



Nordzucker Post 1/2022

Lars Gorissen: Good harvest – and good prices



Dear Readers,

we have successfully concluded the 2021/22 campaign. The harvest was at a good average level throughout the company, and in Germany we even achieved a top sugar yield of 14.2 tonnes per hectare. My special thanks go to all those involved, especially for their commitment in the more difficult situations of this long campaign.

It is very pleasant that we will also be able to pay good beet prices for this harvest. In the variable contracts, they are even the best prices since the end of the sugar market regime and the liberalisation of the sugar market. Good prices on the world market, a slight deficit in the EU with a satisfying price trend and, above all, our own high performance make this possible.

For some months now, we have been experiencing a stormy development of prices on the commodity markets. This affects the competing crops in the fields, the input materials for production as well as energy, and operating and auxiliary materials in our plants as well.

Nevertheless, the conditions for good beet prices are again in place for 2022. In any case, we expect even better sugar prices for the 2022 harvest.

In the competitive sugar market, reliability of supply to our customers is very important. Sugar beet deliveries are the essential basis for this. Nordzucker will therefore pay one euro per tonne as a fulfilment bonus for all contract beet in the 2022 growing year (fixed and variable contracts in Germany) in addition to the agreed price. The decisive factor is the fulfilment of the cultivation recommendation or the completion of the contract.

I very much hope you enjoy reading this edition of the Nordzucker Post with further news from the company. I also look forward to welcoming our shareholders in person again this year at the joint Annual General Meetings of Nordzucker AG and Nordzucker Holding AG on 20 July 2022 in the Volkswagen Halle in Braunschweig.

Yours

Lars Gorissen

Executive Board restructured - focus on sustainability, excellence and growth



From 1 March 2022, the structure of Nordzucker AG's Executive Board responsibilities will be restructured.

Dr Lars Gorissen as Chief Executive Officer, Alexander Bott as Chief Financial Officer and Alexander Godow as Chief Operating Officer will be jointly responsible for the business from 1 March 2022.

From 1 March 2022, Dr Lars Gorissen will take over the topic of sustainability, which is central to the strategic development, and the cane sugar business unit from Axel Aumüller. Dr Lars Gorissen will continue to be responsible for Agri, Business Development, Communications & Public Affairs, Human Resources and Legal Affairs.

In addition to Finance and IT, Alexander Bott will also be responsible for Procurement in the future.

Alexander Godow, who has been with the company since 1 January 2022 and is already in charge of Sales and Marketing until Axel Aumüller leaves, will also be responsible for Production from 1 March 2022. The aim of this merger of sales and production is to integrate and optimise the entire operational process more closely, from the delivery of the beet to the factory to the delivery of the sugar to our customers.

"Nordzucker has important tasks ahead. We on the Supervisory Board deliberately decided on this three-member constellation on the Executive Board. I am pleased

to have found in Alexander Godow someone who, due to his professional background and personal competence, brings experience from the areas of sales and production. The coordinated responsibilities of the Executive Board are well suited to each other in their new configuration. The importance of the topics of securing raw materials, sustainability and procurement has increased significantly in recent times," says Jochen J. Juister, Chairman of the Supervisory Board of Nordzucker.

"With the new structure of the Executive Board's areas of responsibility, we can focus on driving forward our future topics of sustainability, excellence and growth. I am personally responsible for the topics of raw material procurement and sustainability, in which we see great challenges but also great opportunities for the future," explains Dr Lars Gorissen, CEO.

"The Corona pandemic has led to supply bottlenecks worldwide and an increase in the price of important resources such as energy. This poses new challenges for procurement. Keeping costs in check while maintaining consistent supply will be the goal that will keep us very busy in the near future," emphasises Alexander Bott, CFO.

"One focus of my work and that of my team is to organise the path from beet to sugar even more efficiently and, above all, in an environmentally friendly and sustainable manner. With a clear focus on our customers, we are tackling the major future projects "GoGreen", "Integrated Supply Chain (S&OP, IBP)" and "Cost Leadership (PIP, AOE)". Nordzucker is ideally positioned to successfully shape this path and I am very much looking forward to tackling our future with my team," says Alexander Godow.

Alexander Godow, who has a degree in engineering, was previously COO for the Industry division at DMK Deutsches Milchkontor in Zeven for several years. Previously, he worked as Sales Director in several internationally active companies in the food industry as well as in plant construction, among other positions..

Axel Aumüller is leaving the Executive Board of Nordzucker on 28 February 2022



COO of Nordzucker until 28 February 2022: Axel Aumüller

As a life's work, Axel Aumüller characterises his professional career for Nordzucker, its predecessor companies and his voluntary commitment to the entire sugar branch.

He joined the company some 40 years ago as a plant assistant in Baddeckenstedt and, having studied food technology in Berlin, he has been instrumental in driving forward the technical development of sugar production. He has been actively involved in the structural changes in northern Germany that have led to Nordzucker and considers the German reunification with the new factory in Klein Wanzleben and the company's activities in Poland, Slovakia and south-eastern Europe to be a stroke of luck and a historic opportunity for the company and the society as a whole. The expansion of Nordzucker into Northern Europe and its integration into a group were as important milestones as the latest step in the company's growth with the acquisition of Mackay Sugar Ltd. in Australia.

After the beginnings of the company headquarters in Braunschweig as Head of Production and Technology at the beginning of the 1990s, Axel Aumüller went to Uelzen for six years as Plant Manager. Significant investments (beet yard, service centre, sugar silo, evaporation dryer) bear his handwriting.

"Along the way" he also managed the first major change program in the company, the Nordzucker Success Programme "Growing Together". His career then took him back to Braunschweig as a member of the Management Board and Head of Production, initially with responsibility for the German plants, and later also the Eastern and South-Eastern European plants. Soon after the association with Nordic Sugar in 2009, Axel Aumüller was appointed to the Executive Board as COO.

His time as a board member was shaped by the massive changes in the economic and political environment that had already been in prospect since 2006. The transition of the European sugar market from a highly regulated sector to one of the most liberalised markets demanded massive adjustments to the production and work structures in the company; campaigns with 120 days became the norm. On the political side, he accompanied this challenging phase for the entire industry as chairman of the Sugar Industry Association (VdZ).

A special focus is Nordzucker's involvement in the cane sector and thus the successful acquisition in Australia. This closes a circle for him to his earliest professional experiences in several internships during his studies in a cane sugar factory in Sénégal.

Automation of processes, introduction of process control technology, improvement of working conditions, energy-efficient measures, digitalisation and the change of management structures and leadership behavior in the company and in the sector have always challenged and encouraged Axel Aumüller. His empathy and appreciation have been of benefit to him. These qualities, combined with competence and enthusiasm for technical processes down to the last detail, have provided him with a reputation and recognition beyond the company.

After leaving the Executive Board, Axel Aumüller will be available to the company for another year in an advisory capacity. He will also retain some honorary functions: After retiring as chairman of the Sugar Industry Association (VdZ) in summer 2022, he will continue to head the board of directors at the Company Health Insurance and as chairman of the advisory board of the Stiftung Zuckerindustrie (Sugar Industry Foundation), he will promote the education of young scientists at the Institute for Food Technology and Food Chemistry at the Technical University of Berlin. The focus will shift to his family, his wife Sabine, his children and grandchildren, and activities that were always too short in the past. Where he will be going in the future, spatially, he leaves open. Those who know him are certain that there will be something near the water.

We wish Axel Aumüller all the best, health, joy, and well-being.



Chairman of the Supervisory Board Jochen Johannes Juister

"On behalf of the Supervisory Board and all shareholders, I would like to thank Axel Aumüller for almost four decades of commitment to our company. Not least in his more than twelve years on the Executive Board, he played a key role in shaping Nordzucker into a successful, future-proof company. With its local roots and its European and global operations, Nordzucker has become one of the leading sugar companies. Axel Aumüller has rendered outstanding services to Nordzucker AG. We wish him all the best for the future."

Nordzucker has successfully concluded the 2021/22 campaign



Overall, the campaign went well at all production sites. Some of the yields are well above average. Corona infection chains were largely prevented at the factories.

Sugar production from sugar beet has been successfully completed in all factories. Only in Örtofta in Sweden are beet still being cut until the beginning of February. The campaign was completed in Finland and Lithuania before the end of the year, in Poland and Slovakia in the first decade of January and in Germany and Denmark in mid to late January. On average for all factories the campaign will last 122 days (previous year: 118 days). In Germany, Denmark and Lithuania, 184,000 (160,400) tonnes of organic beet were also processed into organic sugar again in the first days of the campaign.

In total, over 17.1 (16.6) million tonnes of sugar beet were processed. As in other sectors of the economy, there were supply bottlenecks and cost increases for auxiliary materials and energy. In addition, there were logistical bottlenecks, at times also in sugar beet, which were quickly resolved thanks to the initiative of all those involved. "The campaign duration documents the efficiency and optimal utilisation of the factories. These challenges were solved through the

good interaction of all company divisions from agriculture, purchasing, production and logistics to sales and marketing", is how Axel Aumüller COO assesses the campaign. "We can be satisfied with the course and result at all locations in Europe and Australia."

Sufficient and well-distributed rainfall during the summer in almost all European growing regions resulted in above-average beet yields of an assumed 72.1 (69.5) tonnes of sugar beet per hectare with a sugar content of 17.7 (17.7) per cent. This corresponds to a sugar yield per hectare of 12.8 (12.3) tonnes. Germany even achieved one of the highest sugar yields ever, with an average of almost 80 (74.4) tonnes of beet per hectare (73 tonnes in the 5-year average) and a sugar content of about 18 (18.3) per cent, at 14.2 (13.6) tonnes of sugar per hectare.

In addition to the good yields, higher sugar prices will have a positive impact on the beet prices of the contracts with a variable price model. "The variable sugar beet contracts with our growers will achieve the best prices since the end of the sugar market regime and noticeably higher prices than in the fixed price model," emphasises Dr Lars Gorissen, CEO. "The competitiveness and attractive role of sugar beet in arable crop rotation is thus confirmed."

Comprehensive hygiene concepts and protective measures against the Corona virus were also necessary in the 2021/22 campaign. Axel Aumüller, COO: "The measures taken, and the disciplined behaviour and consistent actions of all employees prevented infection chains in the plants and administration. This enabled the campaign to be ended safely. Nordzucker belongs to the "critical infrastructure". This means we have a special responsibility to supply the population with sugar as a foodstuff. Thanks to the commitment of our employees, this has once again worked excellently".

Mackay Sugar: Second best harvest in the last ten years



Letzter Waggon (Bin) mit Rohr in 2021

After a busy season, Mackay Sugar has completed the 2021 crush in Australia. More than 5.3 million tonnes of cane with an average CCS (Commercial Cane Sugar) of 13.7 per cent (comparable to sugar content minus yield loss for sugar beets) was processed.

Well-distributed rainfall also led to above-average yields in the region of the three sugar mills. Starting with sufficient rainfall after the harvest in the previous year, the rainfall in 2021 also favored the growth of the sugar cane and the second-best harvest in the last ten years was recorded.

The 2021 season in the three sugar mills with an average of 199 days was longer than expected due to a large crop, weather and operational interruptions that made the crush

continue into late December instead of the targeted November finish. Despite the difficulties of the season however, the employees at Mackay Sugar successfully saw almost all the expected crop crushed for the season, with less than 0.4% not being harvested due to excessively wet soils.

Carl Morton, Mackay Sugar General Manager Operations, notes:

"What What has really stood out to me is the quality of our people and their dedication to our business and growers. Through the challenging and prolonged season, they have remained focused on crushing, and many worked over Christmas to see the crop off."

Jannik Olejas, Mackay Sugar Chief Executive Officer made comment on the impacts of the sugar markets, "With regard to marketing and the development of the sugar price, we expect to close the fiscal year well above budget."

Looking ahead to the upcoming maintenance and investment period and the next crushing season, Michael Gerloff, Chairman of the Board of Directors of MSL and Head of Business Unit Cane Sugar, states: "The focus of our investment measures will continue to be on projects to improve the availability of the mills and optimise our power generation capacities. In addition, there will be a much stronger focus on the agricultural sector, particularly with regard to measures to secure the cultivation areas and efficiency on the field. With a view to next year's harvest, the rainfall over the past few months, although always a hindrance to the current crush, has proved to be very beneficial for sugar cane growth."

2021/22 financial year – Clear increase in earnings compared to previous year expected



In the first three quarters of the 2021/22 financial year, the Nordzucker Group increased sales from 1,256 Million Euro to 1,463 Million Euro. Thanks to the good development on the market and the efficiency measures implemented, an operating profit of 106 Million Euro was achieved in the first nine months. In the same period last year EBIT was 81 Million Euro. Nordzucker's subsidiary Mackay Sugar Ltd. in

Australia also performed very positively based on the current high world market prices.

"The higher sugar prices have had a clearly positive impact on the development of results this year. After the first three quarters, revenue and profit are above our expectations. Particularly against the background of significantly rising costs, for example for energy, efficiency improvements remain necessary to strengthen the cost structure for the future. We have initiated measures throughout the Group that affect all countries and especially the areas of production, logistics and sales," emphasises Alexander Bott, CFO.

For the 2021/22 financial year, Nordzucker expects an operating profit above the previous year's result.

Go Green – Nordzucker optimistic about self-imposed CO₂ targets



With its Go Green program, Nordzucker has committed itself to an extremely ambitious goal of getting sugar out of sugar beet without fossil fuels by 2050 at the latest. Its own current target of reducing CO₂ emissions in sugar production by 25 percent by 2030 is nevertheless to be reviewed.

Nordzucker has underpinned its claim to be a pioneer in sustainability by joining the Science Based Target Initiative. Currently, the independent climate scientists define the targets for 2030 as limiting man-made global warming to well below 2 °C. Regardless of whether this target will be met in the medium term, Nordzucker is determined to do its

homework conscientiously and convert its factories to a sustainable production process. The reduction of CO₂ emissions must go hand in hand with further significant energy savings and a switch to a renewable energy supply without fossil fuels. One option here is the use of biogas from the company's own beet pulp.

The beet pulp that has been marketed exclusively as animal feed up to now could be partly diverted to the plants' own energetic use. In the long term, the Nordzucker factories will be able to operate almost self-sufficiently in terms of energy. However, the necessary legal changes have yet to be introduced in the current revision of the relevant EU regulations. Nordzucker is working at all political levels to ensure that this promising path is not left unexploited. The possibility of using the beet pulp that is already produced during processing to generate energy would take us a decisive step closer to climate-neutral sugar production.

Prize for apprentices in Klein Wanzleben



Apprentices, Head of Factory Udo Harten (middle) and trainer Lars Wärmer (right back)

Klaus Ohlbricht, President of the Magdeburg Chamber of Industry and Commerce, awarded the 2021 Education Prize to Nordzucker, Klein Wanzleben plant, at a ceremony in St. John's Church in Magdeburg.

For the eighth time, the Magdeburg Chamber of Industry and Commerce awarded the Education Prize to companies that have made a special contribution to training and further education. On 6 November 2021, this prize was presented to representatives of the Klein Wanzleben plant.

The decisive factor for the award in 2021 was the apprentice talk with Christian & Kevin. In modern form, the two apprentices, together as a team, present live from Klein Wanzleben, from green, historic armchairs. But the format is

anything but historical. Here, the companies from the "School Meets Business" working group are presented live in the stream with their training opportunities. Viewers have the opportunity to ask questions and talk to the guests themselves via the chat function. The apprentice talk is intended to strengthen the apprenticeship situation, especially in rural areas.

The Chamber of Industry and Commerce already honoured the commitment to training at the Klein Wanzleben plant with the Education Award in 2015 and 2016.

By the way, the Azubi-Talk is open to everyone, you can find the next topics and dates here: [Azubi-Talk](#)

Meeting of German Beet Growers: Specialist and Winter Meetings 2021/22



Like the previous specialist meetings, those in December 2021 also took place digitally. A wide audience was able to hear content on the topics of leaf diseases, rizomania and girdle scab. In the chat, the audience could ask their questions, which were then answered by the various speakers from the Chamber of Agriculture or Nordzucker.

Further specialist events on the topics of fertilisation and weed control will take place on 15 February 2022 at 9 and 11 am. The topic of insect pests will then follow on 9 March 2022. You can find the dates in the AgriPortal calendar. The winter events under the title "Campaign compact" also took place in digital form on 8 and 9 February 2022 for the individual regions. Speakers from the sugar beet growers' associations and Nordzucker highlighted the past vegetation and evaluated the campaign. In addition to the sugar beet prices for the 2021/22 campaign, other economic aspects of sugar beet cultivation were considered. In his welcoming address, Dr Lars Gorissen, Chairman of the Board of Management and responsible for the Agri Division, also referred to the pleasing development of sugar prices and thus also beet prices. He also expressly thanked all those involved in the campaign for their good cooperation and mutual support when problems arose.

Wellness at home: recipes for homemade sugar scrubs



Whether for a birthday, Valentine's Day or simply as a loving surprise for your partner after a stressful day in home office - [SweetFamily](#) from Nordzucker has a literally sweet gift idea for all these occasions: homemade sugar scrubs for a wellness moment at home.

The natural ingredients also ensure a good feeling, because depending on the recipe, the main ingredient is the light SweetFamily organic sugar made from 100% North German

sugar beet or dark cane sugar, which is available from SweetFamily either classically or with the Fairtrade seal.

Delicately scented sugar scrubs are quick to prepare and ideal for gently cleansing the face and body. The sugar crystals provide the exfoliating effect, while plant oils care for the skin. Simply spread on damp skin, massage in gently and rinse off with lukewarm water. Beautifully packaged in jars, sugar scrubs make a lovely gift for anyone you want to pamper from the heart. By the way, men are also happy about it, because a little spa feeling is good for everyone.

Recipe ideas are available for two delicate floral varieties with 100% organic sugar from SweetFamily

[Lavender sugar scrub](#)

[Rose sugar scrub](#)

as well as two citrus-fresh variants with cane sugar from SweetFamily

[Lemongrass Sugar Scrub with Thyme](#)

[Blood Orange Sugar Scrub with Cinnamon](#)