

PRESS RELEASE

Alcogroup (Alco) to acquire IGPC, Aylmer Ontario, the second-largest Canadian ethanol producer

Acquisition will consolidate Alco's ambition to be a global player in the ethanol sector.

Brussels/Aylmer Ontario - 25 November 2024. In November, the approval of the transaction by shareholders of IGPC was obtained. The EU Commission and Canadian competition authorities had already given the greenlight. The closing will take place in December 2024.

With the acquisition of IGPC, Alcogroup will add 380 million litres (100 million gallons) of fuel-grade ethanol to its existing production capacity of 1 billion litres. This strategic acquisition marks a significant milestone for Alcogroup. With production units on three continents Alcogroup is quickly establishing itself as a global player in the ethanol market.

IGPC will be acquired by Alco Energy Canada, a subsidiary of Alco Energy, 60% controlled by Alcogroup and 40% by Groep Vanden Avenne Commodities. With Alco Bio Fuel in Ghent (Belgium), Alco Energy Rotterdam (The Netherlands) and now IGPC in Aylmer (Canada), Alco will produce yearly 1.4 billion litres of fuel ethanol.

"We are extremely pleased with this acquisition" comments Thomas Viatour, newly appointed CEO of Alcogroup. "It enhances our geographical diversification and strengthens our position in the growing ethanol markets in North America and specifically Canada."

IGPC is the second largest ethanol producer in Canada. This biorefinery uses locally sourced corn to produce ethanol, high and low concentrated protein for animal feed, corn oil and biogenic CO₂. IGPC is therefore a perfect complement to Alco's other production sites.

Charles-Albert Peers, Chairman of the Board, underlines the importance for Alco of investing outside Europe and states "The European ethanol industry is confronted with high energy and ETS costs hampering its competitiveness compared to US and Brazilian imports. Additionally, the EU regulatory environment is increasingly a constraint for our industry. I would strongly encourage a technology neutral approach and the use of all available sustainable solutions to reach the goals of the Green Deal."

Ethanol is currently one of the most cost-effective and efficient sustainable products for reducing fossil fuel consumption in road, maritime and aviation transportation ("alcohol to jet"). Like in fuel, ethanol will become a key base molecule for the development of the green chemistry.

Ethanol production results in equal shares of high protein animal feed and biogenic CO₂, resulting from fermentation. This locally produced source of proteins reduces imports of South American soy whilst the biogenic CO₂ replaces fossil CO₂ in various sectors. When combined with renewable electricity, biogenic CO₂ can also be used to produce e-fuels.

Alco anticipates completing the acquisition mid December 2024. Closing remains subject to the satisfaction of certain customary conditions for a transaction of this nature.

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About Alcogroup (Alco)

Alco, headquartered in Brussels (Belgium) is the second largest European producer and an important distributor of ethanol for fuel use. It is also a global producer and distributor of ethanol for the pharmaceutical, chemical, cosmetic, healthcare and beverage industries with its AlcoNCP and Alcotra business units. Alcogroup through its subsidiary Alco Energy produces approximately 1 billion litres of ethanol, 700,000 tons of DDGs and 500,000 tons of biogenic CO₂ annually in Europe. Alco's ambition as a sustainable pioneer is to constantly improve its ethanol production processes. Through innovation and investments, Alco has achieved a carbon intensity of approximately 5 gCO_{2eq}/MJ, resulting in greenhouse gas emission reduction of over 90% compared to gasoline. Alco Energy is controlled at 60% by Alcogroup and 40% by Groep Vanden Avenne Commodities. Groep Vanden Avenne Commodities is a major Belgian trader in agricultural commodities, including Distiller's Grains and Solubles (DGS).

About IGPC ethanol Inc.

Established in 2007, IGPC Ethanol Inc. contributes significantly to the Renewable Fuels Industry and Ontario's agricultural sector. By producing 380 million litres of denatured fuel grade ethanol and 340,000 tons of distillers' grains IGPC Ethanol Inc. emerged as a leader in Southwestern Ontario's business community by creating environmentally sustainable economic growth. IGPC Ethanol Inc. is a division of Integrated Grain Processors Co-operative Inc., established in 2002 by a group of agribusiness individuals. The Company is a full service provider for local farmers offering distribution solutions for their corn crops and producing high protein feed supplements for livestock.

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