

Press release

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Focus on sugar – from beet and cane

Nordzucker AG Annual General Meeting confirmed course of the company

Braunschweig, Germany, 27 June 2019

- Transformation in core business in Europe
- Entry into sugar cane production
- Ratification of the actions of the Supervisory Board and Management Board

This year's annual general meeting of Nordzucker AG was marked by the company's future orientation against the backdrop of extreme price erosion due to overproduction in the EU and worldwide and the changed political environment. With a clear focus on sugar from beet and cane, Nordzucker is setting the course for long-term profitable growth.

In its first full financial year without fixed quotas and minimum prices, Nordzucker achieved sales of EUR 1,650 million, 18 percent lower than in the previous year. The operating result (EBIT) was minus EUR 58 million (previous year: EUR 154 million). Nordzucker closed the financial year with a net loss for the year of minus EUR 36 million (previous year: EUR 118 million). No dividend will be distributed to shareholders due to the development of business.

Dr. Lars Gorissen, CEO of Nordzucker AG, first described the current market environment in his speech: "Conditions are extremely

challenging due to overproduction on the world market and, following the abolition of quotas, also in the EU. In addition to subsidies in India and Thailand, the drivers are coupled payments for beet cultivation in numerous EU countries. This distorts competition, and this is a political challenge."

Sugar has a future

Despite the existing uncertainties, Nordzucker sees good prospects for companies and growers. "At this price level, hardly anyone can supply sugar at a cost-covering level," said Gorissen, stressing at the same time: "Demand is rising continuously worldwide. Sugar is also an important ingredient in food and not easy to replace. We expect prices to rise in the medium term and are clearly focusing on sugar - from sugar beet and sugar cane".

In order to remain competitive in the future and to grow further, Nordzucker has launched a comprehensive transformation process in its core business in Europe. As part of the sales strategy, the product and service portfolio will be adjusted, the organisation focused on core processes and costs, especially in administration, significantly reduced. Nordzucker is also entering the sugar cane business and plans to close the transaction with Australia's second-largest producer Mackay Sugar Limited in the near future. Nordzucker is thus not only opening up the stable Australian market but also securing access to the fastest-growing market in Asia.

Jochen Johannes Juister, Chairman of the Supervisory Board of Nordzucker AG, stressed in his presentation: "The general conditions for Nordzucker and its farmers have changed drastically. However, the company is still very stable and solidly positioned. As a member of the Supervisory Board, we fully support the strategy and the transformation process that has been initiated". Juister confirmed: "The prospects for sugar remain good."

Voting results

The Annual General Meeting confirmed the company's course and approved the actions of the Management Board and Supervisory Board with a very large majority.

The Annual General Meeting also elected Jochen Johannes Juister (Nordhastedt) almost unanimously to the Supervisory Board, as did Henrik Madsen (Padborg, Denmark) with a convincing majority as a member of the Supervisory Board of Nordzucker AG.

All detailed voting results are also available on the Internet:
www.nordzucker.de

Constituent meeting of the Supervisory Board

Following the Annual General Meeting, the newly elected Supervisory Board of Nordzucker AG at its constituent meeting.

Jochen Johannes Juister was almost unanimously confirmed in his office as Chairman of the Supervisory Board of Nordzucker AG. Helmut Bleckwenn and Sigrun Krussmann were elected as deputies for the shareholder representatives and employee representatives respectively.

Background

The **Nordzucker Group**, based in Braunschweig, is Europe's second-largest sugar producer. The Group also produces bioethanol and animal feed from sugar beet. Eighteen production and refinery facilities across Europe form the technical, logistical and geographic basis for continued success. The Group has around 3,200 employees, who each strive towards providing excellent products and services.