

*La Lorraine Bakery Group takes a strategic step in growth market
Russia, putting the first stone of its new state-of-the-art bakery plant*

La Lorraine Bakery Group brings to life its mission of ‘Better bakery, better life. Together’ in Russia, offering a wide range of locally produced, high quality bakery products to the Russian population.

Staromikhaylovskoe, Vorsino (Kaluga region), 7 June 2021 – Today’s first stone ceremony represents the official start of the construction works of a new state-of-the art bakery plant in Russia, and is a confirmation of the strong business plans and related long term supply partnerships of La Lorraine Bakery Group with foodservice and retail partners in Russia. In one year from now, the production lines in K-Agro industrial park, Vorsino (Kaluga region), at about 100km of Moscow, will be operational to serve the Russian customers with a large variety of locally produced bakery products of high quality, taste and premium appearance. This first stone ceremony, in presence of the Kaluga region governor, Mr Vladislav Shapsha, and the Belgian Ambassador, H.E. Mr Marc Michielsen, marks the first concrete milestone after the signing of a cooperation agreement between the Kaluga region and La Lorraine Bakery Group a few days earlier at the Sint Petersburg International Economic Forum.

Guido Vanherpe, CEO La Lorraine Bakery Group: *At La Lorraine Bakery Group, we are pursuing our Go East Expansion Strategy and building our international footprint in Russia is now our most important strategic priority. We are present on the Russian market since 8 years, and have been actively building commercial relationships with big retail chains and foodservice customers, to develop together the important bake-off bakery opportunity in both in-home and out-of-home consumption. The decision to build a new state of the art bakery factory in Russia is a logic next step to offer the Russian consumer a large variety of locally produced bakery products of high quality, taste and premium appearance.*

I’d like to thank the Kaluga region for their commitment to cooperate and support us in this strategic project, in which La Lorraine invests around 50 Mio Euro in the coming year and which will be contributing to the development and growth of the regional economy and local employment.

Mr Vladislav Valeryevich Shapsha, Governor of the Kaluga region: *At the international economic forum in St Petersburg we signed an agreement with La Lorraine to make further investments in production development. And today is the start of the construction of the plant. I am sure that the*

company will move on to the next stage - production of the first products - with the same speed. We are interested in the company's success in the Kaluga region and will continue to provide comprehensive support.

H.E. Mr Marc Michielsen, Ambassador of the Kingdom of Belgium: *I'm pleased that La Lorraine Bakery Group has chosen Russia as one of its future core markets. During the last ten years, the company has been growing at an annual rate of close to 10 percent. In the current pandemic situation, the construction of a new state of the art production site marks a very strong signal. The investment in Kaluga region is also an example of the positive dynamics and growing economic relationships between Belgium and Russia. La Lorraine, as one of the leading international bakeries, joins the more than 50 Belgian companies who are now producing in Russia.*

The decision to start building a local bakery plant in Russia is a confirmation of the Group's strong growth plans in Russia

La Lorraine Russia is an affiliate of La Lorraine Bakery Group, one of the leading bakery companies in Europe. La Lorraine Bakery Group is a Belgian family-owned bakery company, operating from 12 state-of-the art production sites in Belgium, Poland, Turkey, Romania, the Czech Republic and in the near future also Russia. From these bakery sites, the Group delivers high quality bakery products to customers in more than 50 countries, serviced by local commercial organizations in 30 countries.

Johan Vanderplaetse, Chairman of the Board of directors of La Lorraine Russia: *La Lorraine Russia is operating since 8 years from its commercial office in Moscow, by a team of passionate local employees. Today, La Lorraine Russia serves more than 3000 Russian retail outlets, and has commercial projects with the largest Russian retailers X5, Magnit & Dixy. In 2021, the estimated turnover of La Lorraine Russia will be approximately 15 Mio Euro. By 2025, we estimate to grow our sales in Russia times 5 compared to today, reaching around 70 Mio Euro revenue.*

After opening its own distribution center in 2020, the group decided early 2021 to build a state-of-the-art local bakery production site in K-Agro industrial park, Vorsino, located in the Kaluga region, at about 100km south-west of Moscow. The construction works of this bakery plant, comprising a production hall with artisan quality high-speed lines, warehouse, utilities and office buildings, have been started this spring, on an industrial land area of 8 hectares.

Anton Pershin, Country Manager La Lorraine Russia: *The first stone ceremony today marks the start of a challenging journey in the next 12 months. By June 2022, we will be actively serving the Russian market with bakery products from this new state of the art bakery facility in K-Agro industrial park in*

Vorsino, that will employ by that time about 150 people, later growing to around 300 people. In this first phase, the factory will produce about 50.000 tons of high quality bake-off bakery products each year, and enable La Lorraine Russia to continue its growth track.

About La Lorraine Bakery Group

La Lorraine Bakery Group (LLBG) is a 100% Belgian family-owned business active in the milling and bakery industries and offering a wide range of high-quality bakery products. Every day, more than 4,000 enthusiastic employees produce and sell high-quality bakery products with commercial teams in 30 countries, serving consumers, supermarkets and the foodservice sector in more than 50 markets.

As a leading, growth-focused international company with more than 12 production units in 5 countries, we are driven by our passion for growth and our steadfast determination to transform the bakery market by deploying our many years of experience and expertise, new technologies and the talents of our highly motivated employees. The Group is structured into four business units: Bakery Frozen (Bake-off), Bakery Fresh, Store Concepts and Milling.

Our main financial objectives are long-term value creation and qualitative growth through innovation and entrepreneurship. The Group reported revenue of €744 million in 2020.

We aim to remain sustainable and enterprising for many generations to come, with a passion for quality and innovation and truly embodying the spirit of a company that does well for all its stakeholders – so that we become not only a bigger, but above all a better company.

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