

MANAGEMENT REPORT AND FINANCIAL STATEMENTS

SÜDZUCKER AG

DATED 28 FEBRUARY 2023 (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,

The fiscal year just ended was an eventful one – for the Südzucker Group as a whole and for the supervisory board. After over 25 years on the board – 22 of which were at the helm – Dr. Hans-Jörg Gebhard did not stand for reelection in July 2022. Following the 2022 annual general meeting, I was elected as his successor, which is why I am pleased to welcome you for the first time as the new chairman of the supervisory board and give you an overview of the board's activities in fiscal year 2022/23. You can expect a certain degree of continuity here because I have been a member of Südzucker's supervisory board since 2017 and am thus very familiar with the company and its processes.

But first, on behalf of the supervisory board and the entire company, I would like to take this opportunity to thank Dr. Hans-Jörg Gebhard for his tireless work – during his many years in office, he has consistently driven the development of the company forward. We will all have fond memories of his charismatic, confident and eloquent manner, which I am sure you have all experienced for yourselves at one general meeting or another.

There has also been a change on the executive board: Dr. Thomas Kirchberg retired on 31 August 2022 after his term expired. For over 30 years, including 15 as a member of the executive board, he played a key role in shaping the development of the Südzucker Group. We owe him our thanks and recognition for this and much more.

With his successor, Hans-Peter Gai, the supervisory board has gained a highly experienced manager in the food industry. We believe this decision will ensure that Südzucker's executive board is ideally positioned for the challenges that lie ahead of us.

Now let us briefly take stock of the 2022/23 fiscal year: This year was also a challenging one for us as a supervisory board. Just as the pandemic began to subside, we found ourselves embroiled in a new crisis as the Ukraine conflict began to flare up. We have always been intentional and conscientious in our discussion of measures the executive board must take to deal with economic impacts on the Südzucker Group. These discussions usually took place as hybrid meetings – a type of gathering that may not be able to fully replace in-person meetings but has nevertheless proved to be a practical and agile form of exchange.

This enabled the supervisory board to continue to work with the executive board on the basis of mutual trust and in the spirit of a results-oriented team in fiscal 2022/23. 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 beginning of the Ukraine war, the executive board regularly updated the supervisory board on the actual and potential impact on the company and on the measures taken. The same applies to the Corona pandemic.

SUPERVISORY BOARD MEETINGS AND DECISIONS The supervisory board met at six ordinary meetings and two extraordinary meetings in fiscal 2022/23. The executive board took part in the ordinary meetings – except when discussing internal matters of the supervisory board. The meetings on 13 and 14 July 2022 were conducted exclusively in presence. The other meetings were held as hybrid events – the supervisory board members were partly present on site and partly connected virtually via videoconference. In addition to the meetings, the supervisory board made five 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 by written procedure on **17 March 2022** to hold the annual general meeting virtually.

At the meeting on **8 April 2022**, the impact of the Ukraine war in the business units, particularly the rise in energy and raw material prices, was discussed. The supervisory board approved investment supplements for the sugar segment. The CFO presented the group's mid-term plan. Investment projects of PortionPack and BENE0 were dealt with and two real estate matters were approved. Finally, personnel matters were discussed as a separate agenda item.

The main focus of the meeting on **18 May 2022** was the review and approval of Südzucker AG's financial statements and the consolidated financial statements dated 28 February 2022. The CFO presented the 2021/22 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. The supervisory board approved the annual and consolidated financial statements and management report for 2021/22 after discussing them in detail. 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 2022 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 and the formal review of the compensation report by the auditor. The supervisory board also approved Südzucker AG's compensation report for fiscal 2021/22 presented in the invitation to the annual general meeting. The supervisory board dealt with the regular agenda item of compliance. Furthermore, the supervisory board approved supplements to investment plans of AGRANA, the sugar segment and the IT activities. In addition, personnel matters were discussed.

At its meeting on **13 July 2022** – the day before the ordinary annual general meeting – the CFO provided an update of the result projections for 2022/23. The supervisory board approved the 2023/24 investment plan and investment supplements and took note of Südzucker Group's long-term investment plan. In addition, a real estate matter was approved and an investment project of CropEnergies AG as well as personnel matters were discussed.

During the extraordinary meeting on the morning of **14 July 2022**, personnel matters were addressed.

At the meeting on **14 July 2022** – following the annual general meeting – the newly elected supervisory board was constituted. The chairman of the supervisory board and his two deputies were elected, and the supervisory board committees were filled. Furthermore, an amendment to the declaration of compliance was resolved.

The supervisory board approved two shareholder issues at its meeting on **3 August 2022** by written procedure.

By written procedure, the supervisory board adopted a resolution on personnel matters on **8 August 2022**.

By written procedure dated **13 October 2022**, the decision of **27 September 2022** on a financing project was cancelled and restated.

The meeting on **10 November 2022** focused on the investments in Richelieu Foods, Grillido and Felix Koch. The CFO provided an update of the result projections for 2022/23. 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 2022 declaration of compliance. The rules of procedure for the supervisory board and the audit committee were also amended. In addition, the board approved sugar

segment and BENEIO division investment supplements and a real estate matter. Finally, internal supervisory board matters were dealt with as a separate agenda item.

At the extraordinary meeting on **2 December 2022**, investment projects were dealt with, a financing project was approved and a supplement to the CropEnergies investment budget was adopted.

At the **23 February 2023** meeting, the CFO presented the updated results projection for 2022/23 and the mid-term plan. The supervisory board approved investment supplements for the sugar and CropEnergies segments and the Freiburger division. A resolution was also passed on the revision of the supervisory board's diversity concept. The supervisory board also approved financing projects and adopted the executive board compensation system, which has been further developed and will be submitted to the 2023 annual general meeting for approval. Furthermore, the supervisory board followed the recommendation of the audit committee to propose the appointment of KPMG AG Wirtschaftsprüfungsgesellschaft as auditors for fiscal year 2023/24 for the first time at the annual general meeting on 13 July 2023.

SUPERVISORY BOARD COMMITTEES The supervisory board set up seven committees to enable its efficient fulfillment of duties (executive committee, mediation committee, audit committee, agriculture and raw material markets committee, nomination committee, social committee, strategy and sustainability committee), each of which except for the nomination committee 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".

On **14 July 2022**, at its constituent meeting following the annual general meeting, the supervisory board adopted its resolution of 23 February 2022 and reorganized the committees. A new strategy and sustainability committee was formed, with equal numbers of four representatives each from the shareholder and employee sides. The agricultural committee was renamed the "agriculture and raw material markets committee" and will have four representatives each from the stockholders' and employees' sides.

The **supervisory board executive committee** convened nine times in fiscal 2022/23: on 8 April 2022, on 11 and 18 May 2022, on 13 July 2022, on 28 October 2022, on 10 November 2022, on 18 January 2023 and on 7 and 23 February 2023. In particular, the strategic alignment of the company, but also corporate governance issues and the further development of the executive board compensation system as well as personnel matters were discussed in advance.

The **audit committee** convened six times during the financial year, in three videoconferences, two hybrid meetings and one in-person meeting:

At its **10 May 2022** 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 2022. 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, as auditor of the non-financial statement (limited assurance) and

as auditor of the compensation report 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 **4 July 2022**, the audit committee discussed with the executive board the quarterly statement Q1 of the 2022/23 financial year.

At the meeting on **14 July 2022** – subsequent to the annual general meeting and the constituent meeting of the supervisory board – the audit committee dealt with the auditor's quotation for the audit assignment and – subject to election by the annual general meeting – awarded PwC the audit assignment for the audit of the financial statements, the audit of the non-financial declaration (Limited Assurance) and the formal audit of the compensation report for the financial year 2022/23.

In the **11 October 2022** 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. Another agenda item was the discussion of the 2022/23 half-year financial report.

At the meeting on **10 January 2023**, the audit committee discussed with the executive board the Q3 quarterly statement for the 2022/23 financial year and the planning of the audit of the financial statements and, without the executive board being present, internal matters relating to the audit committee.

At the extraordinary meeting on **2 February 2023**, a resolution was passed on the proposal to the supervisory board for the election of a new auditor.

The **agriculture and raw material markets committee** convened on **10 November 2022**. Südzucker AG's agricultural division presented its

report and information was provided on the status of raw material procurement for the protein division.

The **strategy and sustainability committee** met on **7 February 2023** and addressed the next steps in the areas of plant-based chemicals and proteins as part of Südzucker's 2026 PLUS strategy. It also focused on the group-wide sustainability strategy and the strategy at AGRANA.

The **nominating committee** convened on **23 March 2022** and focused on the election of the supervisory board.

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

The **mediation committee** and the **social committee** had no reason to convene in fiscal year 2022/23.

ATTENDANCE Julia Merkel, Erwin Hameseder, Fred Adjan and Joachim Rukwied were absent from the supervisory board meeting on **8 April 2022**. All supervisory board members were present at the supervisory board meeting on **18 May 2022**. Fred Adjan and Georg Koch were absent from the supervisory board meeting on **13 July 2022** and the extraordinary meeting on **14 July 2022**. Fred Adjan, Georg Koch and Mustafa Öz did not attend the constituent meeting of the supervisory board held on **14 July 2022**. Susanne Kunschert was absent from the meeting on **10 November 2022**. Julia Merkel, Fred Adjan and Georg Koch were absent from the supervisory board meeting on **2 December 2022**. All supervisory board members were attending the meeting of the supervisory board on **23 February 2023**. Erwin Hameseder did not attend the meetings of the executive committee held on **8 April 2022** and **18 May 2022**. Mustafa Öz was absent from the meeting of the audit committee on **14 July 2022**. The meeting of the agriculture and raw material markets committee on **10 November 2022** was attended by all committee members. At

the strategy and sustainability committee meeting on **7 February 2023**, Fred Adjan was absent. Non-attendance was excused in each case.

SUPERVISOR BOARD SELF-ASSESSMENT In accordance with recommendation D.12 of the German Corporate Governance Code (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 latest changes to the code. The questionnaire was assessed in the meeting on 10 November 2022, 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 10 January 2023, 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 2022 issued by the executive and supervisory boards, can be reviewed in the chapter corporate governance. In addition, all relevant information is available on the Internet at <https://www.suedzucker-group.com/en/investor-relations/corporate-governance>.

The executive board fully complied with its duties as prescribed by law, the company's articles of association 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. The same applies to the effectiveness of Südzucker Group's risk management and internal control 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 2022/23 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 14 July 2022 at the recommendation of the supervisory board. PwC has reviewed the financial statements and management report of Südzucker AG for fiscal 2022/23, the consolidated financial statements and management report for 2022/23 and issued a qualified audit opinion on each of them. PwC has audited the group and individual financial statements since the 2003/04 fiscal year. For the first time Stefan Hartwig is the responsible auditor for Südzucker AG at PwC for the 2022/23 financial year.

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.

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 in the audit committee's 15 May 2023 meeting and in the supervisory board's financial review meeting of 24 May

2023 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 24 May 2023, 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 18 April 2023 regarding the distribution of a dividend in the amount of € 0.70 per share.

PERSONNEL MATTERS The following changes took place on the supervisory board in fiscal year 2022/23:

The term of office of all supervisory board members ended at the close of the annual general meeting on 14 July 2022. The term of office of the new supervisory board, i.e. the employee representatives elected by the workforce on 3 May 2022 and the shareholder representatives elected by the annual general meeting on 14 July 2022, will run in each case until the close of the annual general meeting which resolves to ratify the board's actions for fiscal 2026/27, i.e. until the annual general meeting in 2027.

There was a change on the shareholder side: Dr. Hans-Jörg Gebhard stepped down from the supervisory board at the end of the annual general meeting on 14 July 2022. Clemens Schaaf from Landsberg (Chairman of Verband Sächsisch-Thüringischer Zuckerrübenanbauer e. V.) was newly elected to the supervisory board.

On the employee side, there was also a change: Franz-Josef Möllenberg left the supervisory board at the end of the annual general meeting on 14 July 2022 after 30 years as deputy chairman. Mustafa Öz from Altdorf (Regional Chairman Bavaria of Gewerkschaft Nahrung-Genuss-Gaststätten) was newly elected to the supervisory board.

At the constituent meeting of the supervisory board on 14 July 2022, Dr. Stefan Streng was elected chairman and Rolf Wiederhold and Erwin Hameseder were elected deputy chairmen of the supervisory board.

Hans-Peter Gai was appointed to the executive board as an additional member (Chief Operating Officer, COO) with effect from 1 November 2022. He succeeds Dr. Thomas Kirchberg, who left the company with effect from 31 August 2022.

The supervisory board would like to express its sincere thanks to the departing members of the supervisory board and the executive board – Dr. Hans-Jörg Gebhard, Franz-Josef Möllenberg and Dr. Thomas Kirchberg – for their many years of service and dedication on behalf of the company. 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, 24 May 2023

On behalf of the supervisory board



Dr. Stefan Streng

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 142 (134) 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 94 "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 Executive Officer (CEO) of Südzucker AG and the Chief Executive Officer of AGRANA Beteiligungs-AG (CEO AGRANA) jointly manage the sugar segment. As part of this joint segment governance, the CEO of Südzucker AG has regional responsibility for the country subsidiaries – with production sites Germany, Belgium, France, Poland and Moldova and distributors of the sugar division (Südzucker) in Greece, Italy, Spain and UK. 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 AGRANA CEO acting as a member of Südzucker AG's executive board is also responsible for the starch and fruit segments, and the chief operating officer (COO) is responsible for the CropEnergies segment. In addition, the COO jointly heads the special products segment with the chief digital officer (CDO), with the COO being in charge of the Freiburger division and the CDO

being in charge of the BENE0 and PortionPack 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 management and internal monitoring 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 in-house 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 planning system together with centrally defined key figures. Key performance indicators at group and segment level are sales revenues and operating result and exclusively at group level EBITDA and 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 € 1.2 (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 and other raw materials of agricultural origin to develop, 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, special sugar products and glucose syrups, functional food ingredients, frozen and chilled pizzas, portion pack articles, ethanol, animal feed, starch, 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.

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, quality, availability, and price are decisive, while in the consumer markets taste, additional benefits, 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 environment

Our market environment continues to be impacted by far-reaching changes in our markets and in society. Present and emerging health trends combined with deliberations regarding sugar consumption in Europe, rising demand for sustainable, plant-based products, the desire for new, climate-friendly 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

Group Strategy 2026 PLUS will make Südzucker Group even more innovative, customer-focused and consistently aligned to sustainability and profitable growth. Our aim is to be the leading partner for plant-based solutions for a livable, healthy and sustainable world.

The underlying principle common to all our business units is "Get the Power of Plants": through the power of plants, we are further expanding our expertise in nutrition, energy and beyond, and strengthening our company's position.

As a corporate group of companies, we not only grow organically, but also take advantage of acquisition opportunities and innovations through cooperative ventures. In doing so, we are mindful of the requirements and trends in the relevant markets.



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

Using the skills and passion of our employees to leverage more power from the Group



Sustainability

Committed to sustainable business



Markets and customers

Market and customer access improvement



Plant-based solutions

Expansion of technology- and market-driven value creation from plant-based raw materials



Profitable growth

Growing more profitably and faster than competitors

Get the Power of Plants GROUP STRATEGY 2026 PLUS



These strategic fields of action include numerous focus initiatives, which continue to center on the four areas of biobased chemicals, proteins, sustainability and digitalization. Material aspects are

the combination of economy and ecology, the extension of the value chain, and the expansion and supplementation of our product portfolio.

EXPANSION OF THE BIOBASED CHEMICALS BUSINESS

One of our key strategic objectives is to ensure our products for the chemical industry play an active role in the transition to renewable carbon from all types of biomass as raw materials. This is one of the reasons why we are focusing on the decarbonization of chemical production, recyclability and the biodegradability of plastics.

In addition to our extensive knowledge of the processes used to produce basic chemical products and biopolymers, Südzucker has large volumes and a wide range of renewable raw materials to choose from as carbon sources, along with industrial facilities for both the biotechnological and chemical-catalytic conversion of carbohydrates and their derivatives or byproducts.

Our goal is to continue to expand this knowledge, which is why we are planning to build a plant at the Zeitz Chemical and Industrial Park to produce renewable ethyl acetate from sustainable ethanol; renewable hydrogen will also be produced as a co-product. The plant should be in operation by the summer of 2025.

Moreover, CropEnergies enabled us to acquire a stake in Syclus BV, a Dutch start-up specializing in biobased chemicals in Maastricht, the Netherlands. The aim is testing the construction of a large-scale plant for the production of renewable ethylene from renewable ethanol. Ethylene is a basic chemical that is generally produced from fossil oil and gas and is widely used in the chemical industry, particularly for plastics and polymers found in everyday products.

EXPANSION OF THE PROTEINS BUSINESS Changing dietary habits, climate protection and animal welfare considerations continue to drive demand for plant-based protein products. In this context,

Südzucker's focus is on the sales market for plant-based meat and fish alternatives.

By processing agricultural raw materials such as rice and wheat, Südzucker's portfolio has long included protein products. Our goal is to increase the added value of these existing protein sources as well as to develop new protein sources and establish additional businesses for the application of these proteins.

Following the decision to build our own plant in Offstein, Germany, for processing pulses, we continued to progress in this direction with the acquisition of the Dutch company Meatless. Meatless operates a production process that can be used to create texturates based on rice, wheat, field beans, peas, lupins, quinoa and other raw materials. We use these texturates to produce neutral-tasting products that can be frozen or dried and used as a vegetable alternative in fish and meat substitutes.

DEVELOPMENT AND IMPLEMENTATION OF THE SUSTAINABILITY STRATEGY

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

DEVELOPMENT AND IMPLEMENTATION OF THE DIGITIZATION STRATEGY For the Südzucker Group digitalization means ensuring and advancing an adequate, efficient IT infrastructure that digitally connects as many areas of the company as possible while supporting both existing and emerging business models. Networked solutions create a solid foundation for greater resource efficiency, strengthen our position in the competitive environment and make a decisive contribution towards sustainability. The focus is currently on projects related to digitalizing plants, formulating digital solutions in agriculture and using modern technologies that contribute to the Südzucker Group's sustainability goals.

We are also expanding end-to-end data integration as the ability to leverage data from many different areas becomes increasingly important. Today's businesses rely on digital backbones to be able to collect data from their own production plants and from anywhere along the entire value chain. They also use them to gain valuable insight on how to make processes safer and more efficient.

What's more, changes in farming and efforts to track our carbon footprint require far-reaching solutions in the agriculture segment. beet2go is a mobile application that fully visualizes and digitalizes the entire process from 'contract to yield'. It is widely accepted and has benefited from numerous updates and enhancements.

The Südzucker Group collaborates closely with strategic technology partners and start-ups to effectively implement digital plans in practical applications and leverage the added value of innovative technologies in all areas of the company. Another cornerstone of this strategy is ensuring our employees receive training on the topic of digitalization and strengthening their knowledge of the opportunities and requirements of digital business.

DIVISIONS' STRATEGIES Südzucker Group Strategy 2026 PLUS and the divisional strategies both complement and reinforce each other. We report directly on the respective divisional strategies 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.

SÜDZUCKER'S CODE OF CONDUCT The basis for Südzucker's interaction with employees and for the employees' behavior towards each other and towards external persons is the company's code of conduct. This code of conduct combines applicable law and international standards, operating procedures and rules, Südzucker corporate guidelines and employment-contract-related obligations toward Südzucker. Its contents are communicated via training measures and the provision of appropriate documents. Executives therefore take on a special role as both mentors and multipliers. They are trained specifically on this topic as part of management training courses. Adherence to Südzucker's code of conduct is monitored by an internal audit and an anonymous whistleblower system.

HUMAN RIGHTS PROTECTION Strict adherence to applicable human rights protection regulations is an integrative component part of Südzucker's corporate responsibility. Every employee is obliged to respect the dignity and personal rights of every other employee and colleague, as well as

other people with whom the company has a business relationship (Society /Respect for human rights).

NEW GROUP-WIDE HR STRATEGY Our new group-wide HR strategy forms the basis for numerous new measures and programs that cover topics such as leadership, digitalization, diversity, internationalization, talent management, incentive systems, teamwork and the work environment. The newly introduced values of the Südzucker Group – responsibility, creativity, respect and cooperation – also help us achieve our overarching goal: to leverage more power from the group.

OPEN COMMUNICATION Südzucker fosters open communication with its employees. We use a group-wide magazine, townhall meetings, newsletters, video messages and our intranet to provide information about key developments within the company. In fiscal 2022/23, the focus was on numerous aspects related to advancing our corporate strategy along with working conditions and our compensation policy. Employee surveys were also conducted again on topics such as food safety culture and the new work culture to emphasize how important employee ideas are to the company's development. Another measure was to enhance the employee suggestion program to create a new, digital and transparent idea management system. Nearly 500 ideas were submitted last year via the new software, which visualizes the entire idea management process within the group.

Südzucker AG employed an average of 2,403 (2,393) 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

The apprenticeship initiative launched in 2021 has been continued in 2022/23 to promote apprenticeships while at the same time boosting the company's reputation as an attractive operation in which to serve as an apprentice. For example, the training workshops at the sites are being modernized and apprentices strengthened through a cross-site network and a mentoring program.

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 has increased to 370 (348) apprentices as of 28 February 2023. In total, 200 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 2023. Here, too, the topic of sustainability is anchored, among other things by offering the International Business degree program with a focus on sustainability (Sustainable Business). In France and Austria, 132 employees are trained under a system comparable to the German training system. The remaining 38 trainees are employed in accordance with the training modalities applicable in the respective countries.

CONTINUING EDUCATION Our group-wide digital learning platform, the Südzucker Group Campus, plays a vital role in providing knowledge and skills, including soft skills, language and methodological skills, as well as IT competencies. Recent additions in 2022/23 include training courses related to communication (e.g., giving

and taking feedback or the basics of communication). The Südzucker Group Campus also provides regular, documented mandatory training, as well as ensuring adherence to legal and other code requirements (work safety, compliance, data security, hygiene, environment protection, human rights, etc.). Südzucker Group thus offers a modular training program at various levels and in different formats to provide all employees with the best possible support for their individual professional development. A competency model is currently being set up to determine the need for further training in an even more targeted manner in the future.

PERSONAL DEVELOPMENT AND CAREER PLANING

Our group-wide digital learning platform, the Südzucker Group Campus, plays a vital role in providing knowledge and skills, including soft skills, language and methodological skills, as well as IT competencies. Recent additions in 2022/23 include training courses related to communication (e.g., giving and taking feedback or the basics of communication). The Südzucker Group Campus also provides regular, documented mandatory training, as well as ensuring adherence to legal and other code requirements (work safety, compliance, data security, hygiene, environment protection, human rights, etc.). Südzucker Group thus offers a modular training program at various levels and in different formats to provide all employees with the best possible support for their individual professional development. A competency model is currently being set up to determine the need for further training in an even more targeted manner in the future.

A new group-wide on-boarding program ensures to rapidly orient new employees and at the same time provide a basis for personnel development and establish networks. In addition, Südzucker conducts trainee programs and junior management development programs at regular intervals to support employees in their personal and career development.

Regular feedback meetings are held at least once a year, in which employees work with their supervisors to formulate strategies for their further training and individual development.

Vacancies are advertised internally throughout the group and, if appropriate, preference is given to employees from within. This is how we would like to promote career mobility, retain know-how and experience within the Group, and encourage the transfer of knowledge and experience between locations and divisions.

EXECUTIVE DEVELOPMENT In fiscal 2022/23 we enhanced our manager development program, which includes the modules fundamentals of contemporary leadership, employee motivation and feedback and added new content. The new guidelines for managers, which were jointly developed in international workshops with employees from different areas in 2022/23, form the basis. Special training courses continue to be offered for foremen at the production sites. We also pressed ahead with the Empowering Women program launched in 2020, which aims to foster and better network women in management positions. We provide topic-specific training to prepare employees for taking on a senior management role or lateral management function. In addition, individual coaching is offered to address the specific situation of a manager.

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. New fields of innovation are opening and new technological opportunities are being evaluated as part of the new group strategy to find solutions for the sustainable development of the Südzucker group strategy on the basis of the future political framework. Focus initiatives include establishing CO₂-neutral production and fully utilizing our raw materials in the context of the circular bioeconomy.

New agricultural raw materials and **proteins** are two fields of innovation that are closely linked. From agricultural cultivation to processing to the development of new products, innovative concepts are being developed in coordination with the Südzucker Group divisions. **Sustainable chemicals** based on the raw materials of the Südzucker group paired with the utilization of **CO₂ for material use** are further areas of focus for our research and development initiatives.

Partnerships with research facilities, other companies, 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.

Collaboration with start-ups provides insights to developments that have already reached a certain level of technological readiness. Accelerator programs such as MassChallenge or EIT Food and our newly implemented, web-based open innovation platform "TheBarn" (www.thebarn.io) are enabling us to establish initial contacts and launch innovation projects.

171 (167) employees are responsible for tasks in the area of research, development and technological services at Südzucker AG; the total expenditure in 2022/23 for research, development and technological services was €'000 28,083 (25,580).

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.

Europe's agricultural sector is facing tremendous challenges. Ongoing efforts to eliminate plant protection products, the supply bottleneck for fertilizer, political guidelines for reducing fertilization and plant protection and, not least, the anticipated rise in extreme weather conditions complicate the sustainable crop production. The change in weather to warmer, dryer summers is promoting the emergence of new diseases and pests.

To secure the future supply of raw materials for the arable crops already established in the group, such as sugar beets and chicory, as well as for protein crops such as broad beans, our research in the agricultural sector focuses primarily on climate change and plant protection. As standard tests, varieties and chemical plant protection products are still analyzed for their effectiveness in the group's independent agricultural research system. Newly emerging diseases and pests, Green Deal requirements, the use of plant protection products and the risks associated with cutting them in half by 2030 require us to adopt alternative approaches. This has resulted in increased testing of organic products, such as natural bacteria, to determine their efficacy and possible applications in the areas of plant protection, fertilization and drought stress. Intensive tests

with pulled and self-propelled hoeing robots are used to help advance weed control technology. In addition, both traditional methods, such as the use of band sprayers in combination with mechanical hoes, and new advances enabling spot control of weeds (smart spray technology in crop protection sprayers) are being tested.

RAW MATERIALS WITH SPECIAL PROPERTIES In the food segment products are being developed that can be produced using both established and new technologies. The developments focus on functional protein and fiber-enriched ingredients.

New raw materials as well as side streams are used to provide fibers for technical applications.

RAW MATERIALS FOR STARCH When evaluating new raw materials for starch extraction, the new functional properties of the main and by-products produced from them are the primary focus. To compare these new products, further research is being conducted for both technical and food applications. These new starch types have showed promise in practical applications, particularly in technology, which will open new fields of application and sales opportunities.

PROCESSING TECHNOLOGY

As part of the sustainable design of production processes in our factories, we focus on energy, efficiency and yield, product quality and circular bioeconomy.

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 do not only allow for a fast implementation of new processes and plant configurations, but they also form the basis for an economic evaluation.

Improving sugar factory production processes is an ongoing task. This includes reducing energy consumption, increasing overall yield and quality and using side streams. Targeted processing of beet pellets provides fibers that are suitable as cellulose substitutes in packaging materials.

A new process has been introduced for sweetening organic starch to significantly improve the quality of the specified product properties. The use of membrane filtration has also shown potential for improvement of qualitative parameters for sugar products and the production process can likewise be made more energy efficient.

To meet the increasing demand for plant proteins in the future, processes for the production of high-protein flours have been developed and technological evaluations have been initiated to obtain new food ingredients from side streams of starch extraction.

We completed technological studies and investigations to boost yields and improve crystal quality for functional carbohydrates. The technical implementation of the newly developed production technology is to be tested by means of a pilot plant with regard to the realization on a large-scale production scale.

The manufacturing process designed for a new soluble fiber that can only be made from sucrose

was integrated into an existing large-scale plant. More efficient enzyme systems have been tested on a laboratory and pilot scale and, following successful evaluation, introduced into the production process.

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 nutritional and sustainability perspective.

Food

New application concepts and recipes for novel and existing products are required to keep pace with the dynamic developments in the food industry and the market. Food trends in clean label products, products with functional ingredients 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, as well as new caramel varieties.

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 mainly 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 consumer is strictly regulated by the EU authorities and the member states. Based on BENEО ingredients, food manufacturers can choose from ten approved health claims and 16 nutrition claims to communicate health and nutrition benefits to consumers.

Additional formulations have been developed and placed on the market for the use of Palatinose™ in beverages, baked goods, dairy products, confectionery and fondants with improved storage stability.

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, fish and dairy alternatives. When producing textured plant proteins, the protein sources used include potatoes, corn and wheat, whose proteins are processed in special procedures to make them suitable for use as functional ingredients in food. These proteins, specially prepared for their applications, are used in foods to replace proteins of animal origin.

FRUIT PREPARATIONS A new technology for the gentle pasteurization of fruit preparations is being tested. The key advantage of the new process is that the fruit preparation is heated rapidly without local overheating, thereby preserving the flavor and consistency of the fruit.

Substitution of dairy products with plant-based raw materials is gaining significant ground. Soft ice creams based on grain flours, which can be combined with different fruit flavors, enable innovative product developments in the food service sector.

Special additives for yogurts were developed for use in fruit preparation. In addition to the existing production of chocolate splits, a process has been developed to enable the manufacture of novel chocolate-based products that can be incorporated into countless new recipes.

Non-Food

BIOBASED CHEMICALS One of our research goals is to develop sustainable product concepts in which the company's existing products and side streams 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.

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 additives, platform chemicals or monomer components in biobased plastics.

The future use of biogenic CO₂ requires the availability of green hydrogen and a corresponding supply infrastructure. Südzucker has provided the Burgenland district with intensive support in its efforts to prepare a project proposal to request funding from the German federal state of Saxony-Anhalt for the construction of a hydrogen infrastructure. The project outline prevailed against several competing applications and is now the only project that has been requested to submit an application. Total funding would amount to € 50 million, a first step toward sustainable product concepts using green hydrogen.

Producing organic chemicals from renewable ethanol remains a focus. Together with partners from industry and science, we are working on concepts for using renewable ethanol to manufacture higher-quality chemicals. We are pursuing and supporting the chemical-catalytic process for the production of ethyl acetate.

STARCH The development of new starch products and the efficient production of these products are key building blocks in the rapidly developing market for sustainable technical products. The focus is on applications for organic solutions in paper, adhesives and construction. This will help further ongoing efforts to substitute petrochemical-based products with the development of new starch derivatives.

Efforts to further optimize the starch-based compounds product group were successful in the field of home-compostable bioplastics. New formulations for a wide range of applications prompted the development of innovative, tailor-made solutions. Process control optimization made manufacturing these compounds more ecological and economical. New starch-based compounds with improved processing characteristics were manufactured that will open entirely new technical application fields.

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, 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. In the meantime, the first foils have been produced and the first packaging tests have even been carried out on the technical production line.

PACKAGING Packaging changes in the food sector require intensive testing, as the product and packaging system must be coordinated. Due to regulatory requirements, composite materials are rarely recyclable; hence the need for alternative packaging systems. These changes have had a serious impact on our sugar products in the retail sector, for which new solutions have now been supplied.

We are also working on cellulose substitutes based on beet fibers for paper packaging. The

use of new technologies could enable us to manufacture our own paper packaging partly from beet components in the future. Work on setting up a pilot plant is currently underway.

Business report

General and industry-specific business conditions

WORLD SUGAR MARKET In its April 2023 estimate of the world sugar balance for the 2021/22 marketing year (1 October 2021 to 30 September 2022), market analyst S&P Global reports a deficit of 3.5 million tonnes of sugar. Inventories were reduced once again for the third deficit year in a row as a result of a slight increase in sugar production along with an equally slight increase in world sugar consumption. The ratio of inventories to consumption fell to a very low level of around 35 %.

In the current 2022/23 marketing year (1 October 2022 to 30 September 2023), S&P Global now expects an even sugar balance. Ongoing production growth will be offset by a further increase in consumption.

For the upcoming 2023/24 marketing year (1 October 2023 to 30 September 2024), S&P Global's initial estimate is for only a slight surplus of 0.7 million tonnes. Assuming further growth in production and consumption, the ratio of inventories to consumption will remain at a low level of 35 %.

The world market price for white sugar rose from below 500 €/t at the beginning of fiscal 2022/23, with high volatility over the course of the year, and reached its highest level in September at around 620 €/t of white sugar. As a result, the world market price fell due to the weaker US dollar exchange rate and ranged between around 500 and 570 €/t. At the end of the reporting period, it was 530 €/t.

Global sugar balance

Million of tonnes	2023/24e	2022/23	2021/22	2020/21	2019/20
Opening stocks	65.5	65.5	68.9	71.1	75.4
Production	191.4	187.8	184.5	180.2	180.3
Consumption	-189.9	-187.5	-186.0	-181.2	-181.2
Corrections	-0.9	-0.3	-1.9	-1.2	-3.4
Ending stocks	66.1	65.5	65.5	68.9	71.1
In % of consumption	34.8	34.9	35.2	38.0	39.2

Source: SP Global Commodity Insights, April 2023

EU SUGAR MARKET During the past 2021/22 sugar marketing year (1 October to 30 September), EU sugar production (including isoglucose) increased to 17.2 (15.2) million tonnes, with a further slight reduction in cultivation area to around 1.40 million hectares and a corresponding increase in yields per hectare.

For the current 2022/23 sugar marketing year, the EU Commission's January 2023 estimate is forecasting a further reduction in cultivation area of around 4 % to approximately 1.35 million hectares. In addition, the EU Commission expects lower yields per hectare due to the drought in key cultivation regions of the EU in the summer of 2022, causing beet sugar production (including isoglucose) to decline to 15.5 (17.2) million tonnes. This means that imports will continue to be required to supply the EU with sugar, in particular by the numerous countries that are allowed to import sugar into the EU at reduced tariffs or without tariffs. According to EU Commission estimates, the inventory level at the end of the ongoing 2022/23 sugar marketing year as of 30 September 2023 is expected to decline further to around 1.4 (1.5) million tonnes.

For the coming 2023/24 sugar marketing year, market observers are forecasting stable to slightly increasing cultivation area in the EU-27.

The price for sugar (food and non-food, ex-factory) published by the EU Commission was 443 €/t at the beginning of the fiscal year. As a result of the emerging weaker harvest in the fall of 2022, but also as a consequence of the massive cost increases for raw materials and energy, sugar prices rose continuously and had reached 804 €/t at the last available publication of February 2023. 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.

Sugar demand has risen again in the wake of the corona pandemic according to data from the EU Commission. Compared to 12.8 million tonnes of sugar consumed in the EU-27 in 2020/21 due to lockdowns and other restrictive measures, sugar sales in 2022/23 are expected again to be on par with the normalized previous year at around 13.6 (13.7) million tonnes.

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. The retail business in general continues to decline. Consumer purchasing power is also generally becoming scarcer. Particularly in Eastern and Southern Europe, business is therefore extremely price-sensitive; due to lower wages, consumers now have to spend an even larger share of their income on food than before.

ANIMAL FEED AND MOLASSES MARKETS The markets for sugary byproducts were dominated by rising raw material prices worldwide in fiscal 2022/23. Starting from an already high level in 2021/22, prices for sugary byproducts continued to climb. Even a further decline in European mixed feed production was not reflected in lower prices. Global molasses production is expected to decline slightly to 64.4 (65.7) million tonnes in 2022/23. This global development particularly affects the EU market, which is very important for us; a drop to 2.95 (3.40) million tonnes is anticipated in this market¹. This decline in production has had and continues to have a supportive effect on prices.

No actual figures are currently available for dry beet pulp production within the EU. It is likely that production will decline, as it seems sensible to

find new ways of utilizing beet pulp, such as direct feeding or the production of biogas, against the backdrop of increased energy costs. This

shortage has a positive impact on the price level of dried pulp.

Legal and political environment

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 a 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. Following the change of government in Brazil, there are currently efforts to implement the agreement with additional agreements on climate protection in a timely manner.

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 takes virtually no action against these 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 the future.

The number of countries that granted temporary exemptions for the use of neonicotinoids under strict conditions decreased from 15 for the 2021 cultivation year to 13 for the 2022 cultivation year to eight for the 2023 cultivation year.

The European Court of Justice ruled at the end of January 2023 that national exemptions for the use of neonicotinoids when seeding sugar beet are contrary to European law. Subsequently, France, as the country with the largest beet-growing area in the EU, decided not to grant an exemption and not to allow neonicotinoid dressings in the 2023 cultivation year. It is doubtful to what extent the eight member states that had already granted exemptions before the ECJ ruling will now make use of them for the 2023 seeding season. However, it is unlikely that exemptions will be granted for the use of a neonicotinoid dressing on sugar beet seed from the 2024 seeding season at the latest.

TEMPORARY SUSPENSION OF CUSTOMS DUTIES ON SUGAR IMPORTS FROM UKRAINE TO THE EU

The EU Parliament and 27 EU member states approved the EU Commission's proposal to fully suspend customs duties and import quotas on all goods (including sugar and confectionery) from Ukraine in June 2022. This temporary trade liberalization, limited to one year, is subject to various conditions, including compliance with the rules of origin and a safeguard clause in particular. Experts currently expect this special provision for Ukrainian market access to the EU to be extended. This special provision resulted in a rise in duty-free sugar imports from Ukraine from around 20,000 tonnes to over 100,000 tonnes in the 2022 calendar year. Market observers are forecasting a further significant increase in duty-free white sugar imports from Ukraine in 2023.

EMBARGO AGAINST FEED IMPORTS FROM THE RUSSIAN FEDERATION

As part of the EU's sixth package of sanctions against the Russian Federation, as of 3 June 2022, leached beet pulp, bagasse and other waste from sugar production, as well as spent grains, stillage and pellets that originate in or are exported from Russia may no longer be purchased, imported or transferred to the EU.

USE OF BEET PELLETS FOR GREENHOUSE GAS-NEUTRAL SUGAR PRODUCTION

A successful conversion to greenhouse gas-neutral sugar production essentially depends on highly efficient, unrestricted combined heat generation using residual biomass from the company's own production processes.

Using some of the leached sugar beet pellets from our own processing combined with energy efficiency measures and partial electrification of heat production, our production locations would have enough pellets to meet all the sugar factories' energy requirements. The German sugar industry has outlined this path in a roadmap to carbon-neutral sugar production by 2050. This plan will not result in a food supply shortage. On the contrary, it offers clear social relief in the implementation of the Green Deal and could help prevent or contain a gas shortage. It requires the effective integration of residual biomass (sugar beet pellets) utilization from company-owned processes in the RED III legal system in the course of the trilogue on the RED amendment. Sugar beet pellets must be included as a sustainable renewable energy source in RED III. If these efforts were to prove unsuccessful, we would have to obtain CO₂ certificates to use these residues as energy in our plants.

Beet harvest and campaign chronology

Südzucker AG's cultivation area was decreased by 1.2 % in 2022 compared to the previous year.

The first beet pellets were sown very sporadically this year in the traditional early sowing areas of Offstein and Offenau at the end of February. The main sowing period started around March 14 and was almost completed without interruptions by the end of March. April was initially characterized by cold, very changeable weather. Snow, rain and frosty nights slowed down beet emergence. The months of May to August were warmer than average almost everywhere and too dry in many growing areas. It was not until the beginning of September – at the start of the campaign – that much precipitation was recorded. The first beet processing started at the Wabern sugar factory as early as September 5. This was followed by processing of the German organic beets at the Rain factory on September 7.

On September 9, the Plattling and Zeitz plants joined in. The emergence of rotten beets, especially in Offenau and Ochsenfurt, was conspicuous. Overall, it can be stated in retrospect that conditions for beet development in clearing and transport were good until mid-December. However, after some frost events in the first half of December with temperatures around -15 degrees Celsius and a sudden subsequent warm weather, the quality of the sugarbeet deteriorated. With the turn of the year, the rotten beets then caused problems at ongoing factories such as Zeitz and Wabern. By the end of January, however, all beets could be processed into sugar here as well. On average, Südzucker AG's campaign lasted 110 (132) days.

The pronounced drought in the summer of 2022 resulted in below-average yields. Large differences could be observed between the growing regions: While yields were at their lowest level in Ochsenfurt at 58 t/ha, the Bavarian plants harvested almost at an average level of 89 t/ha. Sugar contents varied from 15.6% in Offstein to 18.1% around Wabern. Overall, beet yield of 71.8 (86.9) t/ha and sugar content of 16.8 (17.5) % were well below average.



Business performance

The 2022/23 financial year was characterized by rising sugar prices throughout the EU. This led to a significant increase in sales revenues. HGB operating profit improved more than expected despite the sharp rise in energy and raw material costs. In addition to the significant increase in sales, this resulted from lower additions to pension provisions than in the previous year, as well as the partial reversal of the provision for anti-trust risks in Austria.

REVENUE AND OPERATING PROFIT

(in € millions)	2022/23	2021/22
Revenues	1,747.5	1,383.4
Change in work in progress and finished goods and internal costs capitalized	88.7	85.6
Other operating income	62.2	28.9
Cost of materials	-1,241.9	-1,002.0
Personnel expenses	-305.7	-311.9
Depreciation of intangible assets and fixed assets	-65.4	-66.7
Other operating expenses	-250.6	-227.3
Operating profit (HGB)	34.8	-110.0
Investment income/expense	147.7	217.4
Depreciation of financial assets and marketable securities	-7.1	-6.5
Interest income/expense	-22.2	-14.8
Income from ordinary activities	153.2	86.1

Sales revenues were up 26.3% or € 364.1 million in fiscal 2022/23, from € 1,383.4 million to € 1,747.5 million. This is due in particular to the EU-wide increase in price levels.

Other operating income in the amount of € 62.2 (28.9) million includes € 31.5 (12.3) million in income from prior periods. These resulted mainly from the partial reversal of provisions due to anti-trust proceedings in Austria and gains on interest rate swaps.

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 € 239.9 million to € 1,241.9 (1,002.0) million resulted from higher energy and raw material costs.

Despite an increase in the average number of employees, **personnel expenses** decreased by € 6.2 million to € 305.7 (311.9) million. This was due to the fact that pension expenses were € 20.7 million lower than in the previous year, mainly as a result of changes in the actuarial parameters for pension obligations.

Depreciation was € 65.4 (66.7) million, about the same as the year prior. No Write-downs were required.

Other operating expenses increased by € 23.3 million to € 250.6 (227.3) million as a result of general cost increases in all areas and higher consulting expenses.

Operating result (HGB) improved by € 144.8 million compared to the previous year, and at € 34.8 (-110.0) million, was significantly higher than our expectations at the beginning of the financial year due to the positive revenue trend.

At € 147.7 (217.4) million, **income from investments** was well below the previous year's level due to the lower profit transfer, as both dividends

received and profit transfers from subsidiaries were significantly lower.

Depreciation of financial assets and marketable securities of € 7.1 (6.5) million was necessary due to devaluations of marketable securities to lower market prices in prior year.

The **net interest result** deteriorated by € –7.4 million to € –22.2 (–14.8) million. The interest result includes expenses from the compounding of pension provisions and other provisions and non-current liabilities totaling € 13.9 (14.4) million.

The **income from ordinary activities** increased by € 67.1 million to € 153.2 (86.1) million.

(in € millions)	2022/23	2021/22
Income from ordinary activities	153.2	86.1
Taxes on income	–4.1	3.0
Profit after taxes/ Net earnings for the year	149.1	89.1
Profit brought forward from the previous year	8.0	0.6
Allocations revenue reserves	0.0	0.0
Net earnings available for distribution	157.1	89.7

The **taxes on income** of € +4.1 (+3.0) million take into account tax-free income from shareholdings and additions to tax provisions from previous years.

Net earnings were thus € 149.1 (89.1) million.

As in the previous year, there was no withdrawal from or transfer to retained earnings in the financial year. Including the profit carried forward from the previous year of € 8.0 (0.6) million, the **net earnings available for distribution** amounts to € 157.1 (89.7) million.

INVESTMENTS AND FINANCING

Investments in property, plant and equipment and intangible assets totalled € 58.3 (43.9) 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 23	28 Feb 22
Securities	–103.9	–108.2
Cash and cash equivalents	–5.7	–23.8
Receivables as part of group financing	–93.0	–150.7
Bonds	0.0	150.0
Financial liabilities to banks	59.4	144.2
Liabilities as part of group financing	907.8	760.1
Net financial debt	764.6	771.6

Net financial debt was on a par with the previous year at 764.6 (771.6) million as of 28 February 2023. Cash flow from operating activities increased to € 301.7 (246.3) million. As a result of higher manufacturing costs, capital tied up in inventories increased by € 154.7 (26.5) million. Investments in property, plant and equipment and intangible assets increased to € 58.3 (43.9) million. As in the previous year, there were no investments in financial assets at the Südzucker AG level. The dividend payment for fiscal 2021/22 was € 81.7 (40.8) million.

Südzucker has the following outstanding bonds as at 28 February 2023:

	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)
Sustainability-Bond 2017/2025	5,125 %	400 million	XS2550868801	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. Südzucker AG has financial liabilities of € 225.6 (134.5) million to Südzucker International Finance B.V., Oud-Beijerland. Südzucker AG has issued 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 € 0.0 (150.0) million as at 28 February 2023.

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 23	28 Feb 22
Intangible assets	8.7	7.5
Property, plant and equipment	446.7	455.6
Financial assets	2,764.2	2,764.2
Fixed assets	3,219.6	3,227.3
Inventories	719.3	564.6
Receivables and other assets	610.8	504.5
Securities	103.9	108.2
Cash and cash equivalents	5.7	23.8
Current assets	1,439.7	1,201.1
Accrued and deferred items	3.0	2.2
	4,662.3	4,430.6

Südzucker AG’s total assets as of 28 February 2023 were € 4,662.3 (4,430.6) million, up from last year.

Fixed assets totalled € 3,219.6 (3,227.3) million, € 7.7 million lower than last year.

The increase in **inventories** to € 719.3 (564.6) million is due to the higher manufacturing costs of the finished products of the 2022/23 campaign compared to the previous year.

Receivables and other assets were above the previous year’s level at € 610.8 (504.5) million. In addition to the turnover-related higher trade receivables, the granting of intra-group loans to affiliated companies increased.

LIABILITIES AND SHAREHOLDERS' EQUITY

(in € millions)	28 Feb 23	28 Feb 22
Shareholders' equity	2,071.1	2,004.5
Special items with an equity portion	27.8	28.0
Provisions for pensions and similar obligations	852.4	763.6
Other provisions	256.7	263.5
Liabilities	1,454.3	1,371.0
	4,662.3	4,430.6

Equity increased to € 2,071.1 (2,004.5) million. The equity ratio was 44.4 % (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 117.9 % (91.8 %).

Pension provisions were up € 88.8 million to € 852.4 (763.6) million. Adjustment of the discount rate from 1.82 to 1.79% boosted the number as well as pension parameter adjustments.

The other provisions item of € 256.7 (263.5) million consists of taxes, personnel expenses, litigation risks and recultivation obligations. The decrease is due in particular to the reversal of a provision for antitrust risks in Austria.

Liabilities increased by € 83.3 million from € 1,371.0 million to € 1,454.3 million. The reduction in liabilities from short-term bonds (commercial paper) was offset by higher liabilities to beet growers and intragroup financing.

CURRENT AND PROJECTED BUSINESS PERFORMANCE

In last year's forecast report, we had expected a significant increase in volumes and sales. This has materialized. The expected significant increase in raw material and energy costs also materialized. In addition, expected salary and pension trends in particular have changed, resulting in higher pension obligations than planned. Unplanned was the income from the partial reversal of the provision recognized for antitrust risks in Austria. This resulted in a significantly better operating result than forecast, at € 34.8 million.

As predicted, income from shareholdings failed to match the 2021/22 level, but the effect was more than offset by the significantly better operating profit, with the result that the net income of more than €100 million expected for 2022/23 was well exceeded.

Outlook

Fiscal 2023/24 will continue to be characterized by geopolitical imponderables and economic policy uncertainties. We expect the EU sugar price level to be confirmed again for the 2023/24 sugar marketing year (October 2023 to September 2024), and thus again significantly higher sales revenues. Operating profit in both the sugar and starch divisions will continue to improve significantly compared to last year.

Operating profit (HGB) in 2023/24 is expected to be around €300 million (2022/23: €34.8 million) as a result of the operating earnings improvements, assuming a good performance in fiscal 2023/24.

Income from investments will be slightly above the level of the past fiscal year (2022/23: € 147.7 million). With net interest expense significantly lower (2022/23: € -22.2 million) and tax expense significantly higher (2022/23: € -4.2 million), we therefore expect net income for fiscal 2023/24 to be significantly higher than in the previous year (2022/23: € 149.1 million).

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 stable and 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 or positively influence implementation of strategic goals and operational plans. Südzucker Group uses an integrated system for the early identification and monitoring of group-specific risks. The guiding principle for successfully managing risk is to balance returns and risks. The company's risk culture is characterized by risk-aware conduct, clear responsibilities, independent risk controlling and implementing internal control systems. Insofar as it is possible and economically practical, insurable risks are covered by a group-wide insurance policy.

PURPOSE OF RISK MANAGEMENT The purpose of the risk management system is to capture 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, financial and compliance risks.

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

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM The executive board is responsible for the group-wide internal control and risk management system, particularly for the early detection and mitigation of existential and strategic as well as climate-related risks. The risk and internal control committee and the compliance committee support the board in this task and regularly evaluate the suitability of the installed risk management, internal control system and compliances rules and improves them if necessary. In addition, the risk and internal control committee continuously monitors material risks, including cross-business risks and control requirements, 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 and internal control system and significant developments. The supervisory board also examines the effectiveness of the risk management and internal control system as part of its executive board monitoring responsibility.

RISK MANAGEMENT ORGANIZATION The operating units (divisions and the CropEnergies and starch segments) and the group functions are responsible for the implementation of internal control systems and as risk managers for identifying and assessing opportunities and risks as well as for risk management. 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 and internal control committee and the 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 and internal control committee aggregates the individual risks across the entire Group as part of the risk inventory and examines them with regard to risk-bearing capacity.

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 group sustainability board. 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 and those responsible in the operating units and central departments 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 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 the operating units, 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. At the beginning of the war, most of the Ukrainian operations had to be shut down. Production has now resumed, but with reduced capacity. A deteriorating economy can also negatively impact production and the market situation in Russia. 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. In 2022, emergency plans and measures for cases of restriction or interruption of oil and gas supply to our production facilities were implemented and remain in place. The consequences of interrupting production at Südzucker plants would have a major impact on operational results. Such ramifications are not taken into account in the 2023/24 earnings forecast. In addition, the forecast assumed that the significant increases in raw material and energy prices can also be passed on in new customer contracts in the next sugar marketing year 2023/24.

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. In the sugar, CropEnergies and starch segments, rising price changes lead to increased risks in earnings. Although a slight calming of the price trend for many raw materials was observed at the end of calendar year 2022. However, in the event of a possible further escalation of the con-

flict, it is likely that there will be renewed distortions on the raw material markets. Key drivers that drive these changes, such as the regulation of agricultural production conditions, crop protection restrictions, weather and harvest conditions, climate policy for CO₂ reduction, blending targets for renewable raw materials and the demand for and supply of competing raw materials and substitutes, can only be affected by the company 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 overall risk position of the group is high and has risen further compared to the 2021/22 fiscal year due to uncertainties surrounding further developments in the procurement and sales markets. At the same time, 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 current 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 2023/24 financial year.

	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 2022/23	
	Risks	Opportunities
Procurement and sales markets		
Availability and price volatility of raw materials and energy	●●●	●●●
War in Ukraine	○●●	○○○
Product price volatility	●●●	●●●
Operational exchange rate risks	●●●	●○○
Changes in the legal and political framework	○●●	●○○
Company-specific opportunities and risks		
Production and logistic	○●●	○○○
Production safety and environment	○●●	○○○
Product quality	○●●	○○○
Personnel and risks from work interruptions	○○●	○○○
Reputational risks		
Information technology	○●●	○○○
Innovations		
Legal risks	○○●	○○○
Fraud and corruption risks	○●●	○○○
risks		
Financial		
Exchange rate fluctuation risks	●●●	●●●
Other financial Opportunities and risks	●●●	●●●

Procurement and sales markets

AVAILABILITY AND PRICE VOLATILITY OF RAW MATERIALS AND ENERGY

Every year the Südzucker Group processes more than 30 million tonnes of agricultural raw materials. In addition to 28 (28) million tonnes of sugar beets in fiscal year 2022/23, this are every year significant quantities of corn, wheat, barley, rice, triticale, chicory, potatoes and fruits.

The Südzucker Group is exposed to various procurement risks as the processor of these raw materials. These risks relate mainly to fluctuations of harvest yields, due primarily to extreme weather conditions (climate change) as well as pests and diseases affecting crops. What's more, beets compete with other crops when farmers decide what to grow, which poses a procurement risk in the sugar segment.

Alongside availability-related procurement risks, agricultural raw materials are also subject to price fluctuations, which are currently being influenced by the war in Ukraine. The war led to a sharp rise and extreme volatility in raw material prices over the past few months, which had a direct impact on the price of European ethanol and the world market price of sugar and, in particular, grain prices in the sugar, CropEnergies and starch segments. Political measures such as export bans imposed by major exporters can also lead to increased short-term price volatility. Procurement risk is particularly affected by poor weather and any plant diseases that may arise. Poor harvests resulting from these factors can have a negative impact on both the availability and cost of raw materials. Price trends for these agricultural raw materials, which cannot always be directly passed on to the market, have a significant influence on the future development of the Südzucker Group.

Furthermore, the Südzucker Group is exposed to energy price risks due to the considerable amount of energy required to manufacture its products. Because of the war in Ukraine and the limited availability of Russian oil and gas, energy

prices have risen dramatically in recent months, and it is unlikely that we will be able to pass these increases on to the market in full, which would in turn lead to higher material costs and a reduction in the operating result.

Ongoing global uncertainties make it impossible to predict how raw material availability and prices will develop in the future. Price fluctuations may also present opportunities if developments are favorable.

WAR IN UKRAINE The war in Ukraine has also resulted in a sharp rise in risks for the Südzucker Group. These risks are related to direct consequences such as rising energy and raw material availability and prices all the way to interruptions in production due to limited energy availability or disruptions in logistics chains.

Due to the war in Ukraine, most of Südzucker Group's Ukrainian operations in the fruit segment had to be shut down at least temporarily or were operating well below their normal capacity. A weaker economy can have a negative impact on production locations in the fruit segment and the market situation in Russia.

Alongside procurement risks, the war in Ukraine currently has a dramatic impact on prices for agricultural raw materials. This war led to a sharp rise and extreme volatility in raw material prices over the past few months, which had a major impact on the price of European ethanol in particular and the world market price of sugar and grain prices. There has also been a dramatic increase in energy prices, which are key cost factors in the manufacture of sugar products in all segments.

It is extremely difficult today to predict how the conflict will evolve over time and what the resulting impact will be on the availability and price development of raw materials. If it is not possible to pass on these significantly higher raw material and energy prices through new customer contracts, this would have a significant impact on Südzucker's operating result. Supply bottlenecks for raw materials or interruptions in oil, gas, coal and electricity supplies that lead to interruptions in production at Südzucker's plants would also have a significant impact on the operating result.

Sales are also affected by this conflict. This applies directly to local sites and to direct exports of our products to Ukraine and Russia. However, we are also indirectly affected by the declining business of our customers in these regions.

GLOBAL WARMING AND SHIFTING CLIMATE ZONES The consequences of global warming and shifting climate zones include rising average temperatures and sea levels and greater climate variability. Changes in the frequency, severity, volume expansion and duration of weather events lead to extremes such as heavy rainfall, droughts, flooding, storms or hail. Flooding and low water levels 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, including above-normal fluctuations in harvest yields. An extended vegetation period and higher temperatures can lead to higher yields if the soil contains sufficient water, but lower yields when water is scarce. Due to fewer frost days and faster soil warming, an extended growing season would also result in competition with other crops when farmers decide what to grow. Changes in the availability and thus the prices of agricultural products directly affect Südzucker's business activities.

In addition, shifting climate zones resulting from a general rise in temperature can promote the emergence 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.

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.

Last fiscal year, Südzucker Group began an investigation to assess climate-related risks. The first step will be to examine the impact of climate change on our 100 or so locations around the world. The investigation is based on generally accepted data and scenarios (e.g. from the IPCC or the World Resources Institute) on the current status or future development of climate change. Initial results indicate that the availability of water and the impact of droughts and heat waves pose the greatest risks. The impact is highest on the fruit segment.

During this transformation phase to achieve greenhouse gas neutrality, a range of regulatory measures will be taken in the EU 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 BE-NEO division are subject to the regulations set forth by the European Emissions Trading System and are directly affected by potential adjustments. Moreover, further adjustments will be necessary in the medium term. We are currently working hard to evaluate various technologies on a site-by-site basis. Risks resulting from the technical deployment of the individual measures will rise in the coming years, as will the corresponding demand for investments and associated financial risks.

PRODUCT PRICE VOLATILITY The most important markets for sugar, animal feed, functional ingredients for food and animal feed, frozen products, starch, ethanol and fruit are distinguished by their comparably stable and/or rising demand.

In the sugar segment Südzucker is exposed to risks arising from price fluctuations in the world sugar market, the European Union (EU) common market and animal feed markets. If the surplus on the world sugar market increases more than expected, world market prices may fall. The world market price trend also influences the sugar price level in the EU. However, since many of Südzucker's 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.

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 months and may continue to fluctuate considerably.

In summary, a change in market prices for Südzucker Group's products, for whatever reason, can have a significant positive or negative impact on Südzucker Group's performance.

OPERATIONAL EXCHANGE RATE RISKS Currency exchange risks arise at Südzucker's operations when sales revenues or the cost of materials and/or merchandise are denominated in a currency other than the local currency.

In the sugar segment, sugar exports to the world market are subject to US dollar exchange rate risks, and are always hedged from the date of entering the sugar futures contract to the date of payment receipt. Raw sugar refining is exposed to currency risk from raw sugar purchases denominated in US dollars. In the special products segment, foreign exchange risks arise in the BE-NEO division from US dollar sales revenues for which the underlying production costs are mostly incurred in euros and Chilean pesos. Revenues of the Freiberger Group in the UK are exposed to currency risk related to the British pound sterling. Raw material purchases and product sales in the CropEnergies segment are mainly made in euros. Südzucker is exposed to currency risks when purchasing raw alcohol in US dollars and selling industrial alcohol in euros. These transactions are hedged using forward exchange contracts immediately after purchasing the raw alcohol. Currency risks in the fruit segment relate primarily to volumes sold in euros or US dollars, while raw material and operating costs are denominated in the respective local currency. When raw materials and/or sales are denominated in foreign currencies, the currency risk is partly hedged using forward exchange contracts.

Changes in currency exchange rates could have a significant impact on the Südzucker Group's net assets, financial position and performance.

CHANGES IN THE LEGAL AND POLITICAL FRAMEWORK Changes to economic and agricultural policy in the EU, international trade relations and national tax and customs regulations, as well as interpretation by regional authorities, pose further risks associated with general legal and political conditions.

Despite common policies among all member states, considerable differences remain in the national agricultural policy frameworks within the EU. 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. In addition to subsidies, the approval of fertilizers and plant protection products is still subject to different national regulations. This has recently become clear not only in the handling of the emergency approval for neonicotinoids, which has been handled less strictly in some EU member states than in Germany, for example, but also for the "Conviso Smart System" for innovative weed control in sugar beet cultivation. In some cases, this can give processors of agricultural raw materials significant cost advantages or disadvantages due to their location in the EU, which also prevents inefficient competitors from exiting the market. 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 in 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 towards renationalization in various industries and countries, triggered in part by the COVID-19 pandemic, could also have a corresponding impact on sales potential.

Any changes in the political framework also entail risks associated with 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 frameworks. 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. On 30 November 2022, the European Commission issued a draft EU Packaging Regulation for consultation. The aim of the regulation is to make it easier to recycle packaging and to reduce packaging waste in the EU. Any changes to the existing regulation that may result from this could have a negative impact on the PortionPack division in particular. Evolving legislation and regulatory conditions in areas such as hygiene or ingredients can present risks as well.

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

The need for all sectors of the economy to significantly reduce their fossil carbon footprint has led to new development options for biomass-based products, for example in the field of biochemicals as a sustainable alternative to petrochemical products.

As part of the negotiation of initiatives for the EU's "Fit-for-55" reform package, co-legislators have agreed to reduce CO₂ emissions from cars and vans by 100 % in 2035. Internal combustion engines are unable to meet these requirements; in such cases, vehicles equipped with these engines will no longer be able to obtain new registrations. An accompanying electrification of road transport will significantly reduce the sales market for fuel ethanol in Europe.

CHANGING CONSUMER BEHAVIOR AND THE TREND TOWARDS SUSTAINABLE CONSUMPTION

Industrialized countries are witnessing a decline in per capita consumption of individual products, especially sugar consumption in the EU. As the population in many developed countries becomes more health conscious, consumer preferences are changing, leading to a decline in overall consumption of foods containing full-calorie sweeteners. Concerns about weight gain or dental hygiene are prompting some consumers to avoid sugary products or choose products with reduced sugar content or low-calorie sweeteners. Regulatory measures such as the introduction of sugar taxes and the public health debate and media mindset are further factors stimulating this development. A significant decline in demand for sugar and sweeteners in saturated markets that is not offset by sales volume increases in developing countries or new end markets or market

share gains may have an adverse effect on the Südzucker Group.

Südzucker's strategic orientation calls for an expansion of activities in the plant protein sector. While sales of animal feed could face a long-term threat from declining consumption of fish and meat products, the plant proteins market segment is growing in an effort to cater to vegetarian or vegan dietary habits. We see considerable opportunities here based on our positioning, especially in light of the long-standing protein deficit in the EU.

Greenhouse gas emissions associated with manufacturing and marketing products have a significant impact on consumer behavior. Products that are favorably labeled or even carbon neutral will generate significant sales potential. 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.

In the biofuels market, ethanol competes with established fuels, other alternative fuels and new propulsion technologies such as electric drives. Methanol and butanol from biomass are examples of competing products. Alternative fuels and new propulsion technologies may be more successful than ethanol in the biofuels market due to the availability of raw materials and price volatility, lower production costs, greater environmental benefits, tax levels or other more favorable product attributes. Alternative fuels could also benefit from tax incentives or other favorable subsidy measures at the expense of first-generation ethanol, which could have a negative impact on the performance of the Südzucker Group.

Company-specific opportunities and risks

PRODUCTION AND LOGISTIC The Südzucker Group cannot rule out the possibility of technical, IT, logistical or other disruptions causing a temporary failure of individual systems or system components that are critical to the production process. Likewise, it is also possible that interruptions in the supply of raw materials or energy could temporarily restrict production or require a temporary halt to production. In particular, 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. The shortage of truck drivers is also putting a strain on production and distribution. The resulting production downtime could impair the Südzucker Group's ability to meet its delivery obligations to its customers and, in the event of incomplete or delayed deliveries, might even lead to claims by these customers (particularly claims for damages) and the permanent loss of customers.

PRODUCTION SAFTY AND ENVIRONMENT

Südzucker operates plants for the production of sugar and starch products, bioethanol, animal feed, fruit preparations and fruit juice concentrates, etc. As the owner of the properties on which these plants are located, Südzucker Group may be subject to causal liability or liability as the property owner or property holder or by third parties under civil law if the soil or groundwater there is or becomes contaminated. As the owner or operator of plants, Südzucker Group is also liable under both public and civil law for non-compliance with public law regulations and any resulting damages. The Südzucker Group may not be able to maintain an environmental management system that ensures compliance with all environmental regulations. Even with a functioning environmental management system, human error can result in environmental impacts for which

Südzucker Group, as the plant operator, can be held liable directly or by way of recourse.

PRODUCT QUALITY One of Südzucker's stated objectives is to supply customers with safe, high-quality products at all times. Serious violations of safety standards for food and other products could adversely affect consumer health, damage Südzucker's reputation and reduce sales volumes of its products. Despite introducing and maintaining a strict quality management system and complying with all applicable legal standards, we cannot rule out a scenario in which the quality of one or more products from Südzucker receives a negative assessment or some products do not meet internal or external quality standards. In such cases, Südzucker Group could be exposed to liability claims and reputational risks that might have a material adverse effect on Südzucker's financial position.

PERSONNEL AND RISKS FROM WORK INTERRUPTIONS

One of Südzucker's most important success factors is the knowledge and expertise of its employees, which is why it is essential to attract and employ qualified talent in sufficient numbers. Südzucker Group competes intensely with other companies for trained personnel and is thus exposed to the risk of being unable to suitably fill vacancies. Alongside technical and scientific qualifications, this also applies to the IT sector in particular. In addition, employee turnover carries the risk of knowledge loss. There is no guarantee that Südzucker will be able to recruit and retain the required number of qualified specialists and managers in the future.

Furthermore, Südzucker may not be able to conclude satisfactory new agreements with works councils and trade unions once existing collective bargaining agreements expire or reach such new agreements without walkouts, strikes or similar labor disputes. Any walkouts, strikes or similar actions taken by the workforce could have a negative impact on the Südzucker Group.

ACQUISITIONS, RESTRUCTURING, JOINT VENTURES AND ALLIANCES

Südzucker Group has acquired companies, products and technologies in the past to complement or expand its business and expects to continue making such acquisitions in the future.

Südzucker management's negotiations of potential acquisitions and alliances, as well as the integration of acquired companies, products or technologies, require the time, focus and resources of management and the workforce. Acquisitions involve many additional risks, including the inability to a) successfully integrate acquired businesses, technologies, products or management systems; b) retain key employees; c) avoid assuming significant unknown liabilities, incurring debt or significant cash expenditures; or d) establish, reestablish or maintain internal controls. There are also risks associated with integrating

different corporate cultures and processes. In addition, acquired companies may not perform as expected, which may also have an adverse effect on operating margins and income.

Restructuring programs may result in expenditures that exceed original estimates, while anticipated savings may not be achieved. Risks associated with restructuring production locations and administrative areas may impact the respective businesses and production processes.

Beyond this, the Südzucker Group owns shares in joint ventures and associated companies and holds additional investments. 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.

Finally, Südzucker has also joined alliances for various purposes, including the development of new products, and expects to continue forming such alliances in the future. There are no assurances that such objectives will be successfully achieved or that Südzucker will not incur significant unexpected liabilities in connection with such agreements. Consequently, there is no way to exclude the possibility of Südzucker failing to benefit from such acquisitions or alliances as expected or of the company being adversely affected.

REPUTATIONAL RISKS Südzucker is exposed to potential damage to its image in the event of negative media – including social media – coverage of the corporate brand or individual brands, especially in the consumer goods sector. This negative reporting may result in a dramatic decline in sales and reduce Südzucker’s operating result.

INFORMATION TECHNOLOGY The management of our group is largely dependent on a sophisticated computer system, which is 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. Resulting requirements are included in the continuous optimization of measures, but can also lead to fines in the event of non-compliance.

INNOVATIONS Innovations have the potential to influence the conditions of competition and supply and demand, which means that they always pose opportunities and risks. Depending on their scope, this can result in turmoil in the market. Innovations not only relate to product properties and applications; they also have a material influence on processes, both in production and administration.

Although it is not possible to completely separate risks from innovations, we still view this field primarily as an opportunity through active innovation management. For example, we have not only pooled our research and development expertise, but also our innovation activities throughout the group to exploit existing synergies in all our diversified business segments. We have aligned processes with markets in our innovation ecosystem. We continuously rethink and improve our current solutions and approaches and always seek inspiration and solutions beyond our existing business segments. Since fall 2022, our innovation platform “theBarn.io” has been on the lookout for external ideas and collaboration opportunities that fit our strategic orientation. We also cooperate with various partners such as MassChallenge Switzerland, EIT Food, BioEconomy Cluster and NewFoodSystems.

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 majority of the lawsuits have still not been adjudicated. Individual lawsuits have already been dismissed with costs. There are still no legally binding rulings that would confirm Südzucker's liability for damages. However, it can be assumed that Südzucker will also have to continue to deal with these proceedings in the coming years.

In connection with the German sugar cartel fine proceedings, the Austrian Federal Competition Authority filed a claim in 2010 for a fine to be imposed on Südzucker AG and AGRANA Zucker GmbH, Vienna/Austria, totaling about € 28 million for suspected anticompetitive agreements. This filing was dismissed in full by the Vienna Higher Regional Court in 2019. The Federal Competition Authority has appealed against this decision – with respect to Südzucker AG. The decision of the Supreme Court of Vienna resulted in a sig-

nificant reduction of the original charge. However, since the Supreme Court could not be persuaded to dismiss the allegations against Südzucker in their entirety, the Vienna Higher Regional Court, which is once again the competent authority, is expected to impose a much lower fine than the one envisaged in the original filing. A significant portion of the provisions that were set aside when the proceedings were initiated has now been released.

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 are held regularly 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 by automatically scrutinizing applicable sanctions lists in a harmonized database. Südzucker also has a directive to prevent value added tax fraud within the EU.

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 FLUCTUATION RISKS Financial impacts of exchange rate fluctuations are mainly due to intragroup 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. Südzucker successfully issued its first sustainability-linked financing instrument under the new Sustainability-Linked Financing Framework in October 2022 with a volume of € 400 million. With this sustainability-linked bond, Südzucker has committed to paying investors a redemption premium of 0.50 % of the nominal value if the target of reducing the Südzucker Group's Scope 1 + 2 CO₂ emissions (performance indicator) by -32 % compared to the historical reference date of 31 December 2018 is not met

by the target observation date of 31 December 2026.

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 commercial paper program and syndicated and bilateral bank credit lines. Securities investments and emission certificates also offer liquidity reserves.

Südzucker is subject to a number of tax laws and regulations. Changes in this area could lead to higher tax expenses and tax payments and have an impact on recognized current and deferred tax assets and liabilities. Tax risks exist for all open assessment periods, with provisions being recognized in sufficient amounts for known tax risks. Unused tax loss carryforwards could be used in the future, for example due to further positive earnings development in the sugar segment, resulting in lower current tax payments.

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

Reporting on corporate governance and responsibility considers the recommendations of the German Corporate Governance Code and contains a statement on corporate governance in accordance with articles 289f and 315d of the German Commercial Code and all necessary disclosures and explanations in accordance with articles 289a through e and 315a through d of the

German Commercial Code. These contents are also integral parts of the management report. The disclosures in the corporate governance declaration are not included in the audit in accordance with article 317 para. 2 item 6 of the German Commercial Code

Supervisory board and executive board

The following summary outlines the operating procedures and the composition of the executive board and supervisory board, including the diversity concepts and the competence profile of the supervisory board.

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 five members including its chairman. The executive board, as a management body, conducts 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. Ingrid-Helen Arnold, is a member of the executive board of

Südzucker AG as well as a member of the executive board of AGRANA Beteiligungs-AG.

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. 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. 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 different gender
- Systematic development of managers
- 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 five 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.
- **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 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 10 November 2022 and published on the website of Südzucker AG (www.suedzuckergroup.com/en/investor-relations/corporate-governance/aufsichtsrat). The shareholder representatives and employee representatives always meet separately to prepare the supervisory board meetings.

SUPERVISOR BOARD SELF-ASSESSMENT 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 10 November 2022 and published on the website of Südzucker AG (www.suedzucker-group.com/en/investor-relations/corporate-governance/aufsichtsrat). The shareholder representatives and employee representatives always meet separately to prepare the supervisory board meetings.

SUPERVISORY BOARD STRUCTURE Südzucker AG's supervisory board consists of 20 members as per the articles of incorporation, of which ten are elected by the shareholders and ten by the employees. The members of the supervisory board were newly elected at the 2022 annual general meeting. The term of office, which is identical for all supervisory board members, runs for the period until the end of the annual general meeting which ratifies the actions of the supervisory board for fiscal 2026/27 (that is, until the end of the annual general meeting in 2027).

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.

The current supervisory board members are presented in the notes under item 28 "Supervisory board and executive board".

SUPERVISORY BOARD COMMITTEES The supervisory board has formed an executive committee, audit committee, agriculture and raw material markets committee, strategy and sustainability

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 and the social committee have six members each, the strategy and sustainability committee and the agriculture and raw material markets committee have eight members each with an equal number of shareholder and employee representatives. The nomination committee is composed of four shareholder representatives.

The strategy and sustainability committee was established for the first time following the reorganization of the committees resolved on 23 February 2022 at the constituent meeting of the supervisory board on 14 July 2022. The committee is composed of four representatives each from the shareholder and employee sides. In accordance with the resolution of 23 February 2022, the agricultural committee was renamed the agriculture and raw material markets committee and now comprises four representatives each from the shareholders' and employees' sides.

The duties of the executive board and the other committees are outlined in the supervisory board rules of procedure version dated 10 November 2022. The audit committee's rules of procedure version dated 10 November 2022 apply equally to the audit committee. The current members of the committees and their respective terms of office are presented in the notes of the consolidated statements under item 37 "Supervisory board and executive board".

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

SUPERVISORY BOARD DIVERSITY POLICY AND COMPETENCE PROFILE As per a resolution passed on 23 February 2023, 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 requirements of the GCGC, 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.
- All supervisory board members shall be given 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 supervisory board shareholder representatives shall be "independent" within the meaning of recommendation C.7 of the GCGC.
- Not more than two former members of the executive board shall be members of the supervisory board.
- The audit committee shall have at least one member with expertise in the field of accounting (including internal control and risk management systems) and at least one other member having expertise in the field of auditing (financial experts). The knowledge of the financial experts shall also extend to sustainability reporting and its audit.
- The supervisory board's expertise shall comprise special knowledge mainly in the following areas:

Functional competencies:

- Corporate governance and strategy
- Accounting/auditing, control and risk management systems

- Legal/corporate governance/compliance
- Human resources/social sustainability
- Environmental sustainability

Sectoral competencies:

- Food production/distribution and related value chains
 - Agriculture and raw materials
 - International business/foreign markets
 - Innovation/research and development
 - Other business sectors outside Südzucker's core business
- The supervisory board shall have at least three female and three male members to represent the employees and shareholders.
 - No candidate older than 70 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 implementation status of the supervisory board diversity policy is as follows:

The supervisory board's employee representatives were elected on 3 May 2022 by the company's workforce, and its shareholder representatives by shareholders at the annual general meeting on 14 July 2022.

According to the supervisory board, the current composition is in line with the objectives of the diversity concept and the competence profile.

The board has the opinion that it has at least two independent members, which is considering the ownership structure in compliance with requirements. Susanne Kunschert, Stuttgart, Germany, and Julia Merkel, Wiesbaden, Germany, are independent of Südzucker AG, its executive board and the controlling shareholder Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG (SZVG).

The supervisory board includes at least three persons who meet the requirements of the GCGC for financial experts: Susanne Kunschert, Stuttgart, Germany, chair of the audit committee; Helmut Friedl, deputy chair of the audit committee; and Veronika Haslinger, Vienna, Austria, member of the audit committee.

Due to her professional background, her work as an auditor and, in particular, her many years of experience as managing partner of Pilz GmbH & Co. KG, where she is responsible for finance, Susanne Kunschert has amassed a wealth of expertise in auditing and financial accounting, including knowledge and experience in applying financial accounting principles and internal controlling and risk management systems. Her professional expertise also extends to preparing and auditing sustainability reports. Ms. Kunschert is – together with her brother and co-shareholder Thomas Pilz – responsible for preparing and auditing sustainability reports at Pilz GmbH & Co. KG and receives regular training in this area.

With many years of experience in investment management including responsibility for the areas of controlling and finance and her long-

standing role as managing director of the credit institution Raiffeisen-Holding Niederösterreich-Wien reg. Gen.m.b.H. in particular, Veronika Haslinger is highly proficient in the field of auditing and financial accounting. She also has the corresponding experience and know-how in applying financial accounting principles and internal controlling and risk management systems. Her professional expertise likewise extends to preparing and auditing sustainability reports. Ms. Haslinger also gained in-depth experience during her years of membership on supervisory boards in a wide range of industries. She regularly attends further training courses.

Similarly, Helmut Friedl has expertise in auditing financial statements as a result of extensive further training and his many years of service on Südzucker AG's audit committee, most recently for five years as audit committee chairman. This also includes preparing and auditing sustainability reports. Mr. Friedl also regularly attends training courses on these subjects and chairs Südzucker's committee for strategy and sustainability, which is responsible for this topic.

The supervisory board has seven female members, four representing the employees and three representing shareholders; no member is older than 70.

There are no former Südzucker AG executive board members on the supervisory board. The special expertise required by the diversity concept and the competence profile is represented on the supervisory board and is summarized in the qualification matrix as per recommendation C.1 of the GCGC.

Qualification matrix

	Supervisory board	Audit committee
Functional competencies		
Corporate governance and strategy	●●	●●
Accounting/auditing, control and risk management systems	●●	●●●
Legal/corporate governance/compliance	●●	●●
Human resources/social sustainability	●●●	●●●
Environmental sustainability	●●	●●
Sectoral competencies		
Food production/distribution and related value chains	●●	●
Agriculture and raw materials	●●	●●
International business/foreign markets	●●	●●
Innovation/research and development	●	●
Other business sectors outside Südzucker's core business	●●	●●

Corporate governance

Corporate governance aims to ensure that companies are managed and controlled responsibly and that they provide lasting shareholder value. 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.

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 GCGC is a key executive board and supervisory board responsibility.

In our opinion, the current version of the Code dated 28 April 2022 is largely balanced, practical and of high standard when compared internationally. As in previous years, we have thus not found it necessary to prepare individual, company-specific corporate governance principles.

2022 DECLARATION OF COMPLIANCE In November 2022, the executive and supervisory boards issued a declaration of compliance with the GCGC recommendations in the version dated 28 April 2022 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.

The complete version of the 2022 declaration of compliance – as well as the declaration of compliance for prior years – is posted on Südzucker AG's website (www.suedzuckergroup.com/en/Entsprechenserklaerung).

GENDER QUOTA The German Stock Corporation Act stipulates in article 96 (2), sentence 1 that listed and co-determined companies have a fixed gender quota of 30 percent within the supervisory board. Currently, 35 percent 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 Südzucker AG as of 28 February 2022 was 10 % at each of the first and second management levels below the executive board. The executive board determined in April 2022 as a target that the proportion of

women at both levels should be doubled to 20 % by 2027.

EDUCATION AND TRAINING In fiscal year 2022/23 an information event on corporate governance issues was held with an external legal counsel. Members of the supervisory board are solely responsible for any education and training measures they may require fulfilling their duties. They are appropriately supported by Südzucker AG. A training session on sustainability was also held in March 2023.

REMUNERATION REPORT A separate report on executive and supervisory board compensation is published on Südzucker's website. The current compensation system approved by the annual general meeting as well as the last compensation resolution can be accessed at www.suedzuckergroup.com/en/investor-relations/corporate-governance/verguetungssysteme. The compensation reports, including the auditor's report pursuant to § 162 of the German Stock Corporation Act (AktG), will be made publicly available at www.suedzuckergroup.com/en/investor-relations/corporate-governance/verguetungsberichte after approval by the annual general meeting; in advance of this, the compensation report for the last financial year can be viewed as part of the invitation to the upcoming annual general meeting that will pass a resolution on this report when the documents are published. 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.

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 recommendation for deductibles for supervisory board members in the German Corporate Governance Code was revoked in 2019. Accordingly, deductibles are no longer provided for in the D&O insurance for supervisory board members as of 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 2022/23, the members of the executive and supervisory boards have not informed Südzucker AG about any notifiable directors' dealings in securities.

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.

Internal control and risk management system

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, compliance and the annual audit of the financial statements. It also reviews and verifies the effectiveness of the internal control systems, the risk management

system and the internal auditing system. Details regarding risk management are outlined in the risk and opportunity report.

KEY FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

The Südzucker Group's internal control and risk management systems are based on the principles, guidelines and measures prescribed by the executive board. They include managing opportunities and risks related to achieving business objectives, ensuring internal and external accounting processes function properly and reliably and complying with relevant legal requirements and regulations.

Management of opportunities and risks covers key aspects of sustainability and encompasses processes and systems used to record and manage sustainability-related data.

The internal control and risk management system framework determines the elements and sets the benchmark for assessing the appropriateness and effectiveness of these systems. It connects the risk management process with financial reporting and internal control – two systems that complement each other. All divisions and corporate departments in the Südzucker Group are part of the internal control and risk management systems. The scope of activities and measures to be carried out by each division and corporate department differs depending on the importance of the individual division for the consolidated financial statements and the specific opportunities and risks associated with its operating activities.

Overall responsibility for the internal control system and risk management lies with the executive board. The Risk and Internal Control Committee pools and integrates internal control and risk management processes and helps the executive board create and maintain appropriate and effective processes for implementing, monitoring and reporting internal control and risk management activities.

The management of each division and corporate department is required to implement an appropriate and effective internal control system and

risk management system in its area of responsibility based on principles that are mandatory throughout the group. Risk officers and, if necessary, risk committees are deployed in the individual divisions and corporate departments to achieve this aim.

Risk management, which is based at Südzucker Group headquarters, is responsible for monitoring and coordinating all processes to ensure the appropriateness and effectiveness of the internal control system and risk management system within the group.

Details regarding risk management are outlined in the risk and opportunity report.

The internal control system and risk management, along with their contributing elements, are regularly the subject of audit activities conducted by internal auditing.

These audits are performed either in connection with the risk-based annual audit plan or on request as part of audits scheduled throughout the year.

Based on the processes and measures described above, the executive board of Südzucker AG has no evidence that the internal control system and risk management system as a whole were not appropriate or effective as of 28 February 2023.

Nevertheless, there are inherent limitations to the effectiveness of any risk management and control system.

No system – even if it has been assessed and deemed appropriate and effective – can, for example, guarantee that all risks that actually arise will be identified in advance or that any violation of the process can be ruled out under all circumstances. The audit committee is regularly embedded in the internal control and risk management systems. Its chief tasks include monitoring financial accounting, the financial accounting process

and the appropriateness and effectiveness of internal control systems, risk management and the internal auditing process

Compliance

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

COMPLIANCE – MANAGEMENT SYSTEM

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 measures and reporting channels and is based on the seven basic elements of IDW auditing standard 980 "Auditing of compliance management systems" published by the German Institute of Auditors (IDW):

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 should create an environment that makes very clear the importance of compliance within the company ('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 2022/23 approximately 7,275 employees including the executive board were trained throughout the company. This represents about 89 % of the target group (salaried employees including management). The e-learning program, which is mandatory, covers a 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. 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 exec-

utive 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 (www.suedzuckergroup.com/en/Unternehmen/Verhaltenskodex/) and corporate compliance principles (www.suedzuckergroup.com/en/Unternehmensgrundsaeetze/). Posters were put up at the company sites to sensitize employees to compliance principles during their day-to-day activities. Suspected violations of the code of conduct or the corporate compliance principles may be reported using a dedicated telephone number or e-mail address, as well as via an Internet-based anonymous whistleblower program.

In fiscal 2022/23, 20 notifications were received throughout the group via these channels. We follow up each report with care and confidentiality.

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 SUSCRIBED CAPITAL AND VOTING RIGHTS

As of 28 February 2023, 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 76,033 treasury shares as of the balance sheet date. The treasury shares

No significant violations were identified. Suggestions and measures for improvement are implemented on an ongoing basis.

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 2022/23, selected departments, such as purchasing or logistics, were also audited for corruption and fraud at 34 % of the locations. No material violations of statutory regulations could be identified.

No cases of corruption were identified in fiscal year 2022/23.

Südzucker AG is considered a 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.

are held by the company for the multi-year compensation component as part of the executive board members' compensation.

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 60.7% 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 71.0% 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 BUYBACK

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 2022/23 annual report. They are also accessible at Südzucker's website at www.suedzucker.de/en/investor-relations/publikationen/finanzberichte#2022/23.

Recommendation on appropriation of profits

The executive and supervisory boards will recommend a dividend of € 0.70 (0.40) per share to the annual general meeting on 13 July 2023. With dividend-bearing capital of € 204.2 (204.2) million, this represents a total dividend pay-out of € 142.9 (81.7) million. The dividend is expected to be paid on 18 July 2023.

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 2023

ASSETS

(€ '000)	Notes	28 February 2023	28 February 2022
Intangible assets		8,736	7,518
Property, plant and equipment		446,741	455,565
Financial assets		2,764,222	2,764,232
Fixed assets	1	3,219,699	3,227,315
Inventories	2	719,285	564,578
Receivables and other assets	3	610,755	504,526
Securities	4	103,890	108,215
Cash and cash equivalents		5,737	23,820
Current assets		1,439,667	1,201,139
Accrued and deferred items	5	2,983	2,162
		4,662,349	4,430,616

LIABILITIES AND SHAREHOLDERS' EQUITY

(€ '000)	Notes	28 February 2023	28 February 2022
Subscribed capital		204,183	204,183
Less fair value of own shares		-76	-24
Outstanding subscribed capital		204,107	204,159
Capital reserve		1,620,579	1,620,579
Revenue reserves		89,389	90,087
Net earnings available for distribution		157,061	89,696
Shareholders' equity	6	2,071,136	2,004,521
Special items with an equity portion	7	27,805	27,955
Provisions for pensions and similar obligations	8	852,424	763,635
Other provisions	9	256,689	263,472
Provisions		1,109,113	1,027,107
Liabilities	10	1,454,295	1,371,033
		4,662,349	4,430,616

Income statement 1 March 2020 to 28 February 2023

(€ '000)	Notes	1 March 2022– 28 February 2023	1 March 2021– 28 February 2022
Revenues	12	1,747,504	1,383,477
Change in work in progress and finished goods and internal costs capitalized	13	88,716	85,581
Other operating income	14	62,255	28,920
Cost of materials	15	-1,241,920	-1,002,047
Personnel expenses	16	-305,703	-311,946
Depreciation of intangible assets and fixed assets		-65,414	-66,701
Other operating expenses	17	-250,563	-227,278
Investment income/expense	18	147,677	217,415
Depreciation of financial assets and marketable securities	19	-7,100	-6,500
Interest income/expense	20	-22,229	-14,778
Taxes on income	21	-4,204	3,000
Profit after taxes/ Net earnings for the year		149,019	89,143
Profit brought forward from the previous year		8,042	553
Net earnings available for distribution		157,061	89,696

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 intangible assets and 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 2.75 (2.50) percent, of an income threshold trend (“Beitragsbemessungsgrenze”) of 2.75 (2.50) percent, the future pension increase rate at 2.50 (1.80) percent and the average employee turnover rate at 1.00 (1.00) percent. An actuarial interest rate of 1.79 (1.82) percent was used as a basis for the discount rate for pension obligations as at 28 February 2023.

This corresponds to the average market interest rate from the past ten fiscal years as determined by Deutsche Bundesbank as of 28 February 2023 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 0.73 (0.48) % and 1.48 (1.34) % 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	Advances paid	Intangible assets
Acquisition or production cost			
As of 1 March 2022	67,954	0	67,954
Addition	4,096	549	4,645
Disposal	-728	0	-728
Transfer	986	0	986
As of 28 February 2023	72,308	549	72,857
Accumulated depreciation			
As of 1 March 2022	60,436	0	60,436
Annual depreciation	4,292	0	4,292
<i>thereof extraordinary</i>	<i>0</i>	<i>0</i>	<i>0</i>
Disposal	-607	0	-607
As of 28 February 2023	64,121	0	64,121
Net book value			
28 February 2022	7,518	0	7,518
28 February 2023	8,187	549	8,736

Property, plant and equipment

(€ '000)	Land and buildings	Technical equipment and machinery	Other plant, factory and office equipment	Advances paid and construction in progress	Property, plant and equipment
Acquisition or production cost					
As of 1 March 2022	475,459	1,376,482	116,308	12,408	1,980,657
Addition	2,089	20,874	7,836	22,891	53,690
Disposal	-475	-7,176	-4,321	0	-11,972
Transfer	269	6,718	279	-8,252	-986
As of 28 February 2023	477,342	1,396,898	120,102	27,047	2,021,389
Accumulated depreciation					
As of 1 March 2022	273,567	1,157,974	93,551	0	1,525,092
Annual depreciation	9,423	43,815	7,884	0	61,122
<i>thereof extraordinary</i>	0	0	0	0	0
Disposal	-443	-6,927	-4,196	0	-11,566
Transfer	0	0	0	0	0
As of 28 February 2023	282,547	1,194,862	97,239	0	1,574,648
Net book value					
28 February 2022	201,892	218,508	22,757	12,408	455,565
28 February 2023	194,795	202,036	22,863	27,047	446,741

Financial assets

(€ '000)	Shares in affiliated companies	Participations	Other loans	Financial assets
Acquisition or production cost				
As of 1 March 2022	2,764,208	14	10	2,764,232
Addition	0	0	0	0
Disposal	0	0	-10	-10
As of 28 February 2023	2,764,208	14	0	2,764,222
Accumulated depreciation				
Net book value				
28 February 2022	2,764,208	14	10	2,764,232
28 February 2023	2,764,208	14	0	2,764,222

(2) Inventories

(€ '000)	28 February 2023	28 February 2022
Raw materials and supplies	73,720	34,374
Work in progress	147,473	148,743
Finished goods, merchandise	449,301	355,270
Advance payments for inventories	48,791	26,191
	719,285	564,578

The increase in **finished goods and merchandise** as at 28 February 2023, is due to a higher valuation of sugar inventories compared to the prior year, with a decrease in inventories by volume as a result of lower production.

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

The **prepayments** as of 28 February 2023 relate to the 2021/23 raw material hedging premium that was paid in June 2022 for the finalization of the sugar beet supply contracts for the 2023 campaign. Last year, they related to the 2020/22 raw material hedging premium, which was paid to finalize the sugar beet 2022 campaign supply contracts and is now included in the valuation of sugar inventories as of 28 February 2023.

(3) Receivables and other assets

(€ '000)	28 February 2023	28 February 2022
Trade receivables	208,438	158,584
Receivables owed by affiliated companies	315,264	282,842
<i>thereof with remaining term of more than 1 year</i>	0	0
Receivables owed by companies in which participations are held	140	575
Other assets	86,913	62,525
	610,755	504,526

Individual impairments of €'000 1,149 (1,839) have been made for **trade receivables** totalling €'000 208,438 (158,584).

Receivables from affiliated companies comprise financial receivables from group loans in the amount of €'000 53,500 (0), trade receivables of €'000 118,189 (72,047) and other receivables in the amount of €'000 143,575 (210,795), 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 86,913 (62,525) 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 € 14,844 (9,289) thousand resulted from the centralized export activity and the securing of raw materials for the starch factory in Zeitz. CO₂ certificates amounting to € 16,495 (17,160) thousand acquired during the reporting year are also included.

(4) Securities

(€ '000)	28 February 2023	28 February 2022
Shares in affiliated companies	13,600	13,232
Other securities	90,290	94,983
	103,890	108,215

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 (€ '000)	1 March 2022	Divided for 2021/22	Net earnings for the year	Own Shares	28 February 2023
Subscribed capital	204,183				204,183
Less fair value of own shares	-24			-52	-76
Outstanding subscribed capital	204,159			-52	204,107
Capital reserve	1,620,579				1,620,579
Revenue reserves	90,087			-698	89,389
Net earnings available for distribution	89,696	81,654	149,019		157,061
	2,004,521	81,654	149,019	-750	2,071,136

As of 28 February 2023, 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 76,033 treasury shares on the balance sheet date, bringing the outstanding subscribed capital to € 204,107,259.

The 76,033 (24,391) treasury shares (0.04 (0.01) % of the subscribed capital) were acquired by the company in January, April and December 2022 to service the share-based Executive Board remuneration system. The acquisition costs of €'000 1,065 (315) attributable to these shares were deducted from the subscribed capital in the amount of € 76,033 (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 2023, 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 €'000 853,813 (765,418) is offset against the pension fund assets (funding sources) in the amount of €'000 1,389 (1,783). 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 50,611. This amount is subject to a distribution block.

(9) Other provisions

(€ '000)	28 February 2023	28 February 2022
Tax provisions	33,446	21,094
Provisions for litigation risks and risk precautions	115,762	141,893
Other provisions	107,481	100,485
	256,689	263,472

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. The decrease is due in particular to the reversal of a provision for antitrust risks in Austria.

In connection with the German sugar cartel fine proceedings, the Austrian Federal Competition Authority filed a claim in 2010 for a fine to be imposed on Südzucker AG and AGRANA Zucker GmbH, Vienna/Austria, totaling about € 28 million for suspected anticompetitive agreements. This filing was dismissed in full by the Vienna Higher Regional Court in 2019. The Federal Competition Authority has appealed against this decision – with respect to Südzucker AG. The decision of the Supreme Court of Vienna resulted in a significant reduction of the original charge. However, since the Supreme Court could not be persuaded to dismiss the allegations against Südzucker in their entirety, the Vienna Higher Regional Court, which is once again the competent authority, is expected to impose a much lower fine than the one envisaged in the original filing. A significant portion of the provisions that were set aside when the proceedings were initiated has now been released.

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 €'000 849 (999) 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 2023			28 February 2022		
	Total	< 1 year	> 1 year	Total	< 1 year	> 1 year
Bonds and debt securities	0	0	0	150,034	150,034	0
Liabilities to banks	59,425	12,900	46,525	144,163	94,738	49,425
Trade payables	398,374	398,374	0	227,225	227,225	0
Liabilities to affiliated companies	939,506	313,916	625,590	785,046	250,539	534,507
<i>thereof trade payables</i>	<i>28,458</i>	<i>28,458</i>	<i>0</i>	<i>23,686</i>	<i>23,686</i>	<i>0</i>
Liabilities to companies with which there is a participating interest	94	94	0	0	0	0
Other liabilities	56,896	56,896	0	64,565	64,565	0
<i>thereof for taxes</i>	<i>1,977</i>	<i>1,977</i>	<i>0</i>	<i>5,282</i>	<i>5,282</i>	<i>0</i>
<i>thereof for social security</i>	<i>7,124</i>	<i>7,124</i>	<i>0</i>	<i>7,170</i>	<i>7,170</i>	<i>0</i>
	1,454,295	782,180	672,115	1,371,033	787,101	583,932

Liabilities to banks amount to €'000 59,425 (144,163). The decrease is mainly attributable to short-term financing requirements. Of the liabilities to banks with a remaining term of more than one year, €'000 0 (0) had a term to maturity of over five years.

Obligations to beet growers of €'000 309,396 (130,266) are reported under **trade payables**.

Liabilities to affiliated companies totalling €'000 939,506 (785,046) 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. The remaining terms of the liabilities to affiliated companies were less than 5 years.

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 € 14.7 (12.5) million is due within one year, € 22.5 (22.0) million in more than one year – with € 4.3 (4.0) 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 € 61.5 (22.9) million as of the balance sheet date.

For bonds issued by Südzucker Finance B.V., Oud-Beijerland/Netherlands in favor of the creditors, Südzucker AG issued guarantees totaling € 1,200.0 million (€ 800.0 million) and, in the case of the subordinate hybrid bond, a subordinated guarantee totaling € 700.0 million (€ 700.0 million). The issuance of another surety and guarantee was in favor of the creditors of Orafti Chile S.A., for loans and a credit line of maximum USD 73.0 (50.0) million, and in favor of the creditors of Richelieu Foods Inc. for a credit line of maximum USD 35.0 (0.0) 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 164,167 (381,157) 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 2023, there were open sugar futures contracts to hedge sugar sales with world market price based price adjustments. The positive market value amounts to € +0.4 (+4.2) million; the negative market value is € -4.2 (-7.9) million. Positive and negative market values of € +0.7 (+1.4) and € -1.3 (-7.8) million, respectively, exist for the associated forex forwards. Acquired sugar options with a volume of 0 (27,537) tonnes had market values of € 0.0 (-0.2) million as of 28 February 2023.

Hedging transactions (swaps) were concluded for 1,652,198 (954,932) MWh in the financial year to hedge the gas purchase prices. On 28 February 2023, there were positive and negative market values of € +18.3 (+20.8) and -4.2 (-0.1) 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 2023, open wheat futures in the volume of tonnes 133,350 (135,000) were concluded for deliveries in the 2021/22 financial year and the positive and negative market values totaled € +0.8 (+5.3) and -3.2 (0,0) million respectively.

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)	2022/23	2021/22
Classification according to activities		
Own production	1,338,426	1,067,814
<i>thereof sugar</i>	<i>1,083,824</i>	<i>861,123</i>
<i>thereof other revenue</i>	<i>254,602</i>	<i>206,691</i>
Revenues from services	179,043	139,820
Merchandise revenue	230,035	175,843
<i>thereof sugar</i>	<i>113,338</i>	<i>91,535</i>
<i>thereof by products</i>	<i>40,851</i>	<i>44,903</i>
	1,747,504	1,383,477
Classification according to geographical markets		
Germany	1,119,691	845,725
EU	542,881	437,687
United Kingdom	27,279	24,166
Others	57,653	75,899
	1,747,504	1,383,477

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

(€ '000)	2022/23	2021/22
Change in finished goods and work in progress	85,465	82,591
Internal costs capitalized	3,251	2,990
	88,716	85,581

(14) Other operating income

Other operating income includes income from prior periods totalling €'000 31,498 (12,318). These result mainly from the reversal of provisions due to antitrust proceedings in Austria. Also included is income from currency translation totalling €'000 3,822 (3,064).

Other operating income included income from the release of special untaxed reserves in the amount of €'000 150 (210) and income from insurance settlements for damage claims.

(15) Cost of materials

(€ '000)	2022/23	2021/22
Cost of raw materials and consumables and merchandise	1,095,172	865,510
Cost of purchased services	146,748	136,537
	1,241,920	1,002,047

(16) Personnel expenses

(€ '000)	2022/23	2021/22
Wages and salaries	172,399	159,212
Social contributions and expenses for retirement and other benefits	133,304	152,734
<i>thereof retirement benefits</i>	<i>102,600</i>	<i>123,311</i>
– <i>Service cost</i>	<i>14,161</i>	<i>11,976</i>
– <i>Parameter adjustments, among others</i>	<i>88,439</i>	<i>111,335</i>
	305,703	311,946
Average number of employees during the year		
Industrial employees	1,157	1,167
Salaried employees	1,076	1,056
Apprentices	170	170
	2,403	2,393

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. There were no expenses for severance payments.

(17) Other operating expenses

Other operating expenses include expenses from prior periods from losses from the disposal of fixed assets totalling €'000 417 (890). Also included are expenses from currency translation totalling €'000 1,041 (494).

(18) Investment income/expense

(€ '000)	2022/23	2021/22
Income from profit transfer agreements	89,148	142,071
Income from investments	58,754	75,346
<i>thereof from affiliated companies</i>	58,754	75,346
<i>thereof from other investments</i>	0	0
Expenses from transfer of losses	-225	-2
	147,677	217,415

(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)	2022/23	2021/22
Expenses / Income from other long-term financial investments and loans	3,048	3,969
Other interest and similar income	7,046	5,422
<i>thereof from affiliated companies</i>	2,963	1,709
Interest and similar expenses	-32,323	-24,169
<i>thereof from discounting</i>	-13,857	-14,361
<i>thereof from affiliated companies</i>	-11,862	-6,325
	-22,229	-14,778

Expenses from the unwinding of the discount for long-term obligations totaling € 13,857 (14,361) 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 € 13,617 (14,077) thousand and/or non-current provisions for personnel expenses and liabilities totaling € 240 (284) thousand, which are netted against income of € 78 (274) thousand from the fair value measurement of plan assets of € 1,389 (1,783) thousand.

(21) Taxes on income

Taxes on income and earnings include tax expenses and refunds from previous years and the recognition of provisions for tax risks.

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 28,083 (25,580) 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 € 4.6 (4.2) million in fiscal 2022/23. Of this amount, 0.5 (0.3) Mio. € relates to the share-based payment system, based on 51,642 (24,391) shares. The variable compensation amounts to 52 (39) % of the cash compensation; for executive board members Dr Niels Pörksen, Dr Thomas Kirchberg (until 31 August 2022) 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. For executive board members Ingrid-Helen Arnold and Hans-Peter Gai, 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 76,033 (24,391) treasury shares based on a target achievement rate of 100% in January, April and December 2022. For Markus Mühleisen, the AGRANA compensation system adopted by the AGM of AGRANA Beteiligungs-AG on 3 July 2020 is relevant and therefore not part of Südzucker AG's compensation disclosures.

A total of € 48.0 (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 € 10.7 (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 € 4.1 (€ 2.7) 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 sub-

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 two Executive Board members, 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.

Total remuneration paid to Südzucker AG's **supervisory board** for all activities was € 1.8 million (€ 1.6 million) in the 2022/23 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 2022/23 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 13 July 2023. Following the annual general meeting, the remuneration report for the 2022/23 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 60.7 % 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 71.0 % of total share capital, according to the German Securities Trading Act.

(25) Events after the balance sheet

There were no significant changes to the economic environment or to the situation in our industry after the close of the fiscal year. There are also no other special events for Südzucker AG that would require reporting.

(26) Consolidated financial statements

As the parent company of Südzucker Group, Südzucker AG has prepared consolidated financial statements as at 28 February 2023 according to the International Financial Reporting Standards (IFRS) as adopted by the EU. This is to be transmitted electronically for publication to the body keeping the company register for placement in the company register.

(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 94 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 (until 14. Juli 2022)

Former chairman of the executive board of the Association of Süddeutscher Zuckerrübenanbauer e. V.

Dr. Stefan Streng, Uffenheim
Chairman (since 15. Juli 2022)

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

Memberships in other domestic, statutory supervisory boards

- CropEnergies AG, Mannheim (since 12. Juli 2022)

Memberships in comparable German and foreign supervisory committees

- AGRANA Beteiligungs-AG, Wien, Austria
- AGRANA Zucker, Stärke und Frucht Holding AG, Wien, Austria (deputy Chairman)
- Freiburger Holding GmbH, Berlin (since 4. Juli 2022)
- Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG, Ochsenfurt (Chairman)

Franz-Josef Möllenberg*, Rellingen
(until 14. Juli 2022)

Ehemaliger Vorsitzender der Gewerkschaft Nahrung-Genuss-Gaststätten

Former Chairman of the Food and Catering Union

Rolf Wiederhold*, Wabern

1. deputy Chairman (since 15. Juli 2022)

Chairman of the general works council of Südzucker AG

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)

Group 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 other domestic, statutory supervisory boards

- CropEnergies AG, Mannheim (deputy Chairman) (since 12. Juli 2022)

* *Employee representatives*

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
- Freiburger Holding GmbH, Berlin (since 4. Juli 2022)

Ulrich Gruber, Plattling

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

Veronika Haslinger, Wien, Austria

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

Memberships in comparable German and foreign supervisory committees

- AGRANA Beteiligungs-AG, Wien, Austria (2. deputy Chairman) (since 8. Juli 2022)
- Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG, Ochsenfurt

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 Zuckerrübenverwertungs-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, Ochsenfurt

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, Ochsenfurt

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*, Biederitz

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

* Employee representatives

Mustafa Öz*, Altdorf

Regional Chairman Bavaria of the Food and Catering Union

Joachim Rukwied, Eberstadt

Chairman of the German Farmers Association

Memberships in other domestic, statutory supervisory 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

Frank Sachse*, Zeitz

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

Clemens Schaaf, Landsberg (Saalekreis) (since 15. Juli 2022)

Chairman of the board of the Association of Sächsisch-Thüringischer Zuckerrübenanbauer e.V.

Memberships in comparable German and foreign supervisory committees

- Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG, Ochsenfurt

Nadine Seidemann*, Donauwörth

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

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

* *Employee representatives*

Executive board

Dr. Niels Pörksen (Chairman), Limburgerhof

(Re-appointed until 28 February 2028)

Memberships in comparable German and foreign supervisory committees

- AGCO, Duluth/USA

Group mandates

- AGRANA Zucker, Stärke und Frucht Holding AG, Wien, Austria (Chairman since 8. Juli 2022)
- ED&F Man Holdings Limited, London, United Kingdom (until 31. März 2022)
- Freiberger Holding GmbH, Berlin

Ingrid-Helen Arnold, Walldorf

(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
- Freiberger Holding GmbH, Berlin (Vorsitzende), (4. Juli 2022 until 29. Januar 2023)

Hans-Peter Gai, Weinheim (seit 1. November 2022)

(2022)

(Appointed until 31 October 2025)

Group mandates

- Freiberger Holding GmbH, Berlin (Chairman since 30. Januar 2023)
- Südzucker Versicherungs-Vermittlungs-GmbH, Mannheim (since 2. November 2022)

Dr. Thomas Kirchberg, Würzburg (until 31.

August 2022)

Memberships in other domestic, statutory supervisory boards

- Ekosem-Agrar AG, Walldorf

Group mandates

- AGRANA Beteiligungs-Aktiengesellschaft, Wien, Österreich
- CropEnergies AG, Mannheim (stellv. Chairman)
- Freiberger Holding GmbH, Berlin, (Chairman)
- Südzucker Moldova S.R.L., Chişinău, Moldau
- 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

- CropEnergies AG, Mannheim
- Freiberger Holding GmbH, Berlin (deputy Chairman since 8. März 2023)
- Südzucker Versicherungs-Vermittlungs-GmbH, Mannheim (Chairman)

Markus Mühleisen, Austria

(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 2022/23 financial year for services provided by PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft:

(€ '000)	2022/23	2021/22
Auditing services	501	484
Other assurance services	181	69
Other services	0	12
	682	565

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 assurance services relate to statutory or contractual assurance services, such as the issuance of a comfort letter in connection with the issue of the 2022/2027 sustainability bond with a nominal volume of €400 million, the business audit of the non-financial statement, the European Market Infrastructure Regulation (EMIR) audits in accordance with section 20 of the German Securities Trading Act (WpHG), audits in accordance with the German Packaging Act (VerpackG), and other contractually agreed assurance services. 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 10 November 2022. 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 €'000 157,061 (89,696). It will be proposed to the annual general meeting that a dividend of € 0.70 (0.40) per share be distributed and be appropriated as follows:

(in €)	2022/23
Subscribed capital	204,183,292.00
Less fair value of own shares	76,033.00
Outstanding subscribed capital	204,107,259.00
Distribution of a dividend of € 0.70 per share on 204,107,259 shares	142,875,081.30
Profit carried forward	14,186,075.53
Net earnings available for distribution	157,061,156.83

In the above proposal for the appropriation of profits, the issued shares of 204,183,292 have already been reduced by 76,033 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 € 0.70 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 13 July 2023; the dividend will be paid on 18 July 2023.

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				
Felix Koch Offenbach Couleur und Karamel GmbH		Offenbach	Deutschland	SZH	51.00	8.0	1.93
Sudzucker Hellas E.P.E.		Agios	Greece	SZH	99.94	2.4	0.54
		Dimitrios		SZAG	0.06		
Sudzucker Ibérica, S.L.U.		Barcelona	Spain	SZH	100.00	1.1	0.25
Südzucker United Kingdom Limited		Edinburgh	United Kingdom	SZH	100.00	0.9	0.43
S.Z.I.L. LTD		Kfar Saba	Israel	SZH	100.00	0.6	0.08
Sugar Belgium							
Raffinerie Tirlemontoise S.A.	RT	Tienen	Belgium	SZH	99.41	786.5	31.01
Rafti B.V.		Wijchen	Netherlands	TSNH	100.00	13.3	2.31
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	23.0	0.11
Sugar France							
Saint Louis Sucre S.A.S.		Paris	France	SZH	100.00	26.7	3.04
Sugar Poland							
Südzucker Polska S.A.	SZPL	Wrocław	Poland	SZH	100.00	331.7	42.17
"POLTERRA" Sp. z o.o.		Wrocław	Poland	SZPL	100.00	0.9	0.03
Przedsiębiorstwo Rolne "KLOS" Sp. z o.o.		Wrocław	Poland	SZPLN	100.00	0.4	0.07
Südzucker Polska Nieruchomosci Sp. z o.o.	SZPLN	Wrocław	Poland	SZPL	100.00	0.8	2.43
Division Sugar Moldova							
Südzucker Moldova S.R.L.	SZM	Drochia	Moldova	SZH	99.97	48.8	6.99
Agro Credit S.R.L.		Drochia	Moldova	SZH	100.00	0.4	0.00
Agro-SZM S.R.L.		Drochia	Moldova	SZM	100.00	11.4	-2.07
Division sugar (AGRANA)							
Agrana Sugar Sales							
AGRANA Sales & Marketing GmbH	ASM	Wien	Austria	AB	100.00	69.2	14.10
Sugar Austria							
AGRANA Zucker GmbH	AZ	Wien	Austria	AB	98.91	154.5	6.74
				ASM	1.09		
Österreichische Rübensamenzucht Gesellschaft m.b.H.		Wien	Austria	ASM	86.00	1.9	-0.57
Sugar Romania							
AGRANA Romania S.R.L.	AR	Bukarest	Rumänien	ASM	>99,99	17.1	4.09
				AIV&A	<0,01		
AGRANA AGRO S.r.l.		Roman	Romania	AR	99.00	0.0	0.07
				AZ	1.00		
Sugar Slovakia							
Slovenské Cukrovary s.r.o.		Sered	Slovakia	ASM	100.00	23.4	4.05

* 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

5) Registration of the company in the commercial register on 02.03.2023, foundation on 07.10.2022; profit and loss transfer agreement valid on 01.03.2023

	Shortcut	Location	Country	Direct Shareholder	%	Equity € million	Earnings after tax € million
Sugar Czech Republic							
Moravskoslezské Cukrovary s.r.o.		Hrušovany	Czech Republic	ASM	100.00	24.2	5.73
Sugar Hungary							
AGRANA Magyarország Értékesítési Kft.	AME	Budapest	Hungary	MCeF	96.67	1.6	-0.24
				AZ	3.33		
Biogáz Fejlesztő Kft.		Kaposvár	Hungary	AME	100.00	1.8	0.06
Magyar Cukorgyártó és Forgalmazó Zrt.	MCeF	Budapest	Ungarn	ASM	87.61	64.6	4.07
Sugar Bulgaria							
AGRANA Trading EOOD		Sofia	Bulgaria	ASM	100.00	1.7	0.85
Sugar Bosnia							
AGRANA BIH Holding GmbH	ABIH	Wien	Austria	ASM	75.00	13.7	2.48
				SZH	25.00		
AGRANA Holding/other							
AGRANA Beteiligungs-Aktiengesellschaft	AB	Wien	Austria	AZS	78.34	760.3	65.85
				SZAG	2.74		
AGRANA Group-Services GmbH		Wien	Austria	AB	100.00	12.8	2.31
AGRANA Research & Innovation Center GmbH		Wien	Austria	AB	100.00	6.0	0.73
INSTANTINA Nahrungsmittel Entwicklungs- und Produktionsgesellschaft m.b.H.		Wien	Austria	AB	66.67	8.2	0.31
Division agriculture							
Loberaue Agrar GmbH	LOB	Rackwitz	Germany	SZAG	100.00	26.3	1.67
Rackwitzer Biogas GmbH		Rackwitz	Germany	LOB	100.00	0.0	0.00
Terra Sömmerda GmbH		Sömmerda	Germany	SZVW	100.00	11.1	0.92
Wolteritzer Agrar GmbH		Rackwitz	Germany	LOB	100.00	0.2	0.00
Zschortauer Futtermittel GmbH		Rackwitz	Germany	LOB	74.00	5.0	-0.12
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	523.2	41.57 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	19.2	1.45
Südzucker Versicherungs-Vermittlungs-GmbH		Mannheim	Germany	SZAG	51.00	2.2	2.16
Südzucker Verwaltungs GmbH	SZVW	Mannheim	Germany	SZAG	100.00	10.0	* 1)
Nougat Chabert							
Nougat Chabert & Guillot SAS	NC&G	Montélimar	France	SZH	100.00	1.3	0.71 3)
S.C.I. DU MARINET		Montélimar	France	NC&G	100.00		3)
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	2.6	0.22
BENEO Biodivis Holding GmbH	BBH	Mannheim	Deutschland	B	100.00	43.3	-0.03
BENEO Iberica S.L. Unipersonal		Barcelona	Spain	BO	100.00	0.2	0.01

* 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

5) Registration of the company in the commercial register on 02.03.2023, foundation on 07.10.2022; profit and loss transfer agreement valid on 01.03.2023

	Shortcut	Location	Country	Direct Shareholder	%	Equity € million	Earnings after tax € million
BENEO Inc.		Dover	USA	BP	100.00	29.0	3.34
BENEO India Private Limited		New Delhi	India	BP	99.99	0.6	0.19
				B	0.01		
BENEO Latinoamerica Coordenação Regional Ltda.		São Paulo	Brazil	BO	100.00	0.5	0.13
BENEO ProtiGreen GmbH		Mannheim	Deutschland	BBH	100.00		
BENEO–Orafti S.A.	BO	Oreye	Belgium	BR	100.00	283.1	3.80
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	284.3	30.29
Meatless B.V.		GJ Goes	Niederlande	MLI	100.00	0.9	-1.51
Meatless Holding B.V.	MLH	GJ Goes	Niederlande	BBH	100.00	20.1	-1.27
Meatless Industries B.V.	MLI	GJ Goes	Niederlande	MLH	100.00	7.6	-0.03
Meatless Invest B.V.		GJ Goes	Niederlande	MLI	100.00	2.5	-0.11
Orafti Chile S.A.		Pemuco	Chile	BO	99.99	171.8	4.32
				BP	0.01		
REMY ITALIA S.P.A.		Confienza (PV)	Italy	BR	66.70	0.8	0.03
Veniremy N.V.		Wijgmaal (Leuven)	Belgium	BR	100.00	7.7	0.32
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	3.5	0.11
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	3.6	0.89
Freiberger UK Ltd.		Spalding	United Kingdom	FIB	100.00	5.6	5.57
Freiberger USA Inc.	FLU	Parsippany	USA	FIB	100.00	149.7	-2.76
HASA GmbH		Burg	Germany	FLG	100.00	10.0	* 1)
Prim AS Tiefkühlprodukte Gesellschaft m.b.H.		Oberhofen	Austria	FIB	100.00	12.9	5.76
Richelieu Foods Inc.		Braintree	USA	FLU	100.00	410.3	-12.24
Sandhof Limited	SL	Westhoughton	United Kingdom	FIB	100.00	38.7	18.43
Stateside Foods Ltd.		Westhoughton	United Kingdom	SL	100.00	24.9	5.14
Division PortionPack							
PortionPack Group B.V.	PPG	Oud-Beijerland	Netherlands	SZAG	100.00	23.7	-0.34
Collaborative Packing Solutions [Pty] Ltd	CoSo	Johannesburg	South Africa	PPG	75.00	3.6	0.64
Elite Portion Pack Belgium NV		Herentals	Belgium	PPG	>99,99	0.1	0.05
				PPH	<0,01		
Hellma Gastronomicky Servis Praha spol. s.r.o.		Praha	Czech Republic	PPG	100.00	8.1	0.48
Hellma Gastronomie-Service GmbH		Nürnberg	Germany	PPG	100.00	4.4	* 1)

* 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

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5) Registration of the company in the commercial register on 02.03.2023, foundation on 07.10.2022; profit and loss transfer agreement valid on 01.03.2023

	Shortcut	Location	Country	Direct Shareholder	%	Equity € million	Earnings after tax € million
Portion Solutions Limited		Telford / Shropshire	United Kingdom	PPG	100.00	13.5	-0.19
SAES The Portion Company, S.L.		La Llagosta (Barcelona)	Spain	PPG	100.00	0.7	0.17
Crème de la Cream Group							
Orange Nutritionals Group B.V.	ONG	Zaandam	Niederlande	PPG	100.00	0.1	-0.12
Crème de la Cream Company B.V.		Zaandam	Niederlande	ONG	100.00	1.9	0.16
Seven Oaks Food B.V.		Zaandam	Niederlande	ONG	75.00	0.2	0.03
Verpakkingsbedrijf Zaanstad B.V.		Zaandam	Niederlande	ONG	100.00	0.3	0.07
Business Unit PP Holland							
PortionPack Holland B.V.	PPH	Oud-Beijerland	Netherlands	PPG	100.00	5.6	0.11
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	13.5	1.52
CropEnergies segment							
CropEnergies AG	CEAG	Mannheim	Germany	SZAG	69.20	677.6	118.34
Biowanze S.A.		Wanze	Belgium	CEAG	100.00	288.9	84.93
CE Biobased Chemicals GmbH		Elsteraue	Deutschland	CEBet	100.00	0.1	**
Compagnie Financière de l'Artois SAS	CF	Loon-Plage	France	CEAG	100.00	23.2	5.38
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	132.3	37.70
RYSSSEN ALCOOLS SAS		Loon-Plage	France	CF	100.00	14.4	8.45
Starch segment							
AGRANA Stärke GmbH	AS	Wien	Austria	AB	98.91	358.5	59.31
				ASM	1.09		
Marroquin Organic International, Inc.		Santa Cruz	USA	AS	100.00	17.1	1.93
S.C. A.G.F.D. Tandarei S.r.l.		Tandarei	Romania	AS	100.00	8.0	3.04
Fruit segment							
Division fruit preparations (AGRANA Fruit)							
AGRANA Fruit S.A.S.	AF	Mitry-Mory	France	FA	100.00	146.0	-9.43
AGRANA Fruit (Jiangsu) Company Limited		Changzhou	China	AF	100.00	12.1	-0.25
AGRANA Fruit Algeria Holding GmbH	AFAH	Wien	Austria	AIV&A	55.00	8.9	-0.04
AGRANA Fruit Argentina S.A.		Buenos Aires	Argentina	AF	91.76	34.5	-0.54
				AFSS	8.24		
AGRANA Fruit Australia Pty Ltd.	AF Aus	Sydney	Australia	AF	100.00	21.8	3.64
AGRANA Fruit Austria GmbH	AFA	Gleisdorf	Austria	AF	99.98	20.7	-1.19
				AIV&A	0.02		
AGRANA Fruit Brasil Indústria, Comércio,		São Paulo	Brazil	AF	>99,99	8.4	0.61
Importacao e Exportacao Ltda.		- Cabreúva		AFA	>0,01		
AGRANA Fruit Dachang Co., Ltd.		Dachang Hui Autonomous County, Hebei Province	China	AF	75.00	21.0	-1.50
				AFK	25.00		
AGRANA Fruit France S.A.S.		Mitry-Mory	France	AF	100.00	17.6	-3.88
AGRANA Fruit Germany GmbH		Konstanz	Germany	AF	100.00	10.6	2.35

* 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

5) Registration of the company in the commercial register on 02.03.2023, foundation on 07.10.2022; profit and loss transfer agreement valid on 01.03.2023

	Shortcut	Location	Country	Direct Shareholder	%	Equity € million	Earnings after tax € million
AGRANA FRUIT INDIA PRIVATE LIMITED		Pune	India	AF	99.90	-0.9	-2.19
				AFSG	0.10		
AGRANA Fruit Istanbul Gida Sanayi ve Ticaret A.S.		Istanbul	Turkey	AF	100.00	4.9	-0.42
AGRANA Fruit Japan Co., Ltd.		Tokyo	Japan	AIV&A	100.00	4.2	-0.72
AGRANA Fruit Korea Co. Ltd.	AFK	Jincheon-gun	South Korea	AF	100.00	11.1	-1.46
AGRANA Fruit Luka TOV		Winnyzja	Ukraine	AF	99.97	-1.6	-0.39
AGRANA Fruit Management Australia Pty Limited		Sydney	Australia	AF Aus	>99,99	0.4	0.01
				AF	<0,01		
AGRANA Fruit México, S.A. de C.V.		Zamora	Mexico	AFUS	100.00	48.4	6.70
AGRANA Fruit Polska SP z.o.o.		Ostroleka	Poland	AF	100.00	13.7	0.25
AGRANA Fruit Services GmbH	AFSG	Wien	Austria	AF	100.00	18.3	4.44
AGRANA Fruit Services S.A.S.	AFSS	Mitry-Mory	France	AF	100.00	1.1	0.18
AGRANA Fruit South Africa (Proprietary) Ltd.		Johannesburg	South Africa	AF	100.00	-0.7	-1.30
AGRANA Fruit Ukraine TOV		Winnyzja	Ukraine	AF	99.80	18.4	3.17
AGRANA Fruit US, Inc.	AFUS	Brecksville	USA	AF	100.00	69.5	-1.00
AGRANA Nile Fruits Processing SAE		Qalyoubia	Egypt	AF	51.00	1.3	0.14
Dirafrost FFI N. V.	DFFI	Lummen	Belgium	AF	100.00	4.1	-0.35
Dirafrost Maroc SARL		Larache	Morocco	DFFI	100.00	1.6	0.19
Financière Atys S.A.S.	FA	Mitry-Mory	France	AIV&A	100.00	125.9	19.76
o.o.o. AGRANA Fruit Moscow Region		Serpuchov	Russia	AF	100.00	37.9	9.33
SPA AGRANA Fruit Algeria		Akbou	Algeria	AFAH	99.93	6.2	0.97
				AF	0.05		
				AFSS	0.01		
Division fruit juice concentrates (AUSTRIA JUICE)							
AUSTRIA JUICE GmbH	AJU	Allhartsberg	Austria	AIV&A	50.01	62.7	13.65
AGRANA JUICE (XIANYANG) CO., LTD		Xianyang City	China	AJU	100.00	10.2	-0.92
AUSTRIA JUICE Germany GmbH		Bingen	Germany	AJU	100.00	-7.8	0.24
AUSTRIA JUICE Hungary Kft.		Vásárosnamény	Hungary	AJU	100.00	19.0	1.18
AUSTRIA JUICE Poland Sp. z.o.o		Chelm	Poland	AJU	100.00	42.1	3.86
AUSTRIA JUICE Romania S.r.l.		Vaslui	Romania	AJU	100.00	2.8	0.19
AUSTRIA JUICE Ukraine TOV		Winnyzja	Ukraine	AJU	100.00	2.6	0.61
Frucht Übrige							
AGRANA Internationale Verwaltungs- und Asset-Management GmbH	AIV&A	Wien	Austria	AB	98.91	314.9	12.85
				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	4.1	2.85
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Division sugar (AGRANA)

Agrana Betain

Beta Pura GmbH		Wien	Austria	ASM	50.00	0.3	-6.03
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Sugar Bosnia

"AGRAGOLD" d.o.o.		Brčko	Bosnia-Herzegovina	ASB	100.00	3.7	0.41
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AGRAGOLD d.o.o.		Zagreb	Croatia	ASB	100.00	2.1	0.59
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AGRAGOLD dooel Skopje		Skopje	North-Macedonia	ASB	100.00	0.7	0.21
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AGRAGOLD trgovina d.o.o.		Ljubljana	Slovenia	ASB	100.00	6.0	0.40
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AGRANA Studen Sugar Trading GmbH		Wien	Austria	ABIH	50.00	21.3	16.96
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	Shortcut	Location	Country	Direct Shareholder	%	Equity € million	Earnings after tax € million
AGRANA-STUDEN Albania sh.p.k.		Tirane	Albania	ASB	100.00	0.8	0.48
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	0.5	0.09
Company for trade and services AGRANA-STUDEN Serbia d.o.o. Beograd		Beograd	Serbia	ASB	100.00	0.0	0.00
STUDEN-AGRANA Rafinerija Secera d.o.o.		Brčko	Bosnia-Herzegovina	ASB	100.00	6.7	4.74
CropEnergies segment							
CT Biocarbonic GmbH		Zeitz	Germany	CEBet	50.00	4.7	0.85
Starch segment							
GreenPower Services Kft.		Szabade-gyháza	Hungary	HK	100.00	0.0	0.00
HUNGRANA Keményitő- és Isocukorgyártó és Forgalmazó Kft.	HK	Szabade-gyháza	Hungary	AS	50.00	86.9	22.04
III. Companies of minor importance and other investments > 20 %							
Affiliated companies							
Sugar segment							
Sugar other							
Arbeitsgemeinschaft für Versuchswesen und Beratung im Zuckerrübenanbau Zeitz GmbH		Kretzschau	Germany	SZAG	80.00	0.0	-0.03
Südtrans GmbH		Mannheim	Germany	SZAG	100.00	0.1	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	1.7	-0.04
Division agriculture							
Zschortauer-Glesiener Rübenrode GmbH		Schkeuditz	Germany	LOB	45.83	0.4	-0.03 4)
Sugar other							
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	1.5	-0.19
Nougat Chabert							
GIE Internougat		Montelimar	Frankreich	NC&G	49.52	0.5	0.32 4)
Special products segment							
Division Beneo							
INVITA Australia PTE Ltd		Balgowlah	Australia	BP	35.00	7.7	1.52
Division PortionPack							
Collaborative Blending Solutions Proprietary Limited		Johannesburg (Midrand)	South Africa	CoSo	49.00	-0.5	0.17
CropEnergies segment							
East Energy GmbH		Rostock	Deutschland	CEBet	25.00	-0.2	-0.24
Syclus B.V.		Maastricht	Niederlande	CEBet	50.00	0.5	-0.15

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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
Sugar other							
ED&F Man Holdings Limited		London	United Kingdom	SZH	34.37	10.5	-197.08 4)

Mannheim, 28 April 2023

THE EXECUTIVE BOARD

Dr. Niels Pörksen
(Chairman)

Ingrid-Helen Arnold

Hans-Peter Gai

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, 28 April 2023

THE EXECUTIVE BOARD



Dr. Niels Pörksen
(Chairman)



Ingrid-Helen Arnold



Hans-Peter Gai



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 2023, and the statement of profit and loss for the financial year from 1 March 2022 to 28 February 2023, 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 2022 to 28 February 2023. 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 2023 and of its financial performance for the financial year from 1 March 2022 to 28 February 2023 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 (59.3 % 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 € 115.8 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 comply with §§ 289b till 289e 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 (i.e. fraudulent financial reporting and misappropriation of assets) 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, actions taken to eliminate threats or safeguards applied.

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 "SZ_AG_JA+LB_ESEF-2023-02-28.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 2022 to 28 February 2023 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 (06.2022)) 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 the date of the annual financial statements on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an 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 14 July 2022. We were engaged by the supervisory board on 14 July 2022. 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 filed in the company register – 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 Stefan Hartwig.

Frankfurt am Main, 28 April 2023

**PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft**

Michael Burkhart
German public auditor

Stefan Hartwig
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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