



PRESS RELEASE

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AGRANA: Production at sugar factories in Leopoldsdorf (AT) and Hrušovany (CZ) to be ceased

CEO Büttner: "The goal is to make the sugar production site robust in difficult times – concentration of production in Austria in Tulln"

At its meeting today, the AGRANA Supervisory Board has decided the termination of sugar production at its site in Leopoldsdorf in Marchfeld, Austria, and at its site in Hrušovany, Czech Republic, with immediate effect.

In Austria, the company's entire domestic sugar production will in the future be based in Tulln. This measure is an important part of the company's strategic realignment, which aims to achieve long-term stabilisation and competitiveness for the domestic sugar production. The goal is to focus entirely on the Austrian market with domestically produced sugar. In the Czech Republic the sugar production will be concentrated at the Opava site.

The Leopoldsdorf site will remain in place as a logistics hub. In particular, sugar is to be stored in the existing silos and to be packaged there. Regarding potential opportunities for further economic use of the 70-hectare company site, AGRANA is developing additional future scenarios for the factory premises in the short term.

Background to the decision

The decision is based on a comprehensive evaluation of the economic and regulatory conditions. Rising production costs, increasing competition due to a decline in sugar consumption across the EU, market liberalisation (Mercosur agreement, sugar imports from Ukraine), and regulatory requirements have made it economically unviable to continue production at two sites in both Austria and the Czech Republic. The sugar market does not allow for the production volumes that would make the operation of the affected sites viable in the medium term, let alone the long term.

"It was a difficult but unavoidable decision to close two production sites, especially because we are committed to sugar production in Central and Eastern Europe," explains Mag. Stephan Büttner, CEO of AGRANA, emphasising that "we are taking this step fully aware of our responsibility for Austria as a sugar production location. By focusing on our site in Tulln, we want to create a stable and lasting basis for a sustainable Austrian production. Our aim is to make Austria a robust sugar production location."

Consequences for employees

The closures affect about 270 employees, about 120 of whom work in Leopoldsdorf and about 150 in Hrušovany. AGRANA is providing them with extensive support. This includes retraining and qualification programmes, opportunities to take up jobs at other sites within AGRANA, and individual redundancy packages, as well as advice on professional reorientation. One focus is

on supporting regional labour forces in the surroundings of the Leopoldsdorf and Hrušovany sites.

Focus on the Tulln site in Austria

The decision to focus on the Tulln site will ensure full capacity utilisation. In the future, production will be geared towards meeting the requirements of the Austrian market in the best possible way, securing the site in Austria in the long term and enabling sustained growth.

Strengthening partnerships with local beet farmers

“We will focus on the Austrian market with Austrian sugar. By focusing on Tulln, we are investing in the future of sugar production in Austria. Our goal is to sustain value creation and continue taking responsibility as a strong partner for domestic beet farmers”, concludes Stephan Büttner.

About AGRANA

AGRANA converts agricultural raw materials into high-quality foods and numerous industrial intermediate products. About 9,000 employees at 53 production sites worldwide generate annual Group revenue of approximately € 3.8 billion. Established in 1988, the company is the global market leader in fruit preparations and the world's leading producer and vendor of apple and berry juice concentrates. As well, its Starch segment is a major manufacturer of custom starch products (made from potato, corn and wheat) and of bioethanol. AGRANA is the leading sugar producer in Central and Eastern Europe.

This information is available in German and English at www.agrana.com.