Consolidated Financial Statements 2023

of BayWa AG

BayWa

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Language versions
The consolidated financial statements are available in German and English.
Only the German version is legally binding.
Both versions can be viewed and downloaded at: www.baywa.com

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Letter to Our Shareholders

Marcus Pöllinger
Chief Executive Officer of BayWa AG

Dear Shareholders,
Dear Readers,

I have been the Chief Executive Officer of BayWa since spring 2023 and, in this capacity, I have the honour of informing you for the first time about the BayWa Group's performance in the past financial year and our plans for the future.

For our company, 2023 was once again characterised by many challenges in various areas: The ongoing war against Ukraine, a sharp rise in interest rates and high inflation rates, which resulted in a sluggish recovery in Europe and China. Another factor in Europe and Germany is massive overregulation of companies. In our domestic market of Germany, this mixed situation combined with high energy prices caused the country to slip into recession. This trend is also reflected in our figures.

After our record-breaking 2022, which saw substantial excessive market development due to a shortage of products and extreme price surges as a result of the war against Ukraine, the pendulum swung in the opposite direction last year. Agricultural and energy prices have declined significantly from their elevated levels, which is why we had already forecast a weaker result. However, the general economic headwind and our strong growth in previous years – driven by debt-financed acquisitions – proved to be an additional burden in the financial year 2023.

While the Agricultural Equipment, Cefetra Group and Renewable Energies Segments once again proved to be earnings drivers, we experienced clear declines in the Global Produce, Building Materials and Agri Trade & Service Segments. The Global Produce Segment had to contend with the consequences of a cyclone that destroyed large parts of the plantations and harvest of our New Zealand subsidiary. The dramatic slump in German residential construction led to an immense drop in demand in the Building Materials Segment. In the Agri Trade & Service Segment, trading suffered from significant price declines in agricultural commodities and especially in the fertilizer business.

Overall, the operating performance is pleasing, taking into account the in some cases unprecedented market factors. However, the Group's earnings performance is not to our satisfaction. We may have only just fallen short of our forecast for earnings before interest and taxes (EBIT) – a key performance indicator – but the net result for the year failed to meet expectations by some distance. EBIT totalled €304.0 million, down from €504.1 million in the previous year. However, the net result for the year, which shows what the Group actually generated after interest and taxes, fell from €239.5 million in the record year of 2022 to minus €93.4 million in 2023. There are several reasons for this. In recent years, we have made some significant investments and geared BayWa toward markets that promise high demand and further growth in the future. However, these high investments are offset by corresponding debt financing, which has become much more expensive as interest rates rise. This was compounded by an unexpectedly high tax rate, which had a correspondingly strong negative impact on earnings after tax. For us, this means that we will focus even more strongly on our financing structure and increasing the net result for the year in future.

Last year, we took the first steps in putting BayWa on firmer footing for this changing environment. Optimising our investment portfolio is a major factor here. We are scrutinising the contributions that individual companies make in our segments, and reviewing whether they are part of our core business and how profitable they are. The targeted sale of companies is therefore a logical step. One objective last year was the sale of our Solar Trade subsidiary, but the environment proved to be unfavourable for such a transaction, despite numerous interested parties expressing their interest. We are therefore confident that we will be able to restart the sales process by the end of the calendar year 2024 provided the market recovers. Until then, we will continue to run the Solar Trade business as part of the BayWa Group. By contrast, the sale of the NEXT Farming software business and the sale of the Group company FarmFacts GmbH was successful. These transactions and others will help us to reduce our high financing costs by a noticeable margin once again.

We will also be integrating the companies that make up our core portfolio more closely moving forward with the aim of creating a portfolio that is yield-orientated rather than broad, and reducing interest expenses markedly. In the past financial year, we were largely able to compensate for individual loss-making businesses thanks to our diversified portfolio. However, this should not become the norm. Our mission must be for each segment to be successful and profitable in its own right.

Further measures relate to the Group-wide optimisation of warehousing and working capital. Supply chains are running smoothly again, allowing us to reduce our inventories and lower associated costs. In addition, we have initiated cost-cutting and optimisation measures across the Group in order to improve BayWa's profitability at all levels over the long term.

These measures also include the suspension of the dividend, which the Management Board and Supervisory Board will propose to the Annual General Meeting. This is not a decision we made lightly. But it is a necessary step if we want to work effectively on reducing our debt. We only want to pay out to our shareholders what we have actually generated as profit.

The topic of sustainability continued to occupy us in the past financial year, not only because, with our 100-year history, we are a byword for sustainability ourselves, but especially because our three business units – energy, agriculture and building materials – are inherently linked to the topic and contribute to it. We want to expand our activities in this area and play an increasing role through our actions, but also for our customers. Being honoured with the German Sustainability Award confirms that we are on the right track.

With this mixed year, impressive sales and unsatisfactory earnings performance, we are optimistic about the financial year ahead. Our operational stability, despite all the challenges in the reporting year, confirms that our fundamental strategy is the right one. Our sales markets are attractive and offer plenty of potential. With our diversified business model, we are a part of the megatrends of food and energy security. We know where the opportunities for greater profitability are, and now we just need to act on them. While the reduction in inventories is expected to be implemented soon, the optimisation of the portfolio will take time.

We expect the environment to remain challenging in 2024. The economy in key markets has hardly gained any momentum so far. Interest rates might only fall by a small margin, and probably not until the summer, and the conflicts in the Middle East and global crises are continuing. We have implemented the first wave of measures to optimise portfolio management across all segments and reduce our capital commitment and the interest burden in the financial year 2024. Accordingly, BayWa anticipates positive, albeit varied, development in most segments and overall for the current financial period. For the current financial year 2024, we anticipate a significant increase in EBIT compared to the previous year.

Together with my colleagues on the Executive Board, Dr. Marlen Wienert, Andreas Helber and Reinhard Wolf, we would like to thank all our employees and our customers and business partners worldwide for their successful cooperation and commitment. BayWa's employees are a key factor in the success of our company and their dedication makes a decisive contribution to our positive perception on the market.

I would also like to thank you, our valued shareholders, for your trust, even in these challenging times.

Best regards,

Marcus Pöllinger
Chief Executive Officer of BayWa AG

Andreas Helber
Chief Financial Officer

Marcus Pöllinger
Chief Executive Officer from 1 April 2023
Responsible for the Renewable Energies, Cefetra Group, Global Produce and Building Materials Segments

Dr. Marlen Wienert
Member of the Board of Management
from 1 April 2023
Responsible for the Energy,
Agri Trade & Service and
Agricultural Equipment Segments

Reinhard Wolf
Member of the Board of Management
Responsible for RWA Raiffeisen
Ware Austria Aktiengesellschaft,
Korneuburg, Austria

“After the record year 2022, the financial year 2023 showed us where we need to optimise our profitability. Now it’s a matter of making these adjustments.”

Marcus Pöllinger
Chief Executive Officer of BayWa AG

Consolidated Management Report of BayWa AG for the Financial Year 2023

Note about this consolidated management report

- Qualitative and comparative statements are used to describe changes in results and earnings, as well as forecast ranges. Explanation of the qualitative and comparative statements:
  - slight, moderate, low ≙ 1–5%;
  - noticeable, clear ≙ 5–10%;
  - substantial, considerable ≙ 10–20%;
  - significant ≙ 20–50%;
  - sharp, steep, strong ≙ > 50%
- For reasons of readability, gender-specific wording and formal reference to all gender identities are not used. The selected form stands for all genders (m/f/other).
- As in the previous year, this consolidated management report includes disclosures that do not constitute mandatory content of the management report in accordance with the relevant legal provisions or the requirements of German Accounting Standard 20 (GAS 20). These disclosures, known as “atypical” disclosures, are not required to be included in the audit. They are therefore clearly highlighted and labelled as such in this report to distinguish them from audited management report disclosures. Examples of such atypical management report disclosures include descriptions of the key characteristics of the internal control system (ICS) and of the risk management system, which were included in the consolidated management report in accordance with Recommendation A.5 in conjunction with Principle 5 of the German Corporate Governance Code (GCGC) 2022 and can be found on pages 65 and 66.

Overview

As expected, the BayWa Group recorded a decline in the financial year 2023 compared to the exceptional year 2022. The price shocks and supply bottlenecks on the commodity and energy markets triggered by the war against Ukraine have largely dissipated. Some of the previous year’s extraordinary price rises have reversed and led to extreme price falls, particularly for agricultural commodities. Lower prices and sales volumes than in the previous year also resulted in lower margin potential for BayWa in some cases. Cyclone Gabrielle in New Zealand in the Global Produce Segment, as well as the massive weakness of the construction industry in Germany also had a negative impact. The Agricultural Equipment and Cefetra Group Segments, on the other hand, performed positively, with further growth compared to the record year. Compared to the years before the start of the war against Ukraine, the Group was able to increase revenues and EBIT, although high interest and tax expenses led to a net loss for the year. The profitability of all segments is to be sustainably improved through cost-cutting and optimisation measures.

The energy business unit (Renewable Energies and Energy Segments) recorded weaker revenues and earnings performance, mainly due to the sharp year-on-year fall in prices on the energy and raw materials markets. Revenues in the reporting year totalled €8,609.4 million, down 12.4% on the previous year’s figure of €9,832.8 million. EBIT fell by 27.7% to €211.6 million (2022: €292.7 million).

While the Renewable Energies Segment continued to expand year on year in energy trading, revenue and earnings performance was negatively impacted by weak demand and the fall in module prices in solar trading. The segment's revenues in the financial year 2023 amounted to €5,789.4 million, which corresponds to a decrease of 10.8% compared to the previous year's figure of €6,489.2 million. At €193.8 million, EBIT in the reporting year was 18.9% below the previous year's high figure of €239.1 million.

Business development in the Energy Segment was primarily characterised by the weaker trading momentum for fossil fuels and lubricants compared to 2022 and lower trading margins as a result of the downward price trend on the energy commodity markets. As a result, a substantial decline in revenues of 15.7% to €2,820.0 million was recorded in the reporting year (2022: €3,343.6 million). On the earnings side, EBIT fell by almost 67% to €17.8 million compared to the record level of the previous year (2022: €53.6 million).

In the agriculture business unit (Cefetra Group, Agri Trade & Service, Agricultural Equipment and Global Produce Segments), revenues fell by 10.3% year on year to €13,326.5 million. At €160.5 million, EBIT was 37.2% below the previous year's figure of €255.5 million. The development of the individual segments was varied.

The Cefetra Group's trading environment continued to be affected by turbulence and volatility on the commodities markets in the reporting year 2023. Nevertheless, the Cefetra Group was able to participate in the trading opportunities that arose in the financial year 2023 in both its conventional and speciality business and, following the record result in 2022 – characterised by numerous highs in agricultural products – was able to report very pleasing performance. In the higher-margin speciality business, the new subsidiaries Cefetra Dairy and Sedaco contributed to the positive development. Revenues in the Cefetra Group Segment fell from €6,111.2 million to €5,309.3 million in the reporting year, a decrease of 13.1%. This is mainly due to falling prices for many products following the market exuberance in the previous year. In the previous year's result, the cancellation of grain contracts due to the war against Ukraine was compensated for by more expensive hedging on the spot market. There were no such burdens in the reporting year, which is why the Cefetra Group's EBIT of €64.6 million is 8.6% higher in 2023 than the very successful record year of 2022, when it came to €59.5 million.

Business in the Agri Trade & Service Segment has largely normalised following the exceptional year of 2022 and the effects of the war against Ukraine. However, better availability of agricultural commodities led to greater competitive pressure. In addition, extreme weather conditions between drought and heavy rainfall at harvest time had a negative impact on the quantity and quality of produce and the demand for agricultural inputs, such as crop protection and fertilizer. Against this backdrop, BayWa recorded a substantial volume- and price-related decline in revenues of 14.8% to €4,899.3 million in the financial year 2023. Following the extreme market turbulence in 2022, EBIT fell sharply by 74.8% from €104.7 million to €26.4 million in the reporting year 2023. In addition to rising personnel costs due to collective wage agreements, it was primarily the fall in fertilizer prices that led to a significant decline in trading margins and triggered a write-down of fertilizer inventories. Nevertheless, EBIT in 2023 is almost twice the level it was in 2021.

The Agricultural Equipment Segment continued to develop favourably. Sales of new machines rose by over 5% in 2023. In addition to a high willingness on the part of farmers to invest in their fleets, the sales of new machinery benefited above all from the resolution of supply chain problems and the resulting improvement in manufacturers' ability to deliver compared to the previous year. The maintenance and service business as well as trading in spare parts and specialised trade products in all sales channels also developed correspondingly positively. Overall, the Agricultural Equipment Segment was able to increase the previous year's record revenues by 7.8% to €2,239.3 million. EBIT amounted to €84.6 million in the reporting year, an increase of over 20% compared to the figure generated in the previous year of €70.2 million.

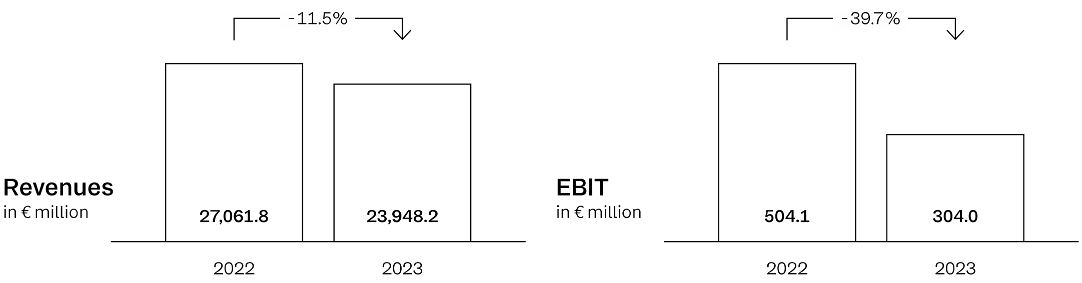
The Global Produce Segment was confronted with persistently difficult conditions in the financial year 2023. The consequences of Cyclone Gabrielle in New Zealand, an important production and procurement market for BayWa, also had a negative impact on business, as did the lower availability of goods due to weak harvests in Europe and other important supply regions. The higher prices could not compensate for the costs of the storm damage and the lower sales volume. In the reporting year, insurance companies only paid out part of the total claims from the cyclone damage, which were made up of financial losses and business interruption losses.

Overall, the Global Produce Segment generated revenues of €878.6 million in the reporting period, down from €921.3 million in the previous year. EBIT fell from €21.1 million in the previous year to minus €15.1 million in 2023.

The building materials business unit (Building Materials Segment) was impacted more quickly than expected by the slump in construction activity in Germany in 2023. The construction crisis led to a substantial decline in revenues, particularly in the building construction, gardening and landscaping and roofing product ranges. In addition, the segment was also disproportionately affected by inflation-related wage increases and special expenses for the bonus to mark BayWa's centenary due to the high share of personnel costs of over 70%. In the reporting year, the company implemented cost-cutting measures by closing five locations and selling one. At the same time, the company's management has halted further recruitment and introduced further measures to reduce costs. However, the measures taken will essentially only have an impact on earnings in the course of the current financial year 2024. In the reporting year 2023, revenues in the Building Materials Segment totalled €1,988.3 million (2022: €2,346.9 million). The segment's EBIT fell from €70.4 million to €6.6 million.

At €10.4 million, revenues in the Innovation & Digitalisation Segment were on a par with the previous year. Following investments in the development of Digital Farming, EBIT remained negative at minus €10.8 million, but showed a substantial improvement compared to the same period of the previous year. In the past financial year, BayWa restructured its Digital Farming division and sold the NEXT Farming software solutions and the associated software development and sales activities of the Group company FarmFacts GmbH to its long-standing partner AGCO. As a result of this strategic decision, the segment will be dissolved in the current financial year 2024 and FarmFacts GmbH will be allocated to the Agricultural Equipment Segment. The remaining subsidiaries are reclassified as other activities.

BayWa Group



All in all, the BayWa Group recorded a substantial deterioration in EBIT with its significantly lower revenues, thereby falling slightly short of its own annual forecast of between €320 million and €370 million. High interest expenses as a result of the sharp rise in benchmark interest rates led to a sharp drop in earnings before taxes (EBT) to minus €37.7 million (2022: €319.6 million). After tax expenses of €55.7 million, the consolidated net result for the year was minus €93.4 million, €332.9 million below the previous year's figure. The share of BayWa shareholders in the consolidated annual result fell by €266.2 million to minus €98.1 million. Earnings per share totalled minus €2.84, compared to €4.36 in the previous year. Due to the unsatisfactory earnings performance in the financial year 2023 and the priority of reducing debt and to strengthen the equity base, the Board of Management and Supervisory Board will propose to the Annual General Meeting the suspension of the dividend for the financial year 2023.

For the current financial year 2024, the management expects a Group EBIT with a significant improvement compared to the financial year 2023, which is also well above the average figures for previous years. In addition, the management has postponed the Group's medium-term target by one year, particularly in view of the persistently weak construction sector. The key financial target of the BayWa Group is to generate sustainable operating earnings (EBIT) in the range of €470 million to €520 million by the end of 2026.

The Board of Management has determined comprehensive measures to optimise processes and cost structures at the start of the financial year 2024. The aim is to reduce the commitment of funds and thus debt, sustainably increase the Group's profitability and strengthen its resilience to crises. The company is also relying on the continued high attractiveness of the markets it serves in the future-oriented fields of nutrition and energy.

Background to the Group

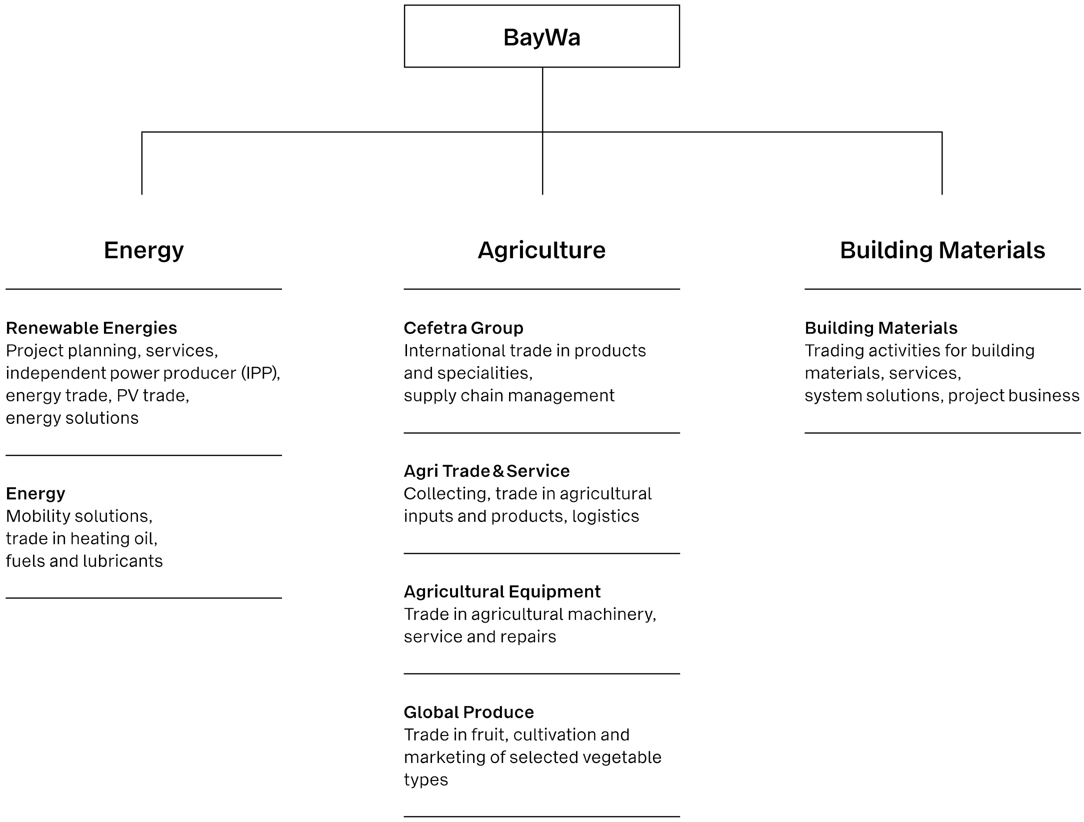
Group structure and business activities

The BayWa Group

2023	Revenues (In € million)	Employees (annual average)
Renewable Energies	5,789.4	4,592
Energy	2,820.0	1,472
Cefetra Group	5,309.3	709
Agri Trade & Service	4,899.3	3,761
Agricultural Equipment	2,239.3	3,931
Global Produce	878.6	2,737
Building Materials	1,988.3	4,655
Innovation & Digitalisation	10.4	124
Other Activities	13.6	1,069
Total	**23,948.2**	**23,050**

BayWa AG was established in 1923 and has its principal place of business in Munich. Through consistent growth and the continual expansion of its scope of services, BayWa has grown from its humble beginnings in agricultural cooperative trade activities into an international Group. With 23,050 employees, the Group is active in 57 countries through its own subsidiaries and Group companies and generated revenues of €23,948.2 million in the financial year 2023. As a project and solution provider, the Group supplies a wide range of customer groups with innovative and sustainable products and services through its three business units: energy, agriculture and building materials. It meets basic human needs for food, mobility, energy and housing. The three business units are divided into seven operating segments. There is also the Innovation & Digitalisation Segment and the Other Activities Segment, under which central management and administrative functions are pooled.

The energy business unit has 6,064 employees and generated revenues of €8,609.4 million in the financial year. With its 11,138 employees, the agriculture business unit recorded revenues of €13,326.5 million. With 4,655 employees and revenues of €1,988.3 million, the building materials business unit is the smallest of the three.



The BayWa Group's business operations encompass activities such as planning, wholesale, retail and logistics, as well as extensive supporting services and consultancy. Its business is focused on Europe. The Group also has an international trading and procurement network thanks to significant additional activities in the USA and New Zealand as well as business relationships from Asia to South America.

Business activities are managed both directly through the parent company BayWa AG and indirectly through the subsidiaries included in the consolidated financial statements. Besides the parent company, BayWa AG, the BayWa Group comprises 582 fully consolidated Group companies. Furthermore, 30 companies were included at equity in the consolidated financial statements of BayWa AG.

Renewable Energies Segment

The Renewable Energies Segment comprises the activities of BayWa r.e. AG, in which the Group pools material aspects of the renewable energy value chain. Founded in 2009, the subsidiary BayWa r.e. is now a globally active developer, service provider, photovoltaic (PV) wholesaler, energy trader and provider of energy solutions in the fields of renewable energies. A fund operated by the investor Energy Infrastructure Partners (EIP) has held 49% of the shares in BayWa r.e. since 2021. With a 51% stake, BayWa AG remains the majority shareholder.

BayWa r.e. pursues a three-pronged diversification strategy for its business portfolio: by country, by energy carrier and by business activity. Business activities are divided into three business divisions: Projects, Operations and Solutions.

Projects encompasses worldwide project planning, management and the construction of wind farms and solar parks as well as the sale of finished plants. BayWa r.e. has recently expanded its activities to include offshore wind turbines.

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). Branches in Europe, the US and South East Asia make it possible to provide customers of BayWa r.e. with 24-hour service around the globe. In the service business, the company currently oversees facilities with a total installed output of approximately 10.7 gigawatts (GW) worldwide. In energy trade activities, which are part of the IPP business entity, BayWa r.e. markets electricity generated from renewable sources.

Solutions involves selling photovoltaic systems and components and tailored energy solutions to supply energy to commercial and industrial customers. The Renewable Energies Segment has had a strong international focus since its founding in order to ensure the greatest possible independence from the development of individual regional markets. BayWa r.e. is currently represented with its own operations in a total of 35 countries in the four regions of Europe, North and South America, Asia-Pacific and Africa.

Energy Segment

The Energy Segment's activities are divided into the fields of lubricants, building services, heating oil, diesel and Otto fuels, wood pellets, contracting and BayWa Mobility Solutions GmbH and BayWa Power Liquids GmbH. The geographic focus is primarily on the four German federal states of Bavaria, Baden-Württemberg, Hesse and Saxony, as well as on Austria.

The lubricant business comprises trade in the TECTROL brand and extensive applications and service packages for key customers, such as operators of biogas engines, as well as commercial customers. In addition, the Interlubes digital platform is used for selling lubricants and agricultural inputs from all major manufacturers and brands online to B2B users in the areas of commerce, industry, municipal services, transportation, agriculture and forestry.

BayWa Haustechnik GmbH provides installation services for heating, plumbing and ventilation across regional boundaries at 18 locations. The spectrum of services ranges from oil, gas, wood and pellet heating technology to heat pumps, solar systems, residential ventilation and sanitation technology.

In the field of heating oil and diesel and Otto fuels, BayWa supplies farmers and commercial customers – including construction sites and farms – with fuels and heating oils. Sales of fuels are handled through the standardised logistics brand, enlog. Diesel and Otto fuels, as well as AdBlue, are sold through 111 Group filling stations and partner stations in Germany. In addition, BayWa supplies fuels and heating oils, as well as AdBlue, to resellers and wholesalers. In Austria, further filling stations are managed by subsidiaries. The Group company GENOL Gesellschaft m.b.H. acts as a wholesale fuel supplier to cooperative filling stations.

The field of wood pellets includes selling to private consumers and commercial customers, in addition to production at the subsidiary WUN Pellets GmbH. Under the independent Pellog brand, BayWa also offers logistics services for external wood pellet retailers.

In contracting, the focus is on energy solutions in the fields of biomass, CHP units and gas for the hotel sector, municipal services and the residential construction segment in southern Germany.

BayWa Mobility Solutions GmbH offers a comprehensive range of services in the fields of e-mobility for light vehicles and digital mobility. The Light Vehicle division comprises electromobility, drives forward the planning and expansion of charging infrastructure and is entering the CPO (charge point operator) business with its own charging parks as part of the Deutschlandnetz, a network of high-power charging points. Digital Mobility offers the whole system with filling station and charging card, related app and billing for customers and – as a white label system – also for third parties. Through its Chargemondo platform for private charging solutions, BayWa Mobility Solutions GmbH offers an end-to-end configuration service from a single source, which handles everything from planning to final assembly, including registration with the power grid operator and applying for subsidies.

As a wholly owned subsidiary of BayWa AG, BayWa Power Liquids GmbH positions itself as a solutions provider for climate-friendly heavy vehicle mobility and operates BayWa's network of liquefied natural gas (LNG) filling stations.

Cefetra Group Segment

In the Cefetra Group Segment, BayWa acts as a supply chain manager for agricultural products – from purchasing and logistics to distribution. The segment pools the activities not tied to a specific location, particularly international grain and oilseed trade activities. The product range also includes dairy products such as cheese, butter, milk powder and milk alternatives (Cefetra Dairy), as well as dried fruit and nut kernels. The main customer groups are grain and oil mills, producers of starch and feedstuff, malt houses and breweries, as well as biofuel manufacturers.

Through targeted acquisitions of specialities traders, BayWa is further expanding its business involving goods such as starch products, rice, legumes and organic products as part of its specialities strategy. In doing so, the company is diversifying its product portfolio and benefiting from markets with less intense competition compared to exchange-traded standard products. When it comes to the procurement and marketing of agricultural products, BayWa possesses a worldwide trading network as well as inland and deep water ports.

Agri Trade & Service Segment

The focal points of business activities in the Agri Trade & Service Segment are the collecting and marketing of agricultural products and supplying agricultural customers with agricultural inputs. Due to its historically evolved structures, the agricultural business is concentrated primarily in southern Germany, although BayWa also operates in parts of northern and eastern Germany. All told, BayWa is the agricultural trading company that generates the highest sales in Germany. Another geographical focal point for this segment is the Austrian market.

It supplies conventional farms with agricultural inputs such as seed, fertilizers, crop protection and feedstuff throughout the entire agricultural year and takes responsibility for collecting and marketing the harvest. For its harvest collecting activities, BayWa maintains a network of 151 locations in its core regions, with significant transport, processing and storage capacities. This provides seamless goods delivery, quality inspection, processing, correct storage and care of agricultural products. BayWa sells products to local, regional, national and international companies in the food industry, as well as to wholesalers and retailers through its in-house trade departments.

It is also gradually expanding its range of products and services for organic farming and the marketing structures for organically grown products on a regional basis. A total of 105 BayWa sites are certified to trade agricultural inputs for organic agriculture. By offering a full range of products and services from seed to marketing, BayWa strives to be the most efficient partner for trade in EU organic products and organic agricultural inputs for current and new organic farms.

BayWa is represented throughout Austria through its subsidiary RWA Raiffeisen Ware Austria Aktiengesellschaft (RWA), which maintains close business relations with 430 cooperative warehouses.

Agricultural Equipment Segment

In the Agricultural Equipment Segment, which is divided into the special technology and agricultural equipment business sectors, BayWa sells a full line of machinery, equipment and systems, as well as special machinery for agriculture, forestry and municipal applications, in Germany and Austria. BayWa also offers comprehensive maintenance and repair services, including spare parts. The product range includes tractors, combine harvesters and special machinery with flexible applications, such as vehicles for sweeping, cleaning and winter services, as well as mowing and sporting venue technologies. Forestry equipment comprises large machinery and equipment such as forestry tractors, chipping machinery and small appliances such as chainsaws and brush cutters, along with the necessary protective clothing.

Its most important sales activities encompass the AGCO Group brands – Fendt, Massey Ferguson, Valtra and Challenger – as well as CLAAS agricultural equipment. Along with its bricks-and-mortar stores, BayWa also operates a variety of online platforms in this segment, mainly focusing on the sale of used machinery.

The BayWa workshop network currently includes 276 locations in Germany and Austria and 819 mobile service vehicles, all of which should ensure that BayWa remains close to its customers and is able to process service orders quickly.

In order to secure its long-term growth prospects, BayWa's Agricultural Equipment Segment is expanding into international markets and currently has presences in the Netherlands, Canada and South Africa in the form of subsidiaries or joint ventures.

Global Produce Segment

In the Global Produce Segment, BayWa covers the entire fruit and vegetable marketing value chain.

In Germany, BayWa is a single seller of dessert pome fruit to wholesalers and retailers in the food industry and a supplier of organic dessert pome fruit. It also collects, sorts, stores, packages and provides services for fruit customers in Germany and abroad as a marketer under contract at its five sites in the Lake Constance and Neckar regions. Through its international Group companies, the Global Produce Segment also offers a broad product range from pome fruit through to exotic fruits.

BayWa is active in the international trade of fresh products through its New Zealand subsidiary T&G Global Limited (T&G Global), which maintains international trade relationships in the Americas, Asia, Australia and Europe. The existing sales structures of T&G Global and its affiliated companies offer the potential to open up additional sales markets, particularly in Asia. Through the marketing of dessert pome fruit between the northern and southern hemispheres, BayWa is in a position to provide trade partners with fresh agricultural products all year round and expand its product range.

The Dutch subsidiary company TFC Holland B.V. (TFC) complements the BayWa portfolio with the addition of exotic fruit specialists, particularly in the growth market for ready-to-eat products. TFC has established international trade relations in numerous procurement markets for tropical fruits – mainly for avocado and mango – as well as with the European food retail industry.

Building Materials Segment

The Building Materials Segment primarily comprises building materials trade activities in southern and eastern Germany and Austria. Here, BayWa covers the entire range of products and solutions for building materials – from civil engineering, structural engineering, construction, renovations, modernisation, gardening and landscaping, to solution packages for energy efficiency and healthy building.

In the building materials trade, the BayWa Group is represented with a total of 119 sites in Germany and with 30 sites in Austria. In addition, BayWa serves a number of franchise partners in the building materials and retail business in Austria through its Austrian subsidiary Lagerhaus Franchise GmbH. The number of franchise locations currently totals 1,047. The product range is primarily aimed at small and medium-sized construction companies, trade and commercial enterprises and local authorities, as well as private builders and homeowners.

Healthy construction and energy efficiency are becoming increasingly important. For example, the company offers a wide range of tested low-fume building materials plus solutions for energy-efficient construction, renovation and modernisation. Thanks to its private brand lines for construction components and landscaping; for structural and chemical products, as well as insulation materials; for healthy-living building materials and cleaning agents; and for roofing accessories, BayWa is increasingly becoming an initiator of new products.

A further focal point lies in supplying specialities in fields such as wooden construction and construction timber, formwork equipment and precast concrete elements, as well as flat-roof construction. In addition, BayWa AG provides bathroom modules made from wood through its stake in Tjiko GmbH. The Tjiko bathroom module system is chiefly aimed at property developers and general contractors of large residential construction projects who wish to realise an economical and highly individualised bathroom design in the properties, which is achieved using an digital configurator tool. All interior modules are prefabricated.

In addition, BayWa works with developers on the implementation of projects in Germany. To this end, it enters into joint ventures with construction companies and property developers and acts primarily as a provider of neighbourhood development concepts.

Innovation & Digitalisation Segment

The Innovation & Digitalisation Segment developed and marketed digital products and services aimed at enhancing productivity in agriculture. As part of strategic considerations to accelerate digitalisation in agriculture, the NEXT Farming software solutions and the associated software development and sales activities of the Group company FarmFacts GmbH were sold to the long-standing partner AGCO. The NEXT Farming PRO and NEXT Farming LIVE software products offer farmers a future-orientated and manufacturer-independent farm management system. Within the Group strategy, however, the Board of Management does not consider software development to be one of BayWa's key core competences, although it does consider the marketing of smart farming solutions to be one. As part of the sale of NEXT Farming, BayWa received the corresponding distribution rights from AGCO.

In partnership with the European Space Agency (ESA), BayWa is also driving forward the use of satellite data in the agricultural sector. The goal is to optimally incorporate satellite data into agriculture processes in order to create positive effects regarding the use of resources and water, as well as for harvest yields. The Group subsidiary VISTA Geowissenschaftliche Fernerkundung GmbH processes and markets the resulting data.

As a result of this strategic adjustment, the segment will be dissolved in the current financial year 2024 and FarmFacts GmbH will be allocated to the Agricultural Equipment Segment. The remaining subsidiaries are allocated to Other Activities.

Other Activities

Other Activities encompass the Group's central management and administrative functions, as well as peripheral activities.

Management, monitoring and compliance

BayWa is an Aktiengesellschaft (stock corporation) under German law with a dual management structure consisting of a Board of Management and a Supervisory Board.

As at 31 December 2023, the Board of Management consisted of four members: Marcus Pöllinger (Chief Executive Officer and responsible for the Cefetra Group, Global Produce and Building Materials Segments as well as the Agricultural Products and Digital Farming divisions; the management and supervisory bodies of international Group companies and BayWa r.e. AG), Andreas Helber (Chief Financial Officer; management and supervisory bodies of international Group companies and BayWa r.e. AG), Dr. Marlen Wienert (member of the Board of Management and responsible for the Energy, Agri Trade & Service and Agricultural Equipment Segments as well as the eBusiness division) and Reinhard Wolf (member of the Board of Management and responsible for RWA Raiffeisen Ware Austria Aktiengesellschaft, Korneuburg, Austria).

Prof. Klaus Josef Lutz stepped down from the operational management of BayWa AG on 31 March 2023. Marcus Pöllinger succeeded him in office and took over as Chief Executive Officer on 1 April 2023. The Supervisory Board also appointed Dr. Marlen Wienert to the Board of Management with effect from 1 April 2023.

The Board of Management is solely responsible for managing the Aktiengesellschaft with the primary aim of increasing its value sustainably over the long term.

The BayWa Group Supervisory Board comprised 16 members as of 31 December 2023. It monitors and advises the Board of Management in its management activities and regularly discusses business development, planning, strategy and risks together with the Board of Management. In accordance with the German Codetermination Act (MitbestG), shareholder and employee representatives also sit on the Supervisory Board of BayWa AG to ensure codetermination on the basis of parity. The Supervisory Board has formed six specialist committees of experts in order to boost its efficiency. The Annual General Meeting elected Prof. Klaus Josef Lutz to the Supervisory Board of BayWa AG on 6 June 2023. The Supervisory Board subsequently elected Prof. Klaus Josef Lutz as Chairman of the Supervisory Board at its constituent meeting. Prof. Klaus Josef Lutz stepped down as a member of the Supervisory Board of BayWa AG on 19 January 2024.

Details on cooperation between the Board of Management and the Supervisory Board and on corporate governance at BayWa AG are presented in the Supervisory Board report and the corporate governance declaration in accordance with Section 289f of the German Commercial Code (HGB). The latter can be found in the corporate governance report, which is available on the company's website at www.baywa.com/en/about/corporate-governance/corporate-governance.

A Group-wide code of conduct creates a uniform set of values which apply to the entire BayWa Group. Employees who wish to report potential breaches of compliance regulations are able to register their suspicions through an anonymous tip-off system in addition to existing possibilities, such as the ombudsman. Reported information is assessed and followed up in conjunction with Corporate Audit, if necessary. Corporate Compliance and Corporate Audit work together closely in internal investigations relating to compliance. There is also an extensive range of compliance controls to review and guarantee adherence to compliance principles. Corporate Compliance is managed by the Chief Compliance Officer, who reports directly to the Chairman of the Board of Directors. Compliance Officers and Data Protection Officers are also appointed in BayWa's segments, as well as at all significant affiliated companies. They are available to employees as additional contact partners and act as multipliers.

The main task of the Corporate Compliance organisational unit is to perform preventive duties. Corporate Compliance particularly draws on training courses and an extensive range of consultancy and information services to prevent breaches of the law. Its activities are focused on antitrust law, corruption prevention, data protection, information security, customs and export control, and preventing money laundering. Comprehensive frameworks that act as Group-wide rules have been developed on these issues.

The Social Compliance department was created in 2021 to oversee the implementation of the requirements under the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG). Since 2023, large companies such as BayWa AG are obliged to meet extensive reporting obligations and requirements and to identify and rectify potential human rights grievances in BayWa's own business activities or at its suppliers. Social Compliance works closely together with other Group functions, such as Corporate Sustainability, Purchasing, Risk and Public Affairs, to meet human rights due diligence obligations.

Corporate goals and strategy

Following the phase of strong expansion and investment in recent years, the focus of the BayWa Group's strategic development will initially be on optimising the entire portfolio from a risk/return perspective. BayWa therefore takes changed framework conditions into particular consideration. These include the rise in interest rates and structural changes in individual markets in which BayWa is active. The aim is to develop a high-yield portfolio in order to secure the BayWa Group's profitability in the long term.

BayWa benefits in almost all business segments from megatrends such as food and energy security, which are associated with numerous short- and long-term opportunities regardless of market fluctuations. The BayWa Group's growth focus remains on the Renewable Energies and Cefetra Group Segments, which are developing their potential in a variety of countries, project pipelines, product ranges and goods flows.

The BayWa Group's medium-term earnings target (EBIT) is in the range of €470 million to €520 million and should be achieved by the end of 2026. BayWa originally wanted to reach this goal in 2025. Due to the continuing weakness of the construction industry and the delayed sale process of the solar trading business, the target was postponed by one year.

The strategy centres on increasing the quality of earnings and reducing debt in order to lower the interest burden. This is achieved in particular by optimising the product portfolio. By concentrating on its own core competencies and high-margin products and business activities, the portfolio is geared towards the future, management complexity is reduced and the process of becoming a yield portfolio is completed. This also includes letting go of individual Group companies or peripheral activities, which the proceeds being used to drive debt reduction. The further optimisation of portfolio management in all segments should also reduce capital commitment and therefore also the interest burden. This includes initiatives such as the cash-management programme of the German Agri Trade & Service, Building Materials, Agricultural Equipment and Energy units.

An important component of the implementation measures is the CorE programme, under which a SAP S/4HANA-based corporate enterprise resource planning system is being introduced at BayWa. The aim is to optimise and further develop processes and performance standards in the best possible way in terms of customer focus, competitiveness, future-proofing and efficiency. BayWa assumes that this will make it possible to harmonise the majority of business processes from purchasing and logistics to sales and service, and should also lead to extensive cost savings in IT. The system will initially be rolled out to the service & workshop business before being gradually extended to the other areas over the course of the next few financial years.

In terms of sustainability, BayWa is aiming to reduce the company's greenhouse gas emissions by at least 22% by 2025 compared to 2017. The company aims to achieve climate neutrality (Scope 1 and 2) by 2030. The introduction of internal carbon pricing was a major step towards the decarbonisation of the entire Group. Each BayWa segment receives a budget specially earmarked for climate protection measures to help them pay for the internal carbon price of €50 per metric tonne of carbon dioxide (CO_2). BayWa is planning to invest €19 million directly in its own decarbonisation efforts by 2025 alone in order to achieve its climate targets.

Energy business unit

Renewable Energies Segment

The energy crisis in Europe that followed the Russian invasion of Ukraine in 2022 emphasised the importance of a rapid transition to a secure and sustainable energy supply. Pioneering decisions such as the Inflation Reduction Act in the USA and the REPowerEU programme in Europe were taken to support these ambitions, which are also shared by BayWa r.e. AG, whose strategic goal remains to accelerate the growth of renewable energies.

BayWa r.e.'s financial results in 2023 show the advantages of its broad business portfolio, including an energy trading business and an independent power producer, both of which benefited from the comparatively high energy prices in Europe. However, the renewable energy sector was not without its challenges. In both the wind and solar sectors, inflation and high interest rates hindered the realisation of projects, while margins in the solar module wholesale business suffered from a rapid fall in prices. This decline followed the classic cycle in which oversupply and price declines are followed by supply shortages and rising prices in 2022.

Against this backdrop, BayWa r.e. is continuing to focus on achieving operational excellence as part of its Strategic Roadmap 2026 in order to be optimally equipped for the substantial growth in renewable energies. This includes the merger of its wind and solar project development businesses to realise synergies and the further development of its procurement functions to improve its positioning with suppliers.

Importantly, the Group is undergoing a strategic realignment that includes the sale of its solar trading business. The sales process has generated great interest and several offers from potential buyers. Due to the volatile market conditions experienced by the solar market in the business year 2023, the sales process will continue until 2024. The planned proceeds from the sale will be used to reduce debt, but will also be reinvested in the future core business of BayWa r.e. to support the growth of the project pipeline and the IPP portfolio as well as to expand the energy solutions and services business.

New technologies remain an important part of BayWa r.e.'s strategic plans. The company has successfully carried out and implemented pilot projects and increased its project pipeline for renewable energies with innovative technologies. In 2023, this included the completion of floating solar photovoltaic projects and hybrid projects combining photovoltaic, battery and energy storage technology, as well as the continuous expansion of project pipelines, including in the areas of agrivoltaics (Agri-PV), power to X and offshore wind.

Battery storage is an important technology – not only is it a solution for dealing with grid congestion and shortages, but in certain markets it can also be an additional source of revenue from providing power to the grid and participating in energy trading markets. By the end of 2023, BayWa r.e. will have developed an extensive pipeline of battery storage projects with an output of almost 2.4 gigawatt-peak (GWp) and a capacity of 6.6 gigawatt-hours (GWh).

Energy Segment

In the Energy Segment, BayWa positions itself as a logistics provider with a basic supply function – particularly in rural regions – in the fields of fuels, lubricants and heat energy carriers. At the core of the segment strategy is the gradual transition from traditional energy carriers to alternative sources.

For example, the marketing of wood pellets is a focal point of the heating business. BayWa also operates the digital marketplace “hello:Heat” for this purpose, where customers can find an extensive range of services, from basic information on heating technology and subsidy services to advice and installation services, as well as a range of alternative sustainable fuels such as wood pellets and briquettes.

Building on supplying its customers with heating energy, BayWa is also working on expanding its business activities with the addition of innovative solutions, including contracting services in the fields of cooling and power consumption for multi-family homes. With the acquisition of the Urlbauer Group and Emmeringer Heizungsbau by BayWa Haustechnik GmbH in 2023, BayWa has expanded its expertise and capacities in the area of plumbing, heating and air conditioning, thereby meeting the increasing demand for heating and heat refurbishment as part of the energy transition.

The expansion of mobility solutions also focuses on providing climate-friendly services, with ongoing advances being made in the fields of charging infrastructure for e-mobility, LNG filling stations and digital mobility. In 2023, BayWa Mobility Solutions GmbH (BMS) was awarded the contract for the Bavarian section of the Deutschlandnetz project, which aims to close the gaps in the charging infrastructure network. By 2026, BMS will have built 20 of its own fast-charging parks, each featuring 4–16 charging points, and invested a total of around €15 million. Operating its own charging parks also marks the company’s entry into the CPO (charge point operator) business and the next logical step in its business development. BayWa also offers e-mobility solutions created on the basis of comprehensive fleet analysis and targeted at fleet operators. In this end-to-end service, BayWa covers everything from installation and operation to maintenance and charging infrastructure.

Sales of liquid fuels are being managed through a standardised logistics brand, enlog, which allows sales and logistics to be more flexible, and new sales channels to be opened up, laying the groundwork for business success in a market that is set to shrink over the coming years.

BayWa is also following the trend towards greater sustainability in the lubricants business. Customers can now also purchase recycled lubricants from the TECTROL brand, thereby reducing their own company’s CO_2 footprint without compromising on performance. BayWa sells four recycled lubricant products under the new re:source product line. Further expansion of the product line is already being planned.

Agriculture business unit

Cefetra Group Segment

In the reporting year, the Cefetra Group Segment achieved the goals of its Road to Ingredients Strategy 2024 ahead of schedule. They included improving operating performance in the core business and expanding the range to include processed products, expanding the marketing range for organic and regionally produced agricultural goods and niche products, strengthening the position as a supply chain manager in the agricultural trade market and diversifying the portfolio through international expansion in the form of smaller acquisitions.

At the end of 2023, Cefetra adopted the roadmap for Strategy 2028. Featuring a new claim, Ingredients in Action, the strategy aims to enable Cefetra to realise its full growth potential along the agricultural and food business chain. In response to the changes in the environment, markets and industry, the company has identified three strategic priorities:

- Agricultural products: further diversification and strengthening of the range of speciality and niche agricultural products; cost optimisation for volume products to compensate for the expected decline in compound feedstuff
- Food: product-based and geographical expansion in existing regions as well as new ones (Europe, Asia, Middle East, North America and Oceania)

- Group: further diversification of the agricultural trade business and expansion of the food business by utilising synergies between the Cefetra portfolios and customers, development of new growth areas and implementation of strategic acquisitions

Group-wide approaches include, for example, services relating to climate-friendly agriculture, compound feedstuff, pet food, baked goods, organic products, bioenergy and contract farming. These will be supplemented by the gradual expansion of new growth areas.

In order to realise these plans, the Cefetra Group will continue to focus on areas such as organisation, digitalisation and sustainability. The decentralised cooperation model is to be strengthened and collaboration on Group-wide approaches intensified. Furthermore, a personnel planning concept is to be developed in order to attract and develop talent and implement forward-thinking succession planning. The creation of a digital organisation through process optimisation and cost efficiency (e.g. logistics, finance) is intended to further increase performance.

Agri Trade & Service Segment

One of the strategic focal points of the Agri Trade & Service Segment is reviewing and optimising the location structure with a view to the collecting and agricultural input business. In order to achieve greater synergy effects between the Agri Trade & Service and Agricultural Equipment Segments in future, the locations are increasingly being combined or newly built into integrated agricultural and technical service centres wherever possible. In the reporting year, for example, the location in Nürtingen was rebuilt and modernised. BayWa will merge locations that are not operating profitably with other locations or close them. In the reporting year, this related to two warehouses and one location. Further locations will follow in 2024.

Another focus of development in terms of BayWa's German agricultural business is process optimisation in the logistics chain. To support BayWa's mission of helping people to meet their basic needs and based on a network of central warehouses, a logistics concept is being established that is aimed at securing the ability to deliver goods for agriculture at all times while reducing capital tied up in the Agri Trade & Service Segment. The further expansion of the port in Mukran, which will increase the storage capacity there by 150% to 100,000 metric tonnes and almost double the annual grain throughput to up to 2 million metric tonnes, will also contribute to this area of focus. Digital process management also plays an important role in logistics, which should make it possible to successfully manage the increasing complexity and dynamics of logistics processes. The aim here is to increase the benefit to the customer while reducing costs. Targeted diversification of the product portfolio and the expansion of the private brand business are also helping to strengthen profitability. All key processes are currently being reorganised as part of the conversion of the ERP system. This cross-segment project also involves the Agri Trade & Service and Agricultural Equipment Segments.

In sales, the range is increasingly geared towards end-to-end solutions, as changes in the climate, regulatory conditions and digitalisation are shifting the goalposts in agriculture. The use of digitally controlled machinery and equipment for the application of agricultural inputs will require specially adapted varieties of seed, fertilizer or crop protection products in the future. The increasingly close integration of the Agri Trade & Service and Agricultural Equipment Segments (including the service business) enables BayWa to offer agricultural customers service, products and end-to-end solutions from a single source. The e-commerce offering in the agricultural input business is also being developed to enable faster and more flexible responses to new market opportunities and customer requirements. Since the end of the reporting year, the agricultural portal (BayWa Online Shop) has also been available as a mobile application (BayWa Portal App).

Agricultural Equipment Segment

Continuing to realise synergies with the Agri Trade & Service Segment is also an important area of focus for the Agricultural Equipment Segment. By and large, both segments supply the same customer groups with different products along the value chain. The aforementioned joint location strategy and the joint general strategic direction can also be seen in this context.

In order to increase efficiency, the company has split its business in this area into agricultural equipment on the one hand and special technology for municipalities, industry and forestry operations on the other. Another focus is the development of cross-vendor digital interfaces and the continuously strengthening of its brand-specific sales organisations.

BayWa is responding to the growing trend towards sustainability by expanding its range of electric tractors and other electric vehicles for agriculture, forestry and the public sector. For example, local authorities have been required to comply with the Clean Vehicles Directive since 2 August 2021. In 2023, BayWa expanded its portfolio to include Graf Carello electric trucks, among other things for urban plant irrigation, as a practical small transporter for waste disposal or for internal operations. The Austrian manufacturer Graf Carello is already BayWa's fourth sales partner for electric vehicles. In future, BayWa will also sell the all-electric Fendt e100 tractor, which is due to start production in the fourth quarter of 2024. The narrow-track version of this first mass-produced electric tractor from a major manufacturer suitable for use by local authorities (on pavements) as well as in orchards and viticulture operations.

Needs-based and effective irrigation is a vital strategy for adapting to climate change and therefore an important future topic for agricultural operations. Hot and dry summers, combined with extreme rainfall events, are making active irrigation management increasingly important. In this area, BayWa aims to offer solutions to its customers on an even more targeted basis and help them secure yields without damaging the environment. Here too, both segments offer customised solutions: Drip irrigation (agriculture) and overhead irrigation (agricultural equipment) as well as smart control and services.

Global Produce Segment

The goals in the Global Produce Segment are to develop new, attractive product categories and ensure supply and delivery security in important areas through vertical integration.

By relocating the Dutch subsidiary TFC Holland B.V. (TFC), which specialises in exotic fruit and vegetables, to a new site at the beginning of 2023, BayWa Global Produce is laying the foundations for the continued expansion of its business activities in this area. The clear development of storage, ripening and processing capacities enables modern and efficient production processes. At the same time, TFC is ensuring direct access to products and further expanding its year-round avocado offerings through a long-term partnership with producers in southern Africa.

The strategy of VentureFruit, a wholly owned subsidiary of T&G Global and specialist in plant genetics and variety management, is geared toward supplying growers, traders and consumers worldwide with new types of premium fruits. Together with the research institute Plant & Food Research, the company has invested in the development of new soft fruit varieties to cater to the growing demand worldwide. Together with the Spanish fruit specialist Nufri S.A.T., premium blueberries from corresponding cultivating programmes will be developed for the European market in future. VentureFruit also unveiled its new apple variety Tutti™ at the Fruit Logistica 2023 trade fair in Berlin. Tutti is the world's first hot-climate apple and will be launched on the retail market by VentureFruit and its licensees in a few years.

The segment subsidiary T&G Global Limited (T&G Global) is based in New Zealand and focusses on cultivating new varieties and the cultivation of premium apples. Following two initial new varieties, the company announced the new premium apple variety Joli™ in the financial year, which will be gradually cultivated and commercially available worldwide from 2028. Its flavour characteristics and high productivity in cultivation should make it attractive to consumers and fruit producers alike. In addition, T&G Global has doubled its packaging capacity and made work processes even more efficient with the commissioning of its new automated packaging facility.

Building materials business unit

Building Materials Segment

The strategic focus in the Building Materials Segment, with its three areas of building materials trade activities, construction solutions and construction projects, is based on the continuous development from a pure product trader to a provider of innovative services and solutions along the entire construction value chain. BayWa continues to make targeted investments in systematic construction solutions and prefabrication of components to enable more efficient processes and greater productivity in the construction industry. The H2X joint venture between BayWa AG and the brüderl Group, for example, is another part of this strategy. With its mixed construction method of industrially prefabricated solid walls made of cross-laminated timber and reinforced concrete ceilings, it allows a more ecological and climate-friendly construction method in multi-storey buildings. The establishment of an ecological building materials database and additional services such as ESG certification underscore the Building Materials Segment's commitment to greater sustainability and climate protection in the building sector.

The strategic focus of the conventional building materials trade activities is on expanding the range of private brands and specialities in areas such as construction timber, among other things. The portfolio is also being increasingly centred on sustainable building materials. One example of this further development include the construction of a new central warehouse with a focus on solid structural timber and laminated timber, which doubles the storage capacity at this location, increases the availability of goods and minimises the risk of supply bottlenecks. Another example is a pilot project for autonomous shopping in Altötting, which utilises innovative technologies such as an electronic access system, digital advisory services and self-service checkout to enable customers to benefit from extended opening hours.

Additional focal points include digitalisation and continuous measures to improve efficiency. This also includes streamlining the network of locations while maintaining the usual proximity to customers and implementing a lean management approach to increase productivity. Thanks to the successful integration of bricks-and-mortar retail with the BayWa Building Materials Online portal, BayWa now offers a comprehensive omni-channel service covering its entire sales region. The online offerings will be successively expanded to include interfaces with software used by tradespeople. Process efficiency will be enhanced through systems for automatic inventory management. Numerous regional warehouses are being combined to form a network that, with the support of extensive logistics service, will be able to secure BayWa's ability to deliver at all times.

Innovation & Digitalisation Segment

The Innovation & Digitalisation Segment developed and marketed digital products and services aimed at enhancing productivity in agriculture. As part of strategic considerations to accelerate digitalisation in agriculture, the NEXT Farming software solutions and the associated software development and sales activities of the Group company FarmFacts GmbH were sold to the long-standing partner AGCO. The NEXT Farming PRO and NEXT Farming LIVE software products offer farmers a future-orientated and manufacturer-independent farm management system. Within the Group strategy, however, the Board of Management does not consider software development to be one of BayWa's key core competences, although it does consider the marketing of smart farming solutions to be one. BayWa received corresponding distribution rights from AGCO as part of the sale of NEXT Farming.

BayWa will continue to offer the soil sampling service via FarmFacts GmbH for the time being. In addition, the business with hardware components such as weather stations and sensors will be fully integrated into the BayWa portfolio. BayWa will therefore be focusing its activities in the Digital Farming division on consulting, sales, implementation and service in the future.

As a result of this strategic adjustment, the segment will be dissolved in the current financial year 2024 and FarmFacts GmbH will be allocated to the Agricultural Equipment Segment. The remaining subsidiaries are allocated to Other Activities.

With the BayWa Portal for agriculture, BayWa's eBusiness includes the portal platform for online trade and has a cross section function within the BayWa Group when it comes to digitalising interfaces and processes between BayWa and its customers. The focus here is on an omni-channel approach and further development into a smart digital customer platform and the digitalisation of customer-centric processes.

The subsidiary BayWa Venture GmbH is symbolic of the open approach to innovation at BayWa. It aims to find and roll out new business models and technologies for BayWa and its Group companies that make a lasting, measurable difference. The business models are rolled out through BayWa Venture Investments and BayWa Venture start-up partnerships. As at 31 December 2023, the investment portfolio of BayWa Venture GmbH consisted of 12 minority stakes.

In order to expand investment opportunities, BayWa decided at the beginning of 2024 to open up BayWa Venture's business to partners. Under the new name AgriFoodTech Venture GmbH, an alliance of the companies BayWa, Bindewald and Gutting Mühlengruppe as well as MULTIVAC (packaging technology group) is being formed with the mission of promoting good food solutions for a future worth living. BayWa remains the majority shareholder with a stake of 51%. The focus and orientation of the new alliance is the financing of start-ups that use innovations and new technologies to make the agricultural and food supply chain more economical and sustainable at the same time. The members of the alliance are both financial investors and supporting cooperation partners who promote innovation through collaboration and support services along the entire value chain. The partnership ranges from brainstorming and discussing ideas together to testing, pilot projects, product and service development and sales cooperation. BayWa will augment its existing BayWa Venture Start-up portfolio business with the addition of twelve fledgling, high-growth companies in Europe, the US and Israel to the alliance. The new investment and innovation company is to be expanded to around 20 companies with total investment of up to €30 million.

Based on the areas of focus of BayWa Venture GmbH, the Group also set up the New Protein Solutions business entity as part of the Agri Trade & Service Segment in 2022 and is developing new activities in the Protein Trade division (in some cases working with the start-ups) and gradually expanding them. Protein trade covers the customer-centric speciality trade in healthy, regional and sustainable products in collaboration with the food industry.

Corporate financing

With its corporate financing, BayWa puts its faith in tried-and-tested, reliable partners. In doing so, it makes sure that there is sufficient diversification in terms of financing sources so as to guarantee its independence and limit risks. Increasingly, BayWa also relies on financing instruments with sustainability-related elements, with four ESG-linked bonded loans totalling €631.0 million, an ESG-linked syndicated financing agreement originally worth €1.7 billion, but since increased to €2.0 billion, and a €500.0 million green bond. A hybrid bond amounting to €60.0 million was issued in May 2023 and subsequently increased to €100.0 million in September. Efficient management of working capital is vital at the BayWa Group, as it represents a net figure for current assets less current liabilities. The financing of the BayWa Group was ensured at all times in the financial year 2023 through sufficient credit lines from its financing partners.

Sustainability at BayWa

Sustainability strategy

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Food, energy, housing, heat and mobility: as a provider of the basics, BayWa has always contributed to meeting human needs. But these basic needs can only be met in the long term if they are in harmony with the environment and human rights – global challenges such as climate change or loss of biodiversity not only significantly harm the basis for life but also BayWa's business. At the same time, BayWa's global operations mean it has a major impact on sustainable development and opportunities to influence it.

BayWa implemented a comprehensive sustainability strategy in 2021 in order to rise to the global challenges, setting the strategic course in sustainability matters for the years ahead. The company sets the framework for the definition of specific targets, measures and key figures. The sustainability strategy is based on four fields of action: value creation, environment and climate, employees, and society. Each field of action ties into relevant core issues and strategic targets. Core topics include sustainable products and solutions, sustainable procurement, climate and energy, circular economy, ecosystems and biodiversity as well as water. Measurable targets and measures have already been defined for some of the core topics, with others to be developed by BayWa going forward.

BayWa AG has also been a member of the United Nations (UN) Global Compact since 2021. By joining, BayWa has underlined its commitment to upholding and promoting the ten principles set out by the UN initiative in relation to human rights, labour, the environment and anti-corruption.

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Climate strategy

With its climate strategy, which forms part of the sustainability strategy, BayWa aims to help keep global warming to well below 2 degrees Celsius as part of its goal of being climate neutral by 2030 (Scope 1 and Scope 2 emissions). To achieve this, the company plans to continue to reduce its energy consumption and the greenhouse gas emissions attributable to its sites, company cars and in-house logistics activities; source electricity from renewable energy sources only; and compensate for remaining greenhouse gas emissions by purchasing high-quality carbon credits.

Internal carbon pricing, which was introduced by BayWa in 2023, serves as an additional governance instrument to achieve the reduction in greenhouse gas emissions defined in the climate strategy. BayWa's Scope 1 and Scope 2 emissions are priced internally at €50 per tonne of CO_2 equivalents. In the reporting year, the carbon pricing model generated a budget of €4.5 million that was reinvested in measures to reduce greenhouse gas emissions.

BayWa's climate target and progress

- Cover 100% of its electricity needs with renewable energies by the end of 2020; goal was achieved once again in 2023
- Reduce energy consumption by 22% by 2025 (base year 2017, in terms of EBITDA); goal was surpassed once again in 2023 (minus 50%)
- Reduce greenhouse gas emissions by 22% by 2025 (base year 2017); goal was achieved once again in 2023 (minus 23%)
- Build and provide 10 GW in generation capacities from renewable energies by 2025; goal was achieved ahead of schedule in 2022 In 2023, the generation capacity reached 16.3 GW
- Climate neutrality in own operations from 2030 onwards (Scope 1 and 2)

Greenhouse gas emissions have fallen, primarily due to savings measures, lower heating oil consumption and measures to reduce volatile gases. BayWa is committed to maintaining this reduction on a permanent basis by taking corresponding measures within the scope of the internal carbon pricing system. BayWa will assess the level of ambition in its targets in 2024 so that the changes in overall conditions are addressed adequately.

BayWa is aware of its responsibility for greenhouse gas emissions that occur in the upstream and downstream value chain (Scope 3). The company already reports on 6 of the 15 categories on an annual basis. In 2022, a Group-wide materiality analysis regarding Scope 3 emissions was conducted to identify the relevant Scope 3 categories and expand the data collection. The definition of a Scope 3 objective planned for the reporting year could not yet be finalised, as a complete Scope 3 inventory must first be drawn up. This is planned for 2024 in conjunction with an expansion and review of the Group's current climate strategy.

Protecting human rights

The BayWa Group is committed to upholding human rights and continuously implements the associated due diligence obligations set out in the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG). The Social Responsibility and Human Rights Policy Statement, updated in 2023 and adopted by the entire Board of Management, is based on international conventions and guiding principles. Coupled with the two codes of conduct at BayWa (Code of Conduct and Supplier Code of Conduct), the Social Responsibility and Human Rights Policy Statement outlines the key principles of BayWa's own actions and the standards to which it holds its business partners.

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ESG ratings

Rating	Result
MSCI ESG	AA
ISS ESG	C+
CDP (Climate Change)	A-

The consolidated non-financial report is part of the Sustainability Report 2023, which is published on the company's website at www.baywa.com/en/responsibility/at-a-glance.html.

Employees

The number of employees at the BayWa Group increased once again in the financial year 2023. As at 31 December 2023, the BayWa Group employed 23,144 people (2022: 22,508). In terms of an annual average, the number of employees rose by 757, or 3.4 percent year on year, to 23,050. The increase was due in particular to the Renewable Energies Segment (increase of 838 employees) and came as a result of business development and company acquisitions. The Agri Trade & Service, Agricultural Equipment, Cefetra Group and Energy Segments continued to record higher employee numbers than in the previous year. By contrast, the average number of employees fell, particularly in the Global Produce Segment (decrease of 414 employees) following the sale of the grape business in Peru and in the Innovation & Digitalisation Segment (decrease of 96 employees). The main driver for the reduction of the workforce to just under half in the Innovation & Digitalisation Segment was the sale of substantial parts of the operating business of FarmFacts GmbH in the fourth quarter of 2023. In all other segments, the average number of employees was roughly on a par with the previous year.

For years, BayWa has been committed to training its own qualified personnel to combat the noticeable skills shortage, particularly in Germany. In 2023, 476 trainees started their career at BayWa. A total of 1,393 apprentices and trainees were employed at the BayWa Group at the end of the year. The training ratio stood at 5.6%.

Development of the average number of employees at the BayWa Group

						Change	
	2019	2020	2021	2022	**2023**	2023/22	
Renewable Energies	1,826	2,272	2,821	3,754	4,592	838	22.3%
Energy	986	1,017	1,359	1,411	1,472	61	4.3%
Cefetra Group	487	477	496	623	709	86	13.8%
Agri Trade & Service	3,533	3,502	3,408	3,630	3,761	131	3.6%
Agricultural Equipment	3,772	3,786	3,805	3,826	3,931	105	2.7%
Global Produce	2,788	3,997	3,650	3,151	2,737	- 414	- 13.1%
Building Materials	4,371	4,528	4,454	4,661	4,655	- 6	- 0.1%
Innovation & Digitalisation	198	225	240	220	124	- 96	- 43.6%
Other Activities	870	913	952	1,017	1,069	52	5.1%
BayWa Group	**18,831**	**20,717**	**21,185**	**22,293**	**23,050**	**757**	**3.4%**

Control system

Strategic controlling of the corporate divisions is based on value-oriented corporate governance and integrated risk management. Operational management of the corporate divisions is conducted based on targets, with earnings before interest and tax (EBIT) acting as the most important financial performance indicator. The development of financial performance indicators in the financial year 2023 is described in detail in the Financial Report in the section “Financial performance indicators”. BayWa reports on its non-financial performance indicators in its separate Sustainability Report. There are no particularly important non-financial performance indicators requiring separate disclosure in the management report.

The value-driven management approach supports the medium- and long-term streamlining of the portfolio and the strategic orientation of capital allocation within the Group. This approach shows whether the ratio between the operating profit achieved and the risk-adjusted cost of capital is appropriate, i.e. whether the segments have earned their cost of capital. Interest on average capital invested in the segments is charged by applying the weighted average cost of capital (WACC) model. The return on invested capital (ROIC) of the segments is then measured against the respective cost of capital. There is economic profit if the return on invested capital is higher than the cost of capital specific to each segment (see also “Economic profit” section). The further development of an efficient risk management system is particularly important in safeguarding long-term economic success, especially in international business. Risk management is monitored and overseen by a Risk Board that is headed by the Chairman of the Board of Management. In addition, the Global Book System (GBS) coordinates trade management in grain, oilseed and co-product trade. The GBS reconciles and optimises trade and risk positions of individual product lines across the board for national and international divisions.

Research and development in the Innovation & Digitalisation Segment

As at 31 December 2023, 34 employees worked in research and development (2022: 63 employees). The BayWa Group’s research and development expenses totalled just under €1.8 million in the financial year 2023 (2022: €1.0 million). BayWa AG, Munich, Germany, and FarmFacts GmbH, Pfarrkirchen, Germany, accounted for the BayWa Group's main research and development activities. Own work capitalised for new products amounted to some €2.3 million (2022: €3.2 million). For information on new developments in the individual segments, please refer to the “Corporate goals and strategy” section.

Financial Report

Macroeconomic conditions

The development and growth of the global economy in the financial year 2023 was largely characterised by the effects of high inflation and high interest rates to combat inflation. Supported by a faster-than-expected decline in inflation and unexpectedly strong growth in the US, partly due to fiscal stimulus measures, the global economy proved to be more resilient than originally expected, particularly in the second half of 2023. Nevertheless, high interest rates and energy prices slowed the development of the construction industry and other interest-sensitive investment and consumption activities in the euro zone, where the important German economy even slipped into recession (IMF, World Economic Outlook, January 2024).

In its estimate dated January 2024, the International Monetary Fund (IMF) anticipates that the global economy saw growth of around 3.1% in 2023. In industrialised economies, growth stood at around 1.6%, according to the IMF. In emerging economies, gross domestic product increased by 4.1%. In the countries of the euro zone, economic growth amounted to just 0.5%. The German and Austrian markets, which are particularly important for BayWa, were in recession, with economic growth of minus 0.3% and minus 0.8% respectively (IMF, World Economic Outlook, January 2024; WIFO – Austrian Institute of Economic Research, Economic Outlook 4/2023, December 2023).

The annual inflation rate in the euro zone weakened clearly over the course of the year, falling from 9.2% in December 2022 to just 2.9% in December 2023, according to the European statistics authority Eurostat. This is also a result of the continued key interest rate increases (main refinancing operations) by the European Central Bank (ECB), which raised the interest rate in six further steps from 2.5% to 4.5% by September 2023 (Eurostat, Annual inflation up to 2.9% in the euro area, January 2024).

In the current financial year 2024, global economic growth is expected to remain stable but weak compared to the long-term average. The main factors behind this development are the ongoing restrictive monetary policy and a normalisation in regions that have recently enjoyed strong growth, such as the US. The discontinuation of fiscal policy subsidies, ongoing geopolitical uncertainties (including disruptions to logistics chains due to attacks on cargo ships in the Red Sea) and increasing concerns about the Chinese property sector are likely to have an additional negative impact on economic development (IMF, World Economic Outlook, January 2024). Nevertheless, sentiment has improved somewhat, with growth forecast to reach 3.1%. Back in October, the IMF's analysts were still predicting economic growth of just 2.9%. In emerging economies, gross domestic product is expected to rise again by 4.1%. In industrialised countries, growth of 1.5% is expected. In the euro zone, the IMF expects growth to accelerate slightly to 0.9%, which represents a downward revision of 0.3% compared to October 2023. Germany remains the euro zone's cause of concern, with economic output expected to grow by just 0.5% in 2024. In October, the IMF was still predicting growth of 0.9% for Germany. In Austria, WIFO expects the economy to recover in the second half of the year in particular, with growth of 0.9% for the year as a whole (IMF, World Economic Outlook, January 2024; WIFO – Austrian Institute of Economic Research, Economic Outlook 4/2023, December 2023).

The ECB's goal is to achieve price stability in the medium term for the euro zone, with an inflation rate of 2%. Although this target has now come much closer and the ECB recently paused interest rates, the ECB is likely to maintain the high interest rate level for some time to come. In January 2024, ECB President Lagarde provisionally cancelled discussions about a possible interest rate cut. In doing so, the ECB Governing Council is staying its monetary policy course (ECB, Monetary policy decisions, January 2024).

Operative business development

Energy business unit

Market and industry development 2023/24

Development of renewable energies

Electricity prices on the European futures markets stabilised clearly in 2023. After moving in a range between €110 and €150 per megawatt-hours (MWh) in the first three quarters (except in Scandinavia and Spain, where prices are lower by a clear margin), there has been a clear drop in prices since the third quarter of 2023, with prices on an unbroken downward trajectory between €90 and €120 per MWh at the end of the year.

Despite high interest rates and lower electricity prices, 2023 proved to be another record year for the growth of renewable energies, thanks to a phenomenal increase in photovoltaic (PV) systems in China, the US and Germany. BloombergNEF (January 2024) estimates annual new PV installations in 2023 at 437 gigawatts (GW) – 73% more than the installed capacity of 252 GW in 2022. The addition of wind power plants in 2023 is estimated at 103 GW, which corresponds to an increase of 18% compared to the previous year and reverses the 13% year-on-year decline in annual wind power installations observed in 2022 (BloombergNEF, Wind Power Outlook, November 2023).

The lower annual growth rate of 8% for global investment in renewable energies, compared to 25% in 2022 and 24% in 2021, underlines the sharp decline in solar module prices and the continued increase in the market share of Chinese wind turbines. Solar PV accounted for more than USD393 billion of the total investment of USD623 billion – an increase of 12% compared to 2022. Although wind investments reached a record high of USD217 billion, onshore wind investments fell by 17% to USD140 billion compared to 2022. Growth was therefore driven by offshore wind power, with a record investment of USD77 billion in 2023 (BloombergNEF, Energy Transition Investment Trends 2024).

China remained the growth driver for PV installations, with a whopping 267 GW in growth in 2023, accounting for more than 60% of annual global PV installations. The increase was fuelled by low-cost PV modules and is therefore likely to continue in 2024. PV capacity also grew strongly in the US, from 24 GW in additions in 2022 to 35 GW in additions in 2023. In the EMEA region, Germany recorded the strongest increase in PV capacity, with a good 14 GW, which corresponds to a 91% increase in new capacity compared to the previous year (BloombergNEF, Solar PV Data, February 2024).

In the various market segments for PV, the expansion of solar parks worldwide rose from 120 GW in 2022 to 220 GW in 2023. New installations of private and commercial systems are estimated at 110 GW and 108 GW respectively. While the private sector in Germany dominated, with 5.5 GW of new installations, solar parks in Spain made the largest contribution, with a capacity increase of 5 GW (BloombergNEF, February 2024).

PV production continues to be dominated by China, with more and more countries taking measures to support local production. However, the recent slump in module prices is making these ambitions substantially more difficult. European solar manufacturers are the most challenged due to their high production costs and the lack of easily accessible subsidies. Western wind turbine manufacturers are less challenged in their domestic markets and appear to be able to offer stable prices after several years of continuous price increases. It remains to be seen how the Net Zero Industry Act, which is currently in the legislative process in the European Union, will affect European production.

Development of energy

Trade in energy carriers was influenced in the financial year 2023 by spillover effects from the previous year. The outbreak of the war against Ukraine led to strong price momentum in 2022 and higher stockpiling on the part of customers due to the uncertain supply situation. In 2023, exactly the opposite effects were observed after the markets largely normalised. This led to lower prices and lower sales volumes.

The price of crude oil plays a key role in market development in the Energy Segment. It is a leading indicator of demand and price trends for various fossil energy carriers. Beginning from around USD85 per barrel at the turn of the year 2022/23, the price of crude oil initially started the new trading year on a stable footing. Countervailing effects from the persistently weak global economy on the one hand and the extensive production cuts by the OPEC-plus group on the other caused the oil price to fluctuate between around USD70 and 95 per barrel over the course of the year. At the end of the year, the price was USD76 per barrel, substantially below the previous year's level. At USD81.2 per barrel on average over the course of 2023, the price of crude oil was roughly USD17 lower than the average for the previous year (TECSON, Rohölpreis, 2022).

For the current year, 2024, the U.S. Energy Information Administration (EIA) expects a largely balanced supply-demand ratio and thus a stable average crude oil price of around USD82 per barrel on the basis of a subdued global economy and further increases in energy efficiency. Forecast uncertainties exist above all with regard to supply disruptions, which could result from the increasing tensions in the Red Sea, among other things (EIA, Short-Term Energy Outlook, January 2024).

In the heating business, demand for heating oil is dependent on weather-related fluctuations in consumption and price trends. The price of heating oil essentially follows the trend in the price of crude oil and continued the already clear decline from the end of 2022 in the financial year 2023. Over the course of the year, the price fluctuated between around €90 per 100 litres in spring and around €120 per 100 litres in autumn and was around €107 per 100 litres at the end of the year. At an annual average of around €105 per 100 litres, the price of heating oil was clearly down on previous years (TECSON, Heizölpreise, 2023). Sales of heating oil in Germany fell by 2.3% in 2023 compared to the previous year (AGEB, Energieverbrauch in Deutschland, December 2023). The weak economic development in Germany and stockpiling in the previous year had a considerable impact on this. In principle, lower consumption thanks to modern technologies, energy-efficiency renovations, milder winters and the increasing use of renewable energy sources contribute to a decline in heating oil consumption.

The price of wood pellets fell clearly in 2023, from €482 a tonne (for a purchase volume of 26 tonnes) at the beginning of the year to €314 a tonne at the end of the year. The price-increasing effects of the previous year, such as supply interruptions due to disrupted supply chains, have largely normalised. (DEPI, Pelletpreis/Wirtschaftlichkeit, January 2024). The consumption of wood pellets increased by 6.3% in Germany in 2023.

At the same time, the number of pellet systems rose by 6.2%. (DEPV, Pelletproduktion und -verbrauch in Deutschland, Pelletfeuerungen in Deutschland, 27 February 2024). The redesign of the federal subsidy for efficient buildings, which puts wood and pellet heating systems on an equal footing with other renewable heat sources, offers the opportunity for further market growth in the future (DEPV, Holz- und Pelletheizungen erhalten weiterhin hohe Förderung, November 2023).

Total fuel sales in Germany fell by 1.9% in 2023. Sales of Otto fuels increased by 2.3%, whereas sales of diesel fell by 4.1%. Total sales of lubricants decreased by 5.2% in 2023 (AGEB, Energieverbrauch in Deutschland, December 2023). Generally, the demand for fuels and lubricants depends primarily on the vehicle population, mileage and overall economic development. Stockpiling in the previous year and the subdued economic development led to a noticeable reluctance to buy. In view of the continuing weakness of the German economy, no significant increase in sales can be expected. A structural decline in demand for fuels and lubricants is generally expected in the coming years, as sales of electric vehicles – and thus their number – continue to increase. The ban on combustion engines from 2035 will also contribute to this. By contrast, the move will result in tremendous opportunities for the expansion of charging infrastructure. Germany has a lot of catching up to do in terms of the number of charging stations (especially in relation to the size of the population) and the charging capacity provided. This applies all the more to fast-charging points, which are critical to success. (Börsen-Zeitung, Bei der Ladeinfrastruktur für Elektroautos hakt es weiter, 13 October 2023).

Business performance

Renewable Energies Segment
The Renewable Energies Segment performed well in 2023 despite the sometimes difficult general market conditions. After the outstanding year in 2022 – in which high electricity prices, among other things, led to an extraordinarily successful result – the conditions largely normalised in 2023.

The Wind Projects business entity sold six wind turbines were sold with a total output of 157.4 MW (2022: 59.8 MW), as well as project rights for the construction of wind turbines (106.5 MW) in the national markets of Germany (126.0 MW), Italy (50.5 MW), the UK (42.0 MW), Austria (26.4 MW), Poland (10.0 MW) and France (9.0 MW). Two wind farms were transferred to the IPP (Independent Power Producer) business entity's own portfolio (25.6 MW). At the beginning of 2024, two further wind farms with a total output of 26.6 MW were added to the IPP portfolio. BayWa r.e. will assume responsibility for the commercial and technical management of the lion's share of these turbines and wind farms. During the construction of a 95-MW wind farm in the US, site-related uncertainties that occurred led to a halt in some aspects of construction work and, in turn, to substantial delays and cost increases. An impairment loss of €55.6 million was already recognised here in the previous year.

The Solar Projects business entity sold four free-standing solar parks and one floating solar park with a total output of 134.2 MW (2022: 704.7 MW), as well as three sets of project rights for the construction of free-standing solar parks (894.0 MW) with battery storage systems (394 MW, 1,576 MWh). Of the total solar output, 894.0 MW was attributable to the US, 69.1 MW to the Netherlands, 50.0 MW to Japan and 15.1 MW to Spain. In addition, four projects that had been brought into operation with a total of 64.2 MW were transferred to the IPP business entity.

The IPP (Independent Power Producer) business entity operates selected solar parks and wind farms and successfully completed its third full financial year in 2023. Energy trade activities are also part of the IPP business entity. In 2023, one asset was sold, and the portfolio was increased by six parks. As a result, 31 wind farms and solar parks in Europe, North America and Australia with a total output of roughly 0.8 GW were part of the operating portfolio at the end of 2023. In addition, the foundations were laid in 2023 for a further expansion of the portfolio, with 0.5 GW already under construction or about to start construction. The lower electricity price level compared to the previous year had a negative impact on energy trading last year. However, energy trading benefited from contracts concluded in the previous year and thus achieved a very good result.

BayWa r.e.'s service business recorded a rise in total plant capacity under its management around the world of 5% to more than 10.7 GW in 2023 (2022: 10.2 GW). This growth was supplemented by further sales successes in the area of PV repowering in Germany and France, as well as in the planning and consulting business. Earnings in the service business were negatively impacted by delayed commissioning dates for renewable energy systems, postponed start dates for repowering projects and weather-related revenue shortfalls in the rotor blade service.

In trade activities involving PV components, the total output of PV modules sold rose by 9% to 3.8 gigawatt-peak (GWp). The inverter and assembly system product groups each saw a significant increase of around 37% and 18%, respectively. Business involving storage products grew by 8% year on year. Revenues of just under €763 million were processed in these product areas through the web stores established in national markets, which corresponds to an increase of approximately 54% year on year. Overall, the lion's share of solar trade revenues was generated in Europe, the Middle East and Africa (79%), followed by the Americas (18%) and Asia-Pacific (3%). Due to the oversupply of PV components on the market, especially modules and inverters, prices fell overall in 2023. Despite an increase in sales volume compared to the previous year, lower revenues were generated.

In 2023, the Energy Solutions business entity was able to further expand its project pipeline through successful sales activities, both in Europe and South East Asia, and execute a large number of roof-mounted, carport and free-standing projects. As a result, it succeeded in further establishing itself as an international developer of integrated solutions in the fields of renewable energies for businesses.

Revenues in the Renewable Energies Segment reached €5,789.4 million in the financial year 2023, which corresponds to a decline of 10.8% compared to the previous year's high figure of €6,489.2 million. At €193.8 million, EBIT in the reporting year also fell short of the previous year's high figure of €239.1 million. This is mainly due to weak demand and the fall in module prices in solar trading, as well as the lack of income from the sale of biogas activities. Energy trading, on the other hand, increased again compared to the previous year.

Energy Segment
As expected, the Energy Segment was at the same level in 2023 as before the start of the war against Ukraine. The normalisation of the markets led to a decline in trading margins at BayWa compared to the unusually high earnings of the previous year.

In heating oil trade, BayWa recorded a 9.2% decline in sales overall. Domestic demand fell by 7.4%, while demand in Austria fell disproportionately sharply by 11.4%. In Austria, the federal government's plans for the years 2020 to 2024 continues to have an impact, which includes a ban on oil heating systems in new builds since 2020. The result has been a decline in the number of oil heating systems. In Germany, the new Buildings Energy Act (GEG) continues to permit the use of heating oil, either as a blended product with a renewable admixture or in conjunction with hybrid heating (i.e. a combination of oil heating and a heat pump or PV system, for example).

By contrast, wood pellets saw an increase in trading momentum. Against the backdrop of the more favourable price level in the financial year 2023, customers took the opportunity to stock up on pellets. Accordingly, BayWa was able to clearly increase pellet sales to 734,000 tonnes, up 5.9% on the previous year. The expansion of production and logistics capacities in recent years and the expansion of e-commerce activities for sustainable heat with the digital marketplace "hello:Heat" have also had a positive impact on sales development.

In the fuel business, BayWa recorded a decline in sales of around 5%. This development is likely to be primarily due to the increasing registration of electric vehicles and stockpiling in the previous year.

In the first half of 2023, sales of lubricants were still affected by the supply crisis for commodities that prevailed in the previous year. Strong customer stockpiling at the end of 2022 and subdued economic development over the course of 2023 led to a noticeable reluctance to buy in almost all customer segments. Overall, sales of lubricants and operating resources fell by 3.6% year on year. The lower demand across the industry was met with full production capacities in the lubricants sector, which resulted in falling prices on the procurement market across all base oil groups from mid-2023. The "re:source" recycling line launched in October 2023 offers a new sales opportunity, with recycled lubricants from the TECTROL brand now also available in the BayWa portfolio. These enable CO_2 savings of up to 90% compared to primary products and thus cater to the trend towards greater sustainability.

BayWa Power Liquids GmbH, founded in 2022 as a solution provider for climate-friendly mobility in heavy goods transport, further expanded BayWa's liquefied natural gas (LNG) filling station network. In June 2023, the new Meerane LNG filling station in the district of Zwickau in Saxony became the 12th site to go online. The plan is to switch the supply of all LNG filling stations to bio-LNG by mid-2024 and thus offer a climate-friendly, competitive and future-proof fuel.

Electromobility continues to gain ground. The subsidiary BayWa Mobility Solutions GmbH is driving the expansion of the charging infrastructure on behalf of energy companies such as Vattenfall and EnBW. In addition, it will also act as a charge point operator in future, having been awarded the contract for the German network in Bavaria. BayWa Mobility Solutions GmbH will build and operate 20 charging parks in Bavaria for the German network, with an investment volume of €15 million.

In the past financial year, business development in building services benefited from blanket orders in the area of prefabricated houses and from house renovations triggered by uncertainty in connection with the new German Buildings Energy Act (GEG). In particular, there was an increase in purchases of oil and gas boilers. BayWa Haustechnik GmbH further expanded and strengthened its capabilities and capacities, particularly in the area of energy-efficient refurbishment, through several acquisitions in the financial year 2023.

All in all, the Energy Segment generated a substantial decline in revenues of 15.7% to €2,820.0 million in the reporting year (2022: €3,343.6 million). On the earnings side, EBIT fell by almost 67% to €17.8 million compared to the record level of the previous year (2022: €53.6 million). This development is primarily due to the weaker trading momentum for fossil fuels and lubricants compared to 2022, as well as lower trading margins as a result of normalising prices on the energy commodity markets.

Agriculture business unit

Market and industry development 2023/24

Development of grain and oilseed

Global balance of grain (excluding rice)	**Grain year**			**Change**	
in millions of tonnes	2021/22	2022/23	**2023/24**	2022/23 compared to 2021/22	2023/24 compared to 2022/23
Production					
World	2,280.7	2,235.2	2,298.7	- 2.0%	2.8%
thereof: wheat	780.0	789.2	784.9	1.2%	- 0.5%
thereof: coarse grain	1,500.7	1,446.0	1,513.8	- 3.6%	4.7%
Consumption					
World	2,277.2	2,244.4	2,288.8	- 1.4%	2.0%
thereof: wheat	791.2	790.9	796.4	0.0%	0.7%
thereof: coarse grain	1,486.0	1,453.5	1,492.4	- 2.2%	2.7%
Inventory changes					
World	3.5	- 9.2	9.9		
thereof: wheat	- 11.2	- 1.7	- 11.5		
thereof: coarse grain	14.7	- 7.5	21.4		

European balance of grain (excluding rice)	**Grain year**			**Change**	
in millions of tonnes	2021/22	2022/23	**2023/24**	2022/23 compared to 2021/22	2023/24 compared to 2022/23
Production					
EU	293.0	267.2	269.1	- 8.8%	0.7%
thereof: Germany	42.4	43.5	42.5	2.6%	- 2.3%
Consumption					
EU	266.5	259.3	260.5	- 2.7%	0.5%
thereof: Germany	39.3	40.5	n/a	2.5%	5.6%
Inventory changes					
EU	26.5	7.9	8.5		
thereof: Germany	3.1	3.0	n/a		

Sources: USDA, Grain: World Markets and Trade, January 2024, pp. 23, 29; Federal Statistical Office of Germany, September 2023, p. 10; BLE, Getreideverbrauch Deutschland, Inlandsverwendung insgesamt

Agricultural markets are generally characterised by a narrow corridor between production volumes and demand. As a result, development can vary greatly from market to market. On the one hand, a growing world population is increasing demand for agricultural products. On the other hand, climate change and other natural and man-made events are leading to substantial challenges in maintaining harvest volumes. For example, drought or environmental disasters such as storms or floods can have a substantial impact on harvest yields. The inability to use shipping routes such as the Suez Canal or the Panama Canal freely, for example, can also lead to logistical problems. In the harvest year 2022/23, the war against Ukraine also had an impact on the volumes of numerous agricultural products, as Ukraine has traditionally been an important supplier for global markets (LEL 23 January 2024 06 Agrarmärkte Aktuell November 2023.pdf, BayWa's own estimates; USDA, Grain: World Markets and Trade, January 2024).

The grain market, an important indicator for the development of plant products, had to report another deficit in the grain year 2022/23. The USDA calculated global production at 2,235.2 million tonnes, a decrease of 45.5 million tonnes compared to the previous year. The reasons for the weaker result were the war-related decline in grain production in Ukraine and lower-yielding harvests in the EU, the US and Argentina (LEL 23 January 2024 06 Agrarmärkte Aktuell November 2023.pdf). In the EU, around 8.8% less grain was harvested in the agricultural year 2022/23 than in the previous year, while consumption fell by 2.7% (USDA, Grain: World Markets and Trade, January 2024, pp. 22, 23). According to estimates by the Federal Statistical Office of Germany, the harvest in Germany was 43.5 million tonnes, up on the previous year due to larger areas under cultivation (LEL 23 January 2024 06 Agrarmärkte Aktuell November 2023.pdf, p. 6).

The price trend for grain on the global markets eased clearly in the financial year 2023. Prices returned to pre-war levels and were therefore clearly lower than in the previous year, albeit still relatively high. After starting at around €309 per tonne, the wheat price fluctuated between €220 and €265 per tonne. At the end of the year, the MATIF wheat price was around €222 per tonne, 28% lower than at the beginning of the year. The FAO Food Price Index has fallen almost continuously since peaking in the first half of 2022. For grain, it fell from its peak of over 173 index points in 2022 to 125 by October 2023, but is still above the pre-pandemic level of 101 points (DBV, Situationsbericht 2023/24, p. 245; FAO Food Price Index, January 2024).

Soya meal, which accounts for around 70% of all oilseed meal, remained virtually unchanged worldwide in the marketing year 2022/23 and stood at 247 million tonnes in terms of volume (USDA, Oilseeds: World Markets and Trade, January 2024, p. 12). After reaching an annual high of around €524 per tonne in March 2023, prices fell to €385 per tonne by the end of the year amid high volatility, a decline of 22%.

According to the latest forecasts from the U.S. Department of Agriculture (USDA), global grain production is likely to be 2.8% higher year on year in the grain year 2023/24. Global consumption is expected to rise by 2.0%. Global wheat consumption most likely outpaced production by around 11.5 million tonnes, leading to a reduction of wheat inventories. By contrast, the current harvest season is likely to result in enough coarse grain to cover consumption. Against this backdrop, prices are expected to be lower in 2023 than in previous years. Due to weather conditions, the European Union is expected to harvest roughly 0.7% more grain in the grain year 2023/24, according to projections (USDA, Grain: World Markets and Trade, January 2024, pp. 23, 29). The FAO and OECD initially expect prices for all types of grain to normalise in the coming years and; prices will rise again if volatility remains high (DBV, Situationsbericht 2023/24, p. 194).

Global soya meal production is expected to rise by 4.8% to 259 million tonnes in the marketing year 2023/24, due mainly to anticipated increases in Argentina, China and the US (USDA, Oilseeds: World Markets and Trade, January 2024, p. 12 et seq.).

Development of fruit cultivation
At roughly 1.21 million tonnes, the fruit harvest in Germany was 13% lower year on year in 2023, according to estimates by Agrarmarkt Informations-Gesellschaft mbH (AMI). The trend was characterised by substantially lower harvests of apples, sweet cherries and sour cherries (DBV, Situationsbericht 2023/24, p. 205). At around 941,200 tonnes in 2023, the apple harvest was 12.1% lower than in the previous year due to weather conditions (Destatis, press release, 8 January 2024, Apfelernte 2023 um 12,1 % geringer als im Vorjahr). At roughly 10.9 million tonnes, the apple harvest volume achieved in the member states of the EU in 2023 was around 8% higher year on year, according to preliminary figures (World Apple and Pear Association – WAPA, EU 27 apple production by country, September 2023).

Consumer sentiment remained subdued in 2023. Persistently high food prices had a negative impact on demand for fruit. Nevertheless, stocks of apples were largely cleared in the first half of the year, including through numerous special sales and promotions. Fruit from the new harvest of poorer quality was often sent directly for industrial processing due to above-average prices for cider fruit. Apple prices in Germany, like the EU average prices at the start of marketing for the new harvest from August 2023, were at a considerably higher level than in the previous year and above the five-year average (DG Agri Dashboard Apples, 12 January 2024). As at 1 December, 4.2 million tonnes of apples were stored in the EU, 5% less than in the previous year and 9% less than the average of the last five years. Due to the lower inventories, there should be good opportunities on the market in 2024 to maintain prices and even push through price increases in some areas. Above-average prices due to lower harvest volumes for the remaining range of fruit (e.g. citrus fruits, grapes) could additionally favour the market development of pome fruit (Agrarmarkt Informations-Gesellschaft mbH – AMI).

At around 4.7 million tonnes, the apple harvest in the southern hemisphere in the harvest year 2022/23 was 5.1% lower than in the previous year. At 486,000 tonnes, New Zealand – BayWa's most important non-European country of origin for fruit – recorded its smallest apple harvest since 2007/08. This is mainly a consequence of Cyclone Gabrielle, which devastated the North Island of New Zealand in February 2023. Based on the current status of fruit development, the World Apple and Pear Association (WAPA) forecasts that the apple harvest in the southern hemisphere will increase by just under 1.1% to 4.8 million tonnes in the harvest year 2023/24. All countries except Argentina and Chile are likely to benefit from higher harvest volumes. In New Zealand, a recovery from last year's environmental damage is expected, with a 14.7% increase in harvest volume to 558,000 tonnes (WAPA, Southern Hemisphere Apple and Pear Crop Forecast, February 2024). At 382,000 tonnes, exports of New Zealand apples are expected to be significantly above the previous year's level, with the increased price level following the cyclone likely to be maintained (USDA – Global Agricultural Information Network, Fresh Deciduous Fruit Annual, 3 November 2023).

Development of agricultural inputs
Agricultural inputs, such as seeds, fertilizers, pesticides and feedstuff, showed a heterogeneous price trend over the course of 2023. Fertilizer prices were 20% lower on average than in the previous year (Destatis, Index of purchase prices of the means of agricultural production, Genesis 61221-0001, as at 29 January 2024). Sales fell by around 7.1% due to higher stockpiling in some cases in the previous year, reduced application windows due to weather conditions and regulatory requirements (Destatis, Domestic sales of fertilisers, Genesis 42321-0003). As part of the 2020 amendment to the German Fertiliser Application Ordinance (DüV), the areas contaminated with nitrate ("Red Zones") had to be redesignated by November 2022, which in some cases led to a significant expansion of Red Zones where less fertilizer may be applied (Agrar heute, 15 December 2022: Rote-Gebiete-Karten). Overall, the amount of commercial fertilizer used per hectare of agricultural land is also continuously decreasing. (DRV, Jahresbericht Agrarwirtschaft 2023, p. 18). Assuming weather conditions without extremes as in previous years, sales of fertilizers are expected to increase slightly in 2024 while prices continue to fall.

At plus 1%, sales of crop protection products in 2023 were only slightly higher than in the previous year. (DRV, Jahresbericht Agrarwirtschaft 2023, p. 19). Average crop protection prices increased by a good 9% once again, placing them above the level seen in the previous year (Destatis, Index of purchase prices of the means of agricultural production, Genesis 61221-0001; as at 29 January 2024). The use of crop protection products depends first and foremost on weather conditions and their consequences, such as crop diseases and pest infestations. There was growth in fungicides, while herbicides were less in demand. The European Commission and the German federal government both want to reduce the use of crop protection products. One of the targets is a reduction of 50% by 2030 (DRV, Jahresbericht Agrarwirtschaft 2023, p. 20). Nevertheless, sales of crop protection products are expected to grow slightly in 2024, with moderately lower prices.

The seed market is mainly influenced by the development of land under cultivation for grain, corn and rapeseed. All in all, land available for cultivation in Germany was slightly lower year on year in 2023 (Destatis, Field crops and grassland, acreage, 2022, 23 January 2023). There was a substantial decline in spring grain, while there were increases in silage corn and winter grain (Destatis, press release of 19 May 2023: Winterweizen auf 48 % der Getreideanbaufläche 2023). At the time of autumn sowing for the 2024 harvest, the area under winter grain was down by 3.9% (Destatis, press release of 22 December 2023: Herbstaussaat zur Ernte 2024: Knapp 4 % weniger Wintergetreide). Very wet soils in some regions made sowing difficult. Against this backdrop, industry sales of seeds declined overall in 2023, particularly for summer crop seeds. In 2023, seed prices were stable at the high level of the previous year, with an increase of around 1.5% (Destatis, Index of purchase prices of the means of agricultural production, Genesis 61221-0001, as at 29 January 2024). After the reduced winter sowing, 2024 offers opportunities for summer crops. Seed sales are expected to remain stable.

Feedstuff production fell by 4.4% nationwide in the marketing year 2022/23 to 21.8 million tonnes of mixed feed. The main reason for this was the 8.9% drop in sales of pigfeed. (DRV, Jahresbericht Agrarwirtschaft 2023, p. 30 et seq.). At the end of 2023, feedstuff prices were 12.2% lower than the previous year's level (Destatis, Index of purchase prices of the means of agricultural production 2023, Genesis 61221-0001, as at 29 January 2024). The sharpest fall in prices was again for pigfeed. In addition to the increasing trend towards meat avoidance, the recent discussion about an animal welfare levy to compensate for subsidy cuts in agriculture is likely to make meat consumption even more expensive and thus have a negative impact on the demand for and production of meat. Given the very tense economic situation in the agricultural sector, structural change is expected to accelerate in 2024 (DRV, Jahresbericht Agrarwirtschaft 2023, p. 31).

Development of agricultural equipment

For the current marketing year 2023/24, both declining producer prices and lower company expenses are expected for most agricultural products. The peak results of 2022/23 will not be matched. Feed farms in particular are likely to suffer significant losses in earnings, as are crop and processing farms In a multi-year comparison, however, above-average company results should still be achieved (DBV, Situationsbericht 2023/24, p. 173 et seq.).

At the same time, the economic barometer for agriculture published by the German Farmers' Association (Deutscher Bauernverband – DBV), which measures sentiment in the agricultural sector, indicated clear deterioration at the turn of the year 2023/24. According to the DBV, the negative sentiment primarily reflects the persistently high agricultural input costs and the effects of the German federal government's plans to cut subsidies (DBV, Konjunktur- und Investitionsbarometer Agrar, 1st and 2nd quarter of 2024).

The boom in the agricultural equipment industry - tractors, harvesting machinery, sowing and fertilizing technology, tillage machinery, attachments and accessories, forestry technology and farm machinery – continued and once again brought manufacturers a high level of revenues. Following a record result in the first half of 2023, the VDMA (German Mechanical Engineering Industry Association) forecast continued high industry revenues of more than €12 billion for 2023 as a whole. The industry benefited from the rapid resolution of last year's supply and logistics bottlenecks, as well as a high level of investment and innovation among farmers, driven in part by the further digital development of crop farming and interest in digital connectivity solutions (VDMA Agricultural Machinery Association, press release of 27 September 2023, Europe's agricultural machinery manufacturers come to Hanover with record results).

At 40%, the general propensity of farmers to make investments was still clearly higher in the first half of 2024 than in the previous year (34%). At €6.9 billion, the planned investment volume for the first six months of 2024 is also considerably higher than in the same period of the previous year 2023 (€5.8 billion). Farmers are focussing on investments in non-agricultural items, renewable energies, and farm and stable technology, as well as machinery and equipment. Lower investments are planned for land purchases (DBV, Konjunktur- und Investitionsbarometer Agrar, 1st and 2nd quarter 2024, p. 6 et seq.).

Business performance

Cefetra Group Segment
In the Cefetra Group Segment, BayWa acts as a global provider agricultural products – from purchasing and logistics to distribution. The main customer groups for the approximately 250 agricultural products are grain and oil mills, producers of starch and feedstuff, malt houses and breweries, as well as makers of baked goods, biofuel and spirits.

In the reporting year 2023, the Cefetra Group's trading environment continued to be affected by turbulence and volatility on the commodities markets. The war in Ukraine and the resulting uncertainty about the grain and corn harvest there, as well as the vast differences in the soya harvests in Argentina, Brazil and the US, contributed to this. The Cefetra Group was able to participate in the trading opportunities that arose in the financial year 2023 in both its conventional and speciality business and, following the record result in 2022 – characterised by numerous highs in agricultural products – was able to report very pleasing performance.

The Cefetra Group achieved its best results with grain. On the supply side, various countries competed for sales, which offered the Cefetra Group good arbitrage opportunities. Grain from Ukraine, which was transported across the western border by train, also offered above-average trade margins. The risk of default (war risk) was minimised by selecting reliable contractual partners and negotiating good contractual terms. Grain trading in the UK and Poland also made a positive contribution to earnings.

At around 16.0 million tonnes, the volume of grain and oilseed handled by the Cefetra Group in 2023 was 1.4% below the previous year's level. One of the reasons for this was weaker trade momentum for grain in the Benelux countries. In the oilseed sector, the poor soya harvest in Argentina limited the supply of soya and soya hulls and caused prices to rise. Demand for these products therefore fell and was replaced by products with a lower protein content, such as distillates, rapeseed meal and sunflower meal. Margins for sustainable soya and GMO-free soya from India developed positively. In line with the Cefetra Group's diversification strategy of expanding its customer base to include the spirits industry, Cefetra UK acquired a grain storage facility in Ireland in the reporting year 2023. Cefetra UK had already purchased two storage facilities in Scotland in 2022. With the new storage facility, the Cefetra Group is expanding its infrastructure for processing, storing, drying, cleaning and analysing grain and consolidating its sales territory in Ireland.

The higher-margin speciality business remained at a similarly high level as in the previous year. Royal Ingredients maintained its strong performance in the reporting year compared to 2022 and achieved above-average margins. The subsidiary Cefetra Dairy (with a wide range of dairy products for industrial partners and local retailers) and Sedaco (which specialises in trading oilseed, legumes, raw nuts and special crops, primarily from Africa) also recorded volume growth and made a positive contribution to earnings. Sedaco has expanded its product portfolio with legumes and soya beans and extended its procurement markets. Heinrich Brüning – a supplier and co-packer of dried fruit and nut kernels in Germany in which the Cefetra Group holds a 60% stake – fell short of expectations due to lower sales volumes and logistical planning problems.

Revenues in the Cefetra Group Segment fell from the previous year's record figure of €6,111.2 million to €5,309.3 million in the reporting year, a decrease of 13.1%. This is due to predominantly falling prices for many products following the market exuberance in the previous year. At €64.6 million, the Cefetra Group's EBIT for 2023 will be higher than the €59.5 million in 2022, a very successful record year. The positive development on the Iberian Peninsula, where volume increased compared to the financial year 2022, is likely to have made a particular contribution to this trend. In the financial year 2022, grain buying – particularly when it came to corn – was limited as a result of the war in Ukraine. After the creation of the corridor for Ukrainian grain in the first half of 2023, as well as efforts to serve other procurement markets, the segment was able to bypass the obstacles it had faced. In addition, the cancellation of grain contracts due to the outbreak of the war against Ukraine was compensated for in the previous year's result by more expensive hedging on the spot market. There were no such charges in the reporting year.

Agri Trade & Service Segment

The Agri Trade & Service Segment comprises the agricultural input business, the collecting of agricultural products and grain and oilseed trade activities, primarily in Germany and Austria. The situation on agricultural markets has largely normalised following the exceptional year of 2022 and the effects of the war against Ukraine. Despite the ongoing fighting, Ukraine manages to make a considerable contribution to the global supply of grain and oilseed. The improved availability of goods compared to the previous year led to increased competitive pressure for BayWa. From the farmers' perspective, the major challenge in 2023 was the extreme weather conditions. Drought during the growth phase and heavy rainfall at harvest time affected the quantity and quality of produce on the one hand and had a dampening effect on the demand for agricultural inputs such as crop protection and fertilizer on the other. Against this backdrop, BayWa recorded a substantial volume- and price-related decline in revenues in the financial year 2023. As expected, EBIT also fell sharply as a result.

In the agricultural input business, the BayWa Group's sales of fertilizers fell by around 10.8% year on year to stand at total of 2.1 million tonnes in the reporting period. Stockpiling in the previous year and short application windows due to weather conditions resulted in restrained demand from farmers. Our trade partners also reacted accordingly with reduced stockpiling and lower advance purchasing activities. The sharp year-on-year decline in fertilizer prices in the reporting year led to substantial pressure on trading margins, and earnings in the Agri Trade & Service Segment declined as expected compared with the exceptional previous year. Due to the sharp fall in prices, inventories also had to be written down. In order to better manage the effects of price volatility in future, a single-stage processing and centralised inventory management system was introduced with the aim of minimising risk, improving price conditions and enhancing inventory management, which should contribute to a reduction in net working capital.

Like the fertilizer business, demand for crop protection products was also affected by the unfavourable weather conditions and led to a corresponding reduction in advance purchases. BayWa's seed sales decreased by 11.6%. While business in Germany was virtually stable, Austria and eastern Europe saw substantial, in some cases significant, declines. To strengthen the seed business, the expansion and relaunch of private brands (such as "Planterra") is being driven forward. The aim is to be able to offer a full range of products in the private label segment as well, to seize margin potential and to consolidate the market position. BayWa was able to keep its sales volumes of feedstuff on a par with the previous year's level despite the persistently uncertain situation for many livestock farmers. Positive development in the speciality sector due to portfolio expansions in the private label segment also contributed to this.

In trade involving agricultural products (grain and oilseed), volume fell short of the previous year by a slight margin, coming in at 8.0 million tonnes in 2023. While grain volumes decreased by 2.3%, oilseed volumes increased by 1.0%. Harvest collection figures for the grain year 2023/24 at the BayWa Group are roughly on a par with 2021/22, despite a barely average harvest. Thanks to intelligent management of the trading portfolio, with volatile but significantly falling prices overall, the company was able to benefit from the ongoing volatility in the market in product trading and settle the existing grain contracts from the previous year at good conditions, albeit below the high level of 2022.

In response to the increasingly extreme weather conditions, BayWa has strengthened its agricultural irrigation systems business. Irrigation solutions are an important part of the range of solutions for farmers to be better prepared for periods of heat and drought. In March 2023, BayWa acquired a company that acts as the North/East distribution centre for the world's largest manufacturer of drip irrigation products, considerably expanding its sales territory for these products.

Total revenues in the Agri Trade & Service Segment declined by 14.8% to €4,899.3 million due to both volume and price factors. Following the extreme market turbulence in 2022, EBIT fell sharply by €78.3 million to €26.4 million in the reporting year 2023 (2022: €104.7 million). In addition to rising personnel costs, it was primarily the fall in fertilizer prices that led to a significant decline in trading margins and triggered a write-down of fertilizer inventories. Nevertheless, EBIT is almost twice the level it was in 2021.

Agricultural Equipment Segment

The Agricultural Equipment Segment performed well once more in the financial year 2023 and again exceeded the previous year's strong result. Farmers' willingness to invest remained high despite the rise in interest rates, leading to sustained high demand and good sales figures at BayWa.

Business development benefited from a high order backlog at the end of 2022 and the agricultural investment programme (“Bauernmilliarde” – farmers’ billion), with which the German Federal Ministry of Food and Agriculture specifically supports agricultural businesses that want to invest in modern, sustainable technology, also had a positive impact on demand in 2023. The 5.1% increase in sales of new machinery was primarily due to the resolution of supply chain problems and manufacturers’ improved ability to deliver compared with the previous year. Demand in the segment has shifted since the beginning of 2023 from large machinery towards other product ranges, such as attachments. Price increases imposed by manufacturers were able to be passed on to customers, improving trade margins overall.

The service business saw continued high demand for maintenance and servicing, spare parts and specialised trade products in all sales channels. The ability of manufacturers and upstream suppliers to deliver normalised again in 2023, and inflation-related price increases in all product areas were passed on to customers. In addition, the lower number of working days lost due to sickness had a positive effect on capacity utilisation and productivity in the workshops.

One focus of the financial year in the Agricultural Equipment Segment was the municipal, commercial and forestry growth strategy with the aim of increasing sales and earnings (EBIT). To this end, BayWa’s sales organisation is being expanded in the regions to enable target group-oriented sales with solutions for customers. The product range for the target group is constantly being developed. One example is the area of e-mobility, where BayWa has now gained its fourth sales partner with the Graf Carello brand and is focusing on a comprehensive range of versatile vehicles with alternative drive systems, as well as expanding the corresponding service offering and network. In 2023, a technical centre in Neuensalz and an agricultural and technical centre in Nürtingen were opened, and work began on the construction of a service centre in Heilbronn and a technical service centre in Röttenbach, all in Southern Germany.

Overall, the Agricultural Equipment Segment surpassed the previous year’s record revenues of €2,076.5 million by 7.8% to stand at €2,239.3 million. EBIT for the reporting year totalled €84.6 million, compared to €70.2 million in the previous year. The segment mainly benefited from increased sales in the new machine business and above-average capacity utilisation in the service business.

Global Produce Segment
The Global Produce Segment, which covers the entire fruit and vegetable marketing value chain, was confronted by ongoing difficult overall conditions in the financial year 2023. In particular, the consequences of Cyclone Gabrielle in New Zealand, an important procurement market for BayWa, had a negative impact on Global Produce’s business, as did the lower availability of goods due to weak harvests in Europe and BayWa’s key supply regions. High inflation rates and high energy costs led to a noticeable reluctance to buy fruit and vegetables on the part of consumers, particularly in the premium segment. However, the higher prices were unable to compensate for the lower marketing volumes and the damage caused by the cyclone, which had a negative impact on the segment’s earnings performance.

The cyclone had a severe impact on New Zealand subsidiary T&G Global Limited (T&G Global) and other partner producers in New Zealand following the good start to the year in terms of volume and quality of the apple harvest. The loss of and damage to orchards led to a clear reduction in production capacity. The lower marketing volumes of apples as a result (including at partner producers) of up to 30% led to a decline in income from sales of own products, as well as from licensing and packaging fees from partner producers, in the reporting period. There were also high costs for clean-up work, which was fully completed in 2023. The loss amount, which is made up of financial losses and business interruption losses, has been determined and is currently being reviewed by the insurers. Advance payments totalling €6.8 million have been made to date. Due to the complexity of the insured event and when determining the amount of the claim, the final expected insurance benefit is difficult to estimate at the present time and therefore could not be recognised in the 2023 result. The remaining harvest volumes were of good quality, particularly for the Envy variety, and sales in the core markets of Asia, the US and Europe were stable and largely in line with price expectations.

After sluggish autumn marketing in 2022, the German apple business did not gain momentum until February and March 2023, despite the hesitancy in passing on more stable prices. Due to the lower volumes of the new harvest across Europe from August 2023, it was possible to demand higher prices right at the start of the new marketing season and ensure that retailers were willing to pay them.

With the exception of a brief recovery in the months of May to July, the high price level of exotic fruits meant that customers remained very reluctant to buy due to inflation. Some planned campaigns were also cancelled by food retailers, as reflected in the business development of TFC Holland B.V. (TFC), which specialises in this business area. In addition, weather conditions made it more difficult in some cases to procure goods due to reduced harvests in important supply areas. The difficulty in passing purchases on the spot market at higher prices onto retailers, which were necessary in order to fulfil delivery obligations to the food retail trade, led to declining trading margins.

All of these factors resulted in substantial cost burdens due to the cyclone on the one hand and clearly lower trading margins in some cases, particularly at the subsidiary TFC, on the other. The marketing volumes of dessert pome fruit fell by around 7% due to the crop shortfalls, starting from a low previous-year figure that was adversely affected by quality problems. Furthermore, the segment recorded a nearly 47% drop in sales of soft and stone fruit. Vegetable fruits were down by around 20%, while tropical fruit was slightly up on the previous year.

At the beginning of the year, TFC moved from Maasdijk to the new site in Waddinxveen, which is intended to increase efficiency and expand capacity and the level of automation in the packaging area, as well as to expand AI-supported ripening systems for avocados and mangoes. With its verticalisation strategy, TFC's business model focuses on the shortest possible value chains and direct access to goods in the countries of origin, particularly for the main product groups avocados and mangoes.

In May 2023, the new T&G packaging facility in Hawke's Bay, New Zealand, equipped with worldwide-leading automation technology, was put into operation. The new construction of the packaging facility was not affected by the cyclone. The new packaging line has a capacity of 30 tonnes of apples per hour, including robot-assisted laying lines.

In October 2023, BayWa Global Produce and the Spanish fruit specialist Nufri S.A.T. founded a joint venture to expand the blueberry business. In future, premium blueberry varieties from T&G subsidiary VentureFruit's own and associated cultivation programmes will be cultivated here, primarily to serve the European market.

Overall, the Global Produce Segment generated revenues of €878.6 million in the reporting year, following €921.3 million in the previous year. EBIT decreased by €36.2 million year on year in 2023 to stand at minus €15.1 million (2022: €21.1 million). The decline is mainly due to the effects of the cyclone in New Zealand and the write-down of around €7 million on trees and investment structures destroyed by the cyclone, as well as the resulting clear reduction in marketing volumes. In addition, higher procurement costs for exotic fruits had a particularly negative impact here. Since it was barely possible to pass the costs on to customers.

Building materials business unit

Market and industry development 2023/24

Development of building materials

The German construction industry was also affected by a further decline in construction activity in 2023. After the industry had recovered from the supply problems of the pandemic years, another year of challenges began in 2022 with the attack on Ukraine. The sanctions imposed as a result of this war of aggression led to a substantial increase in energy costs, which in turn had an impact on the cost of living and construction costs. Central banks around the world responded by raising interest rates in several steps in order to limit the rise in prices. As a result, the interest rate for mortgage loans (average value of all terms) in new business rose from 1.3% to 4.2% between January 2022 and November 2023. Rising interest rates and construction costs raised the question of the financial viability and economic feasibility of numerous construction projects, which led to many investors withdrawing from new construction projects (Confederation of the German Construction Industry (HDB – Hauptverband der Deutschen Bauindustrie e. V.), Zahlen & Fakten, 26 January 2024: Baukonjunkturelle Lage: Weiterer Umsatzrückgang für 2024 erwartet).

Demand in residential construction slumped clearly, with a further 11% drop in revenues in the reporting year (Zentralverband des Deutschen Baugewerbes e. V. (ZDB), press release of 6 December 2023: Baukonjunktur 2023/2024: Zwischen Fachkräftemangel und Kurzarbeit). The drastic slump in the market is also reflected in the number of building permits for residential construction. Compared to 2022, the decline from 355,000 to an estimated 264,000 represents a drop of 25.6% (Heinze Marktbericht, December 2023, p. 23). A positive trend continues to be seen in the finishing trade and is attributed, among other things, to the strong demand for energy-efficient renovations (Federal Statistical Office of Germany, press release of 15 January 2024): Gross domestic product down 0.3% in 2023). There was also no political tailwind for residential construction. As a result, there were repeated sudden and surprising changes to the framework conditions for subsidies (ZDB, press release of 14 December 2023: Förderstopp Klimafreundlicher Neubau: „Der nächste Schlag für den Bau“).

The rise in construction prices has now calmed down. Nevertheless, prices for most building materials in December 2023 were still higher than at the start of 2021, when the steep price increases began. There were additional price increases for some energy-intensive building materials (HDB, Zahlen & Fakten, 23 January 2024: Seit Mitte 2022 ist eine Preisberuhigung bei einzelnen Produkten festzustellen. Die Preise sind aber nach wie vor auf einem hohen Niveau).

The German federal government’s target of building 400,000 new homes per year is likely to be missed once again in 2023. The industry associations HDB and ZDB expect only around 270,000 residential units to be completed in 2023 due to the difficult investment conditions (HDB, press release of 26 January 2024: Baukonjunkturelle Lage: Weiterer Umsatzrückgang für 2024 erwartet; ZDB, press release of 6 December 2023: Baukonjunktur 2023/2024: Zwischen Fachkräftemangel und Kurzarbeit).

With a real decline of 1%, commercial construction shows a mixed development according to the HDB (HDB, press release of 26 January 2024: Baukonjunkturelle Lage: Weiterer Umsatzrückgang 2024 erwartet). Commercial building construction was clearly slowed by interest rate trends and energy prices. Demand remained weak compared to the previous year, and the order backlog and corresponding time visibility decreased. By contrast, there was impetus from the civil engineering sector, with projects relating to the mobility transition, the energy transition and Deutsche Bahn’s investment projects, representing a nominal increase of almost 30% (ZDB, press release of 25 April 2023: Wohnungsbau: Aufträge brechen um fast 40 Prozent ein).

Public building construction achieved an increase of just under 4% in real terms, while public civil engineering reported a decline of just under 3% in real terms – a decline of 2% for public construction as a whole in 2023.

According to the HDB, total revenues in the construction industry for the year as a whole were 5.5% down on the previous year in real terms (HDB, press release of 26 January 2024: Baukonjunkturelle Lage: Weiterer Umsatzrückgang 2024 erwartet).

After a difficult year in 2023, the industry is looking ahead to the financial year 2024 with little confidence. The mixture of high energy costs, high material costs and problems in financing projects due to the rise in interest rates continue to represent a critical mix. Overall, the industry is lacking new orders, while existing cushions are dwindling. After years of hiring new staff, many of the companies surveyed by the industry association are expecting short-time working or even redundancies. Only a few sectors, such as engineering and civil engineering, are still looking for skilled workers (ZDB, press release of 25 April 2023: Wohnungsbau: Aufträge brechen um fast 40 Prozent ein).

Germany’s Federal Ministry for Housing, Urban Development and Building expects around 265,000 new homes to be completed in 2024 (handelsblatt.com, 22 December 2023: Bauministerin Geywitz rechnet 2024 mit 265.000 neuen Wohnungen). The industry association ZDB, on the other hand, is much more pessimistic and expects only 235,000 completed residential units in 2024 (ZDB, press release of 6 December 2023: Baukonjunktur 2023/2024: Zwischen Fachkräftemangel und Kurzarbeit).

The two-pronged trend in commercial construction is likely to continue in 2024. While turnover in commercial building construction is expected to decline, commercial civil engineering is set to grow. Overall, a decline of 3.5% in real terms is expected in the construction industry (HDB, Zahlen & Fakten, 8 January 2024: Der Hauptverband erwartet für das Bauhauptgewerbe 2024 bei der Produktion ein reales Minus von 3,5 Prozent).

Business performance

Building Materials Segment
The BayWa Group's Building Materials Segment was unable to escape the market trend in the financial year 2023. The slump in construction activity was also reflected in demand in the product portfolio of BayWa's Building Materials Segment and had a markedly negative impact on earnings. The building construction, gardening and landscaping and roofing product ranges were particularly affected. Furthermore, demand was additionally curbed by the price increases for energy-intensive building materials such as cement and concrete. This means that the crisis in the construction industry has worsened faster than expected and very quickly spread to building materials trade activities.

For this reason, the company decided to take comprehensive adjustment measures in the reporting year. Five locations (Bad Windsheim, Öttingen, Altomünster, Gangkofen and Marktredwitz) were closed, as they proved to be strategically irrelevant or uneconomical. Another location (Erfurt) was sold. At the same time, the company's management has halted further recruitment and introduced additional measures to reduce costs. However, some of the measures taken will not take effect until over the course of the current financial year, 2024.

Alongside the measures introduced to increase profitability, the company is continuously working on further developing its positioning and strengthening its market position. In the reporting year, decisions were made to make substantial investments in the construction, conversion and modernisation of several building materials locations as part of their ongoing development. Overall, BayWa invested more than €30 million in its branch network in southern and eastern Germany in 2023. The largest project is the expansion of the building materials site in Bamberg (Franconia) from 18,000 to more than 30,000 square metres. This includes the construction of a new central warehouse for wood, which symbolises the increasing importance of this material in the context of sustainable construction and demonstrates BayWa's commitment to wood as a building material. BayWa Building Materials' first smart store, which symbolises the building materials trade activities of the future, was opened in Altötting. Customers can now shop continuously from Monday to Saturday from 6 am to 8 pm thanks to the use of innovative technologies, such as an electronic access system, digital advice, self-service checkouts and online advice from employees. If the concept proves successful, it will be transferred to other locations.

BayWa Building Materials also pressed ahead with the digitalisation of ordering processes in the reporting year. Craft enterprises can now use special business software to buy building materials directly from BayWa. The company's own software is seamlessly linked to the BayWa sales system via an interface. Following a successful test phase, the service is to be rolled out to other customer groups.

In addition to the problem of skilled labour, the major challenges facing the industry include the environment, material consumption and the drive towards greater industrialisation of the industry through modular construction and the increased use of prefabricated parts to reduce costs and increase productivity. To pick up on the industry trend towards more mass production, BayWa partnered with the brüderl Group from Traunreut, Germany, to found H2X in the reporting year. The aim of the company is to combine the advantages of wood and concrete in industrial production. The combination of industrially prefabricated solid walls made of cross-laminated timber and reinforced concrete ceilings creates load-bearing structures that can be used to construct multi-storey buildings with greater ease. The cross-laminated timber replaces bricks, concrete or other masonry blocks, which consume more energy and resources in production than wood. As a result, H2X stands for an economical and more ecological and climate-friendly approach to construction. H2X provides everything from a single source, from project planning and technical support through to delivery of the products to the construction site. An initial pilot project in Bad Endorf, Germany, with two multi-family buildings with 40 flats has already been realised.

BayWa Bau Projekt GmbH performed as forecast and reported a year-on-year increase in earnings in connection with the sale of projects in the financial year 2022 that were at the beginning of the construction phase or were not started until 2023. In accordance with the cost-to-cost method of accounting for projects, revenue is recognised in line with the progress of construction. In the case of BayWa Bau Projekt GmbH projects that run over several years, revenue and profits are recognised over several years in accordance with the progress of the project. Slight recovery was observed in terms of both supply and demand towards the end of 2023. However, the upturn led to the conclusion of only a small number of actual purchase and sales contracts.
A total of 13 commercial and residential units were sold in the financial year 2023.

In the reporting year 2023, revenues in the Building Materials Segment totalled €1,988.3 million (2022: €2,346.9 million). The segment's EBIT fell from €70.4 million to €6.6 million. The decline of €63.8 million is due to the clearly lower sales volumes, particularly in the building construction, gardening and landscaping and roofing product ranges, as well as the high personnel expenses in comparison to other segments. With around 3,200 people employed at the parent company, the Building Materials segment has the most employees of any BayWa segment. Over 70% of costs in the Building Materials Segment are attributable to personnel. Wage increases and the special expenses for the bonus to mark BayWa's 100th anniversary had a correspondingly strong impact. The latter totalled around €9 million for the Building Materials Segment.

Innovation & Digitalisation Segment

Market and industry development 2023/24

Digital applications for smart farming and precision farming, up to and including trading platforms, are playing an ever greater role in supporting day-to-day work processes and in planning and managing operations in agriculture. According to a representative survey of 500 German farmers in March 2022 by the digital association Bitkom (Branchenverband der deutschen Informations- und Telekommunikationsbranche e. V.), 79% of farms are already using Digital Farming applications. The most common ones are GPS-controlled agricultural machines, which are deployed by more than half of German farms. The survey identified particularly significant potential in applications for the site-specific distribution of fertilizers and crop protection products, which are currently only used by 30% and 23% of farms respectively. Satellite data and algorithms help calculate figures such as specific fertilizer requirements, thereby promoting the conservation of resources and increasing harvest yields, to name just two benefits. Moreover, most of the farmers questioned believe that digital technologies and processes can make an important contribution to improving efficiency in agricultural production while also protecting the environment and the climate (Bitkom e. V., Die Digitalisierung der Landwirtschaft, May 2022).

Business performance

The Innovation & Digitalisation Segment pools all activities of the BayWa Group in its Digital Farming division. At €10.4 million, revenues were on a par with the previous year. At minus €10.8 million, EBIT was negative as a result of investments in the development of Digital Farming solutions, but still improved by a clear margin compared to the previous-year period (2022: minus €11.4 million). This was primarily attributable to the direct allocation of material costs from the eBusiness division to the respective operating segments, which began on 1 January 2023.

BayWa restructured the Digital Farming unit in the past financial year. As part of strategic considerations to accelerate digitalisation in agriculture, the NEXT Farming software solutions and the associated software development and sales activities of the Group company FarmFacts GmbH were sold to the long-standing partner AGCO. The NEXT Farming PRO and NEXT Farming LIVE software products offer farmers a future-oriented and inter-operable farm management system. Within the Group strategy, however, the Board of Management does not consider software development to be one of BayWa's key core competences, although it does consider the marketing of smart farming solutions to be one. BayWa received corresponding distribution rights from AGCO as part of the sale of NEXT Farming.

BayWa will continue to offer the soil sampling service through FarmFacts GmbH for the time being. In addition, the business involving hardware components such as weather stations and sensors will be transferred in full to the BayWa portfolio. BayWa's Digital Farming activities will therefore focus on consulting, sales, implementation and service going forward.

As a result of this strategic adjustment, the segment will be dissolved in the current financial year, 2024, and FarmFacts GmbH will be allocated to the Agricultural Equipment Segment. The remaining subsidiaries will be allocated to Other Activities.

Development of Other Activities in 2023

At €13.6 million, the Other Activities Segment's revenues in the reporting year were on a similar level to the previous year (2022: €12.0 million). EBIT resulting from Other Activities consists of the Group's administration costs, as well as consolidation effects; in 2023, it came to minus €63.9 million, following minus €103.1 million in the previous year. The improvement in earnings compared to the previous year is primarily due to higher income from investments and bank dividends, as well as proceeds from property sales. In addition, depreciation and amortisation on properties was incurred in the previous year, which was not repeated in the reporting year.

Assets, Financial Position and Earnings Position of the BayWa Group

Assets position

Composition of assets

In € million	2019	2020	2021	2022	**2023**	Change 2023/22
Non-current assets	3,090.5	3,538.9	3,771.3	4,390.9	4,917.6	12.0%
thereof: land and buildings	1,377.1	1,456.4	1,481.3	1,580.4	1,697.4	7.4%
thereof: technical facilities and machinery	411.3	642.4	753.4	1,102.7	1,171.5	6.2%
thereof: investments	218.3	194.0	254.9	229.0	248.4	8.5%
Non-current asset ratio (in %)	35.2	39.5	32.0	33.8	39.1	0.0%
Current assets [1]	5,691.4	5,411.1	8,000.1	8,585.5	7,601.1	- 11.5%
thereof: inventories	3,286.4	2,939.2	4,213.0	4,756.8	4,323.5	- 9.1%
thereof: assets from derivatives	145.7	457.4	1,049.1	611.2	285.3	- 53.3%
Current asset ratio (in %)	64.8	60.5	68.0	66.2	60.9	0.0%
Total assets	**8,781.9**	**8,950.0**	**11,771.4**	**12,976.4**	**12,518.7**	**- 3.5%**

1 Including non-current assets held for sale/disposal groups

The BayWa Group’s total assets stood at €12,518.7 million as at 31 December 2023 and were therefore €457.7 million lower than at the end of the financial year 2022, when they came to €12,976.4 million. This decline is due in particular to the development of current assets, which is partially offset by the increase in non-current assets.

Current assets decreased by €984.4 million to €7,601.1 million (2022: €8.585.5 million). In addition to the decrease in trade receivables (minus €237.0 million), this is primarily due to the price-related decline in assets from derivatives (minus €325.9 million), which relates specifically to derivatives traded on the energy and commodities markets. At €4,323.5 million, inventories were also €433.3 million below the level at the end of the financial year 2022. This development is mainly attributable to the €201.8 million reduction in inventories – which was partly due to the clearly lower energy and commodity prices compared to the previous year – as well as the €151.0 million decrease in unfinished goods. The decline in unfinished goods was primarily due to the completion of projects in the Renewable Energies Segment in the financial year 2023 that had not yet been finalised at the end of 2022. After completion in the financial year 2023, these projects were either sold or transferred to the IPP (Independent Power Producer) business entity. Other current non-financial assets are also lower than in the previous year (down €93.0 million). This is due both to the €44.3 million decrease in receivables from other taxes and to the €43.3 million decrease in advance payments on inventories. At €233.3 million, cash and cash equivalents were roughly on a par with the previous year’s figure of €221.8 million.

On the other hand, non-current assets climbed by €526.7 million to €4,917.6 million (2022: €4.390.9 million). The largest increase was recorded in property, plant and equipment. This was due in particular to the increase in energy installations under construction in the Renewable Energies Segment’s IPP business entity (up €164.7 million). In addition, land and buildings totalling €117.0 million were acquired or constructed, with the Renewable Energies Segment also accounting for a large proportion of this. The construction of a packaging station in New Zealand in the Global Produce segment also contributed to the increase. Replacement and expansion investments were made for technical facilities and machinery totalling €68.8 million and for other equipment, operating and office equipment totalling €32.1 million.

There was also growth in intangible assets (up €70.5 million). This reflects the goodwill resulting from the company acquisitions in the financial year 2023 and the advance payments made for project rights in the IPP business entity.

Investments also recorded an increase of €19.4 million. This development is due in particular to the fair value measurement of the shares in Raiffeisen Bank International, Vienna, Austria (up €12.9 million). In addition, loans to non-consolidated affiliated companies increased by €5.1 million, as did the carrying amount of investments (up €5.5 million).

The BayWa Group places an emphasis on ensuring matching maturities in the financing of assets. Current liabilities of €5,756.3 million in total – consisting of short-term debt, trade payables, financial and non-financial liabilities, tax, other liabilities along with current provisions and liabilities from disposal groups – were offset by current assets and assets held for sale/disposal groups of €7,601.1 million. There was roughly 138% coverage for non-current assets amounting to €4,917.6 million through equity and long-term borrowing of €6,762.4 million. Ensuring matched maturities in financing is an important quality criterion for the financing partners of BayWa in the context of raising funds.

Financial position

Financial management

The aim of financial management within the BayWa Group is to provide the cash and cash equivalents required for the purpose of conducting regular business at all times. This task includes hedging against interest rate risk, currency risk and merchandise-related market risks by using suitable derivative instruments.

Currency futures and swaps are used selectively to hedge receivables and liabilities denominated in a foreign currency. These currency futures and swaps serve exclusively to hedge existing and future receivables and liabilities from underlyings in the purchase and sale of merchandise within the scope of customary business operations, as well as for internal Group financing in foreign currencies. Hedging transactions in the BayWa Group are designed to reduce the risks associated with fluctuating exchange rates. The volume of open positions arising from the respective underlyings and the resulting cash flows forms the basis for FX hedges. Terms reflect those of the underlyings.

Within the BayWa Group, financial management has been set up as a service centre for the operating business entities and not as a profit centre in its own right. In accordance with this conservative approach to providing services, the use of fungible financial products to generate original profit contribution in financial operations has been waived. In particular, there are no speculative risk positions in our financial operations.

Day-to-day financial management is focused on liquidity management through cash pooling for the same-day provision of liquidity within the individual Group divisions. At the same time, incoming payments and bank balances are used to reduce financial liabilities. Corporate Treasury uses suitable IT systems and appropriate treasury management software for this purpose.

The procurement of funds is organised centrally, with the exception of the activities in New Zealand, the Netherlands, Austria and eastern Europe. Corporate Treasury is responsible for the centralised monitoring of Group-wide financial exposures.

Financial management is subject to requirements imposed by an internal control system, which includes the documentation of transactions, a hierarchy of approval and resolution procedures, the principle of dual control as well as the segregation of Treasury front, middle and back offices.

To strengthen its financial profile, the BayWa Group changed its financing strategy in the financial year 2021 and took out a sustainable syndicated loan in the amount of €1.7 billion in September of that year, which was increased to €2.0 billion in the financial year 2022. The conditions for the loan are linked to the sustainability rating of the agency MSCI. An increase in the present rating from AA to AAA reduces the current interest margin. The new credit line was extended in the financial year 2023 and now runs until September 2025. The new syndicated loan replaces the bilateral and unsecured credit lines extended by the participating banks that were payable on a daily basis. At all times, lines of financing were available in an amount sufficient to ensure the business operations of the BayWa Group. By contrast, investments in property, plant and equipment, as well as acquisitions, will continue to be financed from equity and from the proceeds of long-term capital market transactions and other long-term loans. These include a hybrid bond issued in May 2023 (ISIN DE000A351PD9) for €60.0 million, which was increased by €40.0 million in September 2023 to a total of €100.0 million (see notes to the consolidated financial statements, Note C.11), bonded loans issued (see notes to the consolidated financial statements, Note C.14) and a corporate bond issued in June 2019 (coupon 3.125%, listed on the Luxembourg Stock Exchange, ISIN XS2002496409, denomination €1,000, term until 26 June 2024). The capital market measures therefore diversify the refinancing portfolio.

In addition, the project companies in the Renewable Energies Segment have access to separate non-recourse financing (without the lenders having access to the BayWa Group's assets and cash flows).

The management of working capital is a focal point at BayWa and comprises the optimisation of working capital as a net figure for current assets less current liabilities.

Interest rate risks inherent in short-term debt are covered by BayWa in the context of its risk management through the use of simple derivative instruments. Long-term interest rates were hedged naturally by issuing bonded loans in 2023, 2022, 2021, 2018, 2015 and 2014, as both fixed-interest and variable-interest rate tranches were issued and the interest rate risk was reduced as a result. The fixed coupon of the hybrid bond led to an increase in the hedge ratio by means of natural hedging.

Around 50% of the total borrowing portfolio is to be secured against interest rate risk through the respective hedging instruments. This partial hedging takes account of the strong, seasonally induced fluctuations in financing requirements.

BayWa evolved from the cooperative sector, with which it remains closely connected through its shareholder structure, as well as through the congruent regional interests of the cooperative banking sector and commerce. Along with its integration into the cooperative financial association, the broad transnational diversification of the bank portfolio and the financial instruments, in particular, lower the financing risk within the BayWa Group.

Capital structure

in € million	2019	2020	2021	2022	2023	Change 2023/22
Equity	1,339.0	1,153.6	1,816.1	1,909.0	1,713.0	- 10.3%
Equity ratio (in %)	15.1	12.9	15.4	14.7	13.7	–
Short-term borrowing [1]	4,377.1	4,865.7	5,323.9	5,570.3	5,756.3	3.3%
Long-term borrowing	3,131.5	2,930.7	4,631.4	5,497.1	5,049.4	- 8.1%
Debt	7,508.6	7,796.4	9,955.3	11,067.4	10,805.7	- 2.4%
Debt ratio (in %)	84.9	87.1	84.6	85.3	86.3	–
Total capital (equity plus debt)	**8,847.6**	**8,950.0**	**11,771.4**	**12,976.4**	**12,518.7**	**- 3.5%**

1 Including liabilities from disposal groups

As at 31 December 2023, the BayWa Group's total assets amounted to €12,518.7 million, down 3.5%, or €457.7 million, on the previous year. The main drivers of this change are long-term and short-term borrowings totalling minus €261.7 million. Besides, equity decreased by €196.0 million compared to the previous year. This change is partly due to opposing developments: The inclusion of hybrid capital, a subordinated bond that fulfils the criteria of an equity instrument in accordance with IAS 32.11, had the effect of increasing equity by €99.3 million. By contrast, the consolidated net loss for the year of €93.4 million and the losses of €83.0 million from electricity supply contracts in energy trading in the Renewable Energies Segment recognised directly in equity contributed to the decline. The dividend distributions for the financial year 2022 totalling €87.2 million and the measurement effect from pension and severance pay obligations (minus €47.9 million) due to the lower IAS discounting rate at the end of the financial year 2023 also reduced equity.

Capital management

The capital structure of the Group is made up of debt and equity. The equity ratio was 13.7% (2022: 14.7%) of total equity at the end of the reporting period. In order to provide a relevant metric, BayWa's capital management uses an adjusted equity ratio. The adjustments concern the reserve recognised for actuarial gains and losses from provisions for pensions and severance pay obligations (including minority interests) of minus €199.5 million (2022: minus €167.7 million). The reason for this is that this reserve results from a change of parameters not within the company's control when calculating personnel provisions. Adjusted for this effect, the adjusted equity ratio stands at 15.3% (2022: 16.0%). The information as defined in Section 160 para. 1 item 2 of the German Stock Corporation Act (AktG) for treasury shares is included in the Notes to the Consolidated Financial Statements.

For trading companies such as the BayWa Group, a fixed equity ratio is only of limited relevance as a key business figure. In particular, the change in current assets with the storage of inventories in the form of agricultural commodities, as well as the acquisition of project licences and the recognition of wind farms and solar parks under construction in the Renewable Energies Segment, has a direct influence on the balance sheet total – and therefore also on the equity ratio – but actually forms the basis for trading activities in the subsequent year. As a result, the BayWa Group uses equity-to-fixed-assets ratio II as a target in its capital management process. Equity and long-term borrowing should cover at least 90% of non-current assets. As at 31 December 2023, the equity-to-fixed-assets ratio was approximately 138% (2022: 169%).

The debt ratio increased to 86.3% in the past financial year 2023 (2022: 85.3%). At the BayWa Group, short-term borrowing is used exclusively to finance short-term funds tied up in working capital. The status of short-term borrowing disclosed at year-end regularly reflects the highest level of utilisation on account of the warehousing of commodities in the agricultural division and/or unfinished products in the Renewable Energies Segment. Short-term borrowing was up by €186.0 million year on year from €5.570.3 to €5.756.3 million. The increase is the result of opposing developments: The green bond with a nominal volume of €500 million was reclassified to short-term debt due to the repayment obligation in June 2024, which contributed considerably to the increase in short-term debt (plus €674.5 million). This was offset by decreases in trade payables and inter-group business relationships totalling minus €252.7 million and in liabilities from commodity futures, FX hedges and interest rate hedges amounting to minus €141.4 million. The price trend on the energy and commodity markets is decisive for the latter. Following the enormous price increases in the previous year as a result of the war against Ukraine, prices for energy and commodities fell back to pre-war levels in 2023.

Long-term borrowing fell by €447.7 million to €5,049.4 million. The main driver of this change is the reclassification of the green bond from long-term to current short-term debt. In addition, both deferred tax liabilities (minus €75.3 million) and liabilities from derivatives (minus €50.7 million) contributed to the decline in long-term borrowing. Other non-financial liabilities (up €95.7 million) – mainly due to the increase in other taxes – and lease liabilities (up €46.0 million) had the opposite effect.

Gearing

The BayWa Group's management assesses and manages the capital structure in regular intervals via factors such as the key indicators "adjusted net debt/adjusted equity" and "adjusted net debt/EBITDA".

Calculating adjusted net debt involves deducting cash and cash equivalents from short-term and long-term debt at banks. Non-recourse financing arrangements are also deducted despite them carrying interest. They pertain to loans extended to project companies in the Renewable Energies Segment that are solely based on project cash flow instead of the BayWa Group's credit rating. Lenders have no access whatsoever to the BayWa Group's assets and cash flows outside each project company. EBITDA generated by the project companies during the reporting year came to €54.1 million (2022: €63.7 million). Grain inventories for immediate use are also deducted. These inventories could be converted into cash and cash equivalents as soon as they are recorded due to their highly liquid and current nature as well as their daily prices listed on international markets and stock exchanges. Any price risk is fully eliminated by a physical asset for sale, either through concluding a sales agreement with a highly solvent business partner or through a forward contract on the stock exchange. On account of the highly liquid nature of these inventories, the BayWa Group deems it to be appropriate to deduct them as cash and cash equivalents when calculating net debt and the related financial key figures.

In € million	**31/12/2023**	31/12/2022
Long-term and short-term debt at banks	5,423.9	5,278.8
Less cash and cash equivalents	- 233.3	- 221.8
Net debt	**5,190.6**	**5,057.0**
Less non-recourse financing	- 575.0	- 418.2
Less inventories for immediate use	- 958.9	- 1,208.5
Adjusted net debt	**3,656.7**	**3,430.3**
EBITDA	587.3	858.8
Adjusted equity	1,912.5	2,076.7
Adjusted net debt / adjusted equity (in %)	**191.2**	**165.2**
Adjusted net debt / EBITDA	**6.2**	**4.0**

Given the different business models between the BayWa Group's primary trading business and project development, which mainly takes place in the area of renewable energies, gearing is subject to differences in recognition, reporting and review, depending on the business activity. The use of the borrowed funds differs in the two fields of business. Furthermore, borrowing as part of project development is accrued over a longer period of time before the corresponding inflows result from the sale of the projects. Both aspects are taken into account in the calculation of adjusted net debt for trade business. The Renewable Energies Segment's financial liabilities, cash and cash equivalents, and EBITDA generated in the financial year are deducted in the process. The value of the key indicator "Adjusted net debt/EBITDA" should lie between 3.0 and 4.5 for the BayWa Group trade activities and is determined using the following approach:

In € million	**31/12/2023**	31/12/2022
Long-term and short-term debt at banks	3,313.6	3,246.2
Less cash and cash equivalents	- 128.3	- 86.8
Net debt	**3,185.3**	**3,159.4**
Less non-recourse financing	0.0	0.0
Less inventories for immediate use	- 958.8	- 1,208.5
Adjusted net debt	**2,226.5**	**1,950.9**
EBITDA	**318.0**	**494.5**
Adjusted net debt / EBITDA	**7.0**	**3.9**

The above-mentioned target range was not achieved in the financial year 2023. The main reason for this is business development, particularly in the Agri Trade & Service, Building Materials and Global Produce Segments. There were declines in earnings compared to the previous year for various reasons (see "Operative business development" at the beginning of this financial report).

Cash flow statement and development of cash and cash equivalents

In € million	2019	2020	2021	2022	**2023**
Cash flow from operating activities	- 24.9	675.9	- 583.6	- 337.2	455.0
Cash flow from investment activities	- 149.4	- 251.5	- 197.2	- 293.2	- 378.7
Cash flow from financing activities	282.6	- 482.6	1,009.0	451.5	- 61.0
Cash and cash equivalents at the end ot the period [1]	229.7	168.4	399.1	221.8	233.3

1 Including outflow of funds due to changes in the group of consolidated companies and in exchange rates in the amount of €3.8 million

The cash flow from operating activities came to €455.0 million in the financial year 2023, a year-on-year increase of €792.2 million. Based on cash earnings that were €256.4 million lower than in the previous year, this increase was mainly due to a clear reduction in inventories, trade receivables and other assets not allocable to investment and financing activities in the total amount of €444.9 million. Compared to the same period of the previous year, in which there was an increase in inventories and receivables, the cash inflow was therefore €1,531.1 million higher. Offsetting this is higher cash outflow of €348.2 million as a result of the decrease in trade payables and other liabilities not allocable to investment and financing activities, as well as the €64.1 million decrease in current and medium-term provisions.

Cash flow from investment activities saw a cash outflow of €378.7 million for the reporting year. As a result, cash outflows for investment activities rose year on year by €85.5 million. Payments for company acquisitions came to €43.9 million (2022: €91.1 million). This was offset by incoming payments from the divestiture of companies totalling €83.2 million (2022: €61.5 million). In the financial year 2023, investments in intangible assets, property, plant and equipment and financial assets totalled €541.6 million (2022: €379.1 million), the majority of which were attributable to wind farms and solar parks as part of the Renewable Energies Segment's IPP business entity. This amount was offset by incoming payments from the disposal of intangible assets, property, plant and equipment, and investments of €103.0 million (2022: €106.0 million).

The cash flow from financing activities came to minus €61.0 million in the financial year 2023, a year-on-year decrease of €512.5 million. Cash inflows resulted from the raising of loans totalling €1,003.7 million and the issue of a hybrid bond in the amount of €100 million. By contrast, in addition to interest payments (€335.2 million) and dividend payments at BayWa AG and at subsidiaries (totalling €87.2 million), the repayment of loans amounting to €645.9 million in particular led to cash outflows.

In an overall analysis of the cash flow from operating activities, investment and financing activities, and in consideration of changes to the group of consolidated companies and changes in foreign exchange rates, the cash inflow from operating activities was compensated for by the cash outflow from financing and investment activities. As a result, cash and cash equivalents at the end of the reporting year came to €233.3 million, which was €15.3 million higher than in the previous year.

Financial base and capital requirements

The BayWa Group's financial base is replenished by funds from the short-term debt for working capital and by funds from operating activities. Investment financing and the ongoing financing of operations have a considerable impact on the capital requirements of BayWa AG, as do the repayment of debt and ongoing interest payments. The overall view of liquidity and debt is determined through the calculation of adjusted net liquidity or net debt and used for internal financial management as well as for external communication with financial investors and analysts. Net liquidity and net debt is derived from the sum total of cash and cash equivalents less bank debt and outstanding loans, as reported in the balance sheet.

Along with the syndicated loan and short-term borrowing, the company also finances itself by way of a multi-currency Commercial Paper Programme with a total volume of €1,000.0 million. At the end of the reporting period, securities had been issued in euros in the amount of €632.4 million (2022: €641.7 million) with an average weighted residual term of 48 days (2022: 54 days). At the end of the reporting period, €152.1 million (2022: €145.8 million) in receivables had been financed at their nominal value from the ongoing Asset-Backed Securitisation (ABS) Programme.

In December 2023, BayWa AG issued a sustainable bonded loan in the amount of €11.0 million as part of a private placement. The conditions for the loan are linked to the sustainability rating of the agency MSCI. An increase in the present rating from AA to AAA reduces the current interest margin. A downgrade increases the interest margin. The term is 10 years.

In October 2023, a bonded loan of €25.0 million was issued as part of a private placement. The term is 5 years. A sustainable bonded loan of €117.5 million was issued in November 2023, which mainly served to refinance the bonded loans maturing in the financial year 2023. The conditions for the loan are linked to the sustainability rating of the agency MSCI. An decrease in the present from AA would increase the current interest margin. The bonded loan has an average term of 5.5 years.

Investments

In the financial year 2023, the BayWa Group invested a total of €736.7 million (2022: €618.4 million) in intangible assets (€67.9 million) and property, plant and equipment (€668.8 million), taking into account the acquisitions made. Investments in property, plant and equipment in the financial year 2023 primarily related to wind farms and solar parks to expand the IPP portfolio in the Renewable Energies Segment. Additional investments were made in the financial year in the repair and maintenance of technical facilities and machinery, buildings, facilities (under construction) and office fixtures and fittings, as modern locations and seamlessly operating facilities are a precondition for efficient logistics processes.

Real estate no longer used for operations was sold off wherever appropriate in the financial year 2023. The proceeds accruing from these transactions are used to reduce debt or to finance the Group's growth.

Excluding company acquisitions, roughly 60.0% of total investments in non-current assets at the BayWa Group were accounted for by the Renewable Energies segment. In addition, the Agri Trade & Service Segment accounted for 10.7% of the investments, the Global Produce Segment for 7.1% and the Building Materials Segment for 6.0%. The remaining 16.4% of the investments were distributed among Other Activities and the Agricultural Equipment, Cefetra Group, Energy and Innovation & Digitalisation Segments.

Earnings position

in € million	2019	2020	2021	2022	**2023**	Change 2023/22
Revenues	17,059.0	16,464.7	19,839.1	27,061.8	23,948.2	- 11.5%
EBITDA	403.0	464.8	552.8	858.8	587.3	- 31.6%
EBITDA margin (in %)	2.3	2.8	2.8	3.2	2.5	–
EBIT	188.4	211.6	266.6	504.1	304.0	- 39.7%
EBIT margin (in %)	1.0	1.1	1.3	1.9	1.3	–
EBT	79.2	107.6	160.6	319.6	- 37.7	>- 100,0%
Consolidated net result for the year	65.1	59.5	128.8	239.5	- 93.4	>- 100,0%

The revenues of the BayWa Group fell by 11.5%, or €3,113.6 million, to €23,948.2 million in the financial year 2023. This was due in particular to the year-on-year decline in energy and commodity prices in the trading business, which led to lower revenues in the Agri Trade & Service (down €851.4 million to €4,899.3 million), Cefetra Group (down €801.9 million to €5,309.3 million), Renewable Energies (down €699.8 million to €5,789.4 million), Energy (down €523.6 million to €2,820.0 million), Building Materials (down €358.6 million to €1,988.3 million) and Global Produce Segments (down €42.7 million to €878.6 million). By contrast, revenues in the Agricultural Equipment Segment increased (up €162.8 million to €2,239.3 million). In the Innovation & Digitalisation (up €0.0 million to €10.4 million) and in Other Activities Segments (up €1.6 million to €13.6 million), revenues were on a par with the previous year.

Other operating income decreased year on year by €81.2 million to €411.7 million. This development was mainly due to considerably lower foreign exchange gains of €132.9 million (2022: €212.7 million), which were offset by foreign exchange losses of €145.5 million (2022: €219.8 million) (recognised under other operating expenses). In addition, income from the release of provisions fell by €23.7 million to €42.5 million. The decline in income from the release of provisions is due in particular to special effects from the previous year. In the financial year 2022, the non-granting of necessary building permits for a project in the UK in the Renewable Energies Segment led to a release of provisions recognised in profit or loss in the amount of €30.3 million; there were no comparable special effects for individual business transactions relating to the release of provisions in the reporting year 2023.

In the financial year 2023, the BayWa Group reported an increase in inventories of €157.1 million (2022: €370.4 million), which was chiefly attributable to incomplete real estate projects in the Building Materials Segment and to wind and solar energy projects in the Renewable Energies Segment that were under construction.

In conjunction with the decline in revenues due to lower energy and commodity prices, the BayWa Group's cost of materials fell by €3,294.3 million to €21,286.9 million in the reporting year. Taking into account the lower revenues and the decline in the cost of materials, gross profit fell by €103.9 million to €3,273.2 million in the financial year 2023, which corresponds to a decrease of 3.1%.

Personnel expenses climbed year on year by €95.6 million to €1,605.3 million. This was due in particular to the company acquisitions in the financial year 2023 and the continued growth in the Renewable Energies Segment, as well as the one-off special payment totalling just under €30.0 million in total to parts of the workforce to mark the 100th anniversary of BayWa AG.

At €1,095.9 million, other operating expenses were up by €23.9 million on the previous year's figure of €1,072.0 million in the financial year 2023. Other operating expenses primarily consisted of expenses due to foreign exchange losses of €145.5 million (2022: €219.8 million), fleet maintenance expenses of €86.7 million (2022: €88.1 million); maintenance expenses of €85.7 million (2022: €87.4 million) and other expenses due to general sales and other costs in the amount of €233.7 million (2022: €172.3 million).

Earnings before interest, tax, depreciation and amortisation (EBITDA) fell by €271.5 million, or 31.6%, to €587.3 million in the financial year 2023 (2022: €858.8 million).

At €283.3 million, amortisation and depreciation at the BayWa Group was €71.4 million lower in the financial year 2023 than in the previous year (€354.7 million). The main reason for year-on-year decline in amortisation and depreciation was a necessary impairment in the financial year 2022: In the Renewable Energies Segment, the construction of a wind farm in the US with a total output of 95 megawatts was partially halted due to site-related uncertainties, resulting in substantial delays and cost increases. This led to an impairment loss of €55.6 million in the previous year. There was no comparable impairment in the reporting year 2023.

In the financial year 2023, the BayWa Group generated earnings before interest and tax (EBIT) of €304.0 million. This figure was €200.1 million, or 39.7%, below the EBIT of the of €504.1 million recorded in the financial year 2022. Compared to the financial year 2021 (EBIT: €266.6 million), EBIT rose by €37.4 million, or 14.0%, as at 31 December 2023.

The financial result comprises income from participating interests, which is allocated to EBITDA and EBIT, and net interest. At €15.2 million, income of the BayWa Group from participating interests was lower in the reporting year than the €63.3 million seen in the previous year. This development was due to the €2.3 million decrease in the equity result to €11.9 million and to the €45.8 million fall in other income from shareholdings to €3.3 million. The latter is due in particular to the sale of Karadoc Solar Farm HoldCo Pty Ltd, Melbourne, Australia, (including its subsidiaries) in the Renewable Energies Segment in the financial year 2023 and the non-recurring effect from the sale of the Bioenergy portfolio in the financial year 2022. The BayWa Group's net interest fell by €157.2 million to minus €341.7 million in the financial year 2023. This decrease was mainly driven by the €159.9 million rise in interest expenses to €362.0 million due to the sustained high interest rates in the financial year 2023. By contrast, interest income, at €20.3 million, was on a par with the previous year's figure of €17.6 million.

The BayWa Group's earnings before tax (EBT) decreased by €357.3 million year on year to minus €37.7 million. This decline is attributable to the deterioration in earnings in all operating segments of the BayWa Group. Only in Other Activities were earnings before tax higher than in the previous year. Together with the consolidation effects shown in the reconciliation, this represents an increase of €56.5 million.

Income tax expense for the BayWa Group came to €55.7 million in the financial year 2023 (2022: €80.1 million), which corresponds to a tax rate of 147.7% (2022: 25.1%). The increase in the tax rate was due in particular to value adjustments on deferred tax assets, tax expenses relating to other periods and higher trade tax additions triggered by the higher level of interest rates. After deducting income tax expense, the BayWa Group generated a consolidated net loss of €93.4 million for the financial year 2023. Compared to the previous year, this corresponds to a decrease of €332.9 million.

The share of profit due to shareholders of the parent company stood at minus €98.4 million (2022: €168.1 million). Earnings per share (EPS), calculated from the portion of the result attributable to the shareholders of the parent company in relation to the average number of shares outstanding of 35,862,389 (dividend-bearing shares less treasury shares), stood at minus €2.84 in the financial year 2023 and were therefore below the value of €4.36 in the previous year.

At the end of the reporting period, BayWa AG had considerable order volumes that had yet to be fulfilled in the Agricultural Equipment Segment. The order backlog on 31 December 2023 was €523.8 million (2022: €625.7 million). Of this total, €463.2 million (2022: €561.4 million) was attributable to new machinery, and €49.8 million (2022: €53.9 million) to indoor equipment (farm and animal equipment). The €101.9 million decrease in order backlog is due to high deliveries in the financial year 2023, which made it possible to largely reduce the exceptionally high order backlog from the previous year as well as orders received during the year. Furthermore, the good producer prices at the end of the financial year incentivised farmers to invest, allowing the order backlog to be built up again.

Financial performance indicators

BayWa orients the short-term management of its corporate divisions with the development of key earnings indicators EBITDA, EBIT and EBT. EBIT acts as the most important financial performance indicator. Key earnings indicators for the segments of the BayWa Group developed as follows in the financial year 2023:

Key financial earnings figures

	Earnings before interest, tax, depreciation and amortisation (EBITDA)			Earnings before interest and tax (EBIT)			Earnings before tax (EBT)		
In € million **2023**		change (absolute)	change (in %)		change (absolute)	change (in %)		change (absolute)	change (in %)
Renewable Energies	271.3	- 93.0	- 25.5	193.8	- 45.3	- 18.9	58.5	- 102.7	- 63.7
Energy	34.1	- 37.2	- 52.2	17.8	- 35.8	- 66.8	14.7	- 37.2	- 71.7
Cefetra Group	73.8	- 7.2	- 8.9	64.6	5.1	8.6	27.7	- 19.1	- 40.8
Agri Trade & Service	68.6	- 87.6	- 56.1	26.4	- 78.3	- 74.8	- 30.7	- 102.7	> - 100,0
Agricultural Equipment	109.6	15.8	16.8	84.6	14.4	20.5	50.2	- 4.3	- 7.9
Global Produce	19.1	- 37.3	- 66.1	- 15.1	- 36.2	> - 100,0	- 32.7	- 43.1	> - 100,0
Building Materials	44.2	- 61.5	- 58.2	6.6	- 63.8	- 90.6	- 30.4	- 79.4	> - 100,0
Innovation & Digitalisation	- 4.5	1.1	19.6	- 10.8	0.6	5.3	- 12.7	- 0.4	- 3.3

The difference in the contributions from each segment to the total earnings of the BayWa Group in all three key earnings indicators, EBITDA, EBIT and EBT, is calculated from the earnings contribution of the Other Activities Segment as well as on the basis of economic influence factors at Group level. BayWa does not perform any entrepreneurial management in the Other Activities Segment, as this segment encompasses peripheral activities that are of secondary importance in the BayWa Group. Group-wide economic influence factors are circumstances not attributable to the operational management of the segments.

Medium- to long-term portfolio optimisation of the BayWa Group is carried out through value-oriented management. Using economic profit as a basis, this system calculates the surplus return on invested capital (ROIC) of the business units or segments by means of their risk-weighted costs of capital.

Economic Profit

In € million **2023**	Renewable Energies	Energy	Cefetra Group	Agri Trade & Service	Agricultural Equipment	Global Produce	Building Materials
Net Operating Profit	193.8	17.8	64.6	26.4	84.6	- 15.1	6.6
Average invested capital [1]	3,266.9	130.6	636.5	1,429.3	863.9	442.7	886.4
ROIC (in %)	5.93	13.64	10.16	1.84	9.79	- 3.40	0.74
Weighted average cost of capital (WACC) (in %)	7.90	8.60	7.00	7.00	9.10	6.60	8.50
Difference (ROIC less WACC) (in %)	- 1.97	5.04	3.16	- 5.16	0.69	- 10.00	- 7.76
Economic profit by segment	**- 64.3**	**6.6**	**20.1**	**- 73.7**	**6.0**	**- 44.3**	**- 68.8**

1 Immaterielle Vermögenswerte + Sachanlagen + Net Working Capital

In the financial year 2023, the Cefetra Group, Energy and Agricultural Equipment Segments generated a surplus over the respective cost of capital despite rising capital costs and a tense economic environment overall. In spite of the falling prices for agricultural products, the Cefetra Group Segment recorded an economic profit of €20.1 million (2022: €14.6 million). The Energy (€6.6 million, 2022: €45.3 million) and Agricultural Equipment Segments (€6.0 million, 2022: €15.6 million) also achieved a positive economic profit. By contrast, the Agri Trade & Service (minus €73.7 million, 2022: €11.4 million), Building Materials (minus €68.8 million, 2022: €14.2 million), Renewable Energies (minus €64.3 million, 2022: €52.0 million) and Global Produce Segments (minus €44.3 million, 2022: minus €6.5 million) each posted a negative economic profit. The main reasons for this are the persistently high level of interest rates and higher energy prices. In addition, the Agri Trade & Service Segment in particular was unable to match the previous year's very good result due to falling prices for agricultural products. Likewise, the Global Produce Segment's operating result in the financial year 2023 was negatively impacted by Cyclone Gabrielle, which caused extensive damage in large parts of the North Island of New Zealand, including on the plantations of the New Zealand subsidiary Turners & Growers New Zealand Limited, Auckland.

Comparison of forecast business development with actual business development

Segment	Indicator	Forecast [1]	Actual [1]
Renewable Energies	EBIT	slight decrease	substantial decrease
Energy	EBIT	sharp decrease	sharp decrease
Cefetra Group	EBIT	substantial decrease	clear increase
Agri Trade & Service	EBIT	sharp decrease	sharp decrease
Agricultural Equipment	EBIT	significant decrease	significant decrease
Global Produce	EBIT	slight decrease	sharp decrease
Building Materials	EBIT	significant decrease	sharp decrease
Group	**EBIT**	**significant decrease**	**significant decrease**

1 Explanation of the qualitative and comparative statements:
slight, moderate, low ≙ 1–5%; noticeable, clear ≙ 5–10%; substantial, considerable ≙ 10–20%; significant ≙ 20–50%;
sharp, steep, strong ≙ > 50%

General statement on the business situation of the Group and explanation of projections/deviation from planned targets

As forecast, the BayWa Group recorded a significant decline in EBIT in the financial year 2023 compared to the exceptional year 2022. The price shocks and supply bottlenecks on the commodity and energy markets triggered by the war against Ukraine largely dissipated in the financial year 2023. Lower prices and volatility than in the previous year also resulted in lower margin potential for BayWa in some cases. Cyclone Gabrielle in New Zealand also had an unexpected negative impact on the Global Produce Segment, as did the massive weakness in the construction industry.

Despite these more difficult conditions, the Agricultural Equipment and Cefetra Group Segments achieved an increase in EBIT and therefore performed better than expected. Business development in the Agricultural Equipment Segment benefited from farmers' high willingness to invest and improved availability of goods due to resolved supply chain problems. The Cefetra Group Segment again participated in trading opportunities resulting from price fluctuations in both the traditional and speciality business. In the previous year, earnings were negatively impacted by the cancellation of grain contracts due to the war. These burdens were not repeated in the reporting year. As expected, the Energy and Agri Trade & Service Segments recorded a sharp decline in EBIT. In the reporting year, lower prices on the energy and agricultural commodity markets led to lower trading margins. The Agri Trade & Service Segment was also negatively impacted by impairment losses on fertilizer inventories. The performance of the Renewable Energies, Global Produce and Building Materials Segments was weaker than expected. In the Renewable Energies Segment, the increase in earnings in energy trading was unable to compensate for the weak demand and the fall in module prices in solar trading. Damage caused by Cyclone Gabrielle in New Zealand had a negative impact on the Global Produce Segment in particular, resulting in reduced harvest volumes and increased costs. The Building Materials Segment was hit faster than expected by the slump in the construction industry in Germany in 2023 and recorded a substantial decline in sales, particularly in the building construction, gardening and landscaping and roofing product ranges. In addition, the segment was also disproportionately affected by inflation-related wage increases and special expenses for the bonus to mark BayWa's 100th anniversary due to the high share of personnel costs of over 70%.

At Group level, the developments described above resulted in a significant decline in EBIT compared to the previous year. At €304.0 million, BayWa's EBIT was almost 40% below the previous year's level. The annual forecast of €320 million to €370 million made in the 2023 reporting year was therefore missed slightly.

While the Board of Management still considers the operating performance to be satisfactory, taking into account certain negative special factors, the consolidated net result for the year developed very unsatisfactorily. High interest and tax expenses led to a deficit in the reporting year. The BayWa Group's profitability is to be sustainably improved through cost-cutting and optimisation measures. Measures were already introduced for this in 2023.

Outlook

The following qualitative-comparative statements are used to describe changes in results and earnings, as well as forecast ranges:

Range of the change	Qualitative-comparative statement
1–5%	slight, moderate, low
5–10%	noticeable, clear
10–20%	substantial, considerable
20–50%	significant
> 50%	sharp, steep, strong

Outlook for the BayWa Group

With its diversified business model, BayWa continues to participate in the important megatrends of food and energy security, which offer the company both short-term and long-term growth opportunities. Following the anticipated decline in earnings in the financial year 2023, which ended up being steeper than expected, BayWa expects to return to a positive development in most segments and overall in the current business period. The Group's significant debt and the resulting heavy interest burden weighed on the annual result in the financial year 2023 in particular. In line with these developments, appropriate action is being taken across the Group to optimise inventory management in all segments, thereby reducing capital commitments and thus also lightening the burden of interest in the financial year 2024. This should also bring clear improvement in the result for the year.

For the current financial year 2024, the management expects Group EBIT to see a significant improvement over the financial year 2023, with EBIT also clearly above the average for prior years.

In the energy business unit, the trend toward renewable energies continues unabated. The EBIT contribution for BayWa r.e. is thus expected to increase significantly. Project sales in the US account for a large portion of revenue. There are also plans to commit more equity capital to finance growth in the Independent Power Producer (IPP) business entity. This will be achieved by releasing capital that is currently tied up from the restructuring of BayWa r.e. subsidiaries that are not part of the core business, among other actions. The price of crude oil is expected to remain largely stable over the course of 2024, which should give rise to growth opportunities in the Energy Segment in particular through the gradual expansion of the business in climate-friendly energy sources such as wood pellets and alternative mobility solutions. In the agriculture business unit, the worldwide supply of both grain and oilseed is constrained. As a result, prices are expected to hover above average, which should bolster farmers' income while boosting demand for agricultural inputs – especially at current prices. Growth in the Cefetra Group Segment is expected to slow, with this segment earning substantially lower EBIT in 2024 as a result of the normalisation of commodities markets.

Current debate surrounding the future of agricultural subsidies could dampen enthusiasm for investment in agricultural equipment in 2024, resulting in more muted activity in this sector than has been the case in recent years. The Agricultural Equipment Segment is projected to make a significantly lower EBIT contribution as a result. The Global Produce Segment saw major adverse effects from negative weather events in the previous year, particularly Cyclone Gabrielle in New Zealand. If harvests are normal in the current financial year, marketing volumes and margins should recover, bringing a sharp upturn in income (EBIT) for this segment. The building materials business unit continues to face major challenges in the current financial year after last year's steep slump, owing to continued weakness in the construction industry. However, extensive measures to optimise processes and increase efficiency have significantly improved the cost base for 2024. As a result, EBIT is projected to improve steeply from a low base, even as it remains well below average. The Building Materials Segment is also continuing its transformation from a pure product trader to a provider of efficient all-in-one solutions and services.

The key financial target of the BayWa Group is to generate sustainable operating earnings (EBIT) in the range of €470 million to €520 million by the end of 2026. BayWa had previously set this span as its target for 2025. The massive weakness across the construction industry was a key factor in moving this objective back by one year.

This forecast is based on the expectation that extreme weather events and geopolitical uncertainties, such as the war against Ukraine and the Middle East conflict, will not lead to fresh distortions or disruptions in supply chains or the markets for raw materials and agricultural products.

Outlook for the Renewable Energies Segment

The Renewable Energies Segment will continue on its growth course in the international markets in 2024. Plans for the financial year 2024 call for external sales of projects and project rights in the areas of solar and wind energy and for the transfer of commissioned power plants with total output of 2.5 gigawatts (GW) to the Independent Power Producer (IPP) business entity.

New projects with a volume of approximately 0.3 GW are to be implemented in the Wind Projects business entity in the financial year 2024. The majority of them will be realised in Europe – especially in the national markets in the UK, Germany and Austria – followed by the US and the Asia-Pacific (APAC) region. In addition to the sale of projects to third parties, power plants will continue to be transferred to the IPP business entity in the years ahead.

The Solar Projects business entity aims to implement projects with a total output of around 2.2 GW in the financial year 2024. The focus here is expected to lie on the markets in Europe – particularly Spain, the Netherlands and the UK – and the US. Power plants will also continue to be transferred from the Solar Projects business entity to the IPP business entity in the coming years.

The IPP business entity's portfolio will expand further and is expected to reach more than 3 GW in the medium term. The portfolio is comprised exclusively of projects that are developed and constructed in the Wind Projects and Solar Projects business entities. The future expansion of the portfolio will focus primarily on parks in Europe with legally guaranteed tariffs or a power purchase agreement (PPA). Earnings contributions from the energy trade are expected to normalise again in 2024, with electricity prices already having declined in 2023. Efforts are also under way to further internationalise the business.

In the service business, the multi-year trend of negative price development for technical management services continued in 2023. However, signs of stabilisation are now apparent. The Services business entity is meeting current challenges by streamlining and automating processes, with support from the targeted use of digital technologies, and by focusing on its core markets and building competences in the area of data-driven services. In spite of short-term challenges, the medium-range outlook is positive, as the business entity is well positioned to benefit from global technology and market trends.

In the Solar Trade business entity, trading in photovoltaic components should continue to benefit from stable demand for new system solutions and already decreasing prices for photovoltaic modules. The expansion of charging infrastructure through charging points in commercial and residential areas for example, as well as a generally higher demand for electricity coupled with rising prices, will generate further opportunities for growth. The effects of climate change once again highlight the need for a transformation of the energy sector, which could further drive the acceptance of renewable energies and the development of the solar trade. The acquisition of Ribeiro Solar in Brazil in the financial year 2023 and the founding of a solar trading company in Colombia are opening up new markets. The European business is further expanding with the acquisition of ProElektro in Latvia and the establishment of a solar trading company in Greece. In preparation for the planned sale of the Solar Trade business entity, a new company called Solar Trade Holding was also founded last year to serve as the future holding company for all Solar Trade units.

The Energy Solutions business entity will continue to support companies with a focus on the core markets of Germany, Spain and Italy as part of the PV own-use model. The Energy Solutions business entity anticipates a rise in business volume in light of the emerging markets in the Asia-Pacific region (APAC), especially in Thailand, Malaysia, Vietnam and Singapore, where a significant share of the supply chains of multinational corporations are based. Energy Solutions also sees great potential for a positive business development in both self-consumption models and corporate PPAs as a result of ambitious climate targets, such as those pursued by the European Union, as well as the entry into force of the German CSR Directive Implementation Act (CSR-RUG). With a focus on developing and building on long-term business relationships with major customers, the Energy Solutions portfolio will be expanded to include additional modules, particularly storage solutions or PV carports in European core markets, as well as floating PV for Germany. Energy Solutions also plans to offer financing models for own-use solutions as well, as demand for these solutions is on the rise among commercial and industrial customers in both the APAC region and Europe.

Earnings before interest and tax (EBIT) for the financial year 2024 are expected to increase significantly year on year. This positive earnings outlook is based on expectations of a recovery in the solar trade and the sale of the solar projects postponed in 2023.

Outlook for the Energy Segment

BayWa's management expects the earnings contribution of the Energy Segment to be clearly above the previous year's value. Contributing factors will include the transition from traditional to climate-friendly energy sources with new, innovative concepts for the basic needs of energy, heat and mobility.

In the heating business, wood pellets exert tremendous appeal in Germany as a carbon-neutral fuel. Against this background, BayWa has laid the foundation for further growth by expanding production and logistics capacities in recent years and growing its e-commerce activities through the "hello:Heat" digital marketplace. BayWa anticipates a slight increase in sales volume of wood pellets for the current financial year.

The subdued growth forecast is attributable to the new German Buildings Energy Act (GEG), which has curtailed subsidies as compared to previous years. This could slow the growth of this heating technology and installation of pellet heating systems accordingly.

The trade in heating oil is expected to decline in the years to come. This development is driven by regulation at the German federal level, which is steadily driving down the use of heating oil as a source of heating energy. If the price of crude oil remains largely stable in 2024 as expected, the slight downward trend seen in the previous year is likely to continue in the current financial year as well, once again leading to lower income. Efficiency gains in the areas of logistics and sales along with additional income from logistics services for external customers under the standardised, neutral brand enlog, which was introduced last year, should have a positive effect.

In trade activities involving conventional fuels, the market is expected to remain stable for the foreseeable future in the areas of relevance to BayWa, which include agriculture and construction as well as heavy vehicles. Agriculture and construction in particular are heavily dependent on diesel fuel and will as yet be unable to replace this fuel with alternative mobility solutions in the years to come.

BayWa Mobility Solutions GmbH will continue to benefit from the expansion of public charging infrastructure for electric vehicles. The subsidies provided in the context of the German network and cooperative arrangements already put in place with charge point operators and retailers are continuing to drive expansion while offering corresponding opportunities in the project business. In addition, BayWa Mobility Solutions GmbH plans to leverage cooperation to continue its strategic evolution into a charge point operator, which began with the contract the German network for the state of Bavaria. BayWa Mobility Solutions GmbH currently has a pipeline of 100 potential locations it hopes to complete by 2026. The pace of expansion depends on the availability of charging stations and key technical components and on the necessary permits.

BayWa Power Liquids GmbH, which operates BayWa's LNG filling station network, plans to continue its expansion and switch all LNG filling stations to bio-LNG by mid-2024. The price of bio-LNG at the pump is expected to be lower than that of diesel, which should provide further incentive for the heavy goods transport sector to make the switch to renewable fuels.

In the business with lubricants and operating resources, demand is expected to remain stable among the target groups of significance to BayWa, the agriculture sector and biogas operators, bucking the trend for the industry in general, which has been influenced by ongoing softness in the overall economy.

Thanks to the faster pace at which the transition to renewable energies is taking place, the field of building services expects the strong demand for refurbishments – especially in the area of heating – to continue in the financial year 2024. BayWa has expanded capacity in this specific area in response. By contrast, the lack of new construction business and declining orders in the prefabricated construction sector are expected to negatively influence performance. The ongoing shortage of skilled workers is another factor rendering the potential expansion of the business more difficult.

All in all, the Energy Segment will be marked by stable market dynamics in the financial year 2024. At the same time, the segment is expected to benefit from optimised logistics and high-quality goods in the trade in wood pellets. Drawing on its basic supply function in the fields of conventional fuels and lubricants as well as heat energy carriers, the expansion of the renewable energies business will accelerate further. Assuming trade margins comparable to those seen in 2023, a clear increase in EBIT is anticipated in the Energy Segment.

Outlook for the Cefetra Group Segment

In the Cefetra Group Segment, BayWa assumes that there will be lower volatility and that agricultural commodities markets will stabilise. Geopolitical tensions, climate change, the decarbonisation of the economy and further political and overall economic factors will continue to influence supply and demand for products in these fields, but are likely to diminish in intensity compared to the turbulence of the past few years. Greater stability in supply chains combined with lower logistics costs should contribute to greater predictability and lower risk in particular. However, this could weigh on profit margins.

In the grain and oilseed trade, the trading volume of standard products is expected to be on a par with the previous year. The feedstuff markets are the main factor driving the current stagnation. Livestock farmers are in a difficult position here due to ongoing changes in consumer behaviour, an effect that is being felt in this sector. This has prompted a decline in both volumes and margins on sales of compound feed, especially in north western Europe. BayWa plans to counteract this trend towards shrinking markets by developing new business areas and ramping up its diversification in other sectors, such as pet food and feedstuff for aquaculture. Less profitable sales flows, especially those that employ large amounts of capital, will be rationalised to increase the quality of earnings.

In the speciality business, BayWa continues to profit from its strong market position and from sound supply chains. The trade in food ingredients is expected to continue to increase. This growth can be generated both organically and through the establishment of new business entities. Further acquisitions are another potential option. Cefetra Dairy plans to further expand its business and has set its sights on growth in Asia and the Middle East through representatives in Singapore and Dubai. Supply options from New Zealand are also under review. The margins for Royal Ingredients in the trade in starch and proteins are expected to return to normal levels in 2024 in comparison to the outstanding margins earned in highly constrained and logistically difficult markets in 2022 and 2023. This will lead to a smaller earnings contribution.

All in all, EBIT for the Cefetra Group Segment for 2024 is expected to be substantially below the previous year's value, owing primarily to lower margin potential in the agricultural markets. However, earnings should once again be clearly above the long-term average.

Outlook for the Agri Trade & Service Segment

In the Agri Trade & Service Segment, BayWa anticipates positive business development. Average harvests are expected in the BayWa regions, with prices remaining high in the product trade. In the agricultural input business, the substantial inventories held by farmers from 2022 should be drawn down, matched by reinvigorated demand. The development of the war against Ukraine and its potential impact on the agricultural sector remains an incalculable factor of uncertainty.

In the product trade (grain trade and collecting business), expectations of positive development are prompted by good collection activities and by sales contracts that were concluded in 2023 and are expected to be realised at a profit in the first half of 2024. With supply still constrained, prices are expected to hold steady at the same high level as last year. However, the variability of quality seen in the 2023 harvest is likely to still influence the central European market in the first half of 2024. This means access to good quality products opens up above-average margin potential. The collection volume in Germany for harvest year 2024 – assuming comparable distribution of crops and an average growing season – is currently expected to be at a moderate level.

In the agricultural input business, a structural decrease in quantities used and sales volume is expected for both fertilizers and crop protection products in the next few years as a result of increasingly stringent environmental requirements. However, BayWa anticipates rising sales volumes in both areas for 2024, as the large inventories built by farmers in 2022 are likely depleted by now, which should drive re-normalisation of demand behaviour. Because fertilizer prices have stabilised after decreasing in the previous year, the fertilizer business is expected to perform better overall in the current financial year. Efficiency gains through further optimisation of internal communication and handling processes, such as single-stage processing and centralised inventory management, will also contribute to this. For crop protection products, the decrease in chemical products will be partly compensated for by innovation, such as in the area of biological active ingredients (biologicals). Prices are also expected to decrease in the financial year 2024, countering the expected increase in sales volume.

In the seed trade, the breeding of new, advanced and improved varieties with increased resistance to disease and extreme weather conditions offers growth opportunities.

The feedstuff business is marked by ongoing structural change and decreasing meat production in Germany. The ongoing decline in pig stocks in particular is reducing sales potential in this segment.

All in all, the management anticipates EBIT in the Agri Trade & Service Segment for 2024 to improve sharply year on year and to stand well above the average income level for recent years. This development is due primarily to the positive expectations for the product trade and to the normalisation of the agricultural input business.

Outlook for the Agricultural Equipment Segment

The Agricultural Equipment Segment, part of BayWa's agriculture business unit, anticipates good development for the financial year 2024. Assuming the order backlog remains high – nearly at the record level seen the previous year – there are signs of a good basis for sales of new vehicles, at least for the first half of 2024. The high order backlog is the result of various factors, including the return of Agritechnica, the world's largest agricultural equipment trade fair, to Hanover in autumn 2023, marking the first time it was held since the start of the coronavirus pandemic. There was a clear increase in farmers' investments in agricultural equipment following the event. The second half of the year is likely to bring further challenges. For example, farmers' propensity to invest is expected to soften in the second half of the year, as farming income is likely to once again fall short of the level in the previous year in the harvest year 2023/24. The high-profile debate surrounding the future of agricultural subsidies, for example for agricultural diesel, could still spur demand for modern equipment with greater efficiency, however. Now that supply chains have normalised and shipments of new equipment are on the rise, demand for used machinery is expected to decrease. The BayWa Group also strives to optimise its inventory management to reduce the amount of capital that is tied up, along with the associated interest burden, in the trade in both used and new machinery. This could restrict the trade in used machinery in particular.

BayWa expects to see ongoing stable development in the service business as a result of the structural change occurring in the agriculture sector, combined with the increasing use of larger and more powerful agricultural equipment and robust sales of new machinery in previous years. The business in spare parts sold online, for example, is expected to strengthen now that supply chains for spare parts are working again.

The good business at Agrimec, a BayWa subsidiary in the Netherlands that operates in the international trade in agricultural machinery, particularly with the Fendt and Krone brands, is expected to remain strong in the financial year 2024 in spite of the structural changes that are also taking place in the Netherlands, with increasing consolidation in the agriculture sector. Demand for innovative and climate-neutral products, such as electric tractors and robots to automate agriculture, is expected to see especially positive developments. BayWa's focus with the products from agricultural machinery manufacturer CLAAS is on large, high-performance sites in Germany as a customer group. These sites are not expected to see major changes in demand between now and 2026, with demand holding steady at the same level as the previous financial year. Orders that were moved up in previous years are expected to have a somewhat dampening effect on unit sales of tractors. Revenues and income in the after-sales segment are expected to continue to increase. The driving factors here are BayWa's high professionalism and service quality (FIRST CLAAS Service, mobile customer service and availability of spare parts).

Following the investment boom in agricultural equipment and machinery in recent years, the market is likely moving towards saturation at this point. Factors weighing on the development of the Agricultural Equipment Segment on the market side include high interest rates, which are cooling farmers' enthusiasm for investment, and the expiration of the "Bauernmilliarde" (farmers' billion) subsidy for investment in particularly environmentally and climate-friendly farming methods. The shortage of skilled workers in the service business and rising personnel, IT and insurance costs continue to present challenges.

With an eye to the result, inventory management remains a strategic area of focus owing to high interest rates. The goal is to reduce inventory by 15% to 25% to decrease the burden it poses. At the same time, plans call for approximately €40 million in investment in the existing location network. Eight new service centres are to be built, and further locations are due for modernisation. In the financial year 2024, there will also be increased costs due to the introduction of a new enterprise resource planning (ERP) system.

Efforts to realise synergies with the Agri Trade & Service sister segment will continue. With the two segments serving largely identical target groups and sharing locations, plans call for ramping up customer loyalty activities and positioning BayWa on the market as a professional solution provider.

While revenues are expected to remain stable in the service business, demand for new machinery is likely to decrease in the second half of the year, following a positive first half owing to full order books. On the cost side, the planned investments in multiple locations are expected to be a factor in increased costs. As a result, the BayWa Group expects EBIT to decline significantly in the Agricultural Equipment Segment for 2024 as a whole.

Outlook for the Global Produce Segment

The Global Produce Segment expects this financial year to bring far better development overall than the previous year, albeit with variation across the individual core markets. Following last year's weather-related slump, the now higher harvest in New Zealand is expected to have a significant positive effect here.

New Zealand subsidiary T&G Global Limited (T&G Global) anticipates that the business will recover after its tough year in 2023. The harvest now in progress is promising in terms of both quantity and quality. However, plantation losses and the aftereffects of Cyclone Gabrielle mean that harvest volumes are still expected to be below average, albeit higher than last year. As a result, export volumes will also increase in comparison to the previous year. The subsidiary VentureFruit should also benefit from rising volumes and additional licensing activity, especially for the premium apple variety Envy and for the Joli variety. Marketing prices are expected to hold steady at the same level as last year.

Consumer enthusiasm for exotic fruit is expected to be somewhat higher on the whole than in the previous year. As a result, volumes are expected to increase at the Dutch subsidiary TFC Holland B.V. (TFC) even as prices stabilise, pushing up margins. A number of factors will play a role in this development, including the continued focus on expanding the customer base. Since relocating to the new warehouse and packaging location in Waddinxveen in early 2023, with its new machinery, TFC has also been working on improving production processes to boost productivity and on enhancing product quality through state-of-the-art storage and ripening technologies. The vertical integration strategy initiated last year, with short value chains and direct access to goods, is also being pursued further. The focus is on the countries of origin of avocados and mangos, two key products.

BayWa Obst expects income from services to decrease year on year owing to lower volumes from the new 2023 harvest. On the cost side, the anticipated rises in tariffs and the minimum wage will further increase pressure to compensate for rising costs by enhancing productivity.

For the financial year 2024, the Global Produce Segment anticipates a sharp increase in EBIT due in large measure to the fact that the harvest in New Zealand is clearly larger than in the previous year. Revenues and earnings are also forecast to increase in the trade in exotic fruits. In addition, the company expects a further insurance reimbursement for the damage done by the cyclone. The majority of the insurance payout will be collected in the financial year 2024, which will have a positive effect on EBIT.

Outlook for the Building Materials Segment

Overall conditions in the construction industry will generally remain challenging in 2024. Interest rates are expected to remain high, pushing up the costs of construction financing. Prices in the building materials retail segment have stabilised at a high level, however. Demand for new housing is fundamentally robust, but uncertainty surrounding subsidies is weighing on propensity to invest. Following a two-month pause, subsidised loans with lower interest rates once again became available for construction of climate-friendly housing and non-residential buildings as of 20 February 2024. Support is available for new construction and purchases of newly built climate-friendly and energy-efficient housing and non-residential buildings. This should have a positive effect on sales volume in the building materials retail segment as compared to the previous year.

BayWa plans to use the current financial year to consolidate its market position and press ahead with topics of relevance for the future. Key topics in this category include industrial production in the construction segment: the prefabrication of individual parts, assemblies or components for later integration into building projects. The stakes acquired in the bathroom module manufacturer Tjiko GmbH, the large ceramics processor Ceraflex GmbH and H2X should be viewed in this context, and there are plans to pursue further growth in these areas. BayWa also plans to leverage market consolidation to its advantage. Many companies have been forced to pull back from the market as a result of the crisis, which is opening up opportunities for BayWa to gain market share.

To improve profitability, BayWa initiated a cost efficiency program in the Building Materials Segment last year. Locations were reviewed with an eye to profitability. Subsequently, five were closed and one was sold. In this context, active and passive workforce reductions were also decided on last year in the Building Materials Segment. At approximately 3,200 employees, it is the segment with the most personnel within BayWa. Moreover, personnel costs make up about 70% of the total costs in this segment. These measures will considerably reduce costs as early as the financial year 2024, resulting in positive effects on segment earnings. BayWa will continue to monitor market developments in the current financial year and take prompt further action where necessary and appropriate. This may include further optimisation measures, along with short time and other labour market policy instruments.

The subsidiary BayWa Bau Projekt GmbH expects further growth in revenues and EBIT in the financial year 2024, as a number of approved construction projects are approaching realisation, and projects that are already in progress are nearing completion. In the latter case, the progress of completion is having a positive effect in keeping with the cost-to-cost accounting treatment. For example, a large number of projects were sold in 2022 but will not be realised until 2024 and 2025, when they will begin to make larger contributions to revenues and EBIT.

In the previous financial year, BayWa initiated comprehensive measures to optimise processes, enhance efficiency, close unprofitable locations and reduce staffing levels, thereby considerably improving the cost base for 2024. The company does not anticipate a rapid reversal of the trend in the market itself. On the whole, however, BayWa expects to see a sharp improvement in the result in the Building Materials Segment in 2024 following a weak previous-year result. BayWa will enhance the basis for future growth in the current financial year. For example, the company is continuing its strategy of transformation from a pure product trader to a provider of efficient all-in-one solutions and services. BayWa also wishes to partner with customers in the Building Materials Segment on matters of construction sustainability as an expert on greater sustainability and climate action in the building sector.

Other Activities

Other Activities encompass the BayWa Group's central management and administrative functions, as well as its peripheral activities. Overall, the negative EBIT from Other Activities is expected to increase significantly in 2024. This development is primarily due to higher expenses for the Group-wide upgrade of the digital merchandise management system and the expansion of IT security. The reshuffling of subsidiaries following the dissolution of the Innovation & Digitalisation Segment and its combination with Other Activities, which is planned for 2024, is also likely to have a negative effect.

Opportunity and Risk Report

Principles of opportunity and risk management

The management of opportunities and risks is an ongoing area of entrepreneurial activity which is necessary to ensure the long-term success of the company and is closely aligned with the long-term strategy and medium-term planning of the BayWa Group. BayWa makes use of opportunities that arise in the context of its business activities. Internationalisation also allows BayWa to tap into new business opportunities, which in turn reduces its dependence on the individual country markets and their risks. The identification of entrepreneurial opportunities, the safeguarding of the assets and the enhancing of enterprise value therefore necessitate an opportunity and risk management system. The systematic development of existing and new systems with a built-in early warning component makes an indispensable contribution to further strengthening and consistently building up a Group-wide opportunity and risk culture.

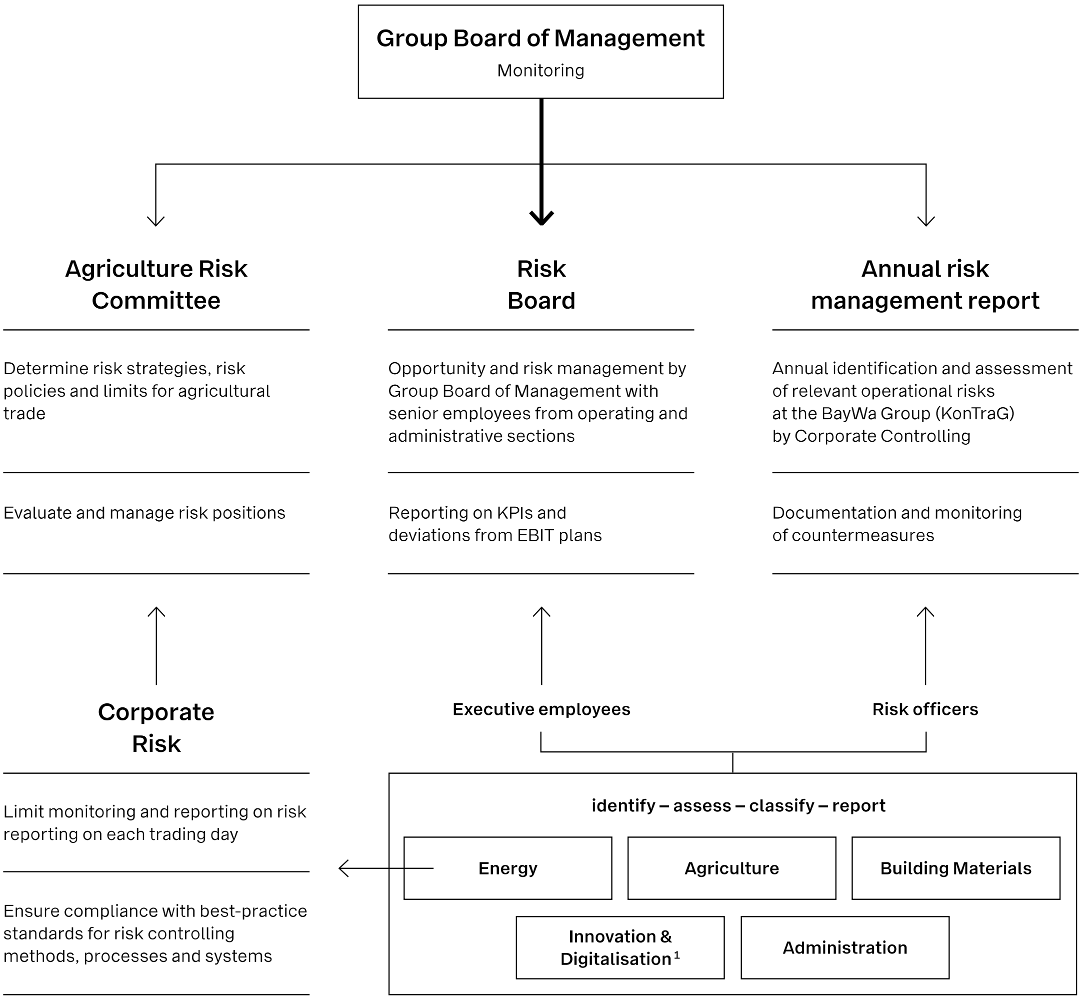
The principles underlying the system set in place within BayWa Group to identify and monitor risks specific to the business have been described in a risk management manual approved by the Board of Management. In addition, the Internal Audit Department regularly audits the internal risk management system which supports the processes. ISO certifications for the standardisation of workflows and for risk avoidance, as well as the conclusion of insurance policies, supplement the Group's management of risk.

Moreover, in its corporate policy and ethical principles, as well as the Code of Conduct, the BayWa Group has established binding goals and a code of conduct which have been defined throughout the Group. They regulate individual employee actions when applying the corporate values, as well as their fair and responsible conduct towards suppliers, customers and colleagues.

In 2021, a process for integrating sustainability risks into the risk management system was started. The Corporate Risk, Corporate Sustainability, Corporate Social Compliance and Corporate Controlling departments work cross-divisionally on integrating sustainability topics into the risk management system. In the course of updating the risk management report in 2021, environmental and climate-related risks were systematically identified and presented in the risk management system for the first time. To identify climate-related risks, a set of guidelines and a methodology for a uniform Group-wide evaluation standard were developed in the financial year 2022 based on the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD). The risk officers identify, assess and report on climate risks in their business divisions using them. The guidelines were revised slightly in 2023, and further sustainability risks will be added to the methodology in the next few years. At the same time, a methodology for identifying human rights risks was developed in 2021 based on the SME Compass from the Helpdesk on Business and Human Rights and its recommendations.

Information on human rights risks is increasingly being retrieved since the reporting year 2022 owing to factors including the tighter legal requirements imposed by the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG). Corporate Social Compliance performs these risk analyses annually. The methodology is reviewed and updated each year in line with changes to external reporting standards and regulations. When identifying sustainability risks, the risk officers are requested to disclose concrete measures for the reduction of these risks. Potential opportunities resulting from them and any identified risks are analysed by Corporate Sustainability, Corporate Social Compliance and Corporate Risk and then factored into strategic decisions.

Structure of opportunity and risk management within the BayWa Group



1 Due to a strategic adjustment, the Innovation & Digitalisation Segment will be dissolved in 2024.

At the BayWa Group, opportunity and risk management is an integral component of the planning and management and control processes. A comprehensive risk management system based on the German Control and Transparency in Business Act (KonTraG) records and monitors both the development of the Group and any existing weak points on an ongoing basis. The risk management system covers all divisions and is included as a key component of reporting. A particularly important task of risk management is to ensure that risks to the Group as a going concern are identified and kept to a minimum. This enables the management of the Group to react swiftly and effectively. All business divisions of the Group have risk officers and risk reporting officers who are responsible for implementing the reporting process.

A key component of opportunity and risk management is the Risk Board. Presided over by the Chief Executive Officer, the Risk Board, which consists of operations managers and support staff, meets regularly to discuss and assess operating opportunities and risks. Minuted meetings are used to develop an understanding of the opportunities and risks and form the basis of the measure of risk applied to operational decisions.

The Agriculture Risk Committee is part of Risk Governance and acts as the highest decision-making body for trading activities concerning agricultural commodities and fertilizers. It is composed of members of the Board of Management among others and meets quarterly and on an ad hoc basis. The Committee decides on risk guidelines and limit systems for the agricultural trade activities and, where necessary, implements risk-controlling and mitigating measures. A form of risk management that is independent of trading was established at both the level of the Corporate Risk organisational unit and in the individual agriculture trading companies to ensure that the provisions of the Agriculture Risk Committee are implemented in full, including adherence to limits. The risk officers' responsibility in the trading companies covers all risk processes within the company, including limit monitoring and reporting.

Independent risk committees have been set up for trading activities involving electricity transactions at BayWa r.e. Energy Trading GmbH (BET) and for the electricity-generating affiliated companies of BayWa r.e. Group (IPP). These are composed of the functions responsible for trading, portfolio and risk management, as well as the member of the Executive Board of BayWa r.e. AG in charge of these functions. The two risk committees perform similar tasks to those of the Agriculture Risk Committee. A risk management unit at BET, which is independent of trading, and the risk management unit at IPP ensure that the requirements laid down by the risk committees are implemented in full. They are also responsible for the risk processes, including the monitoring of limits and reporting. Issues of relevance to risk are regularly coordinated with Corporate Risk.

The Corporate Risk organisational unit's tasks are to execute risk controlling for agricultural trade activities and to operate and develop the risk management system to monitor risks on each trading day. In addition, the unit also serves as a Group-wide competence centre to ensure compliance with best practices in relation to risk controlling methods, processes and systems in commodities trading as well as to guarantee adherence to financial market regulations on commodity derivatives.

Risk management process within the BayWa Group

In the Group-wide risk reporting process, risks are classified into categories, and estimates are made as to their probability of occurrence and potential financial impact. The risk management system is based on individual observations, supported by the relevant management processes, and forms an integral part of the core activities. It starts with strategic planning and proceeds through to procurement, sales and distribution and, finally, to the management of counterparty risk. As an extension of the planning process that takes place in the segments and in procurement, sales organisations and centralised functions, the risk management system serves to detect and assess potential divergences from expected developments. In addition to identifying and assessing key developments influencing business, this system facilitates the prioritisation and implementation of activities.

The risk reports, which are regularly prepared by the business sections, are a cornerstone of the risk management system. These reports are consolidated into the annual risk management report by the Corporate Controlling department and are subject to evaluation by the Board of Management and by the heads of the segments. This includes all individual risks that could have an impact on the business activities of the BayWa Group, assigned to one of the seven risk categories – compliance risks, risks pertaining to organisational structure and workflow, operating risks, market risks, financial risks, legal risks and strategic risks – and their respective subcategories. The significance of each individual risk results from the potential impact on the assets, financial position and earnings position of the BayWa Group in the event that the risk materialises, weighted by the likelihood of that risk materialising. The product of these two values is referred to as the expected value of damages. The expected value of damages per risk category is calculated by adding the expected value of damages of all subcategories assigned to the risk category. Their expected value of damages are formed by the sum of the expected value of damages of all individual risks contained. The sum of the expected value of damages form the basis for the classification of the risk categories in the BayWa Group.

For the trade activities with agricultural commodities and fertilizers, a further risk management system is in place that encompasses the relevant business activities of BayWa AG, BayWa Agrarhandel GmbH, Grainli GmbH & Co. KG and the Cefetra Group. The Minimum Requirements for Risk Management (MaRisk) published by the German Federal Financial Supervisory Authority (BaFin) serve as the benchmark for this risk management system. MaRisk includes arrangements governing the identification, assessment, management and monitoring of all material risk types (market risk, counterparty risk, liquidity risk, operational risk). BayWa adapted the standards established in the financial services sector and leading trading companies for its agricultural trade activities due to the flexible and practical framework of the material regulations. Appropriate and effective risk management pursuant to MaRisk comprises in particular the formulation of strategies and the establishment of internal control procedures in consideration of the risk-bearing capacity. The internal control system (ICS) consists in particular of:

- Arrangements governing the organisational structure and workflow
- Processes for identifying, evaluating, managing, monitoring and reporting risks (risk management and control processes)
- The establishment of a risk controlling function

In order to manage market risks on each trading day, the positions, including the spreads (underlying risks), are determined and monitored for the associated agricultural trading companies. Value-oriented procedures, in addition to the volume limits, serve to ensure that the positions are managed in a manner that is appropriate for the risks. These procedures include the regular mark-to-market valuation (on at least a monthly basis) of pending agricultural transactions of German agricultural trade units and the determination of the trading results derived from this, as well as the portfolio-based value-at-risk procedure for the liquid products of all agricultural trade units. The trading positions, as well as the risks they pose, are reported to the operating business sections and the local risk management officers on a daily basis, as well as to the Board of Management in the form of the Risk Board.

These control mechanisms are supported by a standardised IT system solution for risk management which has been in place for a number of years and has been certified by an external auditor.

Trading and risk positions are continually coordinated and optimised in the respective business divisions. The Global Book System (GBS) is designed for the individual product lines in the trading of grain, oilseed and co-products and is used in the overall coordination of trade management. Fundamental market analyses are performed within the scope of the market research activities to estimate the global supply and demand situation. An additional focus is placed on implementing quantitative portfolio and risk analysis procedures, the results of which are discussed in weekly meetings with the trading departments. Given the volatility in agricultural markets, BayWa works with specialists in the area of algorithm-controlled trading strategies in order to limit the effects of fluctuations in the market triggered by high frequency trading on BayWa’s positions.

For trading activities involving electricity transactions, an independent risk management system has been set up at BayWa r.e. Energy Trading GmbH (BET). MaRisk also serves as a benchmark for the structure of this risk management system, although the standards have been modified to fit BET’s electricity trading. The monitoring and management of market risk at BET is based on the daily monitoring of the relevant electricity positions in the futures and short-term markets. Outstanding futures market positions are limited by value at risk (maximum loss limit). The monitoring and management of BET’s counterparty risks is based on establishing a maximum credit limit in keeping with a party’s credit rating and on daily monitoring of the value of delivered and as yet unpaid electricity volumes per trading partner, as well as contracted and as yet undelivered electricity volumes per trading partner. Liquidity risks that arise from margin payments of stock exchange transactions are also limited and monitored daily.

A risk management system is being set up for the power-generating affiliated companies of BayWa r.e. Group (IPP) that dovetails closely with BET as a result of factors including the implementation of a shared energy trading and risk management (ETRM) system. Go-live is expected for July 2024. The market risk positions are calculated on the basis of each plant’s expected annual output. They are differentiated by market region and relate to those investments whose positions can be adequately hedged on the futures markets. In this context, regulatory conditions such as the levy on of excessive profits pursuant to the German Electricity Price Brake Act (StromPBG) and similar provisions in other countries are taken into account. Regulatory developments are continuously monitored by Energy Policy & Markets and Legal & Compliance, both at headquarters and locally, and their impact is discussed with management, as well as with the trading and risk management divisions. Market price developments on the futures markets are monitored continually. Decisions on hedging measures and concepts are made at the level of the BayWa r.e. AG Executive Board, in coordination with the company’s Supervisory Board. Material risks arising from electricity market activities are reported to the Executive Board by the Risk Board.

Identification of opportunities within the BayWa Group

A dynamic market environment also gives rise to opportunities. The BayWa Group continuously monitors both macroeconomic trends, and the development of industry-specific and general environments and structures. These include government regulations, suppliers, customers and other stakeholders, as well as competitors. The identification of opportunities is integrated into the BayWa Group's strategy and planning processes. The focus of the product and service portfolio is permanently reviewed based on these analyses. The identified opportunities are predominantly implemented on a decentralised basis in the segments.

Classification of risks and opportunities within the BayWa Group

The seven risk categories within the BayWa Group are divided into several sub-categories. The risks in these subcategories are classified as low, noticeable, considerable, significant or substantial on the basis of the theoretical expected value of damages. Risks are classified by considering the risk reduction measures (net view). The significance of the opportunities for the BayWa Group are assessed by way of a qualitative classification into material or immaterial. The following table provides a general overview of all risks and opportunities and depicts their significance for the BayWa Group in the financial year 2024.

		Risks		Opportunities	
		Risk classification	**Y/y change**	**Opportunity classification**	**Y/y change**
Market risks and opportunities					
	Sales market	significant	constant	material	constant
	Procurement	significant	constant	material	constant
	Competition	considerable	increased	immaterial	constant
	Image	noticable	constant	immaterial	constant
	Price	substantial	constant	material	constant
	Loss of customers	low	constant	/	/
Operating risks and opportunities					
	Sales	noticeable	constant	material	constant
	Environmental impact	significant	constant	immaterial	constant
	Production	noticeable	reduced	immaterial	constant
	Inventory	noticeable	constant	material	constant
	Product quality	noticeable	reduced	immaterial	constant
	Case of damage	significant	increased	/	/
	Project	substantial	constant	material	increased
Risks and opportunities of the organisational structure and workflow					
	IT	significant	constant	immaterial	constant
	Quality	significant	reduced	immaterial	constant
	Personnel	significant	constant	immaterial	constant
	Organisation	considerable	constant	immaterial	constant
Financial risks and opportunities					
	Financial market	considerable	constant	immaterial	constant
	Group companies	low	reduced	immaterial	constant
	Default on receivables	considerable	reduced	/	/
	Interest	noticeable	constant	immaterial	reduced
	Liquidity	noticeable	constant	immaterial	reduced
	Currency	considerable	constant	immaterial	constant
	Taxes	noticeable	reduced	/	/
Strategic risks and opportunities					
	Corporate strategy	low	reduced	immaterial	constant
	Investments	low	constant	immaterial	constant
	Acquisitions and disposals	low	constant	material	increased
	Market development	significant	constant	immaterial	constant
	Innovation and technology	considerable	constant	material	constant
Legal risks and opportunities					
	Contracts	substantial	increased	/	/
	Changes in legislation	significant	constant	immaterial	constant
	Liability and insurance	considerable	increased	/	/
	Violations of the law	considerable	constant	/	/
Compliance risks and opportunities					
	Corruption/fraud	noticeable	constant	/	/
	Product safety/standards	low	constant	/	/
	Data protection	low	constant	/	/
	Compliance with laws and guidelines	substantial	constant	/	/
	Social risks	low	constant		
	Ecological risks	low	constant		

Risk classification (potential implications on earnings) according to expected value of damages		Assessment of the opportunities
low =	≤ €1.0 million	Qualitative classification / Categorisation into "material" and "immaterial"
noticeable =	≤ €2.5 million	
considerable =	≤ €5.0 million	
significant =	≤ €10.0 million	
substantial =	> €10.0 million	

Overall, at the time of the risk inventory carried out at the end of 2023 the BayWa Group was not exposed to any risks that could endanger its existence as a going concern.

Composition of the risk and opportunities categories within the BayWa Group

Material individual risks with an expected value of damages in excess of €1 million are described below.

Compliance risks

Group companies are and will continue to be faced with legal disputes and proceedings in relation to their operating business activities. Various legal requirements that apply to companies with regard to occupational safety and health and environmental protection may give rise to risks to BayWa Group companies in Germany and other countries as a result of inadequate transparency in the form of violations, infringements and incidents. In addition to harm to these entities' image, this may result in legal consequences and obligations on the part of BayWa. The BayWa Group counters this compliance risk by auditing these companies with an eye to these factors.

The issuing of what are known as preference certificates represents a compliance risk for BayWa, as it leads to the reduction of import duties in the recipient country and can result in large penalty payments and the levying of other benefits if issued without authorisation. Civil law compensation claims by the customer for subsequently collected import duties are also possible. BayWa has introduced a range of processes and measures to help reduce this risk and achieve a 100% return rate. These include, among others, customer- and employee-specific communication measures, digital IT connections between the preferred tool and SAP, and centralised test processes.

Antitrust law violations also pose a compliance risk. Vertical and horizontal collusion can lead to substantial fines, penalties and loss of reputation. Abuse of a dominant position in the market, corruption and money laundering offences also represent similar risks. To counter this risk, BayWa implements training workshops and online training courses, the elaboration and introduction of appropriate guidelines and Virtual Risk Solutions (VRS), audit controls, mandatory audits of cooperation agreements to be concluded, audits of association memberships and training of compliance officers on all relevant topics. The training sessions take place using a special academy platform. In addition, regular business partner audits are executed.

In trade activities involving photovoltaic components, the Belgian customs authorities are investigating imports of solar modules from the Luxembourg branch in 2017 and 2018 in light of a new legal requirement by the European Commission which stipulates that anti-dumping and anti-subsidy duties must be applied to solar modules originating in Taiwan or Malaysia. There is a risk that anti-dumping and countervailing duties will be assessed on these imports. The Belgian customs authorities have concluded their investigations and issued a formal customs demand in the low double-digit millions to the Luxembourg subsidiary. This claim is being challenged, and a legal dispute is highly likely. Two bank guarantees have been deposited with the Belgian customs authorities as collateral. At this time, the risk of losing the upcoming court case is not viewed as overwhelmingly likely. With regard to the same customs claim, a legal dispute is currently pending in Belgium with a customs service provider that is demanding collateral in relation to a possible parallel claim by the Belgian customs authorities. The risk of losing this case is also not viewed as overwhelmingly likely.

Operating risks and opportunities

The material operating risks include product-related risks as well as risks that may arise from environmental effects.

Climate change and an increase in the frequency of extreme weather events such as drought, heavy rain or severe frost have an impact on the agricultural sector and can cause damage to crops or, in some cases, crop failures. In this context, annual fluctuations in production resulting from potential adverse weather conditions in important cultivation regions stand in contrast to a relatively constant growth in global demand for agricultural products. The volatility of prices for agricultural commodities leads to both price risks and opportunities to profit from price changes. To minimise the risks of harvest fluctuations, the market is continuously monitored, and the company's own position is analysed in weekly meetings and adjusted in line with harvest expectations.

With regard to fruit and vegetable cultivation, potential risks from natural weather events such as hail, flooding and drought are mitigated by taking appropriate measures such as using hail netting to cover crops. These risks are also partially covered by insurance policies.

Unscheduled delays may occur in the renewable energies project business, particularly as a result of lengthy procedures and possible legal disputes in relation to approval of these installations. These delays may have negative effects on cost-effective and timely project handling and on the amount of revenues from the generation of power at the IPP. In some countries, such as Poland and Australia, the topic of grid connections is also relevant and may lead to difficulties with realising projects. In addition to the grid connection, there are other conditions, some of them country-specific, that affect a project's creation. This can cause projects to be moved forward or postponed to utilise any advantages and avoid disadvantages. Project postponements may necessitate that materials that have already been purchased be sold or reallocated to other projects. Such developments can be avoided if they are taken into account at an early stage during planning or by retrofitting storage systems or taking other measures to increase flexibility.

The BayWa Group has insurance coverage to guard against the possible financial consequences of material operating risks in cases of damage. However, BayWa reserves the right not to cover certain risks, for example for financial reasons or because they are very unlikely to materialise. The Group has an adequate deductible for cases of damage to apply to selected risks. It is not possible to obtain insurance for systemic risks.

Market risks and opportunities

General economic factors have an influence on consumer behaviour and investment patterns in BayWa's core markets. In the agricultural industry in particular, there is a trend towards ever larger agricultural operations that are conducting their business more professionally, particularly with regard to the customer structure. These environmental factors exert less of an influence on BayWa's business activities than on other companies. The BayWa Group's business model is largely geared to satisfying fundamental human requirements, such as the need for food, energy, shelter, heating and mobility. Accordingly, the impact of cyclical swings in demand are likely to be less strong than in other sectors. As a result, BayWa is even able to turn certain opportunities arising in times of crisis to its advantage through, for instance, the identification and acquisition of suitable companies with a view to building up or expanding existing or new areas of business. However, BayWa is unable to fully decouple itself from severe setbacks to international economic development that result from, for example, slumps in global commodity prices.

At the Cefetra Group, a portion of the margins is also generated through position trading and spreads, such as inter-product spreads and time spreads. The Cefetra Group is inherently exposed to commodity risks, such as spread/premium risk, inter-commodity risk and time-spread risk. The company is able to hedge its positions through futures contracts, which entails the possibility of changes in value during the term of the future with a corresponding impact on earnings. Cefetra has put in place various measures to mitigate the corresponding risks, with the most important risks from the net goods position being recorded and monitored centrally at the head office in Rotterdam, Netherlands. Daily checks are performed to see whether traders' positions are within the specified position limits. Managing directors, trade managers and risk managers also monitor spreads such as time spreads and intra-commodity risks on a continuous basis in order to be able to respond quickly to changes. A mark-to-market calculation of the gains and losses, as well as a review of the development of the main risks, is performed every two weeks. A trading meeting attended by trade managers, traders and risk managers, as well as internal market analysts, is held each week to discuss the market situation, the risks, the positions and the spreads. Besides net goods limits, premium limits are also used as required. They are monitored and reviewed on a daily basis. In the event that the limits are exceeded, the responsible trade manager and traders are contacted and requested to abide by the limits within one working day. Data analytics for position management are performed using the Tradesparent software solution. The value-at-risk method is used throughout the whole of the BayWa Group and is monitored by the risk management department on a daily basis.

The BayWa Group uses a portfolio-based value-at-risk procedure to measure and manage the risk arising from open positions (inventory and commodity futures). The value-at-risk (VaR) aims to quantify the negative changes in the value of a portfolio, which – with a certain degree of probability (95%) – will not be exceeded over a defined time period (five trading days). The VaR calculated as at 31 December 2023 was €4.1 million for grain, oilseed and co-products, €1.6 million for fertilizers and €0.13 million for BayWa r.e. Energy Trading GmbH's electricity futures.

A deteriorated public sector financial situation leads to a decline in demand for building materials and, as a result, to a loss in revenues and gross profit. BayWa is also exposed to this risk. In order to identify potential risk, building permit statistics are evaluated with data on public-sector clients while also monitoring the development of public tenders. The corresponding findings are taken into account in preliminary planning discussions and the building materials sales and distribution strategy.

Extreme market hardening (e.g. in the area of cyber and D&O insurance), major loss events or a higher frequency of claims on the part of BayWa may result in a shortfall in contribution margins for insurers. Consequently, the insurance premium is no longer sufficient for the insurer due to the development of claims and increased claims settlement costs caused by inflation, and the insurer is forced to restructure the contract. This may lead to an increase in premiums, the exclusion of insured hazards, higher deductibles, a reduction in the amounts covered/limits or the termination of the insurance contract by the insurer. To reduce its own risk, BayWa continuously identifies and takes measures to prevent and minimise losses, such as securing outdoor facilities with intruder alarm systems.

Financial risks and opportunities

Within the BayWa Group, financial risks and opportunities are divided into multiple risk types that are described separately in the following.

Foreign currency opportunities and risks

Currency risk can have a negative as well as a positive impact on the Group's income statement as a result of uncertainty surrounding future exchange rate fluctuations. 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. 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

Both the purchase and sale of fixed-price contracts (forwards) concluded with counterparties involve the loss of these contracts should the counterparty default. In pre-harvest periods (weather markets), higher risks (exposures) arise in the event of drought as a result of a sharp rise in prices. Unlike creditor risk, these risks cannot be covered by credit insurance. A special focus is placed on credit-rating difficulties in individual sectors and countries. To discuss and manage the risks, regular reviews are held by risk management and trading management.

The business model of Energy Ventures GmbH is risky due to the timing of its investments in companies that are in the early stages of their development. The potential risk is the amount of the investment book values of the companies bearing an increased risk (e.g. uncertain outcome of the next round of financing) as at the reporting date.

Interest rate risks

Interest rate risk positions arise from the Group's floating-rate 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. To reduce the interest rate risk, which is not hedged using a natural hedge, BayWa uses derivative instruments in the form of futures, interest rate caps and swaps. In the financial year 2023, the average interest rate for variable-interest financial liabilities stood at 4.43% (2022: 1.76%).

Tax risks

Tax risks result in particular from changes in national tax laws and regulations, case law and interpretation by national tax authorities, especially in the case of tax audits. Findings by national auditing authorities in the various countries may lead to higher tax expenses and payments and may also have an impact on the amount of tax assets and liabilities, as well as on deferred tax assets and liabilities. Any residual risks beyond the tax risks already taken into account in the balance sheet range from being improbable to possible and could have a moderate impact on the assets, financial position and earnings position.

Legal risks

Group companies are and will continue to be faced with legal disputes and court proceedings in relation to their operating business activities. Such disputes and proceedings, whether on the plaintiff or defendant side, can relate to the assertion of claims based on services and deliveries that are not up to standard, warranties or guarantees that have been given, payment disputes or breaches of regulatory or tax requirements. This may lead, among other things, to individual Group companies having to effect a cure or pay damages or financial penalties or facing other civil sanctions. Activities relating to solar parks and wind turbines can also lead to the BayWa r.e. Group being exposed to legal action against the construction and operating permits for projects. The Group's international business activities mean that its companies can also be exposed to political and legal risks to a small extent. Accordingly, legally existing claims of the Group could not be enforceable due to weak state structures or underdeveloped legal systems. These risks are continuously monitored by corresponding specialist areas of the Group.

BayWa may be exposed to material risks from cyberattacks on its IT infrastructure. External attackers regularly exploit security gaps in companies' software to collect client data or damage them in some other way. This may result in legal consequences and obligations for BayWa. One of the ways in which this risk is minimised is by standardising programming on an ongoing basis and eliminating in-house programming. However, even standardised software can also be prone to security gaps, making hacker attacks possible. For this reason, there is continuous close coordination with IT Security and Information Security with regard to software and hardware, with websites also being regularly reviewed and firewall settings and monitoring continuously being increased. Employees are given training on the subject of IT security and made aware of the potential risks.

Changes in agricultural policy, new governments, new EU regulations, trade barriers or export bans can all have a direct impact on BayWa's business. For example, changes in regulation regarding the amount of nutrients in soil can result in declining fertilizer application volumes. BayWa attempts to counteract these developments by gaining additional market share and making cost reductions. The respective state institutes inform BayWa about the changes to regulations and laws. The countermeasures are outlines in the annual strategy paper.

The Cefetra Group is also exposed to risks from changes to agricultural policy. The legal department monitors these developments very closely. The goal is to ensure compliance with laws and regulations. Where possible, sales agreements are concluded with the same contractual terms and conditions and with the same origin as the original purchases. Contractual wording to mitigate the risk for the Cefetra Group concerning import and export duties or bans is also included whenever possible. This wording is based on ongoing active information searches and a thorough overall market observation.

Modification of insurance terms by insurance companies as a result of increased claim incidence may lead to a reduction in the scope of coverage or the elimination of existing insurance coverage in the future. BayWa AG has concluded a service agreement with an external insurance broker or insurance consulting firm to remain informed of matters including changes in laws, insurers' underwriting guidelines and possible risk transfer solutions that could be relevant to risk and insurance and be able to respond promptly to these developments.

Strategic risks and opportunities

Material strategic risks include risks associated with the business model of the Group, as well as competitiveness, digitalisation and changes in consumer behaviour.

New trends in technology and new processing technologies constitute a strategic risk for BayWa's building materials business. These include, for example, new construction methods, industrial pre-fabrication and increased online sales. Factors of this kind can lead to a drop in demand for building materials, resulting in a decline in revenues and income. BayWa counters these risks with a range of measures for the future-proof development of conventional construction for private developers, property developers and general contractors. These include expanding key account management for supraregional customers or providing assembly services, such as for windows and doors. Other measures include focusing on private brands, increasing productivity by digitalising customer and supplier interfaces, and expanding the specialisation in wood. Value creation in pre-fabrication will be steadily expanded through investments in Ceraflex Bayern GmbH (pre-fabricated large ceramics), Tjiko GmbH (bathroom modules) and further planned investments so as to counter the increased shortage of skilled labour.

A downturn in the construction industry resulting from corrections in subsidy programmes or increased mortgage interest rates poses the risk of declining construction activity and falling revenue in building materials for BayWa. In addition, price wars with competitors can adversely affect business development. BayWa counters this risk by adjusting its marketing strategies and its cost and credit management, as well as through a value-based medium-term sensitivity analysis of the business sector using specific material factors.

Risks and opportunities of the organisational structure and workflow

In the area of organisational structure and workflow, the BayWa Group differentiates between a number of different risk types that are described separately in the following.

As regards personnel, BayWa Group competes with other companies for highly qualified managers, as well as for skilled and motivated staff. The Group companies continue to require qualified personnel in order to secure future success. High employee turnover, brain drain, failure to win junior staff loyalty and the shortage of skilled workers on the labour market may have a detrimental effect on the Group's business performance. BayWa counters these risks by strengthening the BayWa employer brand, further expanding its recruitment activities by approaching potential applicants directly or using the internal employee network (among other things), offering its employees extensive training and continuous professional development opportunities – both vertical and horizontal – and offering a modern and future-oriented working environment. At the same time, BayWa supports the further training and professional development of its employees and is one of the largest providers of vocational training, especially in rural areas. BayWa recruits a large majority of its future specialist and managerial employees from the ranks of these trainees, who then have extensive, individual development opportunities at BayWa. Long years of service to the company are a testament to the high-level of loyalty that employees display towards BayWa. This continuity creates an environment of stability and simultaneously secures the transfer of expertise down the generations.

The use of cutting-edge information technology characterises the entire business activity of the BayWa Group. All key business processes are supported by IT and mapped using state-of-the-art software solutions. At a trading company with high numbers of employees, having work processes supported electronically is imperative. The continuous monitoring and reviewing of processes mapped electronically, however, involves more than the mere implementation of new IT components. It is always accompanied by an optimisation of process workflows, as a result of which opportunities in the form of synergy and cost-savings potential can be identified and implemented. At the same time, the risk inherent in the system rises in tandem with the growing complexity and dependency on the availability and reliability of the IT systems. Power outages may disrupt IT systems and services. This can have a substantial impact on business processes in the various divisions. To minimise this impact, work is currently under way to draw up an IT contingency plan.

The BayWa Group, as an agricultural supplier and a global purveyor and marketer of grain, oilseed and fruit – as well as a trader of energy carriers and building materials – is confronted with a wide range of national quality and safety standards. This also includes genetically modifications to products. Compliance with the quality and safety requirements is guaranteed through the quality management teams of the respective business areas and segments. In addition, various certifications document the fulfilment of the relevant legal requirements.

As a rule, the Cefetra Group sells goods under the terms "Free On Board (FOB)", "Free On Truck (FOT)" and "Cost Insurance Freight (CIF)" and regulates the transfer of risk between seller and buyer. This makes the company responsible for the logistical handling of a substantial share of its transactions. The logistics process is complex and risky for many reasons, such as different rules depending on the country, varying transportation and freight costs or fluctuating water levels. To mitigate these risks, the company's legal department concludes insurance policies against loss of and damage to shipments and processes the reporting of premiums and claims. Shipments are also monitored and tracked.

Overall assessment of the opportunity and risk situation by Group management

An overall assessment of the current opportunity and risk situation shows that there are no risks individual risks or aggregate risks that could endanger the Group as a going concern. The overall assessment is therefore unchanged from the previous year. There are currently no such risks discernible for the future either. All in all, the risks to the BayWa Group are limited and manageable.

Along with potentially non-influenceable or only indirectly influenceable geopolitical risks and macroeconomic risks, operational risks are also the focus of monitoring. As far as the latter are concerned, the BayWa Group has taken appropriate measures to manage and control these risks.

Key features of the internal control and risk management system

Internal control system (ICS)

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The BayWa Group's internal control system (ICS) comprises all of the principles, procedures and measures that are used to manage and monitor the company's activities. The rules enshrined in the ICS are set out in a range of statements, policies, operating procedures and process descriptions. A Group-wide framework is in place that defines the structure, revision and communication of these rules and regulations.

Firstly, clearly defined responsibilities are ensured by delineating areas of responsibility and assigning distinct roles. Secondly, there is a separation of functions, which prevents potential conflicts of interest. The binding targets and behaviours to which the BayWa Group has committed itself across the Group in its corporate policy and Code of Conduct apply to individuals' actions in relation to corporate values, as well as to fair and conscientious behaviour vis-à-vis suppliers, customers and co-workers. BayWa also introduced a Supplier Code of Conduct in 2022.

Based on this, the respective business units and segments define a suitable framework of processes and rules for their individual business activities, which – depending on the business unit or segment – may differ from one another due to different systems or processes for the activity handled in the respective process. However, some risks occur throughout the Group. To this end, Group functions that result in suitable Group-wide standards for their respective areas in keeping with a "second line" approach and help to support and monitor their implementation have been set up.

For example, BayWa has established a sustainability organisation as a dedicated Group function within the Group. The Board of Management of BayWa bears overall responsibility in this regard. The Corporate Sustainability Division reports directly to the Board of Management, constantly develops the topic in line with stakeholder and shareholder requirements and is responsible for implementing the sustainability strategy.

BayWa's compliance management system is a further component of the ICS and spans topics such as upholding human rights, preventing corruption, antitrust law and anti-money laundering. The Code of Conduct, which applies across the Group, is the centrepiece of this system and is complemented by additional policies that lay down more detailed requirements, such as the Compliance Policy. In addition to compliance training, risk analyses and compliance checks are performed on a continuous basis, either in person or using IT. BayWa also operates an IT-based screening system for sanctions and terrorism lists for all customers and suppliers.

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All key business processes are supported by IT solutions and modelled using state-of-the-art software solutions. Where applicable, the existing set of integrated application and IT-based controls is applied. Manual controls are also employed. BayWa operates a data protection and information security management system, as part of which policies are maintained and training is provided. A cyber insurance policy has also been concluded for the BayWa Group.

With regard to the business processes, the relevant process owners are responsible for ensuring that the controls in place are effective. Across the Group, and the relevant second line is responsible for doing so. They define the processes and controls for the management of risks. As an independent third line, Corporate Audit audits business processes as well as IT support on the basis of its own risk assessments and makes recommendations on how to improve the effectiveness and efficiency of the processes and controls. The action plans drawn up as a result are implemented by the first and second lines and monitored by Corporate Audit.

The Supervisory Board supervises the management of the company by the Board of Management. The Audit Committee supervises the accounting process, the annual audit and the effectiveness of the internal control, risk management and audit system, as well as the internal procedures for related party transactions.

Since the internal control system and the risk management system are subject to continuous change as a result of changes to the business model and responsibilities, to name two examples, the audits repeatedly reveal potential for improvement both in terms of the appropriateness (lack of suitable controls) and effectiveness (inadequate implementation) of controls. Further potential for improvement may also arise from compliance incidents. The implementation of the potential for improvement is monitored.

In the overall assessment of the management systems at the BayWa Group, it was found that none of the potential for improvement identified during the reporting year spoke against the appropriateness and effectiveness of the two management systems.

Risk management system

BayWa's comprehensive risk management system records and monitors both the development of the Group and any existing weak points on an ongoing basis. The risk management system covers all divisions and is included as a key component of reporting. One of the main tasks of risk management is to identify and contain risks that could endanger the company as a going concern. BayWa's risk management system is described in detail in the sections entitled "Principles of opportunity and risk management", "Structure of opportunity and risk management within the BayWa Group" and "Risk management process within the BayWa Group".

Internal control system and risk management system in relation to the Group accounting process

The internal control system (ICS), which monitors accounting processes, is a key component of opportunity and risk management. The BayWa Group has set up an internal control system in accordance with the legal standards, the functionality of which is monitored by Internal Audit. External specialists are regularly consulted to perform benchmark analyses and certifications and to introduce optimisation measures. The consolidated financial statements are drawn up through a centralised process. Compliance with legal provisions and regulations pertaining to the Articles of Association during this process is guaranteed by the corresponding accounting standards. The Corporate Accounting department acts as a direct point of contact for the managers and employees in accounting at the subsidiaries in matters pertaining to reporting and the annual and interim financial statements. Corporate Accounting prepares the consolidated financial statements pursuant to IFRS.

A control system which monitors the accounting process is designed to ensure the complete and timely capturing of all business transactions in accordance with the statutory provisions and the regulations laid down under the Articles of Association. Moreover, it serves to guarantee that stocktaking is duly and properly performed and that assets and debt are recognised, valued and disclosed appropriately. The control system uses both automatic and manual control mechanisms to ensure the regularity and reliability of accounting.

All subsidiaries included in this process are obliged to submit their figures on an IFRS basis in a standardised reporting form to BayWa. This allows for the prompt identification of deviations from planned targets with the opportunity to respond quickly.

Remuneration Report

The Remuneration Report is published as a separate document and made permanently accessible on the company's website at www.baywa.com/en/group/corporate-governance/corporate-governance. It does not form part of the Consolidated Management Report.

Takeover-relevant Information – Reporting pursuant to Section 315a German Commercial Code (HGB)

Composition of subscribed capital

As at the reporting date, BayWa AG's subscribed capital amounted to €92,497,210.88 (2022: €91,807,715.84) and was divided into 36,131,723 ordinary registered shares (2022: 35,862,389) with an arithmetical portion in the share capital of €2.56 per share. Of the shares issued, 34,619,138 are registered shares with restricted transferability (2022: 34,401,358) and 269,334 recently registered shares with restricted transferability (2022: 217,780) (dividend-bearing employee shares from 1 January 2024 onwards). A total of 1,243,251 shares are registered shares not subject to restricted transferability (2022: 1,243,251). With regard to the rights and obligations granted by the shares (e.g. the right to a portion of the unappropriated retained earnings or to participate in the Annual General Meeting), reference is made to the provisions laid down under the German Stock Corporation Act (AktG). There are no special rights or preferences.

Restrictions on voting rights and the transfer of shares

Pursuant to Section 68 para. 2 of the German Stock Corporation Act (AktG), in conjunction with Article 6 of the Articles of Association of BayWa AG, the purchase of shares with restricted transferability by individuals and legal entities under civil and public law requires the approval of the Board of Management of BayWa AG. BayWa AG holds a small portfolio of registered shares (19,500 units), which, pursuant to Section 71b of the German Stock Corporation Act (AktG), do not carry voting rights as long as they are in BayWa AG's possession. There are no other restrictions that relate to the voting rights or the transfer of shares.

Group companies with over 10% of voting rights

At the end of the reporting period, the following shareholders held stakes in the capital that exceeded 10% of the voting rights:

- Bayerische Raiffeisen-Beteiligungs Aktiengesellschaft, Beilngries, Germany
- Raiffeisen Agrar Invest AG, Vienna, Austria

Legal requirements and provisions of the Articles of Association on the appointment or dismissal of members of the Board of Management and on amendments to the Articles of Association

Supplemental to Sections 84 et seq. of the German Stock Corporation Act (AktG), Article 9 of the Articles of Association of BayWa AG on the appointment or dismissal of members of the Board of Management also requires members of the Board of Management to be appointed by the Supervisory Board. Members of the Board of Management are appointed for a maximum term of five years, and reappointment is permitted. The Supervisory Board appoints the Chairman of the Board of Management.

Pursuant to Section 179 of the German Stock Corporation Act (AktG) in conjunction with Article 21 of the Articles of Association of BayWa AG, amendments to the Articles of Association are always passed by the Annual General Meeting.

Authorisation of the Board of Management relating in particular to the option of issuing or buying back shares

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 5 June 2028 by up to a nominal amount of €10,000,000 through the issuance of new registered shares with restricted transferability against contributions in kind. 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 2023). 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 2023 or following the deadline for the use of authorised capital in 2023.

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 partial 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 2020).

Furthermore, the Board of Management is authorised to offer held shares to third parties within the framework of the acquisition of or investment in companies or of mergers and to withdraw part or all of the shares without requiring a further resolution to be passed by the Annual General Meeting of Shareholders.

The Board of Management has not been further authorised by the Annual General Meeting to buy back shares. There are no agreements within the meaning of Section 315a para. 1 items 8 and 9 of the German Commercial Code (HGB).

Munich, 25 March 2024

BayWa Aktiengesellschaft

The Board of Management
Marcus Pöllinger
Andreas Helber
Dr. Marlen Wienert
Reinhard Wolf

Consolidated Financial Statements of BayWa AG for the Financial Year 2023

Consolidated Balance Sheet

Assets

In € million	Note	31/12/2023	31/12/2022
Non-current assets			
Intangible assets	C.1	529.8	459.3
Property, plant and equipment	C.2	3,439.1	3,058.1
Participating interests recognised at equity	C.3	315.4	278.7
Investments	C.3	248.4	229.0
Investment property	C.4	37.1	42.1
Income tax assets	C.5	8.5	4.7
Assets from derivatives	C.9	61.1	97.9
Other receivables and other assets	C.6	95.7	51.7
Other non-financial assets	C.6	8.1	7.5
Deferred tax assets	D.8	174.4	161.9
		4,917.6	**4,390.9**
Current assets			
Securities	C.3	1.0	0.9
Inventories	C.7	4,323.5	4,756.8
Biological assets	C.8	16.2	16.5
Income tax assets	C.5	69.2	63.3
Assets from derivatives	C.9	285.3	611.2
Other receivables and other assets	C.6	2,204.8	2,341.1
Other non-financial assets	C.6	464.5	557.5
Cash and cash equivalents		233.3	221.8
		7,597.8	**8,569.1**
Non-current assets held for sale/disposal groups	C.10	**3.3**	**16.4**
Total assets		**12,518.7**	**12,976.4**

Shareholders’ equity and liabilities

In € million	Note	31/12/2023	31/12/2022
Equity	C.11		
Subscribed capital		92.5	91.8
Capital reserve		146.7	138.2
Hybrid capital		99.3	0.0
Revenue reserves		662.4	735.9
Other reserves		- 124.2	33.8
Equity net of minority interest		**876.7**	**999.7**
Minority interest		836.3	909.3
		1,713.0	**1,909.0**
Non-current liabilities			
Pension provisions	C.12	551.3	519.8
Other non-current provisions	C.13	92.0	86.9
Long-term debt	C.14	3,030.8	3,560.1
Lease liabilities	C.15	972.3	926.3
Trade payables and liabilities from inter-group business relationships	C.16	4.0	4.6
Income tax liabilities	C.17	0.2	0.0
Liabilities from derivatives	C.18	56.7	107.4
Other financial liabilities	C.19	30.0	0.3
Other non-financial liabilities	C.19	182.5	86.8
Deferred tax liabilities	D.8	129.6	204.9
		5,049.4	**5,497.1**
Current liabilities			
Pension provisions	C.12	33.0	32.4
Other current provisions	C.13	436.1	514.6
Short-term debt	C.14	2,393.2	1,718.7
Lease liabilities	C.15	90.8	75.6
Trade payables and liabilities from inter-group business relationships	C.16	1,583.0	1,835.7
Income tax liabilities	C.17	100.0	98.7
Liabilities from derivatives	C.18	222.8	364.2
Other financial liabilities	C.19	235.4	170.7
Other non-financial liabilities	C.19	662.0	759.7
		5,756.3	**5,570.3**
Liabilities from disposal groups		**0.0**	**0.0**
Total shareholders’ equity and liabilities		**12,518.7**	**12,976.4**

Consolidated Income Statement

Continued operations

In € million	Note	2023	2022
Revenues	D.1	**23,948.2**	**27,061.8**
Inventory changes		157.1	370.4
Other own work capitalised		43.1	33.2
Other operating income	D.2	411.7	492.9
Cost of material	D.3	- 21,286.9	- 24,581.2
Gross profit		**3,273.2**	**3,377.1**
Personnel expenses	D.4	- 1,605.3	- 1,509.5
Depreciation/amortisation		- 283.3	- 354.7
Other operating expenses	D.5	- 1,095.9	- 1,072.0
Result of operating activities		**288.8**	**440.8**
Income from participating interests recognised at equity	D.6	11.9	14.2
Other income from shareholdings	D.6	3.3	49.1
Interest income	D.7	20.3	17.6
Interest expenses	D.7	- 362.0	- 202.1
Financial result		**- 326.5**	**- 121.2**
Earnings before tax (EBT)		**- 37.7**	**319.6**
Income tax	D.8	- 55.7	- 80.1
Consolidated net income/loss for the year		**- 93.4**	**239.5**
thereof: due to minority interest	D.9	4.7	71.4
thereof: due to shareholders of the parent company		- 98.1	168.1
Basic earnings per share (in €)	D.10	**- 2.84**	**4.36**
Diluted earnings per share (in €)	D.10	**- 2.84**	**4.36**

Consolidated Statement of Comprehensive Income – Transition

In € million	2023	2022
Consolidated net income/loss for the year	**- 93.4**	**239.5**
Other income from participating interests recognised at equity that is not reclassified retroactively to profit and loss	0.1	0.0
Reclassification of measurement effects recognised in OCI to revenue reserves (without recycling)	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)	7.8	- 32.5
Actuarial gains/losses from pension and severance pay obligations	- 47.9	116.4
Sum of items not subsequently reclassified in the income statement	**- 40.0**	**83.9**
Other income from participating interests recognised at equity	0.0	0.0
Reclassifications to the income statement due to the disposal of participating interests recognised at equity	0.0	0.0
Differences from currency translation	- 1.8	- 2.7
Reclassifications of differences from currency translation in the income statement	- 0.7	3.5
Cash flow hedges	400.5	138.8
Reclassifications of net gains/losses from cash flow hedges to the income statement	- 483.5	1.6
Sum of items subsequently reclassified in the income statement	**- 85.6**	**141.1**
Gains and losses recognised directly in equity	**- 125.6**	**225.0**
thereof: due to minority interest	- 32.4	49.1
thereof: due to shareholders of the parent company	- 93.2	175.9
Consolidated total result for the period	**- 219.1**	**464.5**
thereof: due to minority interest	- 27.7	120.5
thereof: due to shareholders of the parent company	- 191.3	344.0

Consolidated Cash Flow Statement

Note E.1

In € million	2023	2022
Consolidated net result for the year	**- 93.4**	**239.5**
Income tax expenses	55.7	80.1
Financial result	339.6	133.1
Write-downs/write-ups of non-current assets		
Intangible assets	36.5	61.6
Property, plant and equipment	245.6	292.3
Investments	- 2.4	0.2
Investment property	0.9	0.8
Other non-cash related expenses/income		
Expenses relating to share-based payment through profit and loss	3.7	3.7
Other	- 9.9	2.7
Increase/decrease in non-current provisions	- 37.2	- 29.7
Cash effective expenses/income from special items		
Gain/loss from the disposal of investments	0.0	0.0
Income tax paid	- 99.9	- 89.2
Other financial result	0.0	0.6
Cash earnings	**439.2**	**695.6**
Increase/decrease in current and medium-term provisions	- 64.1	125.6
Gain/loss from asset disposals	- 16.9	4.0
Increase/decrease in inventories, trade receivables and other assets not allocable to investing or financing activities	444.9	- 1,086.2
Increase/decrease in trade payables and other liabilities not allocable to investing or financing activities	- 348.2	- 76.2
Cash flow from operating activities	**455.0**	**- 337.2**
Outgoing payments for company acquisitions (see Note B.2 of the Notes to the Consolidated Financial Statements)	- 43.9	- 91.1
Incoming payments from the divestiture of companies	83.2	61.5
Incoming payments from the disposal of intangible assets; property, plant and equipment and investment property [1]	103.0	106.0
Outgoing payments for investments in intangible assets; property, plant and equipment and investment property	- 541.6	- 379.1
Incoming payments from the disposal of investments	4.3	3.1
Outgoing payments for investment in investments	- 20.6	- 19.7
Incoming payments from lease receivables	5.4	6.6
Interest received	26.0	13.9
Dividends received and other income assumed	5.4	5.5
thereof: dividends from participating interests in joint ventures and associated companies recognised at equity	5.8	5.1
thereof: other income from holdings	- 0.4	0.4
Cash flow from investment activities	**- 378.7**	**- 293.2**

1 This item also includes cash inflows from government grants of €37.5 million.

In € million	**2023**	2022
Incoming payments from equity contributions	29.7	26.1
Outgoing payments to (minority) shareholders of subsidiaries	- 30.4	- 42.5
Dividend payments	- 87.2	- 82.4
Incoming/outgoing payment hybrid capital	99.0	- 300.0
Incoming payments from borrowing of (financing) loans	1,003.7	1,643.5
Outgoing payments from redemption of (financing) loans	- 645.9	- 516.8
Outgoing payments for lease liabilities	- 94.8	- 87.9
Interest paid	- 335.2	- 188.6
Cash flow from financing activities	**- 61.0**	**451.5**
Payment-related changes in cash and cash equivalents	15.3	- 178.9
Cash and cash equivalents at the start of the period	221.8	399.1
Inflow/outflow of funds due to changes in the group of consolidated companies and in exchange rates	- 3.8	1.6
Cash and cash equivalents at the end of the period	**233.3**	**221.8**
Outgoing payments for company acquisitions included in the cash flow from investing activities		
Purchase price of company acquisitions	- 30.7	- 117.6
Purchase prices paid in the financial year (including contingent purchase price components from company acquisitions in previous years)	- 48.8	- 95.0
Cash and cash equivalents assumed from company activities	4.9	3.9
Net cash flow from the acquisition of companies	- 43.9	- 91.1

Please see Note B.2 of the Notes to the Consolidated Financial Statements for details on the assets and liabilities of the subsidiaries and/or business entities over which control is obtained or lost, summarised by each major category. Income from the divestiture of companies includes the purchase prices for the shares themselves, as well as any incoming payments from the repayment of internal loans by the acquirer. As one of the primary business purposes in the Renewable Energies Segment is the disposal of project companies once a project has been completed, outgoing payments for the addition and incoming payments from the disposal of project companies to or from the group of consolidated companies are allocated to cash flow from operating activities and not cash flow from investing activities.

Consolidated Statement of Changes in Equity

Note C.11

In € million	Subscribed capital	Capital reserve
As at 01/01/2022	**91.2**	**129.5**
Differences resulting from changes in the group of consolidated companies and other effects	0.0	0.0
Capital increase	0.0	0.0
Capital increase against cash contribution/share-based payments	0.6	8.6
Repayment of hybrid capital	0.0	0.0
Change in other current financial assets measured at fair value through other comprehensive income (FVTOCI option) and income from participating interests included under the equity method	0.0	0.0
Change in actuarial gains/losses from pension and severance pay obligations	0.0	0.0
Dividend distribution	0.0	0.0
Differences from currency translation	0.0	0.0
Cash flow hedges	0.0	0.0
Hybrid capital dividends	0.0	0.0
Transfer to/withdrawal from revenue reserve	0.0	0.0
Consolidated net result for the year	0.0	0.0
As at 31/12/2022	**91.8**	**138.2**
As at 01/01/2023	**91.8**	**138.2**
Differences resulting from changes in the group of consolidated companies and other effects	0.0	0.0
Capital increase	0.0	0.0
Capital increase against cash contribution/share-based payments	0.7	8.5
Hybrid capital	0.0	0.0
Change in other current financial assets measured at fair value through other comprehensive income (FVTOCI option) and income from participating interests included under the equity method	0.0	0.0
Change in actuarial gains/losses from pension and severance pay obligations	0.0	0.0
Dividend distribution	0.0	0.0
Differences from currency translation	0.0	0.0
Cash flow hedges	0.0	0.0
Hybrid capital dividends	0.0	0.0
Transfer to/withdrawal from revenue reserve	0.0	0.0
Consolidated net income/loss for the year	0.0	0.0
As at 31/12/2023	**92.5**	**146.7**

Hybrid capital	Valuation reserve	Other revenue reserves	Other reserves	Equity net of minority interest	Minority interest	Equity
296.3	**2.7**	**482.4**	**12.3**	**1,014.4**	**801.7**	**1,816.1**
0.0	0.0	- 36.2	14.5	- 21.8	2.0	- 19.8
0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	9.2	17.6	26.8
- 296.3	0.0	0.0	0.0	- 296.3	0.0	- 296.3
0.0	- 16.1	0.0	0.0	- 16.1	- 16.4	- 32.5
0.0	0.0	112.9	0.0	112.9	3.5	116.4
0.0	0.0	0.0	- 37.2	- 37.2	- 32.5	- 69.6
0.0	0.0	0.0	2.0	2.0	- 1.3	0.7
0.0	77.1	0.0	0.0	77.1	63.3	140.4
0.0	0.0	0.0	- 12.8	- 12.8	0.0	- 12.8
0.0	0.0	113.1	- 113.1	0.0	0.0	0.0
0.0	0.0	0.0	168.1	168.1	71.4	239.5
0.0	**63.7**	**672.2**	**33.8**	**999.7**	**909.3**	**1,909.0**
0.0	**63.7**	**672.2**	**33.8**	**999.7**	**909.3**	**1,909.0**
0.0	- 0.2	6.5	- 3.6	2.7	- 21.8	- 19.2
0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	9.2	21.0	30.2
99.3	0.0	0.0	0.0	99.3	0.0	99.3
0.0	3.7	0.0	0.0	3.7	4.2	7.9
0.0	0.0	- 46.8	0.0	- 46.8	- 1.1	- 47.9
0.0	0.0	0.0	- 42.8	- 42.8	- 44.5	- 87.2
0.0	0.0	0.0	- 5.2	- 5.2	2.6	- 2.6
0.0	- 44.9	0.0	0.0	- 44.9	- 38.1	- 83.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	8.3	- 8.3	0.0	0.0	0.0
0.0	0.0	0.0	- 98.1	- 98.1	4.7	- 93.4
99.3	**22.2**	**640.2**	**- 124.2**	**876.7**	**836.3**	**1,713.0**

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 2022.

The consolidated financial statements as at 31 December 2023 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; Transhispania Agraria, S.L., Torquemada, Spain; and Big Blue Agriculture Ltd, Tzaneen, South Africa, 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 commercial register.

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 2023

At the start of the financial year 2023, the following standards revised or issued by the International Accounting Standards Board (IASB) were applied for the first time by the BayWa Group:
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of material accounting policies;
- Amendments to IAS 8 – Definition of accounting estimates and disclosure of changes in accounting policies;
- Amendments to IAS 12 – Deferred taxes from transactions that give rise to equal taxable and deductible temporary differences on initial recognition.

These amendments had no impact on amounts recognised in previous years and are not expected to have a material effect on the current or future reporting periods. In addition, IFRS 17 Insurance Contracts, the relevant standard for insurance companies, has been applicable since 1 January 2023, but has no impact on accounting at the BayWa Group.

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 2023 and have not been applied earlier by the BayWa Group. These include:

- Amendments to IAS 1 – Classification of liabilities as current or non-current depending on the (substantive) rights that the company has on the reporting date and the need to reclassify non-current liabilities as current liabilities in the event of breaches of financial covenants with possible maturity within 12 months;
- Amendments to IAS 21 – Addition to the standard of rules on currency translation to be applied when a currency is not exchangeable into another currency;
- Amendments to IAS 7 and IFRS 7 – Additional disclosure requirements for reverse factoring agreements, which are intended to make it possible to assess the effects on the liabilities, cash flows and liquidity risk arising from these agreements;
- Amendments to IFRS 16 – Minor amendments to the subsequent accounting of lease liabilities from sale and leaseback transactions.

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. Only the amendments to IAS 1 may lead to a change in the presentation of non-current liabilities, while the additional disclosure requirements from the amended IAS 7 and IFRS 7 will be reflected in the disclosures on reverse factoring agreements in the consolidated financial statements for 2024. According to current analysis, the IFRS IC’s agenda decisions have no material impact on current and future reporting in the BayWa Group.

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

In December 2021, the Organisation for Economic Co-operation and Development (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 Pillar II framework). In December 2022, the European Union unanimously agreed on the implementation of this framework in the form of a directive. This directive had to be transposed into national law by the member states by 31 December 2023 at the latest in order to ensure its application for financial years beginning after 31 December 2023. The German law implementing the Pillar II concept was published in the German Federal Law Gazette on 27 December 2023 and came into force on 28 December 2023. It applies to financial years beginning on or after 30 December 2023.

Germany’s new Minimum Taxation Directive Implementation Act (Minimum Tax Act – MinStG) will apply to the BayWa Group from the financial year 2024. As BayWa AG, the Group’s ultimate parent company, is headquartered in Germany, the Pillar II framework will apply to the BayWa Group from 1 January 2024, regardless of which other countries also implement it. Under the law, the Group must pay a tax increase for each country with an effective tax rate of less than 15%. The law includes simplified rules in the form of temporary safe harbour regulations for each jurisdiction, which means that no tax increase is payable if certain conditions are met. As the Pillar II legislation was not yet applicable at the reporting date, the Group has no current tax burden from this regulation.

The BayWa Group is currently analysing the impact of the legislation, particularly with regard to the use of the safe harbour regulations. In this assessment, the Pillar II rules were applied to the results for the financial years 2022 and 2023 in order to provide an indication of possible future effects. These calculations showed that almost all countries met the conditions of eligibility as a safe harbour, which means that no taxes would have been incurred in these countries if the Pillar II framework had applied to these financial years. For those countries that would not have complied with the safe harbour, the impact on current taxes and tax payments based on a simplified calculation for the 2022 and 2023 financial years is likely to be insignificant. Due to the complexity of the regulations, it is not yet possible to estimate the specific quantitative impact on future current taxes and tax payments.

The BayWa Group is utilising the temporary exemption included in the implementation of the Pillar II regulations and contained in the amendment to IAS 12 published in May 2023 not to recognise deferred taxes as a result of Pillar II.

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 investment in order to recognise the changes in the statement of comprehensive income, for example due to a stock exchange listing. 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 a 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 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 that are not part of 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 to measure certain financial instruments at fair value through profit or loss (FVTPL option) is exercised by the BayWa Group in energy trade activities for physical power purchase agreements (PPAs). The recognition of PPAs as own-use contracts would result in an accounting mismatch, as the associated offsetting transaction is recognised at fair value through profit or loss.

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 2023, there were currency futures denominated in US dollars, pound sterling, Australian dollars, Polish złoty, Swiss francs and Canadian dollars 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%. An adjustment of the probability of default due to macroeconomic developments was not necessary to any material extent in the financial year 2023 or in the previous year (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 a 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 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 an (upstream and downstream) 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 BayWa Group's biological assets, which comprise the main categories of apples, tomatoes, citrus fruits and berries, 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). 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 (2024).

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 salary 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. In addition to the assumptions on life expectancy, the assumed discount factor, salary and pension trends and fluctuation, which were determined for the companies in Germany and Austria, also 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 probale amount of the required 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. 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 not included in the consolidated financial statements of BayWa AG as fully consolidated entities, related parties in the BayWa Group are specifically considered to be associates and joint ventures, as well as the two shareholders – Bayerische Raiffeisen-Beteiligungs-AG, Beilngries, Germany, and Raiffeisen Agrar Invest AG, Vienna, Austria.

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

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 to date.

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 2023, revenues and changes in inventories would have been lower, at €221.9 million (2022: €408.5 million) and €216.7 million (2022: €418.8 million) respectively, had project sales been recognised in accordance with IFRS 10. The net disposal proceeds for sold subsidiaries defined as projects amounted to €136.1 million (2022: €64.9 million) for the financial year 2023.

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 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. 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 ESG sustainability factors and climate-related risks on the BayWa Group's financial reporting

Non-financial aspects such as the ESG sustainability factors (environment, social and governance) , and especially climate change and the resulting climate-related risks, have become substantially more important for financial reporting in recent years. Current and potential investors in particular – as well as supervisory authorities such as the German Federal Financial Supervisory Authority (BaFin), borrowers, ratings agencies and the general public – are keen to be informed of how companies have taken ESG sustainability factors and the risks (and opportunities) associated with climate change into account when preparing their financial statements, especially when making estimates and exercising their judgement.

Accordingly, ESG sustainability factors and climate-related risks may have an impact on the recognition, measurement and disclosure of items in the financial statements depending on their nature and extent, but may also require specific disclosures in the notes in order to provide a better understanding of the effects of individual business transactions on the company's assets, financial position and earnings position.

Previous analyses have shown that ESG sustainability factors and climate-related risks may have implications for the application of IFRS or for individual items in the BayWa Group's financial statements in the following areas in particular:
- Changes in the need for amortisation, depreciation or impairments on intangible assets (including goodwill) and property, plant and equipment 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);
- Effects on the recognition of deferred tax assets with regard to the question of whether planned taxable profits will be sufficient to realise the deferred tax assets;
- 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);
- Renewal of corporate financing with increasing focus on sustainability-linked financing instruments (ESG-linked bonded loans, ESG-linked syndicated financing agreements, green bonds).

Climate change and the associated climate-related risks can also have an impact on financial reporting as a result of global climate change and rising temperatures, as well as the increase in extreme weather conditions, impacting the Agri Trade & Service and Global Produce Segments in particular. 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.

The influence of ESG sustainability factors and climate-related risks on the BayWa Group’s financial reporting was assessed for the financial year 2023 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 these factors have no material impact on financial reporting or on these consolidated financial statements for the financial year 2023 at the current time.

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.

With Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards, a first set of mandatory sustainability reporting standards, the European Sustainability Reporting Standards (ESRS), was defined for European Union members states. Apart from the broader and general ESRS 1 and ESRS 2 standards, the collection of 12 standards developed by the European Financial Reporting Advisory Group (EFRAG) covers a wide range of environmental, social and governance aspects. As the ultimate parent company of the BayWa Group, BayWa AG is obliged from the financial year 2024 onwards to publish a sustainability report together with the consolidated financial statements as part of the consolidated management report, which meets ESRS requirements in full. This “new” sustainability report replaces the previous non-financial report.

A.7 Effects of changes in the macroeconomic and geopolitical environment on the BayWa Group’s financial reporting

The BayWa Group is operating in an increasingly complex and uncertain macroeconomic and geopolitical environment, in particular due to the war against Ukraine and the conflict in the Middle East between Israel and the Palestinians, with further increases in interest rates, volatile exchange rates as well as growing concerns about a slowdown in economic growth compared to previous years, particularly in Germany and the rest of Europe. While inflation in the euro zone weakened by a clear margin over the course of the year, according to the European Union’s statistical office Eurostat – from 9.2% in December 2022 to 2.9% in December 2023 – continued rate hikes by the European Central Bank (ECB) led to interest rates rising from 2.5% to 4.5% by September 2023. However, there were signs of a slight easing in interest rate trends at the end of 2023.

In the countries of the euro zone, economic growth amounted to just 0.5%. The German and Austrian markets, which are particularly important for BayWa, slipped into recession, with economic growth of minus 0.3% and minus 0.8% respectively. The construction industry in Germany and Austria, as well as in the rest of Europe, came to a virtual standstill in 2023, mainly due to rising mortgage rates for consumers as construction costs remain high.

After enormous price increases were recorded on the energy and raw materials markets relevant to BayWa in the financial year 2022, prices returned to the levels observed prior to the Ukraine war in the reporting year – with a corresponding impact on the trading margins that were available on the market. The development of the construction industry impacted the BayWa Group through clear declines in building materials trade activities compared to previous years. Macroeconomic developments were also a factor in construction projects in the area of realisation and sales.

The further rise in interest rates in the financial year 2023 also had an effect on financial reporting for the financial year 2023. The situation impacted impairment testing of intangible assets – particularly goodwill – and property, plant and equipment, although the tests did not lead to any considerable impairment losses in the financial year 2023. The interest rate trend was clearly noticeable in interest expenses for variable-interest borrowing. An increase in level 3 credit losses was limited to the mid-single-digit million range in the financial year 2023. There were no significant defaults on receivables due to inflation or interest rates in the financial year 2023.

All in all, uncertainty surrounding forecasts, key accounting estimates and management judgements is rising as a result of these developments. This may have consequences for the fair values and book values of assets and liabilities of the BayWa Group, as well as on the amount and timing of the realisation of its earnings and cash flows.

Aside from that, no accounting areas were identified on which the shifting macroeconomic and geopolitical conditions could have had a considerable financial impact. Future direct and indirect effects of macroeconomic and geopolitical developments in Europe, the US and Asia are continuously analysed and monitored within the BayWa Group.

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 2023 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 2023.

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
BayWa r.e. Class B Holdings LLC, Irvine, USA	100.0	100.0	Initial consolidation on 01/01/2023
BayWa R.E. Development Portfolio I LLC, Irvine, USA	100.0	100.0	Initial consolidation on 01/01/2023
BayWa r.e. Solar Systems GmbH, Poggersdorf, Austria	100.0	100.0	Initial consolidation on 01/01/2023
brüderl Projekt Dachau Hochstraße GmbH & Co. KG, Traunreut, Germany	100.0	100.0	Initial consolidation on 01/01/2023
Brumath Energies SAS, Paris, France	100.0	100.0	Initial consolidation on 01/01/2023
Capital Fruit Ltd, Tzaneen, South Africa	50.0	50.0	Initial consolidation on 01/01/2023
Cloud Hill Windfarm Limited, London, UK	100.0	100.0	Initial consolidation on 01/01/2023
Hübnerstraße Grundbesitz GmbH, Kemnath, Germany	100.0	100.0	Initial consolidation on 01/01/2023
JPB Holding GmbH, Kemnath, Germany	51.0	51.0	Initial consolidation on 01/01/2023
Loto Rinnovabili S.r.l., Milan, Italy	100.0	100.0	Initial consolidation on 01/01/2023
Maqueda Solar S.L.U., Barcelona, Spain	100.0	100.0	Initial consolidation on 01/01/2023
Ninfea Rinnovabili S.r.l., Milan, Italy	100.0	100.0	Initial consolidation on 01/01/2023
Oaklands Farm Solar Limited, London, UK	100.0	100.0	Initial consolidation on 01/01/2023
Piccola ma carina Projekt GmbH, Munich, Germany	51.0	51.0	Initial consolidation on 01/01/2023
Power Solutions – WHF 01 S.r.l., Verona, Italy	100.0	100.0	Initial consolidation on 01/01/2023
Profruit Investments Ltd, Tzaneen, South Africa	100.0	100.0	Initial consolidation on 01/01/2023
Projekt Baierbrunn W13 GmbH, Augsburg, Germany	51.0	51.0	Initial consolidation on 01/01/2023
Putlitzstraße Grundbesitz GmbH, Kemnath, Germany	100.0	100.0	Initial consolidation on 01/01/2023
Regolo Rinnovabili S.r.l., Milan, Italy	100.0	100.0	Initial consolidation on 01/01/2023
Rosa Rinnovabili S.r.l., Milan, Italy	100.0	100.0	Initial consolidation on 01/01/2023

In %	Share in capital	Previous year's share in capital	Comment
Saintonge Energies SAS, Paris, France	100.0	80.0	Initial consolidation on 01/01/2023
Seosan Iljo Bit Solar Co., Ltd., Seoul, South Korea	100.0	100.0	Initial consolidation on 01/01/2023
Sirio Rinnovabili S.r.l., Milan, Italy	100.0	100.0	Initial consolidation on 01/01/2023
SOLAR CASTUERA, S.L., Madrid, Spain	100.0	80.0	Initial consolidation on 01/01/2023
Solar-Planit Software GmbH, Tübingen, Germany	100.0	100.0	Initial consolidation on 01/01/2023
Windpark Desloch GmbH & Co. KG, Gräfelfing, Germany [1]	0.0	100.0	Initial consolidation on 01/01/2023
Zonlocatie 4 B.V., Leeuwarden, Netherlands	100.0	100.0	Initial consolidation on 01/01/2023
Zonnedak F3 B.V., Heerenveen, Netherlands	100.0	100.0	Initial consolidation on 01/01/2023
Zonnepark PV27 B.V., Leeuwarden, Netherlands [1]	0.0	100.0	Initial consolidation on 01/01/2023

1 These companies were sold over the course of the financial year following their initial consolidation as at 1 January 2023. As a result, the stake held amounted to 0.0% respectively as at 31 December 2023.

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

In %	Share in capital	Comment
BayWa r.e. Solar Systems SIA, Riga, Latvia	100,0	Initial consolidation on 02/02/2023
Cefetra Premium Oils B.V., Amsterdam, Netherlands	100.0	Initial consolidation on 30/01/2023
ChaeGwang Energy Co., Ltd., Seoul, South Korea [2]	100.0	Initial consolidation on 20/04/2023
DongCheon Green Energy Co., Ltd., Seoul, South Korea [2]	100.0	Initial consolidation on 17/03/2023
Emmeringer Heizungsbau GmbH, Emmering, Germany	100.0	Initial consolidation on 01/01/2023
FABU BeteiligungsgmbH, Spillern, Austria	100.0	Initial consolidation on 15/02/2023
FABU Massivhaus HandelsgmbH, Spillern, Austria	100.0	Initial consolidation on 15/02/2023
Haneul Bit Energy Co., Ltd., Yongin, South Korea [2]	100.0	Initial consolidation on 20/04/2023
Iljo Bit Energy 1 Co., Ltd., Seoul, South Korea [2]	100.0	Initial consolidation on 20/04/2023
Iljo Bit Energy 2 Co., Ltd., Seoul, South Korea [2]	100.0	Initial consolidation on 20/04/2023
Iljo Bit Energy 3 Co., Ltd., Seoul, South Korea [2]	100.0	Initial consolidation on 20/04/2023
Jigok Bit Energy Co., Ltd., Seoul, South Korea [2]	100.0	Initial consolidation on 20/04/2023
Ka'iulani 4, LLC, Hilo, USA	100.0	Initial consolidation on 01/03/2023
Mirae Bit Energy Co., Ltd., Seoul, South Korea [2]	100.0	Initial consolidation on 20/04/2023
NH 110 Projektentwicklungsgesellschaft GmbH, Salzburg, Austria [2]	100.0	Initial consolidation on 13/03/2023
Ribeiro Solar Ltda, São José dos Pinhais, Brazil	100.0	Initial consolidation on 04/10/2023
RIGI PV d.o.o., Zagreb, Croatia [2]	100.0	Initial consolidation on 23/06/2023
Solar Tech Co., Ltd., Seoul, South Korea [2]	100.0	Initial consolidation on 20/04/2023
Solar Wood Co., Ltd., Seoul, South Korea [2]	100.0	Initial consolidation on 20/04/2023
Solarcell Energy Co., Ltd., Seoul, South Korea [2]	100.0	Initial consolidation on 20/04/2023
T&T Electric - American Samoa, LLC, Hilo, USA	100.0	Initial consolidation on 01/03/2023
T&T Electric, Inc., Hilo, USA	100.0	Initial consolidation on 01/03/2023
Uwe Körner GmbH, Lachendorf, Germany	100.0	Initial consolidation on 20/03/2023
Vaggeryds Vindbrukspark AB, Malmö, Sweden [2]	100.0	Initial consolidation on 09/11/2023
Vision Samcheok Energy Ltd., Seoul, South Korea [2]	100.0	Initial consolidation on 17/03/2023

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

2 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 Austria Holding GmbH, Vienna, Austria	100.0	Initial consolidation on 06/10/2023
BayWa r.e. Romania S.R.L., Bucharest, Romania	100.0	Initial consolidation on 25/05/2023
BayWa r.e. Solar Solutions GmbH, Tübingen, Germany	100.0	Initial consolidation on 17/05/2023
BayWa r.e. Solar Systems S.A.S., Medellín, Colombia	100.0	Initial consolidation on 24/07/2023
BayWa r.e. Solar Systems Single Member SA, Marousi, Greece	100.0	Initial consolidation on 08/03/2023
BayWa r.e. Solar Trade Holding GmbH, Tübingen, Germany	100.0	Initial consolidation on 05/06/2023
BayWa R.E. UK (JUBILEE) LIMITED, London, UK	100.0	Initial consolidation on 07/02/2023
brüderl NH 110 Bauträger GmbH, Salzburg, Austria	100.0	Initial consolidation on 07/03/2023
Strauss Class B Holdings LLC, Irvine, USA	100.0	Initial consolidation on 29/06/2023
Strauss Class B Member LLC, Irvine, USA	100.0	Initial consolidation on 29/06/2023
Strauss Portfolio I LLC, Irvine, USA	100.0	Initial consolidation on 28/06/2023
Strauss Tax Equity Partnership LLC, Irvine, USA	100.0	Initial consolidation on 24/05/2023

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

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

In %	Previous year's share in capital	Comment
Airies 2 Windfarm Ltd., Edinburgh, UK	100.0	Liquidated on 30/05/2023
Aufwind Schmack Első Biogáz Szolgáltató Kft., Szarvas, Hungary	100.0	Sold on 19/07/2023
BayWa r.e. Energy Solutions Asset Holdings Vietnam Pte. Ltd., Singapore, Singapore	100.0	Sold on 20/12/2023
Bielstein S.L.U., Barcelona, Spain [2]	100.0	Sold on 28/12/2023
Big Creek Solar 1 LLC, Irvine, USA [2]	100.0	Sold on 28/12/2023
Blue Solar LLC, Irvine, USA [2]	100.0	Liquidated on 07/11/2022
brandpower S1 GmbH, Kilb, Austria [2]	100.0	Sold on 23/05/2023
brandpower S2 GmbH, Kilb, Austria [2]	100.0	Sold on 23/05/2023
Dalquhandy Wind Farm Ltd., Edinburgh, UK [2]	100.0	Sold on 06/06/2023
Eko-En Skibno 2 Sp. z o.o., Warsaw, Poland [2]	100.0	Sold on 24/01/2023
EVN-ECOWIND Sonnenstromerzeugungs GmbH, Maria Enzersdorf, Austria	50.0	Changed to at-equity on 31/03/2023
Iraak Sun Farm Pty Ltd, Melbourne, Australien	100.0	Sold on 15/08/2023
Karadoc Solar Farm FinCo Pty Ltd, Melbourne, Australia	100.0	Sold on 15/08/2023
Karadoc Solar Farm HoldCo Pty Ltd, Melbourne, Australia	100.0	Sold on 15/08/2023
Kobe Yamada PV Plant G.K., Kobe, Japan [2]	100.0	Sold on 15/12/2023
Notch Peak Solar, LLC, Irvine, USA [2]	100.0	Sold on 24/05/2023
Quilly Guenrouet Energies SAS, Paris, France [2]	100.0	Sold on 13/12/2023
Serralonga Energia S.r.l., Turin, Italy	52.0	Sold on 24/05/2023
Wessex Grain Ltd., Manchester, UK	100.0	Liquidated on 07/06/2023
Windpark Desloch GmbH & Co. KG, Gräfelfing, Germany	100.0	Sold on 21/12/2023
Windpark Schnellwettern GmbH, Sommerland, Germany [2]	100.0	Sold on 18/09/2023
Zonnepark PV26 B.V., Leeuwarden, Netherlands [2]	100.0	Sold on 24/10/2023
Zonnepark PV27 B.V., Leeuwarden, Netherlands [2]	100.0	Sold on 28/12/2023

1 The stake held in the companies presented above amounted to 0.0% respectively as at 31 December 2023.
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).

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

In %	Previous year's share in capital	Comment
BayWa r.e. Operation Services, S. de R.L. de C.V., Mexico City, Mexico	100.0	Deconsolidation on 30/06/2023

1 The stake held in the company presented above amounted to 0.0% respectively as at 31 December 2023.

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
Capital Fruit Ltd, Tzaneen, South Africa [1]	50.0	0.0	Controlling influence on business activity
Delica North America, Inc., Torrance, USA	50.0	50.0	With 60% majority of voting rights and rights to the returns
RWA Raiffeisen Ware Austria Aktiengesellschaft, Korneuburg, Austria	50.0	50.0	Majority of voting rights
SDK Power Sdn. Bhd., Kuala Lumpur, Malaysia	48.0	48.0	Operational management as well as majority representation in management body
T&G CarSol Asia PTE. Ltd, Singapore, Singapore	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 This company was included in the consolidated financial statements for the first time in the financial year 2023.

Additions due to acquisitions in the financial year 2023

Addition: Uwe Körner GmbH, Lachendorf, Germany

With effect from 20 March 2023, BayWa AG acquired 100% of the shares in Uwe Körner GmbH, Lachendorf, Germany, through BayWa Agrar Beteiligungs GmbH, Munich, Germany, as part of a share deal. Uwe Körner GmbH is a project developer and distributor in the field of irrigation technology with a focus on drip and sprinkler irrigation in northern Germany and represents a regional expansion for BayWa in this sector. BayWa Agrar Beteiligungs GmbH has had a controlling influence since 20 March 2023. The entity has been fully consolidated in BayWa AG's consolidated financial statements since 1 April 2023. The cost of acquiring the shares amounted to €7.3 million. According to the purchase price allocation, goodwill came to €4.4 million. The transaction costs incurred in relation to the acquisition amounted to €0.1 million.

Addition: Ribeiro Solar Ltda, São José dos Pinhais, Brazil

BayWa AG acquired 100% of shares in Ribeiro Solar Ltda, São José dos Pinhais, Brazil, through BayWa r.e. Solar Systems LLC, Wilmington, USA, as part of a share deal. It has had a controlling influence since 4 October 2023. The company has been fully consolidated in the consolidated financial statements of BayWa AG since that date. This transaction is intended to facilitate the entry of the Solar Trade business entity into the Brazilian market and create a further foothold in Latin America. The acquisition of Ribeiro Solar Ltda expands both the range of services and the customer base of Solar Trade beyond the existing markets in the Americas. The cost of the acquired shares stood at €12.2 million. The preliminary purchase price allocation resulted in goodwill of €6.8 million. The transaction costs incurred in connection with the acquisition amounted to €0.3 million.

Other additions of secondary importance

Furthermore, the additions set out below were made to the group of consolidated companies in the form of share deals in the financial year, which, taken individually, do not have a material effect on the assessment of the assets, financial position and earnings position of the BayWa Group. For all additions for which no transaction costs are explicitly stated, these amount to €0.0 million.

- **Emmeringer Heizungsbau GmbH, Emmering, Germany**
  BayWa AG acquired 100% of the shares in Emmeringer Heizungs-, Ölfeuerungs- und Lüftungsbau GmbH Manfred Schwarz, Emmering, Germany, now named Emmeringer Heizungsbau GmbH, Emmering, Germany, through BayWa Haustechnik GmbH, Kösching, Germany. BayWa Haustechnik GmbH has had a controlling influence since 1 January 2023. Emmeringer Heizungsbau GmbH has been fully consolidated in the consolidated financial statements of BayWa AG since that date. The purchase price amounted to €1.6 million. No goodwill arose from the initial consolidation.

- **Cefetra Premium Oils B.V., Spijkenisse, Netherlands**
  BayWa AG acquired 100% of the shares in OmegaFlora B.V., Spijkenisse, Netherlands, now named Cefetra Premium Oils B.V., Spijkenisse, Netherlands, through Tracomex B.V., Oosterhout, Netherlands. Cefetra Premium Oils offers its customers a one-stop shop for specific raw materials and speciality ingredients for food, cosmetics and animal feed. Tracomex B.V. has had a controlling influence

since 30 January 2023. Cefetra Premium Oils B.V. has been fully consolidated in the consolidated financial statements of BayWa AG since that date. The purchase price amounted to €1.2 million. No goodwill arose from the initial consolidation.

- **BayWa r.e. Solar Systems SIA, Riga, Latvia**
  BayWa AG acquired 100% of the shares in Proelektro SIA, Riga, Latvia, now named BayWa r.e. Solar Systems SIA, Riga, Latvia, through BayWa r.e. AG, Munich, Germany. The transaction will help the Solar Trade business entity to realise its strategy of further geographical expansion in the Baltic region, complementing its existing activities in Europe. This acquisition will enable the development of solar trade activities in Latvia with further growth potential throughout the Baltic market. BayWa r.e. AG has had a controlling influence since 2 February 2023. BayWa r.e. Solar Systems SIA has been fully consolidated in the consolidated financial statements of BayWa AG since that date. The purchase price amounted to €2.7 million. According to the purchase price allocation, goodwill stood at €2.0 million. The transaction cost for the shares was €0.7 million.

- **FABU BeteiligungsgmbH, Spillern, Austria**
  BayWa AG acquired 100% of the shares in FABU BeteiligungsgmbH and its wholly owned subsidiary, FABU Massivhaus HandelsgmbH, through RWA Raiffeisen Ware Austria AG, Korneuburg, Austria. FABU BeteiligungsgmbH has been the licensor of the Town & Country brand for FABU Massivhaus HandelsgmbH and eight other licence partners in Austria since 2006. The brand is focused on the end-to-end process of constructing pre-fabricated homes, from the acquisition phase to handing over the keys to the completed building. The partnership with RWA and Lagerhaus will allow the brand’s potential to be fully utilised. The FABU Group has had a controlling influence since 15 February 2023. The company was fully consolidated in the consolidated financial statements for the first time on 28 February 2023. The purchase price was €4.2 million. According to the purchase price allocation, goodwill amounted to €3.4 million. The transaction cost for the shares came to €0.1 million.

- **T&T Electric, Inc., Hilo, USA**
  BayWa AG acquired 100% of the shares in T&T Electric, Inc., Hilo, USA, through the Group company BayWa r.e. Power Solutions, Inc. dba Enable Energy, Sacramento, USA. The two subsidiaries Ka'iulani 4, LLC and T&T Electric - American Samoa, LLC, both Hilo, USA, and both wholly owned by T&T Electric, Inc., were also acquired as part of this transaction. The transaction expands the Energy Solutions business entity’s range of services and customer base beyond its current area of expertise in the state of Hawaii. BayWa r.e. Power Solutions, Inc. dba Enable Energy has had a controlling influence since 1 March 2023. T&T Electric, Inc. and its two subsidiaries have been fully consolidated in the consolidated financial statements of BayWa AG since that date. The purchase price amounted to €1.4 million. According to the purchase price allocation, goodwill amounted to €0.2 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 2023:

In € million	Uwe Körner GmbH	Ribeiro Solar Ltda	Other additions	**Total additions in 2023**
Assets				
Intangible assets	1.5	5.9	3.2	10.6
Property, plant and equipment	1.0	0.4	1.5	2.9
Investments	0.0	0.0	0.0	0.0
Inventories	1.6	11.7	9.2	22.5
Financial assets	0.0	0.0	0.1	0.1
Receivables and other assets	0.8	6.0	2.8	9.6
thereof: receivables (gross)	0.6	5.4	2.0	8.0
thereof: receivables considered recoverable	0.6	5.4	2.0	8.0
Deferred tax assets	0.0	0.0	0.2	0.2
Cash and cash equivalents	0.5	0.3	4.1	4.9
Shareholders' equity and liabilities				
Non-current liabilities	0.0	0.1	1.0	1.0
Short-term debt	0.1	3.3	0.6	4.0
Current trade payables and liabilities from inter-group business relationships	1.1	8.7	1.1	11.0
Current income tax liabilities	0.0	0.0	0.3	0.3
Other current liabilities	0.6	4.6	11.7	17.0
Deferred tax liabilities	0.6	2.0	0.8	3.4
Acquired net assets at the point of initial consolidation	**2.9**	**5.5**	**5.6**	**14.0**
Share attributable to shareholders of the parent company	2.9	5.5	5.6	14.0
Share attributable to minority shareholders	0.0	0.0	0.0	0.0

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

In € million	Uwe Körner GmbH	Ribeiro Solar Ltda	Other additions	**Total additions in 2023**
Contribution transferred in return for the acquisition of the shares	7.3	12.2	11.2	30.7
Non-controlling interests in the acquired companies	0.0	0.0	0.0	0.0
Acquired net assets at the point of initial consolidation	2.9	5.5	5.6	14.0
Goodwill	**4.4**	**6.8**	**5.5**	**16.7**

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	Uwe Körner GmbH	Ribeiro Solar Ltda	Other additions	**Total additions in 2023**
Revenues from the point of initial consolidation	2.7	7.6	47.2	57.5
Profit/loss from the point of initial consolidation	0.1	- 2.0	1.5	- 0.4
Pro forma revenues for the period from 01/01 to 31/12/2023	4.2	43.9	48.2	96.2
Pro forma profit/loss for the period from 01/01 to 31/12/2023	0.2	- 1.9	1.0	- 0.6

Supplementary information on company acquisitions in the previous year

The finalisation of the purchase price allocation, which was reported as a preliminary figure in the previous year, did not result in any material changes compared to the preliminary allocations reported in the notes to the consolidated financial statements.

Disposals due to sale in the financial year 2023

In the financial year 2023, all shares in the following companies or groups of companies were sold, resulting in these companies or groups of companies leaving the group of consolidated companies of the BayWa Group. No shares remained in the BayWa Group after the respective sale.

- **Aufwind Schmack Első Biogáz Szolgáltató Kft., Szarvas, Hungary**
  BayWa AG sold the 100% stake it held in the Hungarian biogas plant Aufwind Schmack Első Biogáz Szolgáltató Kft., Szarvas, Hungary, effective as at 19 July 2023.

- **Karadoc Solar Farm HoldCo Pty Ltd, Melbourne, Australia**
  Effective as at 15 August 2023, BayWa r.e. Solar Pte. Ltd, Singapore, Singapore, sold 100% of the shares in Karadoc Solar Farm HoldCo Pty Ltd, Melbourne, Australia, and its subsidiaries Karadoc Solar Farm FinCo Pty Ltd and Iraak Sun Farm Pty Ltd, both in Melbourne, Australia.

- **Serralonga Energia S.r.l., Turin, Italy**
  BayWa r.e. Italia S.r.l., Milan, Italy, sold the 52% stake it held in Serralonga Energia S.r.l., Turin, Italy, effective as at 24 May 2023.

- **Windpark Desloch GmbH & Co. KG, Gräfelfing, Germany**
  BayWa r.e. Wind GmbH, Munich, Germany, sold 100% of the shares it held in Windpark Desloch GmbH & Co. KG, Gräfelfing, Germany. The sale was completed on 21 December 2023.

The effect of these four 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	Aufwind Schmack Első Biogáz Szolgáltató Kft.	Karadoc Solar Farm HoldCo Pty Ltd	Serralonga Energia S.r.l.	Windpark Desloch GmbH & Co. KG	**Total disposals in 2023**
Assets					
Property, plant and equipment and intangible assets	8.8	91.6	0.0	7.5	107.9
Investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.0	12.7	3.1	0.3	16.1
Inventories	0.2	1.0	51.3	0.0	52.5
Receivables and other assets	0.7	1.0	5.7	0.0	7.4
Cash and cash equivalents	0.1	1.0	18.4	0.0	19.5
	9.8	**107.3**	**78.5**	**7.8**	**203.4**
Shareholders' equity and liabilities					
Non-current provisions	0.0	1.7	0.0	0.6	2.3
Long-term debt	0.1	52.0	51.8	2.8	106.7
Non-current trade payables and other non-current liabilities	0.7	6.8	1.2	0.3	9.0
Current provisions	0.0	0.0	1.7	0.1	1.8
Short-term debt	0.0	1.5	6.2	0.1	7.8
Current trade payables and other current liabilities	12.5	31.3	6.0	3.9	53.7
	13.3	**93.3**	**66.9**	**7.8**	**181.3**
Net assets on the disposal date	**- 3.5**	**14.0**	**11.6**	**- 0.1**	**22.0**
thereof: attributable to minority shareholders	0.0	6.9	8.5	0.0	15.4
thereof: attributable to shareholders of the parent company	- 3.5	7.1	3.1	- 0.1	6.6

Gains or losses from disposals in the financial year 2023

In € million	Aufwind Schmack Első Biogáz Szolgáltató Kft.	Karadoc Solar Farm HoldCo Pty Ltd [1]	Serralonga Energia S.r.l.	Windpark Desloch GmbH & Co. KG	**Total disposals in 2023**
Consideration received in the form of cash and cash equivalents for the sold shares	2.3	0.0	0.9	3.5	6.7
Less net assets relinquished on a pro rata basis at the time of sale	- 3.5	7.1	3.1	0.0	6.7
Disposal result	**5.8**	**- 7.1**	**- 2.2**	**3.5**	**0.0**

1 In addition to the purchase price for the shares, the acquirer also repaid an intragroup loan in the amount of €36.0 million.

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 2023

In € million	Aufwind Schmack Első Biogáz Szolgáltató Kft.	Karadoc Solar Farm HoldCo Pty Ltd [1]	Serralonga Energia S.r.l.	Windpark Desloch GmbH & Co. KG	**Total disposals in 2023**
Purchase price settled through cash and cash equivalents	2.3	0.0	0.9	3.5	6.7
Less cash and cash equivalents paid out in connection with the disposal	0.1	1.0	18.4	0.0	19.5
	2.2	**- 1.0**	**- 17.5**	**3.5**	**- 12.8**

1 In addition to the purchase price for the shares, the acquirer also repaid an intragroup loan in the amount of €36.0 million.

Material non-controlling interest

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		T&G Global Limited, Auckland, New Zealand	
	31/12/2023	31/12/2022	**31/12/2023**	31/12/2022
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	2.6	55.3	- 3.5	3.3
Aggregated non-controlling interests	541.7	611.0	74.2	81.6
Dividends distributed to non-controlling interests	26.3	19.0	0.0	0.0
Financial information (prior to consolidation)				
Current assets	2,664.7	3,361.6	206.4	199.5
Non-current assets	2,134.5	1,702.1	367.8	367.6
Current liabilities	2,136.1	1,772.8	136.4	133.9
Non-current liabilities	1,568.9	2,093.2	194.2	169.8
Revenues	5,805.6	6,480.9	907.2	920.9
Net result for the year	4.5	77.4	- 20.9	4.6
Other earnings	- 86.1	122.5	- 4.1	5.2
Total earnings	**- 81.6**	**199.9**	**- 25.0**	**9.8**

At BayWa r.e. AG, the profit distributed by the shareholders for the financial year 2022 in the financial year 2023 was paid into the capital reserve of the company. The share attributable to BayWa AG is eliminated as part of the consolidation. The share attributable to non-controlling interests in BayWa r.e. AG in the amount of €20.4 million will also have an equity-increasing effect in these consolidated financial statements. Please refer to the consolidated statement of changes in equity and Note C.11.

In € million	RWA AG, Korneuburg, Austria		"UNSER LAGERHAUS" WARENHANDELSGESELLSCHAFT m.b.H., Klagenfurt, Austria	
	31/12/2023	31/12/2022	**31/12/2023**	31/12/2022
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	8.2	22.8	2.1	4.1
Aggregated non-controlling interests	259.0	260.2	40.0	39.9
Dividends distributed to non-controlling interests	6.3	3.2	2.0	2.2
Financial information (prior to consolidation)				
Current assets	926.4	1,033.7	131.2	147.1
Non-current assets	540.5	517.3	116.6	122.0
Current liabilities	760.8	844.0	133.9	149.0
Non-current liabilities	200.9	207.3	32.3	38.6
Revenues	3,556.0	4,027.0	608.8	694.6
Net result for the year	15.3	39.4	4.3	8.3
Other earnings	8.9	- 27.0	- 0.2	0.0
Total earnings	**24.1**	**12.4**	**4.1**	**8.3**

In € million	BayWa Vorarlberg HandelsGmbH, Lauterach, Austria		TFC Holland B.V., Maasdijk, Netherlands	
	31/12/2023	31/12/2022	**31/12/2023**	31/12/2022
Share in the capital and voting rights held by the non-controlling interests (in %)	49.00	49.00	0.00	10.53
Share in the annual result attributable to non-controlling interests	0.9	1.1	0.0	0.1
Aggregated non-controlling interests	6.9	6.5	0.0	0.8
Dividends distributed to non-controlling interests	0.5	1.1	0.0	0.4
Financial information (prior to consolidation)				
Current assets	28.7	26.5	20.0	25.2
Non-current assets	26.7	26.1	37.4	34.3
Current liabilities	29.3	26.2	29.3	34.3
Non-current liabilities	12.1	13.0	20.3	17.3
Revenues	86.3	97.1	67.1	74.0
Net result for the year	1.7	2.3	0.1	1.4
Other earnings	0.1	0.0	0.0	0.0
Total earnings	**1.7**	**2.3**	**0.1**	**1.4**

BayWa AG acquired the remaining 10.5% of shares in TFC Holland B.V., Maasdijk, Netherlands, via the Group company BayWa Global Produce GmbH, Munich, Germany, with effect from 7 February 2023, meaning that BayWa Global Produce GmbH has held 100% of the shares in the company since the acquisition date. The cost of the shares comes to €5.4 million and comprises the contractually agreed purchase price component of €5.4 million that was paid out in February 2023. The carrying amount of the previous non-controlling interests in the equity of TFC Holland B.V. totalled €0.7 million at the time of acquisition. As a result of this transaction, the minority interest included in the consolidated financial statements fell by €0.7 million, and the equity attributable to the shareholders of the parent company declined by €4.7 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 €0.0 million. These costs are included in the consolidated income statement under other operating expenses.

Companies of secondary importance

Owing to their generally secondary importance, 101 (2022: 92) domestic and 338 (2022: 276) 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 2023 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	- 4.2	- 3.8
Equity	28.5	0.3

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

A total of 17 (2022: 15) 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 Group 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	
	31/12/2023	31/12/2022	**31/12/2023**	31/12/2022
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	0.0	0.0	0.0	0.0
Current assets	3.6	2.6	7.2	8.4
Non-current assets	12.1	12.3	14.8	12.9
Current liabilities	0.7	1.0	1.1	2.6
Non-current liabilities	4.8	4.9	6.9	6.0
cash and cash equivalents	2.8	2.0	5.8	7.1
Short-term debt	0.0	0.0	0.0	0.0
Long-term debt	3.6	3.9	6.0	5.1
Revenues	3.8	3.5	7.6	7.1
Amortisation	- 0.5	- 0.5	- 1.1	- 1.0
Interest expenses	- 0.1	- 0.1	- 0.3	- 0.1
Interest income	0.0	0.0	0.0	0.0
Income tax expense	- 0.5	- 0.4	- 0.5	- 0.5
Net result for the year from continued operations	1.2	1.0	1.4	1.4
Other earnings	0.0	0.0	0.0	0.0
Total earnings	**1.2**	**1.0**	**1.4**	**1.4**
Losses not realised for the reporting period	0.0	0.0	0.0	0.0
Aggregated losses not realised	0.0	0.0	0.0	0.0
Transition				
Joint venture's net assets	10.2	9.0	14.1	12.7
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	- 0.2	0.1
Book value	8.0	7.4	14.7	14.0

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	
	31/12/2023	31/12/2022	**31/12/2023**	31/12/2022
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	0.0	0.0	0.0	0.0
Current assets	39.0	25.8	13.9	29.3
Non-current assets	18.9	15.0	281.8	303.3
Current liabilities	22.6	18.1	2.7	6.9
Non-current liabilities	14.4	0.0	293.1	308.0
Cash and cash equivalents	1.9	0.0	10.4	21.4
Short-term debt	0.0	0.0	0.0	0.0
Long-term debt	0.0	0.0	119.0	143.5
Revenues	63.0	56.5	25.3	24.5
Amortisation	- 1.0	- 1.2	- 10.5	- 10.8
Interest expenses	- 0.9	- 0.8	- 5.6	- 5.2
Interest income	0.0	0.0	0.0	0.0
Income tax expense	- 0.2	0.0	- 0.1	0.0
Net result for the year from continued operations	0.9	- 0.4	- 3.9	18.0
Other earnings	0.0	0.0	0.0	0.0
Total earnings	**0.9**	**- 0.4**	**- 3.9**	**18.0**
Losses not realised for the reporting period	0.0	0.0	0.0	0.0
Aggregated losses not realised	0.0	0.0	0.0	0.0
Transition				
Joint venture's net assets	20.9	22.7	0.0	17.7
Shareholding and voting rights (in %)	50.00	50.00	33.30	33.30
Goodwill	0.0	0.0	46.5	46.5
Other adjustments	0.0	0.0	3.2	0.5
Book value	10.5	11.3	49.7	51.9

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.

In € million	Tornio Karhakkamaa Tuuli GP Oy, Helsinki, Finnland	Buchan Offshore Wind Limited, Glasgow, Großbritannien
	31/12/2023	**31/12/2023**
Shareholding (in %)	50.00	33.30
Voting rights (in %)	50.00	33.30
Dividends received from joint ventures	0.0	0.0
Current assets	0.3	4.2
Non-current assets	5.9	64.6
Current liabilities	0.2	1.6
Non-current liabilities	0.0	0.0
Cash and cash equivalents	0.3	0.0
Short-term debt	0.2	0.0
Long-term debt	0.0	0.0
Revenues	0.0	0.0
Amortisation	0.0	0.0
Interest expenses	0.0	0.0
Interest income	0.0	0.0
Income tax expense	0.0	0.0
Net result for the year from continued operations	0.0	0.0
Other earnings	0.0	0.0
Total earnings	**0.0**	**0.0**
Losses not realised for the reporting period	0.0	0.0
Aggregated losses not realised	0.0	0.0
Transition		
Joint venture's net assets	6.1	67.2
Shareholding and voting rights (in %)	50.00	33.30
Goodwill	13.8	0.0
Other adjustments	0.3	0.0
Book value	17.1	22.4

Tornio Karhakkamaa Tuuli GP Oy, Helsinki, Finland, is involved in the development of a wind project in Finland. **Buchan Offshore Wind Limited, Glasgow, UK**, is a company engaged in the development of an offshore wind project. The two companies began being managed as material joint ventures within the BayWa Group in the current financial year. For this reason, the previous year's figures are not presented.

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	**31/12/2023**	31/12/2022
Book value at the end of the reporting period	16.6	28.5
BayWa Group's share in the net result for the year from continued operations	1.0	0.0
BayWa Group's share in earnings from discontinued operations after tax	0.0	0.0
BayWa Group's share in other earnings	- 0.1	- 0.9
BayWa Group's share in total earnings	1.0	- 0.9
Losses not realised for the reporting period	0.0	0.0
Unrecognised losses (aggregated)	- 0.9	- 0.9

The decline in the carrying amounts of the non-material joint ventures accounted for using the equity method is primarily attributable to Tornio Karhakkamaa Tuuli GP Oy, Helsinki, Finland, and Buchan Offshore Wind Limited, Glasgow, UK, both of which were recognised for the first time as material joint ventures in the current financial year.

B.4 Associates pursuant to IAS 28

A total of 13 (2022: 11) 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 Group 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	
	31/12/2023	31/12/2022	**31/12/2023**	31/12/2022
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	5.9	8.0	1.8	0.0
Current assets	0.4	0.4	268.5	270.9
Non-current assets	234.8	234.8	88.8	80.5
Current liabilities	0.0	0.1	194.2	201.9
Non-current liabilities	0.0	0.0	105.6	105.4
Revenues	0.0	0.0	305.1	281.8
Net result for the year from continued operations	6.1	8.1	12.1	6.0
Other earnings	0.0	0.0	3.2	- 1.8
Total earnings	**6.1**	**8.1**	**15.3**	**4.2**
Losses not realised for the reporting period	0.0	0.0	0.0	0.0
Aggregated losses not realised	0.0	0.0	0.0	0.0
Transition				
Associate's net assets	235.3	235.1	57.6	44.0
Shareholding and voting rights (in %)	45.26	45.26	49.99	49.99
Goodwill	0.0	0.0	22.4	22.4
Other adjustments	- 17.3	- 17.3	1.4	1.4
Book value	89.2	89.1	52.7	45.9

BRB Holding GmbH, Munich, Germany, has 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	
	31/12/2023	31/12/2022
Shareholding (in %)	39.39	39.39
Voting rights (in %)	39.39	39.39
Dividends received from associates	0.5	0.5
Current assets	122.1	121.0
Non-current assets	22.5	24.0
Current liabilities	128.3	125.3
Non-current liabilities	5.4	5.1
Revenues	613.5	668.1
Net result for the year from continued operations	1.7	3.7
Other earnings	0.0	0.0
Total Earnings	**1.7**	**3.7**
Losses not realised for the reporting period	0.0	0.0
Aggregated losses not realised	0.0	0.0
Transition		
Associate's net assets	11.0	14.7
Shareholding and voting rights (in %)	39.39	39.39
Goodwill	14.5	14.5
Other adjustments	0.4	- 0.3
Book value	19.2	19.9

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	**31/12/2023**	31/12/2022
Book value at the end of the reporting period	16.1	11.3
BayWa Group's share in the net result for the year from continued operations	2.3	- 0.5
BayWa Group's share in earnings from discontinued operations after tax	0.0	0.0
BayWa Group's share in other earnings	0.0	0.0
BayWa Group's share in total earnings	2.3	- 0.5
Losses not realised for the reporting period	- 0.1	- 0.1
Aggregated losses not realised	- 1.2	- 1.0

A total of 35 (2022: 37) joint ventures and associates of generally secondary importance for the consolidated financial statements have been accounted for at fair value 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 Group company 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 2023 are set out below:

Associates and joint ventures not included under the equity method

In € million	
Assets	242.4
Liabilities	196.3
Revenues	123.3
Net result for the year	1.1

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 31/12/2023	**142**	**471**	**613**
thereof: fully consolidated	132	451	583
thereof: recognised at equity	10	20	30
Included on 31/12/2022	**132**	**436**	**568**
thereof: fully consolidated	122	419	541
thereof: recognised at equity	10	17	27

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) decreased by €2.6 million in the reporting year (2022: increase by €0.7 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	**31/12/2023**	31/12/2022	**2023**	2022
Australia	AUD	1.626	1.569	1.629	1.517
Japan	JPY	156.330	140.660	151.990	138.027
New Zealand	NZD	1.750	1.680	1.762	1.658
Sweden	SEK	11.096	11.122	11.479	10.630
UK	GBP	0.869	0.887	0.870	0.853
USA	USD	1.105	1.067	1.081	1.053

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	**2023**	2022
BayWa r.e. business entity “Holdings”	7.2	0.0
BayWa r.e. business entity “Services”	3.4	15.0
BayWa r.e. business entity “Solar Projects”	106.0	102.7
BayWa r.e. business entity “Solar Trade”	52.6	44.3
thereof: added in the financial year 2023: BayWa r.e. Solar Systems SIA	2.0	0.0
thereof: added in the financial year 2023: Ribeiro Solar Ltda	6.7	0.0
BayWa r.e. business entity “Wind Projects”	28.3	27.1
BayWa r.e. business entity “Energy Solutions”	10.8	7.5
thereof: added in the financial year 2023: T&T Electric, Inc.	0.2	0.0
Citygreen Gartengestaltungs GmbH	0.9	0.9
EUROGREEN Group	2.1	2.1
FABU BeteiligungsgmbH	3.4	0.0
Heinrich Brüning GmbH	3.3	3.3
Patent Co. DOO (feedstuff)	35.2	35.1
Peter Frey GmbH	1.0	1.0
Premium Crops Limited (goodwill from asset deal)	6.5	6.4
Royal Ingredients Group	3.4	3.4
T&G Global Group	19.2	20.0
TFC Holland B.V.	15.7	15.7
Thegra Tracomex Group	8.7	8.7
Uwe Körner GmbH	4.4	0.0
WAV Wärme Austria VertriebsgmbH	2.4	2.4
Other	0.2	0.2
	314.7	**295.8**

In the financial year 2023, the impairment tests for the goodwill of the cash-generating units presented did not result in any need for impairment (2022: €17.2 million).

In the Renewable Energies Segment, goodwill was reallocated between individual business entities, which represent the cash-generating units in the BayWa r.e. Group, as part of a minor reorganisation. Specifically, goodwill totalling €7.2 million was reclassified from the Services business entity to the Holdings business entity, €3.3 million to the Solar Projects business entity and €0.9 million to the Wind Projects business entity.

The goodwill from the acquisition of Premium Crops Limited, the T&G Global Group and Patent Co. DOO (feedstuff) as well as the goodwill of the BayWa r.e. business entities are subject to fluctuating exchange rates, which resulted in changes compared to the previous year.

Of the goodwill arising from acquisitions in the financial year 2023, €0.0 million (2022: 0.9 million) is tax-deductible.

The cash flows were based on business-unit-specific discount factors of between 6.4% and 10.7% (2022: 6.2% and 8.8%). 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 1.0% and 2.0% (2022: 0.0% and 2.0%) has been assumed for the periods thereafter.

The BayWa Group’s cash-generating units were not affected by the macroeconomic or geopolitical environment to any considerable extent in 2023 (see Note A.7). 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%
Peter Frey GmbH	8.2	1.0	0.8	0.2	1.4
Patent Co. DOO (feedstuff)	8.5	1.0	0.0	0.0	3.4
TFC Holland B.V.	6.4	1.0	3.8	2.7	5.2
Heinrich Brüning GmbH	6.7	1.0	0.0	0.0	0.3

In the impairment test of Peter Frey GmbH, the value in use is €0.1 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 0.04 percentage points or a decrease in the growth rate of 0.15 percentage points.

The impairment test of the cash-generating unit Patent Co. DOO (feedstuff) resulted in a value in use that is €17.0 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 0.77 percentage points or a decrease in the growth rate of 1.65 percentage points.

In the impairment test of TFC Holland B.V., the value in use exceeded the book value by €1.4 million. The value in use would correspond to the book value in the event of an increase in the discount factor of 0.13 percentage points or a decrease in the growth rate of 0.17 percentage points.

In the impairment test of Heinrich Brüning GmbH, the value in use is €0.8 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 0.48 percentage points or a decrease in the growth rate of 0.55 percentage points.

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

In € million	**2023**	2022
Additions from developments within the company	5.8	3.7
Additions from separate acquisition	26.8	24.1
Additions from business combinations	35.3	58.7
	67.9	**86.6**

In the financial year 2023, research and development expenses of €1.8 million (2022: €1.0 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. At €1.8 million, impairment losses in the financial year 2023 were down on the previous year by a clear margin. The previous year's figure arose in particular in relation to a wind power plant in the US, where construction was halted, resulting in substantial delays and cost increases and leading to impairment losses totalling €55.6 million.

In the financial year 2023, borrowing costs of €18.9 million (2022: €10.1 million) were capitalised in property, plant and equipment.

In the financial year 2023 wind farms and solar parks were reclassified from inventories into property, plant and equipment, and specifically to technical facilities, in the amount of €103.0 million (2022: €442.4 million) an into the intangible assets in the amount of €53.4 million (2022: €4.3 million). 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 in the financial year 2023, because a decision was taken to operate the wind farms and solar parks, rather than to sell them.

In the financial year 2023, asset classes were standardised as part of the preparatory work for the introduction of a new accounting system. For example, shelving systems – previously recognised inconsistently as office equipment or as technical equipment – have now been assigned uniformly to technical facilities. As the assets concerned were already almost fully depreciated, the standardisation of the asset classes is reflected in the presentation of the development of consolidated non-current assets both in terms of cost and in terms of depreciation and amortisation with an amount in the double-digit million-euro range. However, the effects on the book values are negligible.

At the end of the reporting period, €36.4 million (2022: €36.4 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, are recognised at fair value through other comprehensive income.

The fair value of the shares in Raiffeisen Bank International AG amounted to €71.8 million as at 31 December 2023 (2022: €59.0 million). Dividends of €3.1 million were generated from these shares in the financial year 2023. The fair value of the other shares in affiliated and other companies in Austria amounted to €1.8 million (2022: €0.0 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 2023 (2022: €0.1 million). No dividends resulted from these shares in the financial year 2023.

C.4 Investment property

The “Investment property” item comprises 59 (2022: 61) 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 stood at €37.1 million (2022: €42.1 million). At €0.9 million, depreciation in the financial year 2023 was on a par with the previous year (2022: €0.9 million). The expense in the same amount has been included under depreciation and amortisation in the income statement. In the year under review, land with a book value of €1.5 million was reclassified to property, plant and equipment.

The fair value of these properties amounted to €105.1 million (2022: €104.6 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 €6.8 million (2022: €6.6 million), operating expenses (excluding depreciation) for the properties for which rental income was realised came to €2.1 million (2022: €1.7 million). In regard to properties for which no rental income was generated, operating expenses amounted to €0.1 million (2022: €0.2 million).

Development of consolidated non-current assets for 2023

Notes C.1 – C.4

In € million	Cost							
	01/01/2023	currency translation differences	additions due to consolidation	additions	disposals	disposals due to consolidation	reclassifi-cation	31/12/2023
Intangible assets								
Purchased and self-created industrial property rights, similar rights and assets	489.3	- 2.2	15.2	18.2	- 44.2	- 14.3	45.6	507.6
Goodwill	348.7	- 1.1	20.0	0.0	0.0	0.0	0.0	367.6
Prepayments on account	12.6	- 0.2	0.2	14.4	- 0.8	0.0	9.1	35.3
	850.6	**- 3.5**	**35.3**	**32.6**	**- 45.0**	**- 14.3**	**54.7**	**910.4**
Property, plant and equipment								
Land, similar rights and buildings, including buildings on leasehold land	2,443.2	- 6.2	2.3	165.6	- 47.5	- 13.7	99.9	2,643.6
thereof: rights of use from leases	1,152.9	- 5.1	0.4	123.2	- 27.9	- 7.6	34.0	1,270.0
Technical facilities and machinery	1,781.2	- 27.9	0.3	137.7	- 19.6	- 103.2	68.0	1,836.4
thereof: rights of use from leases	9.9	- 0.3	0.0	3.8	- 2.5	0.0	- 0.1	10.9
Other facilities, fixtures and office equipment	546.9	- 1.6	1.4	93.5	- 47.6	- 0.7	23.2	615.0
thereof: rights of use from leases	95.6	- 0.5	- 0.1	29.4	- 16.3	0.0	- 1.7	106.3
Prepayments and assets under construction	138.1	- 3.2	1.1	266.1	- 14.0	- 4.8	- 80.7	302.6
Bearer plants	26.6	- 1.1	0.0	0.7	- 6.0	0.0	5.1	25.3
	4,935.9	**- 40.1**	**5.2**	**663.6**	**- 134.7**	**- 122.4**	**115.6**	**5,422.9**
Participating interests recognised at equity	**279.0**	**- 2.3**	**17.1**	**22.0**	**- 5.9**	**2.8**	**2.7**	**315.4**
Investments								
Shareholdings in affiliated companies	50.5	0.0	- 0.5	6.2	- 0.3	- 0.6	0.0	55.3
Loans to affiliated companies	4.7	0.1	- 0.4	5.8	- 0.4	0.0	0.0	9.8
Participations in other companies	56.6	0.0	0.0	9.3	- 0.1	0.0	- 2.1	63.6
Loans to companies in which a participating interest is held	37.6	- 0.4	1.3	1.5	0.0	0.0	0.0	40.0
Non-current marketable securities	139.3	0.0	0.0	0.1	- 0.2	0.0	0.0	139.2
Other loans	24.7	- 0.7	0.4	2.5	- 4.9	0.0	- 6.5	15.5
	313.3	**- 0.9**	**0.7**	**25.4**	**- 5.8**	**- 0.6**	**- 8.7**	**323.4**
Investment property								
Land	30.5	0.0	0.0	0.0	- 1.4	0.0	- 1.5	27.7
Buildings	59.2	0.0	0.0	0.1	- 3.3	0.0	2.2	58.3
	89.8	**0.0**	**0.0**	**0.1**	**- 4.7**	**0.0**	**0.8**	**86.0**
Consolidated non-current assets	**6,468.6**	**- 46.7**	**58.3**	**743.6**	**- 196.1**	**- 134.5**	**165.1**	**7,058.1**

Depreciation/amortisation									Book values	
01/01/2023	currency translation differences	additions due to consolidation	current year	disposals	disposals due to consolidation	write-ups	reclassifi-cation	**31/12/2023**	**31/12/2023**	31/12/2022
- 338.0	1.0	0.0	- 36.5	43.5	2.4	0.0	0.1	- 327.5	180.2	151.3
- 52.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	- 52.9	314.7	295.8
- 0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	- 0.4	34.9	12.2
- 391.3	**1.0**	**0.0**	**- 36.5**	**43.5**	**2.4**	**0.0**	**0.1**	**- 380.8**	**529.8**	**459.3**
- 862.8	1.8	0.0	- 110.8	27.8	2.3	0.0	- 4.4	- 946.1	1,697.4	1,580.4
- 278.3	1.2	0.0	- 79.1	13.3	0.5	0.0	- 0.5	- 342.9	927.2	874.6
- 678.5	5.0	0.0	- 60.8	15.1	23.5	0.0	30.7	- 665.0	1,171.5	1,102.7
- 4.4	0.1	0.0	- 2.2	1.2	0.0	0.0	0.5	- 4.7	6.1	5.5
- 330.9	1.0	0.0	- 72.4	43.3	0.3	0.0	- 8.3	- 367.0	248.1	216.0
- 55.5	0.3	0.0	- 22.3	18.6	0.0	0.0	1.3	- 57.5	48.7	40.1
- 0.2	0.0	0.0	- 0.4	0.0	0.4	0.0	0.1	- 0.0	302.6	137.9
- 5.6	0.2	0.0	- 1.3	0.9	0.0	0.0	0.0	- 5.8	19.5	21.0
- 1,877.8	**7.9**	**0.0**	**- 245.6**	**87.1**	**26.5**	**0.0**	**18.2**	**- 1,983.9**	**3,439.1**	**3,058.0**
- 0.3	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.3**	**0.0**	**315.4**	**278.7**
- 20.1	0.0	0.0	- 3.1	0.0	0.0	0.0	0.0	- 23.2	32.1	30.4
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.8	4.7
- 6.4	0.0	0.0	- 1.2	0.0	0.0	0.0	- 0.3	- 7.9	55.7	50.2
- 0.7	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.0	40.0	36.8
- 57.0	0.0	0.0	0.0	0.2	0.0	12.9	0.0	- 43.9	95.3	82.2
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.5	24.7
- 84.3	**0.0**	**0.0**	**- 4.2**	**0.2**	**0.0**	**13.7**	**- 0.3**	**- 74.9**	**248.4**	**229.0**
										0.0
										0.0
- 1.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	- 1.9	25.8	28.7
- 45.8	0.0	0.0	- 0.9	2.0	0.0	0.0	- 2.2	- 47.0	11.3	13.4
- 47.7	**0.0**	**0.0**	**- 0.9**	**2.0**	**0.0**	**0.0**	**- 2.2**	**- 48.8**	**37.1**	**42.1**
- 2,401.4	**8.9**	**0.0**	**- 287.2**	**132.8**	**28.9**	**13.7**	**16.0**	**- 2,488.5**	**4,569.8**	**4,067.1**

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	reclassifi-cation	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	reclassifi-cation	**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	760.0
- 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	50.4
- 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**

C.5 Income tax assets

The table below shows a breakdown of income tax assets:

In € million	2023	2022
Non-current income tax assets (with a residual term of more than one year)	8.5	4.7
Current income tax assets (with a residual term of up to one year)	69.2	63.3
	77.7	**68.0**

C.6 Other receivables and other current 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	2023	2022
Non-current receivables (with a residual term of more than one year)		
Trade receivables	15.7	28.8
Other financial assets	80.0	22.9
Other receivables and other non-current financial assets	**95.7**	**51.7**
Receivables from other taxes	1.2	0.5
Other non-financial assets including prepaid expenses	6.9	7.0
Other non-financial assets	**8.1**	**7.5**
	103.8	**59.2**
Current receivables (with a residual term of up to one year)		
Trade receivables	1,567.4	1,804.4
Receivables from affiliated companies	51.0	44.9
Receivables from companies in which a participating interest is held	46.5	37.1
Other financial assets	539.9	454.7
Other receivables and other financial assets	**2,204.8**	**2,341.1**
Receivables from other taxes	187.2	231.5
Other non-financial assets including prepaid expenses	277.3	326.0
Other non-financial assets	**464.5**	**557.5**
	2,669.3	**2,898.6**

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 €250.2 million (2022: €188.4 million). Non-financial assets mainly consist of payments on account for inventories of €200.5 million (2022: €244.8 million) and prepaid expenses of €67.4 million (2022: €69.3 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:

In € million	Total gross value 2023	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	2,808.5	444.8	1,919.1	444.6	308.3	46.8	28.3	61.2

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 2022	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	2,995.3	229.2	2,307.6	458.4	316.5	52.9	18.9	70.1

Risk provisions for stage 2 expected credit losses developed as follows in the financial year 2023 and in the previous year:

In € million	**2023**	2022
As at 01/01	**7.5**	**5.6**
Allocation	2.0	3.1
Release	- 0.7	- 0.8
Write-offs	- 0.4	- 0.4
Reclassifications	0.0	0.0
Adjustments due to changes in the group of consolidated companies	0.0	0.1
Currency translation differences	0.0	- 0.1
As at 31/12	**8.4**	**7.5**

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 2023:

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
01/01/2023	1.3	6.2	1.0	0.9	0.6	3.8
31/12/2023	0.8	7.6	1.3	1.1	0.8	4.5

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
01/01/2023	up to 5,3	–	up to 4,7	up to 11,3	up to 21,4	up to 98,7
31/12/2023	up to 0,3	–	up to 11,0	up to 18,4	up to 22,2	up to 100,0

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
01/01/2022	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

Risk provisions for stage 3 expected credit losses on other receivables and other assets developed as follows in the financial year 2023 and in the previous year:

In € million	**2023**	2022
As at 01/01	**29.2**	**36.0**
Allocation	15.3	9.9
Release	- 8.1	- 14.1
Write-offs	- 0.6	- 4.2
Adjustments due to changes in the group of consolidated companies	0.0	1.6
Reclassifications	- 0.5	- 0.1
Currency translation differences	0.0	0.0
As at 31/12	**35.4**	**29.2**

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 2023, the credit risk positions of 79 debtors (2022: 73) 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 (2022: €160.0 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 €152.1 million (2022: €145.8 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 €131.9 million (2022: €125.0 million) from the ABS measure was recognised.

Factoring agreements

In the financial year 2023, factoring agreements under which existing and future trade receivables are sold to banks were concluded at Grainli GmbH & Co. KG, Hamburg, Germany, and in the Cefetra Group Segment – specifically at Cefetra Ibérica S.L.U., Pozuelo de Alarcón, Spain, at Cefetra S.p.A., Rome, Italy, and at Heinrich Brüning GmbH, Hamburg, Germany. The nominal purchase volume across all four agreements is a maximum of €87.7 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, the risk of late payment and currency risk.

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[1]		BayWa r.e. Solar Systems S.L.U.	
	2023	2022	**2023**	2022	**2023**	2022
Transfer of opportunities and risks						
Material risks and the share of risks remaining with the company (in %)						
Default	100.0	100.0	5.0	5.0	0.0	0.0
Late payment	100.0	100.0	5.0	5.0	0.0	0.0
Currency	0.0	0.0	0.0	0.0	0.0	0.0
Responsibility for managing receivables	Company		Company		Factor	
Recognition on the balance sheet						
In € million						
Max. nominal volume according to factoring agreement	160.0	160.0	9.2	9.2	5.0	9.0
Derecognition of sold receivables	no	no	yes	yes	yes	yes
Nominal volume of sold receivables as at 31/12	152.1	145.8	2.0	2.1	0.9	0.5
Nominal volume of derecognised receivables as at 31/12	0.0	0.0	1.8	2.0	0.9	0.5
Book value of retained share of sold receivables as at 31/12	152.1	145.8	0.2	0.1	0.0	0.0
Fair value of retained share of sold receivables as at 31/12	152.1	145.8	0.2	0.1	0.0	0.0
Book value of recognised financial liability as at 31/12	131.9	125.0	0.2	0.1	0.0	0.0
Service fee – recognised in the income statement	1.0	0.8	0.2	0.0	0.0	0.0

1 The maximum nominal volume according to the factoring agreement already totalled €9.2 million in 2022. This was corrected in 2023.

	Factoring agreements					
	Cefetra B.V.		**Cefetra Limited**		**Cefetra S.p.A.**	
	2023	2022	**2023**	2022	**2023**	2022
Transfer of opportunities and risks						
Material risks and the share of risks remaining with the company (in %)						
Default	0.0	0.0	10.0	10.0	0.0	0.0
Late payment	5.0	2.3	1.5	1.5	5.0	0.0
Currency	0.0	0.0	0.0	0.0	0.0	0.0
Responsibility for managing receivables	**Company**		**Factor**		**Factor**	
Recognition on the balance sheet						
In € million						
Max. nominal volume according to factoring agreement	35.0	35.0	33.8	33.8	12.0	0.0
Derecognition of sold receivables	yes	yes	yes	yes	yes	n/a
Nominal volume of sold receivables as at 31/12	26.0	35.0	26.2	13.7	7.0	0.0
Nominal volume of derecognised receivables as at 31/12	23.4	35.0	26.2	12.0	6.6	0.0
Book value of retained share of sold receivables as at 31/12	2.6	0.0	3.0	1.7	0.4	0.0
Fair value of retained share of sold receivables as at 31/12	2.6	0.0	3.0	1.7	0.4	0.0
Book value of recognised financial liability as at 31/12	2.6	0.0	3.0	1.7	0.4	0.0
Service fee – recognised in the income statement	0.0	0.0	0.0	0.0	0.0	0.0

	Factoring agreements					
	Cefetra Ibérica S.L.U.		**Heinrich Brüning GmbH**		**Grainli GmbH & Co. KG**	
	2023	2022	**2023**	2022	**2023**	2022
Transfer of opportunities and risks						
Material risks and the share of risks remaining with the company (in %)						
Default	0.0	0.0	0.0	0.0	0.0	0.0
Late payment	5.0	0.0	5.0	0.0	5.0	0.0
Currency	0.0	0.0	0.0	0.0	9.0	0.0
Responsibility for managing receivables	**Factor**		**Company**		**Company**	
Recognition on the balance sheet						
In € million						
Max. nominal volume according to factoring agreement	15.0	0.0	20.0	0.0	40.7	0.0
Derecognition of sold receivables	yes	n/a	yes	n/a	yes	n/a
Nominal volume of sold receivables as at 31/12	4.8	0.0	12.4	0.0	22.2	0.0
Nominal volume of derecognised receivables as at 31/12	4.6	0.0	11.8	0.0	19.1	0.0
Book value of retained share of sold receivables as at 31/12	0.2	0.0	0.6	0.0	3.1	0.0
Fair value of retained share of sold receivables as at 31/12	0.2	0.0	0.6	0.0	3.1	0.0
Book value of recognised financial liability as at 31/12	0.2	0.0	0.6	0.0	3.6	0.0
Service fee – recognised in the income statement	0.0	0.0	0.0	0.0	0.0	0.0

C.7 Inventories

Inventories break down as follows:

In € million	2023	2022
Raw materials, consumables and supplies	90.2	170.7
Unfinished goods/services	1,103.6	1,254.6
Finished goods/services and merchandise	3,129.7	3,331.5
	4,323.5	**4,756.8**

Impairments on inventories amount to €238.8 million in the financial year 2023 and are above the valid of €220.5 million in the previous year.

The book value of the inventories reported at fair value less selling costs amounted to €503.7 million at the end of the reporting period (2022: €597.4 million). A total of €62.5 million of the inventories recognised at the end of the reporting period served as collateral for liabilities (2022: €43.4 million). In the reporting year, borrowing costs of €22.8 million (2022: €12.7 million) were capitalised as part of the cost of unfinished goods.

The remaining performance obligations under contracts to be fulfilled over time amounted to €252.1 million (2022: €328.6 million) as at 31 December 2023. In general, revenue is expected to be realised from these remaining performance obligations in the financial year 2024, 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 €526.5 million at the end of the reporting period (2022: €520.9 million). The BayWa Group's revenues include income of €598.7 million (2022: €589.1 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 €107.7 million at the end of the reporting period (2022: €91.8 million). Further, the total prepayments received amounted to €115.3 million (2022: €125.5 million). In the reporting period, €91.8 million (2022: €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 financial assets" includes trade receivables from ongoing contracts with customers of €74.6 million (2022: €61.4 million) and contract assets of €190.7 million (2022: €188.4 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 **2023**	Apples	Tomatoes	Citrus fruits	Blueberries	**Total**
Biological assets					
Biological assets on 01/01	12.9	2.2	1.1	0.4	16.5
Capitalised costs	11.5	0.0	3.1	1.0	15.6
Change in fair value less selling costs	- 0.8	2.6	1.1	0.6	3.5
Disposals due to harvest	- 11.6	- 2.4	- 4.0	- 0.8	- 18.8
Currency translation differences	- 0.5	- 0.1	0.0	0.0	- 0.6
Biological assets on 31/12	**11.5**	**2.3**	**1.3**	**1.2**	**16.2**

In € million 2022	Apples	Tomatoes	Citrus fruits	Blueberries [1]	**Total**
Biological assets					
Biological assets on 01/01	11.4	2.3	1.5	0.0	15.2
Capitalised costs	23.2	0.0	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	0.0	- 0.1	0.0	0.0	- 0.1
Biological assets on 31/12	**12.9**	**2.2**	**1.1**	**0.4**	**16.5**

1 To ensure comparability, the previous year's table has been adjusted to the current year's presentation.

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 2023.

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	
		2023	2022
Apples	tce[1] per hectare per year	81 tce[1] to 3.380 tce[1]	162 tce[1] to 4.416 tce[1]
	Weighted average tce[1] per hectare per year	1.264 tce[1]	1.915 tce[1]
	Export prices per tce[1]	€14,75 to €36,32	€18,69 to €34,98
	Weighted average export prices per tce[1]	€19,15	€27,05
	Risk-adjusted discount rate	31%	25%
Tomatoes	Tonnage per hectare per year	129 to 480 tonnes	148 to 512 tonnes
	Weighted average tonnage per hectare per year	329 tonnes	349 tonnes
	Price per kilogramme ex works per season	€0,89 to €14,62	€1,00 to €15,52
	Weighted average price per kilogramme ex works per season	€3,41	€2,62
	Risk-adjusted discount rate	27%	25%
Citrus fruits	Tonnage per hectare per year	31 tonnes	37 tonnes
	Weighted average tonnage per hectare per year	31 tonnes	37 tonnes
	Price per tonne ex works per season	€313,82 to €1.880,66	€445,65 to €2.568,98
	Weighted average price per tonne ex work per season	€1.111,14	€1.971,36
	Risk-adjusted discount rate	25%	14%
Blueberries	Tonnage per hectare per year	2,9 to 6,5 tonnes	3,4 tonnes
	Weighted average tonnage per hectare per year	4,9 tonnes	3,4 tonnes
	Price per kilogramme ex works per season	€4,54 to €17,48	€4,98 to €11,63
	Weighted average price per kilogramme ex works per season	€12,35	€11,55
	Risk-adjusted discount rate	22%	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 10.0% increase or decrease (2022: 5.0%) in the discount rate would reduce or raise the fair value of the harvest by €0.6 million (2022: €0.3 million). A 10.0% (2022: 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 10.0% (2022: 5.0%) would result in a change in fair value of €1.9 million (2022: €1.1 million) and €1.2 million (2022: €0.3 million) respectively. A 10.0% (2022: 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.

The Group's agricultural activities may give rise to financial risks from unfavourable climatic conditions or natural events that could affect the Group's biological assets due to weather-related crop damage. In the current year, the Group has come to the conclusion that the probability of severe weather events is higher than previously assumed. For this reason, the Group increased its discount rates when calculating the fair value of biological assets this year. The assumption of tce per hectare per year used in the calculation of biological assets for apples was reduced to take into account the impact of Cyclone Gabrielle. In its sensitivity analyses of the effects of changes in the volume and the discount rate on the fair value of the harvest, the Group has also increased the sensitivity of these calculations from 5.0% to 10.0%.

The Group continues to work with research partners to develop and commercialise new fruit varieties that thrive in warmer climates, such as Tutti™, the first specifically cultivated, heat-tolerant apple variety worldwide.

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 hectars	**2023**	2022
Biological assets		
Apples	444.0	578.0
Tomatoes	24.0	24.0
Citrus fruits (lemons, mandarins, oranges)	90.0	90.0
Blueberries	19.0	11.0

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

	2023	2022	Production units
Biological assets			
Apples	573,336	1,156,124	tce[1]
Tomatoes	8,463,825	8,478,183	kg
Citrus fruits (lemons, mandarins, oranges)	2,778,756	3,465,186	kg
Blueberries	94,888	37,138	kg

1 tce – tray carton equivalent (entspricht ca. 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			
31/12/2023	level 1	level 2	level 3	total
Assets from derivatives				
Commodity futures	97.0	200.8	6.4	304.2
FX hedges	17.4	12.1	0.0	29.5
Interest rate hedges	1.7	11.0	0.0	12.7
	116.1	**223.9**	**6.4**	**346.4**

In € million	Fair values			
31/12/2022	level 1	level 2	level 3	total
Assets from derivatives				
Commodity futures	103.6	551.4	0.0	655.0
FX hedges	35.6	0.0	0.0	35.6
Interest rate hedges	1.9	16.6	0.0	18.5
	141.1	**568.0**	**0.0**	**709.1**

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

A total of €285.3 million of the disclosed assets from derivatives had a residual term of a maximum of one year (2022: €611.2 million). The residual term for assets from derivatives of €43.0 million (2022: €68.5 million) was between one and a maximum of five years, whereas liabilities from derivatives of €18.0 million (2022: €29.5 million) had residual terms of over five years.

As in the previous year, the requirements for offsetting financial assets and financial liabilities with the same counterparty in accordance with IAS 32.42 et seq. were also met in the Renewable Energies Segment in the financial year 2023. As at the reporting date of 31 December 2023, the Renewable Energies Segment – based on a gross amount before netting of €313.2 million (2022: €594.1 million) – was therefore able to offset financial assets totalling €188.1 million (2022: €327.5 million) in accordance with IAS 32. After this netting, the net amount of financial assets in the Renewable Energies Segment totalled €125.1 million (2022: €266.7 million).

In addition to the netting, both the reduction in open contracts and lower prices in energy and grain trading in the Renewable Energies, Cefetra Group and Agri Trade & Service Segments contributed to the decline in assets from derivatives at the end of the financial year 2023.

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

At the end of the financial year 2023, 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 2 (2022: 7) properties This includes a developed plot of land and a warehouse. At the end of the reporting period, the book values of the BayWa Group's non-current assets held for sale totalled €3.4 million (2022: €16.4 million). Their fair value less estimated costs to sell came to €12.6 million (2022: €36.9 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 **2023**	Agri Trade & Service Segment	Agricultural Equipment Segment	Global Produce Segment	Building Materials Segment	Other Activities	Total
Non-current assets						
Property, plant and equipment	0.4	0.0	3.0	0.0	0.0	3.4
Non-current assets held for sale	**0.4**	**0.0**	**3.0**	**0.0**	**0.0**	**3.4**

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	0.0	0.9	16.4
Non-current assets held for sale	**0.3**	**0.0**	**15.1**	**0.0**	**0.9**	**16.4**

The BayWa Group did not have any liabilities relating to non-current assets held for sale at the end of the financial year 2023.

C.11 Equity

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

Subscribed capital

At the end of the reporting period, BayWa AG's subscribed capital amounted to €92,497,210.88 (2022: €91,807,715.84 million) and, on 31 December 2023, was divided into 36,131,723 ordinary registered shares (2022: 35,862,389) with an arithmetical portion in the share capital of €2.56 per share (2022: €2.56). Of the shares issued, 34,619,138 are registered shares with restricted transferability (2022: 34,401,358) and 269,334 recently registered shares with restricted transferability (2022: 217,780) (dividend-bearing employee shares from 1 January 2024 onwards); 1,243,251 shares are registered shares not subject to restricted transferability (2022: 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 2023.

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 01/01/2023	**1,243,251**	**34,599,638**
Issuing of employee shares	–	269,334
As at 31/12/2023	**1,243,251**	**34,868,972**

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 5 June 2028 by up to a nominal amount of €10,000,000 through the issuance of new registered shares with restricted transferability against contributions in kind. 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 2023). 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 2023 or following the deadline for the use of authorised capital in 2023.

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 partial 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).

Capital reserve

The capital reserve of €146.7 million (2022: €138.2 million) is derived mainly from the premiums in an amount of €104.7 million (2022: €99.9 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 the previous year, 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 2023. In this context, 269,334 recently registered shares with restricted transferability (from 1 January 2024 dividend-bearing employee shares) (2022: 217,780 recently registered shares with restricted transferability, from 1 January 2023 dividend-bearing employee shares) were issued in the financial year 2023. The exercise price of employee shares came to €20.55 (2022: €25.32) and was thus 60% of the stock market price of registered BayWa shares with restricted transferability, which, on the preceding day, had stood at €34.25 (2022: €42.20); 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 (2022: at least €270.00 and no more than €1,080.00). The advantage granted of €3.7 million (2022: €3.7 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 2025. The shares issued to Austrian employees are also subject to a tax retention period, which will end on 31 December 2028.

Hybrid capital

On 5 May 2023, BayWa AG issued a bonded loan in the form of a hybrid bond (ISIN DE000A351PD9) with a total nominal amount of €60.0 million on the capital market; it was increased by €40.0 million to a total of €100.0 million on 29 September 2023. The issue price for the amount of €60.0 million issued on 5 May 2023 – taking into account a discount of 0.889% – was 99.111% of the total amount. Net income from the issue amounted to €59.5 million. The difference of €0.5 million resulting from the issue relates to bank fees and transaction costs, including the deferred tax assets recognised on these. The issue price for the amount of €40.0 million issued on 29 September 2023 – taking into account a discount of 1.015% – was 98.985% of the total amount. Net income from the issue amounted to €39.6 million. The difference of €0.4 million resulting from the issue also relates to bank fees and transaction costs, including the deferred tax assets recognised on these.

The annual dividend-like payments of the hybrid bond are at the discretion of BayWa AG and are part of the appropriation of earnings. A payment for the cumulative total nominal amount of €100.0 million can fall due for the first time on 5 May 2024, meaning that this will have no impact on the consolidated financial statements as at 31 December 2023.

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 €662.4 million at the end of the reporting period (2022: €735.9 million). Of this amount, €5.6 million (2022: €5.6 million) was attributable to the statutory reserve, €22.3 million (2022: €63.8 million) to the valuation reserve, minus €244.9 million (2022: minus €162.8 million) to the reserves for actuarial gains and losses for provisions for pensions and severance pay and €879.4 million (2022: €829.4 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 minus €121.2 million (2022: €31.6 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 minus €3.0 million (2022: €2.2 million).

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

In € million **2023**	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	0.1	0.0	0.0	0.0	0.1
Reclassification of measurement effects recognised in OCI to revenue reserves (without recycling)	0.0	0.0	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)	3.7	0.0	0.0	4.2	7.8
Change in actuarial gains/losses from pension and severance pay obligations	0.0	- 46.8	0.0	- 1.1	- 47.9
Other gains/losses measured directly in equity through other comprehensive income	0.0	0.0	0.0	0.0	0.0
Differences from currency translation	0.0	0.0	- 4.5	2.6	- 1.8
Reclassifications of differences from currency translation in the income statement	0.0	0.0	- 0.7	0.0	- 0.7
Cash flow hedges	204.0	0.0	0.0	196.5	400.5
Reclassifications of net gains/losses from cash flow hedges to the income statement	- 248.9	0.0	0.0	- 234.6	- 483.5
Other comprehensive income	**- 41.1**	**- 46.8**	**- 5.2**	**- 32.4**	**- 125.5**

In € million 2022	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	0.0	0.0	0.0
Reclassification of measurement effects recognised in OCI to revenue reserves (without recycling)	0.0	0.0	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	0.0	0.0	- 16.4	- 32.5
Change in actuarial gains/losses from pension and severance pay obligations	0.0	112.9	0.0	3.5	116.4
Other gains/losses measured directly in equity through other comprehensive income	0.0	0.0	0.0	0.0	0.0
Differences from currency translation	0.0	0.0	- 1.4	- 1.3	- 2.7
Reclassifications of differences from currency translation in the income statement	0.0	0.0	3.5	0.0	3.5
Cash flow hedges	75.9	0.0	0.0	62.9	138.8
Reclassifications of net gains/losses from cash flow hedges to the income statement	1.3	0.0	0.0	0.3	1.6
Other comprehensive income	**61.1**	**112.9**	**2.1**	**49.0**	**225.1**

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, held 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 decrease in minority interests is due in particular to dividend payments to minority shareholders and negative measurement effects from the cumulative net change in the fair value of hedging instruments used to hedge cash flows. This decrease was offset by a capital increase by the minority interest of BayWa r.e. AG totalling €20.4 million. 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 10,560 claimants. Of this number, 1,701 are active employees, 1,890 former employees with vested benefits and 6,969 are pensioners and surviving dependants.

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 %	**31/12/2023**	31/12/2022
Discount factor	3.17	3.70
Salary trend	2.46	2.45
Pension trend	2.07	2.05

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 %	**31/12/2023**	31/12/2022
Discount factor	3.21	3.48
Salary trend	4.09	4.39

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.

In order to take appropriate account of what is known as the adjustment backlog in pensions, a one-off increase of 17.0% was assumed for around one third of the pension entitlements due for adjustment on 1 January 2024 and taken into account accordingly in the valuation.

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 losses of €42.7 million (2022: actuarial gains of €158.5 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 €280.5 million (2022: €235.4 million).

Total expenses from the BayWa Group's benefit commitments amounted to €22.8 million (2022: €10.9 million) and comprise the following:

In € million	2023	2022
Current service cost	- 3.7	- 5.6
+ share of interest	- 19.1	- 5.3
= sum total recognised through profit or loss	**- 22.8**	**- 10.9**

Total expenses from the Austrian Group companies' severance pay obligations amounted to €2.8 million (2022: €1.9 million) and comprise the following:

In € million	2023	2022
Current service cost	- 1.7	- 1.7
+ share of interest	- 1.1	- 0.2
= sum total recognised through profit or loss	**- 2.8**	**- 1.9**

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	2023	2022
DBO as at 01/01	522.0	699.3
+ changes in the group of consolidated companies	0.0	0.3
+ sum total through profit or loss	22.8	10.9
+/– changes in actuarial gains (–)/losses (+)	42.7	- 158.5
– pension payments during the reporting period	- 31.7	- 30.0
– employer contributions to the employer contribution reserves	- 2.3	0.0
+/– assumption of obligations	- 0.1	0.0
= DBO as at 31/12	**553.4**	**522.0**

The actuarial losses calculated for the reporting year comprise actuarial losses from adjustments based on empirical experience of €7.5 million (2022: €26.8 million) and actuarial losses of €35.5 million (2022: actuarial gains of €185.3 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	**2023**	2022
DBO as at 01/01	30.1	36.2
+ changes in the group of consolidated companies	0.0	0.1
+ sum total through profit or loss	2.8	1.9
+/– changes in actuarial gains (–)/losses (+)	1.9	- 4.4
– severance pay in the reporting period	- 3.9	- 3.7
+/– assumption of obligations	0.0	0.0
= DBO as at 31/12	**30.9**	**30.1**

The actuarial losses calculated for the reporting year comprise actuarial losses from adjustments based on empirical experience of €0.8 million (2022: €0.4 million), actuarial gains of €0.1 million (2022: €0.0 million) from the change in demographic assumptions as well as actuarial losses of € 1.3 million (2022: actuarial gains of €4.6 million) from the change in financial assumptions.

For the financial year 2024, it is expected that a probable amount of €21.1 million will be recognised through profit or loss for defined benefit plans and €2.3 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%	- 8.31%	10.13%	The higher the discount rate, the lower the DBO
Salary increase	± 0.50%	0.68%	- 0.29%	The higher the salary increase, the higher the DBO
Pension increase	± 0.50%	5.66%	- 4.84%	The higher the pension increase, the higher the DBO
Remaining life expectancy according to mortality tables	± 1 year	4.17%	- 3.75%	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%	- 5.34%	5.58%	The higher the discount rate, the lower the DBO
Salary increase	± 0.50%	3.38%	- 3.47%	The higher the discount rate, the lower the DBO

The weighted duration of pension obligations is 12 years (2022: 12 years). The weighted duration of severance pay obligations is 8 years (2022: 7 years).

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

In € million	Total	2024	2025–2028	2029–2033	> 2033
Pension obligations	933.3	32.2	128.3	156.3	616.5
Severance pay obligations	45.1	2.2	12.4	14.8	15.7

C.13 Other provisions

Other provisions are attributable to:

In € million	**31/12/2023**	31/12/2022
Non-current provisions (with a maturity of more than one year)		
Obligations from personnel and employee benefits	41.4	41.5
Obligations from dismantling operations	46.7	38.2
Other provisions	3.9	7.3
	92.0	**86.9**
Current provisions (with a maturity of up to one year)		
Obligations from personnel and employee benefits	180.5	192.6
Provisions for outstanding invoices	161.7	195.6
Warranty obligations	12.2	13.9
Obligations from dismantling operations	5.5	13.5
Other provisions	76.1	99.0
	436.1	**514.6**

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 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 **2023**	As at 01/01/2023	Allocation	Reclassifi- cation	Compound interest/ discounting	Consumption	Release	Currency translation differences	As at 31/12/2023
Non-current provisions								
Obligations from personnel and employee benefits	41.5	7.7	- 1.2	1.9	- 8.0	- 0.4	0.0	41.4
Obligations from dismantling operations	38.2	9.0	1.5	0.7	- 0.9	- 1.4	- 0.3	46.7
Other provisions	7.3	0.9	- 0.1	0.0	- 4.1	- 0.2	0.0	3.9
	86.9	**17.6**	**0.2**	**2.6**	**- 13.0**	**- 1.9**	**- 0.4**	**92.0**
Current provisions								
Obligations from personnel and employee benefits	192.6	158.6	1.2	0.1	- 152.6	- 19.2	- 0.1	180.5
Provisions for outstanding invoices	195.6	160.2	0.6	0.0	- 180.9	- 12.8	- 1.0	161.7
Warranty obligations	13.9	12.2	0.0	0.0	- 10.5	- 3.4	0.0	12.2
Obligations from dismantling operations	13.5	4.1	- 1.5	0.1	- 10.6	- 0.1	- 0.1	5.5
Other provisions	99.0	76.1	- 0.5	0.0	- 84.4	- 14.1	0.0	76.1
	514.6	**411.2**	**- 0.2**	**0.2**	**- 439.0**	**- 49.7**	**- 1.2**	**436.1**

In € million 2022	As at 01/01/2022	Allocation	Reclassifi- cation	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	195.5
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**

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 **2023**	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	1,252.9	2,586.8	444.0	4,283.7
Bonds	507.9	0.0	0.0	507.9
Commercial papers	632.4	0.0	0.0	632.4
Dormant equity holding	0.0	0.0	0.0	0.0
	2,393.2	**2,586.8**	**444.0**	**5,424.0**

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	0.0	499.5	0.0	499.5
Commercial papers	641.7	0.0	0.0	641.7
Dormant equity holding	1.4	0.0	0.0	1.4
	1,718.7	**2,899.6**	**660.5**	**5,278.8**

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 was extended by one year in the financial year 2023 and now runs until September 2025. The syndicated financing is therefore allocated to the column with a residual term of between one and five years. The book value of the syndicated financing is €1.4 billion as at 31 December 2023. 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, 2022 and 2023. The book value of the bonded loans issued was €834,4 million as at 31 December 2023. Of these, bonded loans totalling €741.8 million have a residual term of at least one year. 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.

2023	Nominal loan amount in € million	Maturity	Interest
Bonded loan 3-year fixed	23.0	23/11/2026	4.85%
Bonded loan 3-year fixed	3.0	23/11/2026	4.85%
Bonded loan 3-year variable	12.5	23/11/2026	6-month Euribor plus 1,60%
Bonded loan 5-year fixed	13.5	21/11/2028	4.87%
Bonded loan 5-year fixed	20.0	21/11/2028	4.87%
Bonded loan 5-year variable	25.0	06/10/2028	6-month Euribor plus 1,60%
Bonded loan 5-year variable	1.5	21/11/2028	6-month Euribor plus 1,80%
Bonded loan 7-year fixed	11.5	22/11/2030	5.04%
Bonded loan 7-year fixed	0.5	22/11/2030	5.04%
Bonded loan 7-year variable	16.0	22/11/2030	6-month Euribor plus 2,00%
Bonded loan 10-year fixed	10.0	10/02/2033	4.81%
Bonded loan 10-year fixed	1.0	10/02/2033	4.81%
Bonded loan 10-year fixed	13.0	22/11/2033	5.27%
Bonded loan 10-year fixed	3.0	22/11/2033	5.27%

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	1.46%

2018	Nominal loan amount in € million	Maturity	Interest
Bonded loan 7-year fixed	3.0	21/07/2025	1.54%
Bonded loan 7-year variable	14.5	21/07/2025	6-month Euribor plus 1,00%
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 €782,7 million (2022: €907.1 million) are due at any time. The difference of €470.2 million (2022: €168.5 million) relates to the short-term portion of non-current liabilities due to banks. The average effective interest rate on short-term loans was 4.43% (2022: 1.76%) per year at the end of the reporting period.

Of the multicurrency commercial paper programme concluded by BayWa AG with a total volume of €1,000.0 million (2022: €1,000.0 million), there were €632.4 million (2022: €641.7 million) in commercial papers with an average weighted residual term of 48 days (2022: 54 days) and an average weighted effective interest rate of 4.79% (2022: 2.19%) at the end of the reporting period.

Of the liabilities due to banks, €32.2 million at Group level (2022: €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 in RWA AG were repaid in 2023.

C.15 Lease liabilities

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

In € million **2023**	Residual term of up to one year	Residual term of between one and five years	Residual term of over five years	Total
Lease liabilities	90.8	272.2	700.1	1,063.1

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

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 **2023**	Residual term of up to one year	Residual term of between one and five years	Residual term of over five years	Total
Trade payables	1,511.4	4.0	0.0	1,515.4
Liabilities due to affiliated companies	11.2	0.0	0.0	11.2
Liabilities due to companies in which a participating interest is held	60.4	0.0	0.0	60.4
	1,583.0	**4.0**	**0.0**	**1,587.0**

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	0.0	0.0	13.2
Liabilities due to companies in which a participating interest is held	60.1	0.0	0.0	60.1
	1,835.7	**4.6**	**0.0**	**1,840.3**

C.17 Income tax liabilities

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

In € million **2023**	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	100.0	0.2	0.0	100.2
	100.0	**0.2**	**0.0**	**100.2**

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	98.7	0.0	0.0	98.7
	98.7	**0.0**	**0.0**	**98.7**

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 **31/12/2023**	Fair values level 1	 level 2	 level 3	 total
Liabilities from derivatives				
Commodity futures	85.0	124.0	37.4	246.4
FX hedges	11.0	18.5	0.0	29.5
Interest rate hedges	0.1	3.4	0.0	3.5
	96.1	**146.0**	**37.4**	**279.5**

In € million 31/12/2022	Fair values level 1	 level 2	 level 3	 total
Liabilities from derivatives				
Commodity futures	78.5	286.0	69.3	433.8
FX hedges	34.9	0.0	0.0	34.9
Interest rate hedges	0.0	2.9	0.0	2.9
	113.4	**288.9**	**69.3**	**471.6**

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

A total of €222.8 million of the disclosed liabilities from derivatives had a residual term of a maximum of one year (2022: €364.2 million). The residual term for liabilities from derivatives of €37.5 million (2022: €83.4 million) was between one and a maximum of five years, whereas liabilities from derivatives of €19.2 million (2022: €23.9 million) had residual terms of over five years.

In the financial year 2023, the requirements of IAS 32.42 et seq. for offsetting financial assets and financial liabilities were met (see C.9 Assets from derivatives). In the Renewable Energies segment – based on a gross amount before offsetting of €276.6 million (2022: €440.4 million) – financial liabilities totalling €188.1 million (2022: €327.5 million) were offset in accordance with IAS 32. After this netting, the net amount of financial liabilities in the Renewable Energies Segment totalled €88.5 million (2022: €112.9 million).

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 2022. In addition, both the reduction in open contracts and lower prices in energy and grain trading in the Renewable Energies, Cefetra Group and Agri Trade & Service Segments contributed to the decline in liabilities from derivatives at the end of the financial year 2023.

C.19 Other liabilities

The table below shows a breakdown of other liabilities:

In € million **2023**	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 from reverse-factoring-agreements	48.0	0.0	0.0	48.0
Miscellaneous other current/non-current financial liabilities	187.4	30.0	0.1	217.5
	235.4	**30.0**	**0.1**	**265.4**
Other current/non-current non-financial liabilities				
Social security	9.9	0.0	0.0	9.9
Subsidies received	6.4	91.4	11.1	108.9
Liabilities from other taxes	147.7	0.1	0.0	147.7
Miscellaneous other liabilities including accruals	498.2	30.0	49.9	578.1
	662.0	**121.5**	**61.0**	**844.5**
Other liabilities	**897.4**	**151.5**	**61.1**	**1,109.9**

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 from reverse-factoring-agreements	28.8	0.0	0.0	28.8
Miscellaneous other current/non-current financial liabilities	141.9	0.4	0.0	142.3
	170.7	**0.4**	**0.0**	**171.1**
Other current/non-current non-financial liabilities				
Social security	10.4	0.0	0.0	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**

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

Liabilities from reverse factoring agreements of €48.0 million (2022: €28.8 million) pertain primarily 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 financial liabilities in the amount of €217.5 million (2022: €142.3 million) are attributable primarily to the ABS measure, amounting to €131.9 million (2022: €125.0 million).

The grants received totalling €108.9 million mainly relate to a government grant in Strauss Tax Equity Partnership LLC, Irvine, USA. The introduction of the Inflation Reduction Act (IRA) in the US means that investment tax credits (ITCs) can be transferred or sold under certain conditions. In the BayWa Group, government grants are recognised in the balance sheet in line with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance by recognising deferred income. This resulted in liabilities totalling €89.7 million.

The other liabilities including accruals in the amount of €578.1 million (2022: €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 €1.2 million in the financial year (2022: €0.7 million). This amount is recognised under other operating income.

C.20 Contingent liabilities

In € million	**2023**	2022
Guarantees	55.4	34.8
thereof: to affiliated companies	0.0	0.0
thereof: to associates	23.9	25.5
Warranties	17.8	28.2
thereof: to affiliated companies	0.0	0.0
thereof: to associates	7.3	11.5
Collateral for liabilities of third parties	130.2	153.0
thereof: to affiliated companies	0.0	0.0
thereof: to associates	120.4	152.6
Other financial obligations	23.6	45.0
thereof: from buyback obligations	14.2	35.6
thereof: from amounts guaranteed for interests in cooperative companies	9.4	9.4

The BayWa Group has contingent liabilities totalling €120.4 million (2022: €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.

BayWa AG also issued a guarantee to BHBW Holdings (Pty) Ltd, Lynnwood Manor, South Africa, to collateralise loans amounting to around €12.4 million (2022: €6.5 million) with Standard Bank of South Africa. The guarantee has been in place since 2017 and was renewed in the financial year 2023. In addition, BHBW Holdings (Pty) Ltd. was granted a guarantee in the amount of €5,0 million (2022: €9.2 million), which serves to secure payment obligations to a supplier.

Other financial obligations relate in particular to the Agricultural Equipment Segment and, in particular, to the Group units under the CLAAS brand, in addition to guarantees for shares in cooperative companies, especially in Austria.

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.

Following the administrative offence proceedings of the Bundeskartellamt (German federal antitrust authority) on crop protection products that were concluded in 2020, one claim for damages had been filed against BayWa AG by the time the financial statements were prepared. Further claims for damages are pending against other companies involved in the cartel proceedings. In these proceedings, BayWa AG was notified of the dispute by the defendant. 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. Rather, this represents a contingent liability, which is reported here.

There are contractual obligations (purchase commitments) of €16.6 million for the purchase of property, plant and equipment (real estate, vehicles) (2022: €9.4 million) and of €1,210.8 million for the purchase of inventories (2022: €1,917.4 million). The latter relate in particular to the Agricultural Equipment Segment.

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. The derivatives designated as hedging instruments for cash flow hedge accounting are reported in the following table in the “No category” column.

With immediate effect, only financial instruments that constitute a financial instrument within the meaning of IFRS 9 are shown in the following tables for subsequent measurement in accordance with the measurement categories of IFRS 9.

In € million **31/12/2023**	Book value 31/12/2023	Subsequent measurement in accordance with IFRS 9 measurement categories[1] AC	FVTPL	FVTPL (option)	FVTOCI (option)	No category	Not a FI	Fair value 31/12/2023
Non-current financial assets								
Investments[2]	248.4	65.3	23.5	0.0	73.6	0.0	86.0	248.4
Assets from derivatives	30.1	0.0	30.0	0.1	0.0	0.0	0.0	30.1
Derivatives designated as hedging instruments for cash flow hedge accounting (assets)	30.9	0.0	0.0	0.0	0.0	30.9	0.0	30.9
Other receivables and other assets Trade receivables	15.7	15.7	0.0	0.0	0.0	0.0	0.0	15.7
Other receivables and other financial assets	80.0	18.0	0.0	0.0	0.0	2.8	59.3	80.0
Current financial assets								
Securities	1.0	0.0	1.0	0.0	0.0	0.0	0.0	1.0
Assets from derivatives	253.3	0.0	247.0	6.3	0.0	0.0	0.0	253.3
Derivatives designated as hedging instruments for cash flow hedge accounting (assets)	30.6	0.0	0.0	0.0	0.0	30.6	0.0	30.6
Derivatives designated as hedging instruments for fair value hedge accounting (assets)	1.4	0.0	1.4	0.0	0.0	0.0	0.0	1.4
Other receivables and other assets Trade receivables and inter-Group business relationships	1,664.9	1,664.9	0.0	0.0	0.0	0.0	0.0	1,664.9
Other receivables and other financial assets	539.9	345.0	0.0	0.0	0.0	3.9	191.0	539.9
Cash and cash equivalents	233.3	233.3	0.0	0.0	0.0	0.0	0.0	233.3
Non-current financial liabilities								
Long-term debt	3,030.8	3,030.8	0.0	0.0	0.0	0.0	0.0	2,941.7
Lease liabilities[3]	972.3	0.0	0.0	0.0	0.0	972.3	0.0	n/a
Trade payables and liabilities from inter-Group business relationships	4.0	4.0	0.0	0.0	0.0	0.0	0.0	4.0
Liabilities from derivatives	34.6	0.0	34.5	0.1	0.0	0.0	0.0	34.6
Derivatives designated as hedging instruments for cash flow hedge accounting (liabilities)	22.1	0.0	0.0	0.0	0.0	22.1	0.0	22.1
Other financial liabilities	30.0	13.1	0.0	0.0	0.0	0.0	16.9	30.0
Current financial liabilities								
Short-term debt	2,393.2	2,393.2	0.0	0.0	0.0	0.0	0.0	2,393.2
Lease liabilities[3]	90.8	0.0	0.0	0.0	0.0	90.8	0.0	n/a
Trade payables and liabilities from inter-Group business relationships	1,583.0	1,583.0	0.0	0.0	0.0	0.0	0.0	1,583.0
Liabilities from derivatives	206.7	0.0	169.4	37.3	0.0	0.0	0.0	206.7
Derivatives designated as hedging instruments for cash flow hedge accounting (liabilities)	13.6	0.0	0.0	0.0	0.0	13.6	0.0	13.6
Derivatives designated as hedging instruments for fair value hedge accounting (liabilities)	2.5	0.0	2.5	0.0	0.0	0.0	0.0	2.5
Other financial liabilities[3]	235.4	214.6	0.0	0.0	0.0	0.0	20.8	235.4
Other non-financial liabilities[3]	662.0	248.0	0.0	0.0	0.0	0.0	414.0	662.0
IFRS 9 categories								
Financial assets attributed to the AC category	2,342.3							
Financial assets attirbuted to the FVTPL category	302.9							
Financial assets attributed to the FVTPL (option) category	6.4							
Financial assets attributed to the FVTOCI (option) category	73.6							
Other financial liabilities attributed to the AC category	7,486.7							
Other financial liabilities attributed to the FVTPL category	206.4							
Other financial liabilities attributed to the FVTPL (option) category	37.4							

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 Financial and non-financial liabilities are recognised separately with immediate effect. Lease liabilities are also shown separately in the table. The previous year has been adjusted accordingly. There is no obligation to disclose the fair value of lease liabilities.

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

In € million 31/12/2022	Book value 31/12/2022	Subsequent measurement in accordance with IFRS 9 measurement categories [1] AC	FVTPL	FVTPL (option)	FVTOCI (option)	No category	Not a FI	Fair value 31/12/2022
Non-current financial assets								
Investments [2]	229.0	66.2	23.2	0.0	59.1	0.0	80.5	229.0
Assets from derivatives	56.8	0.0	56.8	0.0	0.0	0.0	0.0	56.8
Derivatives designated as hedging instruments for cash flow hedge accounting (assets)	41.1	0.0	0.0	0.0	0.0	41.1	0.0	41.1
Other receivables and other assets Trade receivables	28.8	28.8	0.0	0.0	0.0	0.0	0.0	28.8
Other receivables and other financial assets [3]	22.9	19.2	0.0	0.0	0.0	3.6	0.0	22.9
Current financial assets								
Securities	0.9	0.0	0.9	0.0	0.0	0.0	0.0	0.9
Assets from derivatives	418.5	0.0	418.5	0.0	0.0	0.0	0.0	418.5
Derivatives designated as hedging instruments for cash flow hedge accounting (assets)	192.7	0.0	0.0	0.0	0.0	192.7	0.0	192.7
Other receivables and other assets Trade receivables and inter-Group business relationships	1,886.4	1,886.4	0.0	0.0	0.0	0.0	0.0	1,886.4
Other receivables and other financial assets [3]	454.7	262.1	0.0	0.0	0.0	4.2	188.4	454.7
Cash and cash equivalents	221.8	221.8	0.0	0.0	0.0	0.0	0.0	221.8
Non-current financial liabilities								
Long-term debt	3,560.1	3,560.1	0.0	0.0	0.0	0.0	0.0	3,440.8
Lease liabilities [3]	926.3	0.0	0.0	0.0	0.0	926.3	0.0	n/a
Trade payables and liabilities from inter-Group business relationships	4.6	4.6	0.0	0.0	0.0	0.0	0.0	4.6
Liabilities from derivatives	57.6	0.0	57.6	0.0	0.0	0.0	0.0	57.6
Derivatives designated as hedging instruments for cash flow hedge accounting (liabilities)	49.8	0.0	0.0	0.0	0.0	49.8	0.0	49.8
Current financial liabilities								
Short-term debt	1,718.7	1,718.7	0.0	0.0	0.0	0.0	0.0	1,718.7
Lease liabilities [3]	75.6	0.0	0.0	0.0	0.0	75.6	0.0	n/a
Trade payables and liabilities from inter-Group business relationships	1,835.7	1,835.7	0.0	0.0	0.0	0.0	0.0	1,835.7
Liabilities from derivatives	348.9	0.0	348.9	0.0	0.0	0.0	0.0	348.9
Derivatives designated as hedging instruments for cash flow hedge accounting (liabilities)	15.4	0.0	0.0	0.0	0.0	15.4	0.0	15.4
Other financial liabilities	170.7	169.9	0.0	0.0	0.0	0.0	0.8	170.7
Other non-financial liabilities [3]	759.8	330.1	0.0	0.0	0.0	0.0	429.7	759.8
IFRS 9 categories								
Financial assets attributed to the AC category	2,484.5							
Financial assets attirbuted to the FVTPL category	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 Financial and non-financial liabilities are recognised separately with immediate effect. Lease liabilities are also shown separately in the table. The previous year has been adjusted accordingly. There is no obligation to disclose the fair value of lease liabilities.

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 fair value hierarchy levels 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 considerable reclassifications were conducted among the various levels both in the financial year 2023 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. 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 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 trading was concluded at the same time as a sale contract, so that both had to be recognised at the fair value through profit or loss in the amount of €69.3 million. In addition, both purchase and sales contracts were concluded in the past financial year 2023 for which the fair value option was exercised. Accounting for these physical PPAs as own-use contracts would lead to an accounting mismatch, as the associated offsetting transactions are recognised at fair value through profit or loss. The contracts are measured using an internal measurement model based on chiefly unobservable input factors using the present value method (level 3). The main valuation parameters here are the expected electricity prices, the expected delivery volumes and the consideration of risk discounts, whereby the unobservable input factors include the basis risk, the market value advantage and the capture rate. Discounts on the basis risk are derived from the profit-at-risk method, which is based on historical market prices. The market value advantage for each system and respective generation type (onshore wind, photovoltaics) is compared against the average value of comparable installed systems in the form of a ratio; the estimated relative excess or shortfall in value compared to the overall market index per generation type from spot management is assessed in the form of a premium or discount. In addition, the expected future value of the generation type is determined based on the latest market data in the form of the capture rate and compared against the expected average market price (base price) in the form of a ratio. The main driver for the expected value of fluctuating generation types is the negative price-load correlation caused by the future expansion pathways of the corresponding technology; the capture rates are calibrating on an ongoing basis in line with the updated expansion pathways and a set of weather and generation scenarios.

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 basis risk and the market value advantage of plus/minus 1.0% results in a deviating fair value of plus/minus 0.22% (2022: minus/plus 0.31%). A change in both factors of plus/minus 5,0% results in a change of plus/minus 1.08% (2022: minus/plus 1.56%) for the German market portfolio. For the Spanish market portfolio, a change of minus/plus 0.39% results from the change in both factors by plus/minus 1.0%, and a change of minus/plus 1.95% results from the change in both factors by plus/minus 5.0%. There is no comparable previous-year figure for the Spanish and German markets, as the portfolio and the financial instruments for which the FVTPL option is applied were added in the financial year 2023. Generally speaking, market price and volatility levels fell on both markets. No sensitivity is calculated for the capture rate input factor, as the forecast for the capture rate remains almost constant over the short time frame. This means the basis risk can be identified as the only significant driver of sensitivity, so that no further alternative assumptions are required for the remaining input factors. There is a direct correlation between the basis risk and the market value advantage.

The fair value of the level 3 PPA contracts, for which the FVTPL option is applied, developed as follows:

In € million	Financial assets (Level 3)	Financial liabilities (Level 3)
As at 01/01/2023	**0.0**	**69.3**
Release	0.0	- 12.3
Change in fair value recognised in profit or loss	6.4	- 19.6
As at 31/12/2023	**6.4**	**37.4**
As at 01/01/2022	**0.0**	**0.0**
Release	0.0	0.0
Change in fair value recognised in profit or loss	0.0	69.3
As at 31/12/2022	**0.0**	**69.3**

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 **2023**	Level 1	Level 2	Level 3	Total
Financial assets				
Assets from derivatives, including derivatives designated as hedging instruments for cash flow and fair value hedge acocunting (assets) [1]	116.1	223.8	6.4	346.3
Securities	24.4	0.0	0.0	24.4
Securities (OCI option)	73.6	0.0	0.0	73.6
	214.1	**223.8**	**6.4**	**444.3**
Other current/non-current financial liabilities				
Liabilities from derivatives, including derivatives designated as hedging instruments for cash flow and fair value hedge accounting (liabilities)	96.1	146.0	37.4	279.5
	96.1	**146.0**	**37.4**	**279.5**

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

In € million 2022	Level 1	Level 2	Level 3	Total
Financial assets				
Assets from derivatives, including derivatives designated as hedging instruments for cash flow and fair value hedge acocunting (assets) [1]	141.1	568.0	0.0	709.1
Securities	24.1	0.0	0.0	24.1
Securities (OCI option)	59.1	0.0	0.0	59.1
	224.3	**568.0**	**0.0**	**792.3**
Other current/non-current financial liabilities				
Liabilities from derivatives, including derivatives designated as hedging instruments for cash flow and fair value hedge accounting (liabilities)	113.4	288.9	69.3	471.6
	113.4	**288.9**	**69.3**	**471.6**

1 Commodity futures that are treated 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 €2,941.7 million as at 31 December 2023 (2022: €3,440.8 million).

Net gains and losses

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

In € million **2023**	Assets[1]					Shareholders' equity and liabilities[1]					
Category	AC	FVTPL	FVTPL (option)	FVTOCI (option)	No category	AC	FVTPL	FVTPL (option)	FI	No FI	Total
1. Net gain/loss in the financial result											
Equity valuation of participating interests	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**11.9**	**11.9**
Income from participating interests	0.0	1.8	0.0	0.0	0.0	0.0	0.0	0.0	1.8	0.0	1.8
Expenses from participating interests	0.0	- 3.0	0.0	0.0	0.0	0.0	0.0	0.0	- 3.0	0.0	- 3.0
Result from disposals	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.2
Result of participating interests	**0.0**	**- 1.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**- 1.0**	**0.0**	**- 1.0**
Income from investments	0.2	4.1	0.0	0.0	0.0	0.0	0.0	0.0	4.3	0.0	4.3
Result from disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Result from investments	**0.2**	**4.1**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**4.3**	**0.0**	**4.3**
Interest income	20.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	20.1	0.2	20.3
Interest income from fair value measurement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sum total of interest income	**20.1**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**20.1**	**0.2**	**20.3**
Interest expenses	0.0	0.0	0.0	0.0	0.0	- 301.5	0.0	0.0	- 301.5	- 39.0	- 340.5
Interest portion in personnel provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	- 21.0	- 21.0
Interest expenses from fair value measurement	0.0	0.0	0.0	0.0	0.0	0.0	- 0.5	0.0	- 0.5	0.0	- 0.5
Sum total of interest expenses	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**- 301.5**	**- 0.5**	**0.0**	**- 301.9**	**- 60.0**	**- 362.0**
Net interest	**20.1**	**0.0**	**0.0**	**0.0**	**0.0**	**- 301.5**	**- 0.5**	**0.0**	**- 281.8**	**- 59.9**	**- 341.7**
Sum total net gain/loss	**20.3**	**3.1**	**0.0**	**0.0**	**0.0**	**- 301.5**	**- 0.5**	**0.0**	**- 278.5**	**- 47.9**	**- 326.5**
Financial result											**- 326.5**
2. Net gain/loss in the operating result											
Income from derivative financial instruments and commodity futures[2]	0.0	137.5	6.4	0.0	0.0	0.0	0.0	19.6	163.5	0.0	163.5
Income from the receipt of written-off receivables/release of receivables value adjustments	10.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.6	0.0	10.6
Expenses from derivative financial instruments and commodity futures[2]	0.0	0.0	0.0	0.0	0.0	0.0	- 224.3	0.0	- 224.3	0.0	- 224.3
Value adjustments/write-downs of receivables	- 32.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	- 32.8	0.0	- 32.8
Sum total net gain/loss	**- 22.2**	**137.5**	**6.4**	**0.0**	**0.0**	**0.0**	**- 224.3**	**19.6**	**- 83.0**	**0.0**	**- 83.0**
3. Net gain/loss in equity											
Change in the fair value from the market valuation of securities	0.0	0.0	0.0	7.8	0.0	0.0	0.0	0.0	7.8	0.0	7.8
Cash flow hedges	0.0	0.0	0.0	0.0	- 83.0	0.0	0.0	0.0	- 83.0	0.0	- 83.0
Currency translation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	- 3.2	- 3.2
Sum total net gain/loss	**0.0**	**0.0**	**0.0**	**7.8**	**- 83.0**	**0.0**	**0.0**	**0.0**	**- 75.2**	**- 3.2**	**- 78.4**
Total net gain/loss	**- 1.9**	**140.6**	**6.4**	**7.8**	**- 83.0**	**- 301.5**	**- 224.8**	**19.6**	**- 436.7**	**- 51.1**	**- 487.9**

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.

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 2022	Assets[1]					Shareholders' equity and liabilities[1]					
Category	AC	FVTPL	FVTPL (option)	FVTOCI (option)	No category	AC	FVTPL	FVTPL (option)	FI	No FI	Total
1. Net gain/loss in the financial result											
Equity valuation of participating interests	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**13.3**	**13.3**
Income from participating interests	0.0	6.6	0.0	0.0	0.0	0.0	0.0	0.0	6.6	0.0	6.6
Expenses from participating interests	0.0	- 7.0	0.0	0.0	0.0	0.0	0.0	0.0	- 7.0	0.0	- 7.0
Result from disposals	0.0	50.3	0.0	0.0	0.0	0.0	0.0	0.0	50.3	0.9	51.2
Result of participating interests	**0.0**	**49.9**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**49.9**	**0.9**	**50.8**
Income from investments	0.1	- 0.2	0.0	0.0	0.0	0.0	0.0	0.0	- 0.1	0.0	- 0.1
Result from disposals	0.0	- 0.7	0.0	0.0	0.0	0.0	0.0	0.0	- 0.7	0.0	- 0.7
Result from investments	**0.1**	**- 0.9**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**- 0.8**	**0.0**	**- 0.8**
Interest income	14.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.8	0.1	14.9
Interest income from fair value measurement	0.0	2.7	0.0	0.0	0.0	0.0	0.0	0.0	2.7	0.0	2.7
Sum total of interest income	**14.8**	**2.7**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**17.5**	**0.1**	**17.6**
Interest expenses	0.0	0.0	0.0	0.0	0.0	- 157.9	- 301.5	0.0	157.9	- 34.7	- 192.6
Interest portion in personnel provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	- 6.5	- 6.5
Interest expenses from fair value measurement	0.0	0.0	0.0	0.0	0.0	0.0	- 3.0	0.0	- 3.0	0.0	- 3.0
Sum total of interest expenses	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**- 157.9**	**- 3.0**	**0.0**	**- 160.9**	**- 41.3**	**- 202.1**
Net interest	**14.8**	**2.7**	**0.0**	**0.0**	**0.0**	**- 157.9**	**- 3.0**	**0.0**	**- 143.9**	**- 41.2**	**- 184.5**
Sum total net gain/loss	**14.9**	**51.6**	**0.0**	**0.0**	**0.0**	**- 157.9**	**- 3.0**	**0.0**	**- 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]	0.0	280.4	0.0	0.0	0.0	0.0	0.0	0.0	280.4	0.0	280.4
Income from the receipt of written-off receivables/release of receivables value adjustments	15.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.7	0.0	15.7
Expenses from derivative financial instruments and commodity futures[2]	0.0	0.0	0.0	0.0	0.0	0.0	- 229.3	0.0	- 229.3	0.0	- 229.3
Value adjustments/write-downs of receivables	- 32.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	- 32.6	0.0	- 32.6
Sum total net gain/loss	**- 16.9**	**280.4**	**0.0**	**0.0**	**0.0**	**0.0**	**- 229.3**	**0.0**	**34.3**	**0.0**	**34.3**
3. Net gain/loss in equity											
Change in the fair value from the market valuation of securities	0.0	0.0	0.0	- 32.5	0.0	0.0	0.0	0.0	- 32.5	0.0	- 32.5
Cash flow hedges	0.0	0.0	0.0	0.0	140.4	0.0	0.0	0.0	140.4	0.0	140.4
Currency translation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	- 3.2	- 3.2
Sum total net gain/loss	**0.0**	**0.0**	**0.0**	**- 32.5**	**140.4**	**0.0**	**0.0**	**0.0**	**107.9**	**- 3.2**	**104.7**
Total net gain/loss	**- 1.9**	**332.0**	**0.0**	**- 32.5**	**140.4**	**- 157.9**	**- 232.3**	**0.0**	**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.

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. 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 **2023**	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	**4,733.7**	**3,266.7**	**1,268.7**	**9,269.1**
Derivative financial liabilities	**549.4**	**53.0**	**10.8**	**613.2**
thereof measured at fair value through profit or loss	533.9	48.8	0.9	583.6
with gross settlement	**447.7**	**22.9**	**0.0**	**470.6**
Cash outflows	1,061.0	24.5	0.0	1,085.5
Cash inflows	- 613.3	- 1.6	0.0	- 614.9
with net settlement	**86.2**	**25.9**	**0.9**	**113.0**
Cash outflows	86.2	25.9	0.9	113.0
thereof designated as hedging instruments for cash flow hedge accounting	13.0	4.2	9.9	27.1
with gross settlement	**4.0**	**0.1**	**- 0.1**	**4.0**
Cash outflows	4.0	0.1	0.0	4.1
Cash inflows	0.0	0.0	- 0.1	- 0.1
with net settlement	**9.0**	**4.1**	**10.0**	**23.1**
Cash outflows	9.0	4.1	10.0	23.1
thereof designated as hedging instruments for fair value hedge accounting	2.5	0.0	0.0	2.5
with gross settlement	**0.0**	**0.0**	**0.0**	**0.0**
Cash outflows	0.0	0.0	0.0	0.0
Cash inflows	0.0	0.0	0.0	0.0
with net settlement	**2.5**	**0.0**	**0.0**	**2.5**
Cash outflows	2.5	0.0	0.0	2.5

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	0.0	591.7
with gross settlement	**412.3**	**64.2**	**0.0**	**476.5**
Cash outflows	1,395.9	74.7	0.0	1,470.6
Cash inflows	- 983.6	- 10.5	0.0	- 994.1
with net settlement	**111.4**	**3.9**	**0.0**	**115.3**
Cash outflows	111.4	3.9	0.0	115.3
thereof designated as hedging instruments for cash flow hedge accounting	- 37.7	11.5	8.2	- 18.0
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	0.0	- 67.4
with net settlement	**1.9**	**17.4**	**8.1**	**27.4**
Cash outflows	1.9	17.4	8.1	27.4
thereof designated as hedging instruments for fair value hedge accounting	0.0	0.0	0.0	0.0
with gross settlement	**0.0**	**0.0**	**0.0**	**0.0**
Cash outflows	0.0	0.0	0.0	0.0
Cash inflows	0.0	0.0	0.0	0.0
with net settlement	**0.0**	**0.0**	**0.0**	**0.0**
Cash outflows	0.0	0.0	0.0	0.0

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 and solar energy parks. 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 the assets from foreign currency accounts was €1.4 million and the fair value of the liabilities €2.5 million (2022: liabilities of €0.1 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 **31/12/2023**	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	0.8	0.0	0.0	0.8
Derivatives designated as hedging instruments for cash flow hedge accounting	11.9	0.5	2.5	8.9
Commodity hedges				
Standalone derivatives	265.4	236.2	29.3	0.0
Derivatives designated as hedging instruments for cash flow hedge accounting	38.7	25.6	4.8	8.3
FX hedges				
Standalone derivatives	17.2	17.1	0.1	0.0
Derivatives designated as hedging instruments for cash flow hedge accounting	10.9	4.5	6.4	0.0
Derivatives designated as hedging instruments for fair value hedge accounting	1.4	1.4	0.0	0.0
	346.4	**285.3**	**43.1**	**18.0**
Shareholders' equity and liabilities				
Interest rate hedges				
Standalone derivatives	0.9	0.0	0.9	0.0
Derivatives designated as hedging instruments for cash flow hedge accounting	2.6	0.0	0.1	2.5
Commodity hedges				
Standalone derivatives	216.0	182.4	32.7	0.9
Derivatives designated as hedging instruments for cash flow hedge accounting	30.5	11.0	3.7	15.8
FX hedges				
Standalone derivatives	24.4	24.3	0.1	0.0
Derivatives designated as hedging instruments for cash flow hedge accounting	2.6	2.6	0.0	0.0
Derivatives designated as hedging instruments for fair value hedge accounting	2.5	2.5	0.0	0.0
	279.5	**222.8**	**37.5**	**19.2**

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	0.0
Derivatives designated as hedging instruments for cash flow hedge accounting	15.4	0.0	3.3	12.1
Commodity hedges				
Standalone derivatives	445.9	392.7	53.2	0.0
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	0.0
	709.2	**611.2**	**68.5**	**29.5**
Shareholders' equity and liabilities				
Interest rate hedges				
Standalone derivatives	2.8	2.8	0.0	0.0
Derivatives designated as hedging instruments for cash flow hedge accounting	0.1	0.0	0.0	0.1
Commodity hedges				
Standalone derivatives	374.0	316.7	57.4	0.0
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	0.0
Derivatives designated as hedging instruments for cash flow hedge accounting	5.3	4.5	0.8	0.0
Derivatives designated as hedging instruments for fair value hedge accounting	0.1	0.1	0.0	0.0
	471.6	**364.2**	**83.4**	**23.9**

In the reporting year, income from derivative financial instruments of €163.5 million (2022: €280.4 million) and expenses of €224.3 million (2022: €229.3 million) were included in the income statement.

Notes on the individual risk categories

General refinancing risk

In the financial year 2023, the average interest rate for variable-interest financial liabilities stood at 4.4298% (2022: 1.7577%). 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 €20.1 million (2022: €12.3 million) in the financial year 2023.

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	**31/12/2023**	31/12/2022
Long positions		
Grain/corn	6.1	7.9
Oilseed/oilseed meal	3.5	3.6
Other	1.0	1.4

In metric tonnes	**31/12/2023**	31/12/2022
Short positions		
Grain/corn	- 7.6	- 9.6
Oilseed/oilseed meal	- 4.0	- 4.1
Other	- 1.4	- 1.8

The fair values of the grain contracts recognised as financial assets constitute 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 2023 in the manner displayed in the following table. The calculation includes all grain contracts valid at the end of the reporting period.

In € million **31/12/2023**	Grain/corn	Oilseed/ oilseed meal	Other
Price rise (+ 10%)			
Effect on income	- 33.2	- 23.1	- 8.1
Equity effect	- 7.8	- 0.4	0.0
Price decline (– 10%)			
Effect on income	33.2	23.1	8.1
Equity effect	7.8	0.4	0.0

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	0.0
Price decline (– 10%)			
Effect on income	41.8	- 22.0	11.9
Equity effect	10.3	- 0.9	0.0

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 2023, 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 €247.0 million as at 31 December 2023 (2022: €282.2 million). These break down across the trading currencies as follows:

In € million **31/12/2023**	
US dollar	224.6
Pound sterling	7.1
Euro	11.0
Japanese yen	4.3

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

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 **31/12/2023**	
Price rise (+ 10%)	
Effect on income	- 0.3
Equity effect	- 16.1
Price decline (– 10%)	
Effect on income	0.3
Equity effect	19.4

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

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: The development relates exclusively to the hedging reserve (OCI I):

In € million	Agricultural trade	Energy trade	Foreign currency hedging	Interest rate hedging
As at 01/01/2023	**5.5**	**82.2**	**2.9**	**15.2**
Allocation	8.0	427.3	8.9	1.2
Release	- 3.8	- 24.6	- 5.7	- 4.3
Transfer to other current financial assets/financial liabilities	- 6.0	0.0	0.0	0.0
Reclassification in the income statement	0.0	- 481.7	- 0.1	- 1.7
Change to the group of consolidated companies	0.0	- 3.3	0.0	- 1.8
As at 31/12/2023	**3.6**	**- 0.1**	**6.0**	**8.5**

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	0.0	- 0.6	0.0	0.6
As at 31/12/2022	**5.5**	**82.2**	**2.9**	**15.2**

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, only the intrinsic value of €0.0 million (2022: €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 €2.8 million in the financial year 2023 (2022: €3.3 million).

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”.

2023	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	**59.9**	**746.9**	**321.0**	**153.0**	**273.0**	**n/a**
Commodity futures – grain trading	8.7	124.8	121.2	3.6	0.0	0.5
thereof: purchase	2.1	24.5	24.4	0.1	0.0	0.2
thereof: sale	6.7	100.3	96.8	3.5	0.0	0.4
Commodity futures – energy trade	30.0	250.5	80.9	27.1	142.5	5.6
thereof: purchase	2.5	11.3	9.2	2.1	0.0	0.1
thereof: sale	27.5	239.2	71.7	25.0	142.5	5.5
FX hedges	10.9	211.3	118.8	92.4	0.0	n/a
Interest rate hedges	10.2	160.4	0.0	29.9	130.5	n/a
Derivative liabilities	**35.6**	**837.9**	**158.7**	**21.6**	**657.6**	**n/a**
Commodity futures – grain trading	3.5	58.1	56.4	1.7	0.0	0.2
thereof: purchase	1.7	26.6	26.6	0.0	0.0	0.1
thereof: sale	1.8	31.5	29.8	1.7	0.0	0.1
Commodity futures – energy trade	26.9	633.6	49.2	19.9	564.5	13.1
thereof: purchase	7.3	45.0	34.2	10.9	0.0	0.4
thereof: sale	19.6	588.6	15.1	9.0	564.5	12.7
FX hedges	2.6	53.1	53.1	0.0	0.0	n/a
Interest rate hedges	2.5	93.1	0.0	0.0	93.1	n/a

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	0.0	0.3
thereof: purchase	1.7	14.2	14.2	0.0	0.0	0.0
thereof: sale	10.1	96.0	94.3	1.7	0.0	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	0.0	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	0.0	n/a
Interest rate hedges	15.4	220.2	0.0	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	4.8	45.9	2.9	0.0	0.1
thereof: purchase	1.4	13.7	13.6	0.0	0.0	0.0
thereof: sale	2.8	35.1	32.2	2.9	0.0	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	0.0	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	0.0	n/a
Interest rate hedges	0.1	9.1	0.0	0.0	9.1	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.

In order to enhance its financing structure, BayWa AG has secured trade receivables by way of an asset-backed securitisation (ABS) measure. In addition, an increasing number of factoring agreements have been concluded since the financial year 2022, on the basis of which existing and future receivables from deliveries and services are sold to banks.

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. There are no significant securities that reduce the exposure.

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. In addition, BayWa AG issued a bond in the form of a hybrid bond with a total nominal amount of €60.0 million on 5 May, which was subsequently increased by €40.0 million to €100.0 million on 29 September 2023. Further details can be found in C.11 Equity. 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	**2023**	2022
Interest expenses	39.0	34.7
Expenses for short-term and low-value leases	16.8	18.7
Future payment obligations from short-term leases that fall due after reporting date	2.7	1.6
Expenses for variable leases	2.0	0.8
Gains from sale-and-lease-back transactions	0.0	0.1
Total cash outflows from leases in the financial year	145.0	136.9
Income from sub-leases	1.0	0.4

Information regarding BayWa as lessor

In € million	**2023**	2022
Receivables from finance leases		
Due within one year	4.1	4.4
Due between one and two years	1.7	3.2
Due between two and three years	0.8	0.1
Due between three and four years	0.1	0.0
Due between four and five years	0.0	0.0
Due after more than five years	0.3	0.3
Sum total of future lease payments	**7.0**	**8.0**
Less unrealised interest income	- 0.3	- 0.2
Net investment of receivables from finance leases	**6.7**	**7.8**
Financial income from net investment of receivables from finance leases	0.2	0.1
Income from variable lease payments received from finance leases	0.1	0.2
Disposal gains/losses from finance leases	- 0.9	0.0

In € million	**2023**	2022
Lease payments from operating leases		
Due within one year	18.2	16.6
Due between one and two years	15.3	12.7
Due between two and three years	13.6	11.1
Due between three and four years	10.1	10.4
Due between four and five years	7.5	7.2
Due after more than five years	11.0	6.7
Sum total of future lease payments	**75.7**	**64.7**
Income from lease payments received from operating leases	19.8	18.0
Income from variable lease payments received from operating leases	1.0	1.0

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	**2023**	2022
Goods	22,943.7	26,245.1
Services	1,004.5	816.7
	23,948.2	**27,061.8**

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	**2023**	2022
Rental income	33.3	33.4
Gains from the disposal of assets	29.0	19.9
Income from the release of provisions	42.5	66.2
Reimbursement of expenses	27.0	22.7
Income from the reduction in risk provisions for expected credit losses	9.2	14.9
Staff placement	6.3	5.7
Other income from public subsidies	5.8	2.9
Income from the fair value measurement of biological assets	3.6	8.7
Income from intra-Group cost allocation	3.0	6.8
Foreign exchange gains	132.9	212.7
Other income	119.1	99.0
	411.7	**492.9**

Rental income, which is on a par with the previous year, includes gains from ancillary costs. Gains from the disposal of assets primarily comprise the disposal of property portfolios of BayWa AG, Raiffeisen-Lagerhaus GmbH and TFC Holland B.V. Income from the release of provisions totalling €42.5 million relates in particular to provisions for bonus payments, which are mainly attributable to BayWa AG and BayWa r.e. AG. Foreign exchange gains totalling €132.9 million (2022: €212.7 million) were the result of normal market exchange rate fluctuations. The foreign exchange gains are offset by corresponding expenses (see Note D.5). 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	2023	2022
Expenses for raw materials, consumables and supplies, and for goods sourced	- 20,685.7	- 23,953.8
Expenses for services outsourced	- 601.2	- 627.4
	- 21,286.9	**- 24,581.2**

D.4 Personnel expenses

In € million	2023	2022
Wages and salaries	- 1,337.1	- 1,248.1
Share-based payment	- 3.7	- 3.7
Expenses for pensions, support and severance pay	- 23.1	- 22.5
thereof: current service cost	- 5.4	- 7.2
Social insurance contributions	- 241.3	- 235.3
	- 1,605.3	**- 1,509.5**

After calculating the provisions for pension and severance pay pursuant to IAS 19, expenses for pension and severance pay total €25.6 million (2022: €12.8 million). Of this amount, a portion of €5.4 million (2022: €7.3 million) has been disclosed under personnel expenses, and a portion totalling €20.2 million (2022: €5.5 million) under interest expenses.

Number	2023	2022
Employees		
Annual average (Section 267 para. 5 German Commercial Code (HGB))	23,050	22,293
As at 31/12	23,144	22,508

D.5 Other operating expenses

In € million	2023	2022
Vehicle fleet	- 86.7	- 88.1
Maintenance	- 85.7	- 87.4
Cost of legal and professional advice, audit fees	- 81.5	- 77.6
Advertising	- 70.7	- 64.8
IT costs	- 53.3	- 42.8
Energy	- 48.1	- 44.6
Insurance	- 46.9	- 40.9
Rent	- 46.1	- 36.7
Travel expenses	- 39.6	- 32.1
Expenses for staff hired externally	- 20.2	- 20.1
Commission	- 17.8	- 19.1
Training and professional development costs	- 17.3	- 13.3
Office supplies	- 16.7	- 16.6
Expense from the increase in the expected credit loss	- 16.7	- 12.9
Amortisation of/value adjustments on receivables	- 16.1	- 19.6
Expenses for other operating taxes	- 16.1	- 13.3
Information expenses	- 13.9	- 13.8
Losses from asset disposals	- 11.8	- 22.1
Administrative expenses	- 11.5	- 14.1
Foreign exchange losses	- 145.5	- 219.8
Other expenses	- 233.7	- 172.3
	- 1,095.9	**- 1,072.0**

The increase in other operating expenses by €23.9 million in the financial year 2023 is due to higher IT expenses and, above all, increases in expenses for rent, business travel and insurance. 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. In contrast, foreign exchange losses decreased by €74.2 million.

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

In € million	2023	2022
Income from participating interests recognised at equity	**11.9**	**14.2**
Income/expenses from affiliated companies	- 0.4	0.3
Income/expenses from the disposal of affiliated companies	0.1	46.1
Other income from holdings and similar income	6.1	11.3
Write-downs and other expenses of investments	- 2.4	- 8.7
Other income from shareholdings	**3.3**	**49.1**
	15.2	**63.3**

Income from participating interests recognised at equity declined by €2.3 million in the financial year 2023 to €11.9 million. Compared to the previous year, this decline is mainly due to the negative earnings contributions of Amadeus Wind Holdings, LLC, Wilmington, USA. Other income from shareholdings fell by €45.8 million compared to the previous year and totalled €3.3 million. In the previous year, the disposals of the bioenergy portfolio, consisting of BayWa r.e. Bioenergy GmbH, Regensburg, Germany, and its subsidiaries, as well as the disposals of Schradenbiogas GmbH & Co. KG, Gröden, Germany, and Al Dahra BayWa Agriculture LLC, Abu Dhabi, United Arab Emirates, had a particularly positive impact. By contrast, the sales of Karadoc Solar Farm HoldCo Pty Ltd, Melbourne, Australia, (including its subsidiaries) and Serralonga Energia S.r.l., Turin, Italy, in the Renewable Energies Segment had a particularly negative effect on other income from shareholdings in the financial year 2023. Unlike this loss-making sale, the disposals of Aufwind Schmack Első Biogáz Szolgáltató Kft, Szarvas, Hungary, and Windpark Desloch GmbH & Co. KG, Gräfelfing, Germany, affected other income from shareholdings positively (see also Note B.2). Dividend income is generally recorded as and when a claim to payout arises.

D.7 Interest income and expenses

In € million	**2023**	2022
Interest and similar income	20.3	14.9
thereof: from affiliated companies	1.4	0.8
Interest from fair value measurement	0.0	2.7
Interest income	**20.3**	**17.6**
Interest and similar expenses	- 301.5	- 157.9
thereof: to affiliated companies	- 0.2	- 0.1
Interest from fair value measurement	- 0.5	- 3.0
Interest portion from leases	- 39.0	- 34.7
Interest portion of the allocation to pension provisions and other personnel provisions	- 21.0	- 6.4
Interest expenses	**- 362.0**	**- 202.1**
Net interest	**- 341.7**	**- 184.5**

D.8 Income tax

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

In € million	**2023**	2022
Actual taxes	- 90.6	- 121.4
Deferred taxes	34.9	41.3
	- 55.7	**- 80.1**

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 €29.8 million (2022: €32.6 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 €48.8 million (2022: €64.5 million) were offset against the valuation reserve directly in equity through other comprehensive income. Deferred tax assets continued to exist in the amount of €1.3 million (2022: €1.0 million) and are also recognised in equity. Of this amount, €0.3 million (2022: €0.0 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 €83.1 million (2022: €68.4 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 €470.7 million (2022: €456.4 million) and tax credits of €64.1 million (2022: €40.4 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 €53.7 million (2022: €29.9 million).

In 2023, net deferred tax assets from temporary differences and from loss carryforwards in the amount of €54.3 million (2022: €24.1 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 2023 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 (2022: 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	**2023**	2022	**2023**	2022
Intangible assets and property, plant and equipment	32.3	15.1	340.1	312.1
Investments	20.9	6.3	36.3	33.5
Current assets	74.4	67.3	95.8	200.7
Other assets	1.0	0.9	14.0	24.6
Tax loss carryforwards	210.3	191.8	0.0	0.0
Tax credits	22.9	0.0	0.0	0.0
Provisions	177.7	198.6	17.5	23.6
Liabilities	259.9	239.9	26.7	5.9
Other liabilities	42.0	50.3	37.9	33.3
Value adjustments on deferred tax assets	- 238.2	- 188.8	0.0	0.0
Balance	- 431.9	- 416.8	- 431.9	- 416.8
Consolidation	3.1	- 2.7	- 6.8	- 12.0
	174.4	**161.9**	**129.6**	**204.9**

Contrary to the presentation from the previous year, tax credits are recognised in a specific item rather than cumulatively in current assets, as they represent a significant value in 2023.

The actual tax expenses are €66.7 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 €8.8 million (2022: €19.6 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	**2023**	2022
Consolidated result before income tax	**- 37.7**	**319.6**
Computational tax expenses based on a tax rate of 29.13%	11.0	- 93.1
Difference against foreign tax rates	- 6.2	- 12.6
Tax not relating to the period	- 9.4	10.6
Permanent difference changes	- 7.3	- 20.2
Tax effect due to non-tax-deductible expenses	- 36.4	- 16.0
Trade tax deductions and additions and effects from tax groups	- 2.4	- 0.2
Deconsolidation effects	5.0	- 1.1
Tax-exempt income	11.2	51.1
Changes in the value adjustment of deferred tax assets	- 29.8	- 6.9
Tax effect from equity results	3.2	3.9
Effects from changes in tax rates	0.3	1.1
Other tax effects	5.1	3.3
Income tax reported	**- 55.7**	**- 80.1**

D.9 Profit share of minority interest

The share of consolidated net result for the year attributable to the other shareholders of €4.7 million (2022: €71.4 million) is positive. It is mainly attributable to the minority interests in BayWa r.e. 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 of €3.9 million and recognised pro rata temporis, by the average number of the shares issued in the financial year and dividend-bearing shares. There were no diluting effects.

		2023	2022
Net result for the year adjusted for minority interest	in € million	- 98.4	168.1
Average number of shares issued	Units	35,862,389	35,644,609
Basic earnings per share	in €	- 2.84	4.36
Diluted earnings per share	in €	- 2.84	4.36
Proposed dividend per share	in €	0.00	1.10
Proposed special dividend per share to mark the 100th anniversary of BayWa AG	in €	0.00	0.10
Dividend per share paid out	in €	1.20	1.05

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				
	01/01/2023	payments during the period	interest expenses	company acquisitions and disposals	currency translation effects	fair value changes	other changes	**31/12/2023**
Liabilities due to banks	4,136.2	340.9	- 297.4	- 104.6	- 7.6	0.0	216.2	4,283.7
Bonds	499.5	8.4	0.0	0.0	0.0	0.0	0.0	507.9
Commercial papers	641.7	- 9.3	0.0	0.0	0.0	0.0	0.0	632.4
Dormant equity holding	1.4	- 1.4	0.0	0.0	0.0	0.0	0.0	0.0
Lease liabilities	1,001.9	- 94.8	- 37.8	- 4.6	- 5.2	0.0	203.5	1,063.0
Liabilities due to payment providers	28.8	19.2	0.0	0.0	0.0	0.0	0.0	48.0
	6,309.5	**263.0**	**- 335.2**	**- 109.2**	**- 12.8**	**0.0**	**419.7**	**6,535.0**

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	0.0	146.1	4,136.2
Bonds	498.8	0.7	0.0	0.0	0.0	0.0	0.0	499.5
Commercial papers	720.0	- 78.3	0.0	0.0	0.0	0.0	0.0	641.7
Dormant equity holding	1.4	0.0	0.0	0.0	0.0	0.0	0.0	1.4
Lease liabilities	938.3	- 82.7	- 33.4	0.9	0.2	0.0	178.6	1,001.9
Liabilities due to payment providers	0.0	28.8	0.0	0.0	0.0	0.0	0.0	28.8
	5,122.9	**1,082.5**	**- 188.6**	**- 24.8**	**- 7.2**	**0.0**	**324.7**	**6,309.5**

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.

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 worldwide project planning, management and the construction of wind farms and solar parks as well as the sale of finished plants. Most recently, activities were also expanded to include offshore wind turbines. 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 feed industry’s growing demand for these products.

The focus of the Agri Trade & Service Segment is direct trading business 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 Agricultural Equipment 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, and a leading player in global sales of CLAAS agricultural machinery. 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 complete spectrum of building materials, ranging from subsurface construction, surface construction, new-build construction, renovation and modernisation to horticulture and landscaping as well as solution packages for energy and healthy buildings. 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. The Building Materials Segment also 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 and energy efficiency. A further focal point lies in supplying specialities in fields such as wooden construction and construction timber, formwork equipment and precast concrete elements, as well as flat-roof construction. In addition, BayWa works with developers on the implementation of construction projects in Germany.

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 2023

In € million **31/12/2023**	Renewable Energies	Energy	Cefetra Group	Agri Trade & Service
Revenues generated through business with third parties	5,789.4	2,820.0	5,309.3	4,899.3
Intra-segment revenues	419.9	335.8	750.3	554.1
Inter-segment revenues	9.2	24.8	24.9	34.3
Total revenues	**6,218.5**	**3,180.6**	**6,084.5**	**5,487.7**
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**271.3**	**34.1**	**73.8**	**68.6**
Depreciation/amortisation	- 77.5	- 16.3	- 9.2	- 42.2
Earnings before interest and tax (EBIT)	**193.8**	**17.8**	**64.6**	**26.4**
thereof: income from participating interests recognised at equity	- 1.4	2.2	0.2	1.2
thereof: other income from shareholdings	- 1.1	0.1	- 0.4	- 0.3
Net interest	- 135.3	- 3.1	- 36.9	- 57.1
Earnings before tax (EBT)	**58.5**	**14.7**	**27.7**	**- 30.7**
Income tax				
Net result for the year				
Assets	4,763.0	535.5	1,114.6	1,799.2
thereof: participating interests recognised at equity	103.3	4.5	2.0	22.6
thereof: non-current assets held for sale	0.0	0.0	0.0	0.4
Inventories	1,413.9	92.4	532.7	860.3
thereof: non-current assets held for sale	0.0	0.0	0.0	0.0
Liabilities	3,677.1	515.0	930.7	1,705.1
thereof: liabilities from non-current assets held for sale	0.0	0.0	0.0	0.0
Investments in intangible assets, property, plant and equipment and investment property (including company acquisitions)	441.5	27.3	18.8	52.1
Employee annual average	4,592	1,472	709	3,761

	Agricultural Equipment	Global Produce	Building Materials	Innovation & Digitalisation	Other Activities *	Transition	**Group**
	2,239.3	878.6	1,988.3	10.4	13.6	0.0	23,948.2
	40.6	161.0	58.6	1.5	23.2	- 2,345.0	- 0.0
	4.1	0.0	1.2	0.1	4.7	- 103.3	- 0.0
	2,284.0	**1,039.6**	**2,048.1**	**12.0**	**41.5**	**- 2,448.3**	**23,948.2**
	109.6	**19.1**	**44.2**	**- 4.5**	**- 28.9**	**0.0**	**587.3**
	- 25.0	- 34.2	- 37.6	- 6.3	- 34.5	- 0.5	- 283.3
	84.6	**- 15.1**	**6.6**	**- 10.8**	**- 63.4**	**- 0.5**	**304.0**
	0.5	0.7	- 0.9	0.0	9.4	0.0	11.9
	0.0	0.2	0.1	- 0.2	4.9	0.0	3.3
	- 34.4	- 17.6	- 37.0	- 1.9	- 18.4	0.0	- 341.7
	50.2	**- 32.7**	**- 30.4**	**- 12.7**	**- 81.8**	**- 0.5**	**- 37.7**
							- 55.7
							- 93.4
	1,503.4	718.9	1,131.7	39.3	6,088.3	- 5,175.2	12,518.7
	10.5	20.7	4.7	0.0	147.1	0.0	315.4
	0.0	3.0	0.0	0.0	0.0	0.0	3.4
	921.2	45.3	456.5	2.1	0.7	- 1.6	4,323.5
	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	1,712.3	446.2	1,220.4	58.8	3,230.7	- 2,690.6	10,805.7
	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	32.1	78.7	43.9	3.2	39.2	0.0	736.8
	3,931	2,737	4,655	124	1,069	–	23,050

*** prior to consolidation**

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	0.0	0.0	0.0	0.3
Inventories	1,774.7	98.6	643.1	1,102.9
thereof: non-current assets held for sale	0.0	0.0	0.0	0.0
Liabilities	3,857.6	528.2	1,151.3	2,084.5
thereof: liabilities from non-current assets held for sale	0.0	0.0	0.0	0.0
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	0.0	27,061.8
	40.3	126.8	58.5	2.0	23.2	- 2,755.9	0.0
	4.7	0.0	1.1	0.2	4.0	- 100.9	0.0
	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**	**0.0**	**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	0.0	7.3	0.0	14.2
	0.0	2.1	0.1	0.0	2.3	0.0	49.1
	- 15.7	- 10.7	- 21.4	- 0.9	- 10.8	0.0	- 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	0.0	139.9	0.0	278.7
	0.0	15.1	0.0	0.0	1.0	0.0	16.4
	686.5	37.8	414.3	1.2	0.5	- 2.8	4,756.8
	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	1,293.3	423.4	1,202.1	58.0	3,370.6	- 2,901.6	11,067.4
	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	41.8	112.8	65.1	3.9	42.5	0.0	618.4
	3,826	3,151	4,661	220	1,071.0	–	22,293

*** 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	
In € million	**2023**	2022	**2023**	2022
Germany	9,116.2	9,916.7	1,982.6	1,841.4
Austria	3,384.4	3,877.6	570.7	542.6
Netherlands	1,846.0	2,412.7	247.4	248.1
New Zealand	292.4	454.0	306.4	321.7
USA	819.8	1,060.1	744.1	612.8
Other international operations	8,489.4	9,340.7	1,066.5	824.3
thereof: rest of Europe	7,348.8	8,464.9	818.4	506.7
Group	**23,948.2**	**27,061.8**	**4,917.6**	**4,390.9**

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 the financial statements were prepared, a claim for damages was filed against BayWa AG. Further claims for damages are pending against other companies involved in the cartel proceedings. In these proceedings, BayWa AG was notified of the dispute by the defendant. 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 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 €14.7 million (2022: €12.8 million) and to Raiffeisen Agrar Invest AG of €12.0 million (2022: €10.2 million), no business transactions within the meaning of IAS 24 which are required to be reported here were carried out in the financial year 2023. Further information on obligations to related parties can be found in Note C.20.

Transactions with related parties are shown in the table below. [1]

In € million **2023**	Supervisory Board	Board of Management	Bayerische Raiffeisen-Beteiligungs-AG und Raiffeisen Agrar Invest AG	Non-consolidated subsidiaries	Joint ventures	Associates
Receivables	0.0	0.0	0.0	37.9	8.0	17.8
Liabilities	0.0	0.0	0.0	12.4	2.2	7.4
Interest income	0.0	0.0	0.0	1.3	0.3	0.1
Interest expenses	0.0	0.0	0.0	0.2	0.0	0.2
Revenues	0.0	0.0	0.0	20.6	22.9	67.8
Cost of materials	0.0	0.0	0.0	18.6	13.0	1.9

In € million 2022	Supervisory Board	Board of Management	Bayerische Raiffeisen-Beteiligungs-AG and Raiffeisen Agrar Invest AG	Non-consolidated subsidiaries	Joint ventures	Associates
Receivables	0.0	0.0	0.0	37.2	6.1	8.3
Liabilities	0.0	0.0	0.0	12.3	7.8	4.9
Interest income	0.0	0.0	0.0	0.0	0.0	0.3
Interest expenses	0.0	0.0	0.0	0.1	0.0	0.1
Revenues	0.0	0.0	0.0	26.2	2.7	55.5
Cost of materials	0.0	0.0	0.0	8.2	17.2	1.3

1 Until the financial year 2022, only transactions with non-consolidated joint ventures and non-consolidated associates were shown here. This presentation was changed in the financial year 2023 to the effect that transactions with joint ventures and associates accounted for using the equity method are also included in joint ventures and associates. The previous year has been adjusted accordingly.

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	**2023**	2022
For audits performed	1.8	1.6
For other consultancy services	0.6	0.2
For tax consultancy services	0.0	0.0
For other services	0.0	0.0
	2.4	**1.8**

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 relate in particular to voluntary audits during the year in connection with planned M&A projects, the audit of the summarised non-financial report, preparatory activities relating to the issuing of a comfort letter and the audit in connection with the European Market Infrastructure Regulation (EMIR). In addition, various project-related audits were carried out in the financial year 2023 in connection with the introduction of new IT systems.

E.7 Executive and supervisory bodies of BayWa AG

Supervisory Board[1]

Name	Function and activity	Member since	Other mandate(-s)
Manfred Nüssel Master of Agriculture (University of Applied Sciences)	▪ Chairman of the Supervisory Board ▪ Honorary President of the German Raiffeisen Federation (Deutscher Raiffeisenverband e. V.), Berlin, Germany	21/07/1983 until 06/06/2023	▪ AGCO GmbH, Marktoberdorf, Germany (Member of the Supervisory Board) ▪ RWA Raiffeisen Ware Austria Aktiengesellschaft, Korneuburg, Austria (Vice Chairman of the Supervisory Board) (until 24/03/2023)
Prof. Klaus Josef Lutz	▪ Chairman of the Supervisory Board ▪ President of the Chamber of Industry and Commerce for Munich and Upper Bavaria, Munich, Germany ▪ President of Bayerischer Industrie- und Handelskammertag (BIHK), Munich, Germany ▪ Member of the Executive Committee, German Chamber of Industry and Commerce (DIHK), Berlin, Germany	06/06/2023 until 19/01/2024	▪ BayWa r.e. AG, Munich, Germany (Chairman of the Supervisory Board) (until 22/01/2024) ▪ Giesecke & Devrient GmbH, Munich, Germany (Chairman of the Supervisory Board) ▪ RWA AG, Korneuburg, Austria (Member of the Supervisory Board) (until 22/01/2024) ▪ Euro Pool System International B.V., Rijswijk, Netherlands (Chairman of the Supervisory Board) ▪ Stichting Continuiteit AMG, Amsterdam, Netherlands (Member of the Supervisory Board) ▪ German Raiffeisen Federation (Deutscher Raiffeisenverband e. V., DRV), Berlin, Germany (Vice President) ▪ Deutscher Genossenschafts- und Raiffeisenverband e. V. (DGRV), Bonn, Germany (Member of the Board of Administration) ▪ Genossenschaftsverband Bayern e. V. (GVB), Munich, Germany (Member of the Association Council)
Klaus Buchleitner	▪ Vice Chairman of the Supervisory Board (until 31/03/2022)	17/06/2014 until 06/06/2023	▪ Uniqa Insurance Group AG (Member of the Supervisory Board) ▪ Uniqa Österreich Versicherungen AG (Member of the Supervisory Board)
Bernhard Loy	▪ First Vice Chairman of the Supervisory Board (since 06/06/2023) ▪ Service specialist ▪ Chairman of the Works Council of BayWa AG, Agricultural Equipment, Central Franconia ▪ Vice Chairman of the Main Works Council of BayWa Headquarters	05/06/2018	
Werner Waschbichler	▪ Vice Chairman of the Supervisory Board ▪ Chairman of the Works Council of BayWa Headquarters, Munich, Germany ▪ Chairman of the Main Works Council of BayWa Headquarters	01/03/1999 until 06/06/2023	

1 The Note “Executive and supervisory bodies of BayWa AG” describes the personnel changes in the chairmanship of the Supervisory Board following the resignation of Prof. Klaus Josef Lutz, even if they occurred on 19 January 2024, i.e. after the balance sheet date.

Name	Function and activity	Member since	Other mandate(-s)
Wolfgang Altmüller MBA (University of Applied Sciences)	▪ Second Vice Chairman of the Supervisory Board (since 06/06/2023) ▪ Chairman of the Board of Directors of meine Volksbank Raiffeisenbank eG, Rosenheim, Germany	17/06/2014	▪ Allianz Beratungs- und Vertriebs-AG, Munich, Germany (Member of the Supervisory Board) (until 07/03/2023) ▪ Allianz Versicherungs-AG, München (Member of the Supervisory Board) (until 09/03/2023) ▪ Bayerische Raiffeisen-Beteiligungs-AG, Beilngries, Germany (Chairman of the Supervisory Board) ▪ Atruvia AG, Karlsruhe, Germany (Member of the Supervisory Board) (until 21/06/2023) ▪ FTI Touristik GmbH, Munich, Germany (Chairman of the Supervisory Board) (until 30/06/2023) ▪ Bundesverband der Deutschen Volksbanken und Raiffeisenbanken e. V. (BVR), Berlin, Germany (Chairman of the Advisory Board)
Theo Bergmann	▪ Driver ▪ Member of the Works Council	04/06/2013 until 06/06/2023	
Andrea Busch	▪ General Secretary ▪ ver.di, Saxony West-East-South	05/06/2018 until 06/06/2023	
Michael Göschelbauer	▪ Mayor of Altlengbach, Austria ▪ Farmer	06/06/2023	▪ RWA Raiffeisen Ware Austria AG, Korneuburg, Austria (Chairman of the Supervisory Board) ▪ RWA Raiffeisen Ware Austria Handel und Vermögensverwaltung eGen, Korneuburg, Austria (Chairman of the Supervisory Board)
Thomas Gürlebeck	▪ Union Secretary ▪ ver.di, Bavaria state region, trade section ▪ Vice Chairman of the trade section of ver.di, Bavaria state region	07/01/2021	
Jürgen Hahnemann	▪ Warehouse coordinator Franconia ▪ Chairman of the Works Council of BayWa AG, Building Materials, Central Franconia ▪ Member of the Main Works Council of BayWa Headquarters	05/06/2018	
Ingrid Halbritter	▪ Senior Credit Risk Manager	01/07/2021	
Jaana Hampel	▪ Union Secretary, trade section of ver.di, Central Franconia support area	06/06/2023	

Name	Function and activity	Member since	Other mandate(-s)
Mag. Michael Höllerer	▪ General Director (Chairman of the Board of Directors) of Raiffeisenlandesbank Niederösterreich-Wien AG, Vienna, Austria ▪ General Director of Raiffeisen-Holding Niederösterreich-Wien, Vienna, Austria	06/06/2023	▪ NÖM AG, Baden, Austria (Chairman of the Supervisory Board) ▪ Raiffeisen Bank International AG, Vienna, Austria (Member of the Supervisory Board) ▪ AGRANA Zucker, Stärke und Frucht Holding AG, Vienna, Austria (Chairman of the Supervisory Board) ▪ Austria Juice GmbH, Allhartsberg, Austria (Chairman of the Shareholders Committee) ▪ Raiffeisen Software GmbH, Vienna, Austria (Vice Chairman of the Supervisory Board) ▪ Raiffeisen Wien Mezzaninkapital GmbH, Vienna, Austria (Chairman of the Advisory Board) ▪ LEIPNIK-LUNDENBURGER INVEST Beteiligungs Aktiengesellschaft, Vienna, Austria (Vice Chairman of the Supervisory Board) ▪ ÖBAG – Österreichische Beteiligungs AG, Vienna, Austria (Member of the Supervisory Board)
Monika Hohlmeier	▪ Member of the European Parliament	04/06/2013	
Michael Kuffner	▪ Head of Environment, Health & Safety (EH&S)	04/06/2013	▪ BGHW Berufsgenossenschaft für Handel und Warenlogistik (Member of the Board of Management)
Dr. Johann Lang Master of Engineering	▪ Farmer and Managing Director of Landwirtschaftsbetrieb Lang, Baumgarten, Austria	30/05/2008 until 06/06/2023	
Wilhelm Oberhofer Bachelor of Banking Services and Operations (CCI)	▪ Member of the Board of Management Raiffeisenbank Kempten-Oberallgäu eG, Kempten, Germany ▪ Member of the Management Board of Bayerische Raiffeisen-Beteiligungs-AG, Beilngries, Germany	06/08/2015	▪ 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)
Joachim Rukwied Master of Engineering (University of Applied Sciences)	▪ Farmer and vintner ▪ President of the German Farmers' Association (Deutscher Bauernverband e. V.), Berlin, Germany ▪ President of the Landesbauernverband in Baden-Württemberg e. V., Stuttgart, Germany	04/06/2013	▪ 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)

Name	Function and activity	Member since	Other mandate(-s)
Thomas Stuber	▪ Chairman of the Works Council of BayWa AG, Building Materials, Swabia	06/06/2023	
Monique Surges	▪ Chief Executive Officer German-New Zealand Chamber of Commerce Inc., Auckland, New Zealand ▪ Chief Executive Officer German Chamber of Commerce Abroad (AHK), Auckland, New Zealand ▪ Vice-President of the New Zealand Europe Business Council (NZEBC), Auckland, New Zealand	19/05/2015	
Maria-Magdalena Waschbichler	▪ Assistant to the Chairman of the Main Works Council and Chairman of the Works Council at BayWa's Munich headquarters	06/06/2023	

Cooperative Council (as at 31 December 2023)

Name	Function and activity
Chairman and members pursuant to Article 28 (5) of the Articles of Association	
Joachim Hausner	▪ Chairman ▪ Chairman of the Board of Directors of VR Bank Bamberg-Forchheim eG, Bamberg, Germany
Manfred Nüssel Master of Agriculture (University of Applied Sciences) (until 06/06/2023)	▪ Deputy Chairman and member pursuant to Article 28 (5) of the Articles of Association ▪ Honorary President of the German Raiffeisen Federation (Deutscher Raiffeisenverband e. V.), Berlin, Germany
Prof. Klaus Josef Lutz (from 06/06/2023 until 19/01/2024)	▪ Deputy Chairman and member pursuant to Article 28 (5) of the Articles of Association ▪ President of the Chamber of Industry and Commerce for Munich and Upper Bavaria, Munich, Germany ▪ President of Bayerischer Industrie- und Handelskammertag (BIHK), Munich, Germany ▪ Member of the Executive Committee, German Chamber of Industry and Commerce (DIHK), Berlin, Germany
Dr. Johann Lang Master of Engineering (until 06/06/2023)	▪ Member pursuant to Article 28 para. 5 of the Articles of Association ▪ Farmer and Managing Director of Landwirtschaftsbetrieb Lang, Baumgarten, Austria
Michael Göschelbauer (since 06/06/2023)	▪ Member pursuant to Article 28 para. 5 of the Articles of Association ▪ RWA Raiffeisen Ware Austria AG, Korneuburg, Austria (Chairman of the Supervisory Board) ▪ RWA Raiffeisen Ware Austria Handel und Vermögensverwaltung eGen, Korneuburg, Austria (Chairman of the Supervisory Board)
Other members	
Franz Breiteneicher	▪ Managing Director of Raiffeisen-Waren GmbH Erdinger Land, Taufkirchen (Vils), Germany
Albert Deß	▪ District Councillor, former Member of the European Parliament ▪ Chairman of the Board of Directors of Bayernland eG, Nuremberg, Germany
Siegfried Drexl (until 31/12/2023)	▪ Member of the Management Board of Genossenschaftsverband Bayern e. V., Munich, Germany (until 31/12/2023)
Martin Empl Master of Agriculture	▪ Farmer
Günther Felßner (since 29/03/2023)	▪ President of the Bavarian Farmers' Association (Bayerischer Bauernverband), Munich, Germany ▪ Vice President of the German Farmers' Association (Deutscher Bauernverband), Berlin, Germany (since 28/06/2023)

Name	Function and activity
Dr. Reinhard Funk Master of Agriculture	▪ Farmer and publicly appointed agricultural appraiser
Manfred Göhring (until 31/12/2023)	▪ Chairman of the Board of Directors of Raiffeisenbank Altdorf-Feucht eG, Feucht, Germany
Peter Götz	▪ Member of the Management Board of Genossenschaftsverband – Verband der Regionen e. V., Frankfurt am Main, Germany
Markus Grauer	▪ Managing Director of Raiffeisen-Waren Schwaben Allgäu GmbH, Babenhausen, Germany
Albert Griebl	▪ Spokesman of the Management Board of VR-Bank Rottal-Inn eG, Pfarrkirchen, Germany
Wolfgang Grübler	▪ Member of the Board of Directors Agrarunternehmen “Lommatzscher Pflege” e.G., Lommatzsch, Germany
Alois Hausleitner Ök.-Rat	▪ RWA Raiffeisen Ware Austria Aktiengesellschaft, Korneuburg, Austria (Member of the Supervisory Board)
Walter Heidl (until 31/12/2023)	▪ Former President of the Bavarian Farmers’ Association (Bayerischer Bauernverband), Munich, Germany
Ludwig Hubauer Ök.-Rat	▪ Chairman of Lagerhaus Innviertel-Traunviertel-Urfahr eGen, Geinberg, Austria ▪ RWA Raiffeisen Ware Austria Aktiengesellschaft, Korneuburg, Austria (Member of the Supervisory Board)
Martin Körner Master of Engineering (University of Applied Sciences)	▪ Farmer, fruit farmer
Alfred Kraus	▪ Managing Director of Raiffeisen-Handels-GmbH, Rotthalmünster, Germany
Torsten Krawczyk	▪ President of Sächsischer Landesbauernverband e. V., Dresden, Germany
Johann Kreitmeier	▪ Farmer
Franz Kustner	▪ Honorary President of the Bavarian Farmers’ Association (Bayerischer Bauernverband)
Markus Merz	▪ Spokesman of the Management Board of VR-Bank Main-Rhön eG, Sennfeld, Germany
Marlene Mortler	▪ Member of the European Parliament
Johann Rohringer (since 29/03/2023)	▪ Chairman of Raiffeisen-Lagerhaus Hollabrunn-Horn eGen, Hollabrunn, Austria
Angelika Schorer	▪ President of the Bavarian Red Cross, Munich ▪ Former Member of the Bavarian State Assembly (until 30/10/2023)
Gerd Sonnleitner	▪ Farmer ▪ Honorary President of the European Farmers’ Union, Brussels, Belgium ▪ Honorary President of the German Farmers’ Association (Deutscher Bauernverband), Berlin, Germany ▪ Honorary President of the Bavarian Farmers’ Association (Bayerischer Bauernverband), Munich, Germany
Dr. Hermann Starnecker	▪ Spokesman of the Management Board of VR Bank Augsburg-Ostallgäu eG, Augsburg, Germany
Wolfgang Völkl	▪ Spokesman of the Management Board of Volksbank Raiffeisenbank Regensburg-Schwandorf eG, Regensburg, Germany
Thomas Wirth (until 31/10/2023)	▪ Member of the Management Board of Volksbank Raiffeisenbank Nordoberpfalz eG, Weiden i.d.OPf., Germany

Board of Management

Allocation of departments

Prof. Klaus Josef Lutz (until 31/03/2023)
(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)
- 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
- RWA Raiffeisen Ware Austria Aktiengesellschaft, Korneuburg, Austria (First Vice Chairman of the Supervisory Board) (until 24/03/2023, subsequently Fifth Vice Chairman) (until 22/01/2024)
- BayWa r.e. AG, Munich, Germany (Chairman of the Supervisory Board) (until 22/01/2024)

Marcus Pöllinger
(Chief Executive Officer since 01/04/2023)
Corporate Communications, Corporate EH&S, Corporate Governance, Corporate Legal & Compliance, Corporate Logistics, Corporate Strategy, Corporate People, Culture & ESG, CDO Office & Innovation, Group General Counsel (Audit, International Legal Projects, M&A), Cefetra Group, Agricultural Products, Global Produce, Building Materials, Digital Farming, BayWa Foundation

External mandate
- Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG, Ochsenfurt, Germany (Member of the Supervisory Board) (until 04/07/2023)

Group mandates
- BayWa r.e. AG, Munich, Germany (Member of the Supervisory Board)
- BayWa Global Produce GmbH, Munich, Germany (Chairman of the Supervisory Board)
- Cefetra Group B.V., Rotterdam, Netherlands (Member of the Supervisory Board)
- RWA Raiffeisen Ware Austria Aktiengesellschaft, Korneuburg, Austria (First Vice Chairman of the Supervisory Board) (since 24/03/2023)
- T&G Global Limited, Auckland, New Zealand (Member of the Board of Directors)

Andreas Helber
Corporate Controlling, Corporate Finance & Accounting, Corporate Insurance, Corporate Real Estate Management, Corporate Risk, 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)
- LGAD Landesverband Bayern Großhandel, Außenhandel, Dienstleistungen e. V., Munich, Germany (Vice President and Member of the Management Board)

Group mandates
- Cefetra Group B.V., Rotterdam, Netherlands (Member of the Supervisory Board)
- 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)

Allocation of departments
Dr. Marlen Wienert (since 01/04/2023) Corporate Marketing, Agri Trade & Service, eBusiness, Energy, Agricultural Equipment **External mandates** ▪ Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG, Ochsenfurt, Germany (Member of the Supervisory Board) (until 04/07/2023) ▪ UBB e. V. (Unsere Bayerischen Bauern) (Member of the Management Board) **Group mandate** ▪ RWA Raiffeisen Ware Austria Aktiengesellschaft, Korneuburg, Austria (Member of the Supervisory Board) (since 24/03/2023)
Reinhard Wolf RWA Raiffeisen Ware Austria Aktiengesellschaft, Korneuburg, Austria (General Director and Chairman of the Board of Directors) **External mandates** ▪ Raiffeisen-Holding Niederösterreich-Wien registrierte Genossenschaft mit beschränkter Haftung, Vienna, Austria (Member of the Management Board, Vice Chairman since 05/05/2023) ▪ EVN AG, Maria Enzersdorf, Austria (Chairman of the Supervisory Board) (since 19/06/2023) **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)

As at 31 December 2023

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 €3.7 million in the financial year 2023 (2022: €17.1 million). The total remuneration of the Supervisory Board came to €1.9 million (2022: €1.4 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 (2022: €0.6 million). The total remuneration of the Board of Management and Supervisory Board breaks down as follows:

In € million	**2023**	2022
Remuneration of the Board of Management		
payment due in short term	4.3	5.8
transfers to pension provision	0.7	1.2
termination benefits	0.0	6.7
other long-term payments	- 1.3	3.4
Total remuneration of the Board of Management	**3.7**	**17.1**
Remuneration of the Supervisory Board		
payment due in the short term	1.9	1.4
Total remuneration of the Supervisory Board	**1.9**	**1.4**
Combined remuneration of the Board of Management and the Supervisory Board	**5.6**	**18.5**

A total of €0.5 million of the total remuneration of the Board of Management was still outstanding as at 31 December 2023 (2022: €12.1 million). With regard to the long-term remuneration (bonus bank), the company has a claim against individual members of the Board of Management. The outstanding balance from this amounts to €1.3 million, after a provision of €3.7 million was recognised in the previous year.

An amount of €3.2 million (2022: €3.4 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 €33.5 million (2022: €35.1 million).

In addition, the Cooperative Council, which is not considered key management personnel pursuant to IAS 24, received €0.1 million in total (2022: €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 annually and adapts them, 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. The Supervisory Board utilises a horizontal comparison as well as a vertical one to assess if the target total remuneration is typical for the market.

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 2021 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.

In addition, the Supervisory Board also determines whether the remuneration of the members of the Board of Management is customary within BayWa AG (vertical market comparison). This process involves comparing at least once per year the remuneration of the members of the Board of Management with the remuneration of senior management and the average wages and salaries of BayWa AG's employees in Germany, while also taking into account progression over time. Most importantly, the remuneration system should offer incentives for sustainable corporate management and value enhancement. Positive and negative developments alike are taken into account through multi-year assessment bases, adjustment rules for unusual events and policies on special bonuses and forced remuneration cuts.

In accordance with the review system described above, the remuneration of the Chief Financial Officer was reviewed in December 2022, and the fixed salary (and therefore also the variable remuneration in line with the remuneration system) of the Chief Financial Officer was adjusted accordingly effective April 2023.

The first peer group consisted 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 consisted 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.

Remuneration structure

The total remuneration of the four 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. According to the remuneration system, the fixed salary is in a ratio of approximately 50 to 50% to the annual bonus and the bonus bank share, assuming 100% target achievement in each case, whereby the bonus bank share exceeds the annual bonus in order to promote the long-term development of BayWa AG. 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 without taking pension plans into account. The target value for the remuneration of the Chief Executive Officer is twice as high as the target value for other members of the Board of Management.

Total target remuneration

The tables of the remuneration report show the **total target remuneration** of the members of the Board of Management (in € thousand) and the remuneration structure (in %) in the financial years 2022 and 2023, respectively. The total target remuneration of the members of the Board of Management comprises the respective annual basic salary, benefits, Group mandates, short-term variable remuneration if 100% of the target is achieved in the respective financial year (paid out in the following financial year), long-term variable remuneration if 100% of the target is achieved in the respective financial year (paid out pro rata in the three following financial years) and the pension scheme.

The Supervisory Board plans to revise and further develop the Board of Management remuneration system accordingly and submit an adjusted (modernised) Board of Management remuneration system to the 2025 Annual General Meeting for approval.

According to BayWa AG's remuneration system, section C, the Supervisory Board may temporarily deviate from components of the remuneration system if this is necessary in the interests of the long-term well-being of the company.

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, strategic or non-financial 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 adopted by the Supervisory Board, the assessment basis for the annual bonus of the Chief Executive Officer is based on between 70% and up to 100% of the BayWa Group's result of operating activities and up to 30% on individually agreed targets. For the financial years 2022 and 2023, the Supervisory Board has determined that the assessment basis for the CEO's annual bonus will be based 100% on the BayWa Group's result of operating activities. 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%). In 2023, a non-financial strategic target (ESG target: sponsorship of ESG activities) was also included among the individually agreed targets for the Board of Management member responsible for finance. The basis for measurement for the member of the Board of Management with more operationally oriented departmental responsibility is based 70% on the EBIT of certain BayWa AG business divisions and 30% on individually agreed targets, whereby non-financial strategic targets were agreed as individually agreed targets for 2023 (Agri Trade & Service, Agricultural Equipment, Energy 2023 strategy – status quo analysis taking into account climate change and repositioning of the event, social media and corporate marketing brand).

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 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 three years in advance 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 year, 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 of €215 million in the financial year 2022 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 would equate to 100% achievement of long-term targets, and a result of operating activities of €255 million would equate to 135% achievement. A result of operating activities of €240 million in the financial year 2024 would equate to 100% achievement of long-term targets, and a result of operating activities of €260 million would equate to 135% achievement.

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

Upon reaching the appropriate targets, the members of the Board of Management will each receive one-third of their respective long-term variable remuneration in the three subsequent financial years. Accordingly, target achievement in the three financial years from 2020 to 2022, the resulting deposits in the bonus bank accounts and the proportionate payments from and postings to the separate bonus bank accounts in the reporting year 2023 are definitive for the payment in this reporting year.

In order to promote the long-term development of the company, all Board of Management employment contracts contain provisions that make it possible to reduce the remuneration of the Board of Management members (i.e. fixed salary, annual bonus and bonus bank) in the event of unusual developments and a deterioration in the company's situation. The bonus bank may even be clawed back in the event of negative economic development. The Supervisory Board is therefore able to account for unusual developments in appropriate instalments.

Outstanding variable remuneration components

As explained, the amount deposited in the bonus bank is paid out pro rata over the three subsequent financial years, subject to sufficient credit in the bonus bank account and any offsetting against negative bonuses. Accordingly, the tranches from the financial years 2021 to 2023 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 2021 to 2023 proportionately in the financial year 2024 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 instalments are not yet owed in the 2023 reporting year (this does not apply to former Chief Executive Officer Prof. Klaus Josef Lutz, as shown). 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. 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 2023, 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 63. 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. In connection with the adjustment of the fixed salary of the Chief Financial Officer in the reporting year, which, as explained, was carried out as part of the regular review, it was clarified that the regulation on the remuneration of secondary employment at Group companies in accordance with his Board of Management service contract concluded before the Board of Management remuneration system came into force in July 2021 (and still valid until March 2026) continues to apply to secondary employment, even if this is only newly assumed after the remuneration system comes into force. 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. 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 did not exercise this option in the financial year 2023.

BayWa AG also maintains D&O insurance for the members of the Board of Management in its own interest, with supplementary pecuniary loss legal protection insurance, D&O contract legal protection insurance and criminal defence insurance. 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 and fully been paid.

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 a committee, 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 are granted a fixed annual basic remuneration of €70,000. 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.

In addition, the members of the Supervisory Board are paid a fixed annual remuneration of €15,000 for their committee work on the Audit Committee and €5,000 each for their committee work on all other committees. The committee chairmen receive three times this amount, whereas the vice chairman of the Audit Committee receives 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.

As at 31 December 2023, the incumbent members of the Supervisory Board held a total of less than 0.1% of the shares in BayWa AG.

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 25 March 2024.

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
- DRWZ-Beteiligungsgesellschaft mbH, Munich, Germany
- Emmeringer Heizungsbau GmbH, Emmering, Germany
- EUROGREEN mbH, 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
- Pellog GmbH, Oelsnitz, Germany
- Peter Frey GmbH, Wartenberg, Germany
- Uwe Körner GmbH, Lachendorf, 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 Dachau Hochstraße 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 Bad Liebenwerda 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 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 Oedelum GmbH & Co. KG, Oedelum, Germany
- Windpark Pferdsfeld GmbH & Co. KG, Gräfelfing, Germany
- Windpark Quelkhorn GmbH & Co. KG, Ottersberg, 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 €140,635,305.81 in its annual financial statements as at 31 December 2023, which were drawn up in accordance with German accounting standards (German Commercial Code (HGB)) and are to be adopted by the Supervisory Board on 27 March 2024. The Board of Management and the Supervisory Board will propose to the Annual General Meeting on 11 June 2024 that this amount be carried forward in full to new account. A distribution per dividend-bearing share is not to be made for the financial year 2023 in order to strengthen capital.

E.11 Significant events after the reporting date

Personnel changes at the helm of the Supervisory Board
Prof. Klaus Josef Lutz resigned as a member of the Supervisory Board and as Chairman of the Supervisory Board of BayWa AG effective as at 19 January 2024. Supervisory Board member and First Vice Chairman of the Supervisory Board Bernhard Loy took over as interim Chairman of the Supervisory Board on 19 January 2024.

Acquisition of 100% of the shares in Ivanic Grad Facilities, Croatia
In October 2023, RWA AG concluded a purchase agreement via RWA International Holding GmbH, Korneuburg, Austria, to acquire 100% of the shares in Ivanic Grad Facilities, Croatia. The company is active in the production of feedstuff and the storage of agricultural products in Croatia. The acquisition is still subject to approval by the antitrust authorities. The transaction is expected to close at the end of March 2024.

Beyond this, no other matters have come to light prior to the preparation of the consolidated financial statements that would have to be reported as significant events after the reporting date with a material impact on the assets, financial position and earnings position of the BayWa Group.

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 8 November 2023. This declaration is permanently available to the public on the company's website at www.baywa.com/en/about/corporate-governance/declaration-of-conformity.

Munich, 25 March 2024

BayWa Aktiengesellschaft

The Board of Management
Marcus Pöllinger
Andreas Helber
Dr. Marlen Wienert
Reinhard Wolf

Group Holdings of BayWa AG (Appendix to the Notes of the Consolidated Financial Statements) as at 31 December 2023

Name and principal place of business	Share in capital in %
Subsidiaries included in the group of consolidated companies	
"BIOCORE ORGANIC" LLC, Žytomyr, Ukraine	100.0
"UNSER LAGERHAUS" WARENHANDELSGESELLSCHAFT m.b.H., Klagenfurt, Austria	51.1
Abemec B.V., Veghel, Netherlands	100.0
Acamba Renovables, S.L.U., Zaragoza, Spain	100.0
Accitana Solar, S.L., Barcelona, Spain	100.0
Agrimec Group B.V., Veghel, Netherlands	100.0
AGROMED AUSTRIA GMBH, Kremsmünster, Austria	90.0
Alcione Rinnovabili S.r.l., Milan, Italy	100.0
ALM Regio 1 B.V., Veghel, Netherlands	100.0
ALM Regio 10 B.V., Veghel, Netherlands	100.0
ALM Regio 11 B.V., Veghel, Netherlands	100.0
ALM Regio 12 B.V., Veghel, Netherlands	100.0
ALM Regio 13 B.V., Veghel, Netherlands	100.0
ALM Regio 14 B.V., Veghel, Netherlands	100.0
ALM Regio 15 B.V., Veghel, Netherlands	100.0
ALM Regio 2 B.V., Veghel, Netherlands	100.0
ALM Regio 3 B.V., Veghel, Netherlands	100.0
ALM Regio 4 B.V., Veghel, Netherlands	100.0
ALM Regio 5 B.V., Veghel, Netherlands	100.0
ALM Regio 6 B.V., Veghel, Netherlands	100.0
ALM Regio 7 B.V., Veghel, Netherlands	100.0
ALM Regio 8 B.V., Veghel, Netherlands	100.0
ALM Regio 9 B.V., Veghel, Netherlands	100.0
Almodovar Solar S.L.U., Barcelona, Spain	100.0
Aludra Energies SARL, Paris, France	100.0
American Beech Solar 2 LLC, Irvine, USA	100.0
American Beech Solar LLC, Irvine, USA	100.0
Ampero GmbH, Munich, Germany	100.0
Åshults Kraft AB, Malmö, Sweden	100.0
Athena Solar Srl., Milan, Italy	100.0
Atlante S.r.l., Milan, Italy	100.0
Aurora Borealis Solar LLC, Irvine, USA	100.0
Aurora Solar Projects, LLC, Irvine, USA	100.0
Aurum HoldCo Oy, Helsinki, Finland	100.0
Baltic Logistic Holding B.V., Rotterdam, Netherlands	100.0
BamBaChi Solar 1 Co., Ltd., Seoul, South Korea	100.0
BamBaChi Solar 2 Co., Ltd, Seoul, South Korea	100.0
BaSE Renewables Sdn Bhd, Kuala Lumpur, Malaysia	100.0
Bautechnik Gesellschaft m.b.H., Korneuburg, Austria	100.0
Bayerische Futtersaatbau Gesellschaft mit beschränkter Haftung, Ismaning, Germany	80.4
BayWa AG Centre Ltd., Vancouver, Canada	90.0
BayWa Agrar Beteiligungs GmbH, Munich, Germany [1]	100.0
BayWa Agrarhandel GmbH, Nienburg, Germany	100.0
BayWa Agro Polska Sp. z o.o., Brwinów, Poland	100.0
BayWa Austria Holding GmbH, Vienna, Austria	100.0
BayWa Bau Projekt GmbH, Munich, Germany [1]	100.0
BayWa Canada Ltd., Vancouver, Canada	100.0
BayWa EEH GmbH, Munich, Germany [1]	100.0

Name and principal place of business	Share in capital in %
BayWa Energie Dienstleistungs GmbH, Munich, Germany [1]	100.0
BayWa Finanzservice GmbH, Munich, Germany	100.0
BayWa Global Produce GmbH, Munich, Germany [1]	100.0
BayWa Handels-Systeme-Service GmbH, Munich, Germany [1]	100.0
BayWa Haustechnik GmbH, Kösching, Germany	100.0
BayWa Marketing & Trading International B.V., Rotterdam, Netherlands	100.0
BayWa Mobility Solutions GmbH, Munich, Germany [1]	100.0
BayWa Obst Beteiligung GmbH, Munich, Germany	100.0
BayWa Obst GmbH & Co. KG, Kressbronn, Germany	100.0
BayWa Pensionsverwaltung GmbH, Munich, Germany [1]	100.0
BayWa Power Liquids GmbH, Munich, Germany	100.0
BayWa r.e. (Thailand) Co. Ltd., Bangkok, Thailand	100.0
BayWa r.e. AG, Munich, Germany	51.0
BayWa r.e. Asia Pacific Pte. Ltd., Singapore, Singapore	100.0
BayWa r.e. Asset Holdings Japan 2 Pte. Ltd., Singapore, Singapore	100.0
BayWa r.e. Asset Holdings Japan Pte. Ltd., Singapore, Singapore	100.0
BayWa r.e. Asset Management GmbH, Gräfelfing, Germany	100.0
BayWa r.e. Asset Verwaltungs GmbH, Gräfelfing, Germany	100.0
BayWa r.e. Australia Pty Ltd, Melbourne, Australia	100.0
BayWa r.e. Benelux SRL, Eupen, Belgium	100.0
BayWa r.e. Class B Holdings LLC, Irvine, USA	100.0
BayWa r.e. Data Services GmbH, Munich, Germany	100.0
BayWa r.e. Desarrollos Solares S. de R.L. de C.V., Mexico City, Mexico	100.0
BayWa r.e. Development Land Holdco, LLC, Irvine, USA	100.0
BayWa R.E. Development Portfolio I LLC, Irvine, USA	100.0
BayWa r.e. Development, LLC, Irvine, USA	100.0
BayWa r.e. EMEA IPP Holding GmbH, Munich, Germany	100.0
BayWa r.e. Energy Solutions Pte. Ltd., Singapore, Singapore	100.0
BayWa r.e. Energy Solutions Sdn., Kuala Lumpur, Malaysia	100.0
BayWa r.e. Energy Trading GmbH, Munich, Germany	100.0
BayWa r.e. Energy Trading S.r.l., Milan, Italy	100.0
BayWa r.e. Energy Ventures GmbH, Gräfelfing, Germany	100.0
BayWa r.e. EPC, LLC, Irvine, USA	100.0
BayWa r.e. EPC, S. de R.L. de C.V., Mexico City, Mexico	100.0
BayWa r.e. España S.L.U., Barcelona, Spain	100.0
BayWa r.e. France SAS, Paris, France	100.0
BayWa r.e. Green Energy Products GmbH, Munich, Germany	100.0
BayWa r.e. Hedared Vindkraft AB, Malmö, Sweden	100.0
BayWa r.e. Hellas MEPE, Athens, Greece	100.0
BayWa r.e. Ireland Limited, Dublin, Ireland	100.0
BayWa r.e. Italia Assets GmbH, Gräfelfing, Germany	100.0
BayWa r.e. Italia S.r.l., Milan, Italy	100.0
BayWa r.e. Japan K.K., Tokyo, Japan	100.0
BayWa r.e. Korea Co., Ltd., Seoul, South Korea	100.0
BayWa r.e. Mexico, LLC, Irvine, USA	100.0
BayWa r.e. Nordic AB, Malmö, Sweden	100.0
BayWa r.e. O&M Services, S. de R.L. de C.V., Mexico City, Mexico	95.0
BayWa r.e. Offshore Wind GmbH, Munich, Germany	100.0
BayWa r.e. Operation Services GmbH, Munich, Germany	100.0
BayWa r.e. Operation Services LLC, Irvine, USA	100.0
BayWa r.e. Operation Services Ltd., Milton Keynes, UK	100.0
BayWa r.e. Operation Services Pty Ltd, Richmond, Australia	100.0
BayWa r.e. Operation Services S.r.l., Milan, Italy	100.0
BayWa r.e. Polska Sp. z o.o., Warsaw, Poland	100.0
BayWa r.e. Power Solutions GmbH, Munich, Germany	100.0
BayWa r.e. Power Solutions S.r.l., Verona, Italy	100.0

Name and principal place of business	Share in capital in %
BayWa r.e. Power Solutions, Inc. dba Enable Energy, Sacramento, USA	100.0
BayWa r.e. Progetti S.r.l., Milan, Italy	100.0
BayWa r.e. Projects Australia Pty Ltd, Melbourne, Australia	100.0
BayWa r.e. Projects España S.L.U., Madrid, Spain	100.0
BayWa r.e. Projects Greece Single Member P.C., Athens, Greece	100.0
BayWa r.e. Romania S.R.L., Bucharest, Romania	100.0
BayWa r.e. Rotor Service GmbH, Basdahl, Germany	100.0
BayWa r.e. Rotor Service Vermögensverwaltungs GmbH, Basdahl, Germany	100.0
BayWa r.e. Scandinavia AB, Malmö, Sweden	100.0
BayWa r.e. Solar Asset Holding Korea Co., Ltd., Seoul, South Korea	100.0
BayWa r.e. Solar Asset Holdings LLC, Irvine, USA	100.0
BayWa r.e. Solar B.V., Leeuwarden, Netherlands	100.0
BayWa r.e. Solar Energy Systems GmbH, Tübingen, Germany	100.0
BayWa r.e. Solar Projects GmbH, Munich, Germany	100.0
BayWa r.e. Solar Projects LLC, Irvine, USA	100.0
BayWa r.e. Solar Projects Pty Ltd, Melbourne, Australia	100.0
BayWa r.e. Solar Pte. Ltd., Singapore, Singapore	100.0
BayWa r.e. Solar Solutions GmbH, Tübingen, Germany	100.0
BayWa r.e. Solar Systems (Vietnam) Co., Ho Chi Minh City, Vietnam	100.0
BayWa r.e. Solar Systems Co. Ltd., Bangkok, Thailand	100.0
BayWa r.e. Solar Systems Corporation, Makati, Philippines	100.0
BayWa r.e. Solar Systems GmbH, Poggersdorf, Austria	100.0
BayWa r.e. Solar Systems Inc., Edmonton, Canada	100.0
BayWa r.e. Solar Systems LLC, Wilmington, USA	100.0
BayWa r.e. Solar Systems Pty Ltd, Adelaide, Australia	100.0
BayWa r.e. Solar Systems S. de R.L. de C.V., Zapopan, Mexico	100.0
BayWa r.e. Solar Systems S.à r.l., Wemperhardt, Luxembourg	100.0
BayWa r.e. Solar Systems S.A.S., Medellín, Colombia	100.0
BayWa r.e. Solar Systems S.L.U., Barcelona, Spain	100.0
BayWa r.e. Solar Systems S.r.l., Colognola ai Colli, Italy	100.0
BayWa r.e. Solar Systems s.r.o., Prague, Czechia	100.0
BayWa r.e. Solar Systems SAS, Bordeaux, France	100.0
BayWa r.e. Solar Systems SIA, Riga, Latvia	100.0
BayWa r.e. Solar Systems Single Member SA, Marousi, Greece	100.0
BayWa r.e. Solar Systems sp. z o. o., Zabierzów, Poland	100.0
BayWa r.e. Solar Trade Holding GmbH, Tübingen, Germany	100.0
BayWa r.e. Solardächer II GmbH & Co. KG, Gräfelfing, Germany	100.0
BayWa r.e. UK (Developments) Limited, London, UK	100.0
BayWa R.E. UK (JUBILEE) LIMITED, London, UK	100.0
BayWa r.e. UK Limited, London, UK	100.0
BayWa r.e. USA, LLC, Wilmington, USA	100.0
BayWa r.e. Vietnam Co., Ltd., Ho Chi Minh City, Vietnam	100.0
BayWa r.e. Wind 20+ GmbH, Gräfelfing, Germany	100.0
BayWa r.e. Wind Asset Holding Korea Co., Ltd., Seoul, South Korea	100.0
BayWa r.e. Wind Asset Holdings Vietnam Pte. Ltd., Singapore, Singapore	100.0
BayWa r.e. Wind GmbH, Munich, Germany	100.0
BayWa r.e. Wind II GmbH, Hanover, Germany	100.0
BayWa r.e. Wind Projects Vietnam Co., Ltd., Ho Chi Minh City, Vietnam	100.0
BayWa r.e. Wind Pte. Ltd., Singapore, Singapore	100.0
BayWa r.e. Wind Verwaltungs GmbH, Gräfelfing, Germany	100.0
BayWa r.e. Wind, LLC, Wilmington, USA	100.0
BayWa r.e. Windpark Arlena GmbH, Gräfelfing, Germany	100.0
BayWa r.e. Windparkportfolio 1 GmbH & Co. KG, Gräfelfing, Germany	100.0
BayWa r.e. Zambia Ltd., Lusaka, Zambia	100.0
BayWa re (Malaysia) Sdn. Bhd., Kuala Lumpur, Malaysia	100.0
BayWa Rent GmbH, Munich, Germany	100.0

Name and principal place of business	Share in capital in %
BayWa Vorarlberg HandelsGmbH, Lauterach, Austria	51.0
Becon Project Management & Consultancy Ltd., Edinburgh, UK	100.0
Bellevue Bad Heilbrunn GmbH & Co. KG, Günzburg, Germany	51.0
Bendigo Solar Farm HoldCo Pty Ltd, Melbourne, Australia	100.0
Bendigo Solar Farm Pty Ltd, Melbourne, Australia	100.0
Bierstadt Energy Storage LLC, Irvine, USA	100.0
Big Creek Solar 2 LLC, Irvine, USA	100.0
Big Creek Solar 3 LLC, Irvine, USA	100.0
BioCore B.V., Oosterhout, Netherlands	100.0
Black Rock Solar II LLC, Irvine, USA	100.0
Black Rock Solar LLC, Irvine, USA	100.0
Bluebird Solar LLC, Irvine, USA	100.0
Bölke Handel GmbH, Landsberg, Germany	90.0
Botsay Energie SAS, Paris, France	100.0
brandpower P1 GmbH, Kilb, Austria	100.0
BRE/GE Solar Developments Limited, Edinburgh, UK	51.0
Broken Cross Wind Farm Limited, Edinburgh, UK	100.0
Bronco Energy Storage LLC, Irvine, USA	100.0
Brüderl Immobilien Holding GmbH, Traunreut, Germany	51.0
brüderl NH 110 Bauträger GmbH, Salzburg, Austria	100.0
brüderl Projekt Amalienstraße GmbH & Co. KG, Traunreut, Germany	100.0
Brüderl Projekt Bad Endorf GmbH & Co. KG, Traunreut, Germany	51.0
brüderl Projekt Dachau Hochstraße GmbH & Co. KG, Traunreut, Germany	100.0
Brüderl Projekt GmbH & Co. KG, Traunreut, Germany	51.0
Brüderl Projekt Kunigundenstraße GmbH & Co. KG, Traunreut, Germany	51.0
brüderl Projekt Lerchenweg GmbH & Co. KG, Traunreut, Germany	51.0
Brüderl Projekt Traunstorfer Straße GmbH & Co. KG, Traunreut, Germany	51.0
Brumath Energies SAS, Paris, France	100.0
Brushy Creek Solar LLC, Irvine, USA	100.0
BTS 18 Projekt GmbH, Buchloe, Germany	100.0
Bullawah Wind Farm Pty Ltd, Melbourne, Australia	100.0
Burkes Agencies Limited, Paisley, UK	100.0
Burro Canyon Energy Storage LLC, Irvine, USA	100.0
Camden Solar Class B LLC, Irvine, USA	100.0
Camden Solar LLC, Irvine, USA	100.0
Camden Tax Equity Partnership LLC, Irvine, USA	100.0
Capital Fruit Ltd, Tzaneen, South Africa	50.0
Caverna Energy Storage LLC, Irvine, USA	100.0
Cefetra B.V., Rotterdam, Netherlands	100.0
Cefetra Dairy B.V., AV 's-Hertogenbosch, Netherlands	100.0
Cefetra Feed Service B.V., Rotterdam, Netherlands	100.0
Cefetra Group B.V., Rotterdam, Netherlands	100.0
Cefetra Ibérica S.L.U., Pozuelo de Alarcón, Spain	100.0
Cefetra Limited, Paisley, UK	100.0
Cefetra Polska Sp. z o.o., Gdynia, Poland	100.0
Cefetra Premium Oils B.V., Amsterdam, Netherlands	100.0
Cefetra S.p.A., Rome, Italy	100.0
Cefetra Shipping B.V., Rotterdam, Netherlands	100.0
ChaeGwang Energy Co., Ltd., Seoul, South Korea	100.0
Chopin Wind, LLC, Wilmington, USA	100.0
CITYGREEN Gartengestaltungs GmbH, Vienna, Austria	100.0
CLAAS Main-Donau GmbH & Co. KG, Gollhofen, Germany	90.0
CLAAS Nordostbayern GmbH & Co. KG, Altenstadt, Germany	90.0
CLAAS Südostbayern GmbH, Töging am Inn, Germany	90.0
CLAAS Württemberg GmbH, Langenau, Germany	80.0
Clos Neuf Energies SAS, Paris, France	51.0

Name and principal place of business	Share in capital in %
Cloud Hill Windfarm Limited, London, UK	100.0
Clump Farm Limited, London, UK	100.0
Commerce Station Energy Storage LLC, Irvine, USA	100.0
Corazon Energy II, LLC, Irvine, USA	100.0
Corner Copse Solar Limited, London, UK	100.0
Cornucopia Hybrid LLC, Irvine, USA	100.0
Corriegarth 2 Windfarm Ltd., London, UK	100.0
Crookedstane Windfarm Ltd., Edinburgh, UK	100.0
Dedun Solar, S.L., Barcelona, Spain	100.0
Delica (Shanghai) Fruit Trading Company Limited, Shanghai, China	100.0
Delica Australia Pty Ltd, Tullamarine, Australia	100.0
Delica Domestic Pty Ltd, Tullamarine, Australia	100.0
Delica Limited, Auckland, New Zealand	100.0
Delica North America, Inc., Torrance, USA	50.0
Desarrollo Proyecto Fotovoltaico VIII S.L., Barcelona, Spain	100.0
Diapur HoldCo Pty Ltd, Melbourne, Australia	100.0
Diermeier Energie GmbH, Niederwinkling, Germany	100.0
Dionisio S.r.l., Milan, Italy	100.0
DMA Lucera S.r.l., Rome, Italy	100.0
DongCheon Green Energy Co., Ltd., Seoul, South Korea	100.0
Dörenhagen Windenergieanlagen GmbH & Co. KG, Gräfelfing, Germany	100.0
Driffield Solar and Storage Limited, London, UK	100.0
Druim Leathann Windfarm Ltd., Edinburgh, UK	100.0
DRWZ-Beteiligungsgesellschaft mbH, Munich, Germany	100.0
ECOwind d.o.o., Zagreb, Croatia	100.0
ECOWIND Handels- & Wartungs-GmbH, Kilb, Austria	100.0
Edom Hills Projects 1, LLC, New Castle, USA	100.0
Emera S.r.l., Milan, Italy	100.0
Emmeringer Heizungsbau GmbH, Emmering, Germany	100.0
Energía Diodos S.L.U., Barcelona, Spain	100.0
Energia Solar SLP I S. DE R.L. DE C.V, Mexico City, Mexico	100.0
Energy Solutions 1 Holdings Co. Ltd., Ho Chi Minh City, Vietnam	100.0
Energy System Services S.r.l., Milan, Italy	100.0
ENZAFRUIT New Zealand (Continent) NV, Sint-Truiden, Belgium	100.0
ENZAFRUIT New Zealand (U.K.) Ltd., London, UK	100.0
ENZAFRUIT New Zealand International Limited, Auckland, New Zealand	100.0
ENZAFRUIT Peru S.A.C., Lima, Peru	100.0
ENZAFRUIT Products Inc., Wernatchee, USA	100.0
Eolica Aragon S.r.l., Milan, Italy	100.0
EUROGREEN AUSTRIA GmbH, Mondsee, Austria	100.0
EUROGREEN CZ s.r.o., Jiřetín pod Jedlovou, Czechia	100.0
EUROGREEN GmbH, Betzdorf, Germany	100.0
F. Url & Co. Gesellschaft m.b.H., Korneuburg, Austria	100.0
FABU BeteiligungsgmbH, Spillern, Austria	100.0
FABU Massivhaus HandelsgmbH, Spillern, Austria	100.0
Fairgrow Limited, Auckland, New Zealand	100.0
FarmFacts GmbH, Pfarrkirchen, Germany	100.0
FarmFacts Holding GmbH, Munich, Germany	100.0
Febe Rinnovabili S.r.l., Milan, Italy	100.0
Ferguson HoldCo Pty Ltd, Melbourne, Australia	100.0
Fern Solar Class B Holdings LLC, Irvine, USA	100.0
Fern Solar Class B LLC, Irvine, USA	100.0
Fern Solar Development LLC, Irvine, USA	100.0
Fern Solar LLC, Irvine, USA	100.0
Fern Tax Equity Partnership LLC, Irvine, USA	100.0
Fontenet Energies SAS, Paris, France	100.0

Name and principal place of business	Share in capital in %
Forster GmbH, Munich, Germany	100.0
Freshmax New Zealand Ltd, Auckland, New Zealand	100.0
Fruit Distributors Limited, Auckland, New Zealand	100.0
Fruitmark Pty Ltd, Mulgrave, Australia	100.0
Fuels Services GmbH, Munich, Germany	100.0
FW Kamionka Sp. z o.o., Kamionka, Poland	100.0
G. Stranzinger Bauprojekt GmbH & Co. KG, Tann, Germany	60.0
Garant - Tiernahrung Gesellschaft m.b.H., Pöchlarn, Austria	100.0
Gea Rinnovabili S.r.l., Milan, Italy	100.0
GENOL Gesellschaft m.b.H., Korneuburg, Austria	71.0
GK Alpha Mega Solar Project No. 1, Tokyo, Japan	100.0
GK Alpha Mega Solar Project No. 2, Tokyo, Japan	100.0
Gold Rush Energy Storage LLC, Irvine, USA	100.0
Gourvillette Energies SARL, Paris, France	100.0
Grainli GmbH & Co. KG, Hamburg, Germany	100.0
Greenberry SAS, Paris, France	100.0
GroenLeven B.V., Leeuwarden, Netherlands	100.0
GroenLeven Invest B.V., Heerenveen, Netherlands	100.0
Haneul Bit Energy Co., Ltd., Yongin, South Korea	100.0
Heinrich Brüning GmbH, Hamburg, Germany	60.0
High Constellation Windfarm Limited, London, UK	100.0
Hill Farm Solar Limited, London, UK	100.0
Hübnerstraße Grundbesitz GmbH, Kemnath, Germany	100.0
Hughenden Solar Farm FinCo Pty Ltd, Melbourne, Australia	100.0
Hughenden Solar Farm HoldCo Pty Ltd, Melbourne, Australia	100.0
Hughenden Solar Trust, Richmond, Australia	100.0
Iljo Bit Energy 1 Co., Ltd., Seoul, South Korea	100.0
Iljo Bit Energy 2 Co., Ltd., Seoul, South Korea	100.0
Iljo Bit Energy 3 Co., Ltd., Seoul, South Korea	100.0
Immobilienvermietung Gesellschaft m.b.H., Korneuburg, Austria	100.0
In&Out Ventures GmbH, Munich, Germany	100.0
Interlubes GmbH, Würzburg, Germany	100.0
Jacumba Land HoldCo LLC, Irvine, USA	100.0
Jannis Beteiligungsgesellschaft mbH, Munich, Germany	100.0
Jigok Bit Energy Co., Ltd., Seoul, South Korea	100.0
JPB Holding GmbH, Kemnath, Germany	51.0
Jung HoldCo Pty Ltd, Melbourne, Australia	100.0
Jung Renewable Energy Facility Pty Ltd, Melbourne, Australia	100.0
Juno Solar S.r.l., Milan, Italy	100.0
JVR Energy Park LLC, Irvine, USA	100.0
K'IIN, S.A.P.I. de C.V., Mexico City, Mexico	100.0
Ka'iulani 4, LLC, Hilo, USA	100.0
KALPIS, S.A.P.I. de C.V., Mexico City, Mexico	100.0
Kariboe Wind Farm Pty Ltd, Melbourne, Australia	100.0
Kelsey Creek Solar Farm FinCo Pty Ltd, Melbourne, Australia	100.0
Kelsey Creek Solar Farm HoldCo Pty Ltd, Melbourne, Australia	100.0
Ketziner Beteiligungsgesellschaft mbH, Niederer Fläming, Germany	100.0
Knickerbocker Solar LLC, Irvine, USA	100.0
Korea Solar 1 Co., Ltd., Seoul, South Korea	100.0
Korea Solar 4 Co., Ltd., Seoul, South Korea	100.0
Korea Solar 5 Co., Ltd., Seoul, South Korea	100.0
Korea Solar 6 Co., Ltd., Seoul, South Korea	100.0
Korea Solar 7 Co., Ltd., Seoul, South Korea	100.0
La Redonda Solar S.L., Barcelona, Spain	100.0
Lagerhaus Franchise GmbH, Korneuburg, Austria	100.0
Lagerhaus Technik-Center GmbH, Korneuburg, Austria	98.4

Name and principal place of business	Share in capital in %
Little Gala Windfarm Ltd., Edinburgh, UK	100.0
Little Prairie Solar LLC, Irvine, USA	100.0
LODUR Energieanlagen GmbH, Munich, Germany	100.0
Loto Rinnovabili S.r.l., Milan, Italy	100.0
LTZ Chemnitz GmbH, Hartmannsdorf, Germany	90.0
Maestro Wind, LLC, Wilmington, USA	100.0
Maqueda Solar S.L.U., Barcelona, Spain	100.0
Matahari 1 Holdings Pte. Ltd., Singapore, Singapore	100.0
Mid West SF No1 Pty Ltd, Melbourne, Australia	100.0
Mineral Point Energy Storage LLC, Irvine, USA	100.0
Mirae Bit Energy Co., Ltd., Seoul, South Korea	100.0
Mozart Wind, LLC, Wilmington, USA	100.0
NH 110 Projektentwicklungsgesellschaft GmbH, Salzburg, Austria	100.0
Ninfea Rinnovabili S.r.l., Milan, Italy	100.0
NLEI Ltd., Edinburgh, UK	100.0
novotegra GmbH, Tübingen, Germany	100.0
Nuevos Parques Eólicos La Muela A.I.E., Zaragoza, Spain	100.0
Oak Green Solar LLC, Irvine, USA	100.0
Oaklands Farm Solar Limited, London, UK	100.0
Opal Energy Storage LLC, Irvine, USA	100.0
Parco Solare Smeraldo S.r.l., Brixen, Italy	100.0
PARGA Park- und Gartentechnik Gesellschaft m.b.H., Aderklaa, Austria	100.0
Park Eolian Limanu S.R.L., Sibiu, Romania	99.0
Parque Eólico La Carracha S.L., Zaragoza, Spain	74.0
Parque Eólico Plana de Jarreta S.L., Zaragoza, Spain	74.0
Parque Solar Kukuul, S. de R.L. de C.V., Mexico City, Mexico	100.0
Parque Solar La Paloma, S. de R.L. de C.V., Mexico City, Mexico	70.0
Parque Solar Los Potros, S. de R.L. de C.V., Mexico City, Mexico	100.0
PATENT CO. DOO LAKTASI, Laktaši, Bosnia and Herzegovina	100.0
Patent Co. DOO Misicevo, Mišićevo, Serbia	100.0
Pellog GmbH, Oelsnitz, Germany	100.0
Perinnpitt Road Solar Ltd., London, UK	100.0
Peter Frey GmbH, Wartenberg, Germany [1]	100.0
Piccola ma carina Projekt GmbH, Munich, Germany	51.0
Pine Lake Solar LLC, Irvine, USA	100.0
Pinscher Energy Storage LLC, Irvine, USA	100.0
Plankenstein 8 GmbH & Co. KG, Munich, Germany	51.0
Plapperer Projekt GmbH, Schrobenhausen, Germany	51.0
Power Solutions – WHF 01 S.r.l., Verona, Italy	100.0
PowerHub Inc., Toronto, Canada	100.0
Prairie Solar 1, LLC, Irvine, USA	100.0
Prairie Solar Holdings LLC, Irvine, USA	100.0
Primrose Hybrid LLC, Irvine, USA	100.0
Profruit Investments Ltd, Tzaneen, South Africa	100.0
Projekt Aichach S7 GmbH & Co. KG, Augsburg, Germany	51.0
Projekt Baierbrunn W13 GmbH, Augsburg, Germany	51.0
Projekt Zirndorf W21 GmbH, Augsburg, Germany	51.0
Puterea Verde S.r.l., Sibiu, Romania	100.0
Putlitzstraße Grundbesitz GmbH, Kemnath, Germany	100.0
PV Integ AG, Ebikon, Switzerland	100.0
Rag Lane Solar Ltd., London, UK	100.0
Raiffeisen-Lagerhaus GmbH, Bruck an der Leitha, Austria	89.9
Raiffeisen-Lagerhaus Investitionsholding GmbH, Korneuburg, Austria	100.0
Raschdorffstraße Grundbesitz GmbH, Kemnath, Germany	51.0
Regeneratives Land GmbH, Gräfelfing, Germany	100.0
Regolo Rinnovabili S.r.l., Milan, Italy	100.0

Name and principal place of business	Share in capital in %
RENAM S.r.l., Milan, Italy	100.0
renerco plan consult GmbH, Munich, Germany	100.0
Renertech Rotorblattservice GmbH & Co.KG, Bad Wünnenberg, Germany	100.0
RI-Solution Data GmbH, Korneuburg, Austria	100.0
Ribeiro Solar Ltda, São José dos Pinhais, Brazil	100.0
RIGI PV d.o.o., Zagreb, Croatia	100.0
Rinnovabili Melfi S.r.l., Milan, Italy	100.0
RIVEKA BVBA, Boom, Belgium	100.0
Robert Decker Wohnbau München GmbH & Co. KG, Grünwald, Germany	51.0
Rosa Rinnovabili S.r.l., Milan, Italy	100.0
Rownal Farm Solar Ltd., London, UK	100.0
Royal Ingredients Group B.V., Alkmaar, Netherlands	100.0
Royal Ingredients Group Holding USA Inc., Chicago, USA	100.0
Royal Ingredients Group India Pvt. Ltd., Navi Mumbai, India	99.9
Royal Ingredients Group International B.V., Alkmaar, Netherlands	100.0
Royal Ingredients Group USA Inc., Chicago, USA	100.0
Royal Ingredients Nigeria Ltd., Lagos, Nigeria	80.0
RoyBalt Ingredients S.A. de C.V., Santiago de Querétaro, Mexico	70.0
Rueda Sur Solar 1, S.L.U., Zaragoza, Spain	100.0
Rueda Sur Solar 2, S.L.U., Zaragoza, Spain	100.0
Rueda Sur Wind 1, S.L.U., Zaragoza, Spain	100.0
Rueda Sur Wind 2, S.L.U., Zaragoza, Spain	100.0
Rueda Sur Wind 3, S.L.U., Zaragoza, Spain	100.0
RUG Raiffeisen Umweltgesellschaft m.b.H., Korneuburg, Austria	75.0
RWA Czechia s.r.o., Unhost, Czechia	100.0
RWA Hrvatska d.o.o., Osijek, Croatia	100.0
RWA Immobilien GmbH, Korneuburg, Austria	100.0
RWA International Holding GmbH, Korneuburg, Austria	100.0
RWA Invest GmbH, Korneuburg, Austria	100.0
RWA Magyarország Kft., Ikrény, Hungary	100.0
RWA Raiffeisen Agro Romnia S.r.l., Timișoara, Romania	100.0
RWA Raiffeisen Ware Austria Aktiengesellschaft, Korneuburg, Austria	50.0
RWA SLOVAKIA spol. s r.o., Bratislava, Slovakia	100.0
RWA Slovenija d.o.o., Škofljica, Slovenia	100.0
RWA Srbija d.o.o., Belgrade, Serbia	100.0
Ryfors Vindkraft AB, Malmö, Sweden	100.0
SAH Class B Borrower LLC, Irvine, USA	100.0
SAH Portfolio I LLC, Irvine, USA	100.0
Saintonge Energies SAS, Paris, France	100.0
Samsonwind Wirtsnock GmbH, Kilb, Austria	100.0
Santa Fe BESS LLC, Irvine, USA	100.0
SBU Power Holdings Pte. Ltd., Singapore, Singapore	100.0
Scorpion Energy Storage LLC, Irvine, USA	100.0
SDK Power Sdn. Bhd., Kuala Lumpur, Malaysia	48.0
Sedaco Agro Commodities LTD, Lagos, Nigeria	100.0
Sedaco Agro Tanzania LTD, Dar es-Salaam, Tanzania	100.0
Sedaco DMCC, Dubai, United Arab Emirates	100.0
Sedaco Mozambique, Limitada, Beira, Mozambique	100.0
Seosan Iljo Bit Solar Co., Ltd., Seoul, South Korea	100.0
Shieldhall Logistics Ltd., Paisley, UK	100.0
Sickingenstraße Grundbesitz GmbH, Kemnath, Germany	51.0
Sinclair Logistics Ltd., Paisley, UK	100.0
Sirio Rinnovabili S.r.l., Milan, Italy	100.0
Sjönnebol Kraft AB, Malmö, Sweden	100.0
Sol in one GmbH, Kaiserslautern, Germany	80.0
SOLAR CASTUERA, S.L., Madrid, Spain	100.0

Name and principal place of business	Share in capital in %
Solar Sud S.r.l., Milan, Italy	100.0
Solar Tech Co., Ltd., Seoul, South Korea	100.0
Solar Wood Co., Ltd., Seoul, South Korea	100.0
Solar-Planit Software GmbH, Tübingen, Germany	100.0
Solarcell Energy Co., Ltd., Seoul, South Korea	100.0
Solare Italia S.r.l., Milan, Italy	100.0
Solaris Industrial sp.z o.o., Warsaw, Poland	100.0
Solarmarkt GmbH, Aarau, Switzerland	100.0
Solarna elektrana Bisko d.o.o. za proizvodnju električne energije, Zagreb, Croatia	100.0
Solarna elektrana Proložac d.o.o., Zagreb, Croatia	100.0
Solarpark Aquarius GmbH & Co. KG, Gräfelfing, Germany	100.0
Solarpark Aries GmbH & Co. KG, Gräfelfing, Germany	100.0
Solarpark Bad Liebenwerda GmbH & Co. KG, Gräfelfing, Germany	100.0
Solarpark Kobe GmbH, Munich, Germany	100.0
Solarpark Lupus GmbH & Co. KG, Gräfelfing, Germany	100.0
Solarpark Samas GmbH, Gräfelfing, Germany	100.0
Solitude Hybrid LLC, Irvine, USA	100.0
South Fambridge Hall Solar Park Limited, London, UK	100.0
Spitzlberg GmbH & Co. KG, Augsburg, Germany	51.0
SPV Solarpark 103. GmbH & Co. KG, Gräfelfing, Germany	99.0
SPV Solarpark 105. GmbH & Co. KG, Gräfelfing, Germany	100.0
SPV Solarpark 118. GmbH & Co. KG, Gräfelfing, Germany	100.0
Status Produce Favona Road Limited, Auckland, New Zealand	100.0
Stormon Energi AB, Malmö, Sweden	100.0
Strauss Class B Holdings LLC, Irvine, USA	100.0
Strauss Class B Member LLC, Irvine, USA	100.0
Strauss Portfolio I LLC, Irvine, USA	100.0
Strauss Tax Equity Partnership LLC, Irvine, USA	100.0
Strauss Wind, LLC, Los Angeles, USA	100.0
Studios Solar 2, LLC, Irvine, USA	100.0
Studios Solar 3, LLC, Irvine, USA	100.0
Studios Solar 4, LLC, Irvine, USA	100.0
Studios Solar 5, LLC, Irvine, USA	100.0
Studios Solar, LLC, Irvine, USA	100.0
Sud Energy S.r.l., Milan, Italy	100.0
Sun Power Sicilia S.r.l., Milan, Italy	100.0
Sunfish Solar LLC, Irvine, USA	100.0
Suntree GmbH, Hamburg, Germany	100.0
T&G Berries Australia PTY Limited, Melbourne, Australia	85.0
T&G CarSol Asia PTE. Ltd, Singapore, Singapore	50.0
T&G Chile SpA, Santiago de Chile, Chile	100.0
T&G Europe SAS, Lafrançaise, France	100.0
T&G Fresh Produce PTE. Ltd, Singapore, Singapore	100.0
T&G Fruitmark HK Limited, Hong Kong, China	100.0
T&G Global Limited, Auckland, New Zealand	74.0
T&G Global Vietnam Company Ltd, Ho Chi Minh City, Vietnam	100.0
T&G Insurance Limited, Auckland, New Zealand	100.0
T&G Japan Ltd., Tokyo, Japan	100.0
T&G Orchard Services Limited, Auckland, New Zealand	100.0
T&G Processed Food Limited, Auckland, New Zealand	100.0
T&G South East Asia Ltd., Bangkok, Thailand	100.0
T&G Vizzarri Farms Pty Ltd, Tullamarine, Australia	50.0
T&T Electric - American Samoa, LLC, Hilo, USA	100.0
T&T Electric, Inc., Hilo, USA	100.0
Taga Solar, LLC, Irvine, USA	100.0
Taipa Water Supply Limited, Kerikeri, New Zealand	65.0

Name and principal place of business	Share in capital in %
TechnikCenter Grimma GmbH, Mutzschen, Germany	70.0
TFC Holland B.V., Waddinxveen, Netherlands	100.0
Thenergy B.V., Oosterhout, Netherlands	100.0
Titus Canyon Solar LLC, Irvine, USA	100.0
Tracomex B.V., Oosterhout, Netherlands	100.0
Trédias Energies SAS, Paris, France	100.0
Trinity Holding B.V., Leeuwarden, Netherlands	100.0
Turners & Growers (Fiji) Limited, Auckland, New Zealand	70.0
Turners & Growers Fresh Limited, Auckland, New Zealand	100.0
Turners & Growers New Zealand Limited, Auckland, New Zealand	100.0
Twilight Energy Storage LLC, Irvine, USA	100.0
Tyche Solar, S.L., Barcelona, Spain	100.0
Tyre Bridge Solar LLC, Irvine, USA	100.0
Umspannwerk Klein Bünsdorf GmbH & Co. KG, Gräfelfing, Germany	100.0
Unearthed Produce Limited, Mount Wellington, New Zealand	51.0
Unterstützungseinrichtung der BayWa Aktiengesellschaft in München GmbH, Munich, Germany	100.0
URL AGRAR GmbH, Premstätten, Austria	100.0
Uwe Körner GmbH, Lachendorf, Germany	100.0
Vaggeryds Vindbrukspark AB, Malmö, Sweden	100.0
Val de Moine Energies SARL, Paris, France	100.0
Venosa S.r.l., Milan, Italy	100.0
VentureFruit Australia Pty Limited, Melbourne, Australia	100.0
VentureFruit Global Limited, Auckland, New Zealand	100.0
VentureFruit International Limited, Auckland, New Zealand	100.0
VentureFruit NZ Limited, Auckland, New Zealand	100.0
Venturefruit USA Inc., Delaware, USA	100.0
Vision Samcheok Energy Ltd., Seoul, South Korea	100.0
VISTA Geowissenschaftliche Fernerkundung GmbH, Munich, Germany	51.0
Watt Development SPV 2 S.L.U., Barcelona, Spain	100.0
Watt Development SPV 9 S.L.U., Barcelona, Spain	100.0
WAV Wärme Austria VertriebsgmbH, Korneuburg, Austria	100.0
Whitelaw Brae Windfarm Ltd., Edinburgh, UK	100.0
Wild Stallion Energy Storage LLC, Irvine, USA	100.0
Wilhelmshöhe Infrastruktur GmbH & Co. KG, Gräfelfing, Germany	87.5
Wimmera Plains Energy Facility Holdco Pty Ltd, Melbourne, Australia	100.0
Wimmera Plains Energy Facility Pty Ltd, Melbourne, Australia	100.0
Windenergie Sallingberg GmbH, Kilb, Austria	100.0
Windkraft Beteiligungsgesellschaft mbH & Co. Windpark Krummensee KG, Düsseldorf, Germany	54.8
Windpark Bärofen GmbH, Kilb, Austria	100.0
Windpark Bella GmbH, Gräfelfing, Germany	100.0
Windpark Freimersheim GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Grüntal GmbH, Sydower Fließ, Germany	100.0
Windpark Hessenweiler GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Hettstadt GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Hiesberg GmbH, Kilb, Austria	100.0
Windpark Holle-Sillium GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Kamionka GmbH, Gräfelfing, Germany	100.0
Windpark Kraubatheck GmbH, Kilb, Austria	100.0
Windpark Langenbrand GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Lindchen GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Oedelum GmbH & Co. KG, Oedelum, Germany	100.0
Windpark Pferdsfeld GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Polanów 1 Sp. z o.o., Warsaw, Poland	100.0
Windpark Polanów 2 Sp. z o.o., Warsaw, Poland	100.0
Windpark Quelkhorn II GmbH & Co. KG, Ottersberg, Germany	100.0
Windpark Velgen-Bornsen GmbH, Bienenbüttel, Germany	100.0

Name and principal place of business	Share in capital in %
Windpark Wilhelmshöhe GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Wilhelmshöhe II GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Wilhelmshöhe III GmbH & Co. KG, Gräfelfing, Germany	100.0
Wohnen am Lerchenberg GmbH & Co. KG, Borna, Germany	100.0
Wooyoung Solar Power Co., Ltd, Seoul, South Korea	100.0
Worldwide Fruit Limited, Spalding, UK	50.0
Yanel farm solar Ltd., London, UK	100.0
Yatpool Solar Farm FinCo Pty Ltd, Melbourne, Australia	100.0
Yatpool Solar Farm HoldCo Pty Ltd, Melbourne, Australia	100.0
Yatpool Sun Farm Pty Ltd, Melbourne, Australia	100.0
zebotec GmbH, Konstanz, Germany	100.0
Zonlocatie 1 B.V., Heerenveen, Netherlands	100.0
Zonlocatie 2 B.V., Leeuwarden, Netherlands	100.0
Zonlocatie 3 B.V., Leeuwarden, Netherlands	100.0
Zonlocatie 4 B.V., Leeuwarden, Netherlands	100.0
Zonlocaties Nederland B.V., Heerenveen, Netherlands	100.0
Zonnedak A1 B.V., Heerenveen, Netherlands	100.0
Zonnedak F1 B.V., Heerenveen, Netherlands	100.0
Zonnedak F2 B.V., Heerenveen, Netherlands	100.0
Zonnedak F3 B.V., Heerenveen, Netherlands	100.0
Zonnedak O1 B.V., Heerenveen, Netherlands	100.0
Zonnepark Albrandswaard B.V., Heerenveen, Netherlands	100.0
Zonnepark Friesland B.V., Heerenveen, Netherlands	100.0
Zonnepark PV22 B.V., Leeuwarden, Netherlands	100.0
Zonnepark PV4 B.V., Leeuwarden, Netherlands	100.0
Zonnepark Skûlenboarch B.V., Leeuwarden, Netherlands	100.0
Zonnepark Weperpolder B.V., Heerenveen, Netherlands	100.0
Zonnepark Woldjerspoor B.V., Heerenveen, Netherlands	100.0
Zonnepark XXL B.V., Leeuwarden, Netherlands	87.5
Zonneparken Nederland B.V., Leeuwarden, Netherlands	100.0
Subsidiaries not included in the group of consolidated companies	
"BayWa CS Polska" Sp. z o.o., Brwinów, Poland	100.0
ab bauen wohnen Verwaltungs GmbH, Augsburg, Germany	51.0
ABATIS Beteiligungsgesellschaft mbH, Düsseldorf, Germany	100.0
Absolute Trading Systems, S.L.U., Barcelona, Spain	100.0
Actual Propaganda Systems, S.L.U., Barcelona, Spain	100.0
Advanced Tax Systems S.L.U., Barcelona, Spain	100.0
Agate Energy Storage LLC, Irvine, USA	100.0
Agrar- und Transportservice Kölleda GmbH, Kölleda, Germany	62.3
AgrarCommander GesmbH, Korneuburg, Austria	100.0
Agrarproduktenhandel Gesellschaft m.b.H., Klagenfurt, Austria	100.0
Agrimec B.V., Veghel, Netherlands	100.0
Agrimec Parts B.V., Veghel, Netherlands	100.0
Agro Innovation Lab GmbH, Korneuburg, Austria	100.0
Agromed Asia Limited, Hong Kong, China	100.0
Air Purification Systems, S.L., Barcelona, Spain	100.0
Alga Solar Energy UAB, Vilnius, Lithuania	100.0
Alloue Energies SAS, Paris, France	100.0
Almandine Solar LLC, Irvine, USA	100.0
Alvar Energipark ApS, Copenhagen, Denmark	100.0
Amance Energies SAS, Paris, France	100.0
Aqua Energy Storage LLC, Irvine, USA	100.0
ASC Solar Epona S.L.U., Barcelona, Spain	100.0
Autels Villevillon Energies SAS, Paris, France	100.0
Automatic Recovery Systems, S.L.U, Barcelona, Spain	100.0

Name and principal place of business	Share in capital in %
Bancheraud Energies SAS, Paris, France	100.0
Banksia Solar S.R.L., Bucharest, Romania	100.0
BayWa ARA 2 GmbH, Munich, Germany	100.0
BayWa CS Georgia LLC, Tbilisi, Georgia	100.0
BayWa CS GmbH, Munich, Germany	100.0
BayWa Dienstleistung Ost GmbH, Munich, Germany	100.0
BayWa Forderungsmanagement GmbH, Munich, Germany [1]	100.0
BayWa Greentechpark Development GmbH, Munich, Germany	100.0
BayWa Obst Verwaltungsgesellschaft mbH, Munich, Germany	100.0
BayWa Power 01 GK, Tokyo, Japan	100.0
BayWa r.e. Australia Offshore Wind Holdings Pty Ltd, Melbourne, Australia	100.0
BayWa r.e. Australia Offshore Wind Projects 1 Pty Ltd, Melbourne, Australia	100.0
BayWa r.e. Australia Offshore Wind Projects 2 Pty Ltd, Melbourne, Australia	100.0
BayWa r.e. Australia Offshore Wind Projects 3 Pty Ltd, Melbourne, Australia	100.0
BayWa r.e. Bürgerstrom GmbH, Munich, Germany	100.0
BayWa r.e. Energy Solutions Asset Holdings Indonesia Pte Ltd, Singapore, Singapore	100.0
BayWa r.e. IPP Verwaltungs GmbH, Munich, Germany	100.0
BayWa r.e. Nordic 2 AB, Malmö, Sweden	100.0
BayWa r.e. Operation Services, S. de R.L. de C.V., Mexico City, Mexico	100.0
BayWa r.e. Projects Portugal, Unipessoal LDA, Lisbon, Portugal	100.0
BayWa r.e. Shanghai Co., Ltd., Shanghai, China	100.0
BayWa r.e. Solar Holdings Singapore Pte. Ltd., Funan, Singapore	100.0
BayWa r.e. Solar Projects Verwaltungs GmbH, Gräfelfing, Germany	100.0
BayWa r.e. Tervola Oy, Malmö, Sweden	100.0
BayWa r.e. Vaala Oy, Malmö, Sweden	100.0
BayWa Venture GmbH, Munich, Germany	100.0
BBP Projekt 2 GmbH, Munich, Germany	100.0
BBP Projekt 3 GmbH, Munich, Germany	100.0
Bellarosa Energy Storage Project LLC, Irvine, USA	100.0
BHT Projekt GmbH & Co. KG, Traunreut, Germany	51.0
BIG HILLSIDE SPAIN S.L., Barcelona, Spain	100.0
biohelp – biologischer Pflanzenschutz-Nützlingsproduktions-, Handels- und Beratungs GmbH, Vienna, Austria	89.9
biohelp international GmbH, Korneuburg, Austria	74.9
biohelp license contract and registration GmbH, Fischamed, Austria	93.9
Black Hill Energy Storage LLC, Irvine, USA	100.0
Blitz H23-114 GmbH, Munich, Germany	50.0
Bluebird Class B Holdings LLC, Irvine, USA	100.0
BLUEBIRD CLASS B LLC, Irvine, USA	100.0
Bluebird Solar Investments LLC, Irvine, USA	100.0
Bluebird Tax Equity Partnership LLC, Irvine, USA	100.0
Bons Fruits Energies SAS, Paris, France	100.0
Boreads Wind II Single Member Private Company, Athens, Greece	100.0
Boreads Wind Single Member Private Company (IKE), Athens, Greece	100.0
Bossay Yzeures Energies SAS, Paris, France	100.0
Brahms Wind Holdings LLC, Wilmington, USA	100.0
Braumarkt GmbH, Hamburg, Germany	95.0
Brizay Energies SAS, Paris, France	100.0
brüderl Projekt Conradty Gmbh & Co. KG, Traunreut, Germany	100.0
Brüderl Projekt Verwaltungs GmbH, Traunreut, Germany	51.0
Business Sufficiency Systems S.L.U., Barcelona, Spain	100.0
BW DSG, LLC, Wilmington, USA	100.0
BW Vietnam Investments Able RE Co., Ltd, Ho Chi Minh City, Vietnam	100.0
BW Vietnam Investments Solid RE Co., Ltd, Ho Chi Minh City, Vietnam	100.0
BW Vietnam Investments Top RE Co., Ltd, Ho Chi Minh City, Vietnam	100.0
BW Western Portfolio I LLC, Carlsbad, USA	100.0
Cabrera Reliability Project LLC, Irvine, USA	100.0

Name and principal place of business	Share in capital in %
Calla Rinnovabili S.r.l., Milan, Italy	100.0
Callistemon Solar S.R.L., Bucharest, Romania	100.0
Camden Solar Development LLC, Irvine, USA	100.0
Camelia Rinnovabili S.r.l., Milan, Italy	100.0
Campagne Cazaubon Energies SAS, Paris, France	100.0
Candé Energies SAS, Paris, France	100.0
Canela Energy Storage Project LLC, Irvine, USA	100.0
CAPE ROCK SYSTEMS S.L.U., Barcelona, Spain	100.0
Cassiopea Rinnovabili S.r.l., Milan, Italy	100.0
Castets Energies, Paris, France	100.0
Cat Solar Parc 4 S.R.L., Bucharest, Romania	100.0
Cavaillon Energies SAS, Paris, France	100.0
Cefetra Digital Services S.L., Pozuelo de Alarcón, Spain	100.0
Cefetra Este S.L.U., Pozuelo de Alarcón, Spain	100.0
Cefetra Oeste S.L.U., Pozuelo de Alarcón, Spain	100.0
Cefetra Sur S.L.U., Pozuelo de Alarcón, Spain	100.0
CENTRO AGRICOLO FRIULANO S.R.L., Rivolto, Italy	85.0
Century Maple Systems, S.L., Barcelona, Spain	100.0
Chancellorstown Solar Limited, Dublin, Ireland	100.0
Chantemerle Energies SAS, Paris, France	100.0
Chulpan Solar Energy S.R.L., Bucharest, Romania	100.0
Churuco Solar SAS E.S.P., Bogotá, D.C., Colombia	100.0
Clementine Solar LLC, Irvine, USA	100.0
Col des 3 Soeurs SARL, Paris, France	100.0
Common Logic Systems, S.L., Barcelona, Spain	100.0
Copper Dream Solar Hybrid LLC, Irvine, USA	100.0
Corazon Energy Development LLC, Irvine, USA	100.0
Corporate Creation Systems, S.L.U., Barcelona, Spain	100.0
Corporate Reelection S.L., Barcelona, Spain	100.0
Corymbia Solar S.R.L., Bucharest, Romania	100.0
Crono Rinnovabili S.r.l., Milan, Italy	100.0
Crossbuck Energy Storage LLC, Irvine, USA	100.0
Dalia Rinnovabili S.r.l., Milan, Italy	100.0
Danufert Handelsgesellschaft m.b.H. in Liqu., Korneuburg, Austria	60.0
Danugrain Lagerei GmbH, Krems an der Donau, Austria	60.0
Dinara Solar Energy S.R.L., Bucharest, Romania	100.0
Distant Horizons Systems, S.L.U., Barcelona, Spain	100.0
Dordives Energies SAS, Paris, France	100.0
Drayac Energies SAS, Paris, France	100.0
Easy Above Systems, S.L.U., Barcelona, Spain	100.0
EBY2 Verwaltungs GmbH, Munich, Germany	51.0
Economic Intention Systems S.L., Barcelona, Spain	100.0
Edera Rinnovabili S.r.l., Milan, Italy	100.0
Eguzon-Chantôme Energies SAS, Paris, France	100.0
Enable Energy Labs, LLC, Sacramento, USA	100.0
Energy Solutions 1 Pte. Ltd., Funan, Singapore	100.0
Energy Storage System Holding B.V., Leeuwarden, Netherlands	100.0
Engage Intelligenty S.L.U., Barcelona, Spain	100.0
ENP Windpark Reichenbach GmbH & Co. KG, Gräfelfing, Germany	100.0
Eoliennes de Haute Voie SAS, Paris, France	51.0
Equestrian Energy Storage LLC, Irvine, USA	100.0
Erste Onshore Windkraft Beteiligungsgesellschaft mbH, Oldenburg, Germany	100.0
ESS 1 B.V., Leeuwarden, Netherlands	100.0
ESS 2 B.V., Leeuwarden, Netherlands	100.0
ESS 3 B.V., Leeuwarden, Netherlands	100.0
ESS 4 B.V., Leeuwarden, Netherlands	100.0

Name and principal place of business	Share in capital in %
ESS 5 B.V., Leeuwarden, Netherlands	100.0
Estruplund Energi Park ApS, Copenhagen, Denmark	100.0
Estruplund Infrastructure ApS, Copenhagen, Denmark	100.0
Exeter Main Battery Limited, London, UK	100.0
Eyliac Energies SAS, Paris, France	100.0
Fairview Reliability Project LLC, Irvine, USA	100.0
FarmFacts Hungary Kft., Kaposvár, Hungary	100.0
Farmhedge ltd, Ennis, Ireland	100.0
Ferme solaire du Savonet SAS, Paris, France	100.0
Fleet Solar Limited, London, UK	100.0
Fraissé Energies, Paris, France	100.0
Framstraße Grundbesitz GmbH, Kemnath, Germany	100.0
Fransis Solar Energy S.R.L., Bucharest, Romania	100.0
Fresia Rinnovabili S.r.l., Milan, Italy	100.0
G. Stranzinger Verwaltungs GmbH, Tann, Germany	60.0
Garein Energies SAS, Paris, France	90.0
Genol Vertriebssysteme GmbH, Korneuburg, Austria	100.0
Germigny L'Eveque Energies SAS, Paris, France	100.0
Gievres Energies SAS, Paris, France	100.0
Giglio Rinnovabili S.r.l., Milan, Italy	100.0
Gondrexange Energies SAS, Paris, France	100.0
Grainli Verwaltungs GmbH, Hamburg, Germany	100.0
Grainvest B.V., Almere, Netherlands	100.0
Grandere Solar LLC, Irvine, USA	100.0
Green Answers GmbH & Co. WP Vahlbruch KG, Gräfelfing, Germany	100.0
Green Hill Energy Storage LLC, Irvine, USA	100.0
Green Ventures 1 Single Member P.C., Marousi, Greece	100.0
Green Ventures 2 Monoprosopi I.K.E., Marousi, Greece	100.0
Green Wind Deutschland GmbH, Munich, Germany	50.0
Grevillea Solar S.R.L., Bucharest, Romania	100.0
Grey Wolf Solar LLC, Irvine, USA	100.0
H2X GmbH, Munich, Germany	75.1
HaePung1 Co., Ltd., Seoul, South Korea	100.0
HaePung2 Co., Ltd., Seoul, South Korea	100.0
Hankook Baram Co., Ltd., Seoul, South Korea	100.0
Haute Saintonge Energies SAS, Paris, France	84.0
Helios Grid Reliability Project LLC, Irvine, USA	100.0
Hibiscus Hybrid Project LLC, Irvine, USA	100.0
High-Rise Building Systems, S.L., Barcelona, Spain	100.0
Higher Winds Systems S.L., Barcelona, Spain	100.0
Hughenden Solar Pty Ltd, Melbourne, Australia	100.0
Iliako Power I Single Member Private Company (IKE), Marousi, Greece	100.0
Iliako Power II Single Member Private Company (IKE), Marousi, Greece	100.0
Iliako Power III Single Member Private Company (IKE), Marousi, Greece	100.0
Iliako Power IV Single Member Private Company (IKE), Marousi, Greece	100.0
ILIAKO POWER IX SINGLE MEMBER PRIVATE COMPANY (IKE), Marousi, Greece	100.0
Iliako Power V Single Member Private Company (IKE), Marousi, Greece	100.0
Iliako Power VI Single Member Private Company (IKE), Marousi, Greece	100.0
Iliako Power VII Monoprosopi I.K.E., Marousi, Greece	100.0
ILIAKO POWER VIII SINGLE MEMBER PRIVATE COMPANY (IKE), Marousi, Greece	100.0
ILIAKO POWER X Monoprosopi I.K.E., Marousi, Greece	100.0
IMMOBILIARE AGRICOLA RIVOLTO S.R.L., Rivolto, Italy	100.0
Infraestructuras Comunes Gerenas, S.L., Barcelona, Spain	100.0
Intelligent Challenge S.L.U., Barcelona, Spain	100.0
Iris Rinnovabili S.r.l., Milan, Italy	100.0
Javelina Energy Storage LLC, Irvine, USA	100.0

Name and principal place of business	Share in capital in %
JPB Dritte Grundbesitz GmbH, Kemnath, Germany	100.0
JPB Vierte Grundbesitz GmbH, Kemnath, Germany	100.0
Juniper Hybrid Project LLC, Irvine, USA	100.0
Keranna Energies SARL, Paris, France	100.0
Koyash Solar Energy S.R.L., Bucharest, Romania	100.0
Kushiro Kitazono PV Plant G.K., Tokyo, Japan	100.0
La Couture Energies SARL, Paris, France	100.0
Lagerhaus Solar Solutions GmbH, Korneuburg, Austria	100.0
Lecot Energies SAS, Paris, France	100.0
Les Éoliennes Citoyennes de Botsay SAS, Paris, France	100.0
Les Grangéoles Energies, Paris, France	100.0
Les Platayres Energies SARL, Paris, France	100.0
Les Vastres Energies SAS, Paris, France	100.0
LIGHT RAYS SPAIN S.L., Barcelona, Spain	100.0
Lilium Rinnovabili S.r.l., Milan, Italy	100.0
Londigny Energies SARL, Paris, France	100.0
LOW RELIEF BUSINESS S.L., Barcelona, Spain	100.0
Luenga Solar S.L.U., Barcelona, Spain	100.0
Lume Energy Storage Project LLC, Irvine, USA	100.0
Magnolia Rinnovabili S.r.l., Milan, Italy	100.0
Magyar "Agrár-Ház" Kft., Ikrény, Hungary	100.0
Mailley Chazelot Energies SAS, Paris, France	100.0
Maine Anjou Energies SAS, Paris, France	100.0
Malva Rinnovabili S.r.l., Milan, Italy	100.0
Manzanita Reliability Project LLC, Irvine, USA	100.0
Marugame Tamuraike Floating Solar GK, Tokyo, Japan	100.0
Matias Solar Energy S.R.L., Bucharest, Romania	100.0
Matur Solar Energy UAB, Vilnius, Lithuania	100.0
MD-Betriebs-GmbH, Munich, Germany	90.0
Meadow Farm Battery Limited, London, UK	100.0
Meerlicht B.V., Leeuwarden, Netherlands	100.0
Megaone Solar Energy Kft., Budapest, Hungary	100.0
Monarch Energy Storage LLC, Irvine, USA	100.0
Montaut Noisetiers Energies SAS, Paris, France	100.0
Montmorillon Energies SAS, Paris, France	100.0
MTP Projekt Verwaltung Oberland GmbH, Günzburg, Germany	51.0
Natural Wind Energy Co., Ltd., Bangkok, Thailand	100.0
Natural Wind Energy Holding Co., Ltd., Bangkok, Thailand	30.0
New Universeline Systems S.L., Barcelona, Spain	70.0
Newone Solar Energy Kft., Budapest, Hungary	100.0
NEXT Farming Development GmbH, Pfarrkirchen, Germany	100.0
NEXT Farming Sales GmbH, Pfarrkirchen, Germany	100.0
NOB-Betriebs-GmbH, Munich, Germany	90.0
North Farm Mannington Solar Limited, London, UK	100.0
Nurlat Solar Energy S.R.L., Bucharest, Romania	100.0
Oceano Rinnovabili S.r.l., Milan, Italy	100.0
Olivine Energy Storage LLC, Irvine, USA	100.0
Orist Energies SAS, Paris, France	100.0
Parc solaire du Mouna SAS, Paris, France	100.0
PATENT CO. Hrvatska d.o.o., Osijek, Croatia	100.0
PATIS Beteiligungsgesellschaft mbH, Düsseldorf, Germany	100.0
Pèle Joue Energies SAS, Paris, France	100.0
Pelletsone GmbH, Lichtenegg, Austria	100.0
Pié Desgroies Energies SAS, Paris, France	100.0
Potential Calculation Systems, S.L., Barcelona, Spain	100.0
Power Ventures 2 Single Member P.C., Marousi, Greece	100.0

Name and principal place of business	Share in capital in %
PowerHub GmbH, Munich, Germany	100.0
Prechac Energies SAS, Paris, France	100.0
Preferred Organizational Systems, S.L., Barcelona, Spain	100.0
Protectionist Galleries Systems S.L.U., Barcelona, Spain	100.0
PT. Bumiraya Suria Abadi, Jakarta, Indonesia	49.0
Quick Opening Systems, S.L.U., Barcelona, Spain	100.0
Radiant Burst Systems S.L., Barcelona, Spain	100.0
Raiffeisen Trgovina d.o.o., Lenart, Slovenia	100.0
Rapid Reaction Systems, S.L.U., Barcelona, Spain	100.0
Red Pine Energy Storage LLC, Irvine, USA	100.0
Referenced Productive Systems, S.L., Barcelona, Spain	100.0
Renertech Management GmbH, Gräfelfing, Germany	100.0
Renton Sistemas Aplicados, S.L., Barcelona, Spain	100.0
Robert Decker Wohnbau Verwaltungs GmbH, Grünwald, Germany	51.0
Rochetaillée Energies SAS, Paris, France	100.0
ROCKY CLIFF CORPORATION S.L., Barcelona, Spain	100.0
Rosalind Reliability Project LLC, Irvine, USA	100.0
Royal Ingredients Group Canada Ltd., Vancouver, Canada	100.0
Royal Natural Foods B.V., Alkmaar, Netherlands	100.0
Royal Organic Ingredients USA Inc., Chicago, USA	100.0
RWA Solar Solutions GmbH, Korneuburg, Austria	100.0
RWA Ukrajina tov, Kyiv,, Ukraine	100.0
Saatzucht Edelhof GmbH, Zwettl, Austria	100.0
Saatzucht Gleisdorf Gesellschaft m.b.H., Gleisdorf, Austria	66.7
SAINT GEORGE MAGNESIA LIGHT SINGLE MEMBER PRIVATE COMPANY, Marousi, Greece	100.0
Saint Jory Energies SAS, Paris, France	100.0
Saint Yaguen Energies SAS, Paris, France	100.0
Saint-Bonnet-de-Bellac Energies SAS, Paris, France	100.0
Saint-Couat Energies SAS, Paris, France	100.0
Saints Geosmes Energies SAS, Paris, France	100.0
Salavat Solar Energy UAB, Vilnius, Lithuania	100.0
Salm Energies SARL, Paris, France	100.0
Salsigne Villardonnel Energies SAS, Paris, France	100.0
SanHae Green Energy Co., Ltd., Seoul, South Korea	95.0
Saubens Energies SAS, Paris, France	100.0
Sea Breeze Huge S.L., Barcelona, Spain	100.0
Sendling Solar Energy S.R.L., Bucharest, Romania	100.0
Senita Energy Storage LLC, Irvine, USA	100.0
Side Recovery Systems, S.L.U., Barcelona, Spain	100.0
Silverbell Solar LLC, Irvine, USA	100.0
Silverchain Gestión S.L., Barcelona, Spain	100.0
Smakkerup Energi- og Naturpark ApS, Copenhagen, Denmark	100.0
Sofie-Amaliegaard Energi- og Naturpark ApS, Copenhagen, Denmark	100.0
Sokolata Hybrid Project LLC, Irvine, USA	100.0
Solaire de Haute Voie SAS, Paris, France	100.0
Solar Plant Energ- og Naturpark ApS, Copenhagen, Denmark	100.0
Solarna elektrana Končanica d.o.o., Zagreb, Croatia	100.0
Solarpark 13 sp. z o.o., Warsaw, Poland	100.0
Solarpark 14 sp. z o.o., Warsaw, Poland	100.0
Solarpark 15 sp. z o.o., Warsaw, Poland	100.0
Solarpark 18 sp. z o.o., Warsaw, Poland	100.0
Solarpark 19 sp. z o.o., Warsaw, Poland	100.0
Solarpark 2 sp. z o.o., Warsaw, Poland	99.0
Solarpark 20 sp. z o.o., Warsaw, Poland	100.0
Solarpark 21 sp. z o.o., Warsaw, Poland	100.0
Solarpark 22 sp. z o.o., Warsaw, Poland	100.0

Name and principal place of business	Share in capital in %
Solarpark 6 sp. z o.o., Warsaw, Poland	100.0
Solarpark Biała Nyska sp. z o.o., Warsaw, Poland	100.0
Solarpark Białokury sp. z o.o., Warsaw, Poland	100.0
Solarpark Bielin sp. z o.o., Warsaw, Poland	99.0
Solarpark Brojce sp. z o.o., Warsaw, Poland	100.0
Solarpark Czarnów sp. z o.o., Warsaw, Poland	100.0
Solarpark Dobrich Limited EOOD, Sofia, Bulgaria	100.0
Solarpark Dolice Sp. z o.o., Warsaw, Poland	100.0
Solarpark Horus GmbH, Gräfelfing, Germany	100.0
Solarpark Horus Sp. z o.o., Warsaw, Poland	100.0
Solarpark Libra GmbH & Co. KG, Gräfelfing, Germany	100.0
Solarpark Lugh GmbH, Gräfelfing, Germany	100.0
Solarpark Lugh Sp. z o.o., Warsaw, Poland	100.0
Solarpark Malina GmbH, Gräfelfing, Germany	100.0
Solarpark Mitra GmbH, Gräfelfing, Germany	100.0
Solarpark Mitra Sp. z o.o., Warsaw, Poland	100.0
Solarpark Mrągowo sp. z o.o., Warsaw, Poland	100.0
Solarpark Myślęta sp. z o.o., Warsaw, Poland	100.0
Solarpark Pałck sp. z o.o., Warsaw, Poland	100.0
Solarpark Perseus GmbH & Co. KG, Gräfelfing, Germany	100.0
Solarpark Polanów sp. z o.o., Warsaw, Poland	100.0
Solarpark Staroźreby sp. z o.o., Warsaw, Poland	100.0
Solarpark Sunna GmbH, Gräfelfing, Germany	100.0
Solarpark Sunna Sp. z o.o., Warsaw, Poland	100.0
Solarpark Tucana GmbH & Co. KG, Gräfelfing, Germany	100.0
Solarpark Tuchola sp. z o.o., Warsaw, Poland	100.0
Solarpark Ulhówek sp. z o.o., Warsaw, Poland	100.0
Solarpark Wega GmbH & Co. KG, Gräfelfing, Germany	100.0
SolarSolutions 1 GmbH & Co. KG, Gräfelfing, Germany	100.0
Soulanges Energies SAS, Paris, France	51.0
Sourdough Energy Storage LLC, Irvine, USA	100.0
SPV Solarpark 102. GmbH & Co. KG, Gräfelfing, Germany	100.0
SPV Solarpark 104. GmbH & Co. KG, Gräfelfing, Germany	100.0
SPV Solarpark 107. GmbH & Co. KG, Gräfelfing, Germany	100.0
SPV Solarpark 108. GmbH & Co. KG, Gräfelfing, Germany	100.0
SPV Solarpark 109. GmbH & Co. KG, Gräfelfing, Germany	100.0
SPV Solarpark 110. GmbH & Co. KG, Gräfelfing, Germany	100.0
SPV Solarpark 111. GmbH & Co. KG, Gräfelfing, Germany	100.0
SPV Solarpark 113. GmbH & Co. KG, Gräfelfing, Germany	100.0
SPV Solarpark 114. GmbH & Co. KG, Gräfelfing, Germany	100.0
SPV Solarpark 115. GmbH & Co. KG, Gräfelfing, Germany	100.0
SPV Solarpark 116. GmbH & Co. KG, Gräfelfing, Germany	100.0
SPV Solarpark 117. GmbH & Co. KG, Gräfelfing, Germany	100.0
SPV Solarpark 119. GmbH & Co. KG, Gräfelfing, Germany	100.0
SPV Solarpark 120. GmbH & Co. KG, Gräfelfing, Germany	100.0
SPV Solarpark 121. GmbH & Co. KG, Gräfelfing, Germany	100.0
SPV Solarpark 122. GmbH & Co. KG, Gräfelfing, Germany	100.0
SPV Solarpark 123. GmbH & Co. KG, Gräfelfing, Germany	100.0
SPV Solarpark 124. GmbH & Co. KG, Gräfelfing, Germany	100.0
SPV Solarpark 125. GmbH & Co. KG, Gräfelfing, Germany	100.0
SPV Solarpark 126. GmbH & Co. KG, Gräfelfing, Germany	100.0
SPV Solarpark 127. GmbH & Co. KG, Gräfelfing, Germany	100.0
SPV Solarpark 128. GmbH & Co. KG, Gräfelfing, Germany	100.0
St Johns Reliability Project LLC, Irvine, USA	100.0
Stabilizers and Developments S.L.U., Barcelona, Spain	100.0
Sunshine Latin GmbH & Co. KG, Munich, Germany	100.0

Name and principal place of business	Share in capital in %
Takamatsu Mimayaike Floating Solar GK, Tokyo, Japan	100.0
Takamatsu Narazuike Floating Solar GK, Tokyo, Japan	100.0
Takamatsu Odaike Floating Solar GK, Tokyo, Japan	100.0
Talgat Solar Energy S.R.L., Bucharest, Romania	100.0
Tazaca Energy Storage LLC, Irvine, USA	100.0
Temi Rinnovabili S.r.l., Milan, Italy	100.0
Ténarèze Energies SAS, Paris, France	100.0
TFC ME General Trading LLC, Dubai, United Arab Emirates	49.0
Time Clever Entertainment S.L.U., Barcelona, Spain	100.0
Tithini Aiolika Parka Single Member P.C., Marousi, Greece	100.0
Titus Canyon Solar II LLC, Irvine, USA	100.0
Traditional Mechanism Systems S.L.U., Barcelona, Spain	100.0
Trémont sur Saulx Energies SAS, Paris, France	100.0
Troutdale Reliability Project LLC, Irvine, USA	100.0
Trufa Energies SAS, Paris, France	100.0
Tuilé Energies SAS, Paris, France	100.0
Villamayor Solar S.L., Barcelona, Spain	100.0
Viola Rinnovabili S.r.l., Milan, Italy	100.0
Waratah Solar S.R.L., Bucharest, Romania	100.0
Wasigny Mesmont Energies SAS, Paris, France	100.0
Watt Development Solar 2, S.L., Barcelona, Spain	100.0
WHG LIEGENSCHAFTSVERWALTUNG BETRIEBS GMBH, Klagenfurt, Austria	100.0
Whispering Bells Solar Hybrid LLC, Irvine, USA	100.0
White Pear Reliability Project LLC, Irvine, USA	100.0
WILD WORLD CLOUDS, S.L., Barcelona, Spain	100.0
Windkraft Beteiligungsgesellschaft mbH, Düsseldorf, Germany	100.0
Windpark Achtmaal B.V., Leeuwarden, Netherlands	100.0
Windpark Altenglan GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Bad Berleburg GmbH & Co. KG, Gräfelfing, Germany	50.0
Windpark Beckumer Feld GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Berka GmbH & Co. KG, Gräfelfing, Germany	50.0
Windpark Dollenkamp GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Dörrenbacher Wald GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Gillersheim GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Gronau Leine GmbH & Co. KG, Eime, Germany	100.0
Windpark Großer Riese GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Haiderbachhöhe GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Hesselertal GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Immensen GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Jembke GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Kortgene B.V., Leeuwarden, Netherlands	100.0
Windpark Kotla Sp. z o.o., Warsaw, Poland	100.0
Windpark Langenbrand II GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Langenlonsheim GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Moringen Nord GmbH & Co. KG, Gräfelfing, Germany	50.0
Windpark Olsberg GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Perscheid GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Prezelle GmbH & Co. KG, Gräfelfing, Germany	50.0
Windpark Prüm GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Rucphen B.V., Leeuwarden, Netherlands	100.0
Windpark SBG V GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Seershausen GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Sexau GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Sint-Antoinedijk B.V., Leeuwarden, Netherlands	100.0
Windpark Vorbeck-Kambs GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Wimmelburg 3 GmbH & Co. KG, Gräfelfing, Germany	100.0

Name and principal place of business	Share in capital in %
Wohnen am Lerchenberg Verwaltungs GmbH, Borna, Germany	100.0
Woodlands Mannington Solar Limited, London, UK	100.0
WP Seershausen Infrastruktur GmbH & Co. KG, Gräfelfing, Germany	100.0
Yaguarundi Solar II S.A.S. E.S.P., Bogotá, D.C., Colombia	100.0
Yeongdeok Gosil Wind Co., Ltd., Seoul, South Korea	100.0
Ygos Energies SAS, Paris, France	100.0
ZL Holding B.V., Leeuwarden, Netherlands	100.0
Zonlocatie 5 B.V., Leeuwarden, Netherlands	100.0
Zonlocatie 6 B.V., Leeuwarden, Netherlands	100.0
Zonnepark PV25 B.V., Leeuwarden, Netherlands	100.0
Zonnepark PV28 B.V., Leeuwarden, Netherlands	100.0
Zonnepark PV30 B.V., Leeuwarden, Netherlands	100.0
Zonnepark PV31 B.V., Leeuwarden, Netherlands	100.0
Zonnepark PV32 B.V., Leeuwarden, Netherlands	100.0
Zonnepark PV33 B.V., Leeuwarden, Netherlands	100.0
Zonnepark PV34 B.V., Leeuwarden, Netherlands	100.0
Zonnepark ZL 1 B.V., Leeuwarden, Netherlands	100.0
Zonnepark ZL 2 B.V., Leeuwarden, Netherlands	100.0
Zonnepark ZL 3 B.V., Leeuwarden, Netherlands	100.0
Zonnepark ZL 4 B.V., Leeuwarden, Netherlands	100.0
Zonnepark ZL 5 B.V., Leeuwarden, Netherlands	100.0
Zonneparken Nederland IPP B.V., Leeuwarden, Netherlands	100.0
Zuiderzee Zon B.V., Leeuwarden, Netherlands	100.0
Joint ventures included under the equity method	
act renewable GmbH, Munich, Germany	50.0
Amadeus Wind Holdings, LLC, Wilmington, USA	33.3
Baltanás Cereales y Abonos, S.L., Baltanás, Spain	50.0
Baltic Terminal Sp. z o.o., Gdynia, Poland	50.0
Buchan Offshore Wind Limited, Glasgow, UK	33.3
BHBW Holdings (Pty) Ltd, Lynnwood Manor, South Africa	50.0
Dagan Protech, SL, Ciudad Real, Spain	50.0
EVN-ECOWIND Sonnenstromerzeugungs GmbH, Maria Enzersdorf, Austria	50.0
Growers Direct Limited, Wakefield, UK	50.0
Hafen Vierow - Gesellschaft mit beschränkter Haftung, Brünzow, Germany	50.0
Reset Holdings Limited, Hong Kong, China	50.0
Tornio Karhakkamaa Tuuli GP Oy, Helsinki, Finland	50.0
Tornio Karhakkamaa Tuuli Ky, Helsinki, Finland	50.0
Transhispania Agraria, S.L., Torquemada, Spain	28.3
VIELA Export GmbH, Vierow, Germany	50.0
Wawata General Partner Limited, Nelson, New Zealand	50.0
Wind + Mehr GmbH, Hanover, Germany	50.0
Associated companies included under the equity method	
AUSTRIA JUICE GmbH, Allhartsberg, Austria	50.0
Big Blue Agriculture Ltd, Tzaneen, South Africa	35.0
BRB Holding GmbH, Munich, Germany	45.3
Deutsche Raiffeisen-Warenzentrale GmbH, Frankfurt am Main, Germany	32.8
Gestión Rueda Promotores, SL, Zaragoza, Spain	33.7
Grandview Brokerage LLC, Seattle, USA	39.4
LWM Austria GmbH, Hollabrunn, Austria	25.0
MoSagri B.V., Breda, Netherlands	25.0
MoSagri LDA, Bairro Namalungo, Lumbo, Mozambique	25.0
OLF Deutschland GmbH, Hamburg, Germany	25.0
Tjiko GmbH, Rosenheim, Germany	69.4
WUN Pellets GmbH, Wunsiedel, Germany	30.0

Name and principal place of business	Share in capital in %
Zimmermann PV-TRACKER GmbH, Eberhardzell, Germany	33.3
Associates and joint ventures of secondary importance not included under the equity method	
AC1 ASOA LLC, Chicago, USA	33.3
Agromed Biological (Xuzhou) Co. Ltd., Jiangsu, China	20.0
Agrosen Holding GmbH, Kremsmünster, Austria	30.0
ARGE WWS Obst GbR, Markdorf, Germany	50.0
BAS Steinbau GmbH, Ravensburg, Germany	50.0
BAUWERKE Bauträger GmbH, Nürnberg, Germany	51.0
BAUWERKE Liegenschaften GmbH, Nürnberg, Germany	51.0
BayWa Hochhaus Verwaltung GmbH, Munich, Germany	50.0
Bonus Holsystem für Verpackungen GmbH, Kufstein, Austria	26.0
Bonus Holsystem für Verpackungen GmbH & Co.KG, Kufstein, Austria	26.0
Ceraflex Bayern GmbH, Dorfen, Germany	24.9
Chemag Agrarchemikalien GmbH, Frankfurt am Main, Germany	33.3
Cross Cargo Logistics GmbH, Ardagger Stift, Austria	25.1
DANUOIL Mineralöllager und Umschlags-Gesellschaft m.b.H. in Liqu., Korneuburg, Austria	50.0
EBULUM GmbH & Co. Objekt Baunatal KG, Pullach im Isartal, Germany	94.0
eFriends Energy GmbH, Nappersdorf, Austria	26.2
FTW Bayreuth GmbH, Weidenberg, Germany	50.0
HGD Haus und Garten Deutschland Handelskooperation GmbH, Karlsruhe, Germany	50.0
Infraestructuras de Íllora, S.L., Barcelona, Spain	40.0
InterSaatzucht GmbH, Hohenkammer, Germany	36.0
ISTROPOL SOLARY a.s., Horné Mýto, Slovakia	29.8
JPB Planungs GmbH, Kemnath, Germany	50.0
Kärntner Saatbau e.Gen., Klagenfurt, Austria	27.9
Kerifresh Growers Trust, Kerikeri, New Zealand	31.0
LLT - Lannacher Lager- und Transport GesmbH, Korneuburg, Austria	50.0
Logistikzentrum Röthlein GmbH & Co. KG, Gräfelfing, Germany	94.0
Obst vom Bodensee Vertriebsgesellschaft mbH, Friedrichshafen, Germany	47.5
REMABO Ressourcen Management GmbH, Innsbruck, Austria	26.0
RLH Agrar GmbH, Emskirchen, Germany	18.9
Röthlein Logistik GmbH, Röthlein, Germany	50.0
Seccionadora Almodovar Renovables, S.L., Málaga, Spain	38.0
Veproline GmbH, Göttlesbrunn-Arbesthal, Austria	50.0
Windpark A73-Heumen B.V., Utrecht, Netherlands	50.0
Participation in large corporations	
Südstärke Gesellschaft mit beschränkter Haftung, Schrobenhausen, Germany, Germany (Equity in € thousand: 134,679; Annual net income/loss in € thousand: 1,448)	6.5

1 Profit and loss transfer agreement

Affirmation by the Legally Authorised Representatives

We hereby affirm that, to the best of our knowledge and in accordance with the generally accepted accounting principles, the consolidated financial statements give a true and fair view of the net assets, financial position and the result of operations of the Group, and the consolidated management report on the Group presents a true and fair description of the development of the Group's business, including its performance, and of the material risks and opportunities inherent in the prospective development of the Group.

München, 25. März 2024

BayWa Aktiengesellschaft

The Board of Management
Marcus Pöllinger
Andreas Helber
Dr. Marlen Wienert
Reinhard Wolf

Independent Auditor's Report

To BayWa Aktiengesellschaft, Munich

Report on the Audit of the Consolidated Financial Statements and of the Group Management Report

Audit Opinions

We have audited the consolidated financial statements of BayWa Aktiengesellschaft, Munich, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1 to December 31, 2023, and notes to the consolidated financial statements, including material statements on the accounting policies. In addition, we have audited the group management report of BayWa Aktiengesellschaft for the financial year from January 1 to December 31, 2023. In accordance with the German legal requirements, we have not audited the content of the sections of the group management report entitled "Key features of the internal control and risk management system" and "Sustainability at BayWa".

In our opinion, on the basis of the knowledge obtained in the audit

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at December 31, 2023, and of its financial performance for the financial year from January 1 to December 31, 2023, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the sections named above.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:
❶ Accounting treatment of goods and contracts acquired and sold exclusively for trading purposes
❷ Revenue recognition of project business for wind and solar parks

Our presentation of these key audit matters has been structured in each case as follows:
① Matter and issue
② Audit approach and findings
③ Reference to further information

Hereinafter we present the key audit matters:

❶ Accounting treatment of goods and contracts acquired and sold exclusively for trading purposes

① In the Cefetra Group Segment and in parts of the Agri Trade & Service Segment, BayWa AG acts as a broker or trader and sells goods as a commodity trader. Inventories are primarily acquired with the intention of selling them in the near future and generating a profit from fluctuations in price or traders' margin. The purchase and sales contracts entered into in this connection are measured at fair value through profit or loss in accordance with the requirements of IFRS 9 in conjunction with IFRS 13. The inventories acquired in this connection are measured at fair value through profit or loss less costs to sell in accordance with IAS 2.5 and IAS 2.3(b) in conjunction with IFRS 13 if the requirements are met in certain subunits. The subunit BayWa AG within the Agri Trade & Service Segment applies cash flow hedge accounting. In this case, the effects from the measurement of the physical contracts enter into are recognized initially directly in other comprehensive income and are recognized in profit or loss when the hedged transactions are realized. In the case of physical settlement of sales contracts, revenue is recognized at fair value in accordance with IFRS 15. In certain circumstances, contracts are not settled physically and instead the purchase and sales contracts are offset with the same business partner without physical settlement. The gain/loss of these "washouts" is presented as a net figure under cost of materials at the BayWa AG Group's trading companies (when applying IAS 2.5 and IAS 2.3(b) in conjunction with IFRS 13) or under other operating expenses/other operating income at the other companies.

The measurement of contracts and inventories at fair value in accordance with the requirements of IFRS 13 is complex and involves judgments to be made about the recognition and measurement of the resulting effects. In light of this, accounting treatment relating to trading contracts was of particular significance for our audit.

② For the purposes of our audit, we first familiarized ourselves with the instructions and accounting policies as well as the processes, systems and control measures relating to the management and accounting of the trading business. We then assessed the design and effectiveness of the accounting-related internal control system in relation to the trading business. We also assessed the price curves used to measure the contracts, in particular by using liquid market data, confirmations from brokers or external service providers, and internal plausibility checks. In a next step, we verified that the price curves were correctly used and that the measurements were mathematically accurate. Furthermore, for the subunits concerned, we also assessed whether the requirements for the application of hedge accounting in accordance with IFRS 9 and the recognition of inventories at fair value less costs to sell in accordance with IAS 2.5 and IAS 2.3(b) were met and the principles were applied properly.

We were able to satisfy ourselves that the estimates and assumptions made by the executive directors in connection with the measurement of trading transactions were appropriately made and documented. Furthermore, we verified that the requirements for applying hedge accounting in accordance with IFRS 9 and the measurement of inventories at fair value less costs to sell in accordance with IAS 2.5 and IAS 2.3(b) in conjunction with IFRS 13 had been met at the subunits concerned.

③ The Company's disclosures relating to the accounting treatment of goods and contracts acquired and sold exclusively for trading purposes are contained in the sections A.3. and A.5 of the notes to the consolidated financial statements.

❷ Revenue recognition of project business for wind and solar parks

① A significant part of the business activities of the Renewable Energies Segment (revenue of EUR 5,789 million) relates to the planning, construction and sale of wind and solar parks. Project companies are generally formed for this purpose. The wind or solar parks are constructed in the project companies on the basis of a general contractor agreement between the project company and another Group subsidiary (the project developer). The sale of wind or solar parks is effected through the sale of all shares in the project companies. This is accounted for in accordance with the requirements of IFRS 15 because the sale of the project companies corresponds economically to the sale of the wind or solar parks constructed in the project companies. In certain cases, the project companies are sold before all obligations under the general contractor agreement have been met by the project developer. With the sale of the shares, the project company is transferred to a third party.

The sale of shares leads to a "catch-up effect", meaning that revenue is recognized based on the percentage of completion at that time under the general contractor agreement. With regard to the recognition of any outstanding performance obligation under the general contractor agreement, revenue is recognized from now on in accordance with the percentage of completion in accordance with the criteria of IFRS 15.35(b) and/or (c). BayWa uses the input-oriented cost-to-cost method to determine the percentage of completion.

The assessment of revenue recognition of project business for wind farms and solar parks has to be evaluated on the basis of complex contracts. In addition, the executive directors must make discretionary judgments when applying IFRS 15 to the sale of the project companies and the proper calculation of the percentage of completion (including the calculation of the costs still to be incurred and the risks that still need to be considered). In light of this, the recognition of revenue relating to project business for wind and solar parks was of particular significance for our audit.

② For the purposes of our audit, we first familiarized ourselves with the instructions, policies, memoranda and control measures relating to the management and accounting of project business in the Renewable Energies Segment. In addition, we obtained an understanding of the material contractual agreements underlying the sales of the project companies (in particular with regard to the general contractor agreements and the project companies' share disposal agreements) and how they are accounted for. We then assessed the design and effectiveness of the accounting-related internal control system in relation to project companies. We carried out tests of details of select sales of project companies. On the basis of the contractual agreements, the accounting memoranda prepared by the Company and other project documents and supporting documentation, we assessed whether the conditions for revenue recognition in accordance with IFRS 15 were met. In doing so, we analyzed and assessed the agreements in particular with regard to the five steps under IFRS 15: identifying the contract with the customer; identifying performance obligations; determining transaction price; allocating the transaction price to performance obligations; and satisfaction of performance obligations. With regard to the satisfaction of performance obligations, we assessed in particular the transfer of control of the wind or solar parks to the purchaser of the project company. In the event of a transfer of control, we then determined whether the input-oriented cost-to-cost methods was used when recognizing revenue over time. In doing so, we paid particular attention to the correct measurement of the percentage of completion using the cost of sales and the calculation of planned costs and the monitoring of target/actual deviations. We were able to satisfy ourselves that the estimates and assumptions made by the executive directors in connection with the recognition of revenue of project business transactions for wind and solar parks were sufficiently documented and substantiated.

③ The Company's disclosures relating to revenue recognition of project business for wind and solar parks are contained in the sections A.3 and A.5 of the notes to the consolidated financial statements.

Other Information

The executive directors are responsible for the other information. The other information contains the sections entitled "Key features of the internal control and risk management system" and "Sustainability at BayWa" as an unaudited part of the group management report.

The other information also comprises
- the group statement on corporate governance pursuant to § 315d HGB
- the separate non-financial statement to comply with §§ 289b to 289e HGB and §§ 315b to 315c HGB
- all other sections of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information
- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit,
- or otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e. accounting manipulation and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group’s ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group’s position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group’s financial reporting process for the preparation of the consolidated financial statements and of the group management report.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group’s position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor’s report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional scepticism throughout the assurance work. We also

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor’s report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file BayWa AG_KA+KLB_ESEF-2023-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from January 1 to December 31, 2023 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic renderings of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional scepticism throughout the assurance work. We also

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on June 6, 2023. We were engaged by the supervisory board on November 7, 2023. We have been the group auditor of BayWa Aktiengesellschaft, Munich, without interruption since the financial year 2021.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Reference to an Other Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Dietmar Eglauer.

München, 26 March 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Dietmar Eglauer Wirtschaftsprüfer [German public auditor]	Christoph Tübbing Wirtschaftsprüfer [German public auditor]

Report of the Supervisory Board

The Supervisory Board of BayWa AG fulfilled the responsibility entrusted to it under the law, the Articles of Association and the bylaws with great care in the financial year 2023. It regularly advised the Board of Management, coordinated the strategy with the Board of Management and continuously supervised the latter in its management of the company. The common goal of the Board of Management and Supervisory Board is to raise the value of the company on a sustainable and long-term basis. The Board of Management always provided the Supervisory Board with timely and comprehensive information on corporate planning, strategic development, the operating business and the situation of BayWa AG and the Group, including on the risk situation, risk management and compliance and sustainability issues. The Supervisory Board was directly involved in all decisions of fundamental importance to the company. Insofar as there were any measures requiring its approval, said measures were reviewed, and the respective resolutions passed both in meetings and in writing by way of a circulation procedure.

Outside of the meetings, the Chairman of the Supervisory Board was in close contact with the Board of Management, in particular with the Chief Executive Officer, and discussed with it issues relating to the company's strategy, business development, risk situation, risk management and compliance. The Chairman of the Supervisory Board was also informed about current developments, the business situation and significant business transactions. Deviations in the course of business from the defined plans and targets were presented in detail. Between the meetings, the Board of Management reported both in writing and in person on events of particular importance. After thorough deliberation and consultation, the Supervisory Board made its decisions on the reports and the resolutions put forward by the Board of Management. The cooperation within the Supervisory Board and with the Board of Management in the reporting year 2023 was again constructive and based on trust.

The Supervisory Board held five ordinary meetings in the financial year 2023. The range of matters addressed by the Supervisory Board at the five meetings included the current economic and financial development of the company, the performance of individual business units, financial and investment planning, personnel decisions, the risk situation, compliance and IT security issues and the strategic development of the company. The Supervisory Board also deliberated on the participations entered into by BayWa AG during the period under review and previously. Moreover, the Supervisory Board addressed issues pertaining to accounting and the audit of the annual financial statements of the company, as well as BayWa AG's risk management and its risk position, on an ongoing basis. Special attention was paid to the compliance monitoring at the Group. The Board of Management reported regularly and extensively on these issues as well as on the Group's current situation. Following the 2023 Annual General Meeting, an extraordinary constituent meeting of the Supervisory Board was held, at which the new Supervisory Board members chosen by the Annual General Meeting were elected to the six Supervisory Board committees (Lending and Investment Committee, Strategy Committee, Audit Committee, Board of Management Committee, Nomination Committee and Mediation Committee). In addition, a resolution was passed by way of a circulation procedure.

At the regular meeting of the full Supervisory Board on **29 March 2023**, the Supervisory Board addressed the separate financial statements and consolidated financial statements of BayWa AG for 2022, as well as the key financial figures for 2022, which were presented by the Chief Executive Officer. The Supervisory Board also discussed the audit reports of the annual and consolidated financial statements as at 31 December 2022, as well as the reports on the audits of the management report and the consolidated management report for 2022 and the sustainability report. On the recommendation of the Audit Committee, and after discussion with the auditor PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC), the Supervisory Board approved the annual and consolidated financial statements for the financial year 2022 and therefore adopted the annual financial statements. In addition, the Supervisory Board appointed PwC to audit the BayWa AG annual and consolidated financial statements for the financial year 2023. The 2023 Supervisory Board election and preparations for the election of shareholder representatives at the 2023 Annual General Meeting were also discussed at the meeting, along with the corresponding report from the Nomination Committee. In addition to the resolution on the proposal of candidates for the replacement and the Supervisory Board election at the Annual General Meeting, the Supervisory Board determined that all candidates put forward for election, with the exception of Prof. Klaus Josef Lutz, qualified as independent within the meaning of the German Corporate Governance Code. Moreover, the Supervisory Board consulted on the results of previous meetings held by the Lending and Investment Committee, the Strategy Committee, the Audit Committee and the Board of Management Committee. Matters relating to the Board of Management were also addressed at this meeting. In this context, the Supervisory Board set the variable remuneration components for the Board of Management members Prof. Klaus Josef Lutz, Andreas Helber and Marcus Pöllinger for the financial year 2022 in line with the respective target achievement levels. In addition, the target agreements for the short-term variable remuneration components of the Board of Management members Marcus Pöllinger, Andreas Helber and Dr. Marlen Wienert for the financial year 2023 were also approved. The remuneration of Board of Management member Andreas Helber was also reviewed. The Supervisory Board also resolved to submit the 2022 Remuneration Report to the Annual General Meeting on 6 June 2023. Acting on a proposal from the Board of Management

Committee, the Supervisory Board decided not to assert any claims for damages against former and current members of the Board of Management due to suspected antitrust behaviour in connection with possible antitrust violations that were the subject of the investigations conducted by the Bundeskartellamt (German federal antitrust authority) at BayWa AG on 3 March 2015. The Supervisory Board also resolved to propose to the Annual General Meeting 2023 the creation of new “authorised capital in 2023” and the associated amendment to Article 5 para. 4 of the Articles of Association of BayWa AG. The meeting also dealt with preparations and the agenda for the 2023 Annual General Meeting. Other topics addressed at the meeting were the Corporate Governance Report, the Statement on Corporate Governance and the Declaration of Conformity for the financial year 2022. The Supervisory Board also approved two new appointments to the Cooperative Council.

In addition to a presentation by the CEO of BayWa r.e. AG on current developments and projects, the Supervisory Board meeting on **10 May 2023** also focused on the Board of Management’s report on the operating result and performance of the segments in the first quarter of 2023, including an operating outlook for the financial year 2023. Another item on the agenda was the reappointment of the Board of Management member Reinhard Wolf.

At the constituent meeting of the Supervisory Board on **6 June 2023** , Prof. Klaus Josef Lutz was elected as the new Chairman of the Supervisory Board. The previous Chairman of the Supervisory Board, Manfred Nüssel, did not stand for re-election at the Annual General Meeting on 6 June 2023. Bernhard Loy was elected First Vice Chairman of the Supervisory Board, and Wolfgang Altmüller was elected Second Vice Chairman of the Supervisory Board. The composition of the committees was also decided. Supervisory Board members Prof. Klaus Josef Lutz and Michael Göschelbauer were also elected to the Cooperative Council of BayWa AG as successors to Manfred Nüssel and Dr. Johann Lang.

At the ordinary Supervisory Board meeting on **2 August 2023**, the agenda included the half-year financial statements for 2023, including the performance of the segments in the first half of the year, an operating outlook for the financial year 2023 and the key financial figures. The Supervisory Board also decided to commission PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC) to audit the separate consolidated non-financial report for 2023 of BayWa AG in accordance with ISAE 3000 (Revised). In addition, the Supervisory Board adopted the resolution concerning the approval of the terms and conditions for the issuing of employee shares in 2023 within the scope of the authorised capital in 2020.

An increase in share capital and a corresponding change to the Articles of Association within the scope of issuing employee shares in 2023 from the authorised capital in 2020 was adopted by the Supervisory Board by way of a circulation procedure.

At the ordinary meeting of the full Supervisory Board on **8 November 2023**, the Supervisory Board dealt extensively with the Group’s business performance in the first three quarters of 2023, as well as the performance of the segments, the operating outlook and the key financial figures, and answered questions from the Supervisory Board. The Supervisory Board also consulted on the results of previous meetings held by the Lending and Investment Committee, the Strategy Committee and the Audit Committee. The Supervisory Board declared in a resolution that the recommendations of the Government Commission on the German Corporate Governance Code in the version dated 28 April 2022 (published in the German Federal Gazette on 27 June 2022) have been and will be complied with, with exceptions, and adopted the 2023 Declaration of Conformity of BayWa AG. Finally, the Supervisory Board was informed about the amendment to the Articles of Association as a result of the capital increase arising from the 2023 Employee Share Scheme. The Supervisory Board approved the extension of the terms of six members of the Cooperative Council of BayWa AG and appointed three new members to the Cooperative Council. Finally, the members of the Supervisory Board were informed of the closed periods for 2024 in accordance with the Market Abuse Regulation. Another topic was the 2022 mandatory EMIR audit pursuant to Section 32 of the German Securities Trading Act (WpHG).

In its first regular meeting on **27 March 2024**, the Supervisory Board mainly discussed the annual financial statements and the management report of BayWa AG and of the BayWa Group as at 31 December 2023, as well as the reports of the audits performed on the separate financial statements, the consolidated financial statements and the Sustainability Report. Preparations were also made for the 2024 Annual General Meeting. Furthermore, the Supervisory Board consulted on the results of previous meetings of the committees.

Committees of the Supervisory Board

The Supervisory Board has set up a total of six specialist committees and, to the extent permitted by law, decision-making powers of the Supervisory Board were delegated to the committees. These committees prepare resolutions for the Supervisory Board and issues to be discussed by the entire Supervisory Board.

With the exception of the Audit Committee, the office of Chairman in respect of all committees is held by the Chairman of the Supervisory Board. The Supervisory Board was kept informed at its meetings about the work of the committees and their resolutions by the respective chairmen.

Until the Annual General Meeting on 6 June 2023, the **Audit Committee** consisted of the Supervisory Board members Wolfgang Altmüller, Wilhelm Oberhofer, Klaus Buchleitner, Michael Kuffner, Manfred Nüssel and Werner Waschbichler. At the constituent Supervisory Board meeting on 6 June 2023, Wilhelm Oberhofer (committee chairman), Wolfgang Altmüller (vice chairman), Ingrid Halbritter, Mag. Michael Höllerer, Michael Kuffner and Prof. Klaus Josef Lutz were elected to the Audit Committee. Bernhard Loy also attends meetings of the Audit Committee as a permanent guest.

BayWa AG therefore continues to follow the recommendation of the German Corporate Governance Code, which proposes that the Chairman of the Supervisory Board should not hold the office of Chairman of the Audit Committee. All members of the Audit Committee have expertise in accounting and auditing. Wolfgang Altmüller, Wilhelm Oberhofer and Ingrid Halbritter have gained such expertise through their work outside the Supervisory Board, with Michael Kuffner acquiring his skills by way of his long-standing membership on the Supervisory Board. In accordance with recommendation D.3 GCGC, the company names Wolfgang Altmüller as a member with special knowledge in the field of auditing and Wilhelm Oberhofer as a member with special knowledge in the field of accounting. Wolfgang Altmüller has an MBA and was additionally trained as an association auditor. His professional career includes several years auditing documents such as annual financial statements as a trained association auditor. Having also been Chairman of the Board of Directors of VR meine Raiffeisenbank eG and meine Volksbank Raiffeisenbank eG for many years, he is familiar with and experienced in applying special know-how associated with the application of audits, accounting rules and internal control and risk management systems, including sustainability reporting. Wilhelm Oberhofer is an association auditor and tax advisor, and therefore has particular expertise in the field of accounting. As a long-serving member of the Board of Directors of Raiffeisenbank Kempten-Oberallgäu eG, he is not only responsible for the bank's internal audits, but is also generally familiar with and experienced in applying special know-how associated with the application of accounting rules, internal control and risk management systems, including sustainability reporting, as well as audits. The Audit Committee held two regular meetings in the reporting year, in March and November.

At its meeting on **28 March 2023**, the Supervisory Board discussed the performance of the Group in 2022, the key financial figures of BayWa AG and the Group; the annual and consolidated financial statements for 2022, including the Management Report of BayWa AG and the Group Management Report; and the associated audit reports in the presence of the auditor, the Chief Executive Officer and the Chief Financial Officer. In this context, the resolutions recommending that the Supervisory Board adopt and approve the separate financial statements and consolidated financial statements of BayWa AG 2022 and approve the resolution on the appropriation of profit were passed. This was followed by a report on the non-audit services provided by the auditor and on the subjects of audit, compliance and risk management. The Audit Committee also passed a resolution recommending to the Supervisory Board that PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft be proposed to the Annual General Meeting for election as auditor for the financial year 2023.

The regular meeting of the Audit Committee on **7 November 2023**, also in the presence of the auditor, the Chief Executive Officer and the Chief Financial Officer, focused on the Group's performance in the first three quarters of 2023 and the Group's risk profile, the 2023 audit of the annual financial statements including accounting issues, the determination of the key audit matters in the 2023 audit of the annual and consolidated financial statements, the issuing of audit engagements and the regulation of the requirements for cooperation between the Audit Committee and the auditor. The non-audit services of the auditor, the EMIR audit report and the audit meeting with the auditor on 9 October 2023 were also discussed at the meeting. Moreover, the statement declaring the independence of the independent auditor was submitted.

Outside of the regular meetings, Wolfgang Altmüller and Wilhelm Oberhofer discussed the progress of the main audit for the financial year 2022 and the preliminary audit for the financial year 2023 with the auditor. Manfred Nüssel took part in the meeting in spring and Prof. Klaus Josef Lutz in autumn 2023.

Until the Annual General Meeting on 6 June 2023, the **Board of Management Committee** consisted of the Supervisory Board members Manfred Nüssel (Chairman of the Board of Management Committee), Wolfgang Altmüller and Werner Waschbichler. At the constituent Supervisory Board meeting, Supervisory Board members Prof. Klaus Josef Lutz (Chairman of the Board of Management Committee), Wolfgang Altmüller and Bernhard Loy were elected to the Board of Management Committee. The Board of Management Committee met in March and May in the reporting year.

At the meeting on **28 March 2023**, the Board of Management Committee addressed the review of the Chief Financial Officer's contract and the insurance payment for costs incurred from the investigation due to suspected antitrust behaviour and passed a resolution to recommend to the Supervisory Board that no claims for damages be made against former and current members of the Board of Management due to suspected antitrust behaviour in connection with possible antitrust violations that were the subject of the investigation by the Bundeskartellamt (German federal antitrust authority) at BayWa AG on 3 March 2015. The Board of Management Committee also dealt with the target achievement of the Board of Management members in the financial year 2022, the remuneration report for the reporting year 2022 and the target achievement of Board of Management members Prof. Klaus Josef Lutz, Andreas Helber and Marcus Pöllinger for the financial year 2023. The Board of Management Committee passed corresponding resolutions of recommendation to the Supervisory

Board on the aforementioned agenda items. The committee also reviewed the mandates of all Board of Management members and approved a further new mandate for Board of Management member Prof. Klaus Josef Lutz.

At the meeting on **10 May 2023**, the Board of Management Committee passed a resolution recommending to the Supervisory Board that Reinhard Wolf be reappointed to the Board of Management of BayWa AG until 31 August 2028.

Until the Annual General Meeting on 6 June 2023, the **Strategy Committee** consisted of Supervisory Board members Manfred Nüssel (Chairman of the Strategy Committee), Theo Bergmann, Michael Kuffner, Dr. Johann Lang, Wilhelm Oberhofer, Joachim Rukwied and Werner Waschbichler. At the constituent Supervisory Board meeting, the composition of the committee was restructured, and the Supervisory Board members Prof. Klaus Josef Lutz (chairman), Michael Göschelbauer, Jürgen Hahnemann, Michael Kuffner, Bernhard Loy, Wilhelm Oberhofer and Joachim Rukwied were elected to the Strategy Committee. The Strategy Committee met in March and November in the reporting year.

At the meeting on **28 March 2023**, the committee was informed about ongoing projects, with the focus of the meeting being the timetable for the sale process of BayWa r.e. AG’s solar trade activities. The committee also prepared the Supervisory Board meeting to be held the next day.

On **7 November 2023**, the Strategy Committee was informed about current projects. In addition to an update on the sales process for BayWa r.e. AG’s solar trade activities, CEO Marcus Pöllinger reported on BayWa r.e. AG’s Meadow Farm Battery Energy Systems Project (BESS) in the UK, the contract awarded to BayWa Mobility Solutions GmbH as part of the tender for the German grid, the expansion of the port of Mukran, the new Agricultural Equipment and Machinery service centres in Forchheim and Nürtingen, and the joint venture between Global Produce and Nufri S.A.T. He also reported on the current sales process and completion of the Aufwind Schmack Első Biogáz Group company and FarmFacts GmbH. The committee also discussed the agenda for the Supervisory Board meeting on the following day.

Until the Annual General Meeting on 6 June 2023, the members of the Supervisory Board Manfred Nüssel (committee chairman), Jürgen Hahnemann, Ingrid Halbritter, Monika Hohlmeier, Dr. Johann Lang, Bernhard Loy and Monique Surges were members of the **Credit and Investment Committee**. At the constituent meeting of the Supervisory Board, the members of the Credit and Investment Committee were Prof. Klaus Josef Lutz (committee chairman), Michael Göschelbauer, Jürgen Hahnemann, Ingrid Halbritter, Monika Hohlmeier, Thomas Stuber and Monique Surges. The Credit and Investment Committee met in March and November in the reporting year.

At the meetings on **28 March** and **7 November 2023** , the committee dealt with loans, financing and the investment budgets for the financial years 2022 and 2023.

Until the Annual General Meeting on 6 June 2023, the **Nomination Committee** consisted of Supervisory Board members Manfred Nüssel (committee chairman), Dr. Johann Lang and Wilhelm Oberhofer. At the constituent meeting of the Supervisory Board, the Supervisory Board members Prof. Klaus Josef Lutz (committee chairman), Michael Göschelbauer and Wilhelm Oberhofer were elected. The Nomination Committee only met in March in the reporting year.

At the meeting on **28 March 2023**, the members of the Nomination Committee dealt with the election of shareholder representatives at the Annual General Meeting on 6 June 2023.

Until the constituent Supervisory Board meeting on 6 June 2023, the **Mediation Committee** pursuant to Section 27 para. 3 of the German Codetermination Act (MitbestG) consisted of the Supervisory Board members Manfred Nüssel (committee chairman), Monika Hohlmeier, Michael Kuffner and Werner Waschbichler. At the constituent Supervisory Board meeting, Supervisory Board members Prof. Klaus Josef Lutz (committee chairman), Monika Hohlmeier, Michael Kuffner and Bernhard Loy were elected to the Mediation Committee. The Mediation Committee was not convened in the past financial year.

The attendance rate of the members at the meetings of the Supervisory Board and of its committees stood at 96% and between 94% and 100% respectively.

The attendance of the members at the meetings of the Supervisory Board and of its committees in 2023 is disclosed individually as follows:

	Supervisory Board meeting		Lending and Investment Committee		Strategy Committee		Audit Committee		Board of Management Committee		Nomination Committee	
Number of meetings / attendance in %	number	in %	number	in %	number	in %	number	in %	number	in %	number	in %
Prof. Klaus Josef Lutz Chairman (since 6 June 2023)	3/3	100	1/1	100	1/1	100	1/1	100	1/1	100		
Manfred Nüssel Chairman (until 6 June 2023)	3/3	100	1/1	100	1/1	100	1/1	100	1/1	100	1/1	100
Bernhard Loy Vice Chairman (since 6 June 2023)	5/5	100	1/1	100	1/1	100			1/1	100		
Wolfgang Altmüller Vice Chairman	5/5	100					1/2	50	2/2	100		
Werner Waschbichler Vice Chairman (until 6 June 2023)	3/3	100			1/1	100	1/1	100	1/1	100		
Theo Bergmann (until 6 June 2023)	3/3	100			1/1	100						
Klaus Buchleitner (until 6 June 2023)	3/3	100					1/1	100				
Andrea Busch (until 6 June 2023)	1/3	33										
Michael Göschelbauer (since 6 June 2023)	3/3	100	1/1	100	1/1	100						
Thomas Gürlebeck	4/5	80										
Jürgen Hahnemann	5/5	100	2/2	100	1/1	100						
Ingrid Halbritter	5/5	100	2/2	100			1/1	100				
Jaana Hampel (since 6 June 2023)	3/3	100										
Mag. Michael Höllerer (since 6 June 2023)	3/3	100					1/1	100				
Monika Hohlmeier	6/6	100	2/2	100								
Michael Kuffner	6/6	100			2/2	100	2/2	100				
Dr. Johann Lang (until 6 June 2023)	3/3	100	1/1	100	1/1	100					1/1	100
Wilhelm Oberhofer	5/5	100			2/2	100	2/2	100			1/1	100
Joachim Rukwied	5/5	100			1/2	50						
Thomas Stuber (since 6 June 2023)	3/3	100	1/1	100								
Monique Surges	5/5	100	2/2	100								
Maria-Magdalena Waschbichler (since 6 June 2023)	3/3	100										
		96		**100**		**95**		**94**		**100**		**100**

Corporate Governance

Recognising the important contribution that Corporate Governance makes to the transparent and responsible management of the company, the Supervisory Board regularly deliberates on related matters. More information on Corporate Governance can be found in the Statement on Corporate Governance. Details concerning the amount and structure of remuneration received by the Supervisory Board and the Board of Management can be found in the Remuneration Report.

Regarding the recommendations of the German Corporate Governance Code in the version dated 28 April 2022 (published in the German Federal Gazette on 27 June 2022), the Board of Management resolved at its meeting on 27 October 2022, and the Supervisory Board resolved at its meeting on 8 November 2023, that the recommendations of the German Corporate Governance Code in the aforementioned version have been and will be complied with, with exceptions.

The Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG) is published on the company's website www.baywa.com under Corporate Governance, as well as in the Corporate Governance Report in the Statement on Corporate Governance pursuant to Section 289f of the German Commercial Code (HGB). This can be found and accessed on the company's website www.baywa.com under Corporate Governance.

The company supports the members of the Supervisory Board individually with training and continuous professional development events and upon taking office. Furthermore, the Supervisory Board has set up an annual conference for continuous professional development that involves presentations on the latest changes in laws and accounting regulations, as well as strategy, sustainability and digitalisation, among other topics.

Members of the Board of Management and of the Supervisory Board report any conflicts of interest without delay to the Supervisory Board. No such case was reported in the financial year 2023.

Sustainability Report audit

At its meeting on 29 March 2023, the Supervisory Board carefully examined the Sustainability Report 2022 and discussed it in detail in the presence of the auditor and the Board of Management. Both the Sustainability Report and the auditor's report on the Sustainability Report were discussed extensively.

Based on the audit procedures performed and audit evidence obtained, nothing has come to the auditor's attention that causes them to believe that BayWa AG's separate consolidated non-financial report for the period from 1 January to 31 December 2022 has not been prepared, in all material aspects, in accordance with Section 315c in connection with Sections 289c to 289e of the German Commercial Code (HGB) and the EU Taxonomy Regulation, as well as the enacted delegated acts, and the explanations by the executive directors made in the consolidated non-financial report in the "EU Taxonomy" subsection "Strategy and Governance". The auditor has not issued an audit opinion on the external document sources or expert opinions cited in the consolidated non-financial report.

The audit opinion covers only the sections and other disclosures listed in the overview of the separate consolidated non-financial report of BayWa AG. The audit opinion does not cover the other sections and other disclosures of the separate consolidated non-financial report and does not cover the company's website to which reference is made.

Both reports were made available to all Supervisory Board members in good time prior to the meeting. The Supervisory Board concurred with the auditor's audit opinion at the meeting on 29 March 2023 and released the Sustainability Report 2022 for publication.

Audit of the separate financial statements and the consolidated financial statements

The separate financial statements of BayWa AG and the consolidated financial statements of the Group for the financial year 2023, as well as the related management reports, have been audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC), and both were issued an unqualified audit opinion.

At its meeting on 27 March 2024, the Supervisory Board carefully examined the separate financial statements and the management report of BayWa AG, drawn up by the Board of Management in accordance with the German Commercial Code, and the consolidated financial statements and the Group management report of BayWa AG for the financial year 2023 prepared in accordance with the IFRS and the additionally applicable standards set out under Section 315e of the German Commercial Code (HGB), and discussed them in detail in the presence of the external auditor and the Board of Management. The Audit Committee's key audit areas for the reporting year 2023 were also discussed in detail. All audit reports and documentation pertaining to the financial statements were made available to all Supervisory Board members in good time. The Supervisory Board concurred with the findings of the financial statements audit at its meeting on 27 March 2024. The audit reports and the documentation on the financial statements were previously the subject of in-depth deliberation by the Audit Committee at its meeting on 26 March 2024. The Audit Committee discussed the separate financial statements and the consolidated financial statements, the management report on the company and the Group, the audit reports, as well as the proposal for the appropriation of profit in the presence of the external auditor at its meeting on 26 March 2024. In accordance with the conclusive findings of the review by the Audit Committee and Supervisory Board, no objections were raised against the financial statements. The Supervisory Board therefore ratified the separate financial statements of BayWa AG and the consolidated financial statements of the BayWa Group on 27 March 2024, and the financial statements were thereby adopted.

During the Supervisory Board meeting on 27 March 2024, the external auditor also reported that there were no substantial weaknesses in the internal control system and the risk management system in respect of the accounting process. The Board of Management has thus taken all the appropriate measures to fulfil its obligations in this regard.

The Supervisory Board has reviewed the Board of Management's proposal to temporarily suspend dividend payments to further strengthen the equity and financing base of the company and supports it. BayWa AG intends to reinstate dividend payments as soon as the market environment has returned to normal.

Changes to the Supervisory Board and to the Board of Management

There were personnel changes on the Board of Management and Supervisory Board of BayWa AG in the financial year 2023.

Chief Executive Officer Prof. Klaus Josef Lutz stepped down from the Board of Management on 31 March 2023. Marcus Pöllinger succeeded him in office with effect from 1 April 2023. Dr. Marlen Wienert was appointed to the Board of Management effective as at 1 April 2023.

On 12 May 2023, the following employee representatives were elected to the Supervisory Board as part of the delegate election in accordance with Sections 9 et seq. of the German Codetermination Act (MitbestG): Thomas Gürlebeck (union representative), Jürgen Hahnemann, Ingrid Halbritter, Jaana Hampel (union representative), Michael Kuffner (executive employee), Bernhard Loy, Thomas Stuber, Maria-Magdalena Waschbichler.

In accordance with Section 102 para. 1 of the German Stock Corporation Act (AktG) and Article 13 para. 2 of the Articles of Association of BayWa AG, the term of office of all shareholder representatives on the Supervisory Board ended at the end of the Annual General Meeting on 6 June 2023. The Annual General Meeting on 6 June 2023 also elected Prof. Klaus Josef Lutz, Wolfgang Altmüller, Michael Göschelbauer, Mag. Michael Höllerer, Monika Hohlmeier, Wilhelm Oberhofer, Joachim Rukwied and Monique Surges to the Supervisory Board.

At the constituent meeting of the Supervisory Board on 6 June 2023, Prof. Klaus Josef Lutz was elected Chairman of the Supervisory Board. The previous Chairman of the Supervisory Board, Manfred Nüssel, did not stand for re-election at the Annual General Meeting on 6 June 2023. Supervisory Board member Bernhard Loy was elected First Vice Chairman of the Supervisory Board, and Wolfgang Altmüller was elected Second Vice Chairman of the Supervisory Board. Furthermore, at the constituent Supervisory Board meeting on 6 June 2023, the composition of the committees was resolved as described above in the "Committees of the Supervisory Board" section.

Prof. Klaus Josef Lutz resigned as a member of the Supervisory Board and as Chairman of the Supervisory Board of BayWa AG effective as at 19 January 2024. Supervisory Board member and First Vice Chairman of the Supervisory Board Bernhard Loy took over as interim Chairman of the Supervisory Board on 19 January 2024.

The Supervisory Board thanks the members of the Board of Management, the employees as well as the employee representatives of BayWa AG and all Group companies for their work.

Munich, 27 March 2024
On behalf of the Supervisory Board

Bernhard Loy
First Vice Chairman of the Supervisory Board

Corporate Governance Report

Statement on Corporate Governance pursuant to Section 289f of the German Commercial Code (HGB)

The Board of Management and the Supervisory Board of BayWa AG report on the management and supervision of the company in this declaration, drawn up pursuant to Section 289f of the German Commercial Code (HGB) and Principle 22 of the German Corporate Governance Code. The Declaration of Conformity has been made permanently available on the company's website www.baywa.com under the Corporate Governance heading.

The Board of Management and the Supervisory Board of BayWa AG are committed to good Corporate Governance. It is the conviction of the Board of Management and the Supervisory Board that responsible management of the company, geared to the long term, in accordance with good and transparent Corporate Governance, contributes to sustainably raising the company's value and fostering the trust of investors, financial markets, business partners, employees and the public at large.

Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG)

The Board of Management and the Supervisory Board of BayWa AG declared on 8 November 2023 that the recommendations of the "Government Commission on the German Corporate Governance Code" in the version dated 28 April 2022 (published in the German Federal Gazette on 27 June 2022; hereinafter referred to as the "GCGC") have been and will be complied with, with the exception of the following deviations. The declaration preceding this declaration was submitted by the Board of Management and Supervisory Board of BayWa AG on 9 November 2022.

1 **Recommendation B.5**

Contrary to the recommendations in Code Item B.5, the Supervisory Board has not set an age limit for members of the Board of Management and therefore makes no such disclosure in the Statement of Corporate Governance. BayWa AG does not consider the setting of a blanket age limit to be a suitable criterion for the selection of members of the Board of Management. The suitability to fulfil a position on the Board of Management depends on the experience, knowledge and skills of the person concerned. Setting an age limit would generally and inappropriately restrict the selection of suitable candidates for positions on the Board of Management. For this reason, BayWa AG does not consider fixed age limits expedient, also because such limits restrict flexibility in respect of personnel decisions.

2 **Recommendation C.1 sentences 1, 4 and 5**

In Code Item C.1 sentence 1, the GCGC recommends the specification of concrete objectives and a profile of skills and expertise for the composition of the Supervisory Board as a whole. Pursuant to Code Item C.1 sentence 4, proposals by the Supervisory Board to the Annual General Meeting shall take these targets into account while simultaneously aiming at fulfilling the overall profile of required skills and expertise of the Supervisory Board. Code Item C.1 sentence 5 recommends disclosing the status of implementation in the form of a qualification matrix in the Statement on Corporate Governance. BayWa AG has not established concrete objectives and has not specified a profile of skills and expertise or a qualification matrix for the Board as a whole. BayWa AG believes that potential Supervisory Board members' professional, experience-based qualifications are the primary criteria for the assumption of a Supervisory Board mandate and therefore also for the composition of the Supervisory Board as a whole.

3 **Recommendation C.2**

Contrary to the recommendations in Code Item C.2, BayWa AG has also not set an age limit for members of the Supervisory Board and therefore makes no such disclosure in the Statement of Corporate Governance. BayWa AG does not consider the setting of a blanket age limit to be a suitable criterion for the selection of members of the Supervisory Board. The suitability to fulfil a position on the Supervisory Board depends on the experience, knowledge and skills of the person concerned. Setting an age limit would generally and inappropriately restrict the selection of suitable candidates for positions on the Supervisory Board. Furthermore, the expertise of experienced and proven Supervisory Board members ought to be available to BayWa AG. For this reason, BayWa AG does not consider fixed age limits to be expedient.

4 Recommendation C.4

Pursuant to this recommendation, a Supervisory Board member shall not accept more than five Supervisory Board mandates at non-Group listed companies or comparable functions, with an appointment as Chairman of the Supervisory Board being counted twice. There is no sufficiently concrete definition of what constitutes a comparable function within the meaning of recommendation C.4. None of the Supervisory Board members holds more than five supervisory board mandates at non-Group listed companies. The Supervisory Board of BayWa AG includes one member who, in addition to his activities on the Supervisory Board of BayWa AG, is a member of more than five supervisory bodies. The company does not wish to forego the expertise of this Supervisory Board member. Taking into account all aspects of this situation and, in particular, the unclear definition of the term “comparable function” within the meaning of recommendation C.4, a deviation from recommendation C.4 is therefore declared as a precautionary measure.

5 Recommendation C.10 sentence 1, 1st and 3rd alternative

The Chairman of the Supervisory Board and the Chairman of the committee that addresses Board of Management remuneration shall be independent from the company and the Board of Management. According to recommendation C.7 para. 2, item 1, independence shall not exist if the Chairman of the Supervisory Board was a member of the company’s Board of Management in the two years prior to appointment. Prof. Lutz has been Chairman of the Supervisory Board of BayWa AG since 6 June 2023. He previously served as Chief Executive Officer of the company. With the appointment of Prof. Lutz, BayWa AG is following the prevailing opinion and assessment of legislators. In accordance with Section 100 para. 2 no. 4 of the German Stock Corporation Act (AktG), a member of the Board of Management is permitted to switch to the Supervisory Board if shareholders of the company who hold more than 25% of the votes in the company propose the appointment. The Supervisory Board Chairman of BayWa AG is also the chairman of the committee that addresses Board of Management remuneration. In accordance with BayWa AG’s Corporate Governance rules in particular, the Chairman of the Supervisory Board has the most direct contact with the Board of Management and, as a member of several Supervisory Board committees, the most detailed overview of the Board of Management’s overall performance, which is why the Chairman of the Supervisory Board has always been the Chairman of the Remuneration Committee in recent years. BayWa AG does not wish to deviate from this established practice.

6 Recommendation D.6

Code Item D.6 provides for regular Supervisory Board meetings without the Board of Management. For reasons of efficiency, BayWa AG does not consider it appropriate to require the Supervisory Board to meet without the Board of Management at periodic intervals. Instead, the Supervisory Board continues to comply with the rule allowing it to meet without the Board of Management as necessary in accordance with Code Item 3.6 para. 2 GCGC 2017.

7 Recommendation G.7 sentence 1

Pursuant to Recommendation G.7 sentence 1, the performance criteria covering all variable remuneration components for members of the Board of Management shall be geared mainly to strategic goals. The GCGC does not define the difference between strategic goals and operating targets. Ultimately, a clear differentiation is also not at all possible from BayWa AG’s perspective. Furthermore, it is often not possible to unambiguously define clear strategic goals, leaving them largely open to interpretation. The Supervisory Board does not wish to be restricted in defining the goals and would like to avoid unnecessary debate regarding differentiation.

8 Recommendation G.10

Pursuant to Recommendation G.10, Board of Management members’ long-term variable remuneration shall be predominantly invested in company shares by the respective Board of Management member or shall be granted predominantly as share-based remuneration. Granted long-term variable remuneration components shall be accessible to Board of Management members only after a period of four years. BayWa AG does not believe that the share price is a direct indicator of a remuneration policy geared towards sustainable and long-term performance development. The administrative effort associated with the recommendation and the insider-trading risks imposed on the members of the Board of Management make this rule impracticable. All members of the BayWa AG Board of Management receive long-term variable remuneration components over a period of three years; BayWa AG considers this period of time to be customary and appropriate.

9 Recommendation G.12

If a Board of Management member’s contract is terminated, the disbursement of any remaining variable remuneration components attributable to the period up until contract termination shall, pursuant to Recommendation G.12, be based on the originally agreed targets and comparison parameters, and on the due dates or holding periods stipulated in the contract. Upon stepping down, a member of the Board of Management loses the ability to influence the success of the business. The Board of Management and company are interested in settling the contract quickly. The Board of Management employment contracts of all Board of Management members contain clauses stipulating that claims are to be paid out in full or that repayments are to be made in full when a member steps down from the Board of Management. From BayWa AG's perspective, this rule is balanced in existing contracts.

10 Recommendation G.15

If Board of Management members are also members of intra-Group Supervisory Boards, then the remuneration shall, pursuant to Recommendation G.15, be taken into account. Fundamentally speaking, all activities on behalf of companies affiliated with the Group are remunerated with the fixed salary of the BayWa AG Board of Management members. Board of Management members receive additional remuneration only for individual mandates requiring a particularly large investment of time and effort.

Munich, 8 November 2023

BayWa Aktiengesellschaft

The Board of Management The Supervisory Board

Management and control structure of the company

The Board of Management and the Supervisory Board

As a company with its principal place of business in Munich, Germany, BayWa AG is subject to the provisions laid down under German law. The executive and supervisory bodies consisting of the Board of Management and the Supervisory Board form the dual-tier management and control structure in accordance with the provisions under German stock corporation law. The Board of Management and the Supervisory Board work closely together in the interest of the company. Their joint goal is to ensure the company's continued existence and sustained value creation.

The Board of Management's duties and practices

As at 31 December 2023, the Board of Management of BayWa AG consisted of four members. It is independently responsible for running the company, developing the corporate and sustainability strategies, agreeing them with the Supervisory Board and ensuring that they are implemented. Prof. Klaus Josef Lutz stepped down from the operational management of BayWa AG on 31 March 2023. In line with the succession planning, the Supervisory Board of BayWa AG appointed the Board of Management member Marcus Pöllinger as the new Chief Executive Officer of BayWa AG, and appointed Dr. Marlen Wienert as a member of the Board of Management effective as at 1 April 2023.

The Board of Management is responsible for the company's annual and multi-year planning as well as for the preparation of the interim reports and the annual and consolidated financial statements. It ensures that legal provisions, official rules and regulations as well as the company's internal guidelines are observed, and it works towards the Group's compliance with them. In accordance with legal provisions, the Board of Management reports to the Supervisory Board regularly, promptly and comprehensively on all relevant issues pertaining to strategy and planning; the development of business; the assets, financial position and earnings position; the risk situation; risk management and compliance. The Supervisory Board is directly involved in all decisions of fundamental importance for the company. Furthermore, such decisions are subject to approval by the Supervisory Board. The Board of Management ensures that there is open and transparent communication within the company.

The Board of Management manages the company's business under its own responsibility. The principle of joint responsibility applies, meaning that the members of the Board of Management jointly bear the responsibility for the managing of the company. Each Board member is assigned certain tasks to be specifically handled under the allocation of duties plan (Geschäftsverteilungsplan). Certain decisions, especially those requiring the Supervisory Board's approval or for which the Board of Management is responsible under the law or the Articles of Association, are reserved for the entire Board of Management under the bylaws. Moreover, a resolution must also be obtained from the entire Board of Management in respect of matters which have been submitted to the Board of Management by the Chairman or by a Board member.

Meetings of the Board of Management usually take place every two weeks, or at least once a month. They are convened by the Chairman of the Board of Management. The Chairman also sets the agenda and chairs the meetings. The Board of Management is quorate if all members have been invited and at least half of the Board members, including the Chairman, take part in deciding a resolution. The resolutions of the Board of Management are valid through a simple majority of votes cast. In the event of a tie vote, the Chairman shall have the casting vote. In the event of majority resolutions against the Chairman of the Board of Management, he shall have a right of veto. If this right of veto is exercised, the Supervisory Board Chairman must be notified by the Chairman of the Board of Management without delay. Upon instruction by the Chairman, resolutions can also be passed outside of meetings by way of votes cast in writing, by telephone or electronically.

The Board of Management members are subject to a comprehensive non-competition agreement during their work for the company. They are obliged to act in the interest of the company and may not pursue any personal interests in their decisions. In particular, they may not use business opportunities for the company to their own advantage. They may take on sideline activities, particularly Supervisory Board mandates outside the BayWa Group, only with the approval of the Supervisory Board’s Board of Management Committee.

All members of the Board of Management are obliged to disclose any conflicts of interest without delay.

Information about the Board of Management members and curricula vitae of the Board of Management members are available on the company’s website www.baywa.com under Corporate Governance. The remuneration of the Board of Management members is presented in detail in the Remuneration Report. The Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG) also contains statements regarding the Board of Management.

The Supervisory Board’s duties and practices

The Supervisory Board of BayWa AG appoints the members of the Board of Management and advises and supervises the Board of Management in its management of the company. The Supervisory Board is made up of 16 members. In accordance with the German Codetermination Act (MitbestG), it is composed in equal parts of representatives of the shareholders and of the employees. The shareholder representatives on the Supervisory Board reviewed the number of independent members on the Supervisory Board on 23 March 2022 and found it to be appropriate. More than half of the shareholder representatives are independent of the company and its Board of Management.

In accordance with the German Corporate Governance Code (GCGC), the company considered at least the Supervisory Board members Wolfgang Altmüller (Chairman of the Audit Committee until the 2023 Annual General Meeting, then Deputy Chairman of the Audit Committee), Klaus Buchleitner, Monika Hohlmeier, Dr. Johann Lang, Wilhelm Oberhofer, Joachim Rukwied and Monique Surges to be independent until the 2023 Supervisory Board elections. Only the former Chairman of the Supervisory Board, Manfred Nüssel, was a member of the Supervisory Board for more than 12 years and was therefore not independent within the meaning of recommendation C.7 GCGC. For BayWa AG, it is incomprehensible how length of service in and of itself is supposed to influence independence. It has made a statement to this effect in the Declaration of Conformity. The shareholder representatives on the Supervisory Board passed a resolution on 23 March 2023 stating that they regard all representatives of the shareholders as independent (recommendation C.8 GCGC). There is no controlling shareholder.

There were personnel changes on the Supervisory Board of BayWa AG in the financial year 2023. The term of office of the Supervisory Board members Manfred Nüssel, Klaus Buchleitner, Dr. Johann Lang, Andrea Busch, Theo Bergmann and Werner Waschbichler ended at the end of the Annual General Meeting on 6 June 2023 in accordance with Section 102 of the German Stock Corporation Act (AktG). The term of office of all newly elected Supervisory Board members representing employees and the Supervisory Board members representing shareholders elected at the Annual General Meeting, Prof. Klaus Josef Lutz, Michael Göschelbauer, Jaana Hampel, Mag. Michael Höllerer, Thomas Stuber and Maria-Magdalena Waschbichler, therefore began on 6 June 2023. The election of the employee representatives to the Supervisory Board was held in mid-May 2023. Following the Annual General Meeting, the constituent meeting of the new Supervisory Board took place on 6 June 2023.

A set of bylaws regulates the tasks of the Supervisory Board, particularly the internal organisation, the activities of the committees and the regulations governing approval by the Supervisory Board for decisions of the Board of Management. The bylaws have been published on the company’s website www.baywa.com under Corporate Governance. Meetings of the Supervisory Board take place at least once a quarter and, in addition, whenever necessary for business reasons. Meetings are convened by the Chairman or, if he is prevented from doing so, by the Vice Chairman.

The Supervisory Board must also be convened if one of its members or the Board of Management requests it, stating the reasons. The Supervisory Board only has a quorum if eight members – including the Chairman – or twelve members take part in the meeting and in deciding on the resolution. Resolutions of the Supervisory Board or one of its committees passed in writing, by telegraph, telephone, electronic media or telefax are permitted if the Chairman of the Supervisory Board or, if the resolution concerns one of the committees, the Chairman of that committee or, if he is prevented from doing so, the Vice Chairman has given the requisite instruction. Decisions generally require a simple majority. In the event of a tie vote, the Chairman of the Supervisory Board has a dual voting right in the second round if votes are cast equally again.

The Supervisory Board meets without members of the Board of Management to the extent that this is necessary for independent discussion and decision-making.

A standardised procedure exists for the regular review of how effectively the Supervisory Board as a whole and its committees are discharging their duties. At least every two years, a questionnaire is drawn up in consultation with the Chairman of the Supervisory Board and legal and (if applicable) personnel advisers. The questionnaire is initially evaluated and its findings discussed in detail during a Supervisory Board meeting. Alternatively, a list of questions is drawn up for immediate in-depth discussion during a Supervisory Board meeting. Any measures are adopted as part of this Supervisory Board meeting. To date, the review and assessment process has not revealed any fundamental need for change. Individual suggestions are also dealt with and implemented over the course of the year. All in all, the findings of the review and assessment process confirm that the working relationship is professional and constructive and that meetings are efficiently organised and held within the Supervisory Board and Board of Management.

BayWa AG has taken out D&O insurance for the members of the Board of Management and the Supervisory Board which covers the personal liability risk in the event that financial damages are asserted against board members in the exercising of their duties. There has so far been no deductible for members of the Supervisory Board. BayWa AG has provided for a reasonable deductible on the D&O insurance taken out for members of the Board of Management.

Shareholders and the Annual General Meeting

The organisation and execution of BayWa AG's Annual General Meeting is carried out with the aim of informing all shareholders swiftly and extensively before and during the event. All shareholders listed in the share register (Aktienregister) and who have registered in due time are entitled to participate. BayWa AG offers its shareholders the possibility of having their vote exercised in accordance with their personal instructions by a voting proxy appointed by the company. The Annual General Meeting decides, among other things, on the appropriation of profit, the approval of the actions of the Board of Management and Supervisory Board as well as the nomination of the auditor. Decisions on changes to the Articles of Association and on measures that may change the share capital are exclusively reserved for the Annual General Meeting, with the exception of the use of authorised capital by the administration. The share capital of BayWa AG is divided into registered shares with restricted transferability (approximately 97%) and registered shares (approximately 3%). Transferring registered shares with restricted transferability is formally subject to the Board of Management's consent. However, in the past, approval has never been withheld. Each share of BayWa AG carries equal voting rights and confers the same dividend entitlement. The company therefore applies the "one share, one vote, one dividend" principle.

Securities transactions by the Board of Management and the Supervisory Board (Directors' Dealings)

The members of the Board of Management and the Supervisory Board, and persons close to them, are required to disclose the acquisition and sale of shares in BayWa AG or financial instruments related thereto if the value of such transactions equals or exceeds an amount of €20,000 in a given calendar year. This also applies to certain employees with managerial functions (executive managers, for instance).

In 2023, one member of the Supervisory Board reported a total of one acquisition with a volume of €507,850. The notified securities transactions are published on the company's website www.baywa.com under Corporate Governance.

Avoidance of conflicts of interest

Under the bylaws of the Board of Management, its members are obliged to disclose any conflicts of interest without delay. Under the bylaws of the Supervisory Board, its members must disclose any conflicts of interest – particularly those that could occur due to consultancy or board functions at customers, suppliers, lenders or other business partners – to the Supervisory Board without delay. Significant conflicts of interest in the person of a Supervisory Board member that are not of a temporary nature should lead to the termination of the mandate.

Remuneration of the Board of Management and the Supervisory Board

As regards the remuneration of the Board of Management and the Supervisory Board in the financial year 2023, we refer to the Remuneration Report, which can be found on the company's website www.baywa.com under Corporate Governance.

Equal participation of women and men in leadership positions

BayWa AG is a publicly listed stock corporation (Aktiengesellschaft) subject to codetermination through equal representation of shareholders and employees on the supervisory board. Pursuant to Section 96 para. 2 sentence 1 of the German Stock Corporation Act (AktG), at least 30% of the members of the Supervisory Board must be women and at least 30% of the members of the Supervisory Board must be men at listed companies subject to the German Codetermination Act (MitbestG). The Supervisory Board aims, by mutual agreement, for separate compliance with the gender quota by shareholder and employee representatives. Accordingly, the shareholder representatives objected to overall compliance by way of a unanimous resolution presented to the Chairman of the Supervisory Board pursuant to Section 96 para. 2 sentence 3 of the German Stock Corporation Act (AktG) on 30 March 2016. Pursuant to Article 13 of the Articles of Association and Section 96 para. 1 of the German Stock Corporation Act (AktG) in conjunction with Section 7 para. 1 sentence 1 item 2 of the German Codetermination Act (MitbestG), the Supervisory Board consists of eight shareholders and eight employees. Therefore, both the shareholders and the employees must each appoint at least two women and at least two men to the Supervisory Board to fulfil the minimum percentage of 30% stipulated under Section 96 para. 2 sentence 1 of the German Stock Corporation Act (AktG). Since the Annual General Meeting on 5 June 2018, the Supervisory Board has a total of four female members, two of whom have been appointed by the shareholders, and two of whom have been appointed by the employees. The minimum percentage of 30% is therefore fulfilled by the shareholder representatives and the employee representatives.

The entry into force of the German Second Leadership Positions Act (FüPoG II) on 12 August 2021 means that listed stock corporations such as BayWa AG have had to comply with new rules on equal participation since August 2022. In accordance with the new law, which applies Section 76 para. 3a of the German Stock Corporation Act (AktG), boards of management consisting of more than three persons must contain at least one woman and at least one man when a new member is appointed.

By resolution dated 9 November 2022, the Supervisory Board appointed Dr. Marlen Wienert to the Board of Management of BayWa AG as at 1 April 2023, which now consists of three men and one woman.

As at 30 June 2022, women accounted for 23.3% of the top executive tier at BayWa AG (= 7 female managers) and 22.3% of the second executive tier (= 23 female managers). This means that BayWa AG has met or exceeded the targets it set in the Board of Management resolution dated 27 June 2017 on achieving a quota of 22% for women in the top and second executive tiers. On 27 July 2022, the Board of Management of BayWa AG subsequently set as targets a quota of 24% for women in the top executive tier and a quota of 23.5% for women in the second executive tier, which are scheduled to be met by 30 June 2027.

Diversity concept

In 2020, BayWa AG adopted an Inclusion & Diversity policy that also applies to the Board of Management and the Supervisory Board. BayWa AG does not pursue a detailed diversity concept strictly focusing on the Supervisory Board and Board of Management. BayWa AG does not believe that strict criteria, quotas or profiles of skills and expertise that restrict flexibility in respect of personnel decisions and the number of potential candidates are expedient with regard to the Supervisory Board and Board of Management. Instead, the Group focuses on professional qualifications and experience. However, BayWa AG does take age and gender – as well as cultural, educational and professional background – into consideration in the proposals on the composition of the Supervisory Board and Board of Management when electing potential Board of Management and Supervisory Board members and strives to achieve the most diverse composition possible. As stated, the professional qualifications and experience obtained through education or occupation are the decisive criteria for BayWa AG for current and potential members of the Board of Management and the Supervisory Board. The Group strives to achieve the greatest possible diversity with regard to further factors such as age and gender if these criteria are met.

Additional information on management practices

The Code of Conduct of BayWa AG forms the value system for BayWa AG. It is mandatory and applies across the Group to all employees. The Code of Conduct was updated in 2021 and is publicly available on the company's website www.baywa.com. In addition, an internal control system has been set in place to ensure compliance with the law, statutory provisions and internal guidelines, as well as to avoid actions detrimental to business, which includes prevention, monitoring and intervention. Employees have the option of turning to an anonymous whistle-blower system or applying to the external legal counsel mandated by BayWa AG to serve as an ombudsman in the event of occurrences within the company that do not comply with the law or grievances in cooperation with business partners and companies. Third parties also have the option of using the whistle-blower system.

In order to avoid breaches of regulations on the prohibition of insider trading pursuant to Article 14 of the Market Abuse Regulation, BayWa AG appropriately informs all persons who are deemed insiders under the legal provisions about all relevant statutory provisions governing trading in the shares of the company and, at the same time, requests in writing that they confirm in writing that they were informed about all relevant statutory provisions governing trading in the shares of the company. Those persons affiliated with the Group and external service providers that have access to insider information in accordance with their activities and authorisations are included in insider lists that comply with the provisions. The head of Corporate Legal Projects and the Insider Trading Officer monitors the proper keeping of the insider lists.

Other aspects of good Corporate Governance

Communication and transparency

BayWa AG communicates regularly and promptly on the development of business, as well as on its assets, financial position and earnings position. In order to guarantee an ongoing exchange of information with the capital market, the company holds regular events as part of its investor relations activities featuring the Chief Executive Officer and Chief Financial Officer for analysts and institutional investors in the form of roadshows and individual meetings. Press releases are published and press conferences and conference calls with analysts are held every quarter on business performance. The annual results are released at an Annual Results Press Conference and at an analysts' meeting. All new information disclosed to financial analysts and similar parties in the context of the aforementioned investor relations activities is also made available to the shareholders without delay. All relevant presentations and press releases are promptly published in the Investor Relations section on the website of BayWa AG. BayWa AG places great importance on ensuring that all shareholders are treated equally with regard to information.

The dates of the main recurring publications (inter alia the consolidated financial statements) and the date of the Annual General Meeting are published in the financial calendar in good time. Current developments are reported in press releases and, if necessary, in ad hoc releases. All information is also made accessible on the company's website www.baywa.com under Investor Relations.

Responsible action and risk management

The aim of risk management at BayWa AG is to identify the risks of entrepreneurial action at an early stage and evaluate them. Risk management is therefore an integral part of the company's planning and management and control processes. The internal control, risk management and audit system is developed by the Board of Management on an ongoing basis and adjusted to changes in the environment. Parts of the internal control and risk management system for the accounting processes are examined by the external auditor. More information on the structure and the processes of risk management in the context of accounting processes is included in the Group Management Report.

Munich, 25 March 2024

BayWa Aktiengesellschaft

The Board of Management
Marcus Pöllinger
Andreas Helber
Dr. Marlen Wienert
Reinhard Wolf

Financial Calendar 2024

28 March 2024

Consolidated Financial Statements 2023: Annual Results Press Conference
10.30 am

Analysts' Conference Call
2.00 pm

8 May 2024

Interim Report Q1 2024: Analysts' Conference Call
2.00 pm

11 June 2024

Annual General Meeting (in person)
10.00 am

8 August 2024

Half-Year Report 2024: Analysts' Conference Call
8.30 am

Half-Year Press Conference
10.30 am

14 November 2024

Interim Report Q3 2024: Analysts' Conference Call
8.30 am

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