

# Supervisory Board's report

The war in Ukraine, which has caused so much suffering and destruction and leaves us appalled, continued to cast its shadow over international commodity prices in the 2022|23 financial year, further driving up energy costs, which had already risen during the coronavirus crisis, and leading to major disruptions in global supply chains. In this difficult environment, the AGRANA Group nevertheless succeeded in ensuring security of supply to its customers worldwide and achieved a very good operating performance. In this particularly challenging year, the Supervisory Board was careful to communicate even more closely with the Management Board and to support and monitor it attentively.

We are grateful that our colleagues at the three sites in Ukraine have thus far remained physically unharmed by the military conflict and, with admirable commitment, have been able to maintain production. Equally impressive was the solidarity and willingness to help shown by AGRANA and its employees by taking in refugees in company apartments and by making donations that were used, among other things, to procure medical supplies urgently needed in Ukraine.

The Supervisory Board actively oversaw AGRANA Beteiligungs-AG throughout the 2022|23 financial year and fulfilled its tasks and duties under the applicable laws, regulatory requirements, the Articles of Association and the Supervisory Board's terms of reference, while observing the provisions of the Austrian Code of Corporate Governance. The Management Board informed the members of the Supervisory Board on an ongoing basis about the main developments at AGRANA and reported to the Supervisory Board on the current business, financial, risk and capital situation both at and between the regular meetings. The members of the Supervisory Board supervised the management activities of the Management Board, were involved in decisions of material importance to AGRANA's future, assisted the Management Board in working on Group strategy and provided advice to the Management Board.

Besides the current issues, agenda items of the Supervisory Board's meetings included the measures for the further strategic development of the Group and the optimisation of business performance in all segments. Convening for a total of five meetings in the year, the Supervisory Board, on the basis of the reports of the Management Board and extensive written material, considered the business situation and financial position of the Group and its subsidiaries, the business performance and exceptional business transactions. The Management Board briefed the Supervisory Board in a timely and comprehensive manner on measures requiring the approval of the Supervisory Board. The Supervisory Board members' overall attendance at the meetings in 2022|23 was approximately 95%. All members of the Supervisory Board attended at least half of its meetings. In addition, the Chairman of the Supervisory Board had ongoing, numerous conversations with the Management Board and communicated regularly with the Chief Executive Officer to discuss current developments in the business operations against the backdrop of the economic and business environment and the impact on the Group's risk situation. In view of the persistent COVID-19 pandemic, the operation of the Supervisory Board partly involved hybrid meeting formats, including video conferencing conducted to high technical standards, in compliance with the applicable contact restrictions published by the Austrian federal government. The Supervisory Board and its committees at all times had the capacity to act and to pass resolutions.

## Meetings of the Supervisory Board

In a special meeting of the Supervisory Board on 19 April 2022, the Supervisory Board dealt in particular with the impacts of the Ukraine war and a preliminary report on the 2021|22 financial statements. It also deliberated on the amended investment planning, the budget for the 2022|23 financial year and the medium-term planning.

In its meeting on 12 May 2022 the Supervisory Board dealt with the audit of the parent company and consolidated financial statements for the year ended 28 February 2022; the parent company and consolidated management report (including the corporate governance report); and the proposal for the appropriation of profit for the 2021|22 financial year (FY) and the resolution thereon. The independent auditor attended this meeting and reported on the priorities and results of the audit. The Audit Committee chair reported on the deliberations of the Audit Committee and its recommendations on the parent company financial statements. The Supervisory Board adopted the parent company financial statements and approved the 2021|22 consolidated financial statements. Other items on the agenda of this meeting were the nomination of the independent auditor for election for FY 2022|23, the resolution on the report of the Supervisory Board to the Annual General Meeting for FY 2021|22, and the resolutions on the 2021|22 remuneration report, on investees and on capital expenditures for FY 2023|24. In its meeting on 8 July 2022, the Supervisory Board discussed and approved the medium-term planning. It also focused on the planned raising of a *Schuldschein* (a type of loan with bond-like characteristics) and the capital spending in FY 2022|23.

At its meeting on 23 November 2022, the Supervisory Board decided to assign to Chief Technology Officer Norbert Harringer the new Management Board-level remit of Sustainability in order to effectively integrate the pursuit of sustainability into the various business areas and processes and to ensure that sustainability is taken into consideration

In the meeting on 16 February 2023, the Supervisory Board decided on the planning and investment projects for the 2023|24 financial year. As well, it addressed corporate strategy, medium-term planning and the results of the review of Supervisory Board efficiency.

### Committees of the Supervisory Board

The Audit Committee convened for four meetings in the 2022|23 financial year. With the independent auditor in attendance, the Audit Committee dealt exhaustively with the 2021|22 parent company and consolidated financial statements of AGRANA Beteiligungs-AG and discussed the Management Board's proposal for the appropriation of profit. Other topics of the Committee's deliberations were the audit of the corporate governance report; the report from Internal Audit; the risk management system and system of internal control; and the nomination of the independent auditor for 2022|23. The Audit Committee also dealt with the planning and priorities for the audit of the 2022|23 financial statements and discussed the subjects of anti-corruption and compliance. The Nomination and Remuneration Committee met once in the 2022|23 financial year and discussed the new remuneration policy for the Management Board. Additionally, the committee members dealt with personnel issues in numerous bilateral discussions.

The committee chairs reported to the full Supervisory Board in detail on the work of the committees.

### Parent company and consolidated financial statements

The independent auditor appointed for the financial year ended 28 February 2023, PwC Wirtschaftsprüfung GmbH, Vienna, has audited the parent company financial statements of AGRANA Beteiligungs-AG for the year ended 28 February 2023 prepared in accordance with Austrian Generally Accepted Accounting Principles and submitted by the Management Board, and the parent company management report of the Management Board. The independent auditor has reported the result of the audit in writing and issued an unqualified audit opinion.

The Supervisory Board has received and reviewed the audit report of the independent auditor. The Audit Committee has reported to the Supervisory Board on the result of the audit of the financial statements, in accordance with section 92 Austrian Stock Corporation Act.

After detailed review and discussion by the Audit Committee on 4 May 2023 and the Supervisory Board on 16 May 2023, the Supervisory Board has approved the parent company financial statements for the year ended 28 February 2023 submitted by the Management Board (including the Notes) and the parent company management report, corporate governance report, and proposal for the appropriation of profit. The parent company financial statements for the year ended 28 February 2023 are thus adopted for the purposes of section 96 (4) Austrian Stock Corporation Act. The Supervisory Board is in agreement with the Management Board's proposal for the appropriation of profit.

The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), were audited by PwC Wirtschaftsprüfung GmbH, Vienna, and received an unqualified audit opinion. The Audit Committee has reviewed the consolidated financial statements (including the Notes) and the group management report, and reported thereon to the Supervisory Board; the Supervisory Board has endorsed the consolidated financial statements (including the Notes) and the group management report.

On behalf of the Supervisory Board, I would like to express my special thanks to all employees and the members of the Management Board for their outstanding commitment and successful work in the year. Especially in volatile times, values like a sense of responsibility, appreciation, and solidarity – as expressed particularly in standing by our Ukrainian colleagues – are crucial for success. As an international player with Austrian roots, AGRANA combines these values and once again proves itself to be a company in which tradition and modernity are in harmony.

Vienna, 16 May 2023



**Erwin Hameseder**

Chairman of the Supervisory Board