



Press information – Paris, February 15, 2024

2023 ANNUAL REVIEW PRESS CONFERENCE

Sofiprotéol at the cutting edge of the challenges agricultural and food sector players face

2023 was once again a year of challenges for the agricultural and agri-food sectors whose players Sofiprotéol has been supporting for some 40 years now. Against a backdrop where resilience was more indispensable than ever, Avril's investment and development business unit swung into action and doubled its efforts with its partners, whilst forever focusing on a vision for tomorrow.

BACKGROUND

The value of Sofiprotéol's expertise and financing solutions in a volatile climate

Economic stability continued to be severely shaken over the last twelve months. Generally-speaking, persistently-high energy, raw material and transport prices continued to greatly impact company scenarios. The great variability with which players once again had to cope, combined with the ever-present volatility, heightened competitiveness and performance disparities.

2023 was also marked by inflation and, above all, by an unprecedented surge in interest rates as EURIBOR, which was historically close to or below zero, pursued its growth to reach a level of around 4%. As such, financial expenses weighed a lot in the accounts of companies supported by Sofiprotéol, which in turn gave rise to new debt-focused challenges even though WCR remained high. It has never been more important for Sofiprotéol's partners to have a sound balance sheet with sufficient equity capital, and to be backed by long-term investors.

INITIATIVES CARRIED OUT IN 2023

This complicated environment, as such, encouraged us to prompt Sofiprotéol to step up its investment momentum. The overall amount which it invested grew from 60 million euro in 2022 to almost 100 million euro in 2023, with a dozen or so initiatives targeting all sizes of companies and a wide range of projects.

Avril's investment business unit also ramped up its geographical presence across all regions, by investing as close as possible to production areas and, as such, strengthening its commitment to its local partners.

Structuring sectors at the very heart of regions through ongoing support to cooperatives

Storage organizations, the primary link in the agricultural and food sectors, and in particular agricultural cooperatives, were at the heart of the initiatives taken by Sofiprotéol. One of the specialties of the company is its in-depth knowledge of these heterogeneously-sized structures, established at the very heart of the regions, and which focus on animal and plant sectors. Among the initiatives carried out with cooperatives in 2023, three illustrate Sofiprotéol's commitment to creating value for members' revenue:

- **Terres du Sud**, supporting the "Land Developers" project in Guyenne, Gascogne and Périgord, and its external growth and CSR commitment ambitions
- **CAPL** – and its "Anjou Pearls" initiative in the Pays de la Loire region, supporting production diversification, with the development of high value-added "little seeds" such as quinoa
- **MLC** – and its "Co-operating for the future" program, in the dairy production and food-service distribution sector, with an ambitious CSR strategy that intends to channel over 90% of food procurement to French producers and manufacturers

Ties strengthened with SMEs firmly established in their geographical areas

Sofiprotéol also set itself the goal of strengthening and diversifying its means of action to reach an even wider target. To this end, it continued to support the growth of a wide range of companies, especially SMEs in the regions, which boost our economic fabric.

- Among its investments in 2023: **Martin-Pouret**, which perpetuates the tradition of Master Vinegar Makers in Orléans. This investment will be used to create a new workshop for this heritage company which, as such, will modernize its production and increase its productivity
- Another example of its initiatives: **Cosucra**, a Belgian family-run company, European leader in processing peas grown in France, just on the other side of the nearby country border, once again placed its trust in Sofiprotéol. This ambitious project addresses consumer expectations as regards healthy, sustainable food
- Last, but not least, Sofiprotéol's acquisition of a minority stake in **French Food Capital**, which, in turn, invests a majority of its capital in French agri-food SMEs and mid-caps, is a prime example of this. Concurrently, Sofiprotéol subscribed to the new French Food Agro Invest fund. This twofold initiative boosts its ability to support the sector.

An innovation ecosystem promoting tomorrow's agriculture

Sofiprotéol's commitment to agricultural and environmental transitions is also expressed through its support for the development of bio solutions. In line with this, it supported **Biobest**, a leading player in this promising segment, to ramp up efforts rolled out in the field crop sector in France.

Although a huge scope of innovation is driven by mature companies, a dynamic ecosystem of startups is also hard at work imagining solutions for tomorrow for the agricultural world, to tackle environmental and climate challenges. Thanks to the innovation fund which Sofiprotéol manages on behalf of the interbranch association, Terres Univia, it finances projects that prove the relevance of their solutions for its sectors, by accompanying them. Hence, Sofiprotéol helps them acquire the technical references required to support their development. It was with this in mind that Avril's investment business unit recently concluded a partnership with **La Ferme Digitale** and launched a first call for project, and intends to renew this type of support.

Sustainably committed to taking action

Although the period is complicated for the players it supports, Sofiprotéol's CSR commitment policy means its investments are sound and it is able to address transition challenges.

From the safety perspective, Sofiprotéol pursued its historic commitments, related to Avril's industrial business line, with the **"SofiCare"** program, which focuses on employees on production sites sharing best practices and becoming more highly-aware of safety. In 2023, over 50 of its participants benefited from this program.

At the same time, new effects of climate change led it to carry out an in-depth prospective study on the subject and its impacts, hand-in-hand with experts. Special attention was paid to oilseed crops, to

anticipate consequences and adapt to these changes. Sofiprotéol will share the insights gained with its partners concerned by this and will work with them to find tailored solutions.

Keeping the momentum up, staying at the cutting edge

Although the year started off for Sofiprotéol with a focus on innovation, it is also marked by the low visibility companies have on the economic climate for the coming months.

Once again, agricultural and agri-food sectors will have a host of challenges to face, given the overall backdrop of economic instability, characterized by an increase in the level of indebtedness.

Sofiprotéol is ready to take on these challenges. It has the ability and the means required to support its partners, strengthen their financial structure, help them adapt, and support them in their growth and innovation ambitions.

Avril's investment business unit is fueled by the momentum of 2023, a year where it as on hand to meet the challenges sector players faced. Companies are under a great deal of pressure as a result of the economic climate and transitions, and Sofiprotéol is at the cutting edge to help finance innovative solutions over the long term to deal with this. This is the bedrock of its model, the catalyst that spurs it to take action: Sofiprotéol, sustainably-committed to its purpose, Serving the Earth.