Annual Report 2023|2024

SEEDING THE FUTURE
SINCE 1856

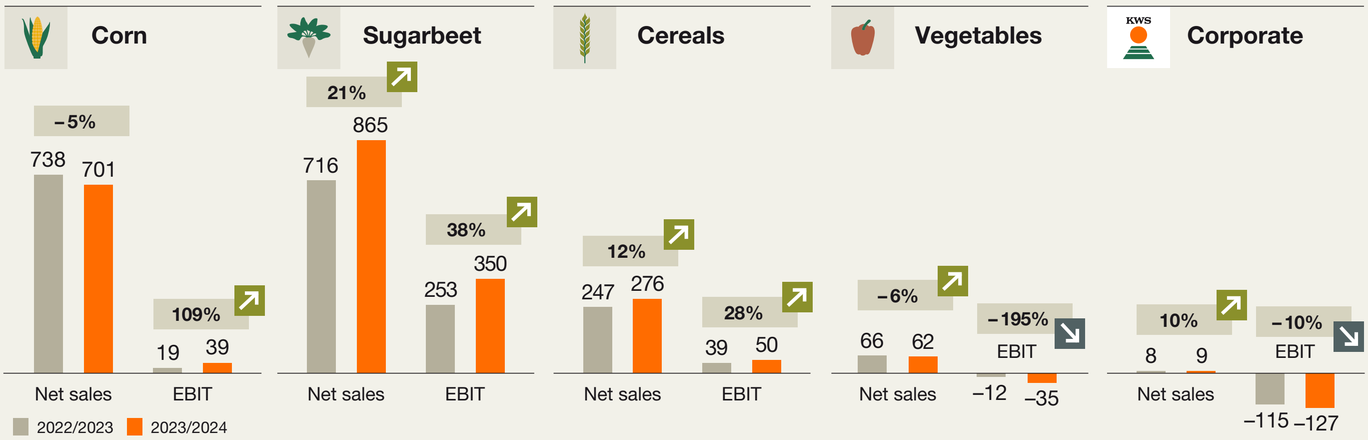
KWS

KWS in Figures

The KWS Group (in € millions)	2023/2024	2022/2023	2021/2022	2020/2021	2019/2020	2018/2019
Net sales and income						
Continuing operations						
Net sales [1]	1,678.1	1,500.3	1,275.8	1,158.6	1,138.3	982.1
EBITDA [1]	388.1	278.8	230.0	205.6	199.8	184.9
EBIT [1]	302.0	195.1	141.5	118.3	118.1	142.0
as a % of net sales (EBIT margin) [1]	18.0	13.0	11.1	10.2	10.4	14.5
Net financial income/expense [1]	–50.0	–23.8	–7.2	8.3	0.5	4.7
Net income for the year [1]	184.1	126.1	106.4	99.9	83.8	110.1
Discontinued operations						
Net income	–53.2	0.9	1.3	10.7	11.4	–6.1
Group						
Net income	130.8	127.0	107.8	110.6	95.2	104.0
Other figures on earnings						
R&D intensity in %	19.4	20.0	20.5	20.0	19.2	19.0
Financial position and assets						
Capital expenditure [1]	139.9	100.8	83.4	73.3	100.4	84.4
Depreciation and amortization [1]	86.1	83.7	88.5	87.2	81.7	42.9
Equity	1,399.9	1,291.1	1,245.9	1,053.7	994.5	963.5
Equity ratio in %	47.4	47.0	47.0	44.3	44.5	45.5
Return on equity in %	14.6	10.3	10.4	10.3	8.9	12.8
Return on assets in %	7.3	5.1	4.7	4.7	4.3	7.5
Net debt [2]	385.1	565.2	521.9	475.6	495.7	497.9
Total assets	2,956.1	2,749.6	2,651.8	2,376.7	2,235.5	2,115.0
Capital employed (avg.) [3]	1,819.1	1,819.1	1,667.9	1,604.7	1,640.5	1,047.1
ROCE (avg.) in % [1,4]	16.6	10.7	8.5	7.4	7.2	13.6
Cash flow from operating activities	157.2	151.6	150.5	185.3	111.1	99.3
Free cash flow	53.8	50.0	61.5	110.2	10.2	30.9
Employees						
Number of employees (avg.) [5]	4,673	4,391	4,222	3,977	3,995	4,126
Personnel expenses	397.1	371.4	327.9	308.9	291.5	280.7
Key figures for the share						
Earnings per share from continuing operations in €	5.58	3.82	3.23	3.03	2.54	3.34
Earnings per share in €	3.96	3.85	3.27	3.35	2.89	3.15
Dividend per share in € [6]	1.00	0.90	0.80	0.80	0.70	0.67

1 The previous year's figures have been adjusted as described in section "3.1. Consistency of accounting policies."
2 Short-term + long-term borrowings – cash and cash equivalents – securities
3 Total capital employed at the end of the quarters (intangible assets + property, plant and equipment + inventories + trade receivables – trade payables) / 4
4 EBIT/Capital Employed (avg.)
5 FTE: Full time equivalents; previous years adjusted less trainees/interns
6 The dividend for 2023/2024 is subject to the consent of the Annual Shareholders' Meeting in December 2024

Segments (in € millions)



Contents

Oilseed rape in bloom in a field in Pattensen in the Hanover region. With its sunny yellow splendor, rapeseed is not only a real feast for the eyes at flowering time, but also an important crop rotation element and an important crop – as oil for human consumption, valuable protein for animal feed, biofuel and as a food source for insects. You can read more about rapeseed breeding, its challenges and solutions from KWS in the article “At the heart of rapeseed breeding” in the current issue of our KWS portrait at https://portrait.kws.com/

Executive Board
Nicolás Wielandt Corn Europe, Corn South America, Corn North America, Corn China/Asia
Peter Hofmann Sugarbeet, Vegetables, Cereals, Oilseed Rape/Special Crops & Organic Seeds, Global Marketing & Communications
Eva Kienle Finance & Procurement, Controlling, Global Transaction Center, Legal Services & IP, Information Technology, Compliance Office, Governance & Risk Management
Felix Büchting (Spokesperson) Research, Breeding, Global Human Resources, Farming Group Strategy, Corporate Office & Services

To Our Shareholders

Foreword of the Executive Board

Dear shareholders, partners and friends of KWS,

We wish to inform you in this Annual Report about what has been an eventful and successful year. Of course, facts and figures are the measure of commercial success and are the focus of every Annual Report – and they are once again impressive! Significant growth in net sales, operating income and the dividend as well as a record number of new variety approvals are convincing proof that KWS is on the right track.

We at KWS are proud of what we have achieved, but we are well aware that our current success is the result of good, far-sighted decisions in the past and a constant willingness to embrace change. Foresight and openness to change are therefore an important part of our corporate culture and determine our entrepreneurial activity.

I would like to give you two examples of how we have laid the long-term foundations for KWS' future.

Let's first look at the changes in our corn business. In the fall of 2023, we divested our shares in the Chinese joint venture KENFENG – KWS SEED CO., LTD. and the Chinese corn portfolio with the related licenses, selling them to our long-standing joint venture partner. The main reason behind this decision was the long-term business prospects in the Chinese corn market, where the regulatory framework restricts the ability of foreign companies to operate. That situation would have led to competitive disadvantages in the long term. As a result of the divestment, we generated significant non-recurring income of around €28 million in the year under review.

In March 2024, we also concluded an agreement to sell our South American corn business for an amount in the mid triple-digit million euro range. This move may have come as a surprise to some, as we had built up a strong position in the South American corn market in recent years with great breeding and sales successes. At the same time, our strong growth, particularly in our main market Brazil, was impacted by challenging economic conditions coupled with a constantly growing need for financing.

In order to pursue KWS' strategic goals with all our energy and focus, we decided that this was the right time and the right stage of development for our business to exit the corn seed market in South America. This step strengthens our financial flexibility and long-term profitability and thus also our future entrepreneurial independence.

We are delighted to have found a suitable new owner with complementary strengths and is a “haven” for our South American colleagues: the Argentinian family-owned company GDM, a global provider in the field of plant genetics, particularly for soybean.

In this context, it should be emphasized that our European corn business, with its strong market position in both silage and grain corn, is not on the agenda and for any disposal. KWS will remain a reliable partner for farmers here with our high-performance varieties and digital services.

Another example of how we have laid long-term foundations is the establishment of our future vegetable business. In the past year, we have made great progress in building our new field of business in terms of personnel and expanding our breeding activities in Brazil, Spain, Türkiye, Italy, the Netherlands and Mexico.

In June 2024, we inaugurated a new research and breeding station in Uberlândia, Brazil. This hub will be important for our activities in the Brazilian and South American vegetable market, where we are developing varieties of tomatoes, melons and watermelons that are well adapted to tropical and subtropical conditions.

At our Andijk site in northeastern Netherlands – a center of global vegetable breeding – a new R&D center will be built by spring 2025 to expand our research and breeding activities there, particularly for outdoor crops such as spinach and beans.

Our international vegetable breeding team has already grown to to over 300 employees at ten locations. They are driving our breeding programs in different regions and with different focuses – with the common goal of developing new and better varieties and putting them successfully on the market.

Whether you are new to KWS or have been with us for a long time, I would like to take this opportunity to thank all our colleagues who work for KWS worldwide every day with great dedication and expertise for their commitment and the successes we've achieved in the past fiscal year!

We are convinced that the satisfaction and motivation of our employees can best thrive in an atmosphere of respect, personal responsibility and diversity. That is why I'm personally very pleased that the clear majority of all participants in a recent employee survey expressed their satisfaction with KWS as an employer. This result is a great incentive for us to continue creating the best possible working conditions for our employees moving ahead.

Last but not least, I would like to take this opportunity to thank our many customers, business partners and shareholders for their trust in KWS. I hope you find our 2023/2024 Annual Report both informative and interesting.

Yours, Felix Büchting

Dr. Felix Büchting
Spokesperson of the Executive Board

Report of the Supervisory Board

The Supervisory Boards of KWS SAAT SE & Co. KGaA and its personally liable partner, KWS SE, suffered a great loss with the death of their Chairperson, Philip Freiherr von dem Bussche, on April 8, 2024. Philip von dem Bussche had informed the company's shareholders of his serious illness at the Annual Shareholders' Meeting on December 13, 2023, but was determined to continue discharging his duties. He did so fully with impressive discipline up to Easter 2024. A tribute to him can be found following this report.

The Supervisory Board of KWS SAAT SE & Co. KGaA convened on April 17, 2024, and elected Dr. Marie Schnell as its Chairperson and Victor W. Balli as its Deputy Chairperson. In view of the fact that Dr. Hagen Duenbostel's two-year cooling-off period will end in December 2024 and he is to be nominated for election to the Supervisory Board at the upcoming Annual Shareholders' Meeting, it was neither sensible nor feasible to fill the vacant seat for six months. The Supervisory Board elected Marie Schnell to the Audit Committee as successor to Philip von dem Bussche. It also elected Professor Dr. Dr. h.c. mult. Stefan Hell to the Nominating Committee and he took over as its Chairperson. The Supervisory Board of KWS SE likewise elected Dr. Marie Schnell as its Chairperson and Victor W. Balli as its Deputy Chairperson on April 17, 2024. Marie Schnell also took over as Chairperson of the Committee for Executive Board Affairs and Stefan Hell as Chairperson of the Nominating Committee. The vacant seat on this board is also to be filled by Hagen Duenbostel in December 2024.

The Supervisory Bodies of KWS SAAT SE & Co. KGaA and KWS SE still had the same shareholder representatives serving on both of them. The Supervisory Board of KWS SAAT SE & Co. KGaA has two employee representatives in addition to the shareholder representatives. Both boards hold some meetings together, with the result that the employee representatives are informed at an early stage about upcoming decisions by the personally liable partner.

The Supervisory Board of KWS SAAT SE & Co. KGaA discharged the duties incumbent on it in accordance with the law, the company's Articles of Association and the bylaws, regularly advised and monitored the personally liable partner, represented by its Executive Board, in its activities and satisfied itself that the company was run properly and in compliance with the law and that it was organized efficiently and cost-effectively. The Supervisory Board extensively discussed all significant business transactions and carefully accompanied the Executive Board in all fundamental decisions of importance to the company. As is customary, the Executive Board involved the Supervisory Board in all key decisions. The Supervisory Board was provided with the necessary information in written and oral form regularly, promptly and comprehensively. This included all key information on relevant questions, in particular relating to strategy, planning and the business performance as well as on the company's and the KWS Group's situation, including the risk situation, risk management and compliance. In the year under review, there were no transactions with related parties which require the Supervisory Board's approval in accordance with Section 111b of the German Stock Corporation Act (AktG).

The company's business policy, corporate and financial planning, profitability and situation, market trends and the competitive environment, research and breeding and, along with important individual projects, risk management at the KWS Group were the subject of detailed discussions in the year under review.

Philip von dem Bussche, and later Marie Schnell, continued the direct discussions with the Spokesperson of KWS SE's Executive Board and individual members of the Executive Board in regular talks outside the meetings of the Supervisory Board in the year under review. In addition, there were monthly meetings with the Executive Board as a whole, where the company's current business development and, in particular, its strategy, occurrences of special importance and individual aspects were dealt with. The Chairperson of the Supervisory Board informed the Supervisory Board of the results of these meetings. The Supervisory Board did not make use of its right to conduct an examination granted by Section 111 (2) of the German Stock Corporation Act (AktG) since the reporting by the Executive Board meant there was no reason to do so.

Focal areas of deliberations

Four in-person meetings and one online meeting of the Supervisory Board of KWS SAAT SE & Co. KGaA were convened in fiscal 2023/2024. The meetings were always attended by all its members, apart from one meeting where Philip von dem Bussche was not able to attend due to illness.

At the beginning of the year under review, the Supervisory Board of KWS SAAT SE & Co. KGaA convened its meeting to discuss the financial statements on September 21, 2023. At this meeting, the Supervisory Board first asked the auditors to explain the results of the audit of the annual financial statements of KWS SAAT SE & Co. KGaA and the KWS Group. This discussion took place without the Executive Board of KWS SE. With the Executive Board in attendance, the Supervisory Board then approved the financial statements of KWS SAAT SE & Co. KGaA and approved the consolidated financial statements of the KWS Group as of June 30, 2023. Following this meeting, both boards discussed the divestment of the Chinese corn business to the joint venture partner KENFENG and the further development of business in Eastern Europe. The Supervisory Board members of KWS SAAT SE & Co. KGaA also revised the bylaws for its Audit Committee. On December 12, 2023, the Supervisory Board of KWS SAAT SE & Co. KGaA convened as usual to inform itself about the status of KWS' research activities. A further focus of this meeting was on succession planning for KWS' senior management. The sale of KWS' corn business in Brazil and Argentina to GDM, a leading provider of plant genetics based in Argentina, was the focus of the deliberations at the meeting on March 14, 2024. In addition, the Supervisory Board requested and was given a presentation on the performance status of the breeding programs for all major crops. On June 18, 2024, the Supervisory Board discussed the budget and medium-term planning. The Supervisory Board of KWS SE subsequently adopted the budget and planning.

Corporate governance
The Supervisory Board discussed compliance with the recommendations of the “German Commission for the Corporate Governance Code” and issued a new declaration of compliance with the German Corporate Governance Code in the version dated April 22, 2022, in accordance with Section 161 of the German Stock Corporation Act (AktG) together with the personally liable partner in September 2023. The Declaration of Compliance can be obtained on the company’s website.

The Supervisory Board regularly addressed the question of any conflicts of interest on the part of its members and those of the Executive Board in the year under review. In the year under review, there were no such conflicts of interests that had to be disclosed immediately to the Supervisory Board and reported to the Annual Shareholders’ Meeting.

Supervisory Board committees
In the year under review, the Supervisory Board of KWS SAAT SE & Co. KGaA had two committees: the Audit Committee and the Nominating Committee.

The **Audit Committee** convened for four joint meetings in fiscal year 2023/2024, each of which was attended by all members in person or online. In its meeting on September 7, 2023, the Audit Committee discussed the annual financial statements and accounting of KWS SAAT SE & Co. KGaA and the consolidated financial statements of the KWS Group for the fiscal year 2022/2023, along with the Combined Management Report and the proposal on the appropriation of the profits. The Compliance Report and the 1st Quarterly Report for 2023/2024 and the results of the Audit Committee’s self-assessment were discussed in particular at the meeting on November 8, 2023. The meeting on February 7, 2024, discussed and preliminarily defined the focus of the audit for fiscal year 2023/2024 in the presence of the appointed independent auditor. It also discussed the situation as regards the KWS Group’s financing and the Semiannual Report 2023/2024 in detail. The 9M Quarterly Report for 2023/2024 was discussed on May 8, 2024. In addition, the report by Internal Auditing for fiscal 2023/2024 was discussed, the audit plan for the subsequent years was defined and

Committees of the Supervisory Board of KWS SAAT SE & Co. KGaA

Committee	Chairperson	Members
Audit Committee	Victor W. Balli	Christine Coenen Dr. Marie Schnell
Nominating Committee	Prof. Dr. Dr. h.c. mult. Stefan W. Hell	Victor W. Balli Dr. Marie Schnell

Dr. Marie Schnell, Chairperson of the Supervisory Board

adopted at the meeting on May 16, 2024. The risk situation, sustainability reporting and tax-related issues of the KWS Group were also discussed.

In addition, the Audit Committee obtained the statement of independence from the auditor, ascertained and monitored the auditor's independence and examined its qualifications. The Audit Committee also satisfied itself that the regulations on internal rotation were observed by the independent auditor and dealt with the issue of any additional services rendered by the independent auditor.

The **Nominating Committee** of KWS SAAT SE & Co. KGaA did not convene in the year under review, since a decision was made not to fill Philip von dem Bussche's seat for the time being and it had already been decided to nominate Hagen Duenbostel for election in December 2024.

The Supervisory Board of KWS SAAT SE & Co. KGaA does not hold personnel responsibility as regards management, in particular in relation to the Executive Board of KWS SE. Nevertheless, we would like to take this opportunity to inform you about the personnel changes at the personally liable partner. Recommendation B.3 of the German Corporate Governance Code states that the first-time appointment of Executive Board members shall be for a period of not more than three years. Nicolás Wielandt was appointed to the Executive Board of KWS SE for the first time for a period of three years with effect from January 1, 2022. At the recommendation of its

Committee for Executive Board Affairs, the Supervisory Board of KWS SE resolved at its meeting on March 7, 2024, to reappoint Nicolás Wielandt to the Executive Board of KWS SE for the period from July 1, 2024, to June 30, 2029. Nicolás Wielandt is responsible for the Corn Segment on the Executive Board.

Annual and consolidated financial statements and auditing

EY GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft, Stuttgart, the independent auditor chosen at the Annual Shareholders' Meeting on December 13, 2023, and commissioned by the Audit Committee, has audited the financial statements of KWS SAAT SE & Co. KGaA that were presented by the personally liable partner, KWS SE, and prepared in accordance with the provisions of the German Commercial Code (HGB) for fiscal 2023/2024 and the financial statements of the KWS Group (IFRS consolidated financial statements), as well as the Combined Management Report of KWS SAAT SE & Co. KGaA and the KWS Group (Group Management Report), including the accounting reports, and awarded them its unqualified audit certificate. In addition, the auditor concluded that the audit of the financial statements did not reveal any facts that might indicate a misstatement in the declaration of compliance issued by the personally liable partner and the Supervisory Board in accordance with Section 161 of the German Stock Corporation Act (AktG) with respect to the recommendations of the Government Commission for the German Corporate Governance Code. The Non-Financial Declaration (Section 289b and Section 315b of the German Commercial Code (HGB)) in the Combined Management Report were likewise audited by the independent auditor.

The Supervisory Board received and discussed the financial statements of KWS SAAT SE & Co. KGaA and the consolidated financial statements of the KWS Group and Combined Management Report of KWS SAAT SE & Co. KGaA and the KWS Group, along with the report by the independent auditor of KWS SAAT SE & Co. KGaA and the KWS Group and the proposal on appropriation of the net retained profit for the year made by KWS SAAT SE & Co. KGaA, in due time. Comprehensive documents and drafts were submitted to the members of the Supervisory Board as preparation. For example, all of them were provided with the annual financial statements, consolidated financial statements, Combined Management Report, audit reports by the independent auditor, and the proposal by the personally liable partner on the appropriation of the profits. The Supervisory Board likewise received and discussed the Non-Financial Declaration (Section 289b and Section 315b of the German Commercial Code (HGB)), which is part of the Combined Management Report and contains disclosures on the KWS Group and the parent company KWS SAAT SE & Co. KGaA, as well as the related audit report by the independent auditor (Section 111 (2) Sentence 4 of the German Stock Corporation Act (AktG)) as part of a limited assurance engagement.

The Audit Committee convened on September 10, 2024, to discuss the annual financial statements of KWS SAAT SE & Co. KGaA and the KWS Group's consolidated financial statements for the 2023/2024 fiscal year and accounting, along with the Combined Management Report. The independent auditor for fiscal 2023/2024 explained the results of its audit of the annual financial statements and consolidated financial statements. It pointed out that there were no grounds for assuming a lack of impartiality on the part of the independent auditor in its audit. The Audit Committee also dealt with the proposal by the personally liable partner on the appropriation of the net retained profit of KWS SAAT SE & Co. KGaA and recommended that the Supervisory Board approve it.

The Supervisory Board also held detailed discussions of questions on the agenda at its meeting to discuss the financial statements on September 25, 2024. The auditor took part in the meeting. It reported on the main results of the audit and was also available to answer additional questions and provide further information for the Supervisory Board. According to the report of the independent auditor, there were no material weaknesses in the internal control and risk management system in relation to the accounting process. There were also no circumstances that might raise concerns about a lack of impartiality on the part of the independent auditor. The independent auditor did not provide any additional services.

In accordance with the final results of its own examination, the Supervisory Board endorsed the results of the audit and of the audit of the Non-Financial Declaration, among other things as a result of the preliminary examination by the Audit Committee, and did not raise any objections. The Supervisory Board gave its consent to the annual financial statements of KWS SAAT SE & Co. KGaA submitted by the personally liable partner, and to the consolidated financial statements of the KWS Group and the Combined Management Report of KWS SAAT SE & Co. KGaA and the KWS Group and recommended that the Annual Shareholders' Meeting on December 5, 2024, approve the annual financial statements of KWS SAAT SE & Co. KGaA prepared by the personally liable partner. The Supervisory Board also endorsed the proposal by the personally liable partner to the Annual Shareholders' Meeting on the appropriation of the net retained profit of KWS SAAT SE & Co. KGaA after having examined it.

We look back on KWS' most successful fiscal year with the utmost appreciation, respect and gratitude for the work on our board by Philip Freiherr von dem Bussche, who closely accompanied and supported the key strategic decisions in the year under review. In these turbulent times, the Supervisory Board would like to express its particular thanks to the Executive Board and all employees of the KWS Group for their vigorous efforts, dedication and creativity.

Berlin, September 25, 2024

Marie Schnell

Dr. Marie Schnell
Chairperson of the Supervisory Board
KWS SAAT SE & Co. KGaA

Tribute to Philip von dem Bussche

Philip Freiherr von dem Bussche, former Chairperson of the Executive Board and the Supervisory Board

On April 8, 2024, the Chairperson of our two Supervisory Boards, Philip Freiherr von dem Bussche, passed away at the age of 75 after a serious illness. It is with sadness and gratitude that we remember him as an affable philanthropist and foresighted shaper of the future.

Born at Ippenburg Castle in Lower Saxony and raised in a family with a history dating back 800 years, Philip von dem Bussche studied business administration in Bonn and Cologne after completing his agricultural training in Schleswig-Holstein. His first professional tasks from 1976 onward included expanding the family-run farm in Ippenburg. In addition to the expansion of agriculture and pig farming, preserving the enormous neo-Gothic family seat for future generations proved to be a major challenge.

Away from his ancestral home, the agricultural entrepreneur, who ran a second farm in Krostitz near Leipzig after 1989 and set up an innovative rolled turf production enterprise there, also pursued other callings: as an influential President of the German Agricultural Society (DLG) and as an active member of the Supervisory Board of various companies in the agricultural sector (such as K+S Aktiengesellschaft and the Krone Group).

His passion for agriculture and his inexhaustible joy in interacting with people predestined Philip von dem Bussche for further tasks. In 2000, Andreas J. Büchting managed to recruit his longtime friend to the Supervisory Board of KWS. After that, Philip von dem Bussche's career took a rather unconventional turn: In 2005, he moved from the Supervisory Board to the Executive Board of KWS ("(and not, as was usual, the other way round)"). In 2008, he succeeded Andreas Büchting as its Spokesperson.

In this role, he shaped the strategic direction of KWS with his goal-oriented, grounded and inspiring personality. "PB" enjoyed great trust not only among our customers, but also within KWS' workforce, as his expertise extended from agriculture to the know-how needed for his work on the Supervisory Board's Audit Committee.

Philip von dem Bussche stepped down from the Executive Board as planned in 2014. However, at the request of the Büchting and Arend Oetker shareholder families, he made himself available again in December 2022 to serve for a limited term on the Supervisory Boards of KWS SAAT SE & Co. KGaA and its personally liable partner, KWS SE. Both bodies elected him – again as successor to Andreas Büchting – as their Chairperson. One year later, Philip von dem Bussche informed our shareholders of his critical state of health at the Annual Shareholders' Meeting on December 13, 2023. Despite his illness, he admirably discharged all his duties on both bodies until Easter 2024 and, together with the Executive Board, drove the important strategic developments of the year under view, before his strength deserted him.

As a highly respected doyen who exemplified what our company with its tradition of family ownership stands for, he will remain unforgotten and a role model for all of us with his unique sense of humor, outgoing warmth and confidence. With his death, his family lost a devoted husband, father and grandfather, KWS lost a magnificent entrepreneur, and German agriculture lost an outstanding personality.

Dr. Marie Schnell
Chairperson of the Supervisory Board

KWS on the Capital Market

Stock markets and share performance
Global stock indexes were volatile in fiscal 2023/2024. Fears that the Middle East conflict would escalate weighed on share prices worldwide in the fall of 2023. The DAX, Germany's benchmark index, fell sharply to around 14,800 points by the end of October 2023. However, the conflict did not intensify and that, coupled with the prospect that the leading central banks would end their restrictive monetary policy, meant that the DAX recovered to close at 16,751 points at the end of 2023.

The DAX continued to soar in the first half of 2024, reaching a new all-time high of 18,870 points on May 15, 2024. Strong balance sheets and record dividend payouts underpinned that. At the end of June 2024, the DAX closed at 18,235 points – a year-over-year increase of 9%.

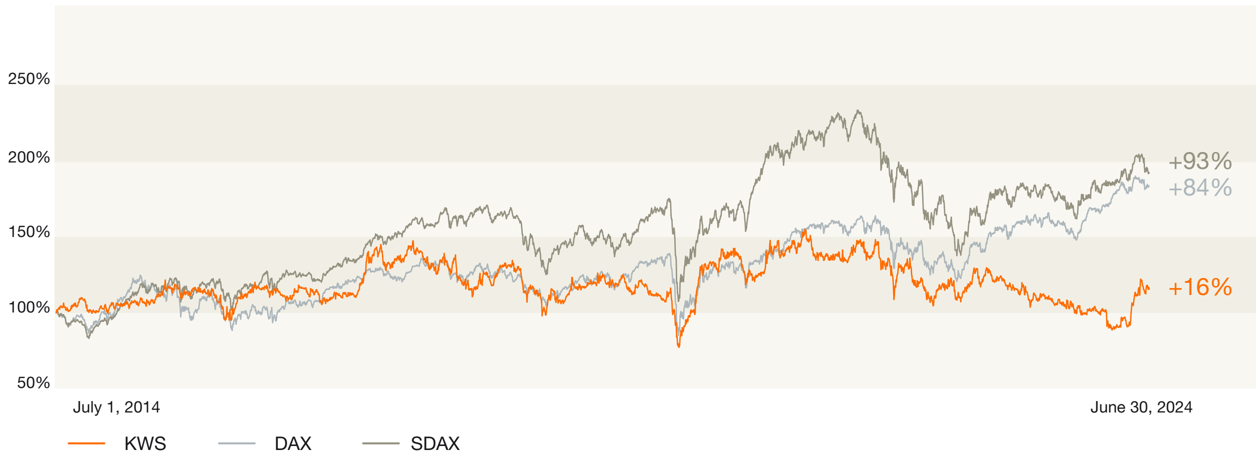
The SDAX, on which the KWS share is listed, followed this trend and closed at 14,317 (13,401) points on the balance sheet date, a year-over-year increase of 7%.

KWS' share closed at €59.60 at the end of June 2024 and thus around 5% above the level of the previous year (€56.50).

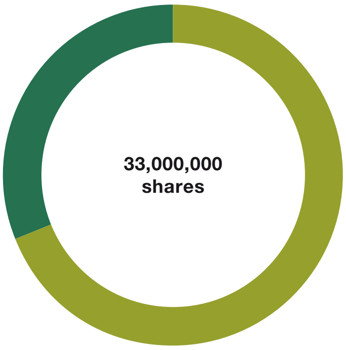
The average trading volume per day on XETRA rose from around 8,700 shares to approximately 9,900.

Employee Stock Purchase Plan
For more than 30 years KWS has offered its employees the chance to become shareholders in the company and thus share in its success. 516 (576) employees in 10 (10) European countries utilized this year's Employee Stock Purchase Plan and purchased a total of 62,300 (71,023) shares. The acquired shares are subject to a lock-up period of four years. They cannot be sold, transferred or pledged during this period. As in previous years, the shares used for the Employee Stock Purchase Plan were acquired in accordance with Section 71 (1) No. 2 of the German Stock Corporation Act (AktG). More details have been published in information released for the capital market and can be viewed on our website at www.kws.de/ir.

The KWS share's performance over ten years



Shareholder structure at June 30, 2024



- Family Büchting, Family Arend Oetker, Family Tessner 69.3% (thereof 15.4% Tessner Beteiligungs GmbH)
- Free float 30.7%

Planned appropriation of profits: Dividend increase to €1.00 (0.90) per share

In view of the company's positive performance, the Executive and Supervisory Boards will propose a dividend of €1.00 (0.90) per share for fiscal year 2023/2024 to the Annual Shareholders' Meeting on December 5, 2024. This means €33.0 (29.7) million would be distributed to KWS SAAT SE & Co. KGaA's shareholders. This corresponds to a payout ratio of 25.2% (23.4%) at the upper end of the company's dividend policy, which is geared to the company's earnings strength, and a dividend payment of around 20% to 25% of the KWS Group's net income.

Key figures for the KWS share (Xetra®)	
ISIN	DE0007074007
Share class	Non-par
Number of shares	33,000,000
Index	SDAX
Closing price	**in €**
June 28, 2024	59.60
June 30, 2023	56.30
High and low	**in €**
High (May 31, 2024)	63.00
Low (February 26, 2024)	45.70
Trading volume	**in shares/day**
Fiscal 2023/2024	9,911
Fiscal 2022/2023	8,681
Market capitalization	**in € million**
June 28, 2024	1,967
June 30, 2023	1,858
Earnings per share	**in €**
Fiscal 2023/2024	3.96
Fiscal 2022/2023	3.85

2. Combined Management Report 2023/2024 of the KWS Group

2. Combined Management Report

The Combined Management Report comprises aspects of sustainability reporting in addition to content related to financial reporting. Our objective is to illustrate the relationship between ecological, social and financial factors and highlight their impact on our long-term commercial success. The reporting structure of the Combined Non-financial Declaration (see page 48 onwards) has been aligned with the topics of the European Sustainability Reporting Standards applicable from the financial year 2024/2025 and has already been taken into account in individual report contents. In addition, reference is made to the report aspects required pursuant to Sections 289b et seq. and Sections 315b et seq. of the German Commercial Code (HGB). The contents of the Non-Financial Declaration were not audited as part of the audit of the annual and consolidated financial statements, but underwent a voluntary external examination by an auditor. The Combined Management Report also includes voluntary components that are not audited separately. These are indicated by footnotes.

2.1 Fundamentals of the KWS Group

2.1.1 Business Model

Since it was founded in 1856, KWS has specialized in breeding, producing and distributing high-quality seed for agriculture. From its beginnings in sugarbeet breeding, KWS has evolved into an innovative, international supplier with a broad portfolio of crops. The company covers the complete value chain of a modern seed producer that focuses on sustainable agriculture – from developing new varieties, propagation and processing, to marketing of the seed and consulting for farmers. KWS' core competence lies in breeding new, high-performance varieties that are adapted to regional needs, such as climatic and soil conditions, and use fewer resources, such as water and fertilizer. Targeted breeding of resistances against fungi or viruses, for example, also enables a significant reduction in the use of chemical pesticides in agriculture. Every new variety delivers sustainable added value for our customers. KWS' business model is based on this added value – which is ultimately attributable to breeding progress, optimization of seed quality and pinpointed consulting.

Organization and segments of the KWS Group

In the year under review, the KWS Group's operational business consisted of five business units, which were grouped into the four product segments of Corn, Sugarbeet, Cereals and Vegetables. The business units for Sugarbeet, Cereals and Vegetables are identical to the corresponding segments. There are two business units for the Corn segment: Europe and the America.

The **Corn Segment** covers breeding, production and distribution of seed for corn and sunflowers, as well as production and distribution of soybeans. Its operating performance depends largely on the spring sowing season in the northern hemisphere. That means the lion's share of the segment's net sales is generated in the second half of the fiscal year (January to June). According to its own surveys, KWS is the market leader in the silage corn in Europe.

The **Sugarbeet Segment** comprises sugarbeet seed breeding, production and distribution, as well as the development of diploid hybrid potatoes. KWS' high-quality sugarbeet varieties are consistently some of the highest-yielding in the industry.

KWS is the world market leader in sugarbeet seed, not least thanks to many innovations. Its main sales markets are the European Union, Eastern Europe, North America and Turkey. Sugarbeet is sown in the spring, which means that net sales in this segment are likewise largely generated in the second half of the fiscal year (January to June).

The **Cereals Segment** includes the breeding, production and distribution of seed for rye, wheat, barley and oilseed rape. Rye accounts for the largest share of revenue from cereals (around 38%), followed by oilseed rape, wheat and barley. KWS also generates revenue from other crops such as peas, catch crops (e.g., mustard) and oats. Farmers in KWS' core markets (Germany, Poland, the UK, France and Scandinavia) predominantly sow cereals seed in the fall. Consequently, the segment generates most of its revenue in the first half of the fiscal year (July to December).

The **Vegetables Segment** comprises vegetable seed breeding, production and distribution. KWS is the world leader in spinach seed. Its portfolio also includes seed for beans, Swiss chard, red beet and tomatoes. The segment generates just about half its revenue in the U.S. KWS' strategic objective is to build a significant position in the vegetable seed market long-term. Our focus apart from spinach is on the world's five most important crops in this segment: tomatoes, peppers, cucumbers, watermelons and melons.

Apart from the operating segments, there is also **Corporate**, a segment which by and large does not conduct any operational activities. Its relatively low net sales come from the revenue from our own farms in Germany, France and Poland. Since the KWS Group's basic research expenditure and costs for administrative functions are charged to the Corporate Segment, its income is usually negative.

In the year under review, corn business in South America and China was sold (see corn segment report, p. 38 f.). There were no other significant changes in the composition and organization of the KWS Group. Further information on the segments' share of net sales and income, including our joint ventures, can be found in our segment reports starting on page 37.

Main business processes

KWS' breeding processes are geared toward exploiting plants' potential as much as possible and leveraging that potential to tackle the major challenges of modern sustainable agriculture. Whether it is plants for producing food, fodder or energy, conventional, organic or genetically modified: KWS offers its customers a broad portfolio of high-performance varieties. It takes an average of eight to ten years to breed a new variety. Thanks to its large network of breeding and trial stations in all the world's key markets, the company can develop the individual candidates for a wide range of climatic and local conditions and test whether the varieties are suitable for cultivation. In most markets, variety development ends in an official approval process in which candidates have to meet high quality standards, usually in three-year field trials. Seed propagation in selected cultivation regions also takes up to two years. Only then can the varieties be marketed via the various distribution channels.

2.1.2 Branches

KWS SAAT SE & Co. KGaA is the parent company of the KWS Group. Strategic management of all of KWS' global activities is pooled under its roof. It is headquartered in Einbeck, Germany, and controls breeding of the KWS Group's range of varieties. There are also currently 84 subsidiaries and associated companies in 35 countries. An overview of our subsidiaries and associated companies can be found in the Notes on pages 166 to 168.

2.1.3 Vision und Mission[1]

Vision

"Seeding the future for generations."

Our vision comprises all of KWS key values. With foresight, we shape a sustainable future, staying close to generations of farmers and serving as a trusted, reliable partner to all our customers while staying an independent company.

Mission

"Our passion for plants sustains farming, food and planet."

We are convinced that we can make a difference with our specialization in plant breeding and seed. We are passionate about breeding and research – and we optimize the potential of plants and varieties in order to contribute to increasing sustainability in agriculture year after year.

Apart from continuous improvements in yield, we provide solutions by delivering varieties with relevant traits such as improved drought tolerance and less need for pesticide and help agriculture successfully tackle future challenges.

KWS' seed is at the beginning of the food chain – and therefore makes an important contribution throughout the agricultural production process. End consumers are also a growing focus: What variety traits are important for processing and the end product, and how can plant breeding help improve them? Last but not least, our work also has an impact on the environment as a whole: Reducing inputs such as pesticide or water, innovations also for areas such as alternative energies and of course the efficient use of available land all make a contribution to the agriculture of the future.

Our services (in the shape of consulting and by means of digital tools) help farmers get the most out of our seed on healthy soils. Our broad and growing portfolio of crops and vegetables lay a foundation for maintaining biodiversity on fields. In this way, our work makes a key contribution every day to supplying the world's growing population with good food.

2.1.4 Objectives and Strategy

Our strategic planning is the foundation for the KWS Group's further development. It defines strategic objectives, initiatives and core measures for existing activities and for potential new fields of business. The planning is based on a long-term horizon (ten years) and includes an analysis and assessment of market trends, competitors and the KWS Group's position. The strategic planning is updated regularly.

As part of the strategic planning, we have honed our fundamental business model and the strategic contributions a seed company makes to these future topics with regard to long-term megatrends and classified them into fields of activity that are to generate KWS' future growth:

1 Not an audited part of the Combined Management Report

Sustainable Agricultural Practices: products, processes and services that address climate change and promote sustainability in agriculture

Connected Seeds: solutions that generate added value for farmers by linking our seed with digital offerings

Future Sales Models: more digital offerings to expand distribution channels and enable personalized addressing of customers

Nutritional Food Ingredients: innovations for the growing market of vegetable proteins as the basis for sustainable food.

Corporate objectives of the KWS Group
Sustainable solutions for agriculture have always been the foundation and driver of our business model. We use them as the basis for deriving our objectives, which form the framework for all divisions and strategic decisions: profitable growth, innovation, independence and sustainability. Our business developed largely in line with our strategic objectives in the year under review. We deal with this and other details of achievement of our objectives in the respective sections, which are referred to in the table on the corporate objectives.

The KWS Group's medium- and long-term objectives

Main strategic subject areas		Explanation
Profitable growth	▪ An average increase in consolidated net sales of at least 5% p.a. [1]	Page 29 et seq.
	▪ EBIT margin ≥ 10%	Page 29 et seq.
	▪ A dividend payout ratio of 20% to 25% of the KWS Group's earnings after taxes	Page 163 (Notes)
Innovation	▪ R&D intensity of around 17% of consolidated net sales	Page 26
Independence	▪ Retention of a control structure shaped by the family owners	Page 96 et seq.
Sustainability	▪ Implementation of the KWS Sustainability Ambition 2030	Page 48

1 On a comparable basis, excluding exchange rate and portfolio effects

Profitable growth
is vital for our future development. Long-term profitable growth ensures we can retain our commercial freedom of action. We strive to increase consolidated net sales by an average of at least 5% p.a. and achieve an EBIT margin (EBIT/net sales) of at least 10%.

Innovation
drives our business model. The need for innovative technology in plant breeding continues to increase. Climate change, population growth and changes in eating habits, where alternative protein sources are growing in importance, pose challenges for us. In addition, digitization is playing a greater and greater role in agriculture. In the year under review, we once again devoted a significant portion of our revenue, namely 19.4%, to research and development. Taking on these challenges, we see this as an investment in future growth.

Independence
has always been a key corporate objective for KWS. It is part of the shared values held by our customers and employees. Our independence and long-term orientation enable us in particular to invest in research and breeding projects with an eye to the future.

Sustainability
is and always will be both an obligation and an opportunity for us. Agriculture faces huge challenges globally. They include the world's growing population, increasingly severe consequences of climate change, and the preservation of biodiversity and natural resources. Innovations in plant breeding play a key role in tackling these challenges.

With our KWS Sustainability Ambition 2030, we clearly define the framework for the focus of KWS' sustainable development – economically, ecologically and socially – in the coming years.

Guided by the principle that "sustainability in agriculture begins with seed" we pursue these concrete goals:

Sustainability starts with the seed

Product impact

Safeguard food production
- 1.5% annual yield gain for farmers through
  - progress in plant breeding and
  - digital farming solutions on >6 million hectares

Minimize input required
- Enable >50% reduction of chemical crop protection (in line with European Farm to Fork Strategy)
  - Invest >30% p.a. of R&D budget into reduction of inputs
  - >25% of KWS varieties are suitable for low input cultivation

Enhance crop diversity
- Increase number of crops with dedicated breeding programs to 27

Support sustainable diets
- >40% of KWS varieties are suitable for predominantly direct use in human nutrition

Corporate responsibility

Improve operational footprint
- Reduce Scope 1 and 2 emissions by 50% by 2030 and to net zero by 2050
- Establish score cards to provide transparency on ecological footprint of all seed production sites

Foster social engagement
- Min. 1% EBIT p.a. into social projects
- Measurement and continuous improvement of employee engagement
- Continuous decline in the number of occupational accidents/illness ratio

1 Farm to Fork-Strategie

We refer you to the Non-Financial Declaration starting on page 48 and our homepage www.kws.com for details of our sustainability program.

2.1.5 Control System

Detailed annual and medium-term operational plans are used to control the Group and our Business Units. The medium-term plan covers the time frame of the annual plan and the three subsequent fiscal years. It is thus an anchor point for our strategic planning, which covers a timescale of ten years.

The targets set in the annual planning (“top-down target”) are arrived at on the basis of the strategic planning, results achieved, regional economic and legal situation, anticipated macroeconomic trends and assessments of the company’s position in the market and the potential product performance. In a subsequent bottom-up process, which also includes the development of our joint ventures, we use these premises to plan figures for sales volumes and net sales, breeding activities, production capacities and quantities, the allocation of resources (including capital spending and personnel), the level of material costs and internal charge allocation and the resultant balance sheet data, along with the financial budget. In principle, part of the planning documentation is also an opportunity/risk assessment that every manager must conduct for his or her unit.

The planning is compared every quarter with the company's actual business performance and the underlying general conditions. If necessary, we initiate suitable countermeasures and make adjustments. We update the forecast for the current fiscal year at the end of every quarter. At the end of each fiscal year, all the units conduct a detailed variance analysis of the planned and actual results. It serves to optimize the quality of our planning assumptions.

Controlling is responsible for coordinating and documenting all planning processes and our current expectations. It reports on compliance with adopted budgets and analyzes the efficiency and cost-effectiveness of business processes and measures. Business Partner Controlling and Finance also advise our decision makers on economic optimization measures. In particular, the heads of the product segments, the regional directors and the heads of research and breeding activities and the central functions are responsible for the content of the planning and current forecasts.

The Executive Board uses various indicators for planning, controlling and monitoring the business performance of the KWS Group and its operating units. The main indicators for the KWS Group are net sales, EBIT margin (operating income in % of net sales) and R&D intensity[2]. The focus in controlling the development of net sales is exclusively on key operating indicators for our business, in particular the development of sales volumes and prices of our product portfolio. Forecasts of our net sales development are therefore based on these key indicators, while exchange rate and portfolio effects (significant acquisitions and divestments) are not taken into account. Currency effects are the difference between the sales of reporting period at exchange rates of the reporting period minus the sales of the reporting period at exchange rates of the comparative period.

In addition to these financial indicators, KWS will increasingly include non-financial KPIs (such as CO_2 emissions) in planning and controlling its business activities in the future. KWS' product segments, which are divided into Business Units, are in turn geared toward the main indicators of net sales and EBIT margin. All cross-segment costs for the KWS Group's central functions and research expenditure are charged to the Corporate Segment; the key performance indicator for controlling here is EBIT (operating income).

Management and control

The company is a partnership limited by shares (KGaA). The personally liable partner is responsible for the tasks of running the business of a partnership limited by shares. The company's sole personally liable partner is KWS SE, whose Executive Board is therefore responsible for management of the company's business.

The rights and obligations of the Supervisory Board at a partnership limited by shares differ from those at a stock corporation (AG) or a European Company (Societas Europaea or SE). In particular, the Supervisory Board at a partnership limited by shares does not hold personnel responsibility as regards management; moreover, it cannot appoint any further personally liable partners and define the contractual terms and conditions for them, enact bylaws for the Executive Board, or define business transactions requiring its consent.

The Annual Shareholders' Meeting of a partnership limited by shares basically has the same rights as the Annual Shareholders' Meeting of a stock corporation or SE. It also adopts resolutions on whether to approve the company's annual financial statements and ratify the acts of the personally liable partner. Certain resolutions adopted by the Annual Shareholders' Meeting of a partnership limited by shares also require the approval of the personally liable partner. The declaration on corporate governance in accordance with Section 289f of the German Commercial Code (HGB) contains detailed information on the extensive and close cooperation between the Executive Board and the Supervisory Board and has been published at www.kws.com/corp/en/investors/corporate-governance.

2 R&D expenditure as a % of net sales

KWS has a broad portfolio of high-performance varieties

2.1.6 Fundamentals of Research & Development

Innovation at KWS is driven by research and development. KWS' objective is to create high-performance varieties that meet various environmental and application requirements and deliver continuous value added to farmers. Plant breeding is a very research-intensive and long-term business. It takes an average of eight to ten years to develop a new, high-performance variety.

Using state-of-the-art breeding methods, KWS has generated steady yield progress for decades and supports agriculture with solutions to tackle future challenges – for example, through varieties that boast improved drought tolerance or need less pesticide. The company also increases genetic diversity, which is vital to improving crops, through its breeding work on plants. We contribute to sustainable agriculture by continuously improving yields, minimizing the use of resources and increasing varietal diversity and play a key role in supplying people with food.

2.2 Research and Development Report[1]

Key research & development figures

		2023/2024	2022/2023	+/–
R&D employees[1,2]	ø	1,866	1,738	7.4%
Share of R&D employees relative to the total workforce[2]	in %	37.8	37.3	–
R&D expenditure[2]		325.6	299.8	8.6%
R&D intensity[2,3]	in %	19.4	20.0	–
Variety approvals		559	488	14.5%

1 Average headcount
2 The previous year's figures have been adjusted due to the fact that the commercial corn and sorghum business in South America is recognized as a discontinued operation.
3 As a % of net sales

Combination of innovations in sugarbeet
Following its successful launch, the CONVISO® SMART system is now available to farmers in 30 markets, and the market segment continues to grow. CONVISO® SMART enables improved weed control, while reducing the amount of herbicide that has to be applied, thereby contributing to more sustainable sugarbeet cultivation. Demand for Cercospora-tolerant sugarbeet varieties marketed under the "CR+" label is developing just as successfully. CR+ varieties exhibit the greatest leaf health and the highest yields – whether infested heavily or lightly with the fungal pathogen Cercospora. The in-bred resistance stabilizes yields and can help reduce the use of fungicides in sugarbeet cultivation in certain situations.

In recent years, KWS has succeeded in combining these traits in its breeding work. In fiscal 2023/2024, varieties containing both traits were sold for the first time in Austria, the Czech Republic, Italy and Romania, while such a variety was also awarded approval in Germany and will be available for growing in 2025. Such types of varieties are also undergoing Value for Cultivation and Use testing in 16 other countries. KWS can thus provide farmers with innovative sugarbeet seed offering an attractive solution for weed control, while ensuring excellent plant health and very high and stable variety performance.

Silage corn: New varieties undergoing approval
KWS was able to report breeding successes for the northern European silage and biogas market, among other things. The German Federal Office of Plant Varieties approved two robust and stress-resistant corn varieties: KWS LUPOLLINO and KWS BERRO. They can also leverage their yield potential to the full in different cultivation situations and under challenging weather conditions. They impressively demonstrated that in the 2022 and 2023 Value for Cultivation and Use tests conducted by the Federal Office of Plant Varieties. In two climatically very different years, they impressed with a strong and stable performance at different locations and ultimately proved to be the highest-yielding varieties. Both varieties will be tested in 2024 in all state variety trials in the medium-early and medium-late silage corn segments. In addition, both varieties are also included in some state variety trials for grain corn this year.

The important silage corn segment was further strengthened by new approvals awarded to the varieties HERCULIO, BALTUSO and KWS PROFUSIO in France, all of which are among the leading new approvals in this most important maturity segment and will significantly improve KWS' silage corn portfolio in France. The approvals also mean these varieties can be sold in other European countries such as Germany.

1 Not an audited part of the Combined Management Report

Dwarf rye – sustainable, yet storm-proof

Dwarf hybrids are a particular innovation in KWS' rye breeding. Dispensing with the use of growth regulators, even on good soils with a high nitrate content, makes rye cultivation even more sustainable. Dwarf hybrids are shorter than conventional rye hybrids, have a longer standing upright ear and are characterized by uniform stands. They boast strong standing ability, which helps to safeguard yields even in extreme weather conditions such as heavy rain and storms.

Dwarf hybrids deliver a comparable yield to the common hybrid varieties. Because of the shorter stalk, the leaves make a greater contribution to yield formation. In dwarf rye, only the shoot growth is reduced, but not the length of the ears or root growth. The dwarf hybrids are broadly equipped with resistance genes and, thanks to the PollenPLUS® technology with increased pollen production, have a low risk of being infected by ergot.

The dwarf hybrids are particularly suitable for better, heavier soils with high nitrate levels in addition to the traditional rye locations. The homogeneous stands they form make cultivating them easier. In addition, dwarf hybrids can be harvested faster and more cost-effectively, as less straw is produced. In Germany, the first dwarf hybrid varieties are currently in their second year of Value for Cultivation and Use testing. KWS expects one or two varieties to be approved at the EU level in 2025 and for Germany in 2026.

Oilseed rape: Successes in approval procedures in the core markets of Germany and France

Winter oilseed rape from KWS is distinguished by continuously increasing variety performance and improved resistance, with the result that sustainable, resource-conserving cultivation delivers reliable yields even under conditions where pests are spreading or there are more restrictive requirements regarding the application of fertilizer and pesticides. For example, given the growing restrictions on the use of insecticides, KWS' genetics provide improved protection against the cabbage stem flea beetle, one of the main pests in oilseed rape cultivation.

Our oilseed rape breeders notched up significant successes in the past fiscal year: The German Federal Office of Plant Varieties approved three winter oilseed rape varieties from KWS that exhibited the best variety performance compared to competitors' products. A variety with the new resistance gene "LepR1" against Phoma to protect the plants against stem canker or blackleg – one of the major oilseed rape diseases – gained approval in France. Products with this resistance gene will soon be ready for the market in Germany, too. Furthermore, ten varieties in France performed excellently in the first year of the Value for Cultivation and Use tests.

KWS' breeding material contains further resistance genes that are waiting to be used. In this way, KWS is helping to preserve oilseed rape as a competitive crop long-term that supplies oil for the food industry and biofuels and provides a domestic source of protein for processing in compound feed production.

Vegetables: Expansion of breeding and research capacities

Establishing and expanding breeding and research locations is vital in ensuring that KWS attains its strategic position in the market for vegetable seed in the long term.

In March 2024, KWS opened its first breeding station in Mexico to drive the development of tomato and pepper varieties for the Mexican market and to conduct screening activities for cucumbers, melons and watermelons. The new breeding station in Navolato in the state of Sinaloa covers 10 hectares and comprises warehouses, offices, a large section for open-air cultivation and greenhouses with a total area of 4,500 m^2, which is set to grow by a further 5,000 m^2 in the coming years. The team consists of around 45 breeders, agricultural experts and seasonal workers.

A new research and breeding station was inaugurated in Brazil in June 2024. The site in Uberlândia in the western part of the state of Minas Gerais is 13 hectares in size and comprises warehouses, offices, 3,800 m^2 of greenhouses and 7 hectares of outdoor areas. Around 60 researchers, breeders and agricultural experts focus on developing tomato, melon and watermelon varieties.

A greenhouse, a research area for outdoor crops and an office and laboratory building will be established over 10,000 m^2 at the Andijk site in the Netherlands by spring 2025. The new greenhouse will be used for research into the outdoor crops spinach, beans, red beet and Swiss chard, among other things. A further section is intended for cucumbers and peppers. The focus here is on trials with and the reproduction of doubled haploid plants developed at KWS' research location in Wageningen.

Use of artificial intelligence in research and product development

Artificial intelligence (AI) is vital in research as it supports the automation of tasks and the analysis of big data and can improve decision-making by delivering insights and recommendations.

KWS has been using artificial intelligence for several years to quantitatively record and analyze the external appearance (phenotype) of plants. This digital phenotyping involves automatic analysis of images from drones, mobile phones and, more recently, satellites. The use of deep learning techniques makes it easier to identify plant diseases and assess plant traits such as drought tolerance. By rolling out digital phenotyping workflows, KWS has been able to replace some labor-intensive field activities and achieve greater accuracy in data capture.

KWS uses machine learning algorithms to assist in the comparison and selection of varieties during product development. The selection models incorporate various variables from environmental and genomic information to support breeders' decisions and shorten the time to market for new varieties.

As part of its strategic "Connected Seeds" initiative, KWS uses the data collected during product development to create predictive models that are tailored to its varieties. That provides farmers with precise cultivation recommendations that result in better yields and more efficient use of resources.

Construction of a new elite storehouse in Einbeck

Construction of the new elite storehouse at headquarters in Einbeck at a cost of around €50 million is the largest single research and development investment in KWS' history. The newly constructed building offers 13,000 m^2 of space to securely store up to 1.3 million batches of sugarbeet, fodder beet, oilseed rape, catch crop and pea seed.

The new elite storehouse means far more seed samples can be processed and kept for breeding. The optimized climatic conditions in the elite storage facility – a temperature of 6 to 8 degrees Celsius and a humidity of 30%– ensure the seed is protected and retains its germination capacity for a long time.

By preserving this enormous diversity of breeding material that has been built up over many decades and is constantly growing – and thereby ensuring our long-term innovativeness – the new building supports the increasingly demanding work involved in developing new high-performance varieties that, in addition to a high yield, have other traits such as drought tolerance, resistance to pests and resource efficiency.

Waste heat from a sewage treatment plant is used to heat the new building and photovoltaic modules supply electricity. These measures will help KWS achieve its climate targets of reducing Scope 1 and Scope 2 emissions by half by 2030 and becoming net zero by 2050.

2.3 Economic Report

2.3.1 Business Performance

General macroeconomic conditions
Economic momentum in the eurozone slowed significantly in 2023, with real gross domestic product (GDP) growing at 0.4% (3.5%). Economic output in Germany, the largest economy in the eurozone, declined by 0.3%. Against the backdrop of low growth and receding inflation in the eurozone, the European Central Bank lowered its key interest rate to 4.25% in June 2024.

In contrast, the U.S. economy performed far more robustly in the period under review: GDP grew by 2.5% in 2023 and is expected to increase by around 2.7% in 2024. As a result of the U.S. economy's strength and unchanged key interest rates, the U.S. dollar appreciated significantly against the euro in the first half of 2024.

KWS' international orientation means that changes in exchange rates impact our key economic figures. The following overview shows the changes in the most important currencies for KWS relative to the euro:

Exchange rates for main currencies

	Rate on balance sheet date	
	06/30/2024	06/30/2023
Argentina	976.67	280.14
Brazil	5.99	5.22
UK	0.85	0.86
Russia	92.42	95.11
Türkiye	35.13	28.15
Ukraine	43.35	40.00
U.S.	1.07	1.09

General conditions in the agricultural sector
The agricultural sector once again faced numerous challenges in the year under review. In Europe, prices for key agricultural raw materials such as corn, oilseed rape and wheat dropped sharply. After their prices hit multi-year lows in the first quarter of 2024, they recovered slightly by the end of the period under review. This was due in particular to falling yield prospects for winter crops in Western Europe as a result of high levels of precipitation and increased disease and pest pressure. In some regions of Eastern Europe and in Spain, however, persistent water scarcity weighed on yield forecasts.

The international market prices for sugar, which were well above the long-term average, continued to offer attractive conditions for sugarbeet cultivation, resulting in a slight increase in the global cultivation area for sugarbeet.

In the U.S., the area under cultivation for soybeans increased by 3% against the backdrop of favorable purchase prices, while the cultivation of corn, the most important agricultural crop in the U.S. market, fell by the same amount. Low wheat prices as a result of high supply volumes, particularly from Europe and the Black Sea region, meant cultivation area in the U.S. fell by 5%.

In Brazil, one of the world's largest agricultural producers, the climate phenomenon El Niño had a significant impact on wheat and corn cultivation. Long periods of drought followed by rainfall and flooding led to a significant decline in area under cultivation and harvests.

Guidance versus actual business performance of the KWS Group

	Results in 2022/2023	Guidance for 2023/2024	Adjustments to the guidance during the year	Results in 2023/2024
		2022/2023 Annual Report	Ad-hoc notification dated April 30, 2024	
Net sales growth[1]	€1,500 million	3–5%[1]	11–13%[1]	€1,678 million; 16.5%[1]
R&D intensity	20.0%	18–19%	~20%	19.4%
EBIT margin	13.0%	11–13%	15–17%	18.0%

1 Net sales growth on a comparable basis (excluding exchange rate and portfolio effects)

Guidance versus actual business performance of the KWS Group

Following the agreements reached at the end of March 2024 on the sale of the South American corn and sorghum business, the key indicators and statements used to present the actual business performance relate to KWS' continuing operations.

Given the pleasing and better-than-expected business performance, particularly during the important spring sowing season, there were significant changes to our estimates for 2023/2024 as a whole in the course of the year. They can be seen in the table below.

The Executive Board raised the forecasts for fiscal year 2023/2024 and published inside information to this effect pursuant to Article 17 of Regulation (EU) No. 596/2014 on April 30, 2024. These forecasts related to KWS' continuing operations following the agreements reached at the end of March 2024 on the sale of the South American corn and sorghum business.

The KWS Group's net sales rose sharply by 11.9% to €1,678.1 (1,500.3) million. Consolidated net sales increased by 16.5% on a comparable basis (excluding exchange rate and portfolio effects), surpassing the revised guidance we had issued during the year. The R&D intensity was 19.4% and was below the guidance of approximately 20% that we revised during the year, mainly due to the sharp increase in net sales.

The EBIT margin was 18.0% and thus above the forecast range we revised during the year. The positive variance is mainly due to higher net sales growth compared to our original assumptions.

All in all, the Executive Board believes that the KWS Group's business performed favorably in the year under review.

Summary of the segments' course of business and comparison with the guidance[2]

The composition of the **Corn Segment** underwent significant changes in the period under review due to the sale of the South American and Chinese corn business. The South American corn business is classified as a discontinued operation in the 2023/2024 Consolidated financial statements and is therefore not included in the report for the Corn Segment; the guidance we updated during the year relates to continuing operations.

On a comparable basis (excluding exchange rate and portfolio effects), net sales from continuing operations in the Corn Segment fell by 0.6% and were therefore above the guidance we updated during the year ("sharp decline").

2 Including equity-accounted companies. Details on the segments' business performance and their economic environment can be found in the segment reports.

The increase in the segment’s income to €39.1 (18.7) million is attributable to the positive contribution to earnings of approximately €28 million from the divestment of the Chinese corn business. Including this non-recurring effect, the segment’s EBIT margin rose from 2.5% to 5.6% and was therefore in line with the guidance we revised during the year (“slight increase”).

Net sales at the **Sugarbeet Segment** rose by 20.7% to €864.9 (716.3) million. Net sales increased by 27.5% on a comparable basis (excluding exchange rate and portfolio effects) and were thus in line with the guidance we updated during the year (“sharp increase”). The significant expansion of business is once again attributable to the market success of innovative CONVISO® SMART and CR+ varieties. The Sugarbeet Segment’s EBIT margin rose sharply to 40.5% (35.4%) and was thus above the guidance we revised during the year (“slight increase”).

Net sales in the **Cereals Segment** rose sharply to €275.9 (247.1) million, mainly due to buoyant growth in oilseed rape, rye and wheat seed. That equates to an increase of 11.7%. Net sales growth on a comparable basis (excluding exchange rate and portfolio effects) was 14.5% and thus matched our guidance (“sharp increase”). The segment’s EBIT margin rose to 18.3% (15.6%) and was thus above our guidance (“at the level of the previous year”).

Net sales in the **Vegetables Segment** fell by 5.9% to €62.1 (66.0) million in the year under review. Net sales fell by 5.6% on a comparable basis (excluding exchange rate and portfolio effects) and thus in line with our guidance (“slight decline”).

The segment’s income fell sharply to €–34.7 (–11.8) million as a result of the operating performance, the planned increase in expenditure on establishing our vegetable breeding activities and higher amortization of intangible assets from the acquisition of Pop Vriend Seeds. The EBIT margin was –55.9% and thus well below the figure for the previous year (–17.8%) (guidance: “sharp decline”).

In light of the gradual switch to the “KWS” brand, the useful life of the “Pop Vriend” brand was adjusted in the year under review and the corresponding intangible assets were amortized to an amount of €10.4 million. In the future, marketing for the vegetable business is to be conducted entirely under the KWS brand.

Including further effects from the purchase price allocation as part of company acquisitions amounting to €8.8 (11.2) million, the segment’s income was reduced by a total of €19.2 (11.2) million as a result of amortization of intangible assets.

Revenue from our farms in Germany, France and Poland is grouped in the **Corporate Segment.** Since all cross-segment costs for the KWS Group’s central functions and research expenditure are still charged to the Corporate Segment, its income is usually negative. The segment’s income fell to €–127.1 (–115.3) million due to general cost increases and planned higher expenditure on research and was thus in line with our guidance (“around €–125 million”).

2.3.2 Earnings, Financial Position and Assets

Earnings

Condensed income statement

in € millions		2023/2024	2022/2023	+/–
Continuing operations				
Net sales [1]		1,678.1	1,500.3	11.9%
EBITDA [1]		388.1	278.8	39.2%
EBIT [1]		302.0	195.1	54.8%
Net financial income/expenses [1]		–50.0	–23.8	>100.0%
Earnings before taxes [1]		252.0	171.3	47.1%
Taxes [1]		67.9	45.2	50.2%
Earnings after taxes [1]		184.1	126.1	46.0%
Discontinued operation				
Earnings after taxes		–53.2	0.9	>–100.0%
Group				
Earnings after taxes		130.8	127.0	3.0%
Earnings per share from continuing operations	in €	**5.58**	**3.82**	**46.0%**
Earnings per share	in €	**3.96**	**3.85**	**3.0%**
EBIT margin (continuing operations)	in %	**18.0**	**13.0**	**–**

KWS Group posts double-digit growth in net sales

The following key indicators relate to KWS' continuing operations following the agreements reached at the end of March 2024 on the sale of the South American corn and sorghum business; the figures for the previous year have been adjusted accordingly. The South American corn and sorghum business is recognized as a discontinued operation in the 2023/2024 consolidated financial statements.

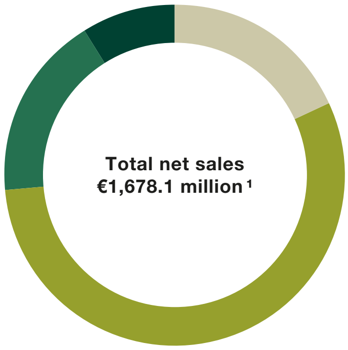
The KWS Group increased its net sales sharply in the year under review to €1,678.1 (€1,500.3) million or by 11.9% compared with the previous year. Consolidated net sales increased by 16.5% on a comparable basis (excluding exchange rate and portfolio effects).

The sharp growth was driven by double-digit increases in the product segments Sugarbeet and Cereals. Exchange rate effects reduced net sales by –4.7%, mainly due to the strong depreciation in the Russian ruble and the Turkish lira against the euro. Portfolio effects had no significant impact on the KWS Group's net sales (of the continuing operations) in the year under review.

The Sugarbeet and Corn Segments (excluding sales of companies accounted for using the equity method) accounted for a major share of total net sales, namely 51.5% (47.7%) and 27.8% (30.8%) respectively. The share of the Cereals Segment in the year under review was virtually constant at 16.4% (16.5%). The Vegetables Segment accounted for 3.7% (4.4%) of total net sales.

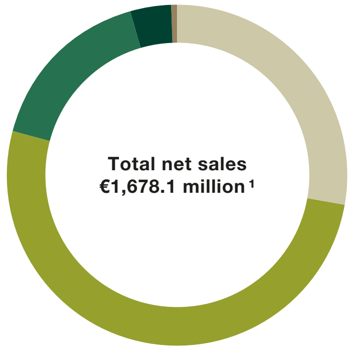
The region where we generated most of our business was Europe, which accounted for 73.6% (73.7%) of net sales (Germany: 18.3% (18.7%)). The share of net sales in North and South America accounted for 17.6% (18.3%) of our total net sales. Revenues from our North American and (on a pro

Net sales by region



1 Without sales of our at-equity-accounted consolidated companies

Net sales by segment



1 Without sales of our at-equity-accounted consolidated companies

rata temporis basis) Chinese equity-accounted companies are only included at the segment level (see our segment reporting starting on page 37).

Sharp improvement in key indicators for operating income

The KWS Group's operating income before depreciation and amortization (EBITDA), including effects from leases and hyperinflation, increased in fiscal 2023/2024 by 39.2% to €388.1 (278.8) million, while operating income (EBIT) rose by 54.8% to €302.0 (195.1) million. The EBIT margin likewise improved sharply to 18.0% (13.0%).

The strong rise in the key indicators for operating income was mainly due to higher sales prices and an improved product mix, as well as a below-proportionate increase in the cost of sales and function costs.

The KWS Group's cost of sales rose by 5.5% to €622.4 (589.9) million against the backdrop of the expansion of business and higher destruction and write-downs of inventories. The cost of sales ratio improved to 37.1% (39.3%) in particular due to price and product mix effects that impacted net sales. The gross profit on sales rose by 16.0% to €1,055.7 (910.4) million.

Selling expenses rose by 10.2% to €284.3 (258.0) million and thus less strongly than net sales. The selling expense ratio thus improved to 16.9% (17.2%).

Research and development expenditure rose by 8.6% in the period under review to €325.6 (299.8) million; the R&D intensity was 19.4% and thus below the level of the previous year (20.0%) due to the strong growth in net sales.

Administrative expenses rose by 6.7% to €149.6 (140.1) million, among other things due to higher personnel costs. The administrative expense ratio improved to 8.9% (9.3%).

The balance of other operating income and other operating expenses rose to €5.7 (–17.4) million, in particular due to the positive non-recurring contribution of €28.1 million from the divestment of the Chinese corn business. The related individual items are explained in detail in the Notes on page 125.

Net financial income/expenses falls sharply

Our net financial income/expenses is made up of the net income from equity investments and the interest result. In addition, we report realized and unrealized foreign exchange differences from financing activities within net financial income/expenses.

Net income from equity investments includes the earnings from equity-accounted joint ventures, which decreased to €–24.3 (–12.3) million, in particular due to the higher loss made by our North American joint venture AgReliant.

The balance of financial expenses and financial income likewise fell sharply to €–25.6 (–11.5) million. This was mainly due to higher interest expenses, particularly in Germany and Türkiye. The other net financial income/expenses decreased mainly due to exchange rate effects amounting to €–4.6 (1.9) million. The above-mentioned changes led to a significant overall decline in net financial income/expenses to €–50.0 (–23.8) million.

Sharp increase in earnings after taxes from continuing operations

Earnings before taxes from continuing operations rose sharply by 47.1% to €252.0 (171.3) million. Income taxes increased to €67.9 (45.2) million, in particular due to the growth in earnings and change in the country mix, while the tax rate rose slightly to 27.0% (26.4%).

Earnings after taxes from continuing operations rose sharply by to €184.1 (126.1) million. Given that the number of shares is 33,000,000, earnings per share from continuing operations were €5.58 (3.82).

Earnings after taxes including the earnings from discontinued operations were €130.8 (127.0) million and thus slightly higher than in the previous year.

Financial situation

Selected key figures on the financial situation

in € millions	2023/2024	2022/2023	+/–
Cash and cash equivalents	222.4	173.0	28.6%
Net cash from operating activities	157.2	144.7	8.6%
Net cash from investing activities	–103.4	–100.1	3.3%
Free cash flow	**53.8**	**44.5**	**20.9%**
Net cash from financing activities	24.8	–59.3	>100.0%

Securing the KWS Group's financial flexibility, enabling its profitable growth and preserving its independence are the core tasks of our financial management. Among other things, we ensure that by extensive liquidity planning, monitoring of cash flows, and hedging the risk of interest rate changes and currency risks. The main financial instruments used by the Group in the fiscal year, apart from a syndicated credit line and a loan from the European Investment Bank (EIB) to fund research and development, were in particular borrower's notes and commercial papers with different loan periods and terms (see page section 7.11 in the Notes for the KWS Group on page 146 for the presentation of the main terms and conditions of our financing instruments).

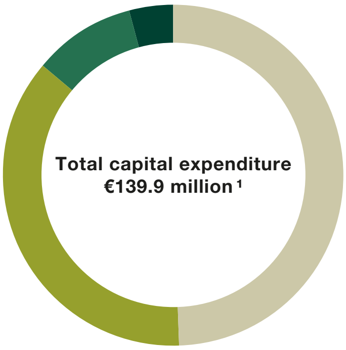
At June 30, 2023, the KWS Group had firmly promised, loans it had not used totaling €398.2 (381.3) million.

The maturity profile of the Group's borrowings has a broad spread, with a high proportion of medium- and long-term financing.

In order to secure KWS' growth, we also consider the option of a capital increase in exceptional cases, for example to fund a further large acquisition.

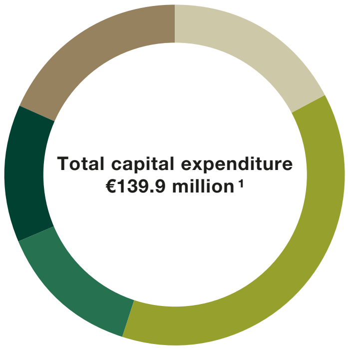
The net cash from operating activities increased in the period under review to €157.2 (144.7) million, while working capital (in particular inventories) also increased.

Capital expenditure by region



1 Without capital expenditures of our at-equity-accounted consolidated companies

Capital expenditure by segment



1 Without capital expenditures of our at-equity-accounted consolidated companies

The net cash from investing activities totaled €–103.4 (–100.1) million. The main focus of the KWS Group's capital spending in the year under review was on erecting and expanding production and research and development capacities. Construction of the new elite storehouse for processing and storing breeding material for sugarbeet was continued at the Einbeck location. Its investment volume is more than €50 million and it is scheduled to be completed in fiscal 2024/2025. In Ukraine, the focus was on expanding and modernizing production and processing plants for corn seed. In the Cereals Segment, we modernized and expanded our production plants in Germany, France and Poland, among other things. We expanded our breeding capacities in the Vegetables Segment. Across all segments, investments were made in office and laboratory equipment and in IT systems, among other things. Total capital spending in fiscal 2023/2024 (for continuing operations) totaled €139.9 (109.1) million. However, there were proceeds from disposal of non-current assets totaling €43.2 (3.5) million, in particular from the divestment of the Chinese corn business.

Depreciation and amortization increased in the year under review to €119.1 (95.4) million, in particular due to higher amortization of intangible assets in the Vegetables Segment and an allowance for an equity interest in Research & Development.

The free cash flow was €53.8 million and thus above the figure for the previous year (€44.5 million). The net cash from financing activities was €24.8 (–59.3) million. The main reason for the increase was higher borrowing to finance the company's operations. Cash and cash equivalents rose sharply to €222.4 million at the end of the period under review (previous year: €173.0 million).

For the discontinued operation, net cash from operating activities was €–0.7 (–6.9) million, net cash from investing activities was €–2.3 (1.5) million and net cash from financing activities was €–30.4 (0.3) million.

Assets

The KWS Group's balance sheet is impacted by the seasonal nature of our business. In the course of the year, there are usually balance sheet items that differ significantly from the corresponding figures at the balance sheet date, in particular in relation to working capital.

Due to the sale of the South American corn and sorghum business, it was classified as a discontinued operation. The associated assets and liabilities are reported accordingly as separate items ("Assets held for sale" and "Liabilities in connection with assets held for sale") in the consolidated balance sheet as of June 30, 2024 (see the disclosures in the Notes on page 105 for further details).

Unlike in the consolidated income statement, the International Financial Reporting Standards (IFRS) do not provide for any adjustment of the previous year's figures in the consolidated balance sheet as of June 30, 2023.

In view of that, the informational value of any direct comparison of the consolidated balance sheet figures as of June 30, 2024, with those at June 30, 2023, is limited.

Total assets at June 30, 2024, were €2,956.1 (2,749.6) million. Noncurrent assets totaled €1,220.1 (1,326.8) million and current assets totaled €1,301.5 (1,420.7) million. The decrease in noncurrent and current assets is mainly due to the separate disclosure of assets held for sale totaling €434.5 (2.1) million.

Equity increased to €1,399.9 (1,291.1) million, mainly due to the net income for the year. The equity ratio was €47.4% and thus on a par with the previous year's figure (47.0%).

The fall in noncurrent liabilities to €610.0 (762.0) million is attributable in particular to changes in the maturities of long-term financial liabilities. Current liabilities fell to €655.2 (696.5) million, in particular due to the separate disclosure of liabilities in connection with assets held for sale. Liabilities in connection with assets held for sale amounted to €291.0 (0.0) million.

Net debt (long-term and short-term borrowings from banks less cash and cash equivalents) improved to €385.1 (565.2) million, in particular due to the separate disclosure of liabilities in connection with assets held for sale.

Condensed balance sheet

in € millions	06/30/2024	06/30/2023	+/–
Assets			
Noncurrent assets	1,220.1	1,326.8	–8.0%
Current assets	1,301.5	1,420.7	–8.4%
Assets held for sale	434.5	2.1	>100.0%
Equity and liabilities			
Equity	1,399.9	1,291.1	8.4%
Noncurrent liabilities	610.0	762.0	–19.9%
Current liabilities	655.2	696.5	–5.9%
Liabilities in connection with assets held for sale	291.0	0.0	–
Total assets	**2,956.1**	**2,749.6**	**7.5%**

2.3.3 Segment Reports

Reconciliation with the KWS Group

The KWS Group's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS). The segments are presented in the Management Report in line with our internal corporate controlling structure in accordance with GAS 20. The main difference is that we do not carry the revenues and costs of our equity-accounted companies in the statement of comprehensive income (in accordance with IFRS 11). The KWS Group's net sales and EBIT are therefore lower than the total for the segments. The earnings contributed by the equity-accounted companies are instead included under net financial income/expenses. Our equity-accounted companies are included proportionately in the segment reports in line with our internal corporate controlling structure.

The difference from the KWS Group's statement of comprehensive income is summarized for a number of key indicators – relating to continuing operations – in the reconciliation table:

Reconciliation table (all key indicators relate to continuing operations)

in € millions	Segments	Reconciliation	KWS Group
Net sales	1,913.4	–235.3	1,678.1
EBIT	277.7	24.3	302.0
Number of employees (avg. FTE)	5,004	–331	4,673
Capital expenditure	145.7	–5.8	139.9
Total equity and liabilities	3,064.6	–108.5	2,956.1

The reconciliation between the KWS Group's statement of comprehensive income and the reporting by segments in fiscal 2023/2024 is impacted by our equity-accounted companies in North America and China (on a pro rata temporis basis).

Corn

Corn Segment

General industry-specific conditions: Decline in land under cultivation in all main corn regions
The general conditions for corn cultivation were challenging in all key agricultural regions in the year under review. The area under cultivation in the U.S., the world's largest corn producer, fell by around 3% as a result of low purchase prices.

In the European grain corn markets, adverse economic conditions for cultivation also dampened demand. However, the European market for silage corn, in which KWS is the leader, recorded stable growth in cultivation area.

In Brazil, one of the world's largest agricultural producers, the climate phenomenon El Niño had a significant impact on corn cultivation. Long periods of drought followed by rainfall and flooding led to a significant decline in area under cultivation and harvests.

The segment's performance: Sale of the corn business in South America and China
The composition of the Corn Segment underwent significant changes in the period under review. In October 2023, we divested the Chinese corn business (including licenses) to our joint venture partner there. In March 2024, we also concluded an agreement to sell our corn business in South America. The transaction, which comprises all breeding and sales activities for corn in South America (Brazil, Argentina, Paraguay and Uruguay) and all production sites for corn seed in Argentina and Brazil, was closed after the end of the period under review (see also "Report on events after the balance sheet date" on page 165) and will have a significant positive impact on KWS' key financial indicators such as net debt and the equity ratio. The South American corn business is classified as a discontinued operation in the 2023/2024 annual financial statements and is therefore not included

in the report for the Corn Segment. Comparative segment information has been adjusted retroactively.

The net sales from continuing operations in the Corn Segment fell by 5.0% to €701.5 (738.1) million in the year under review. Net sales declined by 0.6% on a comparable basis (excluding exchange rate and portfolio effects). There were negative exchange rate effects mainly from the depreciation of the Russian ruble and the Turkish lira against the euro.

We grew net sales in Europe on a comparable basis by around 4% despite a fall in land under cultivation. That increase is mainly attributable to higher sales prices. According to our own surveys, we again defended our leading position in the silage corn market in the year under review.

Net sales at our North American joint venture AgReliant declined by around 12%. In addition to negative exchange rate effects, our business recorded a decline in volumes in a fiercely competitive environment.

The increase in the segment's income to €39,1 (18.7) million is attributable to the positive contribution to earnings of approximately €28 million from the divestment of the Chinese corn business.

While our European corn business continued to show robust earnings strength with an EBIT margin of around 13% (14%) despite a decline in earnings, the EBIT of our U.S. joint venture AgReliant remained negative due to a lower than expected operating performance and adverse special effects.

Including the positive earnings contribution from the divestment of the Chinese corn business, the segment's EBIT margin rose from 2.5% to 5.6%.

Expansion of production plants in Europe
The segment's capital spending was €27.8 (25.9) million in the year under review. Apart from routine maintenance measures, we expanded our drying capacities in Türkiye, among other things, thereby significantly reducing our dependence on third-party providers. Alongside that, we increased our storage capacities in Buzet, France. We also modernized parts of our production plants in Romania so that we can keep meeting our high standards of quality, safety and environmental protection. We completed our extensive expansion of the seed processing plant in Ukraine. The aim is to ensure the availability of high-quality seed and to provide long-term support for reconstruction of the agricultural industry in Ukraine.

Key figures

in € millions		2023/2024	2022/2023	+/–
Net sales [1]		701.5	738.1	–5.0%
EBITDA [1,2]		77.8	51.7	50.5%
EBIT [1]		39.1	18.7	>100.0%
EBIT margin [1]	in %	5.6	2.5	–
Capital expenditure [1]		27.8	25.9	7.3%
Capital employed (avg.) [3]		767.1	923.1	–16.9%
ROCE (avg.) [1,4]	in %	5.1	2.0	–

1 The previous year's figures have been adjusted due to the fact that the commercial corn and sorghum business in South America is recognized as a discontinued operation
2 EBITDA = EBIT (incl. IAS 29 Hyperinflation) + Depreciation (incl. IAS 29 Hyperinflation) + Amortization (incl. IAS 29 Hyperinflation)
3 Capital employed (average capital employed) = (quarterly figures at the reporting date for intangible assets + property, plant and equipment + inventories + trade receivables – trade payables)/4
4 ROCE = EBIT/capital employed (avg.)

Sugarbeet Segment

General industry-specific conditions: Sugar prices at a high level, slight increase in land under cultivation
As a result of limited supply volumes, global sugar prices reached long-term highs in the fall of 2023. Against this backdrop, purchase prices for sugarbeet were at a high level, offering farmers attractive conditions for growing sugarbeet. Global cultivation area grew by around 2% to 4.6 million hectares. In the course of the period under review, the supply situation on global markets eased, particularly due to higher sugar production in Europe and Brazil, with the result that sugar prices fell again significantly.

According to estimates by the Food and Agriculture Organization (FAO) of the United Nations, global sugar consumption continued to rise in the year under review, especially in Africa and Asia.

The segment's performance: Product innovations drive strong growth in net sales and EBIT
Net sales at the Sugarbeet Segment again rose sharply in the year under review to €864.9 (716.3) million, an increase of 20.7%. The growth was 27.5% on a comparable basis (excluding exchange rate and portfolio effects). There were negative exchange rate effects on net sales mainly from the depreciation of the Russian ruble, the Turkish lira and the US dollar against the euro.

Europe is the segment's most important market, accounting for 60.4% (59.6%) of total net sales, followed by North America with 26.5% (29.9%).

The segment's sharp increase in net sales resulted from a significant expansion of business in all key regions for global sugarbeet cultivation and once again underscores KWS' leading position in the market for sugarbeet seed.

Our sustainable product innovations CONVISO® SMART and CR+ played a substantial part in this and once again recorded high demand in the 2024 growing season. The combined share contributed by these innovations to total net sales increased to around 56% (49%). Against the backdrop of increasing regulation of pesticides and rising disease pressure as a result of climate change, these innovations make an important contribution to achieving stable beet yields with less use of pesticides.

The segment's income was €350.1 million thanks to the buoyant net sales trend and was significantly above the previous year's figure (€253.4 million).

While gross profit on sales was significantly higher (+21%), there were moderately higher selling expenses (+6%) and research and development expenditure (+6%). The EBIT margin improved sharply to 40.5% (35.4%).

We are continuing to invest strongly in expanding our sugarbeet breeding programs so that we can continue to provide our farmers with innovative seed in the future. The focus is on solutions to combat increasing disease or insect infestation as a consequence of climate change and to enable effective weed control. In addition, development of diploid hybrid potatoes was continued in the year under review.

Important capital spending projects

As planned, we continued construction of our new elite storehouse for processing and storing breeding material for sugarbeet at our Einbeck location in fiscal 2023/2024. At a cost of more than €50 million, the new building is the largest single investment in KWS' history. The new elite storehouse is expected to be put into operation in fiscal 2024/2025.

Among other things, we also invested in expanding our production plants in Türkiye and France and in constructing new greenhouses and offices in the U.S.

The segment's capital spending in the year under review was €58.5 (37.0) million and thus well above the figure for the previous year.

Key figures

in € millions		2023/2024	2022/2023	+/–
Net sales [1]		864.9	716.3	20.7%
EBITDA [1]		373.6	275.6	35.6%
EBIT [1]		350.1	253.4	38.2%
EBIT margin [1]	in %	40.5	35.4	–
Capital expenditure [1]		58.5	37.0	58.1%
Capital employed (avg.) [2]		519.1	449.9	15.4%
ROCE (avg.) [3]	in %	67.4	56.3	–

1 EBITDA = EBIT (incl. IAS 29 Hyperinflation) + Depreciation (incl. IAS 29 Hyperinflation) + Amortization (incl. IAS 29 Hyperinflation)
2 Capital employed (average capital employed) = (quarterly figures at the reporting date for intangible assets + property, plant and equipment + inventories + trade receivables – trade payables)/4
3 ROCE = EBIT/capital employed (avg.)

Cereals

Cereals Segment

General industry-specific conditions: Prices for agricultural raw materials continue to decline
International prices for key agricultural raw materials such as wheat, oilseed rape and rye fell, in some cases significantly, in the course of the year under review. After their prices hit multi-year lows in the first quarter of 2024, they recovered slightly by the end of the period under review. This was due in particular to falling yield prospects for winter crops in Western Europe as a result of high levels of precipitation and increased disease and pest pressure. In some regions of Eastern Europe and in Spain, however, persistent water scarcity weighed on yield forecasts. In Russia, one of the world's largest cereal producers, the harvest forecasts for wheat also fell due to drought and late frost.

According to estimates by the Food and Agriculture Organization (FAO) of the United Nations, the level of supply on the global cereals markets was sufficient during the period under review.

The segment's performance: Double-digit growth in net sales and earnings
Net sales in the Cereals Segment in fiscal 2023/2024 rose sharply to €275.9 (247.1) million, mainly due to buoyant growth in oilseed rape, rye and wheat seed. That equates to an increase of 11.7%. Net sales grew by 14.5% on a comparable basis (excluding exchange rate and portfolio effects). There were negative exchange rate effects on net sales mainly from the depreciation of the Russian ruble against the euro.

As regards oilseed rape, favorable market conditions and robust demand for our portfolio of high-performance varieties in particular resulted in a significant expansion of business, with net sales rising by around 16%. We posted the largest growth in Germany, France and Eastern Europe. Oilseed rape business has become considerably more important for the Cereals Segment in recent years and in the period under review accounted for 31% of net sales (previous year: 30%).

Rye seed business also performed very well in the year under review, posting net sales growth of around 13%, in particular on the back of strong demand in Germany (+18%). Our business benefited in particular from the increasing use of rye in fodder and is underpinned by its excellent carbon footprint and high yield stability under dry conditions. Rye seed business accounts for around 38% (38%) and thus a significant share of the segment's net sales.

Net sales from wheat seed business increased by around 8%, mainly due to higher royalties, with the biggest growth being recorded in the UK.

Our sorghum activities in Brazil were also sold as part of the divestment of our corn business in South America. As a discontinued operation, they are no longer included in the Cereals Segment report. Comparative segment information has been adjusted retroactively.

The segment's income rose sharply by 28.6% to €50.4 (39.2) million thanks to the positive net sales trend. The EBIT margin increased to 18.3% and was thus also well above the level of the previous year (15.9%).

While gross profit increased (+21%), there were higher selling expenses (+9%). In addition, we further increased our research and development expenditure (+8%).

As part of our strategic orientation, the focus of our research and development is on breeding hybrid seed, including for wheat and barley. Another focus is on breeding high-performance varieties as well as on their resource efficiency and improved traits to promote sustainable agriculture.

Investment in breeding and production continued

The segment's capital spending in the year under review was €17.5 (12.8) million and thus above that of the previous year. The main focus of investment activity was again on expanding and modernizing production plants in Germany, France and Poland, such as the seed processing plant at Wohlde, and modernizing breeding stations.

Key figures

in € millions		2023/2024	2022/2023	+/–
Net sales [1]		275.9	247.1	11.7%
EBITDA [1,2]		57.5	47.0	22.3%
EBIT [1]		50.4	39.2	28.6%
EBIT margin [1]	in %	18.3	15.9	–
Capital expenditure [1]		17.5	12.8	36.7%
Capital employed (avg.) [3]		170.0	172.4	–1.4%
ROCE (avg.) [1,4]	in %	29.6	22.8	–

1 The previous year's figures have been adjusted due to the fact that the commercial corn and sorghum business in South America is recognized as a discontinued operation
2 EBITDA = EBIT (incl. IAS 29 Hyperinflation) + Depreciation (incl. IAS 29 Hyperinflation) + Amortization (incl. IAS 29 Hyperinflation)
3 Capital employed (average capital employed) = (quarterly figures at the reporting date for intangible assets + property, plant and equipment + inventories + trade receivables – trade payables)/4
4 ROCE = EBIT/capital employed (avg.)

Vegetables

Vegetables Segment

General industry-specific conditions: Vegetable market expected to grow
Experts estimate that the global vegetable market will be worth one trillion euros by 2024 – and rising. Average growth is expected to be 7% p.a. over the next five years. We expect global demand for vegetable seed to increase at a similarly buoyant rate.

Demand for vegetables is likely to be further boosted in the future by the growing number of vegans, health and wellness trends and the increasing popularity of vegetables as a source of protein. There is also a growing trend toward higher-priced organic vegetables.

The specific general conditions for spinach seed, our main sales driver in the Vegetables Segment, were largely unchanged in the period under review. Demand for high-quality spinach for the food service sector remained below pre-coronavirus levels.

The segment's performance: Decline in net sales and earnings, expansion of breeding activities as planned
Net sales at the Vegetables Segment fell year over year by 5.9% to €62.1 (66.0) million in the year under review. Net sales declined similarly by 5.6% on a comparable basis (excluding exchange rate and portfolio effects).

Spinach seed accounted for around two-thirds of the segment's net sales. While business in our main market, the U.S., remained stable, we recorded a year-on-year decline in demand in China, among other countries.

Despite an overall fall in net sales of around 12% in the period under review, we were able to maintain our leading position in spinach seed. We expect business to pick up and net sales to increase in fiscal 2024/2025 (see also the Forecast Report on page 94).

However, bean seed business, which accounts for around 29% of net sales and is the second-largest product group in the segment, grew by 11%, particularly in our main market, the U.S.

The segment's income fell sharply to €–34.7 (–11.8) million as a result of the operating performance, the planned increase in expenditure on establishing our vegetable breeding activities and higher amortization of intangible assets from the acquisition of Pop Vriend Seeds.

In light of the gradual switch to the "KWS" brand, the useful life of the "Pop Vriend" brand was adjusted in the year under review and the corresponding intangible assets were amortized to an amount of €10.4 million. In the future, marketing for the vegetable business will be conducted entirely under the KWS brand.

Including further effects from the purchase price allocation as part of company acquisitions amounting to €8.8 (11.2) million, the segment's income was reduced by a total of €19.2 (11.2) million as a result of amortization of intangible assets.

Expansion of vegetable breeding continued

KWS' strategic objective is to build a significant position in the vegetable seed market long-term. Our focus apart from spinach and beans is on the world's five most important crops in this segment: tomatoes, peppers, cucumbers, watermelons and melons. We are laying the foundations for this with the planned expansion of our vegetable breeding.

In March 2024, we officially opened our first breeding station in Mexico to drive the development of tomato and pepper varieties for the Mexican market and to conduct screening activities for cucumbers, melons and watermelons. The new breeding station in Navolato in the state of Sinaloa covers 10 hectares and comprises warehouses, offices, a large section for open-air cultivation and greenhouses with a total area of 4,500 m^2, which is set to grow by a further 5,000 m^2 in the coming years.

A new research and breeding station for developing tomato, melon and watermelon varieties was inaugurated in Brazil in June 2024. The site in Uberlândia in the western part of the state of Minas Gerais is 13 hectares in size and comprises warehouses, offices, 3,800 m^2 of greenhouses and 7 hectares of outdoor areas.

KWS is also expanding research and development capacities at its Andijk location in the Netherlands. A greenhouse, a research area for outdoor crops and an office and laboratory building will be established over 10,000 m^2 by spring 2025. The new greenhouse will be used for research into the outdoor crops spinach, beans, red beet and Swiss chard, among other things.

KWS now has vegetable breeding stations in Spain, Italy, the Netherlands, Türkiye, Brazil and Mexico.

Capital spending in the Vegetables Segment increased from €14.3 million in the previous year to €16.5 million.

Key figures

in € millions		2023/2024	2022/2023	+/–
Net sales		62.1	66.0	–5.9%
EBITDA [1]		–11.2	2.3	>100.0%
EBIT		–34.7	–11.8	>100.0%
EBIT margin	in %	–55.9	–17.8	–
Capital expenditure		16.5	14.3	15.4%
Capital employed (avg.) [2]		430.9	427.1	0.9%
ROCE (avg.) [3]	in %	–8.1	–2.8	–

1 EBITDA = EBIT (incl. IAS 29 Hyperinflation) + Depreciation (incl. IAS 29 Hyperinflation) + Amortization (incl. IAS 29 Hyperinflation)
2 Capital employed (average capital employed) = (quarterly figures at the reporting date for intangible assets + property, plant and equipment + inventories + trade receivables – trade payables)/4
3 ROCE = EBIT/capital employed (avg.)

Corporate

Corporate Segment

Key figures

in € millions	2023/2024	2022/2023	+/–
Net sales[1]	9.2	8.3	10.2%
EBITDA[1,2]	–101.2	–94.1	7.6%
EBIT[1]	–127.1	–115.0	10.5%
Capital expenditure	25.4	17.9	41.7%

1 The previous year's figures have been adjusted due to the fact that the commercial corn and sorghum business in South America is recognized as a discontinued operation
2 EBITDA = EBIT (incl. IAS 29 Hyperinflation) + Depreciation (incl. IAS 29 Hyperinflation) + Amortization (incl. IAS 29 Hyperinflation)

Net sales in the Corporate Segment are mainly generated from our farms in Germany, France and Poland and increased to €9.2 (8.3) million in the period under review.

At the same time, since cross-segment costs for the KWS Group's central functions and research expenditure are charged to the Corporate Segment, its income is usually negative.

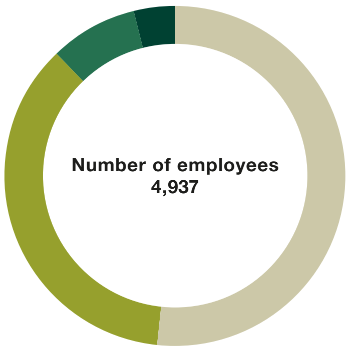
The segment's income fell to €–127.1 (–115.0) million, mainly due to general cost increases, especially for personnel, and planned higher expenses for research. Capital spending was €25.4 (17.9) million and thus above that of the previous year.

Alongside general spending on office and laboratory equipment and IT systems, the focus of our investment activity was on implementation of new ERP software and an efficiency project aimed at using heat from effluents.

2.3.4 Employment Trends

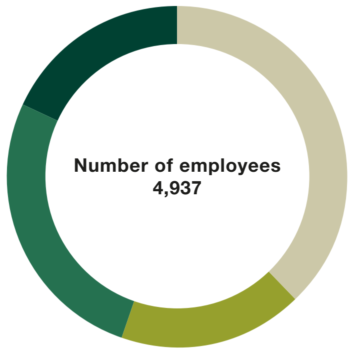
The KWS Group employed an average of 4,937 (4,653) people (excluding seasonal workers and employees from the discontinued operation) in the year under review, a year-on-year increase of around 6%. 2,558 (2,417), or around 52.0% (52.0%) of the workforce, were employed in Germany. Once again, the area that accounted for the most employees was research and development, which made up 37.8% (37.3%) of the total workforce.

Employees by region



Germany 2,558
Europe (excluding Germany) 1,780
North and South America 408
Rest of world 191

Employees by function



Research & Development 1,866
Production 868
Distribution 1,322
Administration 881

2.4 Sustainability Information (Combined Non-Financial Declaration)

2.4.1 General Information[1]

Overview of the status of implementation of key sustainability goals

Environmental objectives	Target in 2030	Section	2023/2024	2022/2023
Climate Change		**2.4.2**		
Emissions Scopes 1 and 2[4]	50% reduction (2050: net zero) compared with the baseline year 2020/2021 (47,587 t CO_2e)		48,379 t CO_2e	50,940 t CO_2e
Use of scorecards to measure local environmental performance	Use of scorecards at all production sites, including at processing plants and our own seed propagation areas		58 out of 71 locations	56 out of 71 locations
Water		**2.4.2**		
KWS Group's water consumption	Will be defined in fiscal year 2024/2025		498,732 m^3	n/a
Biodiversity and ecosystems		**2.4.2**		
Crops in breeding programs	27		23	23
Budget for resource-conserving research	>30% of the annual R&D budget on reducing the use of resources		21.9%	20.2%
Ratio of low-input varieties	Suitability of >25% of KWS' varieties for low-input farming		18.9% [1]	9.1% [2]
Innovations for Agriculture		**2.4.2**		
Annual yield gain	1.5% on average		1.1% [1]	1.3% [2]
Use of digital solutions on customers' fields	Use of digital solutions on >6 million hectares		2.9 million hectares	2.5 million hectares
Ratio of varieties for direct human nutrition	>40% of KWS' varieties can be used directly in human nutrition		35.9% [1]	63.0% [2]
Social objectives	**Target in 2030**	**Section**	**2023/2024**	**2022/2023**
Social engagement		**2.4.3**		
Ratio of expenditures as part of our social engagement	1% of operating income (EBIT) p.a.		0.7%	0.6%
Own Workforce		**2.4.3**		
OSHA incident rate at the KWS Group[3]	<5.0[5]		8.04[5]	8.16[5]
Employee engagement	The employee engagement target will be defined in 2024/2025; baseline year 2023/2024	2.4.3	74%	n/a
Governance objectives	**Target in 2030**	**Section**	**2023/2024**	**2022/2023**
Business Conduct		**2.4.4**		
Access to the Compliance Portal	95%		92%	80%

1 Recorded for the German and UK markets; the definition was adjusted in 2023/2024
2 Recorded for the German market
3 Rate of lost-time occupational accidents relative to hours worked (per 1 million working hours); OSHA = Occupational Safety and Health Administration
4 Emissions excluding the units to be sold in South America. There is a reconciliation with the emissions before the sale in section 'Climate Change'
5 The calculation logic was adjusted to 1 million working hours in 2023/2024 and the target figure was also adjusted accordingly

1 Not an audited part of the Combined Management Report

Our understanding of sustainability

It is our understanding of sustainability that sustainable commercial success requires – in addition to stringent implementation of our commercial goals – a socially, ecologically and economically balanced business culture. Our corporate vision, mission and values form the basis for this and are a key component in our activity and in ensuring KWS' long-term economic success.

"Our passion for plants sustains farming, food and planet"

The KWS Group's mission

We set ourselves long-term and concrete objectives under our sustainability strategy, for which the Executive Board is jointly responsible. In our global strategic planning process, their appropriateness is regularly reviewed, with the aim of orienting our business activities toward social, ecological and economical aspects. In this spirit, KWS adopted sustainability goals in 2021 as part of the Sustainability Ambition 2030, and the status of their implementation is reported on in the Non-Financial Declaration. A central Sustainability Team operates as a staff unit under the responsibility of our Chief Financial Officer and coordinates the main sustainability activities within the KWS Group.

Sustainability issues of moderate to high materiality

We derive the issues we report on in the Non-Financial Declaration from a materiality analysis based on the Corporate Sustainability Reporting Directive (CSRD). It was repeated in 2023/2024 and now follows the concept of double materiality. The relevant stakeholder groups were involved in that. The key stakeholder groups include not only our direct customers, i.e. farmers, but also our shareholders, suppliers and employees. We also include various stakeholders throughout the agricultural value chain in our analysis, such as policymakers, public authorities, non-governmental organizations, science, academia and the media. In order to identify issues that might be relevant to the updated materiality analysis, issues were also derived from the company's context in connection with our strategy and business model. The issues were evaluated as part of a value chain analysis and their materiality was analyzed in terms of their financial effect and impact.

The following issues of high materiality for the KWS Group were identified:

Environmental Aspects

- Climate Change
- Water
- Biodiversity and Ecosystems
- Innovations for Agriculture

Social Aspects

- Own Workforce
- Labor in the Value Chain

Governance

- Business Conduct

Sustainability-related issues that were categorized as being of high materiality are presented in the Non-Financial Declaration.

Legal disclosures

In accordance with Sections 289b et seq. and Sections 315b et seq. of the German Commercial Code (HGB), KWS is obliged to prepare a Non-Financial Declaration for the parent company KWS SAAT SE & Co. KGaA and the KWS Group disclosing details of the business model and related material corporate social responsibility (CSR) aspects (environmental issues, social issues, employee issues, human rights, and prevention of corruption and bribery), where these are necessary for an understanding of the course of business, business results, the situation of KWS SAAT SE & Co. KGaA and the KWS Group, and the effects on said aspects. The disclosures in the Combined Non-Financial Declaration relate to both KWS SAAT SE & Co. KGaA and the KWS Group, unless otherwise specified, but not to our joint ventures or associated companies.

The table below gives an overview of the CSR report aspects stipulated by law in accordance with Section 289c of the German Commercial Code (HGB) and other associated issues that require reporting, as well as references to the sections in which the required disclosures on concepts, results, risks and key performance indicators are made.

We did not identify any risks that exceeded the statutory materiality threshold defined in Section 289c (3) of the German Commercial Code (HGB). In addition, the KWS Group has not defined any non-financial performance indicators relating to controlling at present.

Index for the Non-Financial Declaration

Required HGB disclosures	Issues of high materiality	Reference to sections
Business model		2.4.1 General Information
Environmental issues	Climate Change Water Biodiversity and Ecosystems Innovations for Agriculture	2.4.2 Environmental Aspects 2.4.2 Environmental Aspects 2.4.2 Environmental Aspects 2.4.2 Environmental Aspects
Employee issues	Own Workforce	2.4.3 Social Aspects
Corruption and bribery	Business Conduct	2.4.4 Governance
Human rights	Own Workforce	2.4.3 Social Aspects
Social issues	Own Workforce Labor in the Value Chain	2.4.3 Social Aspects 2.4.3 Social Aspects
EU Taxonomy		2.4.2 Environmental Aspects

Sustainable Development Goals

KWS supports achievement of the Sustainable Development Goals (SDGs) under the UN's Agenda 2030 (www.un.org/sustainabledevelopment/sustainable-development-goals/). KWS feels it has a commitment in this regard and makes concrete contributions to the following SDGs through its business activities:

We will be guided by the SDGs in the future development of our company and intend to continue integrating them in the Group.

KWS' focal issues from the 17 Sustainable Development Goals (SDGs)

2.4.2 Environmental Aspects[2]

2.4.2.1 Climate Change

Improve operational footprint (Sustainability Ambition 2030)

Objective	Target in 2030	2023/2024	2022/2023
Scope 1 and Scope 2 emissions globally[1]	50% reduction (2050: net zero) compared with the baseline year 2020/2021	48,379 t CO_2e	50,940 t CO_2e
Rollout of scorecards to measure environmental performance	Use of scorecards at all production sites, including at processing plants and our own seed propagation areas	58 out of 71 locations	56 out of 71 locations

1 In this section, we comment on the development of energy and Scope 1 and Scope 2 emissions (calendar year) following the sale of our locations in South America. The tables include a reconciliation with the figures before their sale.

Energie und Emissionen

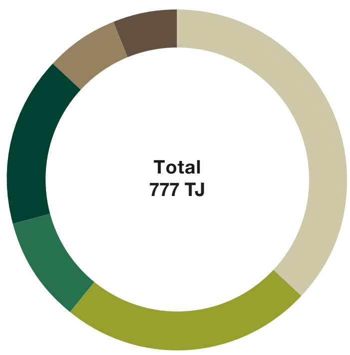
KWS has set itself the goal of reducing Scope 1 and Scope 2 emissions by 50% by 2030 compared with the baseline year 2020/2021 (47,587[3] tons of CO_2e). KWS therefore surpasses the 42% reduction required by the Science Based Targets Initiative (SBTi) for this period. Our aim is to reduce our emissions to net zero in 2050. Both objectives are geared toward meeting the 1.5 degree target defined in the Paris Agreement. In this section, we comment on the changes in energy and emissions excluding our locations in South America that were being sold as of June 30, 2024. We present a reconciliation table disclosing energy and emissions before the sale of the South American locations.

Energy

As a plant breeding company, KWS is part of the agricultural value chain. We mainly require heat for drying seed, and cold and heat for breeding work in greenhouses or climatic chambers, and for operating agricultural machinery. We currently cover these energy requirements predominantly with natural gas, by purchasing electricity from national power grids, and with diesel, but also by using energy obtained from biomass (biomethane, wood chips and corn cobs). The company also has its own photovoltaic systems at various locations and they help reduce the amount of energy that has to be purchased externally. Our global energy requirements totaled 777 (851) terajoules (TJ)[4] in calendar year 2023, of which 13% (15%) was covered by renewable energies[5]. The decrease in energy requirements was caused by lower consumption of natural gas, as well as a decline in combustion of corn cobs and purchased electricity. The energy intensity was 0.46 (0.57[6]) gigajoules (GJ) per €1,000 of net sales.

Energy consumption by energy type

in % of total



2 Not an audited part of the Combined Management Report

3 Baseline year excluding the South American locations that are to be sold (before their sale: 56,463 tons of CO_2e)

4 We use the relevant physical conversion variables to calculate energy consumption. In the year under review, we changed our energy accounting and now disclose our energy consumption before energy losses from gasoline and diesel engines.

5 This includes energy obtained from the combustion of biomethane, corn cobs and wood chips and from in-house power generation. We do not have any information to enable the data on electricity we buy in to be broken down by renewable energies.

6 The previous year's figure is 0.57 GJ per €1,000 of net sales both including and excluding the locations affected by the sale.

Energy consumption at the KWS Group

in GJ	2023	2022
Natural gas	288	316
Purchased electricity	184	199
Biomethane combustion	81	89
Diesel	125	131
Petrol	53	40
Others	47	75
Total	**777**	**851**
Total before sale	1,048	1,193

Emissions

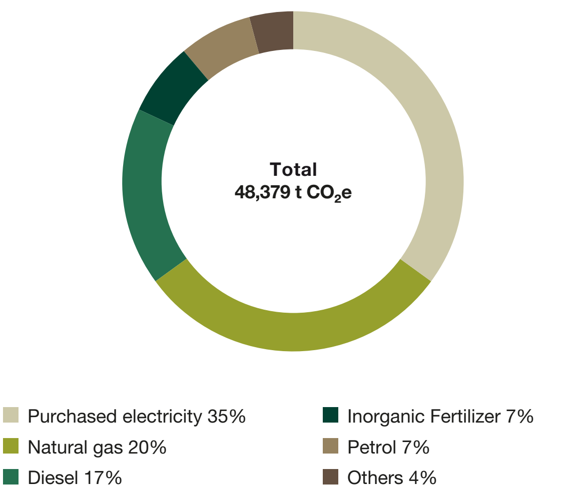
In order to achieve our emissions targets, we adjust our use of energy. We examine among other things increasing the use of biomass-based energy generation, expanding our own photovoltaic plants and purchasing green electricity under power purchase agreements, as well as energy efficiency measures. As part of that, we take into account both the potential of such projects to reduce emissions and their cost-effectiveness. In fiscal 2023/2024, the Executive Board decided to replace our use of natural gas in Germany with biomethane by 2027, and a supply agreement to this effect was concluded. A heat exchange concept with the municipal water treatment plant in Einbeck and the installation of photovoltaics to generate our own electricity in-house are also being implemented at present. Further measures for German locations are currently being examined or planned (including the use of wind power, district heating, the purchase of low-emission electricity, the use of heat pumps and heat exchangers, or other technical energy efficiency measures to reduce our energy requirements). The carbon policy described in the previous year was adopted in fiscal 2023/2024. In addition to technical and organizational regulations, it includes the introduction of an internal carbon price starting in fiscal 2024/2025 and the establishment of a 30% share of low-emission electricity generation by the company in-house. The policy applies worldwide. In the coming years, the focus of further cost-cutting measures will be on our foreign locations.

In fiscal 2023/2024, the KWS Group's Scope 1 and Scope 2 emissions were 48,379 (50,940) tons of CO_2e. The 5.0% reduction is due in particular to lower emissions from natural gas, purchased electricity and LPG. That gives an emission intensity of 28.8 (34.0[7]) kg of CO_2e per €1,000 of net sales. The Scope 1 and Scope 2 footprint of the parent company KWS SAAT SE & Co. KGaA was 12,387 (15,503) tons of CO_2e.

Emissions resulting from the use of biomass (biogas, corn cobs, wood chips, bioethanol and organic fertilizer) are mainly reported outside the GHG Scopes in accordance with the Greenhouse Gas Protocol (GHG Protocol).

Scope 1 and Scope 2 emissions

by source



These out-of-scope emissions in calendar year 2023 were 7,793 (10,897) tons of CO_2e for the KWS Group and 4,483 (4,930) tons of CO_2e for KWS SAAT SE & Co. KGaA.

7 The previous year's figure was 35.9 kg CO_2e per €1,000 of net sales (before sale of the South American locations).

Scope 1 and Scope 2 emissions by energy source

tons of CO_2e	2023	2022
Purchased electricity	17,074	18,293
Natural gas	14,628	16,038
Diesel	8,295	8,853
Inorganic Fertilizer	3,382	2,942
Petrol	3,258	2,568
Others	1,742	2,246
Total	**48,379**	**50,940**
Total before sale	60,667	65,278

The KWS Group's greenhouse gas emissions in accordance with the GHG Scopes and reconciliation with the figures before sale of the South American locations

Type of emissions	2023[1] (tons of CO_2e)	2022 (tons of CO_2e)	Delta (%)
Direct emissions (Scope 1)	31,210	32,538	–4.1
Indirect emissions (Scope 2)	17,169	18,402	–6.7
Total	**48,379**	**50,940**	**–5.0**
Total before the sale	60,667	65,278	–7.1
Biomass emissions (out of scope)	7,793	10,897	–28.5
Biomass emissions before the sale	15,685	22,100	–29.0

1 The measurement period for CO_2 is the calendar year

Methodology

We are guided by the requirements of the GHG Protocol in determining our greenhouse gas emissions. As part of that, our energy and fertilizer consumption is recorded worldwide, consolidated centrally and converted into CO_2 equivalents using emissions factors. We use factors from the Department for Environment, Food and Rural Affairs (DEFRA) for Scope 1 and factors from the International Energy Agency (IEA) for Scope 2 as part of that. Since the year under review, we have only included final data from the International Energy Agency (IEA) in the calculation; in the previous year, we used provisional data. Emissions from fertilizers are calculated using the "Metodologia do GHG Protocol da agricultura[8]." Our Scope 2 footprint is reported in accordance with the location-based method. In addition to Scope 1 and Scope 2 emissions, we report our emissions resulting from the use of biomass mainly outside the GHG Scopes, as they are not to be attributed to any scope according to the GHG Protocol. The consolidated group for the reported energy and emissions data in this section is the same as that for our financial reporting. The measurement period for energy and fertilizer data is January 1 to December 31, since we achieved the greatest data availability in this time period.

Scope 3 emissions

We recorded our Scope 3 emissions for the first time in fiscal 2023/2024 for the period from January 1, 2022, to December 31, 2022, as part of a pilot project. Our Scope 3 emissions[9] were 2,379,056 tons of CO_2e, with most of them being attributable to the GHG categories 3.10[10] "Processing of sold products" and 3.1 "Purchased goods and services." In fiscal 2024/2025, we plan to measure the emissions for the baseline year 2023 and the following year 2024 and to define and publish a target for them.

Rollout of environmental scorecards

In order to minimize the ecological impacts of its locations and operations, KWS strives to continuously improve internal processes, the technologies it uses and internal company standards. The locations themselves are responsible for the concrete application and operational implementation of resource-conserving measures. Concrete

8 See https://ghgprotocol.org/sites/default/files/standards_supporting/Metodologia.pdf.

9 Including the companies being sold in South America.

10 The data for cereals has been calculated on the basis of fiscal year 2018/2019.

minimum requirements in our global HSE (health, safety and environment) management activities ensure that all KWS locations are governed by comparable regulations.

We are continuing to work on establishing scorecards within the KWS Group as a means of evaluating the environmental performance of KWS locations worldwide. All production sites, including the processing plants and our own seed propagation areas, will thus be evaluated individually. The scorecard system will record data for criteria such as biodiversity, water protection and emissions. That will allow us to show the ecological footprint of our activities internally and tap potential for improvement at our locations. In fiscal 2023/2024, we obtained data for 58 (56) out of 71 production and propagation sites and used it as the basis for our scorecards. We plan to align the scorecards with the requirements of the Corporate Sustainability Reporting Directive (CSRD) in 2024/2025 in order to leverage any synergies.

2.4.2.2 Water

Water is an important business resource for KWS as a breeding company. As part of our seed production and breeding processes, a water supply suitable for the needs of our plants is vital so that we can harvest healthy seed and ensure a high yield from propagation. As part of its global HSE management, KWS has committed itself to resource-conserving operation of its processes. KWS strives to reduce water consumption and use the resource of water as efficiently as possible. To enable that, we record and monitor our global water consumption and have implemented internal stipulations on using water and handling effluents in order to promote resource conservation.

Water type	Consumption in 2023[1] in m^3
Tap water	90,577
Water from wells/groundwater	394,272
Surface water	11,622
Cistern water/rainwater	2,260
Total	**498,732**

1 Water consumption excluding the locations being sold in South America. Data collected for calendar year 2023.

Use of fresh water and water stress

Our internal HSE management system defines a globally applicable standard specifying that we aim to work in a way that conserves resources and to avoid process-related effluents as far as possible.

Alongside water consumption in offices and research buildings, the highest levels of fresh water are used in watering the plants at our trial and in-house propagation locations. “Smart” drip irrigation that controls watering based on the plants’ needs is used in some of our greenhouses. We prescribe that the use of regenerative resources must be examined for new construction projects so that the use of groundwater can be reduced further. Our scorecards include questions on the subject of water stress. This captures qualitative data about whether production sites rely on renewable water sources (currently nine out of 58 production sites for which data is recorded) and whether locations are situated at or within areas of water stress (currently 22 out of 58 locations for which data is recorded).

In fiscal 2024/2025, we plan to review the methodology for recording water consumption and the targets for it and to adjust them if necessary. We do not currently see an absolute reduction in water consumption as expedient due to the impact of the weather on our business model and the associated fluctuations in water consumption.

2.4.2.3 Biodiversity and Ecosystems

Enhance crop diversity (Sustainability Ambition 2030)

Objective	Target in 2030	2023/2024	2022/2023
Crops in breeding programs	27	23	23

Flexible and sustainable crop rotation in agriculture is part of our sustainable product strategy. We therefore offer our customers a broad portfolio of varieties for different crops. We plan to increase the number of our breeding programs from 23 (23) at present to 27 by 2030. A plant breeding program for agricultural crops is a systematic and science-based method of developing plants with improved traits and properties. It comprises the pinpointed crossing of plants to enhance desirable traits such as yield, resistance to diseases and pests, drought tolerance, nutrient efficiency and adaptability to different environmental conditions. A breeding program involves the selection of parent plants with the desired traits and the systematic implementation of crossing and selection processes over several generations. The goal is to develop varieties that meet farmers' needs, increase yields, improve food security and promote sustainable agricultural practices. Modern plant breeding programs also use advanced technologies such as genomics, marker-assisted selection and genetic engineering to speed up the breeding process and make it more efficient. Crop-specific development objectives are agreed annually between Research, the breeding departments, Production and Sales, submitted for the Executive Board to decide on and reported to the Supervisory Board. The number of breeding programs remained unchanged in fiscal 2023/2024.

We support both conventional and organic farming with our varieties, catch crops and mixed cropping solutions from breeding programs. Compared to traditional agriculture, organic farming has a more positive influence on biodiversity, since no chemical pesticides are used in it and near-natural areas are fostered to a greater extent. We already have one of the most diverse product portfolios in plant breeding, enabling us to provide extensive support for multiyear crop rotation strategies and conventional and organic market segments with our own products.

Another indicator of the success of our breeding programs is the number of official variety approvals awarded per year. Only varieties of agricultural plant species that offer a clear improvement in cultivation or further processing (what is termed "value for cultivation and use") over already approved ones can be marketed in the EU. We obtained 559 variety approvals worldwide in fiscal 2023/2024 compared to 488 in the previous year.

Minimize required inputs (Sustainability Ambition 2030)

Objective	Target in 2030	2023/2024	2022/2023
Expenditures on reducing the use of resources	>30% of the annual R&D budget	21.9%	20.2%
Ratio of varieties for resource-conserving agriculture	Suitability of >25% of KWS' varieties for low-input farming	18.9%[1]	9.1%[2]

1 Recorded for the German and UK markets, excluding vegetable varieties
2 Recorded for the German market, excluding vegetable varieties

KWS has set itself the goal of minimizing the use of natural and chemical resources in agriculture. To achieve this, we have formulated two targets in our Sustainability Ambition 2030:

More than 30% of our annual R&D budget is to be spent on reducing the use of resources

In the future, we intend to spend more than 30% of our annual R&D budget specifically on reducing the use of resources (water, fertilizer and pesticides) in arable farming. To enable this, we are planning to develop varieties that, for example, are resistant to diseases or pathogens or have greater tolerance to climatic stress factors and therefore require less pesticide and work by the farmer. In fiscal 2023/2024, we spent 21.9% (20.2%) of the R&D budget[11] on breeding and developing resource-conserving varieties.

More than 25% of our portfolio of varieties are to be suitable for low-input farming

We develop resource-saving traits as part of our breeding activities. They include varieties that deliver yields that are customary for the market with little use of fertilizer, limited water availability or reduced use of chemical pesticides. At least one trait of a variety must enable lower resource use in cultivation and, at the same time, offer a yield potential that is customary for the market, in which case the variety is classified as resource-efficient. Very high yields may also result in varieties being awarded this classification, as they can achieve the same yield level as customary varieties with fewer resources. These "low-input varieties" must prove their performance under cultivation conditions, either in our internal trials or as part of official approval processes. We intend to further expand breeding of low-input varieties in the future so as to selectively add them to our portfolio.

Resource-conserving traits in sugarbeet are, for example, disease resistance, which may entail the use of less pesticide and reduce the number of times machines have to run over the field; in the case of oilseed rape, they are traits where there is demonstrably lower infestation by pests. In fiscal 2023/2024, we analyzed our variety portfolio in the UK for the first time and are reporting its aggregated share together with that for Germany. We currently provide our customers with a total of 312 (209) varieties[12] for sugarbeet, silage corn, winter oilseed rape, wheat, barley and rye in Germany and the UK, of which 59 (19) – or 18.9% (9.1%) – were classified by us as resource-efficient in fiscal 2023/2024. Recording of the portfolio is to be extended to other markets in the following years.

11 In R&D controlling, not all research and breeding activities that contribute to reducing the use of resources can be clearly separated from other breeding activities such as increasing yield. Consequently, the key figure includes the actual costs for individual R&D projects and a pro-rata share of the total costs for the breeding programs for corn, cereals and vegetables. This share is based on the ratio reported for sugarbeet, which was approximately 21% (19%) for fiscal 2023/2024.

12 Varieties that generated net sales in fiscal 2023/2024. In the previous year, only varieties in Germany were recorded; varieties in the UK were included in the analysis for the first time in the year under review.

2.4.2.4 Innovations for Agriculture

Objective	Target in 2030	2023/2024	2022/2023
Annual yield gain	1.5% on average	1.1% [1]	1.3% [2]
Use of digital solutions on customers' fields	Use of digital solutions on >6 million hectares	2.9 million hectares	2.5 million hectares
Ratio of varieties for human nutrition	>40% of KWS' varieties can be used directly in human nutrition	35.9% [1]	63.0% [2]

1 Recorded for the German and UK markets; the definitions have been reviewed and adjusted compared to the previous year
2 Recorded for the German market

KWS keeps on developing innovative plant varieties that have to meet the differing requirements of farmers and consumers. We breed sugarbeet, corn, various cereals and vegetables, oilseed rape and catch crops and thus offer a broad range of products for conventional and organic farming. Innovation through plant breeding can help reduce the consumption of limited resources such as water, land and energy while increasing resource efficiency. Plant breeding is therefore an important factor in making agricultural cultivation more resource-efficient.

Product innovation made by KWS

We continuously develop varieties for agriculture further in our breeding programs. A particular focus of that – apart from the development of resistances, tolerances as well as nutrient efficiencies – is to increase yields. Among other things, high-yielding varieties help to alleviate pressures on land use in food production resulting from the rising world population.

Based on the test results of all varieties in official trials in Germany and the UK over the past ten years, corn, wheat, barley, oilseed rape, rye and sugarbeet achieved an average yield gain of 1.1% (1.3%) p.a. for the German and UK markets. This key indicator is to be expanded to further countries in fiscal 2024/2025. The results were derived from data from official approval authorities.

In addition to the genetic makeup of the plant varieties, digital services also contribute to yield gain. KWS supported farmers on around 2.9 (2.5) million hectares with digital solutions by the end of fiscal 2023/2024. These solutions can be used to calculate the seed rate for specific subplots or to determine when to harvest plants, for example. As part of our Sustainability Ambition 2030, we aim to expand that figure to more than six million hectares.

In addition, our goal is for more than 40% of KWS' varieties to be suitable and intended for direct human consumption or use in a plant-based diet. Since more and more people are adopting a mainly vegetarian diet, we intend to cater for this growing demand for plant-based foods. In addition to our existing vegetable portfolio, our goal is to develop nutrient-rich varieties for the global market that, when harvested, can be used in food directly or with little processing. The share of varieties intended by KWS for direct use in human nutrition in fiscal 2023/2024 was 35.9% (63)% [13] for the German and UK markets.

13 The deviation from the previous year is due to the inclusion of the UK market and a correction to our KPI definition.

As part of its strategy for sustainable agriculture, KWS develops plant traits that are associated with lower yields but make plants more resistant to external influences or increase resource efficiency. Yield gain alone is not sufficient to measure advances by plant breeding. Further examples of our innovativeness are breeding successes in the crops sugarbeet and barley, which we describe in more detail in the Research and Development Report (see the Group Management Report).

KWS Fit4NEXT catch crop mixtures offer European farmers solutions that support typical crop rotations. As an important component in sustainable arable farming, they contribute in diverse ways to successful cultivation of the main crop. They protect the climate and soil, promote biodiversity and also help limit unwanted accompanying plants and harmful nematodes. They are also important in maintaining and creating humus in arable land. Catch crop mixtures containing legumes also enable CO_2 to be bound in the soil by fixing atmospheric nitrogen and also reduce the use of fertilizer. The Fit4NEXT Field Check is a new digital tool for the German market that makes the specific performance of catch crop mixtures tangible. This applies both to nitrogen fixation and to the long-term binding of CO_2 and the formation of humus in the soil. The tool is available in the "myKWS" range of digital consulting services and has been developed for KWS' most important catch crop mixtures.

In addition, we have worked for years on developing biologicals as an alternative or complement to chemical means of seed treatment. They comprise microorganisms such as fungi and bacteria, as well as substances obtained from plants or microorganisms. We have treated sugarbeet, oilseed rape, corn and rye seed with biologicals since fiscal 2019/2020. Biological applications for further crops, such as sorghum, barley, spinach and beans, are being developed. In fiscal 2023/2024, we submitted further applications for approval so that biological seed treatments developed by us can be offered in further countries in the future, such as Slovakia, Belarus, Serbia and Moldova. Moreover, we are also continuing to establish biologicals as part of seed treatments in international markets such as North America (sugarbeet).

We are working to expand our portfolio of varieties for organic farming. As part of that, we have hired new personnel with specific expertise in organic farming for our breeding activities and for our trial technology in the past years. In addition, our trial areas were expanded and the quality of trials was improved by means of statistical analyses. In March 2024, the first rye variety KWS CREOR was also approved for organic farming by the German Federal Office of Plant Varieties. KWS has had its own location for organic farming in Germany, the Wiebrechtshausen monastery estate, for 20 years.

2.4.2.5 EU Taxonomy

The disclosures on the EU Taxonomy are made on the basis of Delegated Regulation (EU) 2021/2178 of the European Commission in conjunction with the International Financial Reporting Standards (IFRS) to be applied in the consolidated financial statements. Under Article 8 of the EU Taxonomy Regulation (EU) 2020/852 and the supplementary delegated acts, KWS is required to disclose the proportion of taxonomy-eligible net sales, capital expenditures (CapEx) and operating expenditures (OpEx) in relation to the following environmental objectives for fiscal 2023/2024:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems.

Taxonomy-eligible economic activities within the meaning of Article 1 No. 5 of the Delegated Act of July 6, 2021, to Article 8 of Regulation (EU) 2020/852 are those economic activities defined in the Delegated Act of June 4, 2021. Business activities that are not listed in the related annexes or that do not match the descriptions of business activities given there are not deemed to be taxonomy-eligible. The environmental objectives 1 to 2 already assessed in previous years were taken into account and the new economic activities defined in Delegated Regulation (EU) 2023/2486 of June 27, 2023, were assessed in relation to environmental objectives 3 to 6.

In fiscal 2023/2024, the taxonomy-eligible economic activities were examined for their environmental sustainability (taxonomy alignment) in relation to the environmental objectives of climate change mitigation and climate change adaptation. Environmental objectives 3 to 6 did not have to undergo a mandatory alignment examination in fiscal 2023/2024.

An economic activity is considered taxonomy-aligned if it meets the following technical screening criteria:

- it contributes substantially to the environmental objective in question;
- it does not significantly harm the other environmental objectives (DNSH = do no significant harm); and
- it is carried out in compliance with the minimum safeguards, such as observance of human rights (minimum safeguard criterion).

To determine whether activities meet the requirements for **taxonomy eligibility,** KWS' business activities were compared with those defined by the taxonomy in the Annexes to the Delegated Act of June 4, 2021, for environmental objectives 1 to 6 and relevant activities were assessed. The analysis revealed that no net sales could be allocated to the activities under the EU Taxonomy. Capital expenditures (CapEx) and operating expenditures (OpEx) assigned to taxonomy-eligible activities are aggregated at the level of the relevant asset items and income statement accounts.

To avoid double counting, the activities were assigned to only one environmental objective in terms of their impact on the environmental objectives. As part of this, taxonomy-eligible activities that account for less than one percent (<1%) of KWS' capital expenditures (CapEx) or operating expenditures (OpEx) as defined by the EU Taxonomy are not considered material and are therefore classified as taxonomy-non-eligible. The taxonomy-eligible activities classified as non-material total less than 3% (2%) of capital expenditures (CapEx) and less than 1% (1%) of operating expenditures (OpEx) in fiscal 2023/2024.

Taxonomy alignment is examined on the basis of the technical screening criteria for each economic activity.

Fulfillment of the criteria relating to a substantial contribution and DNSH was verified by means of appropriate analyses. That included screening of relevant locations for potential physical climate risks relating to the DNSH criterion of "climate change adaptation."

The minimum safeguard criterion was also analyzed for the KWS Group. Existing company guidelines, such as the Human Rights Policy, and risk management processes relating to compliance and anti-corruption, among other things, were used in the examination.

As a result of the alignment examination, only criteria for activity "7.1. Construction of new buildings" could currently be fulfilled.

Net sales

As a plant breeding company, our core business activities are not currently included in Delegated Regulation (EU) 2023/2486 of June 27, 2023. Consequently, our revenue-generating activities for the fiscal year 2023/2024 are not taxonomy-eligible. The taxonomy-non-eligible net sales totaled €1,678.1 (1,500.3) million in fiscal 2023/2024 (see the Notes for the KWS Group, number 6.1).

Operating expenditures (OpEx)

No material taxonomy-eligible operating expenditures (OpEx) were identified. The taxonomy-non-eligible operating expenditures (OpEx) in fiscal 2023/2024 totaled €348.5 (337.3) million and mainly comprise R&D spending and expenditures on repairs and maintenance.

Capital expenditures (CapEx)

There are capital expenditures (CapEx) that were able to be assigned to taxonomy-eligible activities. These activities are assigned to the environmental objective of climate change mitigation.

In fiscal 2023/2024, there were taxonomy-eligible, but not taxonomy-aligned, capital expenditures (CapEx) totaling €10.5 (30.6) million, or 6.7% (24.7%) of the KWS Group's total capital expenditures of €156.4 (124.0) million (see the Notes for the KWS Group, number 5 and 7.15). In fiscal 2023/2024, there were also taxonomy-aligned capital expenditures (CapEx) for the first time. They amounted to €26.7 million, or 17.1% of the KWS Group's total capital expenditures. There were thus taxonomy-non-eligible capital expenditures (CapEx) of €119,3 (93.4) million, or a share of 76.2% (75.3%).

The taxonomy-eligible activities relate to

- "7.1 Construction of new buildings" and
- "7.2 Renovation of existing buildings."

Taxonomy-aligned economic activities were identified in fiscal 2023/2024 in connection with the activity "7.1 Construction of new buildings" in relation to environmental objective 1. The new construction project "Elitespeicher," which includes a new building complex for seed production, is currently in the completion phase. It had not been finished by the balance sheet date (June 30, 2024) and is expected to be completed in 2024/2025. The new building was designed to meet high environmental standards, which were already taken into account during construction and had been approved by our Executive Board. The relevant criteria were analyzed on the basis of the taxonomy alignment examination. As a result, part of the CapEx (€26.7 million or 17.1% of the KWS Group's total capital expenditures) is already disclosed as a taxonomy-aligned activity in fiscal 2023/2024. The capital expenditures on construction of the Elitespeicher to date total €43.1 million. Other taxonomy-aligned activities were not identified.

Taxonomy reporting turnover

Fiscal year 2023/2024		2023/2024		Substantial contribution criteria				
Economic activities	Code	Turnover	Proportion of turnover 2023/2024	Climate change mitigation	Climate change adaption	Water	Pollution	Circular economy
		in T€	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. Taxonomy-eligible activities								
A.1 Environmentally sustainable activities (taxonomy-aligned)								
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0	N/EL	N/EL	N/EL	N/EL	N/EL
Of which enabling		0	0	N/EL	N/EL	N/EL	N/EL	N/EL
Of which transitional		0	0	N/EL	N/EL	N/EL	N/EL	N/EL
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)								
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomyaligned activities) (A.2)		0	0	N/EL	N/EL	N/EL	N/EL	N/EL
A. Turnover of taxonomy-eligible activities (A.1 + A.2)		**0**	**0**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**
B. Taxonomy-non-eligible activities								
Turnover of taxonomy-non-eligible activities		**1,678,118**	**100**					
Total		**1,678,118**	**100**					

Y – Yes, activity is taxonomy-eligible and taxonomy-aligned with the relevant environmental objective;
N – No, activity is taxonomy-eligible but not taxonomy-aligned with the relevant environmental objective;
EL – 'eligible': activity is taxonomy-eligible for the respective environmental objective;
N/EL – 'not eligible': activity is not taxonomy-eligible for the respective environmental objective.

Proportion of Turnover per Environmental Objective

	Proportion of turnover/total turnover	
in %	Aligned per objective	Eligible per objective
Climate change mitigation (CCM)	0	0
Climate change adaption (CCA)	0	0
Water and marine resources (WTR)	0	0
Circular economy (CE)	0	0
Pollution prevention and control(PPC)	0	0
Biodiversity and ecosystems (BIO)	0	0

Bio-diversity	DNSH- criteria (‘Does Not Significantly Harm’)						Minimum safe-gurards	Proportion of taxono-my-aligned (A.1.) or -eligible (A.2.) turnover 2022/2023	Category enabling activity	Category transitional activity
	Climate change mitigation	Climate change adaption	Water	Pollution	Kreislauf-wirtschaft	Bio-diversity				
Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
N/EL	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0**		
N/EL	N	N	N	N	N	N	N	0	E	
N/EL	N	N	N	N	N	N	N	0		T
EL; N/EL										
N/EL								**0**		
N/EL								**0**		

Taxonomy reporting operating expenses (OpEx)

Fiscal year 2023/2024		2023/2024		Substantial contribution criteria				
Economic activities	Code	OpEx	Proportion of OpEx 2023/2024	Climate change mitigation	Climate change adaption	Water	Pollution	Circular economy
		in T€	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. Taxonomy-eligible activities								
A.1 Environmentally sustainable activities (taxonomy-aligned)								
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0	N/EL	N/EL	N/EL	N/EL	N/EL
Of which enabling				N/EL	N/EL	N/EL	N/EL	N/EL
Of which transitional				N/EL	N/EL	N/EL	N/EL	N/EL
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)								
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomyaligned activities) (A.2)		0	0	N/EL	N/EL	N/EL	N/EL	N/EL
A. OpEx taxonomy-eligible activities (A.1 + A.2)		**0**	**0**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**
B. Taxonomy-non-eligible activities								
OpEx of taxonomy-non-eligible activities		**348,550**	**100**					
Total		**348,550**	**100**					

Y – Yes, activity is taxonomy-eligible and taxonomy-aligned with the relevant environmental objective;
N – No, activity is taxonomy-eligible but not taxonomy-aligned with the relevant environmental objective;
EL – 'eligible': activity is taxonomy-eligible for the respective environmental objective;
N/EL – 'not eligible': activity is not taxonomy-eligible for the respective environmental objective.

Proportion of OpEx per Environmental Objective

	Proportion of OpEx/total OpEx	
in %	Aligned per objective	Eligible per objective
Climate change mitigation (CCM)	0	0
Climate change adaption (CCA)	0	0
Water and marine resources (WTR)	0	0
Circular economy (CE)	0	0
Pollution prevention and control(PPC)	0	0
Biodiversity and ecosystems (BIO)	0	0

	DNSH- criteria (‘Does Not Significantly Harm’)						Minimum safe-gurards	Proportion of taxono-my-aligned (A.1.) or -eligible (A.2.) OpEx 2022/2023	Category enabling activity	Category transitional activity
Bio-diversity	Climate change mitigation	Climate change adaption	Water	Pollution	Kreislauf-wirtschaft	Bio-diversity				
Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
N/EL	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0**		
N/EL	N	N	N	N	N	N	N	0	E	
N/EL	N	N	N	N	N	N	N	0		T
EL; N/EL										
N/EL								**0**		
N/EL								**0**		

Taxonomy reporting capital expenditure (CapEx)

Fiscal year 2023/2024	2023/2024			Substantial contribution criteria				
Economic activities	Code	CapEx	Proportion of CapEx 2023/2024	Climate change mitigation	Climate change adaption	Water	Pollution	Circular economy
		in T€	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. Taxonomy-eligible activities								
A.1 Environmentally sustainable activities (taxonomy-aligned)								
Construction of new buildings	CCM 7.1	26,706	17.1	J	N	N/EL	N/EL	N/EL
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		**26,706**	**17.1**	**100.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Of which enabling								
Of which transitional								
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)								
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
Construction of new buildings	CCM 7.1	7,929	5.1	EL	N/EL	N/EL	N/EL	N/EL
Renovation of existing buildings	CCM 7.2	2,562	1.6	EL	N/EL	N/EL	N/EL	N/EL
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomyaligned activities) (A.2)		**10,491**	**6.7**	**100.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
A. CapEx taxonomy-eligible activities (A.1 + A.2)		**37,198**	**23.8**	**100.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
B. Taxonomy-non-eligible activities								
CapEx of taxonomy-non-eligible activities		**119,250**	**100**					
Total		**156,448**	**100**					

Y – Yes, activity is taxonomy-eligible and taxonomy-aligned with the relevant environmental objective;
N – No, activity is taxonomy-eligible but not taxonomy-aligned with the relevant environmental objective;
EL – 'eligible': activity is taxonomy-eligible for the respective environmental objective;
N/EL – 'not eligible': activity is not taxonomy-eligible for the respective environmental objective.

Proportion of CapEx per Environmental Objective

	Proportion of CapEx/total CapEx	
in %	Aligned per objective	Eligible per objective
Climate change mitigation (CCM)	17.1	23.8
Climate change adaption (CCA)	0	0
Water and marine resources (WTR)	0	0
Circular economy (CE)	0	0
Pollution prevention and control(PPC)	0	0
Biodiversity and ecosystems (BIO)	0	0

	DNSH- criteria ('Does Not Significantly Harm')						Minimum safe-gurards	Proportion of taxono-my-aligned (A.1.) or -eligible (A.2.) CapEx 2022/2023	Category enabling activity	Category transitional activity
Bio-diversity	Climate change mitigation	Climate change adaption	Water	Pollution	Kreislauf-wirtschaft	Bio-diversity				
Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
N/EL	J	J	J	J	J	J	J			
0.0%	**J**	**J**	**J**	**J**	**J**	**J**	**J**	**0**		
									E	
										T
EL; N/EL										
N/EL										
N/EL										
0.0%								**24.7**		
0.0%								**24.7**		

2.4.3 Social Aspects[14]

2.4.3.1 Social Engagement[15]

Foster social engagement

Objective	Target in 2030	2023/2024	2022/2023
Ratio of expenditures as part of our social engagement	1% of operating income (EBIT) p.a.	0.7%	0.6%

KWS sees itself as an active member of society and thus wants to translate its corporate values into active engagement outside the company. As a forward-looking company, KWS therefore assumes responsibility toward society. In general, our social engagement is organized locally. Our internal “Social Engagement” policy provides the framework for that. The content of our activity in this area is also geared toward the United Nations’ Sustainable Development Goals.[16] KWS focuses its supraregional social engagement on promoting education in the field of natural and agricultural sciences. KWS’ regional social engagement at its locations, both national and international, focuses on cultural, social and socioeconomic development in its – mostly rural – surrounding areas in order to increase the locations’ attractiveness as a whole.

The development partnerships in Africa focused on the SeZIL (Seeds for Zambian Incomes and Livelihoods) project in Zambia, which benefits more than 1,000 smallholders and supplies them with new corn, bean, sorghum and sunflower varieties. The objective is to identify those best suited to their local contexts. Through our local partner, Good Nature Agro, we also trained farmers in seed production and enabled them to gain access to agricultural resources and forge market connections.

In Kenya, we are also working with a local cooperative to help diversify cultivation systems and improve farmers’ access to high-yielding, more robust varieties. The focus here is on corn, sorghum, sunflower, oilseed rape and peas.

KWS supports diverse long-term scholarship programs supraregionally in cooperation with various universities to encourage young scientists. In fiscal 2023/2024, we awarded university scholarships in the field of research and development, Germany Scholarships in the field of human resources, and the Ferdinand von Lochow Scholarship to particularly committed students of agricultural sciences.

In addition, we support various formats to encourage young scientists and foster dialogue in the field of agricultural sciences. In addition, KWS is a long-standing sponsor of the “Jugend forscht – Schüler experimentieren” (“Youth Researches – School Students Experiment”) state contest, with the goal of lastingly inspiring children and young people for STEM subjects (science, technology, engineering and mathematics). Several international collaborations with schools in fiscal 2023/2024 should be singled out. The project established in Brazil in the previous year was continued and further developed in the fiscal year. It aims to promote access to and the use of healthy food. In the Netherlands, a project was funded in collaboration with a seed breeding adventure center with the common goal of awakening young people’s interest in and enthusiasm for vegetable breeding.

14 Not an audited part of the Combined Management Report

15 In this section, the South American companies currently being sold are included in the analysis.

16 No. 2 “Zero Hunger” and no. 17 “Partnerships for the Goals“

We continued our engagement in Ukraine in fiscal 2023/2024. We help alleviate various current social needs by means of donations. In addition, a contribution was made to maintaining scientific operation of an institute for agricultural microbiology.

The importance of social engagement is underscored by our target of spending around 1% of our annual operating income (EBIT) on social engagement and social projects.

Expenditures as part of our social engagement

in € millions	2023/2024	2022/2023
Expenditures as part of our social engagement [1]	**1.9**	**1.4**
of which for donations and development programs in Kenya and Zambia	1.3	0.9
of which for sponsorship activities	0.6	0.5
As a % of operating income (EBIT)	**0.7**	**0.6**
KWS SAAT SE & Co. KGaA's percentage share of expenditures relative to the KWS Group's operating income (EBIT)	**0.6**	**0.5**

1 Does not include KWS Maroc SARLAU, KWS Mexico, KWS Vegetables Italia S.R.L., KWS Paraguay S.R.L., Kant-Hartwig & Vogel GmbH and all joint ventures

2.4.3.2 Own Workforce

Foster social engagement

Objective	Target in 2030	2023/2024	2022/2023
OSHA incident rate at the KWS Group[1]	<5.0[2]	8.04	8.16[2]
Employee engagement	The employee engagement target will be defined in 2024/2025; baseline year 2023/2024	74%	n/a

1 Per 1 million working hours
2 Adjustment due to the new calculation logic in 2023/2024 based on 1 million working hours

Labor and Social Standards
KWS regards compliance with acknowledged human rights, labor and social standards and responsible conduct toward one another as a fundamental element of its commercial activity. We therefore aim to ensure good working conditions and to establish and maintain labor and social standards.

The basis for that is the respective labor and social standards specified by law and, where applicable, by collective bargaining agreement.

KWS' main labor standards are:

- KWS ensures that regulations under labor and social insurance law are observed in all employment relationships.
- Worldwide, KWS implements the local statutory regulations in relation to the principle of "equal pay for equal work, taking into account individual expertise, professional experience and local market conditions."
- Our labor standards also include technical, organizational and occupational health measures to prevent accidents and diseases at work.
- In order to ensure we observe human rights when recruiting, hiring and employing staff, we are guided by prevailing anti-discrimination laws and the standards of the International Labour Organization (ILO) relating to child, forced and compulsory labor.
- Our labor and social standards apply to all the KWS Group's employees.

Human rights
KWS is committed to internationally recognized human rights standards, such as those of the UN's Universal Declaration of Human Rights and the International Labour Organization (ILO) proscribing child, forced and compulsory labor. We have enshrined the principles of the Universal Declaration of Human Rights in our Human Rights Policy.

Labor standards
The working conditions of employees of the KWS Group are governed by country-specific legislation and defined contractually. Our compensation structure is in line with standard market practices. Depending on the country and company, a KWS employee's compensation package consists of a basic salary and various social benefits.

In addition, again depending on the country and company, we offer employees the opportunity to share in the company's success, for example through performance-related and variable compensation models and an Employee Stock Purchase Plan. Benefits for full-time employees are also provided accordingly to part-time staff.

A key objective of our compensation policy is to ensure that employees are paid appropriately for their work, taking into account their individual expertise, professional experience and, where applicable, their individual performance and the local market situation. This principle is intended to make sure that employees with comparable qualifications and experience are paid the same for the same work at the respective locations.

The principle of equal pay is reflected in company regulations and collective bargaining agreements, where they exist. The same applies, for example, to regulations on working hours, vacation, business travel and semi-retirement.

Over half of our employees [17] worldwide are covered by regulations under collective bargaining agreements. The figure in Germany is more than 97% [18].

Employment relationships of our own workforce [19]

95% (93%) (Germany: 94% (89%) of our employees throughout the Group had a permanent employment contract in fiscal 2023/2024. [20] KWS also employed 920 (2,035) seasonal workers in harvesting in fiscal 2023/2024.

Employees [1] by type of contract

Ratio of women/ men/ non-binary persons (in %)	2023/ 2024 Permanent	2023/ 2024 Temporary	2022/ 2023 Permanent	2022/ 2023 Temporary
Full-time	33/67/0	45/55/0	31/69/0	46/54/0
Part-time	79/21/0	52/48/0	80/20/0	59/41/0
Seasonal workers [2]	50/50/0		37/63/0	

1 Including trainees and interns
2 No distinction is made between permanent and temporary seasonal workers.

Occupational Health and Safety [21]

The health and safety of our employees at all locations has top priority for us. The organization of occupational health and safety is a core management task. KWS has therefore set itself the goal of recording occupational accidents globally and reducing them in the long term. As part of that an OSHA (Occupational Safety and Health Administration) incident rate was determined and published for the first time in fiscal 2021/2022. This is a method of calculating the frequency of lost-time occupational accidents and is used to compare the accident frequency rate of individual industries and locations.

KWS has a globally oriented HSE (health, safety and environment) management system and cross-functional crisis management system. Our internal occupational safety standards comprise technical, organizational and occupational health measures to prevent accidents and diseases at work. We review our local and international safety standards annually by means of internal audits. The Health, Safety & Environment (HSE) Guideline is a key tool in this regard and defines global framework conditions. Among other things, it states that the respective manager must ensure occupational accidents are recorded.

To date, worldwide accident figures have been recorded on a consolidated basis in three fiscal years, which is why a reliable assessment of the accident frequency rate over time is only possible to a limited extent. A direct comparison with other industries indicates that KWS has a relatively low accident rate. Most accidents occur at our breeding and production sites. The OSHA incident rate for the KWS Group is 8.04 (8.16) and for KWS SAAT SE & Co. KGaA 11.13 (13.14 [22]) per 1 million working hours.

Achieving the goal under the Sustainability Ambition 2030 of reducing occupational accidents by 2030 should, from today's perspective, be reflected in an accident frequency rate of <5.0. To achieve that, the focal areas of accidents are assessed, after which targeted measures are taken in the form of training or, if necessary, decisions to change work processes.

17 Including trainees and interns, but excluding non-integrated companies

18 Including trainees and interns, but excluding non-integrated companies

19 The previous year's figures in this section have been taken unaudited from the 2022/2023 Sustainability Report

20 Excluding all seasonal workers, apprentices, and interns

21 The previous year's figures in this section have been taken unaudited from the 2022/2023 Sustainability Report.

22 The previous year's figure has been adjusted due to the new calculation logic based on 1 million working hours.

Work safety incidents and days lost at the KWS Group were as follows in 2023/2024:

Work safety incidents and days lost[1]

	2023/2024[2]	2022/2023[3]
Work safety incidents	191	204
of which lost time incidents	79	95
of which fatalities	0	0
Total days lost	1,318	1,310
Average number of days lost per incident	17	14
Countries where accidents are documented	11	8

1 Excluding all employment relationships with seasonal workers.
2 Excluding the South American companies currently being sold
3 The previous year's figures in this section have been taken unaudited from the 2022/2023 Sustainability Report.

Internal dialogue and collective representation of interests

We are committed to upholding ILO 87 "Freedom of Association and Protection of the Right to Organise Convention" and ILO 98 "Right to Organise and Collective Bargaining Convention." Employees' interests are represented collectively to their respective management by the locally elected Works Councils and the persons entrusted with representing young people and trainees and disabled employees.

There are codetermination bodies representing employees in Germany, France and the Netherlands, among other countries. They work closely and in a spirit of trust with the respective management and nurture open and constructive dialogue.

In countries where there is no collective employee representative body, we also nurture a spirit of mutual respect and open dialogue with employees. If the workforce wishes to have a collective representative body or such a body is prescribed by law, we support our employees in establishing it.

The European Employees' Committee (EEC) has been in existence as a European employee representative body since 2015 and has worked successfully and in a spirit of trust with the company's management on cross-border matters in the EU in all that time.

Diversity in the workforce

Demographic data[23]
The KWS Group employed an average of 4,937 (4,653) people (excluding seasonal workers and employees in South America affected by the sale) in the fiscal year.

2,558 (2,417) or around 52% (52%) of the workforce (excluding seasonal workers) were employed in Germany. The average age of our workforce[24] in the period under review was approximately 41 (40) years. 61% of employees were male, 39% female and 0% non-binary.

Employees by age group in %[1]

KWS Group	2023/2024	2022/2023
<30	18	19
30–50	60	60
>50	22	21

Germany	2023/2024	2022/2023
<30	17	18
30–50	59	58
>50	23	24

1 Average headcount including trainees and interns

Non-discrimination
KWS strongly opposes any form of discrimination and is committed to equal opportunities and rights for all its employees, regardless of religion or belief, ethnic origin, age, handicap, skin color, language or sexual orientation. We have enshrined this in our Code of Business Ethics, which is binding on all employees.

23 The previous year's figures in this section have been taken unaudited from the 2022/2023 Sustainability Report.

24 Including trainees and interns

Diversity
We believe that diversity of our employees, as displayed in their individual educational background, training, skills, knowledge, experience, convictions and personalities, for instance, is a key value and a competitive advantage.

In fiscal 2022/2023, a five-year diversity concept was developed with the aim of promoting diversity among employees and managers and thus fostering an inclusive corporate culture. The resultant measures are intended to support all diversity dimensions, with a particular focus on age, gender and nationality.

An integrative leadership culture plays a vital role here, as is reflected in our management training courses and in our newly introduced Leadership Capability Model, in which "promoting diversity and developing talents" is one of six key competencies. This model has already been integrated into our Assessment and Orientation Centers and will form a firm part of the annual performance and career development reviews starting in fiscal 2024/2025.

KWS aims to increase the ratio of female managers, among other things.

Ratio of female managers at the KWS Group

Objective	Target in 2030	2023/2024	2022/2023
First management tier	25% [1]	15%	19%
Second management tier	30% [1]	28%	27%

1 The targets apply up to fiscal 2026/2027

At KWS SAAT SE & Co. KGaA, the ratio of women in the first management tier is 17% (24%) and the target is 25% [1], while the ratio in the second management tier is 30% (29%) and the target 30% [25].

25 The targets apply up to fiscal 2026/2027

Family-friendly spirit
KWS is committed to family-friendly work. The life situations of our employees differ greatly and are highly individual – and so they also have different needs regarding when and where they work.

One of the factors that helps our employees achieve a good work-life balance is our wide range of working time models. Flextime models are available to almost all employees. We have developed a global policy that generally permits mobile working for our employees, where that is compatible with their specific activity and in compliance with local legislation.

At our Berlin location, which is home to employees from more than 60 nations, we are currently piloting the option of temporary remote working from abroad. In this way, we enable our employees to spend additional time with their families abroad.

Apart from working models that are highly flexible in terms of where and when employees can work, various part-time models are also used. Around 13% (10%) of our employees [26] worldwide (Germany: 20% (19%)) worked part-time in fiscal 2023/2024.

Recruitment and employee loyalty [27]
In view of the KWS Group's growth plans, demographic change and the growing shortage of skilled workers, our efforts to win the right employees and retain them is gaining greatly in importance.

To keep on enhancing recruitment at KWS, we launched a multiyear project in fiscal 2022/2023 to analyze the steps taken by an applicant from his or her first contact with KWS to becoming an employee. A particular focus here is on improving the application and selection processes in order to provide candidates with a faster, more transparent and more appealing solution in the future.

26 Including trainees and interns

27 The previous year's figures in this section have been taken unaudited from the 2022/2023 Sustainability Report.

KWS is particularly committed to encouraging young talents. That is the reason we award scholarships to universities and offer a global program for university graduates who mainly come from the fields of agricultural sciences and interdisciplinary courses such as international business administration with an agricultural interest. In fiscal 2023/2024, our graduate program was named the best of the top 20 graduate programs in Germany by the Graduateships organization.

We also believe it is important to offer good training opportunities. That is reflected in the quality of our training. For example, KWS SAAT SE & Co. KgaA has been awarded the “TOP TRAINING” seal of quality from Hanover Chamber of Industry and Commerce.

In Germany, we employed an average of 95 trainees and students on dual study courses and 24 interns in the year under review, once again successfully supporting many young people on their way to gaining their professional qualifications and starting their careers.

Participants in training programs in Germany

Annual average across all quarters	2023/2024	2022/2023
Trainees and students on dual study courses	95	107
Interns	24	42

The average length of service of employees at the Group level is more than 9 (9) years.

Employment details for our workforce[1]

Average for the year		2023/2024	2022/2023
Rate of new employee hires (in %)[2]	Global	15,5	15,4
Rate of employee turnover (in %)[3]	Globally (Germany)	9,5 (7,0)	10,8 (6,5)
Length of service[4] (in years)	Globally (Germany)	(10,9)	8,8 (10,9)

1 Excluding seasonal workers and non-integrated companies
2 Ratio to the average total workforce, including trainees and interns
3 Ratio of employees leaving the company within the period under review relative to the average total workforce
4 Average length of service since joining the KWS Group as a percentage of average total employment, excluding fixed-term contracts, trainees and interns

Our employees have been the key to our success for generations. The strong commitment of each individual and the will to give their best every day make the difference and are an expression of our unique culture.

In order to understand the needs of our employees even better and create a future-oriented working environment in which everyone continues to feel at home and respected, has a sense of belonging and can grow successfully together with KWS, we will continuously obtain feedback from our employees, also as part of the Sustainability Ambition 2030.

We therefore conducted the first Employee Engagement Survey in June 2024. Two-thirds[28] of our employees took part in the global survey. From the average of the positive responses (“fully agree” and “agree”) to three key questions, we calculated an index for the first time. The result was 74%, a figure that expresses a high level of employee engagement and a positive attitude towards KWS. In fiscal 2024/2025, we will analyze the results, identify action areas and take appropriate measures.

28 Including Brazilian entities

Qualification, further training and development
Individual performance and career development reviews between employees and their managers are held once a year with the aim of helping our employees advance further. KWS has also implemented an annual talent and successor management process covering the critical positions for the company up to at least the third tier and all employees up to at least the fourth tier below the Executive Board. In this way, we aim to ensure qualified staffing of these key positions at KWS in the medium and long term, while offering our employees good development opportunities at the company. The Orientation Center (OC), a concept involving an intensive evaluation of potential talents to take over senior management posts, was staged twice in fiscal 2023/2024 and will also be held in the future at least twice a year with six high potentials each time.

We are particularly committed to having our employees receive qualified and values-based leadership, encouragement and support in their development from their managers. The new core competency model "Leadership Capability Model" (LCM) for managers was rolled out in fiscal 2023/2024. The new model has also been integrated into the ongoing development offerings under our management development program, the annual performance and career development review and other HR processes.

Our international management development program was also continuously expanded and continued in fiscal 2023/2024. In addition to the modules "Leading Self," "Leading Individuals" and "Leading Leaders" that have been successively implemented in recent years, two further modules were added in fiscal 2023/2024: "Emerging Leaders" and "Leadership Essentials." 227 employees from various KWS locations started or completed one or more modules of the management development program in fiscal 2023/2024.

A new comprehensive 15-month development program was designed for our high potentials in the early stages of their management careers and launched with the first group of 16 participants. The aim of the "Seed2Lead" program is to familiarize these high potentials with the basics of self-management, managing others and KWS' business processes in a compact form and across all functions and countries.

A special program for two different expert levels was developed in fiscal 2023/2024 to provide our specialists with even more intensive support in honing their soft skills. The first pilot group will embark on it in the fall of fiscal 2024/2025.

KWS' learning management system makes our international training and development offerings transparent and easy to access for our employees worldwide. This also comprises our internal subject-specific academies, such as the International Sugarbeet Academy, the Sales and Farming Academy, and the various self-learning offerings that extend beyond specialist training, such as LinkedIn Learning and Bookboon.

True to KWS' brand essence "Make yourself grow," we also intend to focus on encouraging and developing our employees and managers in the future and are continuously expanding our training portfolio nationally and internationally to achieve that.

2.4.3.3 Labor in the value chain

KWS expects its suppliers and service providers (hereinafter referred to as "suppliers") to comply with all internationally recognized standards relating to human rights, working conditions, ethical business practices and other relevant social and environmental requirements[29]. The framework for this is our Code of Business Ethics for Suppliers (hereinafter referred to as the "Supplier Code"). The Supplier Code reflects the underlying principles of the KWS Group's Code of Conduct and our Human

29 In this section, we use the term "value chain" as a synonym for our supply chains, which we define in accordance with Section 2 (5) of the German Supply Chain Due Diligence Act (LkSG), which exclusively comprises the upstream value chain.

Rights policy. The Supplier Code was updated in 2024 in line with the requirements of the German Supply Chain Due Diligence Act (LkSG) and will be published on our website in various languages in fiscal 2024/2025.

The Code includes requirements for our suppliers, such as combating child and forced labor, which are considered particularly relevant in our industry. Suppliers are also to comply with the provisions on safety at work, product safety, protection of the environment and avoidance of corruption, as well as on the requirement to ensure fair competition and protection of personal data and third-party know-how. We have also been a member of the United Nations Global Compact (UNGC) network since fiscal 2023/2024 and have thus officially committed to complying with the UN Guiding Principles on Business and Human Rights.

The central sourcing concept aims to support standardized and cost-effective cooperation with external partners and observance of specific social or environmental standards. We will also include requirements from the German Supply Chain Due Diligence Act (LkSG), which will be binding on KWS from January 1, 2024, or the expansion of our emissions management to cover Scope 3 emissions in our sourcing concept and related purchasing processes in the future.

Our goal is to strengthen sustainability in the supply chain by means of a centralized system that increases efficiency and productivity and minimizes the ecological footprint of our supply chain. Our Sourcing Policy, which defines the fundamental principles in the procurement process, and a largely centralized process landscape are the basis for making sure that our purchasing transactions worldwide can be conducted in accordance with consistent regulations. Purchase agreements relating to the supply of goods and services are concluded on the basis of standardized templates and specify the general conditions, including application of the Code of Business Ethics for Suppliers. A central Seed Purchasing Policy stipulates that these standards are also to be applied in agreements concluded with external seed propagation partners.

KWS has centralized its supplier data management over the past years. In fiscal 2023/2024, we audited compliance with LkSG-related issues for the first time as part of 13 visits to the premises of strategic suppliers. Audits of suppliers in risk regions and risk industries are planned in fiscal 2024/2025. Management of sourcing risks will be further automated in fiscal 2024/2025. Implementation of this commenced in fiscal 2023/2024.

2.4.4 Governance[30]

2.4.4.1 Business Conduct

Compliance with basic principles of business ethics is vital to our license to operate. Accordingly, the compliance rules apply to all employees in the KWS Group. That is the foundation for KWS' vision and mission of compliance, namely to gain and retain customers' trust through ethical conduct and to protect the company's employees, reputation and assets. Information, training and continuous intensive consulting help integrate compliance in business processes and support management in making business decisions rooted in, and consistent with, our corporate culture.

Code of Business Ethics

Our Code of Business Ethics, with its accompanying guidelines defining the basic regulations relating to compliance with the law, fair competition, prevention of corruption and money laundering, safety at work, protection of the environment, and the need to treat each other, customers, business partners, other third parties and public authorities with respect, gives our employees crucial guidance in their day-to-day work. All employees undertake to comply with the code by signing a commitment to do so when they are hired and are provided with generally applicable information on compliance, as well as related information specific to their function.

Our Code of Business Ethics also covers the issue of international anti-corruption management as an integral part of our compliance system. On the basis of the regulations in the code, there is a policy of zero tolerance toward any form of corruption at the KWS Group, and this principle is stipulated as a Group-wide standard in the Anti-Corruption Policy. This standard applies regardless of whether bribery is prohibited by law, tolerated or permitted in the country in question. The Group-wide Anti-Corruption Policy defines the responsibilities, processes and regulations in relation to preventing corruption and bribery at the KWS Group.

Compliance training

Access to the Compliance Portal

Objective	Target in 2030	2023/ 2024	2022/ 2023
Access to the Compliance Portal	95%	92%[1]	80%

1 Excluding the locations being sold in South America

The Compliance Officers regularly provide information about the compliance system and its principles, as well as about frequently asked questions and the latest developments, in training courses, information events and workshops. Apart from this information, a broad range of aids is also available to our employees. Checklists, toolkits, instructional leaflets and other guides provide practical tips on observing compliance rules in everyday work. All compliance information and rules of conduct can be accessed by employees worldwide in the Compliance Portal on KWS' intranet. 92% (80%) of the total workforce has access to the Compliance Portal. In addition, all supervisors are obliged to inform their employees about compliance issues.

The e-learning courses we offer continued to be used in fiscal 2023/2024. Of the invited employees,

- 60% (56%) completed the training tool on anti-corruption and antitrust law,
- 61% (46%) the data protection training and
- 60% (66%) the training in prevention of money laundering.

Reporting of violations/whistleblower hotline

If an examination or report reveals indications of a compliance violation, the investigation is conducted in accordance with KWS' regulations "Procedures of Internal Compliance Notification." KWS' employees are obligated to report suspected violations; the open door principle applies to this. Employees can supply information on suspected violations to their supervisor, to the Compliance

30 Not an audited part of the Combined Management Report

department or to the Compliance Reporting Platform. The Compliance Reporting Platform also acts as a whistleblower hotline and can be called by employees and external third parties from our homepage in more than 50 languages 24/7. Reports of suspected violations can also be submitted anonymously. The reported cases are investigated by KWS. The most important information for KWS employees and external third parties alike, such as how violations can be reported and what happens to the reports, is summarized in a document on our homepage. Whistleblowers do not suffer any disadvantages unless they have obviously abused their right to report violations. They receive confirmation that their report has been received and may be contacted via the portal and asked to provide further information. Finally, whistleblowers are informed when the investigation has been completed.

If suspected cases prove to be violations, the system of sanctions is applied. In general, it can be applied to all types of compliance violations. The system of sanctions defines various criteria governing the measures to be taken, such as the gravity of the violations, the degree of the person's breach of duty, the functional level, behavior after the violation – help in investigating it or attempts to cover it up – as well as consequences of the violation, such as the threat of damage or actually incurred damage. The sanctions range from cautions or warnings to immediate dismissal and filing of charges.

Violations in fiscal 2023/2024

No significant violations of the international Anti-Corruption Policy or antitrust or money laundering regulations resulting in disciplinary consequences or official measures such as fines were reported to the compliance function in fiscal 2023/2024. There were no reportable data protection violations.

Adequacy of the Compliance Management System

Implementation and observance of individual compliance aspects are reviewed as part of audits. The Executive Board and the Supervisory Board's Audit Committee are informed once a year about the current status and latest developments of the Compliance Management System.

Diversity of the Executive Board and the Supervisory Board

The Executive Board of KWS SE, the personally liable partner of KWS SAAT SE & Co. KGaA, had one woman and three men serving on it at June 30, 2024. Although there is no legal obligation to set targets for the ratio of women and men on the Executive Board of KWS SE, the Supervisory Board of KWS SE stipulates that the ratio of women to men on the Executive Board should not be less than 20%. As of June 30, 2024, the ratio of female members on the Executive Board was 25%.

The six-member Supervisory Board of KWS SAAT SE & Co. KGaA temporarily consisted of two women and three men as of June 30, 2024, following the death of one member. In accordance with Section 111 (5) of the German Stock Corporation Act (AktG), the Supervisory Board has to define a target for the ratio of women to men on the Supervisory Board and the date by which that target is to be achieved. Accordingly, the Supervisory Board of KWS SAAT SE & Co. KGaA decided at its meeting on June 23, 2022, that the ratio of women to men among the shareholder representatives on the Supervisory Board should not be less than 25% by June 30, 2027. As of June 30, 2024, the ratio of female and male shareholder representatives on the Supervisory Board was 60%, of whom 33% were female.

Dr. Felix Büchting	Dr. Peter Hofmann	Eva Kienle	Nicolás Wielandt
▪ Research ▪ Breeding ▪ Global Human Resources ▪ Farming ▪ Group Strategy ▪ Corporate Office & Services	▪ Sugarbeet ▪ Vegetables ▪ Cereals ▪ Oilseed Rape/Special Crops ▪ Organic Seeds ▪ Global Marketing & Communications	▪ Global Finance & Procurement ▪ Global Controlling ▪ Global Transaction Center ▪ Global Legal Services & IP ▪ Global Information Technology ▪ Group Compliance Office ▪ Group Governance & Risk Management	▪ Corn Europe ▪ Corn South America ▪ Corn North America ▪ Corn China/Asia

Executive Board and Supervisory Board by gender

	Ratio on the Executive Board	Ratio on the Supervisory Board
Female	25 %	40 %
Male	75 %	60 %

Executive Board and Supervisory Board members by age group

	Ratio on the Executive Board	Ratio on the Supervisory Board
Younger than 30	0 %	0 %
Between 30 and 50 years	50 %	20 %
Aged 50 and above	50 %	80 %

Compensation of the Executive Board and the Supervisory Board

The compensation system for members of the Executive Board aims to promote the company's sustainable development and comply with the objectives of the German Act Implementing the Second Shareholder Rights Directive (SRD II) and the German Corporate Governance Code. Their total compensation includes not only a basic salary, but also performance-based components that are linked to the company's success, and fringe benefits. The compensation of the Executive Board is set by the company's general partner and approved by the Annual Shareholders' Meeting. The compensation for members of the Supervisory Board is governed by the Articles of Association and is based on the size of the company and their responsibilities. The company believes that a fixed compensation structure means that the Supervisory Board can better exercise its control function. The composition and level of the total compensation are disclosed in the Compensation Report for 2023/2024.

Manager to worker pay ratio

The manager to worker pay ratio, which denotes under the GRI (Global Reporting Initiative) the total compensation of the highest-paid employee relative to the average total compensation of all employees (with the exception of the highest-paid employee), was 19.8 (17.4) for all German companies in fiscal 2023/2024.

2.5 Opportunity and Risk Report

The opportunities and risks as part of our business activity as an international plant breeding company, as well as the processes for identifying them, are described in the following section.

2.5.1 Opportunity Management

Strategic opportunities

We define strategic opportunities as being developments that are of significant importance for the KWS Group and have a lasting positive impact on our commercial success. We can leverage these opportunities successfully only if we always keep on improving our company in terms of economics, ecology, social engagement and governance. We set ourselves challenging and long-term objectives for that, such as the KWS Sustainability Ambition 2030. These objectives are developed on the basis of extensive analyses that include the identification and evaluation of future trends. We turn the objectives into strategic initiatives, the results of which are further translated into innovative corporate processes.

Our objectives and initiatives are regularly reviewed as part of our strategic planning. This planning covers the ten-year period ahead of us and is conducted at regular intervals. It is jointly formulated in multiple units, discussed and finally adopted by the Executive Board. The company's objectives can be retained, adapted or expanded as a result of the insights gained in strategic planning. For example, new fields of business can be tapped or administrative processes adjusted and improved.

We see a particular strategic opportunity in the growing importance of sustainability in agricultural practice. Our breeding objectives are geared toward increasing yields while improving plant health and nutrient use efficiencyto potentially reduce the need for pesticides and fertilizer. Apart from the possibility of cutting costs, these variety traits also give our customers a means to reduce their emission footprint and operate in a more climate-friendly manner. Our diverse portfolio of crops also enables crop rotation that conserves the soil's fertility and binds emissions by fostering humus formation. Thanks to this broad offering, we can supply both conventional and organic farms with varieties and services.

There are further opportunities for the KWS Group to expand or adapt its field of business. The individual areas of opportunity are listed and explained in the following section.

Innovative varieties and product performance

To succeed in achieving sustainable growth in the future as well, our prime goal must be to retain and increase our innovativeness. That is particularly important, especially in times of climate change, when resilient varieties that deliver reliable yields have to ensure that the population has enough food. It is vital for us to increase plants' yield potential, enhance resource efficiency or develop their resistance and tolerance to detrimental influences, of whatever type. That requires continuous and intensive research work, since it takes up to ten years for a new variety to gain approval and be put on the market. We therefore invest a double-digit percentage of our net sales in research and development projects every year in order to achieve our goal of an average yield progress of 1.5% per annum. However, our complex research and breeding processes are also subject to risks that may result in regional weaknesses in our portfolio. They include external factors such as changing disease patterns as a result of climate change or new statutory regulations on reducing the use of operating resources, as well as internal factors such as technical problems and process delays. The varieties we develop must meet high quality requirements. The performance of our varieties is reassessed every year by management and the Supervisory Board so that we can respond immediately to weaknesses in our portfolio if necessary.

Our product – seed – stands right at the beginning of the agricultural value chain. Continuous and forward-looking breeding work can make the agricultural process chain more sustainable. The introduction and use of new cultivation systems, resistances and tolerances or nutrient efficiencies can help increase and stabilize yields, reduce the use of resources such as fertilizer, pesticide or water, and promote biodiversity. Varieties with improved resource utilization mean the carbon footprint per unit yield can be reduced. At the same time, higher yields per unit area can also result in less cultivation area being required. KWS is working to develop such products and cultivation systems to leverage this potential.

Modern breeding technology

Plant breeders are developing new varieties to meet all of the challenges caused by the consequences of climate change, new pests, reduced fertilizer use and the need to deliver high-quality agricultural products. KWS uses the most suitable breeding methods for that. Increasing complexity and the growing pace of change also mean we have to use state-of-the-art technologies and analysis methods so as to speed up our variety development and improve its precision. These new methods complement our plant breeders' toolset and offer additional opportunities to improve plants in a targeted way through breeding. KWS is working on the hybridization of potatoes, wheat and barley using a combination of new methods and conventional breeding, as well as exploiting the natural resilience offered by hybrid breeding, with market launches planned in the coming years. High-yielding hybrid potato, wheat and barley varieties can make an important contribution to increasing land efficiency in agriculture.

New data analysis methods also increase efficiency in plant breeding and agriculture. Agricultural areas can be farmed in a tailored way thanks to automated data capture and transmission, big data analytics, robotics or artificial intelligence. For example, drone or satellite technology can quickly detect incidences of infestation or disease in the field so that they can be combated in a targeted and pinpointed manner. That helps reduce the use of pesticides and the number of times machines have to run over the field. We already use these technologies in our research and breeding processes. They are becoming increasingly relevant in agricultural practice and vegetable cultivation.

We need to develop our own or scout for further new, highly promising methods and technologies and then establish them in our processes in order to avoid risks such as competitive disadvantages.

Changes in demand

New, permanent customer needs – varying from region to region – are emerging, and that entails long-term opportunities and risks. While meat consumption in countries such as Germany, France or Italy has declined continuously in recent years, for example, it continues to grow in other countries such as China and Portugal or remains relatively high elsewhere, such as in the U.S. We take into account relevant long-term trends by establishing and expanding new product lines and by including new crops in our portfolio. We thus have a broad product portfolio so as to enable our company to respond to these long-term developments and the opportunities that arise. At the same time, one-sided dependencies can be reduced as a result. We want to provide new varieties long term in order to further expand the range of products for direct and balanced human nutrition.

We nurture direct contact with our customers so that we can keep on marketing our products successfully in the future. As part of that, we continuously strive to expand and optimize our sales channels. That also allows us to identify trends or changes in demand directly and immediately.

Operational opportunities
By an operational opportunity, we understand a development that is consistent with our strategic planning and might have a positive short-term impact on our earnings, financial position and assets and has not yet been reflected fully or at all in the company's financial planning. Operational opportunities are identified and assessed by our Business Units. We leverage them by pinpointed investment in production capacities, research and development activities and by further enhancing distribution and central purchasing, for example.

Market opportunities arise from our fledgling activities in the vegetable market, with which we are tapping a new field of business and new customer segments. We see a further opportunity in restructuring our country organizations and the associated sales units in the most important core markets for our crops. With our holistic approach of providing customers with a single point of contact for KWS' entire portfolio of crops, we strive to forge an even better relationship with our customers. At the same time, we adapt and optimize background processes so that customers are supplied with KWS' varieties and services from a single source in the future.

In summary, investing in expansion of our production capacities and modernization of our seed processing offers opportunities in existing and adjacent markets. Further development of our variety portfolio and expansion of production capacities are accompanied by steps to enhance our international distribution structures. In addition, continuous optimization of processes offers the KWS Group opportunities to increase productivity and digitalization and improve cost structures. Recording of operational opportunities is part of risk management.

2.5.2 Risk Management

Risk management strategy and objectives
The objective of the KWS Group's central risk management is to identify relevant risks at an early stage, mitigate financial, reputational, environmental, legal, strategic or health-related damage, and ensure compliance with key corporate principles and social standards. We consequently understand the term "risks" as denoting events and potential developments, both inside and outside the KWS Group, that have a negative impact on achievement of our corporate objectives or principles. That also includes events that impair our value chain and harm the environment and which we can influence (outside-in and inside-out perspective).

We strive to address risks openly. A proactive and open risk culture is part of that. Speaking about risks should be established practice in our daily work. KWS applies an entrepreneurial attitude to risk, i.e. deliberate risks can be taken if that offers opportunities that are consistent with the KWS Group's strategic planning, corporate objectives and internal standards. If a risk does not entail any relevant opportunities, or if risks jeopardize achievement of the Group's key financial targets (10% EBIT margin, at least 5% net sales growth), they are to be avoided or their impact must be reduced as far as possible, taking cost-benefit considerations into account. Violations of the law and important corporate principles, such as respect for human rights, are totally unacceptable. To assess our risk-bearing capacity, we compare our equity and liquidity with the aggregate risk situation and also look at strategic key financial indicators such as the anticipated EBIT margin. As part of that, we also consider anticipated developments for the coming fiscal year. The results are included in the Executive Board's overall assessment of the risk situation.

Responsibility

The Executive Board is responsible for Group-wide risk management. The Supervisory Board or the Audit Committee reviews the risk management system at least once a year to assess its suitability and effectiveness. It is assisted by the independent auditor of the financial statements as part of its statutory audit assignment and periodically – as mandated by the Supervisory Board – by Internal Auditing. In addition, a Risk Committee consisting of representatives from all divisions who have a good knowledge of the issue of risks has been established. It usually convenes twice a year, discusses and reviews the risks maintained in the risk management system and measures to control them, and formulates recommendations for the Executive Board, if necessary. Responsibility for identifying, assessing and controlling risks lies with the divisions, while central risk management coordinates the processes and ensures reporting to company management. Other roles in our risk management are specified in the chart "Players and systems in managing risks at KWS."

Players and systems in managing risks at KWS based on the Three Lines of Defense model

Supervisory Board		
Executive Board		
Risk Committee		
Central Risk Management		
Divisions (1st line)	**Control and monitoring systems (2nd line)**	**Process-independent controls (3rd line)**
▪ Business Units ▪ Research & Development ▪ Global functions	▪ Controlling (incl. early detection) ▪ Internal control system, accounting processes ▪ Compliance Management ▪ Risk Management ▪ Other systems (such as Quality Management, Stewardship, etc.)	▪ Internal Auditing
KWS Governance (Group and process standards, corporate culture, training)		

Central risk management process

Our central risk management process consists of the phases of identification, assessment, control, documentation, monitoring of risks and risk reporting. It is conducted regularly, usually twice a year. As part of risk identification, we record individual risks on an electronic platform and assess them qualitatively or quantitatively on the basis of Group-wide standards, in each case before (gross risk) and after (net risk) any countermeasures. As part of that, we calculate expected monetary values for all risks and classify the risks as "moderate," "medium" and "high." This enables end-to-end comparability of all recorded risks, which in turn forms the basis for prioritizing risk control measures. We query linkages between risks as part of risk identification, document them and take them into account in risk assessment in evaluating the likelihood of their occurrence. We record risks that impact our short-term (one-year), medium-term (four-year) and long-term (ten-year) planning horizon. The individual risks are classified as follows:

We decide systematically on what appropriate countermeasures to take to manage risks, in particular high risks. They may be measures to reduce risks, constant monitoring of them or taking out insurance, or the acceptance of risks (where no measures are possible or make economic sense), for example. The KWS Group's current risk situation is aggregated by central risk management into risk categories and reported first to the Risk Committee. On that basis, the Risk Committee discusses how to deal with the risks and submits recommendations to company management if

Scheme for assessing individual risks

		Likelihood of occurrence			
		Unlikely < 10%	**Possible** 10% – 50%	**Likely** 50% – 90%	**Almost certain** ≥ 90%
Financial impact (EBT)	**Very low** €0.1 million – €3.0 million				
	Low ≥ €3 million – €7.5 million				
	Medium ≥ €7.5 million – €15.0 million				
	High ≥ €15 million				

In the risk situation section, we report risks in the area framed in black.

Risk classification for single risks

Risk level	Risk score
Moderate	Smaller than 1
Medium	Between 1 and 5
High	Above 5

Formula assessment of single risks

Risk scoring
Net financial damage (in € million) × net likelihood = risk score for an individual risk

required. Central risk management coordinates the entire risk management process and supports the departments in their tasks. In designing the system, we are guided by applicable standards such as the COSO II Framework.

We meet the statutory requirements for early detection of risks with our financial controlling and risk management processes. To supplement the central risk management process, we carried out seven standardized early risk identification processes with the product segments and Research & Development and reported their results in writing to KWS' top two management tiers.

Control and monitoring systems[1]

We structure the internal control system at KWS on the basis of the "Three Lines of Defense" model. It enables a systematic approach to monitoring and managing risks. We make a distinction here between three different levels (see also the chart "Players and systems in managing risks at KWS based on the Three Lines of Defense model"):

1st line: Decentralized risk management by the divisions, such as transaction controls, quality controls, certification, contract management or IP due diligence

2nd line: Global controls by means of higher-level systems, such as our risk management and compliance management or controlling systems

3rd line: Independent audits by Internal Auditing

The various levels are supported, among other things, by Group-wide internal guidelines as well as centralized and standardized process definitions that enable variance analyses. The principle of separation of functions is also laid down in our guidelines, as is a system of information classification.

Comprehensive manual and automated controls have been established at the various levels and are subject to regular reviews by the company. Identified control weaknesses are discussed and

1 Not part of the audited Management Report

measures are initiated to eliminate them. Two control weaknesses were identified in the past financial year, for which mitigating measures were taken.

In addition, the Executive Board and Supervisory Board had no information to indicate any material weaknesses in the effectiveness or any inadequacy of the internal control system. In principle, however, it should be borne in mind that an internal control system, regardless of its design, does not provide absolute certainty that errors in our business processes will be detected.

In the following, we deal with the internal control system for accounting in more detail.

The internal control and risk management system in relation to the accounting process (Section 315 (4) of the German Commercial Code (HGB))

This is the responsibility of Global Finance and comprises structures and processes that enable proper and effective accounting and financial reporting. They include:

- Process-integrated controls, such as validation of reported data, separation of functions and the four-eyes principle, as well as regular analytical controls by Business Partner Finance and Controlling.
- Standardized financial accounting processes at the Global Transaction Center, in which almost all Group companies are integrated, and appropriate assurance that business transactions are included in accounting consistently, promptly and correctly and that all applicable statutory accounting regulations, standards and internal guidelines are implemented throughout the Group.
- Ensuring that the consolidated financial statements (including the Management Report) comply with the rules by means of Group-wide specifications relating to accounting guidelines, charts of accounts and uniform reporting processes.
- Central preparation of the consolidated financial statements using the uniform reporting process as well as system and manual controls with regard to accounting-specific interconnections.
- Notification of employees in the Global Transaction Center, Business Partner Finance and Controlling, as well as other relevant contact persons at subsidiaries, about changes in the financial statement preparation process on a quarterly basis.
- Protection of accounting-related IT systems against unapproved access by means of authorization and access regulations for the IT accounting systems.
- Ensuring the professional aptitude of employees involved in the accounting and financial reporting process by means of selection processes and training.

Description of the KWS Group's current risk situation

Here we report in summarized form on known medium or high individual risks with a net impact of at least €7.5 million and an event horizon of up to ten years. All individual risks are assigned to predefined risk categories and then reported in summary form under these categories. We summarize the aggregated risk situation in these risk categories using four-level risk classes ranging from “Low” to “Substantial”. If the risk classes of the categories have changed compared to the previous year, we explain this in the respective paragraphs. Our strategic risks arise primarily from lost long-term opportunities. We therefore explain these separately in the Opportunity management section.

There are currently no non-financial risks that are very likely to occur and have a serious impact on the reportable aspects in accordance with Section 289c HGB.

The development of the overall risk situation is discussed addressed in the overall statement on the risk situation by the Executive Board.

Strategic risk categories with an horizon up to ten years

Risk Type	Risk Category	Risk classification 23/24	Risk classification 22/23	Risk Trend
Strategic	Structural change of demand	Substantial	Substantial	→
	Structural underperformance of products	Substantial	Substantial	→
	Limited access to technology	Noticeable	Noticeable	→

Risk categories with a horizon of up to four years

Risk Type	Risk Category	Risk classification 23/24	Risk classification 22/23	Risk Trend
Operational	Communication	Medium	Medium	→
	Health, Safety and Environment	Substantial	Substantial	→
	Human Resources	Noticeable	Noticeable	→
	Information Technology	Substantial	Substantial	→
	Product Quality	Medium	Noticeable	↘
	Production and Business Interruption	Noticeable	Substantial	↘
	Projects, Corporate Organization and Process Management	Noticeable	Substantial	↘
Political and legal	Compliance risks	Substantial	Substantial	→
	General legal risks	Low	Low	→
	Intellectual Property (IP)	Medium	Medium	→
	Political Instability	Substantial	Substantial	→
	Regulatory risks	Medium	Noticeable	↘
	Social risks	Medium	–	↗
Markets and competition	Climate change & natural disasters	Medium	Medium	→
	Competition and business partners	Substantial	Noticeable	↗
	Price developments & supply	Substantial	Substantial	→
	Market trends	Medium	Medium	→
Finance and capital markets	Capital markets	Medium	Medium	→
	FX risks	Noticeable	Noticeable	→
	Liquidity risks	Low	Low	→
	Receivable risks	Low	Low	→
	Tax risks	Medium	Medium	→

Risk classification for aggregated risk categories

Risk class	New threshold values (Risk score)	Threshold values (Risk score)
Low	smaller than 10	smaller than 3
Medium	between 10 and 20	between 3 and 8
Noticeable	between 20 and 30	between 8 and 15
Substantial	above 30	above 15

Formulas aggregated view

Formula
1: Net impact (in € million) × Net-likelihood = Risk Scoring of a single risk
2: ∑ of reported risk scores within a category = Risk scoring of a category

Operational risks

IT

The KWS Group's business and production processes, as well as its internal and external communications, are run on globally networked IT systems. Attacks or outages can lead to a loss of confidentiality, availability, integrity and/or authenticity of data, information and systems. That harbors risks, such as loss of know-how, data manipulation, loss of personal data and loss of image, and may result in large financial losses. We reduce these risks by means of organizational and technical measures. IT service providers constantly examine our IT security so as to issue recommendations for optimization measures on the basis of their risk assessment. Uncontrolled and/or undetected loss and damage as a result of hacking and malware are still possible even if very good precautionary measures are in place. In the year under review, we provided our employees worldwide with a new global interactive online training course on the subject of fraudulent attacks.

Product quality

We have established detailed checks and tests to determine the performance and quality of our seed. Quality controls, such as germination and sprouting strength tests, are conducted at all stages of production. These checks and tests are also intended to reduce risks such as claims for damages due to product liability, which may be significant, especially in Anglo-American jurisdictions. We also have product liability insurance to defend against unjustified claims and to settle justified claims. Very strict requirements must be met regarding management of genetically modified products, in particular, to prevent GMOs becoming mixed with conventional seed. KWS is still a member of the "Excellence Through Stewardship" (ETS) initiative, an internationally standardized quality management program. We see fewer product-related risks in this category in the medium term, which is why the risk situation fell in the year under review.

Production and business interruption

KWS uses technically complex seed processing plants. Interruptions to business operations may have a negative impact on the volumes that are available for sale and represent significant risks, especially if they occur in our sales season. In order to reduce these risks, we conduct regular risk inspections, carry out preventive maintenance, and have property and business interruption insurance.

Seed propagation is dependent on the weather. We reduce the risk of crop failures by propagating seed – depending on the crop – in separate locations and regions in Europe, North and South America and Asia. We can carry out contra-seasonal propagation in the winter half-year in the southern hemisphere if there are bottlenecks in the volume of seed produced.

There are still risks of potential restrictions or interruptions to business operations. We continue to work on switching in the medium to long term to a low-emission energy supply based on renewable energies. The spread of hostilities in Ukraine may result in interruptions to business operations (corn seed production). Our seed production in Russia is subject to high political risks. The Russian Ministry of Agriculture is still making efforts to increase localization and control of the local seed market. We regularly monitor and evaluate the situation.

The category's risk situation fell in the year under review. We see fewer production risks in relation to corn.

Projects, corporate organization and process management

So that we can continue to grow profitably and sustainably with the support of an efficient organization and harmonized processes that also reflect the increasing complexity of the requirements demanded of our workforce, we regularly review their adequacy and realign them where necessary. Without appropriate realignment, there may be organizational risks, such as an excessive workload on individual departments. In turn, a realignment may entail integration risks (as part of M & As, for example), among other things, or temporarily result in process inefficiencies or unplanned costs. Our measures to counter these risks include the establishment of specialized functions (such as M & A experts), rollout of a new standard process model and automation, complemented by our globally applicable company standards. Thanks to a new project we launched in the year under review in order to improve our internal guideline system, we see lower risks in the medium term, which means that the category's risk situation fell.

Health, safety and environment

Accidents, technical problems or misconduct in our business processes may result in injury to persons and environmental damage and are high risks. One measure we have taken to reduce these risks is to implement a global health, safety and environment standard, which the central HSE Manager function will keep on developing.

In Ukraine, we are continuing our crisis management activities, the prime goal of which is to protect all local employees and their families. Our business activities are not in close proximity to the fighting; however, we see a high risk to the health of our local colleagues due to the continuing air raids throughout the country and the ongoing war, factors that continue to determine this category's risk classification.

We still consider the risk of technical accidents at our seed production plants and the resulting danger to life and limb and the threat to the environment to be low – also pursuant to our annual internal audits at various business establishments.

Human resources

Recruiting the right employees for KWS, offering them diverse development opportunities and striving for a long-term working relationship with them are factors that are crucial to our business success. In order to counter potential risks such as the loss of employees or lengthy vacancies, we regularly review our attractiveness and positioning as an employer. In this way, we prevent any future staffing risks through structured succession planning, continuously expand our employer brand on the external market, and strengthen our employees' loyalty through attractive development programs and compensation at a fair market level. The battle for talents and experts on the labor market remained intense and so there was an associated rise in internal requirements in relation to retaining employees. We rolled out a new employee satisfaction survey in the year under review and to be carried out regularly in future, in order to gain a better understanding of and address our employees' needs.

Communication

In the course of our business activities, we are exposed to various reputational risks worldwide. These may result from inadequate or misleading communication regarding our business strategies, our innovation processes or environmental and social responsibility, our continued presence in the Russian seed market and our position on patents and may be reflected in negative reporting about KWS. To counteract these risks, we nurture continuous and open communication with various target groups. They include shareholders, customers, employees, NGOs and the general public.

Finance and capital markets

Tax risks

KWS operates in about 70 countries and is therefore subject to an array of complex national tax requirements and laws. Changes that are not detected in time and/or incomplete implementation of tax law, court rulings and interpretations by the fiscal authorities may have an effect on tax assets and liabilities, as well as on deferred tax assets and deferred tax liabilities. That can result in significant risks, which we counter by continuously identifying and assessing the tax frameworks and by central coordination through our Finance department and advice from external experts. If necessary, tax provisions are formed on the basis of estimates.

Currency risks

Currency risks arise, in particular, from receivables and liabilities denominated in foreign currency. Where it appears economically appropriate, we address currency risks through the usual hedging instruments and internal standards in order to reduce the influence on the KWS Group's earnings and assets situation. We also reduce our transaction risks by means of natural hedging, when expenses are incurred in the same currency in which we generate revenue. In fiscal 2023/2024, we hedged our intra-Group loans to a large part by using standard currency derivatives in order to reduce currency risks.

Liquidity risks

The overriding goal of our liquidity management is to ensure we meet our payment obligations on time. External factors, such as global crises, may restrict the availability of credit lines and/or mean we can only obtain economically disadvantageous terms and conditions. Our central Treasury department determines what funding we require in its liquidity planning and covers those needs by providing cash, promised credit lines and other financial instruments. We have agreed customary financial covenants for part of these promised credit lines. If these covenants are breached, the lender has the right to terminate the agreement.

Receivable risks

We nurture extensive business relationships with various customer groups – from the sugar industry and agricultural wholesalers to individual farmers. If, in particular, large customers are not able to meet their contractual payment obligations to us, we could suffer losses. We reduce such credit risks through our receivables management and, where possible and expedient, by means of credit insurance. The risks of counterparty defaults in Ukraine and Russia are largely manageable due to the use of advance payments.

Capital markets

In view of the diverse and increasing demands placed on business by the capital market, inadequate data and processes, especially non-financial ones, can lead in the medium term to poorer conditions on the capital market. In the year under review, we made further changes to our non-financial reporting to comply with the upcoming Corporate Sustainability Reporting Directive (CSRD), including conducting a new materiality analysis with the Executive Board. An internal project to enable first-time reporting in accordance with the CSRD was launched.

Politics and the law

Compliance

Our company is exposed to potential compliance risks that may result from violations of antitrust, competition, anti-corruption and money laundering law, sanctions and data protection requirements. Violations may result in serious consequences under criminal and civil law, including financial penalties and the possible loss of our business license.

Under our compliance policy, the Code of Business Ethics and our Group Standards, we sensitize and obligate our managers and employees to undertake to act in accordance with laws, contracts, internal guidelines and our corporate values and raise their awareness in this regard. Regular communication, instruction and training and advice are intended to ensure compliance. We rigorously investigate reports of compliance violations. Nevertheless, violations due to unawareness or legal unclarity, for example, cannot be ruled out categorically. As is expressly pointed out, sanctions are imposed if our compliance regulations are violated.

Intellectual property (IP)

Protecting intellectual property is vital to companies that conduct research if they wish to preserve their freedom of action and keep on generating value. The seed-specific property rights under "variety protection" ensure they are compensated for the years-long process of research, breeding and development of new varieties and that third parties cannot market the same variety at no costs to themselves. KWS uses patents to protect certain plant traits, in particular if they have been developed or produced by means of technical methods. In order to secure its freedom of action and avoid infringing third-party proprietary rights, KWS has implemented far-reaching due diligence processes throughout the company.

Regulatory risks

As part of modern agriculture and as an innovative plant breeding company, KWS also uses state-of the-art breeding technologies to develop new, resource-conserving varieties. There is still a negative perception of new breeding technologies among the general public, despite the high standards in force and scientific facts to the contrary. New breeding technologies could speed up our variety development and improve its precision. The statutory restrictions on the use of pesticides also led to risks for KWS in the past. Some pesticides cannot be adequately replaced in our breeding processes, which may result in higher disease incidence, weed pressure, and rising seed production and breeding costs. We conduct an intensive dialogue with relevant stakeholders on this issue and are increasing the internationalization of our research – without reducing our commitment in the EU. In the year under review, we recorded a slight decline in the risk situation in this category.

Political instability

KWS faces political risks in many countries in the strongly regulated international agricultural industry. The tense global geopolitical situation worldwide impacts our business activities and growth plans in the Middle East and Eastern Europe. In Eastern Europe, the continuation of the Ukraine war continues to pose high risks to our business activities in Ukraine, Russia and Belarus. There are still health risks for our Ukrainian employees (see the section "Health, safety and environment"), but also a large number of business risks, such as a decline in cultivation area in Ukraine, an important future market for KWS, and export opportunities for farmers there remain restricted.

Our business activities in Russia are subject to regulations, sanctions, a lack of available services and spare parts, and continued Russian localization efforts (domestic production) in the seed market, which have already led to restrictions (import quotas) or could even result in complete cessation of business operations in Russia. This could have a large negative financial impact on KWS in the future. We mitigate potential negative effects on KWS through crisis teams that develop precautionary measures, implement them if necessary and report critical developments to the Executive Board and Supervisory Board as and when required.

General legal risks

KWS is exposed to risks arising from official proceedings and legal disputes with suppliers, licensors, customers, employees, lenders and investors. They may result in payments or other obligations. One court case was pending in the 2023/2024 fiscal year, but as the proceedings currently stand, it does not pose any significant financial risk.

Social risks

However, we also operate in markets where there are indications of insufficient compliance with social standards. In some countries, for example, child labor, forced labor and inadequate working standards exist in agriculture. We systematically recorded these risks in the year under review, which led to an increase in the risks in this category. We use these findings to design our measures, which are intended to be applied both preventively and in response to violations. We continue to work on expanding our due diligence system and, in this connection, published our Human Rights Policy for the first time in the spring of 2024. We will update it regularly in the future and make our objectives and efforts transparent. A Human Rights Officer was appointed to coordinate establishment of the due diligence system within the KWS Group.

Markets and competition

Market trends

This covers in particular local external risks that may impact our business success and over whose emergence we have no or currently only limited direct influence. This includes demand trends and local conditions in the respective market, as well as requirements from farmers to our sales organization. We reduce this risks by reviewing our cooperation with local partners, through new licenses or by developing proprietary varieties and traits. We are also continuously working on expanding and optimizing our sales channels.

Competition and business partners

Strong competitive pressure, such as that due to aggressive pricing strategies by other market players, may have a negative impact on our business success. In particular, good local variety performance is the most effective means of protecting against this. Acquisition or licensing of technologies – such as genetically modified traits – is customary in the industry and necessary in markets such as North or South America. We strive to reduce the related risks by developing our own innovations, which may also be attractive to competitors, and through long-term license agreements. In the reporting year, the business performance of our joint venture AgReliant once again declined in an environment of high competitive pressure, which led to a significant increase in the short-term risk situation in this category. Together with our business partner, we address the risks there by means of a monitoring committee that is made up of representatives of both parties and makes joint decisions on key risk control measures.

Price developments and procurement

We are exposed to potential price fluctuations, delays and reduced availability in our global purchasing activities. We counter these risks by pooling our purchasing power in a centralized Procurement Management unit and, in particular, we adopt a structured approach in relation to the organization, management and long-term development of supplier relationships. Hedging instruments in the form of commodity derivatives are used to offset fluctuations in the prices of raw materials to a limited extent. In the year under review, we managed potential supply chain risks in a structured manner for the first time as part of the newly launched due diligence process, had the related activities reviewed internally and reported the results to the Executive Board and Supervisory Board. We will continue to expand the due diligence system in the coming year and plan to introduce further process improvements and standards, such as a revised Code of Business Ethics for Suppliers.

Climate change and natural disasters

We are increasingly experiencing extreme weather events, such as heavy rain, flooding, storms or drought, which may impact key business processes. We mainly develop new varieties and propagate our seed outdoors, meaning these activities are exposed to weather events. Moreover, weather risks can be insured against only at economically unfavorable terms and conditions, if at all. In addition to local protection measures such as irrigation, flood control or greenhouses, we can limit risks through regional diversification. Contra-seasonal production in the southern hemisphere enables two cultivation cycles a year. In addition to extreme weather events, climate change is also causing a gradual increase in average temperatures, changes in regional average rainfall, and changes in disease or pest pressure. We counter this by continuously optimizing our varieties as part of our global breeding programs. The breeding objectives as part of that include drought resistance, standing ability, better nutrient utilization or new resistances. Climate change thus also entails opportunities for KWS, which we explain in the section “Opportunity Management.”

Overall statement on the risk situation by the Executive Board

The KWS Group’s net risk position at the end of the fiscal year was slightly lower compared with the previous year, due in particular to lower energy supply and production downtime risks as well as the decline in inflation. The high political risks as a result of Russia’s localization efforts remain. They are having a negative impact on our local seed supply (import quotas) and business development there. Teams of experts analyze, assess and control risk-related developments on an ongoing basis and report to the Executive Board as and when required. In Ukraine, we continue to maintain measures to protect employees and business processes.

In view of the available assessments and counter-measures we have initiated, risks that jeopardize the company’s existence are not discernible at present. Furthermore, based on the analysis of our risk-bearing capacity, we did not identify any potential threat to the company’s existence. We feel sure that, thanks to our global footprint, innovative strength and the quality of our products, we can seize opportunities and successfully manage risks as they arise. However, we cannot rule out the possibility that other factors that are currently unknown or which are not assessed as significant may jeopardize the continued existence of the KWS Group in the future.

Adjustments to risk reporting 2024/2025

In the reporting year, we added new categories to our risk categories and merged existing categories with others. As a result, we will be better able to cluster risks according to the sustainability categories of Environment, Social and Governance (ESG) in future. In this context, we have also defined new threshold values for our four-level risk classes. As a result, we are taking into account both the lower number of risk categories in the future and the KWS Group’s increased earnings performance in the past reporting years. From the coming year, we will report on the risk situation in accordance with these changes.

Strategic risk categories with an horizon up to ten years

Risk Type	Risk Category	Risk classification
Strategic risks	■ Change of geopolitical alliances and market access	Substantial
	■ Limited access to technology	Substantial
	■ Structural change of demand	Substantial
	■ Structural underperformance of products	Medium

Risk categories with a horizon of up to four years

Risk Type	Risk Category	Risk classification
Operative risks	■ Human Resources	Low
	■ Incidents	Substantial
	■ Influence on cultivation	Low
	■ Price and supply chain	Medium
	■ Product & service quality	Low
ESG risks	■ Environment	Low
	■ Governance	Medium
	■ Social	Noticeable
Legal and compliance	■ Compliance risks	Noticeable
	■ Other legal risks	Low
Financial risks	■ Financing & liquidity	Low
	■ FX risks	Medium
	■ Receiveable risks	Low
	■ Tax risks	Low
Reputational risks	■ Public perception and customer trust	Low

2.6 Forecast Report

The expectations of management outlined here are based on our corporate planning and the information it takes into account, including market expectations, strategic decisions, regulatory measures or exchange rate trends. They are subject to the same premises as the consolidated financial statements and forecast our business performance up to the end of fiscal 2024/2025 on June 30, 2025. In our forecast for the KWS Group's statement of comprehensive income, we deal with the KWS Group's anticipated net sales (on a comparable basis, excluding exchange rate and portfolio effects), anticipated EBIT margin and anticipated R&D intensity. In our forecast for the segments, we deal with the anticipated net sales (on a comparable basis, excluding exchange rate and portfolio effects), and the anticipated EBIT margin, including the contributions made by our equity-accounted companies, which are included proportionately in the segment reports in line with our internal corporate controlling structure.

2.6.1 Changes in the KWS Group's Composition that are Significant for the Forecast

Following the agreements reached in March 2024 to sell the South American corn and sorghum business, it will be disclosed as a discontinued operation in KWS' financial reporting until the transaction is closed.

The forecasts for fiscal 2024/2025 relate to KWS' continuing operations.

2.6.2 Forecast for the KWS Group's Statement of Comprehensive Income

The KWS Group's economic performance in fiscal 2024/2025 will continue to be impacted by the challenging changes on global agricultural markets. The increased occurrence of weather extremes as a result of climate change are making the general conditions in agriculture more volatile. The associated fluctuations in supply and demand impair planning security for farmers and thus also for us as a seed vendor. However, our broad product portfolio enables us to counter these fluctuations.

There are still significant currency risks in important markets, in particular in Türkiye and Eastern Europe.

Due to a generally subdued agricultural environment and an anticipated significant decline in business in Russia as a result of import restrictions and localization efforts for seed, we expect growth in fiscal 2024/2025 to be less buoyant than in previous years.

We expect the KWS Group to grow its net sales on a comparable basis (excluding exchange rate effects) by 2% to 4% over the previous year (€1,678 million).

We anticipate that the EBIT margin will be in the range of 14% to 16%, while our R&D intensity is expected to be between 18% and 19%. Due to the strongly seasonal nature of our business as a result of the great importance of the spring sowing season and external factors that are difficult to anticipate, such as the weather and fluctuations in cultivation area, we are providing ranges in our forecasts here, since more detailed statements on our net sales and earnings performance cannot yet be made with sufficient reliability.

2.6.3 Forecast for the Segments

In fiscal 2024/2025, we anticipate that the **Corn Segment** (on a comparable basis, excluding exchange rate and portfolio effects), will grow its net sales slightly compared with the previous year (€701.5 million), in particular on the back of growth in Europe. We assume that competition will remain intense in North America. As far as can be seen at present, the EBIT margin is expected to be at the level of the previous year (5.6%).

In the **Sugarbeet Segment**, our high-yielding portfolio of varieties will likely mean another successful fiscal year for us. We assume that sugarbeet cultivation area will remain stable all in all. The segment's business performance should benefit from further growth due to CONVISO® SMART seed and demand for Cercospora-tolerant

(CR+) varieties. We expect that the segment's net sales (on a comparable basis, excluding exchange rate and portfolio effects), will increase slightly compared with the previous year (€864.9 million) and that the EBIT margin will be at the level of the previous year (40.5%).

In the **Cereals Segment**, we assume (on a comparable basis, excluding exchange rate and portfolio effects), that net sales will decline sharply compared with the previous year (€275.9 million), as we anticipate stronger losses in our Russia business as a result of import restrictions on seed. We also expect the EBIT margin to fall sharply compared with the previous year (18.3%).

The **Vegetables Segment** essentially comprises the net sales and earnings contributed by acquired vegetable seed businesses. Assuming a stable market environment, in particular for spinach seed, we expect the segment's net sales (on a comparable basis, excluding exchange rate and portfolio effects), to rise sharply compared to the previous year (€62.1 million). There are also costs for establishing an international breeding program and the Business Unit in the segment. Consequently, the number of employees will probably increase further. The segment's income also includes noncash effects from the purchase price allocation as part of company acquisitions. Due to the above-mentioned effects, we expect the EBIT margin to be negative and at the level of the previous year (–55.9%).

Revenue (albeit slight) from our farms in Germany, France and Poland is grouped in the **Corporate Segment**. Since all cross-segment costs for the KWS Group's central functions and research expenditure are still charged to the Corporate Segment, its income is usually negative. In view of the planned cost developments, we expect the segment's EBIT to be approximately €–130.0 (–127.1) million.

Forecast for the 2024/2025 fiscal year

	Net sales growth[1]	EBIT margin	R&D intensity
Statement of comprehensive income of the KWS Group	2–4%	14–16%	18–19%

1 On a comparable basis, excluding exchange rate and portfolio effects

2.7 Further Information

2.7.1 Corporate Governance and Declaration on Corporate Governance[1]

Responsible corporate governance has always been of great importance at KWS SAAT SE & Co. KGaA. Since it was founded 165 years ago, our company's successful development has been based on thinking long term and acting in terms of sustainability. The Executive Board (the personally liable partner KWS SE, whose Executive Board is responsible for management of the company's business) and the Supervisory Board run and accompany KWS with the goal of ensuring it creates sustainable value added. They once again examined in the year under review whether the company complies with the stipulations of the German Corporate Governance Code and issued the Declaration of Compliance in Accordance with Section 161 AktG (German Stock Corporation Act) to the effect that the company complies almost fully with the code's recommendations.

You can find detailed information on corporate governance in our declaration on corporate governance in accordance with Section 289f of the German Commercial Code (HGB), which is available in full on our website at www.kws.com/corp/en/investors/corporate-governance. The Compensation Report for fiscal 2022/2023 is also available there.

2.7.2 Compliance declaration in accordance with Section 161 AktG (German Stock Corporation Act)[1]

The final version of the Declaration of Compliance in accordance with Section 161 AktG (German Stock Corporation Act) is available to shareholders on the website https://www.kws.com/corp/en/investors/corporate-governance.

2.7.3 Remuneration Report[1]

The Remuneration Report outlines the principles and salient features of the compensation systems for the Executive Board of KWS SE, the managing partner of KWS SAAT SE & Co. KGaA, and its Supervisory Board. It is no longer part of the Group Management Report. The Remuneration Report pursuant to Section 162 of the German Stock Corporation Act (AktG) for the fiscal 2023/2024, together with the report on the substantive and formal audit by the independent auditor, can be found on our website at www.kws.com/corp/en/company/investor-relations.

2.7.4 Explanatory Report of the Personally Liable Partner (KWS SE) of KWS SAAT SE & Co. KGaA in Accordance with Section 176 (1) Sentence 1 AktG (German Stock Corporation Act) on the Disclosures in Accordance with Section 289a (1) and Section 315a (1) HGB (German Commercial Code)

The personally liable partner of KWS SAAT SE & Co. KGaA provides the following explanation on the following disclosures in accordance with Section 289a and Section 315a HGB (German Commercial Code):

Composition of the subscribed capital

The subscribed capital of KWS SAAT SE & Co. KGaA is €99,000,000.00 and is divided into 33,000,000 bearer shares. The pro-rata share of each share in the capital stock is €3.00. Each share grants the holder the right to cast one vote at the Annual Shareholders' Meeting. The rights of shareholders are governed by the German Stock Corporation Act (AktG) and the Articles of Association.

Restrictions relating to voting rights or the transfer of shares

There may be restrictions relating to voting rights or the transfer of shares as a result of statutory or contractual provisions. For example, shareholders are barred from voting under certain conditions pursuant to Section 136 of the German Stock Corporation Act (AktG) in conjunction with Section 278 (3) of the German Stock Corporation Act (AktG) or Section 44 of the German Securities Trading Act (WpHG); the bars on voting pursuant to Section 285 of the German Stock Corporation Act (AktG) must also be observed for personally liable partners at a partnership limited by shares

1 Not an audited part of the combined management report

(KGaA). In addition, no voting rights accrue to the company on the basis of the shares it holds (Section 71b AktG).

The personally liable partner is not aware of any contractual restrictions relating to voting rights or transfer of shares. If there are no restrictions on voting rights, all shareholders who register for the Annual Shareholders' Meeting in time and have submitted proof of their authorization to participate in the Annual Shareholders' Meeting and exercise their voting rights are authorized to exercise the voting rights conferred by all the shares they hold and have registered. If members of the Executive Board of the personally liable partner or executive employees of the company have acquired shares as part of the long-term incentive programs, these shares are subject to a lock-up period until the end of the fifth year after the end of the quarter in which they were acquired. The lock-up period for shares that employees have acquired as part of the Employee Stock Purchase Plans runs until the end of the fourth year as of when they are posted to the employee's securities account.

Direct and indirect participating interests in excess of 10% of the voting rights

The company has been informed by shareholders of the following direct or indirect participating interests in the capital of KWS SAAT SE & Co. KGaA in excess of 10% of the voting rights in accordance with Section 33 and Section 34 of the German Securities Trading Act (WpHG) or elsewhere.

1. The voting shares, including mutual allocations, of the persons, companies and foundations stated below each exceed 10% and total 69.3%:

- AKB Stiftung, Hanover
- Büchting Beteiligungsgesellschaft mbH, Hanover
- Zukunftsstiftung Jugend, Umwelt und Kultur, Einbeck
- Dr. Drs. h.c. Andreas J. Büchting, Germany
- RETOKE Holding Vermögensverwaltungs-gesellschaft mbH & Co. KG, Bad Schwartau
- Tessner Beteiligungs GmbH, Goslar
- Tessner Holding KG, Goslar

2. The voting shares of the persons stated below, including mutual allocations and allocations of voting shares of Dr. Drs. h.c. Andreas J. Büchting, Germany, AKB Stiftung, Hanover, Büchting Beteiligungsgesellschaft mbH, Hanover, Zukunfts-stiftung Jugend, Umwelt und Kultur, Einbeck, and RETOKE Holding Vermögensverwaltungs-gesellschaft mbH & Co. KG, Bad Schwartau, each exceed 10% and total 54.8%:

- Christiane Stratmann, Germany
- Dorothea Schuppert, Germany
- Michael C.-E. Büchting, Germany
- Annette Büchting, Germany
- Stephan O. Büchting, Germany
- Christa Nagel, Germany
- Matthias Sohnemann, Germany
- Malte Sohnemann, Germany
- Arne Sohnemann, Germany

3. The voting shares of the shareholder named below, including allocations of the persons, companies and foundations named in 1. above, exceed 10% and total 69.3%:

- Hans-Joachim Tessner, Germany

4. The voting shares of the shareholder named below, including allocations of all the persons, companies and foundations named in 2. above, exceed 10% and total 56.0%:

- Dr. Arend Oetker, Germany

5. The voting shares of the shareholders named below, including allocations of all the persons, companies and foundations named in 2. above, exceed 10% and total 55.0%:

- Dr. Marie Th. Schnell, Germany
- Johanna Sophie Oetker, Germany
- Leopold Heinrich Oetker, Germany
- Clara Christina Oetker, Germany
- Ludwig August Oetker, Germany

Shares with special rights and voting control
Shares with special rights that grant powers of control have not been issued by the company. There is no special type of voting control for the participating interests of employees. Employees who have an interest in the company's capital exercise their control rights in the same way as other shareholders.

Appointment and removal of management
The personally liable partner, KWS SE, is responsible for managing the business of KWS SAAT SE & Co. KGaA under Section 7.2 of the Articles of Association of KWS SAAT SE & Co. KGaA.

In accordance with Section 6 (3) of the Articles of Association of KWS SAAT SE & Co. KGaA, the personally liable partner shall leave the Company if the majority of shares in the personally liable partner can no longer be held directly and/or indirectly for a time longer than 30 calendar days by persons who hold a combined total of more than 15% of the Company's capital stock directly and/or indirectly through a company that is dependent in accordance with Section 17 (1) of the German Stock Corporation Act (AktG) or is controlled in accordance with Section 290 (2) of the German Commercial Code (HGB). This shall not apply if all shares in the personally liable partner are held by the Company.

Furthermore, Section 6 (4) of the Articles of Association of KWS SAAT SE & Co. KGaA stipulates that the personally liable partner shall leave the Company if a person who is not a family shareholder (acquiring party) obtains control over the personally liable partner directly or indirectly (acquisition of control) and does not submit to the Company's limited partners a takeover or mandatory offer in accordance with this provision and otherwise in accordance with the provisions in the German Securities Acquisition and Takeover Act (WpÜG) within three months of acquisition of control.

Under Section 6.5 of the Articles of Association of KWS SAAT SE & Co. KGaA, the personally liable partner shall also leave the Company by means of termination. Notice of termination shall be given to all the limited partners at the Annual Shareholders' Meeting. Outside of the Annual Shareholders' Meeting, notice of termination shall be given to the Chairperson of the Supervisory Board or his or her deputy. The notice of termination shall be at least six months before the end of and effective the end of a fiscal year.

The other statutory grounds for the personally liable partner leaving the Company shall remain unaffected.

The members of the Executive Board of the personally liable partner, which is responsible for managing the company's business, are appointed and removed by the Supervisory Board of the personally liable partner, KWS SE. Pursuant to Article 46 (1) of Council Regulation (EC) 2157/2001 in conjunction with Section 6 of the Articles of Association of KWS SE, members of the Executive Board are appointed for a maximum period of six years. Members may be reappointed.

Amendments to the Articles of Association
Amendments to the company's Articles of Association are made pursuant to a resolution adopted by the Annual Shareholders' Meeting in accordance with Section 278 (3) in conjunction with Section 179 of the German Stock Corporation Act (AktG). Section 285 (2) Sentence 1 of the German Stock Corporation Act (AktG) stipulates that amendments to the Articles of Association require the approval of the personally liable partner.

In accordance with Section 133, Section 179 (2) of the German Stock Corporation Act (AktG) and Section 18 (1) of the Articles of Association of KWS SAAT SE & Co. KGaA, a resolution by the Annual Shareholders' Meeting to amend the Articles of Association must be adopted by a simple majority of the votes cast and a simple majority of the capital stock represented in adoption of the resolution, unless obligatory statutory regulations or the Articles of Association otherwise compel.

The power to make amendments to the Articles of Association that only affect the wording (Section 179 (1) Sentence 2 AktG) has been conferred on the Supervisory Board in accordance with Section 22 of the Articles of Association of KWS SAAT SE & Co. KGaA.

Powers of the personally liable partner, in particular in relation to issuing or buying back shares

The personally liable partner is authorized, with the consent of the Supervisory Board, to increase the capital stock of the Company in the period up to midnight on December 15, 2025, once or in installments by a total of up to €9,900,000.00 by issuing new shares in exchange for cash contributions and/or contributions in kind (Authorized Capital 2020). As a matter of principle, shareholders have a subscription right to the shares. The shares can also be assumed by one or more credit institutions or enterprises within the meaning of Section 186 (5) Sentence 1 of the German Stock Corporation Act (AktG) appointed by the personally liable partner, with the obligation to offer them for subscription solely to the shareholders' (indirect subscription right). However, the shareholders' subscription right can be excluded with the consent of the Supervisory Board, subject to certain conditions defined in the authorization.

Significant agreements in the event of a change of control, compensation agreements

Significant agreements subject to the condition of a change in control pursuant to a takeover bid have not been concluded. The agreements with members of the Executive Board of the personally liable partner stipulate that any commitments in the case of a change in control are limited to the maximum amounts specified by the German Corporate Governance Code.

2.8 Report on KWS SAAT SE & Co. KGaA (Declaration based on the German Commercial Code (HGB))

References to KWS SAAT SE & Co. KGaA in the KWS Group's Annual Report
The Management Reports of KWS SAAT SE & Co. KGaA and the KWS Group are combined. The declaration on corporate governance in accordance with Section 289f of the German Commercial Code (HGB), which also contains the compliance declaration in accordance with Section 161 AktG (German Stock Corporation Act), has been published in the Internet at www.kws.de/ir. The following disclosures are identical to those of the KWS Group and are printed in this Annual Report:

References to KWS SAAT SE & Co. KGaA in the KWS Group's Annual Report

Disclosures	Page(s)
Report in accordance with Section 289 (4) of the German Commercial Code (HGB) and explanatory report of the Executive Board	96 to 99
On business activity, corporate strategy, corporate controlling and management, as well as explanations on business performance	18 to 47
On the dividend	164 (Notes)
On research and development	26 to 28
On the report on events after the balance sheet date	165 (Notes)

KWS SAAT SE & Co. KGaA is the parent company of the KWS Group. It is responsible for strategic management and, among other things, propagates and distributes sugarbeet and corn seed. It finances basic research and breeding of the main range of varieties at the KWS Group and provides its subsidiaries with new varieties every year for the purpose of propagation and distribution.

Earnings
Net sales at KWS SAAT SE & Co. KGaA in the year under review increased sharply to €970.6 (825.4) million (guidance: slight increase in net sales). The increase resulted, in particular, from growing cereals and sugarbeet business. Gross profit likewise rose sharply to €592.4 (475.8) million due to the expansion in business. Research and development expenditure, which is pooled at KWS SAAT SE & Co. KGaA, was increased as planned to €269.3 (251.6) million. Selling expenses rose to €101.0 (98.4) million. Most of the administrative expenses at the KWS Group are incurred at KWS SAAT SE & Co. KGaA. General and administrative expenses in the year under review totaled €157.2 (136.4) million. The balance of other operating income and other operating expenses was €26.9 (9.3) million. KWS SAAT SE & Co. KGaA's operating income improved sharply to €91.8 million following €–19.9 million in the previous year (guidance: lower year on year), in particular thanks to the increase in our high-margin sugarbeet business. The interest result fell to €–11.0 (–6.1) million, in particular as a result of higher interest expenses. Taking into account taxes totaling €27.8 (4.2) million, the net income for the year was €72.1 million (previous year: net loss of €–4.1 million).

Financial position and assets

KWS SAAT SE & Co. KGaA's total assets in fiscal 2023/2024 increased to €1,982.5 (1,742.3) million. Fixed assets at the balance sheet date were €1,059.3 (1,038.1) million. Property, plant and equipment and intangible assets rose sharply, while financial assets were slightly below the level of the previous year. Inventories rose to €135.6 (119.6) million due to the planned increase in production quantities. Receivables and other assets increased sharply to €665.4 (523.3) million, in particular as a result of the rise in receivables from affiliated companies. Liabilities at the balance sheet date rose to €1,239.4 (1,078.3) million, mainly due to an increase in liabilities to affiliated companies and due to higher financial borrowings from banks. KWS SAAT SE & Co. KGaA's equity increased to €503.9 (461.5) million due to the higher net retained profits, giving an equity ratio of 25.5% (26.5%).

Employees

An average of 1,834 (1,737) people were employed at KWS SAAT SE & Co. KGaA in the year under review.

Risks and opportunities

The opportunities and risks at KWS SAAT SE & Co. KGaA are essentially the same as at the KWS Group. It shares the risks of its subsidiaries and associated companies in accordance with its respective stake in them. You can find a detailed description of the opportunities and risks and an explanation of the internal control and risk management system (Section 289 (4) of the German Commercial Code (HGB)) on pages 80 to 93.

Forecast Report

KWS SAAT SE & Co. KGaA generates the main part of its net sales from sugarbeet, cereals and corn seed business and royalties from basic seed. Its further development depends, among other things, on the performance of our varieties, cultivation area in our key markets and developments in our growth markets. On the basis of our planning, we anticipate a decline in net sales, in particular due to the fact that we expect a decline in cereals business. KWS SAAT SE & Co. KGaA's operating income is mainly impacted by the costs of central functions of the KWS Group and cross-segment research and development activities. Given that spending on research and development and central functions is expected to rise, we anticipate a significant decline in KWS SAAT SE & Co. KGaA's operating income.

Einbeck, September 10, 2024

KWS SE

Dr. Felix Büchting | Dr. Peter Hofmann | Eva Kienle | Nicolás Wielandt

3. Consolidated Financial Statements of KWS SAAT SE & Co. KGaA 2023/2024

Consolidated Statement of Comprehensive Income

July 1 to June 30

in € thousand	Note no.	2023/2024	2022/2023[1]
I. Income statement			
Continuing operations			
Net sales	6.1	1,678,118	1,500,291
Cost of sales	6.1	622,423	589,893
Gross profit on sales		**1,055,695**	**910,398**
Selling expenses	6.1	284,277	257,980
Research & development expenses	6.1	325,565	299,791
General and administrative expenses	6.1	149,586	140,140
Other operating income	6.2	57,453	41,214
Other operating expenses	6.3	51,769	58,590
Operating income		**301,951**	**195,113**
Financial income	6.4	8,709	9,861
Financial expenses	6.4	34,326	21,325
Result from equity-accounted financial assets	6.4	–24,345	–12,337
Net financial income/expenses	**6.4**	**–49,963**	**–23,801**
Earnings before taxes from continuing operations		**251,988**	**171,311**
Income taxes	6.5	67,912	45,219
Earnings after taxes from continuing operations	**6.8**	**184,076**	**126,092**
Discontinued operation			
Earnings after taxes from discontinued operations	**4.2**	**–53,246**	**897**
Group			
Earnings after taxes		**130,830**	**126,989**
II. Other comprehensive income[2]			
Changes in reserve for currency translation differences and hyperinflation for foreign operations[2]	7.9	3,252	–38,834
Other income from equity-accounted financial assets	7.9	1,457	–13,434
Net gain/(loss) on cash flow hedges	7.9	0	0
Net change in cost of hedging	7.9	–397	–200
Items that may have to be subsequently reclassified as profit or loss[2]		**4,312**	**–52,468**
Net gain/(loss) on equity instruments designated at fair value through other comprehensive income	7.9	–738	–2,616
Remeasurement gain/(loss) in defined benefit plans	7.9	4,134	–341
Items not reclassified as profit or loss		**3,396**	**–2,957**
Other comprehensive income after tax[2]	**7.9**	**7,708**	**–55,425**
III. Comprehensive income[2]		**138,538**	**71,564**
Diluted and basic earnings per share from continuing operations (in €)	**6.8**	**5.58**	**3.82**
Diluted and basic earnings per share for the Group (in €)	**6.8**	**3.96**	**3.85**

1 The previous year's figures have been adjusted due to the fact that the commercial corn and sorghum business in South America is recognized as a discontinued operation (see also section "4.2 Discontinued operation: disposal group classified as held for sale" of the Notes).
2 The previous year's figures have been adjusted due to the change in recognition relating to hyperinflation (see also section "3.1. Consistency of accounting policies" of the Notes).

Consolidated Balance Sheet

Assets

in € thousand	Note no.	06/30/2024	06/30/2023
Goodwill	7.1	105,407	123,679
Intangible assets	7.1	279,916	319,866
Right-of-use assets	7.15	46,200	46,627
Property, plant and equipment	7.2	621,296	594,995
Equity-accounted financial assets	7.3	119,919	155,558
Financial assets	7.5	6,704	6,879
Noncurrent tax assets	7.5	123	21,986
Other noncurrent receivables	7.5	5,104	10,883
Deferred tax assets	6.5	35,433	46,330
Noncurrent assets		**1,220,103**	**1,326,802**
Inventories and biological assets	7.6	380,551	415,255
Trade receivables	7.7	504,202	582,010
Cash and cash equivalents	7.8	222,363	172,999
Current tax assets	7.7	121,004	128,113
Other current financial assets	7.7	36,861	68,534
Other current assets	7.7	36,525	53,780
Current assets		**1,301,505**	**1,420,691**
Assets held for sale	**4.2; 4.3**	**434,486**	**2,067**
Total assets		**2,956,093**	**2,749,561**

Equity and liabilities			
Subscribed capital	7.9	99,000	99,000
Capital reserve	7.9	5,530	5,530
Retained earnings	7.9	1,295,384	1,186,545
Equity	**7.9**	**1,399,914**	**1,291,075**
Long-term provisions	7.11	91,333	97,293
Long-term borrowings	7.11	427,035	566,106
Noncurrent lease liabilities	7.11; 7.15	35,828	38,288
Deferred tax liabilities	6.5	53,872	57,486
Other noncurrent financial/non-financial liabilities	7.11	1,927	2,823
Noncurrent liabilities	**7.11**	**609,995**	**761,996**
Short-term provisions	7.12	30,910	38,008
Short-term borrowings	7.12	180,420	172,121
Current lease liabilities	7.12; 7.15	15,578	13,314
Trade payables	7.12	202,579	228,124
Current tax liabilities	7.12	53,606	33,994
Other current financial liabilities	7.12	17,024	36,198
Contract and refund liabilities	7.12	59,703	79,686
Other current liabilities	7.12	95,345	95,045
Current liabilities	**7.12**	**655,165**	**696,489**
Liabilities in connection with assets held for sale	**4.2**	**291,020**	**0**
Liabilities		**1,556,180**	**1,458,485**
Total equity and liabilities		**2,956,093**	**2,749,561**

Consolidated Statement of Changes in Equity

July 1 to June 30

in € thousand	Parent company				
	Subscribed capital	Capital reserve	Accumulated Group equity from earnings	Comprehensive other Group income	
				Reserve for currency translation differences and effects of hyperinflation for foreign operations	Reserve for currency translation differences on equity-accounted financial assets
06/30/2022 (as reported)	**99,000**	**5,530**	**1,235,099**	**–95,362**	**20,985**
Adjustment to recognition relating to hyperinflation			–44,996	44,996	
07/01/2022	**99,000**	**5,530**	**1,190,103**	**–50,366**	**20,985**
Dividends paid			–26,400		
Earnings after taxes			126,989		
Other comprehensive income after taxes				–38,834	–7,769
Total consolidated gains (losses)			**126,989**	**–38,834**	**–7,769**
Other changes					
06/30/2023	**99,000**	**5,530**	**1,290,692**	**–89,200**	**13,216**
07/01/2023	**99,000**	**5,530**	**1,290,692**	**–89,200**	**13,216**
Dividends paid			–29,700		
Earnings after taxes			130,830		
Other comprehensive income after taxes				3,252	3,020
Total consolidated gains (losses)			**130,830**	**3,252**	**3,020**
Other changes			0	0	0
06/30/2024	**99,000**	**5,530**	**1,391,822**	**–85,948**	**16,236**

				Parent company	Group equity
			Kumuliertes übriges Konzernergebnis	Total	Total
Cash flow hedge reserve on equity-accounted financial assets	Net gain/(loss) on equity instruments designated at fair value through other compre-hensive income	Revaluation of defined benefit plans	Cost of hedging reserve		
3,339	**5,402**	**–28,083**		**1,245,911**	**1,245,911**
3,339	**5,402**	**–28,083**		**1,245,911**	**1,245,911**
0	0	0		–26,400	–26,400
0	0	0		126,989	126,989
–5,665	–2,616	–341	–200	–55,425	–55,425
–5,665	**–2,616**	**–341**	**–200**	**71,564**	**71,564**
0	0	0		0	0
–2,326	**2,786**	**–28,424**	**–200**	**1,291,075**	**1,291,075**
–2,326	**2,786**	**–28,424**	**–200**	**1,291,075**	**1,291,075**
				–29,700	–29,700
				130,830	130,830
–1,563	–738	4,134	–397	7,708	7,708
–1,563	–738	4,134	–397	138,538	138,538
0	0	0	0	0	0
–3,889	**2,048**	**–24,290**	**–597**	**1,399,914**	**1,399,914**

Consolidated Cash Flow Statement

July 1 to June 30

in € thousand	Note no.	2023/2024	2022/2023
Earnings after taxes	**6.8**	**130,830**	**126,989**
Depreciation and amortization	7.1; 7.2; 7.15	119,088	95,392
Increase/decrease in long-term provisions	7.11	–2,652	1,640
Other non-cash expenses/income	8	89,733	78,789
Increase/decrease in short-term provisions	7.12	26,692	–3,829
Net gain/loss from the disposal of assets	6.2; 6.3	–30,431	–1,598
Income tax expense/income	6.5	67,912	48,680
Income tax payments/refunds	6.5	–41,778	–46,978
Interest expense/interest income	6.4	17,653	29,525
Increase/decrease in inventories	7.6	–152,790	–131,696
Increase/decrease in trade receivables	7.7	–71,662	–74,583
Increase/decrease in other assets not attributable to investing or financing activities		–32,130	–34,447
Increase/decrease in trade payables	7.12	10,493	29,796
Increase/decrease in other liabilities not attributable to investing or financing activities		26,088	21,475
Proceeds and payments from equity-accounted entities	7.3	160	5,499
Net cash from operating activities of the Group		**157,205**	**144,654**
minus net cash from operating activities of the discontinued operation		–718	–6,945
Net cash from operating activities of discontinued operations		**157,923**	**151,599**
Proceeds from disposal of tangible assets	7.2	953	3,485
Payments for capital expenditures for tangible assets	7.2	–136,060	–101,164
Proceeds from disposal of intangible assets	7.1	30,705	0
Payments for capital expenditures for intangible assets		–15,119	–8,353
Proceeds from disposal of financial assets		11,528	0
Interest received		4,598	5,887
Net cash from investing activities of the Group		**–103,395**	**–100,145**
minus net cash from investing activities of the discontinued operation		–2,299	1,497
Net cash from investing activities of discontinued operations		**–101,096**	**–101,642**

July 1 to June 30

in € thousand	Note no.	2023/2024	2022/2023
Dividend payments to shareholders	7.9	–29,700	–26,400
Payment of principal portion of lease liabilities	7.15	–17,125	–11,933
Payment of interest portion of lease liabilities	6.4; 7.15	–2,526	–1,628
Interest paid incl. transaction costs on issuance of promissory notes and borrowings		–14,864	–28,532
Proceeds from long-term borrowings		208,106	91,952
Repayment of long-term borrowings		–98,105	–90,620
Changes from proceeds/repayments of short-term borrowings		–21,036	7,822
Net cash from financing activities of the Group		**24,750**	**–59,339**
minus net cash from financing activities of the discontinued operation		–30,449	294
Net cash from financing activities of discontinued operations		**55,199**	**–59,633**
Net cash changes in cash and cash equivalents and restricted cash		**78,560**	**–14,829**
Changes in cash and cash equivalents and restricted cash due to exchange rate, consolidated group and measurement changes		**–6,091**	**–15,836**
Cash and cash equivalents and restricted cash of the discontinued operation (IFRS 5)		**–23,105**	**0**
Cash and cash equivalents, including restricted cash, at beginning of year		172,999	203,664
Cash and cash equivalents, including restricted cash, at end of year	**8**	**222,363**	**172,999**
thereof restricted cash and cash equivalents at end of year		**265**	**21**

Notes for KWS SAAT SE & Co. KGaA 2023/2024

1. General Disclosures

The consolidated financial statements of KWS SAAT SE & Co. KGaA and its subsidiaries were prepared under the assumption that the operations of the companies will be continued and applying Section 315e of the German Commercial Code (HGB). They comply with the International Financial Reporting Standards (IFRS) as applicable in the European Union (EU) for the fiscal year 2023/2024.

KWS SAAT SE & Co. KGaA, the ultimate parent company of the KWS Group, is an international company based in Germany, has its headquarters at Grimsehlstraße 31, 37574 Einbeck, Germany, and is registered at Göttingen Local Court under the number HRB 205722. Since it was founded in 1856, the KWS Group has specialized in developing, producing and distributing high-quality seed for agriculture. The KWS Group covers the complete value chain of a modern seed producer – from breeding of new varieties, propagation and processing to marketing of the seed and consulting for farmers. KWS' core competence is in breeding new, high-performance varieties that are adapted to regional needs, such as climatic and soil conditions.

The Executive Board of KWS SE, the personally liable partner of KWS SAAT SE & Co. KGaA, prepared the consolidated financial statements on September 10, 2024, and released them for distribution to the Supervisory Board. The Supervisory Board has the task of examining the consolidated financial statements and declaring whether it approves them.

2. Standards and Interpretations Applied for the First Time

The following standards and interpretations have been adopted and applied for the first time in fiscal year 2023/2024:

Standards and interpretations applied for the first time

Financial reporting standards and interpretations
IFRS 17 – Insurance Contracts, including amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information
IAS 1 – Amendments to IAS 1 Presentation of Financial Statements and to IFRS Practice Statement 2: Disclosure of Accounting Policies
IAS 8 – Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
IAS 12 – Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
IAS 12 – Amendments to IAS 12 Income Taxes: International Tax Reform – Pillar Two Model Rules

At the date of signing, all amendments to the financial reporting standards and interpretations applied as of July 1, 2023, did not have a significant impact on the consolidated financial statements of the KWS Group.

Nevertheless, given the highly multinational nature of the KWS Group's business activities, supplementary information on the changes to IAS 12 (Pillar Two Model Rules) resulting from the fact that more than 130 countries have agreed on a global minimum tax rate can be found in sections "3.15 Actual taxes" and "6.5 Taxes" of the Notes.

Standards and interpretations to be applied in future

The IASB has issued the following standards and interpretations and amendments to standards and interpretations whose application was not yet mandatory for the 2023/2024 fiscal year or where the standards or interpretations have been published by the IASB, but the European Union had not yet completed the endorsement process. The standards in the table below have not yet been applied by the KWS Group.

Based on the analyses currently conducted, these standards and interpretations are not expected to have a significant impact on the KWS Group's assets, financial position and earnings.

Standards and interpretations to be applied in future

Financial reporting standards and interpretations (adopted into European law)	Mandatory first-time application
IFRS 16 – Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback	Fiscal year 2024/2025
IAS 1 – Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current, including Deferral of Effective Date, and Non-current Liabilities with Covenants	Fiscal year 2024/2025
IAS 7 – Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements	Fiscal year 2024/2025

Standards and interpretations to be applied in future

Financial reporting standards and interpretations (not yet adopted into European law)	Anticipated mandatory first-time application acc. to IASB
IAS 21 – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (published by the IASB on August 15, 2023)	Fiscal year 2025/2026
Amendments to **IFRS 9** Financial Instruments and **IFRS 7** Financial Instruments: Disclosures: Classification and Measurement of Financial Instruments (published by the IASB on May 30, 2024)	Fiscal year 2026/2027
IFRS 18 Presentation and Disclosure in Financial Statements (published by the IASB on April 09, 2024)	Fiscal year 2027/2028
IFRS 19 Subsidiaries without Public Accountability: Disclosures (published by the IASB on May 9, 2024)	Fiscal year 2027/2028

3. Accounting Policies

3.1 Consistency of accounting policies

Consistent accounting policies are applied in the financial statements of the companies included in the consolidated financial statements. There were no changes to accounting policies from the previous financial year, with the exception of the standards to be applied for the first time and the following change in presentation.

Due to the close link between exchange rate developments and inflation in countries to which IAS 29 "Financial Reporting in Hyperinflationary Economies" applies, the inflation-related remeasurement effect on equity, the scope of which has increased sharply over time, together with the currency translation effect, has now qualified as a whole as an exchange difference in accordance with IAS 21 since the 2023/2024 fiscal year. The overall effect is recognized directly in equity under "Other comprehensive income," resulting overall in a more relevant and reliable presentation. The change has been made retrospectively. The figures for the previous fiscal year 2022/2023 and the opening balance sheet figures for it have been adjusted accordingly. The change was made because it enables a clearer and more meaningful presentation of the mutually influencing effects of hyperinflation and exchange rate developments.

The changes to the relevant items in the statement of changes in equity for the previous year can be seen in the overview below. The cumulative total effect for previous periods (i.e. all periods prior to July 1, 2022) was €44,996 and has also been presented separately in the consolidated statement of changes in equity.

All estimates and assessments as part of accounting and measurement are continually reviewed; they are based on historical patterns and expectations about the future regarded as reasonable in the particular circumstances.

Consolidated statement of changes in equity (excerpt)

in € thousand	Reported		Adjustment		After adjustment	
	Accumulated Group equity from earnings	Comprehensive other Group income	Accumulated Group equity from earnings	Comprehensive other Group income	Accumulated Group equity from earnings	Comprehensive other Group income
		Reserve for currency translation differences on foreign operations		Reserve for currency translation differences on foreign operations		Reserve for currency translation differences and effects of hyperinflation for foreign operations
06/30/2022	**1,235,099**	**–95,362**	**–44,996**	**44,996**	**1,190,103**	**–50,366**
Dividends paid	–26,400				–26,400	
Earnings after taxes	126,989				126,989	
Other comprehensive income after taxes		–77,862		39,028		–38,834
Other changes	39,028		–39,028		0	
06/30/2023	**1,374,716**	**–173,224**	**–84,024**	**84,024**	**1,290,692**	**–89,200**

3.2 Companies consolidated in the KWS Group

The consolidated financial statements of the KWS Group include the single-entity financial statements of KWS SAAT SE & Co. KGaA and its subsidiaries in Germany and other countries, as well as joint ventures and associated companies, which are carried using the equity method, and joint operations. A company is a subsidiary if KWS SAAT SE & Co. KGaA currently has existing rights that give it the ability to control its relevant activities. Relevant activities are the activities that significantly affect the company's returns. Control therefore only exists if KWS SAAT SE & Co. KGaA has the ability to use its power to affect the amount of the variable returns. Control can usually be derived from holding a majority of the voting rights directly or indirectly. Details on the changes in the consolidated group are provided in section 4 "Consolidated Group and Changes in the Consolidated Group" of the Notes.

3.3 Consolidation methods

The single-entity financial statements of the individual subsidiaries included in the consolidated financial statements and the single-entity financial statements of the joint ventures and associated companies included using the equity method and of the proportionately consolidated joint operations were uniformly prepared on the basis of the accounting and measurement policies applied at KWS SAAT SE & Co. KGaA. For business combinations, capital consolidation is performed according to the acquisition method by allocating the cost of acquisition to the Group's interest in the subsidiary's remeasured equity at the time of acquisition. Any excess of interest in equity over cost is recognized as an asset, up to the amount by which fair value exceeds the carrying amount. Any goodwill remaining after first-time consolidation is recognized as an intangible asset. Costs incurred as part of the business combination are recognized as an expense and carried as administrative expenses.

According to IAS 36, goodwill is not amortized, but tested for impairment at least once a year at the end of the year (impairment-only approach).

Joint ventures are consolidated using the equity method in application of IFRS 11 and IAS 28. The basis for a joint venture is a contractual agreement with a third party to control and manage a venture collectively. In the case of joint ventures, the parties who exercise joint management have rights to the net assets of the agreement.

In the case of joint ventures carried in accordance with the equity method, the carrying amount is increased or reduced annually by the equity capital changes corresponding to the KWS Group's share. In the case of first-time consolidation of equity investments using the equity method, differences from first-time consolidation are treated in accordance with the principles of full consolidation. The changes in the proportionate equity that are recognized in profit or loss are included, along with impairment of goodwill, under the item "Result from equity-accounted financial assets" in the net financial income/expenses. Associated companies in which the KWS Group exerts a significant influence (which can usually be assumed if it holds a stake of between 20% and 50%) are likewise measured using the equity method.

The basis for a joint operation is likewise a contractual agreement with a third party to manage the company's activities jointly. In this case, the parties have rights to the assets that can be ascribed to the agreement and obligations in respect of the liabilities. The assets and liabilities and revenue and expenses are included in the consolidated financial statements proportionately in accordance with the KWS Group's stake (50%).

Deferred taxes on consolidation transactions recognized in income are calculated at the tax rate applicable to the company concerned. These deferred taxes are aggregated with the deferred taxes recognized in the separate financial statements.

As part of the elimination of intra-Group balances, borrowings, receivables, liabilities, and provisions are netted between the consolidated companies. Intercompany profits not realized at Group level are eliminated from intra-Group transactions. Sales, income, and expenses are netted between consolidated companies, and intra-Group distributions of profit are eliminated.

If there are non-controlling interests, they are recognized in the amount of the imputed percentage of equity in the consolidated companies.

3.4 Currency translation

Under IAS 21, the financial statements of the consolidated foreign subsidiaries that conduct their business as financially, economically, and organizationally independent entities are translated into euros using the functional currency method and rounded in accordance with standard commercial practice as follows:

- Income statement items at the average exchange rate for the year on a monthly basis;
- Balance sheet items at the exchange rate on the balance sheet date.

The following exchange rates were applied in the consolidated financial statements for the main foreign currencies relative to the euro:

Exchange rates for main currencies

		Rate on balance sheet date		Average rate	
1 EUR/		**06/30/2024**	**06/30/2023**	**2023/2024**	**2022/2023**
ARS[1]	Argentina	976.67	280.14	976.67	280.14
BRL	Brazil	5.99	5.22	5.41	5.40
GBP	UK	0.85	0.86	0.86	0.87
RUB	Russia	92.42	95.11	99.73	72.97
TRY[1]	Türkiye	35.13	28.15	35.13	28.15
UAH	Ukraine	43.35	40.00	41.00	38.18
USD	U.S.	1.07	1.09	1.08	1.05

1 The average exchange rate corresponds to the rate on the balance sheet date pursuant to the application of IAS 29 for the Turkish and Argentinean subsidiaries

The difference resulting from the application of annual average rates on a monthly basis to the earnings after taxes in the income statement at the rate on balance sheet date is taken directly to equity.

Differences arising from currency translation of monetary balance sheet items denominated in foreign currency are recognized in profit or loss under “Other operating income” or “Other operating expenses” and, where they result from financial transactions, under “Financial income” or “Financial expenses.” An exception is currency translation differences from loan receivables that represent part of the net investment in a foreign subsidiary. According to IAS 21, these translation differences are recognized in the other comprehensive income and are not reclassified to profit or loss until disposal of the net investment. The accumulated amount is recognized in the income statement only when the net investment is disposed of.

Argentina and Türkiye were still classified as hyper-inflationary economies this fiscal year, as a result of which IAS 29 “Financial Reporting in Hyperinflationary Economies” was applied to the significant subsidiaries in these countries. The net gains or losses from the ongoing inflation of non-monetary assets and liabilities as well as equity and all items in the income statement are recognized in profit or loss under “Other comprehensive income.”

The financial statements of these subsidiaries are generally based on the historical cost concept. Due to changes in the general purchasing power of the functional currency, these financial statements had to be adjusted to the unit of measure applicable at the balance sheet date.

Argentina’s IPC price index was 1,709.61 points at July 1, 2023, and rose by 271.5% in the past fiscal year to 6,351.71 points at June 30, 2024. Türkiye’s Consumer Price Index (CPI) was 1,351.59 points at July 1, 2023, and rose by 71.6% in the past fiscal year to 2,319.29 points at June 30, 2024.

3.5 Classification of the statement of comprehensive income

The KWS Group has prepared the income statement using the cost-of-sales method. The costs for the functional areas include all directly attributable costs, including other taxes, as well as received government grants recognized in profit or loss.

3.6 Recognition of income and expenses

Revenue from contracts with customers is primarily generated from the sale of seed. It is recognized when the KWS Group transfers control over products to the customer. That is usually the time when risk passes to the customer. The revenue is recognized at the amount of the consideration promised in the contract.

The revenue is limited to the amount that the KWS Group expects to receive for fulfilling its performance obligations. Accordingly, revenue is reduced by value-added or sales taxes as well as actual and expected discounts, cash discounts and bonuses. If rights of return are provided for in the contract, these must be measured separately. The KWS Group uses empirical country-specific and seasonal figures and information on already announced returns to estimate the anticipated returns.

The KWS Group's contracts with customers do not usually have any significant separable performance obligations apart from the delivery of seed. Consequently, splitting of the transaction price is not required for most of the KWS Group's contracts with customers. The total purchase price must be recognized at a point in time.

The level of the promised consideration is not adjusted by the effects of a financing component if the period for payment is less than 12 months. For contracts with customers that have a period for payment of more than 12 months, the financing component is carried separately on the basis of present value.

The incremental costs of obtaining a contract are recognized as a current expense in the period.

Revenue from service transactions is recognized over the period of time in which the service is provided and measured using the percentage of completion method or in accordance with the costs incurred. Revenue from royalties and other income, such as interest and dividends, are recognized in the period in which they accrue as soon as there is a contractual or legal entitlement to them.

Performance-based public grants are carried as a reduction in the respective function costs.

Operating expenses are recognized in the income statement upon the service in question being used or as of the date on which they occur.

3.7 Intangible assets

Purchased intangible assets are carried at cost less straight-line amortization and impairment losses. It is necessary to examine whether the useful life of intangible assets is finite or indefinite. Any amortization is included in the respective functional areas. Goodwill has an indefinite useful life. Goodwill and intangible assets with an indefinite useful life are not amortized, but tested for impairment at least once a year.

Intangible assets acquired as part of business combinations are carried separately from goodwill if they are separable according to the definition in IAS 38 or result from a contractual or legal right.

The useful life of intangible assets with a finite useful life is as follows:

Useful life of intangible assets

	Useful life
Breeding material, proprietary rights to varieties and trademarks	10 – 30 years
Other rights	3 – 10 years
Software	3 – 8 years
Distribution rights	5 – 20 years
Customer relationships	1 – 5 years

The residual values, useful economic lives (finite and indefinite) and methods of amortization for intangible assets are reviewed no later than at the end of each fiscal year and adjusted prospectively if necessary.

3.8 Property, plant and equipment

Property, plant and equipment is measured at cost less straight-line depreciation over its expected useful life and impairment losses. Depreciation of an asset commences when the asset is at its location and is in the condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ends when the asset has been fully expensed or is classified as held for sale in accordance with IFRS 5 or at the latest when it is derecognized. This depreciation is still recognized in the respective function costs.

If property, plant and equipment is sold or scrapped, the profit or loss from the difference between the proceeds and residual carrying amount is recognized under the other operating income or other operating expenses.

In addition to directly attributable costs, the cost of self-produced plant or equipment also includes a proportion of the overheads and depreciation/amortization.

Useful life of property, plant and equipment

	Useful life
Buildings	10 – 50 years
Operating equipment and other facilities	5 – 25 years
Technical equipment and machinery	5 – 15 years
Laboratory and research facilities	5 – 13 years
Other equipment, operating and office equipment	3 – 15 years

Low-value assets (with a value of up to €1 thousand) are fully expensed in the year of purchase; they are reported as additions and disposals in the year of purchase in the statement of changes in fixed assets.

If there is evidence of a possible impairment, an impairment test on the property, plant and equipment or at a cash-generating unit is carried out in accordance with IAS 36. An impairment is recognized if the recoverable amount for the asset/cash-generating unit has fallen below the residual carrying amount. The recoverable amount is the higher of the fair value less costs to sell or the value in use. If the reason for an earlier impairment loss on property, plant and equipment no longer applies, its value is increased to up to the amount that would have resulted if the impairment loss had not occurred, taking depreciation into account. In accordance with IAS 20, government grants for assets are deducted from the costs of the asset.

The residual values, useful economic lives and methods of depreciation for property, plant and equipment are reviewed at the end of each fiscal year and adjusted prospectively if necessary.

In accordance with IAS 23, borrowing costs are capitalized if they can be classified as qualifying assets.

3.9 Leases

A lease is an agreement whereby the lessor conveys the right to use an asset for an agreed period of time to the lessee in exchange for a payment or a series of payments.

If the KWS Group is the lessee, leases are recognized as a right-of-use asset and lease liability in the balance sheet in accordance with the regulations of IFRS 16. In subsequent periods, the right-of-use asset is depreciated over the lease's term, taking into account the exercise of any renewal options. This depreciation is recognized in the respective function costs. Interest expense is accrued on the lease liability in the course of the lease and the liability is reduced by the lease payments that have been made. The effect from the accrued interest is recognized in the interest expense under net financial income/expenses.

The lease payments for short-term leases and leases of low-value assets are recognized as operating expenses in accordance with the available exemption.

The right-of-use assets are recognized to the amount of the corresponding lease liabilities, adjusted for any prepaid or accrued lease payments if applicable. The right-of-use assets and lease liabilities are each reported in the balance sheet under a separate item.

If the KWS Group is the lessor and the main risks and rewards from use of the leased object are transferred to the contractual partner, the lease is deemed to be a financial lease. The net investment in the lease is recognized as a receivable.

If the KWS Group acts as a lessor as part of an operating lease, the lease payments are recognized as other operating income in the income statement on a straight-line basis over the lease's term.

The KWS Group's leases mainly relate to tenancy agreements for office space, lease agreements and leased vehicles.

3.10 Assets and disposal groups held for sale and discontinued operations

Noncurrent assets or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be realized predominantly through sale or distribution rather than through continued use.

In general, these assets or the disposal group are recognized at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill and then to the remaining assets and liabilities on a pro rata basis – with the exception that no loss is allocated to inventories, financial assets, deferred tax assets, assets arising from employee benefits, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies.

Impairment losses on initial classification of an asset as held for sale and subsequent gains and losses on remeasurement are recognized in profit or loss.

Intangible assets and property, plant and equipment are no longer amortized or depreciated from the time they are classified as held for sale, and any equity-accounted investee is no longer carried using the equity method as soon as it is classified as held for sale.

An operation is classified as a discontinued operation upon its sale or as soon as it meets the criteria for classification as held for sale, whichever is earlier.

A discontinued operation is a component of the Group's business where

- its business area and cash flows can be clearly segregated from the rest of the Group and it represents a separate major line of business or geographical area of operations;
- it is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or
- it is a subsidiary acquired exclusively with a view to resale.

If an operation is classified as discontinued, the income statement for the comparative year is adjusted as if the operation had been classified as discontinued from the beginning of the comparative year.

Consolidation processes are regularly applied in calculating current earnings after taxes from discontinued operations, i.e. all transactions between the discontinued and continuing operations are eliminated in full.

In addition, the regulations of IAS 29 "Financial Reporting in Hyperinflationary Economies" are also applied if the discontinued operation includes subsidiaries located in hyperinflationary economies.

Cash proceeds/payments from discontinued operations are presented separately from cash proceeds/payments from continuing operations in the consolidated cash flow statement. Prior-year figures are adjusted as if the operation had been classified as discontinued from the beginning of the comparative year.

3.11 Financial instruments

Classification and measurement

Apart from equity instruments, financial instruments are financial assets and financial liabilities.

When financial assets are initially recognized, they are assigned to one of the following three categories for the purpose of subsequent measurement:

- At amortized cost
- At fair value through other comprehensive income
- At fair value through profit or loss.

Equity instruments are generally measured at fair value through profit or loss, unless an option to classify them irrevocably as being measured at fair value through other comprehensive income is exercised when they are initially recognized. Such an option is available if the financial investments in equity instruments are neither held for trading nor constitute a contingent consideration as part of a company acquisition. The debt instruments are classified taking into account the KWS Group's business model for controlling these financial assets and the contractual cash flow characteristics for the financial instrument. A financial asset is measured at amortized cost if it is held with the objective of collecting contractual cash flows and the latter comprise solely payments of interest and principal. If financial assets are held as part of the business model to collect contractual cash flows and sell accordingly designated financial instruments, these financial instruments are classified as being measured at fair value through other comprehensive income. All the other financial instruments are classified in the category "measured at fair value through profit or loss." There is also the option of designating the debt instrument as being measured at fair value through profit or loss under certain conditions when it is carried for the first time.

The financial assets consist of bank balances and cash on hand, trade receivables, loans, fund shares, securities, derivatives and other financial assets. Regular-way purchases and sales of financial assets are recognized or derecognized in general at the settlement date. Because fund shares have the characteristics of equity, they are classified irrevocably as being measured at fair value through other comprehensive income. The changes to fair value in subsequent measurement are recognized as unrealized gains and losses directly in other comprehensive income in the reserve for revaluation of equity instruments.

In addition, derivatives designated as hedging relationships are classified in accordance with hedge accounting regulations as being measured through other comprehensive income. In contrast, derivatives not designated as hedging relationships are recognized through profit or loss.

The other financial assets are measured at amortized cost. The carrying amount of receivables, money market accounts and cash is assumed as the fair value.

Impairment losses
The credit risk is the risk that a contractual partner does not fulfill its payment obligations as part of a financial instrument. The risks of default are monitored and controlled constantly and reflected by means of impairment losses. The KWS Group ascertains the need to recognize an impairment loss for all financial assets not classified in the category "at fair value through profit or loss." That is calculated on the basis of the expected losses. The expected losses are in general the present value resulting from the difference between the cash flows defined in the contract and the cash flows the KWS Group expects to receive.

In general, a two-stage model must be applied in calculating the expected losses. If the credit risk for financial instruments has not increased significantly, the risk provision is recognized only on the basis of losses resulting from default events within the next 12 months. In the case of financial instruments whose credit risk has increased significantly since first-time recognition, the entire remaining lifetime is used to calculate the expected losses.

The KWS Group uses a simplified approach under IFRS 9 to determine the expected losses because the financial assets mainly consist of current trade receivables. Measurement and first-time recognition of the receivables and also their subsequent measurement therefore take into account expectations of default on the item in question over its entire lifetime.

The KWS Group determines the expected counterparty default on the basis of the probability of default and the loss rate in the event of default.

The probability of default is generally determined on the basis of customer-specific ratings. The probability of default relates to a year, which is usually the maximum lifetime of receivables at the KWS Group. Since specific ratings are not available for all customers, an average rating based on all classified customers is calculated for each country, regardless of the receivables per customer. It is then applied to the total amount for all the receivables in the country in question. If that information is not available for a country, the average rating of a country with a comparable risk is applied.

The loss rate is the percentage loss in the event of default and corresponds to the amount of the unpaid receivables less an expected recovery rate. The KWS Group applies a uniform recovery rate determined regardless of customer group, due date and country over a long period of time and over a broad total number of company insolvencies.

Changes to the level of the risk provision must be carried in the income statement as a reversal of an impairment loss or as an impairment loss.

Cash and cash equivalents are exposed only to an insignificant risk of fluctuations in their value. The seasonal nature of the KWS Group's liquidity situation over the fiscal year only permits short-term cash deposits in the period from May to August. The bank balances and short-term cash deposits are mainly with banks that have high and stable creditworthiness. Given the external credit rating for these banks, the KWS Group's cash and cash equivalents are regarded as low risk. Moreover, bank balances are spread over multiple banks in order to avoid any concentration of them. Impairment losses on cash and cash equivalents are regularly calculated on the basis of credit default swaps (CDS) of the banks and are only recognized as an impairment loss in the balance sheet if they are material. Bank balances are recognized at nominal value less any necessary risk provision for expected credit losses.

Financial assets are mainly derecognized once the contractual rights to obtain cash flows from financial assets have expired or the financial assets with all their risks and rewards have been transferred to a third party. When the contractual rights are transferred, the KWS Group assesses whether and to what extent risks and rewards associated with ownership of them remain with the Group. If the risks and rewards are not transferred in full, the KWS Group continues to recognize the asset to the extent of its continuing involvement. In that case, a related liability is also recognized.

The financial liabilities mainly comprise trade payables, loans from banks, derivatives and other financial liabilities. When financial liabilities are initially recognized, they are classified as being measured at fair value through profit or loss or at amortized cost. KWS Group adopts first-time measurement at fair value. The fair value of financial liabilities with a long-term fixed interest rate is determined as present values of the payments related to the liabilities, using a yield curve applicable on the balance sheet date.

All financial liabilities at the KWS Group, with the exception of derivative financial instruments, are measured at amortized cost using the effective interest method. The liabilities are derecognized at the time they are settled or when the reason why they were formed no longer exists.

Depending on their structure, liabilities from derivative financial instruments are recognized with changes in value in the other comprehensive income or in profit or loss (see also section "3.12 Derivatives" of the Notes). Financial instruments in level 1 are measured using quoted prices in active markets for identical assets or liabilities. In level 2, they are measured by directly observable market inputs or derived indirectly on the basis of prices for similar instruments. Finally, input factors not based on observable market data are used to calculate the value of level 3 financial instruments.

3.12 Derivatives

The KWS Group uses derivatives to reduce currency, interest rate and commodity price risks. It mainly uses forward and swap deals and options that are customary in the market for that purpose. Derivative instruments are measured at fair value; they can be assets or liabilities.

The fair value of the financial instruments is measured on the basis of the market information available on the balance sheet date and using recognized mathematical models, such as present value or Black-Scholes, to calculate option values, taking their volatility, remaining maturity and capital market interest rates into account. The instruments must also be classified in a level of the fair value hierarchy.

The changes in the market value of derivatives not designated as hedging relationships are recognized in the income statement. Derivatives are derecognized on their day of settlement.

Hedging relationships

The KWS Group uses commodity options to hedge against commodity price risks. Derivatives can be designated as hedges of cash flows from a transaction that is highly likely to occur in the future in individual cases, but this is only considered for commodity derivatives at present. In such cases, the hedged item and hedging transactions formally defined and documented as a hedging relationship are managed and monitored as part of operational risk management.

The effective portion of the changes in the market value of designated derivatives is recognized in other comprehensive income in the reserve for cash flow hedging. The ineffective portion is recognized immediately in the income statement under other operating expenses. The reserve for cash flow hedging is adjusted to the lower of the cumulative gain or loss from the hedging instrument and the cumulative change in fair value of the hedged item.

The KWS Group only designates the change in the intrinsic value of an option as a hedging instrument. The change in fair value is recognized directly in other comprehensive income and accumulated in a separate equity component, the "Cost of hedging reserve."

If a hedged future transaction subsequently results in the recognition of a non-financial item (for example, inventories), the amount accumulated in other comprehensive income is reclassified to initial cost (basis adjustment). If recognition of hedging relationships for cash flow hedging is discontinued, the amount accumulated in other comprehensive income remains in other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount is immediately reclassified to the income statement.

3.13 Inventories and biological assets

Inventories are measured at the lower of cost or net realizable value less an allowance for obsolescent or slow-moving items. In addition to directly attributable costs, the cost of sales also includes indirect labor and materials including depreciation under IAS 2.

As in previous years, biological assets result from the KWS Group's farming activities at its locations in Germany, France and Poland. At these locations, the KWS Group has farms that carry out all agricultural activities as part of seed propagation. Under IAS 41, biological assets are measured at fair value less the estimated costs to sell. If their fair value cannot be reliably determined, they are measured at cost. Immature biological assets are carried as inventories as of the time they are harvested.

3.14 Deferred taxes

Deferred taxes are calculated in accordance with IAS 12. Deferred taxes are calculated on temporary differences between the different carrying amounts of assets and liabilities between the IFRS and the tax regulations, including differences from consolidation measures, and on tax loss carryforwards, tax credits and interest carryforwards. Since it is not permissible to recognize deferred tax liabilities arising from initial recognition of goodwill pursuant to a business combination, the KWS Group does not calculate any deferred taxes on them. Deferred taxes are generally recognized in profit or loss, except to the extent that they are linked to an item recognized in equity or in other comprehensive income.

Deferred taxes are measured on the basis of the applicable local income tax rates anticipated at the time the asset is realized or the liability is settled. Deferred tax assets and liabilities are measured based on the tax rates/laws that apply or have been enacted or substantively enacted by the balance sheet date. No discounting is carried out. Deferred taxes and actual taxes are generally recognized as an expense, unless they relate to transactions or events that are recognized outside of profit or loss.

Deferred tax assets are netted off against deferred tax liabilities if there is a legally enforceable right to set off actual tax refund claims against actual tax liabilities and if the deferred taxes relate to income taxes levied by the same taxing authority.

Deferred tax assets are recognized if it is considered probable that there will be sufficient future taxable profit against which the deductible temporary differences, tax loss carryforwards, tax credits and interest carryforwards can be offset. Future taxable gains are determined on the basis of the reversal of taxable temporary differences. Deferred tax claims are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that the related tax benefit can be realized. Write-ups are made if the probability of future taxable income improves. Irrespective of the forecast for taxable gains, deferred tax assets are recognized to the extent that they are offset by deferred tax liabilities. Deferred tax liabilities must be recognized for all taxable temporary differences.

The measurement of deferred taxes reflects the tax consequences that result from the KWS Group's expectations with regard to the way in which the carrying amounts of its assets will be realized or its liabilities settled at the balance sheet date.

Deferred tax liabilities on taxable temporary differences associated with investments in subsidiaries, branches and associated companies, and interests in joint arrangements, are not recognized if the entity is able to control the timing of the reversal of the temporary differences and it is probable that the reversal will not occur in the foreseeable future.

3.15 Actual taxes

Actual taxes are the expected tax liability or tax asset on the taxable income or tax loss for the fiscal year, based on tax rates that apply at the balance sheet date or will soon apply. The actual income taxes are calculated on the basis of the respective national taxable profit and regulations for the year. In addition, the actual taxes recognized in the fiscal year also include adjustments for any tax payments or refunds in respect of years that have not yet been definitively assessed, but excluding interest payments, interest refunds and penalties on payments of tax arrears.

If there is uncertainty over the income tax treatment, the KWS Group measures actual or deferred tax claims or liabilities in accordance with the regulations of IAS 12 and IFRIC 23. The KWS Group decides on a case-by-case basis whether the uncertain tax treatment should be considered independently or collectively together with one or more other uncertain tax treatments, depending on which approach provides better predictions of the resolution of the uncertainty.

If it is considered improbable that the tax authority will accept an uncertain tax treatment, the KWS Group recognizes the effects of the uncertainty at the amount of the anticipated tax payment (the expected value or most likely amount of the tax treatment). Tax assets from uncertain tax positions are recognized if it is probable that they can be realized. No provision for taxes is recognized for these uncertain tax positions only if there is a tax loss carryforward or an unused tax credit; instead, the deferred asset is adjusted for the unused tax loss carryforwards and tax credits.

In assessing whether and how an uncertain tax treatment affects determination of the taxable profits/taxable losses, tax bases, unused loss carryforwards, unused tax credits and tax rates, the KWS Group assumes that a tax authority will examine the amounts it is authorized to examine and has full knowledge of all related information as part of such examinations.

The KWS Group operates in a large number of countries and is therefore subject to various tax jurisdictions. Determining the tax liabilities requires a number of assessments by management. Management has conducted an extensive assessment of tax-related imponderables; however, it is not possible to rule out a deviation from the results of that and the actual outcome of the imponderables.

Any deviations may impact the amount of tax liabilities or deferred taxes in the year the decision is made.

The global minimum tax under Pillar Two is calculated on the basis of the taxable profit or loss in the country in question. This profit or loss – before elimination of intra-Group items and after other adjustments – is included in the consolidated financial statements of the ultimate parent company. The KWS Group has come to the conclusion that this global minimum tax, which is payable under national legislation for Pillar Two, is an income tax within the scope of IAS 12. The KWS Group has applied the temporary, mandatory exemption regarding the recognition of deferred taxes resulting from introduction of global minimum taxation, i.e. deferred taxes in connection with income taxes resulting from current or announced tax regulations to implement the Pillar Two legislation do not have to be recognized or disclosed. These taxes are carried accordingly as actual tax expense/income at the time they are incurred.

3.16 Provisions for pensions and other employee benefits

The provisions for pensions and other employee benefits are calculated using actuarial principles in accordance with the projected unit credit method. Actuarial gains and losses must be recognized directly in equity in other comprehensive income. The service costs (including past service costs) are recognized in operating income in accordance with the employees' assignment to the functional areas. If there are plan assets and the relevant requirements for netting them off are met, they are netted off against the associated obligations.

The provisions for semi-retirement include obligations from concluded semi-retirement agreements. Payment arrears and top-up amounts for semi-retirement pay and for the contributions to the statutory pension insurance program are recognized in measuring them.

3.17 Other provisions

Provisions are recognized for present legal and constructive obligations arising from past events that will likely give rise to a future outflow of resources, provided that a reliable estimate can be made of the amount of the obligations.

Provisions are measured at their expected amount or most likely amount, depending on whether they comprise a large number of items or constitute a single obligation. Provisions are reviewed regularly and adjusted to reflect new findings or changes in circumstances. If it is no longer likely that the economic outflow of a provision will occur, or the conditions for why it was recognized no longer apply, the provision is reversed by the corresponding amount and the resulting income recognized in the item(s) in which the original charge was recognized. If the reversal amount is material and so the effect not related to the period must be classified as material, the reversal is carried as income from the reversal of provisions under other operating income not related to the period.

Long-term provisions are discounted taking into account future cost increases and using a market interest rate that adequately reflects the risk, provided the interest effect is material.

3.18 Contingent liabilities

The contingent liabilities result from debt obligations where outflow of the resource is not probable or the level of the obligation cannot be estimated with sufficient reliability or from potential obligations for loan amounts drawn down by third parties as of the balance sheet date.

3.19 Significant accounting judgments, estimates and assumptions

In preparing the consolidated financial statements, management has to make certain assumptions and estimates that may substantially impact the presentation of the Group's financial position and/or results of operations. Essential estimates and assumptions that may affect reporting in the various item categories of the financial statements are described in the following:

- Calculation of the expected returns and discounts from customers at the balance sheet date (section 3.6 of the Notes)
- Determination of the useful life of the depreciable asset (sections 3.7 and 3.8 of the Notes)
- Assessment by management of whether deferred tax assets can be realized, taking into account the time at which deferred tax liabilities are reversed and the anticipated future taxable income in the period under review (section 6.5 of the Notes)
- Assessment of uncertain tax positions in accordance with IFRIC 23 (section 6.5 of the Notes)
- Definition of measurement assumptions and future results in connection with impairment tests, above all for capitalized goodwill (section 7.1 of the Notes)
- Determination of the need to recognize impairment losses on inventories (section 6.1 of the Notes)
- Definition of the parameters required for measuring pension provisions (section 7.11 of the Notes)
- Measurement of other provisions (section 7.12 of the Notes)
- Determination whether there is reasonable certainty as to whether extension or termination options as a part of a lease will be exercised or not (section 7.15 of the Notes).

Estimates are based on historical experience and other assumptions that are considered reasonable under given circumstances. They are continually reviewed but may vary from the actual values.

3.20 Impact of significant events

The war between Russia and Ukraine

In view of the ongoing war resulting from Russia's invasion of Ukraine in February 2022, the situation in both countries is constantly being monitored and assessed. The spread of hostilities in Ukraine may result in interruptions to business operations (corn seed production), for example. There are continued efforts by the Russian Ministry of Agriculture to increase localization and control of the local seed market and tighter import restrictions.

Consequently, the macroeconomic conditions resulting from the war between Russia and Ukraine were – as in previous years – taken into account in the measurement policies at June 30, 2024.

Among other things, the change in the market situation caused by the war between Russia and Ukraine was taken into account in the adopted budget and medium-term planning, which in turn were included in the annual goodwill impairment test at June 30, 2024. In addition, indications of impairment of property, plant and equipment and other intangible assets were examined against the backdrop of the war between Russia and Ukraine. All in all, the examination did not reveal any impairment losses.

The effect on other assets, such as trade receivables and inventories, was continually examined with regard to the impact of the war in Ukraine on the economic environment. The KWS Group's business model is seasonal in nature, which is why it generates most of its net sales by the end of the third quarter and collects a large proportion of the receivables owed to it in the fourth quarter. As regards customers' solvency, no circumstances justifying impairment of the receivables above and beyond the existing approach were identified. Potential industry- and country-specific risks were, and will continue to be, taken into account in assessing the potential impact of the war between Russia and Ukraine on trade receivables.

Our business activities in Russia in fiscal 2023/2024 accounted for 8.2% (9.5%) of consolidated net sales. Potential effects of economic and geopolitical developments on the recognition and measurement of assets and liabilities are analyzed on an ongoing basis. The KWS Group's assets, financial position and earnings in fiscal 2023/2024 were impacted by the repercussions of the war between Russia and Ukraine only to a small extent.

Impacts of climate change

Climate-related effects on our business activities are analyzed as part of our global risk management and in our strategic planning. There are operational risks in particular from extreme weather events such as heavy rain, flooding, storms or drought, which according to prevailing scientific analyses will continue to increase in number. We mainly develop new varieties and propagate our seed outdoors, meaning these activities are exposed to weather events. In addition to local protection measures such as irrigation, flood control or greenhouses, we can limit these risks through regional diversification. Contra-seasonal production in the southern hemisphere enables two cultivation cycles a year.

In addition to extreme weather events, climate change is also causing a gradual increase in average temperatures, changes in regional average rainfall, and changes in disease or pest pressure. We counter that by continuously improving our varieties as part of our global breeding programs. The breeding objectives as part of that include drought resistance, standing ability, better nutrient utilization or new resistances. Climate change thus also entails opportunities for KWS, which we explain in the section "Opportunity Management" in the Management Report.

In general, the above-mentioned climate-related issues are already inherent in the KWS Group's business activities and are therefore reflected in the accounting policies and assumptions. Consequently, there is currently no or only a minor impact on estimates of the useful lives and impairment of noncurrent assets, including goodwill, for example.

The Group Management Report provides a more detailed explanation of these significant events.

4. Consolidated Group and Changes in the Consolidated Group

4.1 Changes in the consolidated group in the current fiscal year

There are 85 companies consolidated in the KWS Group (previous year: 88).

Number of companies including KWS SAAT SE & Co. KGaA

	06/30/2024			06/30/2023		
	Germany	Abroad	Total	Germany	Abroad	Total
Fully consolidated	13	60	73	13	61	74
Equity method	0	5	5	0	6	6
Joint operation	0	7	7	0	8	8
Total	**13**	**72**	**85**	**13**	**75**	**88**

There were the following changes among the fully consolidated foreign subsidiaries:

- In December 2023, KWS BRASIL LTDA. (Brazil) was established with the aim of bundling South American vegetable business, which comprises in particular the crops tomatoes, melons and watermelons.
- KWS FIDC (Brazil) was dissolved with effect from December 31, 2023. The company is a subsidiary that was ascribable to the discontinued South American corn and sorghum business, meaning that the deconsolidation loss of €876 thousand was recognized in the income of the discontinued operation (see section “4.2 Discontinued operation: disposal group classified as held for sale” of the Notes).
- KWS Seed Science & Technology (Sanya) Co., Ltd. (China) was dissolved effective June 30, 2024. In connection with the deconsolidation, a gain of €12 thousand was recognized in the income statement as other operating income.

There were the following changes among the equity-accounted foreign companies:

- On October 31, 2023, it was announced that the 49% stake in KENFENG – KWS SEED CO., LTD (China) and the Chinese corn portfolio (including licenses) would be divested to the joint venture partner. Accordingly, the stake was classified as an asset held for sale in accordance with IFRS 5 during the year and no income was recognized for the stake using the equity method since then. Overall, the transaction was completed successively, whereby various assets of the Chinese corn portfolio were initially transferred to the joint venture partner step by step (asset deals) before the shares were transferred on February 26, 2024, upon payment of the purchase price (share deal). A gain of €30,664 thousand from the disposal of assets (asset deal) was recognized in the income statement as other operating income; on the other hand, there was a deconsolidation loss of €784 thousand from the share deal, which was recognized in the result from equity-accounted financial assets.

There were the following changes among the foreign joint operations:

- Due to the discontinuation of its business activities, GENECTIVE CANADA INC., (Canada) was no longer included proportionately in the consolidated financial statements with effect from July 1, 2023. This resulted in a deconsolidation gain of €1 thousand, which was recognized in the income statement as other operating income.

4.2 Discontinued operation: disposal group classified as held for sale

KWS concluded an agreement with GDM Holding S.A. (GDM Group) to sell its corn and sorghum business, together with licenses, effective March 25, 2024.

The transaction essentially comprises all breeding and sales activities for corn in South America (Brazil, Argentina, Paraguay and Uruguay) and all of the KWS Group's production sites for corn seed in Argentina and Brazil and thus relates in particular to the Corn operating segment. The South American sorghum business, which was also sold, was part of the Cereals operating segment.

The transaction was subject to defined closing conditions and approval by the competent authorities. These conditions were not met until after the balance sheet date, meaning that closing took place on July 31, 2024, and the South American corn and sorghum business was therefore still presented as a discontinued operation in the current fiscal year 2023/2024.

The recoverable amount of the disposal group's noncurrent assets was estimated immediately prior to classification as a discontinued operation (March 31, 2024). No impairment loss was identified or recognized as part of that.

Following initial classification, the disposal group was recognized at the lower of their carrying amount and fair value less costs to sell.

At June 30, 2024, the disposal group was recognized at its carrying amount and comprises the assets and liabilities listed in the table.

Assets held for sale

in € thousand	06/30/2024
Goodwill	17,249
Intangible assets	15,551
Property, plant and equipment	58,697
Trade receivables	117,959
Inventories	101,529
Cash and cash equivalents	23,105
Taxes	51,533
Other	36,684
Assets held for sale	**422,307**

Liabilities in connection with assets held for sale

in € thousand	06/30/2024
Financial liabilities	196,452
Provisions	28,880
Trade payables	23,617
Taxes	16,513
Other	18,776
Liabilities in connection with assets held for sale	**284,237**

The income from the discontinued operation, which also include transaction costs of €3,185 thousand, is as follows:

Income of the discontinued operation

in € thousand	2023/2024
Revenue	265,120
Expenses	335,703
Earnings before taxes (operating activities)	**–70,582**
Taxes	–17,337
Earnings after taxes (total) of the discontinued operation	**–53,246**
Earnings per share (€)	**–1.61**

The other comprehensive income includes a cumulative effect of €–9,256 thousand in connection with the disposal group.

As the disposal group was reported at the lower carrying amount as of June 30, 2024, no impairment losses or subsequent reversals of impairment losses from a possible measurement or remeasurement at fair value less costs to sell were recognized.

4.3 Other assets and disposal groups held for sale

At the end of fiscal year 2023/2024, the KWS Group terminated the joint venture agreement relating to the 50% stake in GENECTIVE S.A. (including subsidiaries), which is included proportionately in the consolidated financial statements. As the shares are expected to be sold within 12 months, the joint operation was classified as held for sale at the balance sheet date on June 30, 2024. The stake was tested for impairment immediately prior to classification of the joint operation as held for sale. An impairment loss of €4,573 thousand was recognized as part of that and is fully ascribable to the "R&D costs" functional area.

The following table shows the significant assets and liabilities of GENECTIVE S.A. (including subsidiaries) after impairment.

Assets held for sale (proportionately at 50%)

in € thousand	06/30/2024
Intangible assets	6,283
Property, plant and equipment	2,536
Cash and cash equivalents	3,048
Other	312
Assets held for sale	**12,179**

Liabilities in connection with assets held for sale (proportionately at 50%)

in € thousand	06/30/2024
Financial liabilities	4,556
Provisions	542
Trade payables	322
Other	1,362
Liabilities in connection with assets held for sale	**6,783**

5. Segment Reporting for the KWS Group

In accordance with its internal reporting and controlling system, the KWS Group is primarily organized according to the following business segments:

- Corn
- Sugarbeet
- Cereals
- Vegetables and
- Corporate

The core competency for the KWS Group's entire product range, plant breeding, including the related biotechnology research, is essentially concentrated at the parent company KWS SAAT SE & Co. KGaA in Einbeck. The breeding material, including the relevant information and expertise about how to use it, is owned by KWS SAAT SE & Co. KGaA with respect to sugarbeet and corn and mainly by KWS LOCHOW GMBH with respect to cereals. Product-related R&D costs are carried directly in the product segments Corn, Sugarbeet and Cereals.

The activities of the Vegetables Segment are pooled at KWS VEGETABLES B.V. in Wageningen (the Netherlands) and its subsidiaries. Centrally controlled corporate functions are grouped in the Corporate Segment. The distribution and production of oil and field seed are reported in the Cereals and Corn Segments, in keeping with the legal entities currently involved.

The Executive Board is the main decision-making body and is responsible for allocating resources and assessing the earnings strength of the business segments. The segments and regions are defined in compliance with the internal controlling and reporting systems (management approach). The accounting policies used to determine the information for the segments are adopted in line with those used for the KWS Group. The only exception relates to consolidation of the equity-accounted joint ventures and associated companies that are assigned to the Corn Segment, namely AGRELIANT GENETICS LLC., AGRELIANT GENETICS INC., FARMDESK B.V. and KENFENG – KWS SEEDS CO., LTD (on a pro rata temporis basis until October 31, 2023 – see also section "4.1 Changes in the consolidated group in the current fiscal year" of the Notes). In accordance with internal controlling practices, they are included proportionately as part of segment reporting.

The presentation of net sales, income, depreciation and amortization, other noncash items, operating assets, operating liabilities and capital expenditure on noncurrent assets by segment have been determined in accordance with the internal operational controlling structure. The allocation of the above joint ventures and associated companies are consolidated proportionately on the same basis.

The corn and sorghum business in Brazil and Argentina is no longer included in the management reporting for the Corn and Cereals Segments because of the intention to close the sale of it. Corn and sorghum business in Brazil and Argentina (discontinued operation) is therefore no longer reflected in the segment information for the current year under review.

Consequently, comparative segment information, with the exception of operating assets and operating liabilities, has also been adjusted retroactively, i.e. the adjusted figures for the previous year no longer include the activities of the discontinued operation.

In order to permit better comparability, the figures have been reconciled with those in the consolidated financial statements.

Sales per segment

in € thousand	Segment sales		Internal sales		External sales	
	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024	2022/2023
Corn	701,455	738,154	0	94	701,455	738,060
Sugarbeet	864,873	716,284	0	24	864,873	716,259
Cereals	275,855	247,052	0	0	275,855	247,052
Vegetables	62,349	66,001	284	0	62,066	66,001
Corporate	23,582	22,959	14,419	14,645	9,164	8,314
Total for the segments	**1,928,114**	**1,790,450**	**14,702**	**14,764**	**1,913,412**	**1,775,686**
Elimination of equity-accounted financial assets					–235,294	–275,396
Sales according to the consolidated statement of comprehensive income					**1,678,118**	**1,500,291**

Segment sales contains both net sales from third parties (external sales) and net sales between the segments (intersegment sales). The prices for intersegment sales are determined on an arm's-length basis. Uniform royalty rates per segment for breeding genetics are used as the basis or variable royalties are paid in order to ensure compliance with the arm's length principle. Technology revenues from genetically modified traits ("tech fees") are paid as a per-unit royalty on the basis of the number of units sold, due to their growing competitive importance.

Earnings, depreciation and amortization and non-cash items per segment

in € thousand	Segment earnings		Depreciation and amortization		Other noncash items	
	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024	2022/2023
Corn	39,066	18,749	38,715	32,990	–44,293	–60,447
Sugarbeet	350,050	253,404	23,506	22,204	–46,174	–34,967
Cereals	50,354	39,244	7,178	7,764	–5,488	–14,904
Vegetables	–34,711	–11,764	23,516	14,065	–1,516	–1,051
Corporate	–127,060	–115,015	25,858	20,918	–11,176	–11,776
Total for the segments	**277,699**	**184,618**	**118,774**	**97,940**	**–108,648**	**–123,145**
Elimination of equity-accounted financial assets	24,253	10,495	–15,829	–14,289	14,705	13,718
Total excluding equity-accounted financial assets	**301,951**	**195,113**	**102,945**	**83,651**	**–93,943**	**–109,426**
Net financial income/expenses	–49,963	–23,801				
Earnings before taxes from continuing operations	**251,988**	**171,311**				

The income statements of the consolidated companies are assigned to the segments by means of profit center allocation. Operating income, an important internal parameter and an indicator of the earnings strength in the KWS Group, is used as the segment earnings. The operating income of each segment is reported as the **segment earnings.** The segment earnings are presented on a consolidated basis and include all directly attributable income and expenses. Items that are not directly attributable are allocated to the segments on the basis of an appropriate formula. **Depreciation and amortization charges** allocated to the segments relate exclusively to intangible assets and property, plant and equipment.

The **other noncash items recognized in the income statement** relate to noncash changes in the allowances on inventories and receivables, and in provisions.

Operating assets and operating liabilities per segment

in € thousand	Operating assets		Operating liabilities	
	2023/2024	**2022/2023**	**2023/2024**	**2022/2023**
Corn	637,581	1,016,898	148,775	250,603
Sugarbeet	622,211	471,541	123,498	139,153
Cereals	166,063	187,098	42,462	73,298
Vegetables	436,703	438,025	9,582	8,468
Corporate	263,404	214,185	270,110	172,873
Total for the segments	**2,125,962**	**2,327,747**	**594,427**	**644,396**
Elimination of equity-accounted financial assets	–187,989	–239,163	–65,754	–52,566
Total excluding equity-accounted financial assets	**1,937,973**	**2,088,585**	**528,673**	**591,830**
Others	1,018,120	660,976	1,027,507	866,655
KWS Group acc. to consolidated financial statements	**2,956,093**	**2,749,561**	**1,556,180**	**1,458,485**

The operating assets of the segments are composed of intangible assets, property, plant and equipment, inventories, biological assets and trade receivables that can be charged directly to the segments or indirectly allocated to them by means of an appropriate formula.

Other assets include financial assets, tax assets, deferred tax assets, cash and cash equivalents and assets held for sale and are accordingly carried under the “Others” item.

The operating liabilities attributable to the segments include – in accordance with the management approach – trade payables, contractual and refund obligations, lease liabilities and provisions, insofar as these are not connected to income taxes.

Other liabilities include financial liabilities, provisions for taxes, deferred tax liabilities and liabilities in connection with assets held for sale and are accordingly carried under the “Others” item.

The increase in the “Others” item is almost exclusively due to recognition of the South American corn and sorghum business as a discontinued operation.

Investments in long-term assets by segment[1]

in € thousand	2023/2024	2022/2023
Corn	27,843	25,863
Sugarbeet	58,474	37,034
Cereals	17,527	12,824
Vegetables	16,458	14,286
Corporate	25,417	17,873
Total for the segments	**145,719**	**107,880**
Elimination of equity-accounted financial assets	–5,804	–7,044
Investments acc. to consolidated financial statements	**139,915**	**100,836**

1 Excluding right-of-use assets in accordance with IFRS 16

The main capital spending for each segment is as follows:

- Corn: Expansion and modernization of production and processing plants in Ukraine and Romania
- Sugarbeet: Expansion of storage capacities in Germany, among other things with construction of an elite storehouse at Einbeck, and expansion of the seed treatment plants in Türkiye.
- Cereals: Expansion and modernization of production plants, warehouses and breeding stations, in particular in Germany, France and Poland
- Vegetables: Start of construction of a research center in the Netherlands; acquisition of a license for the crops watermelons, cucumbers and tomatoes, and expansion and completion of the breeding stations in Brazil, Mexico and Spain
- Corporate: Implementation of new ERP software and an efficiency project aimed at using heat from effluents

Disclosures by region

The disclosures on the regional composition of net sales and noncurrent operating assets have been made in accordance with the accounting policies to be applied to the consolidated financial statements of the KWS Group and thus without proportionate consolidation of the equity-accounted financial investments. Noncurrent operating assets comprise goodwill, other intangible assets, property, plant and equipment, and financial assets.

The external net sales by sales region are broken down on the basis of the country where the customer is based. No individual customer accounted for more than 10% of total net sales in the current and the previous fiscal years.

External sales by region

in € thousand	2023/2024	2022/2023
Germany	307,756	281,184
Europe (excluding Germany)	928,720	825,064
thereof in France	169,246	144,214
North and South America	295,587	273,836
thereof in the U.S.	267,856	250,482
Rest of world	146,055	120,207
KWS Group	**1,678,118**	**1,500,291**

Long-term assets by region

in € thousand	2023/2024	2022/2023
Germany	333,153	328,910
Europe (excluding Germany)	630,387	630,306
thereof in the Netherlands	411,868	424,567
North and South America	190,732	275,720
thereof in the U.S.	170,190	187,145
Rest of world	25,170	12,667
KWS Group	**1,179,442**	**1,247,603**

6. Notes to the Consolidated Statement of Comprehensive Income

Until the transaction is closed, the South American corn and sorghum business is reported as a discontinued operation (see section “4.2 Discontinued operation: disposal group classified as held for sale” of the Notes for details).

All of the figures presented below for fiscal years 2023/2024 and 2022/2023 in the “Notes to the Consolidated Statement of Comprehensive Income” therefore relate to the company’s continuing operations, unless explicitly stated otherwise. The figures for 2022/2023 have been adjusted accordingly.

6.1 Net sales and function costs

Net sales increased by 11.9% to €1,678,118 (1,500,291) thousand. Net sales are mainly generated from seed deliveries (€1,487,093 thousand; previous year: €1,338,210 thousand) and royalties (€131,470 thousand; previous year: €114,145 thousand). A breakdown by segments and regions is provided in the segment reporting in section 5 of the Notes.

The **cost of sales** increased by 5.5% to €622,423 (589,893) thousand, or 37.1% (39.3%) of sales. The key factors behind the higher cost in absolute terms were the strong expansion of business in the Sugarbeet Segment and higher destruction and write-downs of inventories. The total cost of goods sold was €527,621 (510,824) thousand. The decline in the cost of sales as a percentage of net sales is mainly due to the disproportionately high price-related increases in net sales and economies of scale. The grants recognized in the cost of sales amounted to €1,227 (1,197) thousand. The impairment losses on and destruction of inventories and the reversals of impairment losses, which are carried as a reduction in the cost of materials in the period, are as follows:

July 1 to June 30

in € thousand	2023/2024	2022/2023
Impairment losses	56,917	52,797
Reversals of impairment losses	2,773	8,814

The impairment losses relate mainly to unsold or destroyed seed. They are based on, among other things, empirical values (such as germination capacity) and expectations as to substitution by new varieties. Impairment losses on inventories are reversed if the reasons for the impairment no longer apply.

Selling expenses increased by €26,297 thousand to €284,277 (257,980) thousand, or 16.9% (17.2%) of sales. This increase in absolute terms is mainly attributable to cost increases compared with the previous year. The grants recognized in the selling expenses amounted to €344 (221) thousand.

Research & development is recognized as an expense in the year it is incurred; in the year under review, this amounted to €325,565 (299,791) thousand. That was 19.4% (20.0%) of sales. Development costs for new varieties are not recognized as an asset because evidence of future economic benefit can only be provided after the variety has been officially approved. The grants recognized in the R&D costs amounted to €10,372 (9,037) thousand.

General and administrative expenses rose by €9,446 thousand to €149,586 (140,140) thousand, among other things due to higher IT, energy and wage costs, and were 8.9% (9.3%) of sales. The grants recognized in the general and administrative expenses amounted to €17 (306) thousand.

6.2 Other operating income

July 1 to June 30

in € thousand	2023/2024	2022/2023
Income from the disposal of noncurrent assets	31,002	1,938
Foreign exchange gains	12,251	26,425
Income from reversal of valuation allowances for trade receivables and recovery of written-off receivables	4,355	3,072
Unrealized gain on derivatives measured at fair value through profit or loss	1,173	911
Income from received compensation	996	36
Other income related to previous periods	243	16
Income from the reversal of provisions	2	82
Miscellaneous other operating income	7,431	8,733
Total	**57,453**	**41,214**

Other operating income in fiscal 2023/2024 was impacted by the non-recurring income from divestment of the Chinese corn portfolio (including licenses) to an amount of €30,664 thousand (see also section "4.1. Changes in the consolidated group in the current fiscal year" of the Notes).

In addition, other operating income mainly includes foreign exchange gains. These result from exchange rate changes between the time at which foreign currency receivables and liabilities arose and when they were paid, as well as from exchange rate gains from measurement at the rate on the balance sheet date. The high foreign exchange gains in the previous year are largely attributable to the sharp volatility of various currencies during the year, particularly in Eastern Europe and Türkiye.

In addition, other operating income of €749 thousand was generated from the sale of the carrot breeding program in fiscal 2023/2024; it is carried under "Miscellaneous other operating income."

6.3 Other operating expenses

July 1 to June 30

in € thousand	2023/2024	2022/2023
Foreign exchange losses	19,540	42,840
Loss on net monetary position (hyperinflation)	9,244	5,543
Valuation allowances on receivables	6,848	4,201
Expenses relating to previous periods	1,592	2,243
Unrealized loss on derivatives measured at fair value through profit or loss	622	867
Other expenses	13,923	2,896
Total	**51,769**	**58,590**

The other operating expenses mainly comprise foreign exchange losses and valuation allowances on receivables, as well as losses from the net monetary position (hyperinflation).

The foreign exchange losses result from exchange rate changes between the time at which foreign currency receivables and liabilities arose and when they were paid, as well as from exchange rate losses from measurement at the rate on the balance sheet date. The high foreign exchange losses in the previous year are largely attributable to the sharp volatility of various currencies, particularly in Eastern Europe, and the devaluation of the Turkish lira. Outstanding items denominated in foreign currency were reduced significantly in fiscal 2023/2024.

The increase of €3,701 thousand in losses from the net monetary position to €9,244 (5,543) thousand is attributable solely to above-proportionate inflation in Türkiye.

The other expenses include the setup of a provision for value-added tax risks to an amount of €7,744 thousand as well as other taxes and expenses in connection with divestment of the Chinese corn portfolio (asset deal) totaling €2,134 thousand.

6.4 Net financial income/expenses

July 1 to June 30

in €	2023/2024	2022/2023
Interest income	4,801	2,625
Foreign exchange gains	3,818	6,828
Income from other financial assets	90	408
Financial income	**8,709**	**9,861**
Interest expenses	20,017	12,061
Foreign exchange losses	8,423	4,882
Interest effects from pension provisions	3,003	2,713
Interest expenses for lease liabilities	2,526	1,463
Interest expense for other long-term provisions	357	206
Financial expenses	**34,326**	**21,325**
Result from equity-accounted financial assets	**–24,345**	**–12,337**
Net financial income/expenses	**–49,963**	**–23,801**

Net financial income/expenses fell compared with the previous year, mainly due to higher interest expenses and the loss from equity-accounted financial assets.

The net interest result of €–21,013 (–13,410) thousand was mainly influenced by higher interest expenses in Türkiye during the year and the generally higher level of interest rates in Germany.

The net loss from foreign exchange gains and losses amounted to €4,605 thousand (previous year: net gain of €1,946 thousand). These arose in connection with the Group's financing. The net loss is largely attributable to short-term intra-Group loans denominated in US dollars.

The negative result from equity-accounted joint ventures and associated companies is almost exclusively due to the high loss made by AGRELIANT GENETICS LLC (see also section "7.3 Equity-accounted financial assets" of the Notes).

6.5 Taxes

Income tax expenses

in € thousand	2023/2024	2022/2023
Actual income taxes	**80,135**	**59,473**
thereof from previous years	–2,577	1,343
Deferred taxes	**–12,223**	**–14,254**
Income taxes	**67,912**	**45,219**

The KWS Group pays tax in Germany at a rate of 29.7% (29.7%). Corporate income tax of 15.0% (15.0%) and solidarity tax of 5.5% (5.5%) are applied uniformly to distributed and retained profits. In addition, trade tax is payable on profits generated in Germany. Trade tax is applied at a weighted average rate of 13.9% (13.9%), resulting in a total tax rate of 29.7% (29.7%).

The profits generated by Group companies outside Germany are taxed at the rates applicable in the country in which they are based. The tax rates of the fully consolidated companies in foreign countries vary between 2.0% (2.0%) in Russia (Special Economic Zone) and 30.0% (30.0%) in Mexico.

The deferred taxes that are recognized relate to the following balance sheet items and tax loss carryforwards:

Deferred taxes

in € thousand	At 06/30/2023				Changes in current year		
	Deferred tax assets	Deferred tax liabilities	Net value	Disposal from IFRS 5 reclassification	Recognized in profit or loss	Other comprehensive income	Currency incl. hyperinflation effects
Intangible assets [1]	382	53,340	**–52,957**	199	4,366	0	–208
Property, plant and equipment	842	24,557	**–23,715**	6,971	482	0	–1,834
Financial assets	4,081	4,394	**–314**	–109	2,788	290	–657
Inventories	15,927	8,005	**7,922**	3,243	2,683	0	–266
Current assets	1,756	3,684	**–1,928**	2,270	–564	0	–48
Noncurrent liabilities [2]	35,301	1,387	**33,914**	–15,046	–1,834	–1,577	84
of which pension provisions	10,734	7	**10,727**	0	–725	–1,541	1
Current liabilities [3]	18,542	1,564	**16,978**	–5,499	5,360	0	–245
Deferred taxes recognized (gross)	**76,831**	**96,931**	**–20,100**	**–7,970**	**13,280**	**–1,287**	**–3,174**
Tax loss carryforward	8,945	0	**8,945**	–7,076	–1,057		0
Setting off	–39,446	–39,446	**0**	0	0		0
Deferred taxes recognized (net)	**46,330**	**57,485**	**–11,156**	**–15,046**	**12,223**	**–1,287**	**–3,174**

in € thousand	At 06/30/2024		
	Deferred tax assets	Deferred tax liabilities	Net value
Intangible assets [1]	123	48,723	**–48,600**
Property, plant and equipment	608	19,162	**–18,553**
Financial assets	2,837	260	**2,577**
Inventories	16,898	4,531	**12,367**
Current assets	5,431	4,486	**946**
Noncurrent liabilities [2]	17,465	1,887	**15,578**
of which pension provisions	8,875	413	**8,462**
Current liabilities [3]	18,565	2,131	**16,434**
Deferred taxes recognized (gross)	**61,927**	**81,179**	**–19,251**
Tax loss carryforward	812	0	**812**
Setting off	–27,307	–27,307	**0**
Deferred taxes recognized (net)	**35,432**	**53,871**	**–18,439**

1 Due to application of IFRS 16, there are deferred tax liabilities of €8,752 (12,440) thousand attributable to intangible assets as of June 30, 2024.
2 Due to application of IFRS 16, there are deferred tax assets of €8,129 (10,499) thousand attributable to noncurrent liabilities as of June 30, 2024.
3 Due to application of IFRS 16, there are deferred tax liabilities of €2,735 (3,351) thousand attributable to temporary differences in the recognition of current liabilities as of June 30, 2024.

Due to the use of tax loss carryforwards and tax credits on which no deferred taxes were recognized in the past, the actual tax expense fell by €362 (841) thousand.

No deferred taxes were formed for tax loss carryforwards totaling €20,986 (20,040) thousand that have not yet been utilized. Loss carryforwards totaling €20,986 (20,040) thousand can be utilized without any time limit.

No deferred taxes were recognized on temporary differences totaling €38,536 (32,742) thousand associated with investments in subsidiaries, branches and associated companies, and interests in joint arrangements, where the KWS Group is able to control the timing of the reversal of the differences and if it is probable that the reversal will not occur in the foreseeable future.

In the year under review, there were surpluses of deferred tax assets from temporary differences and loss carryforwards totaling €17,323 (23,773) thousand at Group companies that made losses in the past period or the previous period. These were considered recoverable, since it is assumed that the companies in question will post taxable profits in the future. The fact is taken into account here that the KWS Group may realize income with a delay due to the long-term nature of research and development spending.

The reconciliation of the expected income tax expense to the reported income tax expense is derived on the basis of the consolidated income before taxes and the nominal tax rate for the Group of 29.7% (29.7%), taking into account the following effects:

Reconciliation of income taxes

in € thousand	2023/2024	2022/2023
Earnings before income taxes	251,988	171,311
Expected income tax expense[1]	**74,952**	**50,919**
Reconciliation with the reported income tax expense		
Differences from the Group's tax rate	–10,906	–8,865
Effects of changes in the tax rate	–1,446	–4,173
Tax effects from:		0
Expenses not deductible for tax purposes and other additions	5,346	6,797
Tax-free income	–5,122	–817
Other permanent deviations	–2,568	–3,643
Recognition and measurement of deferred tax assets	–427	217
Income taxes for prior years, withholding taxes and uncertain tax positions	5,083	3,232
Other effects	3,001	1,552
		0
Reported income tax expense	**67,912**	**45,219**
Effective tax rate	27.0%	26.4%

1 Tax rate of the Group's parent company: 29.7% (29.7%)

The other effects include effects from the application of IAS 29 (hyperinflation) amounting to €2,850 (1,850) thousand in Türkiye.

The item “Recognition and measurement of deferred tax assets” includes in particular the effects of the non-recognition and initial recognition of deferred tax assets on temporary differences and tax loss carryforwards. There is a deferred tax expense of €452 (1,361) thousand from the non-recognition of deferred taxes on tax loss carryforwards and temporary differences in the year under review. The first-time recognition of deferred taxes and use of deferred taxes on loss carryforwards that had not previously been recognized result in deferred tax income of €158 (307) thousand.

Effects from changes in tax rates relate in particular to the Dutch companies. The future realization of recognized deferred taxes for the Netherlands takes into account the influence of research and development activities on the effective tax. Tax rates also changed in Austria and the Czech Republic in particular.

There is no definitive tax assessment in respect of several years at the Group. A tax audit in Germany and in a number of other countries has currently not been concluded. Since the KWS Group operates multinationally and there are numerous relationships between affiliated companies, queries on the subject of transfer prices in particular are expected from the local fiscal authorities. The KWS Group believes it has made adequate provisions for these years where the tax assessment is not concluded. As a result of future legislation or changes in the opinions of the fiscal authorities, and allowing for the fact that there is some uncertainty in the area of transfer pricing, it is not possible to rule out that there will be tax refunds or payments of tax arrears for past years.

In order to reduce tax avoidance and profit shifting, the Organization for Economic Cooperation and Development (OECD) has published the Pillar Two Model Rules, which are intended to address the tax challenges arising from digitalization of the global economy in order to ensure an effective minimum tax rate of 15%. Where applicable, the KWS Group will pay an additional tax amounting to the difference between the effective tax rate and the minimum tax rate of 15% in accordance with the legislation for each country. Since the Pillar Two legislation will not apply to the KWS Group until the next fiscal year, the KWS Group is not subject to any tax burden in this regard in the current fiscal year. Similarly, the temporary, mandatory exemption regarding the recognition of deferred taxes means that deferred taxes in connection with income taxes resulting from current or announced tax regulations to implement the Pillar Two Model Rules published by the OECD are not recognized or disclosed.

Based on country-by-country reporting, almost all Group companies are subject to an effective tax rate of more than 15% per country in the current fiscal year. The only exception is one country for which a future supplementary tax could be expected, but that is not considered to be material given the size of the local subsidiary. In view of that, introduction of the Pillar Two legislation will not have any significant effects on the KWS Group’s assets, financial position and earnings.

6.6 Personnel costs/employees (continuing operations only)

July 1 to June 30

in € thousand	2023/2024	2022/2023
Wages and salaries	317,209	296,808
Social security contributions, expenses for pension plans and benefits	79,863	74,593
Total	**397,072**	**371,401**

Personnel costs went up by 6.9%. The number of employees increased from 4,391 to 4,673, or by 6.4%. Of the 4,673 (4,391) employees, 4,461 (4,173) are permanent employees and 212 (218) are temporary employees. The number of trainees and interns is recorded separately and not included in the headcount. There were 157 (140) trainees and interns at KWS at June 30, 2024.

Employees (FTE) by region (continuing operations only)

	2023/2024	2022/2023
Employees (FTE)		
Germany	2,316	2,179
Europe (excluding Germany)	1,749	1,646
North and South America	409	379
Rest of world	199	187
Total	**4,673**	**4,391**
Trainees and interns	157	140

6.7 Share-based payment

Employee Stock Purchase Plan

KWS has an Employee Stock Purchase Plan. All employees who have been with the company for at least one year without interruption and have an employment relationship that has not been terminated at a KWS Group company that participates in the program are eligible to take part. That also includes employees who are on maternity leave or parental leave or who are in semi-retirement.

Each employee can acquire up to 2,000 shares. A bonus of 20% is deducted from the purchase price, which depends on the price applicable on the key date. The shares are subject to a lock-up period of four years beginning when they are posted to the employee's securities account. The right to a dividend, if declared by KWS SAAT SE & Co. KGaA, exists during the lock-up period. Holders can also participate in the Annual Shareholders' Meeting during the lock-up period. They can dispose freely of the shares after the lock-up period.

In the year under review, 62,300 (71,023) shares were repurchased for the Employee Stock Purchase Plan at a total price of €3,189 (4,493) thousand and transferred directly to the employees. The total cost for issuing shares at a reduced price was €623 thousand in the past fiscal year (previous year: €791 thousand).

Long-term incentive (LTI)

The stock-based compensation plans awarded at the KWS Group to members of the Executive Board and of the first management level are recognized in accordance with IFRS 2 "Share-based Payment." The incentive program, which was launched in fiscal 2009/2010, involves stock-based payment transactions with cash compensation, which are measured at fair value at every balance sheet date. Members of the Executive Board are obligated to acquire shares in KWS SAAT SE & Co. KGaA every year in a freely selectable amount ranging between 35% and 50% of the gross performance-related bonus. Along with that, members of the first management level below the Executive Board likewise take part in an LTI program. As part of this program, they are obligated to invest in shares in KWS SAAT SE & Co. KGaA every year in a freely selectable amount ranging between 10% and 40% of the gross performance-related bonus. The shares acquired under the LTI program may be sold at the earliest after a regular holding period of five years beginning at the time they are acquired (end of the quarter in which the shares were acquired). In addition to the shares being unlocked, the entitled persons are paid a long-term incentive (LTI) in the form of cash compensation after the holding period for the tranche in question. Its level is calculated on the basis of KWS SAAT SE & Co. KGaA's share performance and on the KWS Group's return on sales (ROS), measured as the ratio of operating income to net sales, over the holding period. For persons with contracts as of July 1, 2014, the cash compensation for members of the Executive Board is a maximum of one-and-half times (for the Spokesperson of the Executive Board two times), and for members of the first management level below the Executive Board a maximum of two times their own investment (LTI cap). The costs of this compensation are recognized in the income statement over the period and, taking the cash compensation in January 2024 into account, were €542 (657) thousand in the period under review. The provision for it at June 30, 2024, was €2,923 (3,017) thousand. The LTI fair values are calculated by an external expert.

6.8 Earnings after taxes

The earnings after taxes of the continuing operations were €184,076 (126,092) thousand on operating income of €301,951 (195,113) thousand and net financial income/expenses of €−49,963 (23,801) thousand and after taxes totaling €67,912 (45,219) thousand. Including the earnings after taxes of the discontinued operation totaling €−53,246 (897) thousand, the Group's earnings after taxes amounted to €130,830 (126,989) thousand.

The return on sales (earnings after taxes of the continuing operations relative to net sales) was 11.0% and thus well above the level of the previous year (8.4%). Diluted/basic earnings per share are calculated by dividing the Group's earnings after taxes by 33,000,000 shares and was €3.96 (3.85) for the Group and €5.58 (3.82) for the continuing operations.

7. Notes to the Consolidated Balance Sheet

Until the transaction is closed, the South American corn and sorghum business is reported as a discontinued operation (see section “4.2 Discontinued operation: disposal group classified as held for sale” of the Notes for details). The associated assets and liabilities are reported accordingly as separate items (“Assets held for sale” and “Liabilities in connection with assets held for sale”) in the consolidated balance sheet as of June 30, 2024.

Unlike in the consolidated income statement, the International Financial Reporting Standards (IFRS) do not provide for any adjustment of the previous year’s figures in the consolidated balance sheet as of June 30, 2023.

In view of that, the informational value of any direct comparison of the consolidated balance sheet figures as of June 30, 2024, with those at June 30, 2023, is limited.

7.1 Intangible assets

Reconciliation of the carrying amount of intangible assets

in € thousand	Other intangible assets	Goodwill	Intangible assets
Gross carrying amounts: 07/01/2023	**493,253**	**123,678**	**616,931**
Currency translation	–2,095	–1,696	–3,792
IAS 29 inflation adjustment	84	0	84
Additions	15,120	0	15,120
Disposals	692	0	692
Transfers	547	0	547
Reclassification of assets held for sale (IFRS 5)	60,883	16,575	77,458
Gross carrying amounts: 06/30/2024	**445,333**	**105,407**	**550,740**
Amortization and write-downs: 07/01/2023	**173,387**	**0**	**173,387**
Currency translation	–1,840	0	–1,839
Planned additions	30,373	0	30,373
Impairment	4,573	0	4,573
Disposals	421	0	421
Transfers	0	0	0
Reclassification of assets held for sale (IFRS 5)	40,656	0	40,656
Amortization and write-downs: 06/30/2024	**165,417**	**0**	**165,417**
Net carrying amounts: 06/30/2024	**279,916**	**105,407**	**385,323**
Net carrying amounts: 06/30/2023	**319,866**	**123,679**	**443,544**

in € thousand	Other intangible assets	Goodwill	Intangible assets
Gross carrying amounts: 07/01/2022	**489,275**	**122,990**	**612,265**
Currency translation	639	688	1,328
IAS 29 inflation adjustment	15	0	15
Additions	8,352	0	8,352
Disposals	5,067	0	5,067
Transfers	39	0	39
Gross carrying amounts: 06/30/2023	**493,253**	**123,678**	**616,931**
Amortization and write-downs: 07/01/2022	**156,277**	**–1**	**156,276**
Currency translation	577	1	577
Planned additions	19,911	0	19,911
Impairments	1,725	0	1,725
Disposals	5,067	0	5,067
Transfers	–35	0	–35
Amortization and write-downs: 06/30/2023	**173,387**	**0**	**173,387**
Net carrying amounts: 06/30/2023	**319,866**	**123,679**	**443,544**
Net carrying amounts: 06/30/2022	**332,998**	**122,990**	**455,989**

Intangible assets include purchased varieties, rights to varieties and distribution rights, brands, customer relationships, software licenses for electronic data processing, and goodwill. The current additions of €15,120 (8,352) thousand related to the ongoing implementation of a new ERP system and the acquisition of software licenses in the Vegetables Segment. Amortization of intangible assets amounted to €30,373 (19,911) thousand. The main driver behind the increase in amortization is the “Pop Vriend” brand, which was still assigned an indefinite useful life and had a carrying amount of €20,752 thousand in the previous year. At the beginning of fiscal 2023/2024, various strategic aspects were evaluated, among other things against the backdrop of the appointment of a new management team. That also included a future uniform brand presence under the KWS Group brand, i.e. full integration of the “Pop Vriend” brand. In light of this new development, the brand’s useful life was reassessed and a finite rather than an indefinite useful life was taken into account, with the result that the “Pop Vriend” brand will now be amortized until the date when it is completely discontinued. Amortization of €10,376 thousand was recognized in the fiscal year 2023/2024, meaning that the remaining carrying amount at June 30, 2024, also amounted to €10,376 thousand.

The main carrying amount of the other intangible assets still relates to the technology from acquisition of the POP VRIEND SEEDS Group on July 1, 2019, namely €219,589 (228,372) thousand, which has an expected remaining useful life of 25 years.

Similarly to intangible assets with an indefinite useful life, goodwill obtained as part of company acquisitions is tested for impairment at least once a year.

To enable that, cash-generating units have been defined in line with internal budgeting and reporting processes. In the KWS Group, these are the Business Units. To test for impairment, the carrying amount of each Business Unit is determined by allocating the assets and liabilities, including attributable goodwill and intangible assets. An impairment loss is recognized if the recoverable amount of a Business Unit is less than its carrying amount. The recoverable amount is the higher of the fair value less costs to sell and the value in use of a cash-generating unit.

As of June 30, 2024, only the “Vegetables” Business Unit had significant goodwill, since the goodwill of the “Corn America” Business Units that existed in the previous year relates to the South American corn and sorghum business and is therefore part of the discontinued operation (see section “4.2 Discontinued operation: disposal group classified as held for sale” of the Notes for details).

Goodwill

in € thousand	06/30/2024	06/30/2023
Vegetables	99,576	99,576
Corn America	0	17,704
Cereals	4,017	3,987
Other	1,814	2,411
Total	**105,407**	**123,679**

The recoverable amount for the Business Unit Vegetables is calculated as the fair value less costs to sell. Measurement is based on the present value of future cash flows derived from planning (fair value hierarchy level 3). This takes into account not only the medium-term but also the long-term net sales and earnings expectations from establishment of KWS’ vegetable breeding operations. For this reason, the estimate of future cash flows covers a long-term period extending beyond the basic detailed planning period until a stable state is reached in fiscal 2039/2040. The global establishment of breeding stations for vegetable seed underscores the fact that further important foundations for the Business Unit’s future long-term growth were laid in fiscal 2023/2024 and, at the same time, implementation of the KWS Group’s strategic goals was intensified. Alongside spinach and beans, significant market share for vegetable seed (in Europe, Türkiye and Central and South America) is to be captured, in particular, by the world’s five most important crops in this segment: tomatoes, peppers, cucumbers, watermelons and melons. In addition to the expectations for long-term developments in the “Vegetables” Business Unit, a recovery in the market environment and an increase in net sales of spinach and bean seed are expected in the short to medium term.

The discount rate at the “Vegetables” Business Unit has been derived as the weighted average cost of capital (WACC) and was 8.22% (6.47%). The change compared to the previous year is mainly attributable to the increase in the risk-free interest rate.

A long-term growth rate of 2.0% (2.0%) has been assumed here on the basis of the long-term business expectations beyond the detailed planning horizon.

The impairment test conducted at the end of fiscal year 2023/2024 confirmed that the goodwill is not impaired.

Sensitivity analyses were also carried out, and it was assumed that the future cash flows would fall by 10%, the weighted average cost of capital would increase by 10% and the long-term growth rate would fall by 1 percentage point.

The sensitivity analyses did not reveal the need to recognize an impairment loss, apart from the reduction in the long-term growth rate by 1 percentage point.

7.2 Property, plant and equipment

Reconciliation of the carrying amount of property, plant and equipment

in € thousand	Land and buildings	Technical equipment and machinery	Operating and office equipment	Prepay-ments for assets under construction	Property, plant and equipment
Gross carrying amounts: 07/01/2023	**483,265**	**378,458**	**159,930**	**77,128**	**1,098,781**
Currency translation	–14,615	–11,919	–6,367	–1,870	–34,772
IAS 29 inflation adjustment	17,836	11,545	7,845	4,961	42,187
Additions	16,783	21,911	12,593	84,773	136,060
Disposals	330	2,749	5,323	134	8,536
Transfers	15,686	21,598	4,476	–42,523	–763
Reclassification of assets held for sale (IFRS 5)	40,176	26,301	15,290	5,886	87,653
Gross carrying amounts: 06/30/2024	**478,449**	**392,543**	**157,863**	**116,448**	**1,145,304**
Amortization and write-downs: 07/01/2023	**155,725**	**237,779**	**110,284**	**0**	**503,786**
Currency translation	–2,922	–5,169	–3,111	0	–11,201
IAS 29 inflation adjustment	4,785	7,225	4,760	0	16,770
Additions	14,631	24,268	13,219	0	52,118
Disposals	156	2,616	4,811	0	7,583
Transfers	–2,091	1,954	–76	0	–214
Reclassification of assets held for sale (IFRS 5)	9,510	11,835	8,324	0	29,669
Amortization and write-downs: 06/30/2024	**160,462**	**251,605**	**111,942**	**0**	**524,008**
Net carrying amounts: 06/30/2024	**317,987**	**140,938**	**45,922**	**116,448**	**621,296**
Net carrying amounts: 06/30/2023	**327,540**	**140,679**	**49,646**	**77,128**	**594,995**

in € thousand	Land and buildings	Technical equipment and machinery	Operating and office equipment	Prepay-ments for assets under construction	Property, plant and equipment
Gross carrying amounts: 07/01/2022	**474,660**	**371,355**	**147,935**	**36,168**	**1,030,118**
Currency translation	–18,305	–20,931	–6,241	–1,153	–46,630
IAS 29 inflation adjustment	9,673	10,512	4,651	–819	24,018
Additions	14,160	13,618	12,317	60,666	100,761
Disposals	338	4,943	2,578	1,005	8,864
Transfers	3,415	8,847	3,845	–16,729	–622
Gross carrying amounts: 06/30/2023	**483,265**	**378,458**	**159,930**	**77,128**	**1,098,781**
Amortization and write-downs: 07/01/2022	**143,440**	**219,842**	**100,967**	**0**	**464,248**
Currency translation	–3,277	–7,781	–2,985	0	–14,042
IAS 29 inflation adjustment	2,332	5,968	2,849	0	11,149
Additions	14,106	23,545	12,306	0	49,957
Disposals	429	4,168	2,380	0	6,977
Transfers	–448	373	–474	0	–548
Amortization and write-downs: 06/30/2023	**155,725**	**237,779**	**110,284**	**0**	**503,786**
Net carrying amounts: 06/30/2023	**327,540**	**140,679**	**49,646**	**77,128**	**594,995**
Net carrying amounts: 06/30/2022	**331,220**	**151,513**	**46,968**	**36,168**	**565,870**

The main focus of the KWS Group's capital spending in the year under review was again on erecting and expanding production and research and development capacities. Construction of the new elite storehouse for processing and storing breeding material for sugarbeet was continued at the Einbeck location. In the Vegetables Segment, construction of an extensive research facility in the Netherlands was commenced, among other things. Across all segments, investments were made in office and laboratory equipment, among other things.

7.3 Equity-accounted financial assets

Equity-accounted joint ventures

The joint ventures AGRELIANT GENETICS LLC. and AGRELIANT GENETICS INC., which the KWS Group operates together with its partner Vilmorin & Cie (Limagrain Group), are recognized at equity. They are both classified together as significant joint ventures.

The joint ventures AGRELIANT GENETICS LLC. and AGRELIANT GENETICS INC. are closely affiliated operating units. The main business activity of the two joint ventures is the production and sale of corn and soybean seed in North America.

The following disclosures relate to the two joint ventures, which KWS runs with its partner Vilmorin and an identical management team.

Disclosures on equity-accounted joint ventures (with the partner Vilmorin)

in € thousand	06/30/2024	06/30/2023
Stake in the joint ventures	50%	50%
Current assets	248,494	341,178
thereof cash and cash equivalents	33,433	48,346
Noncurrent assets	202,212	215,901
Current liabilities	224,390	284,280
thereof current financial liabilities (excluding trade payables and other liabilities and provisions)	77,310	167,686
Noncurrent liabilities	4,915	5,740
Net assets (100%)	221,402	267,060
Group share of net assets (50%)	110,701	133,530
Goodwill	8,780	8,780
Carrying amount for the stake in the joint ventures	**119,481**	**142,310**
Net sales	495,069	560,737
Depreciation and amortization	26,824	25,881
Net income for the period	–46,764	–24,437
Comprehensive income (100%)	–45,964	–45,073
Comprehensive income (50%)	–22,982	–22,536
Group share of comprehensive income	**–22,982**	**–22,536**
Dividend payment (100%)	**379**	**3,526**

In addition, the carrying amount of the insignificant joint venture FARMDESK B.V. fell from €770 thousand in the previous year to €0 thousand in the year under review. The resultant changes in the proportionate equity that are recognized in profit or loss are included, along with impairment of the goodwill, under the item "Result from equity-accounted financial assets" in the net financial income/expenses.

Equity-accounted associated companies

The Chinese joint venture KENFENG – KWS SEED CO., LTD., which was classified as a significant associated company in the previous year, was divested in the year under review (see also section "4.1. Changes in the consolidated group in the current fiscal year" of the Notes).

Consequently, only insignificant associated companies – IMPETUS AGRICULTURE, INC. at a carrying amount of €386 (387) thousand and GIE RHP RECOLTE HAUTE PRECISION at a carrying amount of €53 (51) thousand – were included in the KWS Group's consolidated financial statements using the equity method.

7.4 Proportionately consolidated joint operations

In general, the assets and liabilities and revenue and expenses from the joint operations are included proportionately (at 50%) in the consolidated financial statements.

GENECTIVE S.A., including its subsidiaries, whose main activity is development of genetically improved traits for crops, was proportionately consolidated up to now. However, in light of the intention to sell it, the joint operation was classified as held for sale at the balance sheet date on June 30, 2024 (see also section “4.3 Other assets and disposal groups held for sale” of the Notes).

As a result, AARDEVO B.V., including its subsidiaries, which specializes in developing potato seed, is the only proportionately consolidated joint operation in the KWS Group at the balance sheet date.

7.5 Financial assets and noncurrent receivables

Financial assets mainly comprise the investments in the capital investment fund MLS Capital Fund II (financing of projects/access to biotechnology developments) totaling €5,487 (6,204) thousand, which are measured at fair value through other comprehensive income due to the long-term nature of the investment. The remainder relates to a large number of financial investments that – taken individually – are insignificant, such as other interest-bearing loans, shares in cooperatives, and other securities. For the first time, the financial assets also include plan assets totaling €536 (0) thousand, as the fair value of the plan assets for the pension commitments in the U.S. exceeded the present value of the accrued benefit entitlements from retirement obligations by a corresponding amount at June 30, 2024 (see also section “7.11. Noncurrent liabilities”, subsection “Defined benefit plans”).

The noncurrent tax assets total €123 thousand and relate solely to income tax assets. In the previous year, there were noncurrent tax assets totaling €21,986 thousand, which related solely to value-added tax assets and refund claims for sales-related social security contributions in Brazil. Due to the classification of the South American corn and sorghum business, along with the licenses, as a discontinued operation, these are now reported under assets held for sale (see section “4.2 Discontinued operation: disposal group classified as held for sale” of the Notes).

The other noncurrent receivables totaling €5,104 (10,883) thousand relate to trade receivables amounting to €855 (5,307) thousand that have a remaining period for payment of more than 365 days on June 30 and noncurrent receivables amounting to €2,773 (3,314) thousand from the subleasing of office space that is classified as a financial lease. In addition, this item includes noncurrent receivables from derivative financial instruments totaling €1,162 (1,632) thousand.

7.6 Inventories and biological assets

Inventories and biological assets

in € thousand	06/30/2024	06/30/2023
Raw materials and consumables	53,567	68,974
Work in progress	132,282	185,506
Immature biological assets	6,047	6,163
Finished goods	183,528	148,738
Rights of return	5,127	5,873
Total	**380,551**	**415,255**

Inventories and biological assets fell year on year by €34,704 thousand or 8.4%. Including the inventories of the South American corn and sorghum business, along with the licenses, as a discontinued operation as of June 30, 2024, to an amount of €101,529, which – unlike in the previous year – are now reported under assets held for sale (see section “4.2 Discontinued operation: disposal group classified as held for sale” of the Notes), there is effectively an increase in inventories. This increase reflects the Group’s volume- and price-related growth in business.

Immature biological assets relate to living plants in the process of growing (before harvest) at the farms in Germany, France and Poland. The field inventories of the previous year have been harvested in full and the fields have been newly tilled in the year under review. Government grants of €589 (1,044) thousand, for which all the requirements were met at the balance sheet date, were awarded for agricultural activity in the fiscal year. Future government grants depend on the further development of European agricultural policy.

7.7 Current receivables and other assets

Current receivables and other assets

in € thousand	06/30/2024	06/30/2023
Trade receivables	504,202	582,010
Current tax assets	121,004	128,113
Other current financial assets	36,861	68,534
Other current assets	36,525	53,780
Total	**698,591**	**832,437**

The trade receivables include €12,247 (11,950) thousand in receivables from joint ventures and joint operations.

The need to recognize impairment losses at June 30, 2024, was analyzed using the provision matrix on the basis of the expected losses. To enable that, the receivables were grouped by geographical region and the length of time they were overdue and multiplied by appropriate default rates. Receivables that are overdue by more than 360 days and are no longer subject to an enforcement measure have been classified as uncollectible and written off in full.

The maximum credit risk exposure from noncurrent and current trade receivables is the carrying amount reported on the balance sheet and is as follows at June 30, 2024:

Credit risk exposure on trade receivables

in € thousand					
	Overdue in days				
	Not overdue	1 – 180 days	181 – 360 days	> 360 days	Total
06/30/2024					
Expected credit loss rate	1%	2%	60%	99%	
Total gross amount upon default	474,266	31,768	7,024	7,286	520,345
Expected credit loss	**3,094**	**763**	**4,219**	**7,212**	**15,288**
06/30/2023					
Expected credit loss rate	1%	3%	39%	95%	
Total gross amount upon default	524,439	64,849	5,937	21,582	616,807
Expected credit loss	**4,800**	**1,784**	**2,303**	**20,603**	**29,490**

The credit risks were reflected by the following allowances at June 30, 2024, and in the previous year:

Change in allowances on receivables

in € thousand	2023/2024	2022/2023
07/01	**29,490**	**26,274**
Currency translation	–2,752	–1,768
Addition	13,084	8,908
Disposal	5,169	546
Reversal	5,137	3,378
Reclassification of disposal group (IFRS 5)	14,229	0
06/30	**15,288**	**29,490**

Current tax assets mainly include income tax receivables of €46,475 (41,879) thousand and other tax assets (in particular value-added tax) of €74,529 (86,015) thousand.

The deposited security for concluded commodity derivatives is €351 (69) thousand. It is carried in the other current financial assets. This item also includes other current receivables that are not allocated to trade receivables (e.g. creditors with debit balances and other short-term loans and deferrals).

Other current assets include payments on account totaling €23,042 (45,415) thousand.

7.8 Cash and cash equivalents

This item comprises cash and cash equivalents in the form of cash on hand, checks, and immediately available balances at banks, as well as securities.

Cash and cash equivalents at June 30, 2024, were €222,362 (168,869) thousand. Securities at the balance sheet date amounted to €1 thousand and fell sharply compared to the previous year (€4,130 thousand), because the securities were almost exclusively attributable to Brazil and these are now reported under assets held for sale due to the classification as a discontinued operation (see section "4.2 Discontinued operation: disposal group classified as held for sale" of the Notes).

As in the previous year, the annual impairment test of cash and cash equivalents did not result in any need to recognize any need for significant write-downs, meaning that no impairment loss has been recognized.

The change in cash and cash equivalents compared to the previous year is explained in the cash flow statement.

At June 30, 2024, the KWS Group had firmly promised loans it had not used totaling €398,190 (381,302) thousand.

7.9 Equity

The fully paid-up capital of KWS is still €99,000 thousand. The no-par bearer shares are certificated by a global certificate for 33,000,000 shares. The company does not hold any shares of its own. KWS has Authorized Capital of up to €9,900 thousand at the balance sheet date.

The capital reserves essentially comprise the premium obtained as part of share issues.

The other reserves and net retained profit essentially comprise the net income generated in the past by the companies included in the consolidated financial statements, minus dividends paid to shareholders, and the net retained profit. Differences from currency translation and effects of hyperinflation, the reserve for revaluation of net liabilities/assets from defined benefit plans, the reserve for currency translation differences for equity-accounted financial assets, the reserve for the changes in value of the cash flow hedges of the equity-accounted joint ventures, the reserve for revaluation of equity instruments (with changes in value in the other comprehensive income), the reserves for cash flow hedging and the cost of hedging are also carried here.

Differences from translation of the functional currency of foreign business operations into the currency used by the Group in reporting (euro) and inflation-related remeasurement effects for subsidiaries located in hyperinflationary economies are carried in the item "Reserve for currency translation differences and effects of hyperinflation for foreign operations." The item "Revaluation of net liabilities/assets from defined benefit plans" and the associated plan assets includes the actuarial gains and losses from pensions and similar obligations. Differences from translation of the functional currency of equity-accounted foreign business units into the currency used by the Group in reporting (euro) are carried in the "Reserve for currency translation differences on equity-accounted financial assets." The effective portions of the changes in the value of derivatives recognized as part of cash flow hedges are carried in the "Cost of hedging reserve" for cash flows. If options are used in hedging, the changes in value of the fair value component are carried in a separate cash flow hedge reserve.

Other comprehensive income

in € thousand			2023/2024			2022/2023
	Before taxes	Tax effect	After taxes	Before taxes	Tax effect	After taxes
Items that may have to be subsequently reclassified as profit or loss [1]	**4,022**	**290**	**4,312**	**–52,590**	**122**	**–52,468**
Changes in reserve for currency translation differences and effects of hyperinflation for foreign operations [1]	3,252	0	3,252	–38,834	0	–38,834
Other comprehensive income from equity-accounted financial assets	1,457	0	1,457	–13,434	0	–13,434
Net gain/(loss) on cash flow hedges	0	0	0	0	0	0
Net change in cost of hedging	–688	290	–397	–322	122	–200
Items not reclassified as profit or loss	**4,973**	**–1,577**	**3,396**	**–3,816**	**859**	**–2,957**
Net gain/(loss) on equity instruments designated at fair value through other comprehensive income	–702	–36	–738	–3,265	649	–2,616
Revaluation of net liabilities/assets from defined benefit plans	5,675	–1,541	4,134	–551	210	–341
Other comprehensive income [1]	**8,995**	**–1,287**	**7,708**	**–56,406**	**981**	**–55,425**

1 The previous year's figures have been adjusted due to the change in recognition relating to hyperinflation (see also section 3.1 of the Notes).

The objective of the KWS Group's capital management activities is to pursue the interests of shareholders and employees in accordance with the corporate strategy and earn a reasonable return on investment. The KWS Group is not subject to any external minimum capital requirements. One main goal is to retain the trust of investors, lenders and the market so as to strengthen the company's future business development. The KWS Group's capital management activities intend to continue optimizing the average cost of capital. Another goal is a balanced mix of equity and debt capital. The Group's earnings after taxes were €130,830 (126,989) thousand. On the other hand, there was a total dividend payout of €29,700 (26,400) thousand in December 2023. This mix ensures the adequate financing of future operating business expansion in the long term.

Capital structure

in € thousand	06/30/2024	06/30/2023
Equity	**1,399,914**	**1,291,075**
Long-term borrowings	427,035	566,106
Other noncurrent liabilities	182,960	195,890
Short-term borrowings	180,420	172,121
Other noncurrent liabilities	474,745	524,368
Liabilities in connection with assets held for sale	291,020	0
Total capital	**2,956,093**	**2,749,561**
Equity ratio (%)	**47.4**	**47.0**

The focus in selecting financial instruments is on financing with matching maturities, which is achieved by controlling the maturities. Long-term borrowings decreased by €139,071 (47,483) thousand.

7.10 Minority interests

As in the previous year, there are no minority interests in the KWS Group at June 30, 2024.

7.11 Noncurrent liabilities

Noncurrent liabilities decreased by €152,001 (52,169) thousand. That is mainly attributable to the classification of the South American corn and sorghum business, along with the licenses, as a discontinued operation and the related recognition of the long-term borrowings under liabilities in connection with assets held for sale (see section "4.2 Discontinued operation: disposal group classified as held for sale" of the Notes).

At the continuing operations, various loans totaling €75,000 thousand were taken out from the European Investment Bank in fiscal 2023/2024. They have an average interest rate of 3.54% and mature through 2035. The financing provided is in connection with the Group's research and development projects. In addition, a loan of €5,000 thousand with an interest rate of 3.53% and maturing by 2030 was taken out.

The previously existing noncurrent liabilities due to the European Investment Bank with an average interest rate of 0.62% and maturing through 2033 total €150,732 (170,488) thousand).

Noncurrent liabilities from borrower's note loans in Germany decreased to €167,000 (309,737) thousand, as the scheduled repayment of a five-year borrower's note loan (€143,000 thousand) will be made in the first quarter of 2024/2025 and the loan is reported accordingly under short-term borrowings (see also section "7.12. Current liabilities" of the Notes). The remaining noncurrent liabilities from borrower's note loans have an average interest rate of 0.70% and mature through 2029.

Noncurrent liabilities

in € thousand	06/30/2024	06/30/2023
Long-term provisions	91,333	97,293
Long-term borrowings	427,035	566,106
Trade payables [1]	5	0
Deferred tax liabilities	53,872	57,486
Lease liabilities	35,828	38,288
Other noncurrent liabilities [1]	1,923	2,823
Total	**609,995**	**761,996**

1 This item has been disclosed in the consolidated balance sheet within "Other noncurrent financial/non-financial liabilities" and is not stated separately.

Long-term provisions

in € thousand	06/30/ 2023	Changes in the consolidated group, currency	Interest expenses from compounding	Addition	Adjustment not affecting profit or loss	Consumption	Reversal	06/30/ 2024
Pension provisions	85,355	–1,450	2,939	539	–3,334	4,658	0	79,391
Other provisions	11,938	–1,223	369	1,722	0	864	0	11,942
Total	**97,293**	**–2,673**	**3,308**	**2,261**	**–3,334**	**5,522**	**0**	**91,333**

Nature and scope of the pension benefits

At the KWS Group, the company retirement pension program is based on both defined contribution plans and defined benefit plans. The defined contribution plans are statutory or contractual requirements or involve voluntary contributions to an external pension provider.

In previous years, the KWS Group countered the usual risks of direct obligations in Germany by converting the pension obligations from defined benefit to defined contribution plans. As a result, subsequent benefits will be provided by a provident fund backed by a guarantee. The existing obligations, which are partly covered by plan assets, are funded from the operating cash flow and are subject to the measurement risks specified below.

Defined benefit plans

The pension provisions are based on defined benefit obligations, determined by years of service and pensionable compensation. They are measured using the accrued benefit method under IAS 19, on the basis of assumptions about future development.

In Germany

The following benefits are provided under a company agreement relating to the company retirement pension program:

- An old-age pension at the age of 65
- An early retirement pension before the age of 65, coupled with benefits from the early retirement pension from the statutory pension insurance program
- An invalidity pension for persons who suffer from occupational disability or incapacity to work as defined by the statutory pension insurance program
- A widow’s or widower’s pension

For benefit obligations backed by a guarantee by an insurance company toward three former members of the Executive Board, the plan assets of €6,764 (7,420) thousand correspond to the present value of the obligation. In accordance with IAS 19, the pension commitments are netted off against the corresponding plan assets.

Abroad

The defined benefit obligations abroad mainly relate to pension commitments in the U.S. Share funds and bonds were mainly invested as plan assets to cover them. All employees who have reached the age of 21 are entitled to benefits. In addition, each employee must have worked at least one year and at least 1,000 working hours to earn an entitlement.

The legal and regulatory framework of the pension plan in the U.S. is based on the U.S. Employee Retirement Income Security Act (ERISA), which sets minimum standards for pension plans, including the minimum funding level. In accordance with U.S. regulations, the funding level is determined on the basis of a regular assessment in order to avoid benefit restrictions.

The following benefits are granted from the pension plan:

- An old-age pension at the age of 65
- An early retirement pension before the age of 65 – to be eligible, the employee must be at least 55 and the minimum vesting period is five years and
- A pro-rata pension if the employee reaches the minimum vesting period of five years, but is below 55.

The assumptions in detail are that wages and salaries in Germany will increase by 3.00% (3.00%) annually, in the U.S. by 4.50% (4.50%) annually and in the rest of the world by 2.50% to 3.00% (2.40% to 3.23%) annually. An annual increase in pensions of 2.00% (2.50%) in the long term is assumed in Germany. The discount rate in Germany was unchanged at 3.60%, 5.50% in the U.S. compared with 5.15% the year before, and between 3.44% and 5.80% (3.61% and 6.00%) in the rest of the world.

The following mortality tables were used at June 30, 2024:

- In Germany: The 2018 G mortality table of Klaus Heubeck
- Abroad: Mainly Pri-2012 Private Retirement Plans Mortality Table Projection Scale MP-2021 and INSEE TD/TV 19–21.

A retirement age of 65 years is imputed for Germany and the U.S.

The pension plans are mainly subject to the following risks:

Investment and return

The present value of the defined benefit obligation from the pension plan is calculated using a discount rate defined on the basis of the returns on high-quality fixed-income corporate bonds. If the income from the plan assets is below this rate of interest, that may result in general in a shortfall in the plan. The corporate bonds and share funds are chosen to ensure risk diversification and managed by an external fund manager.

Change in interest rates

The fall in the returns on corporate bonds and thus the discount rate will result in an increase in the obligations, which is only partly compensated for by a change in the value of the plan assets.

Life expectancy

The present value of the defined benefit obligation from the plan is calculated on the basis of the best-possible estimate using mortality tables. An increase in the life expectancy of the entitled employees results in an increase in the planned liabilities.

Salary and pension trends

The present value of the defined benefit obligation from the plan is calculated on the basis of future salaries/pensions. Consequently, increases in the salary and pension of the entitled employees results in an increase in the planned liabilities.

Changes in accrued benefit entitlements

in € thousand				2023/2024			2022/2023
	Germany	Abroad (excl. the U.S.)	U.S.	Total	Germany	Abroad	Total
Accrued benefit entitle-ments from retirement obligations on July 1	**89,357**	**2,739**	**25,531**	**117,628**	**86,868**	**29,332**	**116,199**
Service cost	344	195	1,108	1,647	416	1,347	1,763
Interest expense	3,123	97	1,311	4,531	2,702	1,241	3,943
Actuarial gains (–)/losses (+)	–3,664	–8	–660	–4,331	4,305	–1,615	2,690
of which due to a change in financial assumptions used for calculation	–4,120	–27	–1,433	–5,580	160	–2,313	–2,154
of which due to demographic assumptions	0	64	0	64	0	394	394
of which due to experience adjustments	457	–45	773	1,185	4,145	304	4,450
Pension payments made	–5,243	–76	–939	–6,258	–4,933	–998	–5,931
Exchange rate changes	0	8	469	477	0	–1,036	–1,036
Accrued benefit entitlements from retirement obligations on July 30	**83,919**	**2,954**	**26,820**	**113,694**	**89,357**	**28,270**	**117,628**

Change in plan assets

in € thousand				2023/2024			2022/2023
	Germany	Abroad (excl. the U.S.)	U.S.	Total	Germany	Abroad	Total
Fair value of the plan as-sets on July 1	**7,420**	**780**	**24,073**	**32,272**	**7,064**	**23,496**	**30,561**
Interest income	255	28	1,258	1,541	216	1,030	1,246
Income from plan assets excluding amounts already recognized as interest income	–250	–89	1,683	1,344	775	1,364	2,139
Pension payments made	–661	0	–939	–1,600	–636	–847	–1,483
Contributions to plan assets	0	0	925	925	0	787	787
Exchange rate changes	0	0	443	443	0	–892	–892
Other changes in value	0	0	–87	–87	0	–84	–84
Fair value of the plan assets on July 30	**6,764**	**719**	**27,356**	**34,839**	**7,420**	**24,853**	**32,272**

In order to allow reconciliation with the figures in the balance sheet, the accrued benefit must be netted off with the plan assets.

As the fair value of the plan assets for the pension commitments in the U.S. exceeded the present value of the accrued benefit entitlements from retirement obligations by €536 thousand at June 30, 2024, these pension commitments were shown separately from the other pension commitments abroad in the presentation of the changes in the accrued benefit entitlements, plan assets and balance sheet values. The plan assets totaling €536 thousand were reported under financial assets (see also section "7.5. Financial assets and noncurrent receivables" of the Notes).

Reconciliation with the balance sheet values for pensions

in € thousand				2023/2024			2022/2023
	Germany	Abroad (excl. the U.S.)	U.S.	Total	Germany	Abroad	Total
Accrued benefit entitlements from retirement obligations on June 30	83,919	2,954	26,820	113,694	89,357	28,270	117,628
Fair value of the plan assets on July 30	6,764	719	27,357	34,839	7,420	24,853	32,273
Balance sheet values on June 30	**77,155**	**2,236**	**–536**	**78,854**	**81,938**	**3,417**	**85,355**

The following amounts were recognized in the statement of comprehensive income:

Effects on the statement of comprehensive income

in € thousand			2023/2024			2022/2023
	Germany	Abroad	Total	Germany	Abroad	Total
Service cost	344	1,303	1,647	416	1,347	1,763
Net interest expense (+)/income (–)	2,867	122	2,989	2,486	211	2,697
Amounts recognized in the income statement	**3,211**	**1,425**	**4,636**	**2,902**	**1,558**	**4,460**
Gains (–)/losses (+) from revaluation of the plan assets (excluding amounts already recognized as interest income)	250	–1,594	–1,344	–775	–1,364	–2,139
Actuarial gains (–)/losses (+) due to a change in financial assumptions used for calculation	–4,120	–1,460	–5,580	160	–2,313	–2,154
Actuarial gains (–)/losses (+) due to a change in demographic assumptions used for calculation	0	64	64	0	394	394
Actuarial gains (–)/losses (+) due to experience adjustments	457	728	1,185	4,145	304	4,450
Amounts recognized in other comprehensive income	**–3,412**	**–2,263**	**–5,675**	**3,530**	**–2,978**	**551**
Total (amounts recognized in the statement of comprehensive income)	**–201**	**–838**	**–1,039**	**6,432**	**–1,421**	**5,011**

The service cost is recognized in operating income in the respective functional areas by means of an appropriate formula. Net interest expenses and income are carried in the interest result.

The fair value of the plan assets was split over the following investment categories:

Breakdown of the plan assets by investment category

in € thousand			2023/2024			2022/2023
	Germany	Abroad	Total	Germany	Abroad	Total
Corporate bonds		7,651	7,651		6,694	6,694
Equity funds		18,507	18,507		16,499	16,499
Consumer industry		2,779	2,779		2,734	2,734
Finance		2,912	2,912		2,424	2,424
Industry		2,305	2,305		1,869	1,869
Technology		3,880	3,880		3,378	3,378
Health care		2,142	2,142		2,166	2,166
Other		4,489	4,489		3,928	3,928
Cash and cash equivalents		1,917	1,917		1,660	1,660
Reinsurance policies	6,764		6,764	7,420		7,420
Plan assets on June 30	**6,764**	**28,075**	**34,839**	**7,420**	**24,853**	**32,273**

The plan assets abroad relate mainly to the U.S.

There is no active market for the reinsurance policies in Germany. There is an active market for the other plan assets: the fair value can be derived from their stock market prices. 70.42% (previous year: 69.65%) of the corporate bonds have an AAA rating.

The following sensitivity analysis at June 30, 2024, shows how the present value of the obligation would change given a change in the actuarial assumptions. No correlations between the individual assumptions were taken into account in this, i.e. if an assumption varies, the other assumptions were kept constant. The projected unit credit method used to calculate the balance sheet values was also used in the sensitivity analysis.

Sensitivity analysis

in € thousand			Effect on obligation in 2023/2024			Effect on obligation in 2022/2023
	Change in assumptions	Decrease	Increase	Change in assumptions	Decrease	Increase
Discount rate	+/–100 bps [1]	15,262	–12,392	+/–100 bps [1]	16,436	–13,278
Anticipated annual pay increase	+/–50 bps	–846	915	+/–50 bps	–834	902
Anticipated annual pension increase	+/–25 bps	–1,942	2,019	+/–25 bps	–2,162	2,251
Life expectancy	+/–1 year	–3,199	3,236	+/–1 Jahr	–3,491	3,538

1 Lower limit 0%

The following undiscounted payments for pensions (with their due dates) are expected in the following years:

Anticipated payments for pensions

in € thousand	2023/2024		
	Germany	Abroad	Total
2024/2025	5,281	1,229	6,509
2025/2026	5,211	1,253	6,464
2026/2027	5,208	1,562	6,770
2027/2028	5,226	1,466	6,692
2028/2029	5,216	1,628	6,844
2029/2030–2033/2034	25,294	9,934	35,229

Anticipated payments for pensions

in € thousand	2022/2023		
	Germany	Abroad	Total
2023/2024	5,218	1,109	6,327
2024/2025	5,253	1,198	6,451
2025/2026	5,213	1,211	6,424
2026/2027	5,232	1,479	6,712
2027/2028	5,292	1,455	6,747
2028/2029–2032/2033	26,146	9,668	35,813

The weighted average time at which the pension obligations are due is 11.7 (12.3) years in Germany and 17.4 (17.3) years abroad.

Defined contribution plans

Apart from the above-described pension obligations, there are other old-age pension systems. However, no provisions have to be recognized for them, since there are no further obligations above and beyond payment of the contributions (defined contribution plans). These comprise benefits that are funded solely by the employer and allowances for conversion of earnings by employees.

The total pension costs for fiscal 2023/2024 were as follows:

Pension costs

in € thousand		2023/2024			2022/2023	
	Germany	Abroad	Total	Germany	Abroad	Total
Cost for defined contribution plans	4,252	1,076	5,327	3,792	1,242	5,034
Service cost for the defined benefit obligations	344	1,309	1,653	416	1,347	1,763
Pension costs	**4,596**	**2,385**	**6,980**	**4,208**	**2,589**	**6,797**

In addition, contributions of €18,724 (17,652) thousand were paid to statutory pension insurance institutions.

The costs for defined contribution plans in Germany mainly related to the provident fund backed by a guarantee. The contributions to this pension plan were €3,939 (3,493) thousand. In addition, the pension benefits from salary conversion were backed by a guarantee that exactly matches the present value of the obligation of €6,190 (5,353) thousand.

Other provisions

The other provisions mainly comprise provisions by the German companies for semi-retirement and loyalty bonuses.

7.12 Current liabilities

Current liabilities

in € thousand	06/30/2024	06/30/2023
Short-term provisions	**30,910**	**38,008**
Current liabilities to banks	180,348	167,427
Other short-term borrowings	72	4,695
Short-term borrowings	**180,420**	**172,121**
Trade payables	**202,579**	**228,124**
Tax liabilities	**53,606**	**33,994**
Other current financial liabilities	**17,024**	**36,198**
Lease liabilities	**15,578**	**13,314**
Other current liabilities	**95,345**	**95,045**
Contract liabilities	**12,889**	**48,182**
Refund liabilities	**46,815**	**31,504**
Total	**655,165**	**696,489**

The current liabilities to banks mainly include €175,813 thousand in loan liabilities to banks in Germany, of which €143,000 thousand is attributable to a five-year borrower's note loan that will be repaid as scheduled in the first quarter of 2024/2025. The remaining current liabilities totaling €4,535 thousand are due to banks in Türkiye.

The tax liabilities of €53,606 (33,994) thousand include amounts for the year under review and the period for which the external tax audit has not yet been concluded. Of that figure, income taxes account for €48,311 (28,296) thousand and other taxes (in particular value-added tax) account for €5,295 (5,698) thousand.

The fall in contract liabilities to €12,889 (48,182) thousand is due, among other things, to the separate disclosure of the South American corn and sorghum business as "liabilities in connection with assets held for sale." Payments on account received are always carried as net sales in the next fiscal year.

The increase in refund obligations to €46,815 (31,504) thousand is due to higher expected returns from the selling season ended.

Short-term provisions

in € thousand	06/30/2023	Changes in the consolidated group, currency	Addition	Consumption	Reversal	Reclassification incl. IFRS 5	06/30/2024
Obligations from sales transactions	25,899	–4,727	21,217	5,251	0	–26,799	10,339
Other obligations	12,110	–183	17,995	6,727	2	–2,621	20,571
Total	**38,007**	**–4,910**	**39,213**	**11,978**	**2**	**–29,421**	**30,910**

The obligations from sales transactions essentially relate to guarantees, obligations for services received that have not yet been invoiced (licenses) and sales commission obligations, where they are not contained in the trade payables. The other obligations relate to risks from legal disputes, provisions from procurement transactions, such as compensation for breeding areas, and other provisions that cannot be assigned to the group of sales transactions. The other obligations include the setup of a provision for value-added tax risks to an amount of €7,744 thousand.

7.13 Financial instruments

In general, the fair values of financial assets and liabilities are calculated on the basis of the market data available on the balance sheet date and are assigned to one of the three hierarchy levels in accordance with IFRS 13. The principal market, i.e. the market with the largest volume of trading and the greatest business activity, is used to calculate the fair value. If this market does not exist for the asset or liabilities in question, the market that maximizes the amount that would be received to sell the asset or minimizes the amount that would be paid to transfer the liability, after taking into account transaction costs, is used. These are active and accessible markets for identical assets and liabilities, where the fair value results from quoted prices that are observable (level 1 input factors). The KWS Group has commodity derivatives that are assigned to level 1 in the current fiscal year.

The level 2 input factors relate to equity instruments (fund shares) and derivative financial instruments that have been concluded between Group companies and banks. The fair values of such financial instruments are measured on the basis of market data that is directly or indirectly connected with the financial instrument. The level 3 input factors cannot be derived from observable market information. There were no reclassifications between the levels in the fiscal year.

The carrying amounts and fair values of the financial assets (financial instruments), split into the measurement categories in accordance with IFRS 9, are as follows:

06/30/2024

in € thousand	Financial assets				
	Fair values	Carrying amounts			
		At amortized cost	At fair value through other comprehensive income	At fair value through profit and loss	Total carrying amount
Financial assets					
Financial assets	6,704	0	6,704	0	6,704
Other noncurrent receivables	5,104	3,942	0	1,162	5,104
of which derivative financial instruments	1,162	0	0	1,162	1,162
Short-term trade receivables	504,202	504,202	0	0	504,202
Cash and cash equivalents	222,363	222,363	0	0	222,363
Other current financial assets	36,861	36,455	0	406	36,861
of which derivative financial instruments	406	0	0	406	406
Total	**775,233**	**766,962**	**6,704**	**1,568**	**775,233**

06/30/2023

in € thousand					Financial assets
	Fair values				Carrying amounts
		At amortized cost	At fair value through other comprehensive income	At fair value through profit and loss	Total carrying amount
Financial assets					
Financial assets	6,879	2	6,877	0	6,879
Other noncurrent receivables	10,883	9,251	0	1,632	10,883
of which derivative financial instruments	1,632	0	0	1,632	1,632
Short-term trade receivables	582,010	582,010	0	0	582,010
Cash and cash equivalents	172,999	172,999	0	0	172,999
Other current financial assets	68,534	67,279	0	1,256	68,534
of which derivative financial instruments	1,256	0	0	1,256	1,256
Total	**841,304**	**831,540**	**6,877**	**2,888**	**841,304**

The financial assets and derivative financial instruments are measured and carried at fair value. The fair value of the long-term fund shares contained in the financial assets is measured using generally accepted methods based on directly and indirectly observable market inputs.

The fair value of currency derivatives is the present values of the payments related to these balance sheet items. These instruments are mainly forward exchange and currency swap deals. They are measured on the basis of quoted exchange rates and yield curves available from the market data and allowing for counterparty risks. Commodity derivatives are mainly measured on the basis of current market prices.

The fair values of noncurrent and current trade receivables corresponded to their carrying amounts at the balance sheet date.

The carrying amounts and fair values of the financial liabilities (financial instruments), split into the measurement categories in accordance with IFRS 9, are as follows:

06/30/2024

in € thousand	Financial liabilities			
	Fair values	Carrying amounts		
		At amortized cost	At fair value through profit and loss	Total carrying amount
Financial liabilities				
Long-term borrowings	393,414	427,035	0	427,035
Long-term trade payables	5	5	0	5
Short-term borrowings	180,420	180,420	0	180,420
Short-term trade payables	202,579	202,579	0	202,579
Other current financial liabilities	17,024	16,932	92	17,024
of which derivative financial instruments	92	0	92	92
Total	**793,442**	**826,970**	**92**	**827,063**

06/30/2023

in € thousand	Financial liabilities			
	Fair values	Carrying amounts		
		At amortized cost	At fair value through profit and loss	Total carrying amount
Financial liabilities				
Long-term borrowings	512,330	566,106	0	566,106
Long-term trade payables				
Short-term borrowings	172,121	172,121	0	172,121
Short-term trade payables	228,124	228,124	0	228,124
Other current financial liabilities	36,198	35,431	767	36,198
of which derivative financial instruments	767	0	767	767
Total	**948,773**	**1,001,782**	**767**	**1,002,549**

The fair value of long-term borrowings was calculated on the basis of discounted cash flows. To enable that, interest rates for comparable transactions and yield curves were used.

Due to the generally short times by which trade payables and other current financial liabilities (excluding derivatives) are due, it is assumed that their carrying amounts are equal to the fair value.

The following table shows the financial assets and liabilities measured at fair value:

Financial assets and liabilities measured at fair value

in € thousand	06/30/2024				06/30/2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Derivative financial instruments without application of hedge accounting under IFRS 9	0	1,568	0	1,568	2	2,885	0	2,888
Financial assets	0	6,704	0	6,704	0	6,877	0	6,877
Financial assets	**0**	**8,272**	**0**	**8,272**	**2**	**9,762**	**0**	**9,764**
Derivative financial instruments without application of hedge accounting under IFRS 9	0	92	0	92	0	767	0	767
Financial liabilities	**0**	**92**	**0**	**92**	**0**	**767**	**0**	**767**

The table below presents the net gains/losses carried in the consolidated statement of comprehensive income for financial instruments in each measurement category:

Net gain/losses of financial instruments (gain(+)/loss(–))

in € thousand	2023/2024	2022/2023
Equity instruments measured at fair value through other comprehensive income	–738	–2,616
Financial assets measured at fair value through profit or loss	2,308	3,877
Financial assets measured at amortized cost	943	2,947
Financial liabilities measured at amortized cost	–20,017	–37,023
Financial liabilities measured at fair value through profit or loss	–3,065	–3,168

The net losses for equity instruments measured at fair value through other comprehensive income include income from non-terminable interests in investment funds.

The net gains from financial assets and net losses from financial liabilities measured at fair value through profit or loss solely comprise changes in the market value of derivative financial instruments.

The net gains from financial assets measured at amortized cost mainly include effects from changes in the allowances for impairment.

The net losses from financial liabilities measured at amortized cost result mainly from interest expense.

Credit risks

The credit risk is the risk that a business partner does not fulfill its obligations as part of a financial instrument or contract with a customer, resulting in a financial loss. The KWS Group is exposed to credit risks in its operational activities mainly in relation to trade receivables.

In order to control the credit risks resulting from receivables from customers, a regular creditworthiness analysis is conducted in accordance with the credit volume. If a customer's credit risk is classified as high, it is reduced by means of security. This includes, in particular, credit insurance, prepayments, down payments, promissory notes and guarantees. Depending on the contract's design, reservation of ownership of goods is agreed with our customers. Credit limits are defined for our customers. Credit limits, outstanding claims and the collection of receivables are analyzed in regular meetings of the Credit Committee. For details of the exposure to the risk of default at June 30, 2024, please refer to section 7.7 of the Notes.

Credit risks from financial transactions are controlled centrally by the Treasury department. In order to minimize risks, financial transactions are exclusively conducted within defined limits with banks and partners who always have an investment grade. Compliance with the risk limits is constantly monitored. The limits are adjusted depending on the credit volume only subject to the approval of the regional or divisional management and the Executive Board.

Liquidity risks

Liquidity risk is the risk that funds to settle due payment obligations cannot be obtained on time or at all.

Liquidity is managed in the Eurozone by the central Treasury unit using a cash pooling system. Liquidity requirements are generally determined by means of cash planning and are covered by cash and promised credit lines.

As part of its liquidity management, the KWS Group ensures that it complies with the financial covenants that have been agreed as part of specific interest-bearing loans and relate to the capital structure. The lenders have the right to terminate the loan agreements in question immediately if these requirements are not met. The KWS Group complied with all agreed financial covenants in the fiscal year.

The table below shows the KWS Group's liquidity analysis for non-derivative and derivative financial liabilities. The table is based on contractually agreed, undiscounted payment flows (interest and payments of principal):

Fiscal 2023/2024

in € thousand	Carrying amount				Cash flows
Liquidity analysis of financial liabilities	**06/30/ 2024**	**06/30/ 2024 Total**	**Due in < 1 year**	**Due in > 1 year and < 5 years**	**Due in > 5 years**
Financial liabilities	607,455	635,903	181,525	256,193	198,185
Trade payables	202,584	202,584	202,579	5	0
Other financial liabilities	16,932	16,932	16,932	0	0
Lease liabilities	51,406	60,374	16,347	29,860	14,167
Nonderivative financial liabilities	**878,376**	**915,793**	**417,383**	**286,058**	**212,352**
Payment claim	0	0	0	0	0
Payment obligation	92	92	92	0	0
Derivative financial liabilities	**92**	**92**	**92**	**0**	**0**

Fiscal 2022/2023

in € thousand	Carrying amount				Cash flows
Liquidity analysis of financial liabilities	**06/30/ 2023**	**06/30/ 2023 Total**	**Due in < 1 year**	**Due in > 1 year and < 5 years**	**Due in > 5 years**
Financial liabilities	738,227	744,359	178,353	403,677	162,329
Trade payables	228,124	228,124	228,124	0	0
Other financial liabilities	35,431	35,431	35,431	0	0
Lease liabilities	51,602	60,210	13,686	28,451	18,074
Nonderivative financial liabilities	**1,053,384**	**1,068,124**	**455,594**	**432,128**	**180,402**
Payment claim		0	0	0	0
Payment obligation		767	767	0	0
Derivative financial liabilities	**767**	**767**	**767**	**0**	**0**

The cash flows of the derivative financial liabilities for forward exchange deals are presented as an undiscounted gross amount. These derivative financial instruments are settled in gross. Net settlement is envisaged for commodity derivatives. Accordingly, cash flows are presented on a net basis.

Currency risks

Currency risks are where the fair value or future cash flows of a financial instrument are subject to fluctuations due to exchange rate changes. The KWS Group is mainly exposed to currency risks as part of goods deliveries, services and financing activities with foreign subsidiaries. To reduce currency risks in its operating activities, the KWS Group increasingly relies on advance payments and short-term settlement of invoices in volatile currency areas. Derivative financial instruments (forward exchange deals and currency swaps) are concluded to hedge against currency risks from intra-Group financing. The company ensures that the derivative financial instrument is commensurate with the risk to be hedged.

In order to assess the currency risk, the sensitivity of a currency to fluctuations was determined. The calculated figures relate to the portfolio of financial instruments at the balance sheet date and show the hypothetical effect on income and equity for one year. After the euro, the US dollar is the most important currency in the KWS Group. The currency risk results from intra-Group trade receivables and payables and from financing activity. The average EUR/USD exchange rate in the fiscal year was 1.08 (1.05). If the US dollar depreciated by 10%, the extra income would be €3,063 (7,971) thousand. If the US dollar appreciated by 10%, the extra expense would be €3,063 (7,971) thousand.

The sensitivity for the Russian ruble (RUB) and Turkish lira (TRY) was also determined. In the fiscal year, the average EUR/RUB exchange rate was 99.73 (72.97) and the average EUR/TRY exchange rate was 35.13 (28.15).

If the ruble depreciated by 10%, the extra expense would be €358 (2,114) thousand. If the ruble appreciated by 10%, the extra income would be €358 (2,114) thousand. If the Turkish lira depreciated by 10%, the extra income would be €1,870 (348) thousand. If the Turkish lira appreciated by 10%, the extra expense would be €1,870 (348) thousand.

All other currencies are generally of minor importance.

Risk of changes in interest rates

The risk of changes in interest rates is where the fair value or future cash flows of a financial instrument are subject to fluctuations due to changes in market interest rates.

The risk of changes in interest rates is controlled by means of a balanced portfolio of fixed-interest and variable-interest loans. In addition, rising interest rates in Germany had an impact on interest expenses for short-term financing. Interest rate swaps are concluded if there is a high risk of interest rate variability in the portfolio. As part of them, the KWS Group exchanges the difference between fixed-interest and variable-interest amounts determined with reference to a previously agreed nominal amount with a contractual partner at defined intervals of time. In addition, the KWS Group uses interest rate collars to secure a certain interest rate spread.

Interest rate sensitivity is a measure for showing the interest rate risk. The interest rate sensitivity analysis was conducted for the portfolio of financial instruments with a variable interest rate at the balance sheet date and shows the hypothetical effect on income for one year. The variable-interest components of the KWS Group's interest expenses and interest income were determined to calculate that. In a scenario analysis, the effects of an increase/reduction of one percentage point (100 base points) in the relevant underlying capital market interest rate on the interest result were calculated. An increase in all relevant rates of interest of 1 percentage point would result in additional interest expense of €34 (620) thousand. A reduction in the rate of interest of 1 percentage point would add a further €34 (620) million in income.

The far lower interest rate sensitivity compared to the previous year is due to the fact that the majority of the variable-interest loans in the previous year were attributable to Brazil (discontinued operation), while in the continuing operations there were only financial instruments with variable interest rates in Türkiye at June 30, 2024.

Commodity price risks

Volatility in the prices of certain agricultural raw materials has an impact on the KWS Group. In its procurement transactions, the KWS Group is partly exposed to a risk from fluctuating market prices for agricultural raw materials.

The KWS Group mitigates the impact of market price risks on operating income by hedging them with derivative financial instruments. Various commodity futures (forwards, options and swaps) are used in that.

Selected commodity price hedges are accounted for using hedge accounting in accordance with IFRS 9, i.e. recognized directly in equity in the other comprehensive income. This relates in particular to the Corn Segment in Brazil. There were also effects from the equity-accounted joint ventures AGRELIANT GENETICS LLC and AGRELIANT GENETICS INC. at the KWS Group in fiscal 2023/2024.

As in the previous year, all currency and commodity hedges have a remaining maturity of less than one year.

The interest rate hedges have a remaining maturity of more than one year.

As part of analysis of the market price risk, a sensitivity analysis is performed based on the portfolio of financial instruments at the balance sheet date. The values calculated show the hypothetical impact of a 10% change in forward market quotations on operating income for one year.

A 10% increase in the year-end price of commodity futures would result in additional expense of €133 (21) thousand. A 10% decrease in the year-end price of commodity futures would add a further €133 (21) thousand in income.

7.14 Hedging instruments and derivative financial instruments

Hedging transactions and derivative financial instruments

in € thousand		06/30/2024			06/30/2023	
	Nominal volume	Net carrying amounts	Fair value	Nominal volume	Net carrying amounts	Fair value
Currency hedges	11,111	1,135	1,135	21,337	2,111	2,111
Interest-rate hedges	80,000	27	27	80,000	225	225
Commodity hedges	3,715	313	313	9,669	–215	–215
Total	**94,826**	**1,475**	**1,475**	**111,006**	**2,121**	**2,121**

7.15 Leases

Carrying amounts for right-of-use assets

in € thousand	06/30/2024	06/30/2023
Land, land rights and buildings including buildings on third-party land	29,754	33,325
Technical equipment and machinery	1,390	171
Other equipment, operating and office equipment	15,056	13,131
Total	**46,200**	**46,627**

Additions to rights of use for leased assets totaling €17,907 (17,289) thousand were recognized in fiscal 2023/2024. Of this amount, €3,339 thousand is attributable to “Land, land rights and buildings” (almost exclusively for research and development), €1,931 thousand to “Technical equipment and machinery” (mainly warehouse and agricultural vehicles) and €12,637 thousand to “Other equipment, operating and office equipment” (almost exclusively in connection with the leasing of company vehicles).

The depreciation on rights of use for leased assets was as follows in the year under review:

Depreciation of right-of-use assets

in € thousand	2023/2024	2022/2023
Land, land rights and buildings including buildings on third-party land	5,688	5,761
Technical equipment and machinery	701	272
Other equipment, operating and office equipment	8,858	6,618
Total	**15,247**	**12,650**

Expenses for short-term leases and for leases relating to low-value assets totaled €17,208 (20,667) thousand in the period under review.

Short-term lease liabilities totaled €15,578 (13,314) thousand and long-term lease liabilities €35,828 (38,288) thousand at June 30, 2024. The maturity analysis of the lease liabilities is presented in section “7.13 Financial instruments” of the Notes. Lease payments totaled 17,125 (11,933) thousand in fiscal 2023/2024. Interest expenses from interest accrued on the lease liabilities were €2,526 (1,628) thousand.

In general, lease agreements are concluded without extension or termination options. Possible cash outflows of €24,486 (23,796) thousand for existing options to extend a property rental agreement were not included in determining the lease liabilities since there is no reasonable certainty as to whether the options will be exercised.

The KWS Group also acts as a lessor. There is currently a long-term sublease agreement, which has been classified as a financial lease in relation to the main lease agreement. The interest income was €117 (76) thousand. The sublease is reported under the other noncurrent receivables to an amount of €2,773 (3,314) thousand and under the other current receivables to an amount of €691 (674) thousand. The annual income from the sublease is €813 (773) thousand. The lease agreement contains a clause permitting annual adjustment of the lease payment depending on market circumstances.

7.16 Contingent liabilities and other financial obligations

The obligations from uncompleted capital expenditure projects, mainly relating to property, plant and equipment, and the other capital commitment amount to €28,628 (54,163) thousand.

There are guarantees with respect to third parties amounting to €140,817 (34,999) thousand. The sharp increase is due to the fact that at the beginning of fiscal 2023/2024 the KWS Group together with the other shareholder issued a new guarantee to a bank for the fulfillment of the payment obligations of the joint venture AGRELIANT GENETICS LLC. The KWS Group’s portion of that is a maximum of €116,659 thousand. Moreover, they also include a further guarantee of €8,796 (13,764) thousand toward a non-Group third party for the license payments of AGRELIANT GENETICS, LLC. The likelihood that the guarantee will be utilized is seen as slight, based on the experience of previous years. No claims were asserted. In addition, environmental damage was identified for disposal services provided by a former service provider, which AGRELIANT GENETICS LLC. has agreed to voluntarily remedy with other affected parties. The scope of the measures has been expanded in the current phase, but the resulting obligation cannot be reliably estimated.

In addition to the provisions for value-added tax risks recognized in the balance sheet in this fiscal year, there were also for the first time potential claims totaling an estimated €14,519 thousand, although they were unlikely for the most part. Furthermore, a routine quality control at a subsidiary indicated a potential contamination of seed, which only accounts for a small proportion of Group sales and has largely already been sown by our customers. Since the investigation is still at a very early stage, it is not possible to make a reliable assessment of whether and to what extent this could result in any claims for damages and if covered by existing insurance claims.

As of June 30, 2024, the discontinued operation had contingent liabilities from tax-related matters totaling €30,024 (30,514) thousand to pay certain tax levies on agricultural companies.

8. Notes to the Consolidated Cash Flow Statement

The cash flow statement shows the changes in cash and cash equivalents of the KWS Group in the three categories of operating activities, investing activities and financing activities, presenting the three categories separately for the continuing operations and for the discontinued operation. The effects of exchange rate changes and changes in the consolidated group have been eliminated from the respective balance sheet items, except those affecting cash and cash equivalents.

As in previous years, cash and cash equivalents are composed of cash (on hand and balances with banks) and current securities.

Financial liabilities changed as follows this year and in the previous year:

Changes in financial liabilities

in € thousand		Cash flows	Non-cash-effective changes				
	06/30/2023		Reclassification of discontinued operation (IFRS 5)	Currency	New contracts (IFRS 16)	Other effects	06/30/2024
Financial liabilities	738,227	88,965	–196,452	–23,285	0	0	607,455
Lease liabilities	51,602	–17,125	–1,906	–404	17,907	1,332	51,406
	06/30/2022						06/30/2023
Financial liabilities	725,580	9,154	0	3,494	0	–1	738,227
Lease liabilities	49,151	–11,933	0	–1,602	17,289	–1,304	51,602

The non-cash expenses and income totaling €89,733 (78,789) thousand relate, among other things, to the measurement of inventories, trade receivables and derivatives, as well as the result from equity-accounted financial assets and effects from the application of IAS 29 "Financial Reporting in Hyperinflationary Economies."

9. Other Notes

9.1 Proposal for the appropriation of net retained profits

The net retained profits of KWS SAAT SE & Co. KGaA are €293,944 (251,528) thousand.

A proposal will be made to the Annual Shareholders' Meeting that an amount of €33,000 (29,700) thousand should be used to pay a dividend of €1.00 (0.90) for each of the 33,000,000 shares.

9.2 Total remuneration of the Supervisory Board and the Executive Board and of former members of the Supervisory Board and the Executive Board of KWS SAAT SE & Co. KGaA

The compensation of the members of the Supervisory Board was converted to a purely fixed compensation pursuant to the resolution adopted by the Annual Shareholders' Meeting in December 2017. Members of the Supervisory Board who are members of a committee – with the exception of the Chairperson of the Supervisory Board – receive an additional fixed payment therefor. The total compensation for members of the Supervisory Board amounts to €582 (620) thousand, excluding value-added tax. The total compensation for members of the Supervisory Board of KWS SE, the personally liable partner of KWS SAAT SE & Co. KGaA, in the year under review amounted to €218 (185) thousand, excluding value-added tax.

In fiscal year 2023/2024, total Executive Board compensation amounted to €5,958 thousand (€5,622 thousand).

The variable compensation, which is calculated on the basis of the earnings after taxes of the KWS Group, is made up of a bonus and a long-term incentive. The bonus totals €2,772 (2,642) thousand; there are contributions from the long-term incentive tranche for 2022/2023 totaling €521 thousand (tranche for 2021/2022: €655 thousand). Pension provisions totaling €920 (959) thousand were formed for two members of the Executive Board at KWS SAAT SE & Co. KGaA.

Compensation of former members of the Executive Board and their surviving dependents amounted to €1,252 (1,206) thousand. Pension provisions recognized for this group of persons amounted to €4,001 (4,302) thousand as of June 30, 2024, after being netted off with the relevant plan assets.

9.3 Related party disclosures

Transactions with related parties in accordance with IAS 24 are all business dealings that are conducted with the reporting entity by entities or natural persons or their close family members, if the party or person in question controls the reporting entity or is a member of its key management personnel, for example.

The personally liable partner KWS SE provides business management services on behalf of KWS SAAT SE & Co. KGaA. KWS SE is therefore considered a related party, as are its respective shareholders who have at least significant influence.

Related parties

in € thousand	Deliveries and services provided		Received deliveries and services		Receivables		Payables	
	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024	2022/2023
KWS SE	0	0	6,232	5,782	0	0	5,133	4,124
Equity-accounted joint ventures	908	8,426	2,911	6,012	1	8,418	4	4,991
Equity-accounted associated companies	69	2,240	508	92	3	1,962	22	0
Other related parties	81	51	0	0	0	0	0	0

As part of its operations, the KWS Group procures goods and services worldwide from a large number of business partners. They also include companies in which the KWS Group has an interest or on which representatives of the KWS Group's Supervisory Board exert a significant influence. The services for joint ventures and associated companies are mainly rendered under existing license agreements. The services received from joint ventures relate to research activities. The guarantees issued for joint ventures are presented in section "7.16 Contingent liabilities and other financial obligations" of the Notes. Business dealings with related companies are always conducted on an arm's length basis and are not material in terms of volume.

The compensation of members of the Executive Board comprises short-term employee benefits, share-based payment benefits and post-employment benefits. Individualized disclosures on the compensation of members of the Executive Board and the Supervisory Board are presented in the Compensation Report. The Compensation Report can be found on our website at: www.kws.de

There were also no business transactions or legal transactions that required reporting for related parties in fiscal 2023/2024.

9.4 Disclosure

The following subsidiaries with the legal form of a corporation within the meaning of Section 264 (3) and 264b of the German Commercial Code (HGB) have utilized the exemption provided in Section 264 (3) of the German Commercial Code (HGB) as regards preparation of financial statements and their publication:

- KWS LOCHOW GmbH, Bergen
- KWS Landwirtschaft GmbH, Einbeck
- Betaseed GmbH, Frankfurt am Main
- KWS SAATFINANZ GmbH, Einbeck
- Delitzsch Pflanzenzucht GmbH, Einbeck
- Kant-Hartwig & Vogel GmbH, Einbeck
- Agromais GmbH, Everswinkel
- KWS Berlin GmbH, Berlin
- KWS INTERSAAT GmbH, Einbeck
- Euro-Hybrid Gesellschaft für Getreidezüchtung mbH, Einbeck
- KWS Klostergut Wiebrechtshausen GmbH, Northeim-Wiebrechtshausen
- RAGIS Kartoffelzucht- und Handelsgesellschaft mbH, Einbeck

KWS SAAT SE & Co. KGaA prepares the consolidated financial statements for the largest and smallest group of companies.

9.5 Audit of the annual financial statements

On December 13, 2023, the Annual Shareholders' Meeting of KWS SAAT SE & Co. KGaA elected the accounting firm EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Stuttgart, to be the Group's auditors for fiscal year 2023/2024.

Fee paid to the external auditors under Section 314 (1) No. 9 HGB

in € thousand	2023/2024	2022/2023
a) Audit of the consolidated financial statements	988	925
b) Other certification services	153	104
c) Tax consulting	0	0
d) Other services	20	0
Total fee paid	**1,161**	**1,029**

Other certification services in fiscal 2023/2024 essentially comprised non-audit services as part of the voluntary audit of the Non-Financial Declaration and auditing of the Compensation Report.

9.6 Report on events after the balance sheet date

As described in section "4.2 Discontinued operation: disposal group classified as held for sale" of the Notes, the sale of the South American corn and sorghum business was closed effective July 31, 2024. In this connection, a non-recurring positive effect on earnings from discontinued operations of around €100 million (after taxes) is expected. The selling price was in the mid triple-digit million euro range.

Apart from that, there have been no events of particular significance that might have an impact on the presentation of the KWS Group's assets, financial position and earnings since the end of the fiscal year.

9.7 Declaration of compliance with the German Corporate Governance Code

KWS SAAT SE & Co. KGaA has issued the declaration of compliance with the German Corporate Governance Code required by Section 161 of the Aktiengesetz (AktG – German Stock Corporation Act) in September 2023 and made it accessible to its shareholders on the company's homepage at www.kws.de/corporate-governance.

9.8 List of shareholdings

List of shareholdings in accordance with Section 313 (2) HGB (German Commercial Code)

Fiscal 2023/2024			
Name and registered office of the company	**Currency**	**Interest held**	**Footnote**
		Total in %	
Fully consolidated subsidiaries (direct)			
Germany			
AGROMAIS GMBH, Everswinkel	EUR	100.00	1
BETASEED GMBH, Frankfurt am Main	EUR	100.00	
DELITZSCH PFLANZENZUCHT GMBH, Einbeck	EUR	100.00	1
EURO-HYBRID GESELLSCHAFT FÜR GETREIDEZÜCHTUNG MBH, Einbeck	EUR	100.00	
KANT-HARTWIG & VOGEL GMBH, Einbeck	EUR	100.00	1
KWS BERLIN GMBH, Berlin	EUR	100.00	
KWS INTERSAAT GMBH, Einbeck	EUR	100.00	
KWS KLOSTERGUT WIEBRECHTSHAUSEN GMBH, Northeim-Wiebrechtshausen	EUR	100.00	1
KWS LANDWIRTSCHAFT GMBH, Einbeck	EUR	100.00	
KWS LOCHOW GMBH, Bergen	EUR	100.00	1
KWS SAATFINANZ GMBH, Einbeck	EUR	100.00	1
RAGIS KARTOFFELZUCHT- UND HANDELSGESELLSCHAFT MBH, Einbeck	EUR	100.00	1
Abroad			
KWS ARGENTINA S.A., Balcarce/Argentina	ARS	100.00	26
KWS BULGARIA EOOD., Sofia/Bulgaria	BGN	100.00	
KWS SEMENA S.R.O., Bratislava/Slovakia	EUR	100.00	
KWS SRBIJA D.O.O., New Belgrade/Serbia	RSD	100.00	
SEMILLAS KWS CHILE LTDA., Rancagua/Chile	CLP	100.00	
Fully consolidated subsidiaries (indirect)			
Abroad			
BEIJING KWS AGRICULTURE TECHNOLOGY CO., LTD., Beijing/China	CNY	100.00	7
BETASEED FRANCE S.A.R.L., Bethune/France	EUR	100.00	2
BETASEED RUS LLC, Moscow/Russia	RUB	100.00	30
BTS TURKEY TARIM TICARET LIMITED SIRKETI, Eskisehir/Türkiye	TRY	100.00	2
EUROPSEEDS B.V., Enkhuizen/Netherlands	EUR	100.00	17
GLH SEEDS INC., Bloomington/U.S.	USD	100.00	3
KLEIN WANZLEBENER SAATZUCHT MAROC S.A.R.L.A.U., Casablanca/Morocco	MAD	100.00	8
KWS AGRICULTURE RESEARCH & DEVELOPMENT CENTER, Hefei/China	CNY	100.00	7
KWS AUSTRIA SAAT GMBH, Vienna/Austria	EUR	100.00	2
KWS BENELUX B.V., Amsterdam/Netherlands	EUR	100.00	2

Fiscal 2023/2024			
Name and registered office of the company	**Currency**	**Interest held**	**Footnote**
		Total in %	
KWS BRASIL LTDA., Campinas/Brazil	BRL	100.00	2
KWS CEREALS USA LLC, Champaign/U.S.	USD	100.00	3
KWS FRANCE S.A.R.L., Roye/France	EUR	100.00	2
KWS GATEWAY RESEARCH CENTER LLC, St. Louis/U.S.	USD	100.00	3
KWS INTERNATIONAL HOLDING B.V., Emmeloord/Netherlands	EUR	100.00	5
KWS INTERNATIONAL HOLDING II B.V., Emmeloord/Netherlands	EUR	100.00	2
KWS ITALIA S.P.A., Forlì/Italy	EUR	100.00	2
KWS KUBAN O.O.O., Krasnodar/Russia	RUB	100.00	6
KWS LOCHOW POLSKA SP.Z O.O., Kondratowice/Poland	PLN	100.00	2
KWS MAGYARORSZÁG KFT., Györ/Hungary	HUF	100.00	2
KWS MAIS FRANCE S.A.R.L., Champol/France	EUR	100.00	2
KWS MOMONT RECHERCHE S.A.R.L., Mons-en-Pévèle/France	EUR	100.00	10
KWS MOMONT S.A.S., Mons-en-Pévèle/France	EUR	100.00	2
KWS OSIVA S.R.O, Velké Mezirici/Czech Republic	CZK	100.00	2
KWS PARAGUAY SRL, Asunción/Paraguay	PYG	100.00	11
KWS PERU S.A.C., Lima/Peru	PEN	100.00	4
KWS PODILLYA T.O.V., Kyiv/Ukraine	UAH	100.00	9
KWS POLSKA SP.Z O.O., Poznan/Poland	PLN	100.00	2
KWS R&D INVEST B.V., Emmeloord/Netherlands	EUR	100.00	2
KWS R&D RUS LLC, Lipetsk/Russia	RUB	100.00	6
KWS RUS O.O.O., Lipetsk/Russia	RUB	100.00	22
KWS SCANDINAVIA A/S, Guldborgsund/Denmark	DKK	100.00	2
KWS SEEDS CANADA, LTD., Calgary/Canada	CAD	100.00	2
KWS SEEDS INC., Bloomington/U.S.	USD	100.00	2
KWS SEEDS INDIA PRIVATE LIMITED, New Delhi/India	INR	100.00	2
KWS SEEDS LLC, Bloomington/U.S.	USD	100.00	3
KWS SEMENTES LTDA., Patos de Minas/Brazil	BRL	100.00	27
KWS SEMILLAS CANARIAS S.L.U., Gran Canaria/Spain	EUR	100.00	2
KWS SEMILLAS IBÉRICA S.L., Zaratán/Spain	EUR	100.00	2
KWS SEMINTE S.R.L., Bucharest/Romania	RON	100.00	23
KWS SERVICOS E PARTICIPACOES SOUTH AMERICA LTDA., São Paulo/Brazil	BRL	100.00	28
KWS SJEME D.O.O., Osijek/Croatia	HRK	100.00	2
KWS SUISSE S.A., Basel/Switzerland	CHF	100.00	2
KWS TÜRK TARIM TICARET A.S., Eskisehir/Türkiye	TRY	100.00	2
KWS UK LTD., Thriplow/UK	GBP	100.00	2
KWS UKRAINA T.O.V., Kyiv/Ukraine	UAH	100.00	22
KWS VEGETABLES B.V., Heythuysen/Netherlands	EUR	100.00	2
KWS VEGETABLES ITALIA S.R.L: A SOCIO UNICO, Noceto/Italy	EUR	100.00	15
KWS VEGETABLES MEXICO S.A. DE C.V., Mexico City/Mexico	MXN	100.00	29
POP VRIEND HOLDING B.V., Amsterdam/Netherlands	EUR	100.00	15

Fiscal 2023/2024			
Name and registered office of the company	**Currency**	**Interest held**	**Footnote**
		Total in %	
POP VRIEND INTERNATIONAL B.V., Andijk/Netherlands	EUR	100.00	17
POP VRIEND SEEDS B.V., Andijk/Netherlands	EUR	100.00	17
POP VRIEND TOHUMCULUK VE TARIM ÜRÜNLERI SANAYI VE TICARET LIMITED SIRKETI, Istanbul/Türkiye	TRY	100.00	18
PV TOHUMCULUK TARIM ÜRÜNLERI SANAYI VE TICARET LIMITED SIRKETI, Izmir/Türkiye	TRY	100.00	19
SEED PLANT KWS O.O.O., Lipetsk/Russia	RUB	100.00	6
Equity-accounted joint ventures			
AGRELIANT GENETICS INC., Chatham/Canada	CAD	50.00	
AGRELIANT GENETICS LLC, Westfield/U.S.	USD	50.00	12
FARMDESK B.V., Antwerp/Belgium	EUR	50.00	21
Equity-accounted associated companies			
GIE RHP RECOLTE HAUTE PRECISION, Roye/France	EUR	49.67	16
IMPETUS AGRICULTURE INC., Lewes/U.S.	USD	38.82	20
Joint operations (proportionately consolidated)			
AARDEVO B.V., Nagele/Netherlands	USD	50.00	13
AARDEVO NORTH AMERICA LLC, Boise/U.S.	USD	50.00	14
GENECTIVE JAPAN K.K., Chiba/Japan	JPY	50.00	24
GENECTIVE KOREA, Sangdaewon-dong/Korea	KRW	50.00	24
GENECTIVE S.A., Chappes/France	EUR	50.00	
GENECTIVE TAIWAN LTD., Taipei/Taiwan	TWD	50.00	24
GENECTIVE USA Corp., Weldon/U.S.	USD	50.00	24

1 Profit and loss transfer agreement
2 Subsidiary of KWS INTERNATIONAL HOLDING B.V.
3 Subsidiary of KWS SEEDS INC.
4 Subsidiary of SEMILLAS KWS CHILE LTDA. and KWS INTERNATIONAL HOLDING B.V.
5 Subsidiary of KWS INTERSAAT GMBH
6 Subsidiary of KWS RUS O.O.O.
7 Subsidiary of EURO-HYBRID GMBH
8 Subsidiary of KWS BENELUX B.V.
9 Subsidiary of KWS UKRAINA T.O.V.
10 Subsidiary of KWS MOMONT S.A.S.
11 Subsidiary of KWS SERVICOS E PARTICIPACOES SOUTH AMERICA LTDA. and KWS SEMENTES LTDA.
12 Participation of GLH SEEDS INC.
13 Participation of RAGIS KARTOFFELZUCHT- UND HANDELSGESELLSCHAFT MBH
14 Subsidiary of AARDEVO B.V.
15 Subsidiary of KWS VEGETABLES B.V.
16 Participation of KWS FRANCE S.A.R.L
17 Subsidiary of POP VRIEND HOLDING B.V and CHURA B.V.
18 Subsidiary of POP VRIEND INTERNATIONAL B.V.
19 Subsidiary of POP VRIEND TOHUMCULUK VE TARIM ÜRÜNLERI SANAYI VE TICARET LIMITED SIRKETI
20 Participation of KWS R&D INVEST B.V.
21 Participation of KWS INTERNATIONAL HOLDING B.V.
22 Subsidiary of EURO-HYBRID GMBH and KWS SAATFINANZ GMBH
23 Subsidiary of KWS INTERSAAT GMBH and KWS SAATFINANZ GMBH
24 Subsidiary of GENECTIVE S.A.
25 Subsidiary of KWS KLOSTERGUT WIEBRECHTSHAUSEN GMBH
26 Subsidiary of KWS SERVICOS E PARTICIPACOES SOUTH AMERICA LTDA.
27 Subsidiary of KWS SERVICOS E PARTICIPACOES SOUTH AMERICA LTDA. and KWS INTERSAAT GMBH
28 Subsidiary of KWS INTERNATIONAL HOLDING B.V. and KWS SAATFINANZ GMBH
29 Subsidiary of KWS INTERNATIONAL HOLDING B.V. and KWS VEGETABLES B.V.
30 Subsidiary of KWS INTERNATIONAL HOLDING B.V. and KWS INTERNATIONAL HOLDING II B.V.

9.9 Supervisory Board and Executive Board of KWS SAAT SE & Co. KGaA in fiscal 2023/2024

9.9.1 Supervisory Board

Members	Other seats held in 2023/2024 (at the balance sheet date)
Philip Freiherr von dem Bussche † (until April 8, 2024) Bad Essen Graduate in business administration, entrepreneur and farmer Chairperson of the Supervisory Board of KWS SAAT SE & Co. KGaA and KWS SE (until April 8, 2024)	*Membership of other legally required supervisory boards:* ▪ Bernhard Krone Holding SE & Co. KG, Spelle (member of the Supervisory Board) *Membership of comparable German and foreign oversight boards:* ▪ DF World of Spices GmbH, Dissen (member of the Advisory Board)
Dr. Marie Theres Schnell Munich Graduate in communications Chairperson of the Supervisory Board of KWS SAAT SE & Co. KGaA and KWS SE (since April 17, 2024)	*Membership of comparable German and foreign oversight boards:* ▪ DR. SCHNELL GmbH & Co. KGaA, München (member of the Advisory Board)
Victor W. Balli Zurich (Switzerland) Chemical Engineer Deputy Chairperson of the Supervisory Board of KWS SAAT SE & Co. KGaA and KWS SE (Since April 17, 2024)	*Membership of comparable German and foreign oversight boards:* ▪ Givaudan SA, Vernier (Switzerland) (Chairperson of the Audit Committee, member of the Board of Directors and the Compensation Committee) ▪ Medacta International SA, Frauenfeld (Switzerland) (member of the Board of Directors and Chairperson of the Audit Committee) ▪ Hemro AG, Bachenbülach (Switzerland) (member of the Management Board) ▪ Sika AG, Baar (Switzerland) (member of the Board of Directors, the Audit Committee and the ESG Committee) ▪ Louis Dreyfus Company International Holding B.V., Amsterdam (Netherlands) (member of the Supervisory Board and Chairperson of the Audit Committee)

Members	Other seats held in 2023/2024 (at the balance sheet date)
Christine Coenen Einbeck Interpreter Member of the Supervisory Board of KWS SAAT SE & Co. KGaA Chairperson of the European Employees' Committee (EEC) of KWS SAAT SE & Co. KGaA	
Eric Gombert (since 12/06/2023) Villeneuve-sur-Lot (France) Graduate in agricultural engineering Member of the Supervisory Board of KWS SAAT SE & Co. KGaA Vice-Chairperson of the European Employees' Committee (EEC) of KWS SAAT SE & Co. KGaA	
Prof. Dr. Dr. h.c. mult. Stefan W. Hell (since 12/06/2023) Göttingen Physicist Director at the Max Planck Institute for Multidisciplinary Sciences, Göttingen, and Director at the Max Planck Institute for Medical Research, Heidelberg Member of the Supervisory Board of KWS SAAT SE & Co. KGaA and KWS SE	
Honorary members	**Other seats held in 2023/2024 (at the balance sheet date)**
Dr. Drs. h. c. Andreas J. Büchting Göttingen Agricultural Biologist Honorary member of the Supervisory Board of KWS SAAT SE & Co. KGaA and KWS SE	
Dr. Arend Oetker Berlin Honorary member of the Supervisory Board of KWS SAAT SE & Co. KGaA and KWS SE	

9.9.2 Supervisory Board committees

Committee	Chairperson	Members in 2023/2024
Audit Committee	Victor W. Balli	Christine Coenen Dr. Marie Theres Schnell
Nominating Committee	Prof. Dr. Dr. h.c. mult. Stefan W. Hell	Victor W. Balli Dr. Marie Theres Schnell

9.9.3 Executive Board

Members	Other seats held in 2023/2024 (at the balance sheet date)
Dr. Felix Büchting Einbeck Spokesperson Research, Breeding, Global Human Resources, Farming Group Strategy, Corporate Office & Services	
Dr. Peter Hofmann Einbeck Sugarbeet, Vegetables, Cereals, Oilseed Rape/Special Crops & Organic Seeds, Global Marketing & Communications	
Eva Kienle Göttingen Finance & Procurement, Controlling, Global Transaction Center, Legal Services & IP, IT, Group Governance, Compliance & Risk Management	*Membership of other legally required supervisory boards:* ■ Zumtobel Group AG, Dornbirn (Austria) (member of the Supervisory Board and Chairperson of the Audit Committee) ■ Schott Pharma AG & Co. KGaA, Mainz (member of the Supervisory Board)
Nicolás Wielandt Einbeck Corn Europe, Corn South America, Corn North America, Corn China/Asia	

Einbeck, September 10, 2024

KWS SE

Dr. Felix Büchting | Dr. Peter Hofmann | Eva Kienle | Nicolás Wielandt

Reproduction of the auditor's report

For the consolidated financial statements and the group management report, which has been combined with the management report of the Company and for the ESEF documents, we have issued the following audit opinion:

Independent auditor's report

To KWS SAAT SE & Co. KGaA

Report on the audit of the consolidated financial statements and of the group management report

Opinions

We have audited the consolidated financial statements of KWS SAAT SE & Co. KGaA, Einbeck, and its subsidiaries (the Group), which comprise the consolidated statement of comprehensive income for the fiscal year from 1 July 2023 to 30 June 2024, and the consolidated balance sheet as at 30 June 2024, consolidated statement of changes in equity and consolidated cash flow statement for the fiscal year from 1 July 2023 to 30 June 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of KWS SAAT SE & Co. KGaA, which was combined with the management report of the Company, for the fiscal year from 1 July 2023 to 30 June 2024. We have not audited the content of the parts of the group management report specified in the appendix to the auditor's report and the company information stated therein that is provided outside of the annual report and is referenced in 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 IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB ["Handelsgesetzbuch": German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 30 June 2024 and of its financial performance for the fiscal year from 1 July 2023 to 30 June 2024, 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. We do not express an opinion on the parts of the group management report listed in the appendix.

Pursuant to Sec. 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 opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Sec. 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 [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 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 opinions on the consolidated financial statements and on the group management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year from 1 July 2023 to 30 June 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be the key audit matters:

(1) Revenue recognition from the sale of seed

Reasons why the matter was determined to be a key audit matter

In the consolidated financial statements of KWS SAAT SE & Co. KGaA, revenue from the sale of seed is recognized when control is transferred to the customer, allowing for contractually agreed returns. Due to different contractual agreements and judgment exercised in assessing expected return deliveries, therefore is an elevated risk of misstatement in relation to the proper recognition of revenue on an accrual basis.

Auditor's response

During our audit, we considered, based on the criteria defined in IFRS 15, the accounting policies applied in accordance with the internal accounting instructions in the consolidated financial statements of KWS SAAT SE & Co. KGaA for the recognition of revenue. Our response included an examination of whether control was transferred to the customers upon the sale of seed. We analyzed the process implemented by the executive directors of KWS SAAT SE & Co. KGaA for the recognition of seed sales, taking into account knowledge about actual returns. Based on analytical procedures defined group-wide, we examined whether the significant revenue items for fiscal year 2023/2024 correlate with the corresponding trade receivables to identify any irregularities in the development of revenue. With a view to the recognition of revenue on an accrual basis, we also obtained balance confirmations from customers and performed data analyses to identify any irregularities in comparison with the prior year.

We analyzed the recognition of revenue based on the contractual arrangements on a sample basis with regard to the requirements of IFRS 15. Using historical data on actual returns and returns made after the reporting date of the fiscal year, we applied analytical procedures to examine the calculation of expected returns of seed and their deduction from revenue.

Reference to related disclosures

With regard to the recognition and measurement policies applied for the recognition of revenue from the sale of seed, refer to the disclosure in note 3.6 “Recognition of income and expenses” in section 3 “Accounting Policies” in the notes to the consolidated financial statements.

(2) Impairment testing of the goodwill of Business Unit Vegetables

Reasons why the matter was determined to be a key audit matter

The goodwill of the Business Unit Vegetables presented in the consolidated financial statements of KWS SAAT SE & Co. KGaA results from the acquisition of subsidiaries and is a significant balance sheet item.

Goodwill is tested for impairment as of 30 June each year. The result of this test is highly dependent on the executive directors' estimate of future cash flows and the respective discount rates used.

In light of the definition of the cash-generating units, the complexity of the valuation and the judgment exercised during valuation, impairment tests for goodwill were a key audit matter.

Auditor's response

During our audit, among other things, we obtained an understanding of the methods used to carry out the impairment tests including an examination of the suitability of the procedure for performing an impairment test in accordance with IAS 36. In doing so, we analyzed the planning process and the controls implemented therein. We discussed the significant planning assumptions with the executive directors of KWS SAAT SE & Co. KGaA and compared these with the results and cash inflows realized in the past. Our assessment of the result of the impairment test as of 30 June was based among other things on a comparison with general and industry-specific market expectations underlying the expected cash inflows. Based on our understanding that even relatively small changes in the discount rates used may have significant effects on the amount of the business value calculated, we analyzed the inputs used to determine the discount rates and reperformed the calculation with regard to the relevant requirements of IAS 36. In addition, we analyzed the sensitivity analyses performed by the executive directors of KWS SAAT SE & Co. KGaA on the goodwill impairment test in order to estimate any potential impairment risk associated with a reasonably possible change in one of the significant assumptions used in the valuation.

We obtained evidence that BU Vegetables continues to represent the lowest level within the Group at which independent cash inflows are generated and goodwill is monitored for internal management purposes. Our auditor's response also included the disclosures in the notes to the consolidated financial statements of KWS SAAT SE & Co. KGaA in relation to the requirements of IAS 36.

Reference to related disclosures

With regard to the recognition and measurement policies applied for goodwill, refer to the disclosure on intangible assets in section 3 "Accounting Policies" in the notes to the consolidated financial statements. For the related disclosures on judgments by the executive directors and sources of estimation uncertainty as well as the disclosures on goodwill, refer to note 7.1 "Intangible assets" in section 7 "Notes to the Consolidated Balance Sheet" in the notes to the consolidated financial statements.

(3) Accounting for discontinued operations in accordance with IFRS 5

Reasons why the matter was determined to be a key audit matter

Effective 25 March 2024, the Executive Board of KWS SAAT SE & Co. KGaA reached an agreement with GDM Holding S.A., Argentina, on the sale of the corn and sorghum business in South America. The transaction essentially comprises the entire breeding and sales activities for corn and sorghum in South America (Brazil, Argentina, Paraguay, Uruguay) and all of the KWS Group's production locations for corn seed in Argentina and Brazil and thus affects the corn operating segment in particular. As the sale had not yet been closed as of the balance sheet date, the assets and liabilities classified as held for sale are accounted for in accordance with the accounting standard IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations."

The sale represents a significant business unit of KWS in a geographical region and will be sold in a single transaction. The group to be sold was therefore classified as an independent component of the Group and reported as a discontinued operation in the consolidated financial statements and group management report.

With assets of EUR 422,307k being disposed of, liabilities of EUR 284,237k being disposed of and accounting for a significant share of total consolidated revenue, the discontinued operation represents a significant component of the group and therefore has a significant effect on the presentation of the assets, liabilities, financial position and financial performance in the consolidated financial statements as of 30 June 2024.

Applying the relevant accounting standard IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" as of the reporting date is a non-routine transaction in terms of its scope and complexity.

Auditor's response

We considered the assessment by the executive directors of KWS SAAT SE & Co. KGaA regarding the criteria for classification as a discontinued operation based on inquiries, inspections of contracts and resolutions. We also verified that the executive directors of KWS performed an impairment test immediately before reclassification as a discontinued operation.

In addition, we verified the proper reclassification of the assets and liabilities of the discontinued operation to a separate line item in the consolidated balance sheet and of the expenses and income allocated to the discontinued operation to a separate line item in the income statement. In that regards we reconciled the reclassification entries with the accounting records and reports of local auditors as well as adjusting entries made at group level.

On the basis of the sales contracts, inquiries of the executive directors and accounting records, we also verified that the sale was presented in a transparent manner in the consolidated financial statements and group management report and, in particular, that the disclosures in the notes to the consolidated financial statements were complete.

Reference to related disclosures
Please refer to sections 3.10 and 4.2 of the notes to the consolidated financial statements for disclosures and information relating to the discontinued operation.

Other information

The Supervisory Board is responsible for the Report of the Supervisory Board. The executive directors and the Supervisory Board are responsible for the declaration pursuant to Sec. 161 AktG ["Aktiengesetz": German Stock Corporation Act] on the German Corporate Governance Code, which is part of the Declaration on Corporate Governance, as well as for the paragraph "Control and monitoring systems" in section 2.5.2 "Risk Management" of the group management report. In all other respects, the executive directors are responsible for the other information. The other information comprises the parts of the annual report listed in the appendix. We obtained a version of this other information prior to issuing our auditor's report.

Our 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 opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report 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 IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 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 (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our 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 Sec. 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism 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 opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an 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 opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express 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 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 our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the assurance on the electronic rendering of the consolidated financial statements and the group management report prepared for publication purposes in accordance with Sec. 317 (3a) HGB

Opinion

We have performed assurance work in accordance with Sec. 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the file KWS_SAAT_SE_KA_LB_ESEF_30.06.2024.zip and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the attached file identified above and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinions on the accompanying consolidated financial statements and the accompanying group management report for the fiscal year from 1 July 2023 to 30 June 2024 contained in the "Report on the audit of the consolidated financial statements and of the group management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the accompanying file identified above in accordance with Sec. 317 (3a) HGB and the IDW Assurance Standard: Assurance on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Sec. 317 (3a) HGB (IDW AsS 410 06.2022). Our responsibility in accordance therewith is further described in the "Group auditor's responsibilities for the assurance work on the ESEF documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

Responsibilities of the executive directors and the Supervisory Board for the ESEF documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with Sec. 328 (1) Sentence 4 No. 1 HGB and for the tagging of the consolidated financial statements in accordance with Sec. 328 (1) Sentence 4 No. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have determined necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the preparation of the ESEF documents as part of the financial reporting process.

Group auditor's responsibilities for the assurance work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this file.
- Evaluate whether the ESEF documents enable an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Arts. 4 and 6 of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further information pursuant to Art. 10 of the EU Audit Regulation

We were elected as group auditor by the Annual Shareholders' Meeting on 13 December 2023. We were engaged by the Supervisory Board on 8 May 2024. We have been the group auditor of KWS SAAT SE & Co. KGaA without interruption since fiscal year 2016/2017.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Art. 11 of the EU Audit Regulation (long-form audit report).

Other matter – Use of the auditor's report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be published in the Unternehmensregister [German Company Register] – are merely electronic renderings of the audited consolidated financial statements and the audited management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor responsible for the engagement
The German Public Auditor responsible for the engagement is Martin von Michaelis.

Appendix to the auditor's report:
1. Parts of the group management report whose content is unaudited

We have not audited the content of the following parts of the group management report:

- The combined non-financial declaration for KWS SAAT SE & Co. KGaA and the KWS Group contained in section 2.4 "Sustainability Information (Combined Non-Financial Declaration)" of the group management report, including any information in other sections referred to in this declaration.
- The declaration on corporate governance and the declaration of compliance in accordance with Sec. 161 AktG which are published on the websites stated in sections 2.7.1 "Corporate Governance and Declaration on Corporate Governance" and 2.7.2 "Declaration of Compliance in Accordance with Section 161 AktG (German Stock Corporation Act)," which are part of the group management report.

Furthermore, we have not audited the content of the following disclosures extraneous to group management reports. Disclosures extraneous to group management reports are such disclosures that are not required pursuant to Secs. 315, 315a HGB or Secs. 315b to 315d HGB:

- Section 2.1.3 "Vision and Mission"
- Section 2.2 "Research & Development Report,"
- Section 2.4.1 "General Information"
- Section 2.4.2 "Environment"
- Section 2.4.3 "Social Report"
- Section 2.4.4 "Governance"
- Section 2.5.2 "Risk Management," paragraph "Control and monitoring systems"

2. Additional other information

The other information comprises the following parts of the annual report, of which we obtained a version prior to issuing this auditor's report, in particular the sections:

- Foreword of the Executive Board
- Report of the Supervisory Board
- KWS on the Capital Market
- KWS in Figures

but not the consolidated financial statements, not the management report disclosures whose content is audited and not our auditor's report thereon.

3. Company information outside of the annual report referenced in the group management report

We have not audited the content of the following information that is cross-referenced in the management report:

- 2.7.3 Remuneration Report pursuant to Section 162 of the German Stock Corporation Act (AktG].

Berlin, 10 September 2024

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

von Michaelis	Böhme
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Independent auditor's report on a limited assurance engagement

To KWS SAAT SE & Co. KGaA, Einbeck

We have performed a limited assurance engagement on the non-financial statement of KWS SAAT SE & Co. KGaA, Einbeck, (hereinafter the "Company"), which is combined with the non-financial statement of the Group, which comprises the section "2.4 Sustainability Information (combined non-financial statement)" and the section "2.1 Fundamentals of the KWS Group" of the combined management report for the period from 1 July 2023 to 30 June 2024 (hereinafter the "combined non-financial statement").

Responsibilities of the executive directors

The executive directors of the Company are responsible for the preparation of the combined non-financial statement in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB ["Handelsgesetzbuch": German Commercial Code] and Art. 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder as well as in accordance with their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as set out in section "EU-Taxonomy" of the combined non-financial statement.

These responsibilities of the Company's executive directors include the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as the executive directors consider necessary to enable the preparation of a combined non-financial that is free from material misstatement, whether due to fraud (manipulation of the combined non-financial statement) or error.

The EU Taxonomy Regulation and the Delegated Acts adopted thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section "EU-Taxonomy" of the combined non-financial statement. They are responsible for the defensibility of this interpretation. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

Independence and quality assurance of the auditor's firm

We have complied with the German professional requirements on independence as well as other professional conduct requirements.

Our audit firm applies the national legal requirements and professional pronouncements - in particular the BS WP/vBP ["Berufssatzung für Wirtschaftsprüfer/vereidigte Buchprüfer": Professional Charter for German Public Accountants/German Sworn Auditors] in the exercise of their Profession and the IDW Standard on Quality Management issued by the Institute of Public Auditors in Germany (IDW): Requirements for Quality Management in the Audit Firm (IDW QS 1) and accordingly maintains a comprehensive quality management system that includes documented policies and procedures with regard to compliance with professional ethical requirements, professional standards as well as relevant statutory and other legal requirements.

Responsibilities of the auditor

Our responsibility is to express a conclusion with limited assurance on the combined non-financial statement based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the IAASB. This standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company's combined non-financial statement is not prepared, in all material respects, in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as well as the interpretation by the executive directors disclosed in section "EU-Taxonomy" of the combined non-financial statement.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgment of the auditor.

In the course of our assurance engagement we have, among other things, performed the following assurance procedures and other activities:

- Gain an understanding of the structure of the sustainability organization and stakeholder engagement,
- Inquiries of the executive directors and relevant employees involved in the preparation of the combined non-financial statement about the preparation process, about the internal control system related to this process, and about disclosures in the combined non-financial statement,
- Inquiries of the employees regarding the selection of topics for the combined non-financial statement, the risk assessment and the policies of the Company and the Group for the topics identified as material,
- Inquiries of employees of the Company and the Group responsible for data capture and consolidation about the data capture and compilation methods as well as internal controls to the extent relevant for the assurance of the disclosures in the combined non-financial statement,
- Identification of likely risks of material misstatement in the combined non-financial statement,
- Analytical procedures on selected disclosures in the combined non-financial at the level of the Company and the Group,
- Inquiries and inspection of documents on a sample basis relating to the collection and reporting of selected qualitative disclosures and data,
- Reconciliation of selected disclosures with the corresponding data in the group financial statements and combined management report,
- Evaluation of the process to identify the economic activities taxonomy-eligible and taxonomy-aligned as well as the corresponding disclosures in the combined non-financial statement,
- Evaluation of the presentation of the combined non-financial statement.

In determining the disclosures in accordance with Art. 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

Assurance conclusion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the combined non-financial statement of the Company for the period from 1 July 2023 to 30 June 2024 is not prepared, in all material respects, in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as well as the interpretation by the executive directors as disclosed in section “EU-Taxonomy” of the combined non-financial statement.

Restriction of use

We draw attention to the fact that the assurance engagement was conducted for the Company’s purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. As a result, it may not be suitable for another purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

General Engagement Terms and Liability

The “General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]” dated 1 January 2024 are applicable to this engagement and also govern our relations with third parties in the context of this engagement (www.de.ey.com/general-engagement-terms). In addition, please refer to the liability provisions contained there in no. 9 and to the exclusion of liability towards third parties. We accept no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we will not update the report to reflect events or circumstances arising after it was issued, unless required to do so by law. It is the sole responsibility of anyone taking note of the summarized result of our work contained in this report to decide whether and in what way this information is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Hannover, 10 September 2024

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Dr. zur Nieden Wirtschaftsprüfer [German Public Auditor]	Narttek Wirtschaftsprüferin [German Public Auditor]

Declaration by Legal Representatives

We declare to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, financial position and earnings of the Group in compliance with the generally accepted standards of consolidated accounting, and that an accurate picture of the course of business, including business results, and the Group's situation is conveyed by the Group Management Report, which is combined with the Management Report of KWS SAAT SE & Co. KGaA, and that it describes the main opportunities and risks of the Group's anticipated development.

Einbeck, 10 September 2024

KWS SE

Felix Büchting Dr. Felix Büchting	Dr. Peter Hofmann
E. Kienle Eva Kienle	N. Wielandt Nicolás Wielandt

Additional Information

Financial calendar

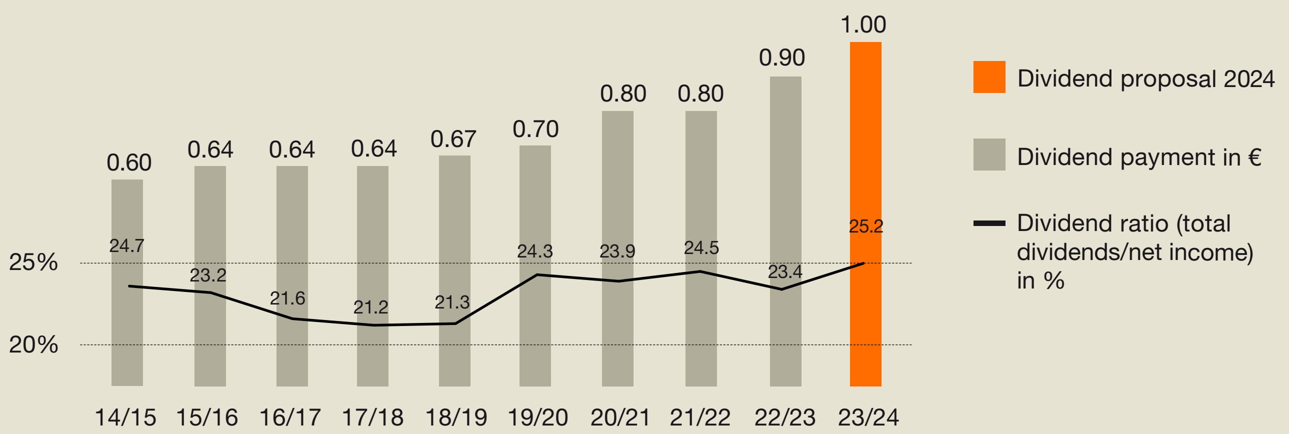
Date	
November 12, 2024	Quarterly Report Q1 2024/2025
December 5, 2024	Annual Shareholders' Meeting
February 13, 2025	Semiannual Report 2024/2025
May 13, 2025	Quarterly Report 9M 2024/2025
September 25, 2025	Publication of 2024/2025 financial statements, annual press and analyst conference

KWS share

Key data of KWS SAAT SE & Co. KGaA	
Securities identification number	707400
ISIN	DE0007074007
Stock exchange identifier	KWS
Transparency level	Prime Standard
Index	SDAX
Share class	Non-par
Number of shares	33,000,000

Dividend

Dividend payment and dividend ratios of the past ten years



About this report

The Annual Report can be downloaded on our Internet sites at www.kws.de and www.kws.com. The KWS Group's fiscal year begins on July 1 and ends on June 30. Unless otherwise specified, figures in parentheses relate to the same period or date in the previous year. There may be rounding differences for percentages and numbers.

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Safe harbor statement

This Annual Report includes forward-looking statements based on the assumptions and estimates of KWS SAAT SE & Co. KGaA's management. These forward-looking statements may be identified by words such as “forecast,” “assume,” “believe, “assess,” “expect,” “intend,” “can/may/might,” “plan,” “should” or similar expressions.

These statements are based on current assessments and forecasts of the Executive Board and the information currently available to it and are subject to certain elements of uncertainty, risks and other factors that may result in significant deviations between expectations and actual circumstances. These factors may be, for example, changes in the overall economic situation, the general statutory and regulatory framework, and the industry.

KWS SAAT SE & Co. KGaA provides no guarantee and accepts no liability for future developments and the actual results achieved in the future matching the assumptions and estimates expressed in this Annual Report. Forward-looking statements are therefore not to be understood as a guarantee or assurance of the expected developments or events mentioned therein. KWS SAAT SE & Co. KGaA neither warrants intends, nor does KWS SAAT SE & Co. KGaA assumes any obligation to update forward-looking statements, forward-looking statements to reflect events or developments after the date of this report.

Photo credits

Bart Homburg Fotografie ■ Frank Stefan Kimmel ■ Julia Lormis ■ Karsten Koch ■ Lennart Ritscher ■ Roman Thomas

Date of publication: September 26, 2024

This translation of the original German version of the Annual Report has been prepared for the convenience of our English-speaking shareholders. The German version is legally binding.

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