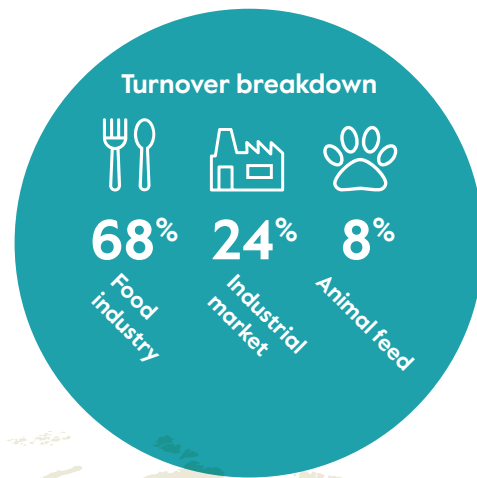


The next step towards more value.

Summary
integrated annual report
2022/2023





Foreword

This is the summary of Royal Avebe's annual report for the financial year 2022/2023.

A financial year that was characterised by global developments with an impact on Avebe and its members. For example, the economic situation that led to enormous cost increases throughout the chain and subsequent sharp interest rate increases that caused the economy to cool down.

Avebe is a joint unit of members and employees together. By showing enormous dedication and commitment and by working together as 'One Avebe', we achieved some strong results, despite all developments. I therefore would like to thank everyone for their efforts.

This was the final year of our Binding and Building strategy. With this strategy, we have laid the foundation for a more customer-driven organisation with a focus on added value. With our new Accelerate and

Strengthen strategy for the period 2023-2028, we will continue our joint efforts in achieving sustainable growth. I am very much looking forward to making this strategy a success with our members and employees!



David Fousert
CEO, Royal Avebe

Our value creation model

Input



Cooperative of 2,036 growers
(social capital)



Research & Development
(intellectual capital)



Potatoes, energy and water
(natural capital)



Production facilities
(produced capital)



Committed employees
(human capital)



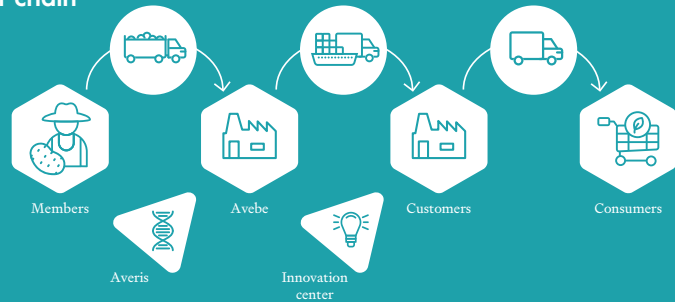
Equity & invested capital
(financial capital)

Business model

What we do

Royal Avebe is a cooperative of starch potato growers in the Netherlands and Germany. We develop high-value ingredients from potato starch and potato protein. We are working towards a sustainable food system with our members, customers, employees and other stakeholders.

Our chain



Our goal

We have a positive effect on the lives of more than 500 million consumers by promoting their health, well-being, prosperity and environmentally friendly lifestyle.

Output

Heading for more value

- € 133.34 performance price



Growth in good food

- 18% of sales from good food products
- 4 new patents filed



Market-driven sustainable potato cultivation

- +1% potato starch and protein per hectare
- -29.3% environmental impact per hectare
- +4.1% CO₂-eq per tonne of starch
- 4,613 hectares of acreage with new Averis varieties



Improve our ecological footprint

- 180 kilotonnes of CO₂ emissions
- 0.175 tonnes of CO₂ per tonne of product
- 103,000 tonnes gross weight of sludge
- 4.6% tare of potato weight
- 15.9 Mm³ water



Cooperation for the customer

- 7.3 employee engagement score
- 1.1 accident frequency index (TRIFR)
- 283 customer complaints



Impact & SDGs

Towards more plant-based food

We are working to accelerate the protein transition with our products and in cooperation with partners.



Towards more sustainable agriculture

Together with our members, we work for a sustainable food system and resilient agriculture with a fair price for farmers.



Towards more efficient production

We lower our water consumption, our CO₂ emissions and our waste streams to reduce our negative impact on natural capital such as climate and water.



How we create value

How we create value

Five pillars have been identified to help us achieve our strategic goals. They are the building blocks we use to achieve our responsible growth. Cooperation for the customer is the foundation. It supports the three pillars - growth in good food, market-driven sustainable potato cultivation and improving our ecological footprint. These three pillars are the core of the Avebe structure and form the goal that we pursue: Heading for more value. Our efforts by pillar are described from page 8 onwards.

Our strategy

The strategic period of Binding and Building ended on 31 July 2023. The new Accelerate and Strengthen strategy for the period 2023-2028 was developed in the 2022/2023 financial year.



The Avebe house



1. Heading for More value



2. Growth in good food



3. Market-driven sustainable potato cultivation



4. Improve our ecological footprint



5. Cooperation for the customer

Five ingredients for responsible growth



1. Heading for more value

We strive to achieve the best solution for all stakeholders: our growers, our customers and our employees. We call that 'shared value'.

Goal for 2023: Increase the performance price to at least 105 euros per tonne of potatoes.



2. Growth in good food

Adding more and more value with our healthy, nutritious, environmentally friendly and plant-based potato ingredients.

Goal for 2023: The value of food ingredients used in plant-based and environmentally friendly end products has increased fivefold*.



3. Market-driven sustainable potato cultivation

We stand for a sustainable food chain in which our members grow a high-quality raw material sustainably and transparently.

Goal for 2023: 10% less environmental impact per hectare* | 10% more potato starch and potato protein from a hectare* | 10% fewer carbon emissions per tonne of potato starch* | 3,000 hectares dedicated to new potato varieties.



4. Improve our ecological footprint

We improve our production processes by focusing on energy saving and greening, reducing water consumption and reducing waste streams such as tare and sludge.

Goal for 2023: 12% fewer carbon emissions in total and per tonne of product* | 20% less water consumption in total* | a 25% reduction in the tare and sewage sludge waste streams*.



5. Cooperation for the customer

Committed and motivated employees who continue to learn and together put the customer first.

Goal for 2023: >7.5 score on both employee engagement and enthusiasm | an accident frequency index lower than 0.5 | 8 critical integrated processes have been improved since 2018/2019.

* compared to 2017/2018



I. Heading for more value

Value creation for our growers, customers, employees and society is Avebe's overarching goal. We do this by applying a market-driven, innovative and sustainable approach. As a cooperative of growers with our own breeding company, factories and innovation center, we play an important role throughout the supply chain: from the field to the customer.

Performance price

This is how we work together to increase the performance price and the cooperative result. In the past financial year, the ongoing war in Ukraine, the resulting inflation and the pressure on acreage from legislation and regulations have significantly increased cultivation costs for our members. This created and continues to create increasing pressure on the total acreage available. Since we recognise that cultivation costs remain high and the pressure on acreage is increasing, we are committed to a performance price of at least 120 euros for 2024.

Result of strategy

The performance price is the yield value per tonne of potatoes. It is one of the most important measures of the results that the cooperative achieves for its members. To compare the performance price of different years, we consider a standard starch percentage of 19 per cent in the calculation each year. In 2022/2023, the performance price reached 133.34 euros. This means that we have achieved our strategic objective.

Heading for more value

	Result 2022/2023	Goal for 2023
Performance price (€)	133.34	105.00

“The cooperative provides security, innovative power and more value”

Helmer Panman is an Avebe member and tenth-generation farmer in the linear village of Ommelanderswijk, close to Veendam. An enterprising farmer who constantly thinks and acts in opportunities.

What are the main challenges for a starch potato grower?

“One of the biggest challenges is controlling potato diseases. It requires continuous monitoring and appropriate control measures to keep crops healthy. In addition, the weather can be a challenge. Extreme conditions, such as drought or excessive rainfall, can affect the yield and quality of the potatoes. Fortunately, we have the option of irrigation here, which allows us to achieve good yields in drought conditions.”

What do you think of the cooperation with Avebe?

“The cooperation with Avebe is generally very positive. Together we work on innovations, security and more value. Avebe offers support, for example in the field of crop protection. And Avebe is working on new, even better potato varieties in close cooperation with its members. Together we remain critical and closely monitor developments in the market. The price we are paid plays an important role in this respect. When assessing the current situation, I’m positive about the price development of the starch potato. Avebe is making good progress with an increasing performance price. I expect this positive trend to continue. In addition, I find the stability and security that the cooperative offers important for the future of my business.”

Helmer Panman
Avebe member





2. Growth in good food

Dairy-free feta cheese, meat-free hamburgers and gelatine-free sweets.

Some examples of products where the food industry uses our innovative solutions. They are in keeping with the rapid growth in global demand for plant-based products. Healthier food and more attention to sustainability and animal welfare are important ingredients for this growth.

We respond to this with our strategic pillar ‘Growth in good food’. We are adding more and more value with our healthy, nutritious, environmentally friendly and plant-based potato ingredients.

Cooperation with the customer

We work closely with our customers and are therefore not only a supplier, but also a partner in product development.

This way, we show what the possibilities are and help our customers create unique and distinctive products.

A fitting example of this approach is the development of plant-based feta cheese. Other milestones included the further development

of high-quality plant-based meat substitutes and plant-based cheese.

Result of strategy

The target for 2023 has not been achieved, despite an increase in the sales value of our food ingredients used in plant-based and environmentally friendly end products. This can be partly attributed to a slowdown in market growth compared to previous years. Our customers have shifted their focus from product development to cost reduction. This led to longer lead times for the introduction of new products.

Growth in good food

	Result 2022/2023	Goal for 2023
Value of products in plant-based and environmentally friendly end products	18%	40%

“Together with Avebe, we always think in terms of solutions”

Primus Wafer Paper combines starch science, drum drying technology and a century of experience in wafer paper. Managing director Wouter Smits talks about the cooperation with Avebe.

What makes your product so special?

“We make our edible paper with natural ingredients, such as potato starch. We’ve been using Avebe potato starch as our main raw material for more than a century. The applications of our edible paper are endless. As sweet wrappers, baking-resistant bread labels, under coconut macaroons and fruit bars and to decorate cakes.”

Is Avebe only a supplier of raw materials or does the cooperation involve more?

“Avebe plays a vital role in ensuring the supply of raw materials and the quality we need to make our products. We also work together on important innovations. Avebe has provided us with valuable information and is

always transparent in sharing knowledge and thinking in terms of solutions.”

How do you see the future of Primus Wafer Paper?

“We want to maintain our market leadership position and continue to expand in applications. That’s why we explore and introduce new applications for our edible paper. We focus primarily on healthy food and try to create products that meet the ever-changing needs of consumers. We strive to be at the forefront of innovation and sustainability and to work together with partners such as Avebe to find solutions.”

Wouter Smits

Managing director at Primus Wafer Paper





3. Market-driven sustainable potato cultivation

Together with its members, Avebe is working on making starch potato cultivation more sustainable to serve the market with innovative ingredients, now and in the future.

Sustainable cultivation programme

In 2018, a sustainable cultivation programme was established to work with our members to achieve the three '10 per cent-targets' (see table). Achieving the targets should also mean an extra 500 euros per hectare for our growers. We therefore call our programme '3 × 10 = 500'.

New starch potato varieties

Averis Seeds B.V. develops new potato varieties with high starch and protein yields that provide optimal resistance to diseases and that are efficient in their use of nutrients such as nitrogen and water.

The seven new Averis varieties that have been on the market since 2018 grew to an area of 4,613 hectares in 2022.

Result of strategy

We have more than achieved our goal of reducing the environmental impact at -29.3 percent. As regards a lower carbon footprint, we are well on track with a reduction of 7.6 percent.

The starch yield per hectare is lower than last year. This is mainly due to the climatic challenges. With the acreage of new Averis varieties we have far exceeded the target and the target for participation in crop registration has also been achieved.

Market-driven sustainable potato cultivation

	Result 2022/2023	Target 2023
Starch yield per hectare (10-year average)	-2.5%	10%
Carbon footprint per tonne of starch	-7.6%	-10%
Environmental impact per hectare	-29.3%	-10%
Participation in crop registration for the acreage	61%	60%
Area of new Averis varieties (ha)	4,613	3,000



4. Improve our ecological footprint

We process starch potatoes into products at our potato starch and protein plants. We do this using processes and operations that require energy, water and other resources. We strive daily to make our footprint smaller, sometimes through big investments and innovations and sometimes through small, smart adjustments.

Major savings through World Class Operations Management (WCOM)

High energy prices meant that saving energy was more relevant than ever last year. We achieved the required savings with our investments in, for example, e-boilers and partly through the WCOM programme. In this programme, colleagues from different disciplines work together. Utilities and Operations use online dashboards as part of their daily consultations. In the past year, all production sites were explored to find new savings opportunities.

Result of strategy

Throughout the strategic period, total CO₂ emissions fell by 28 percent and by 14 percent tonne of product. In doing so, we met our CO₂ reduction targets. The objective of less water consumption has also been achieved. We still need to take more steps in the field of waste reduction. Improve our ecological footprint again plays an important role in our new strategy. Various strategic programmes are getting started with even stricter targets.

Improve our ecological footprint

	Result 2022/2023	Goal for 2023
Carbon emissions	-28%	-12%
Carbon emissions/ tonnes of product	-14%	-12%
Water consumption	-22.4%	-20%
Waste - tare	-11.5%	-25%
Waste - sludge	-21%	-25%





5. Cooperation for the customer

We work with our farmer members, customers, employees, research institutions and other stakeholders to produce healthy, nutritious and environmentally friendly ingredients. We achieve this with sustainably employable, vital and engaged employees who can work in a safe working environment.

Training and development

Last year was characterised by a clear shift towards more attention to authentic leadership, development and growth. The main goal is to give employees more control over their own development and career. In return, we expect our employees to have a proactive and open attitude, focused on development and taking advantage of opportunities.

Safety

Safety is a key focus. We want all employees to be able to do their work safely and go home safely. We did not yet achieve the desired result in the past financial year. Analysis shows that many of the incidents can be

prevented by continuing to communicate the basic rules, both technically and how we deal with safety. We will continue to focus on further professionalising the work permit and strengthening the basic safety rules, thereby raising the organisation's safety behaviour to a higher level.

Result of strategy

We did not achieve our goal of an accident frequency index of 0.5 or less. Although the index did fall from 1.7 to 1.1. Last year the number of customer complaints fell to 283. That is 21 per cent less compared to the previous financial year. This means the target has been met.

Cooperation for the customer

	Result 2022/2023	Goal for 2023
Employee engagement	7.3	>7.5
Accident Frequency Index	1.1	0.5
Customer complaints	283	<1/day

Heading for more value

Growth in good food

Market-driven sustainable potato cultivation

Improve our ecological footprint

Cooperation for the customer



Sustainable Development Goals

Avebe aims to have a positive impact in the short and long term. We focus on long-term value creation with our strategic objectives and activities in the chain. We link our long-term impact to the United Nations Sustainable Development Goals (SDGs).



The Accelerate and Strengthen strategy

Heading for more value together

Accelerating the transition to more plant-based products, by creating distinctive value for our members, employees, customers and society. That is the focus of Avebe's new strategy for the period 2023-2028: Accelerate and Strengthen - together we build sustainable growth.

Strengthen the core

Accelerate

Focus on portfolio growth with distinctive functional potato starch and potato protein ingredients.

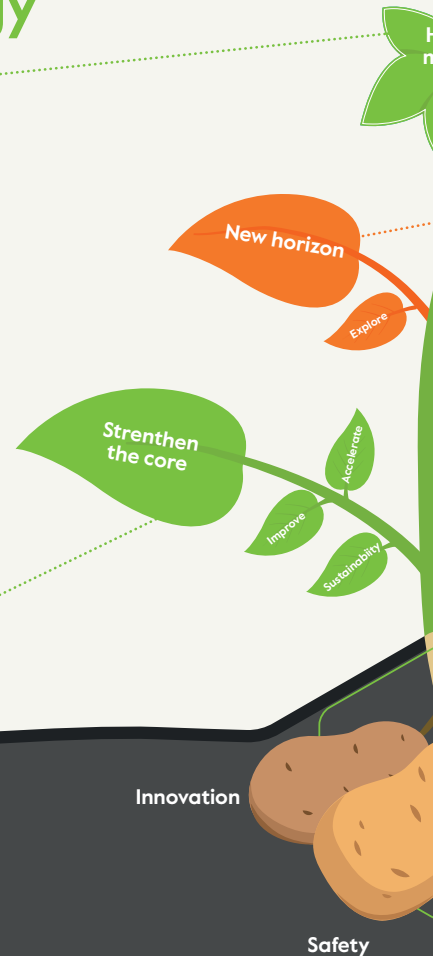
Improve

Optimising the cultivation, our operational footprint and cost efficiency. Our production sites are ready for the future.

Sustainability

Our products reduce the footprint of our customers in plant-based food and biobased, circular ingredients for the construction and packaging industry. We improve our footprint in line with the Paris Climate Agreement, reduce our water consumption and make circular use of waste streams.

Together towards profitable and sustainable potato cultivation with the 3xH programme: Healthy farm, Healthy cultivation and Healthy environment.



Heading for more value together

Accelerate plant-based

Accelerate plant-based

Expand

Strengthening the starch and protein proposition in functional and nutritional plant-based ingredients.

- Expanding capacity and portfolio of both potato starch and protein products for emerging plant-based markets;
- Expanding potato protein for human food;
- Adapting the production line in Dallmin for human food protein.

Develop

Developing new markets and market segments where our plant-based alternatives offer distinctive and added value.

New horizon

Explore

Alternative proteins provide market opportunities in a mix with our current potato protein and starch products. We are investigating the synergy benefits and feasibility in existing production lines. Changes in crop rotation in the field also provide opportunities for the cultivation of alternative protein crops, such as field beans. In addition, we can see that alternative technologies such as fermentation are emerging and have potential.

Sustainability

Key figures

in millions of euros (where applicable)	2022/2023	2021/2022	2020/2021
Gross turnover	855.2	768.8	636.1
Net turnover	803.8	711.6	593.1
Operating results	35.7	18.6	6.9
Interest charges	9.6	4.4	3.5
Cooperative result after taxation	20.8	12.1	9.2
Depreciation	41.3	37.7	36.7
Investments in tangible fixed assets	40.1	44.1	66.4
Group equity	222.0	211.4	208.6
Loan capital including provisions	502.2	424.9	375.5
Total assets	724.2	636.3	584.1
Group equity as a % of total equity	30.7	33.2%	35.7
Net cash flow prior to the financing facilities	-64.7	-31.8	-81.1
Net debt	359.5	288.6	248.9
Performance price (EUR/tonne) ¹	133.34	98.56	93.30

¹ The performance-related price comprises the payments for the delivered potatoes plus the net result divided by the tonnage delivered by members on shares. Calculated as a starch percentage of 19% (underwater weight of 470 grams).

About Royal Avebe

Royal Avebe is a cooperative of more than 2,000 arable farmers in the Netherlands and Germany.

Each year, the starch potatoes of our members are processed into high-grade ingredients based on potato starch and protein, adding value to food products, industrial applications and animal feed across the globe. Avebe is continuously developing new opportunities and applications based on starch potatoes and

is focused on a sustainable future. Avebe has some 1,300 employees and production sites in the Netherlands, Germany and Sweden and sales offices in the United States, Europe and Asia. The Head Office is in Veendam.



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This summary of the annual report is a publication of Avebe and is also available in a Dutch, German and Swedish version.

For the full annual report, go to www.avebe.com/about-us/downloads or scan the QR-code.

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