European Court of Justice has since answered individual questions on the fundamental classification under European law. The decision of the Austrian Supreme Court, which is now responsible, is still pending.

FRAUD AND CORRUPTION RISKS Fraud and corruption risks can arise when Südzucker Group employees or managers break laws, contravene internal regulations or fail to comply with regulatory standards recognized by Südzucker. Persons outside the company may also commit fraud using forged identities to initiate payments or deliveries. Training courses were held in order to ensure that each and every employee behaves in a proper manner regarding legal conformity and social ethics. Specific recommendations on selected topics were developed and made available to employees. Adherence to compliance rules is supported by a whistleblower system

SANCTIONS AND EMBARGO RISKS A key tool used to prevent business criminality is to check business partner details. This is done based on potential risks by automatically scrutinizing applicable sanctions lists in a harmonized database. Südzucker also has a directive to prevent value added tax fraud within the EU. We expect entrepreneurial responsibility from all of our business partners.

Financial

Because it conducts business worldwide, Südzucker Group is exposed to a variety of financial risks. This includes risks associated with fluctuating currency exchange and interest rates, liquidity risks, as well as credit rating and default risks.

EXCHANGE RATE FLUCTUATIONS Financial impacts of exchange rate fluctuations are mainly due to intra-group financing of subsidiaries in currencies other than the local currency. In the US, the UK, Mexico and Eastern Europe, Südzucker Group finances some subsidiaries through intragroup loans denominated in euro. To a lesser extent, group companies in the euro-zone also provide financing to subsidiaries in their differing national currencies.

OTHER FINANCIAL OPPORTUNITIES AND RISKS

Südzucker Group is exposed to a limited extent to the impact of changes in interest rates on variable-rate or short-term financial obligations and investments. Exposure to these loans and investments fluctuates significantly over the course of the year because of campaign-related financing requirements.

Employees in the Südzucker Group are granted benefits under defined contribution or defined benefit plans. Company pension obligations are primarily covered by corresponding provisions in the balance sheet and partially by outsourced pension assets. In order to limit the risks of changing capital market conditions, the offer of defined contribution plans is now restricted.

The rating agencies Moody's and Standard & Poor's assess Südzucker's creditworthiness. Südzucker is committed to maintain a stable investment grade rating. A downgrade in the assigned rating could negatively impact the group's cost of capital for future financing needs.

Südzucker Group mitigates liquidity risks using long-term capital market and bank financing by way of issuing euro bonds, promissory note loans and bank loans. Short-term liquidity is secured through the Südzucker commercial paper program and syndicated and bilateral bank credit lines. Securities investments and emission certificates also offer liquidity reserves.

SUMMARY OF MEDIUM TO LONG-TERM OPPORTUNITIES AND RISKS

CLIMATE CHANGE AND SUSTAINABILITY Minimizing and delaying the impacts of climate change are some of the most difficult short, medium and long-term challenges of our time. The Südzucker Group is cognizant of its responsibility to protect the environment and is working hard to address all of these challenges. Our contribution to an enjoyable, healthy and sustainable world is firmly anchored as a key purpose in our strategic orientation. As part of our sustainability management program, we evaluate opportunities and risks associated with the environmental impact of our activities. We regularly investigate the potential for savings, substitutions and optimization not only in energy, emissions, water and waste, but also in the sustainable use of agricultural raw materials.

The European Union aims to reduce greenhouse gas emissions by at least 55 % in 2030 compared to the reference year 1990 in order to meet the climate objectives promulgated by the 2021 COP26 UN Climate Conference in Glasgow and the 2015 Paris Agreement and achieve climate neutrality by 2050. This reduction in emissions is chiefly aimed at limiting the global rise in temperature to 1.5 degrees Celsius.

During this transformation phase to achieve greenhouse gas neutrality, a range of regulatory measures will be taken that entail risk as a result of significantly higher procurement prices. This primarily affects energy itself. However, in the medium term it will certainly also impact other areas such as transport, logistics or the procurement of raw materials and thus all activities in the Südzucker Group. Südzucker's sugar, CropEnergies and starch segments and the BENEIO division are subject to the regulations set forth by the European Emissions Trading System and are directly affected by potential adjustments, including the reduction in freely allocated certificates and higher prices for CO₂ emissions. Risks and opportunities are spread unevenly within Europe

due to the in some cases inconsistent implementation of various measures for achieving climate objectives. Examples of this include the individual approach to phasing out coal. Even if Südzucker relies primarily on natural gas as an energy source at its production locations, which according to the EU Commission's latest proposal is to be classified as a bridge technology, additional adaptation measures will still be required in the medium term. We are currently working hard to evaluate various technologies on a site-by-site basis. For individual locations, we see favorable conditions for the use of renewable energies such as photovoltaics or wind power. These technologies will enable us to achieve ambitious energy targets that can exceed legal requirements and create market advantages for Südzucker. Risks arising from the technical deployment of the individual measures will rise in the coming years, as will the corresponding demand for investments. On the other hand, international trade opportunities will arise from climate protection measures such as the Carbon Border Adjustment Mechanism (CBAM). This will result in burdens for imports with poorer greenhouse gas balances. In the area of agriculture, any risks incurred due to regulatory measures are also offset by opportunities, for example in the context of support programs such as the from-farm-to-fork strategy or carbon farming.

Other consequences of climate change include rising average temperatures and sea levels along with more climate variability. The changes in frequency, severity, volume expansion and duration of weather events lead to extremes such as heavy rainfall or droughts. High and low tides are expected to increase as a result.

Agriculture is directly dependent on weather and climate. Higher temperatures, heavy rainfall or water shortages have an immediate impact on agricultural production. An extended growing season and higher temperatures can lead to higher yields if the soil contains sufficient water, but lower yields when water is scarce. Both the risk of late frosts with early vegetation growth and the spread of harmful organisms and plant diseases previously found only in warmer areas can have a negative impact on yield. Changes in the availability and thus the prices of agricultural products directly affect Südzucker's business activities.

Damage due to extreme weather and flooding at Südzucker's sites and those of its business partners can influence the availability of raw materials, production and products. The navigability of inland waterways or damage to roads, railways, traffic control systems, overhead power lines and pylons can impede both raw material and product logistics as well as the ability of employees and service providers to access locations.

Higher temperatures increase the demand for cooling energy and cooling water in production processes. Lower water levels and higher water temperatures in rivers can result in a shortage of cooling water, thereby lowering production output.

Investments in adapted production technology and modes of transport may be necessary to maintain production and sales activity levels.

Moreover, measures taken to minimize the impact of climate change also present significant opportunities for our various business segments, thus enabling us to make an immediate, significant contribution to reducing greenhouse gas emissions with products such as sustainably produced ethanol. This could potentially result in even greater sales opportunities if further market penetration of E10 succeeds and E20 can be launched in the transportation sector. Contrast this with an increasing risk for fuel ethanol as a result of the ongoing focus on e-mobility over the long term. On the other hand, we also see the rising demand for regional products with a favorable carbon footprint as a competitive advantage for our regional production centered in crop areas for raw materials.

We also believe evolving consumer needs will be a catalyst for new business segment growth. For instance, Südzucker is assessing various options for producing chemical precursors based on renewable raw materials or residual materials that can sustainably replace mineral oil-based products and thus protect the climate. Substituting animal proteins with plant proteins also offers considerable potential for conserving natural resources such as agricultural land and water. Significant savings in CO₂ emissions can also be achieved here. Südzucker sees far-reaching opportunities for further refining existing and marketing new agricultural material streams in this segment.

The Taxonomy helped establish an EU-wide classification system for assessing ecologically sustainable activities. It is aimed at recognizing investments that make a positive contribution to climate protection, adaptation to climate change, sustainable use of water, transformation to the circular economy, prevention of pollution and protection of biodiversity and ecosystems and directing spending to these areas. If business segments are not adequately considered in the process, potential disadvantages could arise with respect to corporate financing or government subsidies. Consequently, we are reviewing all activities with respect to these criteria and are consulting closely with external stakeholders.

CHANGES IN THE LEGAL AND POLITICAL ENVIRONMENT

The Common Agricultural Policy (CAP) initiated an EU-wide partnership between agriculture and society as early as 1962. Despite common policies among all member states, considerable differences remain in the national agricultural policy frameworks within the EU. In addition to subsidy measures, this also includes the approval of fertilizers and plant protection products, which are subject to different national regulations. This has recently become clear not only in the handling of the emergency approval for neonicotinoids, but also for the “Conviso Smart System” for innovative weed control in sugar beet cultivation. As a result, processors of agricultural raw materials sometimes suffer from significant cost advantages or disadvantages, which also prevents inefficient competitors from exiting markets. The resultant higher pressure on end products leads to corresponding earnings risks.

An international comparison also reveals considerably greater differences in political frameworks, in terms of environmental, energy or social policy, for instance. This results in substantial competitive differences between the individual businesses operating in the global marketplace. The growing importance of free trade agreements with corresponding preferences, particularly duty-free or duty-reduced imports into the EU,

leads to a risk of increasing import volumes, especially for sugar and ethanol, which further compound price pressure. By the same token, new trade restrictions may jeopardize export market sales. Potential trends toward renationalization in various industries and countries, partly fueled by the COVID-19 pandemic, can also have a corresponding impact on sales potential,

Any changes in the political framework also entail risks with respect to investment activities. Investment plans might be abandoned or delayed due to regulatory uncertainties, which could lead to operational risks. At the same time, investment decisions are also based on the adoption of certain regulatory conditions. If unforeseeable deviations arise, there could be considerable risks to returns. This might include consumer control measures such as labeling requirements or taxes on individual products and even blending targets for ethanol. Changing legislation and regulatory conditions in areas such as hygiene, packaging or ingredients can also present both risks and opportunities.

DEMAND GROWTH AND TREND TOWARDS SUSTAINABLE CONSUMPTION We are currently witnessing increasing global demand for food and agricultural raw materials driven primarily by the growing world population. Beyond this, rising prosperity and living standards are contributing to changes that pose both opportunities and risks for Südzucker

There is a drop in per capita consumption of individual products in industrialized countries, particularly sugar consumption in the EU. Regulatory measures such as the introduction of sugar taxes, as well as the public health debate and media mindset are facilitating this development. Sugar is often unilaterally declared the cause of obesity and diseases such as diabetes, dental caries and subsequent illnesses. Südzucker works with other market participants to bring rationality to the debate by presenting the true interrelationships between sugar consumption, a balanced diet, energy consumption and an overall healthy lifestyle.

On the other hand, these regions also offer considerable opportunities as a result of ongoing trends toward health-conscious nutrition with high-quality products. Overall, Südzucker believes it is poised to take advantage of these developments not only with its high-quality, non-genetically modified and regional products, but also especially thanks to its activities in the functional food sector. Südzucker will work on additional solutions for end consumer applications beyond its existing product portfolio, such as alternative sweeteners. Moreover, the company's strategic orientation provides for an expansion of activities in the plant protein sector. While sales of animal feed could be threatened in the long term by declining consumption in fish and meat products, the attractive market segment for plant proteins is growing considerably in an effort to cater to vegetarian or vegan dietary habits. To better serve these trends, actions must be taken to address the long-standing protein deficit in the EU. However, there are risks associated with the growth of these rather high-priced segments due to potential phases of economic recession.

We also see a significant impact on consumer behavior in terms of the greenhouse gas emissions associated with product manufacturing and marketing. Products that are favorably labeled or even carbon neutral will generate considerable sales potential. Südzucker also feels it is ideally positioned in this area with its existing product portfolio, which is predominantly based on locally sourced products.

EMPLOYEES Long-term retention of qualified employees has always been essential for Südzucker. However, this topic is becoming even more important, particularly in view of the limited availability of qualified specialists and managers and the correspondingly intense competition for them. Alongside technical and scientific qualifications, this also applies to the IT sector in particular. As part of our strategic restructuring, we established a focus initiative within our HR strategy to boost our appeal as an employer and training company and differentiate ourselves from our broad-based competitors. In addition to an attractive benefits and compensation package, many other factors will play a role, such as advanced and continuing education courses, the ability to balance professional and personal life, health promotion measures as well as public perception of the company against the backdrop of social issues such as climate neutrality and diversity

Südzucker uses regular employee meetings to coordinate closely with its employees, who are also able to present their interests to the supervisory board through representatives or trade unions. Existing collective agreements ensure fair conditions between employees and employers. The results of the long-term efforts in this area are reflected in extraordinary employee loyalty. Nevertheless, staffing/restaffing risks remain in light of demographic trends.

Sick days, longer-term absences and the corresponding additional burden on the employees who are present pose further risks. Südzucker takes preventive measures to ensure the health and safety of its employees through the use of company doctors, medical check-ups and information events. Work-related accidents are analyzed from an occupational safety perspective and corresponding measures are developed and implemented to help achieve the “Zero Accidents” target.

INNOVATIONS Innovations have a lasting impact on market and sales development. Disruptive developments can pose a serious short-term threat to individual areas. Nonetheless, new technologies and products also offer opportunities for completely new applications and sales markets. Similarly, both production and administration innovations can have a profound impact on performance and efficiency and bring corresponding cost advantages or disadvantages.

Südzucker sees innovation primarily as an opportunity to distinguish itself from the competition and offer customers fresh, innovative solutions. Key components here include group-wide research and development capabilities, which evaluate a wide range of future application areas and initiate corresponding projects. The 2026 PLUS group strategy further highlighted the extraordinary importance of this competence in the scope of the innovation focus initiative. In addition, the digitalization initiative deals with opportunities and risks based on new advancements in the IT sector.

Internal control and risk management system as it applies to accounting systems

ESSENTIALS The aim of the risk management system in the accounting process is the identification, evaluation and management of risks, which are offset by the publication of a standards-based annual group report. Südzucker AG's accounting-related internal control system aims therefore to ensure that its financial reporting and accounting practices comply with recognized standards, are reliable and effective, and that they truly reflect the company's assets, financial and earnings situation at all times. The system is embedded in the underlying business processes in all relevant legal entities and central departments and is continuously being enhanced. The main elements of the system are the principles, procedures and controls that ensure thorough and complete financial reporting; for example, consistent accounting, valuation and balance sheet procedures, processes and practices throughout the group.

IFRS REPORTING GUIDELINE Südzucker Group's accounting and valuation guidelines, including the accounting principles as per International Financial Reporting Standards (IFRS), ensure that the accounting and valuation systems used for all business transactions by the German and foreign subsidiaries included in Südzucker's consolidated financial statements are consistent throughout the group. Südzucker's internal IFRS Reporting Guideline ensures that IFRS is applied as applicable to Südzucker and explains accounting topics. The contents of the IFRS Reporting Guideline are prepared centrally and are regularly updated.

INTERNAL AUDIT SYSTEM AS RELATES TO THE ACCOUNTING PROCESS The group accounting process starts with the group's individual companies. Individual organizational entities prepare and check their financial statements and send them to Südzucker AG's central consolidation department by uploading the data to the consolidation system. Clearly structured authorization rules are in place for all of the group's accounting-related IT systems.

Südzucker AG's central consolidation department is in charge of completing the overall consolidation and preparing the group management report and consolidated financial statements. It also oversees the group's binding standard chart of accounts and manages the IT consolidation tool.

External auditors are regularly appointed as part of the preparation of the financial statements for the valuation of provisions, primarily those for personnel.

Südzucker Group's internal monitoring system has two components: controls integrated into the processes and process-independent controls. There is a strong emphasis on the principle of segregation of duties and the principle of dual control, as well as compliance with guidelines and rules related to key business processes.

Automated validation rules and plausibility checks, especially in the IT-based consolidation system, ensure that the data entered by the individual companies is complete and correct.

Segregating the administrative, executive, accounting and approval functions and making different persons responsible greatly restricts the opportunities to engage in criminal activity. Nevertheless, it is impossible to fully exclude every eventuality, especially arbitrary personal decisions with negative ramifications, erroneous audits, criminal activities or other circumstances

The monitoring steps taken to ensure proper and reliable accounting include, for example, analyzing business developments on the basis of specific key indicator analyses, as well as analyzing individual transactions in detail. At the group level, specific audit activities to ensure that the group accounting is being properly and reliably carried out include analyzing and, if necessary, adjusting the individual group company financial statements, taking into consideration the external auditors' reports and/or the audit debriefings.

Before integrating newly acquired companies, their internal control systems are quickly adapted to meet Südzucker Group's high standards.

INTERNAL AUDIT The internal audit department audits the internal control system, compliance with legal requirements and internal corporate guidelines, as well as the risk management system. It makes recommendations and develops any necessary process changes accordingly, thereby contributing to continuous improvement of the internal control and risk management systems.

The audit committee deals mainly with compliance, monitoring the accounting process and the annual audit of the financial statements. It also reviews and verifies the effectiveness of the internal control systems, the risk management process and the internal auditing process.

EXTERNAL AUDIT The external auditor checks that the early risk identification procedure integrated into the risk management system is entirely suitable for timely identification of existential risks. The auditor also reports to the supervisory board any material weaknesses found in the internal control and risk management system. During the audit of the closing financial statements, the auditor confirmed that Südzucker's early warning system is capable of timely detection of existential risks. The auditor has not encountered any material weaknesses in the internal accounting-related auditing system during its audit.

Corporate management and – responsibility

In the section described below, Südzucker reports on corporate management in accordance with article 315d of the German Commercial Code (HGB) in conjunction with article 289f of the German Commercial Code and corporate governance as per item 3.10 of the German Corporate Gover-

nance Code. In addition, the following section reports on corporate responsibility regarding the non-financial statement in accordance with articles 315b and 315c of the German Commercial Code in conjunction with articles 289b and 289c of the German Commercial Code.

Supervisory board and executive board operating procedures

The following summary outlines the operating procedures of the executive and supervisory boards in accordance with articles 289f, paragraph 2, item 3 and 315d of the German Commercial Code.

GENERAL INFORMATION Südzucker AG is a German stock corporation and as such has a dual management structure consisting of an executive board and supervisory board, each having members with independent expertise in different areas. The executive and supervisory boards work on the basis of mutual trust and closely cooperate to manage and supervise the company.

EXECUTIVE BOARD Südzucker AG's executive board currently consists of four members. The management body independently manages the company's businesses in the interests of the corporation with the aim of generating sustainable added value. The supervisory board has provided the executive board with rules of procedure, which are in force as per the version dated 30 January 2020.

Some executive board members have dual responsibilities with respect to the subsidiary AGRANA Beteiligungs-AG, Vienna, Austria. The CEO of AGRANA Beteiligungs-AG, Markus Mühleisen, Vienna, Austria, is also a member of Südzucker AG's executive board, and the member of the executive board of Südzucker AG, responsible for digitalization (CDO), Ms. Ingrid-Helen

Arnold, Walldorf, Germany, is also a member of the executive board of AGRANA Beteiligungs-AG.

SUPERVISORY BOARD The supervisory board supervises and advises the executive board in its management of the company. It is involved in strategy and planning, as well as all issues of material importance to the company. For important business processes, such as budgeting and strategic planning, acquisitions and divestments, the company's articles of incorporation and the rules of procedure of the executive board stipulate that decisions are subject to approval by the supervisory board. The chair of the supervisory board coordinates the supervisory board's work, chairs the meetings and speaks on behalf of the panel to the outside world.

The executive board submits comprehensive, timely reports regarding planning, business developments and the group's positioning to the supervisory board – in writing and at regular meetings. Risk management and compliance are additional key reporting topics. If necessary, extraordinary meetings are held with the supervisory board to discuss important issues. The supervisory board has established rules of procedure for its work, which are in force as per the version dated 22 February 2022 and published on the website of Südzucker AG (www.suedzucker.de/en/investor-relations/corporate-governance/supervisory-board). The

shareholder representatives and employee representatives always meet separately to prepare the supervisory board meetings.

SUPERVISORY BOARD SELF-ASSESSMENT The supervisory board regularly assesses how effectively it and its committees fulfill their duties. This is done annually using a questionnaire, with no outside assistance. Each year, the questionnaire is amended according to the latest revision of the code. The questionnaires are evaluated and the results and improvement suggestions discussed at each November meeting. The aim is to continuously improve the work of the supervisory board and its committees.

SUPERVISORY BOARD STRUCTURE Südzucker AG's supervisory board consists of twenty members as per the articles of incorporation, of which ten are elected by the shareholders and ten by the employees. The terms of office are identical: The term of office of all supervisory board members runs until the close of the annual general meeting at which shareholders will vote on ratifying the board's actions for fiscal 2021/22 (that is, until the end of the annual general meeting in 2022).

All members of the supervisory board have the knowledge, skills and professional experience required to properly perform their duties. They are familiar with the sector in which Südzucker AG conducts business. The statutory gender quota is upheld.

SUPERVISORY BOARD DIVERSITY POLICY As per a resolution passed on 23 February 2022, Südzucker AG's supervisory board is mainly aiming for the following targets and competence profiles for the full board in its future composition, in consideration of the sector, the size of the company and the share of international business activity:

- All supervisory board members shall have adequate corporate or operational experience and shall ensure they have sufficient time to fulfill their supervisory board duties.

- Each member of the supervisory board shall demonstrate the required reliability and personal integrity to fulfill the board's supervisory duties.
- At least two members of the supervisory board should be independent as per item 5.4.2 of the German Corporate Governance Code. Not independent as per item 5.4.2 of the German Corporate Governance Code is anyone who has a personal or business relationship with the company, its organs, a controlling shareholder or company associated with these, which could result in a material and not merely temporary conflict of interest.
- Not more than two former members of the executive board shall be members of the supervisory board.
- The supervisory board shall have at least two members with international experience or specialized knowledge in one of the company's key non-German markets.
- At least two members of the supervisory board shall be financial experts.
- The supervisory board shall have at least three female and three male members to represent the employees.
- No candidate older than seventy shall be recommended for election or reelection to the supervisory board, unless it would be in the interests of the company.

There is no rule regarding the maximum term of office of a supervisory board member. This is to ensure continuity and long-term expertise on the supervisory board.

When recommending supervisory board members for election, the supervisory board will continue to focus primarily on the personal suitability of the candidates, their specialized skills and experience, their integrity and independence, as well as their motivation and capabilities.

The status of the supervisory board diversity policy is as follows:

The supervisory board's employee representatives were elected on 16 April 2017 by the company's workers and its shareholder representatives by shareholders at the annual general meeting on 20 July 2017. In the meantime, there have been five changes in the supervisory board, four on the employee side and one on the shareholder representatives side.

The board has the opinion that it has at least two independent members, which is considering the ownership structure in compliance with requirements. Ms. Susanne Kunschert, Stuttgart, Germany, and Ms. Julia Merkel, Wiesbaden, Germany, are independent of Südzucker AG, its executive board and the controlling shareholder Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG (SZVG). At least two members especially meet the criterion of "internationality". The supervisory board has seven female members – four representing the employees and three representing shareholders. There are no former Südzucker AG executive board members on the supervisory board.

Financial expert on the supervisory board is Susanne Kunschert, Stuttgart, Germany and Ms. Veronika Haslinger, Vienna, Austria, is financial expert on the supervisory board and on the audit committee.

EXECUTIVE BOARD DIVERSITY POLICY The supervisory board has prepared a diversity concept for Südzucker AG's executive board that summarizes factors such as the age, gender, education and career as well as internationality of the company's employees. The aim is to select an executive

board composition that guarantees that the board will be fully able to discharge its duties. The executive and supervisory boards work together to ensure long-range succession planning for board members. Every effort is made to select executive board members from candidates who have progressed within the company. The following criteria are especially important for systematic management development and long-term succession planning:

- Early identification of suitable candidates from different disciplines, professional and personal experience, internationality and gender.
- Systematic development of managers by assigning ever greater responsibilities
- Demonstrable strategic and operative creative drive and leadership skills
- Proven role model of implementing corporate objectives in line with corporate values.

Key to the appointment of a Südzucker AG executive board member is ultimately an appraisal of their professional and personal qualifications. The supervisory board primarily focuses on candidates' personal suitability, their professional skills and experience, their integrity and independence, as well as their motivation and capabilities to ensure that they can responsibly fulfill their duties at the company.

Accordingly, as per a resolution passed on 23 February 2022 regarding the composition of the executive board – in consideration of the sector, the size of the company and the share of international business activity – Südzucker AG's supervisory board aims to meet the following objectives:

- **Number:** Given the size of the company and the current organizational and responsibility structure at Südzucker Group, it is recommended that Südzucker AG have at least four executive board members. The supervisory board can appoint a chairperson or speaker from this panel.
- **Age:** An executive board member should hold office no longer than the end of the fiscal year in which he or she reaches the age of sixty-five.
- **Gender:** The supervisory board prioritizes qualifications rather than gender when selecting candidates. Südzucker AG's executive board consists of more than three persons. Pursuant to article 76, paragraph 3a, sentence 1 of the German Stock Corporation Act, at least one woman and at least one man must then be a member of the executive board. Currently, one woman and four men are members of Südzucker AG's executive board.
- **Education and career:** The educational and career background of members of Südzucker AG's executive board should satisfy the required competencies of general executive board duties, as well as of the member's specific portfolio assignment. These competencies could have been acquired by completing a university degree, some other occupational training or by some other means.
- **Internationality:** It is recommended that the executive board have at least one member with international experience or specialized knowledge in one of the company's key non-German markets.

SUPERVISORY BOARD COMMITTEES The supervisory board has formed an executive committee, audit committee, agricultural committee, social committee, mediation committee and nomination committee from among its members. These committees prepare and supplement its work. The executive and mediation committees each

consist of four members. The audit committee, the agricultural committee and the social committee have six members each, with an equal number of shareholder and employee representatives. The nomination committee is composed of four shareholder representatives.

In its meeting on 23 February 2022, the supervisory board decided on a reorganization of its committees. With a new supervisory board to be elected at the 2022 annual general meeting, the reorganization and composition of the committees will be implemented when the newly elected supervisory board is constituted. A new strategy and sustainability committee will subsequently be formed, with equal numbers of four representatives each from the shareholder and employee sides. The agricultural committee will also address increasingly important raw material issues, so it will be renamed the "agriculture and raw material markets committee" and will have four representatives each from the stockholders' and employees' sides instead of three.

The duties of the executive board and the other committees are outlined in the supervisory board rules of procedure version dated 23 February 2022. The audit committee's rules of procedure version dated 23 February 2022 applies additionally to the audit committee. The current members of the committees and their respective terms of office are presented in the notes under item 37 "Supervisory board and executive board".

The chairman of the supervisory board is not simultaneously the chairman of the audit committee.

SHAREHOLDERS AND ANNUAL GENERAL MEETING

Südzucker AG's shareholders exercise their voting and control rights at general meetings held at least once a year. On an annual general meeting, shareholders vote on all issues as per the statutory requirements. The decisions are binding for all shareholders and the company. Shareholders are entitled to one vote for each share held.

Every shareholder who meets the general requirements for participating and exercising voting rights and who registered by the due date is entitled to participate in the annual general meeting. Shareholders who are unable to attend personally have the option of exercising their voting rights by proxy through a financial institution, a shareholder association, Südzucker AG appointees who are bound by the directives of the shareholders or by some other authorized representative of their choice. Shareholders also have the option of submitting their vote in advance of the general meeting via Südzucker AG's website

(www.suedzucker.de/de/Investor-Relations/annual-general-meeting/) or by assigning power of attorney to Südzucker AG's proxies or to a third party.

RISK MANAGEMENT Responsible management of business risks is fundamental to good corporate governance. Südzucker AG's executive board and Südzucker Group's managers make use of group-wide, company-specific reporting and control systems to detect, evaluate and manage these risks. The executive board regularly keeps the supervisory board abreast of existing risks and how they evolve. The audit committee deals mainly with monitoring the accounting process and the annual audit of the financial statements. It also reviews and verifies the effectiveness of the internal control systems, the risk management process and the internal auditing process. Details regarding risk management are outlined in the risk report.

Corporate governance report

Corporate governance aims to ensure that companies are managed and controlled responsibly and that they provide lasting shareholder value. The following corporate governance report is prepared in accordance with articles 289f, paragraph 2, item 1, 4-6 and 315d of the German Commercial Code. Effective and efficient cooperation between the executive and supervisory boards ensures transparency and the claim to keep shareholders and the public fully informed in a timely manner. The corporate governance report published here by Südzucker AG complies with legal requirements and the German Corporate Governance Code rules.

Good corporate governance is a given at Südzucker and has been practiced since many years. The company's policies are consistent with the recommendations of the Code and compliance is a key executive board and supervisory board responsibility.

³ The version 16 December 2019 came into force with the publication of the German Federal Gazette on 20 March 2020

2021 DECLARATION OF COMPLIANCE

In November 2021, the executive and supervisory boards issued a declaration of compliance with the recommendations of the German Corporate Governance Code in the version dated 16 December 2019 as per section 161 of the German Stock Corporation Act (AktG).

Südzucker AG complies with the recommendations of the code with the exception of the items outlined in the declaration of compliance. There are no recommendations in the code that do not apply to Südzucker AG due to overriding legal requirements. Südzucker AG complies with the suggestions of the currently valid code with one exception: Contrary to suggestion G.18, the remuneration of the supervisory board is not purely fixed.

The complete version of the mutual 2021 declaration of compliance by the executive board and supervisory board – as well as the declarations of compliance for prior years – is posted on Südzucker AG's website www.suedzucker.de/en/investor-relations/corporate-governance/declarations-of-compliance.

GENDER QUOTA

The German Stock Corporation Act stipulates that listed and co-determined companies have a fixed gender quota of 30 % on the supervisory board and set targets for the number of women on the executive board and the two management levels below the executive board. 35 % of the supervisory board's members are women. The legal quota requirement is thus fulfilled.

Südzucker AG's executive board consists of more than three persons. Pursuant to article 76, paragraph 3a, sentence 1 of the German Stock Corporation Act, at least one woman and at least one man must then be a member of the executive board. Currently, one woman and four men are members of Südzucker AG's executive board. The legal quota requirement is thus fulfilled.

The executive board resolved 2017 to raise the percentage of women at Südzucker AG at the first and second management levels below the executive board level to 9 and 13 %, respectively, from 8.3 and 12.2 %, respectively, by 11 June 2022. The proportion of women at the first and second level was 10 % as of 28 February 2022. Over the next five years until 2027, Südzucker AG aims to double the proportion of women at the first and second management levels below the executive board to 20 %.

EDUCATION AND TRAINING

Members of the supervisory board are solely responsible for any education and training measures they may require to fulfill their duties. They are appropriately supported by Südzucker. Another information seminar regarding corporate governance topics will be presented by an external legal expert in fiscal 2022/23.

REMUNERATION REPORT

Starting in fiscal 2021/22, a separate report on executive and supervisory board compensation will be published on Südzucker's website. The total remuneration of executive and supervisory board members including prior year's amounts is presented under item 36 "Related parties" of the notes to the annual report of the Südzucker Group.

ASSET LOSS LIABILITY INSURANCE

The company has taken out asset loss liability insurance with a deductible, which covers the activities of members of the executive and supervisory boards (D&O insurance). Article 93, paragraph 2 of the German Stock Corporation Act (AktG) states the deductible for supervisory board members shall be at least 10 % of the damage up to at least 1.5 times their fixed annual remuneration.

The current version of the German Corporate Governance Code dated 16 December 2019 no

longer recommends such insurance for supervisory board members. Accordingly, the D&O insurance deductibles for supervisory board members have been suspended effective 1 March 2021.

SHARES HELD BY MEMBERS OF THE EXECUTIVE AND SUPERVISORY BOARDS/SECURITY TRANSACTIONS

No member of the executive or supervisory board owns shares or related financial instruments that either directly or indirectly represent more than 1 % of Südzucker AG's total share capital. Furthermore, the total shareholdings of all executive and supervisory board members are less than 1 % of the total shares issued by the company.

In fiscal 2020/21, the members of the executive and supervisory boards have not informed Südzucker AG about any notifiable directors' dealings in securities.

Compliance

The following summary relates to disclosures about corporate policy regarding compliance in accordance with articles 289f, paragraph 2, item 2 and 315d of the German Commercial Code.

COMPLIANCE – MANAGEMENT SYSTEM

Compliance is embedded in Südzucker's corporate mission and documented in a compliance management system (CMS).

Südzucker's CMS contains all rules and measures required to guarantee that everyone at the company knows they must conduct themselves in accordance with the law and to recognize associated risks. It specifies responsibilities, training and reporting paths and is based on the seven principles of the IDW (Germany's Institute of Public Auditors) Prüfungsstandards 980 "Prüfung von Compliance-Management-Systemen" [*IDW audit standard 980 "compliance management system auditing"*].

COMPLIANCE CULTURE At Südzucker, practicing compliance is the responsibility of the executive board, as well as the managers of all the group departments, divisions and subsidiaries or companies in which Südzucker Group holds a stake. Through their actions and communications, the executive board and managers create an environment clarifies the importance of compliance within the company ('set the tone from the top').

COMPLIANCE OBJECTIVES The aim of CMS at Südzucker is to guarantee that the company and its employees conduct themselves in accordance with applicable laws, that non-compliance risks are recognized early and that such risks are prevented through appropriate countermeasures. Any violations shall be tracked and communicated to the responsible parties.

COMPLIANCE RISKS Compliance risks arise when there is any kind of non-conformance with laws

and regulations. The main focus at Südzucker is in the areas of antitrust laws, corruption and bribery prevention, capital market/reporting obligations and data security.

COMPLIANCE PROGRAM Südzucker's compliance program contains all of the steps required to achieve the aforementioned objectives. Among other things, it comprises establishing appropriate guidelines, internal safeguards to maintain capital market reporting and documentation obligations and using a software solution to guarantee third-party compliance.

All of the company's divisions conduct regular training on compliance topics. In fiscal 2021/22 approximately 4,913 employees were trained throughout the company, representing about 90% of the target group (salaried employees including management). In 2020, Südzucker expanded the e-learning program to include a mandatory multi-year training program on compliance basics, antitrust law, corruption and bribery prevention, IT security, data protection, capital market compliance, and fraud through identity forgery. It will be rolled out successively to other companies. On completion of the program, participants must complete and pass a final test.

COMPLIANCE ORGANIZATION A groupwide compliance structure with clearly defined reporting paths for all operating companies and key departments forms the core of Südzucker's compliance organization. All reports of potential violations are tracked. The compliance officers of the main operating subsidiaries and/or the compliance officers of the Südzucker AG departments considered to be material submit case-related and periodic reports to the compliance officer and executive board of Südzucker AG. The executive board in turn regularly reports to the supervisory board and Südzucker AG's audit committee regarding compliance issues.

In addition, the company has set up a compliance committee that discusses fundamental and current issues at regular meetings.

COMPLIANCE COMMUNICATION All employees were informed about Südzucker's code of conduct on Südzucker's website at www.suedzucker.de/en/company/profile/code-of-conduct and about corporate compliance principles at www.suedzucker.de/en/investor-relations/corporate-governance/compliance.

Posters are put up at the company sites to sensitize employees to compliance principles during their day-to-day activities. Suspicious conduct can also be reported using anonymous whistleblower systems.

28 notifications were received through these channels in fiscal 2021/22. The allegations in these notifications proved unsubstantiated so no further legal action was taken.

Disclosures on takeovers

The following disclosures provide further details in accordance with articles 289a, paragraph 1 and 315a, paragraph 1 of the German Commercial Code and an explanatory report as per article 176, paragraph 1, clause 1 of the German Stock Corporation Act (AktG); they form part of the audited group management report.

COMPOSITION OF SUBSCRIBED CAPITAL AND VOTING RIGHTS As of 28 February 2022, Südzucker's subscribed capital amounts unchanged to € 204,183,292 million and consists of 204,183,292 ordinary bearer shares, each of which represents a notional holding of € 1 per share. The company held 23,491 treasury shares as of the balance sheet date. The treasury shares are held by the company for the multi-year compensation component as part of the executive board members' compensation.

No cases of corruption were reported in fiscal year 2021/22.

COMPLIANCE MONITORING AND DEVELOPMENT

Südzucker's internal audit department carries out scheduled and ad hoc audits and thereby monitors adherence to all legal requirements and internal guidelines. In fiscal 2021/22, selected departments, such as purchasing or logistics, were also audited for corruption and fraud at 33 % of the production sites. No material violations of statutory regulations could be identified.

Südzucker AG is considered a so-called critical infrastructure operator and is thus subject to an audit of its information technology systems in accordance with the German Federal Office for Information Security Act (KRITIS audit). The audit did not report any negative findings.

VOTING RIGHTS, SHARE TRANSFERS All shares entitle holders to the same rights and each share is worth one vote at the annual general meeting. Voting rights for the shares may be restricted as per German Stock Corporation Act regulations. Under certain conditions, shareholders may not be entitled to vote (article 136 of the German Stock Corporation Act [AktG]).

A voting agreement exists between Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG (SZVG), Ochsenfurt, and Zucker Invest GmbH (Zucker Invest), Vienna /Austria, one of the companies of the registered Raiffeisen Holding Niederösterreich-Wien cooperative with limited liability (Raiffeisen-Holding), Vienna / Austria. Additional voting agreements exist between companies of the Raiffeisen group. Furthermore, SZVG has a preemptive right to buy 18,797,796 of Zucker Invest's Südzucker shares and Zucker Invest has a preemptive right to buy 246,368 of the Südzucker shares held by SZVG.

SÜDZUCKER AG SHAREHOLDINGS EXCEEDING

10 % Südzucker AG knows of two direct equity investments in the company that exceed 10 %: SZVG owns 60.3 % of total share capital and Zucker Invest 10.3 %. Raiffeisen-Holding and its associated companies hold a direct interest via Zucker Invest. The shareholdings are reciprocally attributed to the companies, so that each holds a share of about 70.6 % of total share capital, according to the German Securities Trading Act.

SHARES WITH SPECIAL RIGHTS, VOTING RIGHTS CONTROL FOR SHARES HELD BY EMPLOYEES

Shares with special rights that would impart controlling authority do not exist at Südzucker. No employees who hold shares of Südzucker AG are subject to voting rights control.

APPOINTMENT AND DISMISSAL OF EXECUTIVE BOARD MEMBERS

Executive board members are appointed and dismissed by the supervisory board in accordance with articles 84 and 85 of the German Stock Corporation Act (AktG) and article 31 of the German Codetermination Act (MitbestG). In accordance with article 5, item 2 of Südzucker AG's articles of incorporation in the current version dated 16 July 2020, the supervisory board determines the number of executive board members and the supervisory board has the authority to appoint deputy members.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Amendments to the articles of association are governed by articles 179 and following of the German Stock Corporation Act (AktG). Article 22 of the articles of incorporation (current version as of 16 July 2020) authorizes the supervisory board to make amendments to the company's articles of association that only affect the wording.

AUTHORITY OF THE EXECUTIVE BOARD, ESPECIALLY AS RELATES TO ISSUING AND SHARE BUY-BACK

Subject to approval by the supervisory board, the executive board is authorized to increase the company's share capital once or several times up until 17 July 2024 by up to € 20,000,000 by issuing new no-par value bearer shares in exchange for cash contributions and/or contributions in kind, for the entire amount or in tranches (Authorized Capital 2019). Subject to approval by the supervisory board and according to article 4, paragraph 4 of the articles of incorporation, the executive board may exclude subscription rights of shareholders in certain cases, provided the shares issued under exclusion of the subscription rights do not exceed 10 % of total share capital, neither at the time of the coming into force of this authorization, nor at the time of exercising same. Details are outlined in article 4, paragraph 4 of the articles of association. Authorized Capital 2019 has not been utilized to date.

Shareholders at the 18 July 2019 annual general meeting authorized the executive board to buy back up to 10 % of the company's total share capital existing at that time until 17 July 2024 in accordance with article 71, paragraph 1, item 8 of the German Stock Corporation Act (AktG). The shares may be acquired on the open stock market or via a public offer to purchase to all shareholders. The costs of buying back own shares may be charged against net retained earnings or other revenue reserves. The executive board was also authorized, subject to approval by the supervisory board, to sell the shares bought back to third parties and to exclude shareholder subscription rights in the case of corporate mergers or when purchasing companies or parts of companies or shares of companies. Details are provided in the authorization approved at the annual general meeting on 18 July 2019. To date, the board has not exercised the right granted to purchase own shares.

CHANGE OF CONTROL AND COMPENSATION AGREEMENTS

Südzucker AG has signed an agreement with a banking consortium providing access to a line of credit in the amount of € 600 million. In the event of a change of control, each member of the bank consortium would under certain conditions have the right to terminate the line of credit and its share of the outstanding loans, and demand immediate repayment of same, including interest. Other than that, there are no material agreements pursuant to articles 289a, paragraph

1, clause 1, item 8 and 315a, paragraph 1, clause 1, item 8 of the German Commercial Code that would be affected by a change of control resulting from a takeover offer. Compensation agreements with members of the executive board or in favor of employees that would come into effect in the event of a change of control do not exist either.

Separate non-financial reporting section 289b (3) HGB

The non-financial statement provided for the group is equally applicable to Südzucker AG. All of the guidelines and associated management approach apply for the entire Südzucker group. There are no non-financial targets that only apply to Südzucker AG. Information on Südzucker AG's non-financial reporting in accordance with articles 289b and following of the German Commercial Code is included.

The non-financial group declaration in the group management report and the results of the audit form part of Südzucker AG's 2021/22 annual report. They are also accessible at Südzucker's website at www.suedzucker.de/en/investor-relations/publikationen/finanzberichte#2021/22.

Recommendation on appropriation of profits

The executive and supervisory boards will recommend a dividend of € 0.40 (0.20) per share to the annual general meeting on 14 July 2022. With dividend-bearing capital of € 204.2 (204.2) million, this represents a total dividend pay-out of € 81.7 (40.8) million. The dividend is expected to be paid on 19 July 2022.

Concluding declaration regarding the dependent company report pursuant to section 312 (3) of the stock corporation act (AktG)

According to notice received from Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG (SZVG), Ochsenfurt, the entity holds a majority interest in our company through its own holdings of Südzucker shares and the shares it holds in trust for its associated shareholders. The report in this regard, based on article 312 of the German Stock Corporation Act, closes with the following declaration:

"For the legal transactions or measures listed in the report regarding the relationship to SZVG, the association of Association of Süddeutsche Zuckerrübenanbauer e.V., Ochsenfurt, its regional associations and beet farmers, our company received appropriate compensation for every legal transaction or measure in accordance with the conditions known at the time such transactions or measures were undertaken, and were not disadvantaged by implementation of the measures."

FINANCIAL STATEMENTS

Balance sheet as of 28 February 2022

ASSETS

(€ '000)	Notes	28 February 2022	28 February 2021
Intangible assets		7,518	11,174
Property, plant and equipment		455,565	477,091
Financial assets		2,764,232	2,764,439
Fixed assets	1	3,227,315	3,252,704
Inventories	2	564,578	538,117
Receivables and other assets	3	504,526	412,704
Securities	4	108,215	114,327
Cash and cash equivalents		23,820	13,164
Current assets		1,201,139	1,078,312
Accrued and deferred items	5	2,162	2,245
		4,430,616	4,333,261

LIABILITIES AND SHAREHOLDERS' EQUITY

(€ '000)	Notes	28 February 2022	28 February 2021
Subscribed capital		204,183	204,183
Less fair value of own shares		-24	0
Outstanding subscribed capital		204,159	204,183
Capital reserve		1,620,579	1,620,579
Revenue reserves		90,087	90,378
Net earnings available for distribution		89,696	41,390
Shareholders' equity	6	2,004,521	1,956,530
Special items with an equity portion	7	27,955	28,340
Provisions for pensions and similar obligations	8	763,635	654,572
Other provisions	9	263,472	263,630
Provisions		1,027,107	918,202
Liabilities	10	1,371,033	1,430,189
		4,430,616	4,333,261

Income statement 1 March 2021 to 28 February 2022

(€ '000)	Notes	1 March 2021 – 28 February 2022	1 March 2020 – 28 February 2021
Revenues	12	1,383,477	1,181,271
Change in work in progress and finished goods and internal costs capitalized	13	85,581	67,933
Other operating income	14	28,920	27,216
Cost of materials	15	-1,002,047	-884,107
Personnel expenses	16	-311,946	-213,983
Depreciation of intangible assets and fixed assets		-66,701	-67,483
Other operating expenses	17	-227,278	-208,668
Investment income/expense	18	217,415	-51,083
Depreciation of financial assets and marketable securities	19	-6,500	-1,458
Interest income/expense	20	-14,778	-18,962
Taxes on income	21	3,000	299
Profit after taxes/ Net earnings for the year		89,143	-169,025
Profit brought forward from the previous year		553	6,415
Allocations revenue reserves		0	204,000
Net earnings available for distribution		89,696	41,390

Notes to the financial statements

Application of German GAAP (HGB)

The financial statements of Südzucker AG, Mannheim, (register court: district court of Mannheim HRB 0042) were prepared in accordance with the rules of the German Commercial Code (HGB) in the version of the Accounting Directive Implementation Act (BilRUG) as well as the Stock Corporation Act (AktG).

The income statement has been prepared using the nature of expense method. Certain items in the balance sheet and income statement have been combined in order to improve the clarity of presentation. These items are shown separately and described in the notes to the financial statements.

The financial statements have been prepared in euros. Unless otherwise indicated, all amounts are disclosed in thousands of euros (€ '000) or millions of euros (€ million). The previous year's numbers are generally put in parentheses in the notes.

Accounting policies

With the exception of the valuation of work in progress and finished goods, the accounting and valuation methods have not changed compared to the previous year.

Transactions in foreign currencies are recognized at the historical exchange rate at the time of initial recognition.

Long-term foreign currency receivables are recognized at the asking price when the claim arises or at the lower fair value on the basis of the average spot exchange rate on the financial reporting date (impairment principle). **Short-term foreign currency receivables** (remaining term of one year or less) and cash or other current assets denominated in foreign currencies are translated at the average spot exchange rate at the balance sheet date.

Long-term foreign currency liabilities are measured at the bid price when the liability arises or at the higher closing rate on the basis of the average spot exchange rate on the financial reporting date (impairment principle). **Short-term foreign currency liabilities** (remaining term of one year or less) are translated at the average spot exchange rate at the balance sheet date.

Exchange gains or losses from different average spot exchange rates between the transaction date and the balance sheet date are reported under other operating income or expense.

Fixed assets

Intangible assets and fixed assets are measured at acquisition or production cost less depreciation and write-downs. In addition to the wear and tear of the fixed assets, production costs for internally-constructed equipment also include the production material, labor costs, and appropriate components of the overheads required.

Items subject to depreciation according to requirements of German commercial law are depreciated using the declining-balance or straight-line method.

Intangible assets are depreciated using the straight-line method.

Fixed assets acquired on or after 1 January 2001 were offset at a rate of maximum 20 percent when depreciated using the declining-balance method. Fixed assets acquired on or after 1 January 2006 to 31 December 2007 were offset pursuant to tax provisions at a rate of maximum 30 percent when depreciated using the declining-balance method.

Fixed assets acquired after 31 December 2008 were offset at a rate of maximum 25 percent when depreciated using the declining-balance method. The transition from the declining-balance to the straight-line method takes place at the date at which the remaining carrying amount distributed in equal annual amounts over the remaining useful life leads to higher depreciation rates.

The straight-line method was used exclusively for fixed assets acquired or produced on or after 1 March 2010. Südzucker AG exercises the option of using the reduced carrying amount (Beibehaltungswahlrecht) pursuant to note 67 (4) sentence 1 of the Introductory Act to the German Commercial Code (EGHGB).

Independently usable movable items of fixed assets subject to depreciation are fully depreciated in the year of initial recognition if their acquisition or production costs do not exceed € 250. Depreciable movable assets under fixed assets acquired or produced after 31 December 2007 whose acquisition or production costs are greater than € 250 but do not exceed € 1,000 were combined into compound items. Compound items are depreciated at the same rate over a period of five years. Depreciable movable assets under fixed assets acquired or produced after 1 March 2018 whose acquisition or production costs do not exceed € 800 are fully depreciated in the year of acquisition. There will no longer be a compound item for this after 1 March 2018.

Depreciation of fixed assets and of intangible assets is based on the following useful lives:

Intangible assets	2 to 9 years
Buildings	10 to 50 years
Technical equipment and machinery	5 to 15 years
Factory and office equipment	3 to 10 years

Prepayments on property, plant and equipment are recognised at nominal value.

Shares in affiliated companies and the **participations** are measured at acquisition cost or the lower fair value. **Borrowings** are recognized at their nominal amount.

Lower fair values of fixed assets are accounted for with write-downs if continued impairment is expected. Write-downs are reversed if the reasons for the write-downs no longer exist.

Current assets

Materials and other supplies are measured according to the principles of valuation on a separate or standard value basis at acquisition costs with due respect for the lower-of-cost-or-market principle. **Merchandise** is measured at acquisition cost with due respect for the lower-of-cost-or-market principle. Appropriate valuation reductions are made each time realizability is limited.

Finished goods and work in progress are measured in accordance with notes 253 to 256 HGB at production costs or at the recoverable net proceeds derived from the sale price with due respect for the principle of loss-free evaluation. The FIFO method is used in the measurement of finished goods. Valuation reductions are made if inventory risk arises from extended storage duration or reduced realizability.

In determining the cost of production, the consumption of fixed assets, the directly attributable material and production costs and appropriate portions of the necessary material and production overheads are taken into account. Interest on borrowed capital is not included. In contrast to previous years, the production costs also include appropriate portions of the costs of general administration as well as appropriate expenses for social facilities of the company, for voluntary social benefits and for the company pension scheme, insofar as these are attributable to the period of production.

Advance payments for inventories are recognized at their nominal value.

Receivables and other assets are measured either at nominal value with due respect for the lower-of-cost-or-market principle or at discounted value. Individual allowances are made in the estimated amount of default risk for doubtful receivables. General credit risk is accounted for with general allowances.

CO₂ emission certificates allocated free of charge are capitalized with an acquisition value of zero; certificates acquired for a fee are recognized at their acquisition cost. Provisions are recognized in the amount of the acquisition cost for the certificates if CO₂ emissions exceed the allocated certificates.

Short-term financial investments are reported at acquisition cost, less depreciation of the respective lower quoted or market price at the end of the financial year.

Cash and cash equivalents are recognized at their nominal value.

Prepaid expenses

Expenses paid prior to the balance sheet date are classified as an asset and recorded as prepaid expenses insofar as they represent expenses for a particular period after the reporting date.

Subscribed capital

Subscribed capital is recognized at nominal value.

The book value of the treasury stock acquired is deducted on the face of the balance sheet from the item “subscribed capital” in the preceding column. The difference between the book value and the acquisition costs for the treasury shares is offset against the available retained earnings. Acquisition-related costs are recognized as an expense for the fiscal year.

Special untaxed reserves

Special untaxed reserves for differences from increased depreciation permissible according to tax law and special depreciation as well as regular depreciation on a straight-line or declining balance basis were recognized until 28 February 2010.

Südzucker AG exercises the option of using the reduced carrying amount (continuation option) pursuant to note 67 (3) s. 1 of the Introductory Act to the German Commercial Code (EGHGB).

Provisions

Provisions for **pensions and similar obligations** are determined on the basis of biometric probabilities (Heubeck 2018 G actuarial tables) using the projected unit credit method. The wage and pension inflation parameters were adjusted as follows on the basis of current wage and pension inflation and medium-term projections: The future salary and income threshold increase rates were as in the previous year set at 2.50 (2.00) percent, of an income threshold trend (“Beitragsbemessungsgrenze”) of 2.50 (2.00) percent, the future pension increase rate at 1.80 (1.30) percent and the average employee turnover rate at 1.00 (1.00) percent. An actuarial interest rate of 1.82 (2.23) percent was used as a basis for the discount rate for pension obligations as at 28 February 2022.

This corresponds to the average market interest rate from the past ten fiscal years as determined by Deutsche Bundesbank as of 28 February 2022 for an assumed time to maturity of 15 years. The impact on the result of changes to the discount rate that affect net income are reported under personnel expenses and fair value changes to fund assets in the financial results. For reinsured obligations from deferred compensation, the asset value of the reinsurance policy is recognized.

Provisions for pensions and similar obligations are offset with existing fund assets (pension liability) which were recognized at fair value. The fair value of fund assets is the actuarial asset value of the liability insurance, which corresponds to the historic acquisition costs.

For the measurement of **provisions for partial retirement** (“Altersteilzeit”), increases are treated as “payments with compensation character” according to the rules outlined in the latest applicable version of IDW RS HFA 3. The discount rate for provisions for part-time early retirement credits is 0.48 (0.60) % and 1.34 (1.54) % for anniversary claims. The salary trend corresponds to that of the provisions for pensions and similar obligations.

Other provisions are recognized for **contingent liabilities** and **imminent losses** from pending business transactions. Provisions are also recognized for maintenance expenses that have been put off and are made up for within three months of the following financial year. Other provisions are measured in the amount of the settlement value required according to reasonable commercial assessment that also includes price and cost increases. Provisions with a remaining term of more than one year are discounted corresponding to their remaining term with the relevant average market interest rate.

Liabilities

All liabilities are reported using their settlement value.

Deferred tax

Deferred tax is measured for temporary differences between legal commercial and tax valuations of assets, liabilities and accrued and deferred items. Interest carry forwards and tax loss carry forwards are also considered in addition to temporary accounting differences.

Deferred tax is calculated on the basis of the combined income tax rate of 29.1 percent currently applicable for the Südzucker AG tax group. The combined income tax rate comprises the German corporate income tax (Körperschaftsteuer), the trade tax on income (Gewerbesteuer) and the solidarity tax (Solidaritätszuschlag).

If applicable, a resulting tax burden is recognized in the balance sheet as a deferred tax liability. If deferred tax assets are greater than deferred tax liabilities the option of not recognizing any deferred tax assets is exercised. In the financial year under review deferred tax assets were greater and thus not recognized. Tax loss carryforwards and interest carryforwards are not taken into account.

Research and development expenses

The option of capitalizing development expenses is not exercised.

Research expenses are recognized directly in the income statement as expenses that cannot be capitalized.

Creation of valuation units for hedging instruments

Accounting for valuation units is based on the principle that comparable risks from a hedged item are offset economically by opposite changes in value or cash flows from a hedge. Unrealized gains and losses are therefore not considered in the scope and for the period in which opposite changes or cash flows from a hedged item and hedge offset each other.

Hedging instruments are considered a valuation unit with the hedged item if the requirement for the creation of valuation units is met. When disclosing the market values the amount is applied which would flow to or from Südzucker AG assuming the hedge were reversed at the balance sheet date. As hedge transactions only comprise normal market tradable financial instruments, the market value is derived from quoted prices on exchanges without offsetting any possible value changes relating to the underlying transaction being hedged.

Net unrealized losses are recognized as an expense provision for valuation units if changes in the value of the hedged item and hedging instrument relating to the hedged risk result from offsetting. As a general rule, the effective portions of the valuation units are accounted for using the net hedge presentation method. The gross hedge presentation method is used for hedging of commercial transactions.

Notes to the balance sheet

(1) Fixed assets

Intangible assets

(€ '000)	Acquired concessions, industrial property rights, licences	Intangible assets
Acquisition or production cost		
As of 1 March 2021	71,003	71,003
Addition	1,228	1,228
Disposal	-4,321	-4,321
Transfer	44	44
As of 28 February 2022	67,954	67,954
Accumulated depreciation		
As of 1 March 2021	59,829	59,829
Annual depreciation	4,908	4,908
<i>thereof extraordinary</i>	<i>0</i>	<i>0</i>
Disposal	-4,301	-4,301
As of 28 February 2022	60,436	60,436
Net book value		
28 February 2021	11,174	11,174
28 February 2022	7,518	7,518

Property, plant and equipment

(€ '000)	Land and build- dings	Technical equipment and machinery	Other plant, fac- tory and office equipment	Advances paid and construction in progress	Property, plant and equipment
Acquisition or production cost					
As of 1 March 2021	488,737	1,404,798	129,948	11,536	2,035,019
Addition	3,481	22,390	6,141	10,681	42,693
Disposal	-18,529	-58,546	-19,936	0	-97,011
Transfer	1,770	7,840	155	-9,809	-44
As of 28 February 2022	475,459	1,376,482	116,308	12,408	1,980,657
Accumulated depreciation					
As of 1 March 2021	280,706	1,171,966	105,256	0	1,557,928
Annual depreciation	9,624	44,299	7,870	0	61,793
<i>thereof extraordinary</i>	0	0	0	0	0
Disposal	-17,235	-57,848	-19,546	0	-94,629
Transfer	472	-443	-29	0	0
As of 28 February 2022	273,567	1,157,974	93,551	0	1,525,092
Net book value					
28 February 2021	208,031	232,832	24,692	11,536	477,091
28 February 2022	201,892	218,508	22,757	12,408	455,565

Financial assets

(€ '000)	Shares in affilia- ted companies	Participations	Other loans	Financial assets
Acquisition or production cost				
As of 1 March 2021	2,764,388	14	37	2,764,439
Disposal	-180	0	-27	-207
As of 28 February 2022	2,764,208	14	10	2,764,232
Accumulated depreciation				
Net book value				
28 February 2021	2,764,388	14	37	2,764,439
28 February 2022	2,764,208	14	10	2,764,232

(2) Inventories

(€ '000)	28 February 2022	28 February 2021
Raw materials and supplies	34,374	35,000
Work in progress	148,743	107,022
Finished goods, merchandise	355,270	317,198
Advance payments for inventories	26,191	78,897
	564,578	538,117

The increase in **finished goods and merchandise** as at 28 February 2022 is due to a higher valuation of sugar inventories compared to the previous year, with an increase in inventories in terms of volume as a result of increased production. In contrast to previous years, the cost of goods sold also includes appropriate portions of the costs of general administration as well as appropriate expenses for the company's social facilities, for voluntary social benefits and for the company pension scheme, to the extent that these are attributable to the period of manufacture. The value of finished goods and merchandise on 28 February 2021 would have been € 65,506 thousand higher and would have amounted to € 382,704 thousand if the valuation had been the same as in the current year.

Some finished goods had to be written down to reflect lower expected sales revenues.

The **prepayments** as of 28 February 2022 relate to the 2020/22 raw material hedging premium that was paid in June 2021 for the finalization of the sugar beet supply contracts for the 2022 campaign. Last year, they related to the 2020/21 raw material hedging premium, which was paid to finalize the sugar beet 2021 campaign supply contracts and is now included in the valuation of sugar inventories as of 28 February 2022.

(3) Receivables and other assets

(€ '000)	28 February 2022	28 February 2021
Trade receivables	158,584	126,643
Receivables owed by affiliated companies	282,842	231,188
<i>thereof with remaining term of more than 1 year</i>	0	0
Receivables owed by companies in which participations are held	575	1,985
Other assets	62,525	52,888
	504,526	412,704

Individual impairments of €'000 1,839 (1,328) have been made for **trade receivables** totalling €'000 158,584 (126,643).

Receivables from affiliated companies comprise financial receivables from group loans in the amount of €'000 0 (11,409), trade receivables of €'000 72,047 (48,163) and other receivables in the amount of €'000 210,795 (171,616), which relate to short-term group financing of subsidiaries (Cash-Pool) of subsidiaries.

Receivables from companies in which Südzucker holds an equity investment are trade accounts receivable.

Other assets totalling €'000 62,525 (52,888) at the effective date included receivables from VAT receivables and energy tax and insurance reimbursement claims. Positive market values and securities related to sugar and wheat derivatives amounting to € 9,289 (8,512) thousand resulted from the centralized export activity and the securing of raw materials for the starch factory in Zeitz. CO₂ certificates amounting to € 17,160 (21,309) thousand acquired during the reporting year are also included.

(4) Securities

(€ '000)	28 February 2022	28 February 2021
Shares in affiliated companies	13,232	14,080
Other securities	94,983	100,247
	108,215	114,327

Shares in affiliated companies include the shares of AGRANA Beteiligungs-AG, Wien, Austria.

(5) Accrued and deferred items

This item primarily includes accrued interest expense.

(6) Shareholders' equity

Changes in equity	1 March 2021	Divided for 2021 / 22	Net earnings for the year	Own Shares	28 February 2022
(€ '000)					
Subscribed capital	204,183				204,183
Less fair value of own shares	0			-24	-24
Outstanding subscribed capital	204,183			-24	204,159
Capital reserve	1,620,579				1,620,579
Revenue reserves	90,378			-291	90,087
Net earnings available for distribution	41,390	40,837	89,143		89,696
	1,956,530	40,837	89,143	-315	2,004,521

As of 28 February 2022, the **subscribed capital** is valued at € 204,183,292 and consists of 204,183,292 bearer shares; this exclusively concerns no-par value ordinary shares, each of which represents a notional holding of € 1 per share. The company held 24,391 treasury shares on the balance sheet date, bringing the outstanding subscribed capital to € 204,158,901.

The 24,391 treasury shares (0.01% of the subscribed capital) were acquired by the company in January 2022 to service the share-based Executive Board remuneration system. The acquisition costs of € 315 thousand attributable to these shares were deducted from the subscribed capital in the amount of € 24,391 and offset against the revenue reserves in the amount exceeding this amount.

Subject to approval by the supervisory board, the executive board is authorized to increase the company's share capital once or several times up until 17 July 2024 by up to € 20,000,000 by issuing new no-par value bearer shares in exchange for cash contributions and/or contributions in kind, for the entire amount or in tranches (Authorized Capital 2019). Subject to approval by the supervisory board and according to article 4, paragraph 4 of the articles of incorporation, the executive board may exclude subscription rights of shareholders in certain cases, provided the shares issued under exclusion of the subscription rights do not exceed 10 % of total share capital, neither at the time of the coming into force of this authorization, nor at the time of exercising same. Details are outlined in article 4, paragraph 4 of the articles of association. Authorized Capital 2019 has not been utilized to date.

Shareholders at the 18 July 2019 annual general meeting authorized the executive board to buy back up to 10 % of the company's total share capital existing at that time until 17 July 2024 in accordance with article 71, paragraph 1, item 8 of the German Stock Corporation Act (AktG). The shares may be acquired on the open stock market or via a public offer to purchase to all shareholders. The costs of buying back own shares may be charged against net retained earnings or other revenue reserves. The executive board was also authorized, subject to approval by the supervisory board, to sell the shares bought back to third parties and to exclude shareholder subscription rights in the case of corporate mergers or when purchasing companies or parts of companies or shares of companies. Details are

provided in the authorization approved at the annual general meeting on 18 July 2019. The above authorisation to acquire treasury shares was exercised to the extent described.

The **revenue reserves** comprise other retained earnings pursuant to section 266 para. 3 A III No. 4 of the German Stock Corporation Act (AktG).

As at 28 February 2022, the freely available reserves plus profit carried forward exceed the total amount of the amounts subject to a distribution restriction. Thus there is no distribution restriction in relation to the net earnings of the financial year.

(7) Special untaxed reserves

Special untaxed reserves included only impairment losses for tax purposes.

(8) Provisions for pensions and similar obligations

Current obligations for pensions and benefits are reported under provisions for pensions and similar obligations. The amount required to fund provisions for pensions and similar obligations in the amount of €'000 765,418 (656,584) is offset against the pension fund assets (funding sources) in the amount of €'000 1,783 (2,012). The fair value of fund assets is the actuarial asset value of insurance policies, which corresponds to the historic acquisition costs.

The difference between the recognized provisions in accordance with the corresponding average market interest rate derived from the previous ten financial years and the recognized provisions in accordance with the corresponding average market interest rate from the previous seven financial years pursuant to section 253 (6) HGB is €'000 67,711. This amount is subject to a distribution block.

(9) Other provisions

(€ '000)	28 February 2022	28 February 2021
Tax provisions	21,094	19,321
Provisions for litigation risks and risk precautions	141,893	140,060
Other provisions	100,485	104,249
	263,472	263,630

The **tax provisions** cover risks from possible tax payments for previous years.

The **provisions for litigation risks and risk precautions** are for lawsuits related to market regulation procedures, operational contract procedures and antitrust risks, including fines and damage claims.

Other provisions mainly comprised obligations for personnel expenses (profit sharing, vacation, flex-time and severance claims) and expenses for exporting beet soil and recultivation of sludge ponds and/or earth-moving operations for soil cultivation and improvement, negative market values of derivatives not included in valuation units in the amount of €'000 999 (0) (nominal volume €'000 26,244 (0)) and risk provisions.

Provisions were also recognized for maintenance expenses that were put off in the financial year under review and will be made up for within three months of the following financial year.

The provision for part-time early retirement was recognized for such agreements already concluded prior to and those already committed as of the balance sheet date. It includes top-up contributions and accumulated settlement amounts accrued up to the balance sheet date.

(10) Liabilities

(€ '000)	28 February 2022			28 February 2021		
	Total	< 1 year	> 1 year	Total	< 1 year	> 1 year
Bonds and debt securities	150,034	150,034	0	330,098	330,098	0
Liabilities to banks	144,163	94,738	49,425	105,685	29,022	76,663
Trade payables	227,225	227,225	0	174,329	174,329	0
Liabilities to affiliated companies	785,046	250,539	534,507	756,467	281,697	474,770
<i>thereof trade payables</i>	<i>23,686</i>	<i>23,686</i>	<i>0</i>	<i>23,519</i>	<i>23,519</i>	<i>0</i>
Liabilities to companies with which there is a participating interest	0	0	0	74	74	0
Other liabilities	64,565	64,565	0	63,536	63,536	0
<i>thereof for taxes</i>	<i>5,282</i>	<i>5,282</i>	<i>0</i>	<i>4,605</i>	<i>4,605</i>	<i>0</i>
<i>thereof for social security</i>	<i>7,170</i>	<i>7,170</i>	<i>0</i>	<i>7,831</i>	<i>7,831</i>	<i>0</i>
	1,371,033	787,101	583,932	1,430,189	878,756	551,433

Liabilities to banks amount to €'000 144,163 (105,685). The increase is mainly attributable to short-term financing requirements. Of the liabilities to banks with a remaining term of more than one year, €'000 0 (725) had a term to maturity of over five years.

Obligations to beet growers of €'000 130,266 (102,952) are reported under **trade payables**.

To measure the liabilities, we used the minimum beet price for the 2020/21 campaign.

Liabilities to affiliated companies totalling €'000 785,046 (756,467) primarily concern borrowing from bonds issued through Südzucker International Finance B.V., Oud-Beijerland/Netherlands, CropEnergies AG, Mannheim, and through Raffinerie Tirlemontoise S.A. Tienen/Belgium.

Other liabilities primarily include liabilities to insurance institutions, tax liabilities and liabilities from payroll accounting.

All liabilities are unsecured.

(11) Contingent liabilities, other financial commitments and derivative financial instruments

Of the future liabilities from lease agreements € 12.5 (14.8) million is due within one year, € 22.0 (24.4) million in more than one year – with € 4.0 (4.2) million due in more than five years; € 0.1 (0.1) million relates to affiliated companies and is due within one year. Leasing is mainly used for warehousing, logistics and agricultural land. There is no evidence of material risks from the leases. Other financial commitments from open orders totaled € 22.9 (17.9) million as of the balance sheet date.

For bonds issued by Südzucker Finance B.V. in favor of the creditors, Südzucker AG issued guarantees totaling € 800.0 million (€ 800.0 million) and, in the case of the subordinate hybrid bond, a subordinated guarantee totaling € 700.0 million (€ 700.0 million). A further guarantee was issued in favor of the creditors of BENE Orafti Chile S.A. for a maximum credit line of USD 50.0 (10.0) million and in favor of the creditors of S.Z.I.L. LDT for a maximum credit line of ILS 10 (10) million (approximately € 2.5 million). Due to the financial situation of the companies, utilization of the guarantees issued is not currently anticipated.

Besides the other financial commitments and contingent liabilities presented, there are no off-balance-sheet transactions that would be of importance for the financial position of the company.

Price guarantees were concluded for sugar sales contracts in the volume of tonnes 381,157 (224,109) with world market price-based price determination using sugar futures contracts and forex forwards. The hedged item (sugar sales contracts finalized or expected to be with a high degree of probability) and the hedging instruments (sugar futures and forex forwards) are considered a single valuation unit (micro hedge) because the requirements for the creation of valuation units are met. Accordingly, no provision is recognized in the case of a negative market value for the hedging instruments (net hedge presentation method). On 28 February 2022, there were open sugar futures contracts to hedge sugar sales with world market price based price adjustments. The positive market value amounts to € +4.2 (+0.6) million; the negative market value is € -7.9 (-4.8) million. Positive and negative market values of € +1.4 (+0.5) and € -7.8 (-0.3) million, respectively, exist for the associated forex forwards. Acquired sugar options with a volume of 27,537 (30,031) tonnes had market values of € -0.2 (+0.4) million as of 28 February 2022.

Hedging transactions (swaps) were concluded for 954,932 (0) MWh in the financial year to hedge the gas purchase prices. On 28 February 2022, there were positive and negative market values of € +20.8 (0.0) bzw. -0.1 (0.0) Mio. € million respectively. Here, the future gas purchase as the underlying transaction is considered together with the hedging instruments as a valuation unit (micro hedge), as the requirements for the formation of valuation units are fulfilled. Accordingly, in the event of a negative market value of the hedging instruments, no provision is formed (freezing method).

Südzucker uses longer-term supply contracts and derivative hedging instruments (wheat futures) to hedge raw material prices for the wheat starch plant in Zeitz. Considered here are the future demand for raw materials or the corresponding framework contracts as the hedged item together with the hedging instruments as the valuation unit (micro hedge) because the requirements for the creation of valuation units are met. Accordingly, no provision is recognized in the case of a negative market value for the hedging instruments (Einfrierungsmethode). As at 28 February 2022, open wheat futures in the volume of tonnes 135,000 (28,000) were concluded for deliveries in the 2021/22 financial year and the market value totaled € +5.3 (+0.5) million.

The compliance of these parameters is reviewed prospectively, and the effectiveness of the hedge is assessed regularly as part of the risk management system. The effectiveness test determined that the significant value-determining parameters (critical terms) such as nominal amounts, currency, beginning, maturity, etc. of the hedged item and hedge are compliant in each case, which is why it can be assumed that the opposite cash flows will completely offset each other in the future.

Notes to the income statement

(12) Sales

(€ '000)	2021/22	2020/21
Classification according to activities		
Own production	1,067,814	864,124
<i>thereof sugar</i>	861,123	691,028
<i>thereof other revenue</i>	206,691	173,096
Revenues from services	139,820	135,448
Merchandise revenue	175,843	181,699
<i>thereof sugar</i>	91,535	105,103
<i>thereof by products</i>	44,903	45,878
	1,383,477	1,181,271
Classification according to geographical markets		
Germany	845,725	777,947
EU	437,687	330,446
United Kingdom	24,166	2,432
Others	75,899	70,446
	1,383,477	1,181,271

(13) Change in work in progress and finished goods inventories and internal costs capitalized

(€ '000)	2021/22	2020/21
Change in finished goods and work in progress	82,591	64,707
Internal costs capitalized	2,990	3,226
	85,581	67,933

(14) Other operating income

Other operating income includes income from prior periods totalling €'000 12,318 (12,615). These are mainly the result of repayment of production levies from previous years totaling €'000 11.708 (0), accounting profits and the reversal of provisions. Also included is income from currency translation totalling €'000 3,064 (307).

Other operating income included income from the release of special untaxed reserves in the amount of €'000 210 (175) and income from insurance settlements for damage claims.

(15) Cost of materials

(€ '000)	2021/22	2020/21
Cost of raw materials and consumables and merchandise	865,510	746,172
Cost of purchased services	136,537	137,935
	1,002,047	884,107

(16) Personnel expenses

(€ '000)	2021/22	2020/21
Wages and salaries	159,212	157,987
Social contributions and expenses for retirement and other benefits	152,734	55,996
<i>thereof retirement benefits</i>	<i>123,311</i>	<i>25,602</i>
– Service cost	<i>71,855</i>	<i>16,589</i>
– Parameter adjustments, among others	<i>51,456</i>	<i>9,013</i>
	311,946	213,983

Average number of employees during the year

Industrial employees	1,167	1,220
Salaried employees	1,056	1,106
Apprentices	170	186
	2,393	2,512

Expenses for wages and salaries and the average number of employees for the year decreased as a result of the plant closures in Brottewitz and Warburg. Expenses for severance payments totaled €'000 0 (4,389).

(17) Other operating expenses

Other operating expenses include expenses from prior periods from losses from the disposal of fixed assets totalling €'000 890 (1,235). Also included are expenses from currency translation totalling €'000 494 (2,395).

(18) Investment income/expense

(€ '000)	2021/22	2020/21
Income from profit transfer agreements	142,071	79,019
Income from investments	75,346	90,038
<i>thereof from affiliated companies</i>	75,346	90,036
<i>thereof from other investments</i>	0	2
Expenses from transfer of losses	-2	-220,140
	217,415	-51,083

Expenses from loss transfers in prior year consist mainly of write-downs of Südzucker Holding GmbH's investments in ED&F Man Holdings Limited, London, United Kingdom, in the amount of € -203.1 million, and Saint Louis Sucre S.A.S., Paris/France, in the amount of € -93.9 million. The charges that had to be recognized for ED&F Man Holdings Limited were the result of the delay in implementing the strategic realignment, and at Saint Louis Sucre S.A.S., charges resulting from the losses of the last three fiscal years had to be taken into account. A € 50.0 million unappropriated profit contribution in the same period from a subsidiary partially offset the loss.

(19) Depreciation of financial assets and marketable securities

Write-down to the lower stock market price was necessary in the financial year.

(20) Interest income/expense

(€ '000)	2021/22	2020/21
Expenses / Income from other long-term financial investments and loans	3,969	207
Other interest and similar income	5,422	9,843
<i>thereof from affiliated companies</i>	1,709	1,905
Interest and similar expenses	-24,169	-29,012
<i>thereof from discounting</i>	-14,361	-16,817
<i>thereof from affiliated companies</i>	-6,325	-6,693
	-14,778	-18,962

Expenses from the unwinding of the discount for long-term obligations totaling € 14,361 (16,817) thousand are recognized in the interest result in the year under review. This is primarily attributable to the unwinding of the discount for provisions for pensions and similar obligations totaling € 14,077 (16,455) thousand and/or non-current provisions for personnel expenses and liabilities totaling € 284 (362) thousand, which are netted against income of € 274 (92) thousand from the fair value measurement of plan assets of € 1,783 (2,012) thousand.

(21) Taxes on income

Taxes on income and earnings include tax expenses and refunds from previous years.

Deferred tax is measured for temporary differences between legal commercial and tax valuations of assets and provisions and accruals.

A backlog of deferred tax assets results for the Südzucker AG consolidated tax group for the fiscal year. This is due primarily to temporary differences between legal commercial and tax valuations for pensions, part-time early retirement and anniversaries, as well as other provisions.

Südzucker AG does not exercise the option of recognizing the deferred tax asset backlog.

The deferred tax assets were determined on the basis of a combined income tax rate of 29.1 %, comprising corporate income tax, reunification tax and trade tax.

Other disclosures**(22) Research and development expenses**

Research and development expenses totalled €'000 25,580 (23,394) and were completely recognized in the income statement.

(23) Total compensation of the executive board and supervisory board and former executive board and supervisory board members

Südzucker AG's total compensation of its executive board amounted to € 4.2 (2.6) million in fiscal 2021/22. The variable compensation amounts to 39 (23) % of the cash compensation; for executive board members Dr Niels Pörksen, Dr Thomas Kirchberg and Thomas Kölbl, who joined the executive board before 1 March 2021 and have not switched to the new compensation system, it is dependent on the dividend yet to be approved by the annual general meeting. For executive board member Ingrid-Helen Arnold, the new executive board compensation system approved by Südzucker AG's annual general meeting on 15 July 2021 applies, with a one-year performance-based variable compensation and a multi-year performance-based variable compensation, which is paid through the transfer of shares depending on the average return on capital employed (ROCE) achieved by Südzucker Group. To service the share-based executive board compensation system, Südzucker acquired 24,391 treasury shares based on a target achievement rate of 100% in January 2022. For Markus Mühleisen, the AGRANA compensation system adopted by the AGM of AGRANA Beteiligungs-AG on 3 July 2020 is relevant.

A total of € 34.6 million was accrued for pension obligations to former members of Südzucker AG's executive board and their surviving dependents, and a total of € 18.9 million was accrued for pension obligations to active members of Südzucker AG's executive board. Pension payments to former members of Südzucker AG's executive board and their dependents amounted to € 2.7 (€ 2.6) million.

Südzucker AG's executive board members receive a fixed monthly compensation, fringe benefits (company car, etc.) and, in the case of a defined contribution pension plan, a fixed annual contribution. In addition, the fixed compensation including fringe benefits may also include compensation from subsidiaries if the executive board members hold mandates in supervisory bodies. Depending on the structure of the Executive Board contracts, the variable performance-based remuneration is annual and/or multi-annual. This can be based on the dividend for the past financial year, an average of the dividend over several financial years and – within the framework of the new Executive Board remuneration system – a target agreement for EBITDA or an average ROCE over several financial years.

The new Executive Board remuneration system, which is currently applicable for one Executive Board member, is a share-based remuneration. For the three-year vesting period from 2021/22 to 2023/24, share-based Executive Board remuneration was offered depending on the average return on capital employed (ROCE) achieved; the corresponding offer is made annually for a further three-year period. For this purpose – with the exception of the current financial year with the introduction of the new system during the year – the corresponding number of shares is acquired at the beginning of the financial year in the amount of the share award in the case of a target achievement level of 100% and held until the actual target achievement is determined in the fourth year. Upon determination of target achievement, the acquired number of shares is to be adjusted, taking into account the dividends paid in the meantime and the existing remuneration limits, and transferred to the Executive Board. Over the vesting period, the number of shares vested pro rata temporis, taking into account the expected target achievement on the basis of the share price at the time of the commitment, is to be recognised in personnel expenses. The resulting personnel expenses recognised in the current financial year amount to € 0.2 million.

Total remuneration paid to Südzucker AG's supervisory board for all activities was € 1.6 million (€ 1.6 million) in the 2021/22 financial year.

The remuneration of the supervisory board is governed by article 12 of Südzucker AG's articles of association. Each member of the supervisory board of Südzucker AG receives a fixed basic remuneration. The remuneration of the chairman of the supervisory board is three times the basic remuneration and that of his deputy and other members of the executive committee is one and a half times the basic remuneration. For each committee membership, the basic remuneration increases by 25 %, for committee chairmen by 50 %; this assumes that the respective committee has met in the financial year and does not apply to membership of the Presiding Committee and the Mediation Committee. In addition, some Supervisory Board members receive remuneration for the performance of Group mandates. Variable remuneration is granted if the distributed dividend exceeds €0.50.

In addition, those representatives on the supervisory board who are also employees in the Südzucker Group receive the remuneration to which they are contractually entitled that is not related to their activities on the supervisory board.

The description of the remuneration systems for the executive board and supervisory board, including the resolutions on their approval by the annual general meeting on 15 July 2021, are made available on Südzucker's website.

The remuneration report for the 2021/22 financial year with individualised information on the remuneration of the executive board and supervisory board, including the auditor's report on the formal audit of the remuneration report, will be made available on Südzucker's website as part of the announcement of the invitation and all other information for the annual general meeting on 14 July 2022. Following the annual general meeting, the remuneration report for the 2021/22 financial year, including the resolution on its approval for a period of 10 years, will be made available on Südzucker's website.

(24) Disclosures pursuant to section 160 (1) No. 8 AktG

Südzucker AG knows of two direct equity investments in the company that exceed 10 %: SZVG owns 60.3 % of total share capital and Zucker Invest 10.3%. Raiffeisen-Holding and its associated companies hold a direct interest via Zucker Invest. The shareholdings are reciprocally attributed to the companies, so that each holds a share of about 70.6 % of total share capital, according to the German Securities Trading Act.

(25) Events after the balance sheet

On 24 February 2022, the Russian Federation launched a war of aggression against its sovereign neighbour Ukraine.

With the start of the war, a higher probability of possible negative effects on our future business performance has become concrete.

In the current situation, it is currently impossible to assess how the conflict will develop further and what economic and geopolitical effects it will subsequently have on the supply of agricultural raw materials and on sales markets, freight rates, raw material and energy prices, inflation and global gross domestic product development.

By the time the annual financial statements were prepared on 25 April 2022, there were no firm indications that there would be any further material financial effects beyond those shown.

(26) Consolidated financial statements

As the parent company of Südzucker Group, Südzucker AG has prepared consolidated financial statements as at 28 February 2022 according to the International Financial Reporting Standards (IFRS) as adopted by the EU. These are provided to the operator of the Federal Gazette (Bundesanzeiger) for publication.

(27) Shareholdings

Both equity and the annual results of German participations are disclosed uniformly according to the German Commercial Code (HGB). If a profit and loss transfer agreement exists with the relevant participation, the annual results are disclosed as zero. The list of shareholdings is found on pages 92 ff in these notes to the financial statements. Disclosures are presented in compliance with section 313 (2) and section 285 No. 11 HGB.

(28) Supervisory board and executive board**Supervisory board****Dr. Hans-Jörg Gebhard, Eppingen****Chairman**

Chairman of the executive board of the Association of Süddeutscher Zuckerrübenanbauer e. V.

Memberships in other domestic, statutory supervisory boards

- CropEnergies AG, Mannheim

Memberships in comparable German and foreign supervisory committees

- AGRANA Beteiligungs-AG, Wien, Austria (1. deputy Chairman)
- AGRANA Zucker, Stärke und Frucht Holding AG, Wien, Austria (2. deputy Chairman)
- Freiberger Holding GmbH, Berlin
- Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG, Stuttgart (Chairman)
- Vereinigte Hagelversicherung VVaG, Gießen

Franz-Josef Möllenberg*, Rellingen**1. deputy Chairman**

Former Chairman of the Food and Catering Union

Memberships in other domestic, statutory supervisory boards

- CropEnergies AG, Mannheim

Erwin Hameseder, Mühldorf, Austria**2. deputy Chairman**

Chairman of Raiffeisen-Holding Niederösterreich-Wien reg.Gen.m.b.H.

Memberships in comparable German and foreign supervisory committees

- Österreichische Nationalbank AG, Wien, Austria
- RWA Raiffeisen Ware Austria AG, Korneuburg, Austria
- RWA Raiffeisen Ware Austria Handel und Vermögensverwaltung eGen, Korneuburg, Austria

Group mandates

- AGRANA Beteiligungs-Aktiengesellschaft, Wien, Austria (Chairman)

mandatesGroup mandates in the Group of Raiffeisen-Holding Niederösterreich-Wien reg.Gen.m.b.H.

- KURIER Redaktionsgesellschaft m.b.H, Wien, Austria (Chairman)
- KURIER Zeitungsverlag und Druckerei Gesellschaft m.b.H, Wien, Austria (Chairman)
- Leipnik-Lundenburger Invest Beteiligungs-AG, Wien, Austria (Chairman)
- Mediaprint Zeitungs- und Zeitschriften GmbH & Co. KG, Wien, Austria (Chairman)
- Raiffeisen Bank International AG, Wien, Austria (Chairman)
- Raiffeisenlandesbank Niederösterreich-Wien AG, Wien, Austria (Chairman)
- STRABAG SE, Villach, Austria (deputy Chairman)

Fred Adjan*, Hamburg

Deputy Chairman of the Food and Catering Union

Helmut Friedl, Egling a. d. Paar

Chairman of the Association of Bayerische Zuckerrübenanbauer e. V.

Memberships in comparable German and foreign supervisory committees

- AGRANA Beteiligungs-AG, Wien, Austria
- AGRANA Zucker, Stärke und Frucht Holding AG, Wien, Austria
- BMG Donau-Lech eG, Mering

* *Employee representatives*

Ulrich Gruber, Plattling

Deputy Chairman of the supervisory board
chairman of the general works council of
Südzucker AG

Veronika Haslinger, Wien, Austria

Managing director of Raiffeisen-Holding Nieder-
österreich-Wien reg.Gen.m.b.H.

*Memberships in comparable German and foreign
supervisory committees*

- Süddeutsche Zuckerrübenverwertungs-
Genossenschaft eG, Stuttgart

*Group mandates in the Group of Raiffeisen-
Holding Niederösterreich-Wien reg.Gen.m.b.H.*

- KURIER Beteiligungs-Aktiengesellschaft, Wien,
Austria (Chairman)
- Mediaprint Zeitungs- und Zeitschriftenverlag
Gesellschaft m.b.H., Wien, Austria
- NÖM AG, Baden, Austria
- Österreichische Rundfunksender GmbH, Wien,
Austria
- Raiffeisen Informatik Geschäftsführungs-
GmbH, Wien, Austria

Georg Koch, Wabern

Chairman of the board of the Association of
Zuckerrübenanbauer Kassel e.V. and deputy
Chairman of the board of the Association of
Zückerrübenverwertungs-Genossenschaft eG

Susanne Kunschert, Stuttgart

Managing director of Pilz GmbH & Co. KG

*Memberships in comparable German and foreign
supervisory committees*

- Karlsruher Institut für Technologie, Karlsruhe
- Süddeutsche Zuckerrübenverwertungs-
Genossenschaft eG, Stuttgart

Ulrike Maiweg*, Bellheim

Deputy Chairman of the works council of the
Mannheim head office of Südzucker AG

Walter Manz, Dexheim

Chairman of the board of the Association of
Hessisch-Pfälzischen Zuckerrübenanbauer e.V.

Julia Merkel, Wiesbaden

Boardmember of the R+V Versicherung AG

*Memberships in comparable German and foreign
supervisory committees*

- Süddeutsche Zuckerrübenverwertungs-
Genossenschaft eG, Stuttgart

*Group mandates in the Group of R+V
Versicherung AG*

- KRAVAG-ALLGEMEINE Versicherungs-AG,
Hamburg
- KRAVAG-SACH Versicherung des Deutschen
Kraftverkehrs VaG, Hamburg
- R+V Pensionskasse AG, Wiesbaden

Sabine Möller*, Hamburg

Divisional officer of the Food and Catering Union

Angela Nguyen*, Gerwisch

Deputy Chairman of the central works council of
the Freiburger Lebensmittel GmbH & Co.
Produktions- und Vertriebs KG

Joachim Rukwied, Eberstadt

Chairman of the German Farmers Association

*Memberships in other domestic, statutory super-
visory boards*

- BAYWA AG, München
- R+V Versicherung AG, Wiesbaden

*Memberships in comparable German and foreign
supervisory committees*

- Buchstelle Landesbauernverband Baden-
Württemberg GmbH, Stuttgart (Chairman)
- Kreditanstalt für Wiederaufbau, Frankfurt am
Main
- LAND-DATA GmbH, Visselhövede (Chairman)
- Landwirtschaftliche Rentenbank, Frankfurt am
Main (Chairman)
- LBV-Unternehmensberatungsdienste GmbH,
Stuttgart (Chairman)
- Messe Berlin GmbH, Berlin

* *Employee representatives*

Frank Sachse*, Zeitz

Chairman of the works council at the Zeitz factory of Südzucker AG

Nadine Seidemann*, Donauwörth

Deputy Chairman of the works council at the Rain factory of Südzucker AG

Dr. Stefan Streng, Uffenheim

Chairmen of the board of the Association of Süddeutsche Zuckerrübenbauer e.V.

Memberships in comparable German and foreign supervisory committees

- Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG, Stuttgart (since 15 December 2021) (Chairman)

Wolfgang Vogl*, Bernried

Manager of the Plattling and Rain factories of Südzucker AG

Memberships in comparable German and foreign supervisory committees

- BGD Bodengesundheitsdienst GmbH, Mannheim

Rolf Wiederhold*, Wabern

Chairman of the general works council of Südzucker AG

* *Employee representatives*

Executive board**Dr. Niels Pörksen (Chairman), Limburgerhof**

(Appointed until 28 February 2023)

Memberships in comparable German and foreign supervisory committees

- AGCO, Duluth/USA (since 21 October 2021)

Group mandates

- AGRANA Zucker, Stärke und Frucht Holding AG, Wien, Austria (Chairman)
- ED&F Man Holdings Limited, London, United Kingdom
- Freiberger Holding GmbH, Berlin
- PortionPack Europe Holding B. V., Oud-Beijerland, Netherlands (Chairman) (until 10 October 2021)

Ingrid-Helen Arnold, Walldorf (since 1 May 2021)

(Appointed until 30 April 2024)

Memberships in other domestic, statutory supervisory boards

- TUI AG, Hannover

Memberships in comparable German and foreign supervisory committees

- Heineken N.V., Amsterdam/Netherlands

Group mandates

- AGRANA Beteiligungs-Aktiengesellschaft, Wien, Austria
- AGRANA Stärke GmbH, Wien, Austria
- AGRANA Zucker GmbH, Wien, Austria

Dr. Thomas Kirchberg, Würzburg

(Appointed until 31 August 2022)

Memberships in other domestic, statutory supervisory boards

- Ekosem-Agrar AG, Walldorf

Group mandates

- AGRANA Beteiligungs-Aktiengesellschaft, Wien, Austria
- CropEnergies AG, Mannheim (deputy Chairman since 25 June 2021)

- Freiberger Holding GmbH, Berlin, (Chairman)
- Südzucker Moldova S.R.L., Chişinău, Moldova
- Südzucker Versicherungs-Vermittlungs-GmbH, Mannheim

Memberships in comparable German and foreign supervisory committees

- Forum Moderne Landwirtschaft e.V.

Thomas Kölbl, Speyer

(Appointed until 31 May 2024)

Memberships in other domestic, statutory supervisory boards

- K+S Aktiengesellschaft, Kassel

Group mandates

- AGRANA Stärke GmbH, Wien, Austria (until 31 May 2021)
- AGRANA Zucker GmbH, Wien, Austria (until 31 May 2021)
- CropEnergies AG, Mannheim (deputy Chairman until 25 June 2021)
- Freiberger Holding GmbH, Berlin
- PortionPack Europe Holding B. V., Oud-Beijerland, Netherlands (until 10 October 2021)
- Südzucker Versicherungs-Vermittlungs-GmbH, Mannheim (Chairman)

Dipl. Ing. Johann Marihart, Limberg, Austria

(until 31 May 2021)

Group mandates

- AGRANA Research & Innovation Center GmbH, Wien, Austria (Chairman)
- AGRANA Stärke GmbH, Wien, Austria (Chairman)
- AGRANA Zucker GmbH, Wien, Austria
- AUSTRIA JUICE GmbH, Allhartsberg, Austria
- Freiberger Holding GmbH, Berlin
- Österreichische Rübensamenzucht Gesellschaft m.b.H., Wien, Austria (Chairman)

Markus Mühleisen, Austria (since 1 June 2021)
(Appointed until 31 May 2024)

Memberships in comparable German and foreign supervisory committees

- OfficePod Ltd, Weston, United Kingdom

Group mandates

- AGRANA Research & Innovation Center GmbH, Wien, Austria (Chairman)
- AGRANA Stärke GmbH, Wien, Austria (Chairman)
- AUSTRIA JUICE GmbH, Allhartsberg, Austria
- Österreichische Rübensamenzucht Gesellschaft m.b.H., Wien, Austria (Chairman)

(29) Fees for services by the company's external auditors

The following expenses were incurred in the 2021/22 financial year for services provided by PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft:

(€ '000)	2021/22	2020/21
Auditing services	484	442
Other assurance services	69	63
Other services	12	0
	565	505

The auditing services include expenses relate to auditing the consolidated financial statements and Südzucker AG's legally prescribed year-end closing. The fees for other confirmation services essentially include various other certification services outside of the annual audit. The fees for other services mainly include expenses for technical support for third-party enquiries. The fees are shown in the table above.

In addition, audit services were provided for Südzucker AG's subsidiaries, in particular for the audit of the annual and (sub-)consolidated financial statements of the German subsidiaries. The fees for other certification services mainly comprise various other certification services outside the audit of the annual financial statements for the subsidiaries. Tax advisory services mainly comprise issues relating to employee secondments abroad. Fees for other services for subsidiaries include technical consulting in the area of IT.

(30) Declaration of compliance per note 161 AktG

The executive board and supervisory board issued the declaration of compliance relating to the German Corporate Governance Code in accordance with note 161 of the German Stock Corporation Act (AktG) on 11 November 2021. It is available on the Internet via our website at:
www.suedzucker.de/en/Investor-Relations/Corporate-Governance/.

(31) Proposed appropriation of earnings

Net earnings available for distribution of Südzucker AG amount to €'000 89,696 (41,390). It will be proposed to the annual general meeting that a dividend of € 0.40 (0.20) per share be distributed and be appropriated as follows:

(in €)	2021/22
Subscribed capital	204,183,292.00
Less fair value of own shares	24,391.00
Outstanding subscribed capital	204,158,901.00
Distribution of a dividend of € 0.40 per share on 204,158,901 shares	81,663,560.40
Profit carried forward	8,032,459.62
Net earnings available for distribution	89,696,020.02

In the above proposal for the appropriation of profits, the issued shares of 204,183,292 have already been reduced by 24,391 treasury shares. To the extent that further treasury shares are available on the day of the Annual General Meeting, the proposed resolution will be modified to the effect that, in the event of a distribution of € 0.40 per no-par value share entitled to dividend, the correspondingly higher remaining amount will be carried forward to new account.

The Annual General Meeting is to be held in virtual form on 14 July 2022; the dividend will be paid on 19 July 2022.

List of shareholdings

	Shortcut	Location	Country	Direct Shareholder	%	Equity € million	Earnings after tax € million
I. Affiliated companies							
Sugar segment							
Division sugar (Südzucker)							
Südzucker and sales companies							
Südzucker AG	SZAG	Mannheim	Germany				
Südzucker Hellas E.P.E.		Agios Dimitrios	Greece	SZH	99.94	1.9	0.31
				SZV	0.06		
Südzucker Ibérica, S.L.U.		Barcelona	Spain	SZH	100.00	1.3	0.41
Südzucker United Kingdom Limited		Edinburgh	United Kingdom	SZH	100.00	1.0	0.58
S.Z.I.L. LTD		Kfar Saba	Israel	SZH	100.00	0.9	0.15
Sugar Belgium							
Raffinerie Tirlémontoise S.A.	RT	Tienen	Belgium	SZH	99.41	755.7	14.96
Rafti B.V.		Wijchen	Netherlands	TSNH	100.00	11.0	1.60
Tiense Suikerraffinaderij Nederland Holding B.V.	TSNH	Wijchen	Netherlands	RT	100.00	2.3	0.00
Tiense Suikerraffinaderij Services g.c.v.		Tienen	Belgium	RT	100.00	22.9	-0.05
Sugar France							
Saint Louis Sucre S.A.S.		Paris	France	SZH	100.00	25.5	-8.46
Sugar Poland							
Südzucker Polska S.A.	SZPL	Wrocław	Poland	SZH	100.00	303.9	18.04
"POLTERRA" Sp. z o.o.		Wrocław	Poland	SZPL	100.00	0.8	0.01
Przedsiębiorstwo Rolne "KLOS" Sp. z o.o.		Wrocław	Poland	SZPLN	100.00	0.4	0.03
Südzucker Polska Nieruchomosci Sp. z o.o.	SZPLN	Wrocław	Poland	SZPL	100.00	-1.6	-0.23
Sugar Moldova							
Südzucker Moldova S.R.L.	SZM	Chişinău	Moldova	SZH	99.97	41.3	2.60
Agro Credit S.R.L.		Drochia	Moldova	SZH	100.00	0.3	0.01
Agro-SZM S.R.L.		Drochia	Moldova	SZM	100.00	13.2	4.82
Division sugar (AGRANA)							
Agrana Sugar Sales							
AGRANA Sales & Marketing GmbH	ASM	Wien	Austria	AB	100.00	55.3	-52.70
Sugar Austria							
AGRANA Zucker GmbH	AZ	Wien	Austria	AB	98.91	152.1	8.29
				ASM	1.09		
Österreichische Rübensamenzucht Gesellschaft m.b.H.		Wien	Austria	ASM	86.00	2.5	0.27
Sugar Romania							
AGRANA AGRO S.r.l.		Roman	Romania	AR	99.00	-0.1	-0.02
				AZ	1.00		
AGRANA Romania S.R.L.	AR	Bukarest	Romania	ASM	100.00	13.0	4.32
Sugar Slovakia							
Slovenské Cukrovary s.r.o.		Sereď	Slovakia	ASM	100.00	22.8	2.24
Sugar Czech Republic							
Moravskoslezské Cukrovary s.r.o.		Hrušovany	Czech Republic	ASM	100.00	32.2	3.22
Sugar Hungary							
AGRANA Magyarország Értékesítési Kft.	AME	Budapest	Hungary	MCeF	96.67	1.9	-0.35
				AZ	3.33		

* Profit and loss transfer agreement

** Profit and loss transfer agreement/Exemption pursuant § 264 Abs. 3 HGB at the level of CropEnergies AG

1) Exemption pursuant § 264 (3) HGB

2) Voting majority

3) Disclosures for Subgroup / Group consolidated financial statements

4) Disclosures for the last applicable financial closing

	Shortcut	Location	Country	Direct Shareholder	%	Equity € million	Earnings after tax € million
Biogáz Fejlesztő Kft.		Kaposvár	Hungary	AME	100.00	1.8	0.09
Koronás Irodaház Szolgáltató Korlátolt Felelős-ségű Társaság		Budapest	Hungary	MCeF	100.00	1.9	0.72
Magyar Cukorgyártó és Forgalmazó Zrt.	MCeF	Budapest	Hungary	ASM	87.61	67.6	4.03
Sugar Bulgaria							
AGRANA Trading EOOD		Sofia	Bulgaria	ASM	100.00	1.3	0.46
Sugar Bosnia							
AGRANA BIH Holding GmbH	ABIH	Wien	Austria	ASM	75.00	11.2	-0.01
				SZH	25.00		
AGRANA Holding/other							
AGRANA Beteiligungs-Aktiengesellschaft	AB	Wien	Austria	AZS	78.34	741.3	45.09
				SZAG	2.74		
AGRANA Group-Services GmbH		Wien	Austria	AB	100.00	7.0	1.99
AGRANA Research & Innovation Center GmbH		Wien	Austria	AB	100.00	6.5	1.29
INSTANTINA Nahrungsmittel Entwicklungs- und Produktionsgesellschaft m.b.H.		Wien	Austria	AB	66.67	8.1	0.36
Division agriculture							
Loberaue Agrar GmbH	LOB	Rackwitz	Germany	SZAG	100.00	24.6	2.82
Rackwitzer Biogas GmbH		Rackwitz	Germany	LOB	100.00	0.0	0.00
Terra Sömmerda GmbH		Sömmerda	Germany	SZVW	100.00	10.2	1.41
Wolteritzer Agrar GmbH		Rackwitz	Germany	LOB	100.00	0.2	0.00
Zschortauer Agrar GmbH		Rackwitz	Germany	LOB	100.00	0.0	0.00
Zschortauer Futtermittel GmbH		Rackwitz	Germany	LOB	74.00	5.5	0.41
Sugar other							
AHG Agrar-Holding GmbH		Mannheim	Germany	SZAG	100.00	0.0	* 1)
AGRANA Zucker, Stärke und Frucht Holding AG	AZS	Wien	Austria	SZAG	50.00	523.1	41.56 2)
AIH Agrar-Industrie-Holding GmbH		Mannheim	Germany	SZAG	100.00	0.2	0.00
BGD Bodengesundheitsdienst GmbH		Mannheim	Germany	SZAG	100.00	0.0	* 1)
Südzucker Holding GmbH	SZH	Mannheim	Germany	SZAG	100.00	715.8	* 1)
Südzucker International Finance B.V.		Oud-Beijerland	Netherlands	SZAG	100.00	18.7	1.11
Südzucker Versicherungs-Vermittlungs-GmbH		Mannheim	Germany	SZAG	51.00	2.2	2.17
Südzucker Verwaltungs GmbH	SZVW	Mannheim	Germany	SZAG	100.00	10.0	* 1)
Nougat Chabert & Guillot SA	NC&G	Montélimar	France	SOGELAF	100.00	0.1	-0.31 3)
S.C.I. DU MARINET		Montélimar	France	SOGELAF	99.75		3)
				NC&G	0.25		
S.O.G.E.L.A.F. SARL	SOGELAF	Paris	Frankreich	SZH	100.00	6.7	-0.02
Special products segment							
Division Beneo							
BENEO GmbH	B	Mannheim	Germany	SZAG	100.00	180.5	* 1)
BENEO Asia Pacific Pte. Ltd.		Singapore	Singapore	BP	100.00	2.4	0.18
BENEO Iberica S.L. Unipersonal		Barcelona	Spain	BO	100.00	0.2	0.01
BENEO Inc.		Dover	USA	BP	100.00	24.4	2.14

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BENEO India Private Limited		New Delhi	India	BP	99.99	0.4	0.24
				B	0.01		
BENEO Latinoamerica Coordenação Regional Ltda.		São Paulo	Brazil	BO	100.00	0.4	0.06
BENEO–Orafti S.A.	BO	Oreye	Belgium	BR	100.00	304.6	30.62
BENEO–Palatinit GmbH	BP	Mannheim	Germany	B	85.00	23.6	* 1)
				SZAG	15.00		
BENEO–Remy N.V.	BR	Wijgmaal (Leuven)	Belgium	B	100.00	282.0	33.30
Orafti Chile S.A.		Pemuco	Chile	BO	99.99	154.0	-2.20
				BP	0.01		
REMY ITALIA S.P.A.		Confienza (PV)	Italy	BR	66.70	0.7	0.02
Veniremy N.V.		Wijgmaal (Leuven)	Belgium	BR	100.00	7.4	0.28
Division Freiberger							
Freiberger Holding GmbH	FH	Berlin	Germany	SZAG	100.00	75.2	* 1)
Freiberger France S.A.R.L.		St. Didier au Mont d'Or	France	FIB	100.00	3.4	1.62
Freiberger Internationale Beteiligungs GmbH	FIB	Berlin	Germany	FLG	100.00	212.5	* 1)
Freiberger Lebensmittel GmbH	FLG	Berlin	Germany	FH	100.00	70.1	* 1)
Freiberger Osterweddingen GmbH		Sülzetal	Germany	FLG	100.00	2.1	* 1)
Freiberger Polska Sp.z o.o.		Warszawa	Poland	FIB	100.00	2.7	0.93
Freiberger UK Ltd.		Spalding	United Kingdom	FIB	100.00	4.3	4.11
Freiberger USA Inc.	FLU	Parsippany	USA	FIB	100.00	156.1	-0.55
HASA GmbH		Burg	Germany	FLG	100.00	10.0	* 1)
Prim AS Tiefkühlprodukte Gesellschaft m.b.H.		Oberhofen	Austria	FIB	100.00	12.5	5.06
Richelieu Foods Inc.		Braintree	USA	FLU	100.00	400.5	-16.77
Sandhof Limited	SL	Westhoughton	United Kingdom	FIB	100.00	38.8	16.81
Stateside Foods Ltd.		Westhoughton	United Kingdom	SL	100.00	28.7	10.88
Division PortionPack Europe							
PortionPack Europe Holding B.V.	PPEH	Oud-Beijerland	Netherlands	SZAG	100.00	24.1	-1.28
Collaborative Packing Solutions [Pty] Ltd	CoSo	Johannesburg	South Africa	PPEH	75.00	3.4	0.72
Elite Portion Pack Belgium NV		Herentals	Belgium	PPEH	>99,99	0.1	0.07
				PPH	<0,01		
Hellma Gastronomicky Servis Praha spol. s.r.o.		Praha	Czech Republic	PPEH	100.00	7.2	0.05
Hellma Gastronomie–Service GmbH		Nürnberg	Germany	PPEH	100.00	4.4	* 1)
Portion Solutions Limited		Telford / Shropshire	United Kingdom	PPEH	100.00	9.5	-0.45
SAES The Portion Company, S.L.		La Llagosta (Barcelona)	Spain	PPEH	100.00	0.5	0.05
Business Unit PP Holland							
PortionPack Holland B.V.	PPH	Oud-Beijerland	Netherlands	PPEH	100.00	5.5	0.53

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	Shortcut	Location	Country	Direct Shareholder	%	Equity € million	Earnings after tax € million
Van Oordt Drukkerij B.V.		Oud-Beijerland	Netherlands	VOP	100.00	0.2	0.00
Van Oordt Landgraaf B.V.		Landgraaf	Netherlands	PPH	100.00	2.4	0.00
Van Oordt the portion company B.V.	VOP	Oud-Beijerland	Netherlands	PPH	100.00	12.0	0.05
CropEnergies segment							
CropEnergies AG	CEAG	Mannheim	Germany	SZAG	69.20	598.7	85.04
Biowanze S.A.		Wanze	Belgium	CEAG	100.00	280.8	49.36
Compagnie Financière de l'Artois SAS	CF	Loon-Plage	France	CEAG	100.00	28.9	11.09
CropEnergies Beteiligungs GmbH	CEBet	Mannheim	Germany	CEAG	100.00	152.1	**
CropEnergies Bioethanol GmbH		Zeitz	Germany	CEBet	85.00	72.4	**
				CEAG	15.00		
Ensus UK Limited		Wilton	United Kingdom	CEBet	100.00	141.8	-7.94
RYSSSEN ALCOOLS SAS		Loon-Plage	France	CF	100.00	15.5	4.23
Starch segment							
AGRANA Stärke GmbH	AS	Wien	Austria	AB	98.91	354.7	57.32
				ASM	1.09		
Marroquin Organic International, Inc.		Santa Cruz	USA	AS	100.00	14.4	1.84
S.C. A.G.F.D. Tandarei S.r.l.		Tandarei	Romania	AS	100.00	4.9	0.62
Fruit segment							
Division fruit preparations (AGRANA Fruit)							
AGRANA Fruit S.A.S.	AF	Mitry-Mory	France	FA	100.00	175.1	30.66
AGRANA Fruit (Jiangsu) Company Limited		Changzhou	China	AF	100.00	12.9	0.30
AGRANA Fruit Algeria Holding GmbH	AFAH	Wien	Austria	AIV&A	55.00	11.3	2.23
AGRANA Fruit Argentina S.A.		Buenos Aires	Argentina	AF	91.76	30.0	-0.71
				AFSS	8.24		
AGRANA Fruit Australia Pty Ltd.	AF Aus	Sydney	Australia	AF	100.00	21.9	4.02
AGRANA Fruit Austria GmbH	AFA	Gleisdorf	Austria	AF	99.98	21.4	-0.11
				AIV&A	0.02		
AGRANA Fruit Brasil Indústria, Comércio, Importação e Exportação Ltda.		São Paulo - Cabreúva	Brazil	AF	>99,99	8.0	0.88
				AFA	<0,01		
AGRANA Fruit Dachang Co., Ltd.		Dachang Hui Autonomous County, Hebei Province	China	AF	75.00	24.4	-0.47
				AFK	25.00		
AGRANA Fruit France S.A.S.		Mitry-Mory	France	AF	100.00	20.5	0.50
AGRANA Fruit Germany GmbH		Konstanz	Germany	AF	100.00	10.6	2.35
AGRANA FRUIT INDIA PRIVATE LIMITED		Pune	India	AF	99.90	1.3	-0.42
				AFSG	0.10		
AGRANA Fruit Istanbul Gıda Sanayi ve Ticaret A.S.		Istanbul	Turkey	AF	100.00	3.2	0.47
AGRANA Fruit Japan Co., Ltd.		Tokyo	Japan	AIV&A	100.00	5.5	-0.45
AGRANA Fruit Korea Co. Ltd.	AFK	Seoul	South Korea	AF	100.00	14.1	1.45
AGRANA Fruit Latinoamerica S. de R.L. de C.V.		Zamora	Mexico	AF	99.99	15.5	1.56
				AFSG	0.01		
AGRANA Fruit Luka TOV		Winnyzja	Ukraine	AF	99.97	-1.4	-2.78
AGRANA Fruit Management Australia Pty Limited		Sydney	Australia	AF Aus	>99,99	0.5	0.01
				AF	<0,01		
AGRANA Fruit México, S.A. de C.V.		Zamora	Mexico	AFUS	100.00	24.6	6.02
AGRANA Fruit Polska SP z.o.o.		Ostroleka	Poland	AF	100.00	14.3	1.11

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	Shortcut	Location	Country	Direct Shareholder	%	Equity € million	Earnings after tax € million
AGRANA Fruit Services GmbH	AFSG	Wien	Austria	AF	100.00	16.8	2.54
AGRANA Fruit Services S.A.S.	AFSS	Mitry-Mory	France	AF	100.00	-1.6	-0.13
AGRANA Fruit South Africa (Proprietary) Ltd.		Johannesburg	South Africa	AF	100.00	0.5	-0.27
AGRANA Fruit Ukraine TOV		Winnyzja	Ukraine	AF	99.80	18.1	-2.20
AGRANA Fruit US, Inc.	AFUS	Brecksville	USA	AF	100.00	71.5	0.55
AGRANA Nile Fruits Processing SAE		Qalyoubia	Egypt	AF	51.00	2.2	0.04
Dirafrost FFI N. V.	DFFI	Lummen	Belgium	AF	100.00	4.4	-0.27
Dirafrost Maroc SARL		Larache	Morocco	DFFI	100.00	1.4	0.09
Financière Atys S.A.S.	FA	Mitry-Mory	France	AIV&A	100.00	118.6	11.37
o.o.o. AGRANA Fruit Moscow Region		Serpuchov	Russia	AF	100.00	21.0	7.11
SPA AGRANA Fruit Algeria		Akbou	Algeria	AFAH	99.93	4.7	1.16
				AF	0.05		
				AFSS	0.01		
Division fruit juice concentrates (AUSTRIA JUICE)							
AUSTRIA JUICE GmbH	AJU	Allhartsberg	Austria	AIV&A	50.01	48.6	-3.84
AGRANA JUICE (XIANYANG) CO., LTD		Xianyang City	China	AJU	100.00	11.6	-0.92
AUSTRIA JUICE Germany GmbH		Bingen	Germany	AJU	100.00	-7.8	0.24
AUSTRIA JUICE Hungary Kft.		Vásárosnamény	Hungary	AJU	100.00	18.1	1.46
AUSTRIA JUICE Poland Sp. z.o.o		Chelm	Poland	AJU	100.00	41.9	3.44
AUSTRIA JUICE Romania S.r.l.		Vaslui	Romania	AJU	100.00	2.6	0.15
AUSTRIA JUICE Ukraine TOV		Winnyzja	Ukraine	AJU	100.00	2.4	-2.48
Frucht Übrige							
AGRANA Internationale Verwaltungs- und Asset-Management GmbH	AIV&A	Wien	Austria	AB	98.91	302.1	11.16
				ASM	1.09		
II. Joint ventures / associated companies							
Sugar segment							
Division sugar (Südzucker)							
Südzucker and sales companies							
Maxi S.r.l.		Bolzano	Italy	SZH	50.00	4.0	2.79
Division sugar (AGRANA)							
Agrana Betain							
Beta Pura GmbH		Wien	Austria	ASM	50.00	6.4	-8.92
Sugar Bosnia							
"AGRAGOLD" d.o.o.		Brčko	Bosnia-Herzegovina	ASB	100.00	3.3	0.37
AGRAGOLD d.o.o.		Zagreb	Croatia	ASB	100.00	1.5	0.11
AGRAGOLD doel Skopje		Skopje	North-Macedonia	ASB	100.00	0.5	0.07
AGRAGOLD trgovina d.o.o.		Ljubljana	Slovenia	ASB	100.00	5.6	0.15
AGRANA Studen Sugar Trading GmbH		Wien	Austria	ABIH	50.00	4.8	1.23
AGRANA-STUDEN Albania sh.p.k.		Tirane	Albania	ASB	100.00	0.3	0.01
AGRANA-STUDEN Beteiligungs GmbH	ASB	Wien	Austria	ABIH	50.00	21.4	0.05
AGRANA-STUDEN Kosovo L.L.C.		Prishtina	Kosovo	ASB	100.00	0.4	0.09
Company for trade and services AGRANA-STUDEN Serbia d.o.o. Beograd		Beograd	Serbia	ASB	100.00	0.0	0.14
STUDEN-AGRANA Rafinerija Secera d.o.o.		Brčko	Bosnia-Herzegovina	ASB	100.00	2.0	1.40
Sugar other							
ED&F Man Holdings Limited		London	United Kingdom	SZH	34.37	10.5	-197.08

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CropEnergies segment							
CT Biocarbonic GmbH		Zeitz	Germany	CEBet	50.00	3.9	0.21
Starch segment							
GreenPower Services Kft.		Szabade-gyháza	Hungary	HK	100.00	0.0	0.01
HUNGRANA Keményítő- és Isocukorgyártó és Forgalmazó Kft.	HK	Szabade-gyháza	Hungary	AS	50.00	105.3	27.52
III. Companies of minor importance and other investments > 20 %							
Affiliated companies							
Sugar segment							
Sugar other							
Açúcar e Álcool do Sul Participações Ltda.		São Paulo	Brazil	SZH	100.00	0.0	-0.01 4)
Arbeitsgemeinschaft für Versuchswesen und Beratung im Zuckerrübenanbau Zeitz GmbH		Kretzschau	Germany	SZAG	80.00	0.1	0.00
Südtrans GmbH		Mannheim	Germany	SZAG	100.00	0.1	0.00
Südzucker Verkauf GmbH	SZV	Mannheim	Germany	SZH	100.00	0.0	0.00
Starch segment							
AGRANA Amidi srl		Sterzing (BZ)	Italy	AS	100.00	0.1	0.01
Associated companies							
Sugar segment							
Division sugar (Südzucker)							
Sugar Belgium							
Food Port N.V.		Tienen	Belgium	RT	35.71	1.8	0.00
Division agriculture							
Zschortauer-Glesiener Rübenrode GmbH		Schkeuditz	Germany	LOB	45.83	0.5	0.00 4)
Sugar other							
Felix Koch Offenbach Couleur und Karamel GmbH		Offenbach	Germany	SZH	25.10	7.8	1.37 4)
Liquid Feed Europe Holding B.V.	LFEH	Oud-Beijerland	Netherlands	SZH	50.00	1.3	-0.01
Liquid Feed France S.A.S.		Cagny	France	LFEH	100.00	1.7	0.23
Special products segment							
Division Beneo							
INVITA Australia PTE Ltd		Balgowlah	Australia	BP	35.00	6.6	1.27
Division PortionPack Europe							
Collaborative Blending Solutions Proprietary Limited		Johannesburg	South Africa	CoSo	49.00	-0.5	0.17

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	Shortcut	Location	Country	Direct Shareholder	%	Equity € million	Earnings after tax € million
Other participations > 20 %							
Sugar segment							
Division sugar (AGRANA)							
Sugar Hungary							
Cukoripari Egyesülés		Budapest	Hungary	MCeF	44.27	0.1	0.00

Mannheim, 25 April 2022

THE EXECUTIVE BOARD

Dr. Niels Pörksen
(Chairman)

Ingrid-Helen Arnold

Dr. Thomas Kirchberg

Thomas Kölbl

Markus Mühleisen

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RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and the management report of the company includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal opportunities and risks associated with the expected development of the company.

Mannheim, 25 April 2022

THE EXECUTIVE BOARD



Dr. Niels Pörksen
(Chairman)



Ingrid-Helen Arnold



Dr. Thomas Kirchberg



Thomas Kölbl



Markus Mühleisen

INDEPENDENT AUDITOR'S REPORT

To Südzucker AG, Mannheim

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

Audit Opinions

We have audited the annual financial statements of Südzucker AG, Mannheim, which comprise the balance sheet as at 28 February 2022, and the statement of profit and loss for the financial year from 1 March 2021 to 28 February 2022, and notes to the financial statements, including the recognition and measurement policies. In addition, we have audited the management report of Südzucker AG for the financial year from 1 March 2021 to 28 February 2022. In accordance with the German legal requirements, we have not audited the content of the statement on corporate governance pursuant to § [Article] 289f HGB [Handelsgesetzbuch: German Commercial Code] and § 315d HGB.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 28 February 2022 and of its financial performance for the financial year from 1 March 2021 to 28 February 2022 in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of the statement on corporate governance referred to above.

Pursuant to § 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from 1 March 2021 to 28 February 2022. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

- ① Measurement of shares in affiliated companies
- ② Provisions for litigation and risk provisioning

Our presentation of these key audit matters has been structured in each case as follows:

- ① Matter and issue
- ② Audit approach and findings
- ③ Reference to further information

Hereinafter we present the key audit matters:

① Measurement of shares in affiliated companies

- ① In the Company's annual financial statements shares in affiliated companies amounting to € 2,764.2 million (62.4% of total assets) are reported under the "Financial assets" balance sheet item. Shares in affiliated companies are measured in accordance with German commercial law at the lower of cost and fair value. The market price of the respective financial investment – if available – is used for the purpose of determining the fair value. In addition, the fair values of the material equity investments are calculated using discounted cash flow models as the present values of the expected future cash flows according to the planning projections prepared by the executive directors. Expectations relating to future market developments and assumptions about the development of macroeconomic factors as well as the expected effects of the Ukraine war on the business activities of the affiliated companies are also taken into account. The discount rate used is the individually determined cost of capital for the relevant financial investment. On the basis of the values determined and supplementary documentation, no write-downs were required for the financial year. The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors of the future cash flows, and on the respective discount rates and rates of growth used. The valuation is therefore, also against the background of the effects of the Ukraine war, subject to material uncertainties. Against this background and due to the highly complex nature of the valuation and its material significance for the Company's assets, liabilities, and financial performance, this matter was of particular significance in the context of our audit.

- ② As part of our audit, we assessed the methodology used for the purposes of the valuation, among other things. In particular, we assessed whether the fair values of the material equity investments had been appropriately determined using discounted cash flow models in compliance with the relevant measurement standards. We based our assessment, among other things, on a comparison with general and sector-specific market expectations as well as on the executive directors' detailed explanations regarding the key value drivers underlying the expected cash flows. We also evaluated the executive directors' assessment regarding the effects of the Ukraine war on the business activities of the affiliated companies and examined how they were taken into account in determining the future cash flows. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the value of the entity calculated in this way, we focused our testing in particular on the parameters used to determine the discount rate applied, and assessed the calculation model. In our view, taking into consideration the information available, the valuation parameters and underlying assumptions used by the executive directors are appropriate overall for the purpose of appropriately measuring the shares in affiliated companies.
- ③ The Company's disclosures on financial investments are contained in the sections "Accounting policies" and "Fixed assets" of the notes to the financial statements.

② Provisions for litigation and risk provisioning

- ① In the annual financial statements of Südzucker AG provisions for litigations and risk provisioning amounting to € 141.9 million are reported under the "Other provisions" balance sheet item. These concern litigation under market regulation proceedings, proceedings relating to operational contractual relationships and antitrust law risks, including fines and damages. The risk assessment to be carried out on developments in litigation and the appraisal of whether or not an existing legal dispute requires a provision to be recognized to cover the risk, and if so, in what amount the current obligation must be measured, is influenced to a high extent by estimates and assumptions on the part of the executive directors. Against this background, this matter is of particular significance from our point of view.
- ② As part of our audit we assessed the process established by the Company for ensuring that a legal dispute is reported, its outcome is assessed, and the dispute is accounted for. This assessment also included a substantive evaluation of the material legal risks. With the knowledge that estimated values result in an increased risk of accounting misstatements and that the executive directors' recognition and measurement decisions have a direct effect on net profit for the year, we evaluated the appropriateness of the carrying amounts, including by comparing these with historical data, examining the consistent application of the calculation model and inspecting the underlying documents. Furthermore, we also hold regular meetings with the Company's legal department in order to receive updates on current developments and the reasons for the corresponding estimates. The development of material legal disputes, including the executive directors' estimates on their potential outcomes, is provided to us by the Company in writing. As at the balance sheet date, we also obtained external legal confirmations that support the executive directors' assessments. We were able to examine the estimates made by the executive directors in respect of recognizing and measuring the provisions for litigation and the associated risk provisioning in the annual financial statements. We consider the estimates made by the executive directors to be appropriate.

- ③ The Company's disclosures on provisions for litigation and risk provisioning are contained in the sections "Accounting policies" and "Other provisions" of the notes to the annual financial statements.

Other Information

The executive directors are responsible for the other information. The other information comprises the statement on corporate governance pursuant to § 289f HGB and § 315d HGB as an unaudited part of the management report.

The other information comprises further

- the separate non-financial report pursuant to §289b Abs. 3 HGB
- all remaining parts of the finance report – excluding cross-references to external information – with the exception of the audited annual financial statements, the audited management report and our auditor's report.

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.

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- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
 - Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
 - Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
 - Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS***Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB******Assurance Opinion***

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the annual financial statements and the management report (hereinafter the "ESEF documents") contained in the electronic file Suedzucker_AG_JA+LB-2022-02-28.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above. In our opinion, the rendering of the annual financial statements and the management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying annual financial statements and the accompanying management report for the financial year from 1 March 2021 to 28 February 2022 contained in the "Report on the Audit of the Annual Financial Statements and on the Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the annual financial statements and the management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (10.2021)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic renderings of the annual financial statements and the management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing of the ESEF documents as part of the financial reporting process.

Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at date of the annual financial statements on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide a XHTML rendering with content equivalent to the audited annual financial statements and to the audited management report.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on 15 July 2021. We were engaged by the supervisory board on 15 July 2021. We have been the auditor of the Südzucker AG, Mannheim, without interruption since the financial year 2003/2004.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

REFERENCE TO AN OTHER MATTER—USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited annual financial statements and the audited management report as well as the assured ESEF documents. The annual financial statements and the management report converted to the ESEF format – including the versions to be published in the Federal Gazette – are merely electronic renderings of the audited annual financial statements and the audited management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Christina Pöpperl.

Frankfurt am Main, 25 April 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft



Michael Burkhardt
German public auditor



Christina Pöpperl
German public auditor

FORWARD-LOOKING STATEMENTS / FORECASTS

This annual report contains forward looking statements based on assumptions and estimates made by the executive board of Südzucker AG. Although the executive board may be convinced that these assumptions and estimates are reasonable, future actual developments and future actual results may vary considerably from the assumptions and estimates due to many external and internal factors. For example, matters to be mentioned in this connection include pending negotiations relating to the world trade agreement (WTA), changes to the overall economic situation, changes to EU sugar policies, consumer behaviour and state food and energy policies. Südzucker AG assumes no responsibility and accepts no liability that future developments and future actual results achieved will be the same as the assumptions and estimates included in this annual report.

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Südzucker on the internet

More detailed information about Südzucker Group is available at the company's website:

www.suedzucker.de

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