Notes to the Consolidated Financial Statements [1]

A Background to the BayWa Consolidated Financial Statements

A.1 General information

BayWa Aktiengesellschaft (for short: BayWa AG) is the parent company of the German-based BayWa Group and is a publicly listed stock corporation under German law. Its principal place of business is located in Munich (Arabellastrasse 4, 81925 Munich, Germany). BayWa AG is entered in the Handelsregister (commercial register) of the Amtsgericht (local court) of Munich, Germany, under registration number HRB 4921. The BayWa Group's business activities – divided into the operating segments Renewable Energies, Energy, Cefetra Group, Agri Trade & Service, Agricultural Equipment, Global Produce and Building Materials, as well as the Innovation & Digitalisation Segment – encompass wholesale, retail and logistics, as well as extensive supporting services and consultancy.

There have been no material changes in the accounting policies and valuation methods applied to the consolidated financial statements as against 31 December 2021.

The consolidated financial statements as at 31 December 2022 were drawn up in compliance with the International Financial Reporting Standards (IFRS) as applicable within the European Union. The standards of the International Accounting Standards Board (IASB), London, UK, and the interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS IC) valid on the reporting date were fully taken into account. The consolidated financial statements therefore give a true and fair view of the assets, financial position and earnings position of the BayWa Group and were prepared under the assumption that the company will continue as a going concern.

Moreover, the consolidated financial statements comply with the supplementary provisions set out under Section 315e para. 1 of the German Commercial Code (HGB).

The financial year of the BayWa Group covers the period from 1 January to 31 December. The financial statements of BayWa AG and its Group companies are generally prepared in accordance with the balance sheet date of the consolidated financial statements. The financial statements of Deutsche Raiffeisen-Warenzentrale GmbH, Frankfurt am Main, Germany; BRB Holding GmbH, Munich, Germany; LWM Austria GmbH, Hollabrunn, Austria; AUSTRIA JUICE GmbH, Allhartsberg, Austria; Baltanás Cereales y Abonos, S.L., Baltanás, Spain; and Transhispania Agraria, S.L., Torquemada, Spain, constitute an exception, as these companies are accounted for using the equity method. All of the above companies have different reporting dates, which are 31 January, 28 February, 31 March, 30 June, 31 July or 30 September, depending on the companies' respective seasonal business development. The interim financial statements of all companies as at 30 November or 31 December form the basis for consolidation.

The accounting implemented within the Group of BayWa AG is carried out in accordance with the accounting and valuation principles uniformly applied by the whole Group; they are described in Note A.3. Individual items have been disclosed separately in the balance sheet and in the income statement to enhance transparency. They are broken down and explained in the Notes to the Consolidated Financial Statements. The consolidated financial statements have been prepared in euros. Unless otherwise indicated, amounts are shown in millions of euros (€ million; rounded off to one decimal place). The consolidated financial statements are disclosed in the German electronic Federal Gazette.

A.2 Impact of new accounting standards and other regulatory requirements

Standards applied for the first time, newly issued or revised in the financial year 2022

At the start of the financial year 2022, the following standards revised or issued by the International Accounting Standards Board (IASB) were applied for the first time by the BayWa Group:

- Proceeds before Intended Use – amendments to IAS 16;
- Onerous contracts: cost of fulfilling a contract – amendments to IAS 37;
- Annual Improvements to IFRSs 2018–2020 Cycle – amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41;
- Reference to the Conceptual Framework – amendments to IFRS 3.

These amendments had no impact on amounts recognised in previous years, and it is assumed that they will have no material effect on current or future reporting periods.

1 **Amounts are stated in millions of euros and rounded to one decimal place, unless otherwise stated. This may result in minor discrepancies in sum totals and when calculating percentages.**

Standards and interpretations that have been published but not yet applied

Various new accounting standards, amendments to standards and interpretations have been published but are not obligatory for periods ending on 31 December 2022 and have not been applied earlier by the BayWa Group. According to initial analyses, these new requirements are not expected to have a material impact on current or future reporting periods or on foreseeable future transactions for the BayWa Group. However, further and more in-depth analyses will be performed in the financial year 2023 to determine the exact impact.

Expected impact of the planned minimum tax under the OECD agreement (Pillar II)

In December 2021, the OECD released technical guidance on a new global framework for an effective minimum tax in order to ensure that the profits of global multinational enterprises with total annual revenues of at least €750 million are taxed at a minimum rate of 15% per country. The European Union agreed unanimously in December 2022 to implement the framework in the form of a directive that is also to apply to purely domestic enterprises with certain minimum revenues. The EU directive must be transposed by member states into national law by 31 December 2023 to ensure that it applies to financial years starting after said date. Some countries have already released draft legislation pertaining to the framework. However, the German legislation has yet to be drafted or enter into force.

For the BayWa Group, the new legal framework is set to apply from the financial year 2024 onward. The potential future impact of the regulations on the BayWa Group, including their impact on current taxes and tax payments, is currently being analysed.

A.3 Accounting policies and valuation methods

Intangible assets

Intangible assets purchased against payment are capitalised at cost and, with the exception of goodwill, amortised on a straight-line basis over their useful lives (generally three to five years). Intangible assets which have been created in-house (self-created) have been capitalised in accordance with IAS 38 if it is likely that the future economic benefit will accrue from the use of the assets and if the cost of the assets can be reliably determined. These assets have been recognised at cost, with an appropriate portion of the overheads relating to their development, and amortised on a straight-line basis. The calculation of impairment losses has been carried out in consideration of IAS 36. The calculation of the recoverable amount is based on the value in use.

Goodwill is subject to an impairment test once a year. In the context of the impairment test, the residual book values of the goodwill allocated to the individual cash-generating unit are compared with fair value in use. Cash-generating units are essentially defined as legally independent organisation units directly assignable to the reporting segments within the BayWa Group. In the event of a merger of legally independent organisation units, the respective operating unit or the respective geographically defined segment of the incorporating organisation unit is viewed as the cash-generating unit. In some cases, groups of legally independent organisation units that were acquired at the same time and form a single unit are recognised as a cash-generating unit. Within the BayWa r.e. Group, impairment tests are carried out at the level of the business entities as cash-generating units.

The calculation of the value in use is based on the net present value of future cash flows anticipated from the ongoing use of the cash-generating unit. In this process, the forecast of the cash flows is derived on a regular basis from the current planning prepared by Management on a three-year horizon, as well as other assumptions which are based on the knowledge available at the time, market forecasts and empirical experience.

Property, plant and equipment

Property, plant and equipment are measured at cost, minus depreciation. If necessary, an impairment loss is recognised. The cost is made up of the purchase price, incidental purchase (transaction) costs and subsequent purchase costs, less any price reductions received. If there is an obligation to decommission an asset which is part of non-current assets at the end of its useful life, or to dismantle or rebuild a site, the estimated costs of these activities will raise the cost of purchasing the asset. Property, plant and equipment are depreciated on a straight-line basis over the course of their useful life. The units of production method was also used in exceptional cases where this provided a more accurate representation of the expected pattern of consumption of the future economic benefits. Depreciation is based on the following periods of useful life applied uniformly throughout the Group:

	In years
Company premises and office buildings	25–33
Residential buildings	50
Land improvements	10–20
Technical facilities and machinery	4–30
Other facilities, fixtures and office equipment	3–15

The calculation of impairment losses has been carried out in consideration of IAS 36. Impairment requirements are calculated by comparing the book values of land and buildings and technical facilities with their recoverable amount. The calculation of the recoverable amount is based on the value in use.

Borrowing costs are expensed within the BayWa Group as incurred unless they can be directly attributed to the acquisition, construction or production of a qualifying asset in accordance with IAS 23 and are therefore included in the cost of that asset. The amortisation of capitalised borrowing costs is reported in the consolidated income statement under depreciation and amortisation.

Participating interests recognised at equity, investments and securities

Joint ventures and associated companies included in the consolidated financial statements are recognised using the equity method in proportion to their equity plus any goodwill generated from the acquisition process.

The BayWa Group's investments comprise interests in non-consolidated affiliated companies, interest in other holdings, credit balances with cooperatives, loans and securities. In accordance with the measurement categories of IFRS 9, these financial assets are recognised at fair value through other comprehensive income with and without recycling or at fair value through profit or loss. IFRS 9 is also used for interests in non-consolidated affiliated companies and interest in other holdings. The interest in other holdings relates to associates that are not included under the equity method.

Securities and credit balances with cooperatives were attributed to the "fair value through profit or loss" category at the end of the reporting period. The fair value generally corresponds to the market or stock market value (level 1 of the fair value hierarchy). In the case of interests in non-consolidated affiliated companies and participations in other companies, which are recognised at fair value in accordance with IFRS 9, cost provides the best estimate of fair value, provided the company in question is not listed on a securities market or the earnings position of the affiliated company has not changed materially compared to the plan. The option to measure equity instruments at fair value through other comprehensive income as defined in IFRS 9 is only utilised for a small number of BayWa Group investments. Consistent measurement is applied.

Loans to affiliated companies and holdings, as well as other loans, are attributed to the "amortised cost" category. These are measured at amortised cost using the effective interest method. Due to reasons of materiality, no risk provisions were formed for expected credit losses.

Investment property

Property is classified as investment property in accordance with IAS 40 if it is leased by third parties, if it is land or greenfield sites not built on and not expressly intended for development or use, and in the case of properties used for a number of purposes, if use by the Group is of minor significance.

In accordance with the option under IAS 40, investment property is recognised exclusively at amortised cost and depreciated as scheduled over its period of useful life as indicated under "Property, plant and equipment". The calculation of impairment losses has been carried out in consideration of IAS 36. The calculation of the recoverable amount is based on the value in use.

Financial instruments

Recognition, measurement and classification

Under IAS 32, a financial instrument is an agreement which gives rise simultaneously to a financial asset at one entity and a financial liability or equity instrument at another. Initial recognition is carried out at fair value; for subsequent measurements, the financial instruments are allocated to the measurement categories defined under IFRS 9 and treated accordingly. The BayWa Group's financial assets particularly include trade receivables, financial investments and positive fair values from currency and currency and interest rate hedges. In addition, the positive fair value of commodity futures classified as other current financial assets within the meaning of IFRS 9 would only be recognised for those scheduled for trading and not those scheduled to be utilised by the Group. Due to the application of the own-use exemption for fertilizer and hops, the financial assets resulting from such transactions are not recognised unless losses are expected as a result of said transactions and corresponding provisions are to be formed. Financial liabilities regularly constitute a right of repayment in funds or another other current financial asset. At the BayWa Group, these are especially liabilities due to banks and trade payables, as well as currency and interest rate hedges with negative fair values. The negative fair value of commodity futures classified as financial liabilities within the meaning of IFRS 9 continue to only be recognised for those scheduled for trading and not those scheduled to be utilised by the Group.

According to IFRS 9, financial assets relate to the following categories:
- Amortised cost (AC): If a company aims to hold an other current financial asset to collect the contractual cash flows that are solely payments of principal and interest on the principal amount outstanding at a specified date, this other current financial asset is to be measured at amortised cost. Loans to affiliated companies, loans to Group companies and other loans fall into this category. This category also includes trade receivables, receivables from affiliated and Group companies and other assets, which mainly have short residual terms at the BayWa Group.
- Fair value through other comprehensive income (FVTOCI): A financial asset is to be measured at fair value through other comprehensive income if a company aims to hold or sell it while also collecting the contractual cash flows that are solely payments of principal and interest on the principal amount outstanding at a specified date. This category also includes all equity instruments for which the fair value OCI option has been exercised. The changes in measurement recognised through OCI can no longer be recognised through profit or loss (without recycling) if the fair value through OCI option has been chosen for an equity instrument. For debt instruments recognised at fair value through other comprehensive income, the changes in measurement through OCI must be recognised through profit or loss in the event of their disposal (with recycling).
- Fair value through profit or loss (FVTPL): A financial asset that is not measured at amortised cost or at fair value through other comprehensive income is to be measured at fair value through profit or loss. In particular, securities and non-consolidated shares in affiliated companies and Group companies fall into this category. Measurement is based on the market or stock market value. Gains and losses from subsequent measurements are recorded through profit or loss. In addition, this category only includes the positive fair values of those commodity futures scheduled for trading, as well as currency and interest derivatives that are not included in hedge accounting.

Financial assets are reported in the balance sheet on the settlement date.

The financial liabilities cover the following categories:
- Financial liabilities measured at amortised cost (FLAC): These financial liabilities are measured at amortised cost after their initial recognition. Amortised cost is determined using the effective interest method, under which future payments are discounted at the book value of the financial liability. Gains and losses are recorded directly in the consolidated result.
- Financial liabilities measured at fair value through profit or loss (FVTPL): Derivative financial instruments which are not included in hedge accounting and whose market value from subsequent measurements has resulted in a negative attributable fair value are to be disclosed under this category. Market changes are recorded in the consolidated result through profit or loss. Measurement is made at fair value. This category primarily includes the negative fair values of those commodity futures scheduled for trading, as well as currency and interest derivatives that are not included in hedge accounting.

The option of measuring certain financial instruments at fair value through profit or loss (FVTPL option) is used neither for financial assets nor for financial liabilities at the BayWa Group.

The interest rate benchmark reform (phase 1 and 2) did not result in any material effects.

Derivative financial instruments are used at the BayWa Group in particular to hedge the interest rate and currency risks arising from operating activities. Interest rate swaps and futures and currency futures are the main instruments used. Derivative financial instruments are carried at fair value upon their initial recognition and at the end of each subsequent reporting period. The fair value corresponds to the positive or negative market value.

The BayWa Group conducts its business mainly in the euro zone. However, business activities in foreign currencies are also conducted via consolidated Group companies. Due to the export activities, the majority of the business activities of the consolidated New Zealand companies are denominated in New Zealand dollars, as well as in US dollars, euros, pound sterling and Japanese yen. The business activities of the consolidated American companies and companies in the UK currency area pertain almost exclusively to their respective currency areas. Similarly, the business activities of the consolidated Hungarian companies are restricted almost without exception to the Hungarian currency area. A small volume of transactions in foreign currencies are also conducted in agricultural trade activities at the BayWa Group. If foreign currency futures are concluded, they are hedged by the respective currency future. For those currency futures for which there is a clear hedging relationship with an identifiable underlying transaction, the transaction is a hedge within the meaning of IFRS 9. In cases in which a hedge exists and is designated as such, changes in the market value of derivative financial instruments are recognised directly in other results. For those derivative financial instruments for which there is no clear hedging relationship with an identifiable underlying, the transaction is not a hedge within the meaning of IFRS 9. As a result, currency futures are measured at market value at the end of the reporting period separately from the underlying transactions. Market values are ascertained on the basis of market information available at the end of the reporting period. Hedges generally pertain to the following year's foreign currency futures. As at 31 December 2022, there were currency futures denominated in US dollars, pound sterling, Australian dollars, Polish złoty, Swiss francs and Japanese yen to hedge currency risks.

In the context of financial management, the Group is active on the money market primarily in borrowing short-term term deposits. Outside of the euro zone, the procuring of funds is carried out in the currency area of the respective operating unit. The BayWa Group is therefore exposed to interest rate risk in particular. The Group counteracts this risk by using derivatives of financial instruments, mainly through interest rate swaps and futures. Volume-related hedging always comprises only a base amount of the borrowed funds. For those derivative financial instruments for which there is a clear hedging relationship with an identifiable underlying transaction, the transaction is a hedge within the meaning of IFRS 9. In cases in which a hedge exists and is designated as such, effective changes in the market value of derivative financial instruments are recognised directly in other results. If applicable, ineffective changes in the market value of derivative financial instruments are measured through profit or loss. For those derivative financial instruments for which there is no clear hedging relationship with an identifiable underlying, the transaction is not a hedge within the meaning of IFRS 9. As a result, interest derivatives are measured at market value at the end of the reporting period separately from the underlying transactions. Market values are ascertained on the basis of market information available at the end of the reporting period. Interest rate hedges relate to both non-current and current financings.

If they constitute financial instruments and therefore fall under the scope of IFRS 9, receivables and other assets are to be allocated to the "amortised cost" category and recognised accordingly. Receivables are recognised at their nominal amount as a general rule. Receivables which are non- or low-interest-bearing with terms of more than one year are discounted if the interest effect is material.

Impairment

Under IFRS 9, risk provisions for expected credit losses are to be formed for risks based in particular on the credit rating of the respective contractual party in the case of all financial instruments classified as debt instruments that are not measured at fair value through profit or loss.

Under the general model, risk provisions for expected credit losses resulting from a default event within the next 12 months are to be recognised at addition for all financial instruments classified as debt instruments (stage 1). If the risk of default increases significantly over time (such as payments being over 30 days past due), the expected credit loss period is to be extended to cover the remaining term of the financial instrument so that the risk provisions reflect expectations regarding defaults on payment for the remaining term (stage 2). If there is objective evidence of impairment, such as insolvency on the part of the debtor, a corresponding impairment is to be recognised (stage 3).

Besides the general model to calculate risk provisions, IFRS 9 also provides a simplified method for trade receivables and contract assets without a significant financing component. Under this method, risk provisions for expected credit losses are to be determined at addition for the remaining term (stage 2). The impairment to be recognised in stage 3 in the case of objective evidence of said impairment also applies to the same extent under the simplified method. By contrast, either the simplified approach or the general model can be chosen in the case of lease receivables, as well as for trade receivables and contract assets with a significant financing component.

As in the previous year, extensive analysis showed that risk provisions for stage 1 and stage 2 expected credit losses at the BayWa Group were of minor importance in relation to almost all financial assets at the point of initial application of IFRS 9. As a result, no risk provisions for stage 1 or stage 2 expected losses were formed for reasons of materiality in the case of non-current trade receivables, as well as financial assets included in other non-current assets, which fall under the scope of the general model. In addition, risk provisions also play a minor role, both individually and taken as a whole, in the simplified approach applied to current receivables from affiliated companies and Group companies and financial assets included in other current assets – as in the case of contract assets and lease receivables – meaning that no separate stage 2 provisions were recognised here either. Stage 3 risk provisions are formed if there is any objective evidence of impairment in relation to the aforementioned items.

Separate risk provisions for stage 2 expected credit losses are calculated and recognised for current trade receivables within the scope of an impairment matrix split into the periods by which the receivables are overdue pursuant to the simplified approach under IFRS 9. The primary influencing factors with regard to the value of the risk provisions are the parameters probability of default on the basis of historical defaults, complemented by an assessment of future development of the probability of default on the part of the management, and the underlying receivable amount. The probabilities of default based on historical default rates are also adjusted by a particular percentage that reflects the actual amount of the default on receivables in the event that they are not collectible. As in the previous year, this value was set throughout the Group at 60%. In the financial year 2022, an adjustment of the probability of default due to macroeconomic developments was only necessary to the same immaterial extent as in the previous year with the adjustment due to the coronavirus pandemic (see also C.6 Other receivables and other assets).

Derivatives and hedging relationships
Derivative financial instruments are used at the BayWa Group to hedge currency risks, interest rate risks and commodity futures. Measurement is made at fair value. To avoid fluctuations in earnings due to changes in market values, hedge accounting is used where possible and where deemed financially prudent. The Group designates cash flow hedges and fair value hedges depending on the nature of the underlying transaction and the risk to be hedged. The hedging relationships are recognised in accordance with IFRS 9.

In the case of cash flow hedge accounting, the net measurement result from derivative financial instruments is broken down into an effective portion and ineffective portion. The effective portion is part of the net measurement result which constitutes an effective hedge against cash flow risk and is recognised in a separate equity item (cash flow hedge reserves) without effect on income and in consideration of deferred taxes until the physical fulfilment of the underlying transaction. The ineffective portion, on the other hand, is recognised through profit or loss in the income statement.

If the hedging of an expected payment later results in an other current financial asset or financial liability being recognised, the aggregated gains and losses associated with the hedging of this transaction remain in a separate equity component (OCI) until initial recognition. These gains and losses recognised directly in equity are to be recognised in the income statement in accordance with the effects of the recognised other current financial asset or financial liability. This means that the amounts recognised directly in equity are to be recognised through profit or loss in the same reporting period or periods in which the hedged planned transaction influences the result for the period.

If the hedging of an expected transaction later leads to the recognition of a non-financial asset (such as inventories), the BayWa Group recognises the aggregated gains or losses previously recognised directly in equity in accordance with IFRS 9.6.5.11 d (i) either as part of the cost of the non-financial asset or otherwise as part of the book value at the initial recognition of the non-financial asset (basis adjustment).

Offsetting
Financial assets and liabilities are only offset on account of netting arrangements if, at the end of the reporting period, there is an enforceable right to set them off and there is an intent to settle on a net basis. If a claim is not enforceable in the ordinary course of business, the financial assets and liabilities are reported at the end of the reporting period in the balance sheet at their gross amounts.

Actual and deferred tax assets

Income tax expenses constitute the sum total of current tax expenses and deferred taxes. Current tax expenses are calculated on the basis of taxable income in the year. Taxable income differs from the consolidated result before tax due to expenses and income which are either taxable or tax deductible in subsequent years or never. The Group’s liability in respect of current taxes is calculated on the basis of the prevailing tax rates or those that will be valid in the near future from the standpoint of the reporting date. Deferred taxes are recognised for the differences between the book values of the assets and liabilities in the consolidated financial statements and the corresponding tax valuations in the context of calculating taxable income. Deferred tax liabilities are generally reported for all taxable temporary differences; deferred tax assets are recognised if it is probable that there are taxable gains which can be used for deductible temporary differences. Deferred tax assets on loss carryforwards are recognised if future tax advantages are likely to be realised within the next five years (maximum). Such deferred tax assets and deferred tax liabilities are not recognised if the temporary differences arise from goodwill (separate consideration of tax-related goodwill) or from the initial recognition (except business combinations) of other assets and liabilities that result from transactions which have no effect on taxable income or the net result for the year. Deferred tax liabilities are formed for taxable temporary differences arising from shares held in subsidiaries or in associates, as well as interests in joint ventures, except where the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arise through temporary differences in the context of those investments and loans which are only recorded to the extent that it is probable that there will be sufficient taxable income available from which assets from temporary differences can be used and where the assumption can be made that they will reverse in the foreseeable future.

The book value of deferred tax assets is assessed every year at the end of the reporting period and lowered if it is unlikely that there will be sufficient taxable income for fully or partially realising the claim.

Deferred tax assets and liabilities are calculated on the basis of expected tax rates (and tax laws) which are likely to be valid at the time when liabilities are settled or assets realised. The measurement of deferred tax assets and liabilities reflects the fiscal consequences which would arise from the way in which, at the end of the reporting period, the Group expects the liabilities to be settled and the assets realised.

Deferred tax assets and liabilities are netted if there is an enforceable right for offsetting current tax assets against current tax liabilities and if they are subject to income tax levied by the same tax authority, and the Group has the intention of settling its current tax assets and current tax liabilities on a net basis. Current and deferred taxes are reported as expenses or income through profit or loss unless they are incurred in connection with items not reported in the income statement (either in other comprehensive income or directly in equity). In this case, the tax is also to be reported outside the income statement. Moreover, there is no recognition through profit or loss if tax effects arise from the initial recognition of a business combination. In the case of a business combination, the tax effect is to be included when the business combination is accounted for.

Inventories

Raw materials, consumables and supplies, and unfinished and finished goods, as well as services and merchandise, are disclosed under inventories.

Raw materials, consumables and supplies, as well as merchandise, are generally valued at cost, taking account of lower net realisable values. In most cases, however, the average-cost method is used. In some cases, the first-in, first-out (FIFO) method is applied. Unfinished and finished goods are recognised at their cost of production. They include all costs directly allocable to the production process and an appropriate portion of production-related overheads. Financing costs which can be directly assigned to the purchase, construction or production of a qualifying asset are capitalised as part of the cost of the asset. Agricultural products, harvested from biological assets, are recognised at fair value at the time of harvest less the expected selling costs. Inventory risks arising from the storage period or diminished marketability trigger impairment. Lower values on the reporting date due to lower realisable value are accounted for. One exception to this rule applies to the inventories of those Group companies whose inventories are held exclusively for trading and are therefore measured at fair value less selling costs.

In the case of lower net realisable value, write-downs are generally carried out in the form of specific value adjustments. Only in exceptional cases was a flat rate calculation applied.

The fair value of inventories is derived from prices quoted for comparable inventories in active markets at the end of the reporting period.

The calculation of inventories is carried out through a (brought forward) end-of-period inventory or through continuous inventory.

Biological assets

The unharvested fruits of bearer plants of T&G Global Limited and its subsidiaries in New Zealand are recognised in biological assets. Biological assets are also measured at fair value depending on their location and the condition of the respective plants, less estimated selling costs. Gains or losses from the change in the fair value of biological assets are recognised in the income statement. Selling costs include all costs required to sell the assets.

The fair values of the biological assets of the BayWa Group, which comprise the main categories of apples, tomatoes, citrus fruits, grapes and other fruits, are calculated annually on the basis of discounted cash flows.

Costs are based on current average costs and are in line with standard industry costs. The underlying costs vary depending on the location, the nature of cultivation and variety of the bearer plants. A suitable discount rate is determined to allow the fair value of future cash flows to be calculated. The market value of the biological assets before or during the harvest period is based on estimated harvest volumes and market prices, less harvesting and cultivation costs. Changes in the assumptions and estimates used to determine the market value may have a considerable impact on the carrying value of the biological assets and the reported result of the valuation.

Assets and liabilities from derivatives

The BayWa Group's assets and liabilities from derivatives comprise currency and interest rate hedges, as well commodity futures that are to be classified as financial instruments pursuant to IFRS 9. These assets and liabilities from derivatives are measured at fair value. In the case of FX and interest rate hedges, the fair value is calculated on the basis of the respective stock market or market values (level 1 of the fair value hierarchy) at the end of the reporting period or derived from observable market data (level 2 of the fair value hierarchy). Commodity futures are measured at fair value either directly at prices quoted in an active market at the end of the reporting period (level 1 of the fair value hierarchy) or values are calculated from prices quoted for the respective goods taking into account the term at the end of the reporting period (level 2 of the fair value hierarchy). For the first time in the financial year 2022, certain financial liabilities from derivatives in energy trade activities in the Renewable Energies Segment were measured on the basis of an internal measurement model using factors not based on observable market data (level 3 of the fair value hierarchy).

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cheques and deposits in banks with initial terms of no more than three months. They are recognised at their nominal value.

Non-current assets held for sale/disposal groups

Non-current assets and disposal groups of the BayWa Group are classified as held for sale if there is a Board of Management resolution on the sale and the sale is highly probable within the following year (2023).

IFRS 5 specifies that depreciation of the respective assets must be suspended and impairment losses must only be recognised owing to lower fair values less costs to sell.

Fair value is measured on the basis of ongoing purchase price negotiations taking into account possible costs to sell. In those cases in which it was not possible to derive a disposal price from ongoing purchase price negotiations, the fair value of real estate was measured on the basis of discounted cash flow calculations (level 3 of the fair value hierarchy). The value of land is calculated using current, official standard land values. Location-related advantages and disadvantages are suitably taken into account. In the case of buildings let, the income value of the buildings was calculated by taking into account the actual annual rental income generated, less standard management expenses and the residual useful life of the building.

The gains or losses from disposal realised in connection with non-current assets held for sale/disposal groups are reported in the income statement under other operating income and other operating expenses.

Pension provisions

In Germany, there is a defined benefit statutory basic care scheme for employees which undertakes pension payments depending on the contributions made. In addition, pension provisions are set up as part of the company pension scheme to cover obligations arising from accrued pension rights and from ongoing payments to employees in active service and former employees of the BayWa Group and their dependants. According to the legal, economic and fiscal circumstances of the respective countries, there are different systems of provisioning for retirement which are generally based on the length of service and the remuneration of the employees.

The BayWa Group's current pension commitments are based exclusively on defined benefit plans. They are based both on company agreements and commitments made on a case-by-case basis. For the most part, these are final pay plans. The obligation of the company consists in fulfilling the committed benefits to active and former employees (defined benefit plans). The benefit commitments undertaken by the Group are financed by allocations to provisions.

BayWa grants retirement benefits on the basis of the benefit commitments of benefit plans taken out; the amount paid out depends on the employees' wages or salary. These constitute traditional defined benefit obligations in the form of fixed-sum systems, benchmark systems or final salary based commitments granted in the form of old-age, invalidity, widow/widower or orphan's pensions. The Group bears the actuarial risks for these prior commitments; these risks include longevity and interest rate risks.

The Group's Austrian companies also grant benefit plans; the amount paid out also depends on the employees' wages or salary. These benefit plans are also granted in the form of old-age, invalidity, widow/widower or orphan's pensions. The Group also bears the actuarial risks for these commitments; these risks include longevity and interest rate risks.

In addition, the Austrian Group companies have statutory obligations to issue severance payments after the termination of an employment contract. These obligations are defined benefit plans and, as such, also fall within the scope of IAS 19. The Group also bears interest rate risks in these cases.

The provisions for pensions and severance pay have been formed according to the projected unit credit method in accordance with IAS 19. Pursuant to this method, not only the pension and pension rights at the end of the reporting period, but also future increases in pensions and salaries are accounted for applying a cautious assessment of the relevant variables. This calculation is derived from actuarial appraisals and based on a biometric calculation.

The amount of the pension obligations (known as a defined benefit obligation – DBO) has been calculated using actuarial methods where estimates are indispensable. Along with assumptions of life expectancy, the following premises, which have been established for the companies in Germany and Austria, play a role. In the case of Group companies which are not located in Germany and Austria, benefit commitments only exist in exceptional cases.

Other provisions

Other provisions are formed when there is a present legal or factual obligation towards third parties resulting from an event in the past which is likely to be called upon and the amount of the provision can be reliably estimated. Provisions are recognised in the amount of the anticipated utilisation. Provisions which were not drawn upon in the following year are recognised at the discounted settlement amount at the end of the reporting period. Discounting is based on market rates.

Provisions for restructuring measures are formed in consideration of the stated general recognition criteria, provided a detailed restructuring plan has been submitted and conveyed to the parties affected.

Debt

Within the BayWa Group, debt consists of liabilities to banks, bonds and commercial paper. Upon initial recognition, they are measured at fair value less transaction costs. Subsequently, debt is measured at amortised cost using the effective interest method.

Liabilities

Liabilities primarily relate to trade payables and liabilities from inter-group business relationships. Non-current liabilities are disclosed in the balance sheet at amortised cost. Differences between the historical cost and the repayment amount are taken account of using the effective interest method. Current liabilities are recognised in their repayment or settlement amount. The fair value of the liabilities approximately matches the carrying amount.

Liabilities due to payment providers pertain to the assignment of trade payables to financing partners that are arranged by a service provider. The service provider handles the payment to the supplier and is reimbursed by BayWa two months later. From the point of transfer, the trade payable is reclassified to liabilities due to payment providers, as there is a substantial modification to the contractual terms. The recognition of these liabilities is presented separately in Note C.19. Cash inflows and outflows are reported under cash flow from financing activities.

Leases

A lease exists if a contract grants the right to control use of an identified asset up to a certain point in time in exchange for the payment of remuneration.

IFRS 16 differentiates between lease and service contracts, depending on whether the lessee has the right to control the use of the identified asset. If the lessee has the right to control such use and enjoys all economic benefits during the term of the contract, then it is assumed that the lessee controls the asset.

Lease contracts are recognised as the right of use arising from the lease at the time the asset is made available. A lease liability is simultaneously recognised in the amount of the present value of the remaining lease payments at that point in time.

The right of use is initially measured at cost and then amortised on a straight-line basis over the period of contract. It includes the amount resulting from the initial valuation of the lease obligation, all initial direct costs less any incentives paid by the lessor and all estimated costs that would result from the dismantling, disposal or the return of the leased object to the condition required by the lease.

The lease payments are discounted at the underlying interest rate for the lease. If that interest rate cannot be determined, then the incremental borrowing rate is used. The incremental borrowing rate is determined based on the currency-specific mid-swap adjusted by the creditworthiness-dependent credit spread. The term of the swap depends on the term of the lease. The credit spreads are based on non-subordinated, unsecured bonded loans. At the time of the initial valuation of the lease obligation, fixed lease payments less lease incentive payments, variable payments depending on an index or price, and payments for residual value guarantees are included in the valuation. Further, the exercise price of a purchase option, insofar as it is considered sufficiently certain that it will be exercised, and penalty payments, if it is sufficiently certain that they will be exercised, are taken into account in the valuation.

Extension and termination options are included throughout the Group in many lease contracts. Local management is responsible for managing lease contracts and the associated lease contract terms. Lease contracts are therefore negotiated individually and include a broad range of different terms and conditions. Extension options are considered to be exercised, meaning that the periods resulting from the options are taken into account if the lessee is sufficiently certain that it will exercise the option. Termination options are not taken into account if the lessee is sufficiently certain that it will not exercise the option. In most cases, extension and termination options can be exercised only by the lessee. By contrast, an option that can only be exercised by the lessor is not taken into account, meaning that the payments in the period covered by the option are taken into account when determining the lease liability.

In the case of leases with a contractual period of less than 12 months, and those relating to low-value assets with a nominal value not exceeding €5,000, BayWa makes use of the simplification options under IFRS 16. Consequently, short-term leases or leases concerning an asset of low value are not recognised according to the provisions of IFRS 16. Instead, the resulting lease payments are recognised in the income statement.

The provisions of IFRS 16 are also not applied to rights of use to intangible leased objects. Like operating leases according to IAS 17, internal Group leases will continue to be presented only in the segment report according to IAS 8. Leases with variable lease payments are immaterial at the BayWa Group. Lease and non-lease components are recognised separately.

Leases already in existence at the time of the initial application of IFRS 16 on 1 January 2019 were not revalued and remeasured. Instead, they continued to be recognised according to IAS 17. Contracts newly concluded since 1 January 2019 are recognised and valued according to IFRS 16.

Sub-leases that were classed as operating leases according to IAS 17 and still existed upon the initial application of IFRS 16 were recognised and valued at the time by the sub-lessor to determine whether the lease agreement met the criteria of IFRS 16 and consequently had to be accounted for in accordance with said standard. The BayWa Group carries out the valuation of the sub-lease as at the first-time application based on the applicable term and conditions of the main lease at that time.

Revenues

Revenues and income are generally recognised at the point at which the power over the sold goods or products or rendered services is transferred to the buyer and a transfer of control has taken place. Revenues and earnings are reported minus discounts, rebates and bonuses granted.

Control can be transferred at a point in time or over a certain period of time. For the most part, performance obligations resulting from contracts with BayWa customers are performed at a particular point in time. In such cases, revenue is recognised when control of the goods is passed on to the customer; usually this is the case when the goods or services are provided to the customer.

Performance obligations resulting from contracts with BayWa customers performed over a period of time are particularly attributable to the Agricultural Equipment Segment (e.g. newly constructed animal equipment), the Building Materials Segment (e.g. turnkey house construction and project business in multi-storey housing construction) and the Renewable Energies Segment (e.g. construction of wind farms and solar parks). Pursuant to IFRS 15, revenue recognition over time in accordance with the percentage of completion is mandatory for these kinds of projects and similar projects, with percentage of completion defined according to costs incurred (known as the cost-to-cost method). Percentage of completion is calculated on the basis of contract costs incurred for performed work compared to expected total contract costs.

Under IFRS 15, income for performance obligations that are met over a certain period of time are to be recognised only if the project progress with regard to the fulfilment of the performance obligation can be appropriately and reliably determined on the basis of the information necessary for the cost-to-cost method. If BayWa is unable to appropriately measure the outcome of a performance obligation but still expects to be able to recover the costs incurred while meeting the performance obligation, income is recognised only in the amount of the incurred costs until such time as it becomes possible to appropriately measure the outcome of the performance obligation. However, an appropriate onerous contract provision in accordance with IAS 37 should be reported on the liabilities side if there is no expectation that it will be possible to recover the costs incurred while meeting the performance obligation. Estimated variable remuneration components should only be included in the transaction price, either in whole or in part, if it is highly probable that the recognised aggregated income will not be affected by significant cancellations once the uncertainty associated with the variable consideration has been resolved.

The BayWa Group recognises amounts received before construction work is performed in the consolidated balance sheet as contract liabilities. All invoiced amounts that have not yet been paid by customers are presented in the balance sheet as part of trade receivables. All amounts for which goods or services have already been provided but have not yet been invoiced are presented in the balance sheet as contract assets.

Related party disclosures

Subsidiaries, associates and joint ventures that individually are not included in the consolidated financial statements of BayWa AG within the scope of full consolidation or recognition at equity are referred to as related parties, as are persons who are capable of exerting significant influence over the financial and business policies of the BayWa Group.

A significant influence within the meaning of IAS 24 is constituted by participation in the financial and operating policies of the company, but not the control of these policies. Significant influence may be exercised in several ways, usually by representation on the management board or on the management and/or supervisory bodies, but also by participation, for instance, in the policy-making process through material intra-Group transactions, by interchange of managerial personnel or by dependence on technical information. Significant influence may be gained by share ownership, statute or contractual agreement. With share ownership, significant influence is presumed in accordance with the definition under IAS 28 (Investments in Associates and Joint Ventures [2011]) if a shareholder owns 20% or more of the voting rights, either directly or indirectly, unless this supposition can be clearly refuted. Significant influence can be deemed irrefutable if the policy of the company can be influenced, for instance, by the corresponding appointment of the members to the supervisory bodies.

In addition to the subsidiaries, associates and joint ventures that individually are not included in the consolidated financial statements of BayWa AG within the scope of full consolidation or recognition at equity, the two shareholders – Bayerische Raiffeisen-Beteiligungs-AG, Beilngries, Germany, and Raiffeisen Agrar Invest AG, Vienna, Austria – are business entities that are specifically considered related parties within the BayWa Group.

Natural persons that are considered to be related parties at the BayWa Group are the members of the Management Board and the Supervisory Board.

Subsidies received/government grants

Public subsidies are amounts granted by public-sector authorities in connection with new investments. These subsidies are released through profit or loss over the probable useful life of the respective asset.

A.4 Assumptions and estimates by management

The preparation of the consolidated financial statements necessitates that, to a certain extent, assumptions are made and estimates used which have an impact on the amount and disclosure of assets and liabilities, the income and expenses and the contingent liabilities. Estimates are necessary, particularly in respect of the measurement of property, plant and equipment and intangible assets, as well as inventories, in connection with purchase price allocation, the recognition and measurement of deferred tax assets, the recognition and measurement of pension provisions and other reserves, as well as the carrying out of impairment tests in accordance with IAS 36.

In the case of pension provisions, the discount factor, along with wage and salary and pension trends, is an important parameter for estimates. An increase or decrease in the discount factor affects the net present value of the obligations arising from pension plans. Likewise, changes to anticipated wage, salary and pension trends and expected employee fluctuation also impact the defined benefit obligation (DBO).

In terms of the recognition and measurement of other provisions, assumptions are to be made to a significant extent on the probability of occurrence, maturity and level of risk. The assessment as to whether a present obligation exists is usually based on evaluations by internal and external appraisers. The amount of the provisions is based on anticipated expenses that are calculated on the basis of a case-by-case assessment of the circumstances drawing on empirical figures, the results of similar estimates and ranges of potential utilisations. They can also be calculated by appraisers. Due to the uncertainty associated with such assessments, actual expenses can deviate from estimated expenses.

Impairment tests on goodwill are based on future-oriented assumptions. Justifiable changes in these assumptions could result in the book values of the cash-generating unit exceeding their recoverable amount, thereby triggering impairment. The underlying assumptions are influenced primarily by the market situation of the cash-generating unit. Please refer to Note C.1 for information on the extent to which justifiable changes to the underlying assumptions for material goodwill could result in the book value of the respective cash-generating unit exceeding the recoverable amount.

Deferred tax assets on loss carryforwards are recognised, provided that future tax advantages are likely to be realised within the next five years (maximum). The actual taxable profits in future periods, and thus the actual usability of deferred tax assets, may differ from the estimate at the time when the deferred tax is capitalised.

In respect of property, plant and equipment and lease accounting, assumptions were made with regard to the determination of useful economic lives. In addition, assumptions were also made in relation to leases concerning the expected exercising of extension and termination options. Deviations from the actual useful life are therefore possible, but are estimated to be fairly low. Assumptions made in relation to the definition of useful economic lives are reviewed at regular intervals and, if necessary, modified.

Estimates of the future revenues, growth and the inflation-adjusted margins, as well as the location and variety, are required for determining the fair value of biological assets.

Estimates have been made in respect of inventories, especially in the context of write-downs to the net realisable value. Estimates of the net realisable value are based on the substantive information available at the time when the likely recoverable amounts of inventories were estimated. These estimates take account of changes in prices and costs which are directly associated with events after the reporting period if these events serve to elucidate the conditions already prevailing at the end of the reporting period.

The assessment of the recoverability of receivables is also subject to assumptions which are based in particular on empirical values on recoverability.

Operating expenses of investment property are also subject to estimates based on empirical values from the past.

Estimates and uncertainties can also arise with regard to the recognition of revenues. BayWa AG recognises revenues when control over distinct goods or services is passed to the customer. Revenue realisation is subject to a number of conditions, including the existence of a contract with enforceable rights and obligations and the likely receipt of a consideration – taking into account the creditworthiness of the customer. Revenues are equal to the transaction price that BayWa AG expects to receive. Variable considerations are included in the transaction price if it is highly probable that their inclusion will not result in a significant revenue reversal in the future once the uncertainty associated with the variable consideration has been subsequently resolved. The amount of the variable consideration is calculated either using the expected value method or at the most probable amount, depending on which method provides the most accurate result. If a contract includes a significant financing arrangement, the transaction price is adjusted for the time value of money. If a contract comprises multiple distinct goods or services, the transaction price is allocated to the performance obligations on the basis of the relative standalone selling prices. If these relative standalone selling prices are not directly observable, BayWa AG makes an appropriate estimate. Revenues are recognised for each performance obligation either at a specific point in time or over time. If revenues are recognised over time, it may be necessary to make estimates regarding degrees of completion.

All assumptions and estimates are based on the conditions prevailing and judgements made on the reporting date. In addition, particular consideration is given to economic developments and the business environment of the BayWa Group. There may be differences between actual and estimated amounts should framework conditions develop differently in future business periods. In such cases, the assumptions and, if necessary, the book values of the assets and liabilities affected will be adjusted on subsequent reporting dates. At the time at which the consolidated financial statements were prepared, there were no indications to suggest a material change in the underlying assumptions and estimates.

A.5 Other discretionary decisions and accounting policies

Project business in the Renewable Energies Segment

The BayWa Group engages in project business – particularly in the Renewable Energies Segment, where it plans, constructs and sells wind farms and solar parks. In addition, the Renewable Energies Segment also operates certain wind farms and solar parks. These development, planning and construction activities are usually conducted through Group companies, which in turn render development, planning and construction services for fully consolidated project companies or special purpose vehicles (projects), which have been set up specifically to be sold at a later date. The assets recognised as part of the projects are reported in the consolidated financial statements under inventories due to the fact that they are items held for sale in the normal course of business. Once sold, these assets are derecognised through profit or loss as revenues and through changes in inventories. At Group level, the transaction is akin to the sale of goods that serves to realise the sale of the special purpose vehicle which is also a subsidiary. In addition, the sale of projects is regarded as part of the ordinary activities in the Renewable Energies Segment due to the frequency and significance of this type of business.

Sales of shares in subsidiaries generally fall within the scope of IFRS 10. Due to the differences in accounting approaches (known as diversity in practice), both the IFRS Interpretations Committee (IFRS IC) and the International Accounting Standards Board (IASB) looked into the question of whether the sale of a special purpose vehicle (also known as a corporate wrapper) that primarily serves the purpose of transferring an asset should be reported in accordance with the provisions of IFRS 10 or the provisions of IFRS 15 in June 2020. However, no formal conclusion has been published.

Based on the current state of discussions, the BayWa Group has chosen to recognise and report the sale of such project companies in accordance with the provisions of IFRS 15 insofar as the sale constitutes a revenue-like transaction or, in other words, a transaction that forms part of ordinary activities. Given that the economic substance of these types of project sales is similar to that of a sale of inventory, and that project sales are realised in the manner described above as part of ordinary activities, income from such sales is recognised and reported in revenues in accordance with IFRS 15. Recognising these transactions in accordance with IFRS 10 would primarily affect the reporting of revenues from project sales, which would be calculated under IFRS 10 as net disposal proceeds. In the financial year 2022, revenues and changes in inventories would have been lower, at €408.5 million (2021: €392.2 million) and €418.8 million (2021: €392.2 million) respectively, had project sales been recognised in accordance with IFRS 10. The net disposal proceeds for sold subsidiaries identified as projects amounted to €64.9 million as at 31 December 2022.

Recognition of power purchase agreements (PPAs) in the Renewable Energies Segment

The BayWa Group engages in project business – particularly in the Renewable Energies Segment, where it plans, constructs and sells wind farms and solar parks worldwide. In addition, the Renewable Energies Segment also operates certain wind farms and solar parks. In this context, it also concludes long-term contracts regarding the supply of the energy generated by these wind farms and solar parks (known as power purchase agreements, PPAs for short). Upon completion, the projects are either sold to investors, including the PPAs that have been concluded, or continue to exist at the wind farms and solar parks selected for operation in order to sell the electricity from the proprietary installations. Energy from long-term PPAs is also purchased and resold accordingly in the Energy Trading division of the Renewable Energies Segment.

The PPAs are recognised and measured according to the provisions of IFRS 16, IAS 37 and IFRS 9. A lease as defined in IFRS 16 exists within the scope of physical PPAs if the customer obtains substantially all the economic benefits from using the plant and the right to direct the plant's use. In such cases, BayWa (the lessor) believes that a distinction must be drawn between the recognition of operating and financing leases. While virtual PPAs should be recognised under IFRS 9 as a rule, recognition of physical PPAs at fair value under IFRS 9 should generally only be considered if the own-use exemption does not have to be applied due to a contractual cash settlement, or if the fair value option in accordance with IFRS 9 is applied to avoid an accounting mismatch. Generally, the contracts are classified to the own-use book or the fair value book upon commencement of the physical PPA. By applying the fair value option governed in IFRS 9, an own-use contract may be classified to the fair value book if doing so avoids an accounting mismatch. At BayWa, every physical PPA is reviewed at the outset of the contract to ascertain whether an accounting mismatch in the accounting of the physical PPAs within the scope of the own-use exemption exists. A physical PPA that is considered under the own-use exemption to be an own-use contract is accounted for as an executory contract in accordance with the provisions of IAS 37. A physical PPA that is classified to the fair value book is to be accounted for like a derivative in accordance with IFRS 9. In addition, embedded derivatives that must be recognised separately under IFRS 9 (such as options, floors or caps) may exist in the PPA contracts not already accounted for at fair value if said derivatives are not closely linked with the host contract.

Trading activities in the Cefetra Group Segment and at BayWa Agrarhandel GmbH, Nienburg, Germany

The companies of the Cefetra Group Segment, BayWa Agrarhandel GmbH, Nienburg, Germany, and Grainli GmbH & Co. KG, Hamburg, Germany, exercise the broker-trader exemption defined in IAS 2.3 (b) and are classified as traders. Inventories held by these companies are measured at fair value less costs of disposal. Income and expenses from the fair value measurement are recognised under cost of materials in the income statement. Cost of materials continues to include the net unrealised and realised gains and losses from currency hedges in relation to commodity futures, as well as net income and expenses from foreign currency valuation. Reporting the netted total of the aforementioned effects in cost of materials is standard practice among comparable companies.

Definition of EBIT and EBITDA

At the BayWa Group, earnings before interest and tax (EBIT) consist of income from operating activities plus income from participating interests recognised at equity and other income from shareholdings. Earnings before interest, tax, depreciation and amortisation (EBITDA) are calculated in the same manner. However, amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment are all taken into account in this case.

A.6 Impact of the coronavirus pandemic on the BayWa Group

The coronavirus pandemic did not have any significant negative effects on the BayWa Group in the financial year 2022. Direct restrictions on business activity as a result of coronavirus-related measures were no longer observable in the financial year 2022, with one exception: the New Zealand-based T&G Global Group's access to seasonal workers was limited between February and April 2022, albeit to a much lesser extent than in the previous year. All in all, the pandemic had no or very little – and therefore immaterial – effects on the consolidated revenues, consolidated earnings and the assets, financial position and earnings position of the BayWa Group in the financial year 2022. Measures continued to be taken at the BayWa Group in the financial year 2022 to ensure the optimal protection of employees and customers from infection, the cost of which only to came to an amount in the low, single-digit millions.

A.7 Impact of ESG sustainability factors and climate change on the BayWa Group's financial reporting

The reporting obligation under EU Directive 2014/95/EU (known as the CSR Directive) and its implementation in German law requires BayWa AG, as a public-interest entity, to provide information on non-financial aspects in its (consolidated) management report and publish disclosures on environmental (E), social (S) and governance (G) sustainability factors (for short: ESG sustainability factors) in a corresponding statement (for further details, please refer to the section of the consolidated management report entitled "Sustainability at BayWa"). Despite the lack of a separate International Financial Reporting Standard (IFRS) and explicit statements or opinions in the currently applicable IFRS, the International Accounting Standards Board (IASB) recently pointed out that the ESG sustainability factors may also result in opportunities and risks that are relevant for companies' financial reporting. Depending on their nature and scope, ESG sustainability factors may therefore have an impact on the recognition and/or measurement of line items and may also necessitate specific disclosures in the notes to the (consolidated) financial statements.

Analyses show that ESG sustainability factors could fundamentally have the following implications at the BayWa Group for the application of IFRS or individual line items of the consolidated financial statements:

- Changes in the need for amortisation, depreciation or impairments on assets (including goodwill) within the framework of an impairment test (IAS 36);
- Changes in the useful economic lives of tangible and intangible assets (IAS 16 and IAS 38);
- Impacts on fair value measurement during the valuation of financial and non-financial assets (IFRS 13);
- Changes related to the recognition of provisions and information on contingent liabilities and assets, for example for onerous contracts, dismantling obligations or litigation (IAS 37);
- Adjustment of expected credit losses (ECLs) for financial assets, particularly with regard to the consideration of forward-looking information (IFRS 9 and IFRS 7).

The influence of ESG sustainability factors on the BayWa Group's financial reporting was assessed for the financial year 2022 on a case-by-case basis and in consideration of all information and circumstances known at the time. Taken as a whole, BayWa comes to the conclusion that the ESG sustainability factors do not have a material impact on financial reporting or on the consolidated financial statements for the financial year 2022.

BayWa will constantly monitor and assess potential changes in the impact of ESG sustainability factors on the Group's financial reporting in the financial years to come so as to continue appropriately taking them into consideration in the future, particularly against the backdrop of the increasing utilisation of sustainability-linked financing instruments (ESG-linked bonded loans, ESG-linked syndicated financing agreements, green bonds).

In addition, climate change may also have an impact on financial reporting. The BayWa Group is exposed to global climate change and the increase in extreme weather conditions, particularly in the Agri Trade & Service and Global Produce Segments. A relatively constant annual increase in global demand for agricultural products stands in contrast to the annual fluctuation in production due to potential unfavourable weather in key cultivation regions. The resulting volatility of prices for agricultural commodities leads to both price risks and opportunities to profit from price changes. The fruit- and vegetable-growing activities pose a financial risk to the Group, which arises from the delay between cash outflow for buying, growing and maintaining the crops as well as the costs of the harvest and cash inflow from the sale of the fruit. This risk is managed by actively monitoring net working capital. The Global Produce Segment in particular also faces the risk of weather-related damage to harvests and the necessary infrastructure. No concrete material impact on financial reporting is anticipated at the present time. For further details, please refer to the opportunity and risk report in the consolidated management report and the sustainability report.

A.8 Effects of the war in Ukraine and the resulting change to the macroeconomic environment

Russia's invasion of Ukraine in violation of international law did not have any significant direct negative effects on the BayWa Group. The Cefetra Group Segment recorded a one-off negative effect on its earnings immediately after the outbreak of the war, but was able to more than make up for it over the remainder of the financial year.

Because the BayWa Group does not conduct any significant business activities in either Ukraine or Russia, the war did not lead to any significant direct disruption to operating activities in the financial year 2022. However, both the assets, financial position and earnings position and the revenues and earnings of the BayWa Group were impacted indirectly by the economic consequences of the war. While the rising cost of energy and raw materials led to higher prices in the midst of a generally more volatile macroeconomic environment, the price increases also enabled the BayWa Group to achieve higher trade margins.

The war in Ukraine was also one of the causes of rising inflation and the resulting hike in interest rates, both of which had an effect on financial reporting for the financial year 2022. The increased inflation was mainly reflected in the measurement of pension and other non-current obligations. The rise in interest rates of 2 percentage points year on year also had an impact on impairment tests for intangible assets – particularly goodwill – and for property, plant and equipment. In some cases, the interest trend also caused higher interest expenses for variable-rate borrowing. There was no increase in level 3 expected credit losses in the financial year 2022, neither were there an any inflation- or interest-rated defaults on receivables.

Furthermore, no financial reporting areas were identified that were significantly affected in a financial sense by either the war in Ukraine or the change in inflation and interest rates.

Future direct and indirect effects of economic developments and sanctions on the measurement of the BayWa Group's assets and liabilities are subject to continuous analysis and monitoring.

B Information on Consolidation

B.1 Principles of consolidation

Capital consolidation at the time of initial consolidation is carried out through offsetting the cost against the fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiaries at the time of acquisition (purchase method). If the cost exceeds the fair value of the identifiable assets, liabilities and contingent liabilities purchased, the difference is disclosed as goodwill under intangible assets as part of non-current assets. Goodwill is subject to an annual impairment test (Impairment Only Approach). If the book value of goodwill is higher than the recoverable amounts, impairment must be carried out; otherwise, goodwill remains unchanged. If the cost is lower than the fair value of the identifiable assets, liabilities and contingent liabilities purchased, the differences are recognised immediately through profit or loss.

All receivables and liabilities, as well as provisions within the group of consolidated companies, are offset. Interim results, if material, are eliminated. Interim results realised from associates are eliminated against the corresponding investments recognised at equity. If the respective investment does not exist to a sufficient extent for elimination, other assets related to the affected company are eliminated. If these do not exist or do not exist to a sufficient extent, the interim result is eliminated by recognising it in revenue reserves on the liabilities side to ensure that the earnings position reflects actual developments. It is not recognised as deferred income under other liabilities, as the eliminated interim result does not represent a liability and recognition as other liabilities would incorrectly depict the actual assets. Intra-group revenues, expenses and earnings are netted.

B.2 Group of consolidated companies – fully consolidated companies pursuant to IFRS 10

Under the principles of full consolidation, all domestic and foreign companies on which BayWa AG can exercise direct or indirect control within the meaning of IFRS 10 and where the subsidiaries are not of secondary importance have been included in the consolidated financial statements of BayWa AG, alongside BayWa AG itself. Control exists when BayWa AG has power over significant activities, has exposure, or rights, to variable returns and is able to use its power to affect the amount of the returns. Control is regularly established through an indirect or direct majority of voting rights.

All affiliated companies included in the BayWa AG consolidated financial statements as at 31 December 2022 through full consolidation are listed under Group holdings, which is attached to the Notes to the Consolidated Financial Statements as an appendix.

There were the following changes to the group of consolidated companies in the financial year 2022.

Affiliated companies so far not included in the consolidated financial statements for reasons of materiality

In %	Share in capital	Previous year's share in capital	Comment
ALM Regio 12 B.V., Veghel, Netherlands	100.0	100.0	Initial consolidation on 01/01/2022
ALM Regio 13 B.V., Veghel, Netherlands	100.0	100.0	Initial consolidation on 01/01/2022
ALM Regio 14 B.V., Veghel, Netherlands	100.0	100.0	Initial consolidation on 01/01/2022
ALM Regio 15 B.V., Veghel, Netherlands	100.0	100.0	Initial consolidation on 01/01/2022
Almodovar Solar, Barcelona, Spain	70.0	70.0	Initial consolidation on 01/01/2022
BayWa Power Liquids GmbH, Munich, Germany	100.0	100.0	Initial consolidation on 01/01/2022
BayWa r.e. Nordic 1 AB, Malmö, Sweden	100.0	100.0	Initial consolidation on 01/01/2022
Black Rock Solar II LLC, Irvine, USA	100.0	100.0	Initial consolidation on 01/01/2022
Brüderl Immobilien Holding GmbH, Traunreut, Germany	51.0	51.0	Initial consolidation on 01/01/2022
BTS 18 Projekt GmbH, Buchloe, Germany	100.0	100.0	Initial consolidation on 01/01/2022
Desarrollo Proyecto Fotovoltaico VIII S.L., Barcelona, Spain	100.0	100.0	Initial consolidation on 01/01/2022
Fuels Services GmbH, Munich, Germany	100.0	100.0	Initial consolidation on 01/01/2022
Gea Rinnovabili S.r.l., Milan, Italy	100.0	100.0	Initial consolidation on 01/01/2022
Gourvillette Energies SARL, Paris, France	100.0	100.0	Initial consolidation on 01/01/2022
Greenberry SAS, Paris, France	100.0	100.0	Initial consolidation on 01/01/2022
Guajillo Energy Storage II LLC, Irvine, USA [1]	0.0	100.0	Initial consolidation on 01/01/2022
Hexagone Energie 2 SAS, Paris, France [1]	0.0	100.0	Initial consolidation on 01/01/2022
La Redonda Solar SL, Barcelona, Spain	70.0	70.0	Initial consolidation on 01/01/2022
LODUR Energieanlagen GmbH, Munich, Germany	100.0	100.0	Initial consolidation on 01/01/2022
Patent Co. DOO Misicevo, Mišićevo, Serbia	90.0	90.0	Initial consolidation on 01/01/2022
Pellog GmbH, Oelsnitz, Germany	100.0	100.0	Initial consolidation on 01/01/2022

In %	Share in capital	Previous year's share in capital	Comment
Plankenstein 8 GmbH & Co. KG, Munich, Germany	51.0	51.0	Initial consolidation on 01/01/2022
RENAM S.r.l., Milan, Italy	100.0	100.0	Initial consolidation on 01/01/2022
SDK Power Sdn. Bhd., Kuala Lumpur, Malaysia	48.0	48.0	Initial consolidation on 01/01/2022
Solarna elektrana Proložac d.o.o., Zagreb, Croatia	100.0	100.0	Initial consolidation on 01/01/2022
Solarpark Kobe GmbH, Munich, Germany	100.0	100.0	Initial consolidation on 01/01/2022
SPV Solarpark 105. GmbH & Co. KG, Gräfelfing, Germany	100.0	100.0	Initial consolidation on 01/01/2022
SPV Solarpark 106. GmbH & Co. KG, Gräfelfing, Germany [1]	0.0	100.0	Initial consolidation on 01/01/2022
SPV Solarpark 112. GmbH & Co. KG, Gräfelfing, Germany	100.0	100.0	Initial consolidation on 01/01/2022
SPV Solarpark 118. GmbH & Co. KG, Gräfelfing, Germany	100.0	100.0	Initial consolidation on 01/01/2022
Titus Canyon Solar LLC, Irvine, USA	100.0	100.0	Initial consolidation on 01/01/2022
Unearthed Produce Limited, Mount Wellington, New Zealand	51.0	51.0	Initial consolidation on 01/01/2022
Windpark Langenbrand GmbH & Co. KG, Gräfelfing, Germany	100.0	100.0	Initial consolidation on 01/01/2022
Zonlocatie 2 B.V., Leeuwarden, Netherlands	100.0	100.0	Initial consolidation on 01/01/2022
Zonlocatie 3 B.V., Leeuwarden, Netherlands	100.0	100.0	Initial consolidation on 01/01/2022
Zonnedak F2 B.V., Heerenveen, Netherlands	100.0	100.0	Initial consolidation on 01/01/2022
Zonnepark PV21 B.V., Leeuwarden, Netherlands [1]	0.0	100.0	Initial consolidation on 01/01/2022
Zonnepark PV22 B.V., Leeuwarden, Netherlands	100.0	100.0	Initial consolidation on 01/01/2022
Zonnepark PV29 B.V., Leeuwarden, Netherlands [1]	0.0	100.0	Initial consolidation on 01/01/2022

1 These companies were sold or liquidated over the course of the financial year following their initial consolidation as at 1 January 2022. As a result, the stake held amounted to 0.0% as at 31 December 2022.

Acquired companies included in the consolidated financial statements for the first time owing to attainment of control [1]

In %	Share in capital	Comment
Acamba Renovables, S.L.U., Zaragoza, Spain [2]	100.0	Initial consolidation on 08/11/2022
Aurum HoldCo OY, Helsinki, Finland [2]	100.0	Initial consolidation on 14/10/2022
Driffield Solar and Storage Limited, London, UK [3]	100.0	Initial consolidation on 28/02/2022
Edom Hills Projects 1, LLC, New Castle, USA [3]	100.0	Initial consolidation on 22/02/2022
EVN-ECOWIND Sonnenstromerzeugungs GmbH, Maria Enzersdorf, Austria [3]	50.0	Initial consolidation on 08/08/2022
Heinrich Brüning GmbH, Hamburg, Germany	60.0	Initial consolidation on 28/06/2022
JBM Solar Projects 1 Limited, London, UK [3]	100.0	Initial consolidation on 02/02/2022
PATENT CO. DOO LAKTASI, Laktaši, Bosnia and Herzegovina	100.0	Initial consolidation on 31/01/2022
Rueda Sur Solar 2, S.L.U., Zaragoza, Spain [3]	100.0	Initial consolidation on 08/11/2022
Rueda Sur Solar 1, S.L.U., Zaragoza, Spain [3]	100.0	Initial consolidation on 08/11/2022
Rueda Sur Wind 1, S.L.U., Zaragoza, Spain [3]	100.0	Initial consolidation on 08/11/2022
Rueda Sur Wind 2, S.L.U., Zaragoza, Spain [3]	100.0	Initial consolidation on 08/11/2022
Rueda Sur Wind 3, S.L.U., Zaragoza, Spain [3]	100.0	Initial consolidation on 08/11/2022
Sol in one GmbH, Kaiserslautern, Germany	80.0	Initial consolidation on 24/01/2022
South Fambridge Hall Solar Park Limited, London, UK [3]	100.0	Initial consolidation on 13/05/2022
Suntree GmbH, Hamburg, Germany	100.0	Initial consolidation on 28/06/2022
Wooyoung Solar Power Co., Ltd, Seoul, South Korea [3]	100.0	Initial consolidation on 04/05/2022
Zonnepark Skulenboarch B.V., Leeuwarden, Netherlands [3]	100.0	Initial consolidation on 08/02/2022

1 No shares were held in these companies in the previous year.
2 These entities are holding companies without business operations, for which no purchase price allocation was carried out in accordance with IFRS 3.
3 These entities are acquired project companies without business operations, for which no purchase price allocation was carried out in accordance with IFRS 3.

Established companies included in the consolidated financial statements for the first time [1]

In %	Share in capital	Comment
BayWa r.e. Windparkportfolio 1 GmbH & Co. KG, Gräfelfing, Germany	100.0	Initial consolidation on 27/01/2022
BayWa r.e. Wind Asset Holding Korea Co., Ltd., Seoul, South Korea	100.0	Initial consolidation on 30/03/2022

In %	Share in capital	Comment
Bellevue Bad Heilbrunn GmbH & Co. KG, Günzburg, Germany	51.0	Initial consolidation on 22/06/2022
Big Creek Solar 3 LLC, Irvine, USA	100.0	Initial consolidation on 08/07/2022
Brüderl Projekt Amalienstraße GmbH & Co. KG, Traunreut, Germany	100.0	Initial consolidation on 20/09/2022
Brüderl Projekt Lerchenweg GmbH & Co. KG, Traunreut, Germany	51.0	Initial consolidation on 31/01/2022
Bullawah Wind Farm Pty Ltd, Richmond, Australia	100.0	Initial consolidation on 27/06/2022
Fern Solar Class B Holdings LLC, Irvine, USA	100.0	Initial consolidation on 27/10/2022
Kariboe Wind Farm Pty Ltd, Richmond, Australia	100.0	Initial consolidation on 17/06/2022
Little Prairie Solar LLC, Irvine, USA	100.0	Initial consolidation on 16/08/2022
Pine Lake Solar LLC, Irvine, USA	100.0	Initial consolidation on 26/04/2022
Prairie Solar Holdings LLC, Irvine, USA	100.0	Initial consolidation on 30/11/2022
Projekt Aichach S7 GmbH & Co. KG, Augsburg, Germany	51.0	Initial consolidation on 23/02/2022
Projekt Zirndorf W21 GmbH, Augsburg, Germany	51.0	Initial consolidation on 06/07/2022
SAH Class B Borrower LLC, Irvine, USA	100.0	Initial consolidation on 27/10/2022
SAH Portfolio I LLC, Irvine, USA	100.0	Initial consolidation on 27/10/2022
Sedaco Mozambique Limitada, Beira, Mozambique	100.0	Initial consolidation on 04/08/2022
T&G Berries Australia PTY Limited, Melbourne, Australia	85.0	Initial consolidation on 27/01/2022
T&G Europe SAS, Lafrançaise, France	100.0	Initial consolidation on 23/06/2022

1 No shares were held in these companies in the previous year.

Companies no longer included in the consolidated financial statements owing to mergers [1]

In %	Previous year's share in capital	Comment
BayWa IT GmbH, Munich, Germany	100.0	Merged with BayWa AG, Munich, Germany, as at 01/01/2022
Schumann Wind, LLC, Wilmington, USA	100.0	Merged with Chopin Wind, LLC, Wilmington, USA, as at 18/08/2022
RENERCO GEM 1 GmbH, Gräfelfing, Germany	100.0	Merged with BayWa r.e. Italia Assets GmbH, Gräfelfing, Germany, as at 01/09/2022

1 No shares were held in these companies as at the end of the financial year 2022 on account of their merger.

Companies no longer included in the consolidated financial statements owing to loss of control [1]

In %	Previous year's share in capital	Comment
a.a.t. Substrathandel GmbH, Wittenburg, Germany	100.0	Sold on 30/09/2022
Al Dahra BayWa Agriculture LLC, Abu Dhabi, United Arab Emirates	49.0	Sold on 25/07/2022
AMUR S.L.U., Barcelona, Spain [2]	100.0	Liquidated on 22/12/2022
Arlena Energy S.r.l., Milan, Italy [2]	100.0	Sold on 04/02/2022
Aufwind BB GmbH & Co. Zweiundzwanzigste Biogas KG, Regensburg, Germany	100.0	Sold on 30/09/2022
BayWa r.e. Bioenergy GmbH, Regensburg, Germany	100.0	Sold on 30/09/2022
Bracks Farm Solar Park Limited, London, UK [2]	100.0	Sold on 23/12/2022
Cefetra Hungary Kft., Budapest, Hungary	100.0	Liquidated on 17/10/2022
Corazon Energy Class B LLC, Irvine, USA	100.0	Sold on 18/02/2022
Corazon Energy LLC, Irvine, USA [2]	100.0	Sold on 18/02/2022
Corazon Tax Equity Partnership LLC, Irvine, USA	100.0	Sold on 18/02/2022
Cotopaxi Energy Storage LLC, Irvine, USA [2]	100.0	Liquidated on 31/12/2022
Diapur Wind Farm Pty Ltd, Richmond, Australia [2]	100.0	Sold on 01/12/2022
EE Biogasanlage Brandis GmbH & Co. KG, Regensburg, Germany [2]	100.0	Sold on 30/09/2022
Euren Biogas Società Agricola a r.l., Naples, Italy [2]	100.0	Sold on 30/09/2022
Ferguson Wind Farm Pty Ltd, Richmond, Australia [2]	100.0	Sold on 01/12/2022
Fruitmark USA Inc., Oceano, USA	100.0	Liquidated on 19/01/2022
Grande Lande Energies SAS, Paris, France [2]	100.0	Sold on 19/12/2022
Guajillo Energy Storage II LLC, Irvine, USA [2]	100.0	Liquidated on 31/12/2022

In %	Previous year's share in capital	Comment
Guajillo Energy Storage LLC, Irvine, USA [2]	100.0	Sold on 18/02/2022
Hexagone Energie 2 SAS, Paris, France [2]	100.0	Sold on 16/12/2022
Landhandel Knaup GmbH, Borchen, Germany	51.0	Sold on 20/01/2022
Les Pierres Blanches Energies, Paris, France [2]	100.0	Sold on 29/03/2022
Northshore Solar 1 LLC, Irvine, USA [2]	100.0	Liquidated on 31/12/2022
Ouyen HoldCo Pty Ltd, Richmond, Australia	100.0	Liquidated on 25/02/2022
Ouyen Solar Farm Pty Ltd, Richmond, Australia [2]	100.0	Liquidated on 25/02/2022
PAF Projects for Advanced Fuels GmbH, Regensburg, Germany	100.0	Sold on 30/09/2022
R&S ENERGY capital-GmbH & Co. KG, Regensburg, Germany [2]	100.0	Sold on 30/09/2022
r.e Bioenergie Betriebs GmbH & Co. Zehnte Biogas KG, Regensburg, Germany	100.0	Sold on 30/09/2022
r.e Bioenergie Betriebs GmbH & Co. Zwölfte Biogas KG, Regensburg, Germany	100.0	Sold on 30/09/2022
Rock Power S.L.U., Barcelona, Spain [2]	100.0	Sold on 22/12/2022
Schradenbiogas GmbH & Co. KG, Gröden, Germany	94.5	Sold on 15/12/2022
Scurf Dyke Solar Limited, London, UK [2]	100.0	Sold on 21/12/2022
SolarPark 4a LLC, New York, USA [2]	100.0	Sold on 12/12/2022
SPV Solarpark 106. GmbH & Co. KG, Gräfelfing, Germany [2]	100.0	Sold on 29/12/2022
Tessennano Energy S.r.l., Milan, Italy [2]	100.0	Sold on 04/02/2022
Ubon Saeng Arthid Co., Ltd., Bangkok, Thailand [2]	97.0	Sold on 01/07/2022
UNL 18 Solar B.V., Heerenveen, Netherlands [2]	100.0	Sold on 30/09/2022
Valentine Peak Solar LLC, Irvine, USA [2]	100.0	Liquidated on 31/12/2022
Varennes Energies SAS, Paris, France [2]	100.0	Sold on 29/03/2022
Varennes Solaire 2 SAS, Paris, France [2]	100.0	Sold on 29/03/2022
Watt Development SPV 1 S.L.U., Barcelona, Spain [2]	100.0	Sold on 20/12/2022
Watt Development SPV 4 S.L.U., Barcelona, Spain [2]	100.0	Sold on 20/12/2022
Watt Development SPV 8 S.L.U., Barcelona, Spain [2]	100.0	Sold on 20/12/2022
Windpark Wilhelmshöhe IV GmbH & Co. KG, Gräfelfing, Germany [2]	100.0	Sold on 13/04/2022
Zonnepark B.V., Heerenveen, Netherlands [2]	100.0	Liquidated on 20/01/2022
Zonnepark PV10 B.V., Heerenveen, Netherlands [2]	100.0	Sold on 30/12/2022
Zonnepark PV12 B.V., Heerenveen, Netherlands [2]	100.0	Sold on 19/08/2022
Zonnepark PV15 B.V., Heerenveen, Netherlands [2]	100.0	Sold on 14/02/2022
Zonnepark PV16 B.V., Heerenveen, Netherlands [2]	100.0	Sold on 30/12/2022
Zonnepark PV18 B.V., Heerenveen, Netherlands [2]	100.0	Sold on 24/03/2022
Zonnepark PV2 B.V., Heerenveen, Netherlands [2]	100.0	Sold on 30/09/2022
Zonnepark PV21 B.V., Leeuwarden, Netherlands [2]	100.0	Sold on 19/08/2022
Zonnepark PV29 B.V., Leeuwarden, Netherlands [2]	100.0	Sold on 01/09/2022

1 No shares were held in these companies as at the end of the financial year 2022.

2 These entities are project companies whose sale is recognised and reported in the income statement according to IFRS 15 (see also Note A.5).

Control in the companies presented below exists through contractual agreements or other agreements, despite the lack of an indirect or direct majority of voting rights in accordance with the capital shares. As a result, these companies are also included in the BayWa AG consolidated financial statements according to the principles of full consolidation.

In %	Share in capital	Previous year's share in capital	Comment
Delica North America, Inc., Torrance, USA	50.0	50.0	With 60% majority of voting rights and rights to the returns
EVN-ECOWIND Sonnenstromerzeugungs GmbH, Maria Enzersdorf, Austria	50.0	–	Controlling influence on business activity
RWA Raiffeisen Ware Austria Aktiengesellschaft, Korneuburg, Austria	50.0	50.0	Majority of voting rights
SDK Power Sdn. Bhd., Kuala Lumpur, Malaysia [1]	48.0	–	Operational management as well as majority representation in management body
T&G CarSol Asia PTE. Ltd, Singapore, Singapore [1]	50.0	50.0	Controlling influence on business activity
T&G Vizzarri Farms Pty Ltd, Tullamarine, Australia	50.0	50.0	Operational management as well as majority representation in management body
Worldwide Fruit Limited, Spalding, UK	50.0	50.0	Operational management and control through executive board

1 These companies were included in the consolidated financial statements for the first time in the financial year 2022.

Additions due to acquisitions in the financial year 2022

Addition: Heinrich Brüning GmbH, Hamburg, Germany
BayWa AG acquired 60% of the shares in Heinrich Brüning GmbH, a provider of dried fruits and nut kernels based in Hamburg, Germany, through Cefetra Group B.V., Rotterdam, Netherlands, by way of a share deal. The Group also acquired the wholly owned subsidiary Suntree GmbH, Hamburg, Germany, through Heinrich Brüning GmbH. A controlling influence has existed since 28 June 2022. Since that date, Heinrich Brüning GmbH and Suntree GmbH have been included in the consolidated financial statements of BayWa AG within the scope of full consolidation. The acquisition of Heinrich Brüning marks another important step for Cefetra Group in strengthening its market position as a supplier of food ingredients. The cost of the shares comes to €9.5 million and includes the contractually agreed purchase price component of €6.9 million paid in July 2022, as well as contingent purchase price components that will depend on the development of EBIT in the financial years 2023 to 2025. Due to the anticipated earnings development of Heinrich Brüning GmbH at the time of acquisition, a contingent purchase price component of €2.6 million was recognised. According to the preliminary purchase price allocation, goodwill amounted to €3.3 million. The transaction costs incurred in relation to the acquisition amounted to €0.6 million.

Addition: Patent Co. DOO Misicevo, Mišićevo, Serbia
As part of a share deal, RWA AG acquired 90% of the shares in Patent Co. DOO Misicevo, a Serbian mixed feed company registered in Mišićevo, Serbia, through RWA International Holding GmbH, Korneuburg, Austria. Along with Patent Co. DOO, RWA AG also acquired the wholly owned subsidiary PATENT CO. DOO LAKTASI, Laktaši, Bosnia and Herzegovina. A controlling influence has existed since 31 January 2022. Since that date, both companies have been included in the consolidated financial statements of BayWa AG within the scope of full consolidation. The goal of the acquisition is to strengthen the product portfolio and the geographical position in the field of feedstuff and feedstuff additives. The cost of the acquired shares comes to €71.9 million. In addition, a call/put option agreement regarding the acquisition of the remaining 10% stake has been reached. Because the put option in question is a fair value put option, IFRS 10 has been given priority over IAS 32, meaning that the non-controlling interests have not been derecognised. Consequently, the non-controlling interests were still fully accounted for as at 31 December 2022. The liability resulting from the fair value put option was formed to the detriment of equity and stands at €8.9 million, with the calculation based on a one-year achievement of the earnings before interest, tax, depreciation and amortisation (EBITDA) target of 100%. According to the purchase price allocation, goodwill amounted to €35.1 million. The transaction costs incurred in connection with the acquisition amount to €0.9 million.

Addition: Sol in one GmbH, Kaiserslautern, Germany
BayWa AG acquired 80% of the shares in Sol in one GmbH, Kaiserslautern, Germany, through BayWa r.e. AG, Munich, Germany, by way of a share deal. The business operations of Sol in One GmbH include the planning, assembly, maintenance and monitoring of roof- and carport-mounted PV systems and free-standing PV projects. A controlling influence has existed since 24 January 2022. The entity has been fully consolidated in BayWa AG's consolidated financial statements since 1 February 2022. The transaction helps the Energy Solutions business entity to implement its strategy of expanding such PV installation capacities to supplement both the Energy Solutions value chain and the existing business sectors. The cost of the shares comes to €12.0 million In addition to the contractually agreed purchase price component of €7.1 million paid in January 2022, a contingent purchase price component of no more than €12.0 million that will depend on the development of EBIT in the financial years 2021 to 2024 was agreed. Due to the anticipated earnings development of Sol in one GmbH at the time of acquisition, a contingent purchase price component of €4.9 million was recognised. In addition, a call/put option agreement regarding the acquisition of the remaining 20% stake has been reached. Because the put option in question is a fair value put option,

IFRS 10 has been given priority over IAS 32, meaning that the non-controlling interests have not been derecognised. Consequently, the non-controlling interests were still fully accounted for as at 31 December 2022. The liability resulting from the fair value put option was formed to the detriment of equity and stands at €4.8 million, as calculated on the basis of the expected level of achievement of the (expected) earnings before interest and tax (EBIT) targets for the years 2021 to 2024. The preliminary purchase price allocation resulted in goodwill of €7.5 million. The transaction costs incurred in relation to the acquisition amounted to €0.3 million.

Other additions of secondary importance

Furthermore, the following addition was made to the group of consolidated companies in the financial year, which, taken individually, does not have a material effect on the assessment of the assets, financial position and earnings position of the BayWa Group:

- **RENAM S.r.l., Milan, Italy**
  BayWa AG acquired 100% of the shares in RENAM S.r.l., Milan, Italy, through BayWa r.e. Operation Services S.r.l., Milan, Italy, by way of a share deal. The company is active in the fields of commercial and technical management, as well as in technical consultancy for wind and photovoltaic installations. The acquisition cements the BayWa r.e. Group's position in Italy as a full provider of services for owners of wind and photovoltaic installations. A controlling influence has existed since 22 December 2021. The initial consolidation of the company in the consolidated financial statements within the scope of full consolidation took place with effect from 1 January 2022. The cost of the acquisition amounted to €0.2 million. Goodwill stood at the same amount as a result of the preliminary purchase price allocation. The transaction cost for the shares comes to €0.1 million

In summary, additions to assets (excluding goodwill) and liabilities from company acquisitions measured at fair value are as follows, broken down by major category, for the financial year 2022:

In € million	Heinrich Brüning GmbH	Patent Co. DOO	Sol in one GmbH	Other additions	**Total additions in 2022**
Assets					
Intangible assets	3.5	3.4	4.5	0.2	11.6
Property, plant and equipment	5.6	25.4	1.0	0.0	32.0
Investments	–	–	–	–	–
Inventories	31.5	18.3	1.0	–	50.8
Financial assets	–	0.0	–	–	0.0
Receivables and other assets	5.0	17.7	8.8	0.2	31.7
thereof: receivables (gross)	–	15.7	2.8	–	18.5
thereof: receivables considered recoverable	–	14.2	2.7	–	16.9
Deferred tax assets	–	4.2	0.1	–	4.3
Cash and cash equivalents	0.0	2.4	0.5	0.2	3.1
Shareholders' equity and liabilities					
Non-current liabilities	1.0	9.9	–	0.1	11.0
Short-term debt	18.9	12.9	3.9	–	35.7
Current trade payables and liabilities from inter-group business relationships	13.6	–	–	–	13.6
Current income tax liabilities	–	–	0.3	–	0.3
Other current liabilities	0.4	7.0	4.2	0.4	12.0
Deferred tax liabilities	1.1	0.8	1.9	–	3.8
Acquired net assets at the point of initial consolidation	**10.6**	**40.8**	**5.7**	**0.0**	**57.1**
Share attributable to shareholders of the parent company	6.3	36.8	4.6	0.0	47.7
Share attributable to minority shareholders	4.3	4.0	1.1	0.0	9.4

The goodwill reconciliation at the time of initial consolidation is as follows:

In € million	Heinrich Brüning GmbH	Patent Co. DOO	Sol in one GmbH	Other additions	**Total additions in 2022**
Contribution transferred in return for the acquisition of the shares	9.5	71.9	12.0	0.2	93.6
Non-controlling interests in the acquired companies	4.3	4.0	1.1	–	9.4
Acquired net assets at the point of initial consolidation	6.3	36.8	4.6	0.0	47.7
Goodwill	**3.3**	**35.1**	**7.5**	**0.2**	**46.1**

Capitalised goodwill includes non-separable intangible assets such as employee expertise and expected synergy effects.

Revenue and earnings contribution of the companies consolidated for the first time in the reporting period

In € million	Heinrich Brüning GmbH	Patent Co. DOO	Sol in one GmbH	Other additions	**Total additions in 2022**
Revenues from the point of initial consolidation	49.3	120.7	27.7	1.2	198.9
Profit/loss from the point of initial consolidation	0.2	2.4	1.6	0.0	4.2
Pro forma revenues for the period from 01/01 to 31/12/2022	92.2	126.7	35.6	1.2	255.7
Pro forma profit/loss for the period from 01/01 to 31/12/2022	- 0.4	1.9	0.7	0.0	2.2

Additional information on company acquisitions in the previous year

In the previous year, the purchase price allocations relating to the acquisitions of NWind GmbH, Hanover, Germany; BayWa r.e. Solar Systems s.r.o., Prague, Czechia; EE Biogasanlage Brandis GmbH & Co. KG, Regensburg, Germany; Enerpole SAS, Carcassonne, France; PV Integ AG, Ebikon, Switzerland; and Renertech Rotorblattservice GmbH & Co. KG, Bad Wünnenberg, Germany, were reported as preliminary. The final purchase price allocations did not result in any material changes compared to the preliminary allocations included in the Notes to the Consolidated Financial Statements.

Disposals from the group of consolidated companies in the financial year 2022

Al Dahra BayWa Agriculture LLC, Abu Dhabi, United Arab Emirates
Effective 25 July 2022, BayWa AG sold its 49% stake in Al Dahra BayWa Agriculture LLC, Abu Dhabi, United Arab Emirates, plus 2% of the shares managed by and attributable to BayWa AG by way of a trust and fiduciary agreement. Since that date, BayWa AG has not held any more shares in the company.

BayWa r.e. Bioenergy Group
Effective 30 September 2022, BayWa r.e. AG, Munich, Germany, sold 100% of the shares in its biogas portfolio, consisting of BayWa r.e. Bioenergy GmbH, Regensburg, Germany, and its subsidiaries (Aufwind BB GmbH & Co. Zweiundzwanzigste Biogas KG, Regensburg, Germany; r.e Bioenergie Betriebs GmbH & Co. Zehnte Biogas KG, Regensburg, Germany; r.e Bioenergie Betriebs GmbH & Co. Zwölfte Biogas KG, Regensburg, Germany; PAF Projects for Advanced Fuels GmbH, Regensburg, Germany; Euren Biogas Società Agricola a r.l., Naples, Italy; EE Biogasanlage Brandis GmbH & Co. KG, Regensburg, Germany; a.a.t. Substrathandel GmbH, Wittenburg, Germany; and R&S ENERGY capital-GmbH & Co. KG, Regensburg, Germany).

Schradenbiogas GmbH & Co. KG, Gröden, Germany
Effective 15 December 2022, BayWa AG sold its 94.5% stake in Schradenbiogas GmbH & Co. KG, Gröden, Germany. Since that date, BayWa AG has held no further shares in the company.

The effect of these three sales on the consolidated financial statements owing to loss of control is as follows:

Assets and liabilities derecognised owing to loss of control

In € million	Al Dahra BayWa Agriculture LLC	BayWa r.e. Bioenergy Group	Schradenbiogas GmbH & Co. KG	**Total disposals in 2022**
Assets				
Property, plant and equipment and intangible assets	42.3	6.4	15.6	64.4
Investments	–	0.1	0.0	0.1
Other non-current assets	–	0.6	0.9	1.5
Inventories	1.0	27.8	0.0	28.8
Receivables and other assets	2.9	16.3	4.0	23.2
Cash and cash equivalents	8.2	4.7	0.7	13.6
	54.4	**56.0**	**21.2**	**131.6**
Shareholders' equity and liabilities				
Non-current provisions	–	0.5	0.0	0.5
Long-term debt	47.0	0.6	1.1	48.7
Non-current trade payables and other non-current liabilities	–	0.4	0.4	0.8
Current provisions	0.3	5.4	0.4	6.1
Short-term debt	–	13.8	0.5	14.3
Current trade payables and other current liabilities	3.2	33.7	22.8	59.7
	50.5	**54.5**	**25.2**	**130.2**
Net assets on the disposal date	**4.0**	**1.6**	**- 3.9**	**1.7**
thereof: attributable to minority shareholders	2.0	–	- 0.2	1.8
thereof: attributable to shareholders of the parent company	2.0	1.6	- 3.7	- 0.2

Gains or losses from disposals in the financial year 2022

In € million	Al Dahra BayWa Agriculture LLC	BayWa r.e. Bioenergy Group	Schradenbiogas GmbH & Co. KG	**Total disposals in 2022**
Consideration received in the form of cash and cash equivalents for the sold shares	3.6	37.9	5.0	46.5
Less net assets relinquished on a pro rata basis at the time of sale	2.0	1.6	- 3.7	- 0.1
Disposal result	**1.6**	**36.3**	**8.7**	**46.6**

Profit and loss from disposals is included in the income statement under the result from participating interests.

Incoming net cash and cash equivalents from disposals in the financial year 2022

In € million	Al Dahra BayWa Agriculture LLC	BayWa r.e. Bioenergy Group	Schradenbiogas GmbH & Co. KG	**Total disposals in 2022**
Purchase price settled through cash and cash equivalents	3.6	37.9	5.0	46.5
Less cash and cash equivalents paid out in connection with the disposal	8.2	4.7	0.7	13.6
	- 4.6	**33.2**	**4.3**	**32.9**

Material non-controlling interests

Companies in which BayWa AG either directly or indirectly holds less than 100% of the capital and voting rights are also included in BayWa AG's consolidated financial statements.

The summary of financial information for Group companies in which material non-controlling interests are held is as follows:

In € million	BayWa r.e. AG, Munich, Germany [1]		T&G Global Limited, Auckland, New Zealand [1]	
	31/12/2022	31/12/2021	**31/12/2022**	31/12/2021
Share in the capital and voting rights held by the non-controlling interests (in %)	49.00	49.00	26.01	26.01
Share in the annual result attributable to non-controlling interests	55.3	41.4	3.3	3.3
Aggregated non-controlling interests	611.0	511.2	81.6	77.9
Dividends distributed to non-controlling interests	19.0	0.0	0.0	1.2
Financial information (prior to consolidation)				
Current assets	3,361.6	3,360.1	199.5	175.0
Non-current assets	1,702.1	1,170.3	367.6	329.1
Current liabilities	1,772.8	1,770.6	133.9	122.7
Non-current liabilities	2,093.2	1,726.4	169.8	118.2
Revenues	6,480.9	3,553.6	920.9	938.0
Net result for the year	77.4	82.6	4.6	26.2
Other earnings	122.5	- 25.7	5.2	31.7
Total earnings	**199.9**	**56.9**	**9.8**	**57.9**

1 To ensure comparability, the previous year's figures were adjusted in line with the parameters used in the financial year 2022.

In € million	RWA AG, Korneuburg, Austria [1]		"UNSER LAGERHAUS" WARENHANDELSGESELLSCHAFT m.b.H., Klagenfurt, Austria	
	31/12/2022	31/12/2021	**31/12/2022**	31/12/2021
Share in the capital and voting rights held by the non-controlling interests (in %)	50.00	50.00	48.94	48.94
Share in the annual result attributable to non-controlling interests	22.8	12.2	4.1	5.3
Aggregated non-controlling interests	260.2	257.1	39.9	38.2
Dividends distributed to non-controlling interests	3.2	3.2	2.2	2.0
Financial information (prior to consolidation)				
Current assets	1,033.7	801.0	147.1	120.3
Non-current assets	517.3	479.1	122.0	115.0
Current liabilities	844.0	615.2	149.0	116.8
Non-current liabilities	207.3	163.1	38.6	40.5
Revenues	4,027.0	2,951.3	694.6	559.5
Net result for the year	39.4	22.8	8.3	10.7
Other earnings	- 27.0	25.6	0.0	0.0
Total earnings	**12.4**	**48.4**	**8.3**	**10.7**

1 To ensure comparability, the previous year's figures were adjusted in line with the parameters used in the financial year 2022.

In € million	Royal Ingredients Group International B.V., Alkmaar, Netherlands		TFC Holland B.V., Maasdijk, Netherlands	
	31/12/2022	31/12/2021	**31/12/2022**	31/12/2021
Share in the capital and voting rights held by the non-controlling interests (in %)	–	40.00	10.53	10.53
Share in the annual result attributable to non-controlling interests	–	5.5	0.1	0.4
Aggregated non-controlling interests	–	4.3	0.8	1.3
Dividends distributed to non-controlling interests	–	2.0	0.4	0.5
Financial information (prior to consolidation)				
Current assets	6.1	4.3	25.2	18.2
Non-current assets	14.0	14.0	34.3	13.4
Current liabilities	2.1	7.5	34.3	18.7
Non-current liabilities	–	–	17.3	0.3
Revenues	–	–	74.0	77.7
Net result for the year	0.3	13.8	1.4	3.8
Other earnings	–	–	–	–
Total earnings	**0.3**	**13.8**	**1.4**	**3.8**

With effect from 29 April 2022, BayWa AG acquired the remaining 40% of the shares in Royal Ingredients Group International B.V., Alkmaar, Netherlands, through the Group company Cefetra Group B.V., Rotterdam, Netherlands. This means that 100% of the shares in the company have been attributable to Cefetra Group B.V. since the acquisition date. The cost of the shares comes to €38.6 million and comprises the contractually agreed purchase price component of €38.6 million that was paid out in April 2022. The carrying amount of the previous minority interests in the equity of Royal Ingredients Group International B.V. amounted to €5.3 million as at the acquisition date. As a result of this transaction, the minority interest included in the consolidated financial statements fell by €5.3 million, and the equity attributable to the shareholders of the parent company declined by €33.3 million due to the offsetting of the difference arising from the successive acquisition. The transaction costs incurred in connection with the acquisition of the shares amount to €0.1 million. These costs are included in the consolidated income statement under other operating expenses.

In € million	BayWa Vorarlberg HandelsGmbH, Lauterach, Austria	
	31/12/2022	31/12/2021
Share in the capital and voting rights held by the non-controlling interests (in %)	49.00	49.00
Share in the annual result attributable to non-controlling interests	1.1	1.0
Aggregated non-controlling interests	6.5	6.5
Dividends distributed to non-controlling interests	1.1	3.5
Financial information (prior to consolidation)		
Current assets	26.5	21.2
Non-current assets	26.1	25.9
Current liabilities	26.2	19.7
Non-current liabilities	13.0	14.1
Revenues	97.1	84.3
Net result for the year	2.3	2.0
Other earnings	–	0.1
Total earnings	**2.3**	**2.2**

Companies of secondary importance

Owing to their generally secondary importance, 92 (2021: 101) domestic and 276 (2021: 235) foreign affiliated companies are not included in the consolidated financial statements. These companies are recognised in the consolidated balance sheet and measured as under IFRS 9. The aggregated annual results and aggregated equity (unconsolidated HB I values based on the individual financial statements) of these companies in the financial year 2022 are set out below:

Unconsolidated affiliated companies	In € million	Share in relation to the sum total of all affiliated companies in %
Net result for the year	- 1.2	- 0.3
Equity	22.3	0.4

B.3 Joint ventures pursuant to IFRS 11 in conjunction with IAS 28

A total of 15 (2021: 12) joint ventures over which the BayWa Group exerts joint control together with one or more external third parties on the basis of a contractual agreement are recognised under the equity method. These are listed under Group holdings attached to the Notes to the Consolidated Financial Statements as an appendix. The shares of these companies have been recognised at cost, taking account of changes in the net assets of the affiliated companies since the purchase of the shares.

Summary of financial information about the material joint ventures included under the equity method:

In € million	Hafen Vierow - Gesellschaft mit beschränkter Haftung, Brünzow, Germany		VIELA Export GmbH, Vierow, Germany	
	31/12/2022	31/12/2021	**31/12/2022**	31/12/2021
Shareholding (in %)	50.00	50.00	50.00	50.00
Voting rights (in %)	50.00	50.00	50.00	50.00
Dividends received from joint ventures	–	–	–	–
Current assets	2.6	1.9	8.4	3.4
Non-current assets	12.3	12.7	12.9	12.7
Current liabilities	1.0	0.8	2.6	2.9
Non-current liabilities	4.9	5.7	6.0	1.9
Cash and cash equivalents	2.0	1.3	7.1	1.9
Short-term debt	–	–	–	–
Long-term debt	3.9	4.7	5.1	0.9
Revenues	3.5	2.8	7.1	6.1
Amortisation	- 0.5	- 0.5	- 1.0	- 1.0
Interest expenses	- 0.1	- 0.1	- 0.1	- 0.1
Interest income	0.0	0.0	0.0	0.0
Income tax expense	- 0.4	- 0.2	- 0.5	- 0.5
Net result for the year from continued operations	1.0	0.3	1.4	1.2
Other earnings	0.0	0.0	–	–
Total earnings	**1.0**	**0.3**	**1.4**	**1.2**
Losses not realised for the reporting period	–	–	–	–
Aggregated losses not realised	–	–	–	–
Transition				
Joint venture's net assets	9.0	8.0	12.7	11.3
Shareholding and voting rights (in %)	50.00	50.00	50.00	50.00
Goodwill	3.0	3.0	7.8	7.8
Other adjustments	0.1	- 0.1	0.1	0.1
Book value	7.4	6.9	14.0	13.3

Hafen Vierow - Gesellschaft mit beschränkter Haftung, Brünzow, Germany, is responsible for managing and operating the port of Vierow and the construction of transshipment facilities as well as the handling and warehousing of goods of all kinds. **VIELA Export GmbH, Vierow, Germany**, imports and exports agricultural goods and products.

In € million	BHBW Holdings (Pty) Ltd, Lynnwood Manor, South Africa		Amadeus Wind Holdings, LLC, Wilmington, USA	
	31/12/2022	31/12/2021	**31/12/2022**	31/12/2021
Shareholding (in %)	50.00	50.00	33.30	33.30
Voting rights (in %)	50.00	50.00	33.30	33.30
Dividends received from joint ventures	–	–	–	–
Current assets	25.8	17.6	29.3	14.1
Non-current assets	15.0	17.7	303.3	295.4
Current liabilities	18.1	17.5	6.9	7.0
Non-current liabilities	0.0	0.7	308.0	302.5
Cash and cash equivalents	0.0	0.0	21.4	8.1
Short-term debt	–	–	–	–
Long-term debt	–	–	143.5	–
Revenues	56.5	80.4	24.5	23.8
Amortisation	- 1.2	- 1.1	- 10.8	- 9.5
Interest expenses	- 0.8	- 0.8	- 5.2	- 3.1
Interest income	0.0	0.0	–	–
Income tax expense	0.0	0.0	- 0.0	- 0.0
Net result for the year from continued operations	- 0.4	0.7	18.0	- 28.0
Other earnings	0.0	0.0	–	–
Total earnings	**- 0.4**	**0.7**	**18.0**	**- 28.0**
Losses not realised for the reporting period	–	–	–	–
Aggregated losses not realised	–	–	–	–
Transition				
Joint venture's net assets	22.7	22.9	17.7	0.0
Shareholding and voting rights (in %)	50.00	50.00	33.30	33.30
Goodwill	–	–	46.5	46.5
Other adjustments	–	–	0.5	- 4.0
Book value	11.3	11.5	51.9	42.5

BHBW Holdings (Pty) Ltd, Lynnwood Manor, South Africa, trades and sells agricultural equipment and forklift trucks. **Amadeus Wind Holdings, LLC, Wilmington, USA**, is a wind farm with a total output of 96 gigawatts.

The above financial information relates to values used as a basis for the IFRS financial statements of the respective joint ventures.

Summary of financial information about the joint ventures included under the equity method which are, in and of themselves, not material:

In € million	**31/12/2022**	31/12/2021
Book value at the end of the reporting period	28.5	4.0
BayWa Group's share in the net result for the year from continued operations	0.0	- 1.7
BayWa Group's share in earnings from discontinued operations after tax	–	–
BayWa Group's share in other earnings	- 0.9	0.8
BayWa Group's share in total earnings	- 0.9	- 0.9
Losses not realised for the reporting period	- 0.0	- 0.0
Aggregated losses not realised	- 0.9	- 0.9

The rise in the book values of the immaterial joint ventures included under the equity method is primarily attributable to the founding of the joint venture Floating Energy Allyance 1 Limited, Glasgow, UK. In the financial year 2022, the joint venture in question did not generate any material earnings contributions.

B.4 Associates pursuant to IAS 28

A total of 11 (2021: 13) associates over which the BayWa Group either has a proportion of voting rights of at least 20% and a maximum of 50%, or over whose business management or supervisory functions the BayWa Group exerts a significant influence, and which are not jointly held companies or companies of secondary importance, are recognised under the equity method. These are listed under Group holdings attached to the Notes to the Consolidated Financial Statements as an appendix. The shares of these companies have been recognised at cost, taking account of changes in the net assets of the affiliated companies since the purchase of the shares.

Summary of financial information about the material associates included under the equity method:

In € million	BRB Holding GmbH, Munich, Germany		AUSTRIA JUICE GmbH, Allhartsberg, Austria	
	31/12/2022	31/12/2021	**30/11/2022**	30/11/2021
Shareholding (in %)	45.26	45.26	49.99	49.99
Voting rights (in %)	45.26	45.26	49.99	49.99
Dividends received from associates	8.0	2.1	0.0	0.0
Current assets	0.4	0.2	270.9	244.1
Non-current assets	234.8	234.8	80.5	83.8
Current liabilities	0.1	0.0	201.9	282.6
Non-current liabilities	–	–	105.4	5.5
Revenues	–	–	281.8	213.7
Net result for the year from continued operations	8.1	4.7	6.0	- 9.5
Other earnings	–	–	- 1.8	- 0.8
Total earnings	**8.1**	**4.7**	**4.2**	**- 10.3**
Losses not realised for the reporting period	–	–	–	–
Aggregated losses not realised	–	–	–	–
Transition				
Associate's net assets	235.1	235.0	44.0	39.8
Shareholding and voting rights (in %)	45.26	45.26	49.99	49.99
Goodwill	–	–	22.4	22.4
Other adjustments	- 17.3	- 17.3	1.4	1.4
Book value	89.1	89.1	45.9	43.8

BRB Holding GmbH, Munich, Germany, holds equity holdings in companies in the cooperative group and conducts all other business serving to further these activities. AUSTRIA JUICE GmbH produces fruit juice concentrates, beverage compounds and aromas as well as fruit wines and fresh juices for the food and beverage processing industry.

Due to the company's business activities, the financial year of **AUSTRIA JUICE GmbH, Allhartsberg, Austria**, ends on 28 February. For this reason, the reporting period used as the basis for the inclusion of the financial statements of AUSTRIA JUICE GmbH in the consolidated financial statements of BayWa AG ends on 30 November and therefore deviates from the parent company's reporting date. Differing reporting periods have no material impact on the assets, financial position and earnings position of the BayWa Group.

In € million	Grandview Brokerage LLC, Seattle, USA	
	31/12/2022	31/12/2021
Shareholding (in %)	39.39	39.39
Voting rights (in %)	39.39	39.39
Dividends received from associates	0.5	0.6
Current assets	121.0	101.0
Non-current assets	24.0	21.8
Current liabilities	125.3	104.6
Non-current liabilities	5.1	4.2
Revenues	668.1	640.3
Net result for the year from continued operations	3.7	4.9
Other earnings	–	–
Total earnings	**3.7**	**4.9**
Losses not realised for the reporting period	–	–
Aggregated losses not realised	–	–
Transition		
Associate’s net assets	14.7	14.1
Shareholding and voting rights (in %)	39.39	39.39
Goodwill	14.5	14.5
Other adjustments	- 0.3	- 0.2
Book value	19.9	19.8

Grandview Brokerage LLC, Seattle, USA, is an investment company.

The above financial information relates to values used as a basis for the IFRS financial statements of the respective associate.

Summary of financial information about the associates included under the equity method which are, in and of themselves, not material:

In € million	**31/12/2022**	31/12/2021
Book value at the end of the reporting period	11.3	5.7
BayWa Group’s share in the net result for the year from continued operations	- 0.5	0.7
BayWa Group’s share in earnings from discontinued operations after tax	–	–
BayWa Group’s share in other earnings	–	0.0
BayWa Group’s share in total earnings	- 0.5	0.7
Losses not realised for the reporting period	- 0.1	- 0.2
Unrecognised losses (aggregated)	- 1.0	- 0.9

A total of 37 (2021: 36) joint ventures and associates of generally secondary importance for the consolidated financial statements have been accounted for at fair value as under IFRS 9 and not using the equity method. In this context, cost provides the best estimate of fair value unless the companies in question are listed on a securities market, and provided the earnings position of the associate has not changed significantly compared to the plan. In general, there are no material differences between the cost and the fair value of these companies due to their stable business models and business activities that can be considered negligible compared to the Group as a whole. The aggregated assets, liabilities, revenues and annual results (each based on the individual financial statements) of these companies in the financial year 2022 are set out below:

Associates and joint ventures not included under the equity method

In € million	
Assets	202.7
Liabilities	144.0
Revenues	287.8
Net result for the year	5.1

B.5 Summary of the changes to the group of consolidated companies of BayWa

Compared with the previous year, the group of consolidated companies, including the parent company, changed as follows:

	Germany	Abroad	Total
Included on 31/12/2022	**132**	**436**	**568**
thereof: fully consolidated	122	419	541
thereof: recognised at equity	10	17	27
Included on 31/12/2021	**122**	**425**	**547**
thereof: fully consolidated	113	409	522
thereof: recognised at equity	9	16	25

All Group holdings are listed separately (appendix to the Notes to the Consolidated Financial Statements).

B.6 Currency translation

The translation of the financial statements prepared in a foreign currency into euros is carried out by applying the concept of functional currency as defined under IAS 21. The companies of the BayWa Group operate independently. They are therefore considered foreign operations. The functional currency is the respective national currency or, in exceptional cases, the currency in which most of the respective company's transactions are settled. Assets and liabilities are converted at the exchange rate at the end of the reporting period This does not apply to investments, which are measured at historical exchange rates. Equity is carried at historical rates with the exception of income and expenses recognised directly in equity. The translation of the income statement is carried out using the average rate for the year. Differences resulting from currency translation are treated without effect on income until such time as the subsidiary is disposed of and set off against other reserves in equity. The differences resulting from currency translation (including reclassifications) increased by €0.7 million in the reporting year (2021: increase by €10.7 million).

The exchange rates for the currencies relevant to the BayWa Group are summarised in the table below:

		Balance sheet		Income statement	
		Middle rate on		Average rate	
	€1	**31/12/2022**	31/12/2021	**2022**	2021
Australia	AUD	1.569	1.562	1.517	1.575
Japan	JPY	140.660	130.380	138.027	129.874
New Zealand	NZD	1.680	1.658	1.658	1.672
Sweden	SEK	11.122	10.250	10.630	10.146
UK	GBP	0.887	0.840	0.853	0.860
USA	USD	1.067	1.133	1.053	1.183

C Notes to the Balance Sheet

C.1 Intangible assets

The goodwill recognised under intangible assets relates to the following cash-generating units.

In € million	**2022**	2021
BayWa r.e. business entity “Holdings”, geographic single entity “Bioenergy”	0.0	1.8
BayWa r.e. business entity “Services”	15.0	14.9
thereof: added in the financial year 2022: RENAM S.r.l.	0.2	–
BayWa r.e. business entity “Solar Projects”	102.7	102.0
BayWa r.e. business entity “Solar Trade”	44.3	42.4
BayWa r.e. business entity “Wind Projects”	27.1	27.6
BayWa r.e. business entity “Energy Solutions”	7.5	–
thereof: added in the financial year 2022: Sol in one GmbH	7.5	–
Cefetra Group	0.0	12.2
Citygreen Gartengestaltungs GmbH	0.9	0.9
EUROGREEN Group	2.1	2.1
Grainli GmbH & Co. KG	0.0	2.6
Heinrich Brüning GmbH	3.3	–
PATENT Co. DOO	35.1	–
Peter Frey GmbH	1.0	1.0
Premium Crops Limited (goodwill from asset deal)	6.4	6.8
Royal Ingredients Group	3.4	3.4
T&G Global Group	20.0	20.3
TFC Holland B.V.	15.7	15.7
Thegra Tracomex Group	8.7	8.7
VISTA Geowissenschaftliche Fernerkundung GmbH	0.0	0.6
WAV Wärme Austria VertriebsgmbH	2.4	4.2
Other	0.2	0.0
	295.8	**267.2**

Due to increased discount factors that were mainly attributable to the change in the macroeconomic environment compared to the previous year (Note A.9), the impairment tests performed in the financial year 2022 for the Cefetra Group, VISTA Geowissenschaftliche Fernerkundung GmbH and Grainli GmbH & Co. KG cash-generating units each resulted in an impairment need in the amount of the reported goodwill. In the case of WAV Wärme Austria VertriebsgmbH, adjustments to basic assumptions and planning assumptions resulted in an impairment loss of €1.8 million.

All of the aforementioned impairments have been recognised in the income statement under depreciation and amortisation. The following key assumptions were used as a basis for the impairment tests.

	Basic assumptions in 2022		Basic assumptions in 2021	
In %	discount factor	growth rate	discount factor	growth rate
Cefetra Group	6.5	1.0	5.6	1.0
Grainli GmbH & Co. KG	6.4	1.0	5.6	1.0
VISTA Geowissenschaftliche Fernerkundung GmbH	8.8	1.0	7.0	1.0
WAV Wärme Austria VertriebsgmbH	7.9	0.0	6.1	1.0

The goodwill from the acquisition of Premium Crops Limited, the T&G Global Group and the goodwill of the BayWa r.e. business entities are subject to fluctuating exchange rates, which resulted in changes compared to the previous year. The goodwill arising from the acquisition of PATENT Co. DOO in the financial year 2022 is also reported in foreign currency.

Of the goodwill arising from acquisitions in the financial year 2022, €0.9 million is tax-deductible.

The cash flows were based on business-unit-specific discount factors of between 6.2% and 8.8% (2021: 4.3% and 9.2%). Growth rates are derived from the expected industry average and historical values. For the purpose of extrapolating the forecast based on the third budget year, a currently expected business-unit-specific growth rate of between 0.0% and 2.0% (2021: 0.0% and 2.0%) has been assumed for the periods thereafter.

The cash-generating units of the BayWa Group were not impacted by the coronavirus pandemic (Note A.6) or by the war in Ukraine (Note A.8). Since these factors have not had any material implications for the BayWa Group, the key assumptions of the impairment tests remain unchanged from the previous year.

A change in the basic assumptions considered possible may result from an increase in the discount factor by 0.5 percentage points, a reduction in the growth rate by 0.5 percentage points and a reduction in cash flow by 10 percentage points. For the cash-generating units listed in the following table, a change in the basic assumptions would probably result in the carrying value exceeding the fair value in use as follows:

	Basic assumptions in %		Sensitivities in € million		
	discount factor	growth rate	discount factor plus 0.5%	growth rate minus 0.5%	cash flow minus 10%
BayWa r.e. business entity “Energy Solutions”	5.9	2.0	2.4	–	3.6
EUROGREEN Group	6.1	1.0	1.0	0.4	1.3
TFC Holland B.V.	6.8	1.0	–	–	1.7
Thegra Tracomex Group	6.5	1.0	2.2	–	3.7
WAV Wärme Austria VertriebsgmbH [1]	7.9	0.0	–	–	0.9

1 The effects are presented after the impairment of goodwill.

In the impairment test of the BayWa r.e. business entity “Energy Solutions”, the value in use exceeded the book value by €11.9 million. The value in use would correspond to the book value in the event of an increase in the discount factor of 0.40 percentage points or a decrease in the growth rate of 1.65 percentage points.

The impairment test of the EUROGREEN Group resulted in a value in use €0.3 million higher than the book value. The value in use would correspond to the book value in the event of an increase in the discount factor of 0.11 percentage points or a decrease in the growth rate of 0.21 percentage points.

In the impairment test of TFC Holland B.V., the value in use exceeded the book value by €6.9 million. The value in use would correspond to the book value in the event of an increase in the discount factor of 0.58 percentage points or a decrease in the growth rate of 0.76 percentage points.

In the impairment test of the Thegra Tracomex Group, the value in use exceeded the book value by €4.8 million. The value in use would correspond to the book value in the event of an increase in the discount factor of 0.33 percentage points or a decrease in the growth rate of 3.04 percentage points.

In consideration of the impairment for the financial year 2022, the value in use of WAV Wärme Austria VertriebsgmbH corresponds to the book value.

The following table is a breakdown of the additions to intangible assets:

In € million	**2022**	2021
Additions from developments within the company	3.7	7.7
Additions from separate acquisition	24.1	25.1
Additions from business combinations	58.7	27.5
	86.6	**60.3**

In the financial year 2022, research and development expenses of €1.0 million (2021: €1.4 million) were recognised under other operating expenses. Material research and development activities at the BayWa Group are performed by BayWa AG,Munich, Germany, and FarmFacts GmbH, Pfarrkirchen, Germany.

C.2 Property, plant and equipment

All property, plant and equipment are used for operations. Material impairment losses were reported in the financial year 2022 primarily in relation to the Renewable Energies Segment and, within that segment, on one wind turbine in the US. During the construction of the turbine with an output of 95 megawatts (MW), site-related uncertainties led to a halt in construction work and, in turn, to significant delays and cost increases, which resulted in an impairment loss of €55.6 million. A discount rate of 5.4% was applied in calculating impairment requirements.

In the financial year 2022, borrowing costs of €10.1 million were capitalised in property, plant and equipment.

Wind farms and solar parks in the total amount of €442.4 million were reclassified from inventories into property, plant and equipment, and specifically to technical facilities, in the financial year 2022. After being reported in inventories as unfinished goods during the construction phase, these wind farms and solar parks were transferred to the IPP business entity of the Renewable Energies Segment upon their completion in the financial year 2022, because a decision was taken to operate the wind farms and solar parks, rather than to sell them.

At the end of the reporting period, €36.4 million (2021: €37.4 million) of the total property, plant and equipment recognised served as collateral for liabilities.

C.3 Participating interests recognised at equity, investments and securities

The shares in Raiffeisen Bank International AG, Vienna, Austria, and other shares in affiliated and other companies in Austria, as well as shares in other companies belonging to Turners and Growers Horticulture Limited, Auckland, New Zealand were measured at fair value through other comprehensive income.

The fair value of the shares in Raiffeisen Bank International AG amounted to €59.0 million as at 31 December 2022 (2021: €99.5 million). No dividends were generated from these shares in the financial year 2022. The fair value of the other shares in affiliated and other companies in Austria amounted to €0.0 million (2021: €0.2 million.). The changes in value were recognised through other comprehensive income in accordance with the measurement category.

At Turners and Growers Horticulture Limited, the fair value of the shares in other companies measured through other comprehensive income was €0.1 million as at 31 December 2022 (2021: €0.1 million). No dividends resulted from these shares in the financial year 2022.

Development of consolidated non-current assets for 2022

Notes C.1 – C.4

In € million	Cost							
	01/01/2022	currency translation differences	additions due to consolidation	additions	disposals	disposals due to consolidation	reclassifica-tions	31/12/2022
Intangible assets								
Purchased and self-created industrial property rights, similar rights and assets	458.4	0.5	14.8	15.7	- 5.4	- 2.4	7.7	489.3
Goodwill	306.3	0.3	46.5	1.4	- 1.5	- 4.2	0.0	348.7
Prepayments on account	12.9	- 0.1	0.0	10.9	- 4.2	- 0.3	- 6.6	12.6
	777.6	**0.7**	**61.3**	**28.0**	**- 11.1**	**- 6.9**	**1.0**	**850.6**
Property, plant and equipment								
Land, similar rights and buildings, including buildings on leasehold land	2,271.0	1.2	19.5	215.4	- 55.6	- 46.1	37.7	2,443.2
thereof: rights of use from leases	1,010.6	0.2	3.4	129.2	- 20.0	- 1.6	31.2	1,152.9
Technical facilities and machinery	1,397.9	3.7	19.4	74.0	- 39.6	- 49.6	375.4	1,781.2
thereof: rights of use from leases	10.2	0.0	0.0	2.6	- 0.5	- 0.8	- 1.6	9.9
Other facilities, fixtures and office equipment	499.6	- 0.3	10.4	78.7	- 32.3	- 7.1	- 2.1	546.9
thereof: rights of use from leases	94.8	- 0.3	0.0	17.4	- 11.3	- 3.2	- 1.8	95.6
Prepayments and assets under construction	91.2	- 1.1	2.5	125.8	- 22.8	- 0.8	- 56.7	138.1
Bearer plants	28.6	- 0.4	0.0	0.8	- 7.4	0.0	4.9	26.6
	4,288.2	**3.1**	**51.9**	**494.7**	**- 157.7**	**- 103.5**	**359.2**	**4,935.9**
Participating interests recognised at equity	**243.3**	**2.4**	**20.9**	**17.0**	**- 5.2**	**- 1.8**	**2.3**	**279.0**
Investments								
Shareholdings in affiliated companies	39.9	0.0	- 3.7	12.3	- 0.3	2.8	- 0.5	50.5
Loans to affiliated companies	4.0	0.0	- 0.3	1.4	- 0.3	- 0.1	0.0	4.7
Participations in other companies	61.5	0.0	0.1	2.5	- 5.2	- 0.3	- 2.0	56.6
Loans to companies in which a participating interest is held	35.0	0.2	0.0	2.4	0.0	0.0	0.0	37.6
Non-current marketable securities	139.2	0.0	0.0	0.1	0.0	0.0	0.0	139.3
Other loans	16.3	- 0.1	0.0	10.1	- 0.5	0.0	- 1.1	24.7
	295.8	**0.1**	**- 3.9**	**28.7**	**- 6.3**	**2.4**	**- 3.5**	**313.3**
Investment property								
Land	26.4	0.0	0.0	0.0	- 3.3	0.0	7.4	30.5
Buildings	54.8	0.0	0.0	0.0	- 4.3	0.0	8.7	59.2
	81.2	**0.0**	**0.0**	**0.0**	**- 7.5**	**0.0**	**16.1**	**89.8**
Consolidated non-current assets	**5,686.1**	**6.4**	**130.2**	**568.4**	**- 187.9**	**- 109.7**	**375.1**	**6,468.6**

	Depreciation/amortisation									Book values	
	01/01/2022	currency translation differences	additions due to consolidation	current year	disposals	disposals due to consolidation	write-ups	reclassifica-tions	**31/12/2022**	**31/12/2022**	31/12/2021
	- 303.5	0.2	- 2.6	- 40.2	2.2	1.9	0.0	4.0	- 338.0	151.3	154.8
	- 39.1	0.0	0.0	- 17.4	1.2	2.4	0.0	0.0	- 52.9	295.8	267.2
	- 0.4	0.0	0.0	- 4.1	4.1	0.0	0.0	0.0	- 0.4	12.2	12.5
	- 343.1	**0.2**	**- 2.6**	**- 61.6**	**7.4**	**4.4**	**0.0**	**4.0**	**- 391.3**	**459.3**	**434.5**
	- 789.6	0.9	- 1.8	- 101.2	13.5	10.5	0.0	5.0	- 862.8	1,580.4	1,481.3
	- 214.6	0.5	- 0.1	- 67.9	4.3	0.8	0.0	- 1.3	- 278.3	874.6	796.0
	- 644.5	1.5	- 8.8	- 118.0	11.7	26.9	0.0	52.8	- 678.5	1,102.7	753.4
	- 3.3	0.0	0.0	- 2.4	0.5	0.4	0.0	0.4	- 4.4	5.5	6.9
	- 293.8	0.4	- 4.2	- 67.3	27.2	4.4	0.0	2.4	- 330.9	216.0	205.8
	- 44.3	0.2	- 1.6	- 21.7	10.4	0.3	0.0	1.2	- 55.5	40.1	50.5
	- 1.4	0.0	0.0	- 4.1	3.7	0.0	0.0	1.6	- 0.2	137.9	89.8
	- 6.3	0.1	0.0	- 1.5	2.2	0.0	0.0	0.0	- 5.6	21.0	22.3
	- 1,735.6	**3.0**	**- 14.9**	**- 292.2**	**58.3**	**41.8**	**0.0**	**61.8**	**- 1,877.8**	**3,058.0**	**2,552.6**
	- 0.8	**0.0**	**0.0**	**- 0.3**	**0.0**	**0.8**	**0.0**	**0.0**	**- 0.3**	**278.7**	**242.6**
	- 18.4	0.0	0.0	- 1.5	0.0	0.0	0.0	- 0.2	- 20.1	30.4	21.5
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.7	4.0
	- 6.5	0.0	0.0	- 2.5	2.2	0.3	0.0	0.1	- 6.4	50.2	55.0
	0.0	0.0	0.0	- 0.7	0.0	0.0	0.0	0.0	- 0.7	36.8	35.0
	- 16.0	0.0	0.0	- 41.0	0.0	0.0	0.0	0.0	- 57.0	82.2	123.1
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	24.7	16.3
	- 41.0	**0.0**	**0.0**	**- 45.7**	**2.2**	**0.3**	**0.0**	**- 0.1**	**- 84.3**	**229.0**	**254.9**
	- 2.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	- 1.9	28.7	24.4
	- 41.5	0.0	0.0	- 0.9	3.5	0.0	0.0	- 6.9	- 45.8	13.4	13.3
	- 43.5	**0.0**	**0.0**	**- 0.9**	**3.6**	**0.0**	**0.0**	**- 6.9**	**- 47.7**	**42.1**	**37.7**
	- 2,163.9	**3.2**	**- 17.4**	**- 400.8**	**71.5**	**47.2**	**0.0**	**58.8**	**- 2,401.4**	**4,067.1**	**3,522.2**

Development of consolidated non-current assets for 2021

Notes C.1 – C.4

In € million	Cost							
	01/01/2021	currency translation differences	additions due to consolidation	additions	disposals	disposals due to consolidation	reclassifica-tions	31/12/2021
Intangible assets								
Purchased and self-created industrial property rights, similar rights and assets	443.4	3.7	9.9	22.3	- 31.2	- 0.1	10.3	458.4
Goodwill	280.8	4.1	17.6	1.0	- 0.3	2.0	1.2	306.3
Prepayments on account	12.1	0.2	0.0	9.5	- 0.7	0.0	- 8.2	12.9
	736.3	**8.0**	**27.5**	**32.8**	**- 32.2**	**1.9**	**3.3**	**777.6**
Property, plant and equipment								
Land, similar rights and buildings, including buildings on leasehold land	2,179.1	11.9	6.6	149.2	- 87.3	- 3.4	14.8	2,271.0
thereof: rights of use from leases	941.8	5.5	6.1	100.7	- 46.6	- 0.2	3.2	1,010.6
Technical facilities and machinery	1,285.4	21.4	4.7	19.1	- 69.7	- 0.5	137.4	1,397.9
thereof: rights of use from leases	6.7	0.3	0.4	4.3	- 1.1	0.0	- 0.4	10.2
Other facilities, fixtures and office equipment	483.0	2.1	1.0	70.1	- 54.6	- 1.0	- 1.0	499.6
thereof: rights of use from leases	92.8	0.6	0.0	20.0	- 15.3	- 0.3	- 3.0	94.8
Prepayments and assets under construction	148.8	1.5	0.6	63.9	- 5.0	0.0	- 118.8	91.2
Bearer plants	29.9	0.9	0.0	1.1	- 9.7	0.0	6.4	28.6
	4,126.3	**37.8**	**13.0**	**303.5**	**- 226.3**	**- 4.9**	**38.9**	**4,288.2**
Participating interests recognised at equity	**244.3**	**6.1**	**6.8**	**0.0**	**- 14.4**	**1.1**	**- 0.7**	**243.3**
Investments								
Shareholdings in affiliated companies	33.2	0.1	- 2.7	10.3	- 4.8	2.8	1.1	39.9
Loans to affiliated companies	3.1	0.0	- 0.2	1.4	- 0.3	0.0	0.0	4.0
Participations in other companies	50.2	0.0	0.0	10.1	- 0.3	1.8	- 0.3	61.5
Loans to companies in which a participating interest is held	32.9	0.2	0.0	1.8	0.0	0.0	0.0	35.0
Non-current marketable securities	139.2	0.0	0.0	0.1	- 0.1	0.0	0.0	139.2
Other loans	9.5	0.2	0.0	8.2	- 1.6	0.0	0.0	16.3
	268.1	**0.5**	**- 2.9**	**31.8**	**- 7.1**	**4.6**	**0.8**	**295.8**
Investment property								
Land	34.4	0.0	0.0	0.0	- 3.8	0.0	- 4.2	26.4
Buildings	64.4	0.1	0.0	0.0	- 7.4	0.0	- 2.3	54.8
	98.8	**0.1**	**0.0**	**0.0**	**- 11.2**	**0.0**	**- 6.5**	**81.2**
Consolidated non-current assets	**5,473.8**	**52.5**	**44.4**	**368.1**	**- 291.1**	**2.7**	**35.7**	**5,686.1**

	Depreciation/amortisation									Book values	
	01/01/2021	currency translation differences	additions due to consolidation	current year	disposals	disposals due to consolidation	write-ups	reclassifica-tions	**31/12/2021**	**31/12/2021**	31/12/2020
	- 272.6	- 1.8	0.0	- 54.6	27.3	0.1	0.0	- 1.9	- 303.5	154.8	170.8
	- 26.5	0.0	0.0	- 13.1	0.3	0.0	0.0	0.2	- 39.1	267.2	254.3
	- 0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	- 0.4	12.5	11.6
	- 299.5	- 1.8	0.0	- 67.6	27.6	0.1	0.0	- 1.8	- 343.1	434.5	436.7
	- 722.8	- 2.2	- 0.1	- 91.6	22.5	2.4	0.0	2.0	- 789.6	1,481.3	1,456.4
	- 161.5	- 0.8	0.0	- 61.0	9.3	0.1	0.0	- 0.7	- 214.6	796.0	780.3
	- 642.9	- 3.7	- 0.8	- 60.4	65.7	0.2	0.0	- 2.5	- 644.5	753.4	642.4
	- 2.1	- 0.1	0.0	- 1.7	0.4	0.0	0.0	0.2	- 3.3	6.9	4.6
	- 285.0	- 1.0	- 0.1	- 63.1	52.9	0.5	0.0	2.1	- 293.8	205.8	198.0
	- 37.7	- 0.2	- 0.1	- 22.4	14.2	0.1	0.0	1.7	- 44.3	50.4	55.1
	- 0.1	0.0	0.0	- 1.3	0.0	0.0	0.0	0.0	- 1.4	89.8	148.8
	- 7.0	- 0.2	0.0	- 1.4	2.3	0.0	0.0	0.0	- 6.3	22.3	22.9
	- 1,657.8	**- 7.2**	**- 0.9**	**- 217.8**	**143.4**	**3.1**	**0.0**	**1.6**	**- 1,735.6**	**2,552.6**	**2,468.5**
	0.0	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**- 0.8**	**- 0.8**	**242.6**	**244.3**
	- 18.8	- 0.1	0.0	0.0	1.7	- 1.5	0.0	0.2	- 18.4	21.5	14.5
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.0	3.1
	- 4.5	0.0	0.0	- 0.7	0.0	- 1.8	0.0	0.5	- 6.5	55.0	45.7
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	35.0	32.9
	- 50.9	0.0	0.0	- 0.1	34.9	0.0	0.0	0.0	- 16.0	123.1	88.3
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	16.3	9.5
	- 74.1	**- 0.1**	**0.0**	**- 0.8**	**36.6**	**- 3.3**	**0.0**	**0.7**	**- 41.0**	**254.9**	**194.0**
	- 2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	- 2.0	24.4	32.4
	- 45.8	0.0	0.0	- 0.8	4.4	0.0	0.0	0.8	- 41.5	13.3	18.6
	- 47.8	**0.0**	**0.0**	**- 0.8**	**4.4**	**0.0**	**0.0**	**0.8**	**- 43.5**	**37.7**	**51.0**
	- 2,079.3	**- 9.0**	**- 0.9**	**- 287.0**	**211.9**	**- 0.1**	**0.0**	**0.6**	**- 2,163.9**	**3,522.3**	**3,394.5**

C.4 Investment property

The "Investment property" item comprises 61 (2021: 62) pieces of land and buildings under lease and/or not essential to the operations of the Group. Properties in this category are mainly warehouses, market buildings, garden centres, farm buildings (barns, etc.), silos, farmland and other undeveloped land, as well as, to a minor extent, office and residential buildings.

The book value at the end of the reporting period amounted to €42.1 million (2021: €37.7 million). At €0.9 million, depreciation in the financial year 2022 was on a par with the previous year (2021: €0.8 million). The expense in the same amount has been included under depreciation and amortisation in the income statement. In the year under review, land and buildings with a book value of €9.2 million – recognised primarily as property held for sale – were reclassified to investment property.

The fair value of these properties amounted to €104.6 million (2021: €98.4 million). Fair value is not usually calculated by an expert. Fair value at the end of the reporting period is generally determined on the basis of discounted cash flow calculations (level 3 of the fair value hierarchy). The value of land is calculated using current, official standard land values. Location-related advantages and disadvantages are suitably taken into account. In the case of buildings let, the income value of the buildings was calculated by taking into account the actual annual rental income generated, less standard management expenses and the residual useful life of the building. A comparison of fair value against the book value of the individual properties showed that there were no impairment requirements in the reporting year.

Rental income came to €6.6 million (2021: €6.0 million), operating expenses (excluding depreciation) for the properties for which rental income was realised came to €1.7 million (2021: €0.8 million). In regard to properties for which no rental income was generated, operating expenses amounted to €0.2 million (2021: €0.1 million).

C.5 Income tax assets

The table below shows a breakdown of income tax assets:

In € million	**2022**	2021
Non-current income tax assets (with a residual term of more than one year)	4.7	0.5
Current income tax assets (with a residual term of up to one year)	63.3	36.0
	68.0	**36.5**

C.6 Other receivables and other assets

The other financial assets presented in the following table also include lease receivables. Receivables from income taxes, which are recognised pursuant to IAS 12 and listed in Note C.5, are not included.

The “Other receivables and other assets” item breaks down as follows:

In € million	2022	2021
Non-current receivables (with a residual term of more than one year)		
Trade receivables	28.8	13.4
Other financial assets	22.9	22.9
Other receivables and other non-current financial assets	51.7	36.3
Receivables from other taxes	**0.5**	**0.2**
Other non-financial assets including prepaid expenses	7.0	18.8
Other non-financial assets	**7.5**	**19.0**
	59.2	**55.3**
Current receivables (with a residual term of up to one year)		
Trade receivables	1,804.4	1,341.8
Receivables from affiliated companies	44.9	33.0
Receivables from companies in which a participating interest is held	37.1	59.2
Other financial assets	454.7	425.7
Other receivables and other financial assets	2,341.1	1,859.7
Receivables from other taxes	**231.5**	**181.1**
Other non-financial assets including prepaid expenses	326.0	224.4
Other non-financial assets	**557.5**	**405.5**
	2,898.6	**2,265.2**

Due to their current nature, the current values of items recognised at amortised cost do not diverge materially from the book values disclosed.

Receivables due from affiliated companies and shareholdings relate to both trade receivables and current financing arrangements.

Other financial assets comprise first and foremost supplier credits not yet settled and other receivables items, as well as collateral that is required to be posted within the scope of the trading activities. This item also includes contract assets of €188.4 million (2021: €157.8 million). Non-financial assets mainly consist of payments on account for inventories of €244.8 million (2021: €164.6 million) and prepaid expenses of €69.3 million (2021: €56.5 million).

The following table shows the gross book values of other receivables and other assets for each stage of risk provisions for expected credit losses:

					Thereof: stage 3 not impaired at reporting date and overdue in subsequent periods			
In € million	Total gross value **2022**	Gross book value stage 3 impaired	Neither overdue nor impaired	Overdue receivables	fewer than 30 days	between 31 and 60 days	between 61 and 90 days	91 days and over
Receivables and other assets	2,995.3	229.2	2,307.6	458.4	316.5	52.9	18.9	70.1

The overdue assets shown in the table concern current trade receivables. Risk provisions for stage 2 expected credit losses were formed on these gross receivables values. The gross book values of the stage 3 adjusted receivables include trade receivables, receivables from affiliated companies and companies in which a participating interest is held, and other financial receivables.

The following table shows the credit risks included in the receivables and other assets in the previous year:

In € million	Total gross value 2021	Gross book value stage 3 impaired	Neither overdue nor impaired	Overdue receivables	Thereof: stage 3 not impaired at reporting date and overdue in subsequent periods: fewer than 30 days	between 31 and 60 days	between 61 and 90 days	91 days and over
Receivables and other assets	2,362.1	170.8	1,870.5	320.8	229.5	43.1	9.5	38.8

Risk provisions for stage 2 expected credit losses developed as follows in the financial year 2022 and in the previous year:

In € million	**2022**	2021
As at 01/01	**5.6**	**6.4**
Allocation	3.1	0.9
Release	- 0.8	- 1.3
Write-offs	- 0.4	- 0.3
Reclassifications	0.0	- 0.1
Adjustments due to changes in the group of consolidated companies	0.1	0.0
Currency translation differences	- 0.1	0.1
As at 31/12	**7.5**	**5.6**

The following tables show risk provisions for stage 2 expected credit losses split into periods by which the item is overdue and the underlying probabilities of default in the financial year 2022:

In € million	Not overdue	Overdue	Risk provisions for stage 2 credit losses: fewer than 30 days	between 31 and 60 days	between 61 and 90 days	91 days and over
01/01/2022	0.7	4.9	0.9	0.5	0.2	3.3
31/12/2022	1.3	6.2	1.0	0.9	0.6	3.8

In %	Not overdue	Overdue	Probabilities of default: fewer than 30 days	between 31 and 60 days	between 61 and 90 days	91 days and over
01/01/2022	up to 1.0	–	up to 4.0	up to 7.7	up to 86.5	up to 72.0
31/12/2022	up to 5.3	–	up to 4.7	up to 11.3	up to 21.4	up to 98.7

The corresponding values for the previous year are as follows:

In € million	Not overdue	Overdue	Risk provisions for stage 2 credit losses: fewer than 30 days	between 31 and 60 days	between 61 and 90 days	91 days and over
01/01/2021	0.3	6.1	0.6	0.7	0.4	4.5
31/12/2021	0.7	4.9	0.9	0.5	0.2	3.3

			Probabilities of default			
In %	Not overdue	Overdue	fewer than 30 days	between 31 and 60 days	between 61 and 90 days	91 days and over
01/01/2021	up to 0.5	–	up to 3.6	up to 7.3	up to 51.2	up to 72.9
31/12/2021	up to 1.0	–	up to 4.0	up to 7.7	up to 86.5	up to 72.0

Risk provisions for stage 3 expected credit losses on other receivables and other assets developed as follows in the financial year 2022 and in the previous year:

In € million	**2022**	2021
As at 01/01	**36.0**	**27.9**
Allocation	9.9	17.5
Release	- 14.1	- 7.4
Write-offs	- 4.2	- 1.6
Adjustments due to changes in the group of consolidated companies	1.6	0.3
Reclassifications	- 0.1	- 0.7
Currency translation differences	0.0	0.2
As at 31/12	**29.2**	**36.0**

The BayWa Group's customer structure is strongly diversified, both regionally and in terms of the specific segments. As part of risk management, minimum requirements for creditworthiness and, beyond this, individual credit limits in respect of individual customers have been established for all customers of the BayWa Group. The receivables portfolio of the BayWa Group is largely made up of numerous small receivables. Credit limits of more than €1 million are only accorded to a small number of customers with particularly good credit standing. The continual analysis of the receivables portfolio and special monitoring of customers with high credit limits enable the early identification and evaluation of concentration risks (risk clusters). As at 31 December 2022, the credit risk positions of 73 debtors (2021: 82) were more than €1 million respectively. The Group does not anticipate any material default risk in respect of these customers.

ABS measure and factoring agreements

ABS measure
In order to enhance its financing structure, BayWa AG has secured trade receivables by way of an asset-backed securitisation (ABS) measure. The total volume from the ABS measure amounted to €160.0 million (2021: €140.0 million). Due to the contractual structure, there are no realistic scenarios leading to a transfer of risk and reward from the risk of default. Moreover, the time-of-payment risk remains with BayWa AG. The trade receivables in the amount of €145.8 million (2021: €129.7 million) that had been securitised as part of the ABS measure as at the reporting date therefore do not meet the criteria for derecognition. A financial liability of €125.0 million (2021: €111.9 million) from the ABS measure has been recognised.

Factoring agreements
In the financial year 2022, factoring agreements under which existing and future trade receivables are sold to banks were concluded at Solarmarkt GmbH, Aarau, Switzerland, and in the Cefetra Group Segment – specifically at Cefetra B.V., Rotterdam, Netherlands, and at Cefetra Limited, Paisley, UK, – for the first time. The nominal purchase volume across all three agreements is a maximum of € 77.4 million. The BayWa Group can freely decide whether and to what extent the nominal volume is utilised. In return for payment, the receivables were transferred to banks, who act as factors so that the receivables can no longer be sold or pledged by the BayWa Group. The main risks with regard to the disposal of the receivables pertain to credit risk and the risk of late payment.

Receivables are derecognised fully or partially, or not derecognised at all, depending on the extent to which the risks associated with the transferred receivables are transferred to the factor. If the risks remain with the BayWa Group, the retained share of the transferred receivables continue to be recognised on the balance sheet and are measured at amortised cost. The book value equates to the fair value of the continuing involvement. Amounts repayable under factoring agreements were not presented as collateralised borrowings.

The key information on the ABS measure and the existing factoring agreements at the BayWa Group can be summarised as follows:

	ABS measure		Factoring agreements					
	BayWa AG		**Solarmarkt GmbH**		**Cefetra B.V.**		**Cefetra Limited**	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
Transfer of opportunities and risks								
Material risks and the share of risks remaining with the company (in %)								
Default	100.0	100.0	5.0	–	0.0	–	10.0	–
Late payment	100.0	100.0	5.0	–	2.3	–	1.5	–
Responsibility for managing receivables	**Company**		**Company**		**Company**		**Factor**	
Recognition on the balance sheet In € million								
Max. nominal volume according to factoring agreement as at 31/12	160.0	140.0	8.6	–	35.0	–	33.8	–
Derecognition of sold receivables	no	no	yes	–	yes	–	yes	–
Nominal volume of sold receivables	145.8	129.7	2.1		35.0		13.7	
Nominal volume of derecognised receivables	–	–	2.0	–	35.0	–	12.0	
Book value of retained share of sold receivables as at 31/12	145.8	129.7	0.1	–	0.0	–	1.7	–
Fair value of retained share of sold receivables as at 31/12	145.8	129.7	0.1	–	–	–	1.7	–
Book value of the recognised financial liability as at 31/12	125.0	111.9	0.1	–	–	–	1.7	–
Service fee – recognised in the income statement	0.8	0.6	0.0	–	–	–	–	–

C.7 Inventories

Inventories break down as follows:

In € million	**2022**	2021
Raw materials, consumables and supplies	170.7	68.4
Unfinished goods/services	1,254.6	1,528.9
Finished goods/services and merchandise	3,331.6	2,615.7
	4,756.8	**4,213.0**

Impairments on inventories increased from €156.3 million in 2021 to €220.5 million in the financial year 2022.

The book value of the inventories reported at fair value less selling costs amounted to €597.4 million at the end of the reporting period (2021: €684.9 million). A total of €43.4 million of the inventories recognised at the end of the reporting period served as collateral for liabilities (2021: €28.6 million). In the reporting year, a total of €12.7 million in borrowing costs (2021: €18.5 million) were capitalised as part of the cost of unfinished goods.

The remaining performance obligations under contracts to be fulfilled over time amounted to €328.6 million as at 31 December 2022. In general, revenue is expected to be realised from these remaining performance obligations in the financial year 2023, which is why the practical expedient pursuant to IFRS 15.121 has been exercised.

The total costs incurred for the fulfilment of performance obligations for current construction contracts stood at €520.9 million as at the reporting date (2021: €397.3 million). The BayWa Group's revenues include income of €589.1 million (2021: €478.3 million) due to the realisation of revenues over time.

For the most part, the opening values of contract assets and contract liabilities are released over the course of the current financial year due to the terms of the contract.

Contract liabilities related to revenues from contracts with customers generated over time pursuant to IFRS 15 stood at €91.8 million at the end of the reporting period (2021: €22.5 million). Further, the total prepayments received amounted to €125.5 million (2021: €104.2 million). In the reporting period, €22.5 million was recognised as income that was included in the overall contract liabilities at the start of the period.

The balance sheet item "Other receivables and other assets" includes trade receivables from ongoing contracts with customers of €61.4 million (2021: €36.8 million) and contract assets of €188.4 million (2021: €157.8 million). The increase in contract assets was primarily the result of the increase in project business volume in the Renewable Energies Segment. In general, the impairment model defined in accordance with IFRS 9 is also applicable to contract assets formed pursuant to IFRS 15. For reasons of materiality, no such assets were reported.

Warranties, refund obligations that could arise from the sale of goods with a right of return, contract initiation costs and financing components that are potentially included as part of the consideration play only a minor role at the BayWa Group, both in terms of the number of cases and the total volume of such elements, and can therefore be considered immaterial.

No provisions for impending losses from onerous contracts had to be recognised, either in the financial year or in the previous year. Highly likely contractual penalties were taken into full account in the calculation of margins.

C.8 Biological assets

The fair values of biological assets developed as follows:

In € million **2022**	Apples	Tomatoes	Citrus fruits	Grapes	Other fruits	**Total**
Biological assets						
Biological assets on 01/01	11.4	2.3	1.5	–	0.0	15.2
Capitalised costs	23.2	–	3.7	–	0.9	27.8
Change in fair value less selling costs	0.5	4.0	1.2	–	- 0.3	5.4
Disposals due to harvest	- 22.2	- 4.0	- 5.3	–	- 0.2	- 31.7
Currency translation differences	–	- 0.1	–	–	–	- 0.1
Biological assets on 31/12	**12.9**	**2.2**	**1.1**	**–**	**0.4**	**16.5**

In € million 2021	Apples	Tomatoes	Citrus fruits	Grapes	Other fruits	**Total**
Biological assets						
Biological assets on 01/01	11.3	0.8	0.8	–	0.1	12.8
Capitalised costs	20.6	–	3.6	4.9	0.9	30.0
Change in fair value less selling costs	- 1.1	2.3	1.0	–	- 0.1	2.1
Disposals due to harvest	- 19.5	- 0.9	- 4.0	- 4.9	- 0.9	- 30.2
Currency translation differences	0.1	0.1	0.1	–	–	0.3
Biological assets on 31/12	**11.4**	**2.3**	**1.5**	**–**	**0.0**	**15.2**

The following key assumptions and considerations were taken into account when determining the fair value of the Group's biological assets:
- Predictions for the following year are based on inflation-adjusted forecast cash flows, include estimates of the future revenues and take into account the location and variety of the biological assets.
- Forecast cash flows from sales in different currencies are not hedged and are translated at average exchange rates on the basis of data provided by financial institutions and in consideration of forecast sales in the Group's functional currency.
- Risk-adjusted discount rates take into account risks associated with the harvest, such as natural disasters, diseases in plants or other factors that could negatively affect quality, yields or prices.
- All material changes from harvest management in the current year and the following year.

The finance team keeps a close eye on the main categories of biological assets throughout the year and is also responsible for measuring biological assets for the purposes of external financial reporting. In addition, the measurement process is also evaluated twice a year by the Chief Financial Officer of the New Zealand subsidiary, his or her controller, the chief financial officers of the business divisions and the finance team with regard to financial reporting requirements.

The measurement methods applied at the Group are to be allocated to level 3 of the fair value hierarchy and are therefore not based on observable market data. There were no transfers between the individual levels of the fair value hierarchy in the financial year 2022.

The following level 3 input factors were defined and applied for the purposes of measurement:
- Harvest yields, presented as tray carton equivalents per hectare and tonnes per hectare, are defined on the basis of previous production volumes in the respective location of the crops and estimated harvest volumes in consideration of the age and condition of the plant.
- Prices ex works are calculated on the basis of future income from the sale of biological assets in consideration of past development, the current market price and known market conditions at the end of the reporting period.
- Discounting rates are defined in consideration of past development and loss events, as well as the assessment of the fair value and known current risks that are to be assessed.
- The fair value of biological assets and the level 3 input factors are analysed at the end of the reporting period.

In this analysis, input factors are reviewed and verified in view of current market conditions. The calculated fair value of biological assets is reviewed as to whether they suitably reflect the anticipated yields for each type of fruit.

The cash outflow assumed in the fair value calculation includes notional cash flows for land and fruit plantations attributable to the Group. They are based on market rates for plantations of a similar size.

The following unobservable input factors were used to measure the Group's biological assets:

	Unobservable input factors	Variance of unobservable input factors	
		2022	2021
Apples	tce[1] per hectare per year	162 tce[1] to 4,416 tce[1]	270 tce[1] to 4,996 tce[1]
	Weighted average tce[1] per hectare per year	1,915 tce[1]	1,931 tce[1]
	Export prices per tce[1]	€18.69 to €34.98	€5.98 to €43.65
	Weighted average export prices per tce[1]	€27.05	€19.34
	Risk-adjusted discount rate	25%	25%
Tomatoes	Tonnage per hectare per year	148 to 512 tonnes	48 to 541 tonnes
	Weighted average tonnage per hectare per year	349 tonnes	359 tonnes
	Price per kilogramme ex works per season	€1.00 to €15.52	€0.87 to €11.34
	Weighted average price per kilogramme ex works per season	€2.62	€2.37
	Risk-adjusted discount rate	25%	25%
Citrus fruits	Tonnage per hectare per year	37 tonnes	35 tonnes
	Weighted average tonnage per hectare per year	37 tonnes	35 tonnes
	Price per tonne ex works per season	€445.65 to €2,568.98	€473.60 to €1,536.21
	Weighted average price per tonne ex works per season	€1,971.36	€1,288.05
	Risk-adjusted discount rate	14%	14%
Blueberries	Tonnage per hectare per year	3.4 tonnes	6.9 tonnes
	Weighted average tonnage per hectare per year	3.4 tonnes	6.9 tonnes
	Price per kilogramme ex works per season	€4.98 to €11.63	€4.87 to €10.73
	Weighted average price per kilogramme ex works per season	€11.55	€10.45
	Risk-adjusted discount rate	18%	18%

1 tce – tray carton equivalent (equates to approximately 18 kg)

A rise in the harvest volume or a price increase will result in an increase in the fair value of the biological assets. A rise in the discount rate, on the other hand, will result in a decrease in the fair value of the biological assets.

For the Group's apple harvest, a 5.0% increase or decrease in the discount rate would reduce or raise the fair value of the harvest by €0.3 million (2021: €0.2 million). A 5.0% increase or decrease in the discount rate would not have a material impact on the fair values of the Group's tomato, citrus fruit and blueberry harvests.

In the case of the Group's apple and tomato harvests, an increase or decline in harvest volume by 5.0% would result in a change in fair value of €1.1 million and €0.3 million respectively. A 5.0% increase or decrease in harvest volume would not have a material impact on the fair values of the Group's citrus fruit and blueberry harvests.

Financial risks may arise from the Group's agricultural activities as a result of unfavourable climatic conditions or natural disasters. Furthermore, the Group may be exposed to financial risks as a result of unfavourable changes in market prices or harvest volumes or unfavourable change in exchange rates.

Price risks are minimised by the constant monitoring of commodity prices and the influences of these. The Group also implements appropriate measures to ensure that climatic conditions, natural disasters, diseases in plants or other factors do not negatively impact harvest quality and yields. Derivative financial instruments, such as currency futures, are used to reduce foreign currency risks.

The following table shows the owned and leased land available for the cultivation of the various types of biological assets:

In hectares	**2022**	2021
Biological assets		
Apples	578	661
Tomatoes	24	28
Citrus fruits (lemons, mandarins, oranges)	90	90
Grapes	–	59
Blueberries	11	11

The following table shows the production volume of the various types of biological assets on own and leased land available for cultivation:

	2022	2021	Production units
Biological assets			
Apples	1,156,124	1,270,035	tce [1]
Tomatoes	8,478,183	10,205,439	kg
Citrus fruits (lemons, mandarins, oranges)	3,465,186	3,150,426	kg
Grapes	–	202,326	kg
Blueberries	37,138	71,332	kg

1 tce – tray carton equivalent (equates to approximately 18 kg)

C.9 Assets from derivatives

The fair values of assets from derivatives are classified according to the fair value hierarchy as follows, using the procedure described in Note A.3 under “Assets and liabilities from derivatives”:

In € million	Fair values			
31/12/2022	level 1	level 2	level 3	total
Assets from derivatives				
Commodity futures [1]	103.6	551.4	–	655.0
FX hedges	35.6	–	–	35.6
Interest rate hedges	1.9	16.6	–	18.5
	141.1	**568.0**	**–**	**709.1**

1 Commodity futures traded as futures are also attributed to level 1. The previous year’s figures have been adjusted.

In € million	Fair values			
31/12/2021	level 1	level 2	level 3	total
Assets from derivatives				
Commodity futures [1]	571.8	521.8	–	1,093.6
FX hedges	26.2	2.1	–	28.3
Interest rate hedges	–	0.8	–	0.8
	598.0	**524.7**	**–**	**1,122.7**

1 Commodity futures traded as futures are also attributed to level 1. The previous year’s figures have been adjusted.

Please refer to Note C.21 for the presentation of the hierarchy of financial assets measured at fair value.

A total of €611.2 million of the disclosed assets from derivatives had a residual term of a maximum of one year (2021: €1,049.1 million). The residual term for assets from derivatives of €68.5 million (2021: €42.3 million) was between one and a maximum of five years, whereas assets from derivatives of €29.5 million (2021: €31.3 million) had residual terms of over five years.

A country-specific analysis of existing financial instruments was carried out in the BayWa Group's Renewable Energies Segment in the financial year 2022 with the aim of clarifying whether the offsetting requirements under IAS 32.42 et seq. were met for financial assets and financial liabilities resulting from electricity trading. In particular, this entailed assessing whether the BayWa Group had a legally enforceable right to set off existing financial assets and financial liabilities with the same counterparty. As a consequence, financial assets and liabilities of the Renewable Energies Segment amounting to €594.1 million were set off by €327.5 million in accordance with IAS 32 as at the reporting date of 31 December 2022.

The decline in assets from derivatives compared to 31 December 2021 was due in particular to this offsetting. The reduction of open contracts in the Cefetra Group Segment at the end of the financial year 2022 and the slight decline in prices in grain trade activities year on year also contributed to the decline in assets from derivatives.

C.10 Non-current assets held for sale/disposal groups

At the end of the financial year 2022, the BayWa Group's non-current assets held for sale exclusively comprised individual non-current assets; there were no disposal groups at the end of the reporting period.

Non-current assets held for sale relate to 7 (2021: 7) properties that include undeveloped and developed land on which silos, office buildings, garages, warehouses, halls, workshops, a building materials centre, a filling station, a fruit plantation and a car dealership have been constructed. At the end of the reporting period, the book values of the BayWa Group's non-current assets held for sale totalled €16.4 million (2021: €6.8 million). Their fair value less estimated costs to sell came to €36.9 million (2021: €13.9 million).

Non-current assets held for sale break down as follows (for the sake of clarity, only those segments for which reportable values exist have been listed):

In € million **2022**	Agri Trade & Service Segment	Agricultural Equipment Segment	Global Produce Segment	Building Materials Segment	Other Activities	Total
Non-current assets						
Property, plant and equipment	0.3	0.0	15.1	–	0.9	16.4
Non-current assets held for sale	**0.3**	**0.0**	**15.1**	**–**	**0.9**	**16.4**

In € million 2021	Agri Trade & Service Segment	Agricultural Equipment Segment	Global Produce Segment	Building Materials Segment	Other Activities	Total
Non-current assets						
Property, plant and equipment	–	0.3	–	0.2	6.3	6.8
Non-current assets held for sale	**–**	**0.3**	**–**	**0.2**	**6.3**	**6.8**

The BayWa Group did not have any liabilities relating to non-current assets held for sale at the end of the financial year 2022.

C.11 Equity

The consolidated statement of changes in equity shows the development of equity in detail.

Subscribed capital

As at the reporting date, BayWa AG's subscribed capital amounted to €91,807,715.84 (2021: €91,250,199.04 million) and, on 31 December 2022, was divided into 35,862,389 ordinary registered shares (2021: 35,644,609) with an arithmetical portion in the share capital of €2.56 per share (2021: €2.56). Of the shares issued, 34,401,358 are registered shares with restricted transferability (2021: 34,175,458) and 217,780 recently registered shares with restricted transferability (2021: 225,900) (dividend-bearing employee shares from 1 January 2023 onwards). 1,243,251 shares are registered shares not subject to restricted transferability (2021: 1,243,251).

In respect of capital reported in the balance sheet and pursuant to IAS 32, the share capital was reduced by the mathematical value of the shares bought back (19,500 units, the equivalent of €0.1 million) in previous years; the capital reserve also decreased by €0.1 million for the same reason. No shares were bought back in the financial year 2022.

The number of shares in circulation, excluding repurchased treasury shares, developed as follows during the reporting year:

	Registered shares without restricted transferability	Registered shares with restricted transferability
As at 01/01/2022	**1,243,251**	**34,381,858**
Issuing of employee shares		217,780
As at 31/12/2022	**1,243,251**	**34,599,638**

Subject to the approval of the Supervisory Board, the Board of Management is authorised to raise the share capital one or several times on or before 10 May 2026 by up to a nominal amount of €12,500,000 through the issuance of new registered shares with restricted transferability against contributions in kind. The authorisation can be used in part amounts. Shareholders' subscription rights are excluded. Subject to the approval of the Supervisory Board, the Board of Management is authorised to determine the further content of share rights and conditions under which the shares are to be issued (authorised capital in 2021). The Supervisory Board is authorised to amend the Articles of Association accordingly in line with the scope of the capital increase from authorised capital in 2021 or following the deadline for the use of authorised capital in 2021.

Subject to the approval by the Supervisory Board, the Board of Management is authorised to raise the share capital one or several times on or before 25 May 2025 by up to a nominal amount of €3,506,682.88 through the issuance of new registered shares with restricted transferability against cash contribution to the employees of BayWa AG and of affiliated companies within the meaning of Sections 15 et seq. of the German Stock Corporation Act (AktG). Shareholders' subscription rights are excluded. Subject to the approval of the Supervisory Board, the Board of Management is authorised to determine the further content of share rights and conditions under which the shares are to be issued (authorised capital in 2020).

Subject to the approval of the Supervisory Board, the Board of Management is authorised to raise the share capital one or several times on or before 31 May 2023 by up to a nominal amount of €10,000,000 through the issuance of new registered shares against contributions in kind. The authorisation can be used in part amounts. Shareholders' subscription rights are excluded. Subject to the approval of the Supervisory Board, the Board of Management is authorised to determine the further content of share rights and conditions under which the shares are to be issued (authorised capital in 2018).

Capital reserve

The capital reserve of €138.2 million (2021: €129.5 million) is derived mainly from the premiums in an amount of €99.9 million (2021: €94.9 million) from the capital increases executed to date by BayWa AG. Furthermore, premiums were generated on the nominal values of the BayWa shares issued in connection with the acquisition of RWA AG and WLZ AG and the participations exchanged below their rating at the historical stock market prices. These have also been disclosed under capital reserve.

As in 2021, employees of BayWa AG and of associates in Germany and Austria had the opportunity to acquire BayWa shares at favourable conditions within the scope of a voluntary Employee Share Scheme in 2022. In this context, 217,780 recently registered shares with restricted transferability (from 1 January 2023 dividend-bearing employee shares) (2021: 225,900 recently registered shares with restricted transferability, from 1 January 2022 dividend-bearing employee shares) were issued in the financial year 2022. The exercise price of employee shares came to €25.32 (2021: €22.08) and was thus 60% of the stock market price of registered BayWa shares with restricted transferability, which, on the preceding day, had stood at €42.20 (2021: €36.80); BayWa's Board of Management had passed the resolution on the capital increase required for this measure. The contribution of each participating employee amounted to at least €270.00 and no more than €1,080.00 (2021: at least €270.00 and €1,080.00). The advantage granted of €3.7 million (2021: €3.3 million), which was the difference between the actual buying price and the stock market price, was reported as an expense under personnel expenses and posted to the capital reserve in the same amount, in accordance with IFRS 2. The vesting period for these shares will end on 31 December 2024. The shares issued to Austrian employees are also subject to a tax retention period, which will end on 31 December 2027.

Hybrid capital

The hybrid bond issued by BayWa AG on 4 October 2017 with a total nominal amount of €300.0 million was terminated in due time and repaid in full at the contractually agreed, first possible repayment date in October 2022.

In the financial year 2022, dividend-like payments from this hybrid bond of €12.8 million were made for the last time and are reported as part of the appropriation of earnings.

Revenue reserves

The BayWa Group's revenue reserves include the valuation reserve and the other revenue reserves. The latter consists of the statutory reserve under the Articles of Association, the reserve for actuarial gains and losses for provisions for pensions and severance pay and the other revenue reserves. The BayWa Group recognises changes in the fair values of certain equity instruments in other comprehensive income. Said changes are aggregated in equity in the valuation reserve. The valuation reserve also includes the effective portion of the aggregated net change in the fair value of hedging instruments used to hedge cash flows until their subsequent recognition in profit or loss. The other revenue reserves primarily include the revenue reserves of the consolidated subsidiaries. The revenue reserves also include effects from the purchase or sale of shares that do not have an influence on an existing control situation and are recognised in the revenue reserves through other comprehensive income. The revenue reserves of the Group stood at €735.9 million at the end of the reporting period (2021: €485.1 million). Of this amount, €5.6 million (2021: €5.6 million) was attributable to the statutory reserve, €63.8 million (2021: €2.7 million) to the valuation reserve, minus €162.8 million (2021: minus €276.1 million) to the reserves for actuarial gains and losses for provisions for pensions and severance pay and €829.4 million (2021: €752.8 million) to other reserves. Transfers to and withdrawals from the revenue reserves were recorded both at the parent company BayWa AG and at the consolidated subsidiaries.

Other reserves

BayWa's other reserves include both the part of the aggregated result after income tax and dividend distribution attributable to the shares of the parent company of €31.6 million (2021: €12.1 million) as well as the differences from the currency translation of foreign subsidiaries' financial statements reported in other comprehensive income and attributable to the shares of the parent company of €2.2 million (2021: €0.2 million).

The change in other comprehensive income after tax by reserve break down as follows:

In € million	Equity net of minority interest				
2022	valuation reserve	other revenue reserves	other reserves	Minority interest	Equity
Other income from participating interests recognised at equity that is not reclassified retroactively to profit and loss	–	0.0	–	0.0	0.0
Reclassification of measurement effects recognised in OCI to revenue reserves (without recycling)	- 0.0	–	–	- 0.0	- 0.0
Net gain/loss from other current financial assets attributed to the fair value through other comprehensive income category (OCI option – without recycling)	- 16.1	–	–	- 16.4	- 32.5
Change in actuarial gains/losses from pension and severance pay obligations	–	112.9	–	3.5	116.4
Other gains/losses measured directly in equity through other comprehensive income	–	–	–	–	–
Differences from currency translation	–	–	- 1.4	- 1.3	- 2.7
Reclassifications of differences from currency translation in the income statement	–	–	3.5	0.0	3.5
Cash flow hedges	75.9	–	–	62.9	138.8
Reclassifications of net gains/losses from cash flow hedges to the income statement	1.3	–	–	0.3	1.6
Other comprehensive income	**61.0**	**112.9**	**2.0**	**49.1**	**225.0**

In € million 2021	Equity net of minority interest valuation reserve	other revenue reserves	other reserves	Minority interest	Equity
Other income from participating interests recognised at equity that is not reclassified retroactively to profit and loss	–	0.0	–	0.0	0.1
Reclassification of measurement effects recognised in OCI to revenue reserves (without recycling)	- 0.0	–	–	- 0.0	- 0.0
Net gain/loss from other current financial assets attributed to the fair value through other comprehensive income category (OCI option – without recycling)	12.2	–	–	12.8	25.0
Change in actuarial gains/losses from pension and severance pay obligations	–	25.2	–	0.7	26.0
Other gains/losses measured directly in equity through other comprehensive income	–	0.0	–	–	0.0
Differences from currency translation	–	–	10.7	0.3	11.0
Reclassifications of differences from currency translation in the income statement	–	–	- 0.2	0.0	- 0.2
Cash flow hedges	- 24.0	–	–	- 16.4	- 40.4
Reclassifications of net gains/losses from cash flow hedges to the income statement	- 0.3	–	–	- 1.8	- 2.1
Other comprehensive income	**- 12.1**	**25.3**	**10.5**	**- 4.4**	**19.3**

The disclosures on capital management required under IAS 1 can be found in the group management report of these consolidated financial statements, specifically in the section of the Financial Report on the BayWa Group's assets, financial position and earnings position.

Minority interest

The minority interest in equity relates in particular to the shares in BayWa r.e. AG, Munich, Germany, acquired by the Swiss investor Energy Infrastructure Partners AG (EIP), to the cooperatives invested in the Austrian subsidiaries and to the minority shareholders in T&G Global Limited, Auckland, New Zealand, and its subsidiaries. The increase in minority interest is due in particular to positive valuation effects from the aggregated net change in the fair value of hedging instruments used to hedge cash flows and to the rise in the consolidated net result for the year attributable to minority interest. Details on the shares held by the non-controlling interests can be found in Note B.2. of the Notes to the Consolidated Financial Statements.

C.12 Pension provisions

The BayWa Group's pension provisions are based exclusively on defined benefit plans. Due to pension plans no longer being available to new participants, the related risks for BayWa – such as longevity or salary increases – have been clearly reduced. Prior commitments relate to 10,806 claimants. Of this number, 1,832 are active employees, 1,944 former employees with vested benefits and 7,030 are pensioners and surviving dependants. More details on the arrangement of the key defined benefit plans are provided below.

BayWa applied the duration-dependent discount rate in accordance with the spot rate approach, which is determined using the RATE:Link procedure. Under the procedure, interest rates are determined based on corporate bonds with an AA rating as reported by Bloomberg. In 2020, Bloomberg made the classification system "BCLASS" available for the selection of premium corporate bonds. This new system is more comprehensive than the "BICS system" used previously and has been refined by removing bonds in the Treasury, Government-Related, Securitised and Municipal categories and adding Special Purpose Vehicles bonds to the Corporate subcategory.

In %	**31/12/2022**	31/12/2021
Discount factor	3.70	1.08
Salary trend	2.45	2.44
Pension trend	2.05	1.63

The amount of severance pay obligations (defined benefit obligation – DBO) has also been calculated using actuarial methods based on estimates. The following assumptions were applied as a standard for all Austrian Group companies. The non-Austrian Group companies do not have any severance pay obligations.

In %	**31/12/2022**	31/12/2021
Discount factor	3.48	0.57
Salary trend	4.39	3.23

The salary trend reflects anticipated increases in salaries which, depending on inflation and the length of service to the company, among other factors, are estimated on an annual basis.

For the German companies, assumptions on life expectancy were based on the mortality tables of Prof. Dr. Klaus Heubeck (actuarial tables 2018 G). “AVO 2018-P – Rechnungsgrundlagen für die Pensionsversicherung – Pagler & Pagler” (computational framework for post-employment benefit insurance) in the version intended for employees is used for the Austrian companies.

Increases and decreases in the present value of defined benefit obligations can give rise to actuarial gains or losses, the cause of which can also be divergences between actual and estimated parameters of calculation. The resulting actuarial gains and losses are recognised in equity.

Actuarial gains of €158.5 million (2021: €43.0 million) were recorded directly in equity in the reporting year. At the end of the reporting period, actuarial losses recognised directly in equity before deferred taxes amounted to €235.4 million (2021: €400.0 million).

Total expenses from the BayWa Group’s benefit commitments amounted to €10.9 million (2021: €9.3 million) and comprise the following:

In € million	**2022**	2021
Current service cost	- 5.6	- 6.6
+ share of interest	- 5.3	- 2.7
= sum total recognised through profit or loss	**- 10.9**	**- 9.3**

Total expenses from the Austrian Group companies’ severance pay obligations amounted to €1.9 million (2021: €1.7 million) and comprise the following:

In € million	**2022**	2021
Current service cost	- 1.7	- 1.6
+ share of interest	- 0.2	- 0.1
= sum total recognised through profit or loss	**- 1.9**	**- 1.7**

The expenses arising from the accrued interest on rights acquired in the past are disclosed under the financial result. Rights accrued in the respective financial year are included under personnel expenses.

During the reporting period, the net present value of defined benefit obligations (DBO) and therefore the value of pension obligations reported at Group level changed as follows:

In € million		2022	2021
DBO as at 01/01		699.3	762.4
+	changes in the group of consolidated companies	0.3	–
+	sum total through profit or loss	10.9	9.3
+/–	changes in actuarial gains (–)/losses (+)	- 158.5	- 42.5
–	pension payments during the reporting period	- 30.0	- 29.9
+/–	assumption of obligations	–	–
= **DBO as at 31/12**		**522.0**	**699.3**

The actuarial gains calculated for the reporting year comprise actuarial losses from adjustments based on empirical experience of €26.8 million (2021: actuarial gains of €1.5 million) and actuarial gains of €185.3 million (2021: €40.9 million) from the change in financial assumptions.

During the reporting period, the net present value of defined benefit obligations (DBO) and therefore the value of provisions for severance pay reported at Group level changed as follows:

In € million		2022	2021
DBO as at 01/01		36.2	38.4
+	changes in the group of consolidated companies	0.1	–
+	sum total through profit or loss	1.9	1.7
+/–	changes in actuarial gains (–)/losses (+)	- 4.4	- 0.5
–	severance pay in the reporting period	- 3.7	- 3.4
+/–	assumption of obligations	–	–
=	**DBO as at 31/12**	**30.1**	**36.2**

The actuarial gains calculated for the reporting year comprise actuarial losses from adjustments based on empirical experience of €0.4 million (2021: actuarial losses of €0.2 million), actuarial gains from the change in demographic assumptions of €0.0 million (2021: actuarial gains of €0.0 million) and actuarial gains from the change in financial assumptions of €4.6 million (2021: actuarial gains of €0.7 million).

For the financial year 2023, it is expected that a probable amount of €22.5 million will be recognised through profit or loss for defined benefit plans and €2.0 million for severance pay obligations.

Sensitivity analyses

The material measurement parameters for pension obligation and severance pay provisions are the discount factor, as well as the salary trend, and pension obligations also include the pension trend and the remaining life expectancy, all of which may be subject to a certain degree of fluctuation over time. The following sensitivity analyses for pension and severance pay obligations show the effects on the obligations resulting from changes to material actuarial assumptions. In each case, one material factor was changed with the others remaining constant. In reality, however, it is rather unlikely that these factors would not correlate.

Sensitivity analysis for the defined pension obligations

	Change in parameter in % or years	If the parameter increases, the DBO changes by	If the parameter decreases, the DBO changes by	Relationship between measurement parameter and DBO
Discount rate	± 0.75%	- 8.13 %	9.89%	The higher the discount rate, the lower the DBO
Salary increase	± 0.50%	0.68 %	- 0.32%	The higher the salary increase, the higher the DBO
Pension increase	± 0.50%	5.48 %	- 4.68%	The higher the pension increase, the higher the DBO
Remaining life expectancy according to mortality tables	± 1 year	4.04 %	- 3.66 %	The higher the life expectancy, the higher the DBO

Sensitivity analysis for the defined severance pay obligations

	Change in parameter in % or years	If the parameter increases, the DBO changes by	If the parameter decreases, the DBO changes by	Relationship between measurement parameter and DBO
Discount rate	± 0.75%	- 5.50%	5.26%	The higher the discount rate, the lower the DBO
Salary increase	± 0.50%	3.24%	- 3.80%	The higher the salary increase, the higher the DBO

The weighted duration of pension obligations is 12 years (2021: 15 years). The weighted duration of severance pay obligations is 7 years (2021: 8 years).

The expected undiscounted payments from pension and severance pay obligations in subsequent years are as follows:

In € million	Total	2023	2024–2027	2028–2032	> 2032
Pension obligations	951.8	31.6	126.7	154.7	638.8
Severance pay obligations	43.1	3.4	9.8	12.9	17.0

C.13 Other provisions

Other provisions are attributable to:

In € million	**31/12/2022**	31/12/2021
Non-current provisions (with a maturity of more than one year)		
Obligations from personnel and employee benefits	41.5	40.8
Obligations from dismantling operations	38.2	26.1
Other provisions	7.3	6.6
	86.9	**73.5**
Current provisions (with a maturity of up to one year)		
Obligations from personnel and employee benefits	192.6	141.8
Provisions for outstanding invoices	195.6	142.8
Warranty obligations	13.9	8.3
Obligations from dismantling operations	13.5	26.8
Other provisions	99.0	98.5
	514.6	**418.2**

Provisions for obligations arising from personnel and employee benefits consist mainly of provisions for anniversary expenses, vacation backlogs and flexitime credits and severance pay, as well as for age-related part-time service. These provisions, both in current and non-current items, also include variable remuneration components in the form of a long-term incentive (LTI) programme. This programme is available to members of the Board of Management of a subsidiary and to other employees of the same subsidiary under the Board of Management level. The remuneration, which is based on the BayWa r.e. Group's business performance, is intended to enable the participants to share in the long-term development of the company's value in accordance with a business policy focused on a long-term approach and sustainability, and therefore to promote entrepreneurial thinking and actions and to strengthen loyalty to the company. The LTI programme consists of a one-off payment and further bonus payments.

Other provisions mainly comprise provisions for obligations from dismantling operations, for outstanding invoices and for warranty obligations, as well as for impending losses from uncompleted transactions. In addition, there are a number of discernible risks and uncertain obligations. They mainly relate to costs for inherited contamination, follow-up costs and litigation risks.

The provisions developed as follows:

In € million **2022**	As at **01/01/2022**	Allocation	Reclassification	Compound interest/ discounting	Consumption	Release	Currency translation differences	As at **31/12/2022**
Non-current provisions								
Obligations from personnel and employee benefits	40.8	11.8	- 1.3	1.1	- 4.7	- 6.3	0.0	41.5
Obligations from dismantling operations	26.1	14.4	11.0	- 0.5	- 11.7	- 1.1	0.0	38.2
Other provisions	6.6	4.4	0.0	0.0	- 3.7	- 0.1	0.1	7.3
	73.5	**30.6**	**9.6**	**0.6**	**- 20.1**	**- 7.5**	**0.1**	**86.9**
Current provisions								
Obligations from personnel and employee benefits	141.8	153.4	1.3	- 0.1	- 94.0	- 9.8	0.0	192.6
Provisions for outstanding invoices	142.8	197.7	- 2.3	0.0	- 132.9	- 9.6	- 0.2	195.6
Warranty obligations	8.3	13.9	0.0	0.0	- 7.2	- 1.1	0.0	13.9
Obligations from dismantling operations	26.8	22.8	- 11.0	0.2	- 25.3	- 0.5	0.5	13.5
Other provisions	98.5	97.5	2.4	0.0	- 60.5	- 38.6	- 0.3	99.0
	418.2	**485.4**	**- 9.6**	**0.2**	**- 320.0**	**- 59.5**	**0.1**	**514.6**

In € million 2021	As at 01/01/2021	Allocation	Reclassification	Compound interest/ discounting	Consumption	Release	Currency translation differences	As at 31/12/2021
Non-current provisions								
Obligations from personnel and employee benefits	38.3	7.1	0.1	0.4	- 4.0	- 1.1	0.0	40.8
Obligations from dismantling operations	26.3	3.5	- 2.0	- 0.1	- 1.3	- 0.5	0.3	26.1
Other provisions	4.9	4.9	- 0.2	- 0.1	- 2.1	- 1.0	0.1	6.6
	69.6	**15.5**	**- 2.1**	**0.2**	**- 7.5**	**- 2.5**	**0.4**	**73.5**
Current provisions								
Obligations from personnel and employee benefits	119.3	114.9	- 0.1	- 0.2	- 85.6	- 6.9	0.4	141.8
Provisions for outstanding invoices	77.8	141.0	- 0.1	- 0.5	- 67.8	- 9.3	1.8	142.8
Warranty obligations	6.7	4.0	0.0	0.0	- 1.7	- 0.7	0.0	8.3
Obligations from dismantling operations	15.2	23.3	2.1	0.0	- 14.4	- 0.2	0.7	26.8
Other provisions	81.0	84.9	0.2	0.0	- 65.2	- 5.2	2.7	98.5
	300.0	**368.0**	**2.1**	**- 0.7**	**- 234.6**	**- 22.4**	**5.7**	**418.2**

C.14 Debt

Debt includes all interest-bearing obligations of the BayWa Group effective at the end of the reporting period and breaks down as follows:

In € million **2022**	Residual term of up to one year	Residual term of between one and five years	Residual term of over five years	Total
Debt				
Due to banks	1,075.6	2,400.1	660.5	4,136.2
Bonds	–	499.5	–	499.5
Commercial papers	641.7	–	–	641.7
Dormant equity holding	1.4	–	–	1.4
	1,718.7	**2,899.6**	**660.5**	**5,278.8**

In € million 2021	Residual term of up to one year	Residual term of between one and five years	Residual term of over five years	Total
Debt				
Due to banks	745.9	1,794.1	424.4	2,964.4
Bonds	–	498.8	–	498.8
Commercial papers	720.0	–	–	720.0
Dormant equity holding	1.4	–	–	1.4
	1,467.3	**2,292.9**	**424.4**	**4,184.6**

The BayWa Group finances itself through a syndicated financing agreement and capital market issues, as well as through credit lines and short-term loans. No collateral is furnished for the various forms of financing. In individual cases, long-term bank loans and project financing are also used.

The BayWa Group took out a sustainable syndicated loan with a total volume of €1.7 billion in September 2021, which was increased to €2.0 billion in 2022. This credit line must be used by September 2024 and can be extended twice for one year in each instance. The syndicated facility replaces bilateral, unsecured credit lines that were payable on a daily basis. At the time of recognition, the credit line was reported at the fair value corresponding to the nominal value, less transaction costs. The syndicated loan is recognised under liabilities due to banks.

The capital market issues relate, among other things, to a corporate bond issued in June 2019 (coupon of 3.125%, listed on the Luxembourg Stock Exchange, ISIN XS2002496409, denomination per unit of €1,000, term ends 26 June 2024) and bonded loans placed by BayWa AG in 2014, 2015 and 2018, as well as in 2021 and 2022. Said capital market issues serve to diversify the Group's financing. The corporate bond is reported under bonds, whereas the bonded loan is recognised as a liability due to banks.

2022	Nominal loan amount in € million	Maturity	Interest
Bonded loan 3-year fixed	75.0	13/10/2025	4.19%
Bonded loan 3-year variable	35.0	13/10/2025	6-month Euribor plus 1.30%
Bonded loan 5-year fixed	7.5	11/10/2027	4.46%
Bonded loan 5-year variable	3.0	11/10/2027	6-month Euribor plus 1.50%
Bonded loan 7-year fixed	14.5	11/10/2029	4.70%
Bonded loan 7-year variable	11.0	11/10/2029	6-month Euribor plus 1.70%
Bonded loan 10-year fixed	6.5	11/10/2032	4.96%

2021	Nominal loan amount in € million	Maturity	Interest
Bonded loan 5-year fixed	84.0	21/12/2026	0.95%
Bonded loan 5-year variable	78.0	21/12/2026	6-month Euribor plus 0.95%
Bonded loan 7-year fixed	88.0	21/12/2028	1.15%
Bonded loan 7-year variable	56.5	21/12/2028	6-month Euribor plus 1.15%
Bonded loan 10-year fixed	43.5	22/12/2031	1.459%

2018	Nominal loan amount in € million	Maturity	Interest
Bonded loan 5-year fixed	12.5	19/07/2023	1.119%
Bonded loan 5-year variable	22.5	19/07/2023	6-month Euribor plus 0.85%
Bonded loan 7-year fixed	3.0	21/07/2025	1.536%
Bonded loan 7-year variable	14.5	21/07/2025	6-month Euribor plus 1.00%
Bonded loan 5-year fixed	35.0	12/12/2023	1.18%
Bonded loan 7-year fixed	19.0	12/12/2025	1.61%
Bonded loan 7-year variable	3.0	12/12/2025	6-month Euribor plus 0.95%
Bonded loan 10-year fixed	2.5	12/12/2028	2.10%

2015	Nominal loan amount in € million	Maturity	Interest
Bonded loan 10-year fixed	41.5	09/11/2025	2.32%

2014	Nominal loan amount in € million	Maturity	Interest
Bonded loan 10-year fixed	76.5	06/10/2024	2.63%
Bonded loan 10-year variable	15.5	06/10/2024	6-month Euribor plus 1.45%

Of the current liabilities due to banks, loans of €907.1 million (2021: €625.4 million) are due at any time. The difference of €168.5 million (2021: €120.6 million) relates to the short-term portion of non-current liabilities due to banks. The average effective interest rate on short-term variable loans was 1.76% per year as at the reporting date (2021: 0.88%).

Of the multicurrency commercial paper programme concluded by BayWa AG with a total volume of €1,000.0 million (2021: €1,000.0 million), there were €641.7 million (2021: €720.0 million) in commercial papers with an average weighted residual term of 54 days (2021: 86 days) and an average weighted effective interest rate of 2.19% (2021: 0.64%) at the end of the reporting period.

Of the liabilities due to banks, €32.2 million at Group level (2021: €32.2 million) have been secured by a charge over property. The fair value is presented in Note C.21. The fair value of short-term debt does not diverge materially from the book values. For long-term debt, the fair value is determined using the discounted cash flow method.

The dormant equity holdings of three Austrian warehouses ("Lagerhäuser") in RWA AG each have no fixed term and can be terminated by the warehouses at any time. Interest is charged on the dormant equity holdings; the interest rate is fixed contractually. Owing to the short-term nature of these holdings due to termination being possible at any time, the fair value is the book value.

C.15 Lease liabilities

The liabilities-side net present values of future lease payments are carried under lease liabilities.

In € million **2022**	Residual term of up to one year	Residual term of between one and five years	Residual term of over five years	Total
Lease liabilities	75.6	238.0	688.3	1,001.9

In € million 2021	Residual term of up to one year	Residual term of between one and five years	Residual term of over five years	Total
Lease liabilities	76.9	220.0	641.4	938.3

C.16 Trade payables and liabilities from inter-group business relationships

Liabilities due to affiliated companies and companies in which a participating interest is held primarily comprise trade payables. Overall, trade payables had the following residual terms:

In € million **2022**	Residual term of up to one year	Residual term of between one and five years	Residual term of over five years	Total
Trade payables	1,762.3	4.6	0.0	1,766.9
Liabilities due to affiliated companies	13.2	–	–	13.2
Liabilities due to companies in which a participating interest is held	60.1	–	–	60.1
	1,835.7	**4.6**	**0.0**	**1,840.3**

In € million 2021	Residual term of up to one year	Residual term of between one and five years	Residual term of over five years	Total
Trade payables	1,305.3	4.8	0.2	1,310.3
Liabilities due to affiliated companies	12.7	–	0.0	12.7
Liabilities due to companies in which a participating interest is held	38.3	–	–	38.3
	1,356.3	**4.8**	**0.2**	**1,361.3**

C.17 Income tax liabilities

Income tax liabilities according to residual terms break down as follows:

In € million **2022**	Residual term of up to one year	Residual term of between one and five years	Residual term of over five years	Total
Income tax liabilities	98.6	–	–	98.6
	98.6	**–**	**–**	**98.6**

In € million 2021	Residual term of up to one year	Residual term of between one and five years	Residual term of over five years	Total
Income tax liabilities	35.7	0.5	–	36.2
	35.7	**0.5**	–	**36.2**

C.18 Liabilities from derivatives

The fair values of liabilities from derivatives are classified according to the fair value hierarchy as follows, using the procedure described in Note A.3 under “Assets and liabilities from derivatives”:

In € million **31/12/2022**	Fair values level 1	level 2	level 3	Total
Liabilities from derivatives				
Commodity futures [1]	78.5	286.0	69.3	433.8
FX hedges	34.9	–	–	34.9
Interest rate hedges	–	2.9	–	2.9
	113.4	**288.9**	**69.3**	**471.6**

1 Commodity futures traded as futures are also attributed to level 1. The previous year’s figures have been adjusted.

In € million 31/12/2021	Fair values level 1	level 2	level 3	Total
Liabilities from derivatives				
Commodity futures [1]	531.5	644.1	–	1,175.6
FX hedges	20.4	0.0	–	20,4
Interest rate hedges	–	6.5	–	6.5
	551.9	**650.6**	**–**	**1,202.5**

1 Commodity futures traded as futures are also attributed to level 1. The previous year’s figures have been adjusted.

Please refer to Note C.21 for the presentation of the hierarchy of financial liabilities measured at fair value.

A total of €364.2 million of the disclosed liabilities from derivatives had a residual term of a maximum of one year (2021: €1,152.3 million). The residual term for liabilities from derivatives of €83.4 million (2021: €44.9 million) was between one and a maximum of five years, whereas liabilities from derivatives of €23.9 million (2021: €5.3 million) had residual terms of over five years.

In the financial year 2022, financial assets and financial liabilities relating to energy trading totalling €327.5 million were offset within the Renewable Energies Segment, taking into account the requirements of IAS 32.42 et seq. (see C.9 Assets from derivatives). Besides this offsetting, the settlement of commodity futures with negative market values was the primary reason for the decline in liabilities from derivatives compared to 31 December 2021. In addition, the reduction in open contracts in the Cefetra Group Segment as at the end of the financial year 2022 and the slight year-on-year decline in prices in grain trading activities also contributed to the decline in liabilities from derivatives.

C.19 Other liabilities

The table below shows a breakdown of other liabilities:

In € million **2022**	Residual term of up to one year	Residual term of between one and five years	Residual term of over five years	Total
Other current/non-current financial liabilities				
Liabilities due to payment providers	28.8	–	–	28.8
Miscellaneous other current/non-current financial liabilities	141.9	0.4	–	142.3
	170.7	**0.4**	**–**	**171.1**
Other current/non-current non-financial liabilities				
Social security	10.4	–	–	10.4
Subsidies received	6.7	2.4	11.4	20.5
Liabilities from other taxes	158.5	0.0	0.0	158.5
Miscellaneous other liabilities including accruals	584.2	32.9	40.1	657.1
	759.7	**35.3**	**51.5**	**846.5**
Other liabilities	**930.4**	**35.7**	**51.5**	**1,017.6**

In € million 2021	Residual term of up to one year	Residual term of between one and five years	Residual term of over five years	Total
Other current/non-current financial liabilities				
Liabilities due to payment providers	–	–	–	–
Miscellaneous other current/non-current financial liabilities	113.4	0.6	–	114.1
	113.4	**0.6**	**–**	**114.1**
Other current/non-current non-financial liabilities				
Social security	6.9	–	–	6.9
Subsidies received	1.9	2.1	9.1	13.1
Liabilities from other taxes	127.3	0.1	0.0	127.4
Other liabilities including accruals	526.9	26.6	47.1	600.6
	663.0	**28.8**	**56.2**	**748.0**
Other liabilities	**776.4**	**29.4**	**56.2**	**862.0**

The fair values of the items disclosed do not diverge materially from the book values disclosed.

Liabilities due to payment providers of €28.8 million (2021: €0.0 million) pertain to the assignment of trade payables to financing partners that are arranged by a service provider. The financial partners handle the payment to the supplier and are reimbursed by BayWa two months later.

The other current/non-current financial liabilities in the amount of €171.1 million are attributable primarily to the ABS measure, amounting to €125.0 million. In addition, liabilities totalling €13.6 million resulted from the acquisition of Sol in one GmbH, Kaiserslautern, Germany, and Patent Co. DOO Misicevo, Mišićevo, Serbia, in January 2022. Of this amount, €4.8 million is attributable to Sol in one GmbH and €8.8 million to Patent Co. DOO Misicevo. The contractually agreed put options of the minority shareholders were recognised in the balance sheet in the form of these liabilities.

The other liabilities including accruals in the amount of €657.1 million include, in particular, contract liabilities from period-related revenue recognition, liabilities to contractors and other liabilities, as well as deferred income liabilities.

The reversal of received public subsidies amounted to €0.7 million in the financial year (2021: €0.8 million). This amount is recognised under other operating income.

C.20 Contingent liabilities

In € million	2022	2021
Guarantees	34.8	7.7
thereof: to affiliated companies	–	–
thereof: to associates	25.5	6.9
Warranties	28.2	94.5
thereof: to affiliated companies	0.0	0.3
thereof: to associates	11.5	70.0
Collateral for liabilities of third parties	153.0	123.1
thereof: to affiliated companies	–	–
thereof: to associates	152.6	–
Other financial obligations	45.0	41.4
thereof: from buyback obligations	35.6	32.0
thereof: from amounts guaranteed for interests in cooperative companies	9.4	9.4

The BayWa Group has contingent liabilities totalling €152.6 million that predominantly relate to collateral for liabilities of third parties issued by RWA Raiffeisen Ware Austria Aktiengesellschaft, Korneuburg, Austria. These contingent liabilities serve to secure loans of the investee AUSTRIA JUICE, Allhartsberg, Austria, and its subsidiaries.

The guarantees provided by BayWa AG to Amadeus Wind Holdings, LLC Wilmington, USA, in the amount of €58.3 million were no longer agreed in the financial year 2022.

For reasons of materiality, the information required under IAS 37.86 and IAS 37.89 has not been disclosed for the other contingent liabilities. The contingent liabilities to subsidiaries that are presented in the table relate to companies that are not included in BayWa's consolidated financial statements.

There are contractual obligations (purchase commitments) of €9.4 million for the purchase of property, plant and equipment (real estate, vehicles) (2021: €10.0 million) and of €1,917.4 million for the purchase of inventories (2021: €1,390.2 million). The latter primarily concerns the Agri Trade & Service, Agricultural Equipment and Renewable Energies Segments.

C.21 Financial instruments

Book and fair values of financial instruments

The table on the following page shows the book values of the corresponding balance sheet items and their IFRS 9 categories – "measurement at amortised cost", "measurement at fair value through profit or loss" and "measurement at fair value through other comprehensive income". These book values are shown against fair values for the purpose of comparison at the end of the table. The fair value of a financial instrument is the price that would be received for the sale of a financial asset or paid for the transfer of a financial liability between market participants in an arm's length transaction at the end of the measurement period. For current assets and liabilities, the book value represents an appropriate approximation of the fair value.

The book value is sometimes the best estimate of the fair value, particularly in the case of shares in affiliated companies and Group companies, and is therefore a reasonable approximation of it. Interests in non-consolidated affiliated companies and participations in other companies – interests in associates that are not included under the equity method – are disclosed in the "Not a financial instrument" column.

Differences between the book value and the fair value of non-current financial liabilities, particularly long-term debt, may occur due to longer residual terms in some cases. The discounted cash flow method, in consideration of a company-specific borrowing rate at matching maturities, is used to determine the fair value if no market prices are available.

The measurement of commodity futures is based on the market or stock market value for comparable transactions at the end of the reporting period. Unlike in the previous year, the derivatives designated as hedging instruments for cash flow hedge accounting are reported in the following table in the "No category" column. The previous year has been adjusted accordingly.

In € million **As at 31/12/2022**	Book value **31/12/2022**	Subsequent measurement in accordance with IFRS 9 measurement categories [1] AC	FVTPL	FVTOCI (option)	No category	Not a financial instrument	Fair value **31/12/2022**
Non-current financial assets							
Investments [2]	229.0	66.2	23.2	59.1	–	80.5	229.0
Assets from derivatives	56.8	–	56.8	–	–	–	56.8
Derivatives designated as hedging instruments for cash flow hedge accounting (assets)	41.1	–	–	–	41.1	–	41.1
Other receivables and other assets Trade receivables	28.8	28.8	–	–	–	–	28.8
Other receivables and other financial assets [3]	22.9	19.2	–	–	3.6	–	22.9
Other receivables and other non-financial assets	7.5	–	–	–	–	7.5	7.5
Current financial assets							
Securities	0.9	–	0.9	–	–	–	0.9
Assets from derivatives	418.5	–	418.5	–	–	–	418.5
Derivatives designated as hedging instruments for cash flow hedge accounting (assets)	192.7	–	–	–	192.7	–	192.7
Other receivables and other assets Trade receivables and inter-Group business relationships	1,886.4	1886.4	–	–	–	–	1,886.4
Other receivables and other financial assets [3]	454.7	262.1	–	–	4.2	188.4	454.7
Other receivables and other non-financial assets	557.5	–	–	–	–	557.5	557.5
Cash and cash equivalents	221.8	221.8	–	–	–	–	221.8
Non-current financial liabilities							
Long-term debt	3,560.1	3,560.1	–	–	–	–	3,440.8
Trade payables and liabilities from inter-Group business relationships	4.6	4.6	–	–	–	–	4.6
Liabilities from derivatives	57.6	–	57.6	–	–	–	57.6
Derivatives designated as hedging instruments for cash flow hedge accounting (liabilities)	49.8	–	–	–	49.8	–	49.8
Other liabilities [3]	1,013.4	17.3	–	–	926.3	69.8	1,013.4
Current financial liabilities							
Short-term debt	1,718.7	1,718.7	–	–	–	–	1,718.7
Trade payables and liabilities from inter-Group business relationships	1,835.7	1,835.7	–	–	–	–	1,835.7
Liabilities from derivatives	348.9	–	348.9	–	–	–	348.9
Derivatives designated as hedging instruments for cash flow hedge accounting (liabilities)	15.4	–	–	–	15.4	–	15.4
Other liabilities [3]	1,006.1	500.0	–	–	75.6	430.5	1,006.1
IFRS 9 categories							
Financial assets attributed to the AC category	2,484.5						
Financial assets attributed to the FVTPL category [2]	499.5						
Financial assets attributed to the FVTOCI (option) category	59.1						
Other current/non-current financial liabilities attributed to the AC category	7,636.3						
Other current/non-current financial liabilities attributed to the FVTPL category	406.4						

1 AC: at amortised cost; FVTOCI: at fair value through other comprehensive income; FVTPL: at fair value through profit or loss.

2 Investments also include interests in non-consolidated affiliated companies and in other Group companies. As they are not financial instruments within the meaning of IFRS 9, they are disclosed in the “Not a financial instrument” column.

3 In the financial year 2022, lease receivables and lease liabilities were added to the table and allocated to the “No category” column. The prior-year figures were adjusted accordingly.

The following table shows the book and fair values of financial instruments for the comparative period:

In € million **As at 31/12/2021**	Book value **31/12/2021**	Subsequent measurement in accordance with IFRS 9 measurement categories [1] AC	FVTPL	FVTOCI (option)	No category	Not a financial instrument	Fair value **31/12/2021**
Non-current financial assets							
Investments [2]	254.9	55.3	23.6	99.7	–	76.3	254.9
Assets from derivatives	30.6	–	30.6	–	–	–	30.6
Derivatives designated as hedging instruments for cash flow hedge accounting (assets)	43.0	–	–	–	43.0	–	43.0
Other receivables and other assets Trade receivables	13.4	13.4	–	–	–	–	13.4
Other receivables and other financial assets [3]	22.9	17.1	–	–	5.8	–	22.9
Other receivables and other non-current assets	19.0	–	–	–	–	19.0	19.0
Current financial assets							
Securities	1.1	–	1.1	–	–	–	1.1
Assets from derivatives	945.8	–	945.8	–	–	–	945.8
Derivatives designated as hedging instruments for cash flow hedge accounting (assets)	103.3	–	–	–	103.3	–	103.3
Other receivables and other assets Trade receivables and inter-Group business relationships	1,434.0	1,434.0	–	–	–	–	1,434.0
Other receivables and other financial assets [3]	425.7	263.6	–	–	4.3	162.1	425.7
Other receivables and other non-financial assets	405.5	–	–	–	–	405.5	405.5
Cash and cash equivalents	399.1	399.1	–	–	–	–	399.1
Non-current financial liabilities							
Long-term debt	2,717.3	2,717.3	–	–	–	–	2,764.5
Trade payables and liabilities from inter-Group business relationships	5.0	5.0	–	–	–	–	5.0
Liabilities from derivatives	30.4	–	30.4	–	–	–	30.4
Derivatives designated as hedging instruments for cash flow hedge accounting (liabilities)	19.8	–	–	–	19.8	–	19.8
Other liabilities [3]	946.9	11.1	–	–	861.4	74.4	946.9
Current financial liabilities							
Short-term debt	1,467.3	1,467.3	–	–	–	–	1,467.3
Trade payables and liabilities from inter-Group business relationships	1,356.3	1,356.3	–	–	–	–	1,356.3
Liabilities from derivatives	994.0	–	994.0	–	–	–	994.0
Derivatives designated as hedging instruments for cash flow hedge accounting (liabilities)	158.3	–	–	–	158.3	–	158.3
Other liabilities [3]	853.3	499.0	–	–	76.9	277.4	853.3
IFRS 9 categories							
Financial assets attributed to the AC category	2,182.4						
Financial assets attributed to the FVTPL category [2]	1,001.2						
Financial assets attributed to the FVTOCI (option) category	99.7						
Other current/non-current financial liabilities attributed to the AC category	6,056.0						
Other current/non-current financial liabilities attributed to the FVTPL category	1,024.4						

1 AC: at amortised cost; FVTOCI: at fair value through other comprehensive income; FVTPL: at fair value through profit or loss.

2 Investments also include interests in non-consolidated affiliated companies and in other Group companies. As they are not financial instruments within the meaning of IFRS 9, they are disclosed in the “Not a financial instrument” column.

3 In the financial year 2022, lease receivables and lease liabilities were added to the table and allocated to the “No category” column. The prior-year figures were adjusted accordingly.

Hierarchy of financial assets and liabilities measured at fair value

In order to take account of the material factors which form part of the measurement of financial assets and liabilities at fair value or reported at fair value, the financial assets and liabilities of the BayWa Group, each of which were measured at fair value, have been divided up into a hierarchy of three levels.

The levels of the fair value hierarchy and their application to the assets and liabilities are described below:
- **Level 1:** Prices are identical to those quoted in active markets for identical assets or liabilities.
- **Level 2:** Input factors which are not synonymous with the prices assumed at level 1 but which can be observed either directly (i.e. as prices) or indirectly (i.e. derived from prices) for the respective asset or liability.
- **Level 3:** Factors not based on observable market data for the measurement of the asset or a liability (non-observable input factors).

If the measurement parameters fall into different levels of the measurement hierarchy, the measurement is classified at fair value at the lowest level to which an input parameter with a significant effect on the fair value is attributable. No material reclassifications were conducted among the various levels both in the financial year 2022 and in the previous year.

Derivative financial instruments are used at the BayWa Group to hedge currency risks, interest rate risks and commodity futures. Commodity futures are also recognised that are scheduled exclusively for trading and are therefore to be classified as financial instruments within the meaning of IFRS 9. These commodity futures are measured at fair value at the end of the reporting period. The measurement of commodity futures is based on the market or stock market value for identical or comparable transactions at the end of the reporting period. Currency hedges are measured at the forward rate of the respective currency with a matching maturity at the end of the reporting period, in consideration of discounting effects.

The fair values of commodity futures for those transactions that are traded directly on the stock market are measured at the respective market price. For those transactions not traded directly on the stock market, the fair value is derived from observable market prices. For the main product groups, the fair value is derived from futures so as to include the temporal components of the commodity futures. For those products for which no futures are traded, the fair value is measured at the latest price information on physical markets. The measurement takes into account market liquidity and is discounted from the fair value.

Specifically, the fair values of grain futures attributable to level 1 are determined by market prices. The fair values of OTC grain contracts are calculated using the discounted cash flow method in consideration of actively quoted futures prices and market interest rates for discounting on the reporting date (level 2).

In the financial year 2022, a purchase contract in energy trade was concluded in the Renewable Energies Segment. At the same time, a sale contract was concluded. As a result, both had to be recognised at fair value through profit or loss. The contracts are measured using an internal measurement model based on unobservable input factors using the present value method (level 3). The material unobservable input factors include the base risk, the market value advantage and the capture rate. Discounts on the base risk are derived from the profit-at-risk method, which is based on historical market prices. The market value advantage and the capture rate are estimated by comparing the type of installed energy generation system with the average value of similar installed systems. As at 31 December 2022, the fair value amounted to €69.3 million.

The effects on the fair value of a change in the aforementioned unobservable input factors are determined in a sensitivity analysis. A simultaneous change in the base risk and the market value advantage of plus/minus 1.0% would lead to a different fair value of minus/plus 0.31%. A change in both factors by plus/minus 5.0% would result in a change of minus/plus 1.56%. A change in the market value advantage alone, on the other hand, would barely cause any change in fair value. No changes to the capture rate input factor are expected, as the capture rate remains constant over the term of the contract. As a result, the capture rate does not lead to any sensitivity. The base risk is therefore the only significant driver of sensitivity, meaning that no further alternative assumptions on the remaining input factors are required. There is a direct correlation between the base risk and market price volatility. A change in the unobservable input factors – particularly base risk – would have an immaterial effect on fair value. Under normal market conditions, volatilities can change by plus/minus 10%. For interest rate hedges, the measurement takes into account relevant basis instruments on the basis of current observable market data and using recognised valuation models, such as the discounted cash flow method.

The tables below show the financial assets and liabilities measured at fair value assigned to the three levels of the fair value hierarchy:

Hierarchy of financial assets and liabilities measured at fair value

In € million **2022**	Level 1	Level 2	Level 3	Total
Financial assets				
Assets from derivatives, including derivatives designated as hedging instruments for cash flow hedge accounting (assets) [1]	141.1	568.0	–	709.1
Securities	24.1	–	–	24.1
Securities (OCI option)	59.1	–	–	59.1
	224.3	**568.0**	**–**	**792.3**
Other current/non-current financial liabilities				
Liabilities from derivatives, including derivatives designated as hedging instruments for cash flow hedge accounting (liabilities)	113.4	288.9	69.3	471.6
	113.4	**288.9**	**69.3**	**471.6**

1 Commodity futures traded as futures are also attributed to level 1. The previous year's figures have been adjusted.

In € million 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Assets from derivatives, including derivatives designated as hedging instruments for cash flow hedge accounting (assets) [1]	598.0	524.7	–	1,122.7
Securities	24.7	–	–	24.7
Securities (OCI option)	99.7	–	–	99.7
	722.4	**524.7**	**–**	**1,247.1**
Other current/non-current financial liabilities				
Liabilities from derivatives, including derivatives designated as hedging instruments for cash flow hedge accounting (liabilities)	551.9	650.6	–	1,202.5
	551.9	**650.6**	**–**	**1,202.5**

1 Commodity futures traded as futures are also attributed to level 1. The previous year's figures have been adjusted.

The fair value of the long-term debt recognised at cost is to be allocated to level 2 of the fair value hierarchy. Its fair value came to €3,440.8 million as at 31 December 2022 (2021: €2,764.5 million).

Net gains and losses

The following table shows net gains/losses from financial instruments (FI) and in other result reported in the income statement.

In € million **2022**	Assets [1]				Shareholders' equity and liabilities [1]				
Category	AC	FVTPL	FVTOCI (option)	No category	AC	FVTPL	FI	No FI	Total
1. Net gain/loss in the financial result									
Equity valuation of participating interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**13.3**	**13.3**
Income from participating interests	–	6.6	–	–	–	–	6.6	–	6.6
Expenses from participating interests	–	- 7.0	–	–	–	–	- 7.0	–	- 7.0
Result from disposals	–	50.3	–	–	–	–	50.3	0.9	51.2
Result of participating interests	**–**	**49.9**	**–**	–	**–**	**–**	**49.9**	**0.9**	**50.8**
Income from investments	0.1	- 0.2	–	–	–	–	- 0.1	–	- 0.1
Result from disposals	–	- 0.7	–	–	–	–	- 0.7	–	- 0.7
Result from investments	**0.1**	**- 0.9**	**–**	–	**–**	**–**	**- 0.8**	**–**	**- 0.8**
Interest income	14.8	–	–		–	–	14.8	0.1	14.9
Interest income from fair value measurement	–	2.7	–	–	–	–	2.7	–	2.7
Sum total of interest income	**14.8**	2.7	**–**	**–**	–	**–**	**17.5**	**0.1**	**17.6**
Interest expenses	–	–	–	–	- 157.9	–	- 157.9	- 34.7	- 192.6
Interest portion in personnel provisions	–	–	–		–	–	–	- 6.5	- 6.5
Interest expenses from fair value measurement	–	–	–	–	–	- 3.0	- 3.0	–	- 3.0
Sum total of interest expenses	**–**	**–**	**–**	**–**	**- 157.9**	**- 3.0**	**- 160.9**	**- 41.3**	**- 202.1**
Net interest	**14.8**	**2.7**	**–**	**–**	**- 157.9**	**- 3.0**	**- 143.4**	**- 41.2**	**- 184.5**
Sum total net gain/loss	**14.9**	**51.6**	**–**	**–**	**- 157.9**	**- 3.0**	**- 94.3**	**- 27.0**	**- 121.2**
Financial result									**- 121.2**
2. Net gain/loss in the operating result									
Income from derivative financial instruments and commodity futures [2]	–	280.4	–	–	–	–	280.4	–	280.4
Income from the receipt of written-off receivables/release of receivables value adjustments	15.7	–	–	–	–	–	15.7	–	15.7
Expenses from derivative financial instruments and commodity futures [2]	–	–	–	–	–	- 229.3	- 229.3	–	- 229.3
Value adjustments/write-downs of receivables	- 32.6	–	–	–	–	–	- 32.6	–	- 32.6
Sum total net gain/loss	**- 16.8**	**280.4**	**–**	**–**	**–**	**- 229.3**	**34.3**	**–**	**34.3**
3. Net gain/loss in equity									
Change in the fair value from the market valuation of securities	–	–	- 32.5	–	–	–	- 32.5	–	- 32.5
Cash flow hedges [3]	–	–	–	140.4	–	–	140.4	–	140.4
Currency translation	–	–	–	–	–	–	–	- 3.2	- 3.2
Sum total net gain/loss	**–**	**–**	**- 32.5**	**140.4**	**–**	**–**	**107.9**	**- 3.2**	**104.7**
Total net gain/loss	**- 1.9**	**332.0**	**- 32.5**	**140.4**	**- 157.9**	**- 232.3**	**47.8**	**- 30.2**	**17.7**

1 Measurement categories for financial assets and financial liabilities pursuant to IFRS 9: AC: at amortised cost; FVTOCI: at fair value through other comprehensive income; FVTPL: at fair value through profit or loss.

2 The income and expenses reflect the change in fair value from the market valuation of derivative financial instruments and commodity futures.

3 Changes in cash flow hedges are not attributed to any IFRS 9 category. As a result, these items have been reported in the "No category" column since the financial year 2022. The prior-year figures were adjusted accordingly.

Income from participating interests also includes dividend payments.

The net gains and losses from financial instruments in the previous year were as follows:

In € million 2021	Assets [1]				Shareholders' equity and liabilities [1]				
Category	AC	FVTPL	FVTOCI (option)	No category	AC	FVTPL	FI	No FI	Total
1. Net gain/loss in the financial result									
Equity valuation of participating interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**- 10.4**	**- 10.4**
Income from participating interests	–	1.6	–	–	–	–	1.6	–	1.6
Expenses from participating interests	–	- 1.0	–	–	–	–	- 1.0	–	- 1.0
Result from disposals	–	- 0.0	–	–	–	–	- 0.0	0.2	0.2
Result of participating interests	**–**	**0.6**	**–**	–	**–**	**–**	**0.6**	**0.2**	**0.8**
Income from investments	0.0	5.8	–	–	–	–	5.8	–	5.8
Result from disposals	–	0.9	–	–	–	–	0.9	–	0.9
Result from investments	**0.0**	**6.6**	**–**	–	**–**	**–**	**6.6**	**–**	**6.6**
Interest income	14.6	–	–	–	–	–	14.6	0.1	14.7
Interest income from fair value measurement	–	1.0	–	–	–	–	1.0	–	1.0
Sum total of interest income	**14.6**	**1.0**	**–**	**–**	**–**	**–**	**15.6**	**0.1**	**15.7**
Interest expenses	–	–	–	–	- 85.7	–	- 85.7	- 33.0	- 118.7
Interest portion in personnel provisions	–	–	–	–	–	–	–	- 3.1	- 3.1
Interest expenses from fair value measurement	–	–	–	–	–	–	–	–	–
Sum total of interest expenses	**–**	**–**	**–**	**–**	**- 85.7**	–	**- 85.7**	**- 36.1**	**- 121.7**
Net interest	**14.6**	**1.0**	**–**	**–**	**- 85.7**	–	**- 70.1**	**- 35.9**	**- 106.0**
Sum total net gain/loss	**14.6**	**8.2**	**–**	**–**	**- 85.7**	–	**- 62.8**	**- 46.2**	**- 109.0**
Financial result									**- 109.0**
2. Net gain/loss in the operating result									
Income from derivative financial instruments and commodity futures [2]	–	209.8	–	–	–	–	209.8	–	209.8
Income from the receipt of written-off receivables/release of receivables value adjustments	12.5	–	–	–	–	–	12.5	–	12.5
Expenses from derivative financial instruments and commodity futures [2]	–	–	–	–	–	- 200.8	- 200.8	–	- 200.8
Value adjustments/write-downs of receivables	- 28.6	–	–	–	–	–	- 28.6	–	- 28.6
Sum total net gain/loss	**- 16.1**	**209.8**	**–**	**–**	**–**	**- 200.8**	**- 7.2**	**–**	**- 7.2**
3. Net gain/loss in equity									
Change in the fair value from the market valuation of securities	–	–	25.0	–	–	–	25.0	–	25.0
Cash flow hedges [3]	–	–	–	- 42.5	–	–	- 42.5	–	- 42.5
Currency translation	–	–	–	–	–	–	–	10.8	10.8
Sum total net gain/loss	**–**	**–**	**25.0**	**- 42.5**	**–**	**–**	**- 17.5**	**10.8**	**- 6,7**
Total net gain/loss	**- 1.4**	**218.0**	**25.0**	**- 42.5**	**- 85.7**	**- 200.8**	**- 87.5**	**- 35.4**	**- 122.9**

1 Measurement categories for financial assets and financial liabilities pursuant to IFRS 9: AC: at amortised cost; FVTOCI: at fair value through other comprehensive income; FVTPL: at fair value through profit or loss.

2 The income and expenses reflect the change in fair value from the market valuation of derivative financial instruments and commodity futures.

3 Changes in cash flow hedges are not attributed to any IFRS 9 category. As a result, these items have been reported in the "No category" column since the financial year 2022. The prior-year figures were adjusted accordingly.

Income from participating interests also includes dividend payments.

The following table shows an analysis of the maturity dates and undiscounted net cash flows of non-derivative financial liabilities and derivative financial liabilities with negative and positive fair values of the BayWa Group. Compared to the previous year, the table has been split up into non-derivative financial liabilities and derivative financial liabilities. In the case of derivative financial liabilities, a distinction is made between undiscounted cash outflows and cash inflows, taking into account gross or net settlement.

In € million **2022**	Residual term of up to one year	Residual term of one to five years	Residual term of more than five years	Total
Non-derivative financial liabilities measured at cost	**4,254.7**	**3,356.0**	**1,544.8**	**9,155.5**
Derivative financial liabilities	**486.0**	**79.5**	**8.2**	**573.7**
thereof measured at fair value through profit or loss	523.7	68.0	–	591.8
with gross settlement	**412.3**	**64.2**	–	**476.5**
Cash outflows	1,395.9	74.7	–	1,470.6
Cash inflows	- 983.6	- 10.5	–	- 994.1
with net settlement	**111.4**	**3.9**	–	**115.3**
Cash outflows	111.4	3.9	–	115.3
thereof designated as hedging instruments for cash flow hedge accounting	- 37.7	11.5	8.2	- 18.1
with gross settlement	**- 39.6**	**- 5.9**	**0.0**	**- 45.5**
Cash outflows	21.5	0.4	0.0	21.9
Cash inflows	- 61.1	- 6.3	–	- 67.4
with net settlement	**1.9**	**17.4**	**8.1**	**27.4**
Cash outflows	1.9	17.4	8.1	27.4

In € million 2021	Residual term of up to one year	Residual term of one to five years	Residual term of more than five years	Total
Non-derivative financial liabilities measured at cost [1]	**3,499.7**	**2,727.3**	**1,405.1**	**7,631.9**
Derivative financial liabilities	**68.1**	**4.8**	**0.0**	**72.9**
thereof measured at fair value through profit or loss	148.1	0.8	–	148.9
with gross settlement	**- 387.3**	**- 8.2**	**–**	**- 395.5**
Cash outflows	1,668.4	4.2	–	1,672.6
Cash inflows	- 2,055.7	- 12.4	–	- 2,068.1
with net settlement	**535.4**	**9.0**	**–**	**544.4**
Cash outflows	535.4	9.0	–	544.4
thereof designated as hedging instruments for cash flow hedge accounting	- 80.0	4.0	0.0	- 76.0
with gross settlement	**- 152.3**	**- 3.5**	**0.0**	**- 155.8**
Cash outflows	18.8	1.9	2.9	23.6
Cash inflows	- 171.1	- 5.4	- 2.9	- 179.4
with net settlement	**72.4**	**7.5**	**–**	**79.9**
Cash outflows	72.4	7.5	–	79.9

1 Since the financial year 2022, the financial liabilities have also included undiscounted cash flows for lease liabilities. The previous year’s figures have been adjusted accordingly.

Derivative financial instruments and hedge accounting

Risks and general disclosures

Derivative financial instruments are used within the BayWa Group to minimise risks arising from operating activities – in some cases using hedge accounting – in the following areas:

Risk category	Hedging description	Hedging instrument
Interest rate risk		
Refinancing (general)	Interest rate risk positions arise from the Group's financing activities, especially from the issuing of short-term commercial papers and the use of short-term loans, as well as variable-interest bonded loans. Short-term debt is used mainly to finance working capital.	Futures, interest rate swaps
Project financing within the BayWa r.e. Group	Interest rate risk positions may arise from the BayWa r.e. Group's project financing. Where project financing is concluded at variable interest rates, these are generally hedged by means of corresponding interest rate swaps. These interest rate swaps are partly reported in hedge accounting.	Interest rate swaps
Price risk		
Commodity price risk in the agricultural division	The Group is exposed to commodity price risks due to the operating activities of the Agri Trade & Service Segment in the grain collecting and marketing business. In order to mitigate these risks, the BayWa Group's risk management system continuously calculates the various open commodity positions. Using this information, trading areas at the BayWa Group conclude physical commodity futures within the approved limits (maximum long and short position in metric tonnes, maximum value at risk). Commodity futures are only concluded with business partners with excellent credit ratings.	Commodity futures
Electricity price risk within the BayWa r.e. Group	The BayWa r.e. Group is active in energy trade activities and also sells electricity produced by its own wind energy turbines, solar energy parks and biogas plants. Corresponding futures and long-term electricity supply contracts are concluded to secure prices for the buying and selling of electricity in the energy trade, as well as long-term prices for electricity generated by the BayWa r.e. Group itself. These amounts are recognised as commodity futures and partly reported in hedge accounting.	Futures
Currency risk		
Foreign currency risk within the Cefetra Group Segment	The international orientation of the Cefetra Group Segment gives rise to foreign currency risks. Internal policies require that all material foreign currency risks are hedged, with each hedging instrument attributable to an underlying transaction. All open currency transactions are managed centrally by the Treasury section of the Cefetra Group Segment. The specialists have assessment and valuation tools for the monitoring of adherence to the defined limits and receive a monthly list of their open currency transactions from the banks. As in the previous year, the foreign currency risk in the Cefetra Group Segment was excluded for reasons of materiality. Furthermore, some companies in the Cefetra Group Segment recognise foreign currency transactions and their hedges as fair value hedges within the meaning of IFRS 9.6.5.2 (a). The term of the two instruments is usually short. The fair value fluctuations of the underlyings are measured through profit or loss. At the end of the reporting period, the fair value of foreign currency contracts stood at €3.0 million (2021: minus €2.2 million). For reasons of materiality, no further presentations are provided below.	Currency futures
Foreign currency risk within the BayWa r.e. Group	The BayWa r.e. Group finances its business activities in the functional currency of the respective Group company. The funds in the respective functional currency are provided by BayWa AG. Business activities conducted in foreign currencies, i.e. in currencies that differ from the functional currency of the respective Group company, are hedged by corresponding currency futures. These amounts are usually reported in hedge accounting.	Currency futures
Foreign currency risk within the T&G Global Group	The T&G Global Group is a global trading company. The New Zealand Group produces fruit and markets it in different foreign currencies. The resulting foreign currency risks are analysed using detailed cash flow forecasts. Forwards and options are used to manage and control risk – mainly through hedge accounting.	Currency futures

The resulting assets and liabilities are shown in the table below, broken down according to maturity and risk category.

In € million **31/12/2022**	Fair values Total	 Residual term of up to one year	 Residual term of one to five years	 Residual term of more than five years
Assets				
Interest rate hedges				
Standalone derivatives	3.2	1.3	1.9	–
Derivatives designated as hedging instruments for cash flow hedge accounting	15.4	–	3.3	12.1
Commodity hedges				
Standalone derivatives	445.9	392.7	53.2	–
Derivatives designated as hedging instruments for cash flow hedge accounting	209.1	189.4	3.4	16.3
FX hedges				
Standalone derivatives	26.2	24.5	0.6	1.0
Derivatives designated as hedging instruments for cash flow hedge accounting	9.4	3.3	6.1	–
	709.1	**611.2**	**68.5**	**29.5**
Shareholders' equity and liabilities				
Interest rate hedges				
Standalone derivatives	2.8	2.8	–	–
Derivatives designated as hedging instruments for cash flow hedge accounting	0.1	–	0.0	0.1
Commodity hedges				
Standalone derivatives	374.0	316.7	57.4	–
Derivatives designated as hedging instruments for cash flow hedge accounting	59.7	10.9	25.0	23.8
FX hedges				
Standalone derivatives	29.6	29.3	0.2	–
Derivatives designated as hedging instruments for cash flow hedge accounting	5.3	4.5	0.8	–
Derivatives designated as hedging instruments for fair value hedge accounting	0.1	0.1	–	–
	471.6	**364.2**	**83.4**	**23.9**

In € million 31/12/2021	Fair values Total	Residual term of up to one year	Residual term of one to five years	Residual term of more than five years
Assets				
Interest rate hedges				
Standalone derivatives	0.2	0.2	–	–
Derivatives designated as hedging instruments for cash flow hedge accounting	0.6	–	0.6	0.0
Commodity hedges				
Standalone derivatives	952.8	922.6	30.2	–
Derivatives designated as hedging instruments for cash flow hedge accounting	143.3	101.0	10.9	31.3
FX hedges				
Standalone derivatives	23.4	23.1	0.4	–
Derivatives designated as hedging instruments for cash flow hedge accounting	2.4	2.2	0.2	–
	1,122.7	**1,049.1**	**42.3**	**31.3**
Shareholders' equity and liabilities				
Interest rate hedges				
Standalone derivatives	0.6	–	–	0.6
Derivatives designated as hedging instruments for cash flow hedge accounting	5.8	0.2	1.0	4.7
Commodity hedges				
Standalone derivatives	1,009.1	979.3	29.7	–
Derivatives designated as hedging instruments for cash flow hedge accounting	169.0	156.0	13.0	–
FX hedges				
Standalone derivatives	14.7	14.7	–	–
Derivatives designated as hedging instruments for cash flow hedge accounting	3.2	2.1	1.2	–
	1,202.5	**1,152.3**	**44.9**	**5.3**

In the reporting year, income from derivative financial instruments of €280.4 million (2021: €209.8 million) and expenses of €229.3 million (2021: €200.8 million) were included in the income statement.

Notes on the individual risk categories

General refinancing risk

In the financial year 2022, the average interest rate for variable-interest financial liabilities stood at 1.7577% (2021: 0.8827%). An increase or reduction in this interest rate by one percentage point would have led, ceteris paribus, to an increase or decline in variable interest expenses by €12.3 million (2021: €12.2 million and €0.0 million respectively).

Commodity price risk in the agricultural division

The following table provides an overview of the grain contracts relating to the BayWa Group's operating activities in the grain collecting and marketing business, which are recognised as financial instruments pursuant to IFRS 9.

In metric tonnes	**31/12/2022**	31/12/2021
Long positions		
Grain/corn	7.9	9.4
Oilseed/oilseed meal	3.6	3.8
Other	1.4	2.1

In metric tonnes	**31/12/2022**	31/12/2021
Short positions		
Grain/corn	- 9.6	- 10.9
Oilseed/oilseed meal	- 4.1	- 4.4
Other	- 1.8	- 2.4

The fair value of the grain contracts recognised as financial assets constitutes the greatest possible default risk, without including the value of received collateral or other risk-mitigating agreements. Rises and declines in the prices of all relevant commodities by a margin of 10% would have affected, ceteris paribus, the annual result as at 31 December 2022 in the manner displayed in the following table. The calculation includes all grain contracts valid as at the reporting date.

In € million **31/12/2022**	Grain/corn	Oilseed/ oilseed meal	Other
Price rise (+ 10%)			
Effect on income	- 41.8	22.0	- 11.9
Equity effect	- 10.3	0.9	–
Price decline (– 10%)			
Effect on income	41.8	- 22.0	11.9
Equity effect	10.3	- 0.9	–

In € million 31/12/2021	Grain/corn	Oilseed/ oilseed meal	Other
Price rise (+ 10%)			
Effect on income	- 36.5	- 9.0	- 10.2
Equity effect	- 8.7	- 1.1	–
Price decline (– 10%)			
Effect on income	36.5	9.0	10.2
Equity effect	8.7	1.1	–

Risks from financial instruments within the BayWa r.e. Group

The BayWa r.e. Group generally only concludes derivative financial instruments to hedge underlying transactions. This means that there are no material open positions from derivative financial instruments for interest rates, currencies and electricity. In addition to derivative financial instruments, project financing is to be considered as a financial instrument within the BayWa r.e. Group. There are no open risk positions here either, as these are either fixed-interest financing agreements or hedged by a corresponding swap. Only in the energy trade does the Group maintain a trading portfolio in which open positions from financial instruments may arise. The market price risks in this trading portfolio are managed using the profit-and-loss and value-at-risk limits defined in the risk management system. The open, unsecured position in the trading portfolio was immaterial as at 31 December 2022, as was the case in the previous year. As a result, there is no separate presentation of the sensitivity analysis.

Foreign currency risk within the T&G Global Group

The T&G Global Group is a global trading company that processes a high volume of its business in foreign currency. Receivables and revenues are generated in the common trading currencies. These underlying transactions are hedged against foreign currency risks through derivative financial instruments. In particular, the pome fruit export transactions concluded in foreign currencies are hedged by FX forwards and options. The New Zealand-based T&G Global Group had concluded hedges in the volume of €282.2 million as at 31 December 2022 (2021: €194.2 million). These break down across the trading currencies as follows:

In € million **31/12/2022**	
US dollar	247.6
Pound sterling	11.8
Euro	17.5
Japanese yen	5.3

In € million 31/12/2021	
US dollar	154.6
Pound sterling	13.4
Euro	18.2
Japanese yen	7.1

The following table shows, ceteris paribus, the impact of exchange rate fluctuations of 10% of the New Zealand dollar against all trading currencies in the T&G Global Group:

In € million **31/12/2022**	
Price rise (+ 10%)	
Effect on income	- 0.5
Equity effect	- 21.1
Price decline (– 10%)	
Effect on income	0.6
Equity effect	25.8

In € million 31/12/2021	
Price rise (+ 10%)	
Effect on income	- 0.6
Equity effect	- 16.5
Price decline (– 10%)	
Effect on income	0.7
Equity effect	20.1

Specific information on cash flow hedge accounting

The BayWa Group is a global trading company and as such is exposed to various risks in the course of its ordinary business activities. Hedge accounting is becoming increasingly important in order to successfully hedge against these risks. The hedging strategies that are reported in the hedge accounting disclosures of the balance sheet are explained below:

Risk	Hedging strategy
Interest rate risk within the BayWa r.e. Group	The interest rate risks from project financing are hedged through interest rate swaps, some of which are reported in the hedge accounting disclosures of the balance sheet.
Commodity price risk in the agricultural division	The BayWa Group uses derivative financial instruments in the form of grain futures with physical fulfilment to hedge cash flows from future grain purchases and sales made by BayWa within the scope of its grain collecting, warehousing and marketing business. These hedges are recognised as all-in-one cash flow hedges; in other words, the expected, highly likely spot purchases and sales are designated as the underlying transactions, and the financial floating-to-fixed swaps are designated as hedges. The concluded hedges are 100% effective. The individual hedges are held until the maturity of the underlying transaction. New grain contracts are designated at contract inception.
Electricity price risk within the BayWa r.e. Group	Within the BayWa r.e. Group, electricity futures and forwards and long-term power purchase agreements with fixed pricing are used in hedge accounting. Electricity price futures and forwards are used to hedge against fluctuating cash flows from the physical purchase or sale of electricity within the framework of energy trading. Long-term power purchase agreements generally serve to hedge prices that have been fixed for the long term for the sale of electricity and green electricity certificates from wind farms and solar parks. These agreements involve either direct physical supply at fixed prices, provided the buyer can purchase the electricity from the local balance group, or financial compensation for the difference between the fixed price and variable market prices while the seller and the buyer feed in and procure electricity to and from their local balance groups.
Foreign currency risk within the BayWa r.e. Group	As part of its cash flow hedge accounting, the BayWa r.e. Group uses foreign currency futures with physical fulfilment to hedge material purchases, onshore costs and revenues within the scope of solar and wind farm projects where the currency differs from the functional currency of the company managing the project. These hedge relationships are reported as cash flow hedges; in other words, the expected, highly likely material purchases, onshore costs or sales revenues in a different currency are designated as the underlying transactions, and the spot components of the associated foreign currency futures are designated as hedges.
Foreign currency risk within the T&G Global Group	To counteract exchange rate fluctuations, future incoming payments in foreign currency are hedged within the framework of hedge accounting. Internal guidelines stipulate forwards and options for this purpose. If other hedging instruments are used, this must be approved on a case-by-case basis by an appropriate body. Hedging instruments are generally not concluded for longer than a period of up to two years.

The following table shows the development of cash flow hedge reserves for the matters presented above. Developments solely concern the hedging reserve (OCI I):

In € million	Agricultural trade	Energy trade	Foreign currency hedging	Interest rate hedging
As at 01/01/2022	**- 6.8**	**- 21.4**	**- 0.4**	**- 2.4**
Allocation	6.3	401.4	9.9	19.2
Release	- 3.0	- 298.4	- 6.9	- 2.8
Transfer to other current financial assets/financial liabilities	8.9	0.0	0.0	0.0
Reclassification in the income statement	0.0	1.2	0.2	0.7
Change to the group of consolidated companies [1]	–	- 0.6	–	0.6
As at 31/12/2022	**5.5**	**82.2**	**2.9**	**15.2**

In € million	Agricultural trade	Energy trade	Foreign currency hedging	Interest rate hedging
As at 01/01/2021	**- 2.2**	**9.8**	**9.6**	**- 5.5**
Allocation	17.0	25.4	0.6	4.3
Release	- 24.6	- 51.0	- 14.2	- 0.9
Transfer to other current financial assets/financial liabilities	3.1	0.0	0.0	0.0
Reclassification in the income statement	0.0	- 5.6	3.6	- 0.2
As at 31/12/2021	**- 6.8**	**- 21.4**	**- 0.4**	**- 2.4**

1 In previous years, changes to the group of consolidated companies had no material impact on the hedging reserve (OCI I)

At the BayWa r.e. Group, only the spot component of the change to the fair value is designated as part of the cash flow hedge for foreign currency futures. The change in the fair value attributable to the forward component is recognised immediately through profit or loss in the income statement.

For the floors included in long-term power purchase agreements for the first time in the financial year 2022, only the intrinsic value of €0.0 million is designated as a hedging instrument in hedge accounting. The fair value of the floors is presented separately in the OCI II reserve and amounted to €3.3 million in the financial year 2022.

Information on hedging instruments in cash flow hedge accounting

The following table shows the effects on the financial position resulting from the hedging through cash flow hedges. Derivative assets are reported in the balance sheet item “Other assets”, while derivative liabilities are reported under “Other liabilities”.

In € million **31/12/2022**	Book value	Nominal volume of contracts	thereof: due in < 1 year	thereof: due in < 1 to 5 years	thereof: due in > 5 years	Nominal volume of contracts in tonnes or TWh
Derivative assets	**233.8**	**1,302.8**	**760.0**	**202.8**	**340.0**	**n/a**
Commodity futures – grain trading	11.9	110.2	108.5	1.7	–	0.3
thereof: purchase	1.7	14.2	14.2	0.0	–	0.0
thereof: sale	10.1	96.0	94.3	1.7	–	0.2
Commodity futures – energy trade	197.2	777.1	563.2	23.0	190.9	7.8
thereof: purchase	29.3	42.3	31.2	11.1	–	0.4
thereof: sale	167.9	734.9	532.1	11.9	190.9	7.4
FX hedges	9.4	195.3	88.2	107.0	–	n/a
Interest rate hedges	15.4	220.2	–	71.1	149.1	n/a
Derivative liabilities	**65.1**	**724.2**	**300.2**	**75.5**	**348.5**	**n/a**
Commodity futures – grain trading	4.2	48.8	45.9	2.9	–	0.1
thereof: purchase	1.4	13.7	13.6	0.0	–	0.0
thereof: sale	2.8	35.1	32.2	2.9	–	0.1
Commodity futures – energy trade	55.6	544.6	174.5	30.8	339.4	8.4
thereof: purchase	23.7	112.3	107.8	4.5	–	0.4
thereof: sale	31.9	432.3	66.7	26.2	339.4	8.0
FX hedges	5.3	121.7	79.8	41.8	–	n/a
Interest rate hedges	0.1	9.1	–	–	9.1	n/a

In € million **31/12/2021**	Book value	Nominal volume of contracts	thereof: due in < 1 year	thereof: due in < 1 to 5 years	thereof: due in > 5 years	Nominal volume of contracts in tonnes or TWh
Derivative assets	**146.3**	**851.6**	**507.9**	**128.5**	**215.2**	**n/a**
Commodity futures – grain trading	16.0	105.0	103.8	1.2	–	0.4
thereof: purchase	13.3	71.3	70.2	1.0	–	0.3
thereof: sale	2.7	33.7	33.6	0.1		0.2
Commodity futures – energy trade	127.3	512.4	284.4	17.1	210.9	7.4
thereof: purchase	63.3	85.9	77.8	8.1	–	0.7
thereof: sale	64.0	426.5	206.6	9.0	210.9	6.7
FX hedges	2.4	190.3	119.7	70.7	–	n/a
Interest rate hedges	0.6	43.9	–	39.5	4.4	n/a
Derivative liabilities	**177.2**	**672.6**	**482.7**	**52.5**	**137.4**	**n/a**
Commodity futures – grain trading	25.5	129.2	126.2	3.1	–	0.5
thereof: purchase	0.6	15.5	15.5	–	–	0.1
thereof: sale	25.0	113.7	110.6	3.1	–	0.4
Commodity futures – energy trade	143.5	370.2	351.4	18.8	–	2.2
thereof: purchase	32.9	156.7	154.9	1.7	–	0.7
thereof: sale	110.6	213.5	196.5	17.1	–	1.5
FX hedges	3.2	5.2	5.2	–	–	n/a
Interest rate hedges	4.9	168.0	–	30.6	137.4	n/a

The presented hedge relationships are highly effective (nearly 100%). Any ineffectiveness is immaterial.

Other risks in relation to financial instruments

The BayWa Group's risk management system is presented together with the objectives, principles and processes in the Management Report in the separate "Opportunity and risk management" section. Besides the risks presented in Note A.3, the following risks are of particular significance in this context:

Foreign currency risks

BayWa's business activities are largely located in the euro zone. If foreign currency positions arise from goods and services transactions or projects, they are always hedged without delay, as presented above. Other payment obligations or receivables denominated in a foreign currency are hedged at the time when they arise. Speculative borrowing or investing of financial resources denominated in foreign currencies is prohibited.

Credit and counterparty risks and default risks

As part of its entrepreneurial activities, BayWa Group has an important function as a source of financing for its agricultural trading partners. In the context of so-called cultivation contracts, the Group is exposed to a financing risk arising from the upfront financing of agricultural inputs, the repayment of which is made through acquiring and selling the harvest. Moreover, BayWa grants financing to commercial customers, particularly in the construction sector, in the form of payment terms of a substantial scope. Beyond this, there are the customary default risks inherent in trade receivables, such as the (partial) default of a debtor. Risks are kept to a minimum by way of an extensive debtor monitoring system that spans all business units. To this end, credit limits are defined through a documented process of approval and monitored on an ongoing basis. If particular red flags are determined in this process, such as the initiation of insolvency proceedings against the debtor or unsuccessful attachment of wages or receivables, the receivables are written off in full. Individual value adjustments are recognised for receivables not certain to be recovered within a foreseeable period of time, judged in accordance with the principle of commercial prudence, even if no red flags are determined. Receivables are written off immediately as soon as a red flag is determined.

In addition to credit risks, counterparty risks are also regularly monitored in agricultural trade; consequently, market value changes to open selling and buying contracts are measured so as to monitor the risk of the non-fulfilment of contract obligations. There is currently no discernible concentration of default risk from business relationships with individual debtors or groups of debtors. Besides standard market margin payments, no collateral exists for financial assets. More information on credit and counterparty risks, as well as default risks, can be found in Note C.6 Other receivables and other assets.

The maximum credit risk exposure at the end of the reporting period corresponds to the book value of financial assets. The maximum credit risk at the end of the reporting period was €29.2 million (2021: €36.0 million). The expected default risk amounts to €31.3 million (2021: €17.3 million).

Liquidity risks

The liquidity risk is the risk that the BayWa Group may not – or only to a limited extent – be able to fulfil its financial obligations. At the BayWa Group, funds are generated through operations and by borrowing from external financial institutions. Financing instruments such as multi-currency commercial paper programmes, asset-backed securitisation, bonded loans and syndicated loans, the first of which was taken out in the financial year 2021, are also used. Existing credit lines are therefore measured to an extent deemed sufficient to guarantee business performance at all times, even in the event of growing volume. Owing to the diversification of the sources and durations of financing, the BayWa Group does not currently have any risk clusters concerning liquidity.

C.22 Leases

Material leases are primarily concluded at the BayWa Group for the rights of use to land and buildings, construction land, rights of way and infrastructure, technical facilities, vehicles and forklift trucks.

Information regarding BayWa as lessee

In € million	**2022**	2021
Interest expenses	34.7	33.0
Expenses for short-term and low-value leases	18.7	10.0
Future payment obligations from short-term leases that fall due after the reporting date	1.6	4.2
Expenses for variable leases	0.8	0.5
Gains from sale-and-lease-back transactions	0.1	13.3
Total cash outflows from leases in the financial year	136.9	127.6
Income from sub-leases	0.4	0.5

Information regarding BayWa as lessor

In € million	**2022**	2021
Receivables from finance leases		
Due within one year	4.4	4.1
Due between one and two years	3.2	4.4
Due between two and three years	0.1	0.4
Due between three and four years	0.0	0.2
Due between four and five years	0.0	0.2
Due after more than five years	0.3	1.1
Sum total of future lease payments	**8.0**	**10.3**
Less unrealised interest income	- 0.2	- 0.2
Net investment of receivables from finance leases	**7.8**	**10.1**
Financial income from net investment of receivables from finance leases	0.1	0.1
Income from variable lease payments received from finance leases	0.2	0.3
Disposal gains/losses from finance leases	0.0	0.1

In € million	**2022**	2021
Lease payments from operating leases		
Due within one year	16.6	15.8
Due between one and two years	12.7	12.4
Due between two and three years	11.1	10.7
Due between three and four years	10.4	10.1
Due between four and five years	7.2	9.6
Due after more than five years	6.7	11.8
Sum total of future lease payments	**64.7**	**70.4**
Income from lease payments received from operating leases	18.0	18.1
Income from variable lease payments received from operating leases	1.0	2.3

Further information regarding leases is included in the statement of changes in assets and in C.15 Lease liabilities.

D Notes to the Income Statement

The layout of the income statement accords with total cost-type accounting.

D.1 Revenues

The BayWa Group's revenues break down as follows:

In € million	2022	2021
Goods	26,245.1	19,192.9
Services	816.7	646.2
	27,061.8	**19,839.1**

Revenues also include those generated by BayWa as an agent in relation to the issuing of filling station cards and in certain fruit trading activities. The sale of project companies, particularly in the Renewable Energies Segment, is also reported in revenues if the sale constitutes a revenue-like transaction. For details, please see A.5 Other discretionary decisions and accounting policies.

The breakdown by corporate division and region can be seen in the segment report (Note E.2). Owing to the diversified business activities of the individual segments, inter-segment revenues are transacted only to a minor extent.

D.2 Other operating income

In € million	2022	2021
Rental income	33.4	32.7
Gains from the disposal of assets	19.9	41.7
Income from the release of provisions	66.2	21.0
Reimbursement of expenses	22.7	20.9
Income from the reduction in risk provisions for expected credit losses	14.9	10.7
Other income from public subsidies	2.9	6.0
Staff placement	5.7	5.2
Foreign exchange gains	212.7	178.9
Income from the fair value measurement of biological assets	8.7	0.4
Income from intra-Group cost allocation	6.8	1.6
Other income	99.0	85.1
	492.9	**404.2**

Rental income includes gains from incidental costs. Gains from the disposal of assets primarily comprise the disposal of BayWa AG property inventories and also include the proportionate distribution of the accounting profit that resulted from a sale–and-lease-back transaction for real estate in the financial year 2013 and, due to the classification of the lease agreement as a financial lease (IAS 17), is to be distributed over the term of the agreement (€3.6 million). Most of the increase in the income from the release of provisions pertained to a project in the United Kingdom in the Renewable Energies Segment. Because the relevant authorities did not issue the necessary building permit, it was not possible to carry out the project as originally planned. Provisions of €30.3 million therefore had to be released. At the same time, capitalised project rights of €29.3 million were written off in relation to this. The year-on-year rise in the reimbursement of expenses was due to the reimbursement of the costs of using a leasing platform for company bicycles and non-cash benefits from car usage. The rise in foreign exchange gains is mainly attributable to the further increase in business activities outside the European Economic Area, specifically in the Renewable Energies Segment. This item also includes foreign exchange gain effects from currency futures for which there is no clear hedging relationship with an underlying transaction and that are therefore not included in a hedge relationship. Other income includes, in particular, income from advertising allowances, income from receivables written down or income from the release of value adjustments on receivables and a variety of further individual items.

D.3 Cost of materials

In € million	**2022**	2021
Expenses for raw materials, consumables and supplies, and for goods sourced	- 23,953.8	- 17,362.6
Expenses for services outsourced	- 627.4	- 1,094.6
	- 24,581.2	**- 18,457.2**

D.4 Personnel expenses

In € million	**2022**	2021
Wages and salaries	- 1,248.1	- 1,073.3
Share-based payment	- 3.7	- 3.3
Expenses for pensions, support and severance pay	- 22.5	- 53.0
thereof: current service cost	- 7.2	- 7.9
Social insurance contributions	- 235.3	- 190.9
	- 1,509.5	**- 1,320.5**

After calculating the provisions for pension and severance pay pursuant to IAS 19, expenses for pension and severance pay total €12.8 million (2021: €11.0 million). Of this amount, a portion of €7.3 million (2021: €8.2 million) has been disclosed under personnel expenses, and a portion totalling €5.5 million (2021: €2.8 million) under interest expenses.

Number	**2022**	2021
Employees		
Annual average (Section 267 para. 5 German Commercial Code (HGB))	22,293	21,185
As at 31/12	22,508	21,468

D.5 Other operating expenses

In € million	**2022**	2021
Vehicle fleet	- 88.1	- 69.1
Maintenance	- 87.4	- 79.0
Cost of legal and professional advice, audit fees	- 77.6	- 73.3
Advertising	- 64.8	- 51.1
Energy	- 44.6	- 39.0
IT costs	- 42.8	- 22.6
Insurance	- 40.9	- 34.0
Rent	- 36.7	- 23.4
Travel expenses	- 32.1	- 14.9
Losses from asset disposals	- 22.1	- 11.2
Expenses for staff hired externally	- 20.1	- 36.7
Amortisation of/value adjustments on receivables	- 19.6	- 10.3
Commission	- 19.1	- 11.3
Office supplies	- 16.6	- 13.9
Administrative expenses	- 14.1	- 10.9
Information expenses	- 13.8	- 13.6
Expenses for other operating taxes	- 13.3	- 9.4
Training and professional development costs	- 13.3	- 7.9

In € million	2022	2021
Foreign exchange losses	- 219.8	- 182.8
Other expenses	- 185.2	- 140.6
	- 1,072.0	**- 855.0**

Besides higher foreign exchange losses from increased business activity outside the European Economic Area, the €217.0 million increase in other operating expenses in the financial year 2022 is mainly attributable to higher IT costs and expenses for the fleet, business travel and staff hired externally. The rise in other expenses, which comprise mainly general selling and other costs, such as those incurred by securing against operating risks, was due to a variety of further individual items. By contrast, costs for staff hired externally declined.

D.6 Income from participating interests recognised at equity and other income from shareholdings

In € million	2022	2021
Income from participating interests recognised at equity	**14.2**	**- 10.3**
Income/expenses from affiliated companies	0.3	0.0
Income/expenses from the disposal of affiliated companies	46.1	- 0.8
Other income from holdings and similar income	11.3	9.1
Write-downs and other expenses of investments	- 8.7	- 1.1
Other income from shareholdings	49.1	7.3
	63.3	**- 3.0**

Income from participating interests recognised at equity climbed by €24.5 million year on year to €14.2 million. In the previous year, the result generated by Amadeus Wind Holdings, LLC, Wilmington, USA, above all, had a negative effect after it was required to pay compensation in connection with fixed power purchase agreements due to extreme weather conditions in Texas in 2021, with heavy snowfall and freezing rain causing outages of the wind turbines it operated. Other income from shareholdings was up by €41.8 million year on year at €49.1 million, mainly as a result of the divestiture of companies in the financial year 2022. Specifically, the divested companies constituted the biogas portfolio and comprised BayWa r.e. Bioenergy GmbH, Regensburg, Germany, and its subsidiaries, Schradenbiogas GmbH & Co. KG, Gröden, Germany, and Al Dahra BayWa Agriculture LLC, Abu Dhabi, United Arab Emirates (please see Note B.2 of the Notes to the Consolidated Financial Statements for further details). Dividend income is generally recorded as and when a claim to payout arises.

D.7 Interest income and expenses

In € million	2022	2021
Interest and similar income	14.9	14.7
thereof: from affiliated companies	0.8	0.3
Interest from fair value measurement	2.7	1.0
Interest income	**17.6**	**15.7**
Interest and similar expenses	- 157.9	- 85.6
thereof: to affiliated companies	- 0.1	- 0.0
Interest from fair value measurement	- 3.0	- 0.0
Interest portion from leases	- 34.7	- 33.0
Interest portion of the allocation to pension provisions and other personnel provisions	- 6.4	- 3.1
Interest expenses	**- 202.1**	**- 121.7**
Net interest	**- 184.5**	**- 106.0**

D.8 Income tax

Income tax breaks down as follows (negative amounts are tax expenses, positive amounts are tax income):

In € million	2022	2021
Actual taxes	- 121.4	- 59.0
Deferred taxes	41.3	27.2
	- 80.1	**- 31.8**

Actual tax income and expenses comprise the corporate and trade tax of the companies in Germany and comparable taxes on foreign companies.

Deferred taxes are formed for all temporary differences between the tax-related assigned values and IFRS values as well as the consolidation measures. Equity includes deferred tax assets of €32.6 million (2021: €55.1 million) net that were offset against the reserve for actuarial gains and losses from provisions for pensions and severance pay. Moreover, deferred tax liabilities of €64.5 million (2021: €17.5 million) were offset against the valuation reserve directly in equity through other comprehensive income. Deferred tax assets continued to exist in the amount of €1.0 million (2021: €3.8 million) and are also recognised in equity. Of this amount, €0.0 million (2021: €1.5 million) in deferred tax assets is attributable to the hybrid bond issued by BayWa AG. Deferred tax assets include tax-reducing claims which arise from the expected utilisation of loss carryforwards in the years ahead, the realisation of which is assured with sufficient probability. These amounted to €68.4 million (2021: €73.6 million). As part of corporate planning, a time horizon of five years (maximum) has been assumed here. No deferred tax assets were recognised for loss carryforwards of €456.4 million (2021: €377.2 million) and tax credits of €40.4 million (2021: €0.0 million), as their usability is not anticipated within the specified period. Loss carryforwards of individual Group companies can be partly carried forward within a limited period of time. No material tax assets which are eligible as carryforwards for a limited period of time are likely to expire. The deferred tax income from the origination and/or reversal of temporary differences amounts to €29.9 million (2021: €27.2 million).

In 2022, net deferred tax assets from temporary differences and from loss carryforwards in the amount of €24.1 million (2021: €19.3 million) existed at subsidiaries that generated losses in the past year or in the year before that. They were seen as recoverable, as tax gains are expected in the future for these companies. There were one-off effects in the financial year 2022 among relevant companies that resulted in a loss. These losses are not expected to be repeated in subsequent years.

Deferred taxes are calculated on the basis of the tax rates which apply or are anticipated given the current legal situation in the individual countries at the time when taxes are levied. The tax rate of BayWa AG was 29.13% in the reporting year (2021: 29.13%).

Deferred tax assets and liabilities are allocated to the individual balance sheet items as shown in the table below:

	Deferred tax assets		Deferred tax liabilities	
In € million	2022	2021	2022	2021
Intangible assets and property, plant and equipment	15.1	16.1	312.1	314.5
Investments	6.3	3.7	33.5	47.5
Current assets	67.3	35.9	200.7	303.8
Other assets	0.9	14.7	24.6	19.8
Tax loss carryforwards	191.8	179.2	–	–
Provisions	198.6	433.6	23.6	18.6
Liabilities	239.9	233.2	5.9	2.8
Other liabilities	50.3	31.4	33.3	21.9
Value adjustments on deferred tax assets	- 188.8	- 211.8	–	–
Balance	- 416.8	- 599.5	- 416.8	- 599.5
Consolidation	- 2.7	- 16.8	- 12.0	3.6
	161.9	**119.7**	**204.8**	**133.0**

The actual tax expenses are €13.0 million lower than the amount that would have been incurred if the German corporate tax rate had been applied under the currently prevailing law, plus the solidarity surcharge and the trade tax burden on the consolidated earnings before tax. The tax rate of 29.13% calculated for actual tax is based on the uniform corporate tax rate of 15.0%, plus the solidarity surcharge of 5.5% and the average effective trade tax burden of 13.31%. Deferred tax liabilities were not recognised for subsidiaries and associates if and when the company can control the timing of reversals and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax liabilities were not formed for temporary differences from subsidiaries, joint ventures and associates in an amount of €19.6 million (2021: €30.7 million).

The table below shows the transition from the computed tax expenses in accordance with the corporate tax rate to the income tax expenses actually reported:

In € million	**2022**	2021
Consolidated result before income tax	**319.6**	**160.6**
Computational tax expenses based on a tax rate of 29.13%	- 93.1	- 46.8
Difference against foreign tax rates	- 12.6	- 13.9
Tax not relating to the period	10.6	22.1
Permanent difference changes	- 20.2	- 29.3
Tax effect due to non-tax-deductible expenses	- 16.0	- 14.4
Trade tax deductions and additions and effects from tax groups	- 0.2	- 1.6
Deconsolidation effects	- 1.1	- 0.3
Tax-exempt income	51.1	79.2
Changes in the value adjustment of deferred tax assets	- 6.9	- 25.9
Tax effect from equity results	3.9	- 0.2
Effects from changes in tax rates	1.1	- 0.5
Other tax effects	3.3	- 0.2
Income tax reported	**- 80.1**	**- 31.8**

D.9 Profit share of minority interest

The share of consolidated net result for the year due to the other shareholders of €71.4 million (2021: €58.2 million) is mainly attributable to the minority shareholders of BayWa r.e. AG, RWA AG and T&G Global Limited and their respective subsidiaries.

D.10 Earnings per share

Earnings per share are calculated by dividing the portion of profit of BayWa AG's shareholders, accounting for the dividend on hybrid capital, by the average number of the shares issued in the financial year and dividend-bearing shares. There were no diluting effects.

		2022	2021
Net result for the year adjusted for minority interest	In € million	168.1	70.7
Average number of shares issued	Units	35,644,609	35,418,709
Basic earnings per share	in €	4.36	1.63
Diluted earnings per share	in €	4.36	1.63
Proposed dividend per share	in €	1.10	1.05
Proposed special dividend per share to mark the 100th anniversary of BayWa AG	In €	0.10	–
Dividend per share paid out	In €	1.05	1.00

E Further Information

E.1 Explanations on the cash flow statement of the BayWa Group

The cash flow statement shows how the cash and cash equivalents of the BayWa Group have changed due to cash inflows and outflows during the reporting year. Cash and cash equivalents shown in the cash flow statement comprise all liquid funds disclosed in the balance sheet, i.e. cash in hand, cheques and deposits in banks. Owing to the fact that the Group conducts its business mainly in the euro zone, the impact of exchange-rate induced changes in cash and cash equivalents is of secondary importance and is therefore disclosed together with changes in the group of consolidated companies. The funds are not subject to any restraints on disposal.

In accordance with the standards set out under IAS 7, the cash flow statement is divided up into cash flow from operating activities, investing activities and financing activities.

The cash flow from operating activities is calculated indirectly, based on the consolidated net result for the year. This cash flow is adjusted for non-cash expenses (mainly depreciation and amortisation) and income. Cash flow from investing activities is calculated on a cash-effective basis and comprises cash-effective changes in consolidated non-current assets as well as incoming and outgoing payments from the acquisition of companies. Cash flow from financing activities is also ascertained on a cash-effective basis and comprises primarily cash-effective changes in borrowings and cash outflows from dividend distribution and the reduction of funds. Within the scope of the indirect calculation of these positions, changes from currency translation and from changes in the group of consolidated companies were eliminated, as they do not affect cash. For this reason, a comparison of these figures with the figures in the consolidated balance sheet is not possible. Further details on acquisitions and disposals can be found under Note B.1.

The transition of liabilities to cash flows from financing activities was as follows:

In € million		Cash-effective		Not cash-effective				
	01/01/2022	payments during the period	interest expenses	company acquisitions and disposals	currency translation effects	fair value changes	other changes	**31/12/2022**
Liabilities due to banks	2,964.4	1,214.0	- 155.2	- 25.7	- 7.4	–	146.1	4,136.2
Bonds	498.8	0.7	–	–	–	–	–	499.5
Commercial papers	720.0	- 78.3	–	–	–	–	–	641.7
Dormant equity holding	1.4	–	–	–	–	–	–	1.4
Lease liabilities	938.3	- 82.7	- 33.4	0.9	0.2	–	178.6	1,001.9
Liabilities due to payment providers	0.0	28.8	–	–	–	–	–	28.8
	5,123.0	**1,082.4**	**- 188.6**	**- 24.8**	**- 7.1**	**–**	**324.6**	**6,309.5**

In € million			Cash-effective				Not cash-effective	
	01/01/2021	payments during the period	interest expenses	company acquisitions and disposals	currency translation effects	fair value changes	other changes	31/12/2021
Liabilities due to banks	1,841.5	935.9	- 86.4	6.5	23.9	–	243.0	2,964.4
Bonds	498.4	0.5	–	–	–	–	–	498.8
Commercial papers	990.0	- 270.0	–	–	–	–	–	720.0
Dormant equity holding	1.4	–	–	–	–	–	–	1.4
Lease liabilities	834.1	- 65.6	- 30.7	1.8	5.6	–	193.1	938.3
Liabilities due to payment providers	–	–	–	–	–	–	–	–
	4,165.4	**600.8**	**- 117.1**	**8.3**	**29.5**	**–**	**436.1**	**5,123.0**

Changes due to additions and disposals of project companies from the Renewable Energies Segment are shown under other changes.

E.2 Explanations on the segment report

Dividing up of operations into segments

The segment report provides an overview of the important business divisions of the BayWa Group. Here, the activities of the BayWa Group are divided into segments pursuant to IFRS 8. The division of activities is based on internal management and reporting structures. It is presented in the same form as is submitted to decision makers, namely the Board of Management of BayWa AG, on a regular basis, therefore forming the basis for strategic decisions. This results in greater uniformity of the internal and external reporting system. All consolidation measures are shown in a separate column of the segment report. Aside from the depreciation and amortisation included in this section, there are no other material non-cash items that must be reported separately in the segment report.

Segment reporting remains unchanged year on year. Only the order of presentation has changed, with the Global Produce Segment now positioned between the Agricultural Equipment and Building Materials Segments. The presentation of the previous year has been adjusted accordingly to ensure better comparability. In accordance with the operating business activities of the BayWa Group, the reportable segments according to IFRS 8 comprise the Renewable Energies, Energy, Cefetra Group, Agri Trade & Service, Agricultural Equipment, Global Produce and Building Materials Segments. The Innovation & Digitalisation and Other Activities Segments are still reported separately, as in the past.

The business activities of the Renewable Energies Segment, pooled in BayWa r.e. AG, are split up into three areas: Projects, Operations and Solutions. Projects encompasses international project planning, management and the construction of wind farms and solar parks as well as the sale of finished plants. Operations comprises planning and technical services, the provision of consumables, technical and commercial management, the maintenance of plants, energy trading and the marketing of electricity from own plants as an independent power producer (IPP). Solutions involves selling photovoltaic systems and components and tailored energy solutions to supply energy to commercial and industrial customers.

The Energy Segment comprises an extensive network, which ensures the supply of heating oil, fuels and lubricants, as well as AdBlue, wood pellets and heating solutions, to commercial and private customers. The segment also provides solutions in the fields of electromobility, liquefied natural gas (LNG) and digital mobility.

The Cefetra Group Segment specialises in the international trade of grain and oilseed. As a supply chain manager, it covers the entire value chain from purchasing through to logistics and sales. Its customers include local and international grain and oil mills, breweries and malt houses, manufacturers of starch and feedstuff and producers of biofuels and ethanol. The Cefetra Group Segment is also busy expanding its business involving goods such as starch products, rice and legumes, as well as organic products. In doing so, the Cefetra Group Segment is catering to the food and feedstuff industry's growing demand for these products.

The focus of the Agri Trade & Service Segment is direct trade with farmers. To this end, it supplies its agricultural customers in Germany all year round with agricultural inputs that are necessary for agricultural production, such as seed, fertilizers and crop protection products, as well as feedstuff and hygiene products for livestock farming. In addition, the segment collects agricultural products such as grain, oilseed and hops after they are harvested and markets them to local and regional processors, as well as in export markets. It therefore maintains high warehousing and logistics capacities that include a connection to the Baltic Sea at two ports. The Agri Trade & Service Segment is also represented across the whole of Austria through the Group company RWA Raiffeisen Ware Austria AG, which maintains close business relations with over 400 cooperative warehouses.

The sale of machinery, equipment and systems for agriculture, forestry and the public sector in Germany and Austria is pooled in the Agricultural Equipment Segment. The segment is responsible for the sale of new and used machinery, as well as maintenance and repair services, including spare parts. Worldwide, BayWa is the largest sales partner for the AGCO Group, with its brands Fendt, Massey Ferguson, Challenger and Valtra. BayWa is also the leader in the global sale of CLAAS agricultural machinery. Its customers include farms and forestry operations, as well as vineyards, fruit farmers, municipalities and commercial enterprises. The product range also includes various brands of vehicles for sweeping, cleaning and winter services, as well as mowing and sporting venue technologies. Furthermore, the Agricultural Equipment Segment is expanding into international markets such as the Netherlands, South Africa and Canada.

The Global Produce Segment combines all activities of the Group in the business of fruit and vegetable growing and trading these products. In Germany, BayWa is the leading single seller of domestic dessert pome fruit for the food retail sector. The main collection region is the area around Lake Constance. In an international context, the T&G Global Group (Auckland, New Zealand) and the tropical fruit trading company TFC Holland B.V. (Maasdijk, Netherlands), which cover the entire fruit and vegetable marketing value chain on a global scale, are also part of the segment.

The Building Materials Segment covers the entire range of products and services – from structural engineering, civil engineering, the construction of new buildings, renovation and modernisation to gardening and landscaping to energy-efficient and healthy building packages of solutions. The key regions for the Building Materials Segment are southern Germany and Austria. The range of products is aimed at construction companies, municipalities, trades and commercial enterprises, as well as private consumers. In addition, the Building Materials Segment provides customers with a wide range of specialisations and a variety of services, as well as expertise and support when it comes to innovative topics such as healthy construction, energy efficiency and building information modeling (BIM).

BayWa has plotted a clear course into the digital future by establishing the Innovation & Digitalisation Segment. It is responsible for Digital Farming activities including, in particular, developing and marketing digital products and services for enhancing productivity in agriculture. Online sales at the BayWa Group are also pooled in the Innovation & Digitalisation Segment under the BayWa Portal.

Aside from peripheral activities, the Other Activities Segment mainly encompasses BayWa Group's real estate operations.

Apart from revenues generated through business with third parties that are disclosed in the segments, intra- and inter-segment revenues are also reported. Revenues are not broken down by individual product and service at Group level due to the heterogeneity of the products sold in the Group. Both intra- and inter-segment sales are conducted at arm's length terms and conditions. Any interim profits arising in this context are eliminated in the consolidated financial statements. Moreover, write-downs and write-ups and the financial results per segment are disclosed, along with earnings before interest, tax, depreciation and amortisation (EBITDA), earnings before interest and tax (EBIT) and earnings before tax (EBT). At the BayWa Group, earnings before interest and tax (EBIT) consist of the result of operating activities plus income from participating interests recognised at equity and other income from shareholdings. Earnings before interest, tax, depreciation and amortisation (EBITDA) are calculated in the same manner.

Assets, inventories and liabilities are still reported separately for each segment. To further increase the informative value of the segment information, the segmental liabilities of the Renewable Energies, Cefetra Group, Global Produce and Building Materials Segments are presented in consolidated form. As a result, reference is not made to the raw reported data as a whole, with the corresponding consolidation effects not being allocated to the transition.

Investments made (excluding financial assets) are also divided up among the segments. Such investments concern the addition of intangible assets and property, plant and equipment, as well as additions from company acquisitions. Moreover, the information in this segment report includes the annual average number of employees per segment.

The transition primarily includes amortisation of the hidden reserves and intangible assets revealed in purchase price allocations in previous years.

Earnings before interest and tax (EBIT) consist of the result of operating activities plus income from participating interests recognised at equity and other income from shareholdings. Earnings before interest, tax, depreciation and amortisation (EBITDA) are calculated in the same manner. A computational transition to the following financial information by segment is not possible.

Financial information by segment for the financial year 2022

In € million **31/12/2022**	Renewable Energies	Energy	Cefetra Group	Agri Trade & Service
Revenues generated through business with third parties	6,489.2	3,343.6	6,111.2	5,750.7
Intra-segment revenues	593.1	451.2	773.0	687.8
Inter-segment revenues	1.9	26.4	35.7	26.9
Total revenues	**7,084.2**	**3,821.2**	**6,919.9**	**6,465.4**
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**364.3**	**71.3**	**81.0**	**156.2**
Depreciation/amortisation	- 125.2	- 17.7	- 21.5	- 51.5
Earnings before interest and tax (EBIT)	**239.1**	**53.6**	**59.5**	**104.7**
thereof: income from participating interests recognised at equity	5.5	- 0.1	0.2	1.1
thereof: other income from shareholdings	43.7	- 3.0	2.1	1.8
Net interest	- 77.9	- 1.7	- 12.7	- 32.7
Earnings before tax (EBT)	**161.2**	**51.9**	**46.8**	**72.0**
Income tax				
Net result for the year				
Assets	5,048.6	537.8	1,328.4	2,194.8
thereof: participating interests recognised at equity	77.4	0.7	1.9	21.4
thereof: non-current assets held for sale	–	–	–	0.3
Inventories	1,774.7	98.6	643.1	1,102.9
thereof: non-current assets held for sale	–	–	–	–
Liabilities	3,857.6	528.2	1,151.3	2,084.5
thereof: liabilities from non-current assets held for sale	–	–	–	–
Investments in intangible assets, property, plant and equipment and investment property (including company acquisitions)	176.1	19.9	31.6	124.7
Employee annual average	3,754	1,411	623	3,630

Agricultural Equipment	Global Produce	Building Materials	Innovation & Digitalisation	Other Activities*	Transition	**Group**
2,076.5	921.3	2,346.9	10.4	12.0	–	27,061.8
40.3	126.8	58.5	2.0	23.2	- 2,755.9	–
4.7	–	1.1	0.2	4.0	- 100.9	–
2,121.5	**1,048.1**	**2,406.5**	**12.6**	**39.2**	**- 2,856.8**	**27,061.8**
93.8	**56.4**	**105.7**	**- 5.6**	**- 64.3**	**–**	**858.8**
- 23.6	- 35.3	- 35.3	- 5.8	- 36.8	- 2.0	- 354.7
70.2	**21.1**	**70.4**	**- 11.4**	**- 101.1**	**- 2.0**	**504.1**
- 0.2	1.3	- 0.9	–	7.3	–	14.2
–	2.1	0.1	–	2.3	–	49.1
- 15.7	- 10.7	- 21.4	- 0.9	- 10.8	–	- 184.5
54.5	**10.4**	**49.0**	**- 12.3**	**- 111.9**	**- 2.0**	**319.6**
						- 80.1
						239.5
1,161.7	729.2	1,112.5	45.1	6,025.0	- 5,206.7	12,976.4
11.3	21.6	4.5	–	139.9	–	278.7
–	15.1	–	–	1.0	–	16.4
686.5	37.8	414.3	1.2	0.5	- 2.8	4,756.8
–	–	–	–	–	–	–
1,293.3	423.4	1,202.1	58.0	3,370.6	- 2,901.6	11,067.4
–	–	–	–	–	–	–
41.8	112.8	65.1	3.9	42.5	–	618.4
3,826	3,151	4,661	220	1,017	–	22,293

*** prior to consolidation**

Financial information by segment for the financial year 2021 [1]

In € million 31/12/2021	Renewable Energies	Energy	Cefetra Group	Agri Trade & Service
Revenues generated through business with third parties	3,560.0	2,128.2	4,996.3	4,178.7
Intra-segment revenues	233.1	221.6	708.4	510.0
Inter-segment revenues	1.1	10.5	27.1	30.9
Total revenues	**3,794.2**	**2,360.3**	**5,731.8**	**4,719.6**
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**198.9**	**32.9**	**48.5**	**59.3**
Depreciation/amortisation	- 63.9	- 15.5	- 9.7	- 47.0
Earnings before interest and tax (EBIT)	**135.0**	**17.4**	**38.8**	**12.3**
thereof: income from participating interests recognised at equity	- 9.9	–	- 1.6	0.7
thereof: other income from shareholdings	0.7	–	–	0.8
Net interest	- 39.9	- 0.8	- 5.1	- 17.2
Earnings before tax (EBT)	**95.1**	**16.6**	**33.7**	**- 4.9**
Income tax				
Net result for the year				
Assets	4,536.8	410.2	1,300.9	1,947.7
thereof: participating interests recognised at equity	49.7	–	1.9	20.2
thereof: non-current assets held for sale	–	–	–	14.7
Inventories	1,781.1	57.3	592.8	892.0
thereof: non-current assets held for sale	–	–	–	1.9
Liabilities	3,503.3	417.5	1,121.0	1,760.5
thereof: liabilities from non-current assets held for sale	–	–	–	10.1
Investments in intangible assets, property, plant and equipment and investment property (including company acquisitions)	82.9	24.7	3.9	36.3
Employee annual average	2,821	1,359	496	3,408

1 The order of the segments has been adjusted for reasons of comparability with the financial year 2022.

	Agricultural Equipment	Global Produce	Building Materials	Innovation & Digitalisation	Other Activities*	Transition	**Group**
	1,909.0	960.7	2,084.2	11.1	10.9	–	19,839.1
	40.1	201.5	54.7	2.1	46.5	- 2,018.0	–
	1.3	–	1.1	0.4	2.7	- 75.1	–
	1,950.4	**1,162.2**	**2,140.0**	**13.6**	**60.1**	**- 2,093.1**	**19,839.1**
	72.2	**76.5**	**104.0**	**- 3.4**	**- 36.1**	**–**	**552.8**
	- 23.6	- 33.9	- 30.8	- 16.8	- 39.7	- 5.3	- 286.2
	48.6	**42.6**	**73.2**	**- 20.2**	**- 75.8**	**- 5.3**	**266.6**
	2.1	0.9	–	–	- 2.5	–	- 10.3
	–	–	0.1	0.9	4.8	–	7.3
	- 10.3	- 9.3	- 13.9	- 0.7	- 8.8	–	- 106.0
	38.3	**33.3**	**59.3**	**- 20.9**	**- 84.6**	**- 5.3**	**160.6**
							- 31.8
							128.8
	1,010.9	667.3	983.9	68.4	5,690.3	- 4,845.0	11,771.4
	11.5	21.9	–	–	137.4	–	242.6
	0.3	–	0.2	–	6.3	–	21.4
	554.2	35.0	301.7	1.7	0.4	- 3.2	4,213.0
	–	–	–	–	–	–	1.9
	1,095.8	370.0	999.7	100.0	3,221.5	- 2,634.0	9,955.3
	–	–	–	–	–	–	10.1
	32.3	56.8	80.2	7.5	51.2	–	375.8
	3,805	3,650	4,454	240	952	–	21,185

*** prior to consolidation**

Segment reporting by region

Beyond reporting under IFRS 8, which does not require secondary segment information, information on segment reporting by region is also disclosed. Consequently, external sales are allocated according to where the customer is domiciled; the Group's core markets are in Germany, Austria and the Netherlands.

Financial information by region

	External sales		Non-current assets [1]	
In € million	**2022**	2021	**2022**	2021
Germany	9,916.7	7,317.9	1,841.4	1,666.8
Austria	3,877.6	3,013.5	542.6	565.1
Netherlands	2,412.7	1,645.1	248.1	240.7
New Zealand	454.0	197.9	321.7	280.5
USA	1,060.1	561.0	612.8	345.5
Other international operations	9,340.7	7,103.7	824.3	672.6
thereof: rest of Europe	8,464.9	6,180.9	506.7	323.0
Group	**27,061.8**	**19,839.1**	**4,390.9**	**3,771.3**

1 Due to the incomplete reporting of non-current assets in different regions in the previous year, the previous year's figures were adjusted in the financial year 2022.

E.3 Litigation

Group companies are and will continue to be faced with legal disputes and administrative proceedings in relation to their operating business activities. Such disputes and proceedings can relate to the assertion of third-party claims based on poor services (e.g. consultation errors), deliveries not being up to standard (e.g. deficiencies) or payment disputes, but can also result from breaches of compliance requirements by individual employees. This may lead, among other things, to individual Group companies having to pay compensation or financial penalties or being imposed with other civil or criminal sanctions.

In March 2015, the Bundeskartellamt (German federal antitrust authority) initiated administrative offence proceedings concerning crop protection products. The proceedings were ended in January 2020. Since then, there has been a fundamental risk that customers could assert claims for compensation against BayWa AG. At the time at which these financial statements were prepared, only individual claims had been asserted against BayWa AG out of court, all of which have been refuted by BayWa AG. Claims for compensation were filed against another company involved in the proceedings. In these proceedings, the defendant declared litigation against BayWa AG and other companies. If the case were to be lost, this company could be entitled to claim a settlement against BayWa AG, because the companies involved in such an administrative offence generally hold joint and several liability. In such a case, there would be a risk that BayWa AG would also have to settle part of the potential damages. It is BayWa AG's belief that the penalised misconduct did not result in any buyers of BayWa AG suffering any financial damages whatsoever.

We assume, supported by the assessment of our advisers, that it is not highly likely in this context that third parties will be able to successfully assert any material claims against BayWa AG. Therefore, no risk provisions for this matter have been formed on the balance sheet.

Neither BayWa AG nor any of its Group companies are involved in a court case or arbitration proceedings which could have a major impact on the economic situation of the Group, either now or in the past two years. Such court cases are also not foreseeable. Provisions have been made in an appropriate amount at the respective Group company for any financial burdens arising from other court cases or arbitration proceedings and for other legal disputes and/or there is appropriate insurance cover in place.

E.4 Information pursuant to Section 160 para. 1 item 8 of the German Stock Corporation Act (AktG)

Pursuant to the German Securities Trading Act (WpHG), any shareholder who reaches, exceeds or falls below the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75% of the voting rights of a listed company is required to inform the company and the German Federal Financial Supervisory Authority (BaFin) without delay. BayWa AG was informed of the following holdings:

Pursuant to Section 41 para. 2 in conjunction with Section 21 para. 1 of the German Securities Trading Act (WpHG), Bayerische Raiffeisen-Beteiligungs-AG, Beilngries, Germany, informed us on 4 April 2002 that the proportion of its voting rights in our company had exceeded the 30% threshold and stood at 37.51% as at 1 April 2002.

Raiffeisen Agrar Invest GmbH, Vienna, Austria, informed us on 16 July 2009 that, pursuant to Section 21 para. 1 of the German Securities Trading Act (WpHG), the share apportioned to it of the voting rights in BayWa Aktiengesellschaft, Arabellastraße 4, 81925 Munich, Germany, exceeded the thresholds of 15%, 20% and 25% on 15 July 2009 and that the whole share in the voting rights came to 25.12% (8,533,673 voting rights, of which 8,389,785 voting rights from registered shares with restricted transferability and 143,888 voting rights from registered shares) on 15 July 2009.

Raiffeisen Agrar Holding GmbH, Vienna, Austria, informed us on 16 July 2009 that, pursuant to Sections 21 para. 1, 22 para. 1 sentence 1 item 1 of the German Securities Trading Act (WpHG), the share apportioned to it of the voting rights in BayWa Aktiengesellschaft, Arabellastraße 4, 81925 Munich, Germany, exceeded the thresholds of 15%, 20% and 25% on 15 July 2009 and that the whole share in the voting rights came to 25.12% (8,533,673 voting rights, of which 8,389,785 voting rights from registered shares with restricted transferability and 143,888 voting rights from registered shares) on 15 July 2009. Of these voting rights, 25.12% (8,533,673 voting rights, of which 8,389,785 voting rights from registered shares with restricted transferability and 143,888 voting rights from registered shares) were apportionable to Raiffeisen Agrar Holding GmbH pursuant to Section 22 para. 1 sentence 1 item 1 of the German Securities Trading Act (WpHG). These voting rights were apportionable to Raiffeisen Agrar Holding GmbH via Raiffeisen Agrar Invest GmbH (direct holder of the voting rights) pursuant to Section 22 para. 1 sentence 1 item 1 of the German Securities Trading Act (WpHG).

LEIPNIK-LUNDENBURGER INVEST Beteiligungs AG, Vienna, Austria, informed us on 16 July 2009 that, pursuant to Sections 21 para. 1, 22 para. 1 sentence 1 item 1 of the German Securities Trading Act (WpHG), the share apportioned to it of the voting rights in BayWa Aktiengesellschaft, Arabellastraße 4, 81925 Munich, Germany, exceeded the thresholds of 15%, 20% and 25% on 15 July 2009 and that the whole share in the voting rights came to 25.12% (8,533,673 voting rights, of which 8,389,785 voting rights from registered shares with restricted transferability and 143,888 voting rights from registered shares) on 15 July 2009. Of these voting rights, 25.12% (8,533,673 voting rights, of which 8,389,785 voting rights from shares with restricted transferability and 143,888 voting rights from registered shares) were apportionable to LEIPNIK-LUNDENBURGER INVEST Beteiligungs AG pursuant to Section 22 para. 1 sentence 1 item 1 of the German Securities Trading Act (WpHG). These voting rights were apportionable to LEIPNIK-LUNDENBURGER INVEST Beteiligungs AG via Raiffeisen Agrar Holding GmbH pursuant to Section 22 para. 1 sentence 1 item 1 of the German Securities Trading Act (WpHG).

On 8 September 2009, we received the following notification from ‘KORMUS’ Holding GmbH, Friedrich-Wilhelm-Raiffeisen-Platz 1, 1020 Vienna, Austria, Company Register no. FN 241822X:

> “We herewith inform you that, pursuant to Sections 21 para. 1 and 22 para. 1 sentence 1 item 1 of the German Securities Trading Act (WpHG), the share of the voting rights in BayWa Aktiengesellschaft, Arabellastraße 4, 81925 Munich, Germany, apportioned to us had fallen below the thresholds of 25%, 20%, 15%, 10%, 5% and 3% on 8 September 2009 and that the whole share in the voting rights now amounts to 0% (the equivalent of 0 voting rights). To date a share in the voting rights of 25.12% (the equivalent of 8,533,673 voting rights) was apportionable to us pursuant to Section 22 para. 1 sentence 1 item 1 of the German Securities Trading Act (WpHG) via LEIPNIK-LUNDENBURGER INVEST Beteiligungs AG. As a result of a demerger, 16,329,226 of the shares formerly held by us in LEIPNIK-LUNDENBURGER INVEST Beteiligungs AG (the equivalent of 50.05% of the shares and the voting rights) were directly transferred to ‘LAREDO’ Beteiligungs GmbH, our direct parent company, with effect from 8 September 2009.”

‘LAREDO’ Beteiligungs GmbH, Vienna, Austria, informed us on 16 July 2009 that, pursuant to Sections 21 para. 1, 22 para. 1 sentence 1 item 1 of the German Securities Trading Act (WpHG), the share apportioned to it of the voting rights in BayWa Aktiengesellschaft, Arabellastraße 4, 81925 Munich, Germany, exceeded the thresholds of 15%, 20% and 25% on 15 July 2009 and that the whole share in the voting rights came to 25.12% (8,533,673 voting rights, of which 8,389,785 voting rights from registered shares with restricted transferability and 143,888 voting rights from registered shares) on 15 July 2009. Of these voting rights, 25.12% (8,533,673 voting rights, of which 8,389,785 voting rights from shares with restricted transferability and 143,888 voting rights from registered shares) were apportioned to ‘LAREDO’ Beteiligungs GmbH pursuant to Section 22 para. 1 sentence 1 item 1 of the German Securities Trading Act (WpHG). These voting rights were apportionable to ‘LAREDO’ Beteiligungs GmbH via ‘KORMUS’ Holding GmbH pursuant to Section 22 para. 1 sentence 1 item 1 of the German Securities Trading Act (WpHG).

Raiffeisen-Holding Niederösterreich-Wien reg.Gen.m.b.H., Vienna, Austria, informed us on 16 July 2009 that, pursuant to Sections 21 para. 1, 22 para. 1 sentence 1 item 1 of the German Securities Trading Act (WpHG), the share apportioned to it of the voting rights in BayWa Aktiengesellschaft, Arabellastraße 4, 81925 Munich, Germany, exceeded the thresholds of 15%, 20% and 25% on 15 July 2009 and that the whole share in the voting rights came to 25.12% (8,533,673 voting rights, of which 8,389,785 voting rights from registered shares with restricted transferability and 143,888 voting rights from registered shares) on 15 July 2009. Of these voting rights, 25.12% (8,533,673 voting rights, of which 8,389,785 voting rights from registered shares with restricted transferability and 143,888 voting rights from registered shares) were apportionable to Raiffeisen-Holding GmbH, Niederösterreich-Wien reg.Gen.m.b.H. pursuant to Section 22 para. 1 sentence 1 item 1 of the German Securities Trading Act (WpHG). These voting rights were apportionable to Raiffeisen-Holding Niederösterreich-Wien reg.Gen.m.b.H. via 'LAREDO' Beteiligungs GmbH pursuant to Section 22 para. 1 sentence 1 item 1 of the German Securities Trading Act (WpHG).

RWA Management, Service und Beteiligungen GmbH, Vienna, Austria, informed us on 10 May 2012 that, pursuant to Section 21 para. 1 of the German Securities Trading Act (WpHG), its share in the voting rights of BayWa Aktiengesellschaft, Munich, Germany, came to 25.12% (8,533,673 voting rights) on 15 July 2009 and that these voting rights are apportionable to it via Raiffeisen Agrar Invest GmbH (direct holder of the voting rights) pursuant to Section 22 para. 2 of the German Securities Trading Act (WpHG).
We received the following additional information regarding these developments pursuant to Section 27a para. 1 of the German Securities Trading Act (WpHG):

1) Objectives of the acquisition:
   a) The acquisition of BayWa Aktiengesellschaft voting rights serves to implement strategic goals;
   b) RWA Management, Service und Beteiligungen GmbH plans to obtain additional voting rights by means of acquisition or otherwise within the next twelve months, but not to a significant extent and mainly to prevent dilution of its existing voting rights;
   c) RWA Management, Service und Beteiligungen GmbH currently does not intend to exercise any further-reaching influence on the appointment of members of the issuer's administration, management and supervisory bodies;
   d) RWA Management, Service und Beteiligungen GmbH currently does not plan to implement any material changes to the company's capital structure, particularly in view of the ratio between equity and debt capital as well as dividend policies.
2) Origin of funds used for the acquisition:
   Insofar as the acquisition of the voting rights occurred within the scope of the merger of RWA Verbundservice GmbH, the former wholly owned subsidiary of the reporting entity, with Raiffeisen Agrar Invest GmbH, neither debt nor equity capital was used for the acquisition of BayWa Aktiengesellschaft voting rights. Any further small acquisitions concluded since the merger were paid with company funds.

RWA Raiffeisen Ware Austria Handel und Vermögensverwaltung eGen, Vienna, Austria, informed us on 10 May 2012 that, pursuant to Section 21 para. 1 of the German Securities Trading Act (WpHG), the share apportioned to it in the voting rights of BayWa AG, Munich, Germany, came to 25.12% (8,533,673 voting rights) on 15 July 2009 and that these voting rights are apportionable to it via Raiffeisen Agrar Invest GmbH (direct holder of the voting rights) pursuant to Section 22 para. 2 of the German Securities Trading Act (WpHG).
We received the following additional information regarding these developments pursuant to Section 27a para. 1 of the German Securities Trading Act (WpHG):

1) Objectives of the acquisition:
   a) The acquisition of BayWa Aktiengesellschaft voting rights serves to implement strategic goals;
   b) RWA Raiffeisen Ware Austria Handel und Vermögensverwaltung eGen plans to obtain additional voting rights by means of acquisition or otherwise within the next twelve months, but not to a significant extent and mainly to prevent dilution of its existing voting rights;
   c) RWA Raiffeisen Ware Austria Handel und Vermögensverwaltung eGen currently does not intend to exercise any further-reaching influence on the appointment of members of the issuer's administration, management and supervisory bodies;
   d) RWA Raiffeisen Ware Austria Handel und Vermögensverwaltung eGen currently does not plan to implement any material changes to the company's capital structure, particularly in view of the ratio between equity and debt capital as well as dividend policies.
2) Origin of funds used for the acquisition:
   Insofar as the acquisition of the voting rights occurred within the scope of the merger of RWA Verbundservice GmbH, the former wholly owned subsidiary of the reporting entity, with Raiffeisen Agrar Invest GmbH, neither debt nor equity capital was used for the acquisition of BayWa AG voting rights. Any further small acquisitions concluded since the merger were paid with company funds.

Correction of a voting rights notification from 16 July 2009:
RWA Management, Service und Beteiligungen GmbH, Vienna, Austria, informed us on 10 May 2012 that, pursuant to Section 21 para. 1 of the German Securities Trading Act (WpHG), the share of voting rights apportioned to it in BayWa AG, Munich, Germany, had exceeded the thresholds of 15%, 20% and 25% on 15 July 2009 and that the whole share in the voting rights came to 25.12% (8,533,673 voting rights) on 15 July 2009. The share of voting rights of 25.12% (8,533,673 voting rights) is apportionable to it via Raiffeisen Agrar Invest GmbH pursuant to Section 22 para. 2 of the German Securities Trading Act (WpHG).

Correction of a voting rights notification from 16 July 2009:

RWA Raiffeisen Ware Austria Handel und Vermögensverwaltung eGen, Vienna, Austria, informed us on 10 May 2012 that, pursuant to Section 21 para. 1 of the German Securities Trading Act (WpHG), the share of voting rights apportioned to it in BayWa Aktiengesellschaft, Munich, Germany, had exceeded the thresholds of 15%, 20% and 25% on 15 July 2009 and that the whole share in the voting rights came to 25.12% (8,533,673 voting rights) on 15 July 2009. The share of voting rights of 25.12% (8,533,673 voting rights) is apportionable to RWA Raiffeisen Ware Austria Handel und Vermögensverwaltung eGen via Raiffeisen Agrar Invest GmbH pursuant to Section 22 para. 2 of the German Securities Trading Act (WpHG).

Correction of a voting rights notification from 16 July 2009:
Raiffeisen-Holding Niederösterreich-Wien registrierte Genossenschaft mit beschränkter Haftung, Vienna, Austria, informed us on 10 May 2012 that, pursuant to Section 21 para. 1 of the German Securities Trading Act (WpHG), the share of voting rights apportioned to it in BayWa Aktiengesellschaft, Munich, Germany, had exceeded the thresholds of 15%, 20% and 25% on 15 July 2009 and that the whole share in the voting rights came to 25.12% (8,533,673 voting rights) on 15 July 2009. This share in voting rights of 25.12% (8,533,673 voting rights) is apportionable to Raiffeisen-Holding Niederösterreich-Wien registrierte Genossenschaft mit beschränkter Haftung via the chain 'LAREDO' Beteiligungs GmbH, LEIPNIK-LUNDENBURGER INVEST Beteiligungs Aktiengesellschaft, Raiffeisen Agrar Holding GmbH, Raiffeisen Agrar Invest GmbH, the direct holder of BayWa Aktiengesellschaft voting rights, pursuant to Section 22 para. 1 sentence 1 item 1 of the German Securities Trading Act (WpHG).

Correction of a voting rights notification from 16 July 2009:
'LAREDO' Beteiligungs GmbH, Vienna, Austria, informed us on 10 May 2012 that, pursuant to Section 21 para. 1 of the German Securities Trading Act (WpHG), the share of voting rights apportioned to it in BayWa Aktiengesellschaft, Munich, Germany, had exceeded the thresholds of 15%, 20% and 25% on 15 July 2009 and that the whole share in the voting rights came to 25.12% (8,533,673 voting rights) on 15 July 2009. This share in voting rights of 25.12% (8,533,673 voting rights) is apportionable to 'LAREDO' Beteiligungs GmbH via the chain LEIPNIK-LUNDENBURGER INVEST Beteiligungs Aktiengesellschaft, Raiffeisen Agrar Holding GmbH, Raiffeisen Agrar Invest GmbH, the direct holder of BayWa Aktiengesellschaft voting rights, pursuant to Section 22 para. 1 sentence 1 item 1 of the German Securities Trading Act (WpHG).

Correction of a voting rights notification from 16 July 2009:
LEIPNIK-LUNDENBURGER INVEST Beteiligungs Aktiengesellschaft, Vienna, Austria, informed us on 10 May 2012 that, pursuant to Section 21 para. 1 of the German Securities Trading Act (WpHG), the share of voting rights apportioned to it in BayWa Aktiengesellschaft, Munich, Germany, had exceeded the thresholds of 15%, 20% and 25% on 15 July 2009 and that the whole share in the voting rights came to 25.12% (8,533,673 voting rights) on 15 July 2009. This share in voting rights of 25.12% (8,533,673 voting rights) is apportionable to LEIPNIK-LUNDENBURGER INVEST Beteiligungs Aktiengesellschaft Vienna, Austria, via the chain Raiffeisen Agrar Holding GmbH, Raiffeisen Agrar Invest GmbH (the latter being the direct holder of BayWa Aktiengesellschaft voting rights) pursuant to Section 22 para. 1 sentence 1 item 1 of the German Securities Trading Act (WpHG) and via Raiffeisen Agrar Invest GmbH pursuant to Section 22 para. 2 of the German Securities Trading Act (WpHG).

Correction of a voting rights notification from 16 July 2009:
Raiffeisen Agrar Holding GmbH, Vienna, Austria, informed us on 10 May 2012 that, pursuant to Section 21 para. 1 of the German Securities Trading Act (WpHG), the share of voting rights apportioned to it in BayWa Aktiengesellschaft, Munich, Germany, had exceeded the thresholds of 15%, 20% and 25% on 15 July 2009 and that the whole share in the voting rights came to 25.12% (8,533,673 voting rights) on 15 July 2009. This share in voting rights of 25.12% (8,533,673 voting rights) is apportionable to it via Raiffeisen Agrar Invest GmbH pursuant to Section 22 para. 1 sentence 1 item 1 and Section 22 para. 2 of the German Securities Trading Act (WpHG).

Correction of a voting rights notification from 16 July 2009:
Raiffeisen Agrar Invest GmbH, Vienna, Austria, informed us on 10 May 2012 that, pursuant to Section 21 para. 1 of the German Securities Trading Act (WpHG), the share of voting rights apportioned to it in BayWa Aktiengesellschaft, Munich, Germany, had exceeded the thresholds of 15%, 20% and 25% on 15 July 2009 and that the whole share in the voting rights came to 25.12% (8,533,673 voting rights) on 15 July 2009.

Raiffeisen-Holding Niederösterreich-Wien registrierte Genossenschaft mit beschränkter Haftung, Vienna, Austria, informed us on 19 January 2016, in the form of a notification of voting rights pursuant to Section 41 para. 4f of the German Securities Trading Act (WpHG), that the share of voting rights apportioned to it in BayWa AG, Munich, Germany, amounted to 25.10% on 26 November 2015, which corresponds to 8,730,273 voting rights. The company's share had amounted to 25.12% on the date of the last notification.

E.5 Related party disclosures

At the BayWa Group, members of the Board of Management and the Supervisory Board are considered related parties. In relation to the shareholder group of BayWa AG, the holdings of Bayerische Raiffeisen-Beteiligungs-AG, Beilngries, Germany, as well as Raiffeisen Agrar Invest AG, Vienna, Austria, mean that they can exert significant influence on BayWa AG. These companies are therefore to be classified as related parties. Apart from dividend payments by BayWa AG to Bayerische Raiffeisen-Beteiligungs-AG of €12.8 million (2021: €12.2 million) and to Raiffeisen Agrar Invest AG of €10.2 million (2021: €9.6 million), no business transactions within the meaning of IAS 24 which are required to be reported here were carried out in the financial year 2022.
Transactions with related parties are shown in the table below.

In € million **2022**	Supervisory Board	Board of Management	Bayerische Raiffeisen-Beteiligungs-AG and Raiffeisen Agrar Invest AG	Non-consolidated subsidiaries	Non-consolidated joint ventures	Non-consolidated associates
Receivables	–	–	–	37.2	1.6	8.4
Liabilities	–	–	–	12.3	0.9	0.8
Interest income	0.0	0.0	–	0.0	0.0	0.0
Interest expenses	–	–	–	0.1	–	0.0
Revenues	–	–	–	26.2	1.2	55.2
Cost of materials	–	–	–	8.2	4.7	0.8

In € million 2021	Supervisory Board	Board of Management	Bayerische Raiffeisen-Beteiligungs-AG and Raiffeisen Agrar Invest AG	Non-consolidated subsidiaries	Non-consolidated joint ventures	Non-consolidated associates
Receivables	–	–	–	32.2	2.4	7.8
Liabilities	–	–	–	13.1	0.8	1.3
Interest income	0.0	0.0	–	0.3	0.0	0.0
Interest expenses	–	–	–	0.0	0.0	–
Revenues	–	–	–	12.2	1.4	76.5
Cost of materials	–	–	–	6.2	4.1	1.4

The transactions conducted with related parties predominantly pertain to the sale of goods. Members of the Board of Management or of the Supervisory Board of BayWa AG are members in supervisory boards or board members of other companies with which BayWa AG maintains business relations in the course of normal business.

E.6 Fees of the Group auditor

The following fees paid to the Group auditor PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft were recognised as expenses at BayWa AG and its subsidiaries:

In € million	**2022**	2021
For audits performed	1.6	1.4
For other consultancy services	0.2	0.2
For tax consultancy services	–	–
For other services	–	0.1
	1.8	**1.7**

The audit services relate primarily to the fees for the audit of the consolidated and single-entity financial statements of BayWa AG and of the subsidiaries included in the consolidated financial statements. The other consultancy services concern, in particular, the audit of the combined non-financial report, preparatory activities concerning the issuance of a comfort letter and the audit in connection with the European Market Infrastructure Regulation (EMIR).

E.7 Executive and supervisory bodies of BayWa AG

Supervisory Board

Manfred Nüssel (since 21 July 1983)
Master of Agriculture (University of Applied Sciences)
Chairman of the Supervisory Board of BayWa AG
Honorary President of the German Raiffeisen Federation (Deutscher Raiffeisenverband e. V.)

Other mandates
- AGCO GmbH, Marktoberdorf, Germany (Member of the Supervisory Board)
- RWA Raiffeisen Ware Austria Aktiengesellschaft, Korneuburg, Austria (Vice Chairman of the Supervisory Board)

Klaus Buchleitner (since 17 June 2014)
Vice Chairman of the Supervisory Board of BayWa AG (until 31 March 2022)
Managing Director of Raiffeisen-Holding Niederösterreich-Wien reg.Gen.m.b.H (until 7 April 2022)
Managing Director of Raiffeisenlandesbank Niederösterreich-Wien AG (until 29 March 2022)

Other mandates
- AGRANA Beteiligungs-Aktiengesellschaft, Vienna, Austria (Second Vice Chairman) (until 8 July 2022)
- AGRANA Zucker, Stärke und Frucht Holding AG, Vienna, Austria (First Vice Chairman) (until 8 July 2022)
- AUSTRIA JUICE GmbH, Allhartsberg, Austria (Chairman of the Shareholders Committee) (until 7 April 2022)
- LEIPNIK-LUNDENBURGER INVEST Beteiligungs AG, Vienna, Austria (Member of the Supervisory Board)
- Niederösterreichische Versicherung AG, St. Pölten, Austria (Member of the Supervisory Board) (until 2 April 2022)
- NÖM AG, Baden, Austria (Chairman of the Supervisory Board) (until 30 March 2022)
- Raiffeisen Bank International AG, Vienna, Austria (Member of the Supervisory Board) (until 31 March 2022)
- Raiffeisen Software GmbH, Vienna, Austria (Chairman of the Supervisory Board) (until 29 March 2022)
- Uniqa Insurance Group AG (Member of the Supervisory Board)
- Uniqa Österreich Versicherungen AG (Member of the Supervisory Board)

Werner Waschbichler (since 1 March 1999)
Vice Chairman of the Supervisory Board of BayWa AG
Chairman of the Works Council of BayWa Headquarters, Munich, Germany
Chairman of the Main Works Council of BayWa AG

Wolfgang Altmüller (since 17 June 2014)
MBA (University of Applied Sciences)
Vice Chairman of the Supervisory Board of BayWa AG (since 1 April 2022)
Chairman of the Board of Directors of meine Volksbank Raiffeisenbank eG

Other mandates
- Allianz Versicherungs-AG, Munich, Germany (Member of the Supervisory Board)
- Allianz Beratungs- und Vertriebs-AG, Munich, Germany (Member of the Supervisory Board)
- Bayerische Raiffeisen-Beteiligungs-AG, Beilngries, Germany (Chairman of the Supervisory Board)
- Atruvia AG (formerly: Fiducia & GAD IT AG), Karlsruhe, Germany (Member of the Supervisory Board)
- FTI Touristik GmbH, Munich, Germany (Chairman of the Supervisory Board)
- Bundesverband der Deutschen Volksbanken und Raiffeisenbanken e. V. (BVR), Berlin, Germany (Chairman of the Advisory Board) (since 23 November 2022)

Theo Bergmann (since 4 June 2013)
Driver
Member of the Works Council

Andrea Busch (since 5 June 2018)
General Secretary
ver.di, Saxony West-East-South

Thomas Gürlebeck (since 7 January 2021)
Union Secretary
ver.di, Bavaria state region, trade section
Vice Chairman of the trade section of ver.di, Bavaria state region

Jürgen Hahnemann (since 5 June 2018)
Warehouse coordinator Franconia
Chairman of the Works Council of BayWa AG, Building Materials, Central Franconia, member of the Main Works Council of BayWa Headquarters

Ingrid Halbritter (since 1 July 2021)
Senior Credit Risk Manager
Vice Chairwoman of the Main Works Council of BayWa AG

Monika Hohlmeier (since 4 June 2013)
Member of the European Parliament

Michael Kuffner (since 4 June 2013)
Head of Environment, Health & Safety (EH&S)

Other mandate
- BGHW Berufsgenossenschaft für Handel und Warenlogistik (Member of the Management Board)

Dr. Johann Lang (since 30 May 2008)
Master of Engineering
Farmer and Managing Director of Landwirtschaftsbetrieb Lang, Baumgarten, Austria

Other mandates
- RWA Raiffeisen Ware Austria Aktiengesellschaft, Korneuburg, Austria (Chairman of the Supervisory Board) (until 15 December 2022)
- RWA Raiffeisen Ware Austria Handel und Vermögensverwaltung eGen, Korneuburg, Austria (Chairman of the Supervisory Board) (until 7 December 2022)

Bernhard Loy (since 5 June 2018)
Service specialist
Chairman of the Works Council of BayWa AG, Agricultural Equipment, Central Franconia, Vice Chairman of the Main Works Council of BayWa Headquarters

Wilhelm Oberhofer (since 6 August 2015)
Bachelor of Banking Services and Operations (CCI)
Member of the Management Board of Raiffeisenbank Kempten-Oberallgäu eG
Member of the Management Board of Bayerische Raiffeisen-Beteiligungs-AG

Other mandates
- Bausparkasse Schwäbisch Hall AG, Schwäbisch Hall, Germany (Member of the Supervisory Board)
- GOS Grundstücksgesellschaft Oberallgäu-Süd mbH, Sonthofen, Germany (Member of the Advisory Committee)
- DZ Bank AG, Frankfurt am Main, Germany (Member of the Central Advisory Board, Vice Chairman since 5 October 2022)

Joachim Rukwied (since 4 June 2013)
Master of Engineering (University of Applied Sciences)
Farmer and vintner
President of the German Farmers' Association (Deutscher Bauernverband e. V. – DBV)
President of the Landesbauernverband in Baden-Württemberg e. V.

Other mandates
- Buchstelle LBV GmbH, Stuttgart, Germany (Chairman)
- KfW Bankengruppe, Frankfurt am Main, Germany (Member of the Board of Administration)
- Landwirtschaftliche Rentenbank (Germany's development agency for agribusiness and rural areas), Frankfurt am Main, Germany (Chairman of the Board of Administration)
- Land-DATA GmbH, Visselhövede, Germany (Chairman)
- LBV-Unternehmensberatungsdienste GmbH, Stuttgart, Germany (Chairman of the Board of Administration)
- Messe Berlin GmbH, Berlin, Germany (Member of the Supervisory Board)
- R+V Allgemeine Versicherung AG, Wiesbaden, Germany (Member of the Supervisory Board)
- Südzucker AG, Mannheim/Ochsenfurt, Germany (Member of the Supervisory Board)

Monique Surges (since 19 May 2015)
Chief Executive Officer German-New Zealand Chamber of Commerce Inc., New Zealand
Chief Executive Officer German Chamber of Commerce Abroad (AHK), Auckland, New Zealand
Treasurer of the New Zealand Europe Business Council (NZEBC), Auckland, New Zealand (until 13 July 2022)
Vice-President of the New Zealand Europe Business Council (NZEBC), Auckland, New Zealand (since 13 July 2022)

Cooperative Council

Karlheinz Kipke
Chairman of the Cooperative Council (until 30 June 2022)
Chairman of the Board of Directors of VR-Bank Coburg eG (until 30 June 2022)

Joachim Hausner
Chairman of the Cooperative Council (since 3 August 2022)
Chairman of the Board of Directors of VR Bank Bamberg-Forchheim eG (since 1 February 2022)

Members pursuant to Article 28 para. 5 of the Articles of Association

Manfred Nüssel
Master of Agriculture (University of Applied Sciences)
Vice Chairman of the Cooperative Council
Honorary President of the German Raiffeisen Federation (Deutscher Raiffeisenverband e. V.)

Dr. Johann Lang
Master of Engineering, farmer and Managing Director of Landwirtschaftsbetrieb Lang, Baumgarten, Austria
Chairman of the Supervisory Board of RWA Raiffeisen Ware Austria AG (until 15 December 2022)

Other members

Franz Breiteneicher
Managing Director of Raiffeisen-Waren GmbH Erdinger Land

Dr. Alexander Büchel (until 31 January 2022)
Member of the Management Board of Genossenschaftsverband Bayern e. V.

Albert Deß
Former Member of the European Parliament, Chairman of the Board of Directors of Bayernland eG in Nuremberg, Germany

Martin Empl
Master of Agriculture, farmer

Dr. Reinhard Funk
Master of Agriculture, farmer and publicly appointed agricultural appraiser

Manfred Göhring
Chairman of the Board of Directors of Raiffeisenbank Altdorf-Feucht eG

Peter Götz
Member of the Management Board of Genossenschaftsverband – Verband der Regionen e. V.

Markus Grauer
Managing Director of Raiffeisen-Waren Schwaben Allgäu GmbH

Albert Griebl
Spokesman of the Management Board of VR-Bank Rottal-Inn eG

Wolfgang Grübler
Chairman of the Board of Directors Agrarunternehmen "Lommatzscher Pflege" e.G.

Alois Hausleitner
Ök.-Rat, member of the Supervisory Board of RWA Raiffeisen Ware Austria Aktiengesellschaft, Korneuburg, Austria

Walter Heidl
President of the Bavarian Farmers' Association (Bayerischer Bauernverband – BBV)

Ludwig Hubauer
Ök.-Rat, Chairman of Lagerhaus Innviertel-Traunviertel-Urfahr eGen, member of the Supervisory Board of RWA Raiffeisen Ware Austria Aktiengesellschaft, Korneuburg, Austria

Martin Körner
Master of Engineering (University of Applied Sciences), farmer, fruit farmer

Alfred Kraus
Managing Director of Raiffeisen-Handels-GmbH

Torsten Krawczyk (since 3 August 2022)
President of Sächsischer Landesbauernverband e. V.

Johann Kreitmeier
Farmer and Chairman of the Landeskuratorium für landwirtschaftliche Erzeugung in Bayern e. V. (until 26 April 2022)

Franz Kustner
Honorary President of the Bavarian Farmers' Association (Bayerischer Bauernverband – BBV)

Markus Merz (since 3 August 2022)
Spokesman of the Management Board of VR-Bank Main-Rhön eG

Marlene Mortler
Member of the European Parliament

Angelika Schorer
Member of the Bavarian State Assembly

Gerd Sonnleitner
Farmer, Honorary President of the European farmers' association COPA, the German Farmers' Association (Deutscher Bauernverband – DBV) and the Bavarian Farmers' Association (Bayerischer Bauernverband – BBV)

Dr. Hermann Starnecker
Spokesman of the Management Board of VR Bank Augsburg-Ostallgäu eG

Wolfgang Völkl
Spokesman of the Management Board of Volksbank Raiffeisenbank Regensburg-Schwandorf eG

Rainer Wiederer (until 31 December 2022)
Spokesman of the Management Board of Volksbank Raiffeisenbank Würzburg eG

Thomas Wirth
Member of the Management Board of Volksbank Raiffeisenbank Nordoberpfalz eG

Board of Management

Prof. Klaus Josef Lutz
(Chief Executive Officer)
Corporate Audit, Corporate EH&S, Corporate Governance, Corporate Legal & Compliance, Corporate M & A, Corporate Marketing, Corporate Public Affairs, Corporate Risk, Corporate Strategy & Innovation, Corporate Sustainability, Corporate Communications, BayWa Foundation, Cefetra Group, Global Produce

External mandates
- German Raiffeisen Federation (Deutscher Raiffeisenverband e. V.), Berlin, Germany (Vice President)
- Euro Pool System International B.V., Rijswijk, Netherlands (Chairman of the Supervisory Board)
- Stichting Continuiteit AMG, Amsterdam, Netherlands (Member of the Supervisory Board since 14 June 2022)
- Giesecke & Devrient GmbH, Munich, Germany (Chairman of the Supervisory Board and the Advisory Committee)
- IHK Industrie- und Handelskammer für München und Oberbayern, Munich, Germany (President)

Group mandates
- Al Dahra BayWa Agriculture LLC, Abu Dhabi, United Arab Emirates (Member of the Board of Directors) (until 25 July 2022)
- RWA Raiffeisen Ware Austria Aktiengesellschaft, Korneuburg, Austria (First Vice Chairman of the Supervisory Board)
- "UNSER LAGERHAUS" WARENHANDELSGESELLSCHAFT m.b.H., Klagenfurt, Austria (Member of the Supervisory Board) (until 9 June 2022)
- BayWa r.e. AG, Munich, Germany (Chairman of the Supervisory Board)
- BayWa Global Produce GmbH, Munich, Germany (Chairman of the Supervisory Board) (until 23 May 2022)

Andreas Helber
Corporate Controlling, Corporate Finance & Accounting, Corporate Insurance, Corporate Real Estate Management, Investor Relations, Business Services (Finance Services, HR Services, Corporate Purchasing and Services)

External mandates
- Munich Stock Exchange (Member of the Stock Exchange Council)
- R+V Allgemeine Versicherung AG, Wiesbaden, Germany (Member of the Supervisory Board)

Group mandates
- Al Dahra BayWa Agriculture LLC, Abu Dhabi, United Arab Emirates (Member of the Board of Directors) (until 25 July 2022)
- BayWa Global Produce GmbH, Munich, Germany (Member of the Supervisory Board)
- BayWa r.e. AG, Munich, Germany (Member of the Supervisory Board)
- RWA Raiffeisen Ware Austria Aktiengesellschaft, Korneuburg, Austria (Third Vice Chairman of the Supervisory Board)
- T&G Global Limited, Auckland, New Zealand (Member of the Board of Directors)

Marcus Pöllinger
Corporate HR, Corporate IT, Agri Trade & Service, Building Materials, Digital Farming, Energy, Agricultural Equipment

External mandate
- Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG, Ochsenfurt, Germany (Member of the Supervisory Board)

Group mandates
- BayWa Global Produce GmbH, Munich, Germany (Chairman of the Supervisory Board) (since 23 May 2022)
- BHBW Holdings (Pty) Ltd, Lynnwood Manor, South Africa (Member of the Board of Directors) (until 29 September 2022)
- Cefetra Group B.V., Rotterdam, Netherlands (Member of the Supervisory Board) (since 1 January 2022)
- RWA Raiffeisen Ware Austria Aktiengesellschaft, Korneuburg, Austria (Member of the Supervisory Board)
- T&G Global Limited, Auckland, New Zealand (Member of the Board of Directors)

Reinhard Wolf
RWA Raiffeisen Ware Austria Aktiengesellschaft, Korneuburg, Austria (General Director and Chairman of the Board of Directors)

External mandate
- Raiffeisen-Holding Niederösterreich-Wien registrierte Genossenschaft mit beschränkter Haftung, Vienna, Austria (Member of the Management Board)

Group mandates
- Garant - Tiernahrung Gesellschaft m.b.H., Pöchlarn, Austria (Chairman of the Supervisory Board)
- Raiffeisen-Lagerhaus GmbH, Bruck an der Leitha, Austria (Vice Chairman of the Supervisory Board)
- "UNSER LAGERHAUS" WARENHANDELSGESELLSCHAFT m.b.H., Klagenfurt, Austria (Chairman of the Supervisory Board) (since 9 June 2022)

Allocation of departments as at 31 December 2022

E.8 Total remuneration of the Board of Management, the Supervisory Board and the Cooperative Council

Key management personnel comprises the Board of Management and the Supervisory Board. The remuneration of the Board of Management totalled €17.1 million (2021: €9.5 million). The total remuneration of the Supervisory Board came to €1.4 million (2021: €1.1 million). In addition to Supervisory Board remuneration, employee representatives who are employees of the BayWa Group receive compensation not connected to their activities for the Supervisory Board. The sum total of such compensation received by the employee representatives came to €0.6 million (2021: €0.6 million). The total remuneration of the Board of Management and Supervisory Board breaks down as follows:

In € million	**2022**	2021
Remuneration of the Board of Management		
payment due in the short term	5.8	6.0
transfers to pension provision	1.2	1.6
termination benefits	6.7	–
other long-term payments	3.4	1.9
Total remuneration of the Board of Management	**17.1**	**9.5**
Remuneration of the Supervisory Board		
payment due in the short term	1.4	1.1
Total remuneration of the Supervisory Board	**1.4**	**1.1**
Combined remuneration of the Board of Management and the Supervisory Board	**16.6**	**10.6**

A total of €12.1 million of the total remuneration of the Board of Management was still outstanding as at 31 December 2022 (2021: €3.6 million).

An amount of €3.4 million (2021: €3.6 million) was paid out to former members of the Board of Management of BayWa AG and their dependants. Pension provisions for former members of the Board of Management and their dependants are disclosed in an amount of €35.1 million (2021: €41.3 million).

In addition, the Cooperative Council, which is not considered key management personnel pursuant to IAS 24, received €0.1 million in total (2021: €0.1 million).

Outline of the Board of Management remuneration system

The remuneration system is geared towards the sustainable and long-term development of the company. The Supervisory Board of BayWa AG reviews the material contractual elements and adapts them annually, if needed. In designing the remuneration system and determining the amount of remuneration, the Supervisory Board pays heed to the responsibilities and performance of the Board of Management members and to the situation and strategy of the company, as well as the customariness of the remuneration.

Appropriateness of the Board of Management's remuneration
The Supervisory Board takes particular care to ensure that the total target remuneration is customary and consults independent remuneration experts. The **total target remuneration** equals the total of all remuneration components and is calculated on the basis of 100% target achievement of agreed variable remuneration targets. Both horizontal and vertical comparisons are used to determine whether total target remuneration is customary.

In the first step of determining whether remuneration is customary, the Supervisory Board compares it with other companies from BayWa AG's relevant peer groups (horizontal market comparison). BayWa AG is a conglomerate whose business areas are not comparable to any significant degree with those of other companies. In order to create a broader basis for comparison, a total of three peer groups are formed for the horizontal market comparison with BayWa AG.

The first peer group consists solely of companies that are listed on the DAX, MDAX or SDAX and whose average revenues over the past three years exceed the revenues generated by BayWa AG in 2019 by no more than 100% or fall short of the revenues generated by BayWa AG in 2019 by no more than 50%. Two groups were then formed: one made up solely of eight companies from identical industries, and one including an additional seven companies from related industries.

The second peer group consists solely of companies that are listed on the SDAX or MDAX, have at least 5,000 employees and operate exclusively in the core business of BayWa AG or in a similar area. Again, two groups are then formed: one made up only of eight companies that are listed on the SDAX, and another including eight relevant companies that are listed on the MDAX.

The third and final peer group consists of companies that operate in BayWa AG's various business sectors (energy, building materials, trade, agriculture, agricultural equipment), as well as those considered to be conglomerates or holdings. From each of the individual industries, three to five companies that are structurally similar to BayWa AG, generate the highest or lowest applicable revenues or employ the highest or lowest applicable number of staff were selected to prevent outliers and distortions in either direction to the greatest extent possible.

In total, over 40 companies were included in the horizontal peer group comparison. As a result, they have not been mentioned by name. The Supervisory Board reviews the scope and structure of remuneration of the Chief Executive Officer and that of ordinary members of the BayWa AG Board of Management in respect of all three peer groups and assesses whether the remuneration is customary on this basis.

A review of the Chief Financial Officer's remuneration was conducted in December 2022 in accordance with the review system presented above. The first peer group consists solely of companies that are listed on the DAX, MDAX or SDAX and whose average revenues over the past three years exceed the revenues generated by BayWa AG in 2021 by no more than 100% or fall short of the revenues generated by BayWa AG in 2021 by no more than 50%. Two groups were then formed: one made up solely of six companies from identical industries, and one including an additional ten companies from related industries.

The second peer group consisted solely of companies that are listed on the SDAX or MDAX, have at least 5,000 employees and operate exclusively in the core business of BayWa AG or in a similar area. Again, two groups are then formed: one made up only of six companies that are listed on the SDAX, and another including ten relevant companies that are listed on the MDAX.

The third and final peer group consists of companies that operate in BayWa AG's various business sectors (energy, building materials, trade, agriculture, agricultural equipment), as well as those considered to be conglomerates or holdings. Three to five companies from each of the individual industries – making a total of 20 – that are structurally similar to BayWa AG, that generate the highest or lowest applicable revenues or employ the highest or lowest applicable number of staff were selected to prevent outliers and distortions in either direction to the greatest extent possible.

In total, 45 companies were also included in the horizontal peer group comparison here. As a result, they have not been mentioned by name.

The Supervisory Board reviewed the scope and structure of the remuneration of the Chief Executive Officer and that of the other ordinary members of the BayWa AG Board of Management in the second half of 2022.

Remuneration structure

The **total remuneration** of the three members of the Board of Management with an employment contract with BayWa AG consists of an annual fixed salary, a short-term variable component (annual bonus), a long-term variable component (share in what is known as the bonus bank account, referred to hereinafter simply as "bonus bank"), benefits, a company pension and, in some cases, remuneration for sideline activities. The variable remuneration components are aimed at creating incentives for strong company performance and collective and individual achievements. The failure to achieve the defined targets decreases total remuneration. By contrast, the overachievement of targets may lead to an increase in remuneration. However, such increases are limited to the maximum remuneration.

The fixed salary of the Board of Management members is reviewed regularly (at least once every two years) without entitlement to a raise. Upon 100% target achievement, the fixed salary accounts for 50%, with the annual bonus and the bonus bank share accounting for 50%. In keeping with the aim of promoting BayWa AG's long-term development, the bonus bank share is greater than the annual bonus. In specific terms, the fixed salary usually accounts for 50% to 60% of total remuneration, the annual bonus 15% to 25% and the bonus bank share 20% to 30% – assuming 100% target achievement and not taking pensions into account.

Total target remuneration

The Supervisory Board defined the total target remuneration for each member of the Board of Management for the 2022 reporting period. In doing so, it took care to ensure that the total target remuneration is in proportion to the tasks and performance of the respective Board of Management member. It also paid particular attention to the economic situation, market environment, success and future prospects of the company and placed a special focus on whether the total target remuneration is customary for the market.

The tables below show the total target remuneration of the members of the Board of Management (in € thousand) and the remuneration structure (in %) in the financial years 2021 and 2022, respectively. The total target remuneration of the members of the Board of Management consists of the respective annual basic salary, benefits, Group mandates, short-term variable remuneration upon 100% target achievement (targets are defined in the previous financial year and paid out in the respective reporting period), long-term variable remuneration at 100% target achievement (depending on target achievement in the previous three financial years, the instalment is paid in April of the respective reporting period) and pension-scheme deposits. The remuneration structure presented for the target remuneration granted corresponds to the remuneration structure defined in the applicable remuneration system pursuant to Section 87a para. 1 item 3 of the German Stock Corporation Act (AktG).

Short-term variable remuneration – annual bonus

Short-term variable remuneration takes the form of an annual bonus. The target value or targets for the annual bonus are defined by the Supervisory Board in the first meeting of the financial year. The targets or comparison parameters are not subsequently adjusted. The Supervisory Board reviews target achievements in the first meeting of the financial year following the financial year to be reviewed. The annual bonus is then usually paid directly after the review, in March of the subsequent year.

At 100% target achievement, it equates to 40% of the fixed salary of the respective member of the Board of Management. If the targets are exceeded, the bonus will be increased, but only up to a maximum amount of 150% (cap). In such a case, the annual bonus can be up to 60% of the respective fixed salary. The bonus will be reduced proportionately down to €0.00 if the targets are not fulfilled. This accounts for both negative and positive developments, contributing to the successful long-term development of BayWa AG.

The relationship between the target values and the bonus is linear. As the current provision for the annual bonus and any additional costs or savings for the previous year are recognised in the financial year, the actually granted total for the annual bonus may exceed the maximum amount of 150%.

The annual bonus is based on the financial success of the company, in other words the result of operating activities of the BayWa Group or the EBIT of certain business segments of BayWa AG and individually agreed, operative or strategic goals, as the case may be. When defining goals, the Supervisory Board takes into particular account the area of responsibility of the respective member of the Board of Management.

Defining the result of operating activities as the performance criterion for the annual bonus is aimed at supporting the strategic and successful long-term development of the Group. In addition, EBIT of certain business segments of BayWa AG reflects the operating performance of the respective business division, serving as an important indicator of the performance of each member of the Board of Management. In order to ensure a balanced relationship between business divisions, the maximum weighting of each individual EBIT target of a Board of Management member does not exceed 30%. By agreeing individual goals, further differentiation can be made depending on the specific strategic and operating challenges of the respective member of the Board of Management.

In accordance with the remuneration system approved by the Annual General Meeting and resolved by the Supervisory Board, the calculation of the Chief Executive Officer’s annual bonus is wholly based on the result of operating activities of the BayWa Group. The calculation base for the member of the Board of Management responsible for finances is based on the result of operating activities (70%) and individually agreed targets (30%). The calculation base for the Board of Management member with more operating responsibility is based on the EBIT of certain business sectors of BayWa AG (70%) and individually agreed targets (30%), although EBIT targets for certain business sectors were also agreed in 2022 as individually agreed targets.

Long-term variable remuneration – bonus bank
Board of Management members also receive further remuneration with a long-term component. For this purpose, BayWa AG credits or debits the bonus bank every year depending on the result of operating activities achieved each year. Long-term variable remuneration should create incentives for the successful implementation of the company's strategic focus. The annual result of operating activities is a primary parameter for measuring the success of the business strategy and the long-term, successful development of the company.

The amount debited from or credited to the bonus bank depends on the extent to which the result of operating activities meets the targets defined by the Supervisory Board for the preceding three years and is determined by the Supervisory Board prior to the start of said three-year period. The last three-year period began with the financial year 2022 and is set to conclude in the financial year 2024. Before that, the previous period began in 2019 and ended in the financial year 2021. In the 2022 reporting period, the Supervisory Board therefore defined the following new targets for the next three years on the basis of medium-term planning and the usual corrections as made in previous years: A result of operating activities in the financial year of €215 million would equate to 100% achievement of long-term targets and a result of operating activities of €235 million would equate to 135% achievement. A result of operating activities of €235 million in the financial year 2023, and a result of operating activities of €240 million in the financial year 2024, would also equate to 100% achievement of long-term targets.

In the case of 100% target achievement, the bonus bank is increased by €1.4 million annually. In the case of overachievement, a maximum annual payment of €1.9 million is made to the bonus bank, which equates to capping the maximum contribution to the bonus bank at approximately 135% of the target value. At the same time, failure to achieve the targets results in a charge on the bonus bank of up to minus €1.9 million (**negative bonus**). If, owing to payments made in previous years or charges reducing the bonus bank, there is a negative balance in the bonus bank, the respective Board of Management members are obliged to pay back the preliminary payments made in the previous years (so-called **clawback**). Both negative and positive developments are therefore also taken into account in calculating long-term variable remuneration.

Target achievement – bonus bank
As previously mentioned, remuneration is considered to have been **granted** within the meaning of Section 162 para. 1 sentence 1 of the German Stock Corporation Act (AktG) if it is paid de facto to a member of the Board of Management and is transferred to said member's assets. The long-term variable remuneration components that were paid out in the 2022 reporting year or posted to the separate bonus bank account for the Board of Management members were de facto received by them in 2022 and were thus granted. In the 2022 reporting year, the shares from financial years 2019, 2020 and 2021 were posted to a separate bonus bank account for the Board of Management members. As a result, only the shares posted were also granted in the 2022 reporting year. The shares that are only posted to a separate bonus bank account in the financial year 2023 and in subsequent financial years were not yet granted in the 2022 reporting year.

Accordingly, target achievement in the three financial years 2019 to 2021, the resulting deposits in the bonus bank accounts and the instalments paid from and postings to the separate bonus bank accounts in the 2022 reporting year are definitive:

Outstanding variable remuneration components
As explained, the amount deposited in the **bonus bank** is paid out proportionately in the three subsequent financial years. Accordingly the tranches from the financial years 2020 to 2022 are in part unpaid in the reporting year, and therefore remain outstanding. Remuneration is considered to be **owed** within the meaning of Section 162 para. 1 sentence 1 of the German Stock Corporation Act (AktG) if the company has a legal obligation to a Board of Management member that is due but has not yet been met. BayWa AG does have a contractual obligation to the Board of Management members to pay the outstanding tranches from the financial years 2020 to 2022 proportionately in the financial year 2023 and in subsequent financial years. However, the tranches cannot be collected yet in the reporting year, and therefore are not due. Consequently the aforementioned outstanding tranches are not yet owed in the 2022 reporting year. For completeness and to provide a better overview, the tranches payable in the future are presented below. These disclosures are voluntary.

Non-performance-related remuneration components
The non-performance-related component comprises an annual fixed salary and benefits, such as the use of a company car (in some cases with a driver) and contributions to accident, health and baggage insurance, the costs of which BayWa AG covers. The Board of Management member is responsible for paying any taxes on the non-cash benefits. Income tax is refunded for selected events. BayWa AG also pays any contributions to pension schemes or similar expenses (benefit plans or life insurance policies) up to the amount that the company would otherwise have had to pay had an employment relationship subject to social security law existed.

In addition, there are pension commitments for the members of the Board of Management. Linking pension commitments to fixed salaries was previously discontinued in the financial year 2021. For 2022, members of the Board of Management either received a fixed amount or their existing commitments are frozen. Existing pension commitments grant occupational disability cover in the same amount and a survivor's pension of 60% of the pension commitment. This commitment remains in place even after an existing commitment is frozen. The post-employment benefit insurance may not be drawn upon before the age of 64. The Board of Management employment contracts do not provide for an age limit. However, they do stipulate that an extension should not be granted once the member has achieved the statutory retirement age.

Since December 2012, all obligations from pension commitments have been transferred to an external pension fund in the form of an earned entitlement, or to a provident fund. Running payments made to the pension fund or provident fund are included in the overall remuneration disclosed for the Board of Management.

In consultation with the Supervisory Board, Board of Management members may and should accept Supervisory Board mandates and similar positions at companies in which BayWa AG directly or indirectly holds a stake. Such mandates are assumed without pay; only approvals granted in the past for the remuneration of certain mandates, such as at RWA AG, Korneuburg, Austria, and at T&G Global Limited, Auckland, New Zealand, remain in place. The acceptance of paid or unpaid sideline activities at non-Group entities requires the prior written consent of the Supervisory Board's Board of Management Committee. Said consent may be revoked at any time. If the Board of Management Committee approves the acceptance of the sideline activity outside the Group, the Supervisory Board must decide whether and to what extent the remuneration is to be taken into consideration upon submission for consideration by the Board of Management Committee. Remuneration from sideline activities must be reported to the Chairman of the Supervisory Board once a year. In the financial year 2022, Prof. Klaus Josef Lutz commenced a new sideline activity outside of the Group as a Member of the Supervisory Board of Stichting Continuiteit AMG, Amsterdam, Netherlands.The respectively existing non-Group mandates are detailed in the Notes to the Consolidated Financial Statements section of the Consolidated Financial Statements.

At its own discretion, the Supervisory Board may make further non-recurring bonus payments to recognise outstanding performance or achievements on the part of a Board of Management member. The Supervisory Board made no use of this option in the financial year 2022.

BayWa AG maintains an insurance policy against legal proceedings and pecuniary losses and a D&O insurance and legal protection policy on behalf of its Board of Management members and in its own interest. BayWa AG pays the insurance premiums. The policies provide for a deductible for the Board of Management members. BayWa AG also promises the Board of Management members insurance cover corresponding in key points to these insurance policies, both for the term of these contracts and for a period of twelve years after their termination, unless doing so is not possible for the company or is financially no longer feasible based on the market conditions and the financial circumstances of the company.

Maximum remuneration

The total remuneration (sum of all remuneration amounts paid for the respective financial year, including fixed salary, variable remuneration components actually paid, benefits and company pension benefits) to be granted to the Board of Management members for a financial year is limited to the **maximum remuneration** as defined in Section 162 para. 1 sentence 2 item 7 of the German Stock Corporation Act (AktG), regardless of whether part of the remuneration with a variable component will only be paid at a later date. The maximum remuneration is €5 million for the Chief Executive Officer and €2.5 million for a Board of Management member.

Compliance with the maximum remuneration requirements can, however, only be reviewed once the remuneration owed for the financial year has actually been paid. The maximum remuneration requirement first applied to the incumbent Board of Management members in the financial year 2021. In the financial year 2021, they received a three-year tranche with regard to long-term variable remuneration (tranche 2021 to 2023), with the last instalment to be made in the financial year 2024. Reporting on compliance with the specified maximum remuneration will therefore be possible for the first time in the financial year 2024. Correspondingly, reporting on compliance with the maximum remuneration for the 2022 reporting year will only be possible in 2025.

Outline of the Supervisory Board remuneration system

The current remuneration of the Supervisory Board members is determined in Article 19 of the Articles of Association of BayWa AG. The new remuneration system for the members of the Supervisory Board, including the definition of the new remuneration, was approved at the Annual General Meeting on 24 May 2022.

The remuneration of members of the Supervisory Board is determined by legal requirements in consideration of the German Corporate Governance Code (GCGC). Supervisory Board remuneration also takes into account other comparable listed companies (horizontal market comparison). The remuneration of company employees is considered as part of a vertical comparison when reviewing the Supervisory Board's remuneration. However, due to the special nature of the Supervisory Board's work, the vertical comparison plays a less important role than the horizontal comparison.

The remuneration of members of the Supervisory Board should be well-balanced and in proportion to members' level of responsibility and tasks, as well as the situation of the company. The amount of the fixed annual remuneration takes into account the specific function and responsibility of the Supervisory Board member. At the same time, the remuneration should be sufficient to ensure that membership on the Supervisory Board, or the position of Chairman of the Supervisory Board or of a committee, is appealing enough to attract and retain sufficiently qualified candidates for the Supervisory Board. This is also a requirement to ensure that the Board of Management is monitored and advised in the best possible manner, which itself makes a key contribution to a successful business strategy and the long-term success of the company.

Members of the Supervisory Board only receive fixed remuneration in accordance with Recommendation G.18 GCGC in order to strengthen the independence of the Supervisory Board so that it can perform its advisory and monitoring function in an objective and unbiased manner and make independent personnel- and remuneration-related decisions. The workload and liability risk of the members of the Supervisory Board does not increase or decrease in proportion to the success of the company or its earnings position. In fact, in difficult periods when variable remuneration can decline it is particularly important that members of the Supervisory Board perform their monitoring and advisory function. No performance-based remuneration or financial or non-financial performance indicators are planned.

The members of the Supervisory Board were granted fixed annual basic remuneration of €45,000 up to 30 June 2022 and fixed annual basic remuneration of €70,000 from 1 July 2022. The remuneration is due and payable in four equal amounts at the end of the quarter for the respective quarter just ended. The Chairman of the Supervisory Board receives three times the basic remuneration paid and the Vice Chairmen twice the amount. This takes into account the greater investment of time required by the Chairman and Vice Chairman of the Supervisory Board, in accordance with Recommendation G.17 GCGC.

Up to 30 June 2022, the members of the Supervisory Board also received an additional fixed annual remuneration of €3,000 for committee work. From 1 July 2022, fixed annual remuneration of €15,000 was granted for membership of the Audit Committee and €5,000 for each membership of another committee. The committee chairmen receive three times this amount and, since 1 July 2022, the Vice Chairman of the Audit Committee has received twice this amount. In accordance with Recommendation G.17 GCGC, this takes into sufficient account the greater investment of time required by committee chairmen.

Remuneration for the Mediation Committee is only granted if the committee actually meets in the financial year, which was not the case in the reporting period.

Supervisory Board members who serve on the Supervisory Board and/or its committees for only part of the financial year will receive remuneration on a proportionate basis. No further remuneration is paid if the member of the Supervisory Board leaves the Supervisory Board or a regulation is determined regarding remuneration after their term of office.

The general provisions of the German Stock Corporation Act (AktG) and the recommendations of the GCGC regarding conflicts of interest within the Supervisory Board are also taken into account in proceedings relating to the definition and implementation of the remuneration system.

Supervisory Board members are reimbursed for their expenses. In addition, members of the Supervisory Board are also included in BayWa AG's group accident insurance policy. BayWa AG also maintains an insurance policy against legal proceedings and pecuniary losses and a D&O insurance and legal protection policy on behalf of its Supervisory Board members and in its own interests. BayWa AG pays the insurance premiums.

In total, members of the Supervisory Board hold less than 0.01% of all BayWa AG shares.

E.9 Ratification of the consolidated financial statements and disclosure

The consolidated financial statements were released for publication by the Board of Management of BayWa AG on 27 March 2023.

In accordance with Section 264 para. 3 of the German Commercial Code (HGB), the following companies, as subsidiaries included in the consolidated financial statements of BayWa AG, do not apply the regulations governing preparation (Sections 242 et seq. of the German Commercial Code (HGB)), auditing (Sections 316 et seq. of the German Commercial Code (HGB)) and disclosure (Sections 325 et seq. of the German Commercial Code (HGB)):

- BayWa Agrar Beteiligungs GmbH, Munich, Germany
- BayWa Agrarhandel GmbH, Nienburg, Germany
- BayWa Bau Projekt GmbH, Munich, Germany
- BayWa EEH GmbH, Munich, Germany
- BayWa Energie Dienstleistungs GmbH, Munich, Germany
- BayWa Finanzservice GmbH, Munich, Germany
- BayWa Global Produce GmbH, Munich, Germany
- BayWa Handels-Systeme-Service GmbH, Munich, Germany
- BayWa Haustechnik GmbH, Kösching, Germany
- BayWa Mobility Solutions GmbH, Munich, Germany
- BayWa Obst Beteiligung GmbH, Munich, Germany
- BayWa Pensionsverwaltung GmbH, Munich, Germany
- BayWa Power Liquids GmbH, Munich, Germany
- BayWa Rent GmbH, Munich, Germany

- BTS 18 Projekt GmbH, Buchloe, Germany
- Diermeier Energie GmbH, Niederwinkling, Germany
- EUROGREEN GmbH, Betzdorf, Germany
- FarmFacts GmbH, Pfarrkirchen, Germany
- FarmFacts Holding GmbH, Munich, Germany
- Forster GmbH, Munich, Germany
- Fuels Services GmbH, Munich, Germany
- In&Out Ventures GmbH, Munich, Germany
- Interlubes GmbH, Würzburg, Germany
- Jannis Beteiligungsgesellschaft mbH, Munich, Germany
- Ketziner Beteiligungsgesellschaft mbH, Niederer Fläming, Germany
- LODUR Energieanlagen GmbH, Munich, Germany
- Pellog GmbH, Oelsnitz, Germany
- Peter Frey GmbH, Wartenberg, Germany

In accordance with Section 264b of the German Commercial Code (HGB), the following companies, as subsidiaries included in the consolidated financial statements of BayWa AG, do not apply the regulations governing preparation (Sections 242 et seq. of the German Commercial Code (HGB)), auditing (Sections 316 et seq. of the German Commercial Code (HGB)) and disclosure (Sections 325 et seq. of the German Commercial Code (HGB)):

- BayWa Obst GmbH & Co. KG, Kressbronn, Germany
- BayWa r.e. Solardächer II GmbH & Co. KG, Gräfelfing, Germany
- BayWa r.e. Windparkportfolio 1 GmbH & Co. KG, Gräfelfing, Germany
- Bellevue Bad Heilbrunn GmbH & Co. KG, Günzburg, Germany
- Brüderl Projekt Amalienstraße GmbH & Co. KG, Traunreut, Germany
- Brüderl Projekt Bad Endorf GmbH & Co. KG, Traunreut, Germany
- Brüderl Projekt GmbH & Co. KG, Traunreut, Germany
- Brüderl Projekt Kunigundenstraße GmbH & Co. KG, Traunreut, Germany
- Brüderl Projekt Lerchenweg GmbH & Co. KG, Traunreut, Germany
- Brüderl Projekt Traunstorfer Straße GmbH & Co. KG, Traunreut, Germany
- CLAAS Main-Donau GmbH & Co. KG, Gollhofen, Germany
- CLAAS Nordostbayern GmbH & Co. KG, Altenstadt, Germany
- Dörenhagen Windenergieanlagen GmbH & Co. KG, Gräfelfing, Germany
- G. Stranzinger Bauprojekt GmbH & Co. KG, Tann, Germany
- Grainli GmbH & Co. KG, Hamburg, Germany
- Plankenstein 8 GmbH & Co. KG, Munich, Germany
- Projekt Aichach S7 GmbH & Co. KG, Augsburg, Germany
- Renertech Rotorblattservice GmbH & Co.KG, Bad Wünnenberg, Germany
- Robert Decker Wohnbau München GmbH & Co. KG, Grünwald, Germany
- Solarpark Aquarius GmbH & Co. KG, Gräfelfing, Germany
- Solarpark Aries GmbH & Co. KG, Gräfelfing, Germany
- Solarpark Lupus GmbH & Co. KG, Gräfelfing, Germany
- Spitzlberg GmbH & Co. KG, Augsburg, Germany
- SPV Solarpark 103. GmbH & Co. KG, Gräfelfing, Germany
- SPV Solarpark 105. GmbH & Co. KG, Gräfelfing, Germany
- SPV Solarpark 112. GmbH & Co. KG, Gräfelfing, Germany
- SPV Solarpark 118. GmbH & Co. KG, Gräfelfing, Germany
- Umspannwerk Klein Bünsdorf GmbH & Co. KG, Gräfelfing, Germany
- Wilhelmshöhe Infrastruktur GmbH & Co. KG, Gräfelfing, Germany
- Windkraft Beteiligungsgesellschaft mbH & Co. Windpark Krummensee KG, Düsseldorf, Germany
- Windpark Freimersheim GmbH & Co. KG, Gräfelfing, Germany
- Windpark Hessenweiler GmbH & Co. KG, Gräfelfing, Germany
- Windpark Hettstadt GmbH & Co. KG, Gräfelfing, Germany
- Windpark Holle-Sillium GmbH & Co. KG, Gräfelfing, Germany
- Windpark Langenbrand GmbH & Co. KG, Gräfelfing, Germany
- Windpark Lindchen GmbH & Co. KG, Gräfelfing, Germany
- Windpark Pferdsfeld GmbH & Co. KG, Gräfelfing, Germany
- Windpark Wilhelmshöhe GmbH & Co. KG, Gräfelfing, Germany

- Windpark Wilhelmshöhe II GmbH & Co. KG, Gräfelfing, Germany
- Windpark Wilhelmshöhe III GmbH & Co. KG, Gräfelfing, Germany
- Wohnen am Lerchenberg GmbH & Co. KG, Borna, Germany

E.10 Proposal for the appropriation of profit

As the parent company of the BayWa Group, BayWa AG discloses profit available for distribution of €165,744,441.02 in its annual financial statements as at 31 December 2022, which were drawn up in accordance with German accounting standards (German Commercial Code (HGB)) and are to be adopted by the Supervisory Board on 29 March 2023. The Board of Management and the Supervisory Board will propose the following use of this amount to the Annual General Meeting on 6 June 2023:

In €	2022
Dividend of €1.10 per dividend-bearing share	39,209,069.90
Special dividend of €0.10 per dividend-bearing share to mark the 100th anniversary of BayWa AG	3,564,460.90
Carried forward to new account	122,970,910.22
Profit available for distribution	**165,744,441.02**

The amount distributed to the shareholders was reduced by the portion of the shares owned by BayWa AG at the time when the resolution on profit appropriation was made, as these shares are not entitled to dividends pursuant to Section 71b of the German Stock Corporation Act (AktG). This portion will be transferred to other revenue reserves.

E.11 Significant events after the reporting date

Cyclone Gabrielle in New Zealand
In mid-February 2023, Cyclone Gabrielle laid waste to large swathes of the North Island of New Zealand. Bringing strong rain and wind speeds of up to 165 km/h, the cyclone caused flooding, landslides and power outages in many parts of the country. Based on available information, the plantations of New Zealand subsidiary Turners & Growers New Zealand Limited, Auckland, were also affected. Given that the areas hit by the cyclone are still very difficult to access, it has still, even at the time of writing, not been possible to determine or quantify the damage caused to the spring 2023 harvest and to the plantations themselves.

Announcement of the planned sale of international solar trade business
By resolution dated 1 March 2023, the BayWa Group intends to sell its international solar trading business, which is part of BayWa r.e. AG. The planned transaction is the result of the strategic realignment of BayWa r.e. AG, which will focus on international project business and further expansion as an independent power producer (IPP) going forward. The planned sale will also make it possible to reallocate the invested capital. Due to the status and scope of the transaction, no sale is expected within the next 12 months.

E.12 German Corporate Governance Code

The Board of Management and the Supervisory Board of BayWa submitted the Declaration of Conformity to the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG) on 9 November 2022 and have made it permanently accessible to the public on the company's website at: www.baywa.com

Munich, 27 March 2023

BayWa Aktiengesellschaft

The Board of Management
Prof. Klaus Josef Lutz
Andreas Helber
Marcus Pöllinger
Reinhard Wolf