



Strong Together.

For Innovation and Sustainability.



The term "AGRAVIS" always refers to the AGRAVIS Group in this annual report. If reference is made to the AG, this is indicated by the company name "AGRAVIS Raiffeisen AG".

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Strong Together.

Together with its cooperative partners, the AGRAVIS plant cultivation segment wants to be the first point of contact for plant cultivation solutions. Challenges posed by the current political and social climate are perceived as opportunities. With its know-how and expertise in sales, the aim is to place products and services with clear added value for customers on the market.

Board of Directors



Hermann Hesseler

Dr Dirk Köckler,
Chairman

Jörg Sudhoff

Foreword by the Board of Directors

Dear Shareholders, Ladies and Gentlemen,

“Strong Together.” Two words that serve as the guiding principle for the actions of our AGRAVIS. In the past year, we have expanded on this claim with the reformulation: “Strong Together. For Agriculture and Life.” This has been our corporate motto ever since, underscoring our self-image and also our vision for the future. Because AGRAVIS stands for future-oriented products and innovative services – while also ensuring maximum customer focus. As a networker and bridge-builder in a strong cooperative association, we are driving digitalisation forward and developing successful sales channels and business models by utilising the expertise of our more than 6,300 employees. Through our value-oriented, sustainable actions, we’re making our contribution to ensuring the supply of people and development in rural areas. This is true both for today and tomorrow. In short: “Strong Together” is what drives us forward as we continue to maintain close ties to our customers, providing them with excellent service in ever-changing markets.

These markets will never be the same again given the events which started on 24 February 2022. The Russian invasion of Ukraine has brought death and untold suffering to the people and also devastation to the land. This has been a shock to us all and our sympathies go to the families affected by the war. The AGRAVIS Group and its employees have been actively involved in various aid projects to help alleviate people’s suffering. We, the Board of Directors, say a big thank you for the commitment you have shown.

AGRAVIS is taking steps to counter the drastic market distortions caused by the war in Ukraine with risk provisioning and attention to detail at the highest possible level. However, we are confident our risk management and our liquidity framework can handle these distortions in a stable manner going forward. Nevertheless, we expect to see massive changes in commodity flows with limited availability at least in certain sectors and a continued sharp rise in prices along with high volatility. As an essential business, we are also tackling unprecedented challenges in this regard and will continue to fulfil our supply mandate.

The speed at which markets are changing, requirements are increasing and transformation is progressing has already been revealed in the past financial year, as if under a

magnifying glass. Sharply rising, volatile prices for grain and rape-seed, fertiliser, compound feed and energy – the exact opposite on the pork market, plus climate change, the ever-evolving canon of social values, recommendations by the Borchert Commission that are still awaiting implementation, and not forgetting the coronavirus of course: in such a challenging environment, AGRAVIS has acted with foresight. We have continued on our chosen course with a clear compass – for increased innovation and sustainability, for customer-oriented solutions in the association externally and lean processes internally.

Identifying and seizing opportunities while at the same time remaining consistent in risk and cost management – the figures for financial year 2021 presented here in this annual report show you, our valued shareholders, that we are on the right track. Group turnover of EUR 7.3 billion is a reflection of both the increased price level and our stable market shares, resulting from a solid performance based on customer proximity. A pre-tax profit figure of EUR 33.2 million is comfortably within a stable range. The AGRAVIS share therefore remains a stable, dividend-paying form of investment for you.

2021 was the final year with Johannes Schulte-Althoff at the financial helm, presiding over solid figures and leaving behind a healthy financial basis for the future. He stood down from his role as Financial Director and went into well-deserved retirement in December. With Hermann Hesseler installed as Financial Director and Jan Heinecke joining the board, we are sending a clear signal for continuity and consolidation of our market position.

We would have loved the opportunity to go through the report for financial year 2021 with you face to face at our Annual General Meeting. Over two years on since the start of the pandemic, most of the coronavirus restrictions have been lifted. However, following consultation with the Supervisory Board, we decided to hold the Annual General Meeting in digital format once again based on legal reasons concerning preparation and implementation. We hope you understand this decision and look forward to meeting you again in person in the near future.



Dr Dirk Köckler (Chairman)



Hermann Hesseler



Jörg Sudhoff

Executive bodies

Supervisory Board

Chairman

Franz-Josef Holzenkamp Farmer, President – Deutscher Raiffeisenverband e.V.

Deputy Chairwoman

Friederike Brocks* Chairwoman of the Works Council released of normal duties – AGRAVIS Raiffeisen AG

Birgit Buth Managing Director – Deutscher Raiffeisenverband e.V.
 Martin Duesmann-Artmann Executive Member of the Managing Board – Raiffeisen Hohe Mark Hamaland eG
 Henning Haahr Group CEO – Danish Agro a.m.b.a.
 Theresa Hukriede* Advisor General Works Council – AGRAVIS Raiffeisen AG
 Urban Jülich Farmer
 Detlev Lange* Trade Union Secretary – ver.di-Bundesverwaltung,
 Department of Trade (Elected Union Representative for ver.di)
 Axel Lohse Executive Member of the Managing Board – RAISA eG
 Günter Lonnemann Managing Director – Raiffeisen agrar (up to 4 May 2021)
 Lutz Lüking* Team Leader Asset Management – AGRAVIS Raiffeisen AG
 Reinhard Mester* Workshop Manager – AGRAVIS Technik Lenne-Lippe GmbH
 Patrick Niehus* Commercial Employee – AGRAVIS Technik Raiffeisen GmbH
 (Elected Union Representative for DHV – Die Berufsgewerkschaft) (from 1 January 2022)
 Jürgen Osteroth* Silo Manager – AGRAVIS Niedersachsen-Süd GmbH
 (Elected Union Representative for DHV – Die Berufsgewerkschaft)
 Arno Schoppe Executive Member of the Managing Board –
 Raiffeisen-Warengenossenschaft Niedersachsen Mitte eG
 Manfred Schulze Baek* Dispatcher – AGRAVIS Technik BvL GmbH
 Susanne Schulze Bockeloh Farmer
 Thomas Simon* Chairman of the Works Council released of normal duties – AGRAVIS Raiffeisen AG
 Friedrich Steinmann Farmer
 Holger Terhalle Executive Member of the Managing Board – Raiffeisenbank Ems-Vechte eG (from 4 May 2021)
 Thomas Wiesner* Head of Retailing Division – AGRAVIS Raiffeisen AG
 Annette Wolters* Laboratory Manager – AGRAVIS Raiffeisen AG
 (Elected Union Representative for DHV – Die Berufsgewerkschaft) (up to 31 December 2021)

(* Employee representative)

Advisory Board

Chairman

Torsten Wojahn Farmer, Chairman of the Supervisory Board – VR PLUS Altmark-Wendland

Deputy Chairman

Folkert Groeneveld Chairman of the Board of Directors – VR-Bank in Südniedersachsen eG

Theo Averbeck Executive Member of the Managing Board – Raiffeisen Warengenossenschaft Vechta-Dinklage eG
 Friedrich Becker Farmer, Chairman of the Supervisory Board – Raiffeisen Sauerland Hellweg Lippe eG
 Dr Henning Behrens Farmer
 Hubertus Beringmeier Farmer, President – Westfälisch-Lippischer Landwirtschaftsverband e.V.
 Maik Bilke Farmer, Chairman of the Supervisory Board – Raiffeisen Waren- und Dienstleistungsgenossen-
 schaft eG
 Dr Hauke Bronsema Executive Member of the Managing Board – Raiffeisen Weser-Elbe eG
 Hartmut Brunkhorst Farmer, Chairman of the Board of Directors – Raiffeisen Landbund eG
 Ronald Buchholz Farmer

Ingo Busch	Executive Member of the Managing Board – Raiffeisen-Warengenossenschaft Kirchwistedt eG
Karl-Heinz Eikenhorst	Executive Member of the Managing Board – Raiffeisen Lübbecke Land AG
Johannes Freundlieb	Executive Member of the Managing Board – Genossenschaftsverband Weser-Ems
Peter Götz	Member of the Board – Genossenschaftsverband Verband der Regionen e.V.
Kasper Haller	Farmer, Member of the Supervisory Board – AGRAVIS Förderungs- und Beteiligungs eG
Karl-Theo Hamm	Managing Director – Raiffeisen Wittgenstein-Hallenberg eG
Andreas Hansen	Farmer, Member of the Supervisory Board – Raiffeisen Waren- und Dienstleistungsgenossenschaft eG
Christoph Heer	Farmer, Member of the Supervisory Board – Raiffeisen Lippe-Weser AG
Eckhard Hinrichs	Farmer (from 4 May 2021)
Jan-Gerd Hoegen	Executive Member of the Managing Board – Raiffeisen Obergrafschaft eG
Dieter Hülstede	Farmer, Chairman of the Board of Directors – Raiffeisen-Warengenossenschaft Butjadingen-Seefeld eG
Ulrich Kemmer	Farmer, Chairman of the Supervisory Board – Raiffeisen-Warengenossenschaft Osthannover eG
Hugo Lohmann	Executive Member of the Managing Board – Raiffeisen Warengenossenschaft Hunte-Weser eG
Hermann Mammen	Executive Member of the Managing Board – Raiffeisen-Warengenossenschaft Ammerland-Ostfriesland eG
Clemens Meißner	Farmer
Wilhelm Meyer	Farmer, Member of the Supervisory Board – AGRAVIS Förderungs- und Beteiligungs eG (up to 31 January 2022)
Steffen Mogwitz	Farmer, Member of the Supervisory Board – AGRAVIS Förderungs- und Beteiligungs eG
Frank Niemer	Member of the Board – Raiffeisenverband Westfalen-Lippe e.V.
Stefan Nießing	Executive Member of the Managing Board – AgriV Raiffeisen eG
Andreas Pape	Executive Member of the Managing Board – RAISA eG
Bernward Resing	Executive Member of the Managing Board – Raiffeisen Emscher-Lippe eG
Stephan Sander	Executive Member of the Managing Board – Landwirtschaftliche Bezugsgenossenschaft eG Damme
Hermann Schartmann	Executive Member of the Managing Board – Raiffeisen Warengenossenschaft Emsland-Süd eG
Hermann Schmidt	Farmer, Member of the Supervisory Board – VR Bank eG Osnabrücker Nordland
Joachim Scoth	Farmer, Chairman of the Supervisory Board – Raiffeisen Centralheide eG
Maren Schröder-Meyer	Farmer, Chairwoman of the Supervisory Board – Heidesand Raiffeisen Warengenossenschaft eG
Carsten Schruck	CEO – Westfleisch SCE mbH
Kai Schubert	Member of the Board – Raiffeisenbank Südstormarn Mölln eG
Jürgen Schulte-Schüren	Farmer, Chairman of the Board of Directors – AGRAVIS Förderungs- und Beteiligungs eG
Johannes Schulze Höping	Farmer, Chairman of the Supervisory Board – Raiffeisen Steverland eG
Werner Schwarz	Farmer, President – Bauernverband Schleswig-Holstein e.V.
Gerhard Schwetje	Farmer, President – Chamber of Agriculture for Lower Saxony
Manfred Tannen	Farmer
Günter Teichmann	Farmer
Paul Uppenkamp	Managing Director – Raiffeisen Beckum eG
Frank Wagner	Chairman of the Executive Board – Raiffeisen Handels- und Dienstleistungsgenossenschaft Oder/Spree eG
Karl Werring	Farmer, President – Chamber of Agriculture for North Rhine-Westphalia

Board of Directors

Chairman

Dr Dirk Köckler

Members

Hermann Hesseler

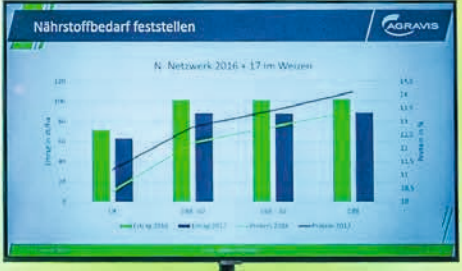
Johannes Schulte-Althoff (up to 31 December 2021)

Jörg Sudhoff

Strong Together.

Due to coronavirus constraints, consultation activities were limited to virtual encounters for large parts of the financial year. To this end, the AGRAVIS Group has developed professional formats that are set to continue beyond the pandemic as an additional way of communicating with customers. Digital exchange is now part of our everyday lives.





Supervisory Board's report



(top row, from left to right) Franz-Josef Holzenkamp (Chairman), Friederike Brocks, Birgit Buth, Martin Duesmann-Artmann, Henning Haahr, Theresa Hukriede, Urban Jülich, Detlev Lange, Axel Lohse, Lutz Lükking, Reinhard Mester, Patrick Niehus, Jürgen Osteroth, Arno Schoppe, Manfred Schulze Baek, Susanne Schulze Bockeloh, Thomas Simon, Friedrich Steinmann, Holger Terhalle, Thomas Wiesner

Dear Shareholders,

As I present this annual report, I would like to give you an overview of the work done by the AGRAVIS Supervisory Board over the past financial year. Firstly, however, please allow me to address the Russia-Ukraine conflict, which has left us all stunned. This war marks a turning point – politically, militarily, economically. Agriculture markets, too, will no longer be what they once were. This will have a significant impact on the business activities of AGRAVIS going forward and will lead to cuts. We are prepared to pay this price.

And now to the past financial year: 2021 was yet another turbulent and challenging year. We experienced a real roller coaster on the markets with a price boom for grain, oilseeds and operating resources not seen for many years. African swine fever and avian flu took their toll on processing operations. Further political requirements and, more importantly, the broad social consensus for more climate protection further accelerated the transformation of agriculture and, with it, agricultural trade.

On top of that, we had another year of the coronavirus pandemic, which once again shook up the markets, disrupted supply chains and drove up logistics costs. While this situation brought with it many risks and the danger of significant losses, it also offered great opportunities for future-oriented topics and sustainable, innovative concepts with high customer benefits. AGRAVIS was eager to seize these opportunities. Analyse the situation clearly, anticipate developments and develop sustainable business models: this reflects the robust and solid way work is done and change is practised – from the Board of Directors and management team right through to senior staff members and employees. All in all, the following has been emphatically demonstrated to the Supervisory Board: AGRAVIS, the agricultural trader in Germany, thinks and acts in terms of solutions, it is proactively tackling other changes together with the cooperative association and is consistently seizing the opportunities presented by digitalisation.

Consolidated annual turnover of around EUR 7.3 billion was certainly helped by the high price level, but it is also clear evidence that AGRAVIS has been successful and gained market share. Targets were also reached in terms of profits. At EUR 70.3 million, we achieved an increase in operating EBIT compared to the previous year and earnings before tax of EUR 33.2 million exceeded the stable value of the previous year too. This guarantees AGRAVIS Raiffeisen AG's ability to pay dividends so that you, our valued shareholders, can again share in the profits.

The Board of Directors and the Supervisory Board agreed to remain very risk-conscious and attentive in terms of their investments due to uncertainties caused by the pandemic and volatile markets. Investments were made in the future viability of AGRAVIS, primarily in digital projects and less in tangible assets.

The consistent and balanced continuation of the “Dock” project, which involves setting up a standardised group-wide ERP system landscape, remained a key focus.

As the Supervisory Board, we kept a close eye on the development of costs. Here, too, everything remained under control over the past financial year. In order to stay ahead of the benchmark, it is important for AGRAVIS to remain ambitious.

With its resolutions in financial year 2021, the Supervisory Board paved the way for numerous operational and strategic projects, all helping to continue the positive development of our AGRAVIS in an increasingly constricted market environment. At the same time, an important decision had to be made in terms of personnel. With the departure of Financial Director Johannes Schulte-Althoff, an AGRAVIS institution has gone into retirement. Hermann Hesseler took over his duties as Financial Director at the start of 2022. In the selection process for the restaffing of the Board of Directors, the Supervisory Board chose Jan Heinecke. His management experience in agricultural trade and his distinctive knowledge of the industry will further strengthen the operational clout of AGRAVIS. Since the foundation of AGRAVIS, Johannes Schulte-Althoff has been pivotal in ensuring a solid financial basis for the company. Important steps were again taken over the course of the past financial year in this regard: for example, through the issuance of participation certificates of approximately EUR 40 million and the option of increasing share capital by up to EUR 12 million in the next two years. The Supervisory Board cleared the way for these measures.

Other important resolutions worth mentioning at this point include: the establishment of a joint logistics centre with GS agri in Cloppenburg, the founding of Raiffeisen Transport Gesellschaft Minden, also involving cooperative partners, the acquisition of Handelshof Bismark GmbH and restructuring measures in the area of the former AGRAVIS Technik Hessen-Pfalz, which continued to be a key focus of the AGRAVIS agricultural machinery business. Concentration on the core business, while also strengthening the cooperative network, remains a key ingredient in agricultural trade: following our resolutions in 2021, AGRAVIS Niedersachsen-Süd GmbH has been overseeing commodities trading for Raiffeisen Warenhandel GmbH since the start of 2022. Meanwhile, the activities of VR Agrar Center Wittelsbacher Land GmbH have been taken over by a regional Bavarian cooperative. Furthermore, the bundling of digital activities with Land24 GmbH, Raiffeisen Portal GmbH and Raiffeisen Digital GmbH, in terms of a clear customer focus from the farmer’s point of view, also progressed positively and remains an important task for 2022. At the same time, AGRAVIS expects to continue on its path of internationalisation with an element of caution and risk consciousness.

As the Chairman of the Supervisory Board, I kept in close communication with all board members, in particular with the Chairman – also beyond the scheduled meetings. I am grateful for the opportunity to once again chair the Supervisory Board over

the next few years. At the inaugural session of the Supervisory Board immediately after the 2021 Annual General Meeting, my colleagues once again showed their faith in me. Meanwhile, the staffing of the Supervisory Board continues to be characterised by continuity. There were just a few changes in financial year 2021: Günter Lonnemann stepped down from the Supervisory Board on the occasion of the 2021 Annual General Meeting, having previously retired as a board member of Raiffeisenagrar. The Annual General Meeting elected Holger Terhalle, board member of Raiffeisenbank Ems-Vechte eG, as his successor on the Supervisory Board. At the end of 2021, Annette Wolters, elected union representative (DHV – die Berufsgewerkschaft e.V.) in the Supervisory Board and employee of AGRAVIS in the seed laboratory in Isernhagen, also retired. She is succeeded by Patrick Niehus (AGRAVIS Technik Raiffeisen GmbH), who was elected as a substitute member by DHV – die Berufsgewerkschaft e.V. The court-ordered appointment of Detlef Lange as member of the Supervisory Board took place on 18 March 2021. He succeeded Uwe Erschens as a representative of the trade union ver.di.

The close cooperation between the Supervisory Board and the Advisory Board of AGRAVIS was further consolidated in financial year 2021.

Meetings of the Supervisory Board

In the past financial year, seven sessions of the Supervisory Board were convened, five of which took place remotely via Teams due to the ongoing coronavirus restrictions. The Supervisory Board also met virtually for a closed-door meeting in February 2021 to discuss strategic topics for the upcoming financial year. During the regular sessions, the Supervisory Board met to consider all measures requiring approval and passed the necessary resolutions.

At the meeting dated 26 March 2021, the Supervisory Board reviewed the annual results for 2020, following a recommendation of the Audit Committee and its own audit, whilst the agenda and the resolution proposals for the 2021 Annual General Meeting were approved. It also included, in addition to the usual proposals, an amendment to the articles of association with regard to the creation of new approved capital. This amendment to the articles of association was adopted by the Annual General Meeting as proposed.

As part of its control function, the Supervisory Board regularly discussed business policy, business development, economic circumstance, HR development, corporate and financial planning, risk and opportunity management as well as investments and acquisitions made by AGRAVIS. It diligently performed the duties for which it is responsible according to the law, the articles of association and the rules of procedure. It continuously advises the Board of Directors on the leadership and control of the company, challenges procedures in individual cases and monitors its business management. The Supervisory Board was involved early on in all major decisions that were of fundamental importance to AGRAVIS.

Committees of the Supervisory Board

In order to perform its various duties in a structured and efficient manner, the Supervisory Board has established four committees: the Personnel Committee, the Accounting and Audit Committee, the Investments Committee and the Mediation Committee. The latter was not required to convene in the past financial year. The Personnel Committee met on nine occasions in the reporting year. This relatively high number of meetings was mainly down to the restaffing of the Board of Directors. In March 2021, the Accounting and Audit Committee reviewed the 2020 annual and consolidated financial statements for AGRAVIS Raiffeisen AG, the respective management reports and the Board of Directors' profit distribution recommendation. Another meeting of the committee focused on claims management, reporting at AGRAVIS and audit preparation.

The Investments Committee discussed the investment plan for 2022, and a figure of EUR 50.8 million was recommended to the Supervisory Board for resolution. The Supervisory Board approved the investment plan when it met on 20 October 2021. In another meeting, the Investments Committee provided updates on the status of investment projects in financial year 2021. The Valuation Committee met on one occasion in the previous year and gave its recommendations on the share value, which remained unchanged at EUR 61.50. The Supervisory Board is regularly given reports on the work of the various committees, which are presided over by the Supervisory Board Chairman according to the by-laws.

2021 annual and consolidated financial statements

Deloitte GmbH, the Munich-based auditing company, audited the annual financial statements of the AG (public company) and the Group for financial year 2021 and the management reports of the AG and the Group, including accounting and business management (according to Section 53 GenG [Industrial and Provident Societies Act]). All of the material was prepared by the Board of Directors. Deloitte GmbH is the auditing company chosen by the Annual General Meeting and appointed by the Supervisory Board. The audit foci as agreed with the Supervisory Board – IT security, data migration processes, SAP go-live at Landtechnik Steigra and risk management – were taken into account. The financial statements were each subject to unlimited audit opinions.

The auditors had previously reported on the specific details of the audit on 28 March 2022 at a meeting of the Accounting and Audit Committee. The committee also recommended that the Supervisory Board approve the financial statements.

The annual financial statements, the management reports of the AG and the Group, the audit reports of the auditor and the proposal for the appropriation of profits were submitted to the Supervisory Board in good time and were discussed at a meeting on 29 March 2022 with the auditor. All questions were comprehensively answered by the Board of Directors and the auditors.

The early warning system of the AG and the Group more than complies with the legal requirements. The Supervisory Board checked the documents independently and did not raise any objections. The Supervisory Board approved the annual financial statements of AGRAVIS Raiffeisen AG and the AGRAVIS Group. They are thus deemed established.

The proposal for the appropriation of earnings was also checked and found to be balanced. The Board of Directors proposes to deploy AGRAVIS Raiffeisen AG's net profit of EUR 9,943,652.47 as follows: Payment of a dividend of EUR 1.15 per share – equivalent to a total payout of EUR 9,233,087.80 – plus carrying forward of the remaining net profit of EUR 710,564.67 onto new account. The Supervisory Board approved this proposal.

The Supervisory Board thanks the Board of Directors, the management team, senior staff members as well as all AGRAVIS Raiffeisen AG employees and those of AGRAVIS Group companies for their work over the past financial year. A special thank you goes to the members of the AGRAVIS crisis unit. By acting with foresight, it made a massive contribution to the Group's ability to overcome the challenges presented by the coronavirus pandemic in the past year.

Münster, 29 March 2022

Franz-Josef Holzenkamp, Chairman

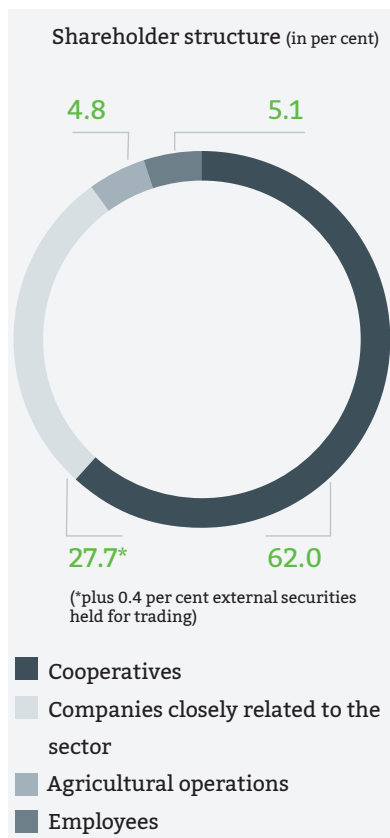


F.-J. Holzenkamp

AGRAVIS shares

At the end of financial year 2021, the subscribed capital of AGRAVIS Raiffeisen AG stood at an unchanged EUR 205.5 million. It is divided into 8.03 million registered shares with restricted transferability. Up to 2023, the Board of Directors is authorised, with the consent of the Supervisory Board, to increase the registered capital by up to EUR 12 million. This was adopted by the Annual General Meeting through an amendment to the articles of association in May 2021. The book value of the AGRAVIS share is EUR 25.60; at EUR 61.50, however, its market value is much higher and remains at a stable level. The value of the AGRAVIS share has therefore increased by EUR 35.90 or around 140 per cent since the establishment of the company in October 2004.

Being profitable and capable of issuing dividends and retaining profits is part of the basic philosophy of AGRAVIS Raiffeisen AG. This was again possible in financial year 2021. The Board of Directors and the Supervisory Board recommend to the Annual General Meeting a dividend pay-out of EUR 1.15 per share to its shareholders for financial year 2021 (previous year: EUR 1.02). Based on the share book value, this corresponds to a dividend yield of 4.5 per cent. If the Annual General Meeting accepts the proposal, this would mean an overall payout to shareholders of around EUR 9.2 million (previous year: EUR 8.2 million) or 58.9 per cent of consolidated annual profit.



Corporate governance

Corporate culture

The implementation of the vision for the future for the Group up to 2030, which was accelerated in 2021, also entails a further refining of the corporate culture. The Group bases its cooperative actions on trust, reliability and responsibility and therefore sees itself as a fundamental component for the development of society in rural areas. At AGRAVIS, innovations are created across divisions and in close cooperation with affiliated cooperative partners, industries, interest groups (agricultural organisations), universities and, most importantly, customers. Managers actively seek to involve employees in decision-making processes. Internally, a culture of discussion is fostered and practised according to clearly defined rules. This is also the foundation for a positive error culture within the company, which encourages the attainment of objectives and, as a result, also contributes to the Group's innovative strength. The continued professional development of employees is an important component in the implementation of AGRAVIS' vision for the future in order to achieve the specified corporate objectives. Accordingly, this is a focus of the HR (Human Resources) department.

The Group has laid down binding compliance rules for all managers and employees. Mandatory training courses are held via e-learning sessions.

Executive bodies and how they interact

The Board of Directors and the Supervisory Board are the management and supervisory bodies of the company. The Annual General Meeting is the decision-making body. At the Annual General Meeting, the shareholders of AGRAVIS Raiffeisen AG exercise their rights in matters concerning the company. The AGRAVIS Advisory Board acts in an advisory capacity to the Board of Directors and Supervisory Board. These bodies are committed to both the interests of shareholders and the best interests of the company. The powers of the bodies are laid down in the Stock Corporation Act, the company's articles of association and in the by-laws for the Board of Directors and Supervisory Board. Their interaction also reflects the spirit and principles of the cooperative association.

Board of Directors

The Board of Directors directs the business of the company under its own responsibility, taking into account decisions passed by the Annual General Meeting, the Supervisory Board and a schedule of responsibilities. It represents the company vis-à-vis third parties. The Board of Directors is bound to the company's interests and the cooperative idea (Section 2(1) of the Articles of Association) and to increasing the sustainable company value. The Board of Directors of the AG and Group consisted of four members in financial year 2021: Dr Dirk Köckler (Chairman), Johannes Schulte-Althoff, Hermann Hesseler and Jörg Sudhoff. Financial Director, Johannes Schulte-Althoff retired from the Board of Directors on grounds of age on 31 December 2021. His tasks were assumed by Hermann Hesseler with effect from 1 January 2022. With effect from 1 April 2022, the Supervisory Board named Jan Heinecke as a new Member of the Board. The duties of the Board of Directors are divided into departments by line of business.

The Board of Directors develops the corporate objectives. It also lays down the Group's strategic orientation and coordinates this with the Supervisory Board. The Board of Directors controls the Group and is responsible for business planning for the following years, for preparing the annual and consolidated financial statements and for the Group's financing. Furthermore, the Board of Directors is also responsible for risk management and control and for compliance with legal requirements and internal company policies. The Board of Directors reports to the Supervisory Board regularly, promptly and

comprehensively on all issues which are fundamental to the company. The Supervisory Board is immediately informed by members of the Board of Directors of any potential conflicts of interest in accordance with compliance requirements. Board meetings are usually held on a weekly basis and are convened and headed by the Chairman of the Board.

Supervisory Board

The Supervisory Board monitors the business management of the Board of Directors on the basis of the law, the articles of association and by-laws. It is also responsible for the appointment of board members. In matters that are of particular importance to the company, the consent of the Supervisory Board is required in accordance with the law and with the rules of procedure. With the 2021 Annual General Meeting, Günter Lonnemann retired from his position as shareholder representative on the Supervisory Board. The Annual General Meeting elected Holger Terhalle, board member of Raiffeisenbank Ems-Vechte eG, as his successor. Franz-Josef Holzenkamp has been the Chairman of the AGRAVIS Supervisory Board since 2012. His position was confirmed for a further five years at the inaugural session of the Supervisory Board following the 2021 Annual General Meeting. 16 Supervisory Board members are over the age of 50 and four are between the ages of 30 and 50.

Advisory Board

The Advisory Board advises the Board of Directors and the Supervisory Board on company policy and decisions with particular attention given to regional interests. The AGRAVIS Advisory Board includes farmers, directors of Raiffeisen cooperatives and representatives of cooperative companies, cooperative unions and agricultural organisations. The Advisory Board had 48 members at the end of the reporting year, 40 of whom were selected by the Annual General Meeting and eight of whom were appointed as co-opted members from the Supervisory Board. Eight members are between the ages of 30 and 50, and 40 members are over the age of 50.

Annual General Meeting

The Annual General Meeting of AGRAVIS Raiffeisen AG passes resolutions on the topics from the agenda published in advance. The Annual General Meeting passes resolutions, among other things, on the appropriation of distributable profits, the discharging of the members of the Board of Directors and the Supervisory Board and the appointment of the auditor. It elects members to the Supervisory Board and the Advisory Board and passes amendments to the articles of association and on measures which change the company's structure and capital.

The Annual General Meeting is convened through an announcement in the electronic Federal Gazette. As per the articles of association, it takes place within the first eight months of every financial year, subject to differing legal regulations as a result of the coronavirus pandemic. The Annual General Meeting for financial year 2021 will again be held in digital format to exclude legal risks from the outset.

Strong Together.

In the cooperative association, the AGRAVIS Group is actively shaping the transformation in the energy market. The sale of wood pellets was expanded significantly in financial year 2021 through affiliated company Raiffeisen Bio-Brennstoffe GmbH. In the mobility sector, too, projects such as the production of biomethane contribute to a reduction in greenhouse gas emissions.





Group management report

6.1. Foundations of the Group

Business activities and self-image

AGRAVIS Raiffeisen AG, Münster (hereinafter also referred to as: "AG") is one of five main cooperatives in Germany. The AG is the parent company of the AGRAVIS Group and was formed in 2004 after the merger of Raiffeisen Hauptgenossenschaft Nord AG in Hanover and Raiffeisen Central-Genossenschaft in Münster. The AGRAVIS Group sees itself as a national agricultural trade and service company and therefore prioritises the German market, in particular the geographical region stretching from the Netherlands in the west to Poland in the east. The company's national headquarters is in Münster.

Business activities are always based on customer requirements. The Group sees itself as a customer-centric link between all actors involved in the entire agribusiness. As a 360-degree service provider, the Group has a clear unique selling point in the market. Committed, qualified employees, future- and needs-oriented products and services as well as efficient processes are the foundation of the AGRAVIS Group. The aim is to be the innovative service provider for the agricultural sector. The Group is driving digitalisation forward and developing successful sales channels and new profitable business models. Partnership-based business with the cooperatives is being further developed. The network concept is prioritised when it comes to collective activities in the market. Through value-oriented and responsible action, the AGRAVIS Group is an essential pillar for the development of society in rural areas. It aims to safeguard the future of generations to come with sustainable supply.

Through lean structures and operational excellence, the AGRAVIS Group wants to secure its position as a market-relevant company in the German agricultural sector and create the basis for a sustainable ability to pay dividends through profitable growth within the cooperative association. AGRAVIS sees itself as a cooperative company firmly anchored in domestic agriculture.

Sustainability

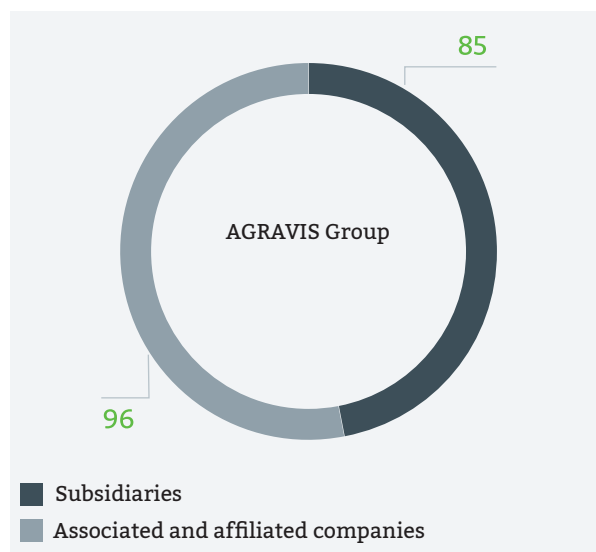
As a national agricultural trade and service company, the Group is supporting development towards a more sustainable brand of agriculture. Sustainability has therefore been an integral part of corporate strategy for some time now. The aim is to find a balance between profitability, esteem and resource conservation. AGRAVIS is therefore making a contribution to helping future generations in agriculture.

The focus on sustainable activities is based on actionable and marketable concepts, such as livestock feeding or strengthening biodiversity in the context of land utilisation. The establishment of the Services & Sustainability division as a permanent business

segment underscores the AGRAVIS Group's ambition to help shape the socially and politically mandated path towards a most sustainable type of agriculture. It was set up at the start of 2022 as an interface to the operating divisions and business partners. Furthermore, the division also plans to promote the sustainable orientation of processes within the Group, for example, with regard to energy efficiency and climate neutrality.

Group structure

On key date 31 December 2021, 85 subsidiaries (previous year: 89) and 96 associated and affiliated companies according to the list of shareholdings (previous year: 102) belonged to the AGRAVIS Group. The Group's main focus of activity is in the agribusiness with the agriculture wholesale, agriculture/farming and machinery divisions. Added to that you have the retailing and energy divisions. The distribution of business activities into divisions corresponds to the Group's management and holding structure and is derived from the internal reporting system. The amount of turnover generated externally is reported in each case. This type of reporting replaces the previous distribution into business segments and the product turnover figures achieved according to this classification. In the description of business development (from page 25 of this management report), comparability with the previous year is taken into account in the turnover figures.



Agriculture wholesale

The agriculture wholesale division covers the areas of plant cultivation, agricultural products and animals. The plant cultivation segment covers the wholesale activities with operating resources in the product areas of crop protection (including foils, nets and yarns), fertilisers and seeds and also provides technical production advice to trading partners and farmers. To this end, the Group conducts its own internal trials in plant cultivation sales consultation at more than 20 locations. The subsidiary TerraVis GmbH, with its product portfolio and service business for biogas plants, is also part of the plant cultivation segment.

In the agricultural products segment, the focus with respect to trade with grain, oilseed and raw feed material, in cooperation with the affiliated cooperative partners and agricultural trade companies of AGRAVIS, is on the supply of their Group-owned and cooperative feedstuff plants as well as mills and industry.

In the animals segment, the AGRAVIS Group produces and sells products in the product areas of compound feed, special feed (including products for animal and stable hygiene), special feed products and veterinary medicines. In feedstuff production, all livestock types are served and the high standards of the most important quality management systems (DIN EN ISO 9001, GMP+, QS and VLOG) are complied with. The AGRAVIS affiliate Livisto Group GmbH, together with its subsidiaries, produces a broad range of animal health products at six locations around the world and sells these in more than 100 countries.

Agriculture/farming

The agriculture/farming division comprises the business activities of AGRAVIS Ost GmbH & Co. KG and its subsidiaries as well as the regional agricultural centres in the Group, which are consolidated in AGRAVIS Agrarholding GmbH. These companies conduct direct business with the agriculture sector in sub-regions of AGRAVIS' commercial area. In this division, 7 million tonnes of grain and oilseeds are collected and processed every year. In addition, agricultural customers are supplied with the necessary operating resources, including energy. A workforce of more than 790 employees provides a package of services specifically tailored to customer needs at the 68 high-performance locations of AGRAVIS Ost GmbH & Co. KG. The four subsidiaries and six affiliated companies of AGRAVIS Agrarholding GmbH, with approximately 970 employees, chiefly cover the central and western commercial area of the Group and also operate retail trade in parts via their Raiffeisen markets as well as petrol stations.

Machinery

In the machinery division, the Group sells new and used agricultural machines – both in bricks-and-mortar and online trade. 22 regional companies (including holdings) operate in 113 locations under the umbrella of AGRAVIS Technik Holding GmbH. Around 2,400 employees serve customers with an extensive portfolio of products and services covering agricultural machinery, in particular an impressive spare parts and repair shop service.

Retailing

The retailing division covers the business of the Raiffeisen markets in wholesale and retail. In this division, 29 own markets are allocated directly and a further 42 are assigned to the agriculture/farming division. The AGRAVIS Group distributes its range of goods for the categories Garden, Home and Farm, Pets, Horse Riding, Textiles and Shoes using a franchise system with approximately 480 cooperation markets in rural areas. In wholesale, in total, the Group supplies around 1,000 Raiffeisen markets in

various regions with an extensive range of services and a broad portfolio of products including well-positioned own brands. The online shop "raiffeisenmarkt.de" complements over-the-counter sales and is operated in a profitable manner together with 40 regional Raiffeisen cooperatives. Trade in construction materials, here in particular the purchasing group Regio Baustoffe GmbH, is also part of the retailing division.

Energy

The energy division combines the extensive energy business of the AG and AGRAVIS Energie-Holding GmbH. As an independent energy supplier, the AGRAVIS Group supplies customers in the energy segment with fuels and combustibles as well as lubricants. The Group operates as a wholesaler and is also active for private and commercial end consumers through subsidiaries and affiliated companies, for example in grid-bound energies or in the wood pellet market. The petrol station segment is also very strong: in the Group company AGRAVIS Raiffeisen Tankstellen GmbH, AGRAVIS operates its own stations and coordinates a comprehensive petrol station network. Furthermore, petrol station partners are offered an extensive range of services – including the modernisation and construction of stations.

6.2. Economic report

Macroeconomic framework conditions

The resurgence of the coronavirus pandemic slowed down economic recovery in 2021, both in Germany and abroad. The gross domestic product in Germany rose by 2.7 per cent. This fell short of forecasts from the start of the year. Private consumption was the main driver of the growth. By contrast, material shortages and supply bottlenecks had a negative impact. Above all, the sharp rise in energy prices over the course of the year led to an inflation rate of 3.1 per cent – a level not seen for many years. A similar trend was observed in other countries using the euro. Nevertheless, the European Central Bank maintained its ultra-loose monetary policy and left the key interest rate at 0 per cent. The labour market in Germany remained resilient. The interim aid provided by the Federal Government, such as the short-time working allowance, ensured that the number of unemployed fell compared to the previous year, and the unemployment rate dropped to an average of 5.7 per cent.

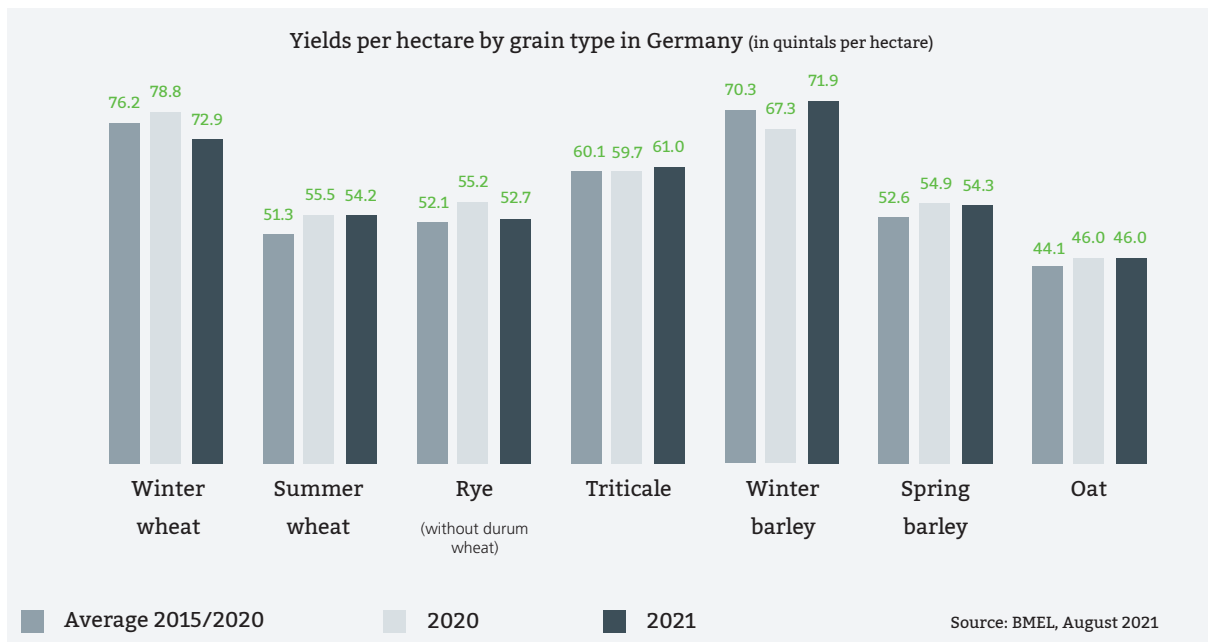
Economic conditions in the sector

The situation in agriculture and agricultural trade remained challenging in many respects in financial year 2021. Increased revenues for crops, beef and milk were offset by a massive increase in production costs. The economic situation in German agriculture responded differently as a result. In the processing industry, the focus remained on the effects of the coronavirus pandemic and the

development of African swine fever (ASF) and avian flu. The outbreaks of both animal diseases intensified over the course of the financial year. For example, ASF was officially detected for the first time in German domestic pig herds near the Polish border in Brandenburg in July, and later too in Mecklenburg-Western Pomerania. The ASF outbreaks aggravated the situation on the German pork market. Prices plummeted and some farms had to concede defeat. Beef prices, meanwhile, reached record highs for a period. However, this development was also down to a significant reduction in stock, which in turn came about as a result of the coronavirus-related sales crisis and high feed costs. The Kiel commodity value for milk and skimmed milk powder exceeded the 40-cent mark for the first time in four years in the fourth quarter of 2021.

Poultry production decreased slightly in Germany. Avian flu was also detected in flocks in Lower Saxony, in other words, in a core area of the AGRAVIS commercial area. The high prices for feed components led to a price increase for compound feed and as a result to a boost in sales for the AGRAVIS Group.

Harvest 2021 fell short of the high expectations due to weather conditions and regional differences. This affected harvest yields, in particular the very heterogeneous qualities. At the same time, prices for grain and rape-seed reached highs not seen for many years. Trade in agricultural commodities was marked by poor harvests in numerous exporting countries and tight supply balances. High prices for natural gas had a massive impact on the fertiliser market. Fertiliser prices rose to record highs. At the same time, producers temporarily ceased operations in some cases. As a result, goods on the market became very scarce. There was also a shortage of crop protection products in some areas as the competitive situation remained tense.



Meanwhile, the agricultural machinery industry experienced a boom last year. Turnover from German production rose by 16 per cent (exports up 19 per cent) to EUR 10.5 billion. The trade association puts this down to strong innovation efforts and high producer prices in agriculture. This development was not observed in the AGRAVIS sales regions in the north-west. Industry and agricultural machinery trade felt the effects of global supply bottlenecks for components. This repeatedly brought production processes and therefore the supply of new farm machinery to a standstill. All this led to an increase in costs.

Sales in over-the-counter retail trade (non-food) in Germany suffered losses compared to the previous year due to the coronavirus pandemic. The AGRAVIS Group and the cooperation markets it supports managed to buck this trend and expand their sales in over-the-counter trade. Online trade increased significantly due to the lockdown phases and other restrictions brought about by the pandemic. The AGRAVIS Group also contributed to this positive development with the webshop raiffeisenmarkt.de.

The transformation of the energy industry continued at an increased pace in 2021. The price of crude oil, with respect to Brent oil from the UK, rose from just over USD 53 per barrel in January 2021 to more than USD 78 in December. On the spot markets, the price of natural gas ballooned from just over EUR 20 per megawatt hour to almost EUR 180 for a short period during the reporting year. The wholesale electricity price also doubled within a period of 15 months and at times reached levels not seen in 12 years. The CO₂ tax introduced at the start of 2021 resulted in a further increase in the price of fossil fuels. The demand for heating oil took a nosedive. The consolidation process in the mineral oil trade increased. There were also exceptional price increases for AdBlue – coupled with the restricted availability of goods – and for lubricants. While the increased energy prices were reflected in the turnover of AGRAVIS on the one hand, the Group also had to deal with increased costs itself as a result.

According to the agricultural economic barometer of the German Farmers' Association (DBV), the mood in German agriculture deteriorated over the course of the reporting year. One reason cited was the uncertainty surrounding the political and legislative framework conditions. The insect protection programme and the amendment to the climate protection law, both of which came into force in 2021, have further limited the scope for action on agriculture. At the beginning of March of the reporting year, the Borchert Commission presented the results of its feasibility study on improved animal welfare. At the same time, the DBV referred to necessary changes in building law and the need when implementing the proposals to ensure a balance between strict national requirements and EU regulations through support programmes. According to the Thünen Institute, the implementation of the animal welfare measures would result in costs of EUR 3 to 4 billion.

Significant events during the financial year

Participation certificates strengthen equity capital

AGRAVIS Raiffeisen AG once again issued participation certificates with a volume of around EUR 39 million. They replace the participation rights capital issued in 2016 and reimbursed in 2021 (EUR 30 million) as an additional source of financing and are again entered in the balance sheet as (economic) equity capital to strengthen the equity ratio. For AGRAVIS Raiffeisen AG, the renewed increase in demand on the part of investors is an expression of great confidence in the solidity and balanced financial structure of the Group. Three different tranches were offered: for shareholders and employees, for existing investors and for interested third parties. The participation certificates again have a term of five years, the interest rate is between 1.8 and 2.8 per cent. AGRAVIS Raiffeisen AG uses the capital realised in this way for the general financing of business operations.

Central logistics centre planned for Nottuln

AGRAVIS Raiffeisen AG is planning to set up a new logistics centre in Nottuln and run it together with its cooperative partners. It is to replace the AGRAVIS distribution centre located in the Münster-Loddenheide industrial park, which is currently operating at the limits of its capacity, and while it will be primarily used to stock goods for Raiffeisen markets, it will also be used to serve the agricultural business. The aim is to implement a future-oriented, sustainable and, in the long term, climate-neutral logistics concept that uses all the building blocks of the modern working world and minimises inefficiencies. Construction is set to start in early 2023. The investment volume currently stands at around EUR 50 million. The steps under planning law in the municipality of Nottuln were initiated in financial year 2021. Cooperation in the logistics sector will also be further strengthened by the notarised establishment of Raiffeisen Transport Gesellschaft Minden in 2021 and the operation of a joint site with GS agri in Cloppenburg. This project was started in 2021.

Project "Dock": Successful pilot for SAP rollout

Since the start of October 2021, all three sites of Group company Landtechnik Steigra GmbH have been using SAP as their main merchandise management system. The old RAMOS system, in use for over 30 years, will no longer be used at these locations with the relevant data already migrated to the new system following the changeover. "Go-live", which took place just 15 months after the start of preparations, marked an important milestone in the AGRAVIS "Dock" project. The pilot implementation at Landtechnik Steigra GmbH, which was initiated with this go-live, provides important information and forms the basis for the next project steps for the rollout of SAP in other agricultural machinery companies in 2022. With the implementation of SAP Transportation Management (TM) in mid-April 2021, another "Dock" subproject went into live operation. SAP TM is set to completely replace the in-house solution used previously in the logistics area. A core function is the automated planning of shipments. In addition, the previous system for entering and maintaining "business partners" was switched to the new SAP Master Data Governance (MDG) tool during the financial year. Efficient master data management is possible with MDG. It represents an important step towards establishing standardised and clear processes on the basis of SAP.

Working in pandemic mode

In financial year 2021, the coronavirus pandemic once again has a big impact on work processes within the AGRAVIS Group, particularly in the first few months of the year and again later from November onwards. First and foremost, protecting the health of employees and customers remained the main priority. During these months, the commercial departments again used the option

of mobile working on a regular basis; meanwhile, virtual formats were increasingly used in customer communications by sales. Shift systems were used in commercial areas, which also meant a strict separation of employees and locations. The AGRAVIS internal crisis team kept an eye on the latest developments, reassessing the situation as required. In addition, vaccination campaigns were rolled out within the Group, offering both basic immunisation and booster vaccinations. With the entry into force of the new Infection Protection Act on 24 November 2021, the required “3G” rule was implemented and also monitored throughout the workplace. As an essential business, the AGRAVIS Group managed to maintain its activities in its core business throughout the entire financial year. Restrictions remained in place on a regional basis over temporary periods of time.

Research and development

In research and product development, the AGRAVIS Group invested a total of around EUR 6.5 million in the past financial year (previous year: EUR 6.1 million). Of this, a share of 4.6 per cent was entered as assets in 2021. In the animal health segment, the Livisto Group obtained new authorisations for 234 products worldwide in the financial year.

Overview of the course of business

The AGRAVIS Group performed at a respectable level in the market despite challenging framework conditions, and even managed to expand its position. Both in terms of turnover and earnings, figures remained stable in the target range throughout the entire financial year – or even above the forecast. Annual turnover on a consolidated basis reached EUR 7.3 billion (previous year: EUR 6.4 billion), well above the target figure. High prices for grain, fertiliser and energy as well as for compound feed had an impact here. Nearly all divisions contributed to the positive turnover growth, although volume sales of 11.1 million tonnes were again slightly down on the previous year (11.5 million tonnes) in the feedstuffs, fertilisers, agricultural products and energy segments. Earnings before tax stood at EUR 33.2 million at the end of the year (previous year: EUR 30.5 million). This was also above the target figure. Agricultural trade, animal health, special feed products, agricultural commodities as well as machinery and retailing contributed significantly to the positive result. Network trade suffered severe losses in compound feed. In view of the structural disruptions in animal husbandry, the AGRAVIS Group is taking action with the aim of consolidating and focusing attention in order to secure competitiveness and profitability for agriculture and the cooperative partners going forward.

Extreme price volatility experienced at times during the financial year presented both an opportunity and a risk to the AGRAVIS Group. While there were respectable revenue prospects in arable farming, high commodity prices continued to drive competition in the animal feed business. And the high oil prices meant reduced

mobility and therefore reduced fuel sales and a subsequent reluctance to buy heating oil. In this context, the windfall effects from the previous year also had an impact with prices still significantly lower at that time. On the cost side, the AGRAVIS Group achieved major improvements in the reporting year thanks to measures introduced to optimise structures and processes. However, these improvements were significantly counteracted by cost explosions in energy, logistics and material investments. These price increases, raw material shortages, volatile markets and logistics bottlenecks presented the AGRAVIS Group with challenges for much of the financial year. Accordingly, the Group remained very risk-conscious with respect to availability of goods and claims management.

Nevertheless, the AGRAVIS Group used the expertise of its employees, its market knowledge and its broad network to align itself with market demands in financial year 2021 on the basis of its vision for the future “Strong Together” with the cooperative association. The opportunities presented by digitalisation have been and continue to be exploited going forward, whether for lean processes internally or for customer-oriented solutions externally. The Group’s own claim to be a leader in innovation in the agribusiness has been realised, for example, through the development of its own concepts for alternative protein sources in animal feed or for meat substitute products in human nutrition. Focus was also placed on growth areas such as e-commerce, the sale of market-ready agricultural machinery products in field robotics and the pet food business throughout the year.

Included in the list of associated companies are those affiliated with Danish Agro a.m.b.a.: DV AGRAVIS International Holding A/S, DA AGRAVIS Machinery Holding A/S and Vilomix Holding A/S. Together, they achieved a turnover figure of EUR 2.9 billion in 2021 (previous year: EUR 2.5 billion). With an ROS of 1.5 per cent (previous year: 1.04 per cent, pre-tax profit share for AGRAVIS: EUR 11.5 million), they again enjoyed a successful year. However, the affiliated company Ceravis AG again finished the year with a clearly negative result – we are still waiting for the turnaround.

Development of divisions

Agriculture wholesale

Compared to the previous year, division turnover in the wholesale business rose significantly by 14.6 per cent to EUR 2,716 million (previous year: EUR 2,369 million).

In the plant cultivation segment, the AGRAVIS Group performed at a respectable level in the market. This segment helped create the conditions for market clout and greater customer proximity through structural and personnel changes in financial year 2021.

The crop protection product area increased its turnover compared to the forecast figure and the previous year. Weather conditions and the resulting infection situation meant increased use of growth regulators and fungicides. Autumn trading showed strong demand for herbicides in winter rapeseed and cereals. In fungi-

cides and herbicides, sales were particularly strong for the recommended key products. Sales of films, nets and yarns were significantly above the previous year and the forecast – mainly due to high energy prices and demand for films following the impressive grass silage harvest. The result of the crop protection product area is slightly above both the target figure and the previous year's level.

Early accessibility of the soil in the spring also led to increased demand in the fertiliser product area. This demand faded later in the year, following a sharp rise in fertiliser prices. The tripling of gas prices led to a doubling of fertiliser prices, and this resulted in a reluctance to buy for storage for the 2022 spring season. The decline compared to the target figure and the previous year was particularly significant for nitrogen fertilisers, especially for calcium ammonium nitrate (CAN). Turnover in the fertiliser product area was significantly above the previous year's level due to the strong increase in price levels but still remained below the target figure. Profit contribution comfortably reached the levels of the previous year and the target figures.

In the seed product area, developments in individual crops and the intensity of grassland management in sowing year 2021 were reflected in turnover figures. This resulted in a relatively steady volume of seed maize and a lower volume of grass seed sales due to the good spring conditions in grassland areas and the tense liquidity situation on dairy farms. On the other hand, sales of seed cereals, catch crop mixes and rapeseed fared better than the previous year. This is also true for those key products offered jointly with the cooperatives. They show a positive trend. Turnover was above the target figure and that of the previous year overall, but the profit contribution fell short of the forecast and the previous year. This segment requires a focused approach in 2022.

Over the past financial year, plant cultivation sales consultation continued to make progress in developing the focus programmes with regionalised cultivation recommendations in the plant cultivation segment. In light of the coronavirus pandemic, consultation activities were limited to digital events in the first few months of the reporting year. June saw the return of field days. These were well attended, organised in compliance with the coronavirus-related restrictions and met with a positive response. The goal of achieving further commercialisation of consultation services enjoyed some initial success. Farm management was also further expanded in line with the forecast together with farmers and contractors. Demand and user-oriented focus as a component of the business model in plant cultivation remains a task for the coming years.

TerraVis GmbH met its goal of further expanding its services business for biogas plants and filled the demand for consulting for plant operators at an early stage, and so continues to qualify for the EEG payment. The profit contribution of TerraVis remained stable and positive.

Overall, the agricultural products segment generated higher sales than planned in financial year 2021. The ongoing global commodity boom, driven not least by high import demand from China and the Middle East in tight supply markets, also caused prices for agricultural commodities to rise ever higher. Overall, 40,000 fewer tonnes were traded than planned. This was down to the huge logistical challenges caused by reduced freight space, limited availability of goods following poor harvests in several of the world's countries of cultivation and strict risk management.

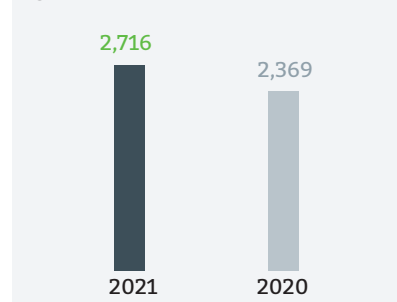
In cereals, maize sales were slightly above the target figure. The solid German harvest brought more maize back into the feed. Wheat sales were slightly below forecast, with feed wheat more than compensating for the decline in milling and quality wheat.

Sales in oilseed crops were also better than expected. Rapeseed producer prices rose, driven by the boom in the futures market following severe losses in earnings in Canada, the world's largest exporter, and reached record levels. We expect a business year characterised by tough supply conditions in light of the disappointing German rapeseed harvest and the gloomy outlook in Canada.

In feed raw materials, sales in feed materials were on target and slightly above the previous year's level. Against the backdrop of high prices, compound feed producers stocked up only moderately and in the spot months.

The value added of the agricultural products area reached a level significantly above the target figure and the previous year. The focus of the segment on its core business and on supplying its own and cooperative animal feed plants as well as the local mills was clearly reflected in the figures for the first time.

Agriculture wholesale (in billions of euros)



Animals segment: The compound feed product area held production tonnage at a steady 3.2 million tonnes in the 17 plants of the Group companies. This was mainly due to the poultry feed segment, where further growth potential was exploited by bundling the sales activities in GIG Geflügel GmbH on 1 May 2021. The increase in poultry feed compared to the previous year reached 9.8 per cent despite the negative impact of avian flu. Pig feed also saw an increase in production compared to the forecast despite the tense situation with producer prices and the ASF restrictions. The change compared to the previous year: an increase of 1.4 per cent. By contrast, volumes in the cattle product area fell short of the previous year (a decrease of 1.2 per cent).

If we include figures from the affiliated companies, a total annual tonnage of 4.8 million tonnes was achieved in compound feed (previous year: around 4.9 million tonnes).

Cooperative collaboration in the compound feed segment was further advanced in 2021. Raisa eG was added to the group of shareholders in Genossenschafts-Kraftfutterwerk GmbH.

Due to volatile raw material markets characterised by high prices, the situation in compound feed remained challenging. This is also reflected in the profit contribution of the respective companies. The figure was negative and as a result fell short of the forecast and last year's contribution. This was not a satisfactory result for the AGRAVIS Group. Network trade for compound feed, which is strongly influenced by structural change, must be optimised and secured in production, sales and logistics with regard to competitiveness and performance at the customer.

The special feed product area developed within the expected forecast range in the "horse and hobby" segment. Together with the cooperatives, sales in horse feed were above the previous year's level. Feed sales in the hobby farming market also enjoyed continued growth. The coronavirus pandemic, along with the associated "cocooning", was one of the main drivers here. The number of pets rose steadily, and this increased the demand for feed.

The milk replacer business also showed positive growth over the past business year. Volumes in the mineral feed business remained slightly below target. The loss of volume suffered as a result of the Russian export ban was more than compensated for by the other growing export markets.

In the product area of special feed products, sales and gross profits for merchandise reached a high level. Earnings were higher than in the previous year across all product groups in line with the generally positive market situation. Extreme scarcity of goods and the tense situation in shipping and road logistics delayed deliveries from the Far East and Europe to an unprecedented extent.

In the animal health product area, the Livisto companies achieved currency-adjusted sales that were just below the target figure, but significantly above the previous year. Raw material bottlenecks, a lack of product availability and the resulting shifts in market demand were the main reasons for this slight discrepan-

cy. The result is slightly above the ambitious forecast and clearly above the previous year. The structural measures implemented helped stabilise the result level significantly.

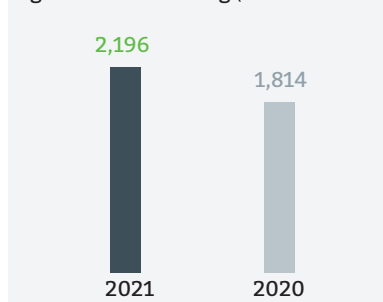
Agriculture/farming

The AGRAVIS Ost Group and the agricultural centres of AGRAVIS Agrarholding GmbH achieved an annual turnover of EUR 2,196 million in direct business with the agricultural sector (previous year: EUR 1,814 million). The trading volume of grain and oilseeds reached 7 million tonnes. AGRAVIS Ost managed to stabilise its market shares in almost all areas. This was down in no small part to the restructuring measures at the end of 2020, the switch to digital processes and its consistently customer-oriented approach. Profitability increased in the grain and oilseed business compared to the previous year. The same is true for fertiliser sales. In the energy segment, turnover and earnings increased with consistent volumes. The scarce availability of freight space proved particularly challenging. Costs for personnel and warehouse rent were reduced. The result was above the target figure and that of the previous year.

In the agricultural centres in the central and western commercial area, the grain and oilseed business was better than forecast and also above the previous year's level in the majority of the companies. Higher drying revenues – similar to AGRAVIS Ost – were also recorded. The situation in fertilisers was characterised by increased sales with lower quantities. The Group yet again exceeded the high revenue level of the previous year in the retail business. As expected, sales in the energy business were subdued in the mineral oil trade in the first months of the year. However, revenues and earnings at petrol stations developed positively. The profit contribution of the agricultural centres was above the target figure and that of previous year.

On 31 December 2021, the AGRAVIS Group sold the business activities of VR Agrarcenter Wittelsbacher Land GmbH as part of an asset deal.

Agriculture/farming (in billions of euros)



Machinery

The AGRAVIS Technik Group once again produced strong turnover figures compared to last year. Due to changes in VAT legislation, at EUR 987 million, turnover was marginally down by 0.2 per cent (previous year: EUR 989 million). However, the target

turnover figure was exceeded. AGRAVIS Technik therefore performed strongly in the overall market. In particular, the marketing of second-hand farm machinery reached a very high level in 2021. However, due to supply issues in the new farm machinery segment, there was an increasing shortage of second-hand farm machinery stock.

Utilisation of workshop capacity remained at a very high level following on from an impressive previous year. As a result, income exceeded the previous year's level. All of the above confirms a consistently solid performance and customer loyalty in the service area of AGRAVIS Technik. The spare parts business, as another aftersales branch, also managed to slightly exceed the previous year's level. The spare parts shop ATStore24 played its part in this success. This development was also helped by higher wear-and-tear levels during a more intensive harvest season compared to the previous year. Despite fierce competition both offline and online, the earnings situation in the spare parts business remained stable. In terms of the order backlog, the situation remained largely positive compared to the previous year despite persistent issues with supplies in agricultural machinery.

The AGRAVIS Technik Group also implemented further strategic measures in the financial year to expand the business. These included the expansion of the omnichannel strategy, such as the addition of "click & collect" to ATStore24 and also the strengthening of the New Tec companies through the integration of the former NH Agrartechnik locations in Sieversdorf and Schönebeck, not to mention the acquisition of a majority stake in Handelshof Bismark GmbH. The Group company Technik Center Alpen GmbH assumed control of former partner dealer Schmitz in Geilenkirchen. AGRAVIS Technik Polska added a second location with Karlino.

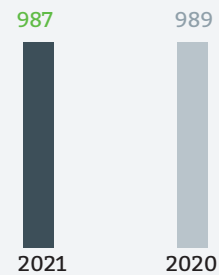
Retailing

In the retailing division, the AGRAVIS Group continued to grow in financial year 2021, despite historical bottlenecks in the supply of goods. Sales compared to 2020 increased by 1.5 per cent to EUR 336 million (previous year: EUR 331 million). This exceeded the target figure. The significant increase in wholesale, strong end-customer business in the Group company AGRAVIS Raiffeisen-Markt GmbH and good performance in the markets of the Terres cooperation were all major drivers of this. The AGRAVIS-owned and the cooperation markets saw positive growth in turnover, while sales in over-the-counter retail trade suffered marginal losses nationwide. End-customer business also benefited from the "cocooning effect" from the coronavirus pandemic. AGRAVIS Raiffeisen-Markt GmbH enjoyed an increase in turnover. This is despite the negative effects from the loss of its location in Kreuzau and the disaster in the Eifel, where the Schleiden site was flooded.

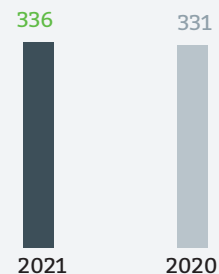
In addition, the omnichannel strategy in the end-customer business was consistently expanded. The online shop "raiffeisenmarkt.de" once again achieved a clear increase in turnover of 9 per cent. As expected, trade in construction materials was significantly down on figures from the previous year. This was due in no small part to the sale of several building merchants in 2020, the massive shortage of raw materials in the market and also the limited acquisition opportunities available. As the Group sought to narrow its focus on its core business and streamline the associated portfolio, Holzhandlung Gundelach GmbH in Bockenem was sold in 2021. It was part of AGRAVIS Raiffeisen-Markt Holding GmbH and the only Group activity in timber wholesale.

Profit contribution in the retailing division was above target and just below the previous year. This made up for the calculated decline in earnings in the building materials trade.

Machinery (in millions of euros)



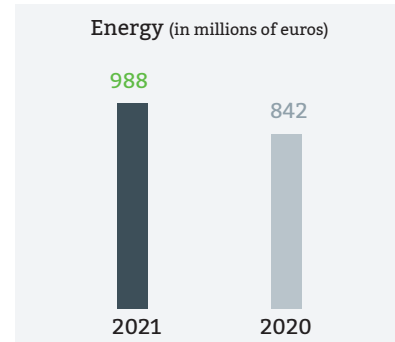
Retailing (in millions of euros)



Energy

Turnover in the energy division grew from EUR 842 million in 2020 to EUR 988 million due to price. This equates to growth of 17.3 per cent. Sales volumes in fuels and combustibles were down compared to the previous year, especially in the first months of the financial year, due to the coronavirus pandemic, CO₂ pricing and the reversal of the VAT reduction, which was partially compensated for later on in the year. At the same time, the intensity of competition in wholesale increased throughout the financial year. The competitive situation in the lubricants market remained tense, especially in the biogas segment. Extraordinary price increases for lubricants also led to stockpiling among customers at the beginning of the year, and as a result this dampened demand in the second half of the year. Earnings in the petrol station segment stabilised at a decent level. The petrol station project business also developed above expectations. Price increases for natural gas also reached AdBlue production, albeit with some delay, the result being that cost-covering production was not always possible. Nevertheless, the Blue Service network coordinated by AGRAVIS still managed to ensure that customers were sufficiently supplied with goods.

In the financial year, the AGRAVIS Group also implemented initiatives that contribute to the transformation in the energy market. Four filling stations were launched for LNG, together with partners. Liquefied natural gas releases significantly less CO₂ than conventional diesel fuel. Major changes in the energy market also led to a significant increase in the sale of wood pellets. Sales of grid-bound energies, electricity and gas, developed in line with expectations. The result of the energy division was above both the target figure and the previous year's level.



Financial performance indicators

AGRAVIS uses the following financial key figures to monitor the Group:

Turnover

As already shown, Group turnover grew to EUR 7.3 billion in financial year 2021 (previous year: EUR 6.4 billion, target: EUR 6.2 billion). This helped reinforce the Group's strong market position in German agricultural trade. As described above, high prices were the main reason for the discrepancy compared to the forecast.

Earnings before tax

With a figure of EUR 33.2 million, the target for earnings before tax was also exceeded (previous year: EUR 30.5 million, target: EUR 22.2 million or EUR 31.6 million before special projects). The one-off expenses allocated to the special "Dock" projects, the introduction of Microsoft Office 365 solutions and also digitalisation measures totalling EUR 9.4 million were all compensated for.

Operating EBIT

With the operating EBIT, AGRAVIS has been using another financial performance indicator for a few years now to get a better overview of the Group's operating earning power. In the case of operating EBIT, this is EBIT used in financial reporting that is adjusted for the neutral result as well as additional one-off, non-recurring expenses and income. In particular, one-off restructuring expenses are included here. Operating EBIT was EUR 70.3 million in the financial year (previous year: EUR 70.1 million, target: EUR 64.5 million – taking into account the EUR 9.4 million spent on special projects).

Equity ratio

The equity ratio remained below both the target and the previous year's figure: It dropped from 29.6 to 27.1 per cent (target: 30.3 per cent). This is due to a significant increase in the balance sheet total. High prices and supply chain challenges led to a higher capital commitment in inventories and receivables. However, the equity capital base increased by EUR 16.3 million compared to the previous year. In addition to profit retention, this is mainly due to the issuance of new profit participation certificates in the region of EUR 39 million, which significantly exceeded the volume of the expired profit participation rights from 2016 (EUR 30 million). The financial performance indicators are continuously monitored and optimised.

Non-financial performance indicators

In what is a labour-intensive business model, the AGRAVIS Group takes due consideration of the role of employees in the form of the following non-financial performance indicators:

Trainee quota

As an attractive employer, the AGRAVIS Group offers many eligible young people based in rural areas an introduction to apprenticeships and working life. Apprenticeships are an integral part of promoting young talent in the Group. The company therefore ensures that medium and long-term personnel requirements can be met. The goal of apprenticeships is to develop suitably qualified junior staff and offer them long-term prospects. At the end of 2021, the Group employed 592 trainees in 17 job profiles. The trainee quota of 9.3 per cent reached the target level and was even slightly above the figure from the previous year.

Staff turnover rate

The AGRAVIS Group again succeeded in keeping staff turnover rates to a minimum in 2021, despite the current change process. Contrary to forecasts, this figure rose to 6.4 per cent but overall still remained at a low level (previous year: 5.3 per cent).

Work safety

The Group company Veravis GmbH is continuously working on improving work safety in the entire company. In 2021, we again saw a drop in the number of reportable accidents from 148 to 136 in comparison to the previous year. The highest number of accidents (84, previous year: 85) occurred in agricultural machinery workshops, followed by the agricultural trade sites (25, previous year: 34). The workplace safety campaign was continued and expanded in financial year 2021 in order to further raise awareness among managers and employees. The occupational health and safety training of employees was carried out via a new internal platform, the AGRAVIS Training Manager, saving both money and time. This platform has been online since September 2021. Here, the main focus has been on aspects such as care and prevention of accidents.

Income situation

High prices for grain, fertiliser, energy and compound feed meant that Group turnover at around EUR 7.3 billion was well above last year's level and the target figure.

Other operating income fell by almost EUR 7.3 million to EUR 32.3 million. This is mainly down to the realisation of goodwill as part of the sale of construction materials activities in financial year 2020 as well as further declining non-operating income.

A gross profit of EUR 620 million surpassed last year's figure of EUR 609 million. Improvements in agricultural trade, markets and technology almost made up for the disappointing result in the compound feed business. In the administrative units and

service areas, clear cost savings also contributed to the overall improved result.

Personnel costs rose by EUR 10.9 million due to wage increases and allocations to personnel provisions.

Depreciation of intangible assets and tangible fixed assets of EUR 50.9 million were slightly above the level from the previous year. The planned investment volume is expected to result in a further increase in the depreciation value over the next few years.

Other operating expenses fell further by about EUR 3 million to EUR 179 million. Compared to the previous year, lower one-off expenses were incurred in connection with the sale of affiliated companies.

The financial result continues to have a significant influence over the overall results for the Group. A figure of minus EUR 13 million represents an improvement on the previous year. The costs of higher drawdowns under the syndicated loan at the end of the financial year were balanced out by improved conditions and increased investment income. The Group recorded a consolidated net income of EUR 15.7 million (previous year: EUR 12.1 million). This led to an ROS of 0.5 per cent and return on equity capital of 6.0 per cent. Taxes on income and earnings of EUR 17.5 million were slightly below last year's figure of EUR 18.3 million.

Financial position

Composition of capital

On 31 December 2021, the subscribed capital of AGRAVIS Raiffeisen AG, as the Group parent company, stood at an unchanged EUR 205.5 million. The capital is divided into 8.03 million registered shares with restricted transferability (par value shares). Furthermore, the company further approved registered capital of EUR 12 million with a term until 2023 following a resolution of the Annual General Meeting in 2021. No further shares were issued in financial year 2021 and after the balance sheet date. The AGRAVIS share has a book value of EUR 25.60. The issuance of new shares has been taking place at a price of EUR 61.50 since 9 May 2019. The subscribed capital of the company at the end of the financial year 2021 was at 62.0 per cent in the ownership of the cooperatives and cooperative companies respectively. Natural persons and legal entities associated with the industry together held the remaining 27.7 per cent of shares. In addition, farms held 4.8 per cent and employees 5.1 per cent stakes in AGRAVIS Raiffeisen AG at this time. The trading portfolio of AGRAVIS shares held by third parties stood at 0.4 per cent of the total share capital at the end of the financial year.

Cash flow

The cash flow situation in the financial year shows a cash outflow from ongoing business activities, an increase in investment activities and an increased cash flow from financing activities.

The reduced cash flow from ongoing activities is mainly down to a significant price-induced increase in inventories and receivables, which was counteracted with active working capital management.

The outflow of funds from investment activities increased by EUR 15.3 million compared to the previous year. In the process, the AGRAVIS Group invested EUR 18.5 million (previous year: 15.5 million) in intangible assets, especially in digital products. At EUR 34.7 million, expenditure on property, plant and equipment was slightly up on the previous year's level of EUR 31.2 million. After an increase in financial year 2020, which can be attributed to the transfer of builders' merchant sites to a cooperative partnership, payments from disinvestments in property, plant and equipment fell to EUR 9.8 million. The increased cash flow from financing activities compared to the previous year is the result of an increased drawdown of financial credits corresponding to the increase in inventories and receivables and a further successful issuance of new profit participation rights. The payment received exceeded the repayment of the profit participation rights due in financial year 2021 by EUR 8.9 million. At EUR 24.2 million, interest payments remained at the same level as the previous year.

Liquidity and financing

Financial management at AGRAVIS provides the necessary financial resources for the Group at all times. Risks from changes in interest rates, currencies and prices are limited using appropriate hedging instruments. At no time does the finance division take up speculative positions. Its task is rather to achieve optimisation of financial flows through the use of Group-wide measures such as cash pooling. A fundamental principle of financial management at AGRAVIS is the consideration of matching maturities. Long-term loans to finance investment in fixed assets are structured as repayment loans without the risk of a change in the interest rate. Borrowing is almost exclusively in EUR, whilst foreign subsidiaries take on smaller loans in local currency (CHF, RUB) or in USD. The limitation of the interest rate risk is managed exclusively via simple derivative instruments ("plain vanilla" instruments). The hedge ratio stands at almost 89 per cent (previous year: 81 per cent). The main financing sources of the Group are the aforementioned syndicated loan of EUR 650 million secured at the end of 2019 (maturing in December 2024 with two one-year renewal options and

a variable rate based on Euribor), the unchanged promissory note bond for a total of EUR 59 million (previous year: EUR 59 million), EUR 95 million from the likewise unchanged accounts receivable facility (asset-backed securities) and EUR 200 million from reverse repurchase agreements in connection with products.

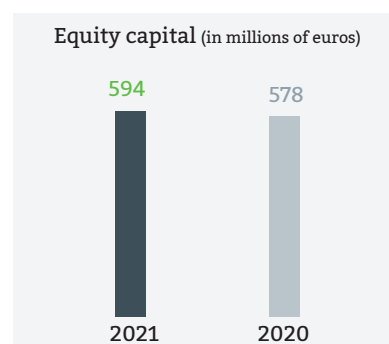
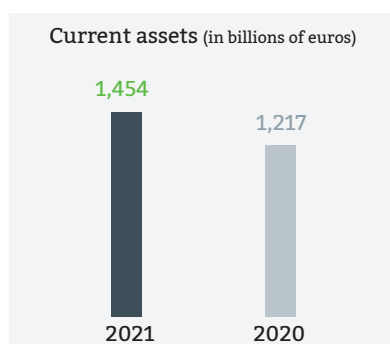
The financing structure is continually reviewed and is appropriate for the Group. Solvency was ensured at all times; the existing liquidity headroom having never fully been utilised during the reference year. The extensive regulatory framework is complied with.

Asset position

In 2021, the AGRAVIS Group invested around EUR 53.6 million (previous year: EUR 46.7 million) in intangible assets and property, plant and equipment: EUR 18.9 million in intangible assets, EUR 8.5 million in land, land rights and buildings, and EUR 15.1 million in plant, machinery and factory and office equipment as well as EUR 11.1 million in advance payments. Across the business divisions, the focus remained on expanding locations at the agricultural centres and machinery companies. With the investments made in 2021, the Group has further strengthened its core business and also further developed its digital solutions. Expenditure on a standardised SAP-based ERP landscape also represented by far the largest investment project in 2021. Depreciation stood at EUR 51 million, almost at last year's level.

The balance sheet structure in 2021 was characterised in particular by the significant increase in current assets by 19.5 per cent to EUR 1,454 million (previous year EUR 1,217 million). The largest increases were in trade receivables and inventories, which rose significantly in the last few weeks of the year. This was caused by a sharp increase in prices for agricultural goods in the second half of the year in combination with higher stockpiling. Equity capital rose by EUR 16 million to EUR 594 million in 2021 (previous year: EUR 578 million). This was down to the positive annual result and the increase in participation rights capital to EUR 99 million (previous year: EUR 90 million). The equity ratio stood at 27.1 per cent, which fell short of the long-term aim of 30 per cent. Provisions increased slightly by 6 per cent or around EUR 14 million to EUR 247 million (previous year: EUR 233 million). This was chiefly down to pension reserves, tax provisions and general provisions for outstanding invoices. Liabilities owed to credit institutes in-

creased by around EUR 144 million to EUR 792 million in line with the increase in current assets (previous year: EUR 648 million).



Overall assessment of the Board of Directors regarding the development of the business and the Group's position

The AGRAVIS Group closed financial year 2021 with respectable figures overall. The target figures for turnover and earnings were exceeded. Almost all divisions and companies contributed positively to this. In politically, socially and economically challenging times, this meant that the Group was able to consolidate its position in the competitive agricultural market. Even under the difficult conditions caused by the coronavirus pandemic, the change process was successfully continued on the basis of the Group's vision for the future up to 2030 with the mission statement "Strong Together. For Agriculture and Life." In 2021, the AGRAVIS Group remained on course to be a solution provider and, together with its cooperative partners, an innovative service provider for agriculture. The sales offensive in pursuit of more business, in particular with cooperatives, continued in a positive vein. At the same time, structures were streamlined, duplication of effort was reduced and digitalisation was further intensified. On the cost side, the AGRAVIS Group achieved further improvements in financial year 2021. Personnel costs developed above forecasts. The AGRAVIS Group remains on a solid financing footing and has a stable shareholder structure.

6.3. HR report

Employees

On key date 31 December 2021, the AGRAVIS Group had a total of 6,379 employees on its books, 43 more than the same time the previous year. The employees work in over 400 locations in a variety of career fields. In terms of personnel, the Group operates in an environment where it is important to position oneself as an attractive and trustworthy employer for applicants and existing staff. It needs to highlight and communicate these employer benefits both externally and internally in order to boost appeal and loyalty.

Percentage of female managers

The percentage of female managers at the AGRAVIS Group stood at around 11 per cent at the end of financial year 2021. It is one of the Board of Directors' declared goals to increase the proportion of female managers. The aim is to ensure and make it clear that career success is possible in the Group irrespective of sex and that the company is an attractive employer for both men and women. It is incumbent upon all management staff within the AGRAVIS Group to pursue and achieve these goals.

6.4. Risk report

The AGRAVIS Group distinguishes between the following types of risks:

External risks

- Macroeconomic risks
- Foreign currency risks

Sector and market price risks

Financial-sector risks

- Liquidity and financial risks
- Credit risks
- Interest rate risks

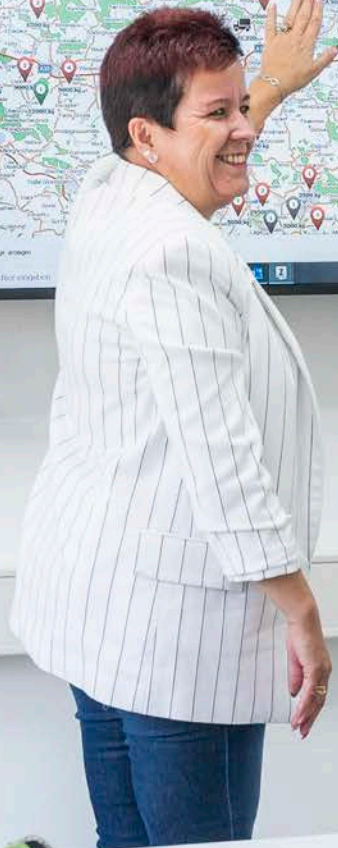
Legal and regulatory risks

Other risks

- IT risks
- HR risks
- Political risks

Principles of risk management

Risk management is a central component of AGRAVIS corporate governance. Standardised guidelines in accordance with the defined risk-bearing capacity apply to all trading units and the area of finance. They contain the maximum limits of risk to be taken. The individual areas regularly report on these risks. In addition, managers in the Group are obliged to immediately inform the Board of Directors as well as Controlling & Corporate Development of any new risks that arise.





Strong Together.

In feed logistics, regional Raiffeisen cooperatives and AGRAVIS are joining forces to supply farms with compound feed. Raiffeisen Transport Gesellschaft Minden, as a joint forwarding agent, ensures efficient route logistics and professional fleet management in an area between North Hesse and the Dümmer.

Risk management

Risk management is organised centrally in the AGRAVIS Group. Against the backdrop of varying risk profiles, the responsibilities are regulated at all company levels and in all functional areas irrespective of value limits. Risk management contains the following process steps:

Risk identification

The Group constantly reviews macroeconomic and sectoral economic developments as well as internal corporate processes which may have an impact on the company's position. AGRAVIS management uses the risk catalogue to identify individual risks.

Risk analysis and assessment

The risks are assessed for their potential extent of damage and probability of occurring. The extent of potential damage is expressed, as far as this is possible, in cost figures, and the effects are examined in view of the consequences for the financial position of the AGRAVIS Group.

Risk management

Assessment of identified risks forms the decision-making basis for AGRAVIS management to control risks. In particular, the assessment looks at whether risks can be avoided or mitigated through the adoption of suitable measures, transferred through the conclusion of certain agreements or whether they simply have to be accepted.

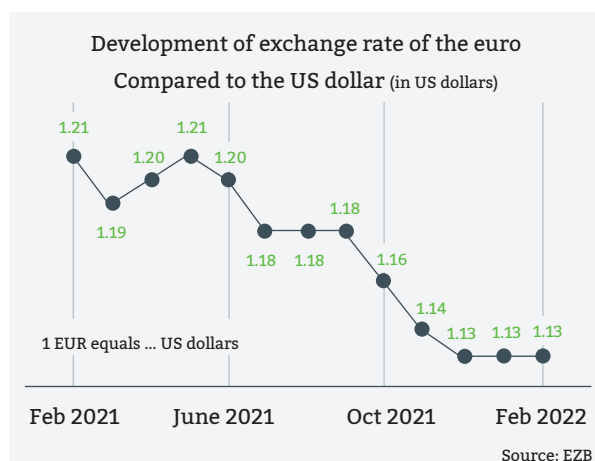
Reporting and risk monitoring

The risk reports drawn up by the trading units and by the Controlling & Corporate Development and Finance departments aid the AGRAVIS management team by documenting the risk-related processes and by continuously monitoring the potential risk existing within the Group. The European regulation "EMIR" (European Market Infrastructure Regulation) has introduced extensive obligations on strategy, organisation, processes and IT technology in the area of derivative management. The AGRAVIS Group is subject to audits as a non-financial counterparty (Art. 2 (9) EMIR) and is audited by Deloitte GmbH. The Group has taken appropriate measures and precautions when dealing with currency and interest derivatives to effectively control operational risks and the risk of default. The reporting obligations for new transactions, modifications and the early termination of derivative contracts were delegated to the register of transactions, to the banks or financial counterparties, and this was checked by the responsible areas.

Risks

External risks

Macroeconomic risks



Both globally and nationally, the coronavirus pandemic has taken its toll on overall economic development. The consequences are still being felt in 2022. Particularly noteworthy are issues such as worldwide supply bottlenecks and personnel losses along the entire production chain. In production and sales, the AGRAVIS Group is dependent on the delivery of agricultural raw materials and other commodities according to strict schedules and quality standards. Supply bottlenecks, boycotts or failures on the part of suppliers restrict the availability of agricultural raw materials, components and products in the Raiffeisen markets and agricultural machinery companies. Although the business operations of the AGRAVIS Group have been classified as essential since the outbreak of the pandemic and were largely maintained except for very few individual cases, further official measures to contain the COVID-19 pandemic, including possible new virus mutations, could also affect the business operations of the AGRAVIS Group and its customers and suppliers going forward.

Foreign currency risks

As a national agricultural trader, the AGRAVIS Group operates predominantly in Germany; the main currency for production and purchasing costs is therefore the euro. In addition, however, raw materials (e.g. soybean meal, vitamins) and, if necessary, commodities (e.g. articles for the Raiffeisen markets) are purchased on the international market or from foreign producers; the main currency here is therefore the US dollar. The resulting transactional risk is limited by suitable hedging instruments at close of business. Nevertheless, exchange rate fluctuations in this area can have a negative impact on the earnings situation of the AGRAVIS Group if these fluctuations on the sales markets cannot be compensated for by price adjustments. Currency risks arise from the fact that sales revenues of AGRAVIS Raiffeisen AG and the AGRAVIS Group in the double-digit million euro range are generated in other currencies. Consequently, an increase in the exchange rate of the euro against these currencies has an adverse effect on the sales revenues reported in euros and therefore on the result. Seven consolidated subsidiaries of the AGRAVIS Group prepare their accounts in foreign currencies. For consolidation purposes, the annual financial statements of these subsidiaries must be converted into euros. Exchange rate fluctuations between the euro and these currencies affect the equity capital of the AGRAVIS Group.

Sector and market price risks

Agricultural commodities, micro-components such as vitamins and amino acids as well as other operating resources, such as crude oil products and mineral fertilisers, are subject to considerable price fluctuations. On the one hand, agricultural commodities are components in the production of feedstuffs and, on the other, they are used as general commodities of the AGRAVIS Group. Global price development of agricultural commodities is therefore of particular importance for purchasing and sales in the AGRAVIS Group. Failure on the part of the AGRAVIS Group to pass on any increases in the price of agricultural commodities or resources to customers or to compensate for such increases in some other way would reduce its overall profitability. In plant cultivation and agricultural machinery, the products sold by the AGRAVIS Group are subject to seasonal fluctuations in demand. Drought and dry periods, in particular, can make cultivation conditions more difficult and thus negatively affect demand for fertilisers and crop protection products. Mild winters, on the other hand, can lead to a reduction in fuel sales.

If the trend towards reduced meat consumption among the population continues, this could also have an indirect effect on the sales markets of the AGRAVIS Group, for example, by reducing demand for feedstuffs due to lower numbers of livestock.

Demand in the agricultural machinery division is also dependent on the general economic situation of agricultural operations. In terms of trading, in particular with the Raiffeisen cooperatives, the AGRAVIS Group often assumes the price risk through secured contracts. To this end, both traditional hedging transactions and common hedging instruments are used on the commodity futures markets. The risks from these transactions are limited by upper limits and are continuously reported to the relevant bodies. If necessary, risk positions are also closed before reaching the approved limits. The various markets will continue to be closely monitored and analysed.

African swine fever and avian flu in Germany continue to pose significant risks for AGRAVIS business. Declines are expected in compound feed sales, in particular, in case livestock has to be culled. This could mean reduced working hours or even temporary shutdowns at the individual regional plants. A close-knit cross-sector crisis management system is used to mitigate risks as much as possible.

Financial-sector risks

Liquidity and financial risks

In addition to the syndicated loan and long-term loans, the AGRAVIS Group hedges its liquidity requirements through the use of an asset-backed securities programme (ABS), a trading line for (reverse) repurchase agreements in the area of agricultural commodities and through promissory note bonds. As part of the ABS programme, trade receivables were sold to a credit institute in the form of structured financing, so as to strengthen liquidity. This allows the Group to refinance itself at money market conditions. Management of the receivables transferred to the credit institute will remain the responsibility of the AGRAVIS Group. In order to improve short-term liquidity, structured financing has been concluded for various agricultural products (agricultural commodities) in the form of reverse repurchase agreements. The rules of the syndicated loan and of the promissory note bond as well as the ABS programme and the line in agricultural commodities form a stable financial structure. The contractual arrangements take into account seasonal fluctuations in liquidity needs and ensure the required level of planning dependability. Significant liquidity and financial risks cannot be identified.

Credit risks

As part of its business activities, the AGRAVIS Group performs an important financing function for its agricultural trading partners. In the agricultural sector, the Group incurs financing risks, particularly from the financing of agricultural resources, the repayment of which is made through the acquisition and selling of the harvest. In addition, the Group grants trade credit to commercial

customers in the form of appropriate payment terms. A centrally installed credit management system monitors and controls these risks. The system-based ratings analysis is the central component of this, combined with the ongoing monitoring of credit limits with documented approval procedures. The credit management team informs the risk management bodies of the total receivables and of significant individual receivables on a weekly basis. In addition, ordinary default risks on trade accounts receivable are secured by specific and general provisions. No special credit risks have been identified. The collection periods are closely monitored. Furthermore, commercial credit insurance with deductibles has been taken out.

Interest rate risks

In order to limit interest rate risks on variable interest loans, AGRAVIS Raiffeisen AG undertakes interest-rate-hedging transactions as the parent company of the Group. This exclusively involves interest rate swaps for the purposes of hedging future cash flows. Coinciding with the assumption of long-term loans, micro-hedges are undertaken in the form of maturity-matched interest rate swaps, whereby synthetic fixed rate borrowings are incurred. Interest rate swaps are also entered into in order to hedge exposure to loan drawdowns under the syndicated loan which has existed since 2004. The syndicated loan was secured again in 2019 and now stands at EUR 650 million. The swaps provide a portfolio hedge with regard to the Group's working capital. The Group has operated a modern risk management system for interest rate risk since 2011. Control in this respect occurs via the so-called "fair value" or changes to it from now on. The fair value for the various debt-financing sources is determined on a monthly basis. The AGRAVIS Group receives the fair value from its finance partners. This concept is recognised internationally and gives comparable values, in particular in consideration of changes. Upon reaching or exceeding certain thresholds, the various risk management bodies are informed. Significant interest rate risks cannot be identified at present.

Legal and regulatory risks

The companies of the AGRAVIS Group are exposed to risks in connection with legal disputes that they are currently involved in or may be in the future. Such legal disputes arise within the scope of the normal business activities, for example, from the assertion of claims from mistakes and incorrect deliveries or from payment disputes. Legal risks may also result from employee violations of the compliance provisions. As a result, Group companies may have to pay fines, damages or other sanctions due to the authorities or as a result of civil or criminal proceedings. Corresponding legal risks are continuously monitored by company departments as well as the internal AGRAVIS compliance organisation. The AGRAVIS Group establishes provisions for process risks if it is probable that an obligation applies and the scope of economic burden can be properly

assessed. In individual cases, the actual use may exceed the reserved amount. According to forecasts by the Board of Directors, the known legal and regulatory risks at the time of drawing up balance sheet provisions were accounted for through the allocation of reserves at a sufficient level. Changes in the regulatory environment may influence the Group development. This includes in particular actions in the basic conditions for the agriculture sector. Negative influences may result in particular from the redesign, reduction or elimination of support measures or fundamental changes in agriculture policies that may impact trade with customers.

Other risks

IT risks

The AGRAVIS Group is dependent on functioning IT systems for its business operations. The in-house "Information Technology" division ensures reliable provision of services at two of its own redundant data centres. In addition, there is an increasing use of cloud solutions on the basis of a carefully chosen cloud-first strategy. In order to be able to continuously ensure the IT division's services, a number of security mechanisms have been put in place. These include access control systems, building surveillance, permanent power supply for central systems, continuous monitoring of the systems and mirrored data storage. The Group uses firewall systems, virus scanners, web filters, etc. to effectively secure the systems against unauthorised access and protect against external attacks. To ensure that the impact of potential failure scenarios is minimised, there is an emergency plan in place which is constantly updated. Furthermore, regular emergency drills are carried out and continuous training and awareness programmes on cybersecurity and cyber risks are offered to employees. Taking into account the ever-evolving threat situation, regular reviews are carried out in cooperation with external experts and measures are taken to increase IT security.

HR risks

The AGRAVIS Group needs the right employees in the right place at the right time in order to remain successful in future. Both junior staff and lateral entrants with professional experience in specialist and management functions continue to be the target groups of all activities relating to personnel marketing and recruiting. The increase in employer appeal and the exploitation of new and modern recruiting channels, such as social media and active sourcing, are continuously being developed.

Similarly, the strategy of promoting young talent from within the Group is increasing in importance so that junior staff members can be specifically trained in specialist and management functions. The AGRAVIS Group trusts in highly committed employees who identify with the company and want to help shape its future. Investments in systematic succession management and personnel development measures are also set to continue in 2022.

Political risks

On 23 November 2021, the EU Parliament gave the final seal of approval to the new Common Agricultural Policy (CAP), creating the basis for planning security at national levels. As early as the middle of the year, the Deutscher Raiffeisenverband (DRV) had been highlighting the need to avoid distortions of competition within Europe when adopting the CAP into national law. The association of European grain traders Coceral warned of the consequences of the EU's "Green Deal", which it feared could cause a slump in grain production in Europe and turn member countries from grain exporters into grain importers. The European Commission's science and knowledge service, the Joint Research Centre (JRC), also described the negative effects of the Green Deal for the agricultural economy and farmers. A study by Wageningen University concluded that arable farms will be suffer more than livestock farmers.

The laws passed by the Federal Government on climate protection and insect protection also further restrict any room for manoeuvre in the agricultural sector. The appointment of Cem Özdemir marked the first time a Green politician was appointed Federal Minister of Agriculture. The Federal Environment Ministry is now also occupied by Steffi Lemke from the Greens. Both politicians want to implement far-reaching changes for agriculture: reduced use of pesticides, strict fertiliser regulations and a lower animal population according to area. While the implementation of these goals is likely to affect the business of the AGRAVIS Group, it also presents new opportunities for services. The AGRAVIS Group is facing these politically induced changes head-on. As a driver of innovation, it will continue to sustainably develop plant cultivation and animal husbandry systems together with the agricultural sector. Expertise and a willingness to adapt in the cooperative association help ensure stable development in a new political environment. The AGRAVIS Group counts on the reliability of the political framework conditions when it comes to making long-term investment decisions.

Effects of the war in Ukraine on the AGRAVIS business

As the military conflict between Russia and Ukraine continues to escalate, the AGRAVIS Group looks on with great concern. The economic effects of the war on the Group's business activities have been manageable up to the date of preparing the statements but nevertheless require consistent risk and receivables management. Additional protective measures were taken in the IT environment following concerns about cyberattacks.

From an economic perspective, price fluctuations in agricultural commodities and energy present some challenges. However, the Group remains within a stable range regarding financing, meaning that short-term liquidity is secured. The longer the war continues, however, the greater the possibility of temporary liquidity requirements. Other potential stress scenarios are factored into medium-term liquidity planning as a result of the unexpected price boom at the end of March. Changes in the flow of goods following the loss of exports from Ukraine, Russia and Belarus are likely to cause bottlenecks in the various Group divisions and also to shortfalls in the availability of goods. In these cases, the AGRAVIS Group will seek to source products from other regions whenever possible. As far as trading in agricultural products is concerned, the supply of our own compound feed plants remains secured with our own collection in the association. Positions are to be kept as small as possible and on demand in view of the firm, highly volatile and liquidity-intensive markets. The effects of additional potential shortages in agricultural raw materials, energy, fertilisers or premixes are not yet clear.

Regarding the corporate units operating in Russia: production continues at the feedstuff plant in Novoalexandrovsk for the time being. The supply of rapeseed and grain is guaranteed until summer. The Livisto distribution company OOO Lirus is supplied with veterinary medicinal products from European production sites. The AGRAVIS Group does not expect to be impacted too severely if these units cannot continue to operate owing to a further deterioration of the situation.

The Board of Directors and the divisions/companies involved reassess the situation on a regular basis.

Board of Directors statement on the Group's risk situation

With regard to the risks described above and based on the findings arising in medium-term planning, the Board of Directors currently expects no serious risks for future development which, alone or in combination with other risks, could lead to a lasting and potentially terminal impairment of the position in terms of the assets, finances and earnings of the AGRAVIS Group.

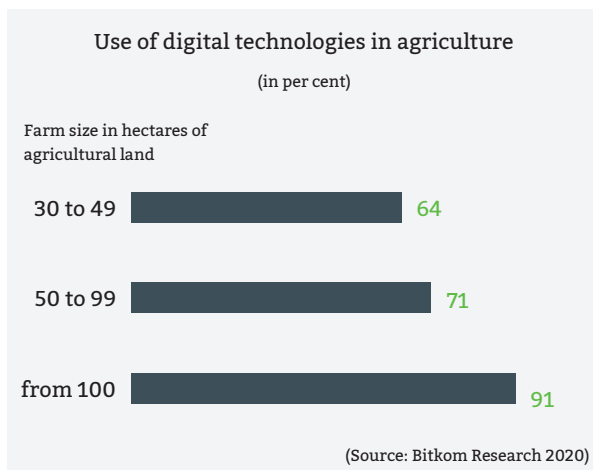
6.5. Opportunities report

Macroeconomic opportunities

Agriculture, including the upstream and downstream sectors, is undergoing rapid and continuous structural change. Nevertheless, there will continue to be an extensive innovative and sustainable agricultural sector in Germany in the future, one which will be able to supply a growing population with high-quality food in the face of increasingly scarce land resources. The AGRAVIS Group sees its role here as an innovative provider of services and solutions for agriculture. As a hub in a network with the cooperative association and other partners from the agribusiness, it wants to add digital distribution channels and develop profitable business models using traditional agricultural trade as its foundation. The AGRAVIS Group is facing these challenges with a consistent customer focus, lean processes and attractive offers. Changes in the market, including the digital transformation, are creating opportunities that the Group intends to exploit and convert into business. With a clear focus on market and customer requirements, the Group sees potential for sustainable, profitable growth in and with the cooperative association.

Strategic opportunities

Digitalisation



The AGRAVIS Group views digitalisation as an opportunity and also as its duty to establish tailor-made digital building blocks for its customers in the cooperative association. It is open to cooperation as part of this endeavour. With the establishment of Raiffeisen Portal GmbH, which aims to accelerate the growth of the myfarmvis portal as the central gateway for farmers into the digital world, and the expanded involvement in Land24 GmbH in 2021, the Group is consistently relying on the participation of cooperatives to bring the topics together and offer joint solutions. In order to increase involvement in the strong growth in e-commerce even further and bundle the technical services for the operative sales companies, a central organisational unit in the area of digitalisation will be established for this purpose in 2022.

Cooperative collaboration

The AGRAVIS Group has strong roots in the cooperative organisation. Over 60 per cent of AGRAVIS' capital is in the hands of regional cooperative owners. This represents not only an opportunity for the Group but also a duty to do more business together. The Group considers the cooperative association a successful model with the consistent and common goal of strengthening the cooperatives regionally in terms of sales and contact with farmers. To this end, the AGRAVIS Group must clearly position its own competence in wholesale retail, in consultation and in administrative tasks and thus show itself to be the preferred strategic and operative partner for the cooperatives. Therefore, there is a need to expand existing collaboration with the cooperatives and develop new alliances together that benefit both agricultural and private customers.

Internationalisation

The AGRAVIS Group has a clear focus on the German agriculture market, in particular in the region stretching from the Netherlands in the west to Poland in the east. In addition, it continues to pursue its internationalisation strategy at an appropriate level. For some years now, the joint activities have been a key focus as part of the joint ventures pursued together with Danish company Danish Agro a.m.b.a. However, opportunities for additional international business are also being actively exploited in animal health, special feed and agricultural machinery with the commitment in Poland. Such initiatives are being developed in particular in foreign markets that promise high growth and potentially provide a sustainable advantage over the competition. Investments are only made if the

know-how required for international business and the network of the foreign company can be ensured. The rules of the AGRAVIS risk management system also apply to international business.

Flexibility and diversification

As a 360-degree service provider in the agribusiness and in the retailing and energy divisions, the AGRAVIS Group is capable of absorbing volatilities and therefore preventing economic overdependence on one division. At the same time, the extensive product and service portfolio and the customer-oriented sales structure within the cooperative association provide the opportunity for networking know-how, services and developing value-added solutions. This allows synergies to be leveraged from which the AGRAVIS Group and the cooperative partners can benefit in the long term. The goal is to secure and increase shares in existing markets with the core business. Further diversification via products or new markets should only take place where there are above-average opportunities for growth with regard to core business. At the same time, there will be enhanced business activities common to primary cooperatives and to the AGRAVIS Group, with the aim of strengthening cooperative trade in the given region and therefore expanding its market position. The willingness to take part in strategic alliances with other partners is still evident.

Company development

With the Strategy, M&A and Project Management Office fields of activity, the Controlling & Corporate Development department supports the AGRAVIS Group in its forward-looking orientation. The Strategy team supports strategy development and regularly revises the strategic orientation with the departments. The Project Management Office supports project initiation and selected group-relevant projects in their execution and reports regularly on the project portfolio of the Group. Corporate investments as well as acquisitions and disinvestments are supported along all process steps by the M&A team. This creates the basis for further inorganic growth of the Group. In the operating areas of animals, plant cultivation, machinery and retailing, project-oriented staff units complement and link the practical implementation of growth, restructuring and innovation.

6.6. Forecasting report

Future Group direction

The AGRAVIS Group will continue to implement the ongoing change process and push even harder than before to position itself as a customer-oriented innovative service provider for agriculture – firmly anchored in the cooperative association. Major changes in animal husbandry and plant cultivation require a consistent response in terms of process optimisation and exploitation of market potential. There is also a need to respond to the challenges posed by climate neutrality and digital transformation.

The digital transformation will be a key feature of the Group's development going forward – this path must be pursued with a customer focus using in-house value-added concepts. In addition, the internal processes must be efficient and display uniform standards. AGRAVIS' Information Technology division provides support through optimisation measures. As part of the internal "Dock" project, the merchandise management systems used to date are being migrated into a needs-based and future-oriented system landscape; important milestones included the implementation of SAP in the Group company Landtechnik Steigra GmbH, the roll-out of a uniform business partner maintenance tool and the go-live of transportation management in 2021. The further roll-out in agricultural machinery from 2022 also forms the basis of the Group's further expansion of its own market position and for consolidating its status as the market-relevant agricultural trading company in Germany through successful collaboration with cooperatives and farms. The Group would like to grow its core business in a qualitative, sustainable and solid manner. All business segments need to be consistently profitable to achieve this ambition. The AGRAVIS Group draws the necessary strength from collective activities in a strong network. AGRAVIS remains firmly committed to the cooperative spirit, wants to enjoy commercial success together with the regional Raiffeisen cooperatives in the German agricultural market and gain market share through maximum customer focus. The marked structural change in the low-margin agricultural industry and the tough predatory competition at trading level offer the cooperative association the chance to stabilise its absolute share in a declining market thanks to lean processes, innovation and market access. The AGRAVIS Group will continue to help shape structures in a targeted manner and strengthen the position of the cooperative association in the value chain between agriculture, manufacturers, industry and processors as well as food retail.

Economic environment

The economic situation in general

The escalation of the Ukraine conflict in February 2022 has thrown all economic forecasts formulated up to that point out the window. The outbreak of war has had a direct impact on the commodity markets – including a huge increase in the price of energy – and this has led to uncertainty on the financial markets in view of expected economic sanctions.

There has also been a sharp slump in world trade as a result. In March, it was impossible to predict how long this development would last. In any case, economic sentiment in the Eurozone fell in March to its lowest level since November 2020. Financial market participants fear even more inflation due to a rise in energy and food prices. Before the outbreak of the Ukraine war, the so-called Five Sages of Economy were expecting growth of 4.6 per cent and an inflation rate of 2.6 per cent for 2022. At the beginning of March, however, experts were already envisaging an inflation

rate of 4.4 per cent. The logistics bottlenecks and the continuing uncertainty caused by the Omicron variant of the coronavirus are also having a negative impact on the economy.

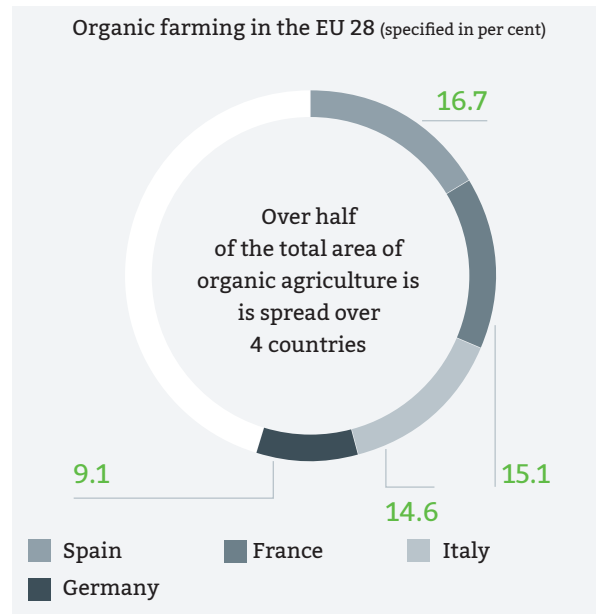
Growth in sector

According to the German Cereal Processing, Milling and Starch Industries' Association (VGMS), the situation experienced on the grain market in 2021, which saw very heterogeneous qualities and massive logistics problems, may be repeated this year – albeit to a less severe extent. Great uncertainties surrounding the outcome and effects of the geopolitical crisis on the Black Sea unsettled the grain markets at the beginning of 2022 and led to large price fluctuations. The ongoing developments in Ukraine and its impact on the agricultural markets may also affect the AGRAVIS business. Bottlenecks on the fertiliser market became apparent immediately after the outbreak of the war. High prices for agricultural raw materials are likely to continue until the end of business year 2021/2022 due to increasing global demand and the tight supply situation. Global political influences, such as tariffs, and weather events may also play a role.

For global oilseed production, the US Department of Agriculture predicts further growth, with the exception of rapeseed. In contrast, rapeseed cultivation in Germany will continue to increase thanks to the positive price development.

The political and social debate about the use of fertilisers and crop protection shows no sign of abating. At the same time, the supply of raw materials for both product groups is likely to remain tight and difficult due to the ongoing problems in global production and supply problems. This will mean high prices all round. Biostimulants are to be classified as a new class of agricultural inputs in July 2022. They could then be used as a complementary independent product group between crop protection products and fertilisers. A study published in January 2022 by Wageningen University in the Netherlands on the effects of farm to fork and biodiversity measures as part of the EU's Green Deal concludes for Germany that production declines of 15 per cent can be expected for wheat, rapeseed and sugar beet, despite expected adjustments to cultivation systems.

In the compound feed business, the AGRAVIS Group expects to see volatile raw material markets this year too. As livestock numbers decline, competitive pressure is set to remain very high. Pig production in particular is classified as declining. The meat industry expects a decline in domestic production of around 4.4 million tonnes or minus seven per cent for 2022. It remains to be seen what effect the decision of large food chains to procure conventionally produced fresh pork completely from German origin (5xD) from 2022 will have on markets. The AGRAVIS Group anticipates stagnation in poultry farming and milk production. African swine fever and avian flu will continue to take their toll on the compound feed business. Special feed is also likely to remain impacted by the epidemic – both at a national level and in the



exports market. The logistics situation is also set to remain tense.

According to a DBV survey, the mood in German agriculture remains tense. Processing operations in particular are pessimistic. In contrast, organic associations in particular are counting on an improved agricultural policy from the new Federal Government, one which gives them income security. Interest in organic conversion has reached a new high of 20 per cent.

According to the VDMA, the boom in demand for agricultural machinery is set to continue in 2022. The association anticipates obstacles in the procurement of certain components and other logistical challenges. As prices in operating resources rise dramatically, a trend which is putting agricultural companies under severe economic pressure, the willingness of AGRAVIS customers to invest in large machinery is expected to remain stable without any major increases. Nevertheless, a high willingness to innovate and therefore invest can still be assumed.

In the market environment for retail trade, the AGRAVIS Group expects further growth in online business. The disruption of trade routes makes the supply of goods somewhat unpredictable. On top of that, price increases as a result of logistics bottlenecks will lead to fierce price competition.

In the energy market, the traditional business in fuels and combustibles will continue to decline structurally over the coming years. A minus of 7 per cent is expected for heating oil with around 3 per cent predicted for fuels (petrol and diesel). Domestic sales of lubricants are also set to decline according to forecasts. In a shrinking mineral oil market, price and competitive pressure is set to increase further and also accelerate the concentration process. The effects of legislative measures will also increase. As a distributor of fossil fuels, the AGRAVIS Group is also subject to quotas and must reduce the CO₂ emissions of fuels by a percentage which increases every year (greenhouse gas quota). Gas and electricity prices are forecast to remain high and volatile until at least 2023, resulting in increased costs for companies. This situa-

tion will be exacerbated by deteriorating relations with Europe's main gas supplier, Russia. Based on the framework conditions, market growth is expected for biomethane, especially for the fuel sector and wood pellets.

Expected turnover, asset, financial and earnings situation

Group turnover of EUR 6.8 billion is expected for 2022. This is conditional upon a price level that is likely to fall again in the second half of the year. A boost in sales from operational business is expected in the fertiliser and animal health product areas, among others.

The AGRAVIS Group believes that earnings before tax of EUR 31.1 million are achievable, which would confirm estimated forecasts from 2021. This is possible despite higher energy costs and further increases in personnel costs due to tariff adjustments as well as the burden from the "Dock" ERP project. The Group's strong performance in the market is reflected in its operating EBIT, which is expected to reach a level of EUR 57.1 million in 2022.

The equity capital cover will be further strengthened with more than EUR 613 million planned, and the equity ratio is expected to rise to 31 per cent in 2022. In addition to the annual result, this can be achieved through active working capital management.

Both the liabilities owed to credit institutes and other general liabilities are expected to decline substantially compared to the previous year. The forecast was presented before the outbreak of the Ukraine crisis, meaning that this conflict has not been factored into the relevant figures. Expect to see considerable differences compared to the forecast if this conflict continues or even gets worse.

Risk management will continue to be applied consistently and the portfolio will be adjusted for unprofitable branches. From today's perspective, the AGRAVIS Group expects the divisions to experience the following developments:

Agriculture wholesale

In the agricultural wholesale sector, the AGRAVIS Group plans to further expand its business activities with the cooperatives. Based on a price level that is expected to fall gradually, a slightly lower turnover is expected, but a significantly higher profit. This is because a positive result is again forecast for the compound feed business. The plant cultivation division, as the first point of contact for crop production solutions, intends to exploit the challenges and the resulting opportunities in the market to an even greater extent. With its market knowledge and expertise in sales, the aim is to meet the structural developments on the customer and supplier side, to place new analogue and digital products as well as services on the market, to continue to actively promote key and exclusive products and to take advantage of emerging opportunities with added value for customers on the market together with the co-

operative partners. The range of products for organic farming will also be expanded through closer cooperation between the crop protection, fertiliser and seed product groups and the Group company biovis agrar GmbH. For financial year 2022, the plant cultivation division expects to see a slight increase in turnover compared to 2021 and a result above the previous year's level. In particular, service revenues are predicted to grow further as a result of the sales offensive. Furthermore, sales consultation is to have a clear orientation towards customer benefit and therefore added value.

The crop protection product area expects a "normal" crop year in 2022. In the fertiliser product area, a significant increase in turnover is planned based on price factors. How the situation of supply bottlenecks from 2021 will impact the current financial year remains to be seen. The seed product area expects a further increase in competitive pressure with the hybrid varieties now generally available, adequate acreage for propagation of grains and stable sales for catch crops. Market presence will be further improved through a more intensive approach to customers.

The agricultural products division aims to consolidate its position as the first point of contact for supplying the cooperative feedstuff plants and grain mills. Further improvements to the company's own CO₂ footprint are expected. In addition, the soya used in the AGRAVIS plants can now be certified as sustainable. The division is also planning for sales below the previous year's level due to price factors and a profit contribution that is again clearly positive. The supply situation for grains is expected to remain tight. Additional wheat demand from the starch sector should make up for the decline in feed demand. For oilseeds, the tight rapeseed supply experienced in the first six months of the year will remain challenging in the second half. In feed raw materials, a lower volume of turnover is expected due to declining compound feed production.

Animals segment: In the compound feed product area, African swine fever and avian flu will continue to cost the AGRAVIS Group tonnage in the current financial year. In addition, competitive pressure is increasing due to declining livestock numbers. AGRAVIS expects pig production to decline and poultry farming and cattle production to stagnate. We therefore anticipate declining tonnage for pig feed, a stable level for cattle feed compared to the previous year and a slight increase for poultry feed due to growing market shares. Despite a shrinking market, the AGRAVIS Group recognises opportunities it can exploit for itself through new product innovations and sustainable feeding concepts as well as specialisation of the plants. Expected turnover is slightly below the previous year. We expect the result to be clearly positive again in 2021 after the one-off slip. In the cooperative compound feed business, it is important to consistently mobilise the strength of the association in production, sales, logistics and processing to achieve the required level of competitiveness. The AGRAVIS Group is committed to reducing duplicate structures, stabilising processes and maximising customer orientation.

The plan is to expand the sale of horse feed in the special feed product area. A significant boost is expected from pet food sales. In this sector, dog food, which is also increasingly being sold online, is seen as a growth driver. There is therefore a special focus on expanding e-commerce activities in the cooperative association. In addition, the poultry feed business for hobby and mobile stables still has some growth potential. Sales of special feed are forecast to decline compared to 2021. However, a significant increase in profit is expected. In order to better exploit the markets for livestock, horses and pets, both segments will be managed separately in the AGRAVIS feed holding company from the beginning of 2022.

For feedstuff special products, turnover is expected to be below the previous year's level. Profit contribution, too, is predicted to fall short of last year's figures. One of the AGRAVIS Group's main goals is to ensure security of supply for all products. Strategic partnerships with suppliers are also expected to contribute to this.

In animal health, the Livo companies will seek to further intensify their activities in the research and development of new products, especially for pets and hobby animals. Turnover and earnings are predicted to rise compared to the previous year, based on the expansion of the small animal and farm animal portfolios.

Agriculture/farming

For 2022, AGRAVIS Ost is targeting a turnover figure slightly below the level of 2021. The reduced figure of earnings before tax compared to the previous year is mainly characterised by the lower sales of animal feed due to African swine fever and avian flu. Personnel costs, including wage increases, are set to remain constant with other costs to be slightly reduced.

The companies of AGRAVIS-Agrarholding want to use the momentum from the previous year in direct business with agriculture in financial year 2022. In total, the four subsidiaries are planning a turnover figure at almost the same level as the previous year with a declining profit contribution. The high prices for raw materials and the scarce availability of resources will continue to shape the commodity business at least at the end of business year 2021/2022. Together with the Group company biovis agrar GmbH, the agricultural centres want to participate in the growing number of organic farms. On the cost side, high energy and freight costs remain a challenge as does the issue of supply chains due to the coronavirus pandemic. The AGRAVIS Group wants to continue to actively shape the ongoing structural change in agricultural trade through its agricultural centres in 2022.

Machinery

With its impressive network of locations and qualified employees, AGRAVIS Technik wants to remain a strong service partner for customers in rural areas in the current financial year and play a key role in the capital-intensive agricultural machinery market. A turnover volume below the previous year's level is expected.

Profit contribution should remain at a similar level to 2021. At just under EUR 9 million, the level of investment in the locations will remain high. In the new farm machinery business, sales are again expected to rise due to high order backlogs at the end of financial year 2021 unless the supply issues suffered by manufacturers lead to further delays. In the used farm machinery segment, export stimuli are expected to pick up once the coronavirus crisis subsides. In the after-sales division, the omnichannel strategy is set for further optimisation, for example by linking "click & collect" in the ATStore24 and the services of the locations. In addition, AGRAVIS-Technik wants to be a pioneer in the use of digital technologies, such as field robotics, and it wants to develop business models from this together with AGRAVIS-Pflanzenbau from 2022.

Retailing

In financial year 2022, the Group expects slightly lower sales volumes in retailing compared to the previous year with a slightly declining profit contribution. Expected earnings are likely to be negatively influenced by the continuing uncertainties surrounding the supply of goods and fierce price competition. The goal is to further increase the growth experienced in 2021 in wholesale. In retail trade, AGRAVIS Raiffeisen-Markt GmbH is planning a significant increase in turnover. The building materials segment is also expected to enjoy a further increase in turnover. The driver for commodities trading remains the consistent expansion of the omnichannel strategy. It is also the basis for the development of Raiffeisen Webshop GmbH & Co. KG.

Energy

Given the prevailing framework conditions – a further increase in the price of fossil fuels, price and competitive pressure in mineral oil and lubricant trade, a trend towards climate-neutral energy – the AGRAVIS Group anticipates a decline in turnover and earnings for the energy division compared to the previous year. In the fuels and combustibles segment, trade in alternative products such as GTL and LNG will continue to be monitored and expanded as necessary. For the production of biomethane for the fuel market, business development along the entire value chain is being established. The AGRAVIS Group intends to strengthen its market position in AdBlue. Willingness to invest in the petrol station business among the cooperatives is expected to remain at a high level. The "Petrol Station Service Centre" unit is set to further expand its service portfolio. In addition, the AGRAVIS Group will be more involved in e-mobility than before with its own brand R-emobil. Positive business development in the sale of wood pellets will continue in 2022. Trade in grid-bound energies continues to be a high-turnover branch.

Planned investment

Investment budget

For 2022, the AGRAVIS Group is targeting an investment volume of EUR 50.8 million (previous year: planned figure EUR 58.3 million, actual figure EUR 53.6 million). Investment activities will therefore remain a key focus as in previous years. Depreciation of intangible assets and tangible fixed assets is estimated at EUR 55 million (previous year: EUR 51.8 million forecast, around EUR 51 million actual). The Group intends to strengthen its core business (agricultural trade, agricultural machinery, animals and plants) with investments of around EUR 32 million. EUR 5.7 million has been earmarked for the retailing and energy divisions and EUR 13.3 million for service and support sectors.

The AGRAVIS Group distinguishes between three investment categories:

- Strategic investments in locations and markets: EUR 17.4 million (share: 34.2 per cent),
- Strategic investments in digitalisation: EUR 12.4 million (24.3 per cent),
- Replacement / wear and tear: EUR 21 million (41.5 per cent).



Non-financial performance indicators

As described in Section 6.2, the AGRAVIS Group uses the following non-financial performance indicators:

- Trainee quota
- Staff turnover rate
- Work safety.

The trainee quota is set to remain at a healthy approx. 9 per cent in financial year 2022. The aim is to slightly improve the staff turnover rate again this year. The various preventive measures should help further reduce the number of workplace accidents in the Group in the current financial year and therefore increase occupational safety.

Board of Directors' overall statement on the expected development of the Group

The war in Ukraine and the considerable effects it is having on agricultural trade alone are reason enough to assume another challenging financial year for the AGRAVIS Group. Increasingly extreme weather events caused by incessant climate change, changes and restrictions in crop cultivation and animal husbandry, the already volatile market developments with high absolute price risks and the still rampant animal diseases African swine fever and avian flu also characterise the market environment. In addition, the expected continuation of high costs and default risks for energy and freight, as well as the coronavirus pandemic, will shape the Group's coordinates in 2022. The company has prepared itself for this situation and is actively shaping the necessary change process through drivers such as digitalisation, sustainability and the drastically changing working environment. The AGRAVIS Group aims to exploit these opportunities using the strength of the cooperative network. To this end, the processes will be further optimised in order to operate with economic success in the market, employing a lean structure, great cost discipline and quick decisions. As an essential business, it is the duty of the AGRAVIS Group to meet social requirements, operate in a customer-oriented and sustainable way and organise the interaction of cooperatives, agriculture and suppliers in networks for the continued benefit of the association. With innovative and practical concepts, the AGRAVIS Group will strengthen the agricultural value creation chain in rural areas. With a clear focus, the Group will pursue the chosen strategic path. On the basis of the cooperative idea, the AGRAVIS Group aims to shape the future of agriculture with its partners and establish itself as the foremost market-relevant agricultural trader whose key market is Germany. The core region in northern, eastern and central Germany remains the focus.

The AGRAVIS Group continues to concentrate on the established core business. The aim is to stabilise and expand market shares in these sectors. This is achieved through the knowledge and customer focus of staff. The AGRAVIS Group wants and needs to present itself as an attractive employer in rural areas, one which imparts knowledge with respect and nurtures its top performers.

The Board of Directors shall consider such statements on the basis of the current consolidation of the Group and the described assumptions as to the political, economic and industry-specific conditions and all the information available at this time. Furthermore, weather conditions without extreme weather and average harvests are presumed. If the market environment should change or if risks arise – as explained for example in the risk report – then the actual situation for the Group may differ from the forecasts expressed here. The Board of Directors will then take appropriate countermeasures. The Group is under no obligation to update the statements contained in the management report.

Münster, 29 March 2022

Strong Together.

The use of field robotics is no longer a distant dream for the AGRAVIS Group. At the AGRAVIS Future Farm in Suderburg, experts from machinery, plant cultivation and digitalisation have tested field robots. With the FD20 from the Danish manufacturer Farmdroid for sowing and mechanical weeding and the ARA spot-spraying cultivation sprayer from ecoRobotix, two machines are set for market launch.





Consolidated financial statements

Consolidated balance sheet of AGRAVIS Raiffeisen AG as at 31 December 2021

Assets	Financial year		Previous year
	Thsd. EUR	Thsd. EUR	Thsd. EUR
A. Fixed assets			
I. Intangible assets			
1. Internally generated industrial property rights and similar rights and assets	1,090		1,096
2. Purchased concessions, industrial and similar rights and assets and licences to such	32,784		22,375
3. Goodwill	12,368		18,744
4. Advance payments	16,600		15,505
		62,842	57,720
II. Property, plant and equipment			
1. Land, land rights and buildings, including buildings on leased property	276,123		286,807
2. Technical equipment and machinery	106,798		109,967
3. Other equipment, factory and office equipment	27,045		27,610
4. Advance payments and plants under construction	13,491		7,507
		423,457	431,891
III. Financial assets			
1. Shares in affiliated enterprises	21,936		16,282
2. Loans to affiliated enterprises	7,436		7,436
3. Shares in associated enterprises	194,293		185,417
4. Holdings	15,890		16,976
5. Loans to enterprises in which an interest is held	3,460		7,559
6. Other loans	2,236		2,749
		245,251	236,419
Total fixed assets		731,550	726,030
B. Current assets			
I. Inventories			
1. Raw, auxiliary and operating materials and supplies	66,825		55,510
2. Work and services in progress	6,084		5,811
3. Finished goods and merchandise	783,845		651,145
4. Advance payments	22,013		13,841
		878,767	726,307
II. Receivables and other assets			
1. Trade accounts receivables	400,816		344,984
2. Receivables from affiliated enterprises	36,497		39,031
3. Receivables from enterprises in which an interest is held	32,638		33,644
4. Other assets	93,395		56,741
		563,346	474,400
III. Cash in hand, cash at banks and credit institutions and cheques		11,524	16,249
Total current assets		1,453,637	1,216,956
C. Accrued and deferred items		5,557	6,331
Total assets		2,190,744	1,949,317

Consolidated balance sheet of AGRAVIS Raiffeisen AG as at 31 December 2021

Liabilities	Financial year		Previous year
	Thsd. EUR	Thsd. EUR	Thsd. EUR
A. Equity capital			
I. Subscribed capital			
1. Registered capital	205,537		205,537
2. Nominal value of treasury shares	0		-681
Issued capital	205,537		204,856
II. Capital reserves	73,658		72,702
III. Retained earnings			
1. Reserves required by law	25,576		25,070
– of which transferred from net income for the financial year	506		(579)
2. Other retained earnings	159,742		161,109
– of which transferred from net income for the financial year	0		(2,500)
Sum of retained earnings		185,318	186,179
IV. Equity capital difference from currency conversion		562	-620
V. Non-dominant shares		16,711	17,181
VI. Consolidated balance sheet profit			
1. Consolidated profit	15,677		12,140
2. Non-dominant shares of entitled profits	-2,217		-1,995
3. Amounts allocated to reserves	-506		-3,079
		12,954	7,066
VII. Profit participation capital		99,095	90,215
Total equity capital		593,835	577,579
B. Special items for investment subsidies		26	29
C. Provisions			
1. Provisions for pensions and similar obligations	118,117		114,124
2. Tax provisions	16,865		14,889
3. Other provisions	112,360		104,401
		247,342	233,414
D. Liabilities			
1. Liabilities to banks	791,734		648,515
2. Advances received on orders	15,217		12,252
3. Trade payables	480,559		389,753
4. Liabilities to affiliated enterprises	7,850		5,897
5. Liabilities to enterprises in which an interest is held	18,319		28,900
6. Other liabilities	34,369		51,873
– of which from taxes	16,691		(35,593)
– of which relating to social security	417		(716)
		1,348,048	1,137,190
E. Accrued and deferred items		1,493	1,105
Total liabilities		2,190,744	1,949,317

Consolidated profit and loss account for 1 January to 31 December 2021

	Financial year		Previous year
	Thsd. EUR	Thsd. EUR	Thsd. EUR
1. Sales revenue	7,277,662		6,390,091
2. Increase in the inventory of finished goods as well as work and services in progress	2,831		3,298
3. Other own work capitalised	1,841		1,644
4. Other operating income	32,311		39,601
		7,314,645	6,434,634
5. Cost of materials			
a) Cost of raw, auxiliary and operating materials and supplies and purchased goods	6,579,212		5,720,569
b) Cost of purchased services	115,640		104,640
		6,694,852	5,825,209
Gross profit		619,793	609,425
6. Personnel costs			
a) Wages and salaries	282,083		273,925
b) Social security contributions and expenses for pensions and benefits	58,620	340,703	55,851
– of which for pensions	3,388		(2,354)
7. Depreciation of intangible assets of fixed assets and property, plant and equipment		50,922	48,744
8. Other operating expenses		179,077	181,862
Subtotal		49,091	49,043
9. Income from investments		1,774	2,311
– of which from affiliated enterprises	172		(437)
10. Income from investments in associated enterprises		13,831	11,990
11. Income from other securities and loans of financial assets		415	471
– of which from affiliated enterprises	150		(153)
12. Other interest and similar income		9,724	10,334
– of which from affiliated enterprises	1,269		(1,395)
Subtotal (9 to 12)		25,744	25,106
13. Financial asset depreciation		1,394	3,115
14. Expenses from loss transfers		0	0
15. Interest and similar expenses		37,593	37,836
– of which from discounting of loans	9,302		(8,742)
– of which to affiliated enterprises	33		(40)
– of which remuneration for participation rights capital	2,406		(1,782)
Subtotal (13 to 15)		38,987	40,951
Financial result		-13,243	-15,845
16. Taxes on income and earnings		17,544	18,387
17. Earnings after tax		18,304	14,811
18. Other taxes		2,627	2,671
19. Consolidated profit		15,677	12,140
20. Non-dominant shares of entitled profits		-2,217	-1,995
21. Amount allocated to statutory retained earnings		-506	-579
22. Amount allocated to other retained earnings		0	-2,500
23. Consolidated balance sheet profit		12,954	7,066

Cash flow statement (indirect method)

		Financial year Thsd. EUR	Previous year Thsd. EUR
1.	Income over the period (consolidated net income including minority interests)	15,677	12,140
2.	+/- Appreciation/depreciation on fixed assets	52,316	51,858
3.	+/- Increase/decrease in provisions	12,072	23,292
4.	+/- Group-specific and other non-cash expenses/income	-9,406	-8,761
5.	-/+ Increase/decrease in inventories, trade accounts receivables and other assets not attributable to investing or financing activities	-243,879	43,436
6.	+/- Increase/decrease in trade payables and other liabilities that are not attributable to investing or financing activities	71,853	-52,103
7.	-/+ Profit/loss from the disposal of fixed assets	-4,098	-5,286
8.	- Book profit from the sale of consolidated companies	-732	0
9.	+/- Interest expenses/income	11,626	12,021
10.	- Other investment income	-1,031	-2,311
11.	+/- Income tax expenses/income	17,544	18,387
12.	-/+ Income tax payments	-14,584	-12,902
13.	= Cash flow from operating activities (sum of 1 to 12)	-92,642	79,771
14.	+ Payments from the disposal of intangible fixed assets	668	2,559
15.	- Payments for investments in intangible assets	-18,526	-15,454
16.	+ Payments from the disposal of fixed assets	9,873	18,190
17.	- Payments from investments in tangible fixed assets	-34,725	-31,204
18.	+ Proceeds from disposal of financial assets	7,096	3,213
19.	- Disbursements for investments in financial assets	-7,754	-6,304
20.	+ Payments from the disposal of consolidated companies	758	1,345
21.	- Disbursements for additions to the consolidation group (including transitional consolidation)	-1,607	-3,183
22.	+ Interest received	10,139	10,804
23.	+ Dividends received/loss assumption	1,031	2,311
24.	= Cash flow from investment activities (sum of 14 to 23)	-33,047	-17,723
25.	+ Payments from additions to capital made by shareholders of the parent company (capital increases, sale of own shares etc.)	1,637	315
26.	- Payments for the acquisition of own shares	0	0
27.	- Payments from reimbursement of participation rights capital	-30,000	-35,912
28.	+ Payments from additions to capital from issuance of participation rights capital	38,880	60,215
29.	+ Payments from additions to capital from other shareholders	64	1,103
30.	+ Payments from issuance of loans and taking up of (financial) credit	587,769	31,405
31.	- Payments from repaying loans and (financial) credit	-444,696	-86,346
32.	- Interest paid	-24,170	-24,606
33.	- Dividends paid to shareholders of the parent company	-8,166	0
34.	- Payments to other shareholders	-369	-1,599
35.	= Cash flow from financing activities (sum of 25 to 34)	120,949	-55,425
36.	= Net changes in cash and cash equivalents (sum of 13, 24 and 35)	-4,740	6,623
37.	+/- Currency-exchange and valuation-related changes in cash and cash equivalents	16	-185
38.	+/- Consolidation-related changes in cash and cash equivalents	-1	1,083
39.	+ Cash and cash equivalents at the beginning of the period	16,249	8,728
40.	= Cash and cash equivalents at the end of the period (sum of 36 to 39)	11,524	16,249

Group statement of changes in equity

	As at 31 December 2020 Thsd. EUR	Change to the scope of consolidation Thsd. EUR	Other chan- ges Thsd. EUR	Distribution Thsd. EUR	Consolidated annual profit Thsd. EUR	As at 31 December 2021 Thsd. EUR
Registered capital	205,537	0	0	0	0	205,537
Nominal value of treasury shares	-681	0	681	0	0	0
Issued capital	204,856	0	681	0	0	205,537
– Capital reserve	72,702	0	956	0	0	73,658
– Retained earnings						
– Statutory reserves	25,070	0	0	0	506	25,576
– other retained earnings	161,109	-432	-935	0	0	159,742
Sum of retained earnings	186,179	-432	-935	0	506	185,318
Equity capital difference from currency conversion	-620	0	1,182	0	0	562
Profit carried forward	0	0	8,166	-8,166	0	0
Total	463,117	-432	10,050	-8,166	506	465,075
Non-dominant shares	17,181	-1,309	64	-1,442	2,217	16,711
Consolidated balance sheet profit	7,066	0	-7,066	0	12,954	12,954
Profit participation capital	90,215	0	8,880	0	0	99,095
Group equity capital	577,579	-1,741	11,928	-9,608	15,677	593,835

Explanatory notes to the consolidated financial statements

A. General information

AGRAVIS Raiffeisen AG with its headquarters in Münster, registered at the District Court of Münster in commercial register B9692, is the parent company of the AGRAVIS Group. The consolidated financial statements of AGRAVIS Raiffeisen AG for the financial year from 1 January to 31 December 2021 have been prepared on the basis of the German Commercial Code (Handelsgesetzbuch, HGB) and the supplementary provisions of the Stock Corporation Act (Aktengesetz, AktG). It comprises the balance sheet, the profit and loss account, these notes, the cash flow statement and the statement of shareholders' equity. The profit and loss account uses the total-cost method and complies with the requirements of Sections 275 and 312(4) sentence 2 of the HGB. The consolidated financial statement is compiled in EUR. The information is listed in thousand euros (thsd. EUR). Due to this size specification and the associated rounding differences, there may be insubstantial differences in the reported figures or sums of these values. The annotations to be included in the consolidated balance sheet and/or the profit and loss account, or alternatively in the notes, are partially listed in the notes for the purpose of better clarity and transparency.

B. Consolidated group

The consolidated financial statements of AGRAVIS Raiffeisen AG include – in accordance with the principles of full consolidation – in addition to AGRAVIS Raiffeisen AG all domestic and foreign subsidiaries pursuant to Section 290 HGB which are not subsidiaries of relative insignificance. In accordance with the provisions of Section 296(2) HGB, inclusion was waived for subsidiaries that are considered to be of secondary importance both individually and in their entirety, so as to present a true and fair view of the financial position and results. The turnover and assets of these companies, both individually and aggregated, make up around 1 per cent of Group turnover and less than 5 per cent of consolidated total assets.

The consolidated group has changed as follows, compared to the previous year:

	Domestic	International	Total
Included as of 31 December 2020	99	13	112
Changes in the 2021 financial year			
Additions	0	0	0
Disposals	4	0	4
Additions – transitional consolidation	0	0	0
Disposals – transitional consolidation	0	0	0
Disposals through mergers	2	0	2
Included as of 31 December 2021	93	13	106
of which fully consolidated	75	10	85
of which consolidated using the equity method	18	3	21

With the notarised agreement of 29 July 2021, the subsidiary DGO Großhandel GmbH, based in Cloppenburg, transferred the entirety of its assets, including all rights and obligations thereto, by dissolution without liquidation to LOTUS Agrar GmbH, based in Mannheim, effective 1 January 2021. Entry of the merger into the commercial register of the company ceasing to exist took place on 1 September 2021. At the shareholders' meeting of LOTUS Agrar GmbH, which took place on 29 July 2021, amendments to the articles of association were adopted, including the relocation of the company's registered office to Cloppenburg and a change of the company's name to DGO Agrar GmbH.

The loss of the controlling position following the complete sale of shares in the subsidiary Gundelach GmbH, Bockenem, led to the withdrawal of this company from the consolidated group. The sale of shares in Gundelach GmbH was confirmed by notarised contract dated 19 May 2021.

The shareholding in the subsidiary Technik Center Alpen GmbH, based in Alpen, was increased to 100 per cent with the purchase of the remaining 24 per cent of the shares in the company. The goodwill of EUR 383 thousand arising from the revaluation of additionally acquired shares is amortised over five years, taking into account the company's position, product and customer-dependent factors and the Group's internal amortisation plan.

With the notarised merger agreement of 12 August 2021 and an addendum of 19 September 2021, the subsidiary AGRAVIS Süd GmbH, based in Münster, transferred the entirety of its assets, including all rights and obligations thereto, as part of a merger involving dissolution without liquidation to AGRAVIS Bamberg GmbH, Bamberg, effective 1 January 2021. Entry of the merger into the commercial register of the acquiring company took place on 23 September 2021. With the shareholders' resolution of 21 October 2021, AGRAVIS Raiffeisen AG, as the sole shareholder in AGRAVIS Bamberg GmbH, adopted the decision to change the company's name to AGRAVIS Pflanzenbau Holding GmbH and relocate the company's registered office to Münster. Entry of the changes into the commercial register of the District Court of Münster (HRB 19823) took place on 9 November 2021.

AGRAVIS Technik Holding GmbH sold its entire shareholdings in the associated companies to MRA GmbH, Hanover and to Raiffeisen Technik Nord-West GmbH with the purchase agreements of 24 August 2021 and 29 December 2020 respectively, with economic effect from 1 January 2021.

In financial year 2014, AFS Financial Service GmbH & Co. KG changed from an oHG (general partnership) to a KG (limited liability company). The extended liability for the "old business" resulted in its full consolidation as a legally dependent asset up to the end of the preceding financial year. The expiry of this "old business" led to a deconsolidation with no effect in the reporting period.

Pursuant to Section 264(3) HGB and Section 264b HGB respectively, we are dispensing with publication of the annual financial statements of several of our subsidiaries in the Federal Gazette and with the drawing up of notes and a management report. The companies in question are marked with an "*".

Fully consolidated companies

Name		Head office	Share (indirect) in %	Share (direct) in %
• Agriculture wholesale				
AGRAVIS Futtermittel GmbH	*	Münster		100
AGRAVIS Kraftfutterwerke Rhein-Main GmbH		Wiesbaden	75	
AGRAVIS Mischfutter Leine-Weser GmbH	*	Hanover	100	
AGRAVIS Mischfutter Oldenburg/Ostfriesland GmbH	*	Münster	100	
AGRAVIS Mischfutter Ostwestfalen-Lippe GmbH	*	Münster	100	
AGRAVIS Mischfutter West GmbH	*	Münster	100	
AGRAVIS Pflanzenbau Holding GmbH (formerly: AGRAVIS Bamberg GmbH)	*	Münster		100
Agrarrohstoff Beteiligungs GmbH	*	Hanover		100
aniMedica GmbH		Senden	100	
aniMedica Herstellungs GmbH		Senden	100	
aniMedica international GmbH		Frankfurt am Main		62
DoFu Donaufutter GmbH	*	Straubing	100	
Dr. E. Gräub AG		Bern (CH)	100	
EQUOVIS GmbH	*	Münster	100	
GiG Geflügel GmbH (formerly: GiG Geflügelintegration GmbH)	*	Münster	100	
Graincom GmbH	*	Hanover	100	
HL Beteiligungs-GmbH & Co. KG	*	Hamburg	55	
HL Beteiligungs-Verwaltungs GmbH		Hamburg	55	
HL Hamburger Leistungsfutter GmbH		Hamburg	55	
Industrial Veterinaria S.A.		Barcelona (ES)	100	
Industria Italiana Integratori Trei S.p.A.		Rio Saliceto (IT)	100	
LIVISTO Dominicana S.R.L.		Santiago (DO)	100	
LIVISTO EXPORT, S.A. de C.V.		Santa Tecla (SV)	100	
LIVISTO Group GmbH		Senden		100
LIVISTO INT'L S.L.		Barcelona (ES)	100	
LIVISTO Panamá S.A.		Chiriquí (PA)	100	
LIVISTO S.A. de C.V.		Zaragoza (SV)	100	
LIVISTO Sp. z o.o.		Gdynia (PL)	100	
OOO Lirus		Moscow (RUS)	100	
PROFUMA Spezialfutterwerke GmbH & Co. KG	*	Dormagen	100	
Verwaltung HL Hamburger Leistungsfutter GmbH & Co. KG		Hamburg		55
• Agriculture/farming				
AGRAVIS Agrarholding GmbH	*	Münster		100
AGRAVIS Ems-Jade GmbH	*	Esens	100	
AGRAVIS Kornhaus Westfalen-Süd GmbH	*	Meschede	100	
AGRAVIS Niedersachsen-Süd GmbH		Wunstorf	100	
AGRAVIS Ost GmbH & Co. KG	*	Bülstringen	100	
AGRAVIS Ost – Verwaltungs-GmbH		Bülstringen	100	
AGRAVIS Westfalen-Hessen GmbH	*	Brakel	100	
Agrar Cargo Spedition GmbH		Riesa	100	
Baro Beteiligungs-GmbH & Co. KG	*	Münster		100
FGL Fürstenwalder Futtermittel-Getreide-Landhandel GmbH	*	Fürstenwalde	100	
FGL Holding GmbH	*	Fürstenwalde		100

Name		Head office	Share (indirect) in %	Share (direct) in %
Futura Agrarhandel GmbH		Erwitte	100	
GEKRA Produktionsgesellschaft mbH		Querfurt	100	
RFG Raiffeisen Flüssigfutter GmbH		Lüdinghausen	100	
TEC GmbH		Bülstringen	100	
• Machinery				
AGRAVIS Technik BvL GmbH	*	Meppen	100	
AGRAVIS Technik Center GmbH	*	Meppen	100	
AGRAVIS Technik Heide-Altmark GmbH	*	Uelzen	100	
AGRAVIS Technik Hessen-Pfalz GmbH	*	Fritzlar	100	
AGRAVIS Technik Holding GmbH	*	Münster		100
AGRAVIS Technik Lenne-Lippe GmbH		LenneStadt	76	
AGRAVIS Technik Münsterland-Ems GmbH	*	Borken	100	
AGRAVIS Technik Raiffeisen GmbH	*	Barsinghausen	100	
AGRAVIS Technik Sachsen-Anhalt/Brandenburg GmbH	*	Köthen	100	
AGRAVIS Technik Saltenbrock GmbH		Melle	73	
AGRAVIS Technik Service GmbH	*	Hanover	100	
Franz Schotte GmbH		Duderstadt	100	
Landtechnik Steigra GmbH		Steigra	85	
Menke Agrar GmbH	*	Soest	100	
New-Tec Ost Vertriebsgesellschaft für Agrartechnik mbH	*	Treuenbrietzen	100	
New-Tec West Vertriebsgesellschaft für Agrartechnik mbH	*	Harsum	100	
Technik Center Alpen GmbH		Alpen	100	
TecVis GmbH	*	Olfen	100	
• Retailing				
AGRAVIS Bauservice GmbH	*	Münster	100	
AGRAVIS Raiffeisen-Markt Holding GmbH	*	Münster		100
AGRAVIS Raiffeisen-Markt GmbH	*	Münster	100	
Terres Agentur GmbH	*	Münster	100	
Terres Marketing- und Consulting GmbH	*	Münster	100	
• Energy				
AGRAVIS Energie Holding GmbH	*	Münster		100
AGRAVIS Raiffeisen Tankstellen GmbH	*	Münster	100	
Georg Piening GmbH	*	Seesen	100	
Georg Piening GmbH & Co. KG	*	Seesen	100	
Georg Piening Haustechnik und Energieservice GmbH		Seesen	100	
Georg Piening Mineralölhandel und Energieservice GmbH & Co. KG	*	Seesen	100	
TerraSol Wirtschaftsdünger GmbH		Münster	84	
• Miscellaneous				
AGRAVIS Beteiligungsverwaltungs GmbH		Hanover		100
AGRAVIS Dienstleistungsholding GmbH	*	Münster		100
AGRAVIS Digital GmbH	*	Hanover		100
AGRAVIS International Holding GmbH		Münster		100
AGRAVIS Versicherungsservice GmbH & Co. KG	*	Hanover		100
FINVIS Business Services GmbH	*	Münster		100
TerraVis GmbH	*	Münster	100	
VERAVIS GmbH	*	Münster	100	

Affiliated enterprises – not included

Name	Head office	Share (indirect) in %	Share (direct) in %
• Agriculture wholesale			
AGRAVIS Raiffeisen Agro SRL	Bucharest (RO)	100	
AGRAVIS GUS Holding GmbH	Münster		100
ANIMEDICA LATINO AMERICA S.A. de C.V.	Lomas de las Palmas (MEX)	90	
biovis agrar GmbH	Münster	100	
DGO Agrar GmbH (formerly: LOTUS Agrar GmbH)	Cloppenburg		100
HL Hamburger Leistungsfutter Polska Sp.z o.o.	Kwiatowa (PL)	55	
Hygiene Beteiligungsgesellschaft mbH	Münster	100	
OOO Raiffeisen Agro	Novoalexandrovsk (RUS)	100	
OOO Raiffeisen Agro Real Estate	Novoalexandrovsk (RUS)	100	
OOO Economix	Kaliningrad (RUS)	100	
OOO AGRAVIS Raiffeisen Agro	Krasnodar (RUS)	100	
Panto d.o.o.	Rijeka (HR)	55	
Panto Ecommerce GmbH	Hamburg	55	
• Agriculture/farming			
VR Agrar Center Wittelsbacher Land GmbH	Altomünster	51	
• Machinery			
AGRAVIS Technik Polska Sp.z o.o.	Pozna (PL)	100	
Feuersträter GmbH	Beelen	73	
Handelshof GmbH Bismark	Bismark	80	
Lorenz Rubarth Landtechnik GmbH	Anröchte	74	
Menke Agrar Polska Sp.z o.o.	Komorniki (PL)	100	
• Retailing/energy			
Raiffeisen-Markt Ebstorf GmbH	Ebstorf	76	
Raiffeisen Webshop GmbH & Co. KG	Münster	2	50
Regio Baustoffe Geschäftsführungs GmbH	Münster		100
Terres Marken Geschäftsführungs GmbH (formerly: Blattin Mineralfutterwerke Seitschen Verwaltungs GmbH)	Münster	100	
Terres Marken GmbH & Co. KG	Münster	100	
• Miscellaneous			
AGRAVIS Versicherungsservice Geschäftsführungs GmbH	Münster	100	
IGS Immobiliengesellschaft Sachsen mbH	Trebsen	100	
Land24 Gesellschaft mit beschränkter Haftung	Münster		53
PROFUMA Geschäftsführungs GmbH	Dormagen	100	
Raiffeisen Webshop Geschäftsführungs GmbH	Münster	52	
Railog Besitzgesellschaft Nottuln GmbH (formerly: Theodor Elbers-Verwaltungs-GmbH)	Münster		100
VERAVIS Energy GmbH	Münster	51	
VERAVIS Energy PV1 GmbH & Co. KG	Münster		51
VERAVIS Energy PV2 GmbH & Co. KG	Münster		51

Affiliated enterprises

Name	Head office	Share (indirect) in %	Share (direct) in %
• Agriculture wholesale			
AGRAVIS Futtermittelwerke Emsland GmbH	Lingen	50	
AGRAVIS Kraftfutterwerke Münsterland GmbH	Münster	50	
AGRAVIS Kraftfutterwerk Oldenburg GmbH	Oldenburg	37	
Crystalx Products GmbH	Münster	50	
Genossenschafts-Kraftfutterwerk GmbH	Hanover		50
H. Bögel GmbH & Co. KG	Hamburg	33	
Raiffeisen-Kraftfuttermittelwerk Dörpen GmbH	Dörpen	15	
Roland Mills United GmbH & Co. KG	Bremen		40
• Agriculture/farming			
Raiffeisen Lienen-Lengerich GmbH	Lienen	75	
Raiffeisen Lippe-Weser AG	Lage	30	
Raiffeisen Warenhandel GmbH	Rosdorf	32	
Raiffeisen Warenhandel GmbH & Co. KG	Halle		50
• Machinery			
AFS Financial Service GmbH & Co. KG	Seevetal	40	
• Miscellaneous			
DA Agravis Machinery Holding A/S	Galten (DK)	25	
Deutsche Raiffeisen-Warenzentrale GmbH	Frankfurt am Main		34
DV Agravis International Holding A/S	Galten (DK)	25	
Natural Energy West GmbH	Neuss		25
Raiffeisen Anlagenbau GmbH	Lage	45	
Raiffeisen Beteiligungs GmbH	Münster		100
Raiffeisen Bio Brennstoffe GmbH	Münster	46	
Vilomix Holding A/S	Mørke (DK)	25	

Affiliated enterprises – not included

Name	Head office	Share (indirect) in %	Share (direct) in %
• Agriculture wholesale			
BioMühle Hamaland GmbH	Gescher	49	
Fr.B. Janssen GmbH & Co. KG	Leer	50	
Hafenbetriebsgesellschaft Schweringen GmbH	Schweringen	32	
Hauptsaat GmbH	Linsburg		20
HL-Top Mix Ltd.	Slive (BG)	40	
Raiffeisen Kraftfutterwerk Mittelweser Heide GmbH	Schweringen	25	
VERUM GmbH	Schwedt/Oder	50	
• Agriculture/farming			
Agroservice Landhandel GmbH Heudeber	Nordharz	50	
Agro-Service und Landhandel GmbH Eilsleben	Eilsleben	45	
Beddingen Agrar Service GbR	Salzgitter		25
Raiffeisen Lagerhaus Peine GmbH & Co. KG	Uetze		25
Raiffeisen Münsterland West GmbH	Ahaus	25	
• Machinery			
Buchheister Technik GmbH	Coppenbrügge	24	

Name	Head office	Share (indirect) in %	Share (direct) in %
•Retailing			
AGRAVIS Baustoffhandel GmbH & Co. KG	Münster	20	
Baustoffprofi Handels GmbH	Wettringen	40	
DRWZ Marken GmbH i.L.	Karlsruhe		34
Raiffeisenmarkt-Emsdetten GmbH	Emsdetten	49	
Veland Raiffeisen H & G Markt GmbH	Vechta	50	
• Energy			
Behrenswerth Energieservice GmbH	Hilter	30	
ENIRA Energie Raiffeisen GmbH	Nottuln	40	
Gela Energie GmbH	Lünne	20	
Loos Mineralölhandel GmbH	Dortmund	25	
Raiffeisen Gas GmbH	Münster	25	
• Miscellaneous			
AGRI-System GmbH	Münster	50	
FRIA-Immobilien GmbH & Co. KG	Hanover		50
Fr.B. Janssen Verwaltungsgesellschaft mbH	Leer	50	
H.Bögel Beteiligungsgesellschaft mbH	Hamburg	33	
H.Schlötter GmbH	Hude		27
INTEGRAFEED S.R.L	Modena (IT)	20	
Rolf Jäger Elektrotechnik GmbH	Twistetal-Berndorf	50	
Novafeld GmbH	Münster		20
ODAS GmbH	Dorsten	25	
ODAS IT GmbH	Dorsten	50	
Saaten Software GmbH	Rätzlingen	50	
Raiffeisen Lagerhaus Peine Beteiligungs GmbH	Uetze		25
Raiffeisen Portal GmbH	Münster	48	
Raiffeisen Transport GmbH	Lüdinghausen	7	20
Raiffeisen Transport Gesellschaft Minden GmbH	Minden	50	
RaiLog Cloppenburg GmbH	Cloppenburg		50
RaiLog Lüdinghausen GmbH	Lüdinghausen		33
Tacoss Software GmbH	Flensburg		49
Tapo Service & Handel GmbH	Tecklenburg	50	

Country codes: CH – Switzerland, DK – Denmark, DO – Dominican Republic, ES – Spain, HR – Croatia, IT – Italy, MEX – Mexico, PA – Panama, PL – Poland, RO – Romania, RUS – Russia, SV – El Salvador

C. Principles of consolidation

The financial statements of the companies included in the consolidated financial statements are prepared in accordance with the accounting and valuation policies applicable to the AGRAVIS Group. The date for the preparation of financial statements is always 31 December. Financial statements given in a foreign currency are converted into euros according to the rules on foreign currency as per Section 308a HGB. In this respect, the assets and liabilities – with the exception of equity capital, which is converted at the historical rate – are converted at the spot exchange rate as on the balance sheet date. With regard to the items on the profit and loss account, the average price is used. Resultant exchange differences are recognised within equity capital as a separate item. For acquisitions after 31 December 2009, the consolidation of capital and the determination of the value of shareholdings in associated companies are to be included on the basis of the fair value for the assets, liabilities, deferred income and special items of the companies to be included at that point in time when the company became a subsidiary or associated company (revaluation method). The consolidation adjustments made formerly are to be updated according to the book value method. Any remaining differences are capitalised as goodwill and written down over their estimated useful lives. Negative differences are listed in dependence on the nature of the items under the item “Differential amount from capital consolidation” under the equity capital or offset with reserves. Shareholdings in associated companies which are not of relative insignificance for the presentation of a true and fair view of the Group’s assets, finances and earnings are accounted for under the book value method at equity value. The books of the associated companies are kept in this respect on a standard basis, in accordance with the legal principles of proper accounting given in the German Commercial Code. There is no adaptation of the annual financial statements to Group-wide evaluation methods. As part of consolidating debt, all receivables and liabilities between the Group companies included in the balance sheet were offset against each other. Differences arising from the debt consolidation are shown under other operating expenditure. Intermediate results are eliminated in accordance with Section 304(1) HGB. Income and expenses incurred between Group companies are offset against each other. Differences arising from income and expense consolidation do not affect the operating result. Deferred taxes are limited to consolidation measures.

Notes on the accounting and valuation methods

With the exception of the assets, liabilities and financial instruments combined into valuation units pursuant to Section 254 HGB, assets and liabilities are valued individually. All foreseeable risks and losses have been taken into account. Similarly, those risks have been taken into account which became known between the balance sheet date and the date of preparation of the consolidated financial statements. In accordance with the realisation principle, only those profits realised by the reporting date are considered. The income and expenditure for the financial year have been taken into account on an accrual basis. Insofar as hedging transactions are concluded to balance contrary changes in currency values or in cash flows, as per the principles of risk management implemented by the Group, these are – insofar as the appropriate legal requirements in terms of the German Commercial Code are met in a particular case – sometimes also merged with the underlying transactions into valuation units on the balance sheet. In that regard, the imparity-principle-based valuation of the relevant balance sheet items and/or of the effect on profits of expected future cash flows is/are omitted.

The accounting and valuation methods applied are given below in detail:

Intangible assets and plant, property and equipment

Internally produced intangible assets are capitalised at production-cost price and written down over their estimated useful lives (generally seven years). In determining the cost of production for internally produced intangible assets, the following are taken into account: the unit costs; an appropriate portion of overheads and depreciation on fixed assets, to the extent that this depreciation is a result of the manufacturing; and pro rata administrative and social security costs. Interest on borrowed capital is not taken into account. Acquired intangible assets are valued at acquisition-cost price, less straight-line amortisation. The determination of the expected, estimated useful lives of the intangible assets occurs regularly and is based on the sector-related amortisation/depreciation tables published by the financial management department (minimum rate). In the case of permanent impairment, extraordinary amortisation is performed.

Goodwill is written down on a regular linear basis over its estimated useful life, which is estimated individually according to our specific expectations of the anticipated benefits of the transaction performed. The expected benefit usually arises predominantly because of the likely sustainability of the acquired customer relationships and is reviewed regularly. Changes in these estimates are accounted for through extraordinary amortisation and through adjustment to the remaining useful lifespan. Currently, goodwill is amortised over a range of useful lifespans, estimated to be between 5 and 15 years. Depreciation of the business and goodwill of associated companies resulting from the consolidation is included in the profit and loss account, as in the previous year, under the item “Financial asset depreciation”.

Tangible fixed assets are stated at their historical acquisition or production cost, less accumulated depreciation. Depreciation is calculated in a predominantly linear fashion over the assets’ estimated useful lifespans. Additions since 1 January 2017 are generally only depreciated using the linear method. In the case of permanent impairment, extraordinary depreciation is performed. In determining the cost of production for property, plant and equipment, the following are taken into account: the unit costs; an appropriate portion of overheads and depreciation on fixed assets, to the extent that this depreciation is a result of the manufacturing; and pro rata administrative and social security costs. Interest on borrowed capital

is not taken into account. The determination of the expected, estimated useful lives of the tangible fixed assets – unless otherwise indicated above – occurs regularly and is based on the sector-related amortisation/depreciation tables published by the financial management department (minimum rate). Low-value assets with acquisition costs up to an amount of EUR 800 are fully depreciated in the year of acquisition and are treated as disposals.

Financial assets

Financial assets are valued at acquisition-cost price. In the case of permanent impairment, extraordinary depreciation is performed. Impairment losses are reversed if the reasons for a prior write-down no longer exist. Shares in associated companies which are relevant in terms of the asset, financial and earning situation are offset against equity capital (at-equity evaluation). The book values are increased or decreased annually by the proportional results, dividends and other changes in equity capital.

Inventories

Stocks of raw materials, supplies and operating materials as well as merchandise are valued at the acquisition cost or at the replacement cost, if lower, under strict application of the lowest value principle. Spare parts as components of the merchandise are generally valued at average prices. Inventory risks arising from the duration of storage or from the reduced marketability of the stocks of spare parts are accounted for using appropriate value deductions, which have been determined due to a uniform group valuation policy.

Stocks of unfinished goods and services and finished goods are valued at production cost or at replacement cost, if lower, under strict application of the lowest value principle. In determining the cost of production, the following are taken into account: the unit costs; an appropriate portion of material and manufacturing overheads and depreciation on fixed assets, to the extent that this depreciation is a result of the manufacturing; and pro rata administrative and social security costs. Interest on borrowed capital is not taken into account. The group valuation methods pursuant to Section 240(4) HGB or the imputation of the sequence of consumption (FIFO) were used in accordance with Section 256 HGB. Inventory risks arising from the duration of storage or from the reduced marketability of the stocks are accounted for using appropriate value deductions in the same way as risks arising from price movements occurring up to the time of balance sheet preparation.

Receivables and other assets

Receivables and other assets are recognised at their nominal value. Identifiable risks are covered by valuation allowances. The general credit risk is taken into account in the form of general valuation allowances (unchanged at previous year 1 per cent). Receivables in foreign currency are valued at the spot exchange rate at the balance sheet date. When assessing receivables in foreign currency with a residual maturity of one year or less, the historical cost convention in accordance with Section 253(1) sentence 1 HGB and the principle of unequal treatment under Section 252(1), no. 4, clause 2 HGB do not apply in this respect, as per Section 256a HGB.

Cash and cash equivalents

Cash and cash equivalents exclusively comprise cash in hand, bank balances and cheques and are stated at their nominal value. Foreign currencies are converted at the applicable rate on the payment date or at the spot exchange rate, if lower, at the balance sheet date.

Accrued and deferred items on the assets side

Accrued and deferred items relate to outgoing payments made before the balance sheet date, where these represent expenses after the balance sheet date. They are recognised at nominal value.

Equity capital

The appropriate amounts from the separate financial statements of AGRAVIS Raiffeisen AG are reported as subscribed capital and statutory and capital reserves in the consolidated financial statements. The subscribed capital is stated at nominal value. The nominal value of treasury shares is deducted from subscribed capital, and the nominal-amount-exceeding share of the acquisition costs of treasury shares is offset against unallocated other retained earnings. The Group profit remaining for the previous year after each pay-out to shareholders of the parent group is shown under "Other retained earnings".

Provisions for pensions and similar obligations

Pension obligations are based on the projected unit credit method (PUC method) using actuarial principles on the basis of 2018 G actuarial tables (published in 2018) by Heubeck AG, Cologne. According to this method, the amount of pension obligations is calculated according to the earned entitlement as at the balance sheet date, taking into account future salary and pension increases as well as a probable fluctuation dependent on age and length of service. The actuarial interest rate is a flat rate, calculated using the Bundesbank average market rate, and assumes a remaining maturity of 15 years. For some of the pension obligations, there are fund assets which are specifically and exclusively for the fulfilment of pension obligations. Such assets are not available to any other creditors. Accordingly, these obligations and the fair value of the fund assets are given net,

according to Section 246(2) sentence 2 HGB. If there is a commitment overhang, it is recognised under the provisions. If the value of the fund assets exceeds that of the obligations, this is recognised on the asset side of the balance sheet as "Positive difference arising from asset allocation". During the reference year – as in the previous year – no positive difference was recognised. The income from the qualified fund assets is offset and netted in the same period with the expense from the related pension obligations.

The valuation of the fund assets is at fair value, determined in each case using actuarial principles. With regard to the fund assets – which are in the form of reinsurance policies – the actuarially determined value corresponds to the actuarial reserves for the policies, as per the business plan, and thus also to the cost of claims vis-à-vis the reinsurer.

Tax provisions and other provisions

Other provisions and tax provisions are recognised at their required settlement value, according to the judgement of a prudent businessman. They take into account all identifiable risks and contingent liabilities. Provisions with a remaining term of more than one year are discounted using the interest rates published by the Deutsche Bundesbank, according to the relevant maturity.

Liabilities

Liabilities are stated at their settlement value. With regard to trade payables, standard retention of title by goods suppliers exists.

Liabilities in foreign currency are valued at the spot exchange rate at the balance sheet date. When assessing liabilities in foreign currency with a residual maturity of one year or less, the historical cost convention in accordance with Section 253(1) sentence 1 HGB and the principle of unequal treatment under Section 252(1), no. 4, clause 2 HGB do not apply in this respect, as per Section 256a HGB.

Deferred income

Accrued and deferred items relate to incoming payments made before the balance sheet date where these represent earnings after the balance sheet date. They are recognised at nominal value.

Deferred tax liabilities

Deferred taxes are calculated using the balance sheet approach. Under this approach, deferred taxes are recorded on differences between the values of assets and liabilities under commercial law and their tax valuations, provided that the differences are expected to turn around in subsequent financial years and will later result in tax burdens or relief. Deferred tax assets also include tax rebate claims arising from the expected use of loss and interest carry-forwards in future years where the realisation of these can be guaranteed with sufficient certainty. Deferred taxes are calculated using the respective country-specific and company-specific tax rates as applicable according to the current legal situation at the time that the differences are established. To provide an improved insight into the Group's financial position and earnings situation, with the application of the option specified in Section 274(1) sentence 3 in conjunction with Section 298(1) HGB, as in the previous year, complete offsetting has been performed of the existing deferred tax liabilities (primary deferred tax liabilities) in the annual financial statements of those companies included in the consolidated financial statements, with the deferred tax liabilities from consolidation measures (secondary deferred tax liabilities) under Section 306 HGB as well as with the primary deferred assets of other Group companies. The option provided by Section 274(1) sentence 2 in conjunction with Section 298(1) HGB of the determination of a remaining deferred tax surplus has not been exercised. Expenses or income from any change in deferred taxes entered on the balance sheet are included under "Taxes on income and earnings".

Currency conversions

To the extent that, in individual cases involving foreign currency items or pending purchase and sales transactions already on the balance sheet, protection against exchange rate risks has been performed in the form of forward exchanges contracts, these are merged throughout with the respective underlying transactions, in application of Section 254 HGB. Accordingly, the valuation of the relevant receivables and payables or the determination of any contract risk arising from pending transactions is done directly using the respective hedge rate.

Contingencies and other financial obligations

The relevant figures are calculated on a nominal basis.

Derivative financial instruments

Insofar as the conditions for the formation of valuation units pursuant to Section 254 HGB have been met and a balance sheet assignment (designation) of hedging instruments has been performed and documented, the hedging and hedged transactions are merged into valuation units. As far as these criteria have not been met, the lower acquisition cost of the derivative (if any) and the market value is entered at the balance sheet date. In other words, derivative financial instruments (with negative fair values) not included in valuation units are represented in the entry of provisions for anticipated losses, while such transactions with positive fair values are not entered on the balance sheet.

D. Development of consolidated assets

Specified in thsd. EUR	Acquisition and production costs					
	Carried forward 1 January 2021	Change Consolidated group	Additions	Transfers	Disposals	Exchange rate differ- ences
I. Intangible assets						
1. Internally generated industrial property rights and similar rights and assets	4,446	0	297	-35	121	43
2. Purchased concessions, industrial and similar rights and assets and licences to such	96,908	0	9,247	7,393	1,603	77
3. Goodwill	76,391	0	718	0	0	0
4. Advance payments	15,505	0	8,647	-7,358	194	0
	193,250	0	18,909	0	1,919	121
II. Property, plant and equipment						
1. Land, land rights and buildings including buildings on leased property	572,598	0	8,481	1,438	14,617	498
2. Technical equipment and machinery	358,550	-114	6,304	3,004	4,364	636
3. Other equipment, factory and office equipment	129,984	-10,272	8,778	731	7,336	106
4. Advance payments and plants under construction	7,507	0	11,163	-5,173	22	16
	1,068,640	-10,386	34,725	0	26,338	1,256
III. Financial assets						
1. Shares in affiliated enterprises	30,106	256	6,382	277	1,430	0
2. Loans to affiliated enterprises	7,436	0	0	0	0	0
3. Shares in associated enterprises	220,614	-1,798	10,756	0	790	0
4. Holdings	18,733	-8	228	-277	2,252	0
5. Loans to enterprises in which an interest is held	7,564	0	0	0	4,101	0
6. Other loans	2,789	0	627	0	1,148	0
	287,243	.1,550	17,993	0	9,721	0
Total fixed assets	1,549,132	-11,936	71,627	0	37,978	1,377

As at 31 December 2021	Accumulated write-downs							Book values	
	Carried forward 1 January 2021	Change Consolidated group	Write-downs for the finan- cial year	Trans- fers	Disposals	Exchange rate differences	As at 31 December 2021	31 December 2021	31 December 2020
4,630	3,350	0	147	0	0	43	3,540	1,090	1,096
112,021	74,533	0	6,159	0	1,511	57	79,237	37,784	22,375
77,109	57,647	0	7,094	0	0	0	64,742	12,368	18,744
16,600	0	0	0	0	0	0	0	16,600	15,505
210,361	135,530	0	13,401	0	1,511	100	147,519	62,842	57,720
568,399	285,791	0	15,272	0	9,012	223	292,276	276,123	286,807
364,016	248,582	-20	12,759	-348	4,188	432	257,217	106,798	109,967
121,991	102,374	-10,232	9,490	348	7,104	70	94,946	27,045	27,610
13,491	0	0	0	0	0	0	0	13,491	7,507
1,067,897	636,747	-10,253	37,521	0	20,304	725	644,439	423,457	431,891
35,591	13,824	171	1,050	0	1,390	0	13,656	21,936	16,282
7,436	0	0	0	0	0	0	0	7,436	7,436
228,783	35,198	-1,050	343	0	0	0	34,491	194,292	185,417
16,425	1,757	0	0	0	1,223	0	534	15,891	16,976
3,463	5	0	0	0	3	0	2	3,460	7,559
2,267	40	0	1	0	10	0	31	2,236	2,749
293,965	50,824	-879	1,394	0	2,625	0	48,714	245,251	236,419
1,572,223	823,102	-11,132	52,316	0	24,439	825	840,672	731,550	726,030





Strong Together.

Several AGRAVIS locations already produce their own solar power, most of which they use themselves. Surplus energy is fed into the public grid or supplied to other locations. In addition, 312 locations of the AGRAVIS Group receive green electricity from renewable energy plants through the acquisition of green electricity certificates – concrete steps towards the targeted CO₂ neutrality.

E. Notes to the consolidated balance sheet and profit and loss account

I. Balance sheet

1. Development of consolidated assets

The fixed assets of companies included in the consolidated financial statements for the first time are recorded based on the revaluation method at the acquisition/production cost value at the time of inclusion in consolidated assets. The fixed assets of companies which left the consolidated group during the financial year are also included gross in the fixed assets. The inward/outward acquisition/production costs are reported in the "Changes to consolidated group" column. The total amount of research and development costs for the financial year amounted to EUR 6.5 million. This includes expenses at an amount of EUR 0.3 million, which are included in the internally produced intangible assets at an amount of EUR 0.3 million as other own work capitalised. The book values of the shares of associated companies include EUR 0.3 million of goodwill from the evaluation at the point in time when it was first included in the consolidated financial statements (2016 to 2021). Depreciation is carried out on a linear basis over a service life of five years or seven years respectively. Miscellaneous loans include credit balances from cooperatives amounting to EUR 48.3 thousand (previous year: EUR 57.1 thousand).

2. Of **receivables** with a remaining maturity of more than one year:

	Financial year in thsd. EUR	Previous year in thsd. EUR
Accounts receivables		
– trade receivables	542	763
– from affiliated enterprises	300	0
– from associated enterprises	0	0
– other assets	3,971	1,912

3. Included in **receivables from affiliated** enterprises:

	Financial year in thsd. EUR	Previous year in thsd. EUR
Trade accounts receivables	4,364	3,682
Other assets	32,133	35,349

4. Included in **receivables from enterprises where an interest** is held are:

	Financial year in thsd. EUR	Previous year in thsd. EUR
Trade accounts receivables	13,028	14,877
Other assets	19,610	18,767

5. Under other assets **you have essential accruals** in the form of tax refund claims to the amount of EUR 24,796 thousand (previous year: EUR 19,636 thousand).

The retained reserves from the ABS programme of EUR 2,956 thousand, which were reported under bank deposits in the previous year, have been reported under other assets in the amount of EUR 3,363 thousand since the reporting period following a change to the ABS programme.

6. Accrued and **deferred items** on the assets side mainly include, as in previous years, accrued interest, under which the costs of structuring the syndicated loan and promissory note bond are recognised to the amount of EUR 2.3 million (previous year: EUR 3.1 million), provided that these are attributed an interest-like character.

7. The **registered capital** of AGRAVIS Raiffeisen AG, Münster, remained unchanged in 2021 and amounts to EUR 205,536,563.20. It is divided into 8,028,772 par value shares (registered shares with restricted transferability). The book value of each share is therefore EUR 25.60. The Board of Directors is authorised, with the consent of the Supervisory Board, to increase the registered capital one time or several times by a total nominal amount of up to EUR 12 million in the period up to 3 May 2023 by issuing new registered shares with restricted transferability in exchange for cash or contributions in kind (authorised capital). No further shares were issued in 2021 or after the balance sheet date. The purchase rights of shareholders are excluded. AGRAVIS Raiffeisen AG does not hold any treasury shares as of 31 December 2021 (previous year EUR 681,241.60).

8. The increase in **capital reserves** by EUR 956 thousand (previous year: EUR 184 thousand) comes from the surplus of the sale and purchase of own shares in 2021.

9. The issuance of **participation rights capital** is to be considered as equity capital after it is collected as the subordination, performance-based remuneration, participation in losses and long-term nature of capital provision are given. Owners of the participation rights shall receive an annual dividend payment, which ranks with the priority of shareholders' rights to dividends, to the amount of the stated interest rate in relation to the par value of the participation rights. This is included on the balance sheet at nominal value. The interest due from the financial year has been deferred.

Value date	Type, par value in thsd. EUR	Interest rate in % p. a.	Maturity
13 November 2020	Participation rights 2020/A 24,975	3.25	Statutory notice of termination cannot be given until 12 November 2025
13 November 2020	Participation rights 2020/B 25,160	2.40	Statutory notice of termination cannot be given until 12 November 2025
13 November 2020	Participation rights 2020/C 10,080	2.25	Statutory notice of termination cannot be given until 12 November 2025
9 December 2021	Participation rights 2021/A 15,000	2.80	Statutory notice of termination cannot be given until 9 December 2026
9 December 2021	Participation rights 2021/B 9,095	2.00	Statutory notice of termination cannot be given until 9 December 2026
9 December 2021	Participation rights 2021/C 14,785	1.80	Statutory notice of termination cannot be given until 9 December 2026

10. Provisions for pensions and similar obligations

The valuation of pension obligations is calculated using actuarial principles according to a projected unit credit method and is based on the following actuarial assumptions:

	Financial year in %	Previous year in %
Expected rate of pension increases	1.70	1.70
Expected rate of salary increases	2.50	2.50
Interest rate (Section 253(2) sentence 2 HGB)	1.87	2.31

Age-dependent employee turnover, as in the previous year, was estimated to be within a range of 1 to 4 per cent per annum.

Pursuant to Section 246(2) sentence 2 HGB, fund assets consisting of claims from reinsurance, from which all other creditors are revoked access and whose aim is solely to meet liability obligations arising from pension benefits, have been offset against this. The settlement amount of the liabilities as at the balance sheet date was EUR 10,769 thousand (previous year: EUR 10,584 thousand). The fair value of the offset assets, which also corresponds to their acquisition cost, is EUR 6,342 thousand (previous year: EUR 5,951 thousand). The resulting surplus of liabilities from the pension obligation over and above the valuation of fund assets is given under the item "Provisions for pensions and similar obligations". During the reporting period, EUR 39 thousand (previous year: EUR 32 thousand) of income from the fund assets was offset against the expenses contained in the personnel costs from the pension provisions. The difference according to Section 253(6) sentence 1 HGB between the approach of the provisions according to the corresponding average market interest rate from the past ten financial years and the approach of the provisions according to the corresponding average market interest rate from the last seven financial years amounts to a total of EUR 8,728 thousand (previous year: EUR 11,528 thousand).

11. The **tax provisions** exclusively comprise liabilities from current profit tax.

12. **Other provisions** are attributable to:

	Financial year in thsd. EUR	Previous year in thsd. EUR
– HR and social-security-based obligations	32,325	29,836
– Risks and obligations from commodities	45,008	46,059
– Maintenance	289	412
– Bills of exchange	188	225

13. The **liabilities** have the following maturity structure:

	31 December 2021				Previous year			
	Total	of which with a maturity			Total	of which with a maturity		
		up to 1 year	between 1 and 5 years	of more than 5 years		up to 1 year	between 1 and 5 years	of more than 5 years
	Thsd. EUR	Thsd. EUR	Thsd. EUR	Thsd. EUR	Thsd. EUR	Thsd. EUR	Thsd. EUR	Thsd. EUR
Liabilities to banks	791,734	695,097	66,373	30,264	648,515	482,689	134,558	31,268
Advances received on orders	15,217	15,217	0	0	12,252	12,252	0	0
Trade payables	480,559	480,481	78	0	389,753	389,751	2	0
Liabilities to affiliated enterprises	7,850	7,850	0	0	5,897	5,897	0	0
Liabilities to enterprises in which an interest is held	18,319	18,319	0	0	28,900	28,900	0	0
Other liabilities	34,369	34,369	0	0	51,873	51,640	233	0
Total	1,348,048	1,251,333	66,451	30,264	1,137,190	971,129	134,793	31,268

Of the liabilities to banks, EUR 98,903 thousand (previous year: EUR 90,051 thousand) were secured by mortgages. Trade accounts receivables assigned and inventories assigned as collateral have also been reported as security for liabilities to banks from the drawing of a syndicated loan in the amount of EUR 565 million (previous year: EUR 475 million). The syndicated loan was concluded anew on 18 December 2019 with a volume of EUR 650 million. The promissory note bond borrowed in the previous year amounted to EUR 59 million (previous year: EUR 59 million). This is a non-subordinate but unsecured promissory note bond with fixed and variable rate tranches. The maturities for the tranches of the promissory note bond equal four months. In the reporting year, liabilities to credit institutions include liabilities from ABS financing for receivables that were sold but had not formerly been written off in the amount of EUR 20,199 thousand (previous year: EUR 18,752 thousand). As in the previous year, the receivables arising from liabilities from the inflow of liquidity have been handed over to the debt purchaser.

14. **Liabilities to affiliated enterprises** includes:

	Financial year in thsd. EUR	Previous year in thsd. EUR
Trade payables	528	73
Other liabilities	7,322	5,824

15. **Liabilities to companies in which an interest is held** includes:

	Financial year in thsd. EUR	Previous year in thsd. EUR
Trade payables	1,769	4,041
Other liabilities	16,550	24,859

16. **Deferred taxes** are determined for temporal differences which are expected to be reversed in the future between the commercial-law and the tax-law valuations of assets, liabilities and accrued and deferred items. In the case of tax reductions, the option to capitalise pursuant to Section 274 HGB was consistently not exercised throughout the Group. The calculation of deferred taxes is based on combined profits tax rates determined on a country-specific basis. An average tax rate of 31 per cent was used as a basis to determine deferred taxes existing in domestic companies and the impact of deferred taxes due to consolidation measures. The combined profit tax rate includes corporation tax, business tax and solidarity tax (not including business partnerships). Local tax rates of between 21 to 31 per cent were also applied to the amounts recognised in the balance sheet for deferred taxes of the companies based abroad.

Due to the full offsetting of deferred tax liabilities from annual financial statements both with deferred tax assets from other Group companies (primary deferred taxes) and with deferred taxes from consolidation measures (secondary deferred taxes), no deferred taxes had to be recognised as liabilities in the consolidated balance sheet on key date 31 December 2021.

The deferred tax assets and liabilities included in the offsetting can be broken down as follows:

	Financial year in thsd. EUR		Previous year in thsd. EUR	
	primary	secondary	primary	secondary
• Deferred tax assets				
Intangible assets	4,617	0	4,560	0
Tangible fixed assets	1,724	0	1,032	0
Inventories	6,963	1,777	1,228	1,382
Provisions	22,955	103	21,321	137
Accounts receivables	3,033	0	2,612	0
Other assets/liabilities	2,876	816	2,756	765
Tax rebate claims from loss carry-forwards	9,373	0	4,933	0
	51,541	2,696	38,442	2,284
• Deferred tax liabilities				
Intangible assets	-312	0	-248	0
Tangible fixed assets	-8,009	-330	-7,392	-330
Inventories	-379	0	-331	0
Provisions	-50	-1,147	-47	-1,147
Other assets/liabilities	-716	-271	-697	-271
	-9,466	-1,748	-8,715	-1,748
	42,075	948	29,727	536
Total amount of the primary deferred tax asset surplus remaining after offsetting		43,023		30,263

The above primary deferred taxes include, at the level of the financial statements included in the consolidated financial statements, the calculated deferred taxes, including the adjustment to the accounting and valuation policies applicable to the Group. The secondary deferred taxes are based on the temporary differences arising from the consolidation measures. The Group-wide overall balance consideration relating to the sum of all deferred tax assets and liabilities in the financial year resulted in a write-off of the primary and secondary tax assets and liabilities, which was recognised in income, in the amount of EUR 45 thousand.

II. Profit and loss account

1. The **sales revenues** were achieved in the following divisions:

	Financial year in millions of		Previous year in millions of	
	euros		euros	
Agriculture wholesale		2,716		2,369
Agriculture/farming		2,196		1,814
Machinery		987		989
Energy		988		842
Retailing		336		331
Other		55		45
Total revenue		7,278		6,390

The previous breakdown of sales revenues by business segment was replaced by a divisional structure with turnover generated externally also included. Figures from the previous year were adjusted accordingly for comparison purposes.

The sales revenues figure includes revenues from services to the amount of EUR 127 million (previous year: EUR 118 million). The revenues were generated almost exclusively in Germany; the share from business abroad being around 10.3 per cent of income.

2. The items of the **profit and loss account** contain the following income and expenses that are to be assigned to a different financial year:

	Financial year in thsd. EUR	Previous year in thsd. EUR
• Income		
from the disposal of fixed assets	4,891	6,004
from the reversal of provisions	6,063	7,873
from the reversal of value adjustments and inputting of written-down receivables	6,401	7,428
• Expenses		
Expenditure from valuation of assets	11,503	10,464
Losses on disposal of fixed assets	792	1,117

In addition, other operating income and other operating expenses include exchange-rate gains to the amount of EUR 3,021 thousand (previous year: EUR 2,047 thousand) and losses to the amount of EUR 1,891 thousand (previous year: EUR 4,620 thousand). Other interest and similar expenses in the posts are contained in expenses outside of the period from the change of the interest rate for the evaluation of the pension provision at an amount of EUR 6,549 thousand (previous year: EUR 5,722 thousand). The unscheduled depreciation of business and goodwill resulting from the initial consolidation of AGRAVIS Technik Hessen-Pfalz GmbH and Menke Agrar GmbH is included in the expenses from the depreciation of intangible and tangible fixed assets in the amount of EUR 1,988 thousand.

3. Within the figure for taxes on income and earnings, there are deferred tax assets of EUR 45 thousand (previous year: EUR 28 thousand).

F. Notes on the cash flow statement

Cash and cash equivalents corresponds exclusively to the balance sheet item "Cash in hand, cash at banks and credit institutions and cheques". The non-cash change in cash and cash equivalents due to the conversion of the foreign currency holdings in EUR was presented separately.

G. Notes on changes to equity capital

Of the Group's generated equity capital of EUR 198 million, AGRAVIS Raiffeisen AG's statutory reserve to the amount of EUR 25.6 million contained therein, pursuant to Section 150 AktG and Section 33 of the articles of association, is subject to a disbursement block. For the EUR 1.1 million of internally generated intangible fixed assets recognised on the balance sheet, there is a disbursement block as per Section 268(8) sentence 1 of the HGB. Furthermore, the difference according to Section 253(6) sentence 1 HGB at an amount of EUR 8,728 thousand is blocked for disbursement corresponding to the regulation of Section 253(6) sentence 2 HGB. Likewise, Group-specific liabilities to the amount of EUR 2.7 million cannot be disbursed.

H. Other information

1. At the balance sheet date, the following **contingencies** existed in accordance with Section 251 HGB:

	Financial year in thsd. EUR	Previous year in thsd. EUR
Liabilities from the issue and transfer of bills of exchange	18,612	22,178
Liabilities under guarantees, bill guarantees and cheque guarantees	15,398	13,693
Liabilities under warranties and pending take-back obligations	32,098	32,309
Contingencies from assets pledged as collateral for third party liabilities	0	0

On the basis of currently available information – regarding in particular the creditworthiness, assets (including hidden reserves) and the payment behaviour of directly obliged debtors – recourse is not expected with regard to the liabilities from the issuance and transfer of bills and with regard to liabilities from guarantees. The liabilities under warranties concern residual-value guarantees from customer financing and pending take-back obligations from trade in machinery. As the obligations are otherwise countered by the machine values, further risks of

recourse are not evident. The application of foreign liabilities for which the collateral was placed is monitored continuously. Given observable payment behaviour, again no recourse is to be expected here. Furthermore, there were three letters of comfort in favour of associated companies amounting to EUR 6.1 million, the usage of which is not to be expected due to the current business development of the beneficiaries.

2. Transactions not included on the consolidated balance sheet

As part of an ABS transaction, receivables to the amount of EUR 75 million were sold to a credit institute and deleted from the balance sheet. ABS financing is used for the short-term strengthening of liquidity and financial strength of the Group. This involves all debt risks being definitively transferred to the credit institute. The management of the accounts receivable for those receivables transferred to the SPV – including those sales of receivables which do not place a burden on the balance sheet due to lack of risk transfer – will continue to be undertaken by AGRAVIS Group companies. In order to improve short-term liquidity, structured financing has been concluded for various agricultural products in the form of reverse repurchase agreements. From this, there are pending take-back options to the amount of EUR 195 million (previous year: EUR 199 million).

3. The following **financial obligations**, which are not shown or noted on the balance sheet, are of significance in assessing the Group's financial position:

	Financial year in thsd. EUR
Tenancy and building lease obligations	
– annual amount	16,349
– of which with a maturity of more than 5 years	1,973
– of which with a maturity of more than 10 years (building leases to 2102)	193
Lease obligations	
– annual amount	15,980
– of which with a maturity of more than 5 years	994
Remaining obligations from the provision of capital goods and other financial obligations	8,860
Obligations from equity interests in limited liability companies	
– own contributions outstanding	13

The use of any part of the business real estate or of technical installations, machinery, factory and office equipment (including vehicle fleet) occurs on the basis of rental, tenancy and operating lease contracts. Such contracts also contribute to reducing the Group's capital lock-up and mean that the investment risk remains with the respective owners or lessors. The obligations existing in connection with the contracts are contained in the above information regarding other financial obligations.

4. Valuation units and derivatives

AGRAVIS Raiffeisen AG has undertaken interest-rate-hedging transactions in order to limit interest rate risks on variable interest loans. This exclusively involves interest rate swaps for hedging purposes to ensure future cash flows. Coinciding with the assumption of long-term loans, maturity-matching interest rate swaps were concluded, whereby synthetic fixed-rate borrowings were created. These micro-hedges amounted to a volume of EUR 39.4 million as at 31 December 2021. The negative market value of these swaps is EUR 0.6 million.

In order to hedge the risks from future cash flows arising from drawdowns under the syndicated loan, interest rate swaps were also concluded with a nominal value of EUR 355 million. The volume corresponds to the average credit exposure according to the Group's liquidity planning. These swaps represent a portfolio hedge in relation to the consolidated operating funds. The market value of all interest rate swaps with respect to the syndicated loan was minus EUR 50.9 million at the end of 2021. No provisions for contingent losses were made, due to the incorporation into valuation units, in terms of micro- and portfolio hedges. To hedge currency risks (PLN, USD), derivative hedges were deployed – predominantly maturity options. The nominal value of these transactions – which corresponds to the amount of the hedged risks – was valued at EUR 24.7 million at the balance sheet date. These hedges are directly related to (scheduled) transactions in commodities in foreign currencies and are therefore grouped together into valuation units long with the underlying transactions, in the form of micro-hedges. The market value of these derivatives as at the balance sheet date was minus EUR 10 thousand. The opposing changes in cash flows arising from currency hedging and underlying transactions are completely equalised over the period of the term of the hedging transactions in the following financial year.

In order to control current and future price risks arising from commodities trading, particularly in terms of trading raw materials for feed (soya amongst others), oilseed and grain, derivative financial instruments in the form of standardised exchange-traded commodity futures contracts are used, alongside OTC futures contracts and option contracts on agricultural commodities concluded with trading partners with first-class credit ratings. The instruments serve solely to hedge operating transactions; therefore, additional risks do not arise. The transactions are

performed exclusively in a manner which is customary for the market. Transactions for speculative purposes are not performed. These hedges are merged in part in the sense of a portfolio hedge as a valuation unit with the corresponding inventories, with a total value of EUR 476.0 million, with purchase and sales contracts pending at the balance sheet date. For the negative market values of the derivative financial instruments included in the valuation unit to the amount of EUR 22.6 million, provisions for contingent losses were not to be allocated.

Commodity futures and option contracts are valued based on the daily prices quoted on the markets for the underlying raw materials and the differences which result from the forward exchange rate and the daily exchange rates. In doing so, the market value of these derivatives is calculated as part of a daily comparison with the valuations provided by various well-known trading partners. Due to taking reference from global marketplaces for the prices, the stocks and transactions included in the valuation units are subject to correlating risks from changes in price of agricultural commodities. The opposing changes in cash flows arising from the various elements of the valuation unit are equalised as far as possible due to reference being made to identical value parameters when carrying out business transactions, which regularly occur within the subsequent year.

As far as risks for open contract items are not fully covered by the formation of provisions or if the existing valuation units exhibit inefficiencies, this was accounted for through allocations to provisions for contingent losses. As at the balance sheet date, these amounted to EUR 23.7 million (previous year: EUR 26.7 million). Alongside the commodity option transactions which are used in a hedging relationship within the meaning of the above description, additional option transactions are effected by individual companies within the Group for the purpose of risk management which, however, are not designed to be a hedging instrument in an accounting sense. The option premiums incurred in the acquisition of put/call options spent are reported under "other assets" and under strict application of the lowest value principle. Option premiums received as a result of the sale of put/call options together with the threatening losses coming from the received premium were replaced by the depositing of securities with the contract partners. The amount of option transactions is listed below:

Type of transaction	Amount in tonnes	Current value in thsd.	Book value in thsd.
		EUR	EUR
Purchase of OTC options (put/call)	362,250	1,626	1,371
Sale of OTC options (put/call)	130,000	-3,374	-3,374

5. Transactions with **related companies and individuals** in accordance with Section 314(1) no. 13 HGB under customary market terms were not executed.

6. Employees

In 2021, there was an average of 6,332 employees (previous year: 6,205) of which 5,522 were full-time employees (previous year: 5,429 full-time employees), 810 part-time employees (previous year: 776 part-time employees). The average total number includes 529 trainees (previous year: 515 trainees).

7. Executive bodies

For their activities during the financial year, the total remuneration paid to members of the Supervisory Board amounted to EUR 371 thousand and the total remuneration paid to members of the Advisory Board amounted to EUR 132 thousand. The total remuneration paid to the Board of Directors in the 2021 financial year was EUR 2.6 million. The total remuneration paid to former members of the Board of Directors and their surviving dependants amounted to EUR 2.0 million. The provisions made for pensions for these persons amounted to EUR 32.2 million.

8. Auditors' fees

The fees expended on the auditor of the consolidated financial statements, the auditing company Deloitte GmbH, in the given financial year are divided as follows:

	Financial year in thsd. EUR
a) Auditing of financial statements	660
b) Other certification services	110
c) Tax advisory services	0
d) Other services	0
Total	770

9. Profit distribution recommendation from the parent company creating the consolidated financial statements

Under inclusion of allocations to the statutory reserves at an amount of EUR 506,000.00 as well as the consideration of the profit carried forward from 2020 at an amount of EUR 333,360.98, there was a balance sheet profit of EUR 9,943,652.47 for financial year 2021. The Board of Directors proposes to the Annual General Meeting a dividend of EUR 1.15 per share, a total of EUR 9,233,087.80. The Board of Directors proposes to carry forward the remaining amount of EUR 710,564.67.

10. Supplementary report

The economic impact of the war between Russia and Ukraine on the Group's business activities has been manageable up to the date of preparing the statements.

The AGRAVIS Group does not expect to be impacted too severely if the units based in Russia, namely the feedstuff plant in Novoalexandrovsk and the Livisto distribution company OOO Lirus, cannot continue to operate owing to a further deterioration of the situation.

For further information, please refer to the risk report in the management report.

Furthermore, after the end of financial year 2021, there were no reportable events of particular importance in terms of the Group's assets, finances and earnings.

Münster, 29 March 2022

AGRAVIS Raiffeisen AG, Board of Directors

Dr Köckler (Chairman)

Hesseler

Sudhoff

Independent Auditor's Report

To AGRAVIS Raiffeisen AG, Münster

Audit opinions

We have audited the consolidated financial statements of AGRAVIS Raiffeisen AG, Münster, and its subsidiaries (the Group) – which comprise the consolidated balance sheet as at 31 December 2021, the consolidated profit and loss account, the Group equity capital, the Group statement of cash flow for the financial year from 1 January to 31 December 2021 and the Explanatory notes to the Group Annual Report, including the presentation of the accounting and valuation methods. We have also audited the Group Management Report of AGRAVIS Raiffeisen AG, Münster, for the financial year from 1 January up to 31 December 2021.

In our opinion, based on the findings of our audit,

- the attached consolidated financial statements in all material respects comply with the provisions of German commercial law applicable to corporations and give a true and fair view of the financial position of the Group as at 31 December 2021, in compliance with generally accepted accounting principles, and its results of operations for the financial year from 1 January to 31 December 2021 and
- overall, the attached Group Management Report gives a true and fair view of the Group's position. In all material respects, this Group Management Report is consistent with the consolidated financial statement, complies with German legal requirements and accurately presents the opportunities and risks of future development.

In accordance with Section 322(3) sentence 1 HGB, we declare that our audit has not given rise to any objections regarding the accuracy of the consolidated financial statements and the Group Management Report.

Basis for the audit opinions

We conducted our audit of the consolidated financial statements in accordance with Section 317 HGB and generally accepted German standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany, IDW). Our responsibilities under these rules and policies are further described in the section entitled "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and Group Management Report" of our audit report. We are independent of the Group companies in compliance with provisions specified in German commercial and employment law. We have met our other German professional obligations in accordance with these requirements. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide the basis for our auditor's certification notice concerning the consolidated financial statement and Group Management Report.

Other Information

The legal representatives are responsible for other information. The information consists of:

- affirmation of legal representatives in accordance with Section 297(2) sentence 4 HGB and Section 315(1) sentence 5 HGB for the consolidated financial statements and the Group Management Report,
- the "Corporate Governance" section of the 2021 Group Annual Report,
- the sustainability magazine for the 2021 Annual Report and
- all other parts of the Group Annual Report,
- but not the consolidated financial statements, not the inspected information contained in the Group Management Report and not our associated audit opinion.

Our audit opinions on the consolidated financial statements and the Group Management Report do not extend to the other information and,

accordingly, we give neither an opinion nor any other form of audit conclusion on the matter.

In connection with our audit of the consolidated financial statements, we have a responsibility to read the other information specified above and to assess whether the other information

- indicates serious inconsistencies with the consolidated financial statements, the Group Management Report or with the knowledge we obtained during the audit or
- otherwise appear significantly different than disclosed.

Responsibility of the legal representatives and the members of the Supervisory Board for the consolidated financial statements and the Group Management Report

The legal representatives are responsible for preparation of the consolidated financial statements, which comply with the German commercial law applicable to corporations in all material respects, and that the consolidated financial statements give a true and fair view of the assets, financial position and earnings situation of the Group in accordance with generally accepted German accounting principles. In addition, the

legal representatives are responsible for the internal controls that they have determined to be necessary in accordance with generally accepted accounting principles in order to facilitate preparation of consolidated financial statements that are free from material misstatement, whether intentional or unintentional.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. They are also responsible for disclosing matters relating to the continuation of the Group's activities, where relevant. In addition, they are responsible for accounting for the Group's ability to continue as a going concern on the basis of the accounting policy, insofar as this does not conflict with actual or legal circumstances.

In addition, the legal representatives responsible for the preparation of the Group Management Report, which gives a true and fair view of the Group's position and, in all material respects, is consistent with the consolidated financial statements, complies with German legal requirements and accurately reflects the opportunities and risks of future development. Furthermore, the legal representatives are responsible for the precautions and measures (systems) that they deemed necessary to enable the preparation of a Group management report in accordance with the applicable German statutory provisions and to provide sufficient suitable evidence for the statements in the Group management report.

The Supervisory Board is responsible for monitoring the accounting process of the Group for the preparation of the consolidated financial statements and the Group Management Report.

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

Our objective is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether intentional or unintentional, and whether the Group Management Report as a whole gives a true and fair view of the position of the Group and in all material respects is consistent with the consolidated annual financial statements and with the findings of the audit, that it complies with German legal requirements, accurately reflects the opportunities and risks of future development and that it issues an Auditor's Report that includes our audit opinions on the consolidated annual financial statements and Group Management Report.

Sufficient security means a high degree of security, but there is no guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with the generally accepted German standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always reveal a material misstatement. Misstatements may result from infringements or inaccuracies and are considered material if they could reasonably be expected to influence, individually or collectively, the economic decisions of addressees made on the basis of these consolidated financial statements and Group Management Report.

During the audit, we exercise due discretion and maintain a critical attitude. In addition,

- we identify and assess the risks of material misstatement, whether intentional or unintentional, in the financial statements and the Group Management Report, we plan and perform procedures in response to those risks and obtain sufficient and appropriate audit evidence to form the basis of our audit opinion. The risk that material misstatements resulting from fraud will not be identified is greater than that for a misstatement resulting from errors, since fraud may include fraudulent co-operation, counterfeiting, deliberate omissions, misleading representations or the overriding of internal controls.
- we gain an understanding of the internal control system relevant to the audit of the consolidated financial statements and Group Management Report in order to plan audit procedures that are appropriate under the specific circumstances but not with the objective of issuing an audit opinion on the effectiveness of these systems.
- we assess the appropriateness of the accounting methods used by the legal representatives and the appropriateness of the legal representatives and evaluate whether the estimated values and related information presented by the legal representatives are reasonable.
- we draw conclusions regarding the appropriateness of the accounting policy used by the legal representatives with respect to the Group's ability to continue as a going concern and, on the basis of the audit evidence obtained, whether there is material uncertainty surrounding events or circumstances that indicate significant doubts as to the Group's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our audit opinion to the related disclosures in the consolidated financial statements or, if such disclosures are inappropriate, to modify our opinion. We draw our conclusions based on the audit evidence obtained up to the date of our auditor's certification notice. However, future events or conditions may result in the Group no longer being able to continue as a going concern.
- we assess the overall presentation, structure and content of the consolidated financial statements, including whether the disclosures and whether the consolidated financial statements present the underlying transactions and events in such a way that the consolidated financial statements, in compliance with generally accepted German accounting principles, give a true and fair view of the Group's financial position and earnings situation.
- we obtain sufficient suitable audit evidence for the accounting information of the companies or business activities within the Group to enable us to express an opinion on the consolidated financial statements and the Group Management Report. We are responsible for the guidance, monitoring and implementation of the audit of the consolidated financial statements. We shall bear the sole responsibility for our audit opinions.

- we evaluate the consistency of the Group Management Report with the consolidated financial statements, its legal consistency and the view provided of the Group's position.
- we perform audit procedures on the future-oriented statements made by the company's legal representatives in the Group Management Report. On the basis of adequately appropriate audit evidence, we in particular examine the significant assumptions underlying the forward-looking statements made by the company's legal representatives and assess the proper derivation of the forward-looking statements from said assumptions. We do not express an independent opinion on the future-oriented information nor on the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.
Among other things, we discuss with the supervisors the planned scope and timing of the audit as well as significant audit findings, including any deficiencies in the internal control system that we identify during our audit.

Düsseldorf, 29 March 2022
Deloitte GmbH Auditing Company

(Professor Dr Carl-Friedrich Leuschner)
Auditor

(Max Schürtz)
Auditor

Affirmation of legal representatives

To the best of our knowledge and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the Group's situation in terms of assets, finances and earnings, and the Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Münster, 29 March 2022
AGRAVIS Raiffeisen AG, Board of Directors

Dr Köckler (Chairman)

Hesseler

Sudhoff

Legal notice

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