

MANNHEIM, 27 APRIL 2026

Dear shareholders,

2025/26 was a fiscal year filled with challenges for Südzucker Group. One of the key challenges was the sugar market, where persistently low prices significantly impacted our sugar business – much more than anticipated at the beginning of the fiscal year.

Thanks to the broad diversification of Südzucker Group's business segments, we are generally able to absorb such pressures effectively. This remains one of our core strengths, and one we will continue to rely on. However, in this fiscal year, it proved difficult to offset the losses in the sugar segment. The special products segment still delivered a satisfactory result, although sales volumes and prices declined compared with the excellent previous year. A similar development was seen at CropEnergies due to continued volatility in the ethanol market, where temporary price recoveries unfortunately proved unsustainable. The starch segment was impacted by high energy costs and lower sales volumes. This made the positive performance of the fruit segment, where lower sales volumes were more

than offset by higher prices, all the more encouraging. Taken together, these developments meant that overall performance for the fiscal year fell significantly short of our expectations.

Holding firm in the sugar business

The sugar market has traditionally been subject to considerable fluctuation, with price developments influenced by a range of factors, including European and global harvest expectations, political decisions and broader societal trends. This is unlikely to change in the foreseeable future. On the contrary, these influences are expected to intensify. In summary, the entire industry felt the full impact of the downside risks and uncertainties inherent in the sugar business during the 2025/26 fiscal year. We are therefore placing greater emphasis on ensuring that developments in the sugar market have a less dominant effect on our result going forward. It is essential that we respond more quickly and flexibly to developments across the entire value chain.

Optimization measures initiated

We also see potential for optimization in the non-sugar segments, which is why we have developed a comprehensive set of measures for the entire Südzucker Group, encompassing various strategic initiatives, most notably our OPTIMUM program. This program is designed to streamline processes and workflows, and ultimately costs, across our sites while maximizing efficiencies and value creation.

The program was successfully launched in the sugar division and in several subsidiaries and is already delivering positive results. We are confident that the measures implemented will help stabilize our sugar business, and we will continue to pursue these efforts consistently.

At the same time, we are reviewing processes across the entire value chain, from raw materials through to the customer. As part of our OptiChain program, we are focusing in particular on planning, logistics and storage,



where initial successes have already been achieved. Both initiatives are supported by innovations in digitalization and artificial intelligence. Our IT department and our AI project team, pAloneer™, are working on targeted solutions to increase efficiency, streamline processes and reduce costs. Our initiative to restructure and optimize administrative functions and related workflows is continuing alongside these efforts.

Strategy refined with a view to 2030

All of these measures and initiatives contribute to our objective of achieving profitable growth as a group and are therefore core elements of our strategic development. As part of this development, and in light of the ongoing changes and disruptions in our market environment, we have reviewed and selectively refined our existing group strategy, 2026 PLUS.

As a result, we are now extending our perspective beyond the current year and, with our Group Strategy 2030, focusing on Südzucker Group's path into the next decade. We have revised our existing strategic approaches and identified additional strategic objectives to help us consistently align our company and portfolio with profitable growth, in line with the guiding principle of Strategy 2030: "From Vision to Value".

The material strategic directions remain unchanged; however, given the challenging economic environment, a clear focus is essential. In addition to profitable growth, we remain firmly committed to our sustainability agenda. With regard to our goal of producing sugar in a CO₂-neutral manner in the future, we achieved further milestones in the 2025/26 fiscal year, including the commissioning of the largest, most modern biogas plant in Poland at our Strzelin site.

Planning certainty in the political environment

Although sustainability appears to have lost some prominence in the political debate recently, it continues to play a significant role for us as a company processing agricultural raw materials, for our customers and investors, and in relation to regulatory requirements such as sustainability reporting. In this context, we call for planning certainty, reliable framework conditions and appropriate support from policymakers. The willingness to operate sustainably is one thing; successfully completing this transition and providing the necessary logistical and financial resources as an energy-intensive industrial company is quite another.

The past year has also demonstrated the wide range of political factors that can impact our business segments. Free trade agreements such as Mercosur, duty-free import quotas for sugar from Ukraine and duty-free imports of raw sugar from third countries under the Inward Processing Procedure (IPP) are placing additional pressure on the sugar market.

We also view the renewed debate over the introduction of a sugar tax in Germany, as well as initiatives such as the EU Commission's Safe Hearts Plan, critically. The objective of improving public health and preventing diseases such as diabetes and obesity is justified and deserves support. However, from a professional standpoint, we question whether taxes – particularly those targeting a single food ingredient – are effective in combating obesity. In countries where a sugar tax has been in place for many years, no scientific evidence of its effectiveness has been demonstrated, which is why we are advocating for greater efforts in health and nutrition education rather than the imposition of taxes, the stigmatization of individual food ingredients or the pursuit of populist debates.



Letter from the executive board

Challenging fiscal year 2026/27

In light of these challenges, how are we approaching the new 2026/27 fiscal year? Our objective is to significantly improve the sugar business. It is a commodity market dominated by volume and price, and we must and will align our actions accordingly. Within the European Union, supply and demand must return to balance. Domestic production is competing with imports from within Europe, such as Ukraine, from overseas markets, such as the Mercosur countries, and with all other duty-free imports. Here at Südzucker Group, we are contributing to demand-oriented supply by agreeing with our beet growers to adjust cultivation areas for the 2026/27 growing year.

At the same time, we are expanding our optimization and efficiency programs. All segments and divisions must contribute. In addition, we aim to drive profitable growth through further innovation and are working to better understand our customers and markets. We reorganized

our executive board in the fall of 2025, enabling us to place greater focus on commercial excellence and unlock further potential in this area.

Nevertheless, our outlook for the 2026/27 fiscal year remains cautious, primarily because we expect the sugar market to remain challenging and therefore do not anticipate any significant recovery in earnings in the sugar segment. The tense geopolitical situation has not made forecasting any easier.

Extraordinary impairments – no dividend distribution

Another extremely unfortunate consequence of the difficult market environment and the overall economic situation is the need to recognize extraordinary impairments, largely in the sugar segment. Against this backdrop, the executive board considers it appropriate not to propose a dividend distribution.

We are confident that, 100 years after its founding, Südzucker Group is well-positioned to continue advancing the company successfully. This confidence is also based on the dedication and expertise of our employees, to whom we extend our sincere appreciation for their outstanding performance. We also thank you, our valued shareholders, for your continued trust in our company during challenging economic times, and we hope for your continued support.

We wish you all the best, good health and a successful and peaceful year ahead.

Yours truly,

Südzucker AG
Executive board



DR. NIELS PÖRKSEN
(CHAIRMAN)



STEPHAN BÜTTNER



DR. THERESA VON FUGLER



HANS-PETER GAI



DR. STEPHAN MEEDER

