



Against an adverse situation, 2022 will be driven by a dynamic investment policy

In a year undeniably marked by the explosion in industrial costs (energy, packaging, etc.) and the rise in agricultural raw materials (cereals, milk, fertilisers, etc.), Agrial's sales are expected to reach €7.2 billion in 2022, up 15% due to inflation, while net profit remains stable at €62 million, or 0.9% of sales. Following the Annual General assembly on 26 May, delegates approved the accounts and voted to return almost €29 million to Agrial's 12,000 farmer members, i.e. almost half of net income.

These results once again demonstrate Agrial's solidity in the face of successive crises impacting both agricultural and agri-food activities (COVID, war in Ukraine, resource shortages, droughts, etc.). They also confirm the relevance of the ambitious investment plan undertaken, which has once again amounted to almost €180 million in 2022, in line with the momentum set in motion in 2021, and which is detailed in the following pages.

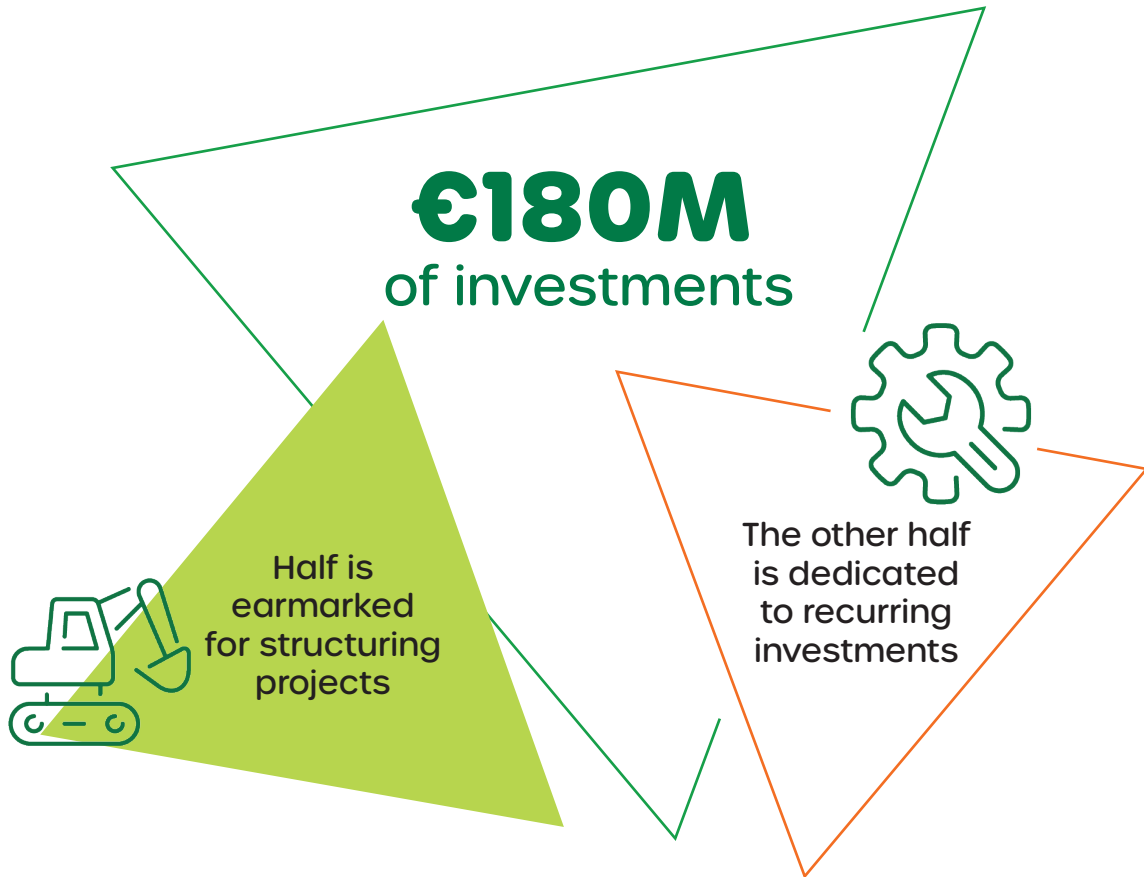
On the agricultural front, Agrial has been able to support its farmer members and make a difference. Our market shares are growing, both in crop production and animal feed, and the solidity of our model has enabled us to supply our producers without any interruption, which was far from obvious in the spring of 2022. In addition, our local presence has been further strengthened, with our LaMaison.fr rural distribution shops particularly dynamic, with sales up by more than 30% since 2019.

By contrast, the year was much more mixed for our food businesses. While the Dairy division turned in a good performance, buoyed by favourable prices, the year was more mixed for the Meat division and, above all, much more complicated for the Beverage and Fresh Produce divisions. In the Fresh Produce division, a reorganisation of activities has been undertaken in our various countries, and the first signs of recovery are already visible. As for the Beverage division, it is still having to contend with a structural decline in the cider market in France, making price rises much more complex, at a time when the cost of glass is reaching record levels.

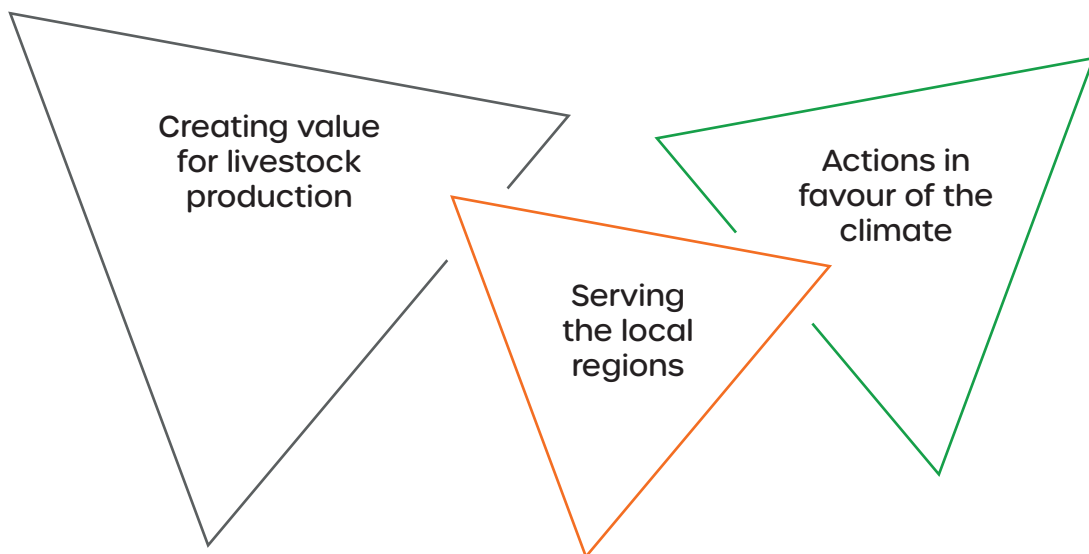
For Arnaud Degoulet, Chairman of Agrial: «The year 2022 has once again shown that our multi-specialist organisation, based around 5 business lines and 11 productions, offers a guarantee of stability, and that the solidity of our governance enables us to get through these turbulent times. Our co-operative model is attractive and is expanding once again, in this case in the south-east of France with the recent merger with the Natura'Pro co-operative, which makes a great deal of sense for both our farmer members and our agri-food business».

«Over the past three years, our teams have shown exceptional commitment and resilience, enabling Agrial to maintain a solid performance despite very mixed results between activities. Tomorrow's environment will undoubtedly be no simpler, but that is precisely why our investment plan focuses on 3 major challenges, which are essential for Agrial: creating value for livestock production, being close to our customers and reducing our impact on the climate,» **said Ludovic Spiers, Chief Executive Officer of Agrial.**

AGRIAL INVESTS HEAVILY IN ANIMAL PRODUCTION, PROXIMITY AND THE FIGHT AGAINST CLIMATE CHANGE ,,



The bulk of this investment is focused on 3 main areas:



But we have also invested heavily in our performance.

SOME KEY INVESTMENTS IN 2022

1. CREATING VALUE FOR LIVESTOCK PRODUCTION

Reconstruction of the Luçon cheese dairy (in the Pays de la Loire region) following an accidental fire

With this reconstruction, production capacity at the Luçon plant has increased by 50%, to a total of 24,000 tonnes of mozzarella (compared with 16,000 tonnes previously). This represents a collection of 200 million litres of milk, or the production of 300 farmer members.

Agrial sells its mozzarella under the Maestrella and Cantadora brands to the industrial and catering sectors, in a market that is growing by 3% a year in France and worldwide.

The new site will enable the Co-operative to strengthen its position in mozzarella production, complementing its cheese dairy in Herbignac (in the Pays de la Loire region): Herbignac enables large-scale production, while Luçon is more flexible, enabling it to meet new customer expectations in terms of packaging and recipes. In particular, it offers smaller production runs to target new markets.



A new drying tower for the Herbignac cheese dairy (in the Pays de la Loire region)



Since 2019, the Herbignac site has embarked on a major investment programme. A water treatment plant, new lines, and also a new drying tower under construction, due to come on stream in 2024.

Each year, the plant produces 44,000 tonnes of mozzarella and 35,000 tonnes of powder, representing up to 700 million litres of milk processed at the plant, or the output of 1,000 farmers who are members of the Co-operative.

This new drying tower will increase the capacity for drying co-products (from the site's new serum recovery facilities) by 50%.

Maître Jacques steps up its national expansion with a second plant in Saône-et-Loire (Burgundy-Franche-Comté region)

Maitre Jacques, an Agrial brand with its historic factory in Rennes (Brittany), produces and markets 7,500 tonnes a year of roasts, paupiettes, kebabs, sausages and seasonal specialities.

At the beginning of 2022, the brand launched a project to build a new plant in Cuisery (Burgundy-Franche-Comté region), which since January 2023 has enabled Maitre Jacques' ultra-fresh products to be marketed as effectively as possible in the east and south-east of France.

This second plant will enable Maitre Jacques to accelerate the development of its business, which has been growing steadily for many years.



2. SERVING THE LOCAL REGIONS

New openings and remarkable growth for rural distribution stores



In rural distribution, the momentum that began in 2019 with the launch of the new LaMaison.fr banner has continued into 2022. Overall, sales in our stores have grown by more than 30% in 4 years, a remarkable performance compared with the market.

This growth is also linked to the major investments made in all the Co-operative's territories, to continue to attract the general public and farmer members. 2022 saw the renovation and opening of new shops: Villers-Bocage (Normandy), Noyal-sur-Vilaine (Brittany), Parthenay (New-Aquitaine region), Bressuire (New-Aquitaine region), Longny-les-Villages (Normandy), Lys-Haut-Layon (Pays de la Loire region)...

Merger between Agrial and the Natura'Pro Co-operative

At their General assembly on 26 May 2023 in Caen, Agrial's farmer members voted in favour of the proposed merger with the Natura'Pro Co-operative. This same project was also approved at the Natura'Pro General assembly on 20 December 2022.

Effective since 1 June, this merger is part of the two co-operatives' desire to build a shared future serving their farmer members, while respecting co-operative values and promoting synergies. The merger strengthens Agrial's presence in the Rhône Valley.

Prior to this merger, Agrial had 14 agri-food sites and 150 farmers members producing goat's milk in this area. With this merger, Agrial's Alpes Sud-Est region now has almost 1,000 committed members, nearly 40 local outlets (stores, silos, etc.), and field teams to support members on a daily basis in all aspects of their production.



3. ACTIONS IN FAVOUR OF THE CLIMATE

An ambitious programme since 2016 to reduce our energy consumption



Since 2016, thanks to an ambitious plan to optimise and modernise equipment, Agrial has already reduced its energy consumption by 7.8%, equivalent to the annual energy consumption of a city like Nantes. The 43 projects carried out at 33 industrial sites have prevented the emission of more than 6,000 tonnes of CO₂eq.

As part of the Climate Plan, we are also gradually replacing fossil fuels with low-carbon resources. By 2022, 7.6% of our energy will already be renewable.

The Lancelot brewery (Brittany) makes major water savings

After installing its own wastewater treatment plant, the Lancelot brewery (Brittany) went one step further in 2022 by experimenting with an innovative nanofiltration system for wastewater, called «Nereus».

The experiment has proved conclusive, enabling 80% of the water used in the process to be reused, with the same characteristics as drinking water.

As a result, the brewery has become a model for the industry, using far less water than the average per litre of beer produced.



HUMAN INVESTMENT, AN ESSENTIAL CONDITION TO AGRIAL'S DEVELOPMENT „

2,800

employees
recruited in 2022

326

students on work-
study training
programme in 2022

1,700

young farmers
supported to help
them set up in 2022
(i.e. €2.1 million in aid)

3/4

of employees have
been trained in 2022

+8,3%

disabled employees
at Agrial since 2019
(objective: +20% by 2025)

340

elected farmer
members from the
Co-operative trained
since 2018

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