Consolidated Financial Statements **2020**

of BayWa AG

BayWa

Consolidated Management Report of BayWa AG for the Financial Year 2020

Overview

The BayWa Group developed positively overall in 2020, despite the restrictions in many aspects of life and business as a result of the coronavirus pandemic. In certain business units, the corporate goals for the reporting year were exceeded by a substantial margin. Overall, the Energy Segment developed considerably better than expected. The Renewable Energies business unit, which achieved new highs in both revenues and operating result and was therefore able to benefit from the trend towards sustainable energy generation, was the main factor behind this development. The Conventional Energy business unit also exceeded the goals set for the financial year 2020. The positive development in the heating business was more than able to compensate for the share of earnings accounted for by TESSOL Kraftstoffe, Mineralöle und Tankanlagen GmbH, which was sold at the end of 2019. Likewise, the Building Materials Segment developed better than planned in the reporting year. The positive performance is attributable to the strength of the construction sector, as well as factors such as the segment's positioning as an integrated multi-specialist and the expansion of online channels. At the same time, the Agriculture Segment achieved a year-on-year improvement in earnings on the whole. In the domestic agricultural business, however, the economic situation remains unsatisfactory. Given the great importance of these business activities for the BayWa Group, the measures aimed at increasing profitability will be continued at an accelerated pace. By contrast, the international BayWa Agri Supply & Trade (BAST) and Global Produce business units in the Agriculture Segment developed positively. The Agricultural Equipment business unit, which benefited from extremely brisk demand for tractors, achieved the highest growth rates. In 2020, the BayWa Group once again benefited from its heavily diversified business activities and its strategic orientation towards international markets, as well as from forward-looking business areas and business models. Moreover, the coronavirus pandemic had only a minor impact on the BayWa Group.

On account of the low oil price, the Energy Segment's revenues stood at €4,245.8 million in total in 2020 and were therefore €228.5 million lower year on year. By contrast, earnings before interest and tax (EBIT) increased by 12.0% to €142.7 million, thereby setting a new record. The positive business development was driven by both business units. The Renewable Energies business unit sold wind farms and solar parks with an output of 667.0 megawatts (MW) in total in 2020, with the share of turnkey renewable energy plants increasing to roughly 94%. In 2019, that figure stood at just around 37% of a total completed project output of 911.6 MW. Overall, revenues rose by 26.6% to €2,500.6 million. Following €101.0 million in the previous year, earnings before interest and tax (EBIT) stood at €110.9 million in the reporting year. The improvement in both revenues and the operating result exceeded the positive expectations and was primarily attributable to project sales and growth in solar trading. Furthermore, the strategic development of the business unit was secured by adding a new partner as part of a capital increase. The Conventional Energy business unit benefited in 2020 from strong demand for heat energy carriers. The Conventional Energy business unit's revenues fell significantly by 30.2% to €1,745.2 million in the reporting year on account of the low oil price, having stood at €2,499.0 million in the previous year. Earnings before interest and tax (EBIT) improved by 20.5% to €31.8 million in 2020 (2019: €26.4 million) primarily due to good margins in the heating oil and fuel business, thereby reaching a new high.

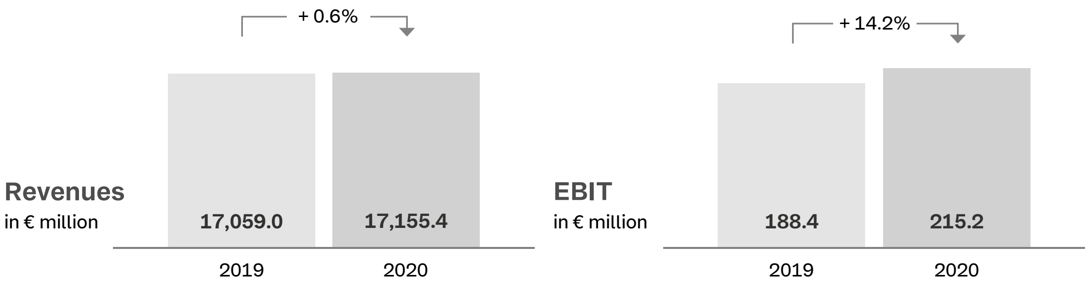
Note about these consolidated financial statements in all sections
For improved readability, gender-specific wording and formal reference to all gender identities are not used. The selected form stands for all genders (m/f/other).

The Agriculture Segment's revenues increased slightly by 1.2% to €10,988.0 million, with earnings before interest and tax (EBIT) improving significantly by €10.5 million to €107.1 million. In the BAST business unit, the handling volume of grain and oilseed stood at 22.9 million tonnes in the financial year 2020. Adjusted for the reclassification of the speciality trader Evergrain Germany GmbH & Co. KG (Evergrain) from the BAST business unit to the Agri Trade & Service business unit, this figure corresponds to a decrease of 1.2 million tonnes on a like-for-like basis. This decline is attributable to the strategic decision to close the Cefetra Hungary Kft. trading office in Hungary and the discontinuation of the export business in some regions of the Middle East. Due to the lower handling volume and the reclassification of Evergrain, the BAST business unit's revenues fell by 6.2% to €4,573.0 million in the reporting year. Earnings before interest and tax (EBIT) improved by 31.9% to €25.2 million. The improvement in earnings was due to a positive price trend in the second half of the year along with other factors, such as a default on receivables in the previous year in connection with the suspension of bread grain business with Iran. The Global Produce business unit's marketing volume once again saw strong growth of just over 31% to 499,259 tonnes in the financial year 2020. In its domestic business, the business unit was able to market 2019's smaller apple harvest with better fruit quality at rising prices in the reporting year. In the financial year 2020, T&G Global Limited marketed some 40% more apples than in the previous year. All in all, revenues in the Global Produce business unit increased by 11.2% to €938.5 million in the reporting year. Earnings before interest and tax (EBIT) improved by €4.9 million year on year to €41.8 million in 2020. In the Agri Trade & Service business unit, the development of the agricultural input business was generally subdued in 2020. By contrast, grain and oilseed trading volume increased year on year by 5.0% to just under 8.6 million tonnes on a like-for-like basis. Revenues in the Agri Trade & Service business unit increased by 4.4% to €3,606.7 million in the reporting year, primarily due to the higher sales volume in grain trading coupled with a significant year-on-year rise in prices. Earnings before interest and tax (EBIT) indicate a net loss of €14.3 million for 2020 following a positive result of €7.8 million in the previous year. This development was mainly due to high restructuring expenses in connection with the reorganisation of the agricultural trade business in eastern Germany. In addition, the low fertilizer prices led to significant pressure on trade margins. Furthermore, price hedging transactions in grain trading within the scope of the mark-to-market valuation at the end of the reporting period resulted in negative market values that will not be compensated for through basic business activities in the financial year 2021. The Agricultural Equipment business unit was able to significantly outperform the previous year and set new records. The sale of new machinery increased by 27.4% to 5,882 tractors in the reporting year. In the used equipment business, the sales figures increased by 14.4% year on year to 2,215 tractors. Overall, the Agricultural Equipment business unit generated revenues of €1,869.8 million, which equates to a year-on-year increase of 11.1%. In the reporting year, earnings before interest and tax (EBIT) benefited primarily from the strong new machinery business and rose significantly by 65.9% to €54.4 million.

The Building Materials Segment saw a very strong financial year 2020. The dry and mild spring months and the continued high demand for housing led to an increase in sales across the entire product range. In addition, BayWa's building materials sites in Germany remained open throughout the coronavirus-related lockdown phases due to their supply function for the construction industry. As a result, the Group also saw increased demand from customer groups that switched to ordering BayWa products online due to the temporary closures of DIY and garden centres in some German states. The BayWa Group's DIY and garden centres in Austria were forced to close for roughly one month. However, the above-average demand after the reopening of the stores more than made up for the closure-related loss of revenues. The eBusiness activities saw substantial growth, especially during the lockdown phases. At the same time, the ability to deliver products was ensured. Overall, the Building Materials Segment's revenues increased by 11.5% year on year to €1,899.0 million due to volume and price effects, thereby far exceeding the development expectations. The segment's earnings before interest and tax (EBIT) climbed 46.1% to €46.9 million, exceeding the forecast for slight improvement.

The Innovation & Digitalisation Segment's revenues fell slightly to €10.2 million in the reporting year (2019: €10.6 million), as customer contact was restricted due to the coronavirus pandemic. As predicted, the segment recorded negative earnings before interest and tax (EBIT) of €10.9 million (2019: minus €14.6 million).

BayWa Group



Total revenues at the BayWa Group increased by 0.6% to €17,155.4 million in the reporting year. Earnings before interest and tax (EBIT) improved by 14.2% to €215.2 million. All operating segments contributed to the rise in earnings. Earnings before tax also saw a significant increase to €111.2 million – a rise of 40.4% year on year. Due solely to disproportionately high tax expenses of €49.9 million, the consolidated net result for the year was on a par with the previous year at €61.3 million. The Board of Management and Supervisory Board will recommend to the Annual General Meeting a 5-cent increase in the dividend to €1.00 per share.

Background to the Group

Group structure and business activities

The BayWa Group

2020	Revenues (in € million)	Employees (annual average)
Energy	4,245.8	3,289
Agriculture	10,988.0	11,762
Building Materials	1,899.0	4,528
Innovation & Digitalisation	10.2	225
Other Activities	12.4	913
Total	**17,155.4**	**20,717**

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 trading into a provider of integrated solutions and a project developer in the core segments of Energy, Agriculture and Building Materials. The BayWa Group's business activities encompass planning, wholesale, retail and logistics, as well as extensive supporting services and consultancy. Its business focus is on Europe, but BayWa has also established an international trade and procurement network by maintaining important activities in the US and New Zealand and business relations from Asia to South America. The BayWa Group has registered places of business in 47 countries, either through itself or through Group companies.

BayWa AG conducts its business in the three operating segments and the Innovation & Digitalisation segment, both directly and through its subsidiaries, which are included in the group of consolidated companies. Besides the parent company, BayWa AG, the BayWa Group comprises 441 fully consolidated Group companies. Furthermore, 26 companies were included at equity in the consolidated financial statements of BayWa AG.

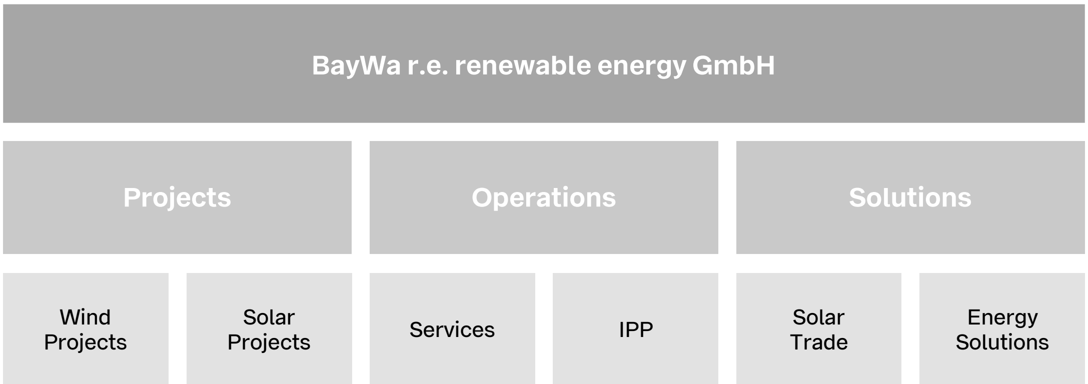
Energy Segment

In the financial year 2020, the Energy Segment accounted for just under 25% of consolidated revenues. The segment's business activities are divided into the Renewable Energies business unit, which is pooled in

BayWa r.e. renewable energy GmbH (BayWa r.e.), and the Conventional Energy business unit. In order to be able to exploit the existing growth potential in the markets for renewable energies more quickly, BayWa r.e. will be managed as a stock corporation (Aktiengesellschaft) going forward. The move was preceded by a capital increase at BayWa r.e. that involved a contribution of €530 million from funds managed by Energy Infrastructure Partners AG (EIP), giving them a 49% stake in BayWa r.e. In addition to strengthening BayWa r.e.'s three business divisions – Projects, Operations and Solutions – the company is slated to evolve in the medium term into an independent power producer with a generation capacity of up to 2.5 gigawatts (GW) from solar parks and wind farms. This expansion of the business portfolio increases the predictability of earnings growth and the continuity of cash flows.

Renewable Energies

The Group pools material aspects of the renewable energy value chain in BayWa r.e. 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 international project planning, management and the construction of wind farms and solar parks as well as the sale of finished plants. The Operations area 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 and South East Asia make it possible to provide customers of BayWa r.e. with 24-hour service around the globe. It currently oversees facilities with a total installed output of approximately 9.0 GW worldwide. In energy trading, BayWa r.e. markets electricity, gas and heat generated from renewable sources. Total direct marketing volume was 4.0 GW in 2020. The Energy Trading division will be included in the IPP business sector in the future. Solutions involves selling photovoltaic systems and components and tailored energy solutions to supply energy to commercial and industrial customers. The Renewable Energies business unit has had a strong international focus since its founding in order to reduce reliance on individual national markets. BayWa r.e. is now represented in Europe, in North America, in the Asia-Pacific region, and in Africa, amounting to a total of 30 countries.

Conventional Energy

In its Conventional Energy business unit, BayWa predominantly sells heating oil, fuels, lubricants and wood pellets, mainly in Bavaria, Baden-Württemberg, Hesse, Saxony and Austria. In the heating business, heating materials are primarily sold through in-house offices. Diesel and Otto fuels, as well as AdBlue, are sold through a total of 124 Group filling stations and partner stations in Germany. In addition, BayWa supplies fuels, 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. In addition to its filling station operations, BayWa also offers a fleet filling station card. This means that users of the BayWa filling station card can now take advantage of some 3,300 filling stations all over Germany. Electric vehicle customers can now charge their vehicles at some 33,000 charging stations in Germany and approximately 180,000 throughout Europe using the BayWa filling station card. Through the new www.chargemondo.de platform, BayWa Mobility Solutions GmbH offers consumers the chance to configure a custom-tailored package solution for a private charging station from a single source, from planning to assembly and set-up – including registration with the grid operator and applying for funding. BayWa sells lubricants to commercial and industrial customers, as well as to farmers and operators of combined heat and power plants. 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. Furthermore, BayWa Haustechnik GmbH provides installation services for heating, plumbing and ventilation across regional boundaries at 14 locations. BayWa Haustechnik GmbH was reclassified from the Building Materials Segment to the Conventional Energy business unit effective 1 January 2021 in order to leverage synergies between energy carriers and technologies, primarily in the field of heating. The spectrum of services ranges from oil, gas, wood and pellet heating technology to heat pumps, solar systems, residential ventilation and sanitation technology.

Effective as at 1 January 2020, the Conventional Energy business unit's activities were restructured into five fields: lubricants, heating oil and diesel, wooden pellets, contracting and Mobility Solutions GmbH. The lubricant business comprises trading with the TECTROL brand and extensive applications and service packages for key customers, such as operators of biogas engines, as well as commercial customers. The field of heating oil and diesel supplies farmers and commercial customers – including construction sites and farms – with fuels. The field of wooden 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. Mobility Solutions GmbH is divided into three fields: Light Vehicle, Heavy Vehicle and Digital Mobility. The Light Vehicle field comprises electromobility and drives forward the planning and expansion of the charging infrastructure. The Heavy Vehicle field establishes a network of filling stations for liquefied natural gas (LNG) as a lower greenhouse gas emissions alternative to conventional fuels. 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.

Agriculture Segment

The Agriculture Segment accounted for approximately 64% of consolidated revenues in 2020. The segment is divided into four business units: BayWa Agri Supply & Trade (BAST), Global Produce, Agri Trade & Service and Agricultural Equipment, covering the core elements of the value chain from field to marketing of agricultural products.

BAST

The BayWa Agri Supply & Trade (BAST) business unit acts as a supply chain manager from purchasing and logistics to distribution. It pools the activities not tied to a specific location, particularly international trading with grain, oilseed and specialities. The main customer groups are grain and oil mills, producers of starch and feedstuff, malt houses and breweries, as well as biofuel manufacturers. When it comes to the procurement and marketing of agricultural products, BayWa possesses a global trading network as well as inland and deep water ports.

Global Produce

In Germany, BayWa is one of the leading single sellers of dessert pome fruit to wholesalers and retailers in the food industry and a supplier of organic pome fruit. BayWa also collects, sorts, stores, packages and provides services for fruit customers in Germany and abroad as a marketer under contract at its 5 sites in the Lake Constance and Neckar regions. BayWa is active in the international trading of fresh products through its New Zealand subsidiary T&G Global Limited (T&G Global). T&G Global maintains international trade relationships in the Americas, Asia, Australia and Europe. 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, expand its product range and seize sales opportunities for German fruit on the international growth markets.

The existing sales structures of T&G Global and its affiliated companies offer the potential to open up additional sales markets, particularly in Asia. BayWa has expanded its portfolio to include exotic speciality fruits, particularly in the fast-growing "ready-to-eat" market, through the majority interest in the Dutch supplier TFC Holland B.V. (TFC), significantly strengthening its position as a leading international supplier of fruit and pome fruit. TFC has long-standing international trade relations in all procurement markets for tropical fruits – mainly for avocado and mango – as well as with the European food retail industry. The BayWa subsidiary Al Dahra

BayWa Agriculture LLC also produces vegetable fruits in climate-controlled greenhouses in the United Arab Emirates for the local market. Through acquisitions and investments, the Global Produce business unit is oriented internationally and offers a broad product range from pome fruit through to exotic fruits. Due to the increasing concentration in food wholesale and retail, setting the company apart from the competition through an attractive diversified product portfolio featuring specialities plays an increasingly important role.

Agri Trade & Service

The Agri Trade & Service business unit covers in particular the stages of the value chain of collecting, sales and service for farms. It supplies farmers 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 186 high-performance 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 foodstuff, wholesale and retail industries through its in-house trade departments. Alongside its services for conventional agriculture, BayWa is gradually expanding its range of products and services for organic farming and the marketing structures for organically grown products on a regional basis. In addition, 120 BayWa sites are certified to trade agricultural inputs for organic agriculture. BayWa is also a member of Biokreis, the fourth-largest organic farming association in Germany, and a licensed user of the Bayerische Bio-Siegel (Bavarian organic seal).

Due to historically evolved structures in Germany, the agricultural business is concentrated primarily in the regions of Bavaria, Baden-Württemberg, Mecklenburg-West Pomerania, Thuringia, Saxony, Saxony-Anhalt and southern Brandenburg. The focal point when it comes to developing BayWa's agribusiness in Germany is on site modernisation, process optimisation in the logistics chain, the expansion of e-commerce activities and employee development. Since 1 January 2021, the trade in agricultural inputs and the collection and marketing of agricultural products in Saxony, Saxony-Anhalt, Thuringia, Brandenburg and Mecklenburg-West Pomerania have been managed uniformly within the Group by BayWa Agrarhandel GmbH. By expanding its digital services, such as the BayWa Portal for agriculture, BayWa is also gaining new customers beyond its traditional regions. BayWa is represented throughout Austria through its subsidiary RWA Raiffeisen Ware Austria Aktiengesellschaft (RWA), which maintains close business relations with 447 cooperative warehouses. Numerous privately owned medium-sized trading enterprises, mainly operating locally, make up the competitive environment for agricultural products. By contrast, there are also a number of wholesalers operating nationwide that offer agricultural inputs. All told, BayWa is the agricultural trade company that generates the highest sales in Germany.

Agricultural Equipment

The Agricultural Equipment business unit offers a full line of machinery, equipment and systems for all areas of agriculture. Important customer groups are also those in forestry, municipal services and commercial customers. Aside from tractors and combine harvesters, the range of machinery also includes versatile municipal vehicles, road-sweeping vehicles, mobile systems for wood shredding and forklift trucks for municipal services and commercial operations. The range on offer for forestry extends from large machinery and equipment such as forestry tractors, wood splitting and chipping machinery, forest milling cutters and mulchers, cable winches and road and path construction machinery through to small appliances such as chainsaws and brush cutters and the necessary protective clothing. In addition, a workshop network with 280 locations and 757 mobile service vehicles provide maintenance and repair services for machinery and equipment.

The Agricultural Equipment business sector comprises product management for new machinery, especially AGCO-brand machinery (Fendt, Massey Ferguson, Challenger and Valtra), as well as international activities. CLAAS sales and service through the joint affiliated companies are equally positioned form an organisational perspective. The Agricultural Equipment special business sector is divided into the product categories municipal services, forestry, indoor equipment and irrigation technologies. For products made by AGCO and CLAAS, BayWa operates a specialised network of in-house workshops in southern and eastern Germany and in the Netherlands that are tailored to manufacturer brands. The sale of products is complemented by trade in spare parts and the provision of mobile service vehicles for maintenance and repair services. BayWa also sells used machinery via its sites and online platforms.

In BayWa's traditional core regions, the market for agricultural equipment is focused primarily on replacement investments and the modernisation of machinery and systems. Against this backdrop, developing international markets with above-average growth potential is becoming increasingly more important. BayWa is currently represented with subsidiaries or joint ventures in the Netherlands, Canada and South Africa.

Building Materials Segment

The Building Materials Segment accounted for just under 11% of consolidated revenues in the financial year 2020. The segment primarily comprises building materials trading activities in southern and eastern Germany and Austria. In addition, BayWa serves a number of franchise partners in the building materials and retail business in Austria through its Austrian subsidiary AFS Franchise-Systeme GmbH. The BayWa Group is one of Germany's market leaders in the building materials trade, with a total of 128 sites, and also ranks among the leading suppliers in Austria, with 30 sites. The number of franchise locations currently totals 985.

In the building materials trade, BayWa mainly caters to the needs of small and medium-sized construction companies, tradesmen, commercial enterprises and municipalities. Private developers and homeowners are also important customers. The key success factors in this business are physical proximity to the customer, the product mix, advisory services and close relations with commercial customers. BayWa takes these factors into account with a targeted focus on its customer groups when it comes to sales and customer consulting services. One example of this is the BayWa Building Materials Online portal, which business customers can use to place orders 24/7. For planning and calculation, the online services include the "Mr + Mrs Homes" property configurator. A further focal point lies in offering specialities in fields such as wooden construction and construction timber, formwork equipment and precast concrete elements, as well as flat roofs. In addition, BayWa AG provides bathroom modules made from wood through its stake in the start-up Tjiko GmbH. These bathrooms are individually designed using a digitally controlled process and configurator and are manufactured in series with complete interior fittings. The Tjiko bathroom module system is chiefly aimed at property developers and general contractors of large residential construction projects who want to realise an economical and highly individualised bathroom design in the properties. In addition, BayWa has works with developers on the implementation of projects in Germany. To this end, it enters into joint ventures with construction companies or property developers as a partner and primarily acts as a provider of concepts.

Further areas of focus in the Building Materials Segment include healthy building and energy efficiency. BayWa offers a wide range of tested low-emission building materials plus solutions for energy-efficient construction or renovation. 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. In the case of conventional construction materials, being close to the customer is a significant competitive advantage. At the same time, the cost of transporting heavy or bulky construction materials with relatively low added value necessitates excellent location structures and optimum logistics.

Innovation & Digitalisation Segment

BayWa has plotted a clear course into the digital future through the independent Innovation & Digitalisation Segment, which is responsible for developing and marketing digital products and services for enhancing productivity in agriculture. It also pools the BayWa Group's e-commerce activities. With its software product NEXT Farming OFFICE, the Group company FarmFacts GmbH offers farmers a future-oriented and interoperable farm management system. It enables farmers to seize the opportunities of smart farming, irrespective of the type of farm or farm size. With 22,445 users, who farm more than 30% of the agricultural space, BayWa takes up a leading market position in Germany. BayWa is also driving forward the use of satellite data in agriculture in its partnership with the European Space Agency (ESA). 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 distribution and marketing of the resulting data is carried out by the Group subsidiary VISTA Geowissenschaftliche Fernerkundung GmbH.

In e-commerce, BayWa is active through multiple platforms, such as the BayWa Portal for agriculture and the BayWa Building Materials Online portal. Since 2020, it has also been involved in digital farm shop marketplaces and the Regioportal.

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 2020, the Board of Management consisted of five members: Prof. Klaus Josef Lutz (Chief Executive Officer, responsible for the BayWa Agri Supply & Trade and Global Produce business units), Andreas Helber (Chief Financial Officer), Marcus Pöllinger (member of the Board of Management, responsible for the Building Materials Segment and the Agri Trade & Service, Agricultural Equipment and Digital Farming business units), Matthias Taft (member of the Board of Management, responsible for the Energy Segment) and Reinhard Wolf (Chairman of the Board of Directors and General Director of RWA Raiffeisen Ware Austria Aktiengesellschaft).

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

The BayWa AG Supervisory Board consists of 16 members. 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 committees in order to boost its efficiency.

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. These are publicly available at www.baywa.com/en/group/corporate-governance/corporate-governance.

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, customer/export control and combating money laundering. Comprehensive frameworks that act as Group-wide rules have been developed on these issues.

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. 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 Chief Executive Officer. Compliance Officers and Data Protection Officers are also appointed in BayWa's business units, as well as at all significant affiliated companies. They are available to employees as additional contact partners and act as multipliers.

Corporate goals and strategy

BayWa remains true to its roots while continuing to evolve. The fundamental changes in the corporate environment and in the value chain call for adjustments or even entirely new business models. In keeping with the guiding principle "We serve basic human needs, providing leading projects and solutions for food, energy, mobility, heat and building", BayWa is becoming a trusted partner to its customers for the long term when it comes to integrated and sustainable solutions. The aim is to ensure the success of BayWa customers by combining products with advisory and other services and to make their work easier. As a strong partner to its customers, BayWa seeks to ensure that the company remains independent and competitive. True to the claim “United for success.”, BayWa’s corporate conduct has a long-term focus and is shaped by the company’s responsibility towards customers, employees, society and the environment.

BayWa has set itself the target of taking on a pioneering role when it comes to sustainability and the development of green solutions across all of its business units. The company aims to achieve climate neutrality Group-wide from 2030 onwards. Since the start of the financial year 2018, BayWa r.e.’s business operations have been completely climate neutral. The carbon footprint of the BayWa r.e. Group was analysed, and measures to reduce greenhouse gas emissions were then identified and implemented. Carbon credits are used to compensate for the remaining emissions. German sites in the Global Produce business unit have also been operating climate neutrally since June 2018, and there are plans to ensure that international sites follow suit in future. In July 2019, BayWa joined the international RE100 initiative. In doing so, it has committed itself to covering 100% of its electricity needs from renewable energies throughout the Group by the end of 2020 – as a self-imposed corporate goal. This goal was achieved in the reporting year.

BayWa is taking two market-driven approaches with regard to its further strategic development: ensuring business continuity by enhancing competitive strength, as well as growth in new business areas by developing innovative, customer-focused business models. The Group’s growth ambitions focus on the Renewable Energies, BAST and Global Produce business units.

The strategic pursuits at a functional level are fourfold: Within business models and the organisation, the objective is to press ahead with digitalisation. In operating business, the plan is to optimise management and expand the points of customer contact to strengthen Group brands. Particular focus is being placed at Group level on strengthening the BayWa umbrella brand across all segments and business units. An organisational set-up marked by close collaboration across divisions and high-performing employees and managers will improve corporate performance. Finally, BayWa plans to continuously analyse its business portfolio for future growth and earnings potential with the aim of ensuring and increasing the profitability of the BayWa Group’s business operations on a sustained basis.

The objective in the Energy Segment is to further advance the expansion of renewable energies. Another focus is on scale, continued internationalisation and expanding the service business, as well as on the provision of integrated energy solutions. Examples include the combination of installations for renewable energy with efficient energy storage systems, as well as the cross-segment development of innovative products and services, for example with regard to electromobility (e-mobility). BayWa r.e. Energy Ventures GmbH invests in fledgling start-ups offering innovative solutions in the energy industry as a lead investor or co-investor. The addition of a strategic partner in the first quarter set the course for accelerated growth at BayWa r.e. Plans are in place to expand the project business to an annual volume of 3 GW in the medium term. The plans also envisage the development of a portfolio of own solar parks and wind farms with a capacity of 2.5 GW to allow the company to market electricity as an independent power producer (IPP) for the generation of stable cash flows.

The Conventional Energy business unit continuously promotes the expansion of mobility solutions in the fields of charging infrastructure for e-mobility, LNG filling stations and digital mobility. Furthermore, BayWa also offers e-mobility solutions created on the basis of comprehensive fleet analysis and targeted at fleet operators. To further develop the business, particularly in the expansion of the charging infrastructure network, BayWa Mobility Solutions GmbH acquired Berlin-based Hilmar Eichholz e.K. in October 2020. The newly acquired company specialises in buried cable construction, electrical installation and e-mobility. In the fields of conventional fuels, lubricants and heat energy carriers, BayWa performs a basic supply function, especially in rural regions.

In the field of agriculture, the Group is affirming its aim of becoming Europe’s leading agricultural trade, distribution and logistics provider with global reach. BayWa aims to deepen existing customer ties and attract new customers by seizing opportunities to export to international markets; expanding the agricultural products range through the addition of specialities such as starch products, hops and legumes; and presenting new service offerings. By taking these steps, BayWa will be further developing its core business on a functional and cost-efficient basis. In the BAST business unit, the new 2024 "Road to Ingredients" strategy also provides for the expansion of the product range to include processed products and the expansion of the marketing offer for organically and regionally produced agricultural goods. In addition, BayWa is boosting its position as supply chain manager and diversifying its portfolio through international partnerships.

In the collecting and agricultural input business, the location structure is undergoing consolidation and optimisation, and digital services are being added to the business model. As part of the process, the number of German agricultural locations is to be reduced significantly in the medium term. At the same time, a network of efficient central warehouses and a logistics concept that will secure the ability to deliver goods for agriculture are being established to support the mission of helping people to meet their basic needs. The pressure to change resulting from the structural transformation of agriculture is very high in northern and eastern Germany, as large sections of farmland in this important agricultural region are concentrated in the hands of an ever decreasing number of farms that are building up their own storage and logistics capacities. This development has led to excess capacities for all agricultural traders. In order to increase its competitiveness, BayWa restructured its eastern German agricultural business effective 1 January 2021. The trade in agricultural inputs and the collection and marketing of agricultural products in Saxony, Saxony-Anhalt, Thuringia, Brandenburg and Mecklenburg-West Pomerania have been combined under the uniform management of BayWa Agrarhandel GmbH, a wholly owned subsidiary of BayWa AG. The restructuring allows BayWa to optimise logistics and the efficiency of its local activities while strengthening its marketing position in agricultural trade in Germany. These measures are aimed at significantly reducing the capital tied up in the Agri Trade & Service business unit. Sales are being geared towards integrated solutions, since the rise in the digitalisation of agriculture is resulting in a change in requirements. The use of digitally controlled machinery and equipment for the application of agricultural inputs often requires specially adapted varieties of seed, fertilizer or crop protection products. BayWa has therefore combined the services of the Agricultural Equipment business unit with the agricultural input business of the Agri Trade & Service business unit in order to offer farmers a one-stop service. The range of e-commerce activities is also being constantly expanded, and BayWa is driving forward digital processing in logistics in its German agricultural trade business. The digitalisation of the value chain supports the successful management of the increasing complexity and dynamics of logistics processes in the "physical Internet" – i.e. in the storage, transport and delivery of goods – with the aim of increasing customer benefits while reducing costs. Targeted diversification of the product portfolio and the expansion of the private brand business are also helping to stabilise profitability.

In the Global Produce business unit, BayWa's objective is to offer retailers in Europe a diverse and attractive range of agricultural products throughout the year by systematically expanding its procurement base. The focus is on expanding the range of fruit and vegetable specialities. In addition, the New Zealand Group company T&G Global is being used as a platform for expanding exports to countries in Asia and tapping into new sales markets. The goal is to leverage synergies and attract new customers on the basis of an overarching strategy through the international marketing of the Global Produce business unit's full range of agricultural products. T&G Global also strengthened its market position in New Zealand in 2020 by acquiring the fruit trader Freshmax New Zealand Ltd (Freshmax). Freshmax supplies major supermarkets and wholesalers with fruit. In Germany, activities are focused on expanding the range of organic products and apple brands such as Jazz and Envy.

In the Agricultural Equipment business unit, BayWa is further strengthening the brand-specific sales organisations. In order to increase efficiency, it has been split into agricultural equipment on the one hand and special technology for municipalities, industry and forestry operations on the other. In addition, the focus is on the development of cross-vendor digital interfaces and the development of a new water management business division.

In the Building Materials Segment, the focus is on expanding the range of private brands and specialities in areas such as construction timber, among other things. Additional focal points include digitalisation and continuous measures to improve efficiency. 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 additional resources such as second-level support. Process efficiency will be enhanced through systems for automatic inventory management. To ensure the ability to deliver goods at all times, a network of central warehouse locations that will be complemented by efficient logistics is being set up. Bau Projekt GmbH is active in property development through joint ventures as part of alliances with property developers and contractors in Germany.

The Innovation & Digitalisation Segment encompasses the fields of Digital Farming and eBusiness. In terms of Digital Farming, BayWa's goal is to assume a leading role as a professional partner for agriculture. With its software products NEXT Farming OFFICE and NEXT Farming LIVE, the subsidiary FarmFacts GmbH is the market leader in Germany and the driving force behind smart farming at the BayWa Group. The FarmFacts product family was expanded in the third quarter of 2020 to include the open trading platform NEXT Marketplace. Initially launched in the test region of Saxony and Thuringia, the platform enables farmers to obtain offers for agricultural inputs from different providers and conclude purchase and delivery agreements directly from the NEXT Farming software that they already use. In addition, FarmFacts is generating opportunities for growth on the international markets. Smart farming solutions go beyond the bounds of precision agriculture such as site-specific farm management. Together with its subsidiary VISTA Geowissenschaftliche Fernerkundung GmbH, BayWa is overseeing a pilot project that uses data provided by Sentinel 2 satellites in the ESA's Corpernicus programme to calculate yield potential for crops such as wheat, corn and rapeseed.

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. By developing regional, digital farm shop marketplaces for local producers, BayWa is also opening up new higher-margin sales channels that enable end customers to buy local products from a trusted regional producer.

With its corporate financing, BayWa puts its faith in tried-and-tested, reliable partners in the cooperative federation. Furthermore, it makes sure that there is sufficient diversification in terms of financing sources so as to guarantee its independence and limit risks. Efficient management of working capital is vital at the BayWa Group, as it represents a net figure for current assets less current liabilities. BayWa aims to maintain a balanced capital structure. The capital increase at BayWa r.e. in 2021 will also contribute to meeting this goal. The financing of the BayWa Group was ensured at all times in the financial year 2020, despite the influence of the coronavirus pandemic. Furthermore, it was not necessary to make use of any government aid.

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; the key earnings figures EBITDA, EBIT and EBT are primarily used as the most significant financial performance indicators. The development of financial performance indicators in the financial year 2020 is described in the Financial Report in the section "Financial Performance Indicators". BayWa reports on its non-financial performance indicators in its separate Sustainability 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 business units and the segments have earned their cost of capital. Interest on average capital invested in the business units is charged by applying the weighted average cost of capital (WACC) model. The return on invested capital (ROIC) of the business units 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 business unit (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 Chief Executive Officer. 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.

Sustainability at BayWa

With its Group-wide climate strategy, BayWa aims to help keep global warming to significantly below 2 degrees Celsius as part of its ambitious goal of being climate neutral from 2030 onwards. To achieve this, the company plans to significantly reduce its energy consumption and the greenhouse gas emissions attributable to its sites, company cars and in-house logistics activities over the next few years; source more electricity from renewable energy sources; and compensate for remaining greenhouse gas emissions by purchasing high-quality carbon credits.

BayWa's five climate targets are:
- Cover 100% of its electricity needs with renewable energies by the end of 2020; this goal was achieved in the reporting year
- Reduce greenhouse gas emissions by 22% by 2025 (base year 2017)
- Reduce energy consumption by 22% by 2025 (base year 2017, in terms of EBITDA)
- Build and provide 10 GW in generation capacities from renewable energies by 2025
- Climate neutrality from 2030 onwards (Scope 1 and 2)

Along with the reduction of greenhouse gas emissions, BayWa is increasingly paying attention to the physical risks of climate change and the impact on its own business activities. A long-term shift in climatic conditions, along with extreme weather events, could fundamentally change global agricultural production and the flow of goods. Agricultural trade and logistics are therefore directly affected. To better understand the impact in the field of agriculture and increase the resilience of the agricultural value chain, BayWa has been identifying and assessing risks and opportunities, and developing strategic guidance, with the help of scenario analyses and interdisciplinary workshops since 2019.

In the reporting year, the international non-profit organisation Carbon Disclosure Project (CDP) awarded BayWa's climate protection commitment with a B rating, placing the company above the average for the industry and for Europe. CDP is an international non-profit organisation that annually evaluates the commitment of companies, local governments and countries in the fields of climate and environmental protection. BayWa's successful performance is due, among other things, to the disclosure of climate-related risks and opportunities and a closer link between the climate and corporate strategies, as well as additional information on greenhouse gas emissions along the value chain (Scope 3).

The consolidated non-financial report is part of the Sustainability Report 2020, which is published on the website www.baywa.com/en/responsibility/at-a-glance.html.

Employees

The number of employees at BayWa rose once again in the financial year 2020. By the end of the year, the BayWa Group employed 21,207 employees (2019: 19,193). In terms of an annual average, the number of employees rose year on year by 1,886 to 20,717, equating to an increase of 10.0%. This development was driven in particular by the Agriculture Segment, with the lion's share attributable to the Global Produce business unit, where seasonal workers in Peru were included in the headcount for the first time in the financial year 2020. The number of employees also rose in the Renewable Energies business unit and in the Building Materials Segment. In the other segments and business units, the number of employees remained virtually unchanged year on year.

In 2020, 370 trainees started their career at BayWa. With a total of 1,411 trainees, BayWa is one of the largest companies in Germany to offer trainee programmes, and, with a trainee ratio of approximately 6%, BayWa is providing training to young people that goes beyond the needs of the company.

Development of the average number of employees at the BayWa Group

	2017	2018	2019	**2020**	Change 2020/19	
Energy	2,079	2,407	2,812	3,289	477	17.0%
Agriculture	10,613	10,428	10,580	11,762	1,182	11.2%
Building Materials	4,113	4,211	4,371	4,528	157	3.6%
Innovation & Digitalisation	158	183	198	225	27	13.6%
Other Activities	587	775	870	913	43	4.9%
BayWa Group	**17,550**	**18,004**	**18,831**	**20,717**	**1,886**	**10.0%**

Research and development in the Innovation & Digitalisation Segment

The BayWa Group's research and development activities relate to the formation and further development of the Innovation & Digitalisation Segment and take place at the subsidiaries FarmFacts GmbH and VISTA Geowissenschaftliche Fernerkundung GmbH.

Research focuses primarily on pilot projects on the topics of site-specific sowing and fertilization, as well as satellite-based remote sensing services and applications for agriculture, water management and the environment. Development pertains mainly to software and digital applications for digital farming.

FarmFacts focuses first and foremost on software modules for controlling agricultural processes, as well as telematic applications and management software for the automated steering of agricultural machinery. In the reporting year, FarmFacts GmbH expanded the product portfolio under the NEXT Farming brand to include a pioneering product innovation. The NEXT Marketplace was launched in late summer 2020. NEXT Marketplace incorporates purchasing and sales directly into the farm management system for the first time in the industry. Initially available for fertilizer purchasing in Saxony and Thuringia, NEXT Marketplace was expanded over the course of the second half of 2020 to the German states of Saxony-Anhalt, Brandenburg and Mecklenburg-West Pomerania, with seed also being added to the product range. E-commerce plays an increasingly important role in agricultural trade. Rising pressure on margins is making buying and selling prices a decisive success factor for farmers and providers. With NEXT Marketplace, NEXT Farming has worked with farmers and providers to develop an innovative marketplace that farmers can use to buy and sell goods quickly and transparently, directly in the software. This intelligent integration combines business and agronomic management with the procurement of agricultural inputs. The integrated use of data makes it possible to optimise all aspects of a farm's operations. Providers benefit from time and cost efficiency in trading activities and, above all, from easy access to new customers. All this makes NEXT Marketplace a relevant competitive advantage.

Launched in the previous year, the cloud-based NEXT Machine Management by aag module – which was developed in cooperation with the agricultural equipment manufacturers AGCO, Krone, Kuhn, Lemken, Pöttinger and Rauch – provides a data management software for processing and assessing all data generated by machinery and equipment, regardless of the manufacturer. In the reporting year, NEXT Machine Management by aag was expanded to include a telemetry solution that can be used to track the location of machinery in real time and provides users with insights into the latest machinery data, such as current consumption, throughput or application volume. This makes it easier to plan and schedule machinery for more efficient use of fleets and professional process monitoring.

The Group company VISTA Geowissenschaftliche Fernerkundung GmbH transforms the latest scientific findings and methods into operational services and applications and develops digital services for various needs on the basis of satellite data and the PROMET spatial crop growth model. PROMET calculates the development of crops with tremendous precision in hourly calculation intervals. This approach is based on the processing of very large quantities of data and requires extensive technical capacities and expertise. Together with up-to-the-minute satellite data, the method makes it possible to derive the current condition of crops through daily readings on factors such as biomass and yield that are unaffected by cloud cover and – more importantly –

are absolute. Services developed on this basis can be used in hydrology, agriculture and the environmental sciences, as well as to develop indicators for measuring sustainable agriculture. Accurate local forecasts of nutrient and water requirements, for example, are offered for site-specific fertilization and irrigation. The derived yield potential for field sections is used to create ready-to-go application maps for optimal seeding rates that can be deployed immediately by farmers in appropriate professional agricultural applications such as NEXT Farming without having to switch to other media.

The YPSILON portal offers harvest forecasts for Europe for the most important agricultural products. In 2020, YPSILON was expanded to Ukraine and Russia and validated through extensive backtesting. As a result, it will also be possible to offer the yield forecast service for this region from 2021.

The year 2020 saw a noticeable increase in research enquiries related to sustainability and the impact of climate change on the future production conditions for certain cultures in certain regions. In combination with the spatial crop growth model, satellite data has the potential to provide very valid scenarios in response to these current questions for the future.

As at 31 December 2020, 77 employees worked in research and development (2019: 73 employees). The BayWa Group's research and development expenses totalled €462,150 in the financial year 2020 (2019: €400,000). Own work capitalised with regard to new digital farming products amounted to some €4.5 million (2019: €2.6 million).

Financial Report

Operative business development

Energy Segment

Market and industry development 2020/21

Development of renewable energies
According to Bloomberg New Energy Finance (BNEF), global investments in solar and wind energy stood at USD291.3 billion in 2020 and were therefore up roughly 4% on the level seen in 2019 (USD279.1 billion). In Europe, investments rose by a substantial 53% to USD87.2 billion, ahead of the USD71.6 billion invested in North and South America (a decrease of 11%). In Asia, investments stood at USD132.5 billion, marking a roughly 6% decline year on year (BNEF, Energy Transition Investment online tool). Investments in solar energy increased year on year by 12% to USD148.6 billion, whereas global investments in wind energy decreased by 6% to USD142.7 billion (BNEF, Energy Transition Investment Trends Summary 2021, p. 7). The decline was attributable solely to the sharp drop in investments in onshore wind projects. By contrast, offshore wind projects saw a steep 56% rise in investments to USD50 billion.

In the field of onshore wind energy, approximately 66.8 gigawatts (GW) were added worldwide in 2020, with Asia accounting for the lion's share as in previous years (55%), followed by North America (25%) and Europe (20%) (BNEF, Global Wind Market Outlook, 4Q 2020, p. 6). Germany accounted for 1.3 GW of the 13.5 GW in new onshore wind energy installations in Europe, equating to a substantial increase compared to the previous year (0.9 GW). There is still a lack of approved projects as a result of growing local opposition as well as lengthy approval proceedings, which present the German wind energy industry with major challenges. The most important European countries for the construction of onshore wind turbines in 2020 were Spain, with 2.1 GW, and Sweden, with 1.7 GW. In North and South America, new installations were primarily driven by the US (14.3 GW) and Argentina (0.9 GW). In the Asia-Pacific region, China (32.4 GW) and Australia (1.4 GW), as well as other markets such as Japan (0.6 GW), recorded an increase in the expansion of onshore wind energy. By contrast, the expansion in India slowed significantly to 1.3 GW in 2020 following 2.4 GW in the previous year. For 2021, the BNEF forecasts a global expansion of roughly 75 GW for onshore wind turbines, which would mean a further substantial increase compared to the 66.8 GW generated in 2020 (BNEF, Global Wind Market Outlook, 4Q 2020, p. 6).

Global photovoltaic (PV) installation capacities increased by some 132 GW in 2020. However, the year-on-year growth rates varied tremendously from country to country. In Europe, expansion increased year on year by more than 100% in some cases in Greece (0.4 GW), Portugal (0.5 GW) and Poland (1.7 GW). Germany (4.6 GW) and the Netherlands (3.1 GW) saw double-digit percentage increases in solar capacity compared to 2019. A significant decline was recorded in Spain, where 2.9 GW were installed in 2020 (2019: 5 GW). In Asia, China (40 GW), Japan (8 GW) and Taiwan (1 GW) saw further increases, whereas the rate of expansion in India fell significantly year on year to around 4 GW (2019: 11.6 GW) on account of projects being postponed until 2021. In the US, around 14 GW in new PV systems were installed, corresponding to a growth rate of just under 22% (2019: 11.5 MW). Expansion was inconsistent in Africa and the Middle East. While South Africa and Israel set new expansion records of 0.9 GW and 1.7 GW respectively, Egypt and the United Arab Emirates reported significantly lower expansion rates of approximately 0.7 GW each compared to 2019 (1.5 GW and 2 GW). In South America, a year-on-year increase in PV system installation was seen in Brazil (3.9 GW; 2019: 2.8 GW) and Argentina (0.5 GW; 2019: 0.3 GW) (BNEF, Global PV Market Outlook, 4Q 2020, pp. 2–3). According to the latest forecasts, the expansion of photovoltaic systems is expected to continue to grow very strongly in 2021, with between 151 GW and 194 GW expected worldwide (BNEF, Global PV Market Outlook, 4Q 2020, p. 1).

Development of conventional energy
In the field of conventional energy, the price of crude oil plays a key role in the development of demand and the prices of various fossil energy carriers. At the start of 2020, the price of crude oil reached a high for the year of just under USD69 per barrel. The lockdowns in nearly all countries due to the coronavirus pandemic led to a sharp drop in demand for kerosene (jet fuel), fuel and lubricants. As a result, the price of oil fell to a low for the year of just under USD16 per barrel by April. That month, the Organization of the Petroleum Exporting

Countries (OPEC) plus Russia and Mexico approved reducing global daily crude oil production by 10%, which led to a rapid recovery of crude oil prices to over USD40 per barrel in May and June. From August, the production cuts were reduced from 9.7 million barrels to 7.7 million barrels a day. Consequently, the price of oil fell from its interim high of just over USD45 per barrel back to around USD36 per barrel. In autumn, a surge in the coronavirus pandemic led to further restrictions in many countries. However, a renewed far-reaching lockdown of economic activity did not materialise, allowing crude oil prices to recover to approximately over USD50 per barrel by the end of the year. Overall, the oil price in 2020 averaged USD42 per barrel, below the forecast average of roughly USD61 per barrel. Forecasts made by the US Energy Information Administration (EIA) about the development of crude oil prices in 2021 predict that the oil price will hover at USD49 per barrel on average. Based on the current forecasts, the relationship between oversupply from production and global consumption is set to decline for 2021 as a whole (EIA, Short-Term Energy Outlook, 8 December 2020, pp. 1, 18). In the heating sector, demand for fossil fuels is generally subject on the one hand to fluctuations in consumption determined by weather conditions. On the other hand, purchasing behaviour is influenced by price trends. The price of heating oil largely followed the development of crude oil prices and was significantly lower year on year throughout 2020. Heating oil prices fell consistently until the end of October. Despite an increase of just under 50% in November and December, heating oil was a good 18% cheaper at the end of 2020 as compared to the previous year-end figure (TECSON, Heizölpreise, 2020). Sales of heating oil in Germany increased by 3.3% year on year in 2020 (BAFA, Amtliche Mineralöldaten, 2020). The main reason for this may have been that consumers used the lower prices for stockpiling. Factors such as the rise of renewable energies, the increased use of gas, and cuts to consumption due to modern technologies and energy-efficient building renovations have resulted in a long-term structural decline in heating oil consumption in Germany. This trend is also likely to continue going forward. The newly introduced carbon pricing system could have a stronger effect in 2021, as consumers are likely to have used the lower prices in 2020 to fill up their tanks in advance. The consumption of wood pellets increased by 6.4% in Germany in 2020. Due to the high number of newly installed pellet-fired systems in 2020, accelerated consumption of pellets is expected for 2021 (DEPV, Pelletproduktion und -verbrauch in Deutschland, Zubau von Pelletfeuerungen in Deutschland).

Total fuel sales in Germany fell by 7.9% in 2020. Sales of Otto fuels decreased by 9.7%, while sales of diesel decreased by 7.1%. Total lubricant sales decreased by 19.4% in 2020. Machine, base oils and process oils in particular saw significant sales decreases (BAFA, Amtliche Mineralöldaten, 2020). As a result, sales volumes of fuels and lubricants fell short of the forecast, which had anticipated stable sales development. In general, demand for fuels and lubricants is primarily dependent on factors such as vehicle stock, mileage and the development of the economy as a whole. In light of the anticipated overall economic growth of 3.5% in Germany, a moderate increase in demand is expected in 2021 (IMF, World Economic Outlook, January 2021). However, the reduction in mileage as a result of the lockdown and the trend towards mobile working are likely to have the opposite effect (BayWa, own market analysis).

Business performance

The Renewable Energies business unit once again saw highly positive development in 2020. Plant sales achieved a total output of 667.0 megawatts (MW) in the reporting year, with the share of turnkey renewable energy plants increasing to roughly 94%. In 2019, that figure stood at just around 37% of a total completed project output of 911.6 MW. Alongside the construction of turnkey wind farms and solar parks, total output also includes the sale of ready-to-build project rights and general contracting services such as planning, procurement and construction services. In the field of solar energy, 14 free-standing solar parks with a total output of 224.5 MW and five floating PV projects with an output of 77.8 MW were sold. Of the total output, 160.7 MW were attributable to the Netherlands, 44.1 MW to Malaysia, 41.6 MW to Spain, 30.0 MW to France and 25.9 MW to Japan. The sales in Malaysia and Japan show that BayWa r.e. has successfully gained a foothold in the Asian market and will continue executing projects there in the future. Eleven wind farms with a total output of 364.6 MW (2019: 282.8 MW) were sold in the national markets of the US (250.0 MW), Germany (58.0 MW), France (22.7 MW), the UK (24.0 MW) and Croatia (10.0 MW). BayWa r.e. will continue to assume responsibility for the commercial and technical management and maintenance of most of these plants going forward. BayWa r.e.'s service business recorded a rise in total plant capacity under its management around the world of more than 8% to more than 9.0 GW in 2020 (2019: 8.3 GW). Despite delays on the part of customers, new mandates for the technical and commercial management of wind farms and solar parks (including floating PV) were gained. The Energy Trading division managed a direct marketing portfolio of around 4.0 GW in 2020 (2019: 3.5 GW) and recorded electricity sales of around 13 terawatt hours (TWh) (2019: 6.9 TWh). Some 3.5 GW of the direct marketing portfolios are managed by Clean Energy Sourcing GmbH (2019: 3.3 GW), with around 500 MW managed by Italy-based Clean Energy S.r.l. (2019: 210 MW). The financial year 2020 was characterised by particular challenges and a realignment, combined with the strategic goal of significantly increasing trading volume from 2021. In trading with photovoltaic (PV) modules, the total output of PV modules sold rose by just over 27% to 1 gigawatt peak (GWp). The inverter and assembly system product groups saw an increase of around 35%, raising the output of the sold inverters to more than 2 GW. Revenues from assembly systems increased to over €80 million. The growth is primarily attributable to the continued high demand for renewable energies and the unabated ability of European solar trading companies to deliver. Revenues of more than €100 million have already been processed in these product areas through the web stores established in these national markets. The August 2020 acquisition of the US-based company Enable Energy Inc., with a strong focus on business with industrial customers, also contributed to growth. The Energy Solutions business division successfully completed its first full financial year in 2020 and is positioning itself internationally as a developer of integrated solutions in the fields of renewable energies for businesses. All told, revenues increased by 26.6% to €2,500.6 million in 2020. Following €101.0 million in the previous year, earnings before interest and tax (EBIT) reached a new high of €110.9 million in the reporting year. The improvement in both revenues and the operating result is primarily attributable to project sales and growth in solar trading and exceeded the positive expectations.

The coronavirus pandemic also had an effect on BayWa r.e. in the reporting year. In particular, the decline in electricity prices had an impact on the profitability of projects and on the earnings of existing plants. Some projects were affected by delays in approval processes, restricted mobility among workers and supply bottlenecks, which led to delays in construction in certain cases. Protecting the health of staff was the top priority at the project sites and in the offices. The risk of infection was minimised through targeted measures, such as adapting hygiene standards, mask mandates and (wherever possible) mobile working.

As expected, the Conventional Energy business unit benefited from increased demand for heat energy carriers in the financial year 2020. Sales volumes of heating oil increased by a further 2.0% year on year, as customers took advantage of the significant year-on-year drop in heating oil prices and the reduced value added tax rate in the second half of the year to stock up. In addition, the climate package, which came into effect at the start of 2021, is likely to have led to panic buying, as increases in the price of heating oils are to be expected as a result of carbon pricing. The marketing volume of wood pellets also rose, achieving an increase of 6.8%. The growth was mainly attributable to BayWa AG's core regions in Germany, where sales benefited from the previous year's expansion in production capacity at WUN Pellets GmbH and the higher number of installed pellet heating systems. In heat contracting, BayWa Energie Dienstleistungs GmbH (EDL) put its first project into operation in Geisenfeld in late 2020. The project covered conventional heating on the basis of wood pellets, as well as a landlord-to-tenant model using renewable electricity from the building's own PV system. In fuels, sales at the Group fell year on year by 9.7% on a like-for-like basis adjusted for the sale of TESSOL Kraftstoffe, Mineralöle und Tankanlagen GmbH, thereby developing less strongly than expected. The decline was caused by mobility restrictions and lower demand among large-scale consumers as a result of the coronavirus-related lockdowns. By contrast, business with the BayWa filling station card, the acceptance of which was further expanded, developed positively. In e-mobility, the number of charging stations and charging points that can be used with the BayWa filling station card also increased. Moreover, the Group started offering LNG for heavy goods transport by building the corresponding filling stations. With a decline of 14.3%, sales of lubricants saw weaker-than-expected development in 2020. The main reasons for this development were temporary plant closures in the industrial and manufacturing sector as a result of the coronavirus pandemic and the weakening economic growth. As anticipated, the Conventional Energy business unit's revenues fell significantly by 30.2% to €1,745.2 million in the reporting year, having stood at €2,499.0 million in the previous year. Earnings before interest and tax (EBIT) improved by 20.5% to €31.8 million in 2020 (2019: €26.4 million) primarily due to good margins in the heating oil and fuel business, thereby reaching a new record high – in contrast to the expectations.

At €4,245.8 million, the Energy Segment's total revenues for the financial year 2020 were up by €228.5 million year on year. Earnings before interest and tax (EBIT) increased by 12.0% to €142.7 million, thereby setting a new high.

Agriculture Segment

Market and industry development 2020/21

Development of grain and oilseed

Global balance of grain (excluding rice) in millions of tonnes	Grain year 2018/19	Grain year 2019/20	**2020/21**	Change 2020/21 compared to 2019/20	
Production					
World	2,129.0	2,175.5	2,212.3	36.8	1.7%
thereof: wheat	730.9	763.9	773.4	9.5	1.2%
thereof: coarse grain	1,398.1	1,411.6	1,438.9	27.3	1.9%
Consumption					
World	2,155.9	2,174.2	2,223.5	49.3	2.3%
thereof: wheat	734.7	747.0	769.3	22.3	3.0%
thereof: coarse grain	1,421.2	1,427.2	1,454.2	27.0	1.9%
Inventory changes					
World	- 26.9	1.3	- 11.2		
thereof: wheat	- 3.8	16.9	4.1		
thereof: coarse grain	- 23.1	- 15.6	- 15.3		

European balance of grain (excluding rice) in millions of tonnes	Grain year 2018/19	Grain year 2019/20	**2020/21**	Change 2020/21 compared to 2019/20	
Production					
EU	284.8	316.5	297.6	- 18.9	- 6.0%
thereof: Germany	37.9	44.2	43.3	- 1.0	- 2.1%
Consumption					
EU	289.2	289.8	286.6	- 3.2	- 1.1%
thereof: Germany	41.7	43.0	42.0	- 1.0	- 2.3%
Inventory changes					
EU	- 4.4	26.7	11.0		
thereof: Germany	- 3.8	1.2	1.3		

Sources: USDA, Grain: World Markets and Trade, February 2021, pp. 23, 29; DRV, Jahresbericht Agrarwirtschaft 2020, p. 12; DRV, Getreideernte Bundesrepublik 2019 und Vorschätzung 2020

Global grain harvest yields were 2.2% higher in the grain year 2019/20 than in the previous year. Global consumption continued to increase by just under 1%. In total, grain production covered consumption. However, global consumption outpaced production for coarse grain, particularly corn. By contrast, wheat inventories rose, meaning that the quantity in stock would mathematically be enough to cover global needs for 147 days. The European Union harvested 6.0% less grain in 2020 than in the previous year (USDA, Grain: World Markets and Trade, February 2021, pp. 23, 29). This decline was attributable to lower hectare yields and a decrease in land available for cultivation. The German grain harvest decreased by 2.1% compared to the already weak level seen in the previous year and was therefore a good 5% lower than the average for 2014 to 2019 (DBV, Situationsbericht 2020/21, p. 167 et seq.). Despite the globally relaxed supply situation, grain prices rose considerably in the second half of 2020 due to brisk global demand for wheat and unfavourable growing conditions in parts of Europe, North America, the Black Sea region and Argentina (DBV, Situationsbericht 2020/21, p. 169). The increase in the price of corn was particularly sharp, as the tight supply here led to lower-than-expected inventories, especially in the US. The grain price index of the Food and Agriculture Organization of the United Nations (FAO) amounted to 115.7 points in December 2020, which was approximately 19% above the value of 97.2 points seen in December 2019 (www.fao.org/worldfoodsituation/foodpricesindex/en). On the MATIF commodity futures exchange, wheat prices in 2020 fell from €189 per tonne at the start of the year to €174 per tonne by mid-March before subsequently trading between €177 and €192 per tonne until August. By the end of the year, prices had increased to around €211 per tonne on account of high demand and the tight supply situation in some regions (DBV, Situationsbericht 2020/21, p. 172; MATIF and CBOT commodity exchange, February 2021). According to the latest forecasts from the U.S. Department of Agriculture (USDA), global grain production in 2020/21 – excluding rice – is likely to be up slightly on the previous year's volume by 1.7%. Global consumption is expected to rise by 2.3%. As in previous years, coarse grain consumption outpaced production, leading to a reduction of inventories. By contrast, the current harvest season is likely to result in enough wheat to cover global consumption, as in the previous year. At roughly 144 days, the coverage of the inventories is only slightly lower than it was in the previous year (USDA, Grain: World Markets and Trade, February 2021, pp. 23, 29). In the medium term, the FAO and OECD expect to see a moderate rise in nominal grain prices accompanied by sustained marked price volatility. Factoring in inflation, however, they anticipate a decline in real prices (DBV, Situationsbericht 2020/21, p. 170).

Soya meal, which accounts for over 70% of all oilseed meal, was harvested globally in the marketing year 2019/20 at around 243 million tonnes, up just under 4% on the previous year (USDA, Oilseeds: World Markets and Trade, February 2021, p. 11). In the first half of 2020, global oilseed production benefited from favourable weather conditions, particularly in the US and South America, leading to a decline in soya meal prices from around €300 per tonne at the start of the year to around €263 per tonne in early August on the Chicago Board of Trade (CBoT) commodity futures exchange. The dry weather in many global cultivation regions led to a strong rally towards the end of summer that drove prices up to just under €390 per tonne by the end of the year in light of an anticipated decline in harvests. Global production is expected to rise by around 4.1% to 253 million tonnes in marketing year 2020/21 (USDA, Oilseeds: World Markets and Trade, February 2021, p. 11). Based on the latest harvest forecasts, demand is expected to be met by global supply despite an assumed further increase in consumption. Nevertheless, prices continued rising to around €420 per tonne at the start of the year, mainly due to strong demand from China (DBV, Situationsbericht 2020/21, p. 174).

Development of fruit cultivation

At 1.27 million tonnes, the fruit harvest was somewhat smaller in Germany in 2020 than in the previous year (1.28 million tonnes). For many types of fruit, late frosts during the bloom phase in April and May led to lower harvest volume than in the previous year (DBV, Situationsbericht 2020/21, p. 181). Cherries, mirabelles, strawberries and pears suffered major losses. At 1.02 million tonnes, the apple harvest in 2020 exceeded the volume seen in the previous year by 3.2% (Destatis, Land- und Forstwirtschaft, Fischerei, Baumobst, 2020, p. 18). At around 10.7 million tonnes, the 2020 harvest in the EU was almost 1% lower than in the previous year and a good 20% below the previous record from 2018 (WAPA, EU 28 apple production by country, 2020). Due to the tighter supply from the previous year's harvest and higher demand for fruit due to factors such as the coronavirus pandemic, apple prices increased sharply throughout most of 2020 and were more than 30% above their five-year average at the end of the year. In the EU, prices were around 32% higher than the average for the past five years in mid-2020 due to the smaller harvest volume in 2019. Because warehousing from the 2020 harvest was roughly 8% higher than in the previous year, prices fell again somewhat towards the end of 2020 (EU apple dashboard, 2020). At the start of 2021, warehousing volume in the EU was some 280,000 tonnes higher in total than in the previous year. However, the volume in storage is only average in a long-term comparison. Moreover, inventories are low in some countries, such as Austria, Belgium, France and Spain. Against this background, prices are expected to remain relatively stable in 2021.

In the southern hemisphere, the harvest volume of apples declined by 4.3% year on year to approximately 4.8 million tonnes in 2020, a level which was below expectations. In New Zealand, the harvest volume was 3.8% higher than in the previous year. However, a rise of 6% had been expected. The increase is attributable to having more land under cultivation and positive development of vegetation. 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 6% to 5.1 million tonnes in 2021. By contrast, the harvest volume is expected to decline by just under 5% in New Zealand (WAPA, Southern Hemisphere Fresh Apple and Pear Crop Forecast, February 2021, p. 11).

Development of agricultural inputs

Demand for agricultural inputs is highly dependent on the weather, among other factors. Overall, market conditions for the agricultural inputs trade remained difficult, primarily due to the stricter regulations on the use of fertilizers and crop protection. The long period of dryness in the first half of the year prevented the application of fertilizer in some regions. Fertilizer prices fell by 1.4% on average year on year, primarily due to lower energy prices in 2020 (Destatis, Index of purchase prices of the means of agricultural production 2020). The lower purchase prices led to significant stockpiling, especially in the fourth quarter of 2020. As a result, sales of all types of fertilizer rose by a good 6% year on year in Germany in 2020 (Destatis, Düngemittelversorgung, 2020). In 2021, sales of nitrogen and phosphate fertilizers in particular are expected to fall further due to the continued tightening of requirements under the German Fertiliser Application Ordinance (DüV), especially the blanket reduction of fertilizer needs by 20% in areas marked red and their expansion (www.agrarheute.com/pflanze/neue-duengeverordnung-wichtigsten-aenderungen-ueberblick-568064). As a result of the low demand, and assuming that weather and vegetation conditions are normal, prices of fertilizers are expected to remain constant or fall slightly in the first half of 2021 and to increase slightly in the second half of the year. The demand for crop protection depends crucially on the weather, which determines the growing conditions for weeds, fungal diseases and animal pests, and is subject to considerable fluctuations. In 2020, sales of crop protection products were a good 6% lower than in the previous year, as expected (BayWa, own market analysis), due to the dry weather conditions and a resulting low treatment rate, a decline in rapeseed cultivation area from the sowing of winter crops in 2019 and restrictions on a growing number of substances (www.agrarheute.com/pflanze/getreide/immer-weniger-wirkstoffe-so-schrumpft-auswahl-beim-pflanzenschutz-568334). Prices for crop protection products climbed slightly by 0.9% year on year in 2020 (Destatis, Index of purchase prices of the means of agricultural production 2020). Assuming largely unchanged cultivation structure, normal weather conditions and stable prices, the use of crop protection is expected to decrease again in 2021 due to the social and political factors. The seed market is mainly influenced by the development of land under cultivation for grain, corn and rapeseed. Total area under cultivation in Germany increased by just over 2% in 2020 (Destatis, press release 168, 15 May 2020, and press release 526, 21 December 2020). Seed sales in the industry are therefore likely to have also increased slightly in 2020, despite forecasts of stable development. Seed prices were stable overall in 2020 (Destatis, Index of purchase prices of the means of agricultural production 2020). Assuming largely constant areas under cultivation and normal weather conditions, seed sales in 2021 should be at the level of the previous year. Feedstuff production rose slightly nationwide by 0.5% to 23.95 million tonnes of mixed feed in the marketing year 2019/20. The slight increase was attributable to pigfeed, whereas feedstuff for cattle and poultry were on a par with the previous year (DRV Jahresbericht 2020, p. 31). Feedstuff prices were 0.5% below the previous year's level at the end of 2020 (Destatis, Index of purchase prices of the means of agricultural production 2020). The market is forecast to decline slightly in 2021, as animal stocks are expected to fall. The anticipated decrease in livestock numbers is a result of high production costs, low pork prices and increasing legal requirements. In pig farming, the combination of African swine fever and the backlog in terms of pigs for slaughter are expected to lead to a significant reduction in animal stocks in the short to medium term. Stocks of cattle are expected to remain constant, whereas stocks of poultry are expected to increase slightly (DRV, Jahresbericht Agrarwirtschaft 2020, p. 32).

Development of agricultural equipment

The revenue and income situation of German farmers improved in the harvest year 2019/2020 compared to the disappointing previous year. However, farming income is likely to once again fall short of the level in the previous year on average in 2020/21 (DBV, Situationsbericht 2020/21, p. 149). Accordingly, the economic barometer for agriculture, which measures sentiment in the agricultural sector, rose in the first half of 2020 before falling sharply in the second half of the year (DBV, Konjunktur- und Investitionsbarometer Agrar, first and second quarter of 2021, p. 1). Agricultural equipment manufacturers' sales increased by 5% to €9.0 billion in 2020, according to estimates by the VDMA (German Mechanical Engineering Industry Association), thereby setting a new record. Tractors accounted for the strongest growth, with an 11% increase in sales. Fertilizer and crop protection equipment also saw strong demand, with a particular focus on machinery for high-precision application that minimises the use of resources. As a result, both segments were able to build on the positive trend seen in previous years (VDMA Agricultural Machinery Association, press release 8 February 2021, https://lt.vdma.org/en/viewer/-/v2article/render/61369955). At 30%, the general propensity of farmers to make investments in the first half of 2021 fell significantly short of the previous-year figure of 33%. At €3.6 billion, the planned investment volume for the first six months of 2021 is significantly lower than in the same period of the previous year 2020 (€3.8 billion). Whereas investments in machinery and equipment are expected to match the level seen in the previous year, a more marked decrease is anticipated for farm buildings and for farm and animal equipment (DBV, Konjunktur- und Investitionsbarometer Agrar, first and second quarter of 2021, p. 5 et seq.).

Business performance

BAST business unit
The BayWa Agri Supply & Trade (BAST) business unit comprises international grain and oilseed trading activities. Invoiced grain and oilseed trading volume stood at 22.9 million tonnes in the financial year 2020. Adjusted for the reclassification of the malting barley speciality trader Evergrain Germany GmbH & Co. KG (Evergrain) from the BAST business unit to the Agri Trade & Service business unit, this figure corresponds to a decrease of 1.2 million tonnes on a like-for-like basis; stable development had been originally forecast. This decline is attributable to the strategic decision to close the Cefetra Hungary Kft. trading office in Hungary and the discontinuation of the export business in some regions of the Middle East. The trading business was impacted both negatively and positively by the coronavirus pandemic. For example, logistics costs rose sharply in the first quarter of 2020. In March, trading picked up briefly, fuelled by fears that future deliveries could be negatively affected by coronavirus-related restrictions. Trading activities were restricted on account of lockdowns, particularly in Italy and Spain, and trade in standard products such as wheat and corn was rather subdued. Alongside the pandemic, political uncertainties – such as the trade conflict between the US and China – had a negative impact. The coronavirus pandemic also led to delays in transactions. On a positive note, the supply chains stood up to the challenge posed by the coronavirus pandemic, and the speciality business saw relatively stable development. In the second half of 2020, anticipated declines in harvests in many cultivation regions led to a rally that continued virtually unabated until the end of the year. The rise in prices was boosted by strong demand from China for feedstuff grain. All in all, the BAST business unit's revenues declined in the reporting year due to the lower handling volume and the reclassification of Evergrain, falling by 6.2% to €4,573.0 million following €4,875.8 million in the previous year. The original forecast had envisaged stable development. Earnings before interest and tax (EBIT) improved by 31.9% from €19.1 million in the previous year to €25.2 million in the reporting year, achieving the significant rise originally forecast. The improvement in earnings was due to the positive price trend in the second half of the year along with other factors, such as a default on receivables in the previous year in connection with the suspension of bread grain business with Iran.

Global Produce business unit
The Global Produce business unit's marketing volume once again saw strong growth in the financial year 2020. Tropical fruit recorded the strongest sales growth, rising just under 42%. In the categories dessert pome fruit and vegetable fruits, marketing volumes were up a good 30% year on year. Following the high growth rates in the previous year, soft and stone fruit saw a further increase of around 9%. All in all, fruit sales at the BayWa Group rose by a good 31% year on year in 2020 to 499,259 tonnes following 380,550 tonnes in the previous year. In its domestic business, the business unit was able to market 2019's smaller apple harvest at rising prices in the reporting year. The better fruit quality compared with the previous year also contributed to this development. Pressure from imports also declined significantly, as marketing volumes were lower than in previous years in many major EU producer countries. The supply of summer fruit from domestic harvests and the supply of stone fruit from southern Europe were also lower than in the previous year. Due to lower harvest volumes and a year-on-year decline in inventories, prices were stable at a high level, fuelled in part by a temporary increase in demand for healthy food such as fruit in the wake of the coronavirus pandemic. In the international business, T&G Global Limited (T&G Global) in New Zealand benefited from an above-average harvest, good fruit quality and strong export business at the start of the local apple season. Moreover, marketing volumes increased following the acquisition of the fruit trader Freshmax New Zealand Ltd (Freshmax) in May 2020. In the financial year 2020, T&G Global marketed some 40% more dessert pome fruit in total than in the previous year. The production of premium tomatoes at Al Dahra BayWa Agriculture LLC in the United Arab Emirates was affected by flood damage in the reporting year. However, the financial impact was compensated for by business interruption insurance. All in all, revenues in the Global Produce business unit increased by 11.2% to €938.5 million in the reporting year, thereby significantly exceeding the expectations. Earnings before interest and tax (EBIT) improved by €4.9 million year on year to €41.8 million in 2020. As a result, EBIT was largely within the expected range despite a lack of seasonal workers and packers in New Zealand due to restrictions on entry into the country in connection with the coronavirus pandemic, which made it impossible to harvest part of the fruit crop.

Agri Trade & Service business unit

The Agri Trade & Service business unit comprises the agricultural input business, the collecting of agricultural products and the grain and oilseed marketing activities in Germany and those managed by the Austrian Group company Raiffeisen Ware Austria Aktiengesellschaft (RWA). The development of the agricultural input business was generally subdued in 2020. In addition to the fundamental restrictions due to the German Fertiliser Application Ordinance (DüV), a delayed start to the season and unfavourable weather conditions in the first quarter led to lower demand for fertilizers. At mid-year, farmers' inventories were relatively high, as they were unable to apply fertilizer. Concurrently, the sharp drop in oil prices in the wake of the coronavirus pandemic led to a fall in prices, particularly for nitrogen fertilizers, resulting in pressure on trading margins. In the fourth quarter of 2020, the rising prices led to stockpiling for the upcoming fertilizer season. At 2.4 million tonnes, sales volumes for the BayWa Group were 3.1% higher year on year, albeit with significantly worse margins. Sales of crop protection products, especially herbicides, were also down year on year due to the weather-related lower incidence of crop disease. In addition, the less extensive sowing of winter rapeseed in the previous year, which requires a particularly large amount of crop protection products, had a detrimental effect on demand. Seed sales increased by 10.7% in the reporting year, thereby developing much better than expected. The drivers of growth were higher demand in Austria and eastern Europe, whereas sales within Germany fell slightly. In the Agri Trade & Service business unit, grain and oilseed trading volume increased year on year by 5.0% to just under 8.6 million tonnes on a like-for-like basis in 2020, in line with expectations. While harvest volumes deteriorated significantly year on year in much of Germany, the harvests in BayWa's collecting territory developed positively for the most part. Grain trading benefited from strong deliveries, especially in the second half of the year, despite coronavirus-related delays in purchasing behaviour, particularly with regard to malting barley. In total, sales in grain trading rose by 8.3% year on year. BayWa also benefited from strong subsequent collecting business, which offers corresponding marketing potential for 2021. This development stood in contrast to a 16.6% decline in oilseed handling volume that was attributable primarily to the widespread lack of winter rapeseed sowing in 2019 due to unfavourable weather conditions. All in all, revenues in the Agri Trade & Service business unit increased by 4.4% to €3,606.7 million in the reporting year, primarily due to the higher sales volume in grain trading coupled with a significant year-on-year rise in prices, and therefore developed in line with expectations. Earnings before interest and tax (EBIT) indicate a net loss of €14.3 million for 2020 following a positive result of €7.8 million in the previous year and therefore fell short of expectations. This development was mainly due to high restructuring expenses in connection with the reorganisation of the agricultural trade business in eastern Germany. In addition, the low fertilizer prices led to significant pressure on trade margins. Furthermore, price hedging transactions in grain trading within the scope of the mark-to-market valuation at the end of the reporting period resulted in negative market values that will not be compensated for through basic business activities in the financial year 2021.

Agricultural Equipment business unit

BayWa's Agricultural Equipment business unit was able to significantly outperform the previous year and set new records. The sale of new machinery increased by 27.4% to 5,882 tractors in the reporting year. In the used equipment business, the sales figures increased by 14.4% year on year to 2,215 tractors. Farmers in BayWa AG's core regions in southern Germany benefited from more favourable weather conditions, thereby contributing to this development. Harvests were not as affected by the summer dryness as in other parts of the country. As a result, farmers' income situation remained comparatively stable. The reduction of the value added tax rate in Germany in the second half of 2020 is likely to have triggered additional incentives to buy and contributed to the strong growth of the agricultural equipment business. Moreover, BayWa was able to continue consistently making deliveries even during the coronavirus-related closures of plants at manufacturers such as Fendt. Demand also benefited from new product launches at Fendt and from increased demand for discontinued models at attractive prices. In the service business and in spare parts sales, above-average registration figures in previous years and higher new machinery sales in the reporting year led to corresponding increases in revenues. In the international business, the Dutch Group company Agrimec Group B.V. was able to expand its sales territory in the reporting year by taking over another firm. Furthermore, the sales structures were adjusted, with Agrimec responsible for all AGCO brands and the subsidiary Abemec B.V. in charge of all other manufacturer brands. In addition, the three locations of the trading company Van Arendonk that were taken over in May 2019 contributed to revenues and earnings throughout the year. After two weaker years, Agrimec therefore reported significant growth once again in the sale of both new and used tractors. The Agricultural Equipment business unit generated total revenues of €1,869.8 million in 2020, which equates to a year-on-year increase of 11.1%. The Agricultural Equipment business unit therefore developed much better than expected in 2020. In the reporting year, earnings before interest and tax (EBIT) benefited primarily from the strong new machinery business and rose significantly by 65.9% to €54.4 million following €32.8 million in the previous year. The high demand pushed days in inventory to a very low level for tractors and machinery at BayWa locations, which also helped to improve operating earnings.

Overall, the Agriculture Segment's grain and oilseed handling volume was down just over 2% year on year to 31.5 million tonnes in the financial year 2020. This decline was attributable to the development of oilseed. As expected, the segment's revenues increased slightly by 1.2% to €10,988.0 million (2019: €10,857.5 million). Earnings before interest and tax (EBIT) improved substantially by €10.5 million to €107.1 million (2019: €96.6 million). As a result, the improvement was somewhat less pronounced than anticipated.

Building Materials Segment

Market and industry development 2020/21

The German construction sector was able to continue its growth in 2020 despite the coronavirus pandemic. Revenues in the construction industry were roughly 3% higher year on year in total. As a result, the growth rate was lower than forecast at the end of 2019 (plus 7.0%). In spite of the coronavirus pandemic, it was possible to continue operating largely as normal on construction sites. As in the previous year, all branches of the construction industry contributed to growth. Residential construction recorded a roughly 4% increase (Argumentationslinie der Präsidenten des ZDB und des HDB, 17 December 2020, p. 3). Growth was primarily due to construction of new multi-storey residential properties, where building completions rose by 2.5% year on year in 2020 (Heinze, Monatspräsentation February 2021, p. 26). The high demand on residential markets in urban centres and the extremely low interest rates continued to act as the main drivers of this growth. In the commercial construction sector, revenues increased by some 1% and therefore fell short of the growth rate of 5.5% forecast at the beginning of the year. From September 2020, order intake saw a decline that was primarily attributable to weaker commercial building construction due to the coronavirus-related economic strain on many industries. In civil engineering, the growth was largely supported by investments by publicly financed utility and waste management companies, as well as by Deutsche Bahn's investment in railway lines, bridges and tunnels (Argumentationslinie der Präsidenten des ZDB und des HDB, 17 December 2020, p. 4). Public-sector construction saw a roughly 3% increase in revenues and therefore also fell slightly short of the 4.0% forecast at the start of the year. The growth was mainly attributable to public-sector building construction by local authorities, which did not need to limit their investment activities because the German federal government and states compensated for coronavirus-related trade tax shortfalls (Argumentationslinie der Präsidenten des ZDB und des HDB, 17 December 2020, p. 5).

The German construction sector expects to see a sideways trend on the whole in 2021. Supported by multi-storey residential construction, as in the past, revenues in residential construction are likely to increase by around 3% (Argumentationslinie der Präsidenten des ZDB und des HDB, 17 December 2020, p. 3), with the number of completed residential units set to rise by roughly 11% to 174,000. In conventional owner-occupied home construction, on the other hand, growth is expected to be low (Heinze, Monatspräsentation February 2021, p. 25 et seq.). By contrast building industry revenues are expected to fall by some 2% in total in commercial construction due to the coronavirus-related revenue losses in major segments of the manufacturing sector and in the service sector in 2020, which are reflected in lower investment activity in structural engineering. In civil engineering, however, development is likely to be more stable, as the German federal government's investment grants to Deutsche Bahn have been significantly topped up and the expansion of the broadband network is picking up speed (Argumentationslinie der Präsidenten des ZDB und des HDB, 17 December 2020, p. 4). Revenues in public-sector construction are also expected to decline by around 2%. Although the German federal government's budget provides for a roughly €800 million increase in spending on the expansion of trunk roads and federal waterways in 2021, it remains to be seen whether these investments actually materialise. A decline in construction investment by local authorities also appears possible, as it is uncertain whether the German federal government's investment grants will remain in place in 2021 (Argumentationslinie der Präsidenten des ZDB und des HDB, 17 December 2020, p. 5).

The Austrian construction sector posted a decline in 2020 due to the restrictions in economic activity resulting from the coronavirus pandemic. According to estimates, real construction investments were 3.2% lower year on year (WIFO, press release, Economic Outlook for 2020 to 2022: Compensation of High Economic Losses, p. 2). What this indicates, however, is that the construction industry weathered the pandemic far better than other sectors of the economy. While the industry was still able to successfully navigate the first lockdown in spring, the second lockdown in autumn had a more marked effect, as the business and public sectors reduced their investments and residential construction demand among private households also declined. Furthermore, construction sites saw major delays in summer and autumn due to infected workers, official quarantine orders, staff shortages on account of border closures and stricter safety measures. Bottlenecks also materialised on the supplier side as many companies were forced to temporarily suspend production (www.trend.at/wirtschaft/wie-bauwirtschaft-corona-11730042).

Prior to the start of a further lockdown, Austrian construction investment had been forecast to grow by 3.1% in 2021. The expectations for overall economic growth in Austria were downgraded from 4.5% to 2.5% in the event of a further lockdown or the extension of a lockdown (WIFO, press release, Economic Outlook for 2020 to 2022: Compensation of High Economic Losses, p. 3). Against this backdrop, the recovery can be expected to be less marked in the construction industry as well and is expected to be compensated for by rising construction volume in structural and civil engineering. However, structural engineering is expected to see only moderate growth. Somewhat higher growth is anticipated in civil engineering against the backdrop of the civil engineering projects in tunnel, railway and power line construction already under way for several years now.

Business performance

The Building Materials Segment saw a very strong financial year 2020. The dry and mild spring months and the continued high demand for housing led to an increase in sales across the entire product range. Alongside the high-revenue structural engineering segment, the gardening and landscaping, roofing, dry construction, construction equipment and tool product ranges recorded very high demand, as BayWa's building materials sites in Germany remained open throughout the coronavirus-related lockdown phases due to their supply function for the construction industry. As a result, the Group also saw increased demand from customer groups that switched to ordering BayWa products online due to the temporary closures of DIY and garden centres in some German states. Over the further course of the year, business benefited from high demand in the gardening and landscaping segments, as well as in redevelopment and renovation, as many people spent their holidays at home due to the restrictions on travel. The BayWa Group's DIY and garden centres in Austria were forced to close for roughly one month. However, the above-average demand after the reopening of the stores more than made up for the closure-related loss of revenues. The strong growth in roofing and dry construction is attributable to strong construction activity and the successful implementation of the multi-specialist strategy. For example, the sale and product range specialisations in wooden construction, formwork equipment, prefabricated components and roofing were significantly expanded in 2020. A new central warehouse was built for construction timber, and logistics offerings were expanded to include special crane vehicles for dry construction. The expansion of the private brand range also continued. Moreover, the Building Materials business unit invested in online channels in the reporting year and further improved efficiency through second-level support and the introduction of automatic inventory management. The eBusiness activities therefore recorded substantial growth, especially during the lockdown phases. At the same time, the ability to deliver products was ensured, which benefited the warehouse business in particular in the reporting year. Overall, the Building Materials Segment's revenues increased by 11.5% year on year to €1,899.0 million due to volume and price effects, thereby far exceeding the development expectations. In the second half of 2020, BayWa Bau Projekt GmbH started marketing its first residential units. Demand was consistently high, and selling prices either remained stable or increased slightly. The segment's earnings before interest and tax (EBIT) climbed 46.1% to €46.9 million, exceeding the forecast for slight improvement. As in the previous year, the positive sales development contributed to this improvement, as did the successful expansion of the high-margin range of private brands, the expansion of the multi-specialisation concept and the linking together of online and stationary sales channels through the Click & Collect function as part of efforts to position the company as an integrated multi-specialist.

Innovation & Digitalisation Segment

Market and industry development 2020/21

There is a wide range of statements being made about the global market volume for digital farming. These differences between these statements are due to the fact that market observers have differing opinions about how to define the market. Growth of over 12% a year is expected between now and 2026 (www.globenewswire.com/news-release/2020/10/07/2104753/0/en/Global-Smart-Farming-Market-to-2026-Market-is-Estimated-to-Grow-at-a-CAGR-of-12-36.html). Based on a global market volume of around USD3.4 billion in 2017, annual growth of just under 13% to around USD5.5 billion is forecast for the digitalised precision farming market in 2021 (Roland Berger, Focus October 2019: Farming 4.0: How precision agriculture might save the world, p. 10). The European smart farming market is expected to grow from USD586 million in 2018 to up to USD1.2 billion in 2023, corresponding to an average growth rate of more than 15% a year (BIS Research, Europe Farm Management Software and Services Market Analysis & Forecast (2018–2023), p. 23). This growth is being driven by the increases in productivity of up to 30% achievable through smart farming (www.handelsblatt.com/technik/digitale-revolution/digitale-revolution-big-data-auf-dem-acker-wie-die-landwirtschaft-mit-ki-den-welthunger-bekaempft/25190588.html).

In Germany, overall market volume in interactive retail (online and mail-order retail) and e-commerce grew only slightly in 2020, reaching around €92.5 billion in total for all goods and services (2019: €92.2 billion). This development is solely attributable to the nearly 53% decline recorded in the service sector due to the lower booking figures in the event ticket, mobility and travel segments as a result of the restrictions related to the coronavirus pandemic. By contrast, revenues involving goods (e-commerce) saw an increase of 14.6% to €83.3 billion. E-commerce therefore saw even stronger growth than anticipated at the start of 2020, according to estimates by Bundesverband E-Commerce und Versandhandel Deutschland e.V. (German e-commerce and distance selling trade association – bevh). At 20.2%, online marketplaces recorded the highest growth rates. With €40.8 billion in revenues, they remained by far the largest sales channel in the German e-commerce sector. Pure players – companies without bricks-and-mortar stores – grew by 11.2% to €12.0 billion, whereas multi-channel retailers recorded an 8.7% increase in revenues to €28.0 billion (bevh, Präsentation Jahrespressegespräch 2020, pp. 3, 4, 18). Online purchases also increased sharply in agriculture. The industry saw a growing number of platforms, and one in five farmers already makes purchases for their farms online (https://agrar-trends.de/agrarhandel-per-mausklick-zahl-der-online-plattformen-boomt/). According to a survey, the figures were even slightly higher than that in crop farming in Germany at the end of 2019 and, at 21%, were also above the European average (McKinsey, Unlocking the online retail opportunity with European farmers, 2020). bevh expects the e-commerce sector in Germany to maintain a large share of the coronavirus-related additional demand in 2021 once shops reopen and anticipates strong growth of around 12.5% to just under €94 billion. Overall interactive retail involving goods and services could therefore exceed the €100 billion threshold for the first time in 2021 (bevh, press release 26 January 2021, E-Commerce beschleunigt Wachstum deutlich ..., p. 2).

Business performance

The Innovation & Digitalisation Segment pools all activities of the BayWa Group in its Digital Farming and eBusiness areas. The eBusiness area covers nearly all of the BayWa Group's online activities. However, the revenues and income from the activities are attributed to the business unit or segment responsible for the respective sold product. The offerings in Digital Farming mainly include the NEXT Farming OFFICE and NEXT Farming LIVE software products of FarmFacts GmbH, satellite-based products for site-specific cultivation from the Group company VISTA Geowissenschaftliche Fernerkundung GmbH, analyses and advisory services, as well as hardware components. The latter is also offered and sold through the Agricultural Equipment business unit's sales structures. Increasingly stricter requirements under the German Fertiliser Application Ordinance (DüV) – which is associated with an optimisation of fertilizer volumes and stricter documentation obligations – led to increased interest in digital farming and farm management products among farmers, resulting in a marked increase in sales of the NEXT Farming LIVE software package. The NEXT Marketplace trading platform from FarmFacts was launched in the test region of Saxony and Thuringia in July 2020, with Saxony-Anhalt, Brandenburg and Mecklenburg-West Pomerania being added over the course of the year. NEXT Marketplace enables farmers to obtain offers for agricultural inputs from different providers and conclude purchase and delivery agreements directly from their NEXT Farming software. Initially, the marketplace offered fertilizer and seed, but was expanded to include crop protection products as well in early 2021. In the service sector, revenues increased due to rising demand for soil sampling services. At a good 46%, the largest share of revenues came from software licences and software maintenance contracts, followed by satellite-based products for site-specific cultivation, including analyses and advice, and soil sampling, with a share of just over 34%. Sensors, measurement systems for soil analysis programmes and other hardware accounted for just under 20% of revenues. However, the restrictions in connection with the coronavirus pandemic led to a decline in customer contact by sales staff. In addition, no trade fairs were held, which are important events for attracting new customers and keeping in touch with existing ones. By contrast, BayWa's eBusiness channels benefited from a very sharp rise in demand. Sales transacted through the BayWa Portal tripled in the financial year 2020 due to the coronavirus-related restrictions and the continuous expansion of the online systems. For example, the BayWa Portal saw expansions to its product ranges and improvements in the product search feature, as well as new functions such as information videos. Furthermore, the offerings of the Energy Segment, as well as TecParts, were incorporated into the BayWa Portal. The BayWa digital farm shop marketplace Radimundi and the Regioportal created a sales channel that enables local producers to directly market their products and lets end customers buy from a trusted regional producer. All in all, revenues in the Innovation & Digitalisation Segment fell to €10.2 million in 2020 (2019: €10.6 million) – in contrast to the slight increase that was originally forecast. As predicted, the Innovation & Digitalisation Segment recorded negative earnings before interest and tax (EBIT) of €10.9 million (2019: minus €14.6 million). The main reason for this was, on the one hand, a high level of investment in the development of digital farming solutions such as new software modules. On the other hand, the segment also carries out a service role for the operating business units by hosting and further developing the BayWa Portal, which does not generate any direct income. The decline in the loss in the reporting period is attributable to the charging of services for eBusiness activities to the corresponding business units.

Development of Other Activities in 2020

At €12.4 million, the Other Activities Segment's revenues in the reporting year were essentially on a similarly low par with 2019 (2019: €13.7 million). Earnings before interest and tax (EBIT) resulting from Other Activities consist of the Group's administration costs, as well as consolidation effects; in 2020, they came to minus €70.6 million following minus €53.1 million in the previous year. The reduction in revenues compared to the previous year was primarily attributable to the coronavirus-related lack of bank dividends and income from participating interests, as well as hedging transactions for currency risks. Moreover, the Group incurred additional expenditures in connection with the coronavirus pandemic for hygiene measures and measures to protect the health of employees and customers, as well as for additional IT equipment.

Assets, financial position and earnings position of the BayWa Group

Asset position

Composition of assets [1]

In € million	2016	2017	2018	2019	**2020**	Change 2020/19
Non-current assets	2,355.8	2,396.9	2,476.8	3,257.0	3,707.6	13.8%
thereof: land and buildings	850.4	854.6	827.2	1,377.1	1,456.4	5.8%
thereof: investments	189.1	232.6	204.5	218.3	194.0	- 11.1%
thereof: investment property	41.6	40.9	38.2	46.7	51.0	9.2%
Non-current asset ratio (in %)	36.4	36.9	33.0	36.8	41.0	–
Current assets	4,094.2	4,077.4	5,030.4	5,585.9	5,331.7	- 4.6%
thereof: inventories	2,380.3	2,322.7	2,909.5	3,286.4	2,939.2	- 10.6%
Current asset ratio (in %)	63.2	62.8	67.0	63.1	59.0	–
Assets/disposal groups held for sale	24.9	13.7	4.2	4.7	5.1	8.5%
Total assets	**6,474.9**	**6,488.0**	**7,511.5**	**8,847.6**	**9,044.4**	**2.2%**

1 The previous year's figures have been adjusted in accordance with IAS 8.42. Please see Note (A.5.) of the Notes to the Consolidated Financial Statements for further details.

The BayWa Group's non-current assets stood at €3,707.6 million as at 31 December 2020. Compared to the previous year's reporting date, it therefore rose by €450.6 million, or 13.8%, from €3,257.0 million.

The modernisation and expansion of the Group's network of locations resulted in investments in land and buildings of €155.5 million. Of this amount, €105.0 million – a significant portion – was attributable to leases. This was offset by the sale of locations no longer required in the amount of €51.2 million. Taking into account the depreciation of buildings in the amount of €83.7 million, the book value of land and buildings at the Group increased by €79.3 million to €1,456.4 million. The increase in technical facilities and machinery was due in particular to repair and maintenance investments of €130.2 million. Depreciation of technical facilities and machinery amounted to €60.1 million in the financial year 2020. Prepayments and assets under construction also increased by €63.2 million to €148.8 million. Investments in the modernisation of the vehicle fleet led to an increase in fixtures and office equipment. Overall, additions to property, plant and equipment associated with investment activities in the amount of €420.6 million was offset by depreciation in the amount of €203.4 million. Taking into account disposals of €116.0 million, property, plant and equipment climbed by €402.2 million in total and stood at €2,468.5 million as at 31 December 2020.

Investments decreased by €24.3 million from €218.3 million to €194.0 million in the financial year 2020. The decline resulted in particular from the fair value measurement of the shares in Raiffeisen Bank International, Vienna, Austria; the book value stood at €64.6 million as at the end of the financial year 2020 (2019: €86.1 million). In addition, shareholdings in affiliated companies fell by €8.6 million. By contrast, Group companies increased by €6.1 million, or 15.4%, from €39.6 million to €45.7 million. Other loans and payments on account for investments, along with loans to affiliated companies and Group companies, were on a par with the previous year.

Investment property increased slightly year on year by €4.3 million and stood at €51.0 million at the end of the reporting period. Non-current receivables and other assets fell by €7.9 million. Deferred tax assets stood at €285.1 million and were therefore up year on year (2019 adjusted: €278.1 million).

Current assets fell by €254.2 million year on year, or 4.6%, totalling €5,331.7 million as at 31 December 2020. Inventories were the main driving factor behind this development and saw a significant decrease of €347.2 million, or 10.6%, to €2,939.2 million due to a €195.4 million year-on-year decline in unfinished goods to €966.6 million that was attributable to the projects completed by the end of the year in the Renewable Energies business unit and due to lower inventories in the BAST business unit, which made a significant contribution to the €149.6 million decline in the goods reported under inventories.

In contrast to the development of inventories, current liabilities and other assets increased by €155.2 million, or 7.6%, to €2,210.1 million due in particular to a €345.7 million rise in other current financial assets. Trade receivables, however, fell by €199.5 million. Receivables from income taxes stood at €58.4 million as at 31 December 2020 and were therefore virtually on a par with the previous year (2019: €59.8 million).

At 12.8 million as at 31 December 2020, biological assets were down slightly on the previous year's figure. In addition, cash and cash equivalents fell by €61.3 million and stood at €168.4 million as at 31 December 2020 (2019: €229.7 million). At 5.1 million, non-current assets and disposal groups held for sale were on a par with the previous year. At the end of the reporting period, this item predominantly contained real estate inventories which are intended to be sold in the subsequent year.

BayWa places an emphasis on ensuring matching maturities in the financing of assets. Current liabilities of €4,752.3 million in total – consisting of short-term debt, trade payables, 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 €5,336.8 million. There was roughly 116% coverage for non-current assets amounting to €3,707.6 million through equity and long-term borrowing of €4,292.1 million. Ensuring matched maturities in financing is an important quality criterion for the financing partners of BayWa in the context of raising short-term 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. 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 form 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 sections 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 within the whole Group and the same-day provision of liquidity. 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.

The most important financing principle of the BayWa Group consists in observing the principle of matching maturities. Short-term debt is used to finance the working capital. Investments in property, plant and equipment, as well as acquisitions, are funded from equity, bonded loans and other long-term loans. This includes issued bonded loans, long-term loans from banks and associated companies as well as the hybrid bond issued in October 2017. Capital market measures replace financing from short-term credit lines, but without clearing or terminating them, and therefore diversify the refinancing portfolio.

In addition, the project companies in the Renewable Energies business unit 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 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 that was issued 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[1]

In € million	2016	2017	2018	2019	**2020**	Change 2020/19
Equity	1,098.3	1,435.5	1,389.1	1,339.0	1,256.1	- 6.2%
Equity ratio (in %)	17.0	22.1	18.5	15.1	13.9	–
Short-term borrowing[2]	3,084.4	2,986.8	4,047.7	4,377.1	4,752.3	8.6%
Long-term borrowing	2,292.2	2,065.7	2,074.7	3,131.5	3,036.0	- 3.0%
Debt	5,376.6	5,052.5	6,122.4	7,508.6	7,788.3	3.7%
Debt ratio (in %)	83.0	77.9	81.5	84.9	86.1	–
Total capital (equity plus debt)	**6,474.9**	**6,488.0**	**7,511.5**	**8,847.6**	**9,044.4**	**2.2%**

1 The previous year's figures have been adjusted in accordance with IAS 8.42. Please see (A.5.) of the Notes to the Consolidated Financial Statements for further details.

2 Including liabilities from non-current assets held for sale

The BayWa Group's total assets stood at €9,044.4 million on 31 December 2020 and were therefore €196.8 million, or 2.2%, higher than the previous year's figure. The €82.9 million decline in equity stood in contrast to a rise in borrowing. While short-term borrowing rose by €279.7 million, long-term borrowing fell year on year by €95.5 million.

Capital management

The capital structure of the Group is made up of debt and equity. The equity ratio was 13.9% (2019 adjusted: 15.1%) 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 (including minority interests) of minus €329.9 million (2019: minus €289.6 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 17.5% (2019: 20.0%). Due to the initial application of IFRS 16 as at 1 January 2019, the previous year also contained an adjustment to the adjusted equity ratio of 1.4 percentage points. The capital increase of €530 million at BayWa r.e. renewable energy GmbH, which was contractually agreed in December 2020, has yet to have an effect on the equity ratio and will not have a positive effect on the equity ratio until the financial year 2021 once the regulatory authorities have issued their final approval.

For trading companies such as 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 in the fields of renewable energies, 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 2020, the equity-to-fixed-assets ratio was 116%.

The debt ratio rose to 86.1% in the financial year (2019 adjusted: 84.9%). However, the rise was attributable solely to short-term borrowing, which 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 agricultural commodities and/or increasingly on account of unfinished products in the Renewable Energies business unit. The rise in short-term borrowing related primarily to financial liabilities from commodity futures, FX hedges and interest rate hedges (up €386.0 million to €507.3 million), which stood in contrast to a rise in the other current financial assets resulting from these transactions in a comparable amount. This was offset by declines in short-term debt (down €96.5 million to €2,217.1 million) and trade payables (down €84.3 million to €964.4 million).

Long-term borrowing fell by €95.5 million in the financial year 2020 and amounted to €3,036.0 million as at 31 December 2020. The increase in lease liabilities (up €55.3 million) and pension provisions (up

€34.0 million) stood in contrast to material decreases in long-term debt, which fell by €186.9 million, or 14.4%, to €1,114.2 million.

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 business unit 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 €17.9 million (2019: €20.5 million). Grain inventories for immediate use are also deducted. These inventories could be converted into cash and cash equivalents as soon as they are recognised 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	**31/12/2020**	31/12/2019
Long-term and short-term debt at banks	3,331.3	3,614.7
Less cash and cash equivalents	- 168.4	- 229.7
Net debt [1]	**3,162.9**	**3,385.0**
Less non-recourse financing	- 101.1	- 71.4
Less inventories for immediate use	- 799.9	- 900.2
Adjusted net debt [1]	**2,261.9**	**2,413.4**
EBITDA	468.4	403.0
Adjusted equity	1,586.0	1,648.2
Net debt (adjusted)/equity (adjusted) (in %)	**142.6**	**146.4**
Net debt (adjusted)/EBITDA	**4.8**	**6.0**

1 Net debt will decrease accordingly in the financial year 2021 due to the capital increase at BayWa r.e. renewable energy GmbH and the associated cash inflow of €530 million.

Given the different business models (trade and project development), gearing is subject to differences in recognition, reporting and review. The use of the borrowed funds for project financing in the Renewable Energies business unit is different from the traditional trade-related business units. 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. This is taken into account in the calculation of adjusted net debt for the trading business. The Renewable Energies business unit'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 and is determined using the following approach:

In € million	**31/12/2020**	31/12/2019
Long-term and short-term debt at banks	1,857.1	1,936.6
Less cash and cash equivalents	- 116.0	- 177.4
Net debt	**1,741.1**	**1,759.2**
Less non-recourse financing	–	–
Less inventories for immediate use	- 799.9	- 900.2
Adjusted net debt	**941.2**	**859.1**
EBITDA	300.9	265.1
Net debt (adjusted)/EBITDA	**3.1**	**3.2**

Cash flow statement and development of cash and cash equivalents [1]

In € million	2016	2017	2018	2019 adjusted	**2020**
Cash flow from operating activities	208.6	- 170.2	- 452.2	- 24.9	674.8
Cash flow from investment activities	- 123.6	- 60.5	- 243.0	- 149.4	- 274.8
Cash flow from financing activities	- 63.0	235.9	710.8	282.6	- 458.2
Cash and cash equivalents at the end of the period [2]	104.4	105.5	120.6	229.7	168.4

1 **The previous year's figures have been adjusted in accordance with IAS 8.42. Please see (A.5.) and (A.6.) of the Notes to the Consolidated Financial Statements for further details.**

2 **Including inflow/outflow of funds due to changes in the group of consolidated companies and in exchange rates in the amount of minus €3.1 million**

The cash flow from operating activities came to €674.8 million in the financial year 2020, a year-on-year increase of €699.7 million. With consolidated net income for the year down €3.8 million year on year, this increase was primarily the result of the year-on-year rise in cash earnings, as well as a decline in inventories, trade receivables and other assets not allocable to investing and financing activities, along with a rise in cash flow due to the increase in trade payables and other liabilities not allocable to investing and financing activities.

Cash flow from investing activities saw a cash outflow of €274.8 million for the reporting year. As a result, cash outflow for investing activities increased year on year by €125.4 million. Payments for company acquisitions came to €18.2 million (2019: €53.4 million). In the financial year 2020, investments of €332.0 million were made in intangible assets, property, plant and equipment, and investments (2019: €292.1 million), which were offset by incoming payments from the disposal of intangible assets, property, plant and equipment, and investments of €81.6 million (2019: €152.5 million).

Cash flow from financing activities in the financial year 2020 stood at minus €458.2 million and was therefore €740.8 million lower year on year. In the previous year, the emission of a green bond with a volume of €500 million led to a corresponding cash inflow. By contrast, the reporting year saw a cash outflow, as debt reduction increased year on year. Additional cash outflows resulted from dividend payments at BayWa AG and its subsidiaries totalling €59.5 million and from interest payments of €107.8 million.

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 more than compensated for by the cash outflow from investment and financing activities. As a result, cash and cash equivalents at the end of the reporting period came to €168.4 million, which was €61.3 million lower 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 calculated from the sum total of cash and cash equivalents less bank debt and outstanding loans, as reported in the balance sheet.

Along with short-term borrowing, the company also finances itself by way of a multi-currency Commercial Paper Programme, which received its most recent top-up of €500.0 million in 2017, taking it to 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 €990.0 million (2019: €849.0 million) with an average weighted residual term of 55 days (2019: 59 days). At the end of the reporting period, €130.6 million (2019: €126.6 million) in receivables had been financed at their nominal value from the ongoing Asset-Backed Securitisation Programme.

In June 2020, BayWa AG reached an agreement on additional credit lines totalling €300.0 million in order to counteract a major shift on the capital market, especially the drying-out of the market for commercial papers. These backup lines were not utilised prior to the preparation of the financial statements. KfW loans or other support programmes were not utilised.

Investments

In the financial year 2020, the BayWa Group invested a total of €464.7 million (2019: €321.5 million) in intangible assets (€44.1 million) and property, plant and equipment (€420.6 million), in addition to the acquisitions made. The investments made in the financial year were primarily for the purpose of repair and maintenance of technical facilities and machinery, buildings, facilities (in 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 2020. The proceeds accruing from these transactions are used to reduce debt or to finance the Group's growth.

Including company acquisitions, roughly 42.1% of total investments in non-current assets at the BayWa Group were accounted for by the Energy Segment, where the lion's share was attributable to the Renewable Energies business unit. Aside from the aforementioned segment, 35.2% of investments were attributable to the Agriculture Segment, with 10.3% going to the Building Materials Segment, and 2.3% earmarked for the Innovation & Digitalisation Segment. The remaining 10.1% are accounted for by investments in Other Activities.

Earnings position [1]

In € million	2016	2017	2018	2019	**2020**	Change 2020/19
Revenues	15,409.9	16,055.1	16,625.7	17,059.0	17,155.4	0.6%
EBITDA	272.6	318.4	315.3	403.0	468.4	16.2%
EBITDA margin (in %)	1.8	2.0	1.9	2.3	2.7	–
EBIT	144.7	171.3	172.4	188.4	215.2	14.2%
EBIT margin (in %)	0.9	1.1	1.0	1.1	1.3	–
EBT	69.6	102.4	92.6	79.2	111.2	40.4%
Consolidated net result for the year	**52.7**	**67.2**	**54.9**	**65.1**	**61.3**	**- 5.8%**

1 The previous year's figures have been adjusted in accordance with IAS 8.42. Please see (A.5.) of the Notes to the Consolidated Financial Statements for further details.

The revenues of the BayWa Group rose by 0.6%, or €96.4 million, to €17,155.4 million in the financial year 2020. The Building Materials Segment saw the most significant growth in revenues, with a rise of €196.2 million to €1,899.0 million. The Agriculture Segment also recorded an increase in revenues that was attributable to two opposing developments: revenues rose in the Global Produce (up €94.6 million), Agri Trade & Service (up €152.3 million) and Agricultural Equipment business units (up €186.4 million) in the financial year 2020, but fell by €302.8 million in the BayWa Agri Supply & Trade (BAST) business unit. The Energy Segment recorded a year-on-year decline in revenues of €228.5 million in total, with the segment's two business units seeing contrasting development. Thanks to the sustained positive development of business, the Renewable Energies business unit saw revenues grow by €525.3 million to a level of €2,500.6 million. By contrast, revenues in the Conventional Energy business unit fell by €753.8 million in total to €1,745.2 million due to the drop in heating oil and diesel prices on commodity markets and the sale of TESSOL Kraftstoffe, Mineralöle und Tankanlagen GmbH in the previous year. The Innovation & Digitalisation Segment and Other Activities recorded slight declines in revenues of €0.4 million and €1.4 million respectively in the financial year 2020.

Other operating income increased by €127.4 million to €353.0 million in the reporting year. The key drivers of this development were higher income from foreign exchange gains of €161.3 million (2019: €46.3 million), which was offset by foreign exchange losses of €174.1 million (recognised under other operating expenses). By contrast, income from the disposal of assets decreased by €7.2 million to €39.6 million in the financial year 2020. At €26.5 million, rental income also fell short of the previous year's figure (2019: €30.1 million).

In the financial year 2020, the BayWa Group reported an increase in inventories of €155.7 million, which was primarily attributable to incomplete wind farms and solar parks in the Renewable Energies business unit.

Despite the increase in revenues, the cost of materials decreased by €177.3 million, or 1.1%, to €15,335.7 million. Gross profit therefore improved by €336.3 million, or 16.7%, to €2,344.8 million.

Personnel expenses climbed year on year by 9.5%, or €103.0 million, to €1,184.9 million. The main drivers of this development were the company acquisitions in the financial year 2020 and the sustained growth in the Renewable Energies business unit.

At €694.7 million, other operating expenses were up by €65.3 million, or 10.4%, on the previous year's figures of €629.4 million in the financial year 2020. Other operating expenses primarily consisted of expenses due to foreign exchange losses of €174.1 million (2019: €47.6 million), maintenance expenses of €71.3 million (2019: €62.7 million) and expenses due to dismantling and waste management obligations of €12.1 million (2019: €7.1 million).

Earnings before interest, tax, depreciation and amortisation (EBITDA) rose by €65.4 million, or 16.2%, to €468.4 million in the financial year 2020 (2019: €403.0 million).

Depreciation and amortisation at the BayWa Group rose by €38.6 million, or 18.0%, to €253.2 million in the reporting year. The increase was largely due to impairment losses necessitated by two wind turbines in the Renewable Energies business unit.

All in all, the BayWa Group's earnings before interest and tax (EBIT) rose by €26.8 million, or 14.2%, to €215.2 million in the financial year 2020.

The financial result comprises income from participating interests, which is allocated to EBITDA and EBIT, and net interest. At €3.2 million, income from participating interests was lower in the reporting year than the €105.8 million seen in the previous year. This development was due to the decrease in the equity result by €14.5 million to minus €3.3 million, but also to the decline in other income from participating interests by €88.1 million to €6.5 million. The decline was due to the gains from the sale of the shares in TESSOL Kraftstoffe, Mineralöle und Tankanlagen Gesellschaft GmbH in the previous year. Net interest improved to minus €104.0 million (2019: minus €109.2 million). Despite a pandemic-related overall rise in the cost of raising funds and direct costs of securing liquidity of around €2 million, interest expenses fell in the financial year 2020 thanks to a positive effect from optimised inventory management and a corresponding reduction in funds.

The BayWa Group's earnings before tax (EBT) increased by €32.0 million to €111.2 million year on year, equating to a rise of 40.4% thanks to significant improvements in earnings in the operating segments Energy Segment (up €15.0 million), Building Materials Segment (up €13.1 million) and Agriculture Segment (up €11.1 million), as well as in the Innovation & Digitalisation Segment (up €3.7 million). By contrast, Other Activities, along with the consolidation effects presented in the transition, saw a fall in earnings of €10.9 million in total.

Due solely to disproportionately high tax expenses, the consolidated net result for the year was on a par with the previous year (prior to adjustment pursuant to IAS 8). Income tax expense for the BayWa Group amounted to €49.9 million in the financial year 2020 (2019 adjusted: €14.1 million), which corresponds to a tax rate of 44.9% (2019 adjusted: 17.8%). The planning-related Group tax rate stands at 29.13%. The main reasons for the increase in income tax expense are value adjustments on deferred tax assets of €17 million that were performed on the basis of adjusted estimates regarding the usability of loss carryforwards at subsidiaries. This expense is non-cash. Furthermore, the non-deductibility of expenses from exchange rate differences related to existing intragroup loans coupled with the taxability of the corresponding gains from opposing hedging transactions increased taxes at the level of the parent company. The resulting tax expenses of €12.4 million are also non-cash.

The share of profit due to shareholders of the parent company stood at €36.6 million. Earnings per share (EPS), which is 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 35,279,062 (dividend-bearing shares less treasury shares), therefore stood at 68 cents in the financial year 2020.

Financial performance indicators

BayWa orients the short-term management of its corporate divisions with the development of key earnings indicators EBITDA, EBIT and EBT. Key earnings indicators for the segments of the BayWa Group developed as follows in the financial year 2020:

Key financial earnings figures

	Earnings before interest, tax, depreciation and amortisation (EBITDA)			Earnings before interest and tax (EBIT)			Earnings before tax (EBT)		
In € million **2020**		change (absolute)	change (in %)		change (absolute)	change (in %)		change (absolute)	change (in %)
Renewable Energies	167.4	29.5	21.4	110.9	9.9	9.8	70.0	8.8	14.4
Conventional Energy	44.9	6.1	15.7	31.8	5.4	20.5	32.5	6.2	23.6
Energy Segment	**212.3**	**35.6**	**20.1**	**142.7**	**15.3**	**12.0**	**102.5**	**15.0**	**17.1**
BAST	34.7	6.3	22.2	25.2	6.1	31.9	19.7	10.5	> 100.0
Global Produce	72.1	10.6	17.2	41.8	4.9	13.3	34.9	4.7	15.6
Agri Trade & Service	28.0	- 16.9	- 37.6	- 14.3	- 22.1	> - 100.0	- 31.5	- 24.9	> - 100.0
Agricultural Equipment	75.7	22.3	41.8	54.4	21.6	65.9	44.1	20.8	89.3
Agriculture Segment	**210.5**	**22.3**	**11.8**	**107.1**	**10.5**	**10.9**	**67.2**	**11.1**	**19.8**
Building Materials Segment	**75.7**	**18.7**	**32.8**	**46.9**	**14.8**	**46.1**	**36.5**	**13.1**	**56.0**
Innovation & Digitalisation Segment	**- 5.4**	**3.7**	**40.7**	**- 10.9**	**3.7**	**25.3**	**- 11.1**	**3.7**	**25.0**

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 **2020**	Renewable Energies	Conventional Energy	BAST	Global Produce	Agri Trade & Service	Agricultural Equipment	Building Materials
Net operating profit	110.9	31.8	25.2	41.8	- 14.3	54.4	46.9
Average invested capital [1]	2,057.1	38.5	475.0	399.3	1,104.6	611.6	551.6
ROIC (in %)	5.39	82.62	5.31	10.46	- 1.29	8.89	8.50
Weighted average cost of capital (WACC) (in %)	4.30	5.20	4.70	5.50	4.60	5.70	5.10
Difference (ROIC less WACC) (in %)	1.09	77.42	0.61	4.96	- 5.89	3.19	3.40
Economic profit by business unit	**22.4**	**29.8**	**2.9**	**19.8**	**- 65.1**	**19.5**	**18.7**
		Energy				Agri Trade & Service	Building Materials
Economic profit by segment		**55.2**				**- 22.9**	**18.7**

1 Intangible assets + property, plant and equipment + net working capital

In the financial year 2020, the Energy and Building Materials Segments, as well as the BAST, Global Produce and Agricultural Equipment business units of the Agriculture Segment, achieved positive economic profit (in other words, a positive net result after respective capital costs). In the Energy Segment, the Renewable Energies business unit was able to maintain a high level, with economic profit of €22.4 million (2019: €32.5 million) thanks to strong international project business. In the Conventional Energy business unit, economic profit increased in the reporting year, primarily through a rise in margins in the fuel business to €29.8 million (2019: €26.6 million). The Energy Segment's economic profit totalled €52.2 million (2019: €59.1 million). Due to very positive business development, the Building Materials Segment was able to increase its economic profit significantly to €18.7 million in the financial year 2020 (2019: €8.9 million). Within the Agriculture Segment, the Global Produce business unit generated an economic profit of €19.8 million following €16.5 million in the previous year. The Agricultural Equipment and BAST business units also recorded a marked increase from €0.9 million to €19.5 million and from minus €9.4 million to €2.9 million. The Agri Trade & Service business unit reported economic profit of minus €65.1 million (2019: minus €42.3 million). The Agriculture Segment as a whole recorded economic profit of minus €22.9 million in the financial year 2020 (2019: minus €34.2 million).

Comparison of forecast business development with actual business development

A moderate rise in revenues and a moderate increase in earnings before interest and tax (EBIT) in the financial year 2020 were forecast for the BayWa Group in the Outlook section of the 2019 Consolidated Management Report. Revenues at Group level climbed by 0.6%, which was within the forecast range. With a 14.2% increase, consolidated earnings before interest and tax (EBIT) significantly outperformed the expectations. The Energy Segment performed significantly better than originally forecast both in terms of revenues and earnings. The Building Materials Segment also exceeded expectations when it comes to revenue and earnings development. The Agriculture Segment achieved the revenue targets set in the forecast, yet the improvement in operating earnings was somewhat lower than anticipated. In terms of revenues, the Innovation & Digitalisation Segment developed somewhat worse than expected in the reporting year due to the coronavirus pandemic. Operating earnings developed in line with expectations.

General statement on the business situation of the Group

The BayWa Group developed positively overall in 2020, despite the restrictions in many aspects of life and business as a result of the coronavirus pandemic. In certain business units, the corporate goals for the reporting year were exceeded by a substantial margin. Overall, the Energy Segment developed considerably better than expected. The Renewable Energies business unit, which achieved new highs in both revenues and operating result and was therefore able to benefit from the trend towards sustainable energy generation, was the main factor behind this development. The Conventional Energy business unit also exceeded the goals set for the financial year 2020. The positive development in the heating business was more than able to compensate for the share of earnings accounted for by TESSOL Kraftstoffe, Mineralöle und Tankanlagen GmbH, which was sold at the end of 2019. Likewise, the Building Materials Segment developed better than planned in the reporting year. The positive performance is attributable to the strength of the construction sector, as well as factors such as the segment's positioning as an integrated multi-specialist and the expansion of online channels. At the same time, the Agriculture Segment achieved a year-on-year improvement in earnings on the whole. In the domestic agricultural business, however, the economic situation remains unsatisfactory. Given the great importance of these business activities for the BayWa Group, the measures aimed at increasing profitability will be continued at an accelerated pace. By contrast, the international BayWa Agri Supply & Trade (BAST) and Global Produce business units in the Agriculture Segment developed positively. The Agricultural Equipment business unit, which benefited from extremely brisk demand for tractors, achieved the highest growth rates. In 2020, the BayWa Group once again benefited from its heavily diversified business activities and its strategic orientation towards international markets, as well as from forward-looking business areas and business models. Moreover, the coronavirus pandemic had only a minor impact on the BayWa Group.

Outlook

Outlook for the BayWa Group

Prospects for the BayWa Group are positive overall for 2021 on the basis of the expected underlying conditions in the operational segments. However, this expectation is conditional upon there not being any serious restrictions in global economic activity as a result of a further wave of the coronavirus pandemic. Thanks to available vaccines, it should be possible to contain the coronavirus pandemic and bring it largely under control over the course of 2021. Group revenues are likely to increase moderately in consideration of anticipated developments in the operating segments. The Group's earnings before interest and tax (EBIT) are likely to improve moderately in 2021. Revenues are forecast to rise slightly in the Energy Segment in 2021, as growth in the Renewable Energies business unit will be able to more than compensate for declines in the Conventional Energy business unit. The segment's earnings before interest and tax (EBIT) are likely to be on a par with the previous year. The Agriculture Segment is expected to see a minor decline in revenues and operating earnings, as the Agricultural Equipment business unit probably will not be able to match the previous year's high earnings level. Revenues in the Building Materials Segment are expected to increase slightly in 2021, mainly due to price effects. The reclassification of BayWa Haustechnik from the Building Materials Segment to the Conventional Energy business unit will counteract this development. Earnings before interest and tax (EBIT) will be below the high value of the previous year in 2021. The revenues reported in the Innovation & Digitalisation Segment are expected to increase significantly from a low level in 2021. The negative earnings before interest and tax (EBIT), which range in the negative lower double-digit millions, are expected to deteriorate significantly. In 2021, earnings before interest and tax (EBIT) in Other Activities will benefit from distributions of income from participating interests and dividends that did not materialise in 2020 due to the coronavirus pandemic. Overall, the negative EBIT from Other Activities is likely to improve significantly in 2021 due to the absence of the previous year's coronavirus-related one-off expenses.

Outlook for the Energy Segment

The Renewable Energies business is expected to continue on its growth course in international markets in 2021. The first quarter is already likely to exceed the same quarter of the previous year in terms of revenues and EBIT, thanks in particular to solar project sales.

In the Projects business division, the project pipeline for wind and solar energy system and plant sales in 2021 totals 1.1 gigawatts (GW), of which some 841 megawatts (MW) are attributable to solar energy projects and some 260 MW to wind energy projects. In the Solar Projects business section, the focus will be on the US (roughly 379 MW), the Netherlands (roughly 221 MW) and Spain (109 MW). In the Netherlands, growth will primarily be driven by GroenLeven, the project development company for solar energy plants in which a majority share was acquired in 2018. In February 2021, BayWa r.e. tied into the successful sale of the 11.9 MW Izumi solar park in December 2020 by selling the 35 MW Isohara solar park in Kita-Ibaraki City, Japan. The buyer of the solar park is D&D Solar GK, a joint venture established by Osaka Gas and Development Bank of Japan (DBJ) that previously acquired the Izumi solar park from BayWa r.e. In Poland, the largest solar park to date, with an output of 64.6 MW, will be built in the first half of 2021. For the project, which will be executed and operated without subsidies, BayWa r.e. signed a ten-year power purchase agreement (PPA) with HeidelbergCement. The Wind Projects business section plans to implement projects with a volume of 143 MW in Europe – particularly in the national markets of Sweden, Germany, Italy and France – followed by 99 MW in the US and 18 MW in Australia in the APAC region. Further positive earnings contributions from project sales are additionally expected in the years ahead thanks to the recent entry into the Benelux market and the expansion of activities in Spain. In the Services business section of the Operations business division, BayWa r.e. acquired the assets of Kaiserwetter Energy Asset Management GmbH, Hamburg, in February 2021. The company develops and markets software-as-a-service solutions, which provide software solutions online as needed, for plant management. Through the acquisition, BayWa r.e. is expanding its range of solutions in the field of renewable energy plant management and is strengthening its globally successful service business. From 2021, energy trading will operate under the newly established IPP (independent power producer) business section. Going forward, IPP will independently operate selected solar parks and wind farms with a total output of up to 2.5 gigawatts in the medium term. By the end of 2021, the IPP portfolio will encompass approximately 20 renewable energy plants with a total output of over 600 MW, with the capacity of the renewable energy plants ranging from over 100 MW to smaller plants offering less than 3 MW. At the start of 2021, the energy trading business already had direct marketing agreements with a total output of over 7.2 GW, corresponding to an increase of 77% compared to 2020. The Solutions business division contains the Solar Trade and Energy Solutions business sections. In the Solar Trade business section, trading in photovoltaic components should continue to benefit from rising demand for new system solutions and attractive prices for photovoltaic modules. The full-year inclusion of the US company Enable Energy Inc., which was acquired in the second half of 2020, is expected to make a positive contribution to the development of revenues and earnings. In addition, the activities in Poland and the “novotegra” private brand, which was previously managed through the German trading company, will be continued as independent companies in order to generate further growth. Energy Solutions will continue to support companies with a focus on the core markets of Germany, Spain and Italy, as well as northern and eastern Europe, as part of the PV own-use model. There is tremendous potential for corporate PPAs in light of the emerging markets in the Asia-Pacific region (APAC), especially in Thailand, Malaysia, Vietnam, Singapore and Indonesia, where a significant share of the supply chains of multinational corporations are based. 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 such as storage solutions, PV carports and e-mobility concepts in European core markets, as well as floating PV for Germany.

Overall, the Renewable Energies business unit’s revenues are expected to rise significantly year on year, primarily due to the well-filled project pipeline and the further growth in photovoltaic component trading. Earnings before interest and tax (EBIT) are likely to exceed the level recorded in the previous year by a substantial margin.

BayWa AG has successfully concluded the investor search for the planned capital increase at BayWa r.e. renewable energy GmbH (BayWa r.e.). BayWa AG and funds advised by Energy Infrastructure Partners AG (formerly: Credit Suisse Energy Infrastructure Partners AG) (EIP) signed binding contracts regarding an investment by the funds in the amount of €530 million in BayWa r.e. renewable energy GmbH. The funds advised by EIP will make an equity contribution of €530 million in BayWa r.e. and will acquire a 49% stake in BayWa r.e. as part of this capital increase against cash contribution. Once EIP makes the cash contribution, BayWa AG will own 51% (formerly: 100%) of BayWa r.e. renewable energy GmbH. Upon entry of the capital increase, BayWa r.e. renewable energy GmbH will be converted into an Aktiengesellschaft (stock corporation) under German law and trade in future as BayWa r.e. AG.

In the Conventional Energy business unit, BayWa Mobility Solutions GmbH continues driving forward the expansion of the charging infrastructure for electric light vehicles as a provider of solutions for light vehicles. The acquisition of Hilmar Eichholz e.K. is seen a key driver of growth in this area, as demand for charging infrastructure increased sharply with the significant growth in electric vehicle registration figures in 2020. In heavy vehicles, the development of a filling station network for liquefied natural gas (LNG) for heavy goods transport will be continued, as rising demand for LNG is expected in the medium term. The LNG filling stations brought into operation in 2020 will make a full-year contribution to revenues and earnings in 2021. The number of LNG filling stations is set to increase to 10 by the end of 2021, more than double the current figure. For further growth in digital mobility, alliances are of tremendous importance for helping BayWa customers to gain access to as many electric charging stations as possible in Germany and Europe. The goal for 2021 is to reach a figure of around 4,000 filling stations in Germany that are connected to the BayWa filling station and charging card through unilateral acceptance contracts with medium-sized filling stations, among other things. As a result, the BayWa filling station and charging card will in future be accepted at nearly one in four fillings stations and by roughly 95% of the public charging infrastructure in Germany. With its filling station card and billing systems, BayWa also offers an all-in-one solution with filling station and charging card, related app and billing for customers and – as a white label system – also for third parties. In the heating business, the introduction of carbon pricing in Germany at the start of 2021 has helped to make wood pellets, a climate-neutral energy carrier, more attractive. Sales of wood pellets are likely to continue rising in 2021, as the number of installed pellet heating systems has grown considerably in recent years and the production capacities at WUN Pellets GmbH has been expanded. Furthermore, the service activities for pellets in Germany, which are pooled in the “pellog“ brand, will contribute to growth. In heat contracting, prospecting is under way for multiple projects with developers of residential, commercial and mixed-use real estate. The properties require heating from renewable energies, as well as additional products such as electricity or cooling from renewable sources. Sales are expected to increase in the area of heat contracting. Sales of heating oil are strongly influenced by the oil price. The low prices in 2020 and the increase in prices due to the introduction of carbon pricing from 1 January 2021 led to extensive stockpiling and increased demand for heating oil in 2020. Conversely, demand for heating oil is expected to be much lower in 2021. Even against the backdrop of a slight recovery of the coronavirus-weakened economy, lower sales volume is anticipated in the business with lubricants and agricultural inputs in 2021 due to the difficult year encountered by mechanical and plant engineering, the transport sector and the automotive industry in 2020. For AdBlue, a return to growth is not expected until the pandemic has been overcome and the registration figures for Euro VI diesel vehicles rises. The fall in sales volume will be counteracted in earnings terms with an expansion of the service portfolio, such as monitoring fluid usage in machinery and arranging preventative maintenance. In fluid management, the fluid manager (IOT sensor) automatically records lubricant and agricultural input tank levels at industrial, trading and commercial companies, as well as in agriculture, enabling direct delivery to raise supply reliability. In the fuel market, declines in sales are to be expected as a result of the ongoing coronavirus pandemic and the associated restrictions on mobility. Due to the anticipated significant decline in sales of heating oil and fuels, the Conventional Energy business unit’s revenues are likely to fall significantly year on year in 2021. Earnings before interest and tax (EBIT) are also expected to decline significantly on the whole. The reclassification of BayWa Haustechnik to the Conventional Energy business unit effective 1 January 2021 will counteract this effect. However, the revenue and earnings contributions from building services will not be able to compensate for the lower revenues and earnings contributions from high-volume business involving heating oil, fuels and lubricants.

In total, revenues in the Energy Segment are set to rise slightly on the previous year in 2021 based on the forecast developments, with growth in the Renewable Energies business unit capable of more than offsetting the declines in the Conventional Energy business unit. The segment’s earnings before interest and tax (EBIT) are likely to be slightly lower than in the previous year.

Outlook for the Agriculture Segment

In the BayWa Agri Supply & Trade (BAST) business unit (BAST, renamed Cefetra Group with effect from 1 January 2021), the handling volume of grain and oilseed is likely to rise slightly in 2021. The handling volume of standard products should be on a par with the previous year. By contrast, specialities and sustainable products are likely to see further growth. The BAST business unit’s revenues will probably rise significantly compared to 2020 if the prices for grain and oilseed remain at their current high level over the course of the year. Earnings before interest and tax (EBIT) are also expected to improve substantially in 2021 thanks primarily to the expansion of the higher-margin specialities business and further product diversification, especially in sustainable products, within ongoing business activities. On the cost side, measures to enhance process efficiency through digitalisation and automation will contribute to the improvement in earnings. Logistics costs, which rose sharply in the previous year due to the coronavirus pandemic, are also expected to normalise gradually. Moreover, the absence of restructuring expenses, which had a negative impact on earnings in 2020, will contribute to the improvement.

The Global Produce business unit will continue its successful business development in 2021, in part because Global Produce and its products cater to the global, fundamental need for healthy food – especially in times of the coronavirus pandemic. The entire marketing volume of the BayWa Group is likely to be on a par with the previous year in 2021. In New Zealand, the harvest volume will be lower year on year due to hail damage. The damage mainly affects apples, which were close to being ripe for harvesting due to the late stage in the season, as well as summer fruits such as cherries. As a result, the volume of high-quality dessert fruit in particular is likely to be lower than in the previous year, with a larger quantity accordingly being supplied to the fruit juice industry at lower prices. Moreover, the harvest volume could be negatively impacted by renewed coronavirus-related restrictions on entry into the country for seasonal workers. By contrast, T&G Global will benefit from a better product mix. In particular, the share of the high-quality apply variety Envy being exported to Asian countries and North America at attractive prices is set to increase. The fruit trader Freshmax New Zealand Ltd (Freshmax) will contribute to the marketing volume, as well as to revenues and operating earnings, for the full year for the first time. Furthermore, T&G Global has entered into a joint venture with Carsol, the largest blueberry producer in South America, and will take over the marketing of the goods in China and other markets in South East Asia. At Al Dahra BayWa Agriculture LLC in the United Arab Emirates, the greenhouses were once again made fully operational once the flood damage had been cleaned up. Three to four harvests can be expected for 2021, the marketing of which will contribute to revenues and operating earnings. Overall, the Global Produce business unit's revenues will be on a par with the previous year. In terms of operating earnings, the better product mix at T&G Global, cost-reduction measures already under way and the earnings contributions from Freshmax, the joint venture with Carsol and Al Dahra BayWa Agriculture will more than compensate for the negative impact of the hail damage in New Zealand. However, the continued restrictions on entry into the country for seasonal workers will have a negative impact at T&G Global. As a result, earnings before interest and tax (EBIT) are likely to be roughly on a par with the previous year.

In the Agri Trade & Service business unit, the high subsequent collection volume from 2020, combined with good prices, forms the basis for positive development in the grain and oilseed business in the first half of 2021. Sales contracts that are likely to result in profits in the first half of 2021 were also signed in 2020. Moreover, the export business is benefiting from the diversification of the customer portfolio to include Italy and Switzerland. Trade in organic products is also likely to continue growing in the financial year 2021, with two or three locations being newly certified for trading in organic products. Assuming normal weather conditions, an average harvest and a slight year-on-year increase in the grain and oilseed collecting and marketing volume are to be expected in product trading in Germany in 2021. Since the second half of 2020, prices for agricultural products have risen significantly worldwide and have reached their highest level since mid-2014, with grain, oilseed and plant oils seeing the sharpest increase. One of the main reasons for the rally is the coronavirus pandemic, which has disrupted global supply chains through numerous trade restrictions, thereby triggering massive stockpiling that has led to galloping inflation of food prices in many important countries. The consequences of the coronavirus pandemic could lead to a sustained, high-level boom in demand that keeps prices high or even pushes them higher. In the agricultural input business, sales of fertilizers are likely to fall, as the limits on nitrogen and phosphate fertilizers are having an increasingly marked impact over time. Moreover, the amount of land under cultivation for organic farming is constantly rising. For BayWa, this environment also offers opportunities to increase market share, as the cut-throat competition mainly affects providers with a low degree of specialisation. Crop protection sales are expected to decline moderately, with the growth of organic farming also having an impact in this area. In addition, societal pressure is also leading to restraint in application. Sales of seed are expected to remain stable. Due to a slight decline in animal stocks, demand for feedstuff is expected to dip slightly. All in all, revenues in the Agri Trade & Service business unit should increase moderately in 2021. The increases in sales volumes and revenues will also have a positive impact on the earnings of the Agri Trade & Service business unit. The efforts to realign the location structure will continue systematically. For example, ten locations were closed at the start of 2021. The previous year saw high restructuring expenses for the structural optimisation measures that are expected to be much lower in 2021. As a result, earnings before interest and tax (EBIT) in the Agri Trade & Service business unit are expected to be positive again in 2021, resulting in significant improvement compared to the current year.

The Agricultural Equipment business unit benefited from very strong new machinery business in 2020, especially in Germany. This boom will not continue in 2021. The reduction in the value added tax rate, which expired on 31 December 2020, led to anticipatory effects, meaning that the financial year 2021 started with a lower level of orders. Positive momentum could come from subsidy programmes that provide for one billion euros in additional federal funds between 2021 and 2024 for helping agriculture to adapt to the new fertilizer ordinances. In addition, moderate growth is expected in the service business on account of the higher number of tractors. Austria is expected to see a slight decline in new business involving tractors, with a supporting effect from the extension of the 7% investment bonus until the end of May 2021. The positive trend in the business involving accessories and spare parts is likely to continue due to ongoing product range expansions. In the Netherlands, the strict legal requirements concerning phosphate, nitrate and particulates, as well as three dry years in succession, led to a general reluctance to invest. Business involving new tractors is expected to stabilise at a low level in 2021. However, the Dutch subsidiary Agrimec B.V. is likely to continue down its growth path, as it took over two additional agricultural equipment trading companies in the first quarter of 2021. Overall, the Agricultural Equipment business unit’s revenues are expected to fall significantly year on year in 2021, mainly due to the normalisation of business in Germany. Earnings before interest and tax (EBIT) in the Agricultural Equipment business unit are therefore also expected to fall significantly.

On the whole, BayWa anticipates a slight decline in revenues and earnings before interest and tax (EBIT) in the Agriculture Segment in the financial year 2021 on the basis of anticipated developments in the individual business units.

Outlook for the Building Materials Segment

The construction sector expects to see slower growth than in the previous year due to a shortage of skilled workers and capacity constraints at construction companies, as well as delays in construction permit processes due to the coronavirus pandemic (BayWa, own market analysis). Against this backdrop, the Building Materials Segment anticipates sales volume on a par with the previous year, along with a shift away from new building activities to modernisation and renovation of existing properties in residential construction. Positive momentum in this area is also likely to come from subsidy programmes – especially for energy-related renovation measures, which have received more funding as part of the German federal government’s Climate Action Programme 2030 – along with a growing number of complete redevelopment projects as part of the generational change in property owners. The focus for the further development of the Building Materials Segment in 2021 will continue to be on expanding the range of specialisations and digital solutions. Here, special attention will be paid to digitalising the professional customer interface, among other things, in order to make the calculation and offer process far more efficient for both parties. In bathroom modules, a dedicated production line for wooden construction in series will be set up in order to participate in the growth in this market. Further growth is also expected through the BayWa Building Materials Online portal. Ultimately, rising earnings contributions are expected in BayWa Bau Projekt GmbH’s business, as some projects are in the execution phase or building permits for starting construction in 2021 have already been received. Revenues in the Building Materials Segment are expected to increase slightly in 2021, mainly due to price effects. The reclassification of BayWa Haustechnik from the Building Materials Segment to the Conventional Energy business unit will counteract this development. Earnings before interest and tax (EBIT) will be significantly below the high value of the previous year in 2021.

Outlook for the Innovation & Digitalisation Segment

In the Innovation & Digitalisation Segment, the revenues are minor in size. The segment’s activities are mainly based around investments and development costs for future digital product and service offerings. Growth of FarmFacts is set to be driven by the national and international expansion of sales of the NEXT Farming OFFICE and NEXT Farming LIVE software packages. In addition, FarmFacts has developed a manufacturer-independent machine data management system for the Agrar Application Group (aag), in which six respected agricultural equipment companies have joined forces to create open software solutions. The NEXT Machine Management by aag module, which was presented at Agritechnica in November 2019 and has been integrated into the NEXT Farming LIVE farm management software, was expanded to include new functions in 2020. Rising marketing figures are to be expected in 2021 due to factors such as stricter fertilization regulations, as site-specific fertilization on the basis of sensor- and satellite-supported data ensures effective and efficient cultivation. At the same time, the nutrient management product portfolio ensures the integrated, compliant calculation of fertilizer needs, nutrient requirements and agronomically optimised fertilization planning, making it possible to optimise the volume of fertilizer used and meet the stricter documentation requirements. In addition, efforts will be made to promote regional expansion and the further development of the NEXT Marketplace trading platform in terms of content. Revenues from BayWa's eBusiness activities are set to increase through the further development of the BayWa Portal. "Mein Konto" (my account) will create a central point of entry (single sign-on) for all sections. The full range of e-commerce offerings of the Agri Trade & Service, Building Materials, Conventional Energy and Agricultural Equipment business units will be provided through this single sign-on, making all items, services and content available online. However, revenues and income from these activities are attributed to the respective business unit or segment responsible for the individual product sold. The revenues reported in the Innovation & Digitalisation Segment are expected to increase significantly from their current low level in 2021. The negative earnings before interest and tax (EBIT), which range in the negative lower double-digit millions, are expected to deteriorate significantly. In particular, the project and marketing costs related to the launch of the NEXT Marketplace platform, as well as the further development of the BayWa Portal, are expected to have a negative effect for which cost-saving measures in other areas will not be able to fully compensate.

Other Activities

No revenue forecast has been made for Other Activities, as the size of such activities is insignificant in terms of the business development of the Group. In 2021, the development of earnings before interest and tax (EBIT) will benefit from distributions of income from participating interests and dividends that did not materialise in 2020 due to the coronavirus pandemic. Overall, the negative EBIT from Other Activities is likely to improve significantly in 2021 due to the absence of the previous year's coronavirus-related one-off expenses.

Opportunity and Risk Report

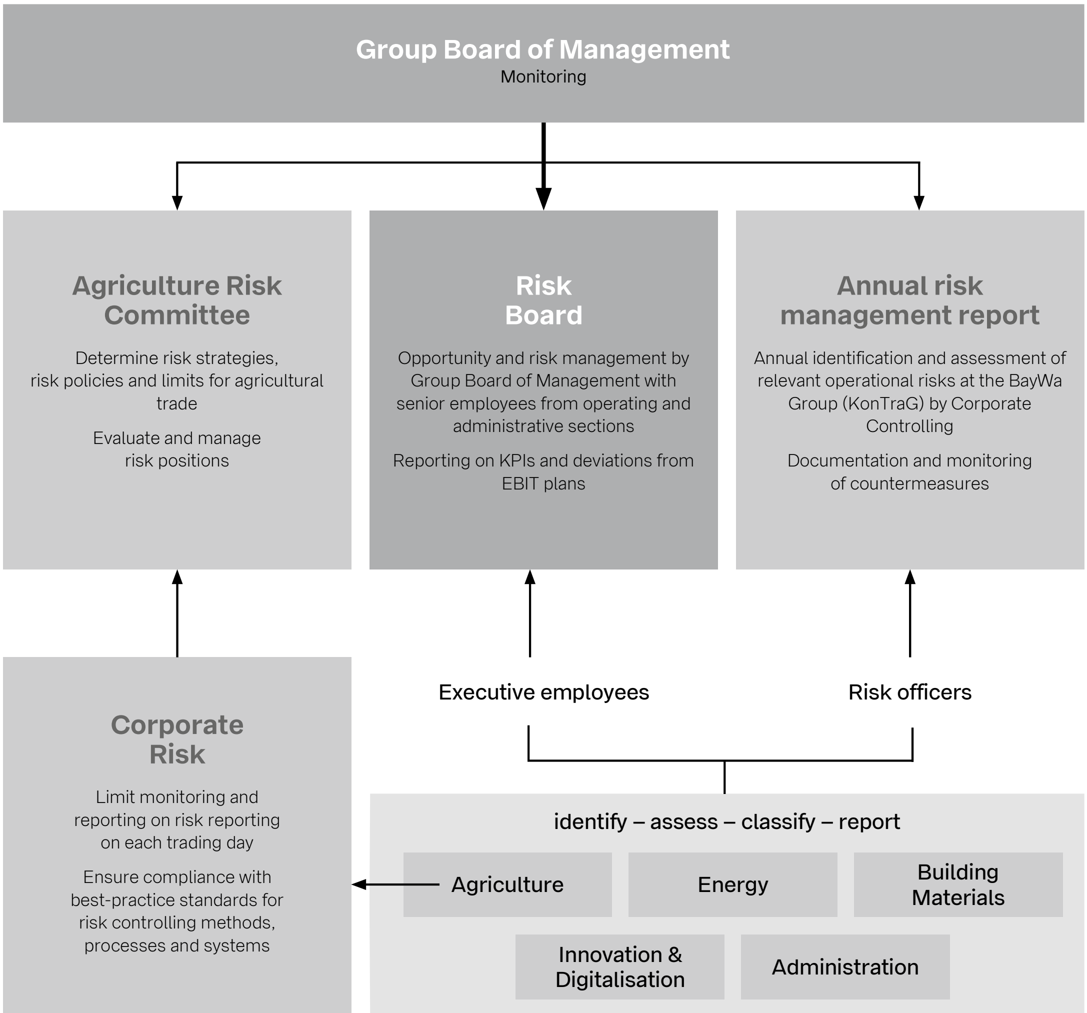
Principles of opportunity and risk management

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.

Structure of opportunity and risk management within BayWa Group



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 guarantee 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 the opportunity and risk management set-up is the Risk Board, which has been in place since the financial year 2009. 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. It is composed of members of the Board of Management and others and meets regularly and when warranted. 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 controlling 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 officer's responsibility in the trading companies covers all risk processes within the company, including limit monitoring and reporting.

The Corporate Risk organisational unit's tasks are to execute risk controlling for the trading activities with agricultural commodities 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 business units 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 business units. 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 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.

A further risk management system is in place for the trading activities with agricultural commodities, including the associated hedging transactions, which encompasses the relevant business activities of BayWa AG, BayWa Agrarhandel GmbH and BayWa Agri Supply & Trade B.V. 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, including counterparty risks as well as operating risks, such as quality and logistics risks. 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 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. In addition, scheduled and ad hoc stress tests are performed to recognise the effect that extraordinary market price changes have on earnings and, where necessary, implement measures to reduce risks. The trading positions as well as the risks they pose are reported to the operating business sections and the local risk management officer 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.

The Global Book System (GBS) is used to coordinate trade management activities; it is responsible for the overarching coordination and optimisation of the trading and risk positions of the individual product lines in the trading of grain, oilseed and co-products for the national and international divisions. 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 the markets for agricultural products, 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.

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 business units.

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. The theoretical expected value of damages is the amount that would result in the very unlikely event that all of the individual risks in a sub-category materialise at the same time. 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.

		Risks		Opportunities	
		Risk classification	**Y/y change**	**Opportunity classification**	**Y/y change**
Market risks and opportunities					
	Sales market	significant	increased [1]	material	constant
	Procurement	considerable	increased [1]	material	increased
	Competition	considerable	increased [1]	immaterial	constant
	Image	noticeable	increased [1]	immaterial	constant
	Price	substantial	increased [1]	material	constant
	Loss of customers	low	increased [1]	/	/
Operating risks and opportunities					
	Sales	considerable	increased	material	increased
	Environmental impact	significant	reduced [1]	immaterial	constant
	Production	noticeable	increased	immaterial	constant
	Inventory	noticeable	reduced [1]	material	constant
	Product quality	considerable	increased [1]	immaterial	constant
	Case of damage	considerable	increased	/	/
	Project	significant	reduced [1]	material	increased
Risks and opportunities of the organisational structure and workflow					
	IT	considerable	reduced [1]	immaterial	constant
	Quality	substantial	increased	immaterial	constant
	Personnel	significant	reduced [1]	immaterial	constant
	Organisation	considerable	increased [1]	immaterial	constant
Financial risks and opportunities					
	Financial market	considerable	reduced [1]	immaterial	constant
	Group companies	low	reduced	immaterial	constant
	Default on receivables	considerable	increased [1]	/	/
	Interest	low	increased [1]	immaterial	constant
	Liquidity	noticeable	increased [1]	immaterial	constant
	Currency	noticeable	increased [1]	immaterial	constant
	Taxes	noticeable	increased [1]	/	/
Strategic risks and opportunities					
	Corporate strategy	noticeable	reduced	immaterial	constant
	Investments	low	increased [1]	immaterial	constant
	Acquisitions and disposals	low	increased [1]	material	increased
	Market development	noticeable	increased [1]	immaterial	constant
	Innovation and technology	noticeable	reduced	material	constant
Legal risks and opportunities					
	Contracts	considerable	increased [1]	/	/
	Changes in legislation	significant	increased [1]	immaterial	constant
	Liability and insurance	noticeable	increased	/	/
	Violations of the law	substantial	reduced [1]	/	/
Compliance risks and opportunities					
	Corruption/fraud	considerable	increased	/	/
	Product safety/standards	low	constant	/	/
	Data protection	low	increased [1]	/	/
	Compliance with laws and guidelines	significant	increased [1]	/	/

1 **No year-on-year change in risk classification**

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 2020 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

Key individual risks 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. For example, these can result from breaches of compliance regulations by individual employees. This may lead to individual Group companies having to pay compensation or financial penalties or being imposed with other civil or criminal sanctions. These risks are continuously monitored by corresponding specialist areas of the Group.

In March 2015, the Bundeskartellamt (German federal antitrust authority) initiated administrative offence proceedings. 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 when these financial statements were prepared, only individual claims had been asserted against BayWa, all of which have been refuted by BayWa. No further claims have been asserted or announced so far. It is BayWa AG's belief that the alleged misconduct did not result in any buyers suffering any financial damages whatsoever.

We assume, supported by the assessment of our legal advisers, that it is extremely unlikely in this context that third parties will successfully assert any material claims against BayWa AG. Therefore, no risk provisions for this matter have been formed on the balance sheet.

BayWa's data protection risk relates to the incorrect handling of personal or customer-related data as well as the unlawful disclosure or use of said data. This risk is increasing due to the digital transformation of many business activities and increased awareness of the issue due to new legal regulations. Advice and awareness programmes, as well as process controls, are in place to ensure compliance with data protection regulations within the Group. In general, BayWa ensures that customers retain sovereignty over their data.

Operating risks and opportunities

In the energy business, the Renewable Energies business unit is particularly affected by changes in subsidy measures and political frameworks. In this context, positive signals such as ambitious targets as part of the European Commission's "green deal" and the Biden administration's re-entry of the US into the Paris climate agreement have a positive impact on business prospects. These two effects are long-term in nature and do not influence business to a material extent at the current time. By contrast, the tense situation in the trade conflict between the US and China, which is likely to continue under the Biden administration, and the sanctions due to the human rights abuse allegations being levelled at China may have a negative impact on the availability of system components and price trends in the short term. Against the backdrop of mainly country-specific risks, revenue and earnings development is stabilised by means of geographic diversification at BayWa r.e. Diversification across multiple energy carriers – particularly wind energy and solar energy – reduces risk such as the loss of individual technology providers. Climatic risks (wind, sunshine) also play a role for BayWa's electricity-generating Group companies in the Renewable Energies business unit and in energy trading. Long-term surveys mean that average wind and sunshine are relatively easy to forecast in the medium term on the basis of expert opinions, although both positive and negative deviations can occur at short notice that result in corresponding increases or decreases in revenue. The issue of grid connection is becoming increasingly important in countries such as Spain and Australia and may lead to unscheduled delays in project realisation or the full utilisation of the installed capacity. 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 Conventional Energy business unit largely comprises trading in crude oil-based products such as fuels and lubricants as well as heating oil. In general, the development of demand for heat energy carriers such as heating oil also depends on the level of consumption, weather conditions and the price trend. In the medium to long term, there is a risk that sales will decline as a result of the energy and mobility transition toward carbon-free renewable drive and heating concepts. However, new growth opportunities are also arising because of the trend towards electromobility. Apart from the default risk on trade receivables, these business activities are subject to little risk.

In the agricultural sector, changes in the political framework, such as changes to the regulation of markets for individual agricultural products and agricultural inputs, new regulations relating to protecting the environment or tax-related government subsidies of energy carriers, in addition to volatile markets, create risks. At the same time, however, they also open up new prospects and opportunities such as those in the areas of organic product ranges and digital farming. Extreme weather conditions can have a direct impact on offerings, quality, pricing and trading in agricultural products as well as downstream on the agricultural input business. In addition, trade conflicts can also restrict the availability of and sales opportunities for agricultural products. This is offset by the rise in product and geographical presence diversification in the Agriculture Segment, as this has reduced the dependence on individual markets and increased procurement and marketing flexibility. In addition, BayWa also combats quality risks through standardised monitoring processes. Risks posed by a deterioration in the quality of inventories are reduced by corresponding warehousing standards. Logistics risks resulting from a lack of transport capacities due to weather conditions, pandemics or strikes are identified and managed early on by the early warning systems and mitigated to the greatest extent possible through flexible transport routes, for example. Coronavirus or similar pandemics could reduce demand for agricultural commodities and negatively impact the operation of locations. Structured, central and early crisis management is geared towards minimising such effects. Global climate change will also have a long-term effect on agriculture. 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 conditions 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 development of income in the agriculture sector filters through directly to investment capacity and propensity and therefore to the sale of agricultural inputs and high-end agricultural equipment.

Political and economic factors exert the main influence on demand in the construction sector. The key factors behind economic demand are private consumption and public-sector demand, which depends directly on the development of public finances. Political factors of influence include, for instance, special depreciation for listed buildings, measures to promote improved energy efficiency and the construction of social housing. In general terms, ageing housing stock in Germany will encourage growing demand for modernisation and renovation. As the importance of digital sales channels for the development of business rises, so too do the requirements in terms of implemented processes and the availability of the technical systems. The online offerings will be successively optimised and expanded to include additional resources such as second-level support.

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, mobility, the supply of energy and shelter. 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.

BayWa trades in merchandise that displays very high price volatility, such as grain, oilseeds, fertilizers, mineral oil, biomethane, electricity, gas, and solar components, especially in its Agriculture and Energy Segments. The warehousing of the corresponding merchandise and the conclusion of supply contracts governing the acquisition of goods in future means that the BayWa Group is also exposed to the risks and opportunities of price fluctuations. Whereas the risk inherent in mineral oils and biomethane is relatively low due to BayWa's pure distribution function, fluctuations in the price of grain, oilseed, fertilizers, electricity, gas or solar components may incur greater risks if there is no matching in the agreements on the buying and selling of merchandise. Furthermore, activities by financial investors and technical market mechanisms can sometimes exacerbate price volatility considerably. In addition to absolute price risks, business developments may be influenced by various developments in local mark-ups, for example concerning logistics services, in forward rates as well as different quality grades. If no hedging transactions exist at the time when agreements are signed, the ensuing risk is monitored on an ongoing basis by the respective executive bodies, such as the Risk Board.

The BayWa Group uses a portfolio-based value-at-risk method to measure and control risks from commodity futures, which are treated as financial instruments as defined under IFRS 9 (International Financial Reporting Standard). The value-at-risk used by BayWa aims to quantify the negative changes in the value of a portfolio, which – with a certain degree of probability (95%) – will not be exceeded during a defined period of time (five trading days). The value-at-risk calculated as at 31 December 2020 amounted to €5.4 million and indicates that the potential loss from the commodity futures considered will, with a probability of 95%, not exceed €5.4 million within the next five trading days.

On 23 June 2016, UK citizens voted in favour of exiting the EU in a referendum (Brexit). The United Kingdom left the EU effective 31 January 2020. What followed was an eleven-month transitional period until 31 December 2020, during which a trade agreement for the period after 31 December 2020 was supposed to be reached. The EU–UK Trade and Cooperation Agreement came into effect provisionally on 1 January 2021. The approval of the European Parliament is required for the agreement to become binding. Among other things, the accord on the future relationship provides for an extensive economic partnership based on a free-trade agreement that stipulates neither customs duties nor quotas, therefore avoiding significant barriers to trade. Nevertheless, the new approach to the relationship creates non-tariff trade barriers, as there have been changes in many areas, such as travel, customs regulations, data protection law, industrial products and chemicals. The companies concerned will review the consequences of the new regulations. In 2020, the Group generated some 7% of its revenues in the United Kingdom. Those revenues were attributable to the BayWa Agri Supply & Trade (BAST), Global Produce and Renewable Energies business units. On account of the extent of business activities and the Group structure, Brexit is not expected to have any significant negative effects on the BayWa Group.

At the end of 2019, the first cases of human infection with the novel coronavirus occurred in China. Since the start of 2020, the virus has spread to nearly every country in the world, and the number of infections has increased sharply worldwide. The countermeasures taken led to a significant decline in activity in many sectors of the economy due to the temporary closure of businesses, among other things. BayWa performs an essential function for society in the food and energy sectors. As a result, these business sectors – along with building materials markets, as suppliers and outfitters for the skilled trades and the commercial sector – were not affected by the closures in Germany. Isolated restrictions on business activity resulted primarily in the BAST and Global Produce business units due to the international links in supply chains, transport capacity bottlenecks and the resulting reduction in the availability of primary materials and products. In sea freight, for example, connections were initially cancelled over a period of weeks (blank sailings). Following the successive restarting of production in China, ports were overwhelmed, and shipping companies increased freight rates. In aviation, the sharp decrease in passenger flights also led to a lack of freight capacities, as more than 40% of airfreight is carried as belly freight on passenger aircrafts. The Renewable Energies business unit saw delays in a few projects, with approval processes taking longer due to limited processing capacities at the competent authorities. Moreover, the BayWa Group incurred additional expenditures for measures to protect the health of employees and customers, such as the development and introduction of hygiene concepts. On the other hand, the impact of the measures to combat the coronavirus pandemic led to dynamic growth in product sales through the Group's various online platforms. There is no way of reliably estimating the scale of the negative or case-by-case positive impacts on the BayWa Group's business activities at the current time. Based on the experiences in connection with the impact of the coronavirus pandemic and lockdowns in 2020, it can be assumed that even future constraints can be counteracted through appropriate measures.

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.

Opportunities and risks from financial instruments

In addition to fixed- and variable-rate financial instruments, which are subject to varying degrees of interest rate risks, BayWa Group also uses derivative hedging instruments such as options and futures contracts to hedge its trading business. In addition to interest rate risk, these derivative hedging instruments are also subject to risks posed by changes to the prices of underlying transactions as well as, depending on the base currency in which the derivative instrument is denominated, currency risks. Transactions that were not conducted via a stock exchange are also subject to counterparty risk. However, due to the measures taken by BayWa described below, there is only a slight chance that these risks will materialise. By the same token, changes to interest rates, currency exchange rates or forward market prices can lead to unplanned opportunities.

Foreign currency opportunities and 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. 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.

Interest rate opportunities and risks

Interest rate risk positions arise from the Group's floating-rate financing activities, especially from the issuing of short-term commercial papers, 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 2020, the average interest rate for variable-interest financial liabilities stood at 0.869% (2019: 1.388%).

Credit and counterparty risks and default risks

As part of its entrepreneurial activities, BayWa Group has an important function as a source of finance 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 considerable scope. Beyond this, there are the customary default risks inherent in trade receivables. Risks are managed and monitoring using the SAP Credit Management system, which allocates customers into different risk classes depending on their creditworthiness. The minimum requirements for credit management at the BayWa Group are defined in the Corporate Policy on credit management.

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 financial institutions. In addition, financing instruments such as multicurrency commercial paper programmes or asset-backed securitisation (ABS) are used, as are bonded loans. Owing to the diversification of the sources of financing, the BayWa Group does not currently have any risk clusters concerning liquidity. The BayWa Group's financing structure, with its mostly matching maturities, ensures that interest-related opportunities are reflected within the Group.

Rating

Thanks to its good credit rating among banks, BayWa was again able to take corresponding financing measures in the reporting year. This achievement is due to the solidity as well as to the long and successful history of the company and its high enterprise value, underpinned by assets such as real estate. For reasons of cost effectiveness, BayWa AG deliberately dispenses with the use of external ratings.

Legal risks

Group companies are and will continue to be faced with legal disputes and proceedings in relation to their operating business activities. Such disputes and proceedings can relate to the assertion of claims based on services and deliveries that are not up to standard, payment disputes or from breaches of regulatory or tax requirements. This may lead to individual Group companies having to pay compensation or financial penalties or being imposed with other civil or criminal sanctions. The Group's business activities in more than 40 countries means that its companies can also be exposed to political and legal risks to a small extent. Accordingly, legally existing claims of the Group could ultimately not be enforceable due to weak state structures or underdeveloped legal systems. These risks are continuously monitored by corresponding specialist areas of the Group and supported as necessary through compliance measures.

BayWa forms provisions for material legal and litigation risks if the occurrence of an obligation is probable and the amount can be adequately estimated. In individual cases, actual utilisation may exceed the amount of the provisions. The Board of Management believes that suitable provisions have been accounted for.

Changes to the regulatory environment can influence Group development. In particular, this includes government intervention in the general framework conditions for the agricultural industry and the renewable energies business. Negative impacts emanate from the adjustment, reduction or abolition of funding measures. Conversely, new regulatory and legislative developments influencing bioenergy can also result in opportunities. In the construction sector, stricter building or fiscal regulations may also have an impact on the development of business.

The cost-effectiveness of renewable energy generation facilities is currently still often dependent on regulations and government subsidies. Politically motivated changes to subsidy parameters – in particular retroactive cuts to or abolition of feed-in tariffs – can significantly impact the value of such facilities, either in the form of lower future disposal prices or lower cash inflows from the operation of the facilities. BayWa combats the potential implications of such risks on earnings by pursuing a threefold diversification strategy in its Renewable Energies business unit. The portfolio is diversified in terms of countries, energy carriers and business divisions (projects and service on the one hand, and trading on the other).

As a result of the financial crisis, the financial market is regulated by a wide range of laws. Derivative markets were a particular focal point of these measures, mainly to limit speculative trading involving commodities, especially in the agricultural sector. Of this large number of significant regulations, the European Market Infrastructure Regulation (EMIR) and the Markets in Financial Instruments Directive (MiFID II) are particularly relevant to BayWa's business activities. Trading on the Chicago Board of Trade (CBoT) is also subject to the US regulations of the Commodity Exchange Act (CEA), which are monitored by the Commodity Futures Trading Commission (CFTC). Besides additional costs, these new regulations also increase the risk of prosecution resulting from violations. Compliance with applicable financial regulatory measures is guaranteed by the use of a Group-wide risk management software program.

Strategic risks and opportunities

Through its strategic development into a provider of integrated solutions, the BayWa Group is expanding its role in the value chain and entering the project business more strongly. The resources necessary for the design and development of such solutions vary significantly in type and scope depending on the segment. In the Renewable Energies business unit, BayWa operates primarily as a project developer. This business activity also harbours certain risks, for instance that the planning and building of solar parks and wind farms are delayed and that they may be connected to the grid later than originally planned. There is a risk that the profitability of the projects may be lower than planned or that project sales may be delayed if it is not possible to meet deadlines for applicable electricity supply obligations or if expected revenue does not materialise to the expected extent. The development of a larger asset portfolio of own electricity generation plants (IPP) reduces the risk of lost income due to delayed projects sales, as an increasing share of earnings comes from long-term electricity sales. The Group's strategic development also encompasses acquiring companies and financing start-ups. Here there is a risk that the investments made prove to be irrecoverable or only partially recoverable in the medium term compared to original expectations.

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.

Opportunities and risks associated with personnel: 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. Excessively high employee turnover, brain drain and failure to win junior staff loyalty may have a detrimental effect on the Group's business performance. BayWa counteracts these risks by further expanding its recruiting activities and by offering its employees extensive training and continuous professional development opportunities. Management based on trust, the tasking of employees in line with their natural talents and abilities, as well as the definition and adherence to our ethical guiding principles, are geared towards creating a positive working environment. At the same time, BayWa AG promotes the ongoing vocational training and development of its employees. With 1,411 trainees at the end of 2020, the Group ranks among the largest companies offering training specifically in rural areas. BayWa recruits a large majority of its future specialist and managerial employees from the ranks of these trainees. Long years of service to the company are a testament to the high-level of loyalty that employees display towards BayWa. This helps create an environment of stability and continuity and also secures the transfer of expertise down the generations.

IT opportunities and risks: 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. The implementation of new IT systems entails the risk of additional time and personnel costs as well as initially limited functionalities, which may make it necessary to operate legacy systems longer than planned. Extensive precautionary measures, such as firewalls, virus protection updated on a daily basis, disaster recovery plans and training in data protection, serve to safeguard data processing. The IT resources are pooled in a separate subsidiary, BayWa IT GmbH. Segregated in organisational terms, a data protection officer monitors compliance with security and data protection standards.

Quality risks: 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. Compliance with the quality and safety requirements is guaranteed through the quality management teams of the respective business units. In addition, various certifications document the fulfilment of the relevant legal requirements.

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 which could endanger the Group as a going concern. 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.

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 prescribed accounting standards. Corporate Accounting acts as a direct point of contact for the managers of 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 part of the Management Report and explains the system of remuneration for members of the Board of Management and the Supervisory Board in consideration of the principles and recommendations of the German Corporate Governance Code (GCGC) in the financial year 2020. The remuneration system outlined here governs only the remuneration granted directly by BayWa AG to four of the five Board of Management members, as only four Board of Management members receive remuneration from BayWa AG. However, the Remuneration Report discloses the remuneration of all five Board of Management members of BayWa AG in the reporting year. BayWa AG plans to revise the remuneration system in the financial year 2021 to take the amendments to the GCGC 2020 and the changes in the law in the German Stock Corporation Act (ARUG II) into account.

Remuneration of the Board of Management

The remuneration system is geared towards the sustainable and long-term development of BayWa AG. The Supervisory Board reviews the material contractual elements and adapts them annually, if needed. In designing the remuneration system and determining the amount of remuneration, the Supervisory Board pays heed to the responsibilities and performance of the Board of Management members and to the situation and strategy of the company, as well as the customariness of the remuneration. To judge the customariness of the Board of Management remuneration, the Supervisory Board's Board of Management Committee informs itself at least once a year as to the remuneration of the senior management staff and the workforce, as well as its development over time. Furthermore, the Supervisory Board compares the remuneration system and the remuneration amounts with other appropriate companies and consults with an independent remuneration expert. This was done most recently in November 2020. Most importantly, however, 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.

The 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 (dividend from what is known as the bonus bank), benefits and, in some cases, remuneration for sideline activities. Since 1 January 2010, the target ratio of fixed remuneration to annual bonus and bonus bank has been roughly 50 to 20 to 30 based on 100% target achievement.

The fixed salary of the Board of Management members is reviewed regularly (at least once every two years) without entitlement to a raise. The fixed salary should correspond to 50% of total remuneration.

Short-term variable remuneration takes the form of an annual bonus that corresponds to 40% of the fixed salary based on 100% target achievement. The amount is based on the achievement of targets set annually by the Supervisory Board, usually at the first meeting of the financial year. The targets are geared towards the financial success of the company (result of ordinary activities) and/or towards individually agreed targets. Individual targets are usually based on targets resulting from the financial success of a segment (EBIT) and operative or strategic targets, as well as targets related to sustainability, such as achieving climate neutrality in individual divisions. The targets or comparison parameters are not adjusted subsequently. The Supervisory Board reviews target achievements in the first quarter of the financial year following the financial year to be reviewed. The agreed bonuses are paid out in full, usually in the second quarter of the following financial year, if the targets are achieved. If the targets are exceeded, the bonus will be increased, but only up to a maximum amount (cap) of 150%. The bonus will be reduced proportionately down to €0.00 if the targets are not fulfilled. The relationship between the target 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 disclosed total for the annual bonus may exceed the maximum amount of 150%. Both negative and positive developments are therefore taken into account in calculating the annual bonus.

The long-term variable component takes the form of what is known as a bonus bank. The bonus bank will be supplemented or charged on a yearly basis depending on the extent to which objectives, linked to the success of the Group (earnings before tax) and determined by the Supervisory Board for three years in advance, have been achieved, exceeded or undershot. This amount currently stands at €1.4 million per year based on 100% target achievement. The share of remuneration for the Board of Management member accounted for by the bonus bank should exceed the annual bonus upon 100% target achievement. If objectives are exceeded, the amount which can be transferred to the bonus bank is capped at approximately 135% of the target figure, or €1.9 million per year at the present time. At the same time, failure to achieve the targets results in a charge on the bonus bank in the amount of the same target value of up to minus €1.9 million at the present time. If there is a credit balance on the bonus bank, one-third will be provisionally paid out for the past financial year to the members of the Board of Management, usually in the second quarter of the following year. The remaining two-thirds of the credit balance in the bonus bank will remain in the bonus bank and will be paid out in equal amounts in the second and third year following the financial year in question. The amount is paid linearly, meaning that the amount carried in the bonus bank will be paid out provisionally to members of the Board of Management in contractually agreed equal instalments across three financial years, provided there is a sufficient credit balance in the bonus bank and after calculating negative bonuses. 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 provisional payments made in the two preceding years. Both negative and positive developments are therefore also taken into account in calculating long-term variable remuneration.

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.

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 are borne by BayWa AG. The Board of Management member is responsible for paying any taxes on the non-cash benefits. Income tax is refunded for selected events. BayWa AG also pays any contributions to pension schemes or similar expenses (benefit plans or life insurance policies) up to the amount that the company would otherwise have had to pay had an employment relationship subject to social security law existed.

In addition, there are pension commitments for the members of the Board of Management. These commitments can either take the form of an agreed fixed amount, or are based partly on the most recent fixed salary (30%) or on a fixed salary paid to the Board of Management member in the past. Occupational disability cover in the same amount and a survivor's pension of 60% of the pension commitment are provided if the measurement is based on a fixed salary. In this case, the post-employment benefit insurance may not be drawn upon before the age of 64. The Board of Management employment contracts do not provide for an age limit. However, they do stipulate that an extension should not be granted once the member has achieved the statutory retirement age.

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

In consultation with the Supervisory Board, Board of Management members may and should accept Supervisory Board mandates and similar positions at companies in which BayWa AG directly or indirectly holds a stake. The acceptance of these mandates is usually without remuneration. For the acceptance of certain mandates at RWA AG, Korneuburg, Austria, and T&G Global Limited, Auckland, New Zealand, the Supervisory Board has approved the payment of Supervisory Board remuneration to the members of the Board of Management. 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.

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 has made use of this option only one time in the past five financial years.

The company also maintains an insurance policy against legal proceedings and pecuniary losses and a D&O insurance and legal protection policy on behalf of its Board of Management members and in the interests of the company. BayWa AG pays the insurance premiums. The policies provide for a deductible for the Board of Management members. The company also promises the Board of Management members insurance cover corresponding in key points to these insurance policies both for the term of this contract and for a period of twelve years after its 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.

There are no commitments in the employment contracts of the Board of Management members if service to the company is prematurely terminated. There are also no Change of Control clauses.

The caps on the maximum annual bonus and bonus bank payments limit the remuneration for each Board of Management member and the Board of Management as a whole.

Since March 2020, the fixed salary of Chief Executive Officer Prof. Klaus Josef Lutz has stood at €1.5 million a year. He is entitled to an annual bonus based on target achievement of €0.00 to €900,000; for 100% target achievement, the annual bonus amounts to €600,000. In the reporting year, the target was the result of ordinary activities. Depending on the extent to which the long-term targets are met, up to €760,000 is deposited in the bonus bank for Prof. Lutz, or an amount of up to €760,000 is debited against the bonus bank; for 100% target achievement, the allocation to the bonus bank amounts to €560,000. On 31 December 2020, the bonus bank for Prof. Lutz had a positive balance of €1,386,666. Furthermore, the Chief Executive Officer has a vested entitlement to an annual pension of €356,400.

The fixed salary of Board of Management member Andreas Helber stands at €642,000 a year. He is entitled to an annual bonus based on target achievement of €0.00 to €385,200; for 100% target achievement, the annual bonus amounts to €256,800. In the reporting year, the result of ordinary activities accounted for 70% of the targets, with 30% consisting of individual targets. Depending on the extent to which the long-term targets are met, up to €380,000 is deposited in the bonus bank for Mr Helber, or an amount of up to €380,000 is debited against the bonus bank; for 100% target achievement, the allocation to the bonus bank amounts to €280,000. On 31 December 2020, the bonus bank for Mr Helber had a positive balance of €693,334. Furthermore, the Board of Management member has a vested entitlement to an annual pension of 30% of his fixed salary (currently €192,600).

Since November 2020, the fixed salary of Board of Management member Marcus Pöllinger has stood at €600,000 a year. For the financial year 2020, he is entitled to an annual bonus based on target achievement of €0.00 to €216,000; for 100% target achievement, the annual bonus amounts to €144,000 (basis: fixed salary as at March 2020). Mr Pöllinger has individual targets that are geared towards the financial success of the segments for which he is responsible. Depending on the extent to which the long-term targets are met, up to €380,000 is deposited in the bonus bank for the Board of Management member, or an amount of up to €380,000 is debited against the bonus bank; for 100% target achievement, the allocation to the bonus bank amounts to €280,000. On 31 December 2020, the bonus bank for Mr Pöllinger had a positive balance of €583,333. Furthermore, the company pays €120,000 for the pension of the Board of Management member (fixed amount).

The fixed salary of Board of Management member Matthias Taft stands at €600,000 a year. He is entitled to an annual bonus based on target achievement of €0.00 to €360,000; for 100% target achievement, the annual bonus amounts to €240,000. Mr Taft had individual targets. Some were geared towards the financial success of the segment for which he was responsible. However, organisational or strategic targets were also agreed. Depending on the extent to which the long-term targets are met, up to €380,000 is deposited in the bonus bank for the Board of Management member, or an amount of up to €380,000 is debited against the bonus bank; for 100% target achievement, the allocation to the bonus bank amounts to €280,000. On 31 December 2020, the bonus bank for Mr Taft had a positive balance of €693,334. The Board of Management member has a vested entitlement to an annual pension of 30% of his fixed salary (currently €180,000).

Board of Management member Reinhard Wolf receives no remuneration from BayWa AG. The remuneration from the Group company RWA AG, Korneuburg, Austria, is detailed in the table below.

The total remuneration of all five Board of Management members for the financial year 2020 came to €10.7 million (2019: €9.4 million); of this amount, €4.7 million (2019: €3.5 million) was variable. Contributions of €1.9 million (2019: €2.2 million) were paid in benefits after termination of the employment contract (pensions). This amount was offset by a repayment for a former Board of Management member of €0.3 million, resulting in actual expenses of €1.7 million. An amount of €3.6 million (2019: €3.6 million) was paid out to former members of the Board of Management of BayWa AG and their dependants.

The remuneration of all five Board of Management members that was paid by BayWa AG stood at €9.3 million (2019: €8.2 million) for the financial year 2020. The Board of Management members received further payments from RWA AG, Korneuburg, Austria (Prof. Lutz and Helber: €19,200 each; Wolf: €1.2 million), and T&G Global Limited, Auckland, New Zealand (Prof. Lutz: €25,625; Helber: €20,500). BayWa AG paid €3.6 million (2019: €3.6 million) to former members of the Board of Management of BayWa AG and their dependants.

At its meeting on 24 March 2021, the Supervisory Board plans to adopt a slightly adjusted remuneration system on the basis of the system described here. The new system provides for changes to the pension commitments, among other things. A maximum annual remuneration of €2.5 million for a Board of Management member and twice that amount for the Chief Executive Officer (i.e. €5 million) is also planned.

In the financial year 2020, the Board of Management members neither received nor were promised loans from the company or payments from third parties in connection with their position as members of the Board of Management.

The remuneration payments for the Board of Management members are itemised below:

In € thousand	Prof. Klaus Josef **Lutz**	Andreas **Helber**	Marcus **Pöllinger**	Matthias **Taft**	Reinhard **Wolf**	**Total 2020**
Fixed remuneration						
Annual basic salary	1,427.2	642.0	400.0	600.0	550.0	3,619.2
Benefits	40.6	22.3	23.2	30.3	74.2	190.6
Fixed remuneration from Group mandates	44.8	39.7	–	–	–	84.5
Total fixed remuneration	**1,512.6**	**704.0**	**423.2**	**630.3**	**624.2**	**3.894,3**
Variable remuneration						
Short-term variable remuneration [1]	993.6	459.1	144.7	480.0	330.0	2,407.4
Long-term variable remuneration						
Tranche 2017–2019	–	–	–	–	–	–
Tranche 2018–2020	–	–	–	–	–	–
Tranche 2019–2021	–	–	–	–	–	–
Tranche 2020–2022	760.0	380.0	380.0	380.0	–	1,900.0
Other variable remuneration	400.0	–	–	–	–	400.0
Total variable remuneration	**2,153.6**	**839.1**	**524.7**	**860.0**	**330.0**	**4,707.4**
Pensions [2]	**1,010.4**	**287.8**	**120.0**	**332.3**	**361.0**	**2,111.5**
Total remuneration	**4,676.6**	**1,830.9**	**1,067.9**	**1,822.6**	**1,315.2**	**10,713.2**

1 The short-term variable remuneration contains amounts related to the previous year (2019): Prof. Lutz €93,000, Helber €73,900, Taft €120,000, Wolf €110,000

2 The pension amount disclosed for Mr Wolf includes the allocation to pensions and severance pay in the amount of €291,702.

As the remuneration granted to the Board of Management members for the financial year 2020 did not coincide with the payment in the financial year in question in some cases, the amount paid to them for the financial year

2020 is presented separately below. Fixed remuneration, annual bonus and pensions are each stated as payments for the financial year. In terms of the bonus bank, the respective tranche actually paid is shown.

In € thousand	Prof. Klaus Josef **Lutz**	Andreas **Helber**	Marcus **Pöllinger**	Matthias **Taft**	Reinhard **Wolf**	**Total 2020**
Fixed remuneration						
Annual basic salary	1,427.2	642.0	400.0	600.0	550.0	3,619.2
Benefits	40.6	22.3	23.2	30.3	74.2	190.6
Fixed remuneration from Group mandates	44.8	39.7	–	–	–	84.5
Total fixed remuneration	**1,512.6**	**704.0**	**423.2**	**630.3**	**624.2**	**3,894.3**
Variable remuneration						
Short-term variable remuneration [1]	900.0	385.2	144.7	360.0	220.0	2,009.9
Long-term variable remuneration						
Tranche 2017–2019	170.0	85.0	–	85.0	–	340.0
Tranche 2018–2020	220.0	110.0	–	110.0	–	440.0
Tranche 2019–2021	203.3	101.7	101.7	101.7	–	508.4
Tranche 2020–2022	–	–	–	–	–	–
Other variable remuneration	400.0	–	–	–	–	400.0
Total variable remuneration	**1,893.3**	**681.9**	**246.4**	**656.7**	**220.0**	**3,698.3**
Pensions [2]	**1,010.4**	**287.8**	**120.0**	**332.3**	**361.0**	**2,111.5**
Total remuneration	**4,416.3**	**1,673.7**	**789.6**	**1,619.3**	**1,205.3**	**9,704.1**

1 The short-term variable remuneration contains amounts related to the previous year (2019): Prof. Lutz €93,000, Helber €73,900, Taft €120,000, Wolf €110,000.

2 The pension amount disclosed for Mr Wolf includes the allocation to pensions and severance pay in the amount of €291,702.

Remuneration of the Supervisory Board

Since 1 July 2018, the remuneration of the Supervisory Board has been based on the responsibilities and the scope of tasks of the members of the Supervisory Board.

Supervisory Board members receive a fixed annual remuneration of €45,000 payable in four equal amounts after the end of the quarter for the respective quarter. Variable remuneration, as based on dividends or other factors, is not paid.

The Chairman of the Supervisory Board receives three times the amount and the Vice Chairmen twice the amount of remuneration paid. The members of the Supervisory Board also receive an additional fixed annual remuneration of €3,000 for committee work. Remuneration for the Mediation Committee is paid only if the committee was actually convened in the financial year. The committee chairmen receive three times this amount.

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.

Members of the Supervisory Board are reimbursed for their expenses and value added tax which falls due on account of their activities as member of the Supervisory Board or its committees. In addition, members of the Supervisory Board are also included in the company's group accident insurance policy. The company 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 the interests of the company. The company pays the insurance premiums.

The total remuneration of the Supervisory Board from the Group came to €1.1 million (2019: €1.1 million), with BayWa AG paying €1.0 million of this amount (2019: €1.0 million). The Supervisory Board members of RWA

AG, Korneuburg, Austria, received further remuneration, with Mr Nüssel receiving €19,200 and Dr. Lang receiving €28,800.

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 €0.5 million (2019: €0.5 million).

The itemised disclosure of remuneration paid to the members of the Supervisory Board is as follows:

In €	Basic remuneration	Committee work	Cooperative Council	Supervisory Board RWA AG	Benefits	**Total 2020**
Manfred Nüssel, Chairman	135,000	39,000	2,250	19,200	374	195,824
Klaus Buchleitner Vice Chairman	90,000	3,000	–	–	152	93,152
Werner Waschbichler Vice Chairman	90,000	9,000	–	–	152	99,152
Wolfgang Altmüller	45,000	12,000	–	–	152	57,152
Theo Bergmann	45,000	3,000	–	–	152	48,152
Andrea Busch	45,000	–	–	–	152	45,152
Renate Glashauser	45,000	3,000	–	–	152	48,152
Jürgen Hahnemann	45,000	3,000	–	–	152	48,152
Monika Hohlmeier	45,000	3,000	–	–	152	48,152
Stefan Kraft	45,000	–	–	–	152	45,152
Michael Kuffner	45,000	6,000	–	–	152	51,152
Dr. Johann Lang	45,000	9,000	1,500	28,800	374	84,674
Bernhard Loy	45,000	3,000	–	–	152	48,152
Wilhelm Oberhofer	45,000	9,000	–	–	152	54,152
Joachim Rukwied	45,000	3,000	–	–	152	48,152
Monique Surges	45,000	3,000	–	–	152	48,152
	900,000	**108,000**	**3,750**	**48,000**	**2,876**	**1,062,626**

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

Composition of subscribed capital

The subscribed capital of BayWa AG amounted to €90,671,895.04 as at the reporting date and is divided up into 35,418,709 registered shares with an arithmetical portion of €2.56 each in the share capital. Of the shares issued, 34,035,811 are registered shares with restricted transferability and 139,647 recently registered shares with restricted transferability (dividend-bearing employee shares from 1 January 2021 onwards). A total of 1,243,251 shares are registered shares not subject to restricted transferability. 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.

Affiliated companies with over 10% of voting rights

On the reporting date, the following shareholders held stakes in the capital that exceeded 10% of the voting rights:
- Bayerische Raiffeisen-Beteiligungs-AG, 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

Following a resolution by the Annual General Meeting on 28 July 2020, and 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 25 May 2025 by up to a nominal amount of €4,642,503.68 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).

Following a resolution by the Annual General Meeting on 5 June 2018, and subject to the approval of the Supervisory Board, the Board of Management is authorised to raise the share capital one or several times on or before 31 May 2023 by up to a nominal amount of €10,000,000 through the issuance of new registered shares 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 2018).

Following a resolution by the Annual General Meeting on 7 June 2016, and subject to the approval of the Supervisory Board, the Board of Management is authorised to raise the share capital one or several times on or before 31 May 2021 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 2016).

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.

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, 22 March 2021

BayWa Aktiengesellschaft

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

Consolidated Financial Statements of BayWa AG for the Financial Year 2020

Consolidated Balance Sheet

Assets

In € million	Note	31/12/2020	31/12/2019 adjusted	01/01/2019 adjusted
Non-current assets				
Intangible assets	(C.1.)	436.7	403.7	338.1
Property, plant and equipment	(C.2.)	2,468.5	2,066.3	1,399.9
Participating interests recognised at equity	(C.3.)	244.3	208.0	214.6
Investments	(C.3.)	194.0	218.3	204.5
Investment property	(C.4.)	51.0	46.7	38.2
Income tax assets	(C.5.)	0.0	0.0	0.0
Other receivables and other assets	(C.6.)	28.0	35.9	29.0
Deferred tax assets [1]	(C.7.)	285.1	278.1	229.0
		3,707.6	**3,257.0**	**2,453.3**
Current assets				
Securities	(C.3.)	1.2	1.3	1.9
Inventories	(C.8.)	2,939.2	3,286.4	2,909.5
Biological assets	(C.9.)	12.8	13.6	16.5
Income tax assets	(C.5.)	58.4	59.8	54.2
Other current financial assets	(C.10.)	496.0	150.3	221.6
Other receivables and other assets	(C.6.)	1,655.7	1,844.8	1,706.1
Cash and cash equivalents	(C.11.)	168.4	229.7	120.6
		5,331.7	**5,585.9**	**5,030.4**
Non-current assets held for sale/disposal groups	(C.12.)	**5.1**	**4.7**	**4.2**
Total assets		**9,044.4**	**8,847.6**	**7,487.9**

1 The previous year's figures have been adjusted in accordance with IAS 8.42. Please see (A.5.) of the Notes to the Consolidated Financial Statements for further details.

Shareholders' equity and liabilities

In € million	Note	31/12/2020	31/12/2019 adjusted	01/01/2019 adjusted
Equity	(C.14.)			
Subscribed capital		90.6	90.3	89.9
Capital reserve		121.7	118.2	114.8
Hybrid capital		296.3	296.3	296.3
Revenue reserves [1]		369.3	448.3	512.8
Other reserves [1]		50.5	51.1	49.4
Equity net of minority interest		**928.4**	**1,004.2**	**1,063.2**
Minority interest		327.7	334.8	302.3
		1,256.1	**1,339.0**	**1,365.5**
Non-current liabilities				
Pension provisions	(C.15.)	769.5	735.5	657.2
Other non-current provisions	(C.16.)	69.5	59.5	52.8
Long-term debt	(C.17.)	1,114.2	1,301.1	883.1
Financial lease obligations	(C.18.)	761.8	706.5	164.5
Trade payables and liabilities from inter-group business relationships	(C.19.)	7.4	7.2	6.1
Income tax liabilities	(C.20.)	0.1	0.0	0.4
Financial liabilities	(C.21.)	17.2	8.3	5.2
Other liabilities	(C.22.)	88.6	84.3	85.7
Deferred tax liabilities	(C.23.)	207.7	229.1	219.7
		3,036.0	**3,131.5**	**2,074.7**
Current liabilities				
Pension provisions	(C.15.)	31.4	31.0	31.4
Other current provisions	(C.16.)	300.0	258.4	188.5
Short-term debt	(C.17.)	2,217.1	2,313.6	2,232.2
Financial lease obligations	(C.18.)	72.3	68.2	11.2
Trade payables and liabilities from inter-group business relationships	(C.19.)	964.4	1,048.7	1,016.7
Income tax liabilities	(C.20.)	38.1	16.1	12.4
Financial liabilities	(C.21.)	507.3	121.3	186.1
Other liabilities	(C.22.)	621.7	519.8	369.2
		4,752.3	**4,377.1**	**4,047.7**
Total shareholders' equity and liabilities		**9,044.4**	**8,847.6**	**7,487.9**

1 The previous year's figures have been adjusted in accordance with IAS 8.42. Please see Note (A.5.) of the Notes to the Consolidated Financial Statements for further details.

Consolidated Income Statement

Continued operations

In € million	Note	2020	2019 adjusted
Revenues	(D.1.)	**17,155.4**	**17,059.0**
Inventory changes		155.7	223.2
Other own work capitalised		16.4	13.7
Other operating income	(D.2.)	353.0	225.6
Cost of materials	(D.3.)	- 15,335.7	- 15,513.0
Gross profit		**2,344.8**	**2,008.5**
Personnel expenses	(D.4.)	- 1,184.9	- 1,081.9
Depreciation/amortisation		- 253.2	- 214.6
Other operating expenses	(D.5.)	- 694.7	- 629.4
Result of operating activities		**212.0**	**82.6**
Income from participating interests recognised at equity	(D.6.)	- 3.3	11.2
Other income from shareholdings	(D.6.)	6.5	94.6
Interest income	(D.7.)	14.5	12.8
Interest expenses	(D.7.)	- 118.5	- 122.0
Financial result		**- 100.8**	**- 3.4**
Earnings before tax (EBT)		**111.2**	**79.2**
Income tax [1]	(D.8.)	- 49.9	- 14.1
Consolidated net result for the year [1]		**61.3**	**65.1**
thereof: profit share of minority interest	(D.9.)	24.7	24.4
thereof: due to shareholders of the parent company		36.6	40.7
EBIT		**215.2**	**188.4**
EBITDA		**468.4**	**403.0**
Basic earnings per share (in €) [1]	(D.10.)	**0.68**	**0.80**
Diluted earnings per share (in €) [1]	(D.10.)	**0.68**	**0.80**

1 The previous year's figures have been adjusted in accordance with IAS 8.42. Please see (A.5.) of the Notes to the Consolidated Financial Statements for further details.

Consolidated Statement of Comprehensive Income – Transition

In € million	2020	2019 adjusted
Consolidated net result for the year [1]	**61.3**	**65.1**
Other income from participating interests recognised at equity that is not reclassified retroactively to profit and loss	- 0.0	- 0.0
Reclassification of measurement effects recognised in OCI to revenue reserves (without recycling)	–	–
Net gain/loss from other current financial assets attributed to the fair value through other comprehensive income category (OCI option – without recycling)	- 16.8	0.2
Actuarial gains/losses from pension obligations and provisions for severance pay	- 40.3	- 59.1
Other gains/losses measured in equity	- 4.9	–
Sum of items not subsequently reclassified in the income statement *	**- 62.0**	**- 58.9**
Other income from participating interests recognised at equity	–	–
Reclassifications to the income statement due to the disposal of participating interests recognised at equity	–	–
Differences from currency translation	- 13.9	8.1
Reclassifications of differences from currency translation in the income statement	- 0.1	0.3
Cash flow hedges	9.5	- 0.4
Reclassifications of net gains/losses from cash flow hedges to inventories or to the income statement	- 0.4	5.2
Sum of items not subsequently reclassified in the income statement *	**- 5.0**	**13.3**
Gains and losses recognised directly in equity	**- 66.9**	**- 45.6**
thereof: due to minority interest	- 10.4	0.8
thereof: due to shareholders of the parent company	- 56.5	- 46.4
Consolidated total result for the year	**- 5.7**	**19.5**
thereof: due to minority interest	14.2	25.2
thereof: due to shareholders of the parent company	- 19.9	- 5.7

1 The previous year's figures have been adjusted in accordance with IAS 8.42. Please see (A.5.) of the Notes to the Consolidated Financial Statements for further details.

Note regarding the items marked * in the consolidated statement of comprehensive income – transition:
The previous form of presenting the consolidated statement of comprehensive income – transition has been adjusted for a more appropriate presentation of the financial information to be disclosed pursuant to IAS 1.45(a) as part of the initial application of the provisions of Section 328 para. 1 sentence 4 item 1 of the German Commercial Code (HGB) regarding the format and disclosure of single-entity and consolidated financial statements in accordance with the European Single Electronic Format (ESEF). Accordingly, the financial information for the previous year has also been reported in line with the form of presentation selected for the first time for the financial year 2020 (IAS 1.41).

- Other income from participating interests recognised at equity that is not reclassified retroactively to profit and loss – IAS 1.82A(b)(i) – was disclosed under the separate item “Other income from participating interests recognised at equity that is not reclassified retroactively to profit and loss” for the first time in the financial year 2020 (2019: €0.0 million).
- The items “Net gain/loss from hedging instruments with a clear hedging relationship recognised in the reporting period” and “Cash flow hedges”, which were previously disclosed separately, were summarised under the item “Cash flow hedges” (2019: minus €0.4 million) for the first time in the financial year.
- Reclassifications of net gains/losses from cash flow hedges to inventories or to the income statement were disclosed in aggregated form under the item “Reclassifications of net gains/losses from cash flow hedges to inventories or to the income statement during the reporting period” for the first time in the financial year (2019: €5.2 million).
- Other gains and losses recognised in equity were disclosed for the first time due to a new matter to be taken into account in the financial year 2020.

Consolidated Cash Flow Statement

Note (E.1.)

In € million	2020	2019 adjusted
Consolidated net result for the year [1]	**61.3**	**65.1**
Income tax expenses [1]	49.9	14.1
Financial result	99.3	3.4
Write-downs/write-ups of non-current assets		
Intangible assets	48.4	39.5
Property, plant and equipment	203.4	173.7
Investments	0.1	1.1
Investment property	1.4	1.4
Other non-cash related expenses/income		
Expenses relating to share-based payment through profit and loss	1.6	1.5
Other	1.9	- 10.0
Increase/decrease in non-current provisions	- 20.5	- 22.3
Cash effective expenses/income from special items		
Gain/loss from the disposal of investments	0.0	0.1
Income tax paid	- 43.5	- 28.6
Interest received [1]	0.1	1.3
Interest paid [1]	- 1.2	- 26.2
Other financial result	–	–
Cash earnings	**402.2**	**213.9**
Increase/decrease in current and medium-term provisions	34.5	61.8
Gain/loss from assets disposals	- 33.2	- 23.0
Increase/decrease in inventories, trade receivables and other assets not allocable to investing or financing activities	- 119.3	- 318.4
Increase/decrease in trade payables and other liabilities not allocable to investing or financing activities	390.6	40.9
Cash flow from operating activities	**674.8**	**- 24.9**
Outgoing payments for company acquisitions (see (B.1.) of the Notes to the Consolidated Financial Statements)	- 18.2	- 53.4
Incoming payments from the divestiture of companies	4.1	73.2
Incoming payments from the disposal of intangible assets, property, plant and equipment and investment property	81.6	152.5
Outgoing payments for investments in intangible assets, property, plant and equipment and investment property	- 332.0	- 292.1
Incoming payments from the disposal of investments	3.0	4.8
Outgoing payments for investment in investments	- 15.1	- 25.0
Interest received [1]	–	0.5
Interest paid [1]	–	- 10.3
Dividends received and other income assumed	1.9	0.4
thereof: dividends from participating interests in joint ventures and associated companies recognised at equity	1.9	–
thereof: other income from holdings	–	0.4
Cash flow from investment activities	**- 274.8**	**- 149.4**

1 **The previous year's figures have been adjusted in accordance with IAS 8.42. Please see (A.5.) of the Notes to the Consolidated Financial Statements for further details.**

In € million	2020	2019
Incoming payments from equity contributions	4.8	4.9
Dividend payments	- 59.5	- 61.6
Hybrid capital contributions	–	–
Incoming payments from borrowing of (financing) loans	10.3	551.5
Incoming payments from lease receivables	5.5	4.0
Outgoing payments from redemption of (financing) loans	- 256.8	- 58.7
Outgoing payments for lease liabilities	- 72.3	- 98.3
Interest received *	17.7	11.1
Interest paid *	- 107.8	- 70.4
Cash flow from financing activities	**- 458.2**	**282.6**
Payment-related changes in cash and cash equivalents	- 58.2	108.2
Cash and cash equivalents at the start of the period	229.7	120.6
Inflow/outflow of funds due to changes in the group of consolidated companies and in exchange rates	- 3.1	1.0
Cash and cash equivalents at the end of the period	**168.4**	**229.7**
Outgoing payments for company acquisitions included in the cash flow from investing activities are as follows:		
Purchase price of company acquisitions	- 25.5	- 70.4
Purchase prices paid in the financial year (including contingent purchase price components from company acquisitions in previous years)	- 19.9	- 56.1
Cash and cash equivalents assumed from company activities	1.7	2.7
Net cash flow from the acquisition of companies	- 18.2	- 53.4

Note regarding the items marked * in the consolidated cash flow statement:
The previous form of presenting the consolidated cash flow statement was adjusted for the first time in the financial year 2020 for a more appropriate presentation of the financial information to be disclosed pursuant to IAS 1.45(a) as part of the initial application of the provisions of Section 328 para. 1 sentence 4 item 1 of the German Commercial Code (HGB) regarding the format and disclosure of single-entity and consolidated financial statements in accordance with the European Single Electronic Format (ESEF). Accordingly, the financial information for the previous year was also reported in line with the form of presentation selected for the first time for the financial year 2020 (IAS 1.41).

In the place of a netted presentation under the aggregated item “Interest paid”, the interest received and paid were disclosed separately for all components of the consolidated cash flow statement under the items “Interest received” and “Interest paid” for the first time in the financial year 2020. Interest received and paid had been disclosed as follows in the previous year:

- Cash flow from operating activities: “Interest paid: minus €24.9 million”
- Cash flow from investment activities: “Interest paid: minus €9.8 million”
- Cash flow from financing activities: “Interest paid: minus €59.3 million”

Please see (B.1.) of the Consolidated Financial Statements for details on the assets and liabilities of the subsidiaries and/or operating units over which control is obtained or lost, summarised by each major category. As one of the primary business purposes in the Renewable Energies business unit is the disposal of project companies once a project has been completed, incoming payments from the disposal of project companies 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 (E.1.)

In € million	Subscribed capital	Capital reserve
As at 01/01/2019 (as reported)	**89.9**	**114.8**
Adjustments pursuant to IAS 8 (see (A.5.) of the Notes to the Consolidated Financial Statements)	–	–
As at 01/01/2019 (adjusted)	**89.9**	**114.8**
Differences resulting from changes in the group of consolidated companies	–	–
Capital increase against cash contribution/share-based payments	0.4	3.4
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 *	–	–
Change in actuarial gains/losses from pension and severance pay obligations *	–	–
Dividend distribution	–	–
Differences from currency translation	–	–
Cash flow hedges *	–	–
Hybrid capital dividends	–	–
Transfer to/withdrawal from revenue reserve	–	–
Consolidated net result for the year [1]	–	–
As at 31/12/2019 (adjusted)	**90.3**	**118.2**
As at 01/01/2020 (adjusted)	**90.3**	**118.2**
Differences resulting from changes in the group of consolidated companies	–	–
Capital increase against cash contribution/share-based payments	0.3	3.5
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 *	–	–
Change in actuarial gains/losses from pension and severance pay obligations *	–	–
Other gains/losses measured in equity	–	–
Dividend distribution	–	–
Differences from currency translation	–	–
Cash flow hedges *	–	–
Hybrid capital dividends	–	–
Transfer to/withdrawal from revenue reserve	–	–
Consolidated net result for the year	–	–
As at 31/12/2020	**90.6**	**121.7**

1 The previous year's figures have been adjusted in accordance with IAS 8.42. Please see (A.5.) of the Notes to the Consolidated Financial Statements for further details.

Note regarding the items marked * in the consolidated statement of changes in equity:
The form of presenting the consolidated statement of changes in equity was adjusted for the first time in the financial year 2020 for a more appropriate presentation of the financial information to be disclosed pursuant to IAS 1.45(a) as part of the initial application of the provisions of Section 328 para. 1 sentence 4 item 1 of the German Commercial Code (HGB) regarding the format and disclosure of single-entity and consolidated financial statements in accordance with the European Single Electronic Format (ESEF). Accordingly, the financial information for the previous year has also been reported in line with the form of presentation selected for the first time for the financial year 2020 (IAS 1.41).

- The presented effects from cash flow hedges previously presented under the item "Change in other current financial assets measured at fair value through other comprehensive income (FVTOCI option), derivative financial instruments and other income from participating interests included under the equity method" were disclosed under the item "Cash flow hedges" for the first time in the financial year 2020 (2019: €3.5 million).
- Other income from participating interests recognised at equity and other current financial assets measured at fair value through other comprehensive income (FVTOCI option) are still disclosed in the item "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". As a result, actuarial gains and losses from provisions for pensions and severance pay related to participating interests recognised at equity will also be disclosed under this item from the financial year 2020 onwards (2019: minus €0.0 million).

Hybrid capital	Valuation reserve	Other revenue reserves	Other reserves	Equity net of minority interest	Minority interest	Equity
296.3	**14.4**	**522.0**	**49.4**	**1,086.8**	**302.3**	**1,389.1**
–	–	- 23.6	–	- 23.6	–	- 23.6
296.3	**14.4**	**498.4**	**49.4**	**1,063.2**	**302.3**	**1,365.5**
–	0.0	- 0.4	- 12.5	- 12.9	23.7	10.8
–	–	- 0.0	–	3.7	1.0	4.8
–	0.1	–	0.0	0.1	0.1	0.2
–	–	- 57.3	–	- 57.3	- 1.8	- 59.1
–	–	–	- 31.5	- 31.5	- 17.3	- 48.8
–	–	–	6.8	6.8	1.6	8.4
–	4.0	–	–	4.0	0.9	4.9
–	–	–	- 12.8	- 12.8	–	- 12.8
–	–	- 10.9	10.9	0.0	0.0	0.0
–	–	–	40.7	40.7	24.4	65.1
296.3	**18.6**	**429.7**	**51.1**	**1,004.2**	**334.8**	**1,339.0**
296.3	**18.6**	**429.7**	**51.1**	**1,004.2**	**334.8**	**1,339.0**
–	0.2	- 7.4	- 6.3	- 13.5	- 8.9	- 22.4
–	–	- 0.0	–	3.8	1.0	4.8
–	- 8.1	- 0.0	0.0	- 8.1	- 8.6	- 16.8
–	–	- 40.0	–	- 40.0	- 0.3	- 40.3
–	–	- 4.9	–	- 4.9	–	- 4.9
–	–	–	- 33.4	- 33.4	- 13.4	- 46.8
–	–	–	- 10.8	- 10.8	- 3.2	- 14.0
–	7.3	–	–	7.3	1.7	9.0
–	–	–	- 12.8	- 12.8	–	- 12.8
–	–	- 26.0	26.0	0.0	0.0	0.0
–	–	–	36.6	36.6	24.7	61.3
296.3	**17.9**	**351.5**	**50.5**	**928.4**	**327.7**	**1,256.1**

Notes to the Consolidated Financial Statements [1]

(A.) Background to the BayWa Consolidated Financial Statements

(A.1.) General information, accounting and valuation methods

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 in 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 three operating segments Energy, Agriculture and Building Materials, as well as the Innovation & Digitalisation Segment focused on development – 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 2019.

The consolidated financial statements as at 31 December 2020 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 Interpretations Committee (IFRIC) 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; Allen Blair Properties Limited, Wellington, New Zealand; and PURE Applikationen GmbH & Co. KG, Regensburg, Germany, 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 under (C.) and (D.) in the notes to the balance sheet and the income statement. 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).

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.**

(A.2.) Estimates and assumptions 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 capitalised, 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 (C.1.) for information on the extent to which justifiable changes to the underlying assumptions for material goodwill could result in the book values 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 the biological assets.

Estimates have been made in respect of inventories, especially in the context of write-downs on 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.

Finally, operating expenses of “investment property” are also subject to estimates based on empirical values.

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 otherwise in future business periods. In such cases, the assumptions and, if necessary, the book value 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.3.) Impact of new accounting standards

Accounting standards, interpretations and amendments applicable for the first time in the financial year 2020

In the financial year 2020, the following standards and interpretations revised or issued by the International Accounting Standards Board (IASB) were applicable for the first time for the BayWa Group:

Standard	Applicable from	Changes	Impact on financial reporting
IFRS 9/IAS 39/IFRS 7 Interest Rate Benchmark Reform (Phase 1)	01/01/2020	The standard amendments present the outcome of the first phase of the two-phase standard-setting programme. They deal with the impact on certain hedge accounting standards in IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement, as well as corresponding disclosures in notes to consolidated financial statements under IFRS 7 Financial Instruments: Disclosures, that arise due to the uncertainties regarding the alternative interest rates and their introduction.	No material impact
Amendments to the Conceptual Framework	01/01/2020	The revised Conceptual Framework includes new definitions of assets and liabilities, as well as revised guidelines regarding measurement and derecognition, recognition and disclosure. References in existing standards to the Conceptual Framework will also be updated. The revised Conceptual Framework is not part of the endorsement process.	No material impact
Amendments to IAS 1 and IAS 8	01/01/2020	Materiality is an important concept in preparing financial statements under IFRS. The requirements sharpen the definition of "material" and are intended to standardise the various definitions in the Conceptual Framework and in the standards.	No material impact
Amendments to IFRS 3 Definition of a Business	01/01/2020	The amendments to IFRS 3 specify the definition of a business and help companies to judge whether a transaction results in the creation of a group of assets or in the acquisition of a business.	No material impact
Amendment to IFRS 16 Covid-19-Related Rent Concessions	01/06/2020	The amendments exempt lessees from having to assess whether rent concessions granted as a result of the coronavirus pandemic (such as rent holidays or temporary rent reductions) constitute lease modifications. Upon application, the practical expedient will allow lessees to recognise rent concessions as if they were not modifications of the lease agreement. The amendments can be applied to rent concessions that reduce lease payments due on or before 30 June 2021.	No material impact

Standards, interpretations and amendments which have been published but not yet applied

Standards which have been published and adopted by the EU
The following standards and interpretations revised or issued by the International Accounting Standards Board (IASB) have been adopted by the EU but are only applicable to the BayWa Group after 31 December 2020:

Standard	Applicable from	Likely changes	Likely impact on financial reporting
IFRS 9/IAS 39/IFRS 7/ IFRS 4/IFRS 16 Interest Rate Benchmark Reform (Phase 2)	01/01/2021	The standard amendments present the outcome of the second phase of the two-phase standard-setting programme and address matters that could influence financial reporting following the reform of an interest rate benchmark, including its replacement with alternative interest rate benchmarks.	No material impact

The amendments to IFRS 4 Extension of the Temporary Exemption from Applying IFRS 9 dated 25 June 2020, which were adopted as part of European law on 15 December 2020 with first-time application from 1 January 2021, are not relevant to the BayWa Group.

Standards which have been published but not yet adopted by the EU

The following standards and interpretations revised or issued by the International Accounting Standards Board (IASB) have not yet been adopted by the EU and are only applicable to the BayWa Group after 31 December 2020:

Standard	Applicable from	Likely changes	Likely impact on financial reporting
Amendments to IFRS 3 Reference to the Conceptual Framework	01/01/2022	The amendments update IFRS 3 so that the standard now refers to the 2018 Conceptual Framework rather than the 1989 Conceptual Framework. Two additions were also made: An acquirer must always apply IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination. Moreover, an acquirer should not recognise contingent assets acquired in a business combination.	No material impact
Amendments to IAS 37	01/01/2022	The changes specify that the "cost of fulfilling a contract" comprises the "costs that relate directly to the contract". Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).	No material impact
Amendments to IAS 16	01/01/2022	The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The costs of testing if an asset is functioning properly continue to constitute an example of directly attributable costs.	No material impact
Annual improvements to IFRS 2018–2020	01/01/2022	Improvements to IFRS 1, IFRS 9, IFRS 16 and IAS 41.	No material impact
Amendments to IAS 1	01/01/2023	The amendments to IAS 1 are intended to define the criteria for classifying liabilities as current or non-current. In future, only "rights" in existence at the end of the reporting date will be material to the classification of a liability. Supplementary guidelines for interpreting the criterion "right to defer settlement of the liability for at least twelve months" and explanations on the characteristic of "settlement" were also included.	No material impact
Amendments to IFRS 10/IAS 28	Postponed indefinitely	The amendments clarify that, in the case of transactions with an associate or a joint venture, the extent of the gain or loss depends on whether the sold or contributed assets constitutes a business. The effective date has been postponed indefinitely until the equity method of accounting research project has been completed.	No material impact

IFRS 17 Insurance Contracts, published on 18 May 2020, and IFRS 14 Regulatory Deferral Accounts, published on 30 January 2014, are not relevant to the BayWa Group.

(A.4.) Impact of the coronavirus pandemic on the BayWa Group

General assessment of the impact on the BayWa Group

The coronavirus pandemic, which has been spreading throughout Europe and the entire world since the start of 2020, did not have a material impact on the business activities of the BayWa Group in the financial year 2020. The measures taken to combat the coronavirus led to a significant decline in activity in many sectors of the economy due to the temporary closure of businesses, among other things. However, due to their essential functions for society, the food and energy sectors – along with building materials markets, as suppliers and outfitters for the skilled trades and the commercial sector – were not affected by the closures in Germany. Isolated restrictions on business activity resulted primarily in the BAST and Global Produce business units due to the international links in supply chains, transport capacity bottlenecks and the resulting reduction in the availability of primary materials and products. In sea freight, for example, connections were initially cancelled over a period of weeks (blank sailings). Following the successive restarting of production in China, ports were overwhelmed, and shipping companies increased freight rates. In aviation, the sharp decrease in passenger flights also led to a lack of freight capacities, as more than 40% of airfreight is carried as belly freight on passenger aircraft. The Renewable Energies business unit saw delays in a few projects, with approval processes taking longer due to limited processing capacities at the competent authorities. Moreover, the BayWa Group incurred additional expenditures for measures to protect the health of employees and customers, as well as for the further expansion of IT infrastructure.

The impact of the measures to combat the coronavirus pandemic led to dynamic growth in product sales through the Group's various online platforms. There is no way of reliably estimating the scale of the negative or case-by-case positive impacts on the BayWa Group's business activities at the current time.

Balance sheet impact on the BayWa Group

IAS 36.12 contains indications that are intended to help determine whether a triggering event for a potential impairment of assets has occurred. One of these indications is based on a comparison of the carrying amount of equity with the market capitalisation of the company. A fundamental impairment test of all cash-generating units is necessary if the carrying value of equity exceeds market capitalisation. With regard to the BayWa Group, a comparison between the carrying value of equity and market capitalisation for 2020, 2019 and 2018 has revealed that there are no indications of potential impairment.

In addition, the following balance sheet items and financial reporting areas were investigated to determine potential effects of the coronavirus pandemic within the BayWa Group. Taken as a whole, there appear to be no indications of material effects across all areas:

Financial reporting area	Description of potential effects	Impact on the BayWa Group
Intangible assets; property, plant and equipment; investment property	Against the backdrop of coronavirus, it is conceivable that there could be increased indications of impairment of non-current assets. Potential effects of the coronavirus pandemic are therefore to be considered when determining a potential impairment need and when determining the recoverable amount.	There were no indications of any material impact on the consolidated financial statements for 2020.
Investments	The effects of the coronavirus pandemic may make it necessary to test long-term interests in affiliated and other companies for impairment. Previous forecasts must be adjusted accordingly as a result of the expected influence of the coronavirus pandemic if the fair value of investments, particularly those attributable to non-listed companies, is determined using the German income approach or discounted cash flow method.	There were no indications of any material impact on the consolidated financial statements for 2020.
Inventories	In connection with the coronavirus pandemic, potentially lower selling prices of finished goods and/or increased costs for completion, or costs incurred for unfinished goods until the time of sale, must be considered when assessing inventories.	There were no indications of any material impact on the consolidated financial statements for 2020.
Trade receivables	Potential effects of the coronavirus pandemic may be reflected in trade receivables, particularly in risk provisions for stage 2 expected credit losses, for example due to a "coronavirus markup" on the probability of default determined pursuant to the simplified approach for current trade receivables.	There were no indications of any material impact on the consolidated financial statements for 2020.
Provisions	Excess liabilities resulting from supply and service agreements that have become onerous for the company as a result of the coronavirus pandemic must be recognised as a provision (e.g. as an onerous contract provision from uncompleted transactions).	There were no indications of any material impact on the consolidated financial statements for 2020.
Liabilities	Due to the coronavirus pandemic, it may no longer be possible to comply with contractual covenants related to loans. Non-current financial liabilities may need to be classified as current if such covenants allow the lender to immediately call in financial liabilities.	There were no indications of any material impact on the consolidated financial statements for 2020.
Revenue recognition	Supply and/or service agreements must be re-evaluated if the solvency of a customer has deteriorated significantly as a result of the coronavirus pandemic. Revenue recognition may not be possible if a customer is not (or no longer) able to provide the contractually stipulated consideration.	There were no indications of any material impact on the consolidated financial statements for 2020.
Fair value measurement	As a consequence of the coronavirus pandemic, increased volatilities and the drop in prices on capital markets may have a direct impact on the fair values of all assets. Such developments must be taken into account, especially when measuring fair value in accordance with IFRS 13 (e.g. for financial instruments measured at fair value).	There were no indications of any material impact on the consolidated financial statements for 2020.
Hedge accounting	With regard to hedge accounting (especially cash flow hedges), it is necessary to assess whether the occurrence of transactions can still be expected with a high degree of probability as a result of the coronavirus pandemic. The hedging relationship must be terminated prospectively if the occurrence of the expected transaction is no longer highly probable, resulting in recognition of the gains or losses through profit or loss.	There were no indications of any material impact on the consolidated financial statements for 2020.
Leases	The coronavirus pandemic may lead to concessions by lessors with regard to lease payments. For such events, IFRS 16 contains a practical expedient for recognising rent deferrals and gives the lessor the option not to present coronavirus-related rent concessions as a modification.	There were no indications of any material impact on the consolidated financial statements for 2020.

In mid-2020, BayWa AG reached an agreement on additional credit lines totalling €300.0 million in order to counteract the partial reduction in demand for commercial papers, which constitute a portion of the BayWa Group's financing portfolio, due to the ensuing uncertainty. However, the credit lines were not utilised as backup lines prior to the preparation of the financial statements.

(A.5.) Error correction pursuant to IAS 8.42

Pursuant to IAS 8.42, these consolidated financial statements for 2020 correct an error from previous years regarding the recoverability of deferred tax assets. The error was the result of BayWa AG.

So far, BayWa AG has recognised deferred tax assets on tax loss carryforwards that were tested annually for recoverability. In the financial year 2020, it became apparent that individual items had not been corrected in the forecast on which the impairment test was based in previous financial years, and consequently the tax result used for the usability of loss carryforwards was calculated too high in each case.

Specifically, in the forecast on which the impairment test was based, an off-balance-sheet curtailment had not been correctly derived, reversals of the temporary differences had been erroneously accounted for twice and supposed non-deductible interest expenses were taken into account to increase earnings. In all cases, the tax result was overstated as a result.

- Double taxation in the determination of the tax result: No off-balance-sheet curtailment was made in connection with a pre-consolidation underpayment by BayWa Pensionsverwaltung GmbH (controlled entity) to BayWa AG (controlling entity), which was to be accounted for as a contribution by BayWa AG to BayWa Pensionsverwaltung GmbH for tax purposes. As a result, the amount of the pre-consolidation underpayment was therefore taken into account twice when determining the tax result.
- Double counting of temporary differences in the tax result: An increase in the tax results, and thus also the recoverability of deferred tax assets, was justified by the successive reversal of special tax items in accordance with Section 5 (7) of the German Income Tax Act (EStG) and Section 6b of the German Income Tax Act (EStG). Deferred tax liabilities have been formed on these two items for the taxable temporary differences. As part of the two-stage impairment test in accordance with IAS 12.28f., the expected reversal of these taxable temporary differences was correctly used to offset deductible differences, and the recoverability of deferred tax assets was established to this extent (stage 1 within the meaning of IAS 12.28). As a result, these taxable differences may not be taken into account again in stage 2 of the impairment test, in which the existence of positive tax results is examined. In order to avoid double taxation, the tax result must therefore be adjusted for these amounts in accordance with IAS 12.29(a)(i).
- Correction of the alleged interest barrier problem: At the planning date, the applicability of the interest barrier pursuant to Section 8a of the German Corporate Tax Act (KStG) in conjunction with Section 4h of the German Income Tax Act (EStG) was approved on the basis of the expected interest balance and an off-balance-sheet correction of the interest expense was made accordingly. Subsequently, it was determined that all interest expenses are tax deductible in the 2018 assessment period. An off-balance-sheet adjustment was therefore not necessary. In the subsequent years, the tax-relevant interest balance amounts to less than €3 million, meaning that the interest barrier is not applicable.

Based on the points mentioned above, a full value adjustment of the deferred tax assets on tax loss carryforwards recognised at the time in the amount of €23.6 million should have been performed in previous years. This correction was performed belatedly in the opening balance sheet for 2019 in line with the provisions of IAS 8. At the same time, the value adjustment of €4.0 million contained in the consolidated financial statements for 2019 had to be reversed, as a need for value adjustment would no longer have existed at that time had the calculation been performed correctly.

These adjustments result in the following effects on the consolidated balance sheet as at 31 December 2018 and/or 1 January 2019 (for the sake of clarity, only the items affected by the correction are shown):

In € million	31/12/2018 unadjusted	Adjustment 2018	31/12/2018 adjusted
Assets			
Non-current assets			
Deferred tax assets	252.6	- 23.6	229.0
[Total non-current assets]	**2,476.9**	**- 23.6**	**2,453.3**
Total assets	**7,511.5**	**- 23.6**	**7,487.9**
Shareholders' equity and liabilities			
Equity			
Revenue reserves	536.4	- 23.6	512.8
Equity net of minority interest	1,086.8	- 23.6	1,063.2
[Total equity]	**1,389.1**	**- 23.6**	**1,365.5**
Total shareholders' equity and liabilities	**7,511.5**	**- 23.6**	**7,487.9**

By contrast, the effects on the consolidated balance sheet as at 31 December 2019 are as follows (for the sake of clarity, only the items affected by the correction are shown):

In € million	31/12/2019 unadjusted	Adjustment from 2018 (see above)	Adjustment 2019	31/12/2019 adjusted
Assets				
Non-current assets				
Deferred tax assets	297.7	- 23.6	4.0	278.1
[Total non-current assets]	**3,276.6**	**- 23.6**	**4.0**	**3,257.0**
Total assets	**8,867.2**	**- 23.6**	**4.0**	**8,847.6**
Shareholders' equity and liabilities				
Equity				
Revenue reserves	471.9	- 23.6	–	448.3
Other reserves	47.1	–	4.0	51.1
Equity net of minority interest	**1,023.8**	**- 23.6**	**4.0**	**1,004.2**
Minority interest	**334.8**	**–**	**–**	**334.8**
[Total equity]	**1,358.6**	**- 23.6**	**4.0**	**1,339.0**
Total shareholders' equity and liabilities	**8,867.2**	**- 23.6**	**4.0**	**8,847.6**

The effect on the consolidated income statement for the financial year 2019 was as follows (for the sake of clarity, only the items affected by the correction are shown):

In € million	2019 unadjusted	Adjustment pursuant to IAS 8.42	2019 adjusted
Income tax	- 18.1	4.0	- 14.1
Consolidated net result for the year	**61.1**	**4.0**	**65.1**
thereof: profit share of minority interest	24.4	–	24.4
thereof: profit share of shareholders of the parent company	36.7	4.0	40.7
Basic earnings per share (in €)	**0.68**	**0.12**	**0.80**
Diluted earnings per share (in €)	**0.68**	**0.12**	**0.80**

Based on the adjusted consolidated net result for the year, the following adjustments in the consolidated statement of comprehensive income – transition for the financial year 2019 result (for the sake of clarity, only the items affected by the correction are shown):

In € million	2019 unadjusted	Adjustment pursuant to IAS 8.42	2019 adjusted
Consolidated net result for the year	**61.1**	**4.0**	**65.1**
Gains and losses recognised directly in equity	**- 45.6**	**–**	**- 45.6**
Consolidated total result for the year	**15.5**	**4.0**	**19.5**
thereof: due to minority interest	25.2	–	25.2
thereof: due to shareholders of the parent company	- 9.7	4.0	- 5.7

The effect of the correction on the consolidated cash flow statement for the financial year 2019 is summarised in the following table (for the sake of clarity, only the items affected by the correction and totals lines are shown):

In € million	2019 unadjusted	Adjustment pursuant to IAS 8.42	2019 adjusted
Consolidated net result for the year	**61.1**	**4.0**	**65.1**
Income tax	18.1	- 4.0	14.1
Cash flow from operating activities	**- 212.0**	**–**	**- 212.0**
Cash flow from investment activities	**- 149.4**	**–**	**- 149.4**
Cash flow from financing activities	**469.6**	**–**	**469.6**
Payment-related changes in cash and cash equivalents	108.2	–	108.2
Cash and cash equivalents at the start of the period	120.6	–	120.6
Inflow/outflow of funds due to changes in the group of consolidated companies and in exchange rates	0.9	–	0.9
Cash and cash equivalents at the end of the period	**229.7**	**–**	**229.7**

The adjustments have the following effect on the consolidated statement of changes in equity (for the sake of clarity, only the rows and columns affected by the correction are shown):

In € million	Other revenue reserves	Other reserves	Equity net of minority interest	Minority interest	Equity
As at 01/01/2019 (as reported)	522.0	49.4	1,086.8	302.3	1,389.1
Adjustments pursuant to IAS 8	- 23.6	–	- 23.6	–	- 23.6
As at 01/01/2019 (adjusted)	**498.4**	**49.4**	**1,063.2**	**302.3**	**1,365.5**
Consolidated net result for 2019 (as reported)	–	36.7	36.7	24.4	61.1
Adjustments pursuant to IAS 8	–	4.0	4.0	–	4.0
	–	–	–		
Consolidated net result for 2019 (adjusted)	**–**	**40.7**	**40.7**	**24.4**	**65.1**
	–	–			
As at 31/12/2019 (as reported)	453.3	47.1	1,023.8	334.8	1,358.6
Adjustments pursuant to IAS 8 (2018)	- 23.6	–	- 23.6		- 23.6
Adjustments pursuant to IAS 8	–	4.0	4.0	–	4.0
As at 31/12/2019 (adjusted)	**429.7**	**51.1**	**1,004.2**	**334.8**	**1,339.0**
	–	–			

In addition, the non-current assets attributed to Germany that are presented in the segment information by region have been adjusted in (E.2.) Explanations on the segment report. The value reported in the previous year in the amount of €1,764.9 million has been reduced by €19.6 million and now stands at €1,745.3 million. The same effect is reflected in the segment information by business unit, where the assets attributed to Other Activities has also decreased by €19.6 million and now stands at €5,087.1 million.

(A.6.) Changes to accounting policies within the meaning of IAS 8.14 et seq.

The effects from the deconsolidation of project companies in the Renewable Energies business unit were reported in amended form for the first time in these consolidated financial statements for 2020. In the version amended in accordance with IAS 8.14 et seq., the disposals are now accounted for in the items resulting from changes to financial position items within the cash flow from operating activities and the cash flow from financing activities within the scope of the deconsolidation for project sales, which essentially leads to a shift in presentation from cash flow from operating activities to cash flow from financing activities. This change in methodology helps to present the operating business in the Renewable Energies business unit (particularly project work and the sale of wind farms and solar parks) in a clearer and improved manner. The adjustment ensures a consistent presentation of the project sales in these financial statements and in future financial statements.

The effect of the change on the consolidated cash flow statement for the financial year 2019 is summarised in the following table (for the sake of clarity, only the items affected by the correction and totals lines are shown):

In € million	2019 unadjusted	Adjustment pursuant to IAS 8.14	2019 adjusted
Consolidated net result for the year [1]	**65.1**		**65.1**
Other non-cash related expenses/income			
Increase/decrease in non-current provisions	- 12.8	- 9.5	- 22.3
Cash earnings	**223.4**	**- 9.5**	**213.9**
Increase/decrease in current and medium-term provisions	68.1	- 6.3	61.8
Increase/decrease in inventories, trade receivables and other assets not allocable to investing or financing activities	- 578.9	260.5	- 318.4
Increase/decrease in trade payables and other liabilities not allocable to investing or financing activities	98.5	- 57.6	40.9
Cash flow from operating activities	**- 212.0**	**187.1**	**- 24.9**
Cash flow from investment activities	**- 149.4**	**–**	**- 149.4**
Incoming payments from borrowing of (financing) loans	738.7	- 187.2	551.5
Outgoing payments for lease liabilities	- 98.4	0.1	- 98.3
Cash flow from financing activities	**469.6**	**- 187.0**	**282.6**
Cash and cash equivalents at the end of the period	**229.7**	**–**	**229.7**

1 The consolidated net result for the year already contains the retrospective adjustment for 2019 presented in (A.5.) and is therefore €4.0 million higher than the originally reported consolidated net result for the year of €61.1 million.

(B.) Information on Consolidation

(B.1.) 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 2020 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 2020.

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
Athena Solar Srl., Milan, Italy	100.0	100.0	Initial consolidation on 01/01/2020
Atlante S.r.l., Milan, Italy	100.0	100.0	Initial consolidation on 01/01/2020
BaSE Renewables Sdn Bhd, Kuala Lumpur, Malaysia	100.0	100.0	Initial consolidation on 01/01/2020
BaSE Solar Sdn. Bhd., Kuala Lumpur, Malaysia	77.0	70.0	Initial consolidation on 01/01/2020
BayWa Bau Projekt GmbH, Munich, Germany	100.0	100.0	Initial consolidation on 01/01/2020
BayWa r.e. Asset Management GmbH, Gräfelfing, Germany	100.0	100.0	Initial consolidation on 01/01/2020
BayWa r.e. Korea Co., Ltd., Seoul, Republic of Korea	100.0	100.0	Initial consolidation on 01/01/2020
BayWa r.e. Operation Services LLC, Irvine, USA	100.0	100.0	Initial consolidation on 01/01/2020
BayWa r.e. Operation Services Pty Ltd, Richmond, Australia	100.0	100.0	Initial consolidation on 01/01/2020
BayWa r.e. Solar Asset Holding Korea Co., Ltd., Seoul, Republic of Korea	100.0	100.0	Initial consolidation on 01/01/2020
BayWa r.e. Solar Asset Holdings LLC, Wilmington, USA	100.0	100.0	Initial consolidation on 01/01/2020
BayWa r.e. Solar Systems Corporation, Makati, Republic of the Philippines	99.9	99.9	Initial consolidation on 01/01/2020
BayWa re (Malaysia) Sdn. Bhd., Kuala Lumpur, Malaysia	100.0	100.0	Initial consolidation on 01/01/2020
Bendigo Solar Farm HoldCo Pty Ltd, Richmond, Australia	100.0	100.0	Initial consolidation on 01/01/2020
Bendigo Solar Farm Pty Ltd, Richmond, Australia	100.0	100.0	Initial consolidation on 01/01/2020
BRE/GE Solar Developments Limited, Edinburgh, UK	51.0	51.0	Initial consolidation on 01/01/2020
Brüderl Projekt GmbH & Co. KG, Traunreut, Germany	51.0	51.0	Initial consolidation on 01/01/2020
Clos Neuf Energies SAS, Paris, France	100.0	100.0	Initial consolidation on 01/01/2020
Corriegarth 2 Windfarm Limited, London, UK	100.0	100.0	Initial consolidation on 01/01/2020
Energía Diodos, S.L.U., Barcelona, Spain	100.0	100.0	Initial consolidation on 01/01/2020
Eolica Aragon S.r.l., Milan, Italy	100.0	100.0	Initial consolidation on 01/01/2020
Fern Solar Class B LLC, Irvine, USA	100.0	100.0	Initial consolidation on 01/01/2020
Fern Solar LLC, Irvine, USA	100.0	100.0	Initial consolidation on 01/01/2020
Fern Tax Equity Partnership LLC, Irvine, USA	100.0	100.0	Initial consolidation on 01/01/2020
Forster GmbH, Munich, Germany	100.0	100.0	Initial consolidation on 01/01/2020
G. Stranzinger Bauprojekt GmbH & Co. KG, Tann, Germany	60.0	60.0	Initial consolidation on 01/01/2020
Juno Solar S.r.l., Milan, Italy	100.0	100.0	Initial consolidation on 01/01/2020
Korea Solar 1 Co., Ltd., Seoul, Republic of Korea	100.0	100.0	Initial consolidation on 01/01/2020
Korea Solar 2 Co., Ltd., Seoul, Republic of Korea	100.0	100.0	Initial consolidation on 01/01/2020
Korea Solar 3 Co., Ltd., Seoul, Republic of Korea	100.0	100.0	Initial consolidation on 01/01/2020
Korea Solar 4 Co., Ltd., Seoul, Republic of Korea	100.0	100.0	Initial consolidation on 01/01/2020
Korea Solar 5 Co., Ltd., Seoul, Republic of Korea	100.0	100.0	Initial consolidation on 01/01/2020
Korea Solar 6 Co., Ltd., Seoul, Republic of Korea	100.0	100.0	Initial consolidation on 01/01/2020
Korea Solar 7 Co., Ltd., Seoul, Republic of Korea	100.0	100.0	Initial consolidation on 01/01/2020
Les Pierres Blanches Energies, Paris, France	100.0	100.0	Initial consolidation on 01/01/2020
PAF Projects for Advanced Fuels GmbH, Regensburg, Germany	100.0	100.0	Initial consolidation on 01/01/2020

In %	Share in capital	Previous year's share in capital	Comment
Perinnpitt Road Solar Limited, London, UK	100.0	100.0	Initial consolidation on 01/01/2020
Rag Lane Solar Limited, London, UK	100.0	100.0	Initial consolidation on 01/01/2020
Robert Decker Wohnbau München GmbH & Co. KG, Grünwald, Germany	51.0	51.0	Initial consolidation on 01/01/2020
Rownal Farm Solar Limited, London, UK	100.0	100.0	Initial consolidation on 01/01/2020
Solar Sud S.r.l., Milan, Italy	100.0	100.0	Initial consolidation on 01/01/2020
Solarpark Samas GmbH, Gräfelfing, Germany	100.0	100.0	Initial consolidation on 01/01/2020
Solarpark Samas Sp. z o.o., Warsaw, Poland	100.0	100.0	Initial consolidation on 01/01/2020
Tredias Energies SAS, Paris, France	100.0	100.0	Initial consolidation on 01/01/2020
Varennes Energies SARL, Paris, France	100.0	100.0	Initial consolidation on 01/01/2020
Watt Development Solar 1, S.L.U., Barcelona, Spain	100.0	100.0	Initial consolidation on 01/01/2020
Wohnen am Lerchenberg GmbH & Co. KG, Borna, Germany	60.0	60.0	Initial consolidation on 01/01/2020
Yanel farm solar limited, London, UK	100.0	100.0	Initial consolidation on 01/01/2020
Zonnedak A1 B.V., Heerenveen, Netherlands	100.0	100.0	Initial consolidation on 01/01/2020
Zonnepark PV12 B.V., Heerenveen, Netherlands	100.0	100.0	Initial consolidation on 01/01/2020
Zonnepark PV13 B.V., Heerenveen, Netherlands	100.0	100.0	Initial consolidation on 01/01/2020
Zonnepark PV14 B.V., Heerenveen, Netherlands	100.0	100.0	Initial consolidation on 01/01/2020
Zonnepark PV3 B.V., Heerenveen, Netherlands	100.0	100.0	Initial consolidation on 01/01/2020
Zonnepark PV4 B.V., Heerenveen, Netherlands.	100.0	100.0	Initial consolidation on 01/01/2020
Zonnepark Weperpolder B.V., Heerenveen, Netherlands	100.0	100.0	Initial consolidation on 01/01/2020

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. Power Solutions, Inc. dba Enable Energy, Sacramento, USA	100.0	Initial consolidation on 31/08/2020
Dalquhandy Wind Farm Limited, Edinburgh, UK [2]	100.0	Initial consolidation on 15/05/2020
Euren Biogas Società Agricola a r.l., Naples, Italy [2]	100.0	Initial consolidation on 29/11/2020
Freshmax New Zealand Ltd, Auckland, New Zealand	100.0	Initial consolidation on 30/04/2020
GK Alpha Mega Solar Project No. 1, Tokyo, Japan [2]	100.0	Initial consolidation on 28/07/2020
GK Alpha Mega Solar Project No. 2, Tokyo, Japan [2]	100.0	Initial consolidation on 28/07/2020
Noosa Energy Storage LLC, Irvine, USA [2]	100.0	Initial consolidation on 07/04/2020
R&S ENERGY capital-GmbH & Co. KG, Detmold, Germany	100.0	Initial consolidation on 30/06/2020
Serralonga Energia S.r.l., Turin, Italy [2]	52.0	Initial consolidation on 24/01/2020
SolarPark 4a LLC, New York, USA [2]	100.0	Initial consolidation on 20/08/2020
Sud Energy s.r.l., Milan, Italy [2]	100.0	Initial consolidation on 01/07/2020
UNL 18 Solar B.V., Heerenveen, Netherlands [2]	100.0	Initial consolidation on 07/05/2020
Venosa S.r.l., Milan, Italy [2]	100.0	Initial consolidation on 29/05/2020
Watt Development SPV 1 S.L.U., Barcelona, Spain [2]	100.0	Initial consolidation on 28/10/2020
Watt Development SPV 10 S.L.U., Barcelona, Spain [2]	100.0	Initial consolidation on 28/10/2020
Watt Development SPV 2 S.L.U., Barcelona, Spain [2]	100.0	Initial consolidation on 28/10/2020
Watt Development SPV 3 S.L.U., Barcelona, Spain [2]	100.0	Initial consolidation on 28/10/2020
Watt Development SPV 4 S.L.U., Barcelona, Spain [2]	100.0	Initial consolidation on 28/10/2020
Watt Development SPV 5 S.L.U., Barcelona, Spain [2]	100.0	Initial consolidation on 28/10/2020
Watt Development SPV 6 S.L.U., Barcelona, Spain [2]	100.0	Initial consolidation on 28/10/2020
Watt Development SPV 7 S.L.U., Barcelona, Spain [2]	100.0	Initial consolidation on 28/10/2020
Watt Development SPV 8 S.L.U., Barcelona, Spain [2]	100.0	Initial consolidation on 28/10/2020
Watt Development SPV 9 S.L.U., Barcelona, Spain [2]	100.0	Initial consolidation on 28/10/2020
zebotec GmbH, Konstanz, Germany	100.0	Initial consolidation on 01/01/2020

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

2 These companies are acquired project companies for which no purchase price allocation was conducted.

Established companies included in the consolidated financial statements [1]

In %	Share in capital	Comment
Airies 2 Windfarm Limited, Edinburgh, UK	100.0	Initial consolidation on 03/03/2020
Aurora Borealis Solar LLC, Irvine, USA	100.0	Initial consolidation on 22/06/2020
BayWa r.e. Asset Holdings Japan Pte. Ltd., Singapore, Republic of Singapore	100.0	Initial consolidation on 23/06/2020
BayWa r.e. EMEA IPP Holding GmbH, Munich, Germany	100.0	Initial consolidation on 07/12/2020
BayWa r.e. EPC, S. de R.L. de C.V., Mexico City, Mexico	100.0	Initial consolidation on 10/02/2020
BayWa r.e. Power Solutions S.r.l., Verona, Italy	100.0	Initial consolidation on 28/01/2020
Big Creek Solar 1 LLC, Irvine, USA	100.0	Initial consolidation on 12/06/2020
Big Creek Solar 2 LLC, Irvine, USA	100.0	Initial consolidation on 12/06/2020
Corazon Energy Development LLC, Irvine, USA	100.0	Initial consolidation on 27/08/2020
Emera S.r.l., Milan, Italy	100.0	Initial consolidation on 28/01/2020
Little Gala Windfarm Ltd., Edinburgh, UK	100.0	Initial consolidation on 03/03/2020
Oak Green Solar LLC, Irvine, USA	100.0	Initial consolidation on 23/09/2020
Parque Solar Kukuul, S. de R.L. de C.V., Mexico City, Mexico	100.0	Initial consolidation on 01/10/2020
Parque Solar Los Potros, S. de R.L. de C.V., Mexico City, Mexico	100.0	Initial consolidation on 28/01/2020
T&G CarSol Asia PTE. Ltd, Singapore, Republic of Singapore	50.0	Initial consolidation on 14/04/2020
T&G Fresh Produce PTE. Ltd, Singapore, Republic of Singapore	100.0	Initial consolidation on 02/03/2020
T&G Global Vietnam Company Ltd, Ho Chi Minh City, Vietnam	100.0	Initial consolidation on 11/03/2020
Valentine Peak Solar LLC, Irvine, USA	100.0	Initial consolidation on 29/04/2020

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

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

In %	Previous year's share in capital	Comment
Agrarhandel Züssow Bohnhorst / Naeve Beteiligungs GmbH, Züssow, Germany	100.0	Merged with BayWa Agrarhandel GmbH, Nienburg, Germany, as at 01/01/2020
Bad und Heizung Krampfl GmbH, Plattling, Germany	100.0	Merged with BayWa Haustechnik GmbH, Kösching, Germany, as at 01/01/2020
Zonnepark PV5 B.V., Heerenveen, Netherlands	100.0	Merged with Zonnepark Venekoten B.V., Heerenveen, Netherlands, as at 29/09/2020

1 No shares were held in these companies as at the end of the financial year 2020 on account of their merger.

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

In %	Share in capital	Previous year's share in capital	Comment
Amadeus Wind Holdings, LLC, Wilmington, USA	33.3	100.0	Sold on 18/12/2020
Amadeus Wind, LLC, Wilmington, USA	–	100.0	Sold on 18/12/2020
BayWa Ökoenergie GmbH, Munich, Germany	–	100.0	Sold on 30/06/2020
BayWa r.e. Solar Energy Systems International Cooperations GmbH, Tübingen, Germany	–	100.0	Liquidated on 11/11/2020
BayWa Rus LLC, Moscow, Russia	–	100.0	Liquidated on 17/06/2020
Bishopthorpe (Holdings) Limited, London, UK	–	100.0	Liquidated on 28/01/2020
Blueberry Central SAS, Paris, France	–	100.0	Sold on 11/12/2020
Blueberry SAS, Paris, France	–	100.0	Sold on 11/12/2020
BW Solar 216 G.K., Tokyo, Japan	–	100.0	Liquidated on 20/11/2020
Eol d'Aunis SAS, Paris, France	–	100.0	Sold on 15/12/2020
GK. UR Solar, Osaka, Japan	–	100.0	Sold on 17/12/2020
Inverclyde Renewables LLP, Edinburgh, UK	–	100.0	Sold on 03/12/2020
Inverclyde Windfarm Ltd., Edinburgh, UK	–	100.0	Sold on 03/12/2020
Le Grand Champ Energies SARL, Paris, France	–	100.0	Sold on 16/07/2020
Parc Eolien du Chemin du Roy SARL, Paris, France	–	100.0	Sold on 15/12/2020
RE Gebeng Sdn. Bhd., Kuala Lumpur, Malaysia	–	100.0	Sold on 14/08/2020
Ruschberg Infrastruktur GmbH & Co. KG, Gräfelfing, Germany	–	100.0	Liquidated on 08/07/2020
SBU Power Sdn. Bhd., Petaling Jaya, Malaysia	–	25.0	Sold on 09/12/2020
Sun Energy No.1 G.K., Tokyo, Japan	–	100.0	Sold on 21/01/2020
Tuscania Energy S.r.l., Milan, Italy	–	100.0	Liquidated on 21/12/2020
Vjetroelektrana Orjak d.o.o., Zagreb, Croatia	–	100.0	Sold on 03/12/2020
Watt Development Solar 1, S.L.U., Barcelona, Spain	–	100.0	Sold on 28/10/2020
Windpark Bedesbach GmbH & Co. KG, Gräfelfing, Germany	–	100.0	Sold on 23/12/2020
Windpark Bruchwald GmbH & Co. KG, Lebach, Germany	–	100.0	Sold on 23/12/2020
Windpark Finkenbach-Gersweiler GmbH & Co. KG, Gräfelfing, Germany	–	100.0	Sold on 23/12/2020
Windpark Uphuser Mark GmbH & Co. KG, Gräfelfing, Germany	–	100.0	Sold on 23/12/2020
Zonnepark PV1 B.V., Heerenveen, Netherlands	–	100.0	Sold on 31/03/2020
Zonnepark PV13 B.V., Heerenveen, Netherlands	–	100.0	Sold on 21/12/2020
Zonnepark PV14 B.V., Heerenveen, Netherlands	–	100.0	Sold on 21/12/2020
Zonnepark PV3 B.V., Heerenveen, Netherlands	–	100.0	Sold on 30/06/2020
Zonnepark PV7 B.V., Heerenveen, Netherlands	–	100.0	Sold on 31/03/2020
Zonnepark Venekoten B.V., Heerenveen, Netherlands	–	100.0	Sold on 12/11/2020

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
Al Dahra BayWa Agriculture LLC, Abu Dhabi, United Arab Emirates	49.0	49.0	Majority of voting rights
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
SBU Power Sdn. Bhd., Petaling Jaya, Malaysia	–	25.0	Majority of voting rights
T&G CarSol Asia PTE. Ltd, Singapore, Republic of Singapore	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

Additions due to acquisitions in the financial year 2020

Addition: Freshmax New Zealand Ltd, Auckland, New Zealand
BayWa AG acquired 100% of the shares in Freshmax New Zealand Ltd, Auckland, New Zealand, through Turners & Growers New Zealand Limited, Auckland, New Zealand, by way of a share deal. The contract, which was signed on 17 December 2019, was executed on 30 April 2020 following the approval of the antitrust authorities in New Zealand. As a result, a controlling influence existed from 30 April 2020. Freshmax New Zealand Ltd has therefore been included in the consolidated financial statements of BayWa AG within the scope of full consolidation since 30 April 2020. The purpose of the acquisition is to expand domestic fruit and vegetable trading. Freshmax New Zealand Ltd has three market locations and distribution centres in New Zealand and therefore complements the business activities in the fresh fruit and vegetable trade. Opportunities to further expand and strengthen supply relationships in the core categories of Turners & Growers are also expected. The cost of the acquisition amounted to €15.8 million. According to the purchase price allocation, the acquisition results in goodwill of €12.3 million, which primarily reflects profitability growth expected in the future, the opportunity for future market expansion and synergies with the existing business activities. Transaction costs of €0.5 million were incurred in relation to the acquisition.

Addition: BayWa r.e. Power Solutions, Inc. dba Enable Energy, Sacramento, USA
BayWa AG took over 100% of the shares in Enable Energy Inc., Sacramento, USA, through BayWa r.e. renewable energy GmbH, Munich, Germany, by way of a share deal. Enable Energy Inc., Sacramento, USA, now trades as BayWa r.e. Power Solutions, Inc. dba Enable Energy, Sacramento, USA. The company provides solutions in the fields of renewable energies for energy utility companies, commercial enterprises and private households, particularly in Hawaii and California. The acquisition is part of the expansion of the solar business in the Renewable Energies business unit in the aforementioned regions. BayWa r.e. renewable energy GmbH has had a controlling influence since 31 August 2020. The initial consolidation of the company within the scope of full consolidation took place on this date. The cost of the acquisition, including a conditional purchase price component, amounted to €8.4 million. According to the purchase price allocation – which is only preliminary due to the complexity of the transaction – the transaction resulted in goodwill of €1.6 million that includes non-separable intangible assets in particular, such as employee expertise and expected synergy effects. Transaction costs of €0.4 million were incurred in relation to the acquisition.

Other additions of secondary importance
Furthermore, the following additions were made to the group of consolidated companies, which, taken both individually and as a whole, do not have a material effect on the assessment of the assets, financial position and earnings position of the BayWa Group:

- R&S ENERGY capital-GmbH & Co. KG, Detmold, Germany
  BayWa AG acquired 100% of the shares in R&S ENERGY capital-GmbH & Co. KG, Detmold, Germany, through BayWa r.e. renewable energy GmbH, Munich, Germany, by way of a share deal. The sole business purpose of the company is the operation of the biogas plant in Horn-Bad Meinberg, Germany. The company has been included in the consolidated financial statements since 31 July 2020.
- zebotec GmbH, Konstanz, Germany
  By way of a share deal, BayWa AG acquired through BayWa r.e renewable energy GmbH, Munich, Germany, 100% of the shares in Zebotec GmbH, Konstanz, Germany, in order to enhance process expertise for the management of photovoltaic systems. A controlling influence has existed since 30 December 2019. The company has been included in the consolidated financial statements since 1 January 2020.

In summary, all additions to assets (excluding goodwill) and liabilities from company acquisitions measured at fair value break down as follows according to major category for the financial year 2020:

In € million	Freshmax New Zealand Ltd	BayWa r.e. Power Solutions, Inc. dba Enable Energy	Other additions	**Total additions in 2020**
Assets				
Intangible assets	3.8	6.1	5.4	15.4
Property, plant and equipment	14.2	0.7	7.6	22.5
Investments	–	–	–	–
Inventories	0.9	0.6	2.1	3.6
Other current financial assets	–	–	–	–
Receivables and other assets	2.9	5.6	1.1	9.6
thereof: receivables (gross)	2.8	5.6	1.1	9.5
thereof: receivables considered recoverable	2.8	5.6	1.1	9.5
Deferred tax assets	0.3	–	–	0.3
Cash and cash equivalents	0.3	1.2	0.5	2.0
Shareholders' equity and liabilities				
Non-current liabilities	10.4	0.5	10.2	21.0
Short-term debt	1.8	0.1	0.4	2.2
Current trade payables and liabilities from inter-group business relationships	9.4	6.6	1.4	17.4
Current income tax liabilities	–	–	0.5	0.5
Other current liabilities	0.6	0.3	0.8	1.7
Deferred tax liabilities	1.1	–	–	1.1
Acquired net assets at the point of initial consolidation	**- 0.8**	**6.8**	**3.4**	**9.4**
Share attributable to shareholders of the parent company	- 0.6	6.8	3.4	9.6
Share attributable to minority shareholders	- 0.2	–	–	- 0.2

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

In € million	Freshmax New Zealand Ltd	BayWa r.e. Power Solutions, Inc. dba Enable Energy	Other additions	**Total additions in 2020**
Contribution transferred in return for the acquisition of the shares	15.8	8.4	n/a	24.2
Non-controlling interests in the acquired companies	- 0.2	–	n/a	- 0.2
Acquired net assets at the point of initial consolidation	- 0.6	6.8	n/a	6.2
Goodwill	**12.3**	**1.6**	**n/a**	**13.9**

Capitalised goodwill includes non-separable intangible assets such as employee expertise and expected synergy effects. No material goodwill resulted from the other additions.

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

In € million	Freshmax New Zealand Ltd	BayWa r.e. Power Solutions, Inc. dba Enable Energy	Other additions	**Total additions in 2020**
Revenue from the point of initial consolidation	41.1	8.7	6.0	55.8
Profit/loss from the point of initial consolidation	1.9	0.2	0.1	2.3
Pro forma revenue for the period from 01/01 to 31/12/2020	95.7	17.6	10.1	123.4
Pro forma profit/loss for the period from 01/01 to 31/12/2020	3.0	- 0.7	- 0.3	2.0

The acquisitions reported under other additions would only have generated immaterial revenue and earnings contributions even if they had been consolidated on 1 January 2020.

Additional information on company acquisitions in the previous year

In the financial year 2019, BayWa AG took over 100% of the shares in Forsa Energy (UK) Limited, London, UK, through BayWa r.e. renewable energy GmbH, Munich, Germany, by way of a share deal. Since the acquisition, Forsa Energy (UK) Limited, London, UK, has traded under the name BayWa r.e. UK (Developments) Limited, London, UK. The final purchase price allocation did not result in any material changes compared to the preliminary allocation included in the previous year's Notes to the Consolidated Financial Statements.

Disposals from the group of consolidated companies in the financial year 2020

BayWa Ökoenergie GmbH, Munich, Germany
Effective 30 June 2020, BayWa r.e. Green Energy Products GmbH, Regensburg, Germany, sold 100% of its shares in BayWa Ökoenergie GmbH, Munich, Germany. The effect of this transaction on the consolidated financial statements is as follows:

Assets and liabilities derecognised owing to loss of control

In € million	
Assets	
Property, plant and equipment and intangible assets	0.2
Investments	–
Other non-current assets	–
Inventories	0.0
Receivables and other assets	15.3
Cash and cash equivalents	1.0
	16.5
Shareholders' equity and liabilities	
Non-current provisions	–
Long-term debt	–
Non-current trade payables and other non-current liabilities	0.0
Current provisions	0.5
Short-term debt	–
Current trade payables and other current liabilities	15.9
	16.4
Net assets on the disposal date	**0.1**

Net profit or loss from the disposal of BayWa Ökoenergie GmbH, Munich, Germany

In € million	
Consideration received in the form of cash and cash equivalents for the sold shares	4.1
Less net assets relinquished at the time of sale	- 0.1
Disposal result	**4.0**

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

Net profit or loss from the disposal of BayWa Ökoenergie GmbH, Munich, Germany

In € million	
Purchase price settled through cash and cash equivalents	4.1
Less cash and cash equivalents paid out in connection with the disposal	- 1.0
	3.1

Other disposals from the group of consolidated companies in the financial year 2020

The following companies were sold in the Renewable Energies business unit in the financial year 2020:

Sold company	Parent company	Sold share in capital in %	Date of disposal
Amadeus Wind Holdings, LLC, Wilmington, USA	BayWa r.e. Wind, LLC, Wilmington, USA	66.7	18/12/2020
Amadeus Wind, LLC, Wilmington, USA	Amadeus Wind Holdings, LLC, Wilmington, USA	100.0	18/12/2020
Blueberry Central SAS, Paris, France	BayWa r.e. France SAS, Paris, France	100.0	11/12/2020
Blueberry SAS, Paris, France	BayWa r.e. France SAS, Paris, France	100.0	11/12/2020
Eol d'Aunis SAS, Paris, France	BayWa r.e. France SAS, Paris, France	100.0	15/12/2020
GK. UR Solar, Osaka, Japan	BayWa r.e. Solar Projects GmbH, Munich, Germany	100.0	17/12/2020
Inverclyde Renewables LLP, Edinburgh, UK	Inverclyde Windfarm Ltd., Edinburgh, UK	100.0	03/12/2020
Inverclyde Windfarm Ltd., Edinburgh, UK	BayWa r.e. UK (Development) Ltd., London, UK	100.0	03/12/2020
Le Grand Champ Energies SARL, Paris, France	BayWa r.e. France SAS, Paris, France	100.0	16/07/2020
Parc Eolien du Chemin du Roy SARL, Paris, France	BayWa r.e. France SAS, Paris, France	100.0	15/12/2020
RE Gebeng Sdn. Bhd., Kuala Lumpur, Malaysia	Matahari 1 Holdings Pte. Ltd., Singapore, Republic of Singapore	100.0	14/08/2020
SBU Power Sdn. Bhd., Petaling Jaya, Malaysia	SBU Power Holdings Pte. Ltd., Singapore, Republic of Singapore	25.0	09/12/2020
Sun Energy No.1 G.K., Tokyo, Japan	BayWa r.e. Solar Projects GmbH, Munich, Germany	100.0	21/01/2020
Vjetroelektrana Orjak d.o.o., Zagreb, Croatia	ECOwind d.o.o., Zagreb, Croatia	100.0	03/12/2020
Watt Development Solar 1, S.L.U., Barcelona, Spain	BayWa r.e. Projects España S.L.U., Barcelona, Spain	100.0	28/10/2020
Windpark Bedesbach GmbH & Co. KG, Gräfelfing, Germany	BayWa r.e. Wind GmbH, Munich, Germany	100.0	23/12/2020
Windpark Bruchwald GmbH & Co. KG, Lebach, Germany	BayWa r.e. Wind GmbH, Munich, Germany	100.0	23/12/2020
Windpark Finkenbach-Gersweiler GmbH & Co. KG, Gräfelfing, Germany	BayWa r.e. Wind GmbH, Munich, Germany	100.0	23/12/2020
Windpark Uphuser Mark GmbH & Co. KG, Gräfelfing, Germany	BayWa r.e. Wind GmbH, Munich, Germany	100.0	23/12/2020
Zonnepark PV1 B.V., Heerenveen, Netherlands	Zonneparken Nederland B.V., Heerenveen, Netherlands	100.0	31/03/2020
Zonnepark PV13 B.V., Heerenveen, Netherlands	Zonneparken Nederland B.V., Heerenveen, Netherlands	100.0	21/12/2020
Zonnepark PV14 B.V., Heerenveen, Netherlands	Zonneparken Nederland B.V., Heerenveen, Netherlands	100.0	21/12/2020
Zonnepark PV3 B.V., Heerenveen, Netherlands	Zonneparken Nederland B.V., Heerenveen, Netherlands	100.0	30/06/2020
Zonnepark PV7 B.V., Heerenveen, Netherlands	Zonneparken Nederland B.V., Heerenveen, Netherlands	100.0	31/03/2020
Zonnepark Venekoten B.V., Heerenveen, Netherlands	Zonneparken Nederland B.V., Heerenveen, Netherlands	100.0	12/11/2020

Effective 18 December 2020, BayWa r.e. Wind, LLC, Wilmington, USA, sold 66.7% of the shares in Amadeus Wind Holdings, LLC Wilmington, USA, which in turn holds 100% of the shares in Amadeus Wind, LLC, Wilmington, USA. As a result, both companies have no longer been included in BayWa AG's consolidated financial statements within the scope of full consolidation since this date. Only the remaining stake of 33.3% in Amadeus Wind Holdings, LLC Wilmington, USA, has since then been included in the consolidated financial statements using the equity method.

The effect of these 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	
Assets	
Property, plant and equipment and intangible assets	6.3
Investments	0.3
Other non-current assets	11.6
Inventories	707.0
Receivables and other assets	21.6
Cash and cash equivalents	4.8
	751.6
Shareholders' equity and liabilities	
Non-current provisions	0.6
Long-term debt	37.4
Non-current trade payables and other non-current liabilities	7.0
Current provisions	26.8
Short-term debt	535.9
Current trade payables and other current liabilities	163.5
	771.2
Net assets on the disposal date	**- 19.6**

Net profit or loss from the disposal of the aforementioned companies in the Renewable Energies business unit

In € million	
Consideration received in the form of cash and cash equivalents for the sold shares	123.1
Less net assets relinquished at the time of sale	19.6
Disposal result	**142.7**

In the case of project companies in the Renewable Energies business unit, disposals are disclosed in the income statement under revenues and changes in inventories, while tax components are disclosed under tax expenses, as the disposal of these companies following the completion of the corresponding asset is the primary component of operating activities.

Incoming net cash and cash equivalents from the sale of the aforementioned companies in the Renewable Energies business unit

In € million	
Purchase price settled through cash and cash equivalents	123.1
Less cash and cash equivalents paid out in connection with the disposal	- 4.8
	118.3

Material non-controlling interests

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

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

In € million	T&G Global Limited, Auckland, New Zealand		RWA AG, Korneuburg, Austria	
	31/12/2020	31/12/2019	**31/12/2020**	31/12/2019
Share in the capital and voting rights held by the non-controlling interests (in %)	26.01	26.01	50.0	50.0
Share in the annual result attributable to non-controlling interests	- 0.5	- 0.5	3.6	9.2
Aggregated non-controlling interests	24.5	26.9	158.9	166.7
Dividends distributed to non-controlling interests	1.1	–	3.2	3.3
Financial information (prior to consolidation)				
Current assets	53.9	56.4	447.7	421.1
Non-current assets	193.2	197.1	250.4	260.4
Current liabilities	100.1	56.0	331.7	291.7
Non-current liabilities	52.7	94.3	48.7	56.4
Revenues	0.0	0.0	1,020.4	1,051.7
Net result for the year	- 1.8	- 2.1	7.3	18.4
Other earnings	- 0.6	1.5	- 16.9	0.0
Total earnings	**- 2.5**	**- 0.5**	**- 9.7**	**18.4**

In € million	"UNSER LAGERHAUS" WARENHANDELSGESELLSCHAFT m.b.H., Klagenfurt, Austria		BayWa Vorarlberg HandelsGmbH, Lauterach, Austria	
	31/12/2020	31/12/2019	**31/12/2020**	31/12/2019
Share in the capital and voting rights held by the non-controlling interests (in %)	48.94	48.94	49.00	49.00
Share in the annual result attributable to non-controlling interests	3.1	2.9	2.8	0.7
Aggregated non-controlling interests	35.0	35.5	8.1	6.1
Dividends distributed to non-controlling interests	2.0	2.0	1.5	1.5
Financial information (prior to consolidation)				
Current assets	105.3	110.1	17.5	16.5
Non-current assets	115.2	115.2	26.5	25.6
Current liabilities	106.4	107.7	11.3	12.3
Non-current liabilities	42.5	45.0	16.1	17.4
Revenues	492.8	534.1	74.0	77.3
Net result for the year	6.4	6.0	5.7	1.4
Other earnings	0.6	- 1.0	- 0.1	0.0
Total earnings	**7.0**	**4.9**	**5.6**	**1.4**

In € million	TFC Holland B.V., Maasdijk, Netherlands		BayWa r.e. Solar B.V., Heerenveen, Netherlands	
	31/12/2020	31/12/2019	**31/12/2020**	31/12/2019
Share in the capital and voting rights held by the non-controlling interests (in %)	15.79	26.58	30.00	30.00
Share in the annual result attributable to non-controlling interests	0.6	1.4	- 9.0	- 4.8
Aggregated non-controlling interests	2.0	3.4	12.6	21.6
Dividends distributed to non-controlling interests	1.0	1.6	–	0.0
Financial information (prior to consolidation)				
Current assets	21.3	18.8	14.5	41.4
Non-current assets	11.6	11.9	176.1	195.5
Current liabilities	15.5	12.9	64.9	30.0
Non-current liabilities	4.9	5.1	83.7	134.9
Revenues	81.2	75.5	–	–
Net result for the year	3.6	5.1	- 29.9	- 16.1
Other earnings	–	–	–	–
Total earnings	**3.6**	**5.1**	**- 29.9**	**- 16.1**

In € million	Royal Ingredients Group International B.V., Alkmaar, Netherlands	
	31/12/2020	31/12/2019
Share in the capital and voting rights held by the non-controlling interests (in %)	40.00	40.00
Share in the annual result attributable to non-controlling interests	- 0.1	- 0.1
Aggregated non-controlling interests	0.8	2.1
Dividends distributed to non-controlling interests	1.2	0.6
Financial information (prior to consolidation)		
Current assets	0.2	0.2
Non-current assets	14.1	14.1
Current liabilities	12.3	5.9
Non-current liabilities	–	5.9
Revenues	–	0.0
Net result for the year	- 0.4	- 0.4
Other earnings	–	–
Total earnings	**- 0.4**	**- 0.4**

Companies of secondary importance

Owing to their generally secondary importance, 96 (2019: 104) domestic and 165 (2019: 186) foreign affiliated companies are not included in the consolidated financial statements. These companies are recognised in the consolidated balance sheet in accordance with the requirements of 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 2020 are set out below:

Unconsolidated affiliated companies	in € million	Share in relation to the sum total of all affiliated companies in %
Net result for the year	- 1.8	- 0.6
Equity	13.6	0.3

(B.2.) Joint ventures pursuant to IFRS 11 in conjunction with IAS 28

A total of 10 (2019: 10) joint ventures over which the BayWa Group exerts joint control together with one or more external third parties on the basis of a contractual agreement are recognised under the equity method. These are listed under Group holdings attached to the Notes to the Consolidated Financial Statements as an appendix. The shares of these companies have been recognised at cost, taking account of changes in the net assets of the affiliated companies since the purchase of the shares.

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

In € million	Hafen Vierow - Gesellschaft mit beschränkter Haftung, Brünzow, Germany		VIELA Export GmbH, Vierow, Germany	
	31/12/2020	31/12/2019	**31/12/2020**	31/12/2019
Shareholding (in %)	50.00	50.00	50.00	50.00
Voting rights (in %)	50.00	50.00	50.00	50.00
Dividends received from joint ventures	–	–	–	–
Current assets	1.6	1.6	2.6	1.9
Non-current assets	13.1	13.0	13.3	12.0
Current liabilities	0.8	0.4	3.3	1.3
Non-current liabilities	6.3	7.1	2.4	3.8
Cash and cash equivalents	1.1	1.2	1.4	1.2
Short-term debt	–	–	–	–
Long-term debt	5.3	5.8	1.2	3.1
Revenues	3.1	2.3	5.9	4.7
Amortisation	- 0.5	- 0.4	- 0.9	- 0.8
Interest expenses	- 0.2	- 0.2	- 0.1	- 0.1
Interest income	0.0	0.0	0.0	0.0
Income tax expense	- 0.3	- 0.1	- 0.4	- 0.3
Net result for the year from continued operations	0.8	0.2	1.2	0.7
Other earnings	0.0	0.0	–	–
Total earnings	**0.8**	**0.2**	**1.2**	**0.7**
Losses not realised for the reporting period	–	–	–	–
Aggregated losses not realised	–	–	–	–
Transition				
Joint venture's net assets	7.7	7.1	10.1	8.8
Shareholding and voting rights (in %)	50.00	50.00	50.00	50.00
Goodwill	3.0	3.0	7.8	7.8
Other adjustments	- 0.1	- 0.1	0.1	–
Book value	6.8	6.4	12.7	12.2

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

In € million	BHBW Holdings (Pty) Ltd., Lynnwood Manor, South Africa	
	31/12/2020	31/12/2019
Shareholding (in %)	50.00	50.00
Voting rights (in %)	50.00	50.00
Dividends received from joint ventures	–	–
Current assets	19.4	45.5
Non-current assets	24.5	21.9
Current liabilities	18.1	28.9
Non-current liabilities	3.0	4.3
Cash and cash equivalents	10.0	14.4
Short-term debt	–	–
Long-term debt	–	–
Revenues	74.1	75.9
Amortisation	- 1.8	- 1.5
Interest expenses	- 1.8	- 1.9
Interest income	0.0	0.0
Income tax expense	- 0.1	- 0.3
Net result for the year from continued operations	- 7.0	- 3.3
Other earnings	0.0	0.0
Total earnings	**- 7.0**	**- 3.3**
Losses not realised for the reporting period	–	–
Aggregated losses not realised	–	–
Transition		
Joint venture's net assets	22.8	34.3
Shareholding and voting rights (in %)	50.00	50.00
Goodwill	–	–
Other adjustments	–	–
Book value	11.4	17.1

BHBW Holdings (Pty) Ltd is responsible for trading and selling agricultural equipment and forklift trucks. 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	**31/12/2020**	31/12/2019
Book value as at the balance sheet date	4.6	5.4
BayWa Group's share in the net result for the year from continued operations	- 0.4	- 0.6
BayWa Group's share in earnings from discontinued operations after tax	–	–
BayWa Group's share in other earnings	0.0	0.1
BayWa Group's share in total earnings	- 0.4	- 0.5
Losses not realised for the reporting period	- 0.9	0.0
Aggregated losses not realised	- 0.9	0.0

(B.3.) Associates pursuant to IAS 28

A total of 15 (2019: 16) associates over which the BayWa Group either has a proportion of voting rights of at least 20% and a maximum of 50%, or over whose business management or supervisory functions the BayWa Group exerts a significant influence, and which are not jointly held companies or companies of secondary importance, are recognised under the equity method. These are listed under Group holdings attached to the Notes to the Consolidated Financial Statements as an appendix. The shares of these companies have been recognised at cost, taking account of changes in the net assets of the affiliated companies since the purchase of the shares.

There were the following changes in relation to associates in the financial year 2020.

In %	Share in capital	Previous year's share in capital	Comment
Global Produce business unit			
Mystery Creek Asparagus Limited, Hamilton, New Zealand	0.0	14.5	Liquidated in November 2020
POP Worldwide Ltd., Spalding, UK	0.0	24.0	Sold in March 2020
Renewable Energies business unit			
Amadeus Wind Holdings, LLC, Wilmington, USA	33.3	100.0	Sold on 18/12/2020

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	
	31/12/2020	31/12/2019	**30/11/2020**	30/11/2019
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	0.8	2.3	0.0	0.0
Current assets	0.2	0.1	197.3	217.3
Non-current assets	234.8	234.8	87.2	89.7
Current liabilities	0.0	0.0	228.9	246.2
Non-current liabilities	–	–	5.5	5.1
Revenues	–	–	222.9	223.1
Net result for the year from continued operations	1.8	5.0	- 3.9	10.0
Other earnings	–	–	- 4.6	0.3
Total earnings	**1.8**	**5.0**	**- 5.5**	**10.3**
Losses not realised for the reporting period	–	–	–	–
Aggregated losses not realised	–	–	–	–
Transition				
Associate's net assets	235.0	234.9	50.2	55.6
Shareholding and voting rights (in %)	45.26	45.26	49.99	49.99
Goodwill	–	–	22.4	22.4
Other adjustments	- 17.3	- 17.3	–	–
Book value	89.1	89.0	47.5	51.7

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

Due to the company's business activities, the financial year of AUSTRIA JUICE GmbH 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	Amadeus Wind Holdings, LLC Wilmington, USA		Grandview Brokerage LLC, Seattle, USA	
	31/12/2020	31/12/2019	**31/12/2020**	31/12/2019
Shareholding (in %)	33.3	–	39.39	39.39
Voting rights (in %)	33.3	–	39.39	39.39
Dividends received from associates	–	–	0.4	0.4
Current assets	262.6	–	84.7	72.7
Non-current assets	19.4	–	19.4	12.8
Current liabilities	105.1	–	86.6	68.3
Non-current liabilities	176.8	–	4.2	8.8
Revenues	0.0	–	608.8	557.6
Net result for the year from continued operations	0.0	–	5.0	1.9
Other earnings	–	–	–	–
Total earnings	**0.0**	**–**	**5.0**	**1.9**
Losses not realised for the reporting period	–	–	–	–
Aggregated losses not realised	–	–	–	–
Transition				
Associate's net assets	0.0	–	13.4	8.5
Shareholding and voting rights (in %)	33.3	–	39.39	39.39
Goodwill	46.5	–	14.5	15.3
Other adjustments	0.0	–	0.0	0.5
Book value	46.5	–	19.8	19.2

Grandview Brokerage LLC is an investment company. Amadeus Wind Holdings, LLC is a wind farm with a total output of 96 gigawatts. The above financial information relates to values used as a basis for the IFRS financial statements of the associate.

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

In € million	**31/12/2020**	31/12/2019
Book value as at the balance sheet date	6.1	7.0
BayWa Group's share in the net result for the year from continued operations	- 0.8	1.4
BayWa Group's share in earnings from discontinued operations after tax	–	–
BayWa Group's share in other earnings	0.0	0.0
BayWa Group's share in total earnings	- 0.8	1.4
Losses not realised for the reporting period	- 0.5	- 0.2
Unrecognised losses (accumulated)	- 0.7	- 0.2

A total of 36 (2019: 39) associates of generally secondary importance for the consolidated financial statements have been accounted for at fair value in accordance with IFRS 9 and not using the equity method. In this context, cost provides the best estimate of fair value unless the associate in question is listed on a securities market, and provided the earnings position of the associate has not changed significantly compared to the plan. In general, there are no material differences between the cost and the fair value of these companies due to their stable business models and business activities that can be considered negligible compared to the Group as a whole. The aggregated assets, liabilities, revenues and annual results (each based on the individual financial statements) of these companies in the financial year 2020 are set out below:

Associates and joint ventures not included under the equity method	In € million
Assets	191.1
Liabilities	156.9
Revenues	379.1
Net result for the year	- 1.3

(B.4.) 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 31/12/2020	**105**	**363**	**468**
thereof: fully consolidated	97	345	442
thereof: recognised at equity	8	18	26
Included on 31/12/2019	**102**	**267**	**369**
thereof: fully consolidated	94	249	343
thereof: recognised at equity	8	18	26

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

(B.5.) 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.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 on the reporting date. 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 decreased by €14.0 million in the reporting year (2019: increased by €8.4 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	**31/12/2020**	31/12/2019	**2020**	2019
Australia	AUD	1.590	1.600	1.655	1.609
Canada	CAD	1.563	1.460	1.530	1.488
China	CNY	8.023	7.821	7.875	7.734
Croatia	HRK	7.552	7.440	7.538	7.420
Czech Republic	CZK	26.242	25.408	26.455	25.663
Denmark	DKK	7.441	7.472	7.454	7.466
Hong Kong	HKD	9.514	8.747	8.859	8.782
Hungary	HUF	363.890	330.530	351.249	325.276
Japan	JPY	126.490	121.940	121.846	122.193
New Zealand	NZD	1.698	1.665	1.756	1.696
Peru	PEN	4.446	3.765	3.992	3.773
Poland	PLN	4.560	4.257	4.443	4.299
Republic of Fiji	FJD	2.491	2.404	2.472	2.422
Romania	RON	4.868	4.783	4.838	4.743
Russia	RUB	91.467	69.956	82.725	72.710
Serbia	RSD	117.560	117.593	117.585	117.874
Sweden	SEK	10.034	10.447	10.485	10.555
Switzerland	CHF	1.080	1.085	1.071	1.112
Thailand	THB	36.727	33.415	35.708	34.740
UK	GBP	0.899	0.851	0.890	0.877
Ukraine	UAH	34.781	26.680	30.847	28.890
USA	USD	1.227	1.123	1.142	1.121

(C.) Notes to the Balance Sheet

(C.1.) 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.

The reporting and management structure within the BayWa r.e. Group was comprehensively reorganised in the financial year 2020. Previously, the management of business activities and decision-making processes were handled decentrally, at the level of the individual companies and countries – which was reflected accordingly in the BayWa r.e. Group's reporting. Due to this decentralised management, the goodwill was allocated to the individual companies or the individual acquired groups of companies. Since the start of the financial year 2020, the business activities and planning have been centrally managed at the level of its "business entities". The Wind Projects business entity includes the construction, commissioning and sale of wind turbines to different locations around the world. The planning, construction and sale of solar parks is pooled in the Solar Projects business entity. The development, administration and maintenance of solar parks, wind farms and biogas plants are pooled in Services. In addition, there are the Solar Trade (trading in solar modules), Energy Solutions (comprehensive energy solutions) and Independent Power Producer (IPP) (operation of energy infrastructure in the solar and wind sectors) business entities, to which no goodwill was allocated at the time of the reorganisation. A central management function has been established for each business entity to manage business activities and decide on company acquisitions and disposals, for example. In addition, another centralised function was introduced (Segment Support) to support the management with regard to business decisions, the use of synergies and in the area of innovation and digitalisation. These changes to the organisational and reporting structure represent a reorganisation of the reporting system including a change in the monitoring of goodwill in accordance with IAS 36.87. As a result, existing goodwill had to be reallocated. In the future, it will be managed and monitored at the level of the business entities. From the financial year 2020 onwards, the business entities will therefore represent the cash-generating units within the BayWa r.e. Group that carry goodwill. In addition to the business entities mentioned above, there is the Holdings business entity, which essentially comprises those companies that perform holding functions. Within this holding function, there is the geographical single entity BayWa r.e. Bioenergy, which is considered a separate cash-generating unit because it generates cash inflows that are largely independent of the cash inflows from other cash-generating units.

As a result of the reorganisation of the reporting and management structure and the resulting reallocation of goodwill to the cash-generating units mentioned above, goodwill was tested for impairment both under the structure that applied until the financial year 2019 and under the new structure. The following table summarises the reorganisation within the BayWa r.e. Group as at 1 January 2020:

In € million	01/01/2020	31/12/2019
BayWa r.e. business entity "Holdings", geographic single entity "Bioenergy"		
a.a.t. Substrathandel GmbH	0.4	0.5
BayWa r.e. Bioenergy GmbH	1.4	1.4
	1.8	–
BayWa r.e. business entity "Services"		
BayWa r.e. Operation Services GmbH (merged with Sybac Service GmbH)	0.6	0.6
BayWa r.e. Operation Services Ltd. (merged with Becon PM & Consulting Ltd.)	2.4	1.1
Energy System Services S.r.l	0.9	0.9
PowerHub Inc.	8.4	9.0
Other	0.2	0.2
	12.5	–
BayWa r.e. business entity "Solar Projects"		
BayWa r.e. Solar Projects LLC	0.7	0.8
GroenLeven Group	100.9	100.9
	101.6	–
BayWa r.e. business entity "Solar Trade"		
BayWa r.e. Solar Energy Systems GmbH	14.0	14.0
BayWa r.e. Solar Systems LLC	14.6	16.0
BayWa r.e. Solar Systems S.r.l.	5.0	5.0
Solarmarkt GmbH	3.5	3.5
	37.1	–
BayWa r.e. business entity "Wind Projects"		
BayWa r.e. UK (Developments) Group	8.2	9.5
ECOWIND Handels- & Wartungs-GmbH	1.3	1.3
Other	0.4	0.4
	9.9	–
BayWa r.e. business entity "Energy Solutions"	–	–
BayWa r.e. business entity "Independent Power Producer (IPP)"	–	–
BayWa r.e. Group overall	**163.0**	**165.1**

The goodwill recognised under intangible assets relates to the following cash-generating units. For the sake of clarity, only the cash-generating units remaining after the BayWa r.e. Group reorganisation are shown.

In € million	**2020**	2019
"UNSER LAGERHAUS" WARENHANDELSGESELLSCHAFT m.b.H.	0.8	0.8
BayWa Agrarhandel Group	3.8	7.9
BayWa r.e. business entity "Holdings", geographic single entity "Bioenergy" [1]	1.8	1.9
BayWa r.e. business entity "Services" [1]	12.5	11.8
BayWa r.e. business entity "Solar Projects" [1]	101.6	101.7
BayWa r.e. business entity "Solar Trade" [1]	38.6	38.5
thereof: added in the financial year 2020: BayWa r.e. Power Solutions, Inc. dba Enable Energy	1.5	–
BayWa r.e. business entity "Wind Projects" [1]	9.9	11.2
Cefetra Group	12.2	12.2
Citygreen Gartengestaltungs GmbH	0.9	0.9
CLAAS Württemberg GmbH	1.2	1.2
EUROGREEN Group	2.1	2.1
Evergrain Germany GmbH & Co. KG	2.8	2.8
FarmFacts Group	1.5	1.5
Peter Frey GmbH	1.0	1.0
Premium Crops Limited (goodwill from asset deal)	6.4	6.7
Royal Ingredients Group	3.4	3.4
Schradenbiogas GmbH & Co. KG	2.4	2.4
T&G Global Group	19.8	7.1
TFC Holland B.V.	15.7	15.7
Thegra Tracomex Group	8.7	8.7
VISTA Geowissenschaftliche Fernerkundung GmbH	0.9	0.9
WAV Wärme Austria VertriebsgmbH	4.2	4.2
Other	2.1	2.4
	254.3	**246.9**

1 For better comparability, the goodwill of the cash-generating units allocated to the BayWa r.e. business entities from the financial year 2020 onwards is presented as the total of the individual business entities both for the financial year 2020 and the previous year.

Due to restructuring measures relating to BayWa AG's agricultural business in eastern Germany, the network of agricultural division locations there was comprehensively consolidated and realigned. As part of this restructuring, some of BayWa AG's eastern locations have been transferred to the BayWa Agrarhandel Group with effect from 1 January 2021. Due to the planned transfer, the impairment test for the BayWa Agrarhandel Group showed an impairment of €4.1 million. The impairment loss was allocated in full to goodwill and recognised in depreciation and amortisation. The key assumptions underlying the impairment test were a discount factor of 5.1% based on market data, as well as a constant growth rate of 2.0% derived from the industry average and historical values.

Other changes in the reporting year relate mainly to goodwill from the initial inclusion of the acquired company Freshmax New Zealand Ltd. The goodwill resulting from the acquisition of Premium Crops Limited, the T&G Global Group, Wessex Grain Ltd. (contained in Other) and the goodwill of the BayWa r.e. business entities are subject to fluctuating exchange rates, which resulted in changes compared to the previous year.

Of the goodwill, an amount of €15.1 million (2019: €8.2 million) is tax deductible in subsequent years.

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 (see (B.1.)). 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. Starting in the financial year 2020, impairment tests are carried out within the BayWa r.e. Group 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.

The cash flows were based on business unit-specific discount factors between 3.7% and 7.1%. Growth rates are derived from the expected industry average and historical values. For the purpose of extrapolating the forecast based on the third budget year, a currently expected business unit-specific growth rate of between 0.0% and 3.0% has been assumed for the periods thereafter.

The BayWa Group's cash-generating units were not affected by the coronavirus pandemic in 2020, and no significant negative effects as a result of the coronavirus-related lockdown measures put in place throughout the year were recorded. Since the coronavirus pandemic has 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%
"UNSER LAGERHAUS" WARENHANDELSGESELLSCHAFT m.b.H	5.4	2.5	10.0	5.8	15.0
BayWa Agrarhandel Group [1]	5.1	2.0	2.5	–	0.7
BayWa r.e.: business entity "Solar Projects"	4.0	0.0	1.8	–	57.8
BayWa r.e. Solar Systems S.r.l.	5.7	2.0	0.5	–	0.3
GroenLeven Group	3.8	0.5	18.4	–	20.2

1 **For the BayWa Agrarhandel Group, the effects are presented after the impairment of goodwill.**

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

In € million	2020	2019
Additions from developments within the company	8.5	6.3
Additions from separate acquisition	35.5	22.7
Additions from business combinations	25.4	75.3
	69.5	**104.4**

In the financial year 2020, research and development expenses of €0.7 million (2019: €0.8 million) were recognised under other operating expenses. Material research and development activities at the BayWa Group are performed by BayWa IT GmbH, Munich, Germany, EUROGREEN GmbH, Betzdorf, Germany, and FarmFacts GmbH, Pfarrkirchen, Germany.

(C.2.) Property, plant and equipment

All property, plant and equipment are used for operations. This item is 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 pattern in which the future economic benefits are expected to be consumed. 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. In the financial year 2020, depreciation on two wind energy plants in the amount of €10.5 million was necessary in the Renewable Energies business unit. One wind energy plant in Germany was largely depreciated as a result of the upcoming repowering and associated dismantling; in addition, the carrying amount of an American wind farm was reduced due to persistently low electricity prices.

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. At the BayWa Group, borrowing costs of €0.2 million from the Renewable Energies business unit were capitalised under property, plant and equipment for the first time in the financial year 2020. The borrowing rates which were used to calculate the borrowing costs eligible for capitalising were 2.95% and 3.00% respectively.

At the end of the reporting period, €36.9 million (2019: €32.8 million) of the total property, plant and equipment recognised served as collateral for liabilities.

(C.3.) 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.

Securities, credit balances with cooperatives, interests in non-consolidated affiliated companies and participations in other companies 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 and level 2 of the fair value hierarchy). In the case of interests in non-consolidated affiliated companies and participations in other companies, 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 significantly compared to the plan. The option to measure equity instruments at fair value through other comprehensive income as defined in IFRS 9 was only utilised in relation to 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. The utilisation of this option ensures consistency of measurement.

The fair value of the shares in Raiffeisen Bank International AG amounted to €64.6 million as at 31 December 2020. The fair value of the other shares in affiliated and other companies in Austria amounted to €0.1 million. No dividends were generated from these shares in the financial year 2020.

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 2020. No dividends resulted from these shares in the financial year 2020.

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.

(C.4.) Investment property

The "Investment property" item comprises 70 (2019: 76) pieces of land and buildings under lease and/or not essential to the operations of the Group. Allocation is made if the property 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. 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.

In accordance with the option under IAS 40, investment property is recognised exclusively at amortised cost and depreciated over its period of useful life as indicated under (C.2.). The book value at the end of the reporting period came to €51.0 million (2019: €46.7 million). In the financial year, depreciation of buildings came to €1.4 million (2019: €1.4 million). The expense in the same amount has been included under depreciation and amortisation in the income statement. As in the previous year, no material impairment losses were recognised. In the year under review, buildings with a book value of €7.0 million (2019: €7.2 million) were reclassified from property, plant and equipment and non-current assets held for sale to investment property. Land with a book value of €2.2 million (2019: €2.5 million) was also reclassified from property, plant and equipment and non-current assets held for sale to investment property.

The fair value of these properties was set at €113.1 million (2019: €108.9 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 €6.2 million (2019: €5.7 million), operating expenses (excluding depreciation) for the properties for which rental income was realised came to €0.8 million (2019: €0.6 million). In regard to properties for which no rental income was generated, operating expenses amounted to €0.1 million (2019: €0.1 million).

Development of consolidated non-current assets for 2020

Notes (C.1. – C.4.)

In € million	Cost							
	01/01/2020	Currency translation differences	Additions due to consolidation	Additions	Disposals	Disposals due to consolidation	Reclassifi-cations	31/12/2020
Intangible assets								
Industry property rights, similar rights and assets	396.0	- 2.2	11.6	33.1	- 24.3	- 2.6	31.7	443.4
Goodwill	267.9	- 2.7	13.9	1.1	0.0	- 0.9	1.5	280.8
Prepayments on account	7.0	- 0.1	0.0	9.9	- 1.1	0.0	- 3.6	12.1
	670.9	**- 4.9**	**25.6**	**44.1**	**- 25.4**	**- 3.5**	**29.6**	**736.3**
Property, plant and equipment								
Land, similar rights and buildings, including buildings on leasehold land	2,070.5	- 14.5	14.7	155.5	- 51.2	- 3.4	7.6	2,179.1
thereof: rights of use from leases	837.9	- 5.0	12.5	105.0	- 20.6	- 3.4	15.4	941.8
Technical facilities and machinery	1,012.7	- 17.6	4.6	130.2	- 21.9	- 45.7	223.1	1,285.4
thereof: rights of use from leases	6.2	- 0.1	0.2	2.1	- 1.0	0.0	- 0.8	6.7
Other facilities, fixtures and office equipment	435.4	- 1.7	2.5	80.4	- 36.0	- 4.6	7.1	483.0
thereof: rights of use from leases	74.0	- 0.1	0.9	27.4	- 9.5	0.0	0.0	92.8
Prepayments and assets under construction	81.3	3.0	0.1	54.5	- 6.2	- 4.0	20.1	148.8
Non-current biological assets	22.7	- 0.6	0.0	0.1	- 0.6	0.0	8.4	29.9
	3,622.6	**- 31.4**	**21.8**	**420.6**	**- 116.0**	**- 57.7**	**266.3**	**4,126.3**
Participating interests recognised at equity	**208.0**	**- 8.3**	**0.1**	**0.0**	**- 5.2**	**0.0**	**49.8**	**244.3**
Investments								
Shareholdings in affiliated companies	40.7	- 0.1	- 4.1	51.4	- 5.6	- 48.0	- 1.2	33.2
Loans to affiliated companies	3.1	0.0	- 0.1	0.3	- 0.3	0.0	0.2	3.1
Participations in other companies	43.6	0.0	0.0	6.7	- 0.1	0.0	0.0	50.2
Loans to companies in which a participating interest is held	31.4	- 0.1	0.0	1.8	- 0.2	0.0	0.0	32.9
Non-current marketable securities	139.0	0.0	0.0	0.3	0.0	- 0.2	0.0	139.2
Other loans	11.3	- 0.2	0.0	0.5	- 2.2	0.0	0.0	9.5
	269.2	**- 0.4**	**- 4.2**	**61.0**	**- 8.3**	**- 48.1**	**- 1.0**	**268.1**
Investment property								
Land	34.8	0.1	0.0	0.0	- 2.8	0.0	2.2	34.4
Buildings	58.7	0.2	0.0	0.4	- 1.8	0.0	7.0	64.4
	93.6	**0.3**	**0.0**	**0.4**	**- 4.6**	**0.0**	**9.2**	**98.8**
Consolidated non-current assets	**4,864.2**	**- 44.8**	**43.3**	**526.1**	**- 159.5**	**- 109.4**	**353.9**	**5,473.8**

Depreciation/amortisation									Book values	
01/01/2020	Currency translation differences	Additions due to consolidation	Current year	Disposals	Disposals due to consolidation	Write-ups	Reclassifi-cations	**31/12/2020**	**31/12/2020**	31/12/2019
- 245.2	1.3	- 0.1	- 43.0	13.6	0.3	0.0	0.6	- 272.6	170.8	150.8
- 21.0	0.0	0.0	- 5.4	0.0	0.0	0.0	- 0.1	- 26.5	254.3	246.9
- 1.0	0.0	0.0	- 0.0	0.0	0.0	0.0	0.6	- 0.4	11.6	6.0
- 267.2	**1.3**	**- 0.1**	**- 48.4**	**13.6**	**0.3**	**0.0**	**1.1**	**- 299.5**	**436.7**	**403.7**
- 693.3	1.8	- 2.5	- 83.7	19.4	0.3	0.0	35.4	- 722.8	1,456.3	1,377.1
- 102.9	0.1	- 1.0	- 56.9	3.2	0.3	0.0	- 4.3	- 161.5	780.3	734.9
- 601.4	4.0	- 3.1	- 60.1	19.3	7.5	0.0	- 9.1	- 642.9	642.4	411.3
- 1.2	0.0	0.0	- 1.4	0.3	0.0	0.0	0.1	- 2.1	4.6	5.0
- 259.9	0.8	- 0.9	- 58.5	33.7	0.6	0.0	- 0.9	- 285.0	198.0	175.5
- 23.3	0.0	- 0.2	- 21.6	7.4	0.0	0.0	0.1	- 37.7	55.1	50.8
4.3	0.0	0.0	- 0.1	0.0	0.0	0.0	- 4.3	- 0.1	148.8	85.6
- 5.9	0.2	0.0	- 1.0	0.2	0.0	0.0	- 0.4	- 7.0	22.9	16.8
- 1,556.2	**6.6**	**- 6.4**	**- 203.4**	**72.6**	**8.4**	**0.0**	**20.6**	**- 1,657.8**	**2,468.5**	**2,066.3**
0.0	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**244.3**	**208.0**
- 17.6	0.1	0.0	0.0	0.0	- 0.9	0.0	- 0.3	- 18.8	14.5	23.1
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.1	3.1
- 4.0	0.0	0.0	- 0.1	0.0	0.0	0.1	- 0.5	- 4.5	45.7	39.6
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	32.9	31.4
- 29.2	0.0	0.0	- 0.1	0.0	0.0	0.0	- 21.6	- 50.9	88.3	109.8
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.5	11.3
- 50.9	**0.1**	**0.0**	**- 0.2**	**0.0**	**- 0.9**	**0.1**	**- 22.4**	**- 74.1**	**194.0**	**218.3**
- 3.1	0.0	0.0	0.0	1.1	0.0	0.0	0.0	- 2.0	32.4	31.8
- 43.8	- 0.1	0.0	- 1.4	1.6	0.0	0.0	- 2.2	- 45.8	18.6	14.9
- 46.9	**- 0.1**	**0.0**	**- 1.4**	**2.8**	**0.0**	**0.0**	**- 2.2**	**- 47.8**	**51.0**	**46.7**
- 1,921.2	**7.9**	**- 6.6**	**- 253.4**	**89.0**	**7.8**	**0.1**	**- 2.9**	**- 2,079.3**	**3,394.5**	**2,943.0**

Development of consolidated non-current assets for 2019

Notes (C.1. – C.4.)

In € million	Cost							
	01/01/2019	Currency translation differences	Additions due to consolidation	Additions	Disposals	Disposals due to consolidation	Reclassifi-cations	**31/12/2019**
Intangible assets								
Industry property rights, similar rights and assets	368.5	1.2	8.7	24.2	- 5.9	- 2.3	1.7	396.0
Goodwill	198.9	1.4	66.7	1.0	- 0.1	0.0	- 0.1	267.9
Prepayments on account	4.4	0.1	0.0	3.8	- 0.4	0.0	- 1.2	7.0
	571.8	**2.7**	**75.3**	**29.0**	**- 6.4**	**- 2.3**	**0.4**	**670.9**
Property, plant and equipment								
Land, similar rights and buildings, including buildings on leasehold land	1,991.9	5.2	28.3	86.8	- 15.4	- 8.4	- 18.0	2,070.5
thereof: rights of use from leases	782.0	1.4	0.9	60.3	- 1.9	- 4.7	- 0.2	837.9
Technical facilities and machinery	929.4	3.2	11.2	64.1	- 26.2	- 47.0	78.1	1,012.7
thereof: rights of use from leases	3.2	0.1	0.5	3.1	- 0.3	0.0	- 0.4	6.2
Other facilities, fixtures and office equipment	389.3	1.0	0.9	75.4	- 30.2	- 4.8	3.9	435.4
thereof: rights of use from leases	51.1	0.3	0.0	26.1	- 3.3	0.0	- 0.1	74.0
Prepayments and assets under construction	93.7	0.5	0.0	65.7	- 46.7	- 0.1	- 31.9	81.3
Non-current biological assets	22.2	0.5	0.0	0.5	- 3.1	0.0	2.6	22.7
	3,426.4	**10.4**	**40.3**	**292.5**	**- 121.5**	**- 60.2**	**34.7**	**3,622.6**
Participating interests recognised at equity	**214.6**	**1.4**	**0.0**	**9.4**	**- 7.0**	**- 10.2**	**- 0.2**	**208.0**
Investments								
Shareholdings in affiliated companies	36.2	0.0	- 0.7	4.3	- 1.7	2.6	- 0.1	40.7
Loans to affiliated companies	3.8	0.0	- 0.6	0.2	- 0.4	0.0	0.0	3.1
Participations in other companies	41.1	0.0	0.0	4.0	- 1.3	- 0.3	0.1	43.6
Loans to companies in which a participating interest is held	32.4	0.0	0.0	0.0	- 1.0	0.0	0.0	31.4
Non-current marketable securities	138.8	0.0	0.0	0.3	0.0	0.0	0.0	139.0
Other loans	3.9	0.2	0.1	10.6	- 3.2	- 0.3	0.0	11.3
	256.2	**0.2**	**- 1.1**	**19.5**	**- 7.5**	**1.9**	**0.0**	**269.2**
Investment property								
Land	34.4	0.0	0.0	0.0	- 1.3	0.0	1.7	34.8
Buildings	54.9	0.0	0.0	2.7	- 6.6	0.0	7.7	58.7
	89.4	**0.0**	**0.0**	**2.7**	**- 7.9**	**0.0**	**9.4**	**93.6**
Consolidated non-current assets	**4,558.4**	**14.6**	**114.6**	**352.2**	**- 150.4**	**- 70.8**	**44.3**	**4,864.2**

	Depreciation/amortisation									Book values	
	01/01/2019	Currency translation differences	Additions due to consolidation	Current year	Disposals	Disposals due to consolidation	Write-ups	Reclassifi-cations	**31/12/2019**	**31/12/2019**	31/12/2018
	- 212.0	- 0.6	0.0	- 39.5	4.8	2.2	0.0	- 0.1	- 245.2	150.8	156.5
	- 21.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1	- 21.0	246.9	177.8
	- 0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	- 1.0	6.0	3.8
	- 233.7	**- 0.6**	**0.0**	**- 39.5**	**4.8**	**2.2**	**0.0**	**0.0**	**- 267.2**	**403.7**	**338.1**
	- 637.7	- 1.0	- 5.7	- 74.3	19.1	1.7	0.0	4.6	- 693.3	1,377.1	827.2
	- 54.1	- 0.1	0.0	- 49.0	0.2	0.0	0.0	0.0	- 102.9	734.9	–
	- 584.5	- 1.5	- 0.4	- 45.6	22.5	19.0	0.0	- 10.8	- 601.4	411.3	342.9
	- 0.3	0.0	0.0	- 1.0	0.0	0.0	0.0	0.1	- 1.2	5.0	–
	- 235.0	- 0.4	- 0.3	- 52.8	25.7	2.9	0.0	0.0	- 259.9	175.5	115.7
	- 6.2	- 0.1	- 0.1	- 19.6	2.4	0.2	0.0	0.1	- 23.3	50.8	–
	4.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.3	85.6	98.0
	- 6.0	- 0.1	0.0	- 0.9	1.5	0.0	0.0	- 0.3	- 5.9	16.8	16.1
	- 1,458.9	**- 3.1**	**- 6.5**	**- 173.7**	**68.8**	**23.7**	**0.0**	**- 6.5**	**- 1,556.2**	**2,066.3**	**1,399.9**
	0.0	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**208.0**	**214.6**
	- 18.9	0.0	0.0	0.0	0.4	0.9	0.0	0.0	- 17.6	23.1	17.3
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.1	3.8
	- 2.8	0.0	0.0	- 1.2	0.0	0.0	0.0	0.0	- 4.0	39.6	38.3
	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	31.4	32.4
	- 30.0	0.0	0.0	0.0	0.0	0.0	0.8	0.0	- 29.2	109.8	108.8
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.3	3.9
	- 51.8	**0.0**	**0.0**	**- 1.2**	**0.4**	**0.9**	**0.8**	**0.0**	**- 50.9**	**218.3**	**204.5**
	- 4.0	0.0	0.0	0.0	0.2	0.0	0.0	0.8	- 3.1	31.8	30.4
	- 47.2	0.0	0.0	- 1.4	5.3	0.0	0.0	- 0.5	- 43.8	14.9	7.8
	- 51.2	**0.0**	**0.0**	**- 1.4**	**5.5**	**0.0**	**0.0**	**0.3**	**- 46.9**	**46.7**	**38.2**
	- 1,795.6	**- 3.8**	**- 6.5**	**- 215.8**	**79.5**	**26.7**	**0.8**	**- 6.2**	**- 1,921.2**	**2,943.0**	**2,195.3**

(C.5.) Income tax assets

The table below shows a breakdown of income tax assets:

In € million	2020	2019
Non-current income tax assets (with a residual term of more than one year)	0.0	0.0
Current income tax assets (with a residual term of up to one year)	58.4	59.8
	58.4	**59.8**

(C.6.) Other receivables and other assets

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. The following table also includes "Other non-financial assets" and finance lease receivables. Receivables from income taxes, which are recognised pursuant to IAS 12 and listed in (C.5.), are not included.

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

In € million	2020	2019
Non-current receivables (with a residual term of more than one year)		
Trade receivables	3.1	5.0
Receivables from other taxes	0.2	0.9
Other assets including deferred items	24.7	30.0
	28.0	**35.9**
Current receivables (with a residual term of up to one year)		
Trade receivables	999.9	1,199.4
Receivables from affiliated companies	29.8	36.5
Receivables from companies in which a participating interest is held	37.4	46.9
Receivables from other taxes	98.6	89.4
Other assets including deferred items	490.1	472.5
	1,655.7	**1,844.8**

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 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. Payments on account of inventories of €88.4 million (2019: €84.9 million) and contract assets of €115.3 million (2019: €106.0 million) are also included in this item.

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. 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. Either the simplified approach or the general model can be chosen in the case of lease receivables.

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 have been and continue to be formed if there is any objective evidence of impairment in relation to the aforementioned items.

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

					Thereof: not stage 3 impaired at reporting date and overdue in subsequent periods			
In € million	Total gross value **2020**	Gross book value stage 3 impaired	Neither overdue nor impaired	Overdue receivables	fewer than 30 days	between 31 and 60 days	between 61 and 90 days	91 days and over
Receivables and other assets	1,717.9	143.9	1,240.0	334.0	229.3	32.8	22.9	49.1

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

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

					Thereof: not stage 3 impaired at reporting date and overdue in subsequent periods			
In € million	Total gross value 2019	Gross book value stage 3 impaired	Neither overdue nor impaired	Overdue receivables	fewer than 30 days	between 31 and 60 days	between 61 and 90 days	91 days and over
Receivables and other assets	1,915.8	102.7	1,392.6	420.6	369.9	10.1	10.9	29.8

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. An adjustment of the probability of default due to the coronavirus pandemic was not necessary to any significant extent in the financial year 2020.

Risk provisions for stage 2 expected credit losses developed as follows in the financial year 2020 and in the previous year:

In € million	2020	2019
As at 01/01	**6.2**	**5.7**
Allocation	1.9	2.2
Release	- 0.7	- 1.8
Write-offs	- 0.9	0.0
Reclassifications	- 0.0	- 0.1
Adjustments due to changes in the group of consolidated companies	0.0	0.1
Currency translation differences	- 0.1	0.0
As at 31/12	**6.4**	**6.2**

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 2020:

			Risk provisions for stage 2 credit losses			
In € million	Not overdue	Overdue	fewer than 30 days	between 31 and 60 days	between 61 and 90 days	91 days and over
01/01/2020	0.7	5.5	0.6	0.5	0.5	3.9
31/12/2020	0.3	6.1	0.6	0.7	0.4	4.5

			Probabilities of default			
In %	Not overdue	Overdue	fewer than 30 days	between 31 and 60 days	between 61 and 90 days	91 days and over
01/01/2020	0–1.0	–	0–12.2	0–16.9	0–53.0	0–71.9
31/12/2020	0–0.5	–	0–3.6	0–7.3	0–51.2	0–72.9

The following table shows the corresponding values for the previous year:

			Risk provisions for stage 2 credit losses			
In € million	Not overdue	Overdue	fewer than 30 days	between 31 and 60 days	between 61 and 90 days	91 days and over
01/01/2019	0.8	4.9	0.7	0.4	0.4	3.4
31/12/2019	0.7	5.5	0.6	0.5	0.5	3.9

			Probabilities of default			
In %	Not overdue	Overdue	fewer than 30 days	between 31 and 60 days	between 61 and 90 days	91 days and over
01/01/2019	0–1.1	–	0–25.5	0–25.0	0–60.2	0–83.6
31/12/2019	0–1.0	–	0–12.2	0–16.9	0–53.0	0–71.9

In addition, IFRS 9 requires at least two scenarios to be observed when calculating risk provisions for stage 2 expected losses, including the possibility of default and of non-default. This requirement is met by always adjusting the probabilities of default based on historical default rates by a particular percentage that has been set at 60%.

Risk provisions for stage 3 expected credit losses on other receivables and other assets developed as follows in the financial year 2020 and in the previous year:

In € million	2020	2019
As at 01/01	**28.9**	**23.2**
Allocation	9.0	9.3
Release	- 8.3	- 3.5
Write-offs	- 0.8	- 0.9
Adjustments due to changes in the group of consolidated companies	0.0	0.5
Reclassifications	- 0.5	0.2
Currency translation differences	- 0.3	0.0
As at 31/12	**27.9**	**28.9**

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 2020, the credit risk positions of 65 debtors (2019: 65) were more than €1 million respectively. The Group does not anticipate any material default risk in respect of these customers.

In order to enhance its financing structure, the Group has secured trade receivables by way of an asset-backed securitisation (ABS) measure. The total volume from the ABS measure amounted to €140.0 million. Utilisation will be adjusted in line with the variable and seasonal circumstances. At the end of the reporting period, trade receivables of €130.6 million (2019: €126.6 million) were secured by way of the ABS measure.

(C.7.) 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 they arise from temporary differences in goodwill (separate consideration of tax-related goodwill) or from the initial recognition (except business combinations) of other assets and liabilities resulting 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.

(C.8.) 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, the average-cost method is applied. In some cases, the first-in, first-out (FIFO) method was 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 (see (C.9.) for details on the fair value measurement of biological assets). 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.

Inventories break down as follows:

In € million	**2020**	2019
Raw materials, consumables and supplies	35.1	37.3
Unfinished goods/services	966.6	1,162.0
Finished goods/services and merchandise	1,937.5	2,087.1
	2,939.2	**3,286.4**

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. Impairments on inventories decreased year on year, from €172.9 million in 2019 to €131.0 million in the reporting year.

The book value of the inventories reported at fair value less selling costs amounted to €409.3 million at the end of the reporting period (2019: €531.1 million). The fair value of inventories is derived from prices quoted for comparable inventories in active markets at the end of the reporting period. A total of €23.5 million of the inventories recognised at the end of the reporting period served as collateral for liabilities (2019: €9.7 million). In the reporting year, a total of €20.7 million in borrowing costs (2019: €1.4 million) were capitalised as part of the cost of unfinished goods. The calculation of inventories is carried out through a (brought forward) end-of-period inventory or through continuous inventory.

Performance obligations resulting from contracts with BayWa customers performed over a period of time are particularly attributable to the Agricultural Equipment business unit (e.g. newly constructed animal equipment), the Building Materials business unit (e.g. turnkey house construction and project business in multi-storey housing construction) and the Renewable Energies business unit (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 (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. Changes to contractual work, benefits and performance bonuses are included to the extent that the amount can be reasonably estimated and their receipt is considered likely.

If the outcome of contracts with customers and the performance obligations agreed in such contracts cannot be reliably estimated, contract revenue is only recognised to the extent of the contract costs incurred that are likely to be recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss shall immediately be recognised as an expense. The remaining performance obligations under contracts to be fulfilled over time amounted to €394.8 million as at 31 December 2020. In general, revenue is expected to be realised from these remaining performance obligations in the financial year 2021, which is why the practical expedient pursuant to IFRS 15.121 has been exercised.

The total incurred costs and realised profit shares, less losses incurred for current construction contracts, amounted to €433.3 million as at the reporting date (2019: €203.1 million). The BayWa Group's sales revenues include revenue of €523.1 million (2019: €280.7 million) due to the realisation of sales revenue over time.

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, other receivables or contract assets. 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 resulting from payments received on performance obligations from current contracts with customers amounted to €150.3 million in the current financial year (2019: €123.8 million). Of this amount, €74.5 million was attributable to ongoing construction contracts.

The "Other receivables and other assets" item includes receivables from ongoing construction contracts with customers of €37.1 million (2019: €113.8 million) and a contract asset of €115.3 million (2019: €106.0 million). The increase in contract assets was primarily the result of the increase in project business volume in the fields of renewable energies. In general, the impairment model defined in accordance with IFRS 9 is also applicable to contract assets formed pursuant to IFRS 15. No such assets have been recognised, also for reasons of materiality.

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.

(C.9.) 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 biological assets developed as follows:

In € million **2020**	Apples	Tomatoes	Citrus fruits	Grapes	Other fruits	**Total**
Biological assets						
Biological assets on 01/01	10.8	1.2	1.2	0.3	- 0.1	13.6
Capitalised costs	17.5	–	3.1	0.4	1.0	22.0
Change in fair value less selling costs	1.2	1.8	0.2	–	0.0	3.2
Disposals due to harvest	- 18.2	- 2.1	- 3.8	- 0.7	- 0.8	- 25.6
Currency translation differences	–	- 0.1	- 0.1	–	–	- 0.2
Biological assets on 31/12	**11.3**	**0.8**	**0.8**	**–**	**0.1**	**12.8**

In € million 2019	Apples	Tomatoes	Citrus fruits	Grapes	Other fruits	**Total**
Biological assets						
Biological assets on 01/01	13.9	1.4	1.1	0.0	0.1	16.5
Capitalised costs	16.8	1.0	3.3	4.3	0.5	26.0
Change in fair value less selling costs	1.9	2.1	–	–	- 0.1	3.9
Disposals due to harvest	- 21.9	- 3.3	- 3.2	- 4.0	- 0.7	- 33.0
Currency translation differences	0.1	0.0	0.0	0.0	0.1	0.2
Biological assets on 31/12	**10.8**	**1.2**	**1.2**	**0.3**	**- 0.1**	**13.6**

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

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

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 as at 31 December 2020. 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	
		2020	2019
Apples	tce[1] per hectare per year	1,170 tce[1] to 5,500 tce[1]	1,400 tce[1] to 6,500 tce[1]
	Weighted average tce[1] per hectare per year	2,335 tce[1]	3,366 tce[1]
	Export prices per tce[1]	€5.69 to €40.43	€5.89 to €41.26
	Weighted average export prices per tce[1]	€20.15	€20.74
	Risk-adjusted discount rate	35%	25%
Tomatoes	Tonnage per hectare per year	159 to 582 tonnes	171 to 628 tonnes
	Weighted average tonnage per hectare per year	435 tonnes	431 tonnes
	Price per kilogramme ex works per season	€0.76 to €10.81	€0.88 to €11.07
	Weighted average price per kilogramme ex works per season	€2.01	€2.12
	Risk-adjusted discount rate	25%	25%
Citrus fruits	Tonnage per hectare per year	36 tonnes	29 tonnes
	Weighted average tonnage per hectare per year	36 tonnes	29 tonnes
	Price per tonne ex works per season	€427.08 to €1,463.47	€560.01 to €1,573.92
	Weighted average price per tonne ex works per season	€1,218.04	€1,112.95
	Risk-adjusted discount rate	14%	14%
Blueberries	Tonnage per hectare per year	6.3 tonnes	6.5 tonnes
	Weighted average tonnage per hectare per year	6.3 tonnes	6.5 tonnes
	Price per kilogramme ex works per season	€4.84 to €10.53	€5.01 to €9.97
	Weighted average price per kilogramme ex works per season	€10.06	€9.73
	Risk-adjusted discount rate	18%	18%

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

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

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

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

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

In hectares	2020	2019
Biological assets		
Apples	739	779
Tomatoes	28	28
Citrus fruits (lemons, mandarins, oranges)	90	101
Grapes	115	130
Blueberries	11	11

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

	2020	2019	Production units
Biological assets			
Apples	1,603,147	1,622,308	tce [1]
Tomatoes	12,372,771	12,248,314	kg
Citrus fruits (lemons, mandarins, oranges)	3,223,001	2,644,000	kg
Grapes	340,000	270,414	kg
Blueberries	69,711	73,182	kg

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

(C.10.) Other current financial assets

The BayWa Group’s other current financial assets comprise currency hedges and commodity futures classified as financial instruments pursuant to IFRS 9. These other current financial assets are measured at fair value. In the case of FX 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).

The classification of the fair values of other current financial assets in the fair value hierarchy breaks down as follows:

In € million	Fair values			
31/12/2020	level 1	level 2	level 3	total
Other current financial assets				
Commodity futures	85.8	380.1	–	465.9
FX hedges	30.1	–	–	30.1
Interest rate hedges	–	–	–	–
	115.9	**380.1**	**–**	**496.0**

In € million 31/12/2019	Fair values level 1	 level 2	 level 3	 total
Other current financial assets				
Commodity futures	6.7	111.8	–	118.5
FX hedges	30.9	0.9	–	31.8
Interest rate hedges	–	–	–	–
	37.6	**112.7**	**–**	**150.3**

(C.11.) Cash and cash equivalents

Cash and cash equivalents worth €168.4 million (2019: €229.7 million) comprise cash in hand, cheques and deposits in banks with initial terms of no more than three months.

(C.12.) Non-current assets held for sale/disposal groups

Assets of the BayWa Group are classified as non-current assets held for sale if there is a Board of Management resolution on the sale and the sale is highly probable within the following year (2021).

At the end of the reporting period, there were 9 properties (2019: 6) intended for sale and disclosed under the non-current assets held for sale item. These relate to land on which warehouses, halls, silos, workshops, offices, one building materials centre and a car dealership have been constructed.

The standard under IFRS 5 regulating measurement 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.

Assets with book values totalling €5.1 million were assigned to non-current assets held for sale/disposal groups at the end of the reporting period (2019: €4.7 million). Fair value less estimated costs to sell came to a total of €10.6 million (2019: €5.8 million).

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.

Non-current assets held for sale/disposal groups break down as follows:

In € million **2020**	Energy Segment	Agriculture Segment	Building Materials Segment	Innovation & Digitalisation Segment	Other Activities	Total
Non-current assets						
Property, plant and equipment	–	0.6	0.3	–	4.1	5.1
Non-current assets held for sale/ disposal groups	**–**	**0.6**	**0.3**	**–**	**4.1**	**5.1**

In € million 2019	Energy Segment	Agriculture Segment	Building Materials Segment	Innovation & Digitalisation Segment	Other Activities	Total
Non-current assets						
Property, plant and equipment	–	0.2	–	–	4.4	4.7
Non-current assets held for sale/ disposal groups	**–**	**0.2**	**–**	**–**	**4.4**	**4.7**

The gains or losses from disposal realised in the current financial year in connection with non-current assets held for sale/disposal groups were reported in the income statement under other operating income (D.2.) and other operating expenses (D.5.).

(C.13.) Contingent assets

In 2013, the Spanish government changed its subsidy scheme for renewable energy plants and drastically reduced the national tariffs for electricity input, even for plants already in operation. The “La Muela” wind farm operated by the BayWa r.e. Group was also affected by this retroactive tariff reduction. BayWa r.e. renewable energy GmbH and BayWa r.e. Asset Holding GmbH, both in Munich, Germany, filed a lawsuit against this in 2015. As part of the arbitration proceedings, the tribunal of the International Centre for Settlement of Investment Disputes (ICSID), based in Washington DC, USA, issued a binding arbitration on 25 January 2021, according to which the claimants were awarded damages in the amount of approximately €22 million. Although the ruling is binding on all parties, we can assume that the Spanish government – as in all other ICSID proceedings it has lost so far – will file an action for nullification. For this reason, it cannot be assumed at the present time that the inflow of economic benefits is all but certain.

(C.14.) Equity

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

Subscribed capital

On 31 December 2020, BayWa AG’s subscribed capital of €90.6 million (2019: €90.3 million) was divided into 35,418,709 ordinary registered shares with an arithmetical portion in the share capital of €2.56 per share. Of the shares issued, 34,035,811 are registered shares with restricted transferability and 139,647 recently registered shares with restricted transferability (dividend-bearing employee shares from 1 January 2021 onwards); 1,243,251 shares are registered shares not subject to restricted transferability.

In respect of subscribed capital disclosed 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 2020.

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 01/01/2020	1,243,251	34,016,311
Issuing of employee shares		139,647
As at 31/12/2020	**1,243,251**	**34,155,958**

Following a resolution by the Annual General Meeting on 28 July 2020, and 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 25 May 2025 by up to a nominal amount of €4,642,503.68 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).

Following a resolution by the Annual General Meeting on 5 June 2018, and subject to the approval of the Supervisory Board, the Board of Management is authorised to raise the share capital one or several times on or before 31 May 2023 by up to a nominal amount of €10,000,000.00 through the issuance of new registered shares with restricted transferability against contributions in kind. The authorisation can be used in part amounts. Shareholders' subscription rights are excluded. Subject to the approval of the Supervisory Board, the Board of Management is authorised to determine the further content of share rights and conditions under which the shares are to be issued (authorised capital in 2018).

Following a resolution by the Annual General Meeting on 7 June 2016, and subject to the approval of the Supervisory Board, the Board of Management is authorised to raise the share capital one or several times on or before 31 May 2021 by up to a nominal amount of €12,500,000.00 through the issuance of new registered shares with restricted transferability against contributions in kind. The authorisation can be used in part amounts. Shareholders' subscription rights are excluded. Subject to the approval of the Supervisory Board, the Board of Management is authorised to determine the further content of share rights and conditions under which the shares are to be issued (authorised capital in 2016).

Capital reserve

The capital reserve of €121.7 million (2019: €118.2 million) is derived mainly from the premiums in an amount of €90.3 million (2019: €88.4 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 2019, 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 2020. In this context, 139,647 recent registered shares with restricted transferability (from 1 January 2021 dividend-bearing employee shares) (2019: 140,914 recently registered shares with restricted transferability, from 1 January 2020 dividend-bearing employee shares) were issued in the financial year 2020. The exercise price of employee shares came to €16.95 (2019: €15.87) and was thus 60% of the stock market price of registered BayWa shares with restricted transferability, which, on the preceding day, had stood at €28.25 (2019: €26.45); BayWa's Board of Management had passed the resolution on the capital increase required for this measure. As in 2019, the contribution of each participating employee amounted to at least €135.00 and no more than €540.00. The advantage granted of €1.6 million (2019: €1.5 million), which was the difference between the actual buying price and the stock market price, was posted to capital reserve in accordance with IFRS 2 and reported as an expense under personnel expenses. The vesting period for these shares will end on 31 December 2022. The shares issued to Austrian employees are also subject to a tax retention period, which will end on 31 December 2025.

Hybrid capital

BayWa AG issued a hybrid bond on 4 October 2017 with a total nominal amount of €300.0 million. Taking into account a discount of 0.551%, the issue price amounted to 99.449% of the total nominal amount. Net income from the issue amounted to €295.2 million. The remaining difference is attributable to bank fees and transaction costs incurred as part of the issue, including the deferred tax assets formed as a result.

The hybrid capital is an equity instrument as defined under IAS 32 and has no fixed term. It can only be terminated by BayWa by way of ordinary termination or, if certain circumstances arise, by way of extraordinary termination. The capital is repaid as at that date. In terms of interest in the period between the issue and repayment, there are two distinct phases: In the phase up to the first possible repayment date in 2022, the interest rate is at a fixed rate of 4.250%. In the second phase up to the repayment of the bond, the rate of interest is variable with the margin determined in advance. The discount, bank fees and transaction costs, as well as deferred tax assets on these costs, were deducted directly from equity in accordance with IAS 32.37 et seq.

In the financial year 2020, dividend-like payments of €12.8 million were made and are reported as part of the appropriation of earnings.

Revenue reserves

The revenue reserves of the Group stood at €369.3 million at the end of the reporting period (2019 adjusted: €448.3 million). Of this amount, €5.2 million (2019: €5.2 million) was attributable to the statutory reserve, €17.9 million (2019: €18.6 million) to the assessment reserve, minus €320.8 million (2019: minus €280.7 million) to the reserves for actuarial gains and losses for provisions for pensions and severance pay and €667.1 million (2019: €728.8 million) to other reserves. Transfers to and withdrawals from the revenue reserves were recorded both at the parent company BayWa AG and at the consolidated subsidiaries.

Other reserves

Other reserves comprise consolidated profit available for distribution of €61.0 million (2019 adjusted: 50.8 million) and currency translation differences of minus €10.5 million (2019: €0.3 million) recognised through other comprehensive income.

Minority interest

Shares in equity attributable to other shareholders pertain primarily to the cooperatives invested in the Austrian subsidiaries, as well as to the minority shareholders in T&G Global Limited and their respective subsidiaries. Details on the shares held by the non-controlling interests can be found in (B.1.) of the Consolidated Financial Statements.

(C.15.) Pension provisions

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

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

Due to pension plans no longer being available to new participants, the risks for BayWa related to defined benefit plans – such as longevity or salary increases – have been significantly reduced. Prior commitments relate to 11,355 claimants. Of this number, 2,158 are active employees, 2,034 former employees with vested benefits and 7,163 are pensioners and surviving dependants. More details on the arrangement of the key defined benefit plans are provided below.

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

The discount factor has a material impact on the amount of the pension obligations. In the financial year 2020, the derivation of the discount factor parameters was refined.

The "RATE:Link procedure" for the determination of interest rates in accordance with IFRS is 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. All other features of the "Global RATE:Link methodology" remain unchanged to ensure global consistency of the procedure continues.

As at the transition date of 30 June 2020, the move from the BICS to the BCLASS classification resulted in only moderate actuarial interest rate changes for most plans and currency zones. When quantifying the effect of the transition to BCLASS on the pension obligations of the BayWa Group, the fact that BayWa based its interest rate determination on the duration of the entire portfolio of pension beneficiaries in the Group until the end of the reporting period 2019 was taken into account. Based on the cash flow for the BayWa Group's portfolio of pension beneficiaries, this duration was around 16 years as at 31 December 2020 (known as the spot rate approach). Consequently, the BICS interest rate of 0.35% and the BCLASS interest rate of 0.66% for the BayWa Group's portfolio of pension beneficiaries were applied for the comparative analysis as at 31 December 2020. On the basis of the previous BICS interest rate of 0.35%, the total obligation for the Group's portfolio of pension beneficiaries as at 31 December 2020 was calculated at around €777 million, which is around €38 million higher than if the duration-dependent interest rate based on the improved BCLASS methodology now used were to be applied.

BayWa applied the duration-dependent discount rate in accordance with the spot rate approach for the first time as at the reporting date of 31 December 2020.

In %	**31/12/2020**	31/12/2019
Discount factor [1]	0.66	1.10
Salary trend	1.00–2.50	1.00–3.00
Pension trend	1.00–2.50	1.00–2.50

1 **The figure for the financial year 2020 is a representative discount factor that is comparable with the previous year and may differ for individual portfolios depending on their duration.**

The amount of severance pay obligations (defined benefit obligation) 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 %	**31/12/2020**	31/12/2019
Discount factor	0.12–1.10	0.30–1.10
Salary trend	2.00–3.50	2.00–3.50

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

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

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

Actuarial losses of €53.2 million (2019: €89.3 million) were recorded directly in equity in the reporting year. As at the end of the reporting period, actuarial losses recognised directly in equity before deferred taxes amounted to €441.4 million (2019: €387.9 million).

Total expenses from the BayWa Group's benefit commitments amounted to €13.6 million (2019: €18.6 million) and comprise the following:

In € million	**2020**	2019
Current service cost	- 5.9	- 6.6
+ share of interest	- 7.7	- 12.0
= sum total recognised through profit or loss	**- 13.6**	**- 18.6**

Total expenses from the Austrian Group companies' severance pay obligations amounted to €1.9 million (2019: €2.2 million) and comprised the following:

In € million	2020	2019
Current service cost	- 1.7	- 1.7
+ share of interest	- 0.2	- 0.5
= sum total recognised through profit or loss	**- 1.9**	**- 2.2**

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		2020	2019
DBO as at 01/01		725.5	651.2
+	changes in the group of consolidated companies	–	–
+	sum total through profit or loss	13.6	18.6
+/–	changes in actuarial gains (–)/losses (+)	53.2	85.7
-	pension payments during the reporting period	- 30.1	- 30.0
+/–	assumption of obligations	0.1	–
= DBO as at 31/12		**762.4**	**725.5**

The actuarial losses calculated for the reporting year comprise actuarial losses from adjustments based on empirical experience of €3.4 million (2019: actuarial losses of €5.8 million) and actuarial losses of €49.8 million (2019: actuarial losses of €80.0 million) from the change in actuarial 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		2020	2019
DBO as at 01/01		40.9	37.4
+	changes in the group of consolidated companies	–	0.2
+	sum total through profit or loss	1.9	2.2
+/–	changes in actuarial gains (–)/losses (+)	0.3	3.6
–	severance pay in the reporting period	- 4.6	- 2.5
+/–	assumption of obligations	–	–
=	**DBO as at 31/12**	**38.4**	**40.9**

The actuarial losses calculated for the reporting year comprise actuarial gains from adjustments based on empirical experience of €0.6 million (2019: actuarial losses of €0.3 million), actuarial losses from the change in demographic assumptions of €0.0 million (2019: actuarial gains of €0.0 million) and actuarial losses from the change in financial assumptions of €0.9 million (2019: actuarial losses of €3.3 million).

Defined pension obligations developed as follows:

In € million	
2016	690.0
2017	665.4
2018	651.2
2019	725.5
2020	**762.4**

The actuarial gains (-)/losses (+) from adjustments with regard to pension obligations based on empirical experience are as follows:

In € million	
2016	3.4
2017	1.7
2018	- 3.6
2019	5.8
2020	**3.4**

Severance pay obligations developed as follows:

In € million	
2016	34.2
2017	37.4
2018	37.4
2019	40.9
2020	**38.4**

The actuarial gains (-)/losses (+) from adjustments with regard to severance pay obligations based on empirical experience are as follows:

In € million	
2016	0.2
2017	- 0.1
2018	- 0.1
2019	- 0.3
2020	**0.7**

For the financial year 2021, it is expected that a probable amount of €9.1 million will be recognised through profit or loss for defined benefit plans and €1.3 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%	- 10.26%	14.52%	The higher the discount rate, the lower the DBO
Salary increase	± 0.50%	0.95%	- 0.60%	The higher the salary increase, the higher the DBO
Pension increase	± 0.50%	6.56%	- 5.53%	The higher the pension increase, the higher the DBO
Remaining life expectancy according to mortality tables	± 1 year	4.62%	- 4.22%	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%	- 5.85%	6.78%	The higher the discount rate, the lower the DBO
Salary increase	± 0.50%	4.25%	- 3.99%	The higher the salary increase, the higher the DBO

The weighted duration of pension obligations is 16 years (2019: 17 years). The weighted duration of severance pay obligations is 9 years (2019: 9 years).

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

In € million	Total	2021	2022–2025	2026–2030	> 2030
Pension obligations	926.2	30.7	122.0	147.8	625.7
Severance pay obligations	40.7	2.4	10.4	12.3	15.7

(C.16.) Other provisions

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

Other provisions are mainly attributable to:

In € million	31/12/2020	31/12/2019
Non-current provisions (with a maturity of more than one year)		
Obligations from personnel and employee benefits	38.3	34.3
Other provisions	31.2	25.3
	69.5	**59.5**
Current provisions (with a maturity of up to one year)		
Obligations from personnel and employee benefits	119.3	96.8
Other provisions	180.7	161.7
	300.0	**258.4**

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. Other provisions mainly comprise provisions for obligations from dismantling operations, for outstanding invoices and for guarantee 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. Finally, other provisions also include expenses in connection with restructuring measures totalling €5.5 million. This amount relates to the restructuring of BayWa AG's agricultural division in eastern Germany, whereby the provision includes in particular severance payments, compensation payments for rented locations no longer required and closure costs.

The provisions developed as follows:

In € million **2020**	As at **01/01/2020**	Allocation	Reclassifica- tion	Compound interest/ discounting	Consumption	Release	Currency translation differences	As at **31/12/2020**
Non-current provisions								
Obligations from personnel and employee benefits	34.3	9.7	- 1.5	- 0.6	- 3.4	- 0.1	0.0	38.3
Other provisions	25.3	6.2	2.0	0.4	- 1.0	- 1.1	- 0.5	31.2
	59.5	**15.9**	**0.5**	**- 0.2**	**- 4.5**	**- 1.2**	**- 0.5**	**69.5**
Current provisions								
Obligations from personnel and employee benefits	96.8	93.6	1.5	0.7	- 65.3	- 7.7	- 0.3	119.3
Other provisions	161.7	85.8	- 2.0	0.1	- 50.8	- 9.6	- 4.3	180.7
	258.4	**179.4**	**- 0.5**	**0.8**	**- 116.2**	**- 17.3**	**- 4.6**	**300.0**

In € million 2019	As at 01/01/2019	Allocation	Reclassifica- tion	Compound interest/ discounting	Consumption	Release	Currency translation differences	As at 31/12/2019
Non-current provisions								
Obligations from personnel and employee benefits	29.8	7.9	- 0.4	0.5	- 3.5	0.0	0.0	34.3
Other provisions	23.0	9.7	- 3.6	0.6	- 1.7	- 2.8	0.1	25.3
	52.8	**17.6**	**- 4.1**	**1.1**	**- 5.2**	**- 2.8**	**0.1**	**59.5**
Current provisions								
Obligations from personnel and employee benefits	85.9	73.5	0.5	- 0.1	- 56.3	- 6.9	0.2	96.8
Other provisions	105.7	119.4	3.6	0.6	- 48.4	- 21.1	1.8	161.7
	191.7	**192.9**	**4.1**	**0.5**	**- 104.7**	**- 28.0**	**2.0**	**258.4**

(C.17.) 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 **2020**	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	1,225.7	474.4	141.4	1,841.5
Bonds	–	498.4	–	498.4
Commercial papers	990.0	–	–	990.0
Dormant equity holding	1.4	–	–	1.4
	2,217.1	**972.8**	**141.4**	**3,331.3**

In € million 2019	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	1,463.2	510.6	292.7	2,266.4
Bonds [1]	–	497.9	–	497.9
Commercial papers [1]	849.0	–	–	849.0
Dormant equity holding	1.4	–	–	1.4
	2,313.6	**1,008.5**	**292.7**	**3,614.7**

1 **The bonds and commercial papers combined in the previous year are presented separately for the first time in the financial year 2020; a corresponding adjustment was also made for the previous year for comparison purposes. The accrued interest for the green bond amounting to €8.0 million (2019: €8.0 million) is now reported under current liabilities due to banks. The previous year's figures for this were also adjusted accordingly.**

The bonds and commercial papers combined in the previous year are reported separately in the financial year 2020.

The BayWa Group finances itself through credit lines and short-term loans for which no collateral is furnished. In individual cases, long-term bank loans are used. BayWa AG placed bonded loans in 2014, 2015 and 2018. The bonded loans serve to diversify the Group's financing and are reported under liabilities due to banks.

2018	Nominal loan amount in € million	Maturity	Interest
Bonded loan 3-year variable	5.5	19/07/2021	6-month Euribor plus 0.70%
Bonded loan 5-year fixed	12.5	19/07/2023	1.119%
Bonded loan 5-year variable	22.5	19/07/2023	6-month Euribor plus 0.85%
Bonded loan 7-year fixed	3.0	21/07/2025	1.536%
Bonded loan 7-year variable	14.5	21/07/2025	6-month Euribor plus 1.00%
Bonded loan 5-year fixed	45.0	12/12/2023	1.18%
Bonded loan 7-year fixed	19.0	12/12/2025	1.61%
Bonded loan 7-year variable	3.0	12/12/2025	6-month Euribor plus 0.95%
Bonded loan 10-year fixed	3.0	12/12/2028	2.10%

2015	Nominal loan amount in € million	Maturity	Interest
Bonded loan 6-year fixed	28.0	09/11/2021	1.52%
Bonded loan 6-year variable	21.5	09/11/2021	6-month Euribor plus 1.10%
Bonded loan 7-year fixed	33.5	09/11/2022	1.71%
Bonded loan 7-year variable	24.5	09/11/2022	6-month Euribor plus 1.15%
Bonded loan 10-year fixed	46.5	09/11/2025	2.32%

2014	Nominal loan amount in € million	Maturity	Interest
Bonded loan 7-year fixed	79.5	06/10/2021	1.87%
Bonded loan 7-year variable	52.0	06/10/2021	6-month Euribor plus 1.10%
Bonded loan 10-year fixed	80.0	06/10/2024	2.63%
Bonded loan 10-year variable	18.0	06/10/2024	6-month Euribor plus 1.45%

The bonded loans were reported at the fair value corresponding to the nominal value at the time when they were recognised, less transaction costs. The bonded loans are measured at amortised cost.

Of the current liabilities due to banks, loans of €950.7 million (2019: €1,254.7 million) are due at any time. The difference of €275.0 million (2019: €200.6 million) relates to the short-term portion of non-current liabilities due to banks. The average effective interest rate on short-term variable loans was 0.87% per year as at the reporting date (2019: 1.39%).

Of the Commercial Paper Programme concluded by BayWa AG with a total volume of €1,000.0 million (2019: €1,000.0 million), there were €990.0 million (2019: €849.0 million) in commercial papers with an average weighted residual term of 55 days (2019: 59 days) and an average weighted effective interest rate of 0.38% (2019: 0.27%) as at the balance sheet date.

Of the liabilities due to banks, €32.2 million at Group level (2019: €32.2 million) have been secured by a charge over property. The fair value of debt does not diverge materially from the book values disclosed and is reported in (C.25).

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

(C.18.) Lease obligations

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

In € million **2020**	Residual term of up to one year	Residual term of between one and five years	Residual term of over five years	Total
Lease obligations	72.3	209.4	552.3	834.1

In € million 2019	Residual term of up to one year	Residual term of between one and five years	Residual term of over five years	Total
Lease obligations	68.2	190.3	516.2	774.8

(C.19.) 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.

Liabilities due to affiliated companies and companies in which a participating interest is held comprise not only trade payables but also liabilities arising from financing.

In € million **2020**	Residual term of up to one year	Residual term of between one and five years	Residual term of over five years	Total
Trade payables	899.4	7.1	0.0	906.5
Liabilities due to affiliated companies	10.1	0.0	0.3	10.4
Liabilities due to companies in which a participating interest is held	55.0	–	–	55.0
	964.4	**7.1**	**0.3**	**971.8**

In € million 2019	Residual term of up to one year	Residual term of between one and five years	Residual term of over five years	Total
Trade payables	993.2	6.7	0.2	1,000.1
Liabilities due to affiliated companies	9.1	0.0	0.3	9.4
Liabilities due to companies in which a participating interest is held	46.4	–	–	46.4
	1,048.7	**6.7**	**0.5**	**1,055.9**

(C.20.) Income tax liabilities

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

In € million **2020**	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	38.1	0.1	–	38.2
	38.1	**0.1**	**–**	**38.2**

In € million 2019	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	16.1	–	–	16.1
	16.1	**–**	**–**	**16.1**

(C.21.) Financial liabilities

The BayWa Group's financial liabilities comprise currency and interest rate hedges, as well as commodity futures classified as financial instruments pursuant to IFRS 9 and measured at fair value. Currency futures and interest rate hedges are measured at their 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 at 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).

The classification of the fair values of financial liabilities in the fair value hierarchy breaks down as follows:

In € million **31/12/2020**	Fair values Level 1	 Level 2	 Level 3	 Total
Financial liabilities				
Commodity futures	22.0	455.2	–	477.2
FX hedges	37.8	–	–	37.8
Interest rate hedges	–	9.4	–	9.4
	59.8	**464.6**	**–**	**524.5**

In € million 31/12/2019	Fair values Level 1	 Level 2	 Level 3	 Total
Financial liabilities				
Commodity futures	5.7	96.4	–	102.1
FX hedges	22.5	–	–	22.5
Interest rate hedges	–	4.9	–	4.9
	28.3	**101.3**	**–**	**129.6**

A total of €507.3 million of the disclosed financial liabilities had a residual term of a maximum of one year (2019: €121.3 million). The residual term for financial liabilities of €12.1 million (2019: €4.7 million) was between one and a maximum of five years, whereas financial liabilities of €5.0 million (2019: €3.5 million) had residual terms of over five years.

(C.22.) Other liabilities

The table below shows a breakdown of other liabilities:

In € million **2020**	Residual term of up to one year	Residual term of between one and five years	Residual term of over five years	Total
Social security	6.3	0.7	–	7.1
Subsidies received	1.2	2.0	9.1	12.3
Liabilities from other taxes	98.5	0.2	0.0	98.7
Other liabilities including accruals	515.6	31.0	45.7	592.3
	621.7	**33.9**	**54.8**	**710.3**

In € million 2019	Residual term of up to one year	Residual term of between one and five years	Residual term of over five years	Total
Social security	6.1	0.2	–	6.3
Subsidies received	0.8	0.9	1.8	3.5
Liabilities from other taxes	124.2	15.7	48.7	188.6
Other liabilities including accruals	388.6	16.2	0.8	405.7
	519.8	**33.0**	**51.3**	**604.1**

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

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. An amount of €0.5 million (2019: €0.5 million) was released in the financial year and recognised under other operating income.

A liability of €12.2 million resulting from the acquisition of the GroenLeven Group in the financial year 2018 was recognised in other liabilities for the first time at the beginning of the financial year 2020. The contractually agreed put option of the minority interest is thereby recognised in the balance sheet. In accordance with the valuation of the put option carried out as at 31 December 2020, the liability was adjusted by €4.9 million to €17.1 million.

(C.23.) Deferred tax liabilities

Tax liabilities are deferred in accordance with the temporary concept defined under IAS 12 using the valid or official and known tax rates as at the reporting date. Further explanations on deferred tax can be found under (D.8.) Income Taxes.

(C.24.) Contingent liabilities

In € million	**2020**	2019
Guarantees	8.5	9.3
thereof: to affiliated companies	–	–
thereof: to associates	8.0	9.3
Warranties	26.0	413.0
thereof: to affiliated companies	0.0	322.2
thereof: to associates	11.5	74.6
Collateral for liabilities of third parties	111.1	88.9
thereof: to affiliated companies	1.2	–
thereof: to associates	–	–

For practical reasons, BayWa dispenses with the disclosures specified in IAS 37.86 and IAS 37.89.

(C.25.) Other financial obligations

In € million	**2020**	2019
Other financial obligations		
from buyback obligations	22.9	20.6
from amounts guaranteed for interests in cooperative companies	9.4	9.4

There are contractual obligations (purchase commitments) of €12.8 million for the purchase of property, plant and equipment (real estate, vehicles) (2019: €22.7 million) and of €899.6 million for the purchase of inventories (2019: €753.5 million).

(C.26.) Financial instruments

Accounting policies and valuation methods

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. 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.
- 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. 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.

The BayWa Group continues to have the option to recognise subsequent changes in the fair values of financial investments in equity instruments, which are usually recognised at fair value through profit or loss, in other comprehensive income. The BayWa Group exercises this option in particular in relation to the securities of Raiffeisen Bank International AG.

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

The financial liabilities cover the following classes:

- Financial liabilities measured at amortised cost (FLAC): These financial liabilities are measured at amortised cost after their initial recognition. They mainly have short residual terms. The book value is thus a reasonable approximation of fair value for current financial liabilities Gains and losses are recorded directly in the consolidated result.
- Financial liabilities measured at fair value through profit or loss (FLTPL): Derivative financial instruments which are not included in an effective hedging strategy under IFRS 9 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. In addition, this category only includes the negative fair values of those commodity futures scheduled for trading. The measurement of commodity futures is based on the market or stock market value for comparable transactions at the end of the reporting period.

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 caps, interest rate swaps and futures, as well as 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 and pound sterling. The business transactions of the agricultural trade companies are predominantly denominated in euros and US dollars, as well as in pound sterling, Polish złoty, Hungarian forint, Romanian leu, Russian ruble, Czech koruna and Ukrainian hryvnia. 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 trading 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 2020, there were currency futures denominated in US dollars, Australian dollars, Polish złoty, Canadian dollars, Swedish krona and Japanese yen to hedge currency risks.

In the context of financial management, the Group is active on the money market primarily in borrowing short-term term deposits. Outside of the euro zone, the procuring of funds is carried out in the currency area of the respective operating unit. The BayWa Group is therefore exposed to interest rate risk in particular. The Group counteracts this risk by using derivatives of financial instruments, mainly through interest rate swaps, interest rate caps 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, 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, 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.

Book and fair values of financial instruments

The following table shows the book values of the corresponding balance sheet items and their corresponding 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. Trade receivables, receivables from inter-group business relationships and other current financial assets generally have short residual terms. Their book values at the end of the reporting period therefore approximate to fair value. Trade payables and liabilities from inter-Group business relationships generally have short residual terms. Their book values approximate to fair value.

In € million **as at 31/12/2020**	Book value **31/12/2020**	Subsequent measurement in accordance with IFRS 9 categories [1] AC	FVTPL	FVTOCI	FVTOCI (option)	Not a financial instrument	Fair Value **31/12/2020**
Non-current financial assets							
Investments	194.0	45.5	83.7	–	64.8	–	194.0
Other receivables and other assets Trade receivables	3.1	3.1	–	–	–	–	3.1
Other non-current receivables and other assets Other assets	24.9	15.3	–	–	–	9.6	24.9
Current financial assets							
Securities	1.2	–	1.2	–	–	–	1.2
Other current financial assets	445.2	–	445.2	–	–	–	445.2
Derivatives designated as hedging instruments for cash flow hedge accounting (assets)	50.8	–	50.8	–	–	–	50.8
Other receivables and other assets Trade receivables and inter-Group business relationships	1,067.1	1,067.1	–	–	–	–	1,067.1
Other non-current receivables and other assets Other assets	588.6	433.1	–	–	–	155.5	588.6
Non-current financial liabilities							
Long-term debt	1,114.2	1,114.2	–	–	–	–	1,114.2
Trade payables and liabilities from inter-group business relationships	7.4	7.4	–	–	–	–	7.4
Financial liabilities	7.2	–	7.2	–	–	–	7.2
Derivatives designated as hedging instruments for cash flow hedge accounting (liabilities)	10.0	–	10.0	–	–	–	10.0
Other liabilities	88.6	16.4	–	–	–	72.2	88.6
Current financial liabilities							
Short-term debt	2,217.1	2,217.1	–	–	–	–	2,217.1
Trade payables and liabilities from inter-group business relationships	964.4	964.4	–	–	–	–	964.4
Financial liabilities	483.9	–	483.9	–	–	–	483.9
erivatives designated as hedging instruments for cash flow hedge accounting (liabilities)	23.4	–	23.4	–	–	–	23.4
Other liabilities	621.7	337.2	–	–	–	284.4	621.7
IFRS 9 categories							
Financial assets attributed to the AC category	1,564.2						
Financial assets attributed to the FVTPL category	530.1						
Financial assets attributed to the FVTOCI category	–						
Financial assets attributed to the FVTOCI (option) category	64.8						
Derivatives designated as hedging instruments for cash flow hedge accounting (assets)	50.8						
Financial liabilities attributed to the AC category	4,656.8						
Financial liabilities attributed to the FVTPL category	491.1						
Derivatives designated as hedging instruments for cash flow hedge accounting (liabilities)	33.4						

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

A liability of €17.1 million resulting from the acquisition of the GroenLeven Group in the financial year 2018 was also recognised in other liabilities as at 31 December 2020. The contractually agreed put option of the minority interest is thereby recognised in the balance sheet.

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

In € million as at 31/12/2019	Book value 31/12/2019	Subsequent measurement in accordance with IFRS 9 categories[1] AC	FVTPL	FVTOCI	FVTOCI (option)	Not a financial instrument	Fair Value 31/12/2019
Non-current financial assets							
Investments	218.3	45.8	86.4	–	86.2	–	218.3
Other receivables and other assets Trade receivables	5.0	5.0	–	–	–	–	5.0
Other non-current receivables and other assets Other assets	30.9	9.6	–	–	–	21.2	30.9
Current financial assets							
Securities	1.3	–	1.3	–	–	–	1.3
Other current financial assets	144.3	–	144.3	–	–	–	144.3
Derivatives designated as hedging instruments for cash flow hedge accounting (assets)	6.0	–	6.0	–	–	–	6.0
Other receivables and other assets Trade receivables and inter-Group business relationships	1,282.8	1,282.8	–	–	–	–	1,282.8
Other non-current receivables and other assets Other assets	562.0	310.0	–	–	–	252.0	562.0
Non-current financial liabilities							
Long-term debt	1,301.1	1,301.1	–	–	–	–	1,301.1
Trade payables and liabilities from inter-group business relationships	7.2	7.2	–	–	–	–	7.2
Financial liabilities	8.3	–	8.3	–	–	–	8.3
Derivatives designated as hedging instruments for cash flow hedge accounting (liabilities)	0.0	–	–	–	–	–	0.0
Other liabilities	84.3	17.3	–	–	–	67.1	84.3
Current financial liabilities							
Short-term debt	2,313.6	2,313.6	–	–	–	–	2,313.6
Trade payables and liabilities from inter-group business relationships	1,048.7	1,048.7	–	–	–	–	1,048.7
Financial liabilities	116.3	–	116.3	–	–	–	116.3
Derivatives designated as hedging instruments for cash flow hedge accounting (liabilities)	5.0	–	5.0	–	–	–	5.0
Other liabilities	519.8	269.3	–	–	–	250.4	519.8
IFRS 9 categories							
Financial assets attributed to the AC category	1,653.2						
Financial assets attributed to the FVTPL category	232.0						
Financial assets attributed to the FVTOCI category	–						
Financial assets attributed to the FVTOCI (option) category	86.2						
Derivatives designated as hedging instruments for cash flow hedge accounting (assets)	6.0						
Financial liabilities attributed to the AC category	4,957.2						
Financial liabilities attributed to the FVTPL category	124.6						
Derivatives designated as hedging instruments for cash flow hedge accounting (liabilities)	5.0						

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

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, the financial assets and liabilities of the BayWa Group, each of which were measured at fair value, have been divided up into a hierarchy of three levels.

The levels of the fair value hierarchy and their application to the assets and liabilities are described below:

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

If the measurement parameters fall into different levels of the measurement hierarchy, the measurement is classified at fair value at the lowest level to which an input parameter with a significant effect on the fair value is attributable. No reclassifications were conducted among the various levels both in the financial year 2020 and in the previous year. No financial assets are held that are attributable to level 3.

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 as 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 closing price of the respective currency at the end of the reporting period. 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 daily prices on the physical markets. The measurement takes into account market liquidity and is discounted from the fair value. 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 present value method or the Libor market model. CAPs are also measured using valuation models such as the present value method or the option pricing models. 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.

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 **2020**	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Derivative financial instruments, including derivatives designated as hedging instruments for cash flow hedge accounting	115.9	380.1	–	496.0
Shareholdings in affiliated companies	–	14.5	–	14.5
Securities and investments	24.8	45.6	–	70.5
Financial assets measured at fair value through other comprehensive income				
Securities (OCI option)	64.8	–	–	64.8
Sum total of financial assets	**205.5**	**440.1**	**–**	**645.7**
Financial liabilities measured at fair value through other comprehensive income				
Derivative financial instruments and commodity futures, including derivatives designated as hedging instruments for cash flow hedge accounting	59.8	464.6	–	524.5
Sum total of financial liabilities	**59.8**	**464.6**	**–**	**524.5**

In € million 2019	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Derivative financial instruments and commodity futures, including derivatives designated as hedging instruments for cash flow hedge accounting	37.6	112.7	–	150.3
Shareholdings in affiliated companies	–	23.1	–	23.1
Securities and investments	25.0	39.5	–	64.5
Fnancial assets measured at fair value through other comprehensive income				
Securities (OCI option)	86.2	–	–	86.2
Sum total of financial assets	**148.8**	**175.3**	**–**	**324.1**
Financial liabilities measured at fair value through other comprehensive income				
Derivative financial instruments and commodity futures, including derivatives designated as hedging instruments for cash flow hedge accounting	28.3	101.3	–	129.6
Sum total of financial liabilities	**28.3**	**101.3**	**–**	**129.6**

The increase in level 2 derivative financial instruments was due to the year-on-year rise in commodity futures.

Net gains and losses

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

In € million **2020**	Assets [1]				Shareholders' equity and liabilities [1]				
Category	AC	FVTPL	FVTOCI	FVTOCI (option)	AC	FVTPL	FI	No FI	Total
1. Net gain/loss in the financial result									
Equity valuation of participating interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**- 3.3**	**- 3.3**
Income from participating interests	–	1.5	–	–	–	–	1.5	–	1.5
Expenses from participating interests	–	- 0.3	–	–	–	–	- 0.3	–	- 0.3
Result from disposals	–	4.8	–	–	–	–	4.8	–	4.8
Result of participating interests	**–**	**6.0**	**–**	**–**	**–**	**–**	**6.0**	**–**	**6.0**
Income from investments	0.2	0.1	–	–	–	–	0.3	–	0.3
Result from disposals	–	0.2	–	–	–	–	0.2	–	0.2
Result from investments	**0.2**	**0.3**	**–**	**–**	**–**	**–**	**0.5**	**–**	**0.5**
Interest income	14.4	–	–		–	–	14.4	0.1	14.5
Interest income from fair value measurement	–	–	–	–	–	–	–	–	–
Sum total of interest income	**14.4**	**–**	**–**	**–**	**–**	**–**	**14.4**	**0.1**	**14.5**
Interest expenses	–	–	–	–	- 79.2	–	- 79.2	- 30.7	- 109.8
Interest portion in personnel provisions	–	–	–		–	–	–	- 8.1	- 8.1
Interest expenses from fair value measurement	–	–	–	–	–	- 0.6	- 0.6	–	- 0.6
Sum total of interest expenses	**–**	**–**	**–**	**–**	**- 79.2**	**- 0.6**	**- 79.8**	**- 38.8**	**- 118.5**
Net interest	**14.4**	**–**	**–**	**–**	**- 79.2**	**- 0.6**	**- 65.5**	**- 38.6**	**- 104.0**
Sum total net gain/loss	**14.6**	**6.3**	**–**	**–**	**- 79.2**	**- 0.6**	**- 58.8**	**- 41.9**	**- 100.8**
Financial result									**- 100.8**
2. Net gain/loss in the operating result									
Income from derivative financial instruments and commodity futures	–	161.3	–	–	–	–	161.3	–	161.3
Income from the receipt of written-off receivables/release of receivables value adjustments	13.3	–	–	–	–	–	13.3	–	13.3
Expenses from derivative financial instruments and commodity futures	–	–	–	–	–	- 227.6	- 227.6	–	- 227.6
Value adjustments/write-downs of receivables	- 25.4	–	–	–	–	–	- 25.4	–	- 25.4
Sum total net gain/loss	**- 12.1**	**161.3**	**–**	**–**	**–**	**- 227.6**	**- 78.4**	**–**	**- 78.4**
3. Net gain/loss in equity									
Change in the fair value from the market valuation of securities	–	–	–	- 16.8	–	–	- 16.8	–	- 16.8
Cash flow hedges	–	–	9.0	–	–	–	9.0	–	9.0
Currency translation	–	–	–	–	–	–	–	- 14.0	- 14.0
Sum total net gain/loss	**–**	**–**	**9.0**	**- 16.8**	**–**	**–**	**- 7.7**	**- 14.0**	**- 21.7**
Total net gain/loss	**2.5**	**167.7**	**9.0**	**- 16.8**	**- 79.2**	**- 228.2**	**- 145.0**	**- 55.9**	**- 200.9**

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
VTPL: at fair value through profit or loss

In addition, the subsequent measurement of the liability in the amount of €4.9 million resulting from the put option in connection with the GroenLeven Group, which was acquired in the financial year 2018, is to be taken into account in the context of net gains and losses. The liability is subsequently measured through other comprehensive income in group equity.

The following table shows net gains and losses from financial instruments for comparative periods:

In € million 2019	Assets [1]				Shareholders' equity and liabilities [1]				
Category	AC	FVTPL	FVTOCI	FVTOCI (option)	AC	FVTPL	FI	No FI	Total
1. Net gain/loss in the financial result									
Equity valuation of participating interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**11.2**	**11.2**
Income from participating interests	–	2.2	–	–	–	–	2.2	–	2.2
Expenses from participating interests	–	- 1.3	–	–	–	–	- 1.3	–	- 1.3
Result from disposals	–	87.9	–	–	–	–	87.9	–	87.9
Result of participating interests	**–**	**88.7**	**–**	**–**	**–**	**–**	**88.7**	**–**	**88.7**
Income from investments	0.8	1.3	–	3.6	–	–	5.7	–	5.7
Result from disposals	–	0.2	–	–	–	–	0.2	–	0.2
Result from investments	**0.8**	**1.5**	**–**	**3.6**	**–**	**–**	**5.9**	**–**	**5.9**
Interest income	12.7	–	–		–	–	12.7	0.1	12.8
Interest income from fair value measurement	–	–	–	–	–	–	–	–	–
Sum total of interest income	**12.7**	**–**	**–**	**–**	**–**	**–**	**12.7**	**0.1**	**12.8**
Interest expenses	–	–	–	–	- 79.7	–	- 79.7	- 28.6	- 108.3
Interest portion in personnel provisions	–	–	–		–	–	–	- 13.1	- 13.1
Interest expenses from fair value measurement	–	–	–	–	–	- 0.7	- 0.7	–	- 0.7
Sum total of interest expenses	**–**	**–**	**–**	**–**	**- 79.7**	**- 0.7**	**- 80.4**	**- 41.7**	**- 122.0**
Net interest	**12.8**	**–**	**–**	**–**	**- 79.7**	**- 0.7**	**- 67.6**	**- 41.6**	**- 109.2**
Sum total net gain/loss	**13.6**	**90.2**	**–**	**3.6**	**- 79.7**	**- 0.7**	**27.0**	**- 39.7**	**- 3.4**
Financial result									**- 3.4**
2. Net gain/loss in the operating result									
Income from derivative financial instruments and commodity futures	–	46.8	–	–	–	–	46.8	–	46.8
Income from the receipt of written-off receivables/release of receivables value adjustments	7.1	–	–	–	–	–	7.1	–	7.1
Expenses from derivative financial instruments and commodity futures	–	–	–	–	–	- 50.5	- 50.5	–	- 50.5
Value adjustments/write-downs of receivables	- 18.0	–	–	–	–	–	- 18.0	–	- 18.0
Sum total net gain/loss	**- 10.9**	**46.8**	**–**	**–**	**–**	**- 50.5**	**- 14.6**	**–**	**- 14.6**
3. Net gain/loss in equity									
Change in the fair value from the market valuation of securities	–	–	–	0.2	–	–	0.2	–	0.2
Net gain/loss from hedging instruments with a clear hedging relationship	–	–	–	4.3	–	–	4.3	–	4.3
Cash flow hedges	–	–	0.6	–	–	–	0.6	–	0.6
Currency translation	–	–	–	–	–	–	–	8.4	8.4
Sum total net gain/loss	**–**	**–**	**0.6**	**4.5**	**–**	**–**	**5.1**	**8.4**	**13.5**
Total net gain/loss	**2.7**	**137.0**	**0.6**	**8.1**	**- 79.7**	**- 51.2**	**17.6**	**- 31.3**	**- 4.4**

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
VTPL: at fair value through profit or loss

Income from participating interests also includes dividend payments.

The following table shows an analysis of the maturity dates of undiscounted financial liabilities by IFRS 7 class, as well as the discounted net cash flows of derivative financial instruments with negative and positive fair values of the BayWa Group.

In € million **2020**	Residual term of up to one year	Residual term of one to five years	Residual term of more than five years	Total
Financial liabilities measured at cost	3,518.7	995.8	142.2	4,656.8
Financial liabilities measured at fair value through profit or loss	483.9	6.0	1.2	491.1
Derivatives designated as hedging instruments for cash flow hedge accounting	23.4	6.1	3.8	33.4
	4,026.0	**1,008.0**	**147.3**	**5,181.3**

In € million 2019	Residual term of up to one year	Residual term of one to five years	Residual term of more than five years	Total
Financial liabilities measured at cost	3,631.6	1,130.2	195.5	4,957.2
Financial liabilities measured at fair value through profit or loss	116.3	4.7	3.6	124.6
Derivatives designated as hedging instruments for cash flow hedge accounting	5.0	–	–	5.0
	3,752.9	**1,134.9**	**199.1**	**5,086.9**

The following schedule of maturities shows the distribution of the forecast cash flows of the contractually agreed interest and redemption payments in the IFRS 7 class “Liabilities measured at amortised cost” as at 31 December 2020.

In € million	Total	Until 6/2021	7–12/2021	2022–2025	> 2025
Share of interest	104.8	38.7	9.0	51.4	5.7
Share attributable to payment of principal	4,656.8	2,728.9	790.8	997.1	140.0
Total	**4,761.6**	**2,767.6**	**799.8**	**1,048.5**	**145.7**

The following schedule of maturities shows the distribution of the forecast cash flows of the contractually agreed interest and redemption payments in the IFRS 7 class “Liabilities measured at amortised cost” as at 31 December 2019.

In € million	Total	Until 6/2020	7–12/2020	2021–2024	> 2024
Share of interest	126.9	20.1	10.0	92.3	4.5
Share attributable to payment of principal	4,957.2	2,787.6	843.9	1,130.2	195.5
Total	**5,084.1**	**2,807.8**	**853.9**	**1,222.5**	**200.0**

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 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.	Futures, interest rate caps, 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.	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 Agriculture 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.	Hedge accounting, commodity futures
Electricity price risk within the BayWa r.e. Group	The BayWa r.e. Group is active in energy trade activities and also sells electricity produced by its own wind energy turbines, solar energy parks and Biogas plants. Corresponding futures and long-term electricity supply contracts are concluded to secure prices for the buying and selling of electricity in the energy trade, as well as long-term prices for electricity generated by the BayWa r.e. Group itself. These amounts are recognised as commodity futures and partly reported in hedge accounting.	Hedge accounting, futures
Currency risk		
Foreign currency risk in the BAST business unit	The international orientation of the BAST business unit gives rise to foreign currency risks. Internal policies require that all significant foreign currency risks are hedged, with each financial instrument attributable to an underlying transaction. All open currency transactions are managed centrally by the Treasury section of the BAST business unit. 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. The foreign currency risk in the BAST business unit, which was explicitly included in the previous year's report, was excluded in the financial year 2020 for reasons of materiality.	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.	Hedge accounting
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.	Hedge accounting

The hedge relationships presented were recognised in accordance with IFRS 9.

The resulting assets and liabilities are shown in the table below, broken down according to maturity and risk category. Recognition is carried out at fair value. In the previous year, due to materiality, only the derivatives designated as hedging instruments for commodity price hedge accounting in the agricultural division were reported separately. In the financial year 2020, the presentation is specified to reflect the expansion of hedge accounting transactions within the BayWa Group.

In € million **31/12/2020**	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				
Commodity hedges				
Standalone derivatives	436.6	431.3	5.3	–
Derivatives designated as hedging instruments for cash flow hedge accounting	29.2	7.1	2.2	19.9
FX hedges				
Standalone derivatives	8.5	8.5	–	–
Derivatives designated as hedging instruments for cash flow hedge accounting	21.6	18.3	3.3	–
	496.0	**465.3**	**10.8**	**19.9**
Shareholders' equity and liabilities				
Interest rate hedges				
Standalone derivatives	1.2	–	–	1.2
Derivatives designated as hedging instruments for cash flow hedge accounting	8.2	1.1	3.3	3.8
Commodity hedges				
Standalone derivatives	459.7	453.7	6.0	–
Derivatives designated as hedging instruments for cash flow hedge accounting	17.5	14.7	2.8	–
FX hedges				
Standalone derivatives	30.2	30.2	–	–
Derivatives designated as hedging instruments for cash flow hedge accounting	7.6	7.6	–	–
	524.4	**507.3**	**12.1**	**5.0**

In € million 31/12/2019	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				
Commodity futures	112.5	110.2	2.3	–
Derivatives designated as hedging instruments for cash flow hedge accounting: goods	6.0	5.8	0.1	–
FX hedges	31.8	29.3	2.5	–
	150.3	**145.3**	**5.0**	**–**
Shareholders' equity and liabilities				
Interest rate hedges	4.9	0.6	2.9	1.4
Commodity futures	97.1	93.5	1.5	2.1
Derivatives designated as hedging instruments for cash flow hedge accounting: goods	5.0	5.0	0.0	–
FX hedges	22.5	22.2	0.3	–
	129.6	**121.3**	**4.7**	**3.5**

In the reporting year, gains of €161.3 million (2019: €46.8 million) and losses of €227.6 million (2019: €50.5 million) were included in the calculation of the fair value in the income statement.

Notes on the individual risk categories

General refinancing risk

In the financial year 2020, the average interest rate for variable-interest financial liabilities stood at 0.8693% (2019: 1.388%). A change in this interest rate of plus 1.0% to 1.8693% would cause interest expenses to rise by €14.1 million, provided this could not at least be partially covered by revenues. A 1.0% reduction in the interest rate is an unrealistic scenario in the current low-interest environment, which is why the effects of such a change are not presented here.

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	**31/12/2020**	31/12/2019
Long positions		
Grain/corn	8.9	8.1
Oilseed/oilseed meal	5.2	4.2
Other	1.6	1.5
Short positions		
Grain/corn	- 10.6	- 10.2
Oilseed/oilseed meal	- 5.6	- 4.9
Other	- 1.8	- 1.9

The fair values of the grain contracts recognised as other current 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 commodity prices by a margin of 10% would have affected the annual result as at 31 December 2020 in the manner displayed in the following table. The calculation includes all grain contracts valid as at the reporting date.

In € million **31/12/2020**	Grain/corn	Oilseed/ oilseed meal	Other
Price rise (+ 10%)			
Effect on income	- 29.8	- 16.0	- 27.5
Equity effect	- 3.7	- 1.7	–
Price decline (- 10%)			
Effect on income	29.8	16.0	27.5
Equity effect	3.7	1.7	–

In € million 31/12/2019	Grain/corn	Oilseed/ oilseed meal	Other
Price rise (+ 10%)			
Effect on income	- 39.8	- 20.1	- 13.2
Equity effect	0.4	0.1	–
Price decline (- 10%)			
Effect on income	39.8	20.1	13.2
Equity effect	- 0.4	- 0.1	–

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

The BayWa r.e. Group generally only concludes derivative financial instruments to hedge underlying transactions. This means that there are no 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 position in the trading portfolio amounted to 0 MWh as at 31 December 2020 (2019: 0 MWh).

As there were no material open positions from financial instruments as at 31 December 2020 (as was the case in the previous year), 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 €163.9 million as at 31 December 2020. These break down across the trading currencies as follows:

In € million **31/12/2020**	
US dollar	120.8
Pound sterling	12.9
Euro	23.1
Japanese yen	4.7

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 **31/12/2020**	
Price rise (+ 10%)	
Effect on income	- 0.6
Equity effect	- 12.4
Price decline (- 10%)	
Effect on income	0.7
Equity effect	14.9

Specific information on cash flow hedge accounting

At the BayWa Group, the terms of Section 6 of IFRS 9 were applied to hedge accounting. The net measurement result from derivative financial instruments is broken down into an effective portion and ineffective portion. The effective portion is part of the net measurement result which constitutes an effective hedge against cash flow risk and is recognised in a separate equity item (cash flow hedge reserves) without effect on income and in consideration of deferred taxes until the physical fulfilment of the underlying transaction. The ineffective portion, on the other hand, is recognised through profit or loss in the income statement.

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

If the hedging of an expected transaction later leads to the recognition of a non-financial asset (such as inventories), the BayWa Group recognises the aggregated gains or losses previously recognised directly in equity in accordance with IFRS 9.6.5.11d(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).

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. For this reason, further risks that will be countered by hedge accounting are presented in the financial year 2020 in addition to the hedging strategy in grain trading.

Risk	Hedging strategy
Interest rate risk within the BayWa r.e. Group	The interest rate risks from project financing are partly hedged using hedge accounting.
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 hedge accounting, the BayWa r.e. Group uses 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 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:

In € million	Agricultural trade	Energy trade	Foreign currency hedging	Interest rate hedging
As at 01/01/2020	**0.6**	**- 2.8**	**6.5**	**0.1**
Allocation	6.6	19.7	7.4	0.0
Release	- 9.9	- 1.6	- 3.5	- 4.0
Transfer to other current financial assets/financial liabilities or reclassification in the income statement	- 0.6	0.0	- 0.3	0.0
As at 31/12/2020	**- 3.1**	**15.3**	**10.2**	**- 3.9**

In € million	Agricultural trade
As at 01/01/2019	**- 0.5**
Allocation	9.1
Release	- 4.2
Transfer to other current financial assets/financial liabilities	- 4.0
As at 31/12/2019	**0.6**

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.

In € million **31/12/2020**	Book value	Balance sheet item	Effectivity (in %)	Nominal volume of contracts	Nominal volume of contracts in tonnes or MWh
Derivative assets	**50.7**		**100.0**	**817.5**	**–**
Commodity futures – grain trading	7.1		100.0	72.2	0.3
thereof: purchase	6.2	Other assets	100.0	61.8	0.3
thereof: sale	0.9	Other assets	100.0	10.4	0.0
Commodity futures – energy trade	22.1		100.0	363.7	8.8
thereof: purchase	1.5	Other assets	100.0	22.5	0.5
thereof: sale	20.6	Other assets	100.0	341.2	8.3
FX hedges	21.5	Other assets	100.0	381.6	n/a
Interest rate hedges	0.0	Other assets	–	–	–
Derivative liabilities	**28.7**		**100.0**	**401.6**	**–**
Commodity futures – grain trading	10.2		100.0	132.7	0.6
thereof: purchase	0.3	Other liabilities	100.0	15.3	0.1
thereof: sale	9.9	Other liabilities	100.0	117.4	0.5
Commodity futures – energy trade	6.6		100.0	63.1	1.6
thereof: purchase	1.6	Other liabilities	100.0	23.5	0.5
thereof: sale	5.0	Other liabilities	100.0	39.6	1.1
FX hedges	7.6	Other liabilities	100.0	166.4	n/a
Interest rate hedges	4.3	Other liabilities	100.0	39.4	n/a

In € million 31/12/2019	Book value	Balance sheet item	Fair value change to calculate ineffectiveness	Nominal volume of contracts	Nominal volume of contracts in tonnes
Derivative assets	**5.9**		**0.0**	**93.6**	**0.4**
Commodity futures	5.9		0.0	93.6	0.4
thereof: purchase	1.0	Other assets	0.0	34.5	0.2
thereof: sale	4.9	Other assets	0.0	59.1	0.2
Derivative liabilities	**5.1**		**0.0**	**119.7**	**0.5**
Commodity futures	5.1		0.0	119.7	0.5
thereof: purchase	4.9	Other liabilities	0.0	8.0	0.0
thereof: sale	0.2	Other liabilities	0.0	111.7	0.5

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. The following risks are particularly significant in relation to financial instruments.

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. 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 considerable scope. Beyond this, there are the customary default risks inherent in trade receivables. 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.

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. The maximum credit risk exposure at the end of the reporting period corresponds to the book value of trade receivables. The expected default risk amounts to €17.3 million (2019: €20.1 million).

Liquidity risks
The liquidity risk is the risk that the BayWa Group may not – or only to a limited extent – be able to fulfil its financial obligations. At the BayWa Group, funds are generated through operations and by borrowing from external financial institutions. In addition, financing instruments, such as multicurrency commercial paper programmes or asset-backed securitisation, are used, as are bonded loans. 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. The financing structure therefore accounts for the pronounced seasonality of business activities. Owing to the diversification of the sources of financing, the BayWa Group does not currently have any risk clusters concerning liquidity. The BayWa Group's financing structure, with its mostly matching maturities, ensures that interest-related opportunities are reflected within the Group.

(C.27.) 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.

Lessee relationships are recognised at the net present value of the assets, from rights of use arising from the lease at the time they are made available, and lease liabilities, meaning 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 it will be exercised, are taken into account in the valuation.

Extension and termination options are included in many lease contracts throughout the Group. 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 generally considered to be exercised unless there are sufficient grounds for them not to be exercised. Termination options are always deemed to have not been exercised unless there are compelling reasons for exercising the option. Extension and termination options can generally only be exercised by the lessee. If an option can only be exercised by the lessor, the payments in the period covered by the option are not taken into account when determining the net present value of the lease.

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 simplification options. Short-term and low-value leases are accordingly 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 are not revalued as at the first-time application. Instead, they continue to be recognised according to IAS 17. Newly concluded contracts are recognised and valued according to IFRS 16.

Sub-leases classed as operating leases according to IAS 17 that still existed as at the first-time application are re-evaluated by the respective sub-lessor to determine whether they would still be classed as operating leases according to IFRS 16, or whether they constitute financial leases. 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.

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

Additional information regarding BayWa as lessee

In € million	2020	2019
Interest expenses	30.7	28.6
Expenses for short-term and low-value leases	10.0	15.1
Expenses for short-term leases with terms beyond the reporting date	7.4	3.6
Expenses for variable leases	0.4	0.1
Gains from sale-and-lease-back transactions	7.6	3.0
Total cash outflows from leases in the financial year	124.6	113.6
Income from sub-leases	0.6	19.8

Additional information regarding BayWa as lessor

In € million	2020	2019
Receivables from finance leases		
Due within one year	4.1	4.6
Due between one and two years	3.9	2.1
Due between two and three years	0.3	1.6
Due between three and four years	0.3	0.7
Due between four and five years	0.2	0.2
Due after more than five years	1.2	1.4
Sum total of future lease payments	**10.0**	**10.7**
Less unrealised interest income	- 0.4	- 1.8
Net investment of receivables from finance leases	**9.6**	**8.9**
Financial income from net investment of receivables from finance leases	0.1	0.1
Income from variable lease payments received from finance leases	0.4	–
Disposal gains/losses from finance leases	–	0.0

In € million	2020	2019
Lease payments from operating leases		
Due within one year	17.3	18.0
Due between one and two years	15.1	16.4
Due between two and three years	12.4	12.2
Due between three and four years	9.6	10.5
Due between four and five years	8.9	7.8
Due after more than five years	19.3	15.9
Sum total of future lease payments	**82.5**	**80.9**
Income from lease payments received from operating leases	18.7	24.5
Income from variable lease payments received from operating leases	0.8	1.3

As a result of strategic considerations by the T&G Global Group, one location was disposed of in the financial year 2020 and leased back for a period of fifteen years. The addition to the right of use for the land and the associated building recognised for this purpose in the current financial year amounts to €6.8 million. The sale and lease back transaction includes a clause for the reassessment of the agreed fixed rent if the Group exercises the existing extension options. There were no material changes in the book value of net investments in financial leases within the meaning of IFRS 16.93 in the financial year 2020. Further information regarding leases is included in the statement of changes in assets and in (C.18.) Lease obligations.

(D.) Notes to the Income Statement

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

(D.1.) Revenues

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

Control can be transferred at a point in time or over a certain period of time. For the most part, performance obligations resulting from contracts with BayWa customers are performed at a particular point in time. In such cases, revenue is recognised when control of the goods is passed on to the customer; usually this is the case when the goods or services are provided to the customer. In some cases, revenue is recognised over time; for further information, see Inventories (C.8.) and the additional information regarding recognition of revenue over time.

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

In € million	**2020**	2019
Goods	16,716.7	16,663.6
Services	438.7	395.4
	17,155.4	**17,059.0**

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.

(D.2.) Other operating income

In € million	**2020**	2019
Rental income	26.5	30.1
Gains from the disposal of assets	39.6	46.8
Income from the release of provisions	18.5	14.3
Reimbursement of expenses	20.8	21.5
Staff placement	5.0	4.4
Advertising allowance	2.0	2.6
Foreign exchange gains	161.3	46.3
Income from receivables written down/release of value adjustments	2.7	7.1
Other income	76.6	52.5
	353.0	**225.6**

Rental income includes gains from incidental costs. Gains from the disposal of assets primarily comprise the disposal of BayWa AG property inventories and also include the proportionate distribution of the accounting profit that resulted from a sale and lease back transaction for real estate in the financial year 2013 and, due to the classification of the lease agreement as a financial lease, is to be distributed over the term of the agreement (€3.6 million). The rise in foreign exchange gains is mainly attributable to increasing business activities outside the European Economic Area, specifically in the fields of renewable energies. This item also includes foreign exchange gain effects from currency futures for which there is no clear hedging relationship with an underlying transaction and is therefore not included in a hedge relationship. In particular, other income includes income from the release of value adjustments on receivables and a variety of further individual items.

(D.3.) Cost of materials

In € million	2020	2019
Expenses for raw materials, consumables and supplies, and for goods sourced	- 14,607.3	- 15,002.0
Expenses for services outsourced	- 728.4	- 511.0
	- 15,335.7	**- 15,513.0**

(D.4.) Personnel expenses

In € million	2020	2019
Wages and salaries	- 983.9	- 896.1
Share-based payment	- 1.6	- 1.5
Expenses for pensions, support and severance pay	- 25.5	- 26.2
thereof: current service cost	7.5	8.3
Social insurance contributions	- 173.9	- 158.1
	- 1,184.9	**- 1,081.9**

After calculating the provisions for pension and severance pay according to IAS 19, expenses for pension and severance pay total €15.5 million (2019: €20.9 million). Of this amount, a portion of €7.5 million (2019: €8.3 million) has been disclosed under personnel expenses, and a portion totalling €7.9 million (2019: €12.6 million) under interest expenses.

Number	2020	2019
Employees		
Annual average (Section 267 para. 5 German Commercial Code (HGB))	20,717	18,831
As at 31/12	21,207	19,193

(D.5.) Other operating expenses

In € million	**2020**	2019
Vehicle fleet	- 62.9	- 70.1
Maintenance	- 71.3	- 62.7
Advertising	- 47.3	- 55.9
Energy	- 32.5	- 31.0
Rent	- 17.3	- 16.3
Expenses for staff hired externally	- 33.7	- 30.9
Information expenses	- 14.5	- 15.1
Commission	- 10.7	- 15.3
Insurance	- 25.8	- 23.2
Cost of legal and professional advice, audit fees	- 61.6	- 66.7
Amortisation/value adjustments of receivables	- 14.6	- 18.0
IT costs	- 10.5	- 12.8
Travel expenses	- 14.1	- 23.7
Office supplies	- 11.9	- 10.9
Other tax	- 8.1	- 9.2
Administrative expenses	- 8.9	- 8.8
Training and continuous professional development	- 6.4	- 9.9
Decommissioning and disposal	- 12.1	- 7.1
Foreign exchange losses	- 174.1	- 47.6
Losses from asset disposals	- 6.9	- 11.4
Other expenses	- 49.5	- 82.8
	- 694.7	**- 629.4**

The €65.3 million increase in other operating expenses in the financial year 2020 is attributable to higher foreign exchange losses from increased business activity outside the European Economic Area and to foreign exchange losses from currency futures for which no clear hedging relationship with an underlying exists. Other expenses comprise mainly general selling and other costs, such as those incurred by securing against operating risks.

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

In € million	**2020**	2019
Income from participating interests recognised at equity	**- 3.3**	**11.2**
Income/expenses from affiliated companies	0.0	0.4
Income/expenses from the disposal of affiliated companies	4.9	82.5
Other income from holdings and similar income	2.2	12.9
Write-downs and other expenses of investments	- 0.5	- 1.2
Other income from shareholdings	**6.5**	**94.6**
	3.3	**105.8**

Income from participating interests recognised at equity decreased by €14.5 million year on year. The main positive effect in the previous year came from the sale of AHG- Autohandelsgesellschaft mbH. Other income from shareholdings was also down €88.0 million on the previous-year figure. In the financial year 2019, the shares in two Group companies – TESSOL Kraftstoffe, Mineralöle und Tankanlagen Gesellschaft mit beschränkter Haftung, Stuttgart, Germany, and BMH Biomethan GmbH, Munich, Germany – were sold. Dividend income is generally recorded as and when a claim to payout arises.

(D.7.) Interest income and expenses

In € million	2020	2019
Interest and similar income	14.5	12.8
thereof: from affiliated companies	0.4	0.5
Interest from fair value measurement	–	–
Interest income	**14.5**	**12.8**
Interest and similar expenses	- 79.1	- 79.7
thereof: to affiliated companies	- 0.0	- 0.0
Interest from fair value measurement	- 0.6	- 0.7
Interest portion of finance leasing	- 30.7	- 28.6
Interest portion of the allocation to pension provisions and other personnel provisions	- 8.1	- 13.1
Interest expenses	**- 118.5**	**- 122.0**
Net interest	**- 104.0**	**- 109.2**

(D.8.) Income tax

In the following presentations, the previous year's figures have been adjusted in accordance with IAS 8.42. Please see (A.5.) of the Notes to the Consolidated Financial Statements for details.

Income tax breaks down as follows:

In € million	2020	2019 adjusted
Actual taxes	- 66.6	- 32.4
Deferred taxes	16.7	18.3
	- 49.9	**- 14.1**

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 value and IFRS values as well as the consolidation measures. Equity includes deferred tax assets of €111.5 million (2019: €98.3 million) that were offset against the reserve for actuarial gains and losses from provisions for pensions and severance pay. Moreover, deferred tax liabilities of €13.1 million (2019: €11.7 million) were offset against the assessment reserve in equity without effect on income. Deferred taxes of €1.5 million are attributable to the hybrid bond issued by BayWa AG; these are also recognised in equity. 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 came to €49.7 million (2019 adjusted: €50.3 million). As part of corporate planning, a time horizon of five years (maximum) has been assumed here. Deferred tax was not formed on loss carryforwards in an amount of €89.3 million (2019 adjusted: €88.7 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 are likely to expire. The deferred tax income (2019: tax expenses) from the origination and/or reversal of temporary differences amounts to €16.6 million (2019: €8.1 million).

In 2020, net deferred tax assets from temporary differences and from loss carryforwards in the amount of €31.9 million (2019: €29.6 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 or sufficiently taxable temporary differences are expected in the future for these companies.

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 (2019: 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	**2020**	2019 adjusted	**2020**	2019 adjusted
Intangible assets and property, plant and equipment	8.0	16.7	312.2	322.2
Investments	2.3	7.1	35.4	45.6
Current assets	23.3	50.7	58.7	45.1
Other assets	7.7	7.8	8.3	1.1
Tax loss carryforwards	139.1	139.0	–	–
Provisions	203.4	150.7	19.3	1.1
Liabilities	228.6	331.0	13.2	114.5
Other liabilities	27.6	38.1	22.7	69.8
Value adjustments on deferred tax assets	- 92.9	- 88.7	–	–
Balance	- 254.4	- 392.2	- 254.4	- 392.2
Consolidation	- 7.6	17.9	- 7.3	21.9
	285.1	**278.1**	**208.1**	**229.1**

The actual tax expenses are €17.5 million higher 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 €17.7 million (2019: €24.1 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	**2020**	2019 adjusted
Consolidated result before income tax	**111.2**	**79.2**
Computational tax expenses based on a tax rate of 29.13%	- 32.4	- 23.1
Difference against foreign tax rates	6.1	4.3
Tax not relating to the period	- 4.9	4.1
Permanent difference changes	- 12.5	- 2.2
Tax effect due to non-tax-deductible expenses	- 20.3	- 40.7
Trade tax deductions and additions and effects from tax groups	0.7	1.8
Final consolidation effect	- 3.8	0.1
Tax-exempt income	30.1	39.8
Changes in the value adjustment of deferred tax assets	- 17.0	- 6.0
Tax effect from equity results	- 1.3	2.9
Effects from changes in tax rates	- 0.8	1.8
Other tax effects	6.2	3.1
Income tax reported	**- 49.9**	**- 14.1**

(D.9.) Profit share of minority interest

The share of consolidated net result for the year due to the other shareholders of €24.7 million (2019: €24.4 million) is mainly attributable to the minority shareholders of the Austrian subsidiaries as well as the minority shareholders of 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 by the average number of the shares issued in the financial year and dividend-bearing shares. There were no diluting effects.

		2020	2019
Net result for the year adjusted for minority interest	in € million	36.6	40.7
Average number of shares issued	Units	35,279,062	35,138,148
Basic earnings per share [1]	in €	0.68	0.80
Diluted earnings per share [1]	in €	0.68	0.80
Proposed dividend per share	in €	1.00	0.95
Dividend per share paid out per financial year	in €	1.00	0.95

1 The previous year's figures have been adjusted in accordance with IAS 8.42. Please see (A.5.) for further details.

(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 year under review. 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 not disclosed separately. 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 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 (B.1.).

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

In € million		Cash effective	Not cash effective				
	31/12/2019	payments during the period	company acquisitions and disposals	currency translation effects	fair value changes	other changes	**31/12/2020**
Long-term debt from financing activities	803.2	- 193.7	6.3	–	–	–	615.8
Short-term debt from financing activities	200.5	73.8	0.7	–	–	–	275.0
Lease liabilities	774.8	- 69.8	13.7	–	–	115.4	834.1
	1,778.5	**- 189.7**	**20.8**	**–**	**–**	**115.4**	**1,724.9**

(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 and 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. The division into segments is largely unchanged year on year.

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. Accordingly, the external sales for these countries are shown separately. External sales attributable to New Zealand and the US have not been included here due to the secondary importance of said external sales. The non-current assets attributable to the Netherlands have not been included for the same reason.

Segment information by region

	External sales		Non-current assets	
In € million	**2020**	2019	**2020**	2019
Germany [1]	6,731.7	7,428.7	1,773.7	1,745.3
Austria [2]	2,154.1	2,354.3	517.8	520.5
Netherlands	1,680.2	1,568.4	–	–
New Zealand	–	–	264.6	243.5
USA	–	–	330.5	88.8
Other international operations [2]	6,588.4	5,707.6	820.9	658.9
Group [1]	**17,155.4**	**17,059.0**	**3,707.6**	**3,257.0**

1 The previous year's figures for non-current assets have been adjusted in accordance with IAS 8.42. Please see (A.5.) for further details.

2 Due to an incorrect disclosure in the previous year, the revenue attributable to Austria as reported in the Consolidated Financial Report 2019 was €236.3 million too high, whereas the revenue attributable to other international operations was too low by the same amount. The previous year's figures were adjusted accordingly in this report.

Segment reporting by business unit

Business activities in the Renewable Energies and Conventional Energy business units are pooled in the Energy Segment. Business activities in the Renewable Energies business unit are split up into four areas: project development/implementation, services, photovoltaic trade and energy trade. Project development/implementation primarily encompasses worldwide project planning, management and the construction of wind farms and solar parks through to the sale of finished plants. The Conventional Energy business unit comprises an extensive network, which ensures the supply of heating oil, fuels, lubricants and wood pellets to commercial and private customers.

The Agriculture Segment is divided into four business units: BayWa Agri Supply & Trade (BAST), Global Produce, Agri Trade & Service and Agricultural Equipment, covering the entire value chain from the field to the marketing of products. The BAST business unit comprises international grain and oilseed meal trading activities. The Global Produce business unit combines all activities of the Group in the business of fruit and vegetable growing and trading these products. The Agri Trade & Service business unit manages the national trade in agricultural products, from collecting to marketing, under one roof. The full range of agricultural equipment and services is offered in the Agricultural Equipment business unit.

The Building Materials Segment sells building materials for construction and civil engineering. This segment also comprises the retail activities of Austrian Group companies.

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 this 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 business units, 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 business unit are disclosed, along with earnings before interest, tax, depreciation and amortisation (EBITDA), earnings before interest and tax (EBIT) and earnings before tax (EBT).

This is also applicable to the segmental assets, with separate disclosure of the inventories and segmental liabilities, which were presented in consolidated form for the first time in the Renewable Energies, BAST and Global Produce business units in the financial year 2020. Previously, reference was made to the reported data as a whole, with the consolidation effects contained in the transition. The adjustment was made to further increase the informative value of the presented segment information. At the same time, the segmented amounts related to the previous year's balance sheet were adjusted to ensure the comparability of the information.

Investments made (excluding financial assets) are also divided up among the business units. 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 business unit.

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

Segment information by business unit

In € million **31/12/2020**	Renewable Energies	Conventional Energy	**Energy**	BAST	Global Produce
Revenues generated through business with third parties	2,500.6	1,745.2	4,245.8	4,573.0	938.5
Intra-business unit/segment revenues	170.3	151.4	321.7	742.4	93.6
Inter-business unit/segment revenues	1.1	5.6	6.7	24.8	–
Total revenues	**2,672.0**	**1,902.2**	**4,574.2**	**5,340.2**	**1,032.1**
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**167.4**	**44.9**	**212.3**	**34.7**	**72.1**
Depreciation/amortisation	- 56.5	- 13.1	- 69.6	- 9.5	- 30.3
Earnings before interest and tax (EBIT)	**110.9**	**31.8**	**142.7**	**25.2**	**41.8**
Financial result	- 36.5	0.7	- 35.9	- 5.8	- 5.4
thereof: net interest	- 40.9	0.7	- 40.2	- 5.5	- 6.9
thereof: equity result	–	–	–	- 0.3	1.4
Earnings before tax (EBT)	**70.0**	**32.5**	**102.5**	**19.7**	**34.9**
Income tax					
Net result for the year					
Assets	2,638.7	249.7	2,888.4	1,176.3	676.7
thereof: participating interests recognised at equity	46.8	–	46.8	2.8	22.0
thereof: non-current assets held for sale	–	–	–	–	–
Inventories	1,052.9	44.0	1,096.9	408.7	32.0
thereof: non-current assets held for sale	–	–	–	–	–
Liabilities	2,293.4	229.8	2,523.2	998.8	397.2
thereof: liabilities from non-current assets held for sale	–	–	–	–	–
Investments in intangible assets, property, plant and equipment and investment property (including company acquisitions)	188.5	24.6	213.1	3.8	105.8
Employee annual average	2,272	1,017	3,289	477	3,997

	Agri Trade & Service	Agricultural Equipment	**Agriculture**	**Building Materials**	**Innovation & Digitalisation**	**Other Activities***	Transition	**Group**
	3,606.7	1,869.8	10,988.0	1,899.0	10.2	12.4	–	17,155.4
	366.6	38.5	1,241.1	47.1	1.1	75.2	- 1,686.2	–
	44.7	1.5	71.0	0.8	1.3	9.0	- 88.8	–
	4,018.0	**1,909.8**	**12,300.1**	**1,946.9**	**12.6**	**96.6**	**- 1,775.0**	**17,155.4**
	28.0	**75.7**	**210.5**	**75.7**	**- 5.4**	**- 24.7**	**–**	**468.4**
	- 42.3	- 21.3	- 103.4	- 28.8	- 5.5	- 36.3	- 9.6	- 253.2
	- 14.3	**54.4**	**107.1**	**46.9**	**- 10.9**	**- 61.0**	**- 9.6**	**215.2**
	- 15.7	- 14.4	- 41.3	- 10.3	- 0.2	- 13.1	–	100.8
	- 17.2	- 10.3	- 39.9	- 10.4	- 0.2	- 13.3	–	- 104.0
	1.0	- 3.7	- 1.6	–	–	- 1.7	–	- 3.3
	- 31.5	**44.1**	**67.2**	**36.5**	**- 11.1**	**- 74.3**	**- 9.6**	**111.2**
								- 49.9
								61.3
	1,547.6	880.5	4,281.1	822.2	90.3	4,997.2	- 4,034.8	9,044.4
	19.5	11.4	55.7	–	–	141.8	–	244.3
	0.6	–	0.6	0.3	–	4.2	–	5.1
	730.0	462.6	1,633.3	206.6	1.5	0.7	0.2	2,939.2
	–	–	–	–	–	–	–	–
	1,389.4	984.6	3,770.0	759.9	67.2	3,347.6	- 2,679.6	7,788.3
	–	–	–	–	–	–	–	–
	27.6	40.8	178.0	52.1	11.5	51.2	–	505.9
	3,502	3,786	11,762	4,528	225	913	–	20,717

*** prior to consolidation**

Segment information by business unit

In € million 31/12/2019	Renewable Energies	Conventional Energy	**Energy**	BAST	Global Produce
Revenues generated through business with third parties	1,975.3	2,499.0	4,474.3	4,875.8	843.9
Intra-business unit/segment revenues	196.3	261.2	457.5	731.2	67.5
Inter-business unit/segment revenues	1.8	5.4	7.2	32.2	–
Total revenues	**2,173.4**	**2,765.6**	**4,939.0**	**5,639.2**	**911.4**
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**137.9**	**38.8**	**176.7**	**28.4**	**61.5**
Depreciation/amortisation	- 36.9	- 12.4	- 49.3	- 9.3	- 24.6
Earnings before interest and tax (EBIT)	**101.0**	**26.4**	**127.4**	**19.1**	**36.9**
Financial result	- 20.7	- 0.1	- 20.8	- 9.9	- 4.4
thereof: net interest	- 39.8	- 0.1	- 39.9	- 9.9	- 6.8
thereof: equity result	- 0.0	–	- 0.0	0.0	2.3
Earnings before tax (EBT)	**61.2**	**26.3**	**87.5**	**9.2**	**30.2**
Income tax					
Net result for the year					
Assets (as reported in the 2019 consolidated financial statements) [1]	5,498.3	258.5	5,756.8	1,520.0	897.4
Assets (consolidated values – adjusted in 2020)	2,475.3	258.3	2,733.8	1,126.6	614.0
thereof: participating interests recognised at equity	0.1	–	0.1	3.0	22.3
thereof: non-current assets held for sale	–	–	–	–	–
Inventories (as reported in the 2019 consolidated financial statements)	1,253.7	50.7	1,304.4	531.1	24.1
Inventories (consolidated values – adjusted in 2020)	1,247.4	50.7	1,298.1	531.1	24.1
thereof: non-current assets held for sale	–	–	–	–	–
Liabilities (as reported in the 2019 consolidated financial statements)	4,485.7	205.6	4,691.3	1,181.7	353.4
Liabilities (consolidated values – adjusted in 2020)	2,109.3	205.6	2,314.9	951.3	345.0
thereof: liabilities from non-current assets held for sale	–	–	–	–	–
Investments in intangible assets, property, plant and equipment and investment property (including company acquisitions)	145.9	24.1	170.0	28.7	41.8
Employee annual average	1,826	986	2,812	487	2,788

1 The previous year's figures have been adjusted in accordance with IAS 8.42. Please see Note (A.5.) for further details.

	Agri Trade & Service	Agricultural Equipment	**Agriculture**	**Building Materials**	**Innovation & Digitalisation**	**Other Activities***	Transition	**Group**
	3,454.4	1,683.4	10,857.5	1,702.8	10.6	13.8	–	17,059.0
	336.6	37.7	1,173.0	51.3	1.0	59.3	- 1,742.1	–
	79.8	0.6	112.6	0.6	0.1	12.1	- 132.4	–
	3,870.7	**1,721.7**	**12,143.1**	**1,754.7**	**11.7**	**85.1**	**- 1,874.5**	**17,059.0**
	44.9	**53.4**	**188.2**	**57.0**	**- 9.1**	**- 5.8**	**- 4.0**	**403.0**
	- 37.1	- 20.6	- 91.6	- 24.9	- 5.5	- 32.4	- 10.9	- 214.6
	7.8	**32.8**	**96.6**	**32.1**	**- 14.6**	**- 38.2**	**- 14.9**	**188.4**
	- 12.9	- 11.7	- 38.9	- 8.8	- 0.1	68.8	- 3.6	- 3.4
	- 14.3	- 9.5	- 40.5	- 8.7	- 0.1	- 19.9	–	- 109.2
	0.4	- 2.2	0.6	- 0.1	–	10.7	–	11.2
	- 6.6	**23.3**	**56.1**	**23.4**	**- 14.8**	**- 58.1**	**- 14.9**	**79.2**
								- 18.1
								61.1
	1,511.0	924.1	4,852.5	745.3	77.0	5,087.1	- 7,671.1	8,847.6
	1,511.0	924.1	4,175.7	745.3	77.0	5,087.1	- 3,971.3	8,847.6
	18.5	17.3	61.2	0.0	–	146.7	–	208.0
	–	0.2	0.2	–	–	4.4	–	4.7
	737.2	510.2	1,802.6	184.3	1.5	0.8	- 7.2	3,286.4
	737.2	510.2	1,802.6	184.3	1.5	0.8	- 0.8	3,286.4
	–	–	–	–	–	–	–	–
	999.8	805.1	3,340.0	524.1	50.9	4,176.8	- 5,274.5	7,508.6
	999.8	805.1	3,101.2	524.1	50.9	4,176.9	- 2,659.5	7,508.6
	–	–	–	–	–	–	–	–
	37.2	26.5	134.2	43.2	9.2	76.0	–	432.6
	3,533	3,772	10,580	4,371	198	870	–	18,831

*** prior to consolidation**

(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 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 to individual Group companies having to pay compensation or financial penalties or being imposed with other civil or criminal sanctions.

In the financial year 2019, BayWa AG and the Bundeskartellamt (German federal antitrust authority) reached an agreement to end the administrative offence proceedings that had been ongoing since March 2015 relating to BayWa AG and other crop protection wholesalers. There is a general risk that customers will assert further claims for compensation against BayWa AG following the conclusion of these antitrust proceedings. At the time when these financial statements were prepared, only individual claims had been asserted against BayWa, all of which have been refuted by BayWa. No further claims have been asserted or announced so far. It is BayWa's belief that the alleged misconduct did not result in any buyers suffering any financial damages whatsoever.

We assume, supported by the assessment of our legal advisers, that it is extremely unlikely in this context that third parties will 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 a court case or arbitration proceedings and for other legal disputes and/or there is appropriate insurance cover in place.

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

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

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 came to 37.51% on 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 AG, 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 AG, 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 AG, 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 zero 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 AG, 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 AG, 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 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 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), its share 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):

3) 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.
4) 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 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 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 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. 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 AG 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 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. 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 AG 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 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. 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 AG voting rights) pursuant to Section 22 para. 1 sentence 1 item 1 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 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. 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 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.

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

Under IAS 24, related parties are defined as companies and individuals where one of the parties has the possibility of controlling the other or of exerting a significant influence on the financial and business policies of the other.

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 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 €11.6 million (2019: €11.0 million) and to Raiffeisen Agrar Invest AG of €8.4 million (2019: €7.9 million), no business transactions within the meaning of IAS 24 which need to be reported here were carried out in the financial year 2020.

Transactions with related parties are shown in the table below:

In € million **2020**	Supervisory Board	Board of Management	Bayerische Raiffeisen-Beteiligungs-AG and Raiffeisen Agrar Invest AG	Non-consolidated companies > 50%	Non-consolidated companies > 20% ≤ 50%
Receivables	–	–	–	28.7	11.9
Liabilities	–	–	–	9.7	1.2
Interest income	0.0	0.0	–	0.3	0.1
Interest expenses	–	–	–	0.0	–
Revenues	–	–	–	12.7	58.6

In € million 2019	Supervisory Board	Board of Management	Bayerische Raiffeisen-Beteiligungs-AG and Raiffeisen Agrar Invest AG	Non-consolidated companies > 50%	Non-consolidated companies > 20% ≤ 50%
Receivables	–	–	–	37.6	11.8
Liabilities	–	–	–	14.9	2.2
Interest income	0.0	0.0	–	0.5	0.0
Interest expenses	–	–	–	0.0	–
Revenues	–	–	–	12.1	77.6

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 Deloitte GmbH Wirtschaftsprüfungsgesellschaft were recognised as expenses at BayWa AG and its subsidiaries:

In € million	**2020**	2019
For audits performed	1.4	1.7
For other consultancy services	0.1	0.2
For tax consultancy services	–	–
For other services	0.0	0.1
	1.6	**2.0**

In the financial year 2020, other consultancy services concerned audits centred on the German Renewable Energy Sources Act (EEG), the consolidated non-financial statement and the green bond issued in 2019.

(E.7.) Executive and supervisory bodies of BayWa AG

Supervisory Board

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

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

Klaus Buchleitner (since 17 June 2014)
Vice Chairman
Managing Director of Raiffeisen-Holding Niederösterreich-Wien reg.Gen.m.b.H and Raiffeisenlandesbank Niederösterreich-Wien AG

Other mandates
- AGRANA Beteiligungs-Aktiengesellschaft, Vienna, Austria (Second Vice Chairman)
- AGRANA Zucker, Stärke und Frucht Holding AG, Vienna, Austria (First Vice Chairman)
- AUSTRIA JUICE GmbH, Allhartsberg, Austria (Chairman of the Shareholders Committee)
- LEIPNIK-LUNDENBURGER INVEST Beteiligungs AG, Vienna, Austria (Member of the Supervisory Board)
- Niederösterreichische Versicherung AG, St. Pölten, Austria (Member of the Supervisory Board)
- NÖM AG, Baden, Austria (Chairman of the Supervisory Board)
- Raiffeisen Bank International AG, Vienna, Austria (Member of the Supervisory Board)
- Raiffeisen Software GmbH, Vienna, Austria (Chairman of the Supervisory Board)
- Z&S Zucker und Stärke Holding AG, Vienna, Austria (Chairman of the Supervisory Board) (until 25 August 2020)

Werner Waschbichler (since 1 March 1999)
Vice Chairman
Chairman of the Main Works Council of BayWa Headquarters

Wolfgang Altmüller (since 17 June 2014)
MBA, Chairman of the Board of Directors of meine Volksbank Raiffeisenbank eG

Other mandates
- Allianz Versicherungs-AG, Munich, German (Member of the Supervisory Board)
- Allianz Beratungs- und Vertriebs-AG, Munich, Germany (Member of the Supervisory Board)
- Bayerische Raiffeisen-Beteiligungs-AG, Beilngries, Germany (Vice Chairman of the Supervisory Board)
- Fiducia & GAD IT AG, Karlsruhe, Germany (Member of the Supervisory Board)

Theo Bergmann (since 4 June 2013)
Driver, Vice Chairman of the Main Works Council of BayWa AG

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

Renate Glashauser (since 4 June 2013)
Member of the Works Council, Vice Chairwoman of the Main Works Council of BayWa Headquarters, Chairwoman of BayWa AG Works Council, Agricultural Equipment, Lower Bavaria region

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

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

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

Stefan Kraft M. A. (until 31 December 2020)
National Secretary of the Union, ver.di-Bundesverwaltung

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

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

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

Other mandates
- Niederösterreichische Versicherung AG, St. Pölten, Austria (Member of the Supervisory Board)
- RWA Raiffeisen Ware Austria Aktiengesellschaft, Korneuburg, Austria (Chairman of the Supervisory Board)
- RWA Raiffeisen Ware Austria Handel und Vermögensverwaltung eGen, Korneuburg, Austria (Chairman of the Supervisory Board)

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

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

Other mandates
- Bayerische Raiffeisen-Beteiligungs-AG, Beilngries, Germany (member of the Management Board)
- 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)

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

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

Monique Surges (since 19 May 2015)
Chief Executive Officer German-New Zealand Chamber of Commerce Inc., Auckland, New Zealand
Treasurer of the New Zealand Europe Business Council (NZEBC), Auckland, New Zealand

Cooperative Council

Karlheinz Kipke
Chairman
Chairman of the Board of Directors of VR-Bank Coburg eG

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

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

Dr. Johann Lang
Master of Agricultural Engineering, farmer and Managing Director of Landwirtschaftsbetrieb Lang GbR, Baumgarten, Austria

Other members

Franz Breiteneicher
Managing Director of Raiffeisen-Waren GmbH Erdinger Land

Dr. Alexander Büchel
Member of the Management Board of Genossenschaftsverband Bayern e. V.

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

Martin Empl
MSc Agriculture, farmer

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

Manfred Göhring
Chairman of the Board of Directors of Raiffeisenbank Altdorf-Feucht eG, President of the Central Franconia district of the Genossenschaftsverband Bayern e. V. district association for Bavaria

Peter Götz (since 25 March 2020)
Member of the Management Board of Genossenschaftsverband – Verband der Regionen e. V.

Markus Grauer
Managing Director of Raiffeisen-Waren Schwaben Allgäu GmbH

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

Wolfgang Gribler
Chairman of the Board of Directors Agrarunternehmen “Lommatzscher Pflege” e.G.

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

Joachim Hausner (since 11 November 2020)
Vice Chairman of VR Bank Bamberg-Forchheim eG

Walter Heidl
President of the Bayerischer Bauernverband

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

Hubert Kamml (until 31 December 2020)
Chairman of the Board of Directors of Volksbank Rosenheim-Chiemsee eG

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

Alfred Kraus
Managing Director of Raiffeisen-Handels-GmbH

Johann Kreitmeier
Chairman of Landeskuratorium für pflanzliche Erzeugung in Bayern e. V.

Franz Kustner
Honorary President of the Bayerischer Bauernverband

Marlene Mortler (since 11 November 2020)
Member of the European Parliament

Franz Reisecker (until 31 December 2020)
Chairman of Raiffeisenverband Oberösterreich, Vice President of the European farmers’ association COPA

Angelika Schorer
Member of the Bavarian State Assembly

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

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

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

Rainer Wiederer
Spokesman of the Management Board of Volksbank Raiffeisenbank Würzburg eG

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

Board of Management

Prof. Klaus Josef Lutz
(Chief Executive Officer)
Corporate Audit, Corporate Compliance, Corporate Environment, Health & Safety, Corporate Governance, Corporate HR, Corporate M & A, Corporate Marketing, PR/Corporate Communications/Public Affairs, Corporate Risk, Corporate Strategy & Innovation, Corporate Sustainability, Group-IT, BayWa Foundation, BayWa Agri Supply & Trade (BAST), Global Produce, BayWa IT GmbH

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)
- Giesecke & Devrient GmbH, Munich, Germany (Chairman of the Supervisory Board and the Advisory Committee)
- IHK Industrie- und Handelskammer für München und Oberbayern (Chamber of Commerce and Industry for Munich and Upper Bavaria) (Vice President)

Group mandates
- Al Dahra BayWa Agriculture LLC, Abu Dhabi, United Arab Emirates (Member of the Board of Directors)
- RWA Raiffeisen Ware Austria Aktiengesellschaft, Korneuburg, Austria (First Vice Chairman of the Supervisory Board)
- T&G Global Limited, Auckland, New Zealand (Chairman of the Board of Directors)
- "UNSER LAGERHAUS" WARENHANDELSGESELLSCHAFT m.b.H., Klagenfurt, Austria (Chairman of the Supervisory Board)

Andreas Helber
Corporate Controlling, Corporate Finance & Accounting, Corporate Insurance, Corporate Legal, Corporate Real Estate Management, Investor Relations, BayWa Services (Business Service Center/BSC, Finance Services, HR Shared Service Center, Corporate Purchasing & Services)

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

Group mandates
- Al Dahra BayWa Agriculture LLC, Abu Dhabi, United Arab Emirates (Member of the Board of Directors)
- 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)
- "UNSER LAGERHAUS" WARENHANDELSGESELLSCHAFT m.b.H., Klagenfurt, Austria (Member of the Supervisory Board)

Marcus Pöllinger
Agri Trade & Service, Agricultural Equipment, Building Materials, Digital Farming

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

Group mandate
- RWA Raiffeisen Ware Austria Aktiengesellschaft, Korneuburg, Austria (Member of the Supervisory Board)

Matthias Taft
Conventional Energy, Renewable Energies (BayWa r.e. renewable energy GmbH)

Group mandates
- BayWa r.e. Asia Pacific Pte. Ltd., Singapore, Republic of Singapore (Chairman of the Board of Directors)
- BayWa r.e. Nordic AB, Malmö, Sweden (Chairman of the Board of Directors)
- BayWa r.e. renewable energy GmbH, Munich, Germany (Managing Director)
- BayWa r.e. Solar B.V., Heerenveen, Netherlands (Chairman of the Supervisory Board)
- BayWa r.e. USA, LLC, Wilmington, USA (Chairman of the Board of Directors)
- BayWa r.e. Wind, LLC, Wilmington, USA (Chairman of the Board of Directors) (until 11 November 2020)
- RWA Raiffeisen Ware Austria Aktiengesellschaft, Korneuburg, Austria (First Replacement Member of the Supervisory Board)

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

External mandate
- Niederösterreichische Verkehrsorganisationsgesellschaft m.b.H., St. Pölten, Austria (Member of the Supervisory Board)

Group mandates
- Garant - Tiernahrung Gesellschaft m.b.H., Pöchlarn, Austria (Chairman of the Supervisory Board)
- Raiffeisen-Lagerhaus GmbH, Bruck an der Leitha, Austria (Vice Chairman of the Supervisory Board)

Allocation of departments as at 31 December 2020

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

The remuneration of the Cooperative Council amounted to €0.1 million (2019: €0.1 million). The total remuneration of the Supervisory Board came to €1.1 million (2019: €1.1 million). In addition to Supervisory Board remuneration, employee representatives who are employees of the BayWa Group receive compensation not connected to their activities for the Supervisory Board. The sum total of such compensation received by the employee representatives came to €0.5 million (2019: €0.5 million). Total remuneration of the Board of Management came to €10.7 million (2019: €9.4 million) and breaks down as follows:

In € million	**2020**	2019
Total remuneration of the Board of Management	**10.7**	**9.4**
thereof:		
ongoing remuneration	8.5	7.0
non-cash benefits	0.2	0.2
transfers to pension provision	2.0	2.2
The ongoing remuneration of the Board of Management is split up into		
fixed salary components	3.8	3.5
variable salary components – short-term	2.4	2.0
variable salary components – long-term	1.9	1.5
Other salary components	0.4	–

An amount of €3.6 million (2019: €3.6 million) was paid out to former members of the Board of Management of BayWa AG and their dependants. Pension provisions for former members of the Board of Management and their dependants are disclosed in an amount of €47.2 million (2019: €46.8 million).

Please refer to the Remuneration Report, which is part of the Consolidated Management Report, for a detailed person-by-person presentation of the remuneration of the Board of Management and Supervisory Board members.

(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 22 March 2021.

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 Energie Dienstleistungs GmbH, Munich, Germany
- BayWa Finanzservice GmbH, Munich, Germany
- BayWa Handels-Systeme-Service GmbH, Munich, Germany
- BayWa Haustechnik GmbH, Kösching, Germany
- BayWa IT GmbH, Munich, Germany
- BayWa Mobility Solutions GmbH, Munich, Germany
- BayWa Obst Beteiligung GmbH, Munich, Germany
- BayWa Pensionsverwaltung GmbH, Munich, Germany
- Diermeier Energie GmbH, Munich, Germany
- EUROGREEN GmbH, Betzdorf, Germany
- FarmFacts GmbH, Pfarrkirchen, Germany
- FarmFacts Holding GmbH, Munich, Germany
- Forster GmbH, Munich, Germany
- Frucom Fruitimport GmbH, Hamburg, Germany
- Interlubes GmbH, Würzburg, Germany
- Jannis Beteiligungsgesellschaft mbH, Munich, Germany

- Ketziner Beteiligungsgesellschaft mbH, Niederer Fläming, Germany
- Raiffeisen Waren GmbH Nürnberger Land, Hersbruck, 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)):

- Aufwind BB GmbH & Co. Zweiundzwanzigste Biogas KG, Regensburg, Germany
- BayWa Obst GmbH & Co. KG, Munich, Germany
- BayWa r.e. Solardächer II GmbH & Co. KG, Gräfelfing, Germany
- Brüderl Projekt 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
- Evergrain Germany GmbH & Co. KG, Hamburg, Germany
- G. Stranzinger Bauprojekt GmbH & Co. KG, Tann, Germany
- R&S ENERGY capital-GmbH & Co. KG, Detmold, Germany
- r.e Bioenergie Betriebs GmbH & Co. Zehnte Biogas KG, Regensburg, Germany
- r.e Bioenergie Betriebs GmbH & Co. Zwölfte Biogas KG, Regensburg, Germany
- Robert Decker Wohnbau München GmbH & Co. KG, Grünwald, Germany
- Schradenbiogas GmbH & Co. KG, Gröden, Germany
- Solarpark Aquarius GmbH & Co. KG, Gräfelfing, Germany
- Solarpark Aries GmbH & Co. KG, Gräfelfing, Germany
- Solarpark Lupus GmbH & Co. KG, Gräfelfing, Germany
- Umspannwerk Klein Bünsdorf GmbH & Co. KG, Gräfelfing, Germany
- Windkraft Beteiligungsgesellschaft mbH & Co. Windpark Krummensee KG, Düsseldorf, Germany
- Windpark Berschweiler GmbH & Co. KG, Gräfelfing, Germany
- Windpark Hettstadt GmbH & Co. KG, Gräfelfing, Germany
- Windpark Holle-Sillium GmbH & Co. KG, Gräfelfing, Germany
- Windpark Immenberg 2 GmbH & Co. KG, Gräfelfing, Germany
- Windpark Immenberg GmbH & Co. KG, Gräfelfing, Germany
- Windpark Lindchen GmbH & Co. KG, Gräfelfing, Germany
- Windpark Pferdsfeld GmbH & Co. KG, Gräfelfing, Germany
- Windpark Wilhelmshöhe GmbH & Co. KG, Gräfelfing, Germany
- 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 €35,279,062.00 in its annual financial statements as at 31 December 2020, which were drawn up in accordance with German accounting standards (German Commercial Code – HGB) and adopted by the Supervisory Board on 24 March 2021. The Board of Management and the Supervisory Board will propose the following use of this amount to the Annual General Meeting on 11 May 2021:

In €	2020
Dividend of €1.00 per dividend-bearing share	**35,279,062.00**

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

(E.11.) Significant events after the reporting date

In 2013, the Spanish government changed its subsidy scheme for renewable energy plants and drastically reduced the national tariffs for electricity input, even for plants already in operation. The “La Muela” wind farm operated by the BayWa r.e. Group was also affected by this retroactive tariff reduction. BayWa r.e. renewable energy GmbH and BayWa r.e. Asset Holding GmbH, both in Munich, Germany, filed a lawsuit against this in 2015. As part of the arbitration proceedings, the tribunal of the International Centre for Settlement of Investment Disputes (ICSID), based in Washington DC, USA, issued a binding arbitration on 25 January 2021, according to which the claimants were awarded damages in the amount of approximately €22 million. Although the ruling is binding on all parties, we can assume that the Spanish government – as in all other ICSID proceedings it has lost so far – will file an action for nullification. For this reason, it cannot be assumed at the present time that the inflow of economic benefits is all but certain.

In mid-February 2021, extreme weather conditions with heavy snowfall and freezing rain in Texas, USA, led to outages of conventional electricity power plants, wind farms and the power grid. This event, in combination with very high demand for electricity at the same time, led to an extreme rise in the price of electricity. BayWa r.e. Group wind farms were also affected by the weather-related outages. Because long-term electricity supply obligations for fixed quantities at fixed prices have been entered into, there is a risk that contractual partners may be entitled to claims for compensation against companies of the BayWa r.e. Group for this period of time. An assessment of the actual impact and the potential financial damage is not yet possible at the present time.

In December 2020, the investor search for the planned capital increase at BayWa r.e. renewable energy GmbH, Munich, Germany, was successfully concluded upon the signing of a contract. BayWa r.e. renewable energy GmbH will receive an equity contribution of €530 million in exchange for handing over a 49% stake in the company to funds advised by Energy Infrastructure Partners (EIP), Zürich, Switzerland. With a stake of 51%, BayWa AG will remain BayWa r.e. renewable energy GmbH’s majority shareholder. In December 2020, the execution of the capital increase was still subject to the regulatory approvals. Said approvals were issued on 17 March 2021.

(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 11 November 2020 and have made it permanently accessible to the public on the company’s website at: www.baywa.com

Munich, 22 March 2021

BayWa Aktiengesellschaft

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

Group Holdings of BayWa AG (Appendix to the Notes of the Consolidated Financial Statements) as at 31 December 2020

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
a.a.t. Substrathandel GmbH (formerly: A.A.T. – Agrarservice, Transport und Handel – GmbH), Wittenburg, Germany	100.0
Abemec B.V., Veghel, Netherlands	100.0
AFS Franchise-Systeme GmbH, Korneuburg (formerly: Vienna), Austria	100.0
Agrar- und Transportservice Kölleda GmbH, Kölleda, Germany	62.3
Agrimec Group B.V., Apeldoorn, Netherlands	100.0
AGROMED AUSTRIA GMBH, Kremsmünster, Austria	80.0
Airies 2 Windfarm Ltd., Edinburgh, UK	100.0
Al Dahra BayWa Agriculture LLC, Abu Dhabi, United Arab Emirates	49.0
ALM Regio 1 B.V., Veghel, Netherlands	100.0
ALM Regio 10 B.V., Veghel, Netherlands [2]	100.0
ALM Regio 11 B.V., Veghel, Netherlands [2]	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 [2]	100.0
Aludra Energies SARL, Paris, France	100.0
American Beech Solar 2 LLC, Irvine, USA [2]	100.0
American Beech Solar LLC, Irvine, USA [2]	100.0
AMUR S.L.U., Barcelona, Spain	100.0
Arlena Energy S.r.l., Milan, Italy	100.0
Åshults Kraft AB, Malmö, Sweden	100.0
Athena Solar Srl., Milan, Italy	100.0
Atlante S.r.l. (formerly: Atlante Wind S.r.l.), Milan, Italy	100.0
Aufwind BB GmbH & Co. Zweiundzwanzigste Biogas KG, Regensburg, Germany	100.0
Aufwind Schmack Első Biogáz Szolgáltató Kft., Szarvas, Hungary	100.0
Aurora Borealis Solar LLC, Irvine, USA	100.0
Aurora Solar Projects, LLC, Irvine (formerly: Dover), USA [2]	100.0
Baltic Logistic Holding B.V., Rotterdam, Netherlands	100.0
BaSE Renewables Sdn Bhd, Kuala Lumpur, Malaysia	100.0
BaSe Solar Sdn. Bhd., Kuala Lumpur, Malaysia	77.0
Bautechnik Gesellschaft m.b.H., Korneuburg (formerly: Vienna,) Austria	100.0
Bayerische Futtersaatbau Gesellschaft mit beschränkter Haftung, Ismaning, Germany	79.2
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 Agri Supply & Trade B.V., Rotterdam, Netherlands	100.0
BayWa Agro Polska Sp. z o.o., Grodzisk Mazowiecki, Poland	100.0
BayWa Bau Projekt GmbH, Munich, Germany	100.0
BayWa Canada Ltd., Vancouver, Canada	100.0
BayWa Energie Dienstleistungs GmbH, Munich, Germany	100.0
BayWa Finanzservice GmbH, Munich, Germany	100.0
BayWa Handels-Systeme-Service GmbH, Munich, Germany [1]	100.0
BayWa Haustechnik GmbH, Kösching, Germany	100.0

Name and principal place of business	Share in capital in %
BayWa IT GmbH (formerly: RI-Solution GmbH Gesellschaft für Retail-Informationssysteme, Services und Lösungen mbH), Munich, Germany	100.0
BayWa Marketing & Trading International B.V., Rotterdam, Netherlands	100.0
BayWa Mobility Solutions GmbH, Munich, Germany	100.0
BayWa Obst Beteiligung GmbH, Munich, Germany [1]	100.0
BayWa Obst GmbH & Co. KG, Munich, Germany	100.0
BayWa Pensionsverwaltung GmbH, Munich, Germany [1]	100.0
BayWa r.e. (Thailand) Co., Ltd., Bangkok, Thailand	100.0
BayWa r.e. Asia Pacific Pte. Ltd., Singapore, Republic of Singapore	100.0
BayWa r.e. Asset Holding GmbH, Gräfelfing, Germany	100.0
BayWa r.e. Asset Holdings Japan Pte. Ltd., Singapore, Republic of Singapore	100.0
BayWa r.e. Asset Management GmbH, (formerly: BayWa r.e. Windpark Gravina GmbH), Gräfelfing, Germany	100.0
BayWa r.e. Asset Verwaltungs GmbH (formerly: BayWa r.e. Asset Management GmbH), Gräfelfing, Germany	100.0
BayWa r.e. Australia Pty Ltd, Melbourne, Australia	100.0
BayWa r.e. Bioenergy GmbH, Regensburg, Germany	100.0
BayWa r.e. Clean Energy S.r.l., Milan, Italy	100.0
BayWa r.e. Clean Energy Sourcing GmbH, Munich, Germany	100.0
BayWa r.e. Desarrollos Solares S. de R.L. de C.V., Mexico City, Mexico [2]	100.0
BayWa r.e. Development Land Holdco, LLC, Irvine (formerly: Los Angeles), USA [2]	100.0
BayWa r.e. Development, LLC, Irvine (formerly: Wilmington), USA [2]	100.0
BayWa r.e. EMEA IPP Holding GmbH, Munich, Germany	100.0
BayWa r.e. Energy Ventures GmbH, Gräfelfing, Germany	100.0
BayWa r.e. EPC, LLC, Irvine (formerly: Wilmington), USA [2]	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. Global Services GmbH, Munich, Germany	100.0
BayWa r.e. Green Energy Products GmbH, Munich, Germany	100.0
BayWa r.e. Hellas MEPE, Athens, Greece	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, Republic of Korea	100.0
BayWa r.e. Mexiko, LLC, Irvine (formerly: Wilmington), USA [2]	100.0
BayWa r.e. Nordic AB, Malmö, Sweden	100.0
BayWa r.e. Operation Services GmbH, Munich, Germany	100.0
BayWa r.e. Operation Services LLC, Irvine (formerly: Wilmington), USA	100.0
BayWa r.e. Operation Services Ltd., London, UK	100.0
BayWa r.e. Operation Services Pty Ltd, Richmond, Australien	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
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, Richmond, Australia	100.0
BayWa r.e. Projects España S.L.U., Barcelona, Spain	100.0
BayWa r.e. renewable energy GmbH, Munich, Germany	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, Republic of Korea	100.0
BayWa r.e. Solar Asset Holdings LLC (formerly: BayWa r.e. Asset Holdings LLC), Wilmington, USA	100.0
BayWa r.e. Solar B.V., Heerenveen, Netherlands	70.0
BayWa r.e. Solar Energy Systems GmbH, Tübingen, Germany	100.0
BayWa r.e. Solar Projects GmbH, Munich, Germany [1]	100.0
BayWa r.e. Solar Projects LLC, Irvine (formerly: Wilmington), USA	100.0

Name and principal place of business	Share in capital in %
BayWa r.e. Solar Projects Pty Ltd, Melbourne, Australia	100.0
BayWa r.e. Solar Pte. Ltd., Singapore, Republic of Singapore	100.0
BayWa r.e. Solar Systems Co., Ltd., Bangkok, Thailand	100.0
BayWa r.e. Solar Systems Corporation, Makati, Republic of the Philippines	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 (formerly: Mexico City,) Mexico	100.0
BayWa r.e. Solar Systems S.à r.l., Wemperhardt, Luxembourg	100.0
BayWa r.e. Solar Systems S.L.U., Barcelona, Spain	100.0
BayWa r.e. Solar Systems S.r.l., Bozen, Italy	100.0
BayWa r.e. Solar Systems SAS, Lormont, France	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 (Renewables Services) Ltd., London, UK	100.0
BayWa r.e. UK Limited, London, UK	100.0
BayWa r.e. USA, LLC (formerly: BayWa r.e. USA LLC), Wilmington, USA	100.0
BayWa r.e. Wind 20+ GmbH, Gräfelfing, Germany	100.0
BayWa r.e. Wind GmbH, Munich, Germany	100.0
BayWa r.e. Wind Pte. Ltd., Singapore, Republic of Singapore	100.0
BayWa r.e. Wind Verwaltungs GmbH, Gräfelfing, Germany	100.0
BayWa r.e. Wind, LLC, Wilmington, USA	95.0
BayWa r.e. Windpark Arlena GmbH, Gräfelfing, Germany	100.0
BayWa r.e. Zambia Ltd., Lusaka, Zambia	100.0
BayWa re (Malaysia) Sdn. Bhd., Kuala Lumpur, Malaysia	100.0
BayWa Ukraine LLC, Kiev, Ukraine	100.0
BayWa Vorarlberg HandelsGmbH, Lauterach, Austria	51.0
Becon Project Management & Consultancy Ltd., Edinburgh (formerly: Stirling), UK	100.0
Bendigo Solar Farm HoldCo Pty Ltd, Richmond, Australia	100.0
Bendigo Solar Farm Pty Ltd, Richmond, Australia	100.0
Big Creek Solar 1 LLC, Irvine, USA	100.0
Big Creek Solar 2 LLC, Irvine, USA	100.0
BioCore B.V., Oosterhout, Netherlands	100.0
Black Rock Solar LLC, Irvine, USA [2]	100.0
Blue Solar LLC, Irvine, USA [2]	100.0
Bluebird Solar LLC, Irvine (formerly: Frankfort), USA [2]	100.0
Bölke Handel GmbH, Landsberg, Germany	90.0
Botsay Energie SAS (formerly: Botsay Energie SARL), Paris, France	100.0
brandpower P1 GmbH, Salzburg, Austria	100.0
brandpower S1 GmbH, Salzburg, Austria	100.0
brandpower S2 GmbH, Salzburg, Austria	100.0
BRE/GE Solar Developments Limited, Edinburgh, UK	51.0
Brüderl Projekt GmbH & Co. KG, Traunreut, Germany	51.0
Brushy Creek Solar LLC, Irvine, USA [2]	100.0
Burkes Agencies Limited, Glasgow, UK	100.0
Camden Solar LLC, Irvine, USA [2]	100.0
Carazon Energy II, LLC, Irvine, USA [2]	100.0
Cefetra B.V., Rotterdam, Netherlands	100.0
Cefetra Feed Service B.V., Rotterdam, Netherlands	100.0
Cefetra Hungary Kft., Budapest, Hungary	100.0
Cefetra Ibérica S.L.U., Pozuelo de Alarcón, Spain	100.0
Cefetra Limited, Glasgow, UK	100.0
Cefetra Polska Sp. z o.o., Gdynia, Poland	100.0
Cefetra S.p.A., Rome, Italy	100.0
Cefetra Shipping B.V., Rotterdam, Netherlands	100.0
Chopin Wind, LLC, Wilmington, USA	100.0

Name and principal place of business	Share in capital in %
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 (formerly: Clos Neuf Energies SARL), Paris, France	100.0
Corazon Energy Development LLC, Irvine, USA	100.0
Corazon Energy LLC (formerly: Corazon Solar LLC), Irvine, USA [2]	100.0
Corriegarth 2 Windfarm Ltd., London, UK	100.0
Cricket Solar LLC, Irvine, USA [2]	100.0
Crookedstane Windfarm Ltd., Edinburgh (formerly: Greenock), UK	100.0
Dalquhandy Wind Farm Ltd., Edinburgh, UK	100.0
Delica (Shanghai) Fruit Trading Company Limited, Shanghai, People's Republic of 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
Diapur HoldCo Pty Ltd, Richmond, Australia	100.0
Diapur Wind Farm Pty Ltd, Richmond, Australia	100.0
Diermeier Energie GmbH, Niederwinkling (formerly: Munich), Germany	100.0
Dörenhagen Windenergieanlagen GmbH & Co. KG, Gräfelfing, Germany	100.0
Druim Leathann Windfarm Ltd., Edinburgh (formerly: Greenock), UK	100.0
DRWZ-Beteiligungsgesellschaft mbH, Munich, Germany	64.3
ECOwind d.o.o., Zagreb, Croatia	100.0
ECOWIND Handels- & Wartungs-GmbH, Kilb, Austria	100.0
Eko-En Polanow 1 Sp. z o.o., Warsaw, Poland	100.0
Eko-En Polanow 2 Sp. z o.o., Warsaw, Poland	100.0
Eko-En Skibno Sp. z o.o., Koszalin, Poland	100.0
Emera S.r.l., Milan, Italy	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 [2]	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., Luton, 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., Seattle (formerly: Wilmington), USA	100.0
Eolica Aragon S.r.l., Milan, Italy	100.0
Euren Biogas Società Agricola a r.l., Naples, Italy	100.0
EUROGREEN AUSTRIA GmbH, Mondsee, Austria	100.0
EUROGREEN CZ s.r.o., Jiřetín pod Jedlovou, Czech Republic	100.0
EUROGREEN GmbH, Betzdorf, Germany	100.0
Evergrain Germany GmbH & Co. KG, Hamburg, Germany	100.0
F. Url & Co. Gesellschaft m.b.H., Korneuburg (formerly: Lannach), Austria	100.0
FarmFacts GmbH, Pfarrkirchen, Germany	100.0
FarmFacts Holding GmbH, Munich, Germany	100.0
Ferguson HoldCo Pty Ltd, Richmond, Australia	100.0
Ferguson Wind Farm Pty Ltd, Richmond, Australia	100.0
Fern Solar Class B LLC, Irvine, USA	100.0
Fern Solar Development LLC, Irvine, USA [2]	100.0
Fern Solar LLC, Irvine, USA	100.0
Fern Tax Equity Partnership LLC, Irvine, USA	100.0
Forster GmbH, Munich, Germany	100.0
Freshmax New Zealand Ltd, Auckland, New Zealand	100.0
Frucom Fruitimport GmbH, Hamburg, Germany	100.0
Fruit Distributors Limited, Auckland, New Zealand	100.0

Name and principal place of business	**Share in capital in %**
Fruitmark Pty Ltd, Mulgrave, Australia	100.0
Fruitmark USA Inc., Oceano (formerly: Seattle), USA	100.0
Furukraft AB, Malmö, Sweden	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
GENOL Gesellschaft m.b.H., Korneuburg (formerly: Vienna,) Austria	71.0
Gilston Hill Windfarm Ltd., Edinburgh (formerly: Greenock), UK	100.0
GK Alpha Mega Solar Project No. 1, Tokyo, Japan	100.0
GK Alpha Mega Solar Project No. 2, Tokyo, Japan	100.0
Great Blue Heron Solar LLC, Irvine, USA [2]	100.0
GroenLeven B.V., Heerenveen, Netherlands	100.0
GroenLeven Invest B.V., Heerenveen, Netherlands	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
Immobilienvermietung Gesellschaft m.b.H., Traun, Austria	100.0
Interlubes GmbH, Würzburg, Germany	100.0
InterSaatzucht GmbH, Hohenkammer, Germany	100.0
Iraak Sun Farm Pty Ltd, Melbourne, Australia	100.0
Jacumba Land HoldCo LLC, Irvine (formerly: Wilmington), USA [2]	100.0
Jannis Beteiligungsgesellschaft mbH, Munich, Germany	100.0
Jung HoldCo Pty Ltd, Richmond, Australia	100.0
Jung Renewable Energy Facility Pty Ltd, Richmond, Australia	100.0
Juno Solar S.r.l., Milan, Italy	100.0
JVR Energy Park LLC, Los Angeles, USA [2]	100.0
K'IIN, S.A.P.I. de C.V., Mexico City, Mexico [2]	100.0
KALPIS, S.A.P.I. de C.V., Mexico City, Mexico [2]	100.0
Karadoc Solar Farm FinCo Pty Ltd, Melbourne, Australia	100.0
Karadoc Solar Farm HoldCo 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
Kita-Ibaragi City PV Plant G.K., Tokyo, Japan	100.0
Knickerbocker Solar LLC, Irvine, USA [2]	100.0
Kobe Yamada PV Plant G.K., Tokyo, Japan	100.0
Korea Solar 1 Co., Ltd., Seoul, Republic of Korea	100.0
Korea Solar 2 Co., Ltd., Seoul, Republic of Korea	100.0
Korea Solar 3 Co., Ltd., Seoul, Republic of Korea	100.0
Korea Solar 4 Co., Ltd., Seoul, Republic of Korea	100.0
Korea Solar 5 Co., Ltd., Seoul, Republic of Korea	100.0
Korea Solar 6 Co., Ltd., Seoul, Republic of Korea	100.0
Korea Solar 7 Co., Ltd., Seoul, Republic of Korea	100.0
Lagerhaus Technik-Center GmbH & Co KG, Korneuburg, Austria	51.9
Landhandel Knaup GmbH, Borchen, Germany	51.0
Les Pierres Blanches Energies, Paris, France	100.0
LHD Landhandel Drebkau Import- und Export GmbH, Drebkau, Germany	100.0
Little Gala Windfarm Ltd., Edinburgh, UK	100.0
LTZ Chemnitz GmbH, Hartmannsdorf, Germany	90.0
Maestro Wind, LLC, Wilmington, USA	100.0
Matahari 1 Holdings Pte. Ltd., Singapore, Republic of Singapore	100.0
Mid West SF No1 Pty Ltd, Melbourne, Australia	100.0
Mozart Wind, LLC, Wilmington, USA	100.0
NLEI Ltd., Edinburgh (formerly: Greenock), UK	100.0
Noosa Energy Storage LLC, Irvine, USA	100.0
Notch Peak Solar, LLC, Irvine (formerly: Wilmington), USA [2]	100.0

Name and principal place of business	Share in capital in %
Nuevos Parques Eólicos La Muela A.I.E., Zaragoza, Spain	100.0
Oak Green Solar LLC, Irvine, USA	100.0
Ouyen HoldCo Pty Ltd, Richmond, Australia	100.0
Ouyen Solar Farm Pty Ltd, Richmond, Australia	100.0
PAF Projects for Advanced Fuels GmbH, Regensburg (formerly: Biomethananlage Welbeck GmbH i. L., Gräfelfing), Germany	100.0
Parco Solare Smeraldo S.r.l., Bozen, 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 [2]	70.0
Parque Solar Los Potros, S. de R.L. de C.V., Mexico City, Mexico	100.0
Perinnpitt Road Solar Ltd., London, UK	100.0
Peter Frey GmbH, Wartenberg, Germany	51.0
Plapperer Projekt GmbH, Schrobenhausen, Germany	51.0
Plésidy Energies SAS (formerly: Plésidy Energies SARL), Paris, France	100.0
PowerHub Inc., Toronto, Canada	100.0
Prairie Solar 1, LLC, Irvine, USA [2]	100.0
Quilly Guenrouet Energies SARL, Paris, France	100.0
R&S ENERGY capital-GmbH & Co. KG, Detmold, Germany	100.0
r.e Bioenergie Betriebs GmbH & Co. Zehnte Biogas KG, Regensburg, Germany	100.0
r.e Bioenergie Betriebs GmbH & Co. Zwölfte Biogas KG, Regensburg, Germany	100.0
Rag Lane Solar Ltd., London, UK	100.0
Raiffeisen Waren GmbH Nürnberger Land, Hersbruck, Germany	100.0
Raiffeisen-Lagerhaus GmbH, Bruck an der Leitha, Austria	89.9
Raiffeisen-Lagerhaus Investitionsholding GmbH, Korneuburg (formerly: Vienna), Austria	100.0
Ravel Wind, LLC, Wilmington, USA	100.0
Regeneratives Land GmbH, Gräfelfing, Germany	100.0
RENERCO GEM 1 GmbH, Gräfelfing, Germany	100.0
RENERCO GEM 2 GmbH, Gräfelfing, Germany	100.0
renerco plan consult GmbH, Munich, Germany	100.0
Rinnovabili Melfi S.r.l., Milan (formerly: Rovereto), Italy	100.0
RI-Solution Data GmbH, Korneuburg (formerly: Vienna), Austria	100.0
RIVEKA BVBA, Boom, Belgium	100.0
Robert Decker Wohnbau München GmbH & Co. KG, Grünwald, Germany	51.0
Rock Power S.L.U., Barcelona, Spain	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	60.0
Royal Ingredients Group USA Inc., Chicago, USA	100.0
Royal Ingredients Nigeria Ltd., Lagos, Nigeria	80.0
RUG Raiffeisen Umweltgesellschaft m.b.H., Korneuburg (formerly: Vienna), Austria	75.0
RWA Czechia s.r.o. (formerly: B O R , s.r.o.), Unhost, Czech Republic	100.0
RWA Hrvatska d.o.o., Zagreb, Croatia	100.0
RWA Immobilien GmbH, Korneuburg (formerly: Vienna), Austria	100.0
RWA International Holding GmbH, Korneuburg (formerly: Vienna), Austria	100.0
RWA Invest GmbH, Korneuburg (formerly: Vienna), Austria	100.0
RWA Magyarország Kft., Ikrény, Hungary	100.0
RWA Raiffeisen Agro Romnia S.r.l., Orțișoara, Romania	100.0
RWA Raiffeisen Ware Austria Aktiengesellschaft, Korneuburg (formerly: Vienna), Austria	50.0
RWA SLOVAKIA, spol. s r.o., Bratislava, Slovakia	100.0
RWA Slovenija d.o.o., Lavrica, Slovenia	100.0
RWA Srbija d.o.o., Belgrade, Serbia	100.0

Name and principal place of business	Share in capital in %
Ryfors Vindkraft AB, Malmö, Sweden	100.0
Samsonwind Wirtsnock GmbH, Thomatal, Austria	100.0
SBU Power Holdings Pte. Ltd., Singapore, Republic of Singapore	100.0
SC Puterea Verde S.r.l., Sibiu, Romania	75.3
Schradenbiogas GmbH & Co. KG, Gröden, Germany	94.5
Schumann Wind, LLC, Wilmington, USA	100.0
Serralonga Energia S.r.l., Turin, Italy	52.0
Shieldhall Logistics Ltd., Glasgow, UK	100.0
Sinclair Logistics Ltd., Glasgow, UK	100.0
Sjönnebol Kraft AB, Malmö, Sweden	100.0
Solar Sud S.r.l., Milan, Italy	100.0
Solare Italia S.r.l., Milan, Italy	100.0
Solarmarkt GmbH, Aarau, Switzerland	100.0
SolarPark 4a LLC, New York, USA	100.0
Solarpark Aquarius GmbH & Co. KG, Gräfelfing, Germany	100.0
Solarpark Aries GmbH & Co. KG, Gräfelfing, Germany	100.0
Solarpark Lupus GmbH & Co. KG, Gräfelfing, Germany	100.0
Solarpark Samas GmbH, Gräfelfing, Germany	100.0
Solarpark Samas Sp. z o.o., Warsaw, Poland	100.0
Status Produce Favona Road Limited, Auckland, New Zealand	100.0
Stormon Energi AB, Malmö, Sweden	100.0
Strauss Wind, LLC, San Diego, USA	100.0
Studios Solar 2, LLC, Irvine (formerly: Wilmington), USA [2]	100.0
Studios Solar 3, LLC, Irvine (formerly: Wilmington), USA [2]	100.0
Studios Solar 4, LLC, Irvine (formerly: Wilmington), USA [2]	100.0
Studios Solar 5, LLC, Irvine (formerly: Wilmington), USA [2]	100.0
Studios Solar, LLC, Irvine (formerly: Wilmington), USA [2]	100.0
Sud Energy s.r.l., Milan, Italy	100.0
Sun Power Sicilia S.r.l., Milan, Italy	100.0
T&G CarSol Asia PTE. Ltd, Singapore, Republic of Singapore	50.0
T&G Fresh Produce PTE. Ltd, Singapore, Republic of Singapore	100.0
T&G Fruitmark HK Limited, Hong Kong, People's Republic of 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 Processed Food Limited (formerly: T&G 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
Taga Solar, LLC, Irvine (formerly: Wilmington), USA [2]	100.0
Taipa Water Supply Limited, Kerikeri, New Zealand	65.0
TechnikCenter Grimma GmbH, Mutzschen, Germany	70.0
Tessennano Energy S.r.l., Milan, Italy	100.0
TFC Holland B.V., Maasdijk, Netherlands	84.2
Thenergy B.V., Oosterhout, Netherlands	100.0
Tout Vent Energies SAS (formerly: Tout Vent Energies SARL), Paris, France	100.0
Tracomex B.V., Oosterhout, Netherlands	100.0
Trédias Energies SAS (formerly: Trédias Energies SARL), Paris, France	100.0
Trinity Holding B.V., Heerenveen, Netherlands	100.0
Turners & Growers (Fiji) Limited, Suva, Republic of Fiji	70.0
Turners & Growers Fresh Limited, Auckland, New Zealand	100.0
Turners & Growers New Zealand Limited, Auckland, New Zealand	100.0
Tyre Bridge Solar LLC, Irvine, USA [2]	100.0
Umspannwerk Klein Bünsdorf GmbH & Co. KG, Gräfelfing, Germany	100.0
UNL 18 Solar B.V., Heerenveen, Netherlands	100.0
Unterstützungseinrichtung der BayWa Aktiengesellschaft in München GmbH, Munich, Germany	100.0

Name and principal place of business	Share in capital in %
URL AGRAR GmbH, Premstätten, Austria	100.0
Val de Moine Energies SARL, Paris, France	100.0
Valentine Peak Solar LLC, Irvine, USA	100.0
Varennes Energies SARL, Paris, France	100.0
Varennes Solaire 2 SAS, Paris, France	100.0
Venosa S.r.l., Milan, Italy	100.0
VISTA Geowissenschaftliche Fernerkundung GmbH, Munich, Germany	51.0
Watt Development SPV 1 S.L.U., Barcelona, Spain	100.0
Watt Development SPV 10 S.L.U., Barcelona, Spain	100.0
Watt Development SPV 2 S.L.U., Barcelona, Spain	100.0
Watt Development SPV 3 S.L.U., Barcelona, Spain	100.0
Watt Development SPV 4 S.L.U., Barcelona, Spain	100.0
Watt Development SPV 5 S.L.U., Barcelona, Spain	100.0
Watt Development SPV 6 S.L.U., Barcelona, Spain	100.0
Watt Development SPV 7 S.L.U., Barcelona, Spain	100.0
Watt Development SPV 8 S.L.U., Barcelona, Spain	100.0
Watt Development SPV 9 S.L.U., Barcelona, Spain	100.0
WAV Wärme Austria VertriebsgmbH, Korneuburg (formerly: Vienna), Austria	89.0
WealthCap Portfolio Finanzierungs-GmbH & Co. KG, Grünwald, Germany	100.0
Wessex Grain Ltd., Templecombe, UK	100.0
Whitelaw Brae Windfarm Ltd., Edinburgh (formerly: Greenock), UK	100.0
Wimmera Plains Energy Facility Holdco Pty Ltd, Richmond, Australia	100.0
Wimmera Plains Energy Facility Pty Ltd, Richmond, Australia	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 Berschweiler 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 Immenberg 2 GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Immenberg GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Kamionka GmbH, Gräfelfing, Germany	100.0
Windpark Kraubatheck GmbH, Kilb, Austria	100.0
Windpark Lindchen GmbH & Co. KG (formerly: Windpark Westerengel-Kirchengel GmbH & Co. KG), Gräfelfing, Germany	100.0
Windpark Pferdsfeld GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Wilhelmshöhe GmbH & Co. KG, Gräfelfing, Germany	100.0
Wohnen am Lerchenberg GmbH & Co. KG, Borna, Germany	60.0
Worldwide Fruit Limited, Spalding, UK	50.0
Yanel farm solar Ltd. (formerly: Alverdiscott Solar Limited), 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
Zonnedak A1 B.V., Heerenveen, Netherlands	100.0
Zonnedak F1 B.V., Heerenveen, Netherlands	100.0
Zonnedak O1 B.V., Heerenveen, Netherlands	100.0
Zonnepark Albrandswaard B.V., Heerenveen, Netherlands	100.0
Zonnepark B.V., Heerenveen, Netherlands	100.0
Zonnepark Friesland B.V., Heerenveen, Netherlands	100.0
Zonnepark PV12 B.V., Heerenveen, Netherlands	100.0
Zonnepark PV4 B.V., Heerenveen, Netherlands	100.0
Zonnepark Weperpolder B.V., Heerenveen, Netherlands	100.0
Zonnepark Woldjerspoor B.V., Heerenveen, Netherlands	100.0
Zonnepark XXL B.V., Heerenveen, Netherlands	87.5
Zonneparken Nederland B.V., Heerenveen, Netherlands	100.0

Name and principal place of business	Share in capital in %
Subsidiaries not included in the group of consolidated companies	
"BayWa CS Polska" Sp. z o.o., Grodzisk Mazowieck, Poland	100.0
"Danufert" Handelsgesellschaft m.b.H., Korneuburg (formerly: Vienna), Austria	60.0
ABATIS Beteiligungsgesellschaft mbH, Düsseldorf, Germany	100.0
Advanced Tax Systems S.L.U., Barcelona, Spain	100.0
AgrarCommander GesmbH, Hatzenbach, Austria	75.0
Agrarproduktenhandel Gesellschaft m.b.H., Klagenfurt, Austria	100.0
Agrimec B.V., Apeldoorn, Netherlands	100.0
Agrimec Parts B.V., Veghel, Netherlands	100.0
Agro Innovation Lab GmbH, Korneuburg (formerly: Vienna), Austria	100.0
Agromed Asia Limited, Hong Kong, People’s Republic of China	100.0
Agro-Property Kft., Kecskemét, Hungary	100.0
Almodovar Solar, Barcelona, Spain	70.0
Amance Energies SAS, Paris, France	100.0
APIS FE1 Società Agricola S.R.L., Bozen, Italy	70.0
APIS MN1 Società Agricola S.R.L., Bozen, Italy	70.0
APIS MO1 Società Agricola S.R.L., Bozen, Italy	70.0
APIS RE1 Società Agricola S.R.L., Bozen, Italy	70.0
Autels Villevillon Energies SAS (formerly: Autels Villevillon Energies), Paris, France	100.0
Automatic Recovery Systems, S.L.U, Madrid, Spain	100.0
BayWa CS GmbH, Munich, Germany	100.0
BayWa Forderungsmanagement GmbH, Munich, Germany [1]	100.0
BayWa Global Produce GmbH, Munich, Germany	100.0
BayWa Greenhouse Development GmbH, Munich, Germany	100.0
BayWa Obst Verwaltungsgesellschaft mbH, Munich, Germany	100.0
BayWa r.e. 148. Projektgesellschaft mbH, Gräfelfing, Germany	100.0
BayWa r.e. Bioenergy Betriebs GmbH, Gräfelfing, Germany	100.0
BayWa r.e. Data Services GmbH, Munich (formerly: BayWa r.e. Windpark Tuscania GmbH, Gräfelfing), Germany	100.0
BayWa r.e. Energy Solutions Asset Holdings Vietnam Pte. Ltd., Singapore, Republic of Singapore	100.0
BayWa r.e. Energy Solutions Pte. Ltd., Singapore, Republic of Singapore	100.0
BayWa r.e. Ireland Limited, Dublin, Ireland	100.0
BayWa r.e. Solar Projects Verwaltungs GmbH, Gräfelfing, Germany	100.0
BayWa r.e. Solar Systems Ltd., Machynlleth, UK	90.0
BayWa r.e. Solar Systems sp. z o. o., Zabierzów, Poland	100.0
BayWa r.e. Vietnam Co., Ltd., Ho Chi Minh City, Vietnam	100.0
BayWa r.e. Wind Asset Holdings Vietnam Pte. Ltd., Singapore, Republic of Singapore	100.0
BayWa r.e. Wind Projects Vietnam Co., Ltd., Ho Chi Minh City, Vietnam	100.0
BayWa r.e. Windpark Guasila GmbH, Gräfelfing, Germany	100.0
BayWa Rent GmbH, Munich, Germany	100.0
BayWa Venture GmbH, Munich, Germany	100.0
Bielstein S.L.U., Barcelona, Spain	100.0
Biogasanlage Geislingen GmbH & Co. KG, Gröden, Germany	100.0
biohelp international GmbH, Vienna, Austria	60.0
Brahms Wind Holdings, LLC, Wilmington, USA	100.0
Brizay Energies SAS (formerly: Brizay Energies), Paris, France	100.0
Brüderl Projekt Bad Endorf GmbH & Co. KG, Traunreut, Germany	51.0
Brüderl Projekt Traunstorfer Straße GmbH & Co. KG, Traunreut, Germany	51.0
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
Campagne Cazaubon Energies, 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

Name and principal place of business	Share in capital in %
CENTRO AGRICOLO FRIULANO S.R.L., Rivolto, Italy	85.0
Clump Farm Limited (formerly: Enderby Solar Limited), London, UK	100.0
Col des 3 Soeurs SARL, Paris, France	100.0
Corazon Energy Class B LLC, Irvine, USA	100.0
Corazon Energy Services LLC, Irvine, USA	100.0
Corazon Tax Equity Partnership LLC, Irvine, USA	100.0
Corporate Reelection S.L., Barcelona, Spain	100.0
Crono Rinnovabili S.r.l., Milan, Italy	100.0
Danugrain Lagerei GmbH, Krems an der Donau, Austria	60.0
Desarrollo Proyecto Fotovoltaico VIII, SL, Barcelona, Spain	100.0
Dionisio S.r.l., Milan, Italy	100.0
Economic Intention Systems, S.L., Barcelona, Spain	100.0
Eko Energetika Croatia d.o.o., Rijeka, Croatia	100.0
Energy Solutions 1 Holdings Co., Ltd., Ho Chi Minh City, Vietnam	100.0
Engage Intelligenty, S.L.U., Barcelona, Spain	100.0
ENP Windpark Reichenbach GmbH & Co. KG, Osnabrück, Germany	100.0
Eoliennes de Haute Voie SAS, Paris, France	51.0
Erste Onshore Windkraft Beteiligungsgesellschaft mbH, Oldenburg, Germany	100.0
Estruplund Energi Park Aps, Copenhagen, Denmark	100.0
Evergrain Verwaltungs GmbH, Hamburg, Germany	100.0
Exeter Main Solar Limited, London, UK	100.0
Eyliac Energies, Paris, France	100.0
FarmFacts Beteiligungs GmbH, Pfarrkirchen, Germany	100.0
FarmFacts Hungary Kft., Kaposvár, Hungary	100.0
Febe Rinnovabili S.r.l., Milan, Italy	100.0
Fleet Solar Limited, London, UK	100.0
Fontenet Energies SARL, Paris, France	100.0
G. Stranzinger Verwaltungs GmbH, Tann, Germany	60.0
Garein Energies, Paris, France	100.0
Gea Rinnovabili S.r.l., Milan, Italy	100.0
Genol Vertriebssysteme GmbH, Korneuburg (formerly: Vienna), Austria	100.0
Gievres Energies SAS, Paris, France	100.0
Gourvillette Energies SARL, Paris, France	100.0
Grande Lande Energies SARL, Paris, France	100.0
Green Answers GmbH & Co. WP Vahlbruch KG, Gräfelfing, Germany	100.0
Green Ventures 1 Single Member P.C., Kifisia, Greece	100.0
Green Ventures 2 Monoprosopi I.K.E., Kifisia, Greece	100.0
Green Wind Deutschland GmbH, Munich, Germany	50.0
Greenberry SAS, Paris, France	100.0
Herlufmagle Energi- & Naturpark ApS, Copenhagen, Denmark	100.0
Hexagone Energie 2 SAS, Paris, France	100.0
Higher Winds Systems, S.L., Barcelona, Spain	100.0
Hill Farm Solar Limited (formerly: Bird Groove Solar Limited), London, UK	100.0
Hughenden Solar Finance Pty Ltd, Richmond, Australia	100.0
Hughenden Solar Pty Ltd, Richmond, Australia	100.0
Iliako Power I Single Member Private Company (IKE), Chalandri, Greece	100.0
Iliako Power II Single Member Private Company (IKE), Chalandri, Greece	100.0
Iliako Power III Single Member Private Company (IKE), Chalandri, Greece	100.0
Iliako Power IV Single Member Private Company (IKE), Chalandri, Greece	100.0
Iliako Power V Single Member Private Company (IKE), Chalandri, Greece	100.0
Iliako Power VI Single Member Private Company (IKE), Chalandri, Greece	100.0
Iliako Power VII Monoprosopi I.K.E., Chalandri, Greece	100.0
IMMOBILIARE AGRICOLA RIVOLTO S.R.L., Rivolto, Italy	100.0
Intelligent Challenge, S.L.U., Barcelona, Spain	100.0
Keranna Energies SARL, Paris, France	100.0
La Couture Energies SARL, Paris, France	100.0

Name and principal place of business	Share in capital in %
La Redonda Solar SL, Barcelona, Spain	70.0
Lagerhaus e-Service GmbH, Korneuburg (formerly: Vienna), Austria	100.0
Lagerhaus Solar Solutions GmbH, Korneuburg, Austria	100.0
Lagerhaus Technik-Center GmbH, Korneuburg, Austria	53.6
Lerchenborg Energi Park Aps, Copenhagen, Denmark	100.0
Les Éoliennes Citoyennes de Botsay SAS, Paris, France	100.0
Les Platayres Energies SARL, Paris, France	100.0
Londigny Energies SARL, Paris, France	100.0
Luenga Solar, S.L.U., Barcelona, Spain	100.0
Magyar "Agrár-Ház" Kft., Ikrény, Hungary	100.0
Maqueda Solar, S.L.U., Barcelona, Spain	100.0
MD-Betriebs-GmbH, Munich, Germany	90.0
New Universeline Systems S.L., Barcelona, Spain	70.0
NOB-Betriebs-GmbH, Munich, Germany	90.0
novotegra GmbH, Tübingen, Germany	100.0
Oaklands Farm Solar Limited, London, UK	100.0
Oceano Rinnovabili S.r.l., Milan, Italy	100.0
PATIS Beteiligungsgesellschaft mbH, Düsseldorf, Germany	100.0
Pèle Joue Energies SAS (formerly: Pele Joue Energies), Paris, France	100.0
Power Ventures 2 Single Member P.C., Kifisia, Greece	100.0
PowerHub GmbH, München (formerly: Windfarm Serralonga GmbH, Gräfelfing), Germany	100.0
Prechac Energies, Paris, France	100.0
Protectionist Galleries Systems, S.L.U., Barcelona, Spain	100.0
PT. Bumiraya Suria Abadi, Jakarta, Indonesia	49.0
r.e Bioenergie Betriebs GmbH & Co. Vierundzwanzigste Biogas KG i. L., Regensburg, Germany	100.0
Radiant Burst Systems S.L., Barcelona (formerly: Madrid), Spain	100.0
Raiffeisen Trgovina d.o.o., Lenart, Slovenia	100.0
Random Conbination Systems S.L.U., Barcelona, Spain	100.0
Robert Decker Wohnbau Verwaltungs GmbH, Grünwald, Germany	51.0
Rochetaillée Energies, Paris, France	100.0
Royal Natural Foods B.V. (formerly: Royal Organic Ingredients B.V.), Alkmaar, Netherlands	100.0
Royal Organic Ingredients USA Inc., Chicago, USA	100.0
RoyBalt Ingredients S.A. de C.V., Santiago de Querétaro, Mexico	100.0
RWA Solar Solutions, Korneuburg (formerly: Vienna), Austria	100.0
RWA Ukrajina, Kiev, Ukraine	100.0
Saatzucht Edelhof GmbH, Vienna, Austria	100.0
Saatzucht Gleisdorf Gesellschaft m.b.H., Gleisdorf, Austria	66.7
Saint Jory Energies, Paris, France	100.0
Saintonge Energies SAS, Paris, France	80.0
Saints Geosmes Energies SAS, Paris, France	100.0
Salm Energies SARL, Paris, France	100.0
Salsigne Villardonnel Energies SAS, Paris, France	100.0
Saubens Energies, Paris, France	100.0
Schradenbiogas Betriebsgesellschaft mbH, Gröden, Germany	100.0
Sea Breeze Huge, S.L., Barcelona (formerly: Madrid), Spain	100.0
Silverchain Gestión, S.L., Barcelona, Spain	100.0
Sofie-Amaliegaard Energi- og Naturpark ApS, Copenhagen, Denmark	100.0
Solaire de Haute Voie SAS (formerly: Solaire de Haute Voie), Paris, France	100.0
Solar Plant Energ- og Naturpark ApS, Copenhagen, Denmark	100.0
Solaris Industrial sp.z o.o., Warsaw, Poland	100.0
Solarpark Homestead GmbH, Gräfelfing, Germany	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

Name and principal place of business	Share in capital in %
Solarpark Malina GmbH, Gräfelfing, Germany	100.0
Solarpark Malina Sp. z o.o., Warsaw, Poland	100.0
Solarpark Mitra GmbH, Gräfelfing, Germany	100.0
Solarpark Mitra Sp. z o.o., Warsaw, Poland	100.0
Solarpark Perseus GmbH & Co. KG, Gräfelfing, Germany	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 Wega GmbH & Co. KG, Gräfelfing, Germany	100.0
SolarSolutions 1 GmbH & Co. KG, Gräfelfing, Germany	100.0
SPV Solarpark 102. GmbH & Co. KG, Gräfelfing, Germany	100.0
SPV Solarpark 103. GmbH & Co. KG, Gräfelfing, Germany	100.0
SPV Solarpark 104. GmbH & Co. KG, Gräfelfing, Germany	100.0
SPV Solarpark 105. GmbH & Co. KG, Gräfelfing, Germany	100.0
SPV Solarpark 106. 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 112. 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 118. 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
St. Frederikslund Energi Park Aps, Copenhagen, Denmark	100.0
Stabilizers and Developments, S.L.U., Barcelona, Spain	100.0
Stigs Bjergby Energi- & Naturpark ApS, Copenhagen, Denmark	100.0
Süd-Treber GmbH, Stuttgart, Germany [1]	100.0
Sunshine Latin GmbH & Co. KG, Munich, Germany	100.0
Sunshine Movement GmbH, Munich, Germany	100.0
Taiwan I Solar Project Co., Ltd., Taipei, Taiwan	100.0
Taiwan II Solar Project Co., Ltd., Taipei, Taiwan	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
Traditional Mechanism Systems S.L.U., Barcelona, Spain	100.0
Ubon Saeng Arthid Co., Ltd., Bangkok, Thailand	97.0
Villamayor Solar, S.L., Barcelona, Spain	100.0
WHG LIEGENSCHAFTSVERWALTUNG BETRIEBS GMBH, Klagenfurt, Austria	100.0
Wilhelmshöhe Infrastruktur GmbH & Co. KG, Gräfelfing, Germany	100.0
Wind Park Kotla Sp. z o.o., Warsaw, Poland	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 Berka GmbH & Co. KG, Gräfelfing, Germany	50.0
Windpark Desloch GmbH & Co. KG (formerly: Windpark Immenberg 3 GmbH & Co. KG), Gräfelfing, Germany	100.0
Windpark Eschweiler II GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Freimersheim GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Gronau Leine GmbH & Co. KG, Eime, Germany	100.0

Name and principal place of business	Share in capital in %
Windpark Hesselertal GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Hessenweiler GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Jembke GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Körner GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Kortgene B.V., Leeuwarden, Netherlands	100.0
Windpark Langenbrand GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Langenlonsheim GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Melfi GmbH, Gräfelfing, Germany	100.0
Windpark Moringen Nord GmbH & Co. KG, Gräfelfing, Germany	50.0
Windpark Olsberg 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 Rehweiler GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Reinsdorf 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 Todesfelde GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Wilhelmshöhe II GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Wilhelmshöhe III GmbH & Co. KG (formerly: Windpark Uetze 6 GmbH & Co. KG), Gräfelfing, Germany	100.0
Windpark Wilhelmshöhe IV GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Wimmelburg 3 GmbH & Co. KG, Gräfelfing, Germany	100.0
Wohnen am Lerchenberg Verwaltungs GmbH, Borna, Germany	60.0
WP Seershausen Infrastruktur GmbH & Co. KG, Gräfelfing, Germany	100.0
Ygos Energies, Paris, France	100.0
Zonlocatie 1 B.V., Heerenveen, Netherlands	100.0
Zonlocaties Nederland B.V., Heerenveen, Netherlands	100.0
Zonnedak F2 B.V., Heerenveen, Netherlands	100.0
Zonnedak F3 B.V., Heerenveen, Netherlands	100.0
Zonnepark PV10 B.V., Heerenveen, Netherlands	100.0
Zonnepark PV15 B.V., Heerenveen, Netherlands	100.0
Zonnepark PV16 B.V., Heerenveen, Netherlands	100.0
Zonnepark PV17 B.V., Heerenveen, Netherlands	100.0
Zonnepark PV18 B.V., Heerenveen, Netherlands	100.0
Zonnepark PV19 B.V., Heerenveen, Netherlands	100.0
Zonnepark PV2 B.V., Heerenveen, Netherlands	100.0
Zonnepark PV9 B.V., Heerenveen, Netherlands	100.0
Joint ventures included under the equity method	
act renewable GmbH, Munich, Germany	50.0
Baltanás Cereales y Abonos, S.L., Baltanás, Spain	50.0
Baltic Terminal Sp. z o.o., Gdynia, Poland	50.0
BHBW Holdings (Pty) Ltd, Lynnwood Manor, South Africa	50.0
BHBW Limited, Maidenhead, UK	50.0
Growers Direct Limited, Wakefield, UK	50.0
Hafen Vierow - Gesellschaft mit beschränkter Haftung, Brünzow, Germany	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
Associated companies included under the equity method	
Allen Blair Properties Limited, Wellington, New Zealand	33.3
Amadeus Wind Holdings, LLC Wilmington, USA	33.3
Aufwind BB GmbH & Co. Zwanzigste Biogas KG, Regensburg, Germany	100.0

Name and principal place of business	Share in capital in %
AUSTRIA JUICE GmbH, Allhartsberg, Austria	50.0
biohelp - biologischer Pflanzenschutz, Nützlingsproduktions-, Handels- und Beratungs GmbH, Vienna, Austria	24.9
BRB Holding GmbH, Munich, Germany	45.3
Deutsche Raiffeisen-Warenzentrale GmbH, Frankfurt am Main, Germany	37.8
Grandview Brokerage LLC, Seattle, USA	39.4
Intelligent Fruit Vision Limited, Spalding, UK	24.0
LWM Austria GmbH, Hollabrunn, Austria	25.0
MoSagri B.V., Breda, Netherlands	25.0
MoSagri LDA, Bairro Namalungo, Lumbo, Mozambique	25.0
POP Worldwide Limited, Spalding, UK	24.0
PURE Applikationen GmbH & Co. KG, Regensburg, Germany	33.4
The Fruit Firm Limited, West Malling, UK	20.0
Zimmermann PV-TRACKER GmbH, Eberhardzell, Germany	33.3
Associates and joint ventures of secondary importance not included under the equity method	
Afrupro Investments LTD, Tzaneen, South Africa	60.0
Agromed Biological (Xuzhou) Co. Ltd., Jiangsu, People's Republic of China	20.0
Agrosen Holding GmbH, Kremsmünster, Austria	30.0
Agro-Service-Gröden GmbH, Gröden, Germany	20.0
ARGE WWS Obst GdR, Markdorf, Germany	50.0
B L E, Bau- und Land-Entwicklungsgesellschaft Bayern GmbH, Munich, Germany	25.0
BayWa Hochhaus Verwaltung GmbH, Grünwald, Germany	50.0
Biotech-Enterprises-Lizenzverwertungs-Gmbh, Fischamend, Austria	24.9
Bonus Holsystem für Verpackungen GmbH & Co.KG, Kufstein, Austria	26.0
Bonus Holsystem für Verpackungen GmbH, Kufstein, Austria	26.0
BRVG Bayerische Raiffeisen- und Volksbanken Verlag GmbH, Munich, Germany	25.0
Chemag Agrarchemikalien GmbH, Frankfurt am Main, Germany	33.3
DANUOIL Mineralöllager und Umschlags-Gesellschaft m.b.H. i. L., Korneuburg (formerly: Vienna), Austria	50.0
DRWZ Marken GmbH, Karlsruhe, Germany	32.8
EAV Energietechnische Anlagen Verwaltungs GmbH, Staßfurt, Germany	49.0
EBULUM GmbH & Co. Objekt Baunatal KG, Pullach im Isartal, Germany	94.0
eFriends Energy GmbH, Nappersdorf, Austria	25.0
HGD Haus und Garten Deutschland Handelskooperation GmbH, Karlsruhe, Germany	50.0
ISTROPOL SOLARY a.s., Horné Mýto, Slovakia	29.8
Kärntner Saatbau e.Gen., Klagenfurt, Austria	27.9
Kerifresh Growers Trust, Kerikeri, New Zealand	31.0
Land24 Gesellschaft mit beschränkter Haftung, Telgte, Germany	34.2
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
OÖ Lagerhaus Solidaritäts GmbH, Traun, Austria	50.0
PKSA Power Sdn. Bhd., Kuala Lumpur, Malaysia	48.0
Raiffeisen Waren GmbH Hallertau-Jura, Pförring/Lobsing, Germany	16.5
REMABO Ressourcen Management GmbH, Innsbruck, Austria	26.0
RLH Agrar GmbH (formerly: Raiffeisen - Landhandel GmbH), Emskirchen, Germany	18.9
Röthlein Logistik GmbH, Röthlein, Germany	50.0
SDK Power Sdn. Bhd., Kuala Lumpur, Malaysia	48.0
Tjiko GmH, Rosenheim, Germany	20.0
Vetroline Handels GmbH, Göttlesbrunn-Arbesthal, Austria	50.0
VR erneuerbare Energien eG, Kitzingen, Germany	33.3
WUN Pellets GmbH, Wunsiedel, Germany	30.0
Participations in large corporations	
Südstärke Gesellschaft mit beschränkter Haftung, Schrobenhausen, Germany (Equity in € thousand: 133,975; Annual net income/loss in € thousand: 5,328)	6.5

1 Profit and loss transfer agreement

2 The companies were reported in the previous year in the list of Group holdings under subsidiaries not included in the group of consolidated companies. However, they were accounted for in the 2019 consolidated financial statements through previously consolidated subgroups.

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.

Munich, 22 March 2021

BayWa Aktiengesellschaft

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

Independent Auditor's Report

To BayWa Aktiengesellschaft, Munich

Report on the audit of the consolidated financial statement and of the group management report

Audit Opinions

We have audited the consolidated financial statements of BayWa Aktiengesellschaft, Munich/Germany, and its subsidiaries (the Group) which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit and loss and reconciliation to the consolidated statement of other comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity for the financial year from 1 January to 31 December 2020, and the notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of BayWa Aktiengesellschaft, Munich/Germany, for the financial year from 1 January to 31 December 2020. In accordance with the German legal requirements, we have not audited the content of the group statement on corporate governance and the corporate governance report as well as the combined non-financial report pursuant to Sections 289b to 289e and 315b and 315c German Commercial Code (HGB) referred to in the sections "Management, Supervision and Compliance" and "Sustainability at BayWa", respectively, of the group management report.

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 Section 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2020 and of its financial performance for the financial year from 1 January to 31 December 2020, 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 group statement on corporate governance and the corporate governance report as well as the combined non-financial report pursuant to Sections 289b to 289e and 315b and 315c HGB referred to in the sections "Management, Supervision and Compliance" and "Sustainability at BayWa", respectively, of the group management report.

Pursuant to Section 322 (3) 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 Section 317 HGB and the EU Audit Regulation (No. 537/2014; referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (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 judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2020. 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 the following we present the key audit matters we have determined in the course of our audit:
1. Reorganisation of cash-generating units to which goodwill was assigned
2. Period-related revenue recognition in the project business

Our presentation of these key audit matters has been structured as follows:
a) description (including reference to corresponding information in the consolidated financial statements)
b) auditor's response

1. Reorganisation of cash-generating units to which goodwill was assigned

a) Description

In the financial year 2020, BayWa AG reorganised the report and control structure in the business field Renewable Energies. Within the scope of this reorganisation, the new business entity structure (BE structure/business segment structure) was implemented with the seven business entities Solar Projects, Wind Projects, Services, Solar Trade, Energy Solutions, Independent Power Producer (IPP) as well as Holdings. The individual business entities contain the single entities (geographical subdivisions) to be allocated on the basis of the business model and thus also all legal entities of the Renewable Energies business field.

The current medium-term planning of the business field Renewable Energies is carried out for the years 2021 to 2023 in the new BE structure.

From the beginning of the 2020 financial year, the Company defines six of the above-mentioned business entities as cash-generating units to which goodwill is allocated. The monitoring of the goodwill has thus been made on this level as from this date. An exception is BE Holdings; it includes the companies providing holding services as well as the single entity BayWa r.e. Bioenergy. Within BE Holdings, this single entity is an independent cash-generating unit to which goodwill is assigned.

In prior years, the single entities (geographical subdivisions) represented the cash-generating units to which goodwill was allocated. The reorganisation required a reallocation of goodwill from the single entities or the legal entities to the BE structure.

The Company reallocated the respective goodwill (totalling mEUR 164.4) due to the reorganisation of the business segment in accordance with the individual allocation of the single entities to the business entities.

In addition to the annual impairment test based on the current cash-generating units, an unscheduled impairment test of the goodwill based on the former cash-generating units was necessary, as a reorganisation generally represents an indication of impairment. The impairment tests did not result in any impairment requirement for the newly allocated goodwill.

The outcome of these impairment tests highly depends on estimates for the future cash inflows of the respective cash-generating unit made by the executive directors and for the discount rates used and, therefore, is subject to major uncertainties. In light of the existing scope of discretion and due to the complexity of the underlying valuation models, this matter was of particular significance in the scope of our audit.

The information provided by the executive directors of the parent company on the reallocation of goodwill of the business field Renewable Energies is included in chapter C.1 of the notes to the consolidated financial statements.

b) Auditor's response

First, we assessed whether the reorganisation and implementation of the new reporting and control structure required a corresponding reorganisation of the cash-generating units. Furthermore, we assessed whether the individual entities that were defined as cash-generating units were demarcated in a comprehensible manner and whether the reallocation of goodwill to business entities followed the new internal reporting and control structure and was carried out according to an appropriate procedure.

Thereafter, we assessed whether additionally to the impairment test performed after reallocation of the goodwill (BE structure) also an impairment test prior to the reallocation of the goodwill (single entity structure) had been conducted for all cash-generating units.

In auditing the scheduled and unscheduled impairment tests, we integrated internal valuation experts in our audit team. With their support, we have satisfied ourselves of the appropriateness of the valuation parameters used for the computation as well as of the planned cash inflows, amongst others by comparing these values with the multi-year planning approved by the executive directors for the years 2021 to 2023 as well as by performing a plausibility check for the taken valuation assumptions by means of general and industry-specific market forecasts and expectations. Furthermore, we also assessed the allocation of the corporate assets and corporate costs to business entities to which goodwill was assigned.

Given the fact that already minor changes of the used discount rate may materially affect the amount of the thus determined corporate value, we also verified the plausibility of the valuation parameters used for determining the applied discount rate, including the determined average capital costs as well as the computation scheme.

For a plausibility check of the total and/or accumulated valuation results within the scope of the impairment tests, we furthermore compared these with the return for a capital increase of 49% of BayWa r.e. renewable Energy GmbH, contractually agreed with an external investor (signing on 8 December 2020).

Finally, we assessed the disclosures made by the executive directors within the notes to the consolidated financial statements on the reallocation of the goodwill of the business field Renewable Energies for completeness and correctness.

2. Period-related revenue recognition in the project business

a) Description

An important part of the business activity of the business field Renewable Energies relates to the planning, erection and sale of projects. For this purpose, project companies are founded in which wind or solar parks are constructed on the basis of a general contractor agreement between the project companies and a subsidiary of BayWa Aktiengesellschaft. Subsequently, the sale of the project companies by BayWa Aktiengesellschaft is made by means of a so-called share deal. In some cases, the sale of the shares takes place prior to the fulfilment of the obligations under the respective general contractor agreement. Sales revenues and income are generated here in the context of the sale of the solar parks and wind farms by selling the shares in the project companies and deconsolidating them in accordance with IFRS 10. If the deconsolidation takes place, the general contractor agreement is now in force between BayWa Group and an external third party. The period-related revenue realisation under the general contractor agreement follows IFRS 15 and here in line with the input-orientated cost-to-cost method. In our view, the accounting for this revenue recognition is a key audit matter, as the loss of control according to IFRS 10 is to be assessed on the basis of complex contracts and the discretionary estimates of the executive directors on the degree of completion and related costs still to be incurred as well as risks still to be taken into account have a material effect when determining the stage of completion.

The disclosures of the executive directors of the parent company on the period-related revenue recognition are included in sections C.8. and D.1. of the notes to the consolidated financial statements.

b) Auditor's response

As part of our audit, we examined the internally defined methods, procedures and control mechanisms of project management in the business field Renewable Energies. We examined the design and implementation of accounting-related internal controls and, based on risk considerations, subjected selected projects to a case-by-case examination.

In assessing selected share sales, we examined whether BayWa Aktiengesellschaft had lost control of the project company in accordance with IFRS 10 and thus whether the conditions for revenue recognition from the deconsolidation of the respective project company were met. For this purpose, we reviewed and assessed the contractual bases. Subsequently, based on our knowledge of the contractual bases from the general contractor agreements, we examined whether the requirements for period-based revenue recognition according to IFRS 15 are fulfilled.

We examined the determination of input-oriented revenue and the associated cost of sales based on the percentage of completion as at the reporting date, as well as the appropriate accounting treatment. Furthermore, we interviewed the project management on the development of the projects, on the reasons for deviations between planned costs and actual costs and on the current assessment of the costs expected to be incurred until completion.

Other Information

The executive directors and the supervisory board are responsible for the other information. The other information comprises

- the report of the supervisory board

- the group statement on corporate governance and the corporate governance report (including the declaration pursuant to Section 161 AktG on the German Corporate Governance Code) referred to in the group management report in the section "Management, Supervision and Compliance",
- the combined non-financial report pursuant to Sections 289b to 289e and 315b and 315c HGB referred to in the group management report in the section "Sustainability at BayWa",
- the sustainability report referred to in the group management report in the section "Sustainability at BayWa",
- the executive directors' confirmation regarding the consolidated financial statements and the group management report pursuant to Section 297 (2) sentence 4 and Section 315 (1) sentence 5 HGB, respectively, and
- all other parts of the consolidated financial report published after the issuance of this auditor's report,
- but not the consolidated financial statements, not the audited content of the group management report and not our auditor's report thereon.

The supervisory board is responsible for the report of the supervisory board. The executive directors and the supervisory board as well are responsible for the declaration according to Section 161 German Stock Corporation Act (AktG), which is part of the corporate governance report referred to in the group management report in the section "Management, Supervision and Compliance". Apart from that the executive directors are responsible for the other information.

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 aforementioned other information and, in so doing, to consider whether the other information
- is materially inconsistent with the consolidated financial statements, the content of the audited group management report disclosures or 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 IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (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 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 Section 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 judgement and maintain professional scepticism throughout the audit. 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 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 IFRS as adopted by the EU and with the additional requirements of German commercial law pursuant to Section 315e (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 related safeguards.

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 Audit of the Electronic Files of the Consolidated Financial Statements and of the Group Management Report prepared for Publication pursuant to Section 317 (3b) HGB

Audit Opinion

In accordance with Section 317 (3b) HGB, we have assessed with reasonable assurance whether the electronic files of the consolidated financial statements and of the group management report (hereafter referred to as "ESEF files") prepared for publication, contained in the accompanying file, which has the SHA-256 value E6B089831082BE3AACEDAF6D88C86C439FFAE5D08E0272C7E7EF12A99477949D, meet, in all material respects, the requirements concerning the electronic reporting format ("ESEF format") pursuant to Section 328 (1) HGB. In accordance with the German legal requirements, this audit only covers the transfer of the consolidated financial statements' and the group management report's information into the ESEF format, and therefore covers neither the information contained in these electronic files nor any other information contained in the file stated above.

In our opinion, the electronic files of the consolidated financial statements and of the group management report prepared for publication contained in the accompanying file stated above meet, in all material respects, the requirements concerning the electronic reporting format pursuant to Section 328 (1) HGB. Beyond this audit opinion and our audit opinions on the accompanying consolidated financial statements and on the accompanying group management report for the financial year from 1 January to 31 December 2020 contained in the above "Report on the Audit of the Consolidated Financial Statements and of the Group Management Report", we do not express any audit opinion on the information contained in these electronic files and on any other information contained in the file stated above.

Basis for the Audit Opinion

We conducted our audit of the electronic files of the consolidated financial statements and of the group management report contained in the accompanying file stated above in accordance with Section 317 (3b) HGB and on the basis of the IDW Draft Auditing Standard: Audit of the Electronic Files of the Annual Financial Statements and of the Management Report prepared for Publication pursuant to Section 317 (3b) HGB (IDW Draft AuS 410). Our responsibilities in this context are further described in the section "Auditor's Responsibilities for the Audit of the ESEF Files". Our audit firm has applied the Quality Assurance Standard: Quality Assurance Requirements in Audit Practices (IDW QS 1) promulgated by the Institut der Wirtschaftsprüfer (IDW).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Files

The executive directors of the parent are responsible for the preparation of the ESEF files based on the electronic files of the consolidated financial statements and of the group management report according to Section 328 (1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements according to Section 328 (1) sentence 4 no. 2 HGB.

In addition, the executive directors of the parent are responsible for such internal control as they have determined necessary to enable the preparation of ESEF files that are free from material violations against the requirements concerning the electronic reporting format pursuant to Section 328 (1) HGB, whether due to fraud or error.

The executive directors of the parent are also responsible for the submission of the ESEF files together with the auditor's report and the accompanying audited consolidated financial statements and the audited group management report as well as other documents to be filed with the publisher of the Federal Gazette.

The supervisory board is responsible for overseeing the preparation of the ESEF files as part of the financial reporting process.

Auditor's Responsibilities for the Audit of the ESEF Files

Our objectives are to obtain reasonable assurance about whether the ESEF files are free from material violations, whether due to fraud or error, against the requirements pursuant to Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material violations against the requirements pursuant to Section 328 (1) HGB, 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 opinion.
- obtain an understanding of internal control relevant to the audit of the ESEF files 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 controls.

- assess the technical validity of the ESEF files, i.e. whether the file containing the ESEF files meets the requirements of the Delegated Regulation (EU) 2019/815 in the version applicable as of the reporting date as to the technical specification of this file.
- evaluate whether the ESEF files enable a XHTML copy of the audited consolidated financial statements and of the audited group management report whose content is identical with these documents.
- evaluate whether the ESEF files have been tagged using inline XBRL technology (iXBRL) in a way that enables an appropriate and complete machine-readable XBRL copy of the XHTML copy.

Further Information Pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the general meeting on 28 July 2020. We were engaged by the supervisory board on 1 December 2020. We have been the group auditor of BayWa Aktiengesellschaft, Munich/Germany, without interruption since the financial year 1987.

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).

German public auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Cornelia Tauber.

Munich/Germany, 23 March 2021

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:
Dirk Bäßler
Wirtschaftsprüfer
(German Public Auditor)

Signed:
Cornelia Tauber
Wirtschaftsprüferin
(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. It regularly advised the Board of Management, coordinated the strategy with the Board of Management and 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 kept the Supervisory Board informed in a timely and comprehensive manner. The Supervisory Board was directly involved in all decisions of fundamental importance to the company. The measures requiring its approval were reviewed, and the respective resolutions passed both in meetings and in writing by way of a circulation procedure. 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 Chairman of the Supervisory Board was always informed about important decisions by the Board of Management and remained in close contact with the Chief Executive Officer. He was informed through regular detailed reports on the current business situation. The cooperation within the Supervisory Board and with the Board of Management in the reporting year 2020 was again constructive and based on trust.

Key points of consultation of the meetings of the Supervisory Board

Matters of consultation at the four regular meetings and one extraordinary meeting of the Supervisory Board and at the conference in the financial year 2020 included the business and financial development of the company in particular, the performance of the individual business units, financial and investment planning, personnel-related decisions, the risk situation and questions of compliance, as well as 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 potential impact of the coronavirus pandemic on the company and staff were also discussed at every meeting. The Board of Management reported regularly and extensively on these issues as well as on the Group’s current situation.

Prior to the meetings in the financial year 2020, the Supervisory Board met at a conference in Berlin on 17 January 2020. This informational event featured a detailed report on the conclusion of a settlement with the Bundeskartellamt (German federal antitrust authority). The Board of Management also informed the members of the Supervisory Board about current developments in the project “Emerald” and about current developments regarding the Act on the Transposition of the Second Shareholder Rights Directive (ARUG II).

In its first regular meeting on 25 March 2020, which was held primarily as a video conference, the Supervisory Board dealt mainly with the annual financial statements and the management report of BayWa AG and of the Group as at 31 December 2019, as well as with the reports of the audits performed on the annual financial statements and the sustainability report. Furthermore, the Supervisory Board consulted on the results of previous meetings held by the Audit Committee and the Board of Management Committee. The meeting also concentrated on the agenda of the Annual General Meeting. In its meeting, the Supervisory Board also discussed the variable salary components of Board of Management members for the financial year 2019 and decided on the respective targets for the variable salary components for the financial year 2020. Moreover, the Supervisory Board unanimously approved the conclusion of a new Board of Management employment contract with Chief Executive Officer Prof. Klaus Josef Lutz and his renewed appointment as Chief Executive Officer.

In its meeting on 6 May 2020, the Supervisory Board consulted on the quarterly financial statements for the first quarter of 2020, as well as on an operational outlook for the current financial year 2020. Another item on the meeting’s agenda was the presentation of selected projects to be implemented in 2020 and reporting on the Audit Committee meeting of the same day. Further, the agenda of the Annual General Meeting was adapted to a virtual format.

On 29 June 2020, the Supervisory Board convened an extraordinary Supervisory Board meeting to consult on the next steps in project “Emerald”.

In the regular meeting on 5 August 2020, the agenda for the Supervisory Board included the interim report for the first half of 2020, among other items. The Board of Management also reported to the Supervisory Board on market development in the first half of 2020, the development of the individual sections, as well as on the current risk situation at the BayWa Agricultural group and the project business of BayWa r.e. renewable energy GmbH. Deloitte GmbH Wirtschaftsprüfungsgesellschaft was also engaged to oversee and audit the BayWa AG Sustainability Report 2020. Lastly, the Supervisory Board adopted the resolution concerning the approval of the terms and conditions for the issuing of employee shares in 2020 within the scope of the 2020 authorised capital.

An increase in share capital and a corresponding change to the Articles of Association on account of the issuing of employee shares from the 2020 authorised capital in 2020 was decided by way of a circulation procedure in the period from 24 September to 8 October 2020.

In the meeting on 11 November 2020, the Group's business development in the first three quarters of 2020 was presented, outlined comprehensively in the individual business divisions and intensively discussed between the Supervisory Board and the Board of Management, as were strategic issues within the BayWa Group. Furthermore, the Supervisory Board dealt with the findings of the recent meeting of the Audit Committee and the extension of the contract with the Board of Management member Marcus Pöllinger, which was approved unanimously by the Supervisory Board. Topics pertaining to loans and investments were also discussed at length. The Supervisory Board approved the extension of the terms of seven members of the Cooperative Council and the appointment of two new members. In addition, the Supervisory Board discussed the annual Declaration of Conformity to the German Corporate Governance Code, which was accepted in this meeting. The shareholder representatives reviewed the composition and came to the conclusion that it had an appropriate number of independent members.

In its first regular meeting on 24 March 2021, 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 2020, as well as the reports of the audits performed on the annual financial statements and the sustainability report. Preparations were also made for the 2021 Annual General Meeting. A new remuneration system was adopted. 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 committees and, to the extent permitted by law, decision-making powers of the Supervisory Board were delegated to the committees. These committees prepare additional 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.

Supervisory Board Chairman Manfred Nüssel and the Supervisory Board members Wolfgang Altmüller, Klaus Buchleitner, Michael Kuffner, Wilhelm Oberhofer and Werner Waschbichler belong to the Audit Committee.

The Chairman of the Audit Committee is Wolfgang Altmüller. BayWa AG has therefore adopted 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.

The Audit Committee held two regular meetings in the reporting year, in March and November, and one extraordinary meeting in May.

In the presence of the independent auditor, the Chairman of the Board of Management and the Chief Financial Officer, the committee discussed the separate financial statements and the consolidated financial statements for the financial year 2019, the management report on BayWa AG and the Group, as well as the audit reports at its meeting on 24 March 2020. Moreover, the statement declaring the independence of the independent auditor was obtained. Resolutions on recommendations were drawn up for the Supervisory Board to approve and adopt the separate financial statements and the consolidated financial statements for 2019 and to propose to the Annual General Meeting that Deloitte GmbH Wirtschaftsprüfungsgesellschaft be elected as the independent auditor for the financial year 2020.

In the extraordinary meeting on 6 May 2020, the Audit Committee discussed and decided on the extent to which a new auditor should be engaged from 1 July 2020 with auditing non-audit services for the financial year 2021.

Supervisory Board Chairman Manfred Nüssel, Wolfgang Altmüller and Werner Waschbichler belong to the Board of Management Committee. The Board of Management Committee met twice in the reporting year, on 24 March 2020 and on 10 November 2020. In the meeting on 24 March 2020, the Board of Management Committee's discussions focused on recommendations to the Supervisory Board on the Board of Management members' target agreements and associated remuneration, the new target agreements and the Board of Management members' mandates. Furthermore, the employment contract of Chief Executive Officer Prof. Klaus Josef Lutz was under review. In the meeting on 10 November 2020, the Board of Management Committee dealt with the contract extension for Board of

Management member Marcus Pöllinger, a review of the appropriateness and customariness of the Board of Management remuneration and the succession planning for the Board of Management.

Supervisory Board Chairman Manfred Nüssel and the Supervisory Board members Theo Bergmann, Dr. Johann Lang, Wilhelm Oberhofer, Joachim Rukwied, Michael Kuffner and Werner Waschbichler belong to the Strategy Committee. Due to the difficulty of holding meetings on account of the coronavirus pandemic, the Strategy Committee did not meet in the reporting year. Instead, strategy-related topics were discussed in greater depth by the Supervisory Board as a whole.

Supervisory Board Chairman Manfred Nüssel and Supervisory Board members Renate Glashauser, Jürgen Hahnemann, Monika Hohlmeier, Dr. Johann Lang, Bernhard Loy and Monique Surges belong to the Lending and Investment Committee. The Lending and Investment Committee held no meetings in the reporting year. Topics otherwise addressed by the committee were handled during the Supervisory Board meetings.

Supervisory Board Chairman Manfred Nüssel and the Supervisory Board members Dr. Johann Lang and Wilhelm Oberhofer belong to the Nomination Committee. The Nomination Committee did not meet in the reporting year.

Supervisory Board Chairman Manfred Nüssel and the Supervisory Board members Monika Hohlmeier, Michael Kuffner and Werner Waschbichler belong to the Mediation Committee, set up pursuant to Section 27 para. 3 of the German Codetermination Act (MitbestG). 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, as well as at the Supervisory Board conference, stood at 93%.

Due to the exceptional circumstances in connection with the coronavirus pandemic, the meetings were held as virtual meetings or as in-person meetings with a virtual attendance option from March 2020.

The attendance of the members at the meetings of the Supervisory Board and of its committees in 2020 is disclosed individually as follows:

	Supervisory Board conference		Supervisory Board meeting		Audit Committee		Board of Management Committee	
Number of meetings/ attendance in %	number	in %	number	in %	number	in %	number	in %
Manfred Nüssel Chairman	1/1	100	5/5	100	3/3	100	2/2	100
Klaus Buchleitner Vice Chairman	1/1	100	5/5	100	2/3	67		
Werner Waschbichler Vice Chairman	1/1	100	5/5	100	3/3	100	2/2	100
Wolfgang Altmüller	0/1	0	3/5	60	3/3	100	2/2	100
Andrea Busch	1/1	100	3/5	60				
Theo Bergmann	1/1	100	5/5	100				
Renate Glashauser	1/1	100	5/5	100				
Jürgen Hahnemann	1/1	100	5/5	100				
Monika Hohlmeier	1/1	100	5/5	100				
Stefan Kraft	0/1	0	5/5	100				
Michael Kuffner	1/1	100	5/5	100	3/3	100		
Dr. Johann Lang	1/1	100	5/5	100				
Bernhard Loy	1/1	100	5/5	100				
Wilhelm Oberhofer	1/1	100	5/5	100	3/3	100		
Joachim Rukwied	0/1	0	5/5	100				
Monique Surges	1/1	100	5/5	100				
		81		**95**		**95**		**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 Remuneration Report and the Group Management Report.

Regarding the recommendations of the German Corporate Governance Code in the version dated 16 December 2019 (published in the German Federal Gazette on 20 March 2020), the Board of Management and Supervisory Board adopted the recommendations of the German Corporate Governance Code in the version dated 16 December 2019 (published in the Federal Gazette on 20 March 2020) in their meetings on 9 November 2020 (Board of Management) and 11 November 2020 (Supervisory Board), with exceptions.

The Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG) is included in the Statement on Corporate Governance pursuant to Section 289f of the German Commercial Code (HGB). It has also been posted on the company's website at www.baywa.com under Investor Relations.

The company support 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 discussing 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 2020.

Sustainability Report audit

At its meeting on 24 March 2021, the Supervisory Board carefully examined the Sustainability Report 2020 and discussed it in detail in the presence of the auditor and the Board of Management. The Sustainability Report and the auditor's 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 consolidated non-financial report for the period from 1 January to 31 December 2020 has not been prepared, in all material aspects, in accordance with Sections 315b, 315c in connection with Sections 289c to 289e of the German Commercial Code (HGB).

The audit opinion covers only the sections and other disclosures listed in the overview on page 15 of the consolidated non-financial report of BayWa Aktiengesellschaft, Munich. The audit opinion does not cover the other sections and other disclosures of the consolidated non-financial report and does not cover company websites 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 24 March 2021 and released the Sustainability Report 2020 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 2020, as well as the management report on BayWa AG and on the Group, have been audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft, and each was issued an unqualified audit opinion.

At its meeting on 24 March 2021, the Supervisory Board carefully examined the financial statements of BayWa AG, drawn up by the Board of Management in accordance with the German Commercial Code, and the consolidated financial statements prepared in accordance with the IFRS and the additionally applicable standards set out under Section 315e of the German Commercial Code (HGB), as well as the management report on BayWa AG and on the Group for the financial year 2020, and discussed them in detail in the presence of the external auditor and the Board of Management. The key points of the 2020 audits as defined by the Audit Committee were also discussed extensively. 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 24 March 2021. 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 23 March 2021. 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 23 March 2021. In accordance with the conclusive findings of the review by the 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 24 March 2021, and the financial statements were thereby adopted.

During the Supervisory Board meeting on 24 March 2021, 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 proposal of the Board of Management on the appropriation of profit available for distribution through paying a dividend of €1.00 per share has been reviewed and approved by the Supervisory Board.

Changes to the Supervisory Board and to the Board of Management

There were no personnel changes to the Board of Management in the financial year 2020.

The Supervisory Board member Stefan Kraft (National Secretary of Vereinte Dienstleistungsgewerkschaft ver.di) stepped down from his position effective 31 December 2020. At the recommendation of Vereinte Dienstleistungsgewerkschaft ver.di, and at the request of the Board of Management, Thomas Gürlebeck, Union Secretary for the Bavaria state region in the trade section, was appointed by the Amtsgericht (local court) of Munich, Registergericht (registry court), as a new member of the Supervisory Board on 7 January 2021.

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, 24 March 2021
On behalf of the Supervisory Board

Manfred Nüssel
Chairman of the Supervisory Board

Corporate Governance Report and Statement on Corporate Governance

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 11 November 2020 that the recommendations of the "Government Commission on the German Corporate Governance Code" in the version dated 16 December 2019 (published in the German Federal Gazette on 20 March 2020; 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 6 November 2019.

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 reviews the ability to perform and the competence of its board members on an ongoing basis. Age, however, is not indicative of the ability of a current or potential member of said body to perform their duties. For this reason, BayWa AG does not consider fixed age limits expedient, also because such limits restrict flexibility in respect of personnel decisions and the number of potential candidates.

2 **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 reviews the ability to perform and the competence of its board members on an ongoing basis. Age is not indicative of the ability of a current or potential member of said body to perform their duties. 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.

3 **Recommendation C.1 sentence 1, 3 and 4**

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 3, 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 4 recommends publishing the status of implementation in the Statement on Corporate Governance. BayWa AG has not established concrete objectives and has not specified a profile of skills and expertise 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.

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. In 2018, the Supervisory Board of BayWa AG had elected members who exceeded the standardised target. The company would not like to do without the expertise of these Supervisory Board members.

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. Pursuant to Recommendation C.7 para. 2 item 4, independence is not granted if a Supervisory Board member has belonged to the body for more than 12 years.

The Chairman of the Supervisory Board of BayWa AG, who is also the Chairman of the committee that addresses Board of Management remuneration, has served on the Supervisory Board for more than 12 years. For BayWa AG, it is incomprehensible how length of service in and of itself is supposed to influence independence. BayWa AG remains fundamentally sceptical with regard to upper limits on terms of service on the Supervisory Board; the company should be able to take advantage of the expertise of experienced and proven Supervisory Board members.

6 Recommendation D.7

Code Item D.7 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, 11 November 2020
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.

The Board of Management's duties and practices

The Board of Management, which is currently composed of five members and did not undergo any personnel changes in the last year, is independently responsible for running the company, developing the corporate strategy, agreeing the strategy with the Supervisory Board and ensuring that it is implemented. It 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. The Board of Management 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 planning; the development of business; the assets, financial position and earnings; 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 at 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 11 November 2020 and found it to be appropriate.

Last year, the Supervisory Board member Stefan Kraft (National Secretary of Vereinte Dienstleistungsgewerkschaft ver.di) stepped down from his position effective 31 December 2020. At the recommendation of Vereinte Dienstleistungsgewerkschaft ver.di, and at the request of the Board of Management, Thomas Gürlebeck, Union Secretary of Vereinte Dienstleistungsgewerkschaft ver.di, was appointed by the Amtsgericht (local court) of Munich, Registergericht (registry court), as a new member of the Supervisory Board on 7 January 2021.

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 website at 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, the Chairman of the Supervisory Board works with legal and (if applicable) personnel advisers to complete a questionnaire. The evaluation of the questionnaire is discussed in detail during a Supervisory Board meeting, where any measures are also adopted.

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.

Committees of the Supervisory Board

BayWa AG's Supervisory Board has set up six committees of experts to enhance the efficiency of its work. The respective committee chairmen report regularly to the Supervisory Board on their committees' work. For full details of the composition of each individual committee, please also see the Report of the Supervisory Board.

The Audit Committee concentrates mainly on the documentation of the independent auditor in respect of auditing the annual and consolidated financial statements and prepares them for adoption by the Supervisory Board. The committee also supervises the accounting process, the annual audit and the effectiveness of the internal control, risk management and audit system. It checks the auditor's independence and agrees on the key points of the audit and on the fees with the auditor. The Annual General Meeting on 28 July 2020 appointed Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, as auditor for the financial year 2020. The Supervisory Board ensures that the committee members can act independently and that they are familiar with and experienced in applying special know-how associated with the application of accounting rules and the internal controlling procedures.

The committee is made up of the Chairman of the Supervisory Board, three shareholder representatives and two employee representatives. These are: Wolfgang Altmüller (committee chairman), Klaus Buchleitner, Michael Kuffner, Manfred Nüssel, Wilhelm Oberhofer and Werner Waschbichler.

In addition to committee chairman Wolfgang Altmüller, the committee members Klaus Buchleitner and Wilhelm Oberhofer both have expertise in accounting and auditing.

The Board of Management Committee concerns itself with personnel matters affecting the Board of Management, such as the content of Board member contracts and the approval of sideline activities. The Board of Management committee performs the preparatory work for the determination of the remuneration paid to the individual Board of Management members, as well as their short- and long-term targets. The committee regularly reviews the term of the contracts and prepares contract extensions if necessary. The committee discusses issues related to succession planning with the Chief Executive Officer on a regular basis, or at least once a year. The committee is composed of the Chairman of the Supervisory Board as well as one shareholder representative and one employee representative. These are: Manfred Nüssel (committee chairman), Wolfgang Altmüller and Werner Waschbichler.

The Strategy Committee is concerned with the preparation of Supervisory Board meetings. Moreover, the committee monitors and supervises the company's strategic orientation as well as the implementation of current company projects. It is composed of the Chairman of the Supervisory Board, three shareholder representatives and three employee representatives. These are: Manfred Nüssel (committee chairman), Theo Bergmann, Michael Kuffner, Dr. Johann Lang, Wilhelm Oberhofer, Joachim Rukwied and Werner Waschbichler.

The Lending and Investment Committee deals with the financing measures requiring approval by the Supervisory Board and supervises the investment activities. It is composed of the Chairman of the Supervisory Board, three shareholder representatives and three employee representatives. These are: Manfred Nüssel (committee chairman), Renate Glashauser, Jürgen Hahnemann, Monika Hohlmeier, Dr. Johann Lang, Bernhard Loy and Monique Surges.

The Nomination Committee is tasked with preparing the proposals of the Supervisory Board for the election of shareholder representatives to the Supervisory Board by the Annual General Meeting. It is composed of the Chairman of the Supervisory Board and two shareholder representatives. These are: Manfred Nüssel (committee chairman), Dr. Johann Lang and Wilhelm Oberhofer.

Under the German Codetermination Act (MitbestG), the Mediation Committee, anchored in the law, only meets if, during the voting process on the appointment or dismissal of a member of the Board of Management, the required two-thirds majority of the votes by the Supervisory Board is not attained in the first round of voting. It is composed of the Chairman of the Supervisory Board, one further shareholder representative and two employee representatives. These are: Manfred Nüssel (committee chairman), Monika Hohlmeier, Michael Kuffner and Werner Waschbichler.

The committees' practices are set out in the Articles of Association and in the bylaws of the Supervisory Board. Furthermore, the Supervisory Board may entrust one or more of its members with special control functions.

More information on the activities of the Supervisory Board and its committees in the financial year 2020 can be found in the Report of the Supervisory Board.

Information about the Supervisory Board members and curricula vitae of the Supervisory Board members are also available on the company's website at www.baywa.com under Corporate Governance. The length of service on the Supervisory Board and further mandates are also disclosed in the curricula vitae. The remuneration of the Supervisory Board 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 Supervisory Board.

Shareholders and the Annual General Meeting

The organisation and execution of BayWa AG's Annual General Meeting of Shareholders 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 duly registered in good 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 shares with restricted transferability (approximately 96%) and registered shares (approximately 4%). 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).

Transactions to be disclosed are published on the company website at www.baywa.com under Corporate Governance. No notifications had to be made in 2020.

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 2020, we refer to the Remuneration Report that is part of the Consolidated Management Report.

Equal participation of women and men in leadership positions

BayWa AG is a publicly listed stock corporation (Aktiengesellschaft) subject to codetermination on the basis of parity. 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 percentages 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. Both sides therefore fulfil the minimum percentages stipulated by the German Stock Corporation Act (AktG).

On 5 August 2015, the Supervisory Board complied with the additional legal requirement of setting a target for a gender quota and achieving said target no later than 30 June 2017 by setting a target of 0% for the percentage of women on the Board of Management. The Supervisory Board reviewed the target at the meeting on 2 August 2017. The Supervisory Board again defined a target for women on the Board of Management of 0% by 30 June 2022. No changes within the existing Board of Management were planned, nor was the creation of a new Board of Management remit. With just one employment contract between BayWa AG and a Board of Management member scheduled to end as planned on 31 December 2018, the stipulation of a target of greater than 0% would have compelled the Supervisory Board to appoint a woman the next time it filled a vacancy on the Board of Management, which would have limited the Supervisory Board's flexibility with regard to staffing decisions and the number of potential candidates.

On 23 September 2015, the Board of Management of BayWa AG also set as targets a quota of 18% for women in the top executive tier and a quota of 12% for women in the second executive tier, which were scheduled to be met by 30 June 2017. As at 30 June 2017, the target for women in the top executive tier had not only been met, but even exceeded by 1 percentage point, standing at 19%. At 18%, the target for women in the second executive tier had also been exceeded by 6 percentage points. On 27 June 2017, the Board of Management of BayWa AG subsequently set as targets a quota of 22% for women in the top executive tier and a quota of 22% for women in the second executive tier, which are scheduled to be met by 30 June 2022.

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 has been made publicly available on the company's website at 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. In his or her capacity as the person in charge of dealings with insiders, the head of the Legal department 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. 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 at 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.