

# Annual Report

2023/2024

**"STRONGER TOGETHER"**

Say potato,  
say **Agrico.**





New lab supports our leadership in strong varieties



There has been a strong demand in the industry



New opportunities in the starch and flake industry with the takeover of Semagri



Agrico offers a solid foundation for growers

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The Annual Report is published in English and Dutch. In the event of inconsistencies between the English and the Dutch version, the Dutch version shall prevail.

\*The Management Report as referred to in Part 9, Book 2 of the Dutch Civil Code concerns the sections marked with an asterisk (\*).

## Stronger together

Agrico celebrated its 50th anniversary in 2023 - which is a part of this financial year. The Management Board and Board are fully aware that finding a new direction quickly in the change field is required. The establishment of PotatoNext on October 1, 2023 and the takeovers of Royal ZAP and The Potato Company (TPC) in Emmeloord are witness thereof. The decision was also taken to significantly invest in the breeding center and tinker on a new strategy with growth ambitions abroad and more of a focus on the best performing varieties and sales markets. After consulting members, the decision was taken this year to implement changes in the annual potato sales strategy: recording a lower volume before the season for higher prices. This should all lead to a further increase of seed potato prices for members.

Charles Darwin, who laid the foundation of the theory of evolution, already said it: "It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is most adaptable to change."

# The year of the 'remontada'

In Spain, a country with which Agrico does a lot of business, they have a great and powerful word for a comeback. This word is remontada. It is often used in soccer matches where a club knows how to convert a disappointing result in the first leg into a resounding win in the second leg. The word embodies the resilience and tenacity of and conquering seemingly impossible challenges.

I had to think of that word when I started to write the foreword for this Annual Report. Two years ago, the seed potato growing scene drastically changed in Western Europe. The market had to deal with a significant contraction of the acreage, which was, in particular, caused by huge price increases in the growing of consumer potatoes for the processing industry. The seed potato cultivation was experienced as being less attractive in certain regions because of the financial performance, but also certainly due to the risks linked to their cultivation.

These were clear signals for Agrico that things needed to change to make sure the cultivation again became attractive for our members. A type of remontada.

In all modesty, I dare to state we have achieved the remontada during the past financial year. To convert a further downturn in seed potato acreage, payment and markets into an advantage. The loss of 6% of the seed potato acreage in 2023 was more than compensated with the takeovers of the seed potato Zaaizaaden Pootgoedtelersvereniging Anna Paulowna (ZAP) and The Potato Company (TPC) in Emmeloord (the Netherlands) while we also significantly strengthen our market power both in licensed and free varieties with these two takeover. In addition, under our own steam, we grew our acreage by 3% because we managed to add 75 new seed potato growers in the Netherlands. We acquired 25 growers in organic potato growing and we grew from an acreage of 700 to more than 1,000 hectares. These are, in all modesty, quite fantastic figures in a country where the acreage is under pressure.

We do not believe this growth is accidental. Further growth is urgently needed to strengthen our position on the Dutch market and to remain a partner of the Western Europe potato processing industry in particular. The demand for high-quality seed potatoes from this market continues to be just as considerable and this also currently applies to the European ware potato market. It all looks slightly more unstable for markets overseas and I am not so sure that countries want to nor can continue to pay propagating material prices that are constantly increasing. All things considered, however, the forecasts for the coming years look positive. We want to continue playing a leading role in all these markets. This is the reason for the ZAP and TPC acquisitions and the recruitment of new propagating material growers. We have observed that the acreage in the Netherlands is quite close to the ceiling. This is why growth will mainly take place abroad during the coming years. In Denmark and Germany where we carefully started this financial year, we want to grow from 0 to 1,000 hectares of propagating material cultivation within four years.

Our ambition in France is to grow from 4,000 to 5,200 hectares during the coming five years.

Growers in these countries cannot become members of the cooperative, but we do pay them a price in line with the market. Their contribution to Agrico should ultimately benefit the payment capacity for our Dutch members. Further afield, in countries such as Kenya and Tanzania, we are trying to achieve further growth with local partners and local crops.

We have also managed to achieve a remontada this year in our payment prices for seed potatoes. It is true that, during the past few years, this was already always on the increase, but performance and risks that are linked to growing were left behind regarding the stormy price developments in the French fry potato growing segment. A considerable improvement in the performance - € 10 per 100 kilos of seed potatoes, € 2,100 per hectare more - is also guaranteeing a reversal in this area this year. We want to continue to continue to be on the increase during the coming year. What should help within this context, is that we do make long term agreements with our customers, but we no longer set prices long term. We hope to profit more and faster from increasing market prices with this. Our members, who we consulted on this, were clear: do continue setting, but do not do so too much. We listened closely to this.

To conclude: the world and the market have changed to such an extent that we are refocusing Agrico's strategy. A process in which we determined the new direction together with the Supervisory Board and the Board of Members.

Key points in the new strategy are the aforementioned further growth abroad, but also moving away more quickly from less well-performing potato varieties and sales countries with disappointing turnover figures. This makes it easier for our operational people to manage the complex Agrico business more efficiently and to minimize failure costs.

The investment of € 15 million in a brand new and advanced laboratory complex for Agrico Research and therefore into stronger and more resistant varieties, will also bear fruit in the future. In short, Agrico turned a few threats into opportunities this year and will continue to build on all fronts during the coming year. For a strong, healthy and future-proof cooperative.

Mark Zuidhof, CEO



Mark Zuidhof, Agrico CEO

## Key Figures

	2023/24	2022/23	2021/22	2020/21	2019/20
<b>Financial</b> (x 1,000)					
Consolidated product turnover	412,271	409,754	343,136	292,731	335,747
Operating balance	3,663	1,538	2,274	3,391	2,545
Fixed assets	37,258	43,026	36,792	34,221	29,517
Current assets	62,344	64,234	45,981	45,208	45,716
<b>Balance Total</b>	<b>99,602</b>	<b>107,260</b>	<b>82,773</b>	<b>79,429</b>	<b>75,233</b>
Reserves	37,930	35,813	34,895	33,004	29,734
Third party share	1,295	1,040	966	846	756
<b>Total Group Assets</b>	<b>39,225</b>	<b>36,853</b>	<b>35,861</b>	<b>33,850</b>	<b>30,490</b>
Subordinated loans of members	13,409	10,790	6,659	5,902	3,745
Solvency	52.8%	44.4%	51.4%	50.0%	45.5%
Cash flow from operating activities	15,167	-5,080	6,174	804	-1,313
Liquid asset balance	22,098	7,951	7,210	7,128	10,199
Debts to members for produce delivered	25,806	24,927	17,128	15,723	16,126
<b>Delivery</b>					
Seed potato acreage (in hectares)	13,791	14,733	14,965	14,848	14,633
Delivered quantity (in tonnes)	461,100	555,900	501,700	510,700	549,700
Ware potato acreage (in hectares)	997	1,991	2,403	2,295	1,985
Delivered quantity (in metric tonnes)	51,900	97,200	105,200	112,300	94,200
<b>Totals</b>					
Number of members	1,879	1,739	1,804	1,452	1,564
Number of companies	649	721	734	801	804
Number of employees (in FTEs)	241	283	279	273	268

## Agrico group structure



# Maximum Contribution to Income members

Agrico is a cooperative enterprise operating in the seed and ware potato markets. The core business of our enterprise lies in the marketing of protected varieties of produce, either developed by Agrico itself or acquired from third parties for whom Agrico acts as a representative. In order to be able to do this, we run our own breeding station and collaborate closely with breeders at home and abroad.

## World Player in Developing Potato Varieties

Due to our protected varieties, we want to operate in larger cultivation areas in countries where seed potatoes are certified and plant variety rights are recognized. We are a world player in the market-oriented development of potato varieties and in the cultivation and marketing of high-quality seed and ware potato varieties that are grown both conventionally and organically.

## Maximum Contribution to Members' Incomes

We aim to contribute as much as possible to the income of our members. The payment rates – either per 100 kg or per hectare – when compared with the competition serve as a benchmark. This is subject to a going-concern requirement, which is expressed in a solvency ratio of at least 40% on the balance sheet date.

The basis of our strategy is good growth. We seek to grow in both quantitative and qualitative terms. Quantitatively, this means that the performance of what is grown must be good. From that perspective, we are not afraid of letting crops and varieties go. To grow what you think will sell well, that is our tenet.

## Qualitative growth key points

The key points of qualitative growth are the personal development of our employees and the strategic themes Corporate Social Responsibility (CSR) and innovation. Based on our mission and vision, we have defined a number of core values which guide the daily actions of our employees.

These core values are:

- Professional: our employees are result-oriented professionals who influence situations and achieve goals based on current know-how.
- Connected: our employees assume responsibility for the organization and for their own actions. By working together and sharing knowledge openly and honestly, we build sustainable connections.
- Personal: our employees are reliable and genuinely involved, providing support and encouragement where possible.

## Corporate Social Responsibility

We are convinced that an overall focus on CSR will become a prerequisite for effective business practice. In this way, we want to demonstrate our social commitment and responsibility and allow our growers to be food safety certified. This also simultaneously strengthens our brand and image and regard CSR as an important precondition.

## Collecting and analyzing data

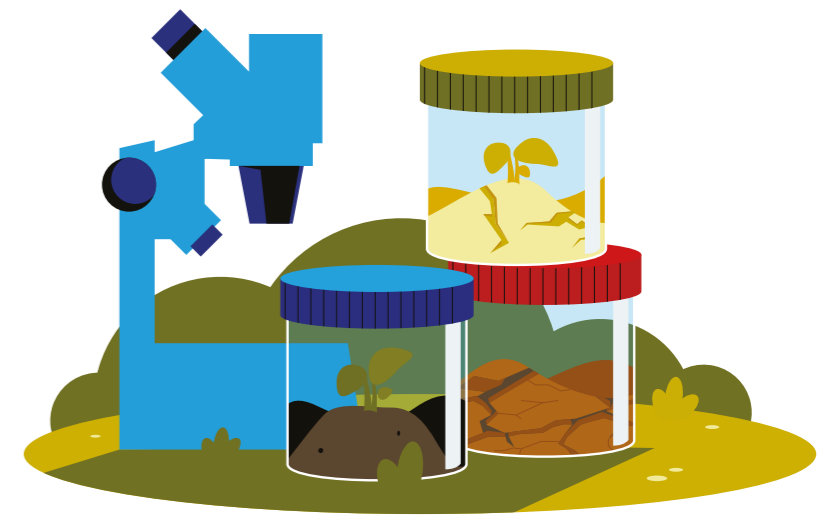
Innovation through further digitalization has an impact on our company's processes and on the type of relationship we have with our supply chain partners. Data collection and analysis and information sharing will continue to be a very important priority. This allows us to better respond to the wishes and needs of our customers and enables us to identify inefficiencies, which helps us to save costs and increase productivity.

## Mission and vision

### Mission: Passion for potatoes!

Through our cooperative structure, we supply high-quality seed and ware potatoes worldwide, with the expertise required for this.

We develop varieties that are suitable for every place on earth where professional, successful and sustainable potato cultivation is possible. In this way we contribute to food security for a growing world population. With respect for people and the environment, we create value for our customers and the members of the cooperative.



### Vision: Good growth is our ambition!

By increasing the professionalism of the organization, we ensure better quality potato cultivation.

This with maximum attention to innovation, people and the environment. Our growth is driven by the increasing global demand for seed potatoes. We develop the best varieties for existing and new markets, both conventionally and organically grown. In an inspiring environment we work on optimal growth for all our stakeholders.





# Report of the Board of Directors

A turbulent growing and harvesting season, spectacular price increases, takeovers, acreage expansion abroad and the establishment of a new strategy. A lot happened in the 2023/2024 financial year. We look back on each topic, but especially ahead with Managing Director Mark Zuidhof. 'We are growing on all fronts.'

# We are growing on all fronts

**T**he 2023 cultivation and harvest season were quite challenging. With a difficult growing season, a late harvest, but ultimately still a reasonable average yield of 40.5 metric tonnes per hectare. The coarseness of the produce was striking, with a 36% of excess. In the meantime, the demand for propagating material was high, especially among consumer growers and chip factories. All this led to a payout price that was around € 10 per 100 kilos higher than the year before. Per hectare, a propagating material grower from Agrico received € 2,100 more per hectare than in the 2022/2023 financial year. 'We still manage to take a step forward in the payout price every year and we hope to take that step again in the 2024 harvest,' says Mark Zuidhof. As in the 2022/2023 financial year, we passed the € 400 million turnover mark.

## New sales strategy for industrial varieties

One of the instruments to achieve a higher return per hectare is a change in the sales strategy for industrial varieties. Mark: 'This market has become so volatile that it is no longer responsible to set prices for a longer period.

In recent years, prices on the free market have risen sharply, while we still had quite a few contracts running for lower prices. That had a dampening effect on our payment capacity. We want to get rid of that, fully realizing that overproduction can also go the other way.'

In concrete terms, this means that Agrico still concludes multi-year contracts regarding the volume to be

delivered, but no longer sets a price for this in advance. Price agreements are now only made for a maximum of one year in advance. With regard to commercial recording, Agrico consulted its members. This was a clear signal that growers wanted to agree to less volume in advance and that the prices for the volume that was set needed to be higher. We have incorporated this into our sales strategy for the 2024 harvest.



Mark Zuidhof, Agrico CEO

*'We still manage to take a step forward in the payout price every year and we hope to take that step again in the 2024 harvest.'*

## ZAP takeover

On October 16, 2023, Agrico took over the seed potato activities of Royal Zaaizaad- en Pootgoedtelersvereniging Anna Paulowna (ZAP). 'The acquisition of ZAP gives us the perspective to continue to achieve our growth objectives despite the shrinkage of the available propagating material acreage in Western Europe and thus remain a stable partner in the sector,' says Mark. The operational cultivation activities have been transferred to Coöperatie Agrico and the commercialization of the propagating material to the newly established company ZAP BV. With the takeover, the cooperative will gain approximately 25 members and we will create a broader sales network. Semagri was also part of the takeover. This propagating material company was founded in 2002 and was taken over by ZAP in 2017. Since then, the brand has focused solely on the production and sales of varieties for the starch and flake industry.

## Acquisition of The Potato Company (TPC)

On March 15, 2024, Agrico acquired the shares in the seed potato trading house The Potato Company (TPC) in Emmeloord. After a successful multi-year strategic partnership in the international seed potato world, this acquisition was a logical next step for both organizations.

The fast-growing TPC has been in existence for almost 20 years and has approximately 450 hectares of seed potatoes, grown in a pool context. In addition, TPC is very active in free trade and has a well-operating distribution network to more than 60 countries for both its monopoly varieties and varieties that can be traded freely. TPC is strong in developing potato varieties with broad potato eelworm resistance. Within the Agrico group, TPC retains its own identity.

## Growing abroad

In addition to the growth through the acquisitions of ZAP and TPC, Agrico is also achieving growth through its own efforts. This is especially visible in organic potato cultivation. Growth in this segment is urgently needed to strengthen the position in the Dutch market and to remain a partner of Dutch retailers in particular. Further growth in the acreage of seed potatoes must primarily take shape abroad. 'We have cautiously started with cultivation in Denmark and Germany and want to grow to 1,000 hectares of seed potato cultivation within four years. In France, our ambition is to expand our acreage from the current 4,000 hectares to 5,200 hectares in the next five years. 'Growers in these countries do not become members of the cooperative, but are paid a market-based price. Their contribution to the total potato volume of the Agrico group should ultimately benefit the payment capacity for our Dutch members.'



## Report of the Board of Directors

Further afield, in countries such as Kenya and Tanzania, Agrico is trying to achieve further growth with local partners and local crops. Finally, it is good to note that our foreign subsidiaries are doing well and have all had a good financial year.

### Celebrating the 50th anniversary

During the annual Breed Show in November 2023, the celebration of the 50th anniversary was concluded with an international symposium on the food chain. In addition, there was a large closing anniversary party in the Koningshof in Urk with more than 500 business contacts including customers and employees of the foreign subsidiaries. During that week, various workshops and other activities were also organized for the employees of Agrico and its foreign subsidiaries. 'This is to make our colleagues abroad more aware of Agrico's activities in the Netherlands.'

### Farewell to Jan van Hoogen

At the Breed Show, Jan van Hoogen said goodbye to all his relations at home and abroad.

Jan worked for Agrico for 35 years, the last ten years as Managing Director. In his farewell speech to the growers, Jan said: 'Thank you for all these years. Take good care of yourself and your cooperative. Don't think in short terms of quick earnings, but think in the long term, as we must do for the continuity of your cooperative.'

During the central members' meeting in December, Jan handed over the baton to his successor Mark Zuidhof, who has formed the Management Board together with Van Hoogen since autumn 2022. Since January 1, 2024, Mark has been the sole director. 'I have expanded the management team with the HR Manager and the Director of Agrico Research. This means that all levels in the team are now represented. Operations, finance and commerce were already represented.'

### Key points in Strategy 2030

The world and the market have changed so much over the past two years that Agrico has revised the 2030 strategy established in 2018.

'A process in which we determined the new direction together with the Supervisory Board and the Board of Members,' says Mark. Key points in the new strategy are further growth, particularly abroad, to meet the increasing demand, but also to say goodbye more quickly to less well-performing potato varieties and to sales countries with disappointing turnover figures. 'This makes it easier for our operational department to manage the complex Agrico business more efficiently and to minimize failure costs,' says Mark.

A third spearhead is that a top 30 of countries has been established based on volume, turnover and potential. 'We will intensify our sales activities in these 30 countries with the aim of further increasing Agrico's market share in these countries.'

'The 2023/2024 financial year was mainly characterized by the high percentage of excess. It made the season a big challenge. Both our members and employees and our customers had to find solutions to provide as many hectares of seed potatoes as possible.

I can say that this has been achieved thanks to our joint efforts and I am proud of that.

I would like to thank everyone for their flexibility and commitment to making 2023/2024 a success!'



# New lab supports our leadership in strong varieties



This financial year, Agrico Research decided to build a new laboratory complex. The new building will be completed over the next 1.5 years and will cost approximately 15 million euros. The new laboratories will support research staff in selecting faster and more specifically for the characteristics that you would like to see in new potato varieties.

Agrico Research is constantly on the move. Not so long ago, a completely new greenhouse complex was built at the breeding and research company in Bant. In the 2022/2023 financial year, 31 hectares of agricultural land were purchased and Peter Oldenkamp was appointed as the new Director in the past financial year.

And now Agrico Research is starting the construction of a completely new laboratory complex, which is due to be completed in the summer of 2026. Half of the existing building will be demolished, namely the laboratories, the kitchen and reception area. The new construction will take place on the same foundation. There will be two floors, each containing a molecular laboratory, a quarantine lab, a vitro lab and a reception area. A new rough kitchen and a space to receive samples will also be built.

Demolition work will begin shortly after New Year's Eve. Construction is scheduled to start in April 2025 and be completed in the summer of 2026. Preparations for this major operation started in October 2023.

During the new construction, the daily process continues as normal. This means that many activities are temporarily relocated. The quality center in Emmeloord is used for a number of activities. 'The new laboratories must ensure that Agrico Research remains a pioneer in variety development,' says Peter Oldenkamp. He has been Director since August 1, 2023 and succeeded Sjefke Allefs, who now fully focuses on breeding and research work.

#### *Why new construction?*

'The existing laboratory is too small and very outdated. But the most important reason is that we want to make better use of molecular technology, so we want to become more efficient in our breeding work and get the right properties together faster.'

What we want is to ensure that you can quickly determine, based on genetics, which offspring of a cross contain the specific required characteristics. As a result, you go to the field with far fewer offspring to further select. There is a greater chance that something good will come out of this.'

*To continue to put it in sports terms, the greatest talents are found more quickly.*

Peter: 'Yes, you select the right talent more quickly. Whether they are good enough remains to be seen. But the potential for quality and resistance in the plants you take into the field is much greater. Because you continue to work with far fewer offspring, there is also more room in the field to test more or different genetics that prove to have 'talent'.'

*'We believe in our Next Generation varieties because they form the basis for a future with many more and higher resistances.'*



Peter Oldenkamp, director Agrico Research

#### *Does it also mean that the breeding work is being accelerated?*

'We will try to do that, but it will not be substantial. If we can reduce the 12 years it takes to develop a new variety by one or two years, that would be a lot. It is mainly an investment in efficiency, so that you can introduce even better new varieties in the same time than is currently the case.'

*Will the workforce also be expanded?*

'This summer we hired a Bioinformatician who can also do something with all the available data and analyze all that information. So that we can make better breeding choices based on that analysis.'

*Does the acquisition of ZAP and TPC also have an impact on the breeding work of Agrico Research?*

'Not in the breeding work, but in the way we market varieties. Both ZAP and TPC work with independent growers, while we work with affiliated growers. We will continue to facilitate only the affiliated growers and can now facilitate the independent growers from TPC.'

When new varieties are introduced to the market, we have the opportunity to see which varieties we can best position where. This fits seamlessly into the brand policy of Agrico and its new subsidiaries.

*How exactly does that work?*

'Well, a good example is the new, early red-skinned variety Rosalyn, which was bred by our affiliated growers Hermus and Van der Linden from the Noordoostpolder. Last year the variety would have been marketed under the Agrico brand, but because Agrico already has a strong red-skinned variety range, it is strategically smarter to market Rosalyn under the ZAP brand.'

*Including Rosalyn, Agrico is launching four new potato varieties on the market this year. What are the other three?*

'The Leonore is a variety bred by Agrico Research. It is an early French fry variety, with a good yield, long length and a high dry matter content. The variety also has a very nice skin and may therefore be an interesting introduction for the table market. Then the Janick, a variety from our breeder AKV from Denmark. This is a starch variety with improved resistance to late blight. Finally, the Sidney, also an Agrico Research variety. This is a mid-late, white-fleshed variety, suitable for the chip industry. It has coarse tubers, good dormancy and virus resistance.'

*Something else. The late blight pressure has been unprecedentedly high for two years now. All existing resistances have been broken this year. What does this mean for Agrico's breeding work and Next Generation varieties?*

'That discussion has been a big one over the past year. You see fellow trading houses withdrawing from the organic market because of late blight. And even from Wageningen research, where they have always promoted building in resistances with all kinds of projects, some people said: just withdraw varieties with one resistance, because it doesn't work. We see this differently and are continuing full throttle with the further development of our Next Generation varieties.'

*Please explain.*

'We believe in our Next Generation varieties because they form the basis for a future with many more and higher resistances. It is not wise to suddenly throw that overboard because they are broken in certain years in certain regions. This is part of the intermediate phase of varieties with one resistance gene that we are currently in. In that intermediate phase you have to try to operate smartly by looking at which resistance genes work in which region.'

'For example, we see that an Alouette has broken through en masse in the Flevoland polders, but not in North Holland. Next year that pattern could be completely different. Whether or not a breakthrough occurs depends on the virulence of the late blight, weather conditions and possibly also the presence of waste heaps. So, what we see is that our breeds do work, but not everywhere and not always.'

*But it is a basis of resistance to build on?*

'Our aim is to accelerate the market introduction of varieties with two or more resistance genes against late blight in the coming one or two years. More and more resistant varieties are emerging and the army against late blight is becoming stronger. Even if there are stacked resistances, you will see that varieties can be affected. But the chance is getting smaller and the outbreak is becoming less aggressive due to built-up resistance. We must continue to innovate, which is why the new build fits into this strategy.'

*'Our aim is to accelerate the market introduction of varieties with two or more resistance genes against late blight in the coming one or two years. More and more resistant varieties are emerging and the army against late blight is becoming stronger.'*



# Agrico's turnover amounts to € 412 million

Despite the divestment of the regular ware potato activities, Agrico's consolidated turnover for the 2023/2024 financial year amounts to € 412 million. That is a fraction higher than the € 410 million from the 2022/2023 financial year. In the previous financial year, Agrico decided to make its ware potato activities independent, with the cultivation activities and subsidiary Leo de Kock BV being incorporated into the new cooperative PotatoNext. That turnover has therefore disappeared. On the other hand, there was additional turnover from ZAP. TPC was only acquired in March, the operations of this subsidiary are not yet included in the consolidated figures, but the balance sheet is.

'Roughly speaking, you can say that the decline in turnover from consumption is compensated for by the higher prices paid for our propagating material. The physical propagating material yield per hectare was lower than in the previous financial year, but the kilogram prices were considerably higher,' explains interim Financial Manager Jan Hoogenboom. 'In addition, the produce from propagating material that was sold for consumption was also sold for a significantly higher price.'

The consolidated turnover from seed potatoes, including mini tubers, amounts to € 352.9 million. Last year that was € 323.4 million. The turnover

from organic ware potatoes amounted to € 13.5 million. Seed potatoes sold for consumption, together with the sale of regular ware potatoes, generated € 35 million. The transfer of PotatoNext took place on October 1, 2023. Licensing generated € 8.9 million and other activities generated € 2 million. A total amount of € 226 million was paid out to the growers. Indirect costs at Agrico increased by € 0.9 million. 'This is related to additional costs incurred in connection with the sale of Leo de Kock, but also the celebration of the 50th anniversary, higher salary costs and more consultancy costs.'

### Sale of Leo de Kock

The 2023/2024 financial year is characterized by the implementation of the strategic movement that had already been initiated in 2022/2023. The contribution of assets from Leo de Kock and the conventional consumer potato division of PotatoNext was completed on October 1, 2023. 'Financially, the transaction had a positive impact on Agrico's operating account and balance sheet,' says Hoogenboom. This was reinforced by the sale of Leo de Kock's property in Purmerend to an investor. In total, this generated a cash flow of approximately € 14 million. This money was used, among other things, to purchase TPC and ZAP and to improve the cash position.

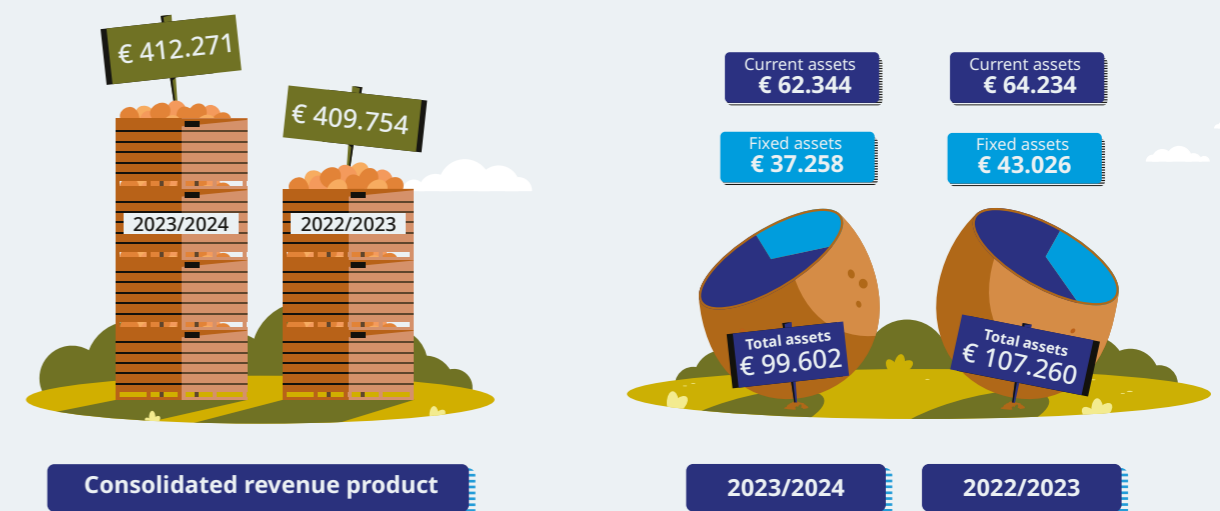
### New Agrico Research construction

This financial year, Agrico decided to invest a total of approximately € 15 million in the breeding center Agrico Research. The investment will be financed with a long-term bank loan. The amount of the loan was made possible in part due to the members. They provided money for a subordinated loan. This subordinated loan is part of Agrico's liability capital. In the 2023/2024 financial year, a total amount of € 4.5 million in subordinated loans was paid out. Jan Hoogenboom: 'This is the largest investment in Agrico's 50-year history. The subordinated loan from the members strengthens the liability capital, which has strengthened our financial position towards the bank. This makes it possible for us to borrow such an amount from the bank.'

### Don't lean back

When asked whether Hoogenboom is satisfied with the financial result, he states: 'As a cooperative, we do not look at the result in financial terms. The board determines the addition to the reserves and therefore the result. Satisfaction with performance is more reflected in the realized payout price, linked to the percentage that could be sold as propagating material, the result of the investments and the income from licenses. All this was satisfactory, although that does not mean that we can sit back and relax.'

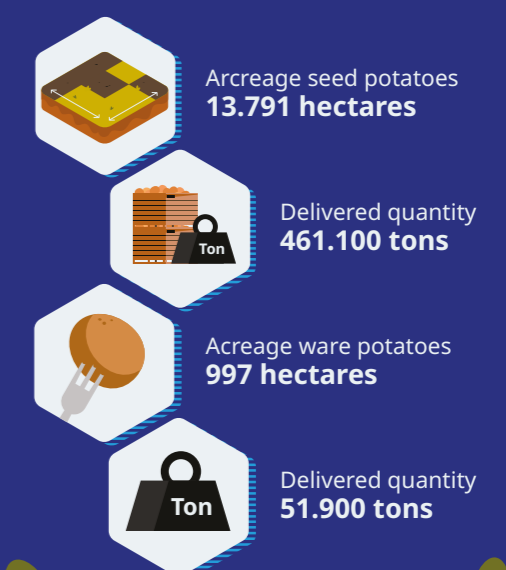
## Financial (x 1.000)



## Solvency



## Delivery figures 2023/2024



## Figures 2023/2024



# There has been a strong demand in the industry

Completely sold out in the seed potato size. This resulted in a seed potato price of € 44.65 per 100 kilos for all varieties and classes of delivered kilos in the size 28 millimeters upwards. That is about € 10 more per 100 kilos than the year before.

In conversation with Wieger van der Werff and Jan Mesu, Commercial Manager and Operations Manager at Agrico respectively. In Jan's office, at the potato cooperative's headquarters in Emmeloord, there is reasonable satisfaction. In the past financial year, Agrico achieved a price that was approximately € 10 per 100 kilos higher than last year. This was because the seed potato size was completely sold out; even the oversized tubers up to 70 millimeters of the French fry varieties was sold as propagating material.

The payout price for the seed size was € 51.90 on average per 100 kilos. The average price paid for the oversized tubers was € 29.89. This resulted in a seed potato price of € 44.65 per 100 kilos for all varieties and classes of delivered kilos of the size 28 millimeters upwards. The seed potato grower received an average of € 17,500 per hectare from Agrico, including storage compensation and other compensation. That is € 2,100 per hectare more than in the 2022/2023 financial year.

#### *What were the characteristics of the 2023/2024 growing and harvest season?*

The extreme weather conditions during the 2023 growing season made for a challenging growing year. 'There was a dry growing season and a wet harvest season, which resulted in a small portion of the propagating material remaining in the ground,' says Jan. This is reflected in the total availability.

For example, the average hectare yield for the 2023 harvest was 40.5 metric tonnes. That is more than 2 metric tonnes less than the 2022 harvest. The percentage of oversized tubers increased significantly, from 14.5% in the 2022 harvest to no less than 36% in the 2023 harvest. "A clear consequence of the low setting," says Jan. The dry growing season, especially in July, caused slightly more scab in the batches. As a result, 5% less in quality premium amounts was paid out in 2023.

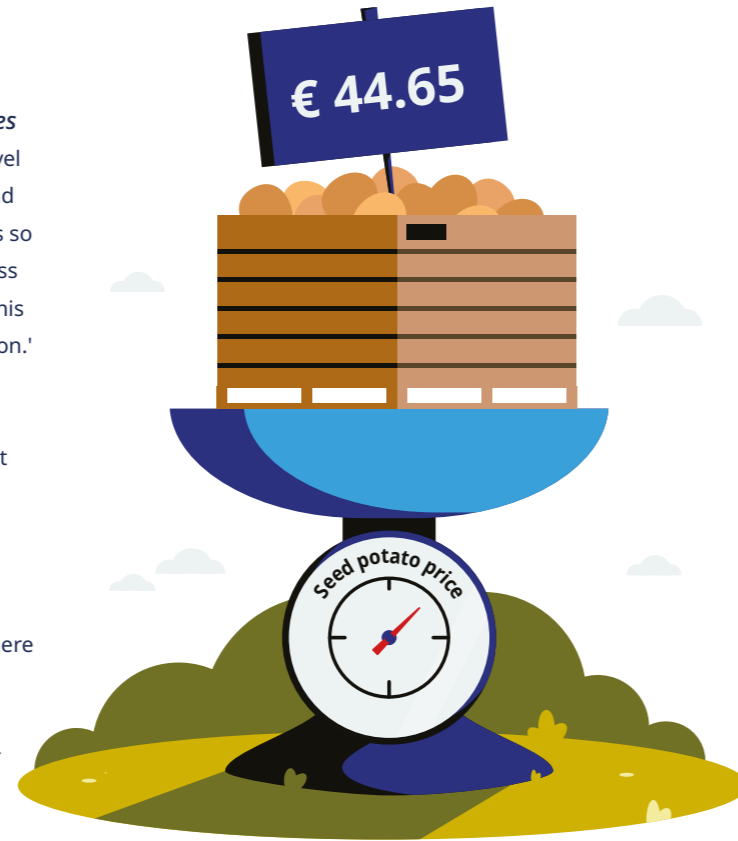
#### *How did the 2023/2024 sales season ultimately go?*

Wieger: 'We were late with the harvest. As a result, the big challenge for early exports was to find enough sortable potatoes. That's one of the reasons we've done less overseas. On top of that, the overseas market was also significantly worse. Sudan, normally a major buyer, hardly bought any propagating material this year because of the civil war raging there. Algeria exported 25,000 tonnes less, Egypt 20,000 tonnes less, Morocco 9,000 tonnes less and Iraq 9,000 tonnes less, almost all due to shortages in financial resources. Normally these are bad figures, but they also reflect our availability of seed potatoes. Especially due to the limited quantity in the pot size, we were completely sold out and were able to offer good prices.'



*Then the European market for the sale of seed potatoes*  
 Wieger: 'The consumer market in Europe was at a good level throughout the year, which also resulted in healthy demand for the new season to buy seed potatoes. The demand was so great that we were also able to sell seed potatoes of the less common potato varieties on the European table market. This year we have sold little or no seed potatoes for consumption.'

*What was the demand from the French fry industry?*  
 Wieger: 'The demand was so great that we could only meet the agreed volume contracts by switching to coarser sizes. The European industrial market was very demanding, the prices were good and as a result we were ultimately able to sell a large part of the oversized tubers as propagating material. In addition to the contracts we had concluded, there was considerably more demand, which Agrico was unable to meet with regular French fry varieties, but was able to do so with varieties that do have reasonable properties for processing into French fries.'



*What is your final conclusion when it comes to the sale of potatoes from the 2023 harvest?*

Wieger: 'The industry was very demanding. Despite the coarse size fractions, Agrico has managed to supply all industries with contract sizes, we have not had to cancel any of the contract sizes for anyone. The industry would have liked to have many more seed potatoes, but that extra demand was not available. Part of our volume was set in advance, which meant that we were unable to take sufficient advantage of the free market price.'

*What exactly do you mean by that?*

Wieger: 'The price is realized over a whole year, with all its highs and lows. But only when you make it known, will there be a full view of how the market has developed. For most growers, the industry daily price at the specific time is what is etched into their memory. If the seed potato price is € 60 and the seed potato price ends up a bit lower, then, sometimes, there is disappointment. While all growers also know that 90% of the ware potatoes go to the industry at contract price. This price was still less than a quarter in December.' In December we made the conversions from the finer sizes to the coarse sizes with our industrial customers.



Wieg van der Werff, Commercial Manager

Jan: 'Markets are becoming more transparent. Growers know what's happening in the market daily. A simple app can, so to speak, tell you what kind of trading is being done and that suddenly becomes the truth. They then forget that the price was at a much lower level a few months earlier. Even at that level, business is done with the knowledge available at that time. This leads to a final price that we believe is really good, but which is not always perceived as such by growers. Because that higher daily price is last in their memory.'

*While before the season the growers would probably have been happy with this price.*

Wieger: 'Certainly! When we increased the prices of our French fry varieties by 35% in pre-sales, everyone was very satisfied.' Jan: 'In the summer of 2023, we expressed the expectation that the Fontane price would be somewhere between € 41 and € 44. Ultimately, Agrico paid out an average of € 42.62 per 100 kilos. Due to the extreme growing season with low yields in the potato size, we were unable to benefit from additional sales at the daily price.'

Wieger: 'In the presentation during the payment meetings for the growers we were more transparent this year than ever. We told the prices for which we sold potatoes to the industry. The world is changing. We need to be more transparent with our growers. To explain in more detail what we have done and what we are going to do. To convince our members that there is sufficient potential in propagating material cultivation. Because otherwise it's only about the price and not about the potential.'

Jan: 'This whole story has also led to us adjusting the sales strategy for industrial varieties by no longer setting prices for a longer period. But our director Mark Zuidhof will tell you more about this later in this Annual Report.'



Jan Mesu, Operations Manager



# Good results in a new challenging year

**T**he 2023/2024 growing season was also a challenging year for the potato sector. Nevertheless, Gilles Fontaine, Manager of Agrico's foreign subsidiaries, is very satisfied with the past growing season. 'It seems that this year, thanks to high prices in the pool and on the free market, the expectations of the growers affiliated with the subsidiaries are being met.'

No season is the same, every year brings its own challenges, Gilles knows this all too well. This year, the challenge was to market the limited availability of seed potatoes in a proper way, especially in the large size fractions it was not always an easy puzzle to solve. 'The most important thing was to satisfy our customers in terms of volumes and varieties in a challenging year where the lots were much coarser than average. We are truly grateful to our customers for their flexibility and understanding.'

The turnover achieved by our foreign subsidiaries is 15% higher than last season. This is mainly due to good market prices. 'We are very pleased with this, especially considering the initial expectations outlined in October 2023.'

## **Growth in seed potatoes**

Agrico and its subsidiaries have again achieved growth in the acreage of seed potatoes in many countries this year. 'This has enabled us to reverse the decline of 2023. We are back on track,' Gilles says emphatically. 'We are convinced that the number of hectares of seed potatoes will increase again in 2025, which will at least bring us back to the acreage of a few years ago.'

## **Strategy 2030**

During the summer, hard work was done in all countries to fully align the subsidiaries' future strategy for 2030 with that of the parent organization Agrico BV. And Gilles is happy with that. 'We see a strong connection in terms of mission, vision and operational goals, and there is a similar desire to grow in the right way.'

Every season we strive to further develop the interaction within the Agrico Group. The design of country teams and the application of HR policies are good examples of this. 'Efficiency is the key word and all Agrico employees are committed to continuing to achieve a good income for all growers.'

**Results of subsidiaries**

Below is an overview of the activities and results for each foreign subsidiary.

**Spain — Agrico España**

*Sevilla, W. van der Werff, 5 contributors*  
The sales office in Spain is doing good business: This is only the second completed financial year in Spain and we can already close the season with a significant expansion of Agrico's seed potato exports to Spain. This represents a market share of 27.7% (of Dutch exports). Last financial year this was 26% and two years ago Agrico achieved a market share of 20%.

The management has managed the company efficiently, which has made a nice contribution to the Dutch pool price.

A shared vision for the southern European countries also contributes to this. There are good prospects for the coming season with additional tonnages and growth of our market share and further growth in strong Agrico varieties for the Spanish market.

**Sweden — Agrico Nordic**

*Jönköping, J. Niléhn Larsen, 3 employees*  
It was a difficult season for Agrico Nordic. The Swedish subsidiary has had to deal with a significant loss of tonnage. That had a major impact on our deliveries and turnover.

Partly because of this, the company in Sweden was forced to give quality aspects a strong weight in the payout price. Unfortunately for the growers, Agrico Nordic was unable to achieve the expected price increase.

Agrico Nordic is more positive about the coming season, mainly due to the growth of the acreage in Denmark.

**Poland — Agrico Polska**

*Łębork, D. Johnston, 13 employees*  
For Poland it was a very good season thanks to a combination of several factors: Market demand increased, while stocks were limited due to low yields per hectare. This gave Agrico Polska the opportunity to increase prices significantly. This enabled Agrico Polska to achieve a higher payout price for its growers. Agrico Polska has undergone an internal reorganization. The new colleagues have now been integrated and this has led to better cooperation. After several years of decline, the acreage remained stable for 2024. 'We have good expectations for the coming years to achieve further growth,' according to Gilles.

**United Kingdom — Agrico**

*Castleton, A. Gibson, 12 employees*  
Agrico UK can also look back on a good season. In the past financial year, the British organization achieved several important KPIs within the target budget. This resulted in a better payout price for the affiliated growers. This price increase was mainly due to good demand for potatoes in combination with a small stock. The higher price was certainly also necessary to keep seed potato cultivation in the United Kingdom interesting. There was also success in terms of acreage: the acreage of potatoes for Agrico UK grew by no less than 7% last growing season.

At the end of the season, we said goodbye to Archie Gibson as managing director. Next season we will see how we will continue to fill this position in the future. For the time being, Gilles will fill the position on an interim basis.

**Turkey — AR Tarim**

*Kayseri, E. Sadak, 20 employees*  
It was a challenging growing season for Turkey. But it was a year with a good ending: this year AR Tarim imported 12,200 metric tonnes of potatoes, which is very close to last year's record. This translates into growth in market share. Despite the challenges in terms of quantities this season, we continue to structurally increase our market share, both for the table market and for the processing industry. The price of imported potatoes was high. Nevertheless, AR Tarim managed to achieve good results by making good margins.

The Turkish subsidiary has particularly managed cost control well. This helps AR Tarim to achieve the expected results.

Turkey faces the challenge of high inflation and a sharp decline in the value of the Turkish Lira against other currencies. This financial year, AR Tarim has included a correction for hyperinflation in its financial statements for the first time. The effects of this are also visible in Agrico's financial statements.

**France — Desmazières**

*Monchy-le-Preux, E. Fourrier, 36 employees*  
There is also good news from our French subsidiary Desmazières. The French organization ended last season on a very positive note. Desmazières sold 107,000 metric tonnes of propagating material, much more than expected in October 2023.

In addition, almost all available seed potatoes have been sold as propagating material.

This has led to a significant increase in the payout price. The latter was the main goal of the year. And that brings satisfaction to the affiliated growers.

One reason for the success was certainly the way in which the organization operated. Stocks were well-monitored, deliveries went very smoothly and complaints were handled adequately. This has enabled Desmazières to achieve the main objectives. In addition, there was optimal cooperation with the network of growers. The icing on the cake was a significant growth in acreage of no less than 8% compared to a year earlier.



*'Efficiency is the key word and all Agrico employees are committed to continuing to achieve a good income for all growers.'*

Gilles Fontaine, Subsidiary Manager





**Slovenia — Interseme**

*Ljubljana, P. Stuhec, 6 employees*

Interseme was able to close the financial year with records. For the first time, we managed to sell almost 2,000 tonnes of propagating material in the local market, which is a sales record. Interseme has managed to increase its market share in every segment, as in previous years. This means growth in both retail and direct sales to growers, as well as in the business-to-business segment.

The Next Generation varieties have done very well again. Last financial year, Next Generation varieties were the leaders in the organic market in Slovenia with an 80% share.

Two years ago, there was a major reorganization at Interseme and the company is now starting to reap the benefits. The commitment of the new employees is now visible and has added value to every part of the company.

**Canada — Parkland**

*Edmonton, K. Sawatzky, 5 employees*

The potato market in North America was actually the opposite of Western Europe last season. The market for seed potatoes and potatoes for the processing industry was under heavy pressure throughout the season due to the high yields per hectare. It was therefore a major challenge to properly remove the extra tonnage. That did not entirely succeed: at the end of the season there was a small surplus of potatoes. However, Parkland managed to sell more seed potatoes last season: no less than 29,000 metric tonnes were traded. In the previous financial year, a season in which demand exceeded supply, this was 22,000 metric tonnes. Parkland expects to continue this positive trend in the coming years.

By 2024, 920 hectares of potatoes will have been grown for Parkland. That is an increase of 10% compared to last year. Parkland is working on the construction of a new office building. The new building is expected to be completed in the summer of 2026.



# Organic is thriving



**T**he potato cultivation at Agrico is flourishing. The ware potato acreage expanded from 700 hectares in 2023 to 1,025 hectares in 2024, a growth of 30%.

An important reason for the growth is the decision of supermarket chain Plus to make its entire potato range organic. In 2023, Plus made all 1-kilo packages organic. The market for organic potatoes is also growing at Albert Heijn, which is supplied by Agrico via PotatoNext. All this resulted in Agrico achieving increased sales to Dutch retail of more than 10,000 metric tonnes of organically grown ware potatoes over the past financial year. It appears that similar growth can be achieved in the coming financial year. The growth in ware potatoes also leads to growth in the organic seed potato acreage. This increased in the past financial year from 278 hectares to 314 hectares. Agrico also looks set to continue to grow in organic seed potatoes in the coming years, partly due to the decision of other trading houses to stop selling organic seed potatoes altogether.

#### **Difficult late blight years**

The potato disease *Phytophthora* (light blight) caused a difficult cultivation and harvest year in both 2023 and 2024. However, yields were still reasonably good, with an average of 28 metric tonnes of organic seed potatoes and 27 metric tonnes of organic ware potatoes for the 2023 harvest. Agrico uses a specific approach to late blight when it comes to the current situation and the further development of resistant varieties for the future.



Marnix Wilms, Account Manager BioSelect

#### **Good prices for organic**

All this led to an organic seed potato price of € 70.23 per 100 kilos for all varieties and classes of delivered kilos in size 28 millimeters upwards for the 2023 harvest.

This is considerably higher than the previous financial year, when the price was € 46.18 per 100 kilos. The financial yield per hectare amounted to € 19,922. Last year it was € 14,508. The price for ware potatoes for the 2023 harvest was € 58.54 and a financial return of almost € 16,000 per hectare. This is also a level that is considerably higher than in the previous financial year.

**BioSelect**  
an Agrico brand

# New opportunities in the starch and flake market with takeover Semagri

The acquisition of ZAP, Semagri has also become part of the Agrico group. Semagri will continue as an Agrico brand with a focus on the production and marketing of varieties for the starch and flake industry. This presents an excellent opportunity for Agrico to tap into new markets and growers, says Wieger van der Werff, Commercial Manager at Agrico.

Semagri is an important player when it comes to the supply of seed potatoes of high-yielding varieties for the starch, flake and granulate industry. 'A starch potato has long since ceased to be just about the production of starch,' says Wieger. 'Granules and flakes have been added. Those two have really taken off in terms of shares. The market for these products is highly developed, which has also led to increased prices.' The addition of Semagri to Agrico's 'stable' offers us the opportunity to enter into discussions with growers who are new to us, he adds.

'We no longer had any starch varieties in our own portfolio. Now we are suddenly a major supplier of seed potatoes for granulate cultivation. From this position we can connect with the major processing industries in Europe.' In 2017, Semagri Holland BV was acquired by ZAP. Since then, the Semagri breeding center has focused solely on the production and marketing of varieties for the starch and flake industry.

Semagri will continue to exist as an independent brand within the Agrico group and will continue as an Agrico brand with a focus on starch, flakes, granulates and other dried produce. Wieger: 'Semagri is a well-known and strong brand in the cultivation and marketing of potatoes for the starch and flake industry. That is why we at Agrico want to continue to use that name.'

During the variety show in November 2024, the Semagri brand will be explicitly presented as an Agrico brand.

## History

The Semagri brand has a rich history. The company was founded in 2002, at that time as a trading house for seed potatoes. Until 2011, activities were mainly focused on the pool cultivation and marketing of free varieties, particularly for export to North Africa and the Middle East. In addition to these varieties, monopoly varieties for consumption and chip potatoes were also developed.

In 2008, the first steps were taken towards the introduction and production of starch varieties on the European market. Since then, there has been continuous work on the development of varieties for starch cultivation in Europe and Asia.

**semagri**  
an Agrico brand

# Licensed varieties requires customization and good cooperation by country

The licensed cultivation of seed potatoes is an important source of income for Agrico. Setting up and maintaining licensed cultivation worldwide requires a tailor-made approach. 'It is not a copy-paste of a contract from one country to another,' says Harry Iwema, licensing manager at Agrico.

Harry Iwema, License Manager



*'If we see opportunities in a country as a potential cultivation area for our varieties, we focus on the market and quickly start looking for a local partner to work with.'*

Licensed varieties – the propagation of seed potatoes by a third party – has become increasingly important for Agrico in recent decades. This was partly due to the fact that at the beginning of this century the growth in the exported volume gradually levelled off and the share of class E actually increased.

In more and more countries, local propagation has emerged through our subsidiaries or other partners with whom we collaborate intensively in that country. Agreements were subsequently made with these local partners regarding the calculation of a license fee.

And not without success: Agrico is now active globally in this field. License countries where some turnover in Agrico varieties is already being generated are: New Zealand, Australia, Japan, South Africa, Norway, Canada & the USA, Argentina, Chile, India and China.

## Find local partners

'If we see opportunities in a country as a potential growing area for our varieties, we focus on the market and quickly start looking for a local partner to work with. A good partner knows the local market and has a good knowledge of the climate and soil types in the country, so that you can very specifically

determine the right varieties for that region,' Harry explains. The local partner, together with Agrico, takes care of the registration and protection of the plant breeder's right.

It is a long-term process. He mentions China as an example. 'When we started there, we first had to organize the basics. The minimum you need is a local partner, a legal position as a trading house and the certainty that your varieties are protected.' According to Harry, it is important to use a broad range of varieties. 'After all, you don't know what you'll be able to do in the country in ten years' time.'

But once we're there, it can be a connection for a long time. 'We have been in South Africa, New Zealand, Canada and Japan for over twenty years. Over the years, many other countries have been added.'

## Stimulate growth

If good structures have been built and the potential is there, we may take the next step: what else can we do to stimulate growth within country X or Y? 'An example of this is Kenya, where Agrico PSA (Potato Services Africa) is our partner and makes agreements with local growers. Through this African joint venture, Agrico's licensed varieties are grown in Kenya and surrounding countries, says Michel de Bruin, Innovation and Development Business Manager.

Agrico PSA not only supplies high-quality seed potatoes, but also provides knowledge transfer and practical training to the local population. Together with farmers and our partners, we are working on a sustainable potato chain in Kenya.



Michel de Bruin, business innovation & development manager

Another growth market is India, where Agrico has been present for about ten years. In contrast to Kenya, this country is characterized by a great fragmentation among growers.

It is a huge country with a lot of potential for Agrico, says Michel. As in many other licensing countries, the Indian market is closed to the import of seed potatoes. And that is why we have to start from plant material (in vitro). 'Through a joint venture (SV Agrico) we offer knowledge and experience in India to achieve a rapid development of the varieties using mini tubers.'

## 'Always in motion'

Setting up licensed varieties in a specific country is no easy task. 'Countries are always developing and that means we have to make a different assessment every year. This may mean that you intend to become active in a country, but that it only actually happens three years later.'

Michel thinks so too. 'It's the beginning of a complex process; you have to start up a lot of things. This starts with a market analysis, followed by the political-legal part, such as the registration of varieties, certification and production.'

The work is very dynamic. 'Nothing is set in stone,' says Harry, 'India and China previously did not recognize plant breeders' rights, but now they do. Which in turn creates new opportunities for licensed cultivation in such a country. This makes these countries very interesting for us at Agrico.'

# Acquisitions color financial year HR

Agrico is running at full speed, with a financial year of acquisitions and change. What does this mean for the internal organization? In conversation with HR Manager Yvonne Rook.

## *Which acquisitions characterize the 2023/2024 financial year?*

'The acquisition of two companies, Royal ZAP and The Potato Company (TPC), and the merger of Agrico and Leo de Kock with Nedato to form the new potato cooperative PotatoNext, colored this financial year. Discussions with individual employees, creating staff presentations, visualizing the consequences, and ensuring correct communication are matters that we focused on. It is not a copy-paste, all three situations are completely different, especially when it comes to individual impact. You have to keep an eye on that.'

## *Have all the people from Royal ZAP moved from Wieringerwerf to Emmeloord?*

Not all of them. Some have started looking for another job because of the travel distance. For other employees, the Emmeloord location was closer than Wieringerwerf, and they benefited from travel savings. For them, the impact is different than for employees whose travel distance suddenly increases from 10 to more than 100 kilometers.'

'The ZAP employees have been transferred by operation of law and have thus become employees of Agrico BV. As a result, we had ten new colleagues. They transferred with the employment conditions applicable at ZAP. These differ from Agrico BV in several respects. The employment conditions will, however, be made uniform gradually.'

## *And TPC, that was the same story?*

'No, different. TPC has remained a fully independent subsidiary. Although they are part of the Agrico Holding, they remain independent. In short, many things remain unchanged for TPC employees. Of course, we do consult to see where we can strengthen each other and what can be streamlined, making it easier for everyone.'

## *Then there was the merger of parts of Agrico, Leo de Kock and Nedato into PotatoNext.*

'Four employees from Agrico BV have transferred to PotatoNext, some as of October 1, others a little later. The entire process certainly had to be completed carefully and arranged properly, for example with a transition plan and discussions with the Works Council. At Leo de Kock, which fell under Agrico Holding, the entire workforce was transferred.'

## *Anything else?*

'An event to look back on fondly was our major anniversary activity for the employees during the breed show in November. For this we invited all our colleagues from abroad and celebrated Agrico's 50th anniversary together in a multi-day program. The responses we received were very positive. There was a full day with all kinds of knowledge sessions where colleagues shared information with each other. With special thanks to our colleagues at Agrico Research. She has opened her doors all week to welcome everyone and to introduce all our (international) colleagues to the breeding process of new varieties.'

*'An event to look back on fondly was our major anniversary activity for the employees during the breed show in November.'*



Yvonne Rook, HR Manager

*Were there any other notable events in the past financial year?*

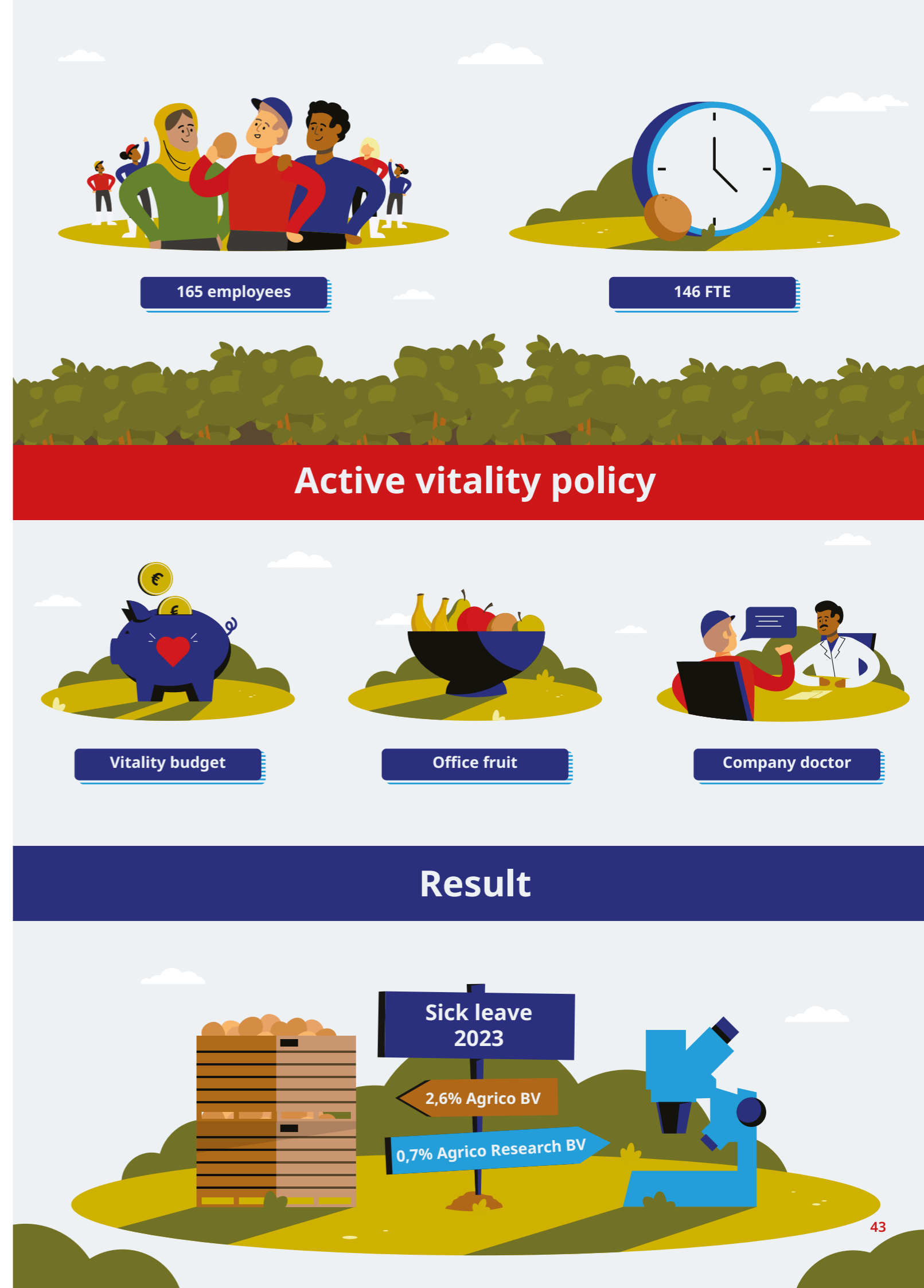
'Yes, we have now appointed a middle layer of 9 team managers in the organizational structure, each in their own professional discipline. As a result, you now have an additional layer of management that is primarily concerned with tactical and operational matters and challenges management in strategic areas. Also, a layer where employees can go with issues that arise. This gives management more freedom to tackle more strategic issues. What I like is that this middle layer is filled internally with "our own" people.'

*Finally, the labor market: is it still possible to find good people quickly enough?*

'Compared to the average in the Netherlands, Agrico is still doing reasonably well in this regard. Although we do see that vacancies remain open for longer than a few years ago. We also continue to actively recruit colleagues who are retiring in a timely manner. We want to be and remain an attractive employer. For example, we have set up a knowledge base for new employees. In due course, we want to link this to a learning platform, in order to achieve greater and better safeguarding and transfer of all knowledge present within Agrico. So that new employees quickly become familiar with the ins and outs of Agrico.'

**Agrico BV has 133 employees**

This brings Agrico's workforce – including Agrico Research – to 165 employees, divided over 146 FTEs. The company pursues an active policy to keep its employees' health optimal. The vitality incentive scheme is therefore a permanent employment condition. Each employee is offered a vitality budget to work on his or her vitality at their own discretion. Agrico also offers office fruit. Once a month the company doctor visits the office for consultations and workplace assessments. The doctor also carries out periodic health checks. Agrico BV's sickness absence rate for 2023-2024 was 2.6%. At Agrico Research BV this was 0.7%





# CSR: Corporate Social Responsibility

# Creating the future world of potatoes



**A**grico is a powerful cooperative with a focus on innovation in the potato sector. As a leader in the potato sector, we create, strengthen and make the potato value chain more sustainable. We supply strong potato varieties to destinations all over the world, which are perfectly suited to local markets and climatic conditions. This makes it possible to create a greater positive impact together for current and future generations. Our five sustainability pillars support Agrico's overall strategy. They are embedded in our processes and ways of working and linked to the UN Sustainable Development Goals.



### Agrico is committed to the UN SDG goals

Agrico's five sustainable themes have been strongly anchored in the themes of the United Nations' sustainable development goals for many years. Last year, Agrico participated in a working group within EUROPATAT that focused on making the SDG goals sector-specific for the potato chain. We believe it is important that we, as a cooperative, commit ourselves where we can make a difference.

As a potato world, we want to work towards these goals and therefore assume our responsibility.

### Promoting CSR

It is important for Agrico to be visible to its members, growers, suppliers, customers and employees. As a cooperative, our goal is to support our members in the exercise of their business and the choices they make to be able to continue growing potatoes now and in the future.

It is important to provide clear direction for policy and implementation and to communicate and do so clearly. Our five sustainable pillars are in line with our strategy, the ambition we want to achieve and contain clear action points on how we want to contribute to a more sustainable potato value chain.





**CSRD: Corporate Sustainability Reporting Directive**

In November 2022, the European Union adopted the Corporate Sustainability Reporting Directive (CSRD). This new directive states that from 2024, more and more companies will be required to report on the impact of their activities on people and the environment. The CSRD Directive is central to the European Union's Green Deal and aims to ensure greater transparency and better quality of sustainability information.

**CSRD obligation**

Agrico BV falls under the CSRD because the organization is classified as a large enterprise that meets two or more of the stated criteria (balance sheet total > € 25 million, net turnover > € 50 million and more than 250 FTEs) and its legal form is a company (BV or NV). This means that sustainability reporting will be mandatory from the 2025 financial year onwards.

The CSRD obliges us to use the European Sustainability Reporting Standards (ESRS) as a reporting framework for sustainability reporting.

**Choosing material topics**

The CSRD is a framework (a kind of fold-out map) with ten main topics with related sub-topics and linked data points. Based on an analysis, it must be determined which topics will be reported on. However, there are several topics and data points that are mandatory under European legislation. To this end, a selection process (double materiality analysis) must be completed together with stakeholders from our own relevant value chain. When identifying topics, consideration should be given to the impact materiality that one's own activities have on the outside world (inside-out), negative or positive, short-term and long-term and whether they are current or potential, but also whether there is financial materiality due to events in the living environment

(outside-in). For example, our activities have a direct impact on climate change through our CO<sub>2</sub> emissions (think of travel and business travel). But climate change also has consequences for our own business operations, such as a higher risk of extreme weather or crop failure. The identified topics should ultimately be included in a report communicating concrete results, policies, goals and actions. Accountability through the reports is provided regarding the relevant topics based on the aforementioned double materiality analysis on an annual basis.

**Stepping out of your box**

The approaching introduction of CSRD encourages business owners to think about their sustainability strategy. Agrico is also already working on this to ensure that we are ready in time for the reporting obligation. We are currently in extensive discussions with industry organizations and other large companies about this issue. And, 'it forces you to step out of your box and explore the edges of possible collaborations,' says René. You need each other in the value chain.

**Sustainability strategy**

For many years, Agrico has had five sustainability pillars with which it supports its strategy. For each pillar we communicate a clear ambition, action points, how policy is implemented and relevant results.



**1. Fair and responsible production**

	2023/2024	2022/2023	
Acreage of propagating material	19,668	21,505 ha	↓
Ware acreage	997 ha*	1,991 ha	↓
Total sales volume	708,000 tonnes	850,000 tonnes	↓
Next generation pm	692 ha	691 ha	↑
Next generation con	556 ha	473 ha	↑
Bio pm acreage	290 ha	281 ha	↑
Bio con acreage	713 ha	652 ha	↑
Number of member farms	649*	721	↓

\* 80 Regular consumption growers and areas transferred to PotatoNext

**Our ambition**

Promote sustainable agricultural practices, promote efficient use of resources and create economic progress.

**This is how we do it**

**Introduction of resilient Next Generation varieties**

- Resistant to climate change, requiring fewer nutrients, highly resistant to potato diseases, highly productive and healthy to consume.

**Fair pay in the potato value chain**

- Diversity in pricing systems, suitable for more flexibility and short-term markets.
- Preventing illegal propagation through cooperation with Breeders Trust.

**Promote sustainable and regenerative agriculture**

- Use climate-resistant varieties.
- Increasing growers' knowledge of sustainable practices.
- Participate in biodiversity and soil management projects.
- Represented in national and international interest groups (including NAO, Plantum, Euroseeds and Europatat).

**Substantiation for figures in the table**

\* The transfer of the conventional consumption growers to PotatoNext resulted in a significant decrease in the total sales volume and ware acreage in the reporting year. This decline was reinforced by the reduction in propagating material acreage. Agrico wants to further expand its leading market position for organic potatoes. The organic acreage showed a slight increase in the reporting year. The number of farms affiliated with Agrico has clearly decreased due to the transfer of consumer growers to PotatoNext. The acquisition of ZAP and TPC will result in an increase in the number of affiliated companies and acreage in the new harvest year. The acreage of Next Generation varieties has increased again. The demand for robust varieties with high protection against late blight is increasing. Varieties that ensure higher yield and income security will become increasingly important due to increasing climate change. The breeding work at Agrico Research aims to respond to the changing demand for future varieties.





## 2. Food supply and new markets

	2023/2024	2022/2023	
Destinations supplied	85	82	↑
Sales distribution based on tonnes:			
NL	28%	30%	↓
EU	51%	39%	↑
Rest of World	21%	31%	↓
Licensed cultivation	634,000 tonnes	693,000 tonnes	↓

### Our ambition

Creating global accessibility and food security by supplying potatoes in (emerging) markets where Agrico varieties are recognized and respected.

### This is how we do it

#### Local strategy for the local market

- Explore and develop new markets.
- Cultivation of Agrico varieties under a licensing scheme.

#### Increasing food security through the introduction of resilient 'Next Generation' varieties

- Resistant to climate change, requiring fewer nutrients, highly resistant to potato diseases, highly productive and healthy to consume.

#### Optimize the value of the supply chain

- Using data and digitizing processes.
- Create smart and consistent collaboration.

### Substantiation of figures in the table

The 2023/2024 season was characterized by a significantly lower sales volume. A late and difficult harvest and a higher % of oversized tubers have clearly influenced the development to various destinations. A significantly larger portion was sold within the EU.

The tonnes licensed to third parties are calculated annually. The release of the Agata variety in France caused a decrease in the tonnage of licensed cultivation. Due to the growth in acreage, it is expected that licensed cultivation will increase again next year.



## 3. Environment & CO<sub>2</sub> reduction

	2023/2024	2022/2023	
*Annual CO <sub>2</sub> emissions	1,999 tonnes	2,284 tonnes	↓
For the entire Agrico group of which:			
Scope 1	858 tonnes		
Scope 2	649 tonnes		
Scope 3	492 tonnes		
Self-generated energy (solar panels + wind turbine)	502 MWh	510 MWh	↓
Purchased electricity	**1,685 MWh	3,358 MWh	↓
Of which green energy	48%	45%	↑
Business mileage	1,546,143 km	1,589,489 km	↓
Commuting km	1,242,044 km	1,245,579 km	↓

\*CO<sub>2</sub> emissions of the entire Agrico group are calculated in the environmental barometer of the Stimular foundation

### Our ambition

Minimizing our environmental impact by reducing our ecological footprint, stimulating biodiversity, the use of renewable energy sources and encouraging the use of circular products.

### This is how we do it:

#### Reducing CO<sub>2</sub> (scope 1, 2, 3)

- Optimize transportation and travel to minimize environmental impact.
- Purchasing green energy.
- Commit to the EED (European Energy Directive) for buildings.

#### Using circular products and reducing waste

- Pallets & packaging material for potatoes (jute & big bags).
- Events and marketing & communication attributes.
- Reducing waste (less packaging material, paper for paper project, less water consumption).

#### Increasing biodiversity

- Flowery and nature-friendly gardens around the offices (insect hotels and bird nests).
- Contributing to the conservation of native potato varieties in Peru (Aguapan project).

### Substantiation of figures in the table

In the reporting year, a reduction in CO<sub>2</sub> emissions was achieved. Further electrification of our fleet and a reduction in electricity consumption by our subsidiaries are the main reasons for this. With the advent of the CSRD, a more concrete breakdown will be required.

Scope three includes, among other things, our air travel and commuting. The emissions for outsourced transport and the cultivation of propagating material and organic ware potatoes are not yet included. This will become mandatory from 2028.

\*\* The divestment of the Leo de Kock location in Purmerend has led to a sharp drop in the amount of purchased electricity. Because Agrico purchases green energy for all its Dutch branches, the sharp drop in electricity consumption had no impact on CO<sub>2</sub> emissions. The amount of power generated has remained virtually the same because no additional solar panels or wind turbines have been installed in the past year.

Our business mileage has been at pre-COVID19 levels in recent years. We drive and fly a lot to visit our growers and customers. This year, for the first time, we are also communicating the commuter kilometers. Legislation in the Netherlands means that, as of 1 January 2025, Agrico BV must submit a mandatory declaration to RVO of the non-business kilometers traveled by its employees. For Agrico BV this is 568,122 km.



## 4. Committed and healthy staff

	2023/2024	2022/2023	
Total FTE	241 FTE*	283 FTE	↓
Female/male ratio			
Woman	37%	33%	↑
Man	63%	67%	↓
Sick leave	2.5%	4.4%	↓
Vitality spending	192k€	70k€	↑
Average number of years of service	11 years	11 years	

### Our ambition

We want to create a fantastic place to work. Protecting the mental and physical safety and well-being of employees. Creating business ethics, respecting and promoting diversity and ensuring equal employment opportunities. Supporting local communities.

### This is how we do it

#### Increasing employability

- Periodic visits to the company doctor (occupational health and safety and absenteeism).
- Generation Policy and vitality program.
- Encourage sporting activities.

#### Talent and knowledge development

- Training budget per employee.
- Open for graduation assignments.
- Contributions to the Potato Academy and Agriterra.

#### Involvement of local communities

- Sponsoring potato related events.
- Contributing to the food bank.

### Substantiation of figures in the table

\* During the reporting year, a transfer of activities from Leo de Kock to PotatoNext took place. With this transition, 59 colleagues also moved to the new organization, which led to a significant decrease in the number of employees.

There is a greater influx of young talent. During the reporting year, 28 new colleagues joined Agrico, which resulted in a slight increase in the number of FTEs in Agrico's other business units. The proportion of women working in agro-business has also increased significantly.

The number of years of service remains high. The outflow of long-term employment contracts is limited by colleagues who have reached (pre)retirement age. The influx of new talent ensures a stable mix. Sickness absence at Agrico has decreased compared to the previous reporting year, but is in line with the average over the years. Agrico works with a company doctor to actively prevent absenteeism. We do this, among other things, by having our staff undergo a periodic voluntary medical check. In addition, Agrico supports sporting activities, such as participation in running competitions, to promote physical health. In the reporting year, significantly more was spent on vitality. More attention is paid to targeted training and awareness of mental and physical health.



## 5. Quality & innovation

	2023/2024	2022/2023	
Next generation breeds	13	13	
New varieties introduced	4	2	↑
Breeds in development	8	17	↓
Certifications	9	10	↓
Certificates under management	1,200*	2,000	↓
Innovations implemented	Further development of ERP system and interactive grower portal		
Chain projects	CSRD project Plantum NAO project scope 3 CO <sub>2</sub> -propagating material footprint New Agrico Research lab in 2026 Investment of € 15 million		
New projects			

### Our ambition

Creating a positive impact for the entire potato value chain by being a leader in creating resilient and sustainable varieties, growing potatoes that meet the highest quality standards and using advanced technologies and process innovation.

### This is how we do it

#### Investing in R&D

- New breeding laboratory at AR in 2026.
- Creating climate-resistant and robust varieties.

#### Supply chain & process optimization

- Grower app for data-driven information.
- Data exchange and digitalization in the potato chain.
- Reduction of Scope 3 CO<sub>2</sub> emissions (indirect emissions in the chain).

#### Certification and quality assurance

- Support internal and external food safety programs and processing regulations.
- Meet the highest standards for propagating material from NAK/PD and apply quality analyses in the Agrico Quality Center.

### Substantiation of figures in the table

Agrico continues to invest heavily in new cultivation techniques, high-quality technical support and the development of its own personnel. In addition to the further development of the ERP system and the associated platform for our growers, the continued integration of our processes such as quality determination, purchasing and sales planning, inventory administration and order processing should lead to greater efficiency.

\* In the reporting year there was a sharp decrease in the number of certificates to be managed due to, among other things, the transfer of consumer growers to PotatoNext and the decline in the number of affiliated companies.

The CSRD will require a lot of attention from the business community in the coming years. Agrico is preparing for this by participating in a number of chain projects with, among others, Plantum and the NAO. Breeding work remains of vital importance to Agrico. In order to fully utilize our potential for sustainable varieties, the members have approved replacing the current laboratory at Agrico Research with a state-of-the-art location. This investment involves an amount of approximately € 15 million.

# Agrico on the way to a more sustainable potato world

Corporate Social Responsibility (CSR) is an important pillar in Agrico's business operations. 'With our CSR policy we are working towards an increasingly sustainable potato chain. Respect for people, the environment and society is paramount,' says René Vernooij. He is CSR Manager at Agrico and in this interview he discusses the differences between CSR and the new European CSRD directive.

#### *What steps has Agrico taken this year in the field of CSR?*

'Agrico's CSR policy has five pillars. These are: fair and responsible production, food supply and new markets, environment and CO<sub>2</sub> reduction, committed and healthy employees and quality and innovation. This year, we have formulated an ambition for each pillar and linked concrete action points to it. Later in this chapter you can read per pillar what the ambition is and what progress we have made on the concrete action points.'

#### *What are the CSR steps for the coming year?*

'That we can measure progress very specifically per pillar, ambition and action point. We currently do this globally, but this needs to become more precise and we will do this via the so-called Key Performance Indicators (KPIs). We are now busy developing this further. That is also something that becomes very important in the CSRD story.'

#### *What is CSRD and how does it differ from CSR?*

'CSRD stands for Corporate Sustainability Reporting Directive and is a new European directive that larger companies must comply with when it comes to reporting on sustainability. CSR is optional, these are ambitions and goals that you can determine yourself. CSRD is strict legislation and regulations imposed by Brussels and the Dutch government. There are ten sustainability themes and 91 different sub- and sub-sub-topics under them. The intention is that, in addition to a number of mandatory topics, you as a company, together with your stakeholders, identify topics that are important for Agrico to report on. From the 2025 financial year onwards, we will have to provide concrete facts and data on these points in order to report on and manage the sustainability goals that the company has set.'

#### *Who are the stakeholders?*

'On the basis of an analysis it must be determined which topics will be reported on (double materiality analysis).



René Vernooij, CSR Manager

This analysis takes into account the impact on the company and the impact on society. This analysis should include the stakeholders in our value chain. Our stakeholders include our member growers, but also our employees, important customers and other relations. Together with them, we will identify Agrico's themes and associated action points in very concrete terms. In short, this means that you formulate ambitions, goals and action points on certain themes and that you report on them annually. CSRD will have a major impact on Agrico in the coming years in all aspects of its business operations, such as general policy, strategy, risk management, internal control thereof and internal and external reporting on this.'

#### *You already collect data, don't you?*

'In the context of CSR, we have been collecting concrete data for a year or two now, that's true. Much of that data is certainly also useful for CSRD. We therefore need to 'fine-tune' whether the CSR data is in line with what CSRD requires and, where necessary, supplement it with new data that becomes mandatory. It also depends on the analysis on which themes and topics we should report. We are currently in the process of determining this for Agrico. The advantage of CSRD is that each topic you choose already has prescribed data points attached to it. As a result, once you know what topics you need to report on, you also know how to report. That does make it easier. The only challenge there is that if you have never reported on it before, you have to develop the data. That can sometimes be complex.'

**Can you indicate what the CSRD story will, for example, mean for member growers?**

'Our farms will need to show increasing transparency in their "license to produce" on topics such as climate, water quality, soil, use of artificial fertilizers and crop protection products, biodiversity, CO<sub>2</sub>emissions, energy and water consumption and so on. For a company like Agrico, this is an absolute necessity in order to remain an attractive business partner on the various markets. As a company, if you have too negative an impact on the world and not the capacity to improve quickly, or if you lack reliable data to gain insight into your social role in the first place, your place in industrial cultivation or on the supermarket shelf will, for example, come under increasing pressure in the coming years.'

**How do you involve growers in this story?**

'Based on the pillar of fair and responsible production, we are increasingly involving growers in the story of sustainable agriculture. With our sustainable range of varieties, extensive advice, setting up pilots and test projects and increasing support, we want to help growers make good choices.'

**The CSRD will therefore have a major impact on farming companies.**

'Certainly. But not only on farms but throughout the entire supply chain. We are currently talking to many different parties (including HZPC, Meijer Potato and the NAO) about how we can accurately determine the CO<sub>2</sub> footprint of the seed potato, but also about how we can jointly use and exchange smart data from each other and how we can collaborate more. That is already being enforced by the CSRD. That we look at the supply chain together: how can we strengthen each other?'

**The trick is to proactively address issues together with partners in the supply chain.**

'With growers but also with our suppliers. We prefer to work with partners who are fully committed to reduce CO<sub>2</sub>emissions. Since this also has a positive effect on our own CO<sub>2</sub> footprint. An example is the collaboration with our transportation partner LCW Groningen, which is investing heavily in an electric fleet that is charged with its own solar panels.'

We are also looking with these and other partners at possibilities to set up a supply chain with return pallets and recycled big bags and in this way realize a fully closed supply chain for the domestic propagation material.'

**What else have you done in the field of sustainability in the past year?**

'To stay close to home: we were a participant in the Koplopersproject Flevoland (Flevoland Leaders Project). We worked with seven other companies to practically implement sustainability when we also exchanged ideas, tips and experiences in workshops. Within the "healthy and committed employee" pillar, we have improved the working environment of our employees. We made the office more attractive with seating areas and the canteen underwent a metamorphosis. We will soon be doing all kinds of things in the departments to make the decor more pleasant and homely. We also organize several running clinics for our employees every year.'

**And what about further from home?**

'Within the "food supply and new markets" pillar, we have built up excellent collaborations with Agrico over the years in countries including China, Kenya and India. In 2016, we won the ambassador award for our work in Kenya, where we set up a profitable potato supply chain with more than 12,000 smallholder farmers. We are currently in talks with the United Nations to make it easier to enter such countries and set up similar projects there. In the meantime, we are looking at how we can make the 17 Sustainable Development Goals specific to the potato world within Europatat (European Potato Trade Association). We will also try to get our subsidiaries abroad to join us in using the environmental barometer in the coming period. We have been using this at our headquarters in Emmeloord for about twelve years now to measure things like travel behavior, water, energy consumption and more of this type of thing. You enter all that data into a calculation program and that produces a CO<sub>2</sub>emission figure.'

**In motion on all fronts of sustainability.**

'Yes, with Agrico we are on our way to a more sustainable potato world and, as a company we would like to operate proactively in order to actually create that world.'

**Travel report**

The mandatory CO<sub>2</sub>reporting for commuting has started. From July 1, 2024, organizations with 100 or more employees must annually register and report their employee travel. This concerns the distances traveled for commuting and business trips, the mode of transportation and the type of fuel. The first report must be submitted by Agrico as of January 1, 2025. The goal is to show annual reductions in total CO<sub>2</sub>emissions.

**Pilot with plastic pallets**

Agrico is working on a pilot with plastic pallets in the mini-tuber center in Emmeloord. The trial fits in with the course that focuses on further sustainability of the potato supply chain. The shelf life of plastic pallets is compared with the wooden variant. The trial will be assessed in the spring of 2025. If this works out well, Agrico wants to introduce plastic pallets on a larger scale in the mini-tuber center.

**Award for Ukraine project**

Agrico received the Flagship Award this spring for the "Rebuilding Potato Ukraine" project. The project was set up by Agrico and is financed by the Ukraine Partnership Facility (UPF), a program of the Netherlands Enterprise Agency on behalf of the Dutch Ministry of Foreign Affairs. The UPF supports damage repair and reconstruction projects for the public and private sectors in Ukraine. Agrico is setting up a climate-smart potato demonstration center in Ukraine that focuses on potato production and education for Ukrainian farmers.

*"Especially in the transportation sector, sustainability is simply saving CO<sub>2</sub> by saving fuel per kilometer, but especially by driving fewer empty kilometers."*



About 3,000 farmers, over 60% of whom are women, will be trained both physically at the demonstration center and remotely through digital means.

**Transportation partner LCW Groningen invests heavily in reducing CO<sub>2</sub>emissions**

As an agricultural organization, we feel directly connected to nature and the environment. Reducing CO<sub>2</sub>emissions is an important pillar of our CSR policy. In addition to what we can do ourselves, we also work closely with partners who are actively committed to reducing CO<sub>2</sub>emissions. Logistics partner LCW Groningen belongs, as a logistics service provider, to a select group of leaders with whom we have been working for years.

**Transition phase**

'We are all in a transition phase,' says Jakob Vonck (director of LCW), which means the world will look very different.

This energy transition has an impact on the entire supply chain, which also created the need to invest in sustainable transportation. We have said we are going to take those steps, but, of course, money must be earned. For example, two years ago we added a plug-in hybrid truck, which fits in very well with our work. And today (ed. on June 6, 2024, we received our first fully electric truck; which we are also testing today at our own charging portal under which six electric trucks can be charged. A smart energy management system charges the battery with green solar power during the day and distributes it to the electric trucks as needed in the evening.'

# Management and control



# Agrico offers a solid foundation for growers



New management, new chairperson, several takeovers and writing a new strategy. It was an eventful financial year for the Supervisory Board. We look back with the newly appointed cooperative Chairman, Johan Barendregt (38).

*Then it is January 1, 2024 and you are suddenly thrown in at the deep end as the new Chairman of the Board and Chairman of the Supervisory Board.*

'That's right. In December, I obviously had an extensive handover from Adrie Vermeulen and I received good support from various sides in filling this new position. It might have been easier to first serve on the Board for two years and then become Chairman. Then you can take a look at things first. On the other hand, it is also nice to go into it with an open mind and to fill this position in a way that suits me well.'

*How did the first meetings go?*

'I started the first Board meeting by saying: this is new to me, I am looking forward to working with you as Chairman of Agrico and I would like to receive your advice if required. I received a lot of support from the rest of the Board in this. Looking back, it was a good start.'

*Why did you say yes to the chairmanship?*

'I was a member of the Young Members Group, and later also of the Board of Members. It was expected that eventually I would hold a Board position. But last year I thought: that will happen someday. Anyway, then Adrie's term of office came to an end and a successor needed to be found. The suggestion was then made whether that might be something for me, while I was not actually thinking about it myself. But I started thinking about it. I really enjoy being a bit more involved in the world in addition to my company and doing other things. At home, on our farm in Schermerhorn (the Netherlands), we fortunately have good employees who give me that space too. In addition, I see the value of Agrico and there must be members who are prepared to pull the cart. A cooperative can only exist with committed members.'

*What is the value of Agrico?*

'We as growers grow varieties together and therefore organize a type of defined market all over the world, so we get much more value from the market than if we had to do it alone as an individual farmer.'



*"A cooperative can only exist with committed members."*

Johan Barendregt, Chairman of the cooperative

We grow and market in a collective, so we are able to reach many markets that you would never reach individually. We have been able to achieve good returns from this in recent years. This provides a very solid base for our members' farms.'

*What has the Supervisory Board mainly been busy with this financial year?*

'It was the year in which we said goodbye to two icons, our CEO Jan van Hoogen and our Chairman Adrie Vermeulen. Then things will change for everyone. We have invested the necessary time in the acquisitions of ZAP and TPC. On October 1, PotatoNext was founded. We also decided to invest heavily in the plant breeding center. Finally, we have been very busy reviewing the strategy. How do you set up Agrico that focuses on a future with probably more free varieties and fewer monopoly varieties? Fontane, our largest licensed variety, will be free to grow at the end of 2028 and we do not have such a large variety that can replace Fontane one-on-one. So our role in the seed potato trade on the free market without licenses is increasing. The acquisitions of ZAP and TPC are a response to this.'

*How does the Supervisory Board view the expansion of the acreage abroad?*

'That is a logical next step in a fairly crowded Netherlands. If we can maintain our market share and continue to supply the industry and thus continue to guarantee returns for Dutch members, that is a good thing.'

But of course it should not become a goal in itself to start growing abroad. It is a means, not an end. The main thing is that every investment abroad must benefit Dutch members.'

*What is your view on the future of Dutch seed potato growing?*

'I am very positive about that, otherwise I would not have become a farmer. Dutch farming has a very good story especially in seed potatoes, which are one of the most sustainable crops in the world. If you see how we contribute substantially to the world food supply, I think we have a story that can also be explained very well on a social level. This is certainly true in combination with the huge innovative power that is present in the sector and among Agrico growers.'

*In recent years, seed potato growing has been experiencing considerably more competition from industrial growing.*

'That puts a healthy pressure on Agrico because there is an alternative for members. This means that good seed potato prices must be paid otherwise the cooperative model will be jeopardized. Ultimately, the potato growers for the industry are also our customers and, if they earn money, they also have a margin to buy our seed potatoes.'

**Farm in Schermerhorn**

Johan Barendregt has a farm in Schermerhorn, in the Dutch province of Noord-Holland. Johan grows seed potatoes on approximately 65 hectares for Agrico and 15 hectares of ware potatoes for PotatoNext. Sugar beets, celeriac and grains are also part of the crop plan, which covers a total of around 180 hectares. The company also does contract work for third parties. Johan runs the company together with his brother, who is involved in the company part-time, and three permanent employees.

*In your opinion, has Agrico paid a good price this year?*

'Agrico has managed to achieve a significant price increase. With the knowledge we have now, perhaps even more could have been achieved in terms of industrial varieties. With this knowledge, Agrico has anticipated correctly by consulting its members extensively and asking whether its sales strategy is still on the right track. This has resulted in an adjustment in the sense that slightly fewer potatoes will be sold in advance in the current financial year.'

*Farewell to Adrie Vermeulen*

Adrie Vermeulen stepped down as Chairman of Agrico on December 14, 2023. This ended a period of twelve years in which Adrie was administratively active within Agrico. For the past seven years, he has done this as the Chairman of the cooperative. On behalf of members, Adrie received a statue that symbolizes connection. In gratitude for his great contribution to the cooperative, he was appointed member of merit. At the same meeting, Johan Barendregt was appointed as the new Chairman of the Board and Supervisory Board of Agrico. Johannes van Heerwaarden has been reappointed and Kees Dekker, CFO at Royal Koopmans, has been appointed as an external member of the Board and the Supervisory Board.





# Composition Board of directors

The Supervisory Board of Agrico B.V. forms a personal union with the Board of Coöperatie Agrico U.A. The Supervisory Board consists of seven members, four of whom are from the circle of members. The composition of the Supervisory Board remained unchanged during the reporting year. This year, the following gentlemen, G. Ensing and A.H. Vermeulen retired from the Supervisory Board and was not eligible for re-election.

During the general meeting of December 14, 2023, Mr. C. Dekker was appointed to the vacancy left due to Mr. Ensing vacating the position and Mr. J. Barendregt was appointed as Chairman of the Supervisory Board due to the vacancy left by Mr. Vermeulen.

On July 31, 2024, the Supervisory Board consisted of the following persons:



**Mr. J. Barendregt, 1985 (Chairman)**  
Retiring and eligible for re-election in 2027  
Occupation: agricultural business owner  
Secondary positions: Chairperson of the Board of the Thematisch Netwerk Landbouw, Natuur en Voedselkwaliteit VVD (Thematic Agriculture, Nature and Food Quality Network, VVD), member of the sector advisory group for farming Agrifirm and board member and treasurer of the Knolselderijtelersvereniging Nederland (Celeriac Growers Association of the Netherlands)  
First appointment: 2023

**Mr. C. Dekker, 1967**  
Retiring and eligible for re-election in 2027  
Occupation: Royal Koopmans CFO  
Secondary position: Board member and treasurer of the "Docking The Amsterdam" Foundation  
First appointment: 2023

**Mr. R.N.G. Stokman, 1969**  
Retiring and eligible for re-election in 2025  
Occupation: agricultural business owner  
Secondary positions: Chairman of STAK Olsterwind wind farm  
First appointment: 2021

**Ms. S.K. Hoekstra, 1969 (Vice-chairwoman)**  
Retiring and not eligible for re-election in 2024  
Occupation: executive director of Sociaal Verhuurbedrijf WoonFriesland (WoonFriesland Social Rental Company)  
Secondary positions: Chairwoman of the Supervisory Board of NV SRO, Chairman of the Supervisory Board of the De Groot en Slot Beheer family-run business  
First appointment: 2016

**Mr. J.C. van Heerwaarden, 1973**  
Retiring and not eligible for re-election in 2027  
Occupation: agricultural business owner  
Secondary functions: CEO of the "Eierlandsche Huizen" residential cooperative being founded  
First appointment: 2019

**Ms. M.C.G. Besseling, 1979**  
Retiring and eligible for re-election in 2026  
Occupation: controller, farm controlling partner  
Secondary position: secretary of the Sport en Welzijn Wieringermeer Foundation  
First appointment: 2022

**Mr. G.H. de Raaff, 1954**  
Retiring and not eligible for re-election in 2026  
Occupation: self-employed consultant and supervisor  
Secondary positions: member of the Supervisory Board of Photanol, Chairman of the Supervisory Board of Zuidberg  
First appointment: 2018

# What does the Agrico cooperative look like?

The Agrico U.A. is a cooperative under Dutch law with 1897 Dutch members (649 growing farms). The cooperative is managed by the Board, which is appointed by the Board of Members. The cooperative holds all shares of the two-tier board company Agrico B.V. Agrico B.V. includes the trading activities of the produce that the members supply to the cooperative. In addition, Agrico B.V. acts as a holding company for Group companies and investments.

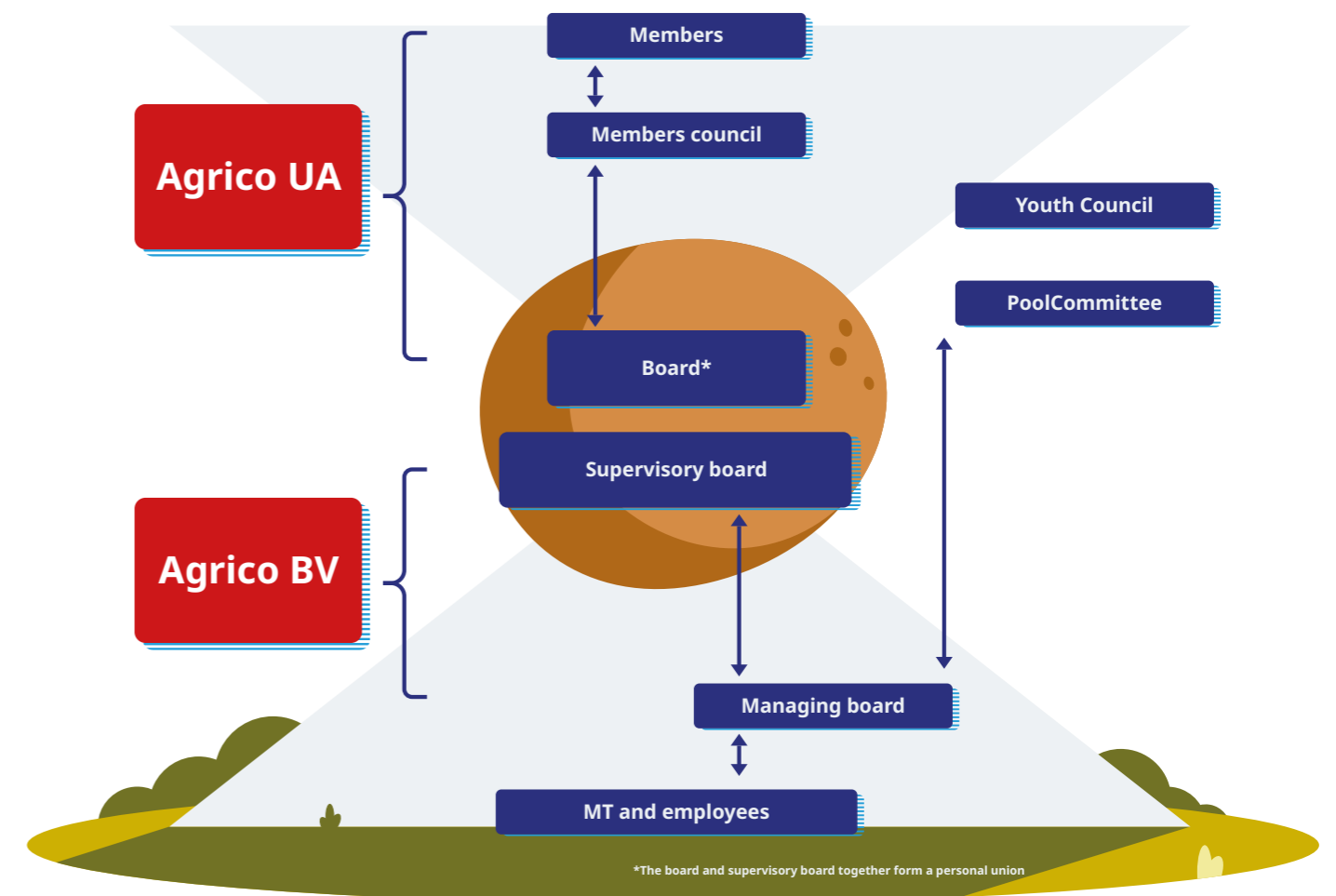
From a corporate governance perspective, the following boards are relevant to Coöperatie Agrico U.A. and Agrico B.V.:

- The Board of Members of the cooperative
- The Board of the cooperative or the Supervisory Board of Agrico B.V.
- The management of Agrico B.V.

The Supervisory Board of Agrico B.V. forms a personal union with the Board of the cooperative. Every year the cooperative organizes a Cooperation Day for the members of all its bodies. During this day, members can exchange experiences and discuss topics that are important to everyone.

**The Board of Members**  
The members of the Board of Members are appointed by the Central Members' Meeting on the recommendation of the Board of Members. In making a nomination, the Board of Members is assisted by a nomination committee, which consists of two or three members of the Board of Members and one member of the Board.

The Board of Members consisted of 13 members on July 31, 2024. The term of office is a maximum of two times four years.



The Board of the cooperative requires approval from the Board of Members for certain resolutions described in the Articles of Association. Approval is required for the following (this is not an exhaustive list):

- Amendment of the Articles of Association of the cooperative
- The provision of collateral
- Starting activities outside the industry
- Major investments

The Articles of Association stipulate when and at what amounts the above and other resolutions require approval from the Board of Members.

Furthermore, the Board of Members is responsible for appointing the members of the Board, approving the

financial statements and the strategic multi-year plan. Finally, resolutions taken by the Board of the cooperative in its capacity as a shareholders' meeting of Agrico B.V. are subject to the approval of the Board of Members including the discharge for the supervision exercised by the Supervisory Board of Agrico B.V.

The Board of Members met six times during the 2023/2024 financial year. In addition to discussing and approving the financial statements, the Board of Members decided to amend the Articles of Association of Coöperatie Agrico U.A., the regulations of the Appeals Committee and the Board of Members approved the proposal to increase attendance fees. In addition, the Board of Members has approved an

investment in the construction of a new laboratory at Agrico Research and the takeover of TPC B.V.

A delegation from the Young Members Group is usually present at every meeting of the Board of Members. The composition of the Board of Members has changed in the 2023/2024 financial year. At the central members meeting of December 2023, three members resigned: Mr. J. Barendregt (interim) and Mr. H.U. Coolman. Mr. W. Tijsseling has stepped down in the meantime in connection with the establishment of and transfer to PotatoNext. Mr. J.E.M. Kavelaars, Mr. W.P. Wiertsema and Mr. J.J. van der Velde have joined the Board of Members.

During the central members' meeting, in addition to the explanation of the 2022/2023 Annual Report, extensive attention was paid to the farewell of Mr. A.H. Vermeulen as Chairman of Agrico and the appointment of J. Barendregt as the new Chairman of the Board and the Supervisory Board. Mr. J.J. van Hoogen has also handed over the baton to his successor M. Zuidhof. Mr. P. Oldenkamp spoke about future-proofing of Agrico Research with specific attention to investing in sustainable varieties for good growth.

#### Appeals Committee

There is an Appeals Committee for disputes within the cooperative. This Committee reviews and decides on disputes submitted between members or farms and the Cooperative.

The Appeals Committee consists of six members appointed by the Board of Members. Annual consultations are held between the Appeals Committee, the Chairman of the Board and the Chairman of the Management Board of the company with the objective of explaining the policies pursued by and developments occurring at the Cooperative. In the 2023/2024 financial year, no disputes were submitted to the Appeals Committee.

This year, the retiring and re-elected members of the Appeals Committee were Messrs. T. Brewer, I.J. Meirink, M.H.van Stee and V.M. Coolbergen. Messrs. Brouwer and Meirink have been reappointed. Mr. Van Stee has not made himself available for re-election in connection with a business transfer. Mr. Coolbergen has resigned due to the transition to PotatoNext. As of January 1, 2023, Messrs. M.G. Scholtens and T. van der Torren joined the committee.

#### Young Members Group

Agrico's Young Members Group organized five meetings in the 2023/2024 financial year. Last season, the Young Members Group worked on various themes. The added value of the cooperative, the loyalty of its members and the future sustainability of Agrico were discussed. Every two years Agrico organizes the Youth Day. This was organized for the tenth time in June with the theme "Together in Motion". Members of the Young Members Group have the opportunity to attend meetings of the Board of Members in order to learn and discuss Agrico's strategy and way of thinking through this body. They have no voting rights in this meeting.



Mr. P. Hendriks has had his last meeting as Chairman and in the new season Ms. J.A. van Tiggelen has resigned from her position and Mr. W.R. Eendhuizen became Vice-chairman. In July 2024, Messrs. M. Verwer, J.N.B. Huisman and P. Hendriks resigned and Messrs. P. van Ackeren, J. Vermue and Ms. L. Wijnia were re-elected. The following have joined the Young Members Group: D.R. Binnema, S.J. Bokdam and J.B. van der Spek.

#### Pool committees

Coöperatie Agrico U.A. has two pool committees: one for conventionally grown seed potatoes and one for organically grown seed and ware potatoes. The pool committees regularly consult with Agrico about the cultivation and purchasing conditions of the pool growing agreements. Produce group meetings are organized during the year where a delegation from the organization and the pool committees discuss the relationship between the grower/member and the cooperative with the members.

In both pool committees, the appendix to the growing agreement for the 2024 harvest was discussed and approved. The seed potato pool committee met six times. The pool committee discussed, among other things, the equalization plan and Agrico's pre-sales policy. After these topics were discussed in the produce group meetings, Agrico implemented adjustments. In July 2024, Mr. J.B. Smits resigned and was succeeded by Mr. J. Rietema, both living in the province of Groningen. The pool committee for organically grown seed and ware potatoes has met five times. The committee discussed, among other things, the Phytophthora situation, acreage expansion and the use of biostimulants. Chairman Mr. A.W. Maris has resigned. His position is filled by Mr. P.C. Eilander and, in addition, Mr. R. Hoogendijk joined the pool committee.



### Board of the cooperative

The Board of the cooperative is responsible for the day-to-day running of the cooperative including representing the interests of its members. The Board consists of seven members. Four of these members come from the circle of members, supplemented by three external members. Members of the Board from the circle of members can only be appointed if they supply at least 75% of their acreage to the cooperative upon their appointment.

The Chairperson is elected to office. The members of the Board are appointed by the Board of Members on the recommendation of the Board. During the general meeting of December 14, 2023, Mr. J. Barendregt was appointed as Chairman of the Board. He takes over the vacancy left by Mr. A.H. Vermeulen, who retired and is not eligible for re-election. Mr. C. Dekker was also appointed as an external member of the Board. He will take over the vacancy left by Mr. G. Ensing, who resigned in the meantime. Mr. J.C. van Heerwaarden has been reappointed. The Board of the cooperative also forms the Supervisory Board of Agrico B.V.

The term of office of Board members is a maximum of two times four years. However, a member of the Board who holds the position of Chairperson of the Board at the end of their second term may be reappointed as Chairperson of the Board once consecutively for a third term. The Board of Members is authorized to dismiss a Board member. The Board is supported by a director appointed by it who also forms the management of Agrico B.V. The Board met twelve times in 2023/2024, two of which were general meetings of shareholders of Agrico B.V.

### General meeting of shareholders of Agrico B.V.

The shares of Agrico B.V. are 100% owned by the cooperative. As such, the cooperative has full control within the general meeting of shareholders of Agrico B.V. The Board of the cooperative exercises the right to vote on behalf of the cooperative at the general meeting of shareholders subject to prior approval by the Board of Members.

### Supervisory Board of Agrico B.V.

The Supervisory Board appoints the members of the management of Agrico B.V. and supervises its performance and day-to-day operations. The council provides the management with solicited and unsolicited advice. The Supervisory Board has established regulations regarding its composition and all matters relating to this body that require regulation. Certain resolutions of management described in the Articles of Association of Agrico B.V. require approval by the Supervisory Board.

This includes:

- The strategic multi-year plan
- Major transactions including entering into strategic partnerships and real estate transactions
- Purchase and sale of interests in Group companies or minority interests
- Major investments
- Taking out bank loans and providing securities

The Articles of Association of Agrico B.V. stipulate when and for what amounts the above and other resolutions qualify for approval by the Supervisory Board. The members of the Supervisory Board are appointed for a term of up to two times four years. The members of the Supervisory Board are appointed by the general meeting of shareholders on the recommendation of a Nomination Committee. The Nomination Committee consists of the Chairperson and one other member of the Supervisory Board, two members of the Board of Members and one member of the Works Council.

On July 31, 2024, the Supervisory Board consisted of seven persons. During the 2023/2024 reporting year, ten meetings were held.

### Management Board

The Management Board is responsible for the implementation of the strategy, policy and operational activities within Agrico. The Management Board is appointed for an indefinite period. The terms of employment of the Management Board are determined by the Supervisory Board on the proposal of the remuneration committee.



# Personal details

## Managing Board

Mr. M. Zuidhof, Managing Director

## Management team

Mr. JA Mesu, Operations Manager

Mr. PL Oldenkamp, Agrico Research Director

Ms. J.Y.A. Rook-Postma, HR Manager

Mr. WB van der Werff, Commercial Manager

Vacant, F&C Manager

## Works Council

Mr. A. Sikkema, Chairman

Mr. F.F. Drijfhout, Secretary

Ms. M.G.H. Bercx

Mr. O. Bouwman

Mr. T. Rotte

Ms. K.M. van de Wiel

Mr. P.N. Zee

## Members of Merit

Mr. C.J.M. van Arendonk

Mr. Ph. van den Hoek

Mr. J.J. van Hoogen

Mr. J.J.M. Pronk

Mr. A.H. Vermeulen

Mr. J.J. Wolthuis

## Board of Members

Mr. P.K. Berghuis (2024)\*

Mr. G.C.T. Bos (2024)\*

Mr. F.A. van Gastel (2026)\*

Mr. F.J. de Haan (2026)\*

Mr. M.S.M. Heijne (2024)\*

Ms. J.P.A.M. Hendriks-Banks (2026)\*

Mr. J.E.M. Kavelaars (2027)\*

Ms. P.J. Koetsier-van der Wel (2027)

Ms. E.A. Noordam-ten Have (2024)

Mr. J.G. Smit (2025)\*

Mr. J.J. van der Velde (2027)\*

Mr. W.P. Wiertsema (2027)\*

Mr. J.T. Wolters (2026)\*

### Joined:

Mr. J.E.M. Lotters

Mr. J.J. van der Velde

Mr. W.P. Wiertsema

### Resigned:

Mr. J. Barendregt (interim)

Mr. H.U. Coolman

Mr. W. Tijsseling (interim)

## Young Members Group

Ms. J.A. van Tiggelen, Chairwoman (2025)\*

Mr. WR Eendhuizen, Vice-chairman (2025)\*

Mr. P. van Ackeren (2027)

Mr. D.R. Binnema (2027)\*

Mr. S.J. Bokman (2027)\*

Mr. J. Bos (2025)\*

Mr. J. de Bruijkere (2025)

Mr. J.A. Havinga (2026)

Mr. C.P. van den Heijkant (2025)\*

Mr. A. Hulscher (2025)

Mr. B. Rentmeester (2025)

Mr. S. te Selle (2026)

Mr. J.B. van der Spek (2027)\*

Mr. J. Vermue (2027)

Ms. L. Wijnia (2027)

### Joined:

Mr. D.R. Binnema

Mr. S.J. Bokdam

Mr. J.B. van der Spek

### Resigned:

Mr. P. Hendriks

Mr. J.N.B. Huisman

Mr. M. Verwer

## Appeals Committee

Mr. J.L. Vermeer, Chairman (2025)\*

Mr. T. Brewer (2027)\*

Mr. I.J. Meirink (2027)\*

Mr. M.G. Scholtens (2027)\*

Mr. T. van der Torren (2027)\*

Mr. N.E. Wiertsema (2025)\*

### Joined:

Mr. M.G. Scholtens

Mr. T. van der Torren

### Resigned:

Mr. M.H. van Stee

Mr. V.M. Coolbergen

## Variety Committee

Mr. PL Oldenkamp, Chairman

Ms. C. Spring, secretary

Mr. M. Winters, Consultant (2025)

Mr. PPJM Cryns (2026)\*

Mr. PT Art (2025)\*

Mr. M. Foxes (2028)\*

Mr. J. Dike/Mr. A. Omzigt (2028)\*

### Joined:

Mr. J. Dike/Mr. A. Omtzigt

## Pool committee for organically grown seed and ware potatoes

Mr. PC Eilander, Chairman (2025)

Mr. JA Bierma (2026)\*

Mr. R. Highdijk (2028)\*

Mr. M. Poppe, Chairman (2027)\*

Ms. AE Sulik (2026)

### Joined:

Mr. R. Hoogendijk

### Resigned:

Mr. A.W. Maris

## Pool Committee for Conventionally Grown Seed Potatoes

### Central Region

Mr. M.J. Bouma, Chairman (2026)

Mr. F. ten Cate (2027)\*

Mr. M.N. Clover (2026)

Mr. B. Sloetjes (2025)\*

### Southwest Region

Mr. AAM Barten (2026)

Mr. B. de Bruijkere (2026)\*

### Northwest Region

Mr. P.A. Schalkwijk (2025)\*

Mr. G.B. Goudsblom (2027)\*

### Northern Region

Mr. J.G. Scholtens (2027)

Mr. W.R. Shelter (2025)

Mr. J.G. Rietema (2028)\*

Mr. G.F. Wiechers (2026)

### Joined:

Mr. J.G. Rietema

### Resigned:

Mr. J.B. Smits

Agrico does not use specific target figures for women in management or other specific positions, but strives for diversity in the composition of its governing bodies when recruiting and selecting new members.

\*Eligible for re-election

# Risk Management: a key part of our business



**O**ur activities are subject to a wide spectrum of risks. We recognize that risk management is an important part of any business and have a risk assessment process in place which is periodically updated.

We identify our strategic risks as earmarked with the Supervisory Board, the management team and knowledge experts: the results of this have been included in our risk profile and are illustrated below in the risk matrix. The scope of a risk is determined by the degree of probability that the risk will occur and the possible consequences (impact) thereof for Agrico's strategic and financial objectives.

Below, in random order, the main risks are explained:

## Commercial Risks

Agrico is a globally operating enterprise with sales markets in all continents. Our policy focuses on building and maintaining a long-term relationship with our customers in those markets. The possibility of losing important customers obviously has an impact on our results, but because we sell our produce in more than 80 countries and do not have a high degree of customer concentration, this risk is significantly reduced.

Together with our high-quality portfolio of varieties and services, this is a strong proposition. Innovation plays a major role in this. The potato varieties that we cultivate and subsequently trade together with our affiliated breeders at Agrico Research meet the highest quality standards and are recognized for their specific properties. They enable our members to achieve high returns. Selecting the right varieties for the future is essential for our cooperative.

It is important to point out the additional flow of licenses that are realized as long as the varieties are covered by plant breeders' rights. Failure to launch innovative varieties in a timely and successful manner can have a material impact. In some countries and regions that are still developing, we work with strategic partners. These are often local enterprises that know the market conditions well and are therefore better positioned to build and serve the market, especially if this also includes home-grown produce. We recognize that such markets inherently entail a greater risk with them than the mature markets such as (Western) Europe, which take the bulk of our volume, but we are convinced that these markets have potential and are worth it.

Probability	High	Payment/debtor risks	<ul style="list-style-type: none"> <li>• ICT</li> <li>• (Geo)politics</li> <li>• Phytosanitary</li> <li>• Contingencies</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental standards and policies</li> <li>• National and international politics</li> </ul>
	Mid	• Legal	<ul style="list-style-type: none"> <li>• Laws &amp; regulations</li> <li>• Commercial</li> <li>• Supply chain</li> <li>• Information provision</li> </ul>	
	Low	<ul style="list-style-type: none"> <li>• Purchasing</li> <li>• Sanctions, the Anti-Money Laundering and Anti-terrorist Financing Act (Wet ter voorkoming van witwassen en financieren van terrorisme – WWFT)</li> </ul>	<ul style="list-style-type: none"> <li>• Climatological</li> <li>• Financial</li> </ul>	
		Low	Mid	High
		Impact		

### Purchasing Risks

Our risk profile is further favorably influenced by the fact that the activities mainly focus on one product: the potato. This purchasing takes place for more than 80% on the basis of what we refer to pool agreements. This means that there are hardly any risky buying and selling positions. Due to the spread and gradual payment, part of the financing thereof has been arranged.

### Payment/Debtor Risks

We often deliver large quantities of potatoes to our customers in a short period of time. Although collateral is also used in the form of advance payments, letters of credit and bank guarantees, our result is sensitive to payment risks.

This risk is due to the political instability in certain regions that has increased in recent years. We work with a system of internal limits per customer. For outstanding items from financial years prior to the reporting year or when there are other indications of obsolescence present, a provision is made in the financial statements. The assessment of the credit risk relating to the deliveries of the ending financial year is based on the most recently available information about the creditworthiness of the buyer.

### (Geo)political Risks

International business has become more challenging during the last years. As mentioned above, in certain countries and regions we have seen increased political instability. Sales flows can be blocked due to changes in (phytosanitary) regulations and supply chains and payment flows are made more complicated by sanctions or simply due to economic consequences

thereof for the country or the customer. Agrico tries to manage these risks as well as possible but accepts that this is simply part of doing business with some countries.

### Legal Risks

Agrico is aware of the increasing juridification of national and international trade and usually behaves cautiously with regard to entering into business risks. We work with well thought out (standard) contracts, acting on the basis of clear sales terms and conditions and are aware of our produce and corporate liabilities. Our network of trusted customers and our solid reputation in the market, are valuable in this respect: we arrive at constructive solutions and thereby prevent legal escalations. In the event that going to court is unavoidable, we are well insured and supported by consultants.

### Supply Chain Risks

As an international trading enterprise, transport and logistics play a very essential role in our daily operations. We have been confronted with this several times in the past few years: national and international deliveries of perishable goods are, due to shortages of the right containers and severe price fluctuations for international transportation, increasingly becoming more complex. It is therefore reassuring that our employees manage each year again to deliver everything on time and in full at their destination during our many years of collaborating with expert and valued logistics service providers.

### Phytosanitary Risks

Given our business activities, produce quality and availability are of great importance. An important risk here is that the sales of potatoes can be

affected by phytosanitary problems. In collaboration with third parties, quality controls take place on the basis of internationally recognized and certified methods and additional research is carried out that focuses on viral and bacterial diseases. Other guarantees in this context are our quality center (QC), sufficient acreage distribution over various cultivation areas, supporting growers and a payment system that is based on quality.

Our breeding center, Agrico Research, annually acquires breeding material and/or seed potatoes from its affiliated breeders as well as from gene banks and competing companies. The introduction of a quarantine disease represents a major threat to the continuity of the development of our varieties. Any seedlings received must satisfy the standards imposed by the NAK (General Inspection Service for Agricultural Seed and Seed Potatoes) and the NVWA (Netherlands Food & Consumer Product Safety Authority). This means, among other things, that a large number of samples are collected and examined for the presence of brown rot and ring rot. In addition, Agrico Research carries out an entry check on all breeding material and seed potatoes that enter the Agrico premises for further propagation.

### Compliance with laws and regulations

Compliance with laws and regulations plays an ever-increasing role in international business. Compliance with this is a requirement and we have internal procedures that have been drawn up to ensure this.

We, together with our employees, remain alert to changes in laws and regulations and regularly share information in this area with each other. Where necessary, we engage external expertise to assist us.

### Ethical and responsible conduct

We, of course, go further than just compliance with the law: our CSR is based on the belief that ethical and responsible action is a requirement in the current world.

In this context, we have also drawn up and shared our code of conduct, both with our own employees and with supply chain partners. This serves as a beacon for them and is the basis of our actions.

We also have options to report situations or actions that are not in accordance with this via a confidential advisor or through a whistleblower report.

### Sanctions, anti-money laundering, anti-terrorism financing, bribery and corruption

Due to our geographical sales market, we operate in different cultures. We work through an extensive network of agents and distributors. The guidelines and regulations for fighting corruption apply internationally, and non-compliance with these guidelines can have significant financial implications. We verify who we work with and monitor compliance with regulations regarding international sanctions, anti-money laundering and anti-terrorism financing. It is important to note that the (seed) potato is seen as an essential part of the food supply and is therefore not included as a product on sanctions lists.

In addition, all international shipments of (seed) potatoes are certified by the NVWA (Netherlands Food & Consumer Product Safety Authority), which means that every international shipment is actually registered.

The British Bribery Act also entails consequences for companies with a subsidiary in the United Kingdom, consequently making this law applicable to us as well. A representation agreement has been concluded with almost all partners abroad in which agreements on services and compensation have been laid down.

We do business with customers from countries where restrictions apply regarding payment transactions. Our customers in the respective countries are experiencing problems transferring money to us. As a result, they involve third parties to make the payment. When receiving transfers from such parties, there is an inherently increased risk of, among other things, contributing to financing of terrorism or money laundering. In addition, in the event of bankruptcy of the third party concerned, there is a risk regarding the recovery of the amounts due to the lack of a contractual agreement.

We have further tightened internal controls regarding such transactions, but a residual risk remains. We strive to obtain insight into the background of the third parties, the relationship with our customer and the manner in which payment will be made prior to a sales transaction that will involve payment by a third party. For further information, we refer to the section "Risks identified by Agrico" in the financial statements.

### Information provision and IT systems

Correctly operating IT systems are crucial to our business. The variation in products, the guiding of our growers and the exchange of information with customers, suppliers and growers is a complex operation. The unavailability of our IT systems may threaten the continuity within a relatively short period of time. We have therefore implemented far-reaching measures to minimize the chance of this happening. In the event of a contingency, we can change over to a recovery site within a few hours, ensuring that the business processes can continue. In addition, a copy of all data is also kept at a third party location.

As of October 2024, NIS2 (The Network and Information Security Directive 2) will come into force. In this context, we have identified the processes and systems that are essential for the organization, performed a GAP analysis and drawn up an IT roadmap. In addition, we perform regular audits and work closely with our IT suppliers to ensure that they also meet NIS2 requirements.

The operation of our IT systems is continuously monitored by an external party. Security from the outside in and security from the inside out are part of our cybersecurity policy. In recent years, the frequency and complexity of attempts to penetrate the IT system has increased, but our security measures have done their job and such attempts have failed. This also includes attempts to use employees (by means of email links or attachments) to gain access to systems. We therefore train our employees in recognizing such situations and how to deal with this appropriately.

### Financial risks

We are dependent to a limited degree on interest-bearing financing to finance our activities. The cooperative has committed bank credit facilities that enable it to meet its financing needs in a flexible manner. To cover the cyclical financing requirements of the cooperative, we have concluded a specific financing arrangement tailored to these changing requirements. In connection with the financing of the investment in our plant breeding center, we have started a process for the (re) financing of our cooperative during this current reporting year in which all bank credit facilities will be reviewed.

Selling potatoes worldwide involves currency risks. However, more than 95% of our purchasing and sales transactions are in euros. The risks present are concentrated around the US dollar and the British pound. The currency risks arising from operational and financing activities are hedged with forward exchange contracts.

Our investments in Sweden, Canada, Poland, Kenya, Turkey, India and the United Kingdom are valued in local currencies. Although the size of these companies within the group is relatively limited, the fluctuations in this currency do impact our assets.

Our policy is aimed at building and maintaining long-term positions in these countries and therefore the focus of management is on minimizing transaction currency risk, and we accept the “translational risk” (which is the result of consolidating the figures).

### Contingencies

The danger posed by a contingency such as a fire, floods or a pandemic that will lead to a significant disruption

of business continuity has been recognized. The process of trading potatoes is supported by the measures that are described under information provision. Employees can work with the system at the backup location via the internet from any location including at home, as has happened frequently over the past year.

In the event of a contingency at our breeding center, depending on the extent of the disaster, clones or first-year and second-year seedlings will be lost (i.e. two breeding generations). This causes delays in the process of variety development over the long term. A limited quantity of replacement material from third-year seed potatoes is available in a building quite separate from that where the corresponding material is stored. Fall-back material from all older seedlings is also stored at trial field locations. From the seventh field year onwards, in-vitro stocks are kept of all seedlings, which are then further multiplied at third-party companies. All in all, of the 11 generations, 8 are genetically safeguarded to a greater or lesser extent.

### Climate change, environmental standards and consequences

The world around us is changing rapidly, making major issues such as climate change and meeting environmental standards increasingly urgent and compelling. Our primary product, the (seed) potato, is favorable in terms of “environmental impact” (relatively low requirement of water, fertilizers, and pesticides compared to other crops) and yield (relatively high level of calories, vitamins and minerals compared to other crops).

We are convinced of the positive contribution that the potato makes as a crop. Moreover, many of our varieties have properties that can take advantage of the growing challenges of today and tomorrow, especially our Next Generation varieties.

At the same time, we and our growers have to deal with ever stricter standards regarding growing, and the use of land and resources. We should recognize within this context that this can have substantial consequences for the available acreage. The law and regulations from The Hague and Brussels is then also something that we pay close attention to and, where relevant, implement. Climate change in a broad sense can have both positive and negative effects on Agrico. On the one hand, we are convinced of the quality and innovation of our variety portfolio to deliver the right crop under all conditions and therefore make a contribution to improve cultivation and food security. We believe that the potato can make a positive contribution and our varieties (for example, our Next Generation varieties) are at the front within this context. On the other hand, it is a threat that climate change, its consequences with regard to diseases (virus and bacterial pressure), and the associated changes in laws and regulations can have a negative impact on the available acreage. However, such changes will not occur overnight and we are confident that we have the resources and time to adapt in a timely manner.

### 2023/2024 financial year analysis

During the past financial year, the following risks had a significant “impact” on the legal entity:

- In the 2023/2024 financial year, Agrico had to write off a significant amount of receivables from previous years. This concerned debts from customers in areas where political instability has increased significantly. In addition, Agrico has made provisions for debts from the 2022/2023 financial year including a customer in Egypt.
- The acquisition of two smaller export companies in the same sector increased the risk of fraud due to non-compliance with laws and regulations as a result of funds received from third parties. In the 2023/2024 financial year, Agrico also implemented its mitigating measures at these companies.

### Risk management and residual risk profile

The fundamental risks that threaten the Cooperative have been identified as accurately as possible in the assessment, in terms of both probability and impact. As also explained above, Agrico is taking measures to ensure that the risks continue to be manageable. The totality of these measures ensures that a reasonable degree of assurance is obtained that strategic and operational objectives are achieved, that the (financial) reporting provided by the company is reliable and that relevant laws and regulations are complied with.

As a cooperative, Agrico focuses on continuity and is generally conservative when it comes to entering into business risks. Nevertheless, Agrico is also successful due to a healthy business enterprising spirit and it accepts risks that are inherent to the activities it undertakes.







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Coöperatie  
Agrico U.A.  
2023/2024

**2023/2024 Financial Statements — Consolidated balance sheet**

x € 1,000 (after proposed appropriation of net result)

<b>Assets</b>	July 31, 2024	July 31, 2023
<b>Fixed assets</b>		
<b>Intangible fixed assets (1)</b>	<b>11,993</b>	<b>11,127</b>
<b>Tangible fixed assets (2)</b>		
Land and buildings	17,977	24,722
Machinery and installations	644	1,697
Other fixed operating assets	2,039	1,924
Fixed assets under construction	133	262
Not for business operations	604	604
	<b>21,397</b>	<b>29,209</b>
<b>Financial fixed assets (3)</b>		
Holdings	2,111	1,270
Other securities	401	373
Loans receivable	17	17
Other claims	1,339	1,030
	<b>3,868</b>	<b>2,690</b>
<b>Current assets</b>		
<b>Stocks</b>		
Raw materials and auxiliary materials	<b>855</b>	<b>1,608</b>
<b>Claims (4)</b>		
Trade accounts receivable	23,021	37,435
Members	2,438	351
Operating pool	-	1,590
Other claims	9,262	11,556
Current assets	4,670	3,743
	<b>39,391</b>	<b>54,675</b>
<b>Liquid assets (5)</b>	<b>22,098</b>	<b>7,951</b>
<b>Total assets</b>	<b>99,602</b>	<b>107,260</b>

<b>Liabilities</b>	July 31, 2024	July 31, 2023
<b>Group assets</b>		
Equity (6)	37,930	35,813
Third party share in group equity (7)	1,295	1,040
	<b>39,225</b>	<b>36,853</b>
<b>Facilities (8)</b>		
Pensions	56	80
Other facilities	271	237
	<b>327</b>	<b>317</b>
<b>Long-term debts (9)</b>		
Member loans *	13,409	10,790
Credit institutions	3,312	6,572
	<b>16,721</b>	<b>17,362</b>
<b>Short-term debt</b>		
Banks, current accounts	-	11,439
Trade creditors	7,871	8,815
Taxes and social security costs	1,691	779
Members (10)	25,806	24,927
Current liabilities (11)	7,961	6,768
	<b>43,329</b>	<b>52,728</b>
<b>Total liabilities</b>	<b>99,602</b>	<b>107,260</b>

\* Concerns subordinated loans that form part of the cooperative's guarantee capital.

**Financial Statements for Fiscal 2023/2024 — Consolidated Profit and Loss Account**

x € 1,000

	2023/2024	2022/2023
<b>Operating income</b>		
Net turnover of products sold to third parties (12)	412,271	409,754
Other operating income (13)	5,866	685
	<b>418,137</b>	<b>410,439</b>
<b>Operating charges</b>		
Purchase of products (14)	325,436	307,783
Direct costs (15)	46,893	60,742
Wages, salaries and social security costs (16)	21,351	21,914
Depreciation on intangible and tangible fixed assets (17)	3,414	3,573
Other operating expenses (18)	14,464	13,579
	<b>411,558</b>	<b>407,591</b>
<b>Operating result</b>	<b>6,579</b>	<b>2,848</b>
<b>Financial income and expenses</b>		
Change in value of financial fixed assets	-145	191
Interest income and similar income (19)	627	35
Interest charges and similar costs	-1,758	-798
	<b>-1,276</b>	<b>-572</b>
<b>Operating balance before taxes</b>	<b>5,303</b>	<b>2,276</b>
Taxes (20)	-1,547	-1,051
Result from investments	295	570
<b>Operating balance after taxes</b>	<b>4,051</b>	<b>1,795</b>
Third party share in results	-388	-257
<b>Balance after taxes</b>	<b>3,663</b>	<b>1,538</b>

**Financial Statements for Fiscal 2023/2024 — Consolidated Cash Flow Statement**

x € 1,000

	2023/2024	2022/2023
<b>Cash flow from operating activities</b>		
Operating result	6,579	2,911
Adjustments for:		
Depreciation	3,414	3,573
Change in provisions	10	-27
Working capital change (excluding cash and bank debts)	7,279	-9,559
	10,703	-6,013
Cash flow from operations	17,282	-3,102
Interest paid	-1,758	-798
Interest received	627	35
Change in value of financial fixed assets	44	-
Income taxes	-1,028	-1,215
	<b>-2,115</b>	<b>-1,978</b>
<b>Cash flow from operating activities</b>	<b>15,167</b>	<b>-5,080</b>
<b>Cash flow from investing activities</b>		
Investments in intangible assets	-121	-3,943
Investments in tangible fixed assets	-1,330	-6,250
Divestments in intangible assets	73	-
Disinvestments of tangible fixed assets	7,950	202
Repayments received on receivable loans	55	444
Receivable loans granted	-168	-189
Acquisitions of Group companies	-4,395	-
<b>Cash flow from investing activities</b>	<b>2,064</b>	<b>-9,736</b>
<b>Cash flow from financing activities</b>		
Dividends paid to minority shareholders	-187	-104
Equity to new cooperative	-2,353	-
Loan repayment	-5,854	-1,729
Loans received	5,189	17,495
	<b>-665</b>	<b>15,766</b>
<b>Cash flow from financing activities</b>	<b>-3,205</b>	<b>15,662</b>
<b>Net cash flow</b>	<b>14,026</b>	<b>846</b>
Exchange rate and conversion differences	121	-105
<b>Change in liquid assets</b>	<b>14,147</b>	<b>741</b>

### Introduction and explanation

These are the financial statements of Coöperatie Agrico U.A., established on April 2, 1973, with registered office in Emmeloord, the Netherlands, Chamber of Commerce number 39025632. The main activities of the group are the development of potato varieties and the sale of seed and ware potatoes mainly produced by the members of the cooperative. The cooperative has prepared both the unconsolidated and consolidated financial statements in accordance with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code and other provisions regarding generally accepted accounting principles in the Netherlands. The financial statements were prepared on November 15, 2024.

### Continuity

The consolidated financial statements have been prepared on the basis of the going-concern assumption based on management's opinion that the company will continue its activities for the foreseeable future and will be able to meet its obligations.

### General

The principles applied for the valuation of assets and liabilities and the determination of results are based on historical costs. Unless otherwise stated, assets and liabilities are stated at nominal value. An asset is recognized in the balance sheet when it is probable that future economic benefits will flow to the enterprise and its value can be measured reliably. A liability is recognized in the balance sheet when it is probable that its settlement will result in an outflow of resources and the amount of the liability can be measured reliably. Revenue and expenses are allocated to the period to which they relate.

### Judgments, estimates, assumptions and uncertainties

In order to apply the principles and rules for drawing up the financial statements, it is necessary for the board of Coöperatie Agrico UA to form an opinion on various matters and for the board to make estimates that may be essential for the amounts included in the financial statements. The most important opinions and estimates including the associated assumptions are the test for any provisions (including the provision for doubtful trade debts). If it is necessary to provide the insight required in Article 2:362 paragraph 1 of the Dutch Civil Code, the nature of these judgments and estimates, including the associated assumptions, are included in the explanatory notes to the relevant financial statements items.

### Consolidation principles

The consolidated financial statements for the year ended July 31, 2024 include Coöperatie Agrico UA and its Group companies (hereinafter collectively referred to as Agrico). Unless otherwise stated, the Group companies are fully included in the consolidated financial statements and all mutual balance sheet items, income and expenses within Agrico are fully eliminated. The financial statements of the Group companies have been prepared for the same reporting year as that of the parent company, using consistent valuation principles. First inclusion in consolidation and deconsolidation follows the date on which the policy-making influence is transferred to Agrico or the date on which the policy-making influence is transferred to third parties, respectively. The share of third parties in Group companies (minority interests) is shown separately in the balance sheet and in the profit and loss account.

Agrico's shares in joint ventures are included under financial assets as investments if there is no controlling interest in the investment in question.

### Participation in Group companies and minority interests

Coöperatie Agrico U.A. in Emmeloord heads a group of legal entities. The holdings are held via Agrico B.V. and are fully consolidated. Unless otherwise stated, these are investments with a 100% interest and the interest is unchanged compared to the previous financial year. Holdings are valued at net asset value and then lower as share in the results of companies in which the participation takes place. An overview of the data required under Articles 2:379 and 2:414 of the Dutch Civil Code is included below.

### The holdings of Coöperatie Agrico U.A. in Emmeloord are:

- Agrico B.V., Emmeloord, which includes:
- Kweek- en Researchbedrijf Agrico B.V., Emmeloord
  - Agrico Holding B.V., Emmeloord, which includes:
    - Leo de Kock & Zn. B.V. (100%), Purmerend
    - S.A. Desmazières in Monchy-le-Preux (100%), France
    - Agrico UK Ltd. (100%) in Castleton, Scotland
    - Agrico Polska Sp. z o.o. (76%) in Łębork, Poland
    - Interseme d.o.o. (51%) in Ljubljana, Slovenia
    - Agrico Nordic AB (100%) in Jönköping, Sweden
    - Parkland Seed Potatoes Ltd. (70%) in Edmonton, Canada
    - Agrico East Africa Ltd. (100%) in Nairobi, Kenya
    - Agrico España or Potatoes SL (100%) in Seville, Spain
    - ZAP B.V. (100%), Emmeloord

- This holding was established in 2023/2024
- Semagri Deutschland GmbH in Königsmoos, Germany
  - This holding was taken over in 2023/2024
- The Potato Company B.V. (100%), Emmeloord including TPC Research B.V. (100%), Emmeloord. These holdings were taken over in 2023/2024

### Not consolidated

- AR Tarim Tohumculuk ve Sanayi Ticaret A.Ş. (50%) in Izmir, Turkey
- Potato Services Africa Ltd. (45%) in Nairobi, Kenya
- SV Agrico (45%) in Pune, India
- Breeders Trust S.A. in Brussels, Belgium (12.5%)

### Termination of business activities

On May 22, 2023, the company entered into an agreement with Nedato U.A. regarding the merger of the activities related to ware potatoes. The related personnel, processes, systems and assets have been transferred to a newly established cooperative as of October 1, 2023. The affiliated members and member companies with ware potatoes have also transferred to this cooperative. Part of the equity (€2.3 million) of Coöperatie U.A. went with them. The book value of the assets disposed of amounts to €7.8 million. The book profit achieved on this amounts to €5.0 million before tax. There is an earn-out agreement where Agrico will receive an amount over 5 years depending on the volume of sales in the coming years. €0.6 million has been included in other receivables for this earn-out. Agrico has no interest in the new cooperative.

### Mergers and acquisitions

An acquisition is processed in the financial statements according to the purchase accounting method. This means that, on the acquisition date, the acquired assets and liabilities are valued at fair value. The difference between the acquisition price and the company's share in the fair values of the acquired identifiable assets and liabilities of an investment at the time of the acquisition is recorded as third-party goodwill. Mergers and acquisitions aim at acquiring an integrated set of activities, assets and/or liabilities that is capable of generating revenue. In the event of a merger or acquisition under joint control where the company is the acquiring party, the carry-over accounting method is applied. The merger or acquisition will then be included in the financial statements for the financial year at the book values as already included in the financial statements of the parent company from the acquisition date. The comparative figures are not adjusted. Any difference between the acquisition price and the book values of the acquired assets and liabilities is recognized in equity.

### Acquisitions

- On March 15, 2024, Agrico Holding B.V. acquired a 100% interest through the acquisition of the shares of The Potato Company B.V. The effective date in economic terms of this transaction is July 1, 2023. The transaction has been processed using the purchase accounting method. The purchase price of the acquisition is €3.5 million. The goodwill (purchase price minus fair value of assets and liabilities) of the acquisition amounts to €1.9 million. The goodwill is included as "goodwill investments" in the statement of movements for

intangible fixed assets.

- On June 27, 2024, The Potato Company B.V. acquired a 100% interest through the acquisition of the shares of TPC Research B.V. The effective date in economic terms of this transaction is July 1, 2023. The transaction has been processed using the purchase accounting method. The purchase price of the acquisition amounts to €1, in addition to which there is a contingent liability based on future representation and license fees. This contingent liability is not valued/included in the purchase price. The badwill is immediately recognized in other income as a credit to the result.
- On October 16, 2023, Agrico Holding B.V. acquired the propagating material activities of Royal ZAP and Semagri Holland B.V. including their personnel, through an asset-liability transaction. The transaction has been processed using the purchase accounting method. The purchase price of the acquisition amounts to €2.2 million. The goodwill of €0.7 million is included as "goodwill investments" in the statement of movements intangible fixed assets.
- On July 11, 2024, Agrico Holding B.V. acquired a 100% interest through the acquisition of the shares of Semagri Deutschland GmbH. The transaction has been processed using the purchase accounting method. There is no goodwill involved in the acquisition of Semagri Deutschland GmbH.

### Netting

An asset and a liability item are offset in the financial statements

only if and to the extent that:

- a sound legal instrument is available to settle the asset and the liability item on a net basis and simultaneously; and
- there is a firm intention to settle the balance as such or both items simultaneously.

### Principles for the conversion of foreign currencies

The consolidated financial statements are presented in euros, which is the cooperative's functional and presentation currency. Each entity within the group determines its own functional currency and the items in the financial statements of each entity are measured on the basis of that functional currency.

A transaction in foreign currency is valued at the functional exchange rate on the transaction date upon initial processing. Monetary balance sheet items in foreign currencies are translated at the functional exchange rate on the balance sheet date. Non-monetary balance sheet items in foreign currencies, which are valued at historical cost, are translated at the functional exchange rate on the transaction date. Non-monetary balance sheet items in foreign currencies, which are valued at current cost, are translated at the functional exchange rate when the item is valued.

Exchange rate differences arising on the translation of a non-monetary balance sheet item into a foreign currency that is valued at current value are recognized directly in equity as part of the revaluation reserve, if the change in

value of the non-monetary item is also recognized directly in equity.

On the balance sheet date, the assets and liabilities of foreign business operations are converted into the presentation currency (the euro) at the rate on the balance sheet date and the income and expenses in the profit and loss account are converted at the (approximate) average rate during the financial year. The resulting exchange rate differences are processed directly in the statutory exchange rate differences reserve. Upon disposal of the foreign business operations, the relevant cumulative amount of the translation differences, which are included in equity, are recognized in the profit and loss account as part of the result on sale.

### Hyperinflation

During 2023, the Turkish lira underwent a severe devaluation. In the 2023/2024 financial year, hyperinflation has been included in the valuation of the AR Tarim Tohumculuk ve Sanayi Ticaret A.Ş. holding (50%) in Izmir, Turkey. Management has prepared an impact calculation for the valuation of the holding and the financial statements as a whole. The non-monetary items have been translated at the beginning of the financial year for the effect of (hyper)inflation from the dates on which the assets were acquired and the liabilities were incurred. The difference with the previous valuation has been included in the equity. The translation differences relating to hyperinflation have been included as part of the statutory reserve of the exchange rate differences. A closing price of TLY 35.89 was used in the valuation of the AR Tarim Tohumculuk ve Sanayi Ticaret A.Ş. holding (June 30, 2023: TLY 29.58)."

### Financial instruments

Financial instruments included in the balance sheet are valued at amortized cost unless otherwise stated. Off-balance sheet financial instruments, or derivatives entered into to hedge currency and risk, are valued in accordance with the hedged position. The results on derivatives are accounted for simultaneously with the results of the hedged position. The Company does not hold derivatives for speculative or trading purposes.

### Intangible fixed assets

An intangible asset is included in the balance sheet when:

- it is probable that the future economic benefits embodied in an asset will flow to the group; and
- the cost of the asset can be measured reliably.

Expenditure on an intangible asset that does not meet the conditions for capitalization (for example, expenditure on research and internally developed varieties and logos) is recognized directly in the income statement. Intangible assets are valued at acquisition price or production cost less cumulative depreciation and, where applicable, cumulative impairment losses. Intangible fixed assets are depreciated systematically on the basis of their estimated economic life with a maximum of twenty years. The economic life and depreciation method are reassessed at the end of each financial year. If the estimated useful life is longer than twenty years, an impairment test will be performed from the moment of processing at the end of each financial year.

### Goodwill

The positive difference between the acquisition price and the share in the

fair value of the acquired identifiable assets and liabilities at the time of acquisition of the group company is capitalized as goodwill in the balance sheet. An annual assessment is made at the balance sheet date to determine whether there are indications that goodwill may be subject to an impairment loss. If this is the case, the impairment of goodwill is determined by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units) to which the goodwill relates. When the recoverable amount of the cash-generating unit is lower than the book value of the cash-generating unit to which goodwill has been allocated, an impairment loss is recognized.

### Research costs

Agrico conducts research into new varieties and adjustments to existing varieties. This is done mainly in its subsidiary Agrico Research B.V. These activities are primarily of a research nature, rather than a development nature that would qualify for activation under the Annual Reporting Guidelines. The expenses involved are thus charged to the profit and loss account.

### Cost of development (internally generated)

Development costs are capitalized if the conditions set for them with regard to technical, commercial and financial feasibility are met. A statutory reserve is maintained equal to the balance sheet value. Development costs are amortized on a straight-line basis over their estimated useful lives.

### Tangible fixed assets

The company buildings and land, machinery and installations and other fixed assets are valued at acquisition or production cost less cumulative

depreciation and other reductions in value. Subsidies and investment premiums are deducted from the acquisition price of the assets to which they relate. An item of property, plant and equipment is derecognized upon disposal or when no future units of performance are expected from its use or disposal. The profit or loss resulting from the divestment is included in the profit and loss account. Depreciation is calculated as a percentage of the acquisition or production cost using the straight-line method over the economic life. Business premises and tangible fixed assets under construction and prepaid are not subject to depreciation. The cost price includes the costs of major maintenance as soon as these costs are incurred and the activation criteria have been met. The book value of the components to be replaced is then considered to have been divested and charged to the profit and loss account in one go. All other maintenance costs are directly included in the profit and loss account.

### Financial fixed assets

Investments in which significant influence can be exercised on the business and financial policy are valued on the basis of net asset value. Investments in which no significant influence is exercised are valued at the acquisition price or lower enterprise value. The valuation of the investments does not take into account the deferred withholding tax liability. If an investment has a negative net asset value, a provision is made if necessary. Deferred tax assets, including those arising from tax losses that can be offset, are initially recognized at fair value. Deferred tax assets are measured to the extent that it is probable that they will be realized in the future,

calculated at the tax rate at the expected time of realization. Other long-term receivables are valued at amortized cost less any provision for doubtful debts deemed necessary.

### Depreciations or changes in value of fixed assets

Agrico accounts for intangible, tangible and financial fixed assets in accordance with generally accepted accounting principles in the Netherlands. Under these principles, long-lived assets should be assessed for impairment whenever changes or circumstances arise that suggest that the book value of an asset will not be recovered. The recoverability of assets in use is determined by comparing the book value of an asset with the present value of the future net cash flows that the asset is expected to generate. If the book value is higher, the difference will be charged to the profit and loss account. Assets available for sale are stated at the lower of book value and market value, less costs to sell.

### Current assets

#### Stocks

Stocks of raw materials and consumables (packaging materials and components) are valued at purchase price or lower market value, less a provision for obsolescence.

#### Claims

Receivables are initially recognized at fair value plus transaction costs and subsequently valued at amortized cost less a provision for bad debts. To the extent that nothing can be amortized, the amortized cost price corresponds to the nominal value.

### Liquid assets

Liquid assets include cash, bank account balances and deposits with a term of less than twelve months. Liquid assets are valued at nominal value.

### Group assets

#### Third party share in group equity

The third-party minority interest is valued at the third-party share in the net asset value.

### Facilities

Provisions are formed for legally enforceable or constructive obligations existing at the balance sheet date, the amount of which is uncertain but can be reasonably estimated and it is probable that they will have to be settled. If the effect of the time value is material, the provisions are measured at present value except for the provision for deferred taxes.

### Pensions

The coverage ratio of the pension fund is 116.3% as of July 31, 2024 (July 31, 2024: 117.1%).

The cooperative's operating companies have different pension plans in accordance with local conditions and practices in the countries where they operate. These are mainly defined contribution plans that are administered by an insurance company. These plans are generally financed through premium payments to the insurance companies. The actuarial risk lies entirely with the insurance company. The contributions due are processed directly in the profit and loss account. Contributions still to be paid and received are included under current liabilities and receivables respectively. A provision is included for obligations in addition to the premium payable to the pension provider if, as at the balance sheet date, there is a legally enforceable

or constructive obligation to the pension provider and/or employee, it is likely that an outflow of resources will be necessary to settle that obligation and a reliable estimate can be made of the size of the obligation.

The provision for additional obligations to the pension provider and/or employee is valued at the best estimate of the amounts necessary to settle the relevant obligations on the balance sheet date.

### Deferred taxes

To the extent that tax valuations deviate from the stated valuation principles and deferred tax liabilities arise from this, a provision for deferred taxes is made for these liabilities, calculated at the tax rate at the expected time of tax payment.

### Anniversary benefits

The anniversary provision concerns a provision for future anniversary payments. The provision concerns the present value of the anniversary benefits to be paid in the future. The calculation is based on commitments made, likelihood of staying and age.

### Long-term debt

Long-term liabilities are initially recognized at fair value and subsequently valued at amortized cost plus directly attributable transaction costs. Interest expenses are recognized in the periods to which they relate.

### Short-term debt

Trade and other payables are initially recognized at fair value and subsequently measured at amortized cost. Trade creditors and other payables are debts with a term of less than one year.

### Amortized cost price

Amortized cost is the amount at which a financial asset or financial liability is initially recognized in the balance sheet, less any repayments of the principal, plus or minus the cumulative amortization, determined using the effective interest method, of the difference between that initial amount and the repayment amount, and less any write-downs (direct or through the formation of a provision) for impairment or representing bad debts.

### Leasing

The assessment of whether an agreement contains a lease is based on the economic reality at the time the contract is entered into. The contract is classified as a lease if performance under the agreement is dependent on the use of a specific asset or the agreement includes the right to use a specific asset. Lease payments under operating leases are recognized in the income statement on a straight-line basis over the lease term.

### Determination of the result

The balance of the profit and loss account can only be given limited significance in the context of the financial performance assessment. The financial results are particularly evident from the prices that members have obtained for their products through the cooperative.

### General

The costs are determined in accordance with the valuation principles mentioned above and allocated to the reporting year to which they relate.

### Net sales

Net turnover represents the proceeds from goods and services supplied to third parties, less discounts granted

to customers and excluding sales tax. Revenue is only recognized when there is reasonable assurance that future benefits will flow to the entity and that these benefits can be estimated reliably. The breakdown of turnover is by market destination. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, receipt of consideration is probable, and the costs and possible returns of goods can be estimated reliably. Licenses received from third parties are accounted for net of payments to the rights holder, as the company does not incur any credit risk for this portion of the licenses.

### Compensation to customers of goods and services

Compensation payable to customers for goods and services are recorded as a reduction of the transaction price unless the payment to the customer is in exchange for a respective product or service.

### Purchase of products

Payments to members for the products they supply are determined at the end of the financial year on the basis of the data known up to that time, taking into account necessary deductions to cover the costs of the group. The share in the results of companies in which an investment is made is the amount by which the book value of the investment has changed since the previous financial statements as a result of the group's share in the results achieved by the investment.

### Personnel costs

Wages, salaries and social security contributions are included in the profit and loss account on the basis of the employment conditions to the extent that they are owed to employees or the tax authorities respectively.

### Interest income and interest expenses

Interest income and interest expenses are recognized in the period to which they relate, taking into account the effective interest rate of the relevant assets and liabilities.

### Taxes

Taxes are determined on the basis of the accounted result, taking into account tax-exempt items and fully or partially non-deductible costs.

A fiscal unity exists between the cooperative and its Dutch Group companies. The settlement of taxes within this unit takes place as if each company were independently liable for tax. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for all deductible temporary differences and for available tax loss carry forwards to the extent that it is probable that taxable profit will be available for offsetting.

### Cash flow statement

The cash flow statement has been prepared using the indirect method. Cash flows in foreign currencies are translated at the average rate. The purchase price of acquired and the sales price of sold Group companies are included in the cash flow from investing activities.

x € 1,000

### Intangible fixed assets (1)

The breakdown of and movements of intangible fixed assets can be summarized as follows:

	Goodwill	Software	Other intangible fixed assets	Total 2023/2024	Total 2022/2023
Balance sheet as of August 1	393	10,249	485	11,127	8,376
Investments	2,581	213	-	2,794	4,007
Disposals	-	-73	-	-73	-
Depreciation and amortization	-646	-1,112	-97	-1,855	-1,256
<b>Balance sheet as of July 31</b>	<b>2,328</b>	<b>9,277</b>	<b>388</b>	<b>11,993</b>	<b>11,127</b>
Purchase price	2,582	13,585	485	16,652	15,893
Accumulated depreciation	-254	-4,308	-97	-4,659	-4,766
<b>Balance sheet as of July 31</b>	<b>2,328</b>	<b>9,277</b>	<b>388</b>	<b>11,993</b>	<b>11,127</b>

The goodwill relates to an amount of € nil (2022/2023: € 393,000) related to the acquisition of the shares in S.A. Desmazières.

The goodwill has been fully written off during the financial year.

The goodwill relates to an amount of € 1,858,000 relating to the acquisition of the shares in The Potato Company B.V. on March 15, 2024. The remaining lifespan is 5 years.

The goodwill for an amount of € 723,000 relates to the acquisition on October 16, 2023 of the shares in Royal ZAP and Semagri Holland B.V. The remaining lifespan is 5 years.

The remaining economic life and the depreciation period based on it for the software included under intangible fixed assets is 9 years. This item includes an amount of €7.3 million (31 July 2023: €8.2 million) relating to a new ERP system and an amount of €1.9 million (31 July 2023: €1.9 million) for the new grower portal.

### Tangible fixed assets (2)

The breakdown of and movements of tangible fixed assets can be summarized as follows:

	Land and buildings	Machinery and installations	Other fixed operating assets	Fixed assets under construction	Not used for business operation	Total 2023/2024	Total 2022/2023
Balance sheet as of August 1	24,722	1,697	2,186	-	604	29,209	25,601
Investments	282	170	781	133	-	1,366	6,153
Acquisition of company assets	-	118	203	-	-	321	-
Divestments	-6,354	-1,047	-549	-	-	-7,950	-197
Depreciation	-673	-294	-592	-	-	-1,559	-2,322
Exchange rate differences	-	-	10	-	-	10	-26
<b>Balance sheet as of July 31</b>	<b>17,977</b>	<b>644</b>	<b>2,039</b>	<b>133</b>	<b>604</b>	<b>21,397</b>	<b>29,209</b>
Purchase price	27,708	3,458	11,029	133	2,992	45,320	64,226
Accumulated depreciation	-9,731	-2,814	-8,990	-	-2,388	-23,923	-35,017
<b>Balance sheet as of July 31</b>	<b>17,977</b>	<b>644</b>	<b>2,039</b>	<b>133</b>	<b>604</b>	<b>21,397</b>	<b>29,209</b>

The expected economic life and the depreciation period based on it are 20 and 40 years for commercial buildings, 10 years for modifications to buildings, 5 and 10 years for machinery and installations and 5 and 10 years for other fixed assets. Residential properties and real estate held for sale are not used for business operations.

### Financial fixed assets (3)

The breakdown of and movements of the financial fixed assets can be summarized as follows:

	Holdings	Other securities/ security deposits	Loans received	Claims on holdings	Other claims	Total 2023/2024	Total 2022/2023
Balance sheet as of August 1	1,270	373	17	-	1,030	2,690	2,814
Repayments	-	-	-	-	-55	-55	-619
Loans provided	5	28	-	-	364	397	364
Share in financial year result	295	-	-	-	-	295	570
Exchange rate differences	730	-	-	-	-	730	-397
Change in value of financial fixed assets	-189	-	-	-	-	-189	-42
<b>Balance sheet as of July 31</b>	<b>2,111</b>	<b>401</b>	<b>17</b>	<b>-</b>	<b>1,339</b>	<b>3,868</b>	<b>2,690</b>

The investments item concerns the 50% share in AR Tarim Tohumculuk ve Sanayi Ticaret A.Ş. in Izmir, Turkey, the 45% share in Potato Services Africa Ltd. in Nairobi, Kenya, the 45% share in SV Agrico in Pune, India, and the 12.5% share in Breeders Trust S.A., Belgium.

The item other securities and guarantees referred to concerns guarantees at Agrico España and receivables from cooperative associations in the form of shares that are intended to be held on a permanent basis. In addition, Agrico participates in various Private Sector Investment Program (PSI) projects. The value of these interests (MABA Retail 25% and Agrico Algeria 25%) is valued at nil.

Of the amount of loans at the end of the financial year, € 0.0 million is repayable within 1 year (31 July 2024: € 0.02 million). The average interest rate on these loans is 0.3%.

Other receivables concern an investment account with the leasing company in connection with the financing by Agrico of cars leased by it.

### Receivables (4)

Trade receivables are included net of a provision for doubtful debts. As of July 31, 2024, the provision for doubtful debts amounts to € 4.4 million (July 31, 2023: € 3.1 million). The amount of the provision is based on deliveries from the 2022 harvest and earlier that have not yet been paid, supplemented with provisions deemed necessary for identified risks regarding the 2023 harvest.

The item "Operating pool" as of July 31, 2023 is a claim on growers and concerns an undivided remainder from the potato pools that has been settled with the potato pools of the current financial year.

Other receivables and current assets have a term of less than 1 year and mainly relate to sales tax, corporate tax, goods and field inventory.

### Liquid resources (5)

All liquid resources are at the free disposal of the company.

### Equity, capital and reserves (6)

The consolidated total result (operating result including results directly processed through equity) attributable to the cooperative amounts to €4,471,000 (31 July 2023: €1,643,000). For an explanation of the development of the equity, please refer to the explanatory notes to the unconsolidated balance sheet of Coöperatie Agrico U.A.

x € 1,000

### Third party interests in Group equity (7)

The development of the third party share is as follows:

	Total 2023/2024	Total 2022/2023
Balance sheet as of August 1	1,040	966
Share in financial year result	374	257
Dividend	-187	-104
Exchange rate differences	68	-79
<b>Balance sheet as of July 31</b>	<b>1,295</b>	<b>1,040</b>

### Facilities (8)

The breakdown of and movements in provisions can be summarized as follows:

	Pension provisions	Anniversary payment provisions	Total 2023/2024	Total 2022/2023
Balance sheet as of August 1	80	237	317	347
Withdrawals	-33	-18	-51	-60
Allocations	9	52	61	30
<b>Balance sheet as of July 31</b>	<b>56</b>	<b>271</b>	<b>327</b>	<b>317</b>

The pension provision has been calculated using a discount rate of 2% and relates to the financing of pension entitlements accrued with a pension insurer up to January 1, 2000. This plan has an unconditional 1.5 percent indexation and applies if the employment relationship continues until the retirement date. All facilities are predominantly long-term in nature.

### Long-term debts (9)

The breakdown of and movements in long-term debts can be summarized as follows:

	Member accounts	Credit institution	Total 2023/2024	Total 2022/2023
Balance sheet as of August 1	10,790	6,572	17,362	9,445
Repayments	-2,570	-3,284	-5,854	-1,729
Loans provided	5,189	24	5,213	9,646
<b>Balance sheet as of July 31</b>	<b>13,409</b>	<b>3,312</b>	<b>16,721</b>	<b>17,362</b>

The repayment obligations can be summarized as follows:

	Member accounts	Credit institution	Total 2023/2024	Total 2022/2023
Within 1 year	3,702	1,070	4,772	2,011
From 1 to 5 years	9,707	2,242	11,949	15,351
<b>Balance sheet as of July 31</b>	<b>13,409</b>	<b>3,312</b>	<b>16,721</b>	<b>17,362</b>

Members' accounts concern subordinated loans that form part of the Cooperative's guarantee capital. The average interest rate payable is 5.4% on member accounts (2022 harvest: 5.67%) and 4.65% on credit institutions (2022 harvest: 3.18%).

### Members (10)

	July 31, 2024	July 31, 2023
Members for produce delivered	25,156	24,927
Debt to the pool	650	-
	<b>25,806</b>	<b>24,927</b>

For the most part, 'Members for produce delivered' relates to the balance that members leave in credit on their current account with the Cooperative. The average interest rate for these credit balances is 2.5% 2022 harvest: 0.8%).

### Accrued liabilities (11)

The accrued liabilities have a term of less than one year and consist largely of obligations to personnel and invoices yet to be received.

#### Risks identified by Agrico are:

- Strategic risks: Potential risks regarding further growth and acquisitions are managed through a strategic plan and growth and financing objectives.
- Operational risks: Accounts receivable payment risks are managed through active accounts receivable management and, where possible, guarantees are obtained.
- Financial risks: Financing and currency risks are hedged by means of forward exchange contracts as well as by periodically preparing liquidity forecasts. These activities and liquidity management mainly take place at Agrico BV.
- Compliance risks: The risk of non-compliance with laws and regulations is managed by working with codes of conduct and internal procedures.
- Third party payment risks: Coöperatie Agrico U.A. does business with propagation material buyers from countries where restrictions apply regarding payment transactions. These customers may experience problems transferring money to the enterprise's bank account. As a result, they involve third parties to transfer money to the enterprise. In the 2023/2024 financial year, approximately 2% of net turnover was received via various third parties for the reasons stated above.

When receiving transfers from such parties, there is an inherently increased risk of, for example, contributing to financing of terrorism or money laundering and the risk of claiming back the received amount upon bankruptcy of these third parties as a result of

a lack of contractual agreements.

Regarding the payments from these third parties, we have not in all cases obtained insight into the manner in which payments to our enterprises were made, the background of the third parties that transferred funds to our enterprises, the relationship between our propagation material buyers and these third parties and the manner in which cash flows run between these parties. We have, for example, established, that the parties that paid us more than € 100,000 did not appear on sanctions lists of the Office of Foreign Assets Control, the European Union and the United States at the time of receipt of the payment. Coöperatie Agrico U.A. further tightened its policy on these transactions in the 2023/2024 financial year. The purpose of this policy is to conduct background checks on each customer and the party providing payment. The relationship between the customer and the paying party is also further investigated. To conclude, payments from bank accounts that do not belong to the customer are automatically identified. Coöperatie Agrico U.A. has started implementing this policy at the enterprises acquired in the 2023/2024 financial year from the moment it obtained control. This will be further implemented in the 2024/2025 financial year.

#### Liabilities and assets not included in the balance sheet

Obligations with respect to operational lease liabilities, which amount to € 1.2 million (July 31, 2023: € 1.0 million). Of this amount, €0.4 million has a maturity of less than one year (July 31, 2023: €0.4 million). The remainder concerns obligations with maturities of less than five years.

At the end of the financial year, there were investment obligations amounting to € 1.7 million (July 31, 2023: € 23 thousand). Coöperatie Agrico U.A., Agrico B.V., Agrico Holding B.V., Agrico Research B.V., ZAP B.V. and Leo de Kock & Zn. B.V., form a fiscal unit for corporate income tax and sales tax and are therefore jointly and severally liable for obligations arising from the fiscal unit. As a result of the acquisition of The Potato Company B.V., there is a conditional obligation of €0.4 million in total on management's employment.

#### Surety

Coöperatie Agrico U.A. maintains credit facilities with several Dutch banks, and the value of these facilities is adjusted in tandem with seasonal trends. The following surety has been put up for the credit facilities provided to Coöperatie Agrico U.A. by bankers:

- Joint and several liability obligations for the account of Coöperatie Agrico U.A., Agrico B.V., Agrico Holding B.V., Agrico Research B.V., and Leo de Kock & Zn. B.V.
- Assets declaration: 40% at the balance sheet date (the proportion of consolidated risk-bearing equity minus the intangible fixed assets in relation to the consolidated balance sheet total).

Agrico B.V. guarantees a credit of AR Tarim Tohumculuk of TRY 6.0 million.

Coöperatie Agrico U.A. has issued a 403 declaration for the holdings Agrico B.V. and Agrico Research B.V. a 403 declaration and for the holding Agrico Holding B.V. a 408 declaration.



x € 1,000

### Net turnover of products sold to third parties (12)

	2023/2024	2022/2023
The net turnover can be specified as follows:		
Seed potatoes	352,887	323,426
Ware potatoes	48,531	73,728
Licenses	8,824	8,340
Other turnover	2,029	4,260
	<b>412,271</b>	<b>409,754</b>

The remaining turnover consists of €1.1 million in revenue from products and €0.9 million in revenue from services.

Distribution of potato turnover by sales area:	%	%
The Netherlands	28.7	27.5
France	14.5	13.7
Belgium	12.6	11.7
Other EU countries	21.0	19.2
Outside the EU	23.2	27.9
	<b>100.0</b>	<b>100.0</b>

### Other operating income (13)

Below, the received subsidies and the book profits of the transferred assets of Leo de Kock & Zn. B.V. and other operating income are included.

### Purchase of products (14)

This includes payments to members for potatoes supplied (both pool and other purchases), storage fees paid to members and purchases from third parties. The members' share in this amounts to a total of €226.3 million (2022/2023: 232.6 million).

### Direct costs (15)

This includes costs directly related to the sale, such as transportation, commission, packaging, etc.

### Wages, salaries and social security costs (16)

	2023/2024	2022/2023
Salaries	16,400	16,687
Social security costs	2,914	3,048
Pension contributions/premiums including changes in pension provisions	2,037	2,179
	<b>21,351</b>	<b>21,914</b>
Average number of employees in the Agrico Group:		
The Netherlands	161	207
Foreign Group companies	80	76
	<b>241</b>	<b>283</b>

### Depreciation on intangible and tangible fixed assets (17)

	2023/2024	2022/2023
Intangible fixed assets	1,855	1,256
Land and buildings	673	812
Machinery and installations	294	602
Other fixed operating assets	592	908
	<b>3,414</b>	<b>3,578</b>
Net book profit or loss on divestments	-	-5
	<b>3,414</b>	<b>3,573</b>

### Other operating expenses (18)

	2023/2024	2022/2023
Other personnel costs	3,608	3,085
Office costs	2,725	2,145
Organization costs	1,827	1,469
Sales costs	3,003	2,933
Housing and operating costs	2,069	2,197
Other costs	1,232	1,750
	<b>14,464</b>	<b>13,579</b>

### Interest charges and similar costs (19)

The item interest income and similar income includes an amount of € 70,000 (2022/2023: -€ 64,000) in exchange rate differences.

### Taxes (20)

The income tax relates to profit in the Netherlands for € 0.3 million (2022/2023: € 0 million) and to profit in foreign activities for € 1.2 million (2022/2023: € 1.1 million). The effective tax burden (27.6%) deviates from the nominal rate in the Netherlands (25%) due to:

- Application of the holding exemption on earnings from holdings.
- Varying rates in other countries.
- Uncertainty as to the receipt of tax refunds for certain losses and valuation differences, as a result of which no provision has been formed.
- Other permanent differences between fiscal and commercial accounting principles.

At the end of the financial year, the deductible tax losses for the Dutch fiscal entity amount to € 13.3 million. No deferred tax asset has been recognized in the financial statements in the context of deductible losses.

## Unconsolidated balance sheet

x € 1,000 (after proposed appropriation of net result)

Assets	July 31, 2024	July 31, 2023
<b>Fixed assets</b>		
<b>Tangible fixed assets (1)</b>		
Land and buildings	1,972	1,881
Not for business operations	446	446
	<b>2,418</b>	<b>2,327</b>
<b>Financial fixed assets (2)</b>		
Holdings in Group companies	52,991	45,552
	<b>52,991</b>	<b>45,552</b>
<b>Current assets</b>		
<b>Claims</b>		
Group companies	21,759	27,277
Members	2,438	351
Operating pool (3)	-	1,590
	<b>24,197</b>	<b>29,218</b>
<b>Liquid assets</b>	<b>521</b>	<b>-</b>
<b>Total assets</b>	<b>80,127</b>	<b>77,097</b>

Liabilities	July 31, 2024	July 31, 2023
<b>Equity (4)</b>		
Statutory reserves	30,156	28,229
Statutory reserve for holdings	1,940	1,675
Statutory reserve for activated development costs	9,175	10,057
Statutory reserve for exchange rate differences	-3,340	-4,148
	<b>37,931</b>	<b>35,813</b>
<b>Long-term debts (5)</b>		
Member accounts *	13,409	10,790
Credit institutions	2,725	5,567
	<b>16,134</b>	<b>16,357</b>
<b>Short-term debt</b>		
Members (6)	25,805	24,927
Taxes and social security costs	257	-
	<b>26,062</b>	<b>24,927</b>
<b>Total liabilities</b>	<b>80,127</b>	<b>77,097</b>

\* Concerns subordinated loans that form part of the cooperative's guarantee capital.

## Unconsolidated profit and loss account

x € 1,000

	2023/2024	2022/2023
Operating balance from ordinary business operations after tax	-2,968	1,102
Result of holdings (7)	6,631	436
<b>Balance after taxes</b>	<b>3,663</b>	<b>1,538</b>

## Accounting policies in the unconsolidated financial statements

### Introduction and explanation

These are the unconsolidated financial statements of Coöperatie Agrico U.A., established on April 2, 1973, with its registered office in Emmeloord, the Netherlands, Chamber of Commerce number 39025632. These financial statements have been prepared in accordance with Dutch financial reporting laws and regulations. Use was made of the facility offered by Article 362, paragraph 8, Part 9, Book 2 of the Dutch Civil Code to apply the same principles in the unconsolidated financial statements as in the consolidated financial statements. For the principles regarding the valuation of assets and liabilities and for the preparation of the profit and loss account, reference is made to the explanatory notes to the consolidated financial statements, insofar as the items included in the unconsolidated financial statements are not further explained.

### Applicability of Section 402 of Book 2 of the Dutch Civil Code

Since the profit and loss account for 2023/2024 of Coöperatie Agrico U.A. has been included in the consolidated financial statements, the company accounts include only a summarized profit and loss account in accordance with Section 402 of Book 2 of the Dutch Civil Code.

## Explanatory notes to the unconsolidated financial statements

x € 1,000

### Tangible fixed assets (1)

The breakdown of and movements of tangible fixed assets can be summarized as follows:

	Land and buildings	Not relevant to business operations	Total 2023/2024	Total 2022/2023
Balance sheet as of August 1	1,881	446	2,327	2,335
Investments	100	-	100	-
Depreciation and amortization	-9	-	-9	-8
<b>Balance sheet as of July 31</b>	<b>1,972</b>	<b>446</b>	<b>2,418</b>	<b>2,327</b>
Purchase price	2,966	2,777	5,743	5,643
Accumulated depreciation	-994	-2,331	-3,325	-3,316
<b>Balance sheet as of July 31</b>	<b>1,972</b>	<b>446</b>	<b>2,418</b>	<b>2,327</b>

The estimated economic life, and the associated depreciation period, is 20 to 40 years for buildings and 10 years for building amendments. Assets which are not used for business operation, include real estate destined for sale.

### Financial fixed assets (2)

The breakdown of and movements of financial fixed assets can be summarized as follows:

	Holdings in Group companies	Total 2023/2024	Total 2022/2023
Balance sheet as of August 1	45,552	45,552	45,736
Result for the financial year	6,631	6,631	436
Exchange rate differences	808	808	-620
<b>Balance sheet as of July 31</b>	<b>52,991</b>	<b>52,991</b>	<b>45,552</b>

### Operating pool (3)

The item "Operating pool" as of July 31, 2023 is a claim on growers and concerns an undivided remainder from the potato pools that has been settled with the potato pools of the current financial year.

### Equity, capital and reserves(4)

The breakdown of and movements in equity, capital and reserves can be summarized as follows:

	Reserves pursuant to Article 15.2 of the Articles of Association	Statutory reserve for holdings	Statutory reserve costs of development	Statutory reserve for exchange rate differences	Total 2023/2024	Total 2022/2023
Balance sheet as of August 1	28,229	1,675	10,057	-4,148	35,813	34,895
Balance for the financial year	3,663	-	-	-	3,663	1,538
Withdrawal	-2,353	-	-	-	-2,353	-
Other changes	617	265	-882	808	808	-620
<b>Balance sheet as of July 31</b>	<b>30,156</b>	<b>1,940</b>	<b>9,175</b>	<b>-3,340</b>	<b>37,931</b>	<b>35,813</b>

The reserve pursuant to Article 15.2 of the Articles of Association concerns the retained balances of the cooperative. No distributions may be made from the reserves for the amount of the negative balance of the statutory exchange rate differences reserve.

The withdrawal from the reserve pursuant to Article 15.2 of the Articles of Association concerns the transfer of equity to a newly established cooperative.

The statutory reserve for holdings has been created for results and direct increases in the capital, equity and reserves of the holdings since the initial valuation in accordance with the equity method because the value of those holdings cannot easily be enforced or realized.

The statutory reserves for development costs relates to the (remaining) carrying amount of the capitalized development costs (investments in an ERP system).

The statutory reserve for exchange rate differences includes the unrealized exchange rate differences on foreign holdings where the changes resulting from hyperinflation are also settled in this reserve.

### Proposed appropriation of net operating results

Pursuant to Article 15.2 of the Articles of Association, it is proposed by the Management Board that the positive operating result 2023/2024 (€ 3.663,000) be divided and appropriated as follows:

	2023/2024	2022/2023
Addition to Cooperative's reserve pursuant to Article 15.2 of the Articles of Association	3,663	1,538

This proposal has been incorporated into the balance sheet dated July 31, 2024.

## Explanatory notes to the unconsolidated financial statements

x € 1,000

### Long-term debts (5)

The breakdown of and movements in long-term debts can be summarized as follows:

	Member loans	Credit institutions	Total 2023/2024	Total 2022/2023
Balance sheet as of August 1	10,790	5,567	16,357	7,909
Repayments	-2,570	-2,842	-5,412	-1,370
Loans provided	5,189	-	5,189	9,818
<b>Balance sheet as of July 31</b>	<b>13,409</b>	<b>2,725</b>	<b>16,134</b>	<b>16,357</b>

The repayment obligations can be summarized as follows:

Within 1 year	3,702	1,070	4,772	2,011
From 1 to 5 years	9,707	1,655	11,362	14,346
<b>Balance sheet as of July 31</b>	<b>13,409</b>	<b>2,725</b>	<b>16,134</b>	<b>16,357</b>

The average interest rate payable is 5.4% on member accounts (2022 harvest: 5.67%) and 4.65% on credit institutions (2022 harvest: 3.18%).

### Members (6)

	2023/2024	2022/2023
Members for produce delivered	25,156	24,927
Debt to the pool	650	-
	<b>25,806</b>	<b>24,927</b>

For the most part, 'Members for produce delivered' relates to the balance that members leave in credit on their current account with the Cooperative. The average interest rate for these credit balances is 2.5% (2022 harvest: 0.8%).

The 'Debt to the pool' is an undivided remainder from the potato pools for that financial year, which will be added to the potato pools for the following financial year.

### Earnings from holdings (7)

This concerns the share of the enterprises in the earnings of its holdings, where an amount of € 6,366,000 (2022/2023 - € 134,000) relates to group companies. The remaining portion concerns earnings from minority interests in the amount of € 265,000 (2022/2023: € 570,000).

### External auditor's fee (pursuant to Section 382a of Book 2 of the Dutch Civil Code)

The costs charged to the financial year of the external auditor and the accounting body and the entire network to which this accounting body belongs are as follows:

	EY Accountants B.V.	Other EY	2023/2024	2022/2023
Audit of the financial statements	290	65	355	299
Tax advisory services	-	6	6	6
	<b>290</b>	<b>71</b>	<b>361</b>	<b>305</b>

### Remuneration of Directors and Supervisory Directors

In accordance with Section 383.1 of Part 9, Book 2 of the Dutch Civil Code, the figures for the Directors of Coöperatie Agrico U.A. (who also act as Supervisory Directors of Agrico B.V.) are: €162,000 (last year €151,000).

### Liabilities and assets not included in the balance sheet

Agrico U.A. is jointly and severally liable for obligations arising from the fiscal entity, in terms of both corporation tax and turnover tax with Group members in the Netherlands.

Coöperatie Agrico U.A., Agrico B.V., Agrico Holding B.V., Agrico Research B.V., ZAP B.V. and Leo de Kock & Zn. B.V., form a fiscal unit for corporate income tax and sales tax and are therefore jointly and severally liable for obligations arising from the fiscal unit.

### Surety

Coöperatie Agrico U.A. maintains credit facilities with several Dutch banks, and the value of these facilities is adjusted in tandem with seasonal trends. The following surety has been put up for the credit facilities provided to Coöperatie Agrico U.A. by bankers:

- Joint and several liability obligations for the account of Coöperatie Agrico U.A., Agrico B.V., Agrico Holding B.V., Agrico Research B.V., and Leo de Kock & Zn. B.V.
- Assets declaration: 40% at the balance sheet date (the proportion of consolidated risk-bearing equity less intangible fixed assets in the consolidated balance sheet total).

Coöperatie Agrico U.A. has issued a 403 declaration for the holdings Agrico B.V. and Agrico Research B.V. and a 408 declaration for the holding Agrico Holding B.V..

Emmeloord, November 15, 2024

M. Zuidhof  
Managing Director

J. Barendregt  
Director

R.N.G. Stokman  
Director

C. Decker  
Director

J.C. van Heerwaarden  
Director

S.K. Hoekstra  
Director

M.C.G. Besseling  
Director

G.H. de Raaff  
Director

# Other information



**With regard to the apportionment of the balance (Article 15.2, subsection 6)**

- a. The Board of Members decides with regard to the apportionment of any positive balance on the profit and loss account after hearing a proposal from the Cooperative Board.
- b. Any negative balance on the profit and loss account is deducted from the equity, capital and reserves of the Cooperative, specifically from those components as determined by the Board of Members after hearing a proposal from the Cooperative Board.

**With regard to the apportionment of a positive balance after winding-up (Article 18.3)**

1. If a balance remains after these payments have been made, it will be disbursed to those who were Members of the Cooperative on the date the Cooperative was dissolved. If the remaining balance should not be sufficient for the apportioning, it will be apportioned according to the ratio as determined in the previous sentence. If a surplus remains after the apportioning as referred to above, it will be apportioned to those who were Members of the Cooperative at the time of the dissolution of the Cooperative. The surplus will be apportioned in proportion to the total amount paid by the Cooperative to each of the Members for all produce for which a delivery obligation applies or is applied during the last five (5) full financial years prior to the time of dissolution or during the entire term of the Membership if this has not lasted five (5) full years.
2. In the event of dissolution because of the total lack of Members, any positive balance will be disbursed to those who had ceased to be Members during the five (5) years immediately preceding the dissolution. If there are no such Members, the balance will be disbursed to those who had ceased to be Members during the seven (7) years immediately preceding the dissolution, and so on. The principle on which apportionment will be based corresponds to the principle described in the previous subsection.

To: the Board of Members of Coöperatie Agrico U.A.

**Opinion on the financial statements included in the annual report for the period from 1 August 2023 to 31 July 2024**

**Our opinion**

We have prepared the financial statements for the financial year that ended on July 31, 2024 of Coöperatie Agrico U.A. audited in Emmeloord.

In our opinion, the financial statements included in this Annual Report give a true and fair view of the size and composition of the assets of Coöperatie Agrico U.A. as at July 31, 2024 and of the result for the period from August 1, 2023 to July 31, 2024 in accordance with Part 9 Book 2 of the Dutch Civil Code.

The financial statements consist of:

- The consolidated and unconsolidated balance sheet as of July 31, 2024;
- The consolidated and unconsolidated profit and loss accounts for the period from August 1, 2023 to July 31, 2024;
- The explanatory notes with an overview of the principles used for financial reporting and other explanatory notes.

**The basis for our opinion**

We conducted our audit in accordance with Dutch law, which also includes the Dutch Auditing Standards. Our responsibilities based on this are described in the section entitled Our responsibilities for the audit of the financial statements.

We are independent of Coöperatie Agrico U.A. as required by the Dutch Wet toezicht accountantsorganisaties (Audit Firms (Supervision) Act);

(Wta), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO; Code of Ethics for Professional Accountants, a regulation with respect to independence) and other independence rules relevant to the engagement in the Netherlands. Furthermore, we have complied with the Dutch Verordening gedrags- en beroepsregels accountants (VGBA; Code of Ethics for Professional Accountants. Regulation with respect to Rules of Professional Conduct).

We believe that the audit information we obtained is sufficient and suitable as a basis for our opinion.

**Information to support our opinion**

We have determined our auditing activities within the context of the audit of the financial statements as a whole and in forming our opinion thereon. The information provided below in support of our opinion and findings should be viewed in that context and not as separate opinions or conclusions.

**Our focus on fraud and non-compliance with laws and regulations**

**Our responsibility**

Although we are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect non-compliance with all laws and regulations, our responsibility is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error.

**Our audit approach to fraud risks**

We have identified and assessed the risks of a material misstatement in the financial statements resulting from fraud. During our audit, we obtained insight into the company and its environment, the components of the internal auditing system including the risk assessment process and the way in which management responds to fraud risks and monitors the internal auditing system as well as the results thereof. We refer to the Risk Profile chapter of the Annual Report in which the Board has included its risk analysis after considering potential fraud risks.

We have assessed the set-up and relevant aspects of the internal auditing system and, in particular, the fraud risk analysis as well as, for example, the code of conduct, whistleblowing scheme and incident registration. We have assessed the set-up and existence of internal auditing measures aimed at mitigating fraud risks.

As part of our fraud risk identification process, we considered fraud risk factors relating to fraudulent financial reporting, misappropriation of assets and bribery and corruption in close collaboration with our forensic specialists.

**Other information — Independent auditor's report**

We assessed whether these factors indicated the presence of a risk of material misstatement due to fraud.

We integrate an element of unpredictability in our audit. We also assessed the results of other auditing activities and considered whether there were any findings that indicate fraud or non-compliance with laws and regulations.

In all our audits, we take into account the risk that management can breach internal control measures, as this risk is present in all companies. Due to this risk, we have, among other things, reviewed estimates for trends that may pose a risk of material misstatement, focusing, in particular, on key areas requiring an opinion and significant estimate items, as explained in the section Opinions, estimates, assumptions and uncertainties of the accounting policies in the consolidated financial statements including the provision for doubtful accounts receivables. We also used data analytics to identify and test journal entries with increased risk and assessed the business rationale (or lack thereof) for unusual transactions including those with connected parties. Furthermore, in order to respond to the identified risk that management may override internal control measures with respect to the determination of the provision for doubtful account receivables, we have checked the principles and assumptions used by management.

In identifying and assessing fraud risks, we have assumed that fraud risks exist in revenue recognition, in particular, with regard to the recognition of the obligation for losses/complaints yet to be settled, which is deducted from turnover.

We considered, among other things, the company's turnover targets and their realization. We determined and performed our revenue recognition procedures in response to the perceived risk of fraud.

We have taken note of the available information and requested information from Members of the Board, management and legal issues.

The fraud risks identified by us, the information received and other available information do not provide any specific indications of fraud or suspicions of fraud that could have a material impact on the presentation of the financial statements.

**Our audit approach to the risk of non-compliance with laws and regulations**

We have performed appropriate auditing activities regarding compliance with the provisions of relevant laws and regulations that directly affect the amounts and explanations reported in the financial statements. In addition, we have assessed the circumstances regarding the risk of non-compliance with laws and regulations that could reasonably be expected to have a material impact on the financial statements, based on our experience in the sector, by consulting with management, reading minutes, taking note of internal investigations and performing substantive activities focused on transaction flows, financial statements items and explanations.

We have identified the following risk of non-compliance with laws and regulations and performed the following activities.

**Risk of non-compliance with laws and regulations (risk of participating in financing of terrorism or money laundering) as a result of funds received from third parties**

**Risk**

Coöperatie Agrico U.A. does business with customers from countries where (sanction) measures and restrictions regarding payment transactions apply. These customers sometimes experience problems transferring money to Agrico's bank account. As a result, they involve third parties to transfer money to the company.

We consider non-compliance with laws and regulations in high-risk countries including unknowingly contributing to the financing of terrorism or money laundering as a result of receiving funds from unknown third parties, to be a risk in our auditing.

On page 95 in the financial statements (fifth bullet: Third party payment risks) includes an explanation of funds received from third parties including the risks of non-compliance with laws and regulations and developments in the 2023-2024 financial year. The risk is also explained in the Annual Report on page 77 (chapter: Risk profile).

**Our audit approach**

We have performed the following auditing activities that are specifically focused on this risk, the planning and implementation of which took place in collaboration with our forensic specialists:

- We have obtained insight into the set-up and existence of internal control surrounding funds received from third parties.
- We have performed transaction tests on funds received from third parties.
- We have taken cognizance of internal investigations into funds received from third parties in the 2023-2024 financial year including the background investigations conducted into the third parties involved.
- To confirm the results of those investigations, we verified the information received with underlying source documentation.
- We have made inquiries with the enterprise's management and board regarding possible or suspected violations of laws and regulations relating to funds received from third parties.

We also took note of lawyers' letters and remained alert to indications of (possible) non-compliance during the audit. To conclude, we have received written confirmation that all known incidents of non-compliance with laws and regulations have been shared with us.

We have assessed the adequacy of the explanations in the financial statements on page 95 (fifth bullet: Third party payment risks) and on page 77 of the Annual Report on third party payment risks. We have assessed whether these explanations reflect the current status of the increased risk of non-compliance with laws and regulations including unknowingly contributing to financing of terrorism or money laundering as a result of receiving funds through unknown third parties and the risk of recovery of the amount received in the event of bankruptcy of these third parties as a result of the absence of contractual agreements. The explanations show that not all identified risks have been completely eliminated;

we have weighed the possible impact of this in our opinion.

**Our audit approach regarding the going-concern assumption**

As explained in the Continuity section on page 86 of the financial statements, the financial statements have been prepared on the basis of the going-concern assumption. When preparing the financial statements, the Board has made a specific assessment of the enterprise's ability to continue as a going concern and to continue its activities for the foreseeable future.

We have discussed the specific assessment with the Board and assessed it professionally and critically. We have considered whether the specific assessment of the Board, based on our knowledge and understanding, obtained from the audit of the financial statements or otherwise, includes all relevant events and circumstances that could cast significant doubt on the enterprise's ability to continue its

operating activities. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the relevant related explanations in the financial statements. If the explanations are inadequate, we must adjust our statement.

Based on our work, we have not identified any material uncertainties regarding continuity. Our conclusions are based on the audit information obtained until the date of our auditor's report. However, future events or conditions may cause an entity to cease to maintain its continuity.

## Statement on other information included in the Annual Report

The Annual Report includes other information in addition to the financial statements and our auditor's report thereon.

Based on the work below, we are of the opinion that the other information:

- Is consistent with the financial statements and does not contain any material misstatements;
- Contains all information required for the Management Report and other data under Part 9, Book 2 of the Dutch Civil Code.

We have read the other information and, based on our knowledge and understanding obtained from the audit of the financial statements or otherwise, have considered whether the other information contains material misstatements. Our work complies with the requirements of Part 9, Book 2 of the Dutch Civil Code and Dutch Standard 720. These activities do not have the same depth as our auditing activities regarding the financial statements.

The Board is responsible for preparing the other information including the Management Report and other information in accordance with Part 9, Book 2 of the Dutch Civil Code.

## Description of responsibilities regarding the financial statements

**Responsibilities of the Board for the financial statements**

The Board is responsible for preparing and truthfully presenting the financial statements in accordance with Part 9, Book 2 of the Dutch Civil Code.

The Board is responsible for such internal control as it deems necessary to enable the preparation of the financial statements without material misstatements due to errors or fraud.

When preparing the financial statements, the Board must consider whether the company is able to continue its activities as a going concern. Under the aforementioned reporting framework, the Board must prepare the financial statements using the going-concern assumption unless the Board either intends to liquidate the cooperative or to cease operations or has no realistic alternative but to do so. Management should disclose in the financial statements events and circumstances that may cast significant doubt on the entity's ability to continue as a going-concern.

**Our responsibilities for auditing the financial statements**

Our responsibility is to plan and perform an audit engagement in such a way that we obtain sufficient and suitable audit evidence for our opinion. Our audit has been performed with a high, but not absolute, level of surety, which means we may not detect all material errors and fraud during our audit. Misstatements may arise from fraud or error and are material if it can be reasonably expected, individually or jointly, to influence the economic decisions of users taken on the basis of

these financial statements. Materiality affects the nature, timing and extent of our audit procedures and the assessment of the effect of identified misstatements on our opinion.

We have conducted this audit with professional skepticism and, where relevant, have exercised professional judgment in accordance with Dutch auditing standards, ethical rules and independence requirements. The Information in Support of our Opinion section above provides an informative summary of our responsibilities and the work performed as a foundation for our opinion. Our audit, for example, included:

- Identifying and assessing the risks of material misstatement of the financial statements whether due to error or fraud, designing and performing auditing activities responsive to those risks and obtaining audit evidence that is sufficient and suitable to provide a foundation for our opinion. In the case of fraud, the risk that a material misstatement will not be detected is greater than in the case of errors. Fraud may involve collusion, forgery, deliberate failure to record transactions, deliberate misrepresentation or breaching the internal control;
- Obtaining an insight into the internal control relevant to the audit for the purpose of selecting audit procedures that are appropriate in the circumstances. These activities are not intended to express an opinion on the effectiveness of the enterprise's internal control;

- Assessing the appropriateness of accounting principles used and assessing the reasonableness of Board estimates and explanations in the financial statements;
- Assessing the presentation, structure and content of the financial statements and the explanations included therein;
- Assessing whether the financial statements give a true and fair view of the underlying transactions and events.

In view of our ultimate responsibility for the opinion, we are responsible for the management, supervision and execution of the group audit. We have determined within this context the nature and scope of the activities to be performed for the group entities. The scope and/or risk profile of the group components or activities are decisive in this respect. Based on this, we have selected the group entities for which an audit or assessment of the complete financial information or specific items was required.

**Communication**

We communicate with the Board about, for example, the planned scope and timing of the audit and the significant findings that we identify during our audit including any significant shortcomings in internal control.

Zwolle, November 15, 2024

EY Accountants B.V.

Signed by drs. B.W. Littel RA





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**Say potato,  
say Agrico.**

