


2018 ACTIVITY REPORT

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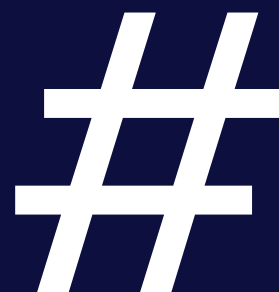
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InVivo is fully determined to help agriculture and agricultural cooperation regain their rightful place in the global food value chain, with respect for the planet and people.* /



3 strategic directions

- > **Become a world reference** in innovative and digital solutions which improve the competitiveness, safety and quality of plant and animal productions, while preserving the planet.
- > **Invest in agricultural and food businesses of the future** to create critically sized champions and global brands.
- > **Contribute to the economic growth and influence** of French agriculture and agri-food in the world.

5 performance drivers

- > **Accelerate** the digital transformation of the company and its businesses
- > **Invest** in innovation
- > **Enlarge**, diversify and internationalise the group's activities
- > **Foster** our performance in human capital
- > **Implement** a social and environmental responsibility policy

3 fields of expertise

- > **Agriculture:** Union InVivo, Bioline by InVivo
- > **Consumer Retail:** InVivo Retail
- > **Wine:** InVivo Wine

2 innovation incubators

- > InVivo Food&Tech
- > Digital Factory

No.1

French agricultural cooperative group

201

member cooperatives

€5.2

billion in revenue



The Board of Directors

Representative of all the member cooperatives, the Board of Directors determines the Group's strategic direction. The Bureau has eight members and works in close collaboration with general management.

The directors play a highly active role in the strategy of the Group and its businesses.

Three seminars were held in 2017-2018 to consider four issues judged to be decisive for the Group and its member cooperatives, namely digital opportunities in agriculture, the globalisation of supply and demand, new modes of food consumption and return on investment for member cooperatives, and to define the decisions that will enable the Group to pivot towards a new business model consistent with its values and accelerate its development up to 2030.

Three or four directors are members of the committees monitoring the activities of the divisions, namely Bioline by InVivo, Seeds, Retail and Wine. They examine the major factors affecting the divisions, their economic and financial performance and the subjects requiring greater in-depth analysis. They report to the entire Board of Directors on the work of their committee.

Three cross-functional committees help the board of directors in its assignments. The Audit & Risk Committee is responsible for overseeing the production of effective financial information, internal control and risk management, the Appointments and Remuneration Committee examines the remuneration policy proposed by senior management for executives and members of the Executive Committee, and the Ethics Committee monitors ethical compliance within the Group and ensures that the internal rules and articles of association of Union InVivo are duly applied. ■

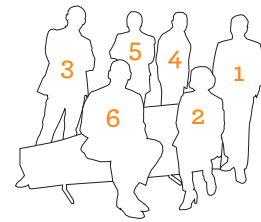
Composition of the Board of Directors

Chairman

Philippe Mangin*
EMC2 (55)

Deputy Chairman

Jérôme Calleau*
CAVAC (85)



The Executive Committee

1_ Thierry Blandinières,
Chief Executive Officer

2_ Maha Fournier,
Chief Financial Officer

3_ Sébastien Graff,
Director of Human Resources
and Communications

4_ Laurent Martel,
Director of Bioline by InVivo

5_ Guillaume Darrasse,
Director of InVivo Retail

6_ Frédéric Noyère,
Director of InVivo Wine

The Cooperatives

Patrick Aps*,
CAP SEINE (76)

Alex Bertrand,
AXÉREAL (45)

Éric Brault,
SCAEL (28)

Christoph Buren,
VIVESCIA (51)

Cédric Carpenne,
VAL DE GASCOGNE (32)

Joël Castany*,
LES VIGNERONS
DU VAL D'ORBIEU (11)

Franck Clavier,
VIVADOUR (32)

Jean-Yves Colomb,
LA DAUPHINOISE (38)

Arnaud Degoulet,
AGRIAL (14)

Gérard Delagneau,
110 BOURGOGNE (89)

Thierry Dupont,
AGORA (60)

Dominique Farail,
ENTREPRISES ET
VIGNOBLES OUEST
CARCASSONNE (11)

Jean-François Gaffet,
NORIAP (80)

Hubert Garaud,
TERRENA (44)

Patrick Grizou,
TERRES DU SUD (47)

Jean-Michel Habig,
CAC (68)

Antoine Hacard,
ACOLYANCE (51)

Bertrand Hernu*,
UNEAL (62)

Jacques Hilaire,
CAPL (84)

Thierry Lafaye,
OCEALIA (16)

Serge Le Bartz,
CECAB (56)

Marc Patriat*,
DIJON CÉRÉALES (21)

Michel Prugue*,
MAISADOUR (40)

Bertrand Relave,
EUREA (42)

Régis Serres*,
ARTERRIS (11)

Christian Sondag,
LORCA (57)

Christian Veyrier,
DROMOISE
DE CÉRÉALES (26)

Non-cooperative Associate

Sébastien Graff (75)

Honorary Chairman

Michel Fosseppez

* Members of the bureau.



Executive Committee
biographies



The Executive Committee

The Executive Committee has six members. It defines and implements the group's strategy. It monitors the performance and results of the different divisions and oversees strategic projects.



Philippe Mangin,
Chairman
of the Board

Jérôme Calleau,
Deputy Chairman

Interview with Philippe Mangin,
Chairman

“Redoubling efforts to meet the world food system.”

Agriculture and food supply are among the major issues currently being faced in France, Europe and worldwide, with certain questions posing a challenge of planetary significance. Such matters in France dominated the 2018 agenda at the *États généraux de l'alimentation* food supply forums. They will also be at the heart of the 2019 European elections campaign.

The *États généraux de l'alimentation* (Egalim) forums took place in July and December 2017. But does the legislation emanating from these forums meet the objectives of ensuring that farmers are properly remunerated and that consumers enjoy healthy and sustainable food?

Philippe Mangin: The objectives of the legislation cannot be questioned and receive our full support. But it is highly unlikely that the measures taken will enable them to be achieved. Trying to guide commercial negotiations based on cost prices is simply unrealistic, with the possible exception of a few fresh products. How can agriculture in France set itself apart from its competitors, notably those in the European single market? Competitiveness factors must first be addressed, sector by sector: supply and demand balance, producer organisations and contractualisation, innovation and R&D and, finally, regulation and the tax burden. The Egalim forums did not give adequate prominence to the major issue for us, namely the European vision of agriculture in the context of a globalised economy.

At InVivo, our entire strategy is based on a third way for agriculture! It will never be completely organic, nor fully conventional. It will have local and international ambitions.

In his first declaration of general strategic direction made on 16 October 2018, Didier Guillaume, the Minister of Agriculture stated: “French agriculture means two things; we must never fight, but always unite. It is all about competitiveness, economic development and export. And at the same time, it is about local links, agro-ecology.” What are your thoughts?

P. M.: We share his vision and also hope that it will help to put an end to this “agribashing” which is demoralising for the entrepreneurial spirit that typifies our farmers. At InVivo, our entire strategy is based on a third way for agriculture! It will never be completely organic,



Philippe Mangin,
Chairman

nor fully conventional. It will have local and international ambitions. It will meet all the demands of consumers and of our fellow citizens, both in France and worldwide. French agricultural and food products are recognised and lauded worldwide. In our strategic plan, 2025 by InVivo, we have clearly confirmed our ambition to meet the demands of a world food system undergoing profound change in order to feed nine billion human beings on our fragile planet, to satisfy new dietary habits and to mobilise diversified production scenarios.

Today the CAP continues to be the largest budgetary item for the EU. No-one doubts that it will be at the centre of the campaign for the European elections. How would you like to see it develop, in order to reinforce joint action in agricultural and food matters among the 27 member states?

P. M.: Agricultural policy is the only policy common to the 27 member states. And there is a clear trend towards rampant renationalisation. Let us hope that these

elections are an awakening for more Europe and a better Europe! The question is not whether each member state will retain its subsidies; the question has become geopolitical. The number of conflicts is increasing, trade wars are becoming more intense and migratory flows have only just begun. In this context, Europe is duty bound to become stronger. A new agriculture and food policy must be developed, mainly based on managing risks and crises, becoming a source of stability way beyond its own borders. ■

A new agriculture and food policy must be developed, mainly based on managing risks and crises, becoming a source of stability way beyond its own borders.

Interview with Thierry Blandinières,
CEO

InVivo transforming itself, implementing a new growth dynamic within its businesses: Agriculture, Retail and Wine

As in previous years, this year InVivo has once again enjoyed a high level of sustained growth. What can you tell us about these results?

Thierry Blandinières: 2017-2018 confirms that InVivo's strategic plan, *2025 by InVivo*, is on the right track. Despite revenue falling to 5.2 billion euros, economic performance is ahead of our five-year business plan. Group Ebitda stands at 163 million euros, a rise of 30 million euros over the previous year. In five years, Ebitda has increased by 125 million euros. This overall performance has been achieved thanks to accelerated growth among the various business units.

Thierry Blandinières,
CEO



What were the key operations?

T. B.: Strategic acquisitions have been made by all divisions, enabling them to steer a new course into the future. In the Agriculture businesses, with the controlling stake taken in Phyteurop, a French company specialising in plant protection, in addition to developments initiated in seeds, biocontrol and agro-digital, Bioline is now positioned for growth. As far as the seeds business is concerned, although the transformation of the business model is not yet fully complete, which explains our fall in revenue, the creation of the InGrains digital export platform is a first structural step for the cereal export sector. With the acquisition of Jardiland, InVivo Retail not only confirms its status as the plants and garden expert, but has also provided itself with the means of developing a new model, namely gardening to grow your own food. With the integration of Baarsma, InVivo Wine has taken on an international dimension. Finally, in animal nutrition, this year Neovia made a number of strides internationally with the acquisition of Epicore in the USA, an aquaculture specialist, and Sanpo in China, a pet food producer.

them to optimise their industrial facilities and improve their regional coverage. With Neovia, by investing in buoyant international markets, we have created value that has enabled us to invest in other strategic sectors for agriculture in France and abroad. At the same time, after very rapid growth abroad, with Neovia having quadrupled its revenue in ten years and facing a highly competitive market, we decided that the time was ripe for a partial or full sale of the company as conditions were favourable. This is without taking into account our investment capacity at InVivo's other divisions becoming limited if we were to implement a further development cycle at Neovia. We decided to go with ADM, a historic partner of InVivo in seed trading, which shares the same values as us of creating value for producers, and which is committed to offering all of its innovations to French livestock farmers.

Strategic acquisitions have been made by all divisions, enabling them to steer a new course into the future.

In July 2018 you announced the proposed sale of Neovia, provoking many questions in the world of French livestock farming. Can you explain the reasons behind this decision?

T. B.: In 2008, InVivo acquired Evalis with two objectives in mind. Firstly, to participate in the restructuring of the French animal nutrition sector and to maintain the leading position of cooperatives in this market; and secondly, to acquire an international dimension by exploiting the experience and market positions held by Evalis. These two objectives have been achieved. Evalis' plants have been transferred to cooperatives, enabling

At the time you also stated that this operation would prove pivotal for other of InVivo's core activities. How?

T. B.: Le projet de cession de Neovia incite le groupe à revisiter son plan. The planned sale of Neovia incited the Group to review its long-term strategic plan. In 2019, the *2030 by InVivo* plan will be produced by the Board of Directors and senior managers, with the involvement of employees and stakeholders. A survey entitled "Vivo Scope" was conducted in October 2018 among all of our stakeholders in order to ascertain their expectations.

THE 4 MAIN ACQUISITIONS DURING 2017-2018

- > Phyteurop - Bioline
- > Jardiland - InVivo Retail
- > Baarsma - InVivo Wine
- > Epicore - Neovia

At the dawn of an agricultural revolution which will profoundly change our companies and farms, as a national union of Cooperatives InVivo must be in the vanguard of this transformation and acquire the tools able to master its own destiny.

What are InVivo's priority challenges?

T. B.: The *2030 by InVivo* plan will reflect our change in strategic direction and define the major decisions to be taken in terms of business model and governance. Our goal is to boost investment in two sectors of excellence, namely cereals and wine, both of which have shaped the French economy and regional agriculture and which we are convinced are still well placed not only to meet the demands of our fellow citizens regarding the food supply and the ability to maintain an attractive social life in rural areas, but also to project the image of France and its economy internationally. We are pursuing the very same objectives by investing in short, local and organic circuits in France and by developing our gastro-store concept, So France, in international markets.

Digital transformation of your businesses and of agriculture is one of the drivers promoted by your Group over the past two years. What are your main projects in this area?

T. B.: Digitalisation and innovation are two powerful drivers behind the transformation of companies at the present time. The ecosystem of open innovation implemented by us within the Group, notably with the founding of two innovation incubators, InVivo Food & Tech and Digital Factory, demonstrates the determination of the Group to stimulate innovative and responsible solutions, to offer useful services and to embark on new business models.



At the dawn of an agricultural revolution which will profoundly change our companies and farms, as a national union of cooperatives InVivo must be in the vanguard of this transformation and acquire the tools to be able to master its own destiny.

The social and environmental challenges are today just as significant as the economic challenges. How are they being tackled at InVivo?

T. B.: The deployment of CSR (Corporate Social Responsibility) is one of the five thrusts of our strategic plan, *2025 by InVivo*. Numerous initiatives have been implemented over the past three years to achieve our objectives. This year we

joined EpE (Entreprises pour l'Environnement), an association bringing together some forty large companies from all sectors of the economy seeking to give the environment a much greater role in their strategic decision-making. The environment is a source of both progress and opportunity. Positive agriculture is just one of the solutions that will help us to reduce global warming and to eliminate the decline in biodiversity. We will also start to imagine new production models based on the circular economy. Furthermore, two years ago we founded the InVivo Foundation, which supports multiple agri-ecological projects in Africa designed to relocate production to the region and enable rural populations to earn a living.

You have also spoken of your desire to become one of France's first companies to adopt the status of *société à mission*, similar to the US concept of benefit corporation. Why?

T. B.: At the time when the proposed status of *société à mission* was being discussed in the National Assembly within the context of the Pacte legislation, we announced our interest in the status, which links companies' economic purpose with social and environmental objectives. Our Group is structured around its cooperative base, Union InVivo, which consists of divisions oriented towards the needs of cooperatives, and sector-focussed holding companies covering the Group's economic activities and responding to the laws of the markets in which they operate. We are initially intending for one particular holding company to adopt this status, namely Bioline Group, whose objective is to construct a third way for agriculture, i.e. positive agriculture implementing scientific progress in terms of agro-ecology and precision agriculture. This status will enable our subsidiaries to align themselves with that of the Union, to assert their commitments and to develop our cooperative and mutualist values. ■

THE 4 KEYS TO SUCCESS

- > **Confidence in the future**
- > **A long-term vision:**
2030 by InVivo
- > **A flexible organisation**
designed for rapid decision-making in the collective interest
- > **A pioneering spirit**
responsive to society's demands, close to its customers and members



InVivo Foundation Annual Report 2017-2018



* / Results that confirm the ability of the InVivo Group to deliver its objectives.

- The 2017-2018 consolidated results demonstrate:
- > the pertinence of the development strategy implemented by the Group over the past five years (organic growth, active pursuit of external growth and integration expertise, accelerated pace of reorganisation, investment in innovation and digital transformation, and modernisation of industrial and IT facilities);
 - > the robustness of the business model;
 - > its sound execution capacity.



We ended the year with strong results and we attained our financial objectives for 2017-2018.

* / Three questions to...

Maha Fournier,
Chief Financial Officer

What were InVivo's headline results in 2017-2018?

Maha Fournier: We ended the year with strong results and we attained our financial objectives for 2017-2018, notably with double-digit annual growth in Ebitda. Ebitda stood

at 163.2 million euros, a rise of more than 22% on the previous year. These results were achieved in a favourable economic context which confirms the exceptional nature of the harvest crisis of 2016. They also confirm the strong organic growth of all divisions, contributing some 16 million euros to Group Ebitda. The pace of external growth was also accelerated (Phyteurop, Gamm vert Synergies, Baarsma, Epicore...) and the combined scope changes contributed 23 million euros to 2017-2018 Ebitda.

How is this growth being financed?

M. F.: The year was marked by the strengthening of equity and diversification of sources of financing, as demonstrated by the 50 million euros raised by Bioline Group via a capital increase, and the group's new EURO PP issue totalling 87.5 million euros. These operations are testament to the confidence among investors and lenders in the deployment of our strategic plan, 2025 by InVivo. They also ensure a long-term financing base that meets the development objectives of all the divisions. Equity continues to be strengthened, reaching 818.5 million euros at 30 June 2018. Net financial debt increased from 399 million euros at 30 June 2017 to 511.5 million euros at 30 June 2018. The increase remains, however, in line with our steering objectives with a leverage ratio of 3.1.

What are your expectations and strategic priorities for 2018-2019?

M. F.: Financial year 2018-2019 commenced with two structural events for the group:

- > completion of the Jardiland acquisition, making InVivo Retail a major European operator in the garden centre and pet care sectors;
- > commencement of exclusive negotiations with ADM for the 100% sale of Neovia.

This second operation represents an opportunity to significantly accelerate implementation of the strategic plan, 2025 by InVivo, by mobilising efforts around its major sectors, namely agriculture, wine and retail, providing them with the means to grow and create value. Our priorities are as follows: to accelerate our growth, maximise our efficiency and continue to rigorously allocate resources (balance between the short, medium and long term). ■

Internal control standards

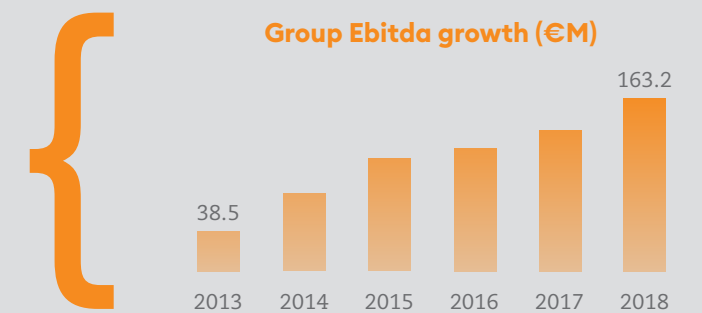
2017-2018 was also marked by the drafting and implementation of the first internal control standards.

The audit & risk committee is responsible for monitoring and controlling the preparation of accounting and financial information and for managing risk within the group. It is notably responsible for the following activities:

- > process of preparing financial information;
- > overseeing the effectiveness of internal control and internal audit;
- > monitoring risk management;
- > legal verification of the annual accounts and consolidated accounts;
- > ensuring the independence of the legal auditor of the accounts or of the audit firm, notably regarding the provision of supplementary services to the audited entity.

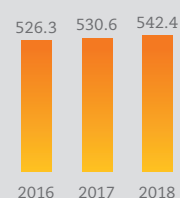
2017-2018 was marked by the drafting and implementation of the first group internal control standards by internal

audit, the objective of which is to harmonise the checks to be carried out within InVivo in order to provide group senior management with reasonable assurance that operations are being adequately controlled, while allowing for a certain degree flexibility regarding implementation. Accordingly, they contain the fundamental key principles that must be applied within an organisation such as ours. Applicable to all of the group's divisions, these checks represent the minimum standards demanded by the group. Where they are transposed at local level within the divisions/subsidiaries, the checks defined locally may not be less restrictive than those set out in the group standards. This document is likely to evolve over time and must be completely reviewed at least annually. ■

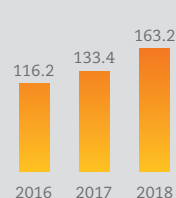


*/ A further year of growth

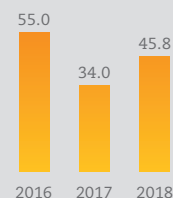
Equity attributable to the Group (€M)



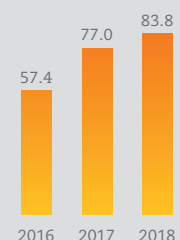
Ebitda (€M)



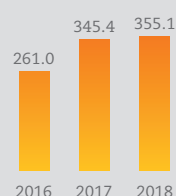
Total consolidated net income (€M)



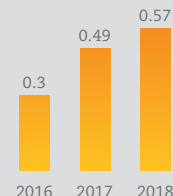
Intangible & tangible assets (€M)



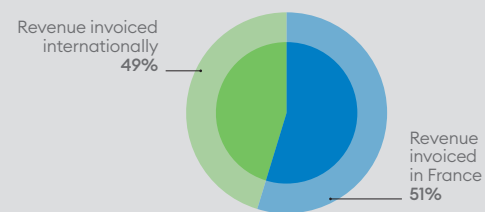
Working capital requirement (€M)



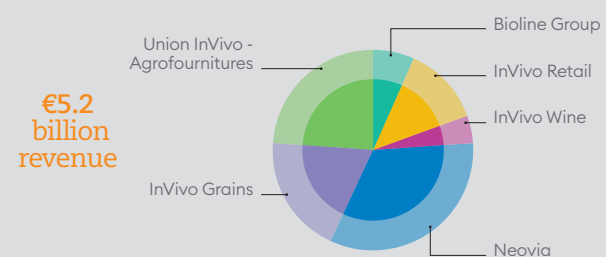
Gearing



Breakdown of revenue by division



Breakdown of revenue France/international



Assets

In millions of euros	30 June 2017	30 June 2018
Intangible assets	337.9	480.6
Tangible assets	371.1	400.3
Financial assets	152.5	177.4
Net fixed assets	861.5	1,058.2
Working capital requirement (WCR)	345.4	355.1
Capital employed	1,206.9	1,413.3

Liabilities and equity

In millions of euros	30 June 2017	30 June 2018
Equity attributable to the Group	530.6	542.4
Non-controlling interests	203.1	235.8
Other equity capital	-	40.3
Provisions	73.9	83.3
Net debt*	399.3	511.5
Invested capital	1,206.9	1,413.3
(*) including medium- and long-term debt	505.6	575.5
Gearing (net debt/equity)	0.49	0.57
Working capital	451.7	419.1

Consolidated financial statement indicators

In millions of euros	30 June 2017	30 June 2018
Revenue	5,497.0	5,185.7
Value added	453.1	565.9
% revenue	8.2%	10.9%
Ebitda	133.4	163.2
Net operating income	78.8	107.5
Net income from ordinary activities	60.8	78.4
Total consolidated net income	34.0	45.8
Cash flow from operating activities	47.6	77.8


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Constructing

the agriculture
and food
of tomorrow

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* / Our innovation ecosystem

“We are determined to introduce digital transformation into our businesses and pursue our open innovation policy to build tomorrow’s agriculture and food industry.”

Thierry Blandinières



* / Innovating throughout the value chain

Creator of food intelligence, InVivo invests in the search for innovative and digital solutions that enhance competitiveness, safety and the quality of agricultural products, while protecting the environment and offering new food products that are also a source of pleasure.



INVIVO DIGITAL FACTORY

Accelerating digital transformation



Fully in line with the strategic project *2025 by InVivo*, and with the *InVivo Tech* programme, the InVivo Group has decided to accelerate digital transformation to enhance the performance of cooperatives, farmers and the Group's companies. It is against this background that InVivo Digital Factory has been founded, an entity devoted to digital transformation.

The Digital Factory has two main missions:

- > to guide transformation: identify and support the emergence of the cooperative 4.0, in addition to new businesses and new applications by exploiting what digital has to offer (omni-channel exploitation, the phygital experience and e-services);
- > to implement transformation: conduct and deliver digital projects via its internal and external personnel in a flexible working mode, focussed on the client experience and value creation.

InVivo Digital Factory is working on multiple major projects, notably including the creation of a national and international digital platform interfacing with regional procurement groups and member cooperatives to re-invent the farmer's experience. Structural projects in the Retail and Wine sectors are also scheduled to be announced in the near future.

INVIVO FOOD & TECH

The incubator for food & beverage projects

Founded in the second half of 2017, the food innovation laboratory is already playing its full role as a pioneer of new cultivation methods and new modes of consumption.

At a time when urban agriculture is emerging around the world in a wide variety of forms, the UrbanFood division is focussing its work on creating new agricultural activities designed to nourish urban populations by favouring short networks. In its first year it has already completed its first project, La Plucherie by InVivo. Its production of micro-shoots and aromatic herbs cultivated in a controlled climate has won over many chefs in Paris seeking an original taste experience.

Personnel at NewFood and Retail4Food are exploring new food trends and creating new retail concepts. NewFood is conducting its research into vegetable crops high in fibre and protein which could be developed in a controlled climate in the urban setting, in addition to healthy seaweed and fermentation-based ingredients. Retail4Food is focussing its work on investigating value creation and enhanced safety throughout the food supply chain (minimising waste, optimising logistics, traceability, new equipment and digitalisation of transactions and supply).

InVivo Food & Tech also takes an interest in beverages through its NewDrink team. Research is looking into new phygital experiences combining the tasting and purchasing of wines, spirits and other beverages.

To widen its prospective scope, InVivo Food & Tech has become a member of French Food Tech and has sponsored two events promoting innovative projects: Food Use Tech 2018 in France, and Hello Tomorrow Global Challenge internationally.





OUIFIELD

The services digitalisation prototype for cooperatives

Launched as a digitalisation prototype for a range of services to cooperatives, the Ouifield goods and services procurement platform is scaling up, and foretells of the possible future digitalisation of other Union InVivo services. Ouifield tests the merits of new BtoB offerings offered to cooperatives and of BtoBtoAg offerings targeting farmers via their cooperatives. Its digital platform also presents the selected offerings and enables purchasers to get in touch with listed suppliers.

Ouifield offers services in nine sectors:

- > Light and industrial vehicles;
- > Goods handling and equipment hire;
- > Gas, electricity and photovoltaic energy;
- > Short-duration vehicle hire;
- > Packaging, bags, films and pallets;
- > Industrial supplies and personal protective equipment (PPE);
- > Agency staff, courier services and regulatory control;
- > Office supplies, computers and telephony;
- > QHSE: fire protection.

In total over 30 services from some 80 suppliers are offered to all entities of the InVivo Group and to member cooperatives and their subsidiaries. 180 cooperatives have joined Ouifield to date, of which 35 have already offered Ouifield to their own members.

Ouifield has strengthened its commercial resources with the appointment of a sales & marketing director and four regional directors, charged with multiplying commercial campaigns and enhancing and maximising regional connections between the cooperatives and service providers of the platform.

INVIVO INVEST

The investment fund

The start-ups supported by InVivo are refining their business models, namely Il était un fruit, 10-Vins, Comparateur agricole, Miimosa and Le Petit Béret.

Il était un fruit offers a range of dried fruit petals and vegetables free of additives and has commenced its sales development phase with the objective of accelerating its penetration of supermarkets and hypermarkets.

10-Vins has strengthened its business model by favouring BtoB, beginning with the restaurant, hotel and events sector. The equity interest taken in Le Petit Béret, which has created an alcohol-free and fermentation-free drink profiled on wine, demonstrates the Group's interest in innovation in the field of beverages based on viticulture products.

Regarding the start-up Comparateur agricole, focussed on BtoB, it has enjoyed support from InVivo and its member cooperatives to construct a new and local logistics approach.

In another field, namely crowdfunding in support of farmers, InVivo Invest is supporting the crowdfunding platform Miimosa, which specialises in the financing of agricultural and food projects. An initial experience with Frais d'Ici has shown the merits of this mode of financing to stimulate small producers' projects covering short and local networks.



INVIVO QUEST

A 2nd Franco-international programme

For the second edition of InVivo Quest, the innovation challenge for the entire agri-food chain, the programme stopped off in five regions of France (Hauts-de-France, PACA, Grand Ouest, Occitania and Île-de-France) and three international hubs (New York, Singapore and Berlin). Its objective is to connect regional operators and accelerate the implementation of innovative projects.

The 8 regional winners will take part in the grand final on 12 December, which will be one of the highlights of the Group's innovation day, named Tech Agri-Food Day, under the esteemed patronage of the Ministry of Agriculture and Food.

France

- > Ombrea, a start-up offering intelligent shade houses to counter climate change, the winner from the PACA region;
- > Javelot, a connected thermometry solution for grain storage, selected by the Hauts de France region;
- > Terra Innova, a start-up incubated at IMT Atlantique which offers agro-ecological upcycling of construction site soil for the benefit of farmers, the favourite of the Grand Ouest region;
- > Micronutris, the first French farm breeding edible insects, high in proteins, vitamins and omega-3 oils, nominated by the region of Occitania;
- > Tartimouss, the first spread whose main ingredient is fava beans, a protein crop grown in Hauts-de-France, was selected by the jury in the Île-de-France region.

International

- > Afineur, a company that upcycles agricultural by-products, the winner from New York
- > NutraPonics, a Canadian start-up creating vertical aquaponics farms, the winner in Singapore;
- > Stenon, an IOT soil analysis solution merging sensors, artificial intelligence and data analysis, was recompensed in Berlin.



The grand final winners

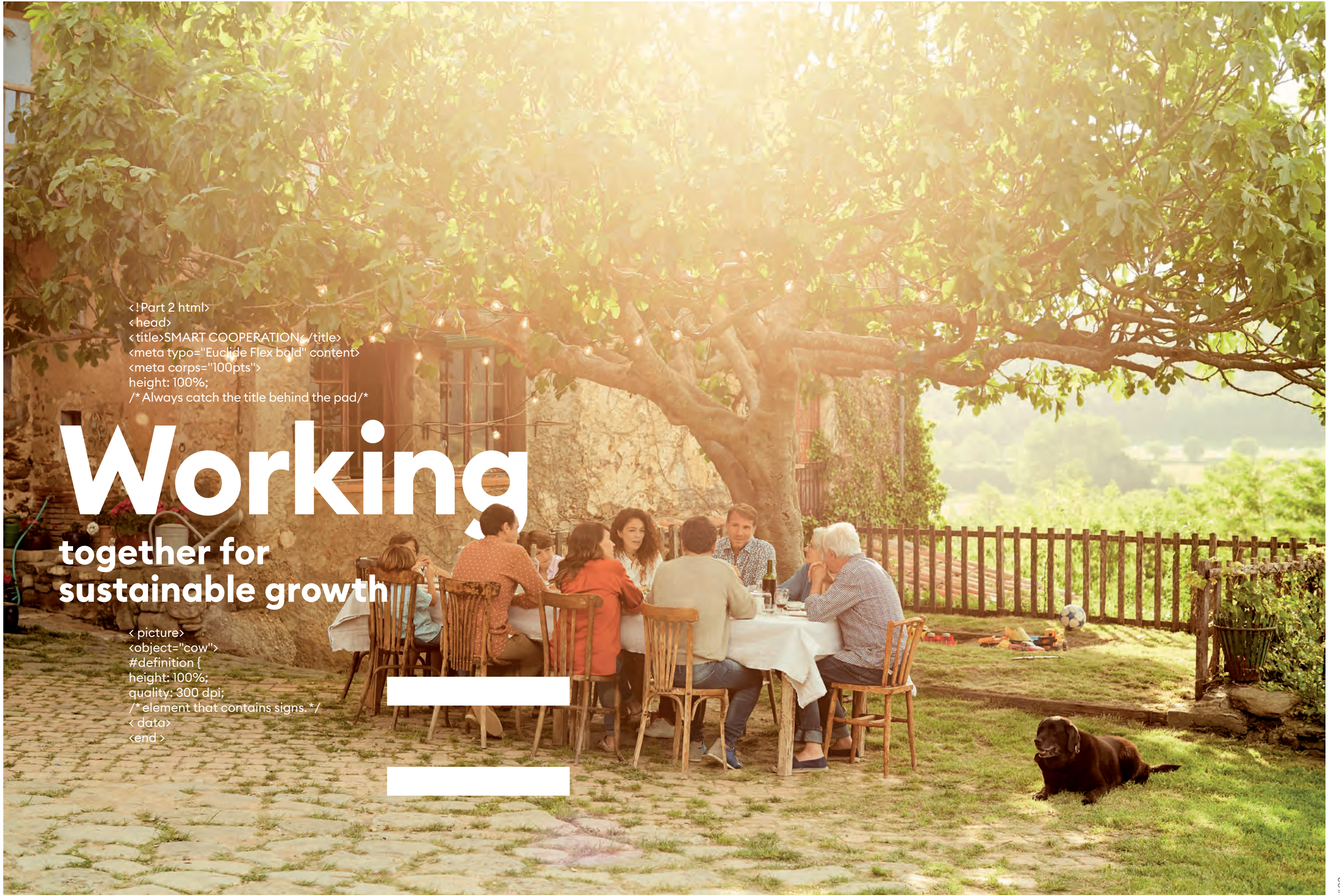


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Working

together for
sustainable growth

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*/ Our three commitments

1. Producing more and better
2. Promoting access to better food
3. Placing people at the heart of our actions

At InVivo, corporate social responsibility is integrated within our strategy as a performance driver and catalyst for innovation serving collective interests. The objective the Group has set itself is to support the transformation of agriculture and food to meet the demographic, environmental and food challenges we all face. Desirable future scenarios underpin our research and creativity, structured to produce viable and sustainable solutions. To clearly highlight this dimension, all promising development initiatives are included in our annual report this year in the corresponding business activity section, while cross-functional and corporate initiatives are set out in the section below.



Our *raison d'être* must be aligned with the demographic, environmental and food challenges of tomorrow.

*/ Two questions for...

Sébastien Graff,
Director of Human Resources
and Communications

In 2018, InVivo announced its desire to transform its sector-focussed holding companies into a *société à mission*, similar to the US concept of benefit corporation. This decision marks a turning point in the CSR policy of the Group. Can you tell us a little more about it?

Sébastien Graff: The CSR policy of the Group has for a long time been driven by our divisions who implement our three commitments: producing more and better, promoting access by all to better food and placing people at the heart of our actions. These commitments mirror the revolution in present-day agriculture - now more than ever at the heart of the great global challenges relating to mankind's future on Earth: food security, energy

transition, maintaining biodiversity, employment and regionality. In all its diversity and practices, agriculture must offer solutions capable of meeting the sustainable development goals under the UN's Agenda 2030 programme. Consequently, this year our Group took the decision to seize the opportunity offered under legislation to become one of the first French groups to adopt the status of *société à mission* for its sector-focussed holding companies, commencing with Bioline Group. This approach obviously sits well with our cooperative DNA and represents an excellent opportunity to intensify our commitments. This mission will become clear to everyone through our strategic plan, which is structured to meet the challenges of transforming the world of agriculture and food through innovative and responsible solutions that benefit cooperatives, farmers and consumers worldwide. The time has arrived to construct a positive agriculture!

What will this change?

S. G.: This first decision establishes a framework and is the precursor to others just as fundamental. We have introduced a first Group CSR Committee – a technical committee charged with conducting a “materiality analysis”** of our CSR issues and priorities. The results will be known in 2019. The analysis will enable us to align our commitments with progress indicators and will generate the issues which must then be covered by strategic action. The UN's Sustainable Development Goals will form part of the process and the resultant roadmap. After this first step, the CSR Committee will be renewed and consolidated in order to advise and complement the Board of Directors regarding strategic decision-making, just like the Ethics Committee and Audit & Risk Committee. This will represent a major turning point in terms of our governance.

* Using a transparent methodology, this analysis will enable companies' CSR issues to become legible and be prioritised in accordance with the risks inherent to their activity and sector, and in line with the expectations of stakeholders in the regions in which they operate.

SUSTAINABLE DEVELOPMENT GOALS



By signing up to the UN Global Compact, InVivo has undertaken to incorporate its 10 principles relating to human rights, international labour standards, the environment and the fight against corruption, and to implement solutions in keeping with the 17 SDGs (sustainable development goals) of Agenda 2030.

1st commitment

* / Producing more and better

It is our shared challenge on the planet and one of the ambitions at the heart of InVivo's strategy: to help all of our stakeholders enhance their capacity to produce more and better, by means of a wide range of innovative solutions improving economic, social and environmental performance and optimising our own environmental footprint.

In 2050 the global population will be 9 billion. To ensure that everyone has enough food, global food production will have to increase by 70% on average and by up to 100% in developing countries, notably in Africa. (Source: FAO)

A year of intense collaboration with Entreprises pour l'Environnement

As a member of EpE since 2017, InVivo actively participates in working groups looking into critical environmental issues: climate change, biodiversity, the circular economy and the bioeconomy.

In parallel to the biodiversity plan launched by the government, InVivo and 64 other companies

have committed themselves to the Act4nature initiative sponsored by EpE and multiple partners. Act4nature contains 10 commitments common to all signatories. Each company has also taken on individual commitments specific to its activities. InVivo's 7 commitments include: increasing the R&D effort in order to maintain the biological quality of soil, development of the responsible range offered by Gamm Vert, construction by 2025 of pertinent indicators for tracking the progress of our activities and raising awareness among all employees of the importance of preserving biodiversity. Regarding climate, the climate change committee of EpE is examining the most effective solutions to massively reduce greenhouse gas emissions while

maintaining economic growth and human development. This year the committee has sought to answer a particular question, namely what will a carbon-neutral France look like by 2050? It launched the outlook study Vision ZEN 2050, which is developing different scenarios for anticipating the problems and solutions of a France that manages to reach its greenhouse gas emission neutrality targets. InVivo Group is taking part in this study alongside 25 other member companies in order to bring about the innovations and solutions that will enable the target to be reached. The study will be published in 2019. Finally, InVivo has taken over the chairmanship of the Resources commission which is examining the role of partnerships as



Happy Vallée at the heart of BiodiversiTerre 2

The second BiodiversiTerre event took place at the Place de la République on 2-5 June 2018. After Avenue Foch had been pedestrianised in 2017, the plant-based and socially responsible work of the artist Gad Weil this time extended over

some 20,000 m² in the heart of Paris to promote the preservation of biodiversity, the circular economy and urban agriculture. Visitors were able to discover a giant model of a stretch of the A1 motorway transformed into a "Happy Vallée".

Three InVivo sites commit themselves to Ademe

Three InVivo Retail sites have committed themselves to the plan sponsored by the Ademe environmental and energy agency, designed to help SMEs and VSEs reduce costs: the Frais d'Ici store in Chenôve (Côte-d'Or), Néodis Billaud Grains (specialist in feed for birds, rodents and farmyard animals) in Thouars (Deux-Sèvres) and Néodis La Braconne (manufacturer of biscuits for cats and dogs) in Mornac (Charente). This Ademe programme targets establishments with between 20 and 250 employees.

It aims to analyse losses in terms of energy, materials and waste and to propose reduction action plans in order to make savings. Over a 12-month period, an expert supports the sites to implement optimisation plans in order to quickly make sustainable savings with an impact on both profitability and the environmental footprint. The results of trials conducted by Ademe in 2016 at 49 establishments suggest that companies can make savings of between €180 euros and €300 per employee per year.

10 common commitments
7 individual commitments made by InVivo

solutions to the increasing pressure placed by the global economy on natural resources. The bioeconomy may be one route. It is characterised by the use of biomass as a raw material for producing a multitude of products, in which agriculture plays an essential role. InVivo offers this working group its expertise in structuring sustainable networks and sectors based on agricultural raw materials.



Metamorphose between Paris and Roissy



This ambitious project of the agro-ecological reconquest of the A1 is set to be extended over 20 km between Roissy and Paris by 2024, to bring about the emergence of a new model of sustainable city and community living. Created in 2017 by senior managers from InVivo, Paris-Île-de-France-Capitale-Economique and the firm of architects, Wilmotte, it is sponsored by the Happy Vallée association, which was able to demonstrate at the event exactly what this metamorphosis will look like: planted noise barriers, urban agriculture on roofs and wasteland and new plantations on neglected sections of motorway.

2nd commitment

* / Promoting access to better food

57% of French consumers state that the quality of food products is their main purchasing criterion. To provide as many people as possible with healthy and high-quality food, virtuous and traceable agricultural practices must be employed, proximity between producer and consumer must be prioritised and the capacity for innovation within the food supply must be enhanced. Never forgetting taste and pleasure, of course.

Our challenge: to provide everyone with an adequate intake of calories and nutrients and to combat certain opposing excesses. All diets could converge towards **total calorific intake of around 3,000 kilocalories** per person per day, including **500 of animal origin.** (Source: Agrimonde)

InVivo and McDonald's launch Agriprogress



InVivo and McDonald's have announced the launch of an innovative digital platform designed to support farmers within the framework of a progress initiative for the various agricultural and agri-food sectors. For InVivo, this development is a perfect fit with its Fermes LEADER programme launched in 2017, which aims to assess the economic

and environmental impact of new technological solutions offered to farmers, in order to accelerate their deployment and construct the agriculture of the future. 300 farms are currently involved in the programme. The Agriprogress platform will offer every farmer the opportunity of benefiting from relevant indicators, consolidated by sector or region, in addition to advice ready to be put into practice. It will contribute to the sharing of good practice by inviting farmers to join such a social network or community and to follow the advice and publications of other farmers. It will support them in their decision-making, thereby



Agriprogress



La Plucherie by InVivo: urban agriculture a stone's throw away from the consumer

Accessing better quality food through products with real taste and subtlety is frequently a function of the proximity between the place it is grown and the retail location. But what can be done about exotic aromatic herbs from

the other side of the world? La Plucherie by InVivo is the first offering from the InVivo Food&Tech innovation laboratory. It offers micro-shoots, aromatic herbs and edible flowers with original, delicate or rare flavours full of character, grown for restaurant

chefs. Thanks to an innovative system of local urban agriculture, all the plants are supplied alive or ultra-fresh and are not processed in any way. The name comes from the French word "pluches", which in the culinary arts designates the fragile and delicate extremities of plants.

Growing your own changes everything

Promoting a diet that favours fresh, healthy, nutritional and authentic products is one of InVivo's priorities. Growing your own food is endorsed by three quarters of the French population (BVA survey, 2017). One year after the launch of its new identity under the catchline "Produire soi-même, ça change tout"

(growing your own changes everything), Gamm Vert has already created over 300 tutorials on growing your own food, covering vegetable gardens, keeping your own chickens, an introduction to beekeeping and conserving vegetables. All the tutorials are available in-store in brochure form and can be viewed on the website gammvert.fr.

promoting a strategy of progress vis-à-vis the economic and environmental dimensions of their farm. The platform will be constructed by sector (farmers, cooperatives, technical institutes, food processors and retailers) in order to offer an overview from upstream to downstream to all operators, and therefore to meet consumer demands in terms of the production conditions, quality and traceability of food products. Throughout the value chain, all operators will thus be able to understand the real price and, therefore, the real value of sustainable agriculture. All operators will be able to access the platform and the farmers will retain ownership of their own data.



3rd commitment

* / Placing people at the heart of our actions

InVivo is keenly aware of its social responsibilities with regard to its employees and wider society. Each year the Group implements initiatives to improve the quality of life at work, to support the local communities where it operates and to ensure compliance with international principles and standards throughout the world.

InVivo's employees strive to meet the expectations of the 201 member cooperatives of the Group representing over 300,000 farmers and to construct agricultural models that enable all populations to be fed.

The InVivo Way: the business code of conduct at the global level

InVivo has documented a code of business conduct that has been disseminated to its employees worldwide, a code that describes the standards to be maintained when conducting business within the framework of policies defined at divisional level. The code is based on the five values that lie behind all InVivo's activities: humanism, commitment, innovation, team spirit and enthusiasm. It invites all employees to adopt the Group's values and the principles of action that are essential for a responsible company that respects all of its stakeholders. Paying particular attention to compliance with the regulations and standards that apply in different fields

worldwide, notably labour law, personal and product safety, protecting health and the environment, and the fight against corruption, the code of conduct provides benchmarks that enable each employee to identify the correct attitude to be adopted in any delicate situations they may face in order to be able to take the right decisions, regardless of the circumstances.



Code of conduct



Promoting quality of life at work through sport

At InVivo, we love sport. In order to promote well-being, team spirit and employee cohesion during their everyday activities, InVivo offers head office personnel sports lessons and well-being workshops: yoga and cardio-boxing classes are on the programme and are constantly fully subscribed, in addition to original workshops such as circular self-production during

sustainable development month to learn how to grow mushrooms using leftover ground coffee. InVivo personnel also took part in the agricultural cooperatives race, an event which has been bringing together around 2,000 competitors every two years for a walk, a 10 km race and a half-marathon since 1994. It is an ideal occasion to showcase the values of the employees of agricultural

cooperatives, such as surpassing your ambitions, conviviality and sharing. Finally, solidarity is never very far away: with the support of all employees, two InVivo employees took part in the Free Handi'se Trophy 2018, a human and sporting adventure involving a team of two, one with a disability and one able-bodied, which seeks to change attitudes to disability through a canoeing and adapted tandem event.

Promoting solidarity and combatting exclusion

Smart cooperation is the motto of InVivo and it is the concern of all employees. In association with charities, the Group promotes solidarity initiatives. In 2018, this was reflected by the blood donation campaign held at the Tour Carpe Diem building in partnership with EFS, the French blood donation organisation, and by two collection campaigns, one of eye glasses for the charity Lunettes sans frontière, and one of bottle tops for Bouchons d'amour. As for Gamm vert Synergies, which brings together the stores of the Gamm vert chain, it organised a significant logistics operation to provide Emmaüs with a major stock of clothes (jeans and work clothes) and footwear (shoes and boots). Four lorries distributed over sixty pallets with a total sale value

of some 400,000 euros to the Emmaüs centres in Angers, Laval, Tours and Blois, providing clothing for those most in need and contributing to the fight against exclusion.

60
pallets of clothes for Emmaüs





Highlights
2017-2018



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Engaging

our businesses
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Union inVivo

Union InVivo is mobilised to create new solutions, designed to meet the demands of farmers and of its member cooperatives in terms of the competitiveness of both farms and of wider industry. Digital transformation of the grain and agricultural supplies business is underway.



Agriculture is entering a new phase. Even the government is talking about an evolution of the agricultural model. How is the InVivo union of cooperatives preparing for this?

Jérôme Calleau: Union InVivo brings together expertise and services focussed on the demands of the cooperatives, namely agricultural supplies, grain logistics & storage and the export of grain of French origin. For two years now we have been targeting our efforts on creating new solutions to meet the demands of farmers and of their cooperatives in terms of the competitiveness of farming and of the wider industry, to support developments in the grain and agricultural supplies model. Similar to events in other activity sectors, scientific advances and digital will transform our activities. Alongside the cooperatives, we ourselves will be seeking to lead such transformations.

Phytosanitary products were at the heart of the discussions at the Egalim food forums. What is your opinion of the decisions taken?

J. C.: In the Fermes LEADER and Biosolutions networks, we are testing new solutions that can notably be implemented by farmers themselves. We share the objectives of reducing the use of phytosanitary products. However, we have major doubts regarding the practicality of the decisions taken regarding commercial relations, notably separating sales from consultancy, as it runs the risk of becoming disconnected with economic reality.

Scientific advances
an digital will transform
our activities.

Interview with **Jérôme Calleau**,
Deputy Chairman of Union InVivo

The French grains sector is also facing new challenges. How are these affecting its export capacity?

J. C.: The grains sector is facing competitiveness issues, yet export remains vital for France. For soil and climate reasons, France has been wheat-growing territory for a very long time, and will remain so. National production enables us not only to cover the needs of the agri-food and animal feed industries in France, but also to occupy a leading position in the export market. We hope that cooperatives will be able to continue to perform a significant role in this field. The InGrains digital export platform created last year should enable us to achieve this objective but is not enough on its own. We must also take further steps by improving the logistics chain from silo, to cooperative to port of export, which is currently destroying value. We are working on this matter with multiple cooperatives. ■

#Agricultural Supplies

PPA embarks on digital transformation

PPA is the listing and negotiation hub for plant protection products and hybrid seeds, and is fully aligned with the demands of the seven regional cooperative groups of which it is composed (Alliance Atlantique Appro, Area, Axérial, Centrale Convergence, Sicapa, Union Terres de France and Unisud).

The objective of reducing costs at the hub has been achieved for the great majority of cost centres, and work to optimise administrative flows is making good progress.

PPA posted consolidated revenue slightly above one billion euros, of which 857.3 million euros in plant protection and 171.5 million euros in hybrid seeds (maize, oilseed rape and sunflower). In plant protection, lower sales in a market down by 7% were partly offset by widening the scope of its activities. In hybrid seeds, sales rose very slightly in a stable market.

To defend the interests of the agricultural cooperatives, PPA's strategy committee has been heavily involved in analysing the draft Egalim legislation and the consequences for agriculture distribution of the provisions covering the separation of consultancy from sales for phytosanitary products and the

so-called "3R" prohibition, applicable to rebates and discounts.

In order to meet new demands in terms of crop protection, PPA is widening its listing and negotiation scope to include biosolutions, exploiting the results of its new experimentation network, which assesses biocontrol products and biostimulants.

Similarly, PPA's strategy committee has also been developing a digital platform to help cooperatives seize the opportunity of developing new relationships with farmers based on the supply of input products. This is taking place in close collaboration with the InVivo Group project team responsible for creating the Digital Factory, the first stage of which concerns PPA product flows.

With the backing of its 17-member companies, the listing and purchasing hub dedicated to professionals in the green spaces sector, namely Vert Cité, has expanded its offering relating to lawns, fertilisers, biocontrol products and landscaping. The constraints on the use of phytosanitary products and the budgets of local authorities have stimulated the exploitation of numerous growth vectors around the concept of revegetation: low-maintenance lawns, organic fertilisation, use of biostimulants and landscaping.

Fertiline is accelerating its strategy of fertiliser differentiation

Fertiline has posted good results and is consolidating its position in the French fertiliser market with the acquisition of the French production capacity of impregnated urea from Koch Fertilizer Products SAS, marketed under the Nexen brand.

This acquisition is fully in line with Fertiline's strategy, reinforcing it in three areas: product differentiation, import purchasing power and development of logistics bases at ports.

In the treated urea market, Fertiline now has two offerings: Nexen, a finished product delivered to farmers and distributors, and Novius, a turn-key offering for distributors wishing to make product themselves and sell it under the Novius brand. In the 2017-2018 campaign, sales of Nexen and the Fertiline brands, including Novius, stood at 200,000 tonnes.



Urea treated with urease inhibitors offer agronomic efficacy equivalent to that of calcium ammonium nitrate, with the added benefit of reduced ammoniac losses through volatilisation – one of the recommendations of the Gothenburg Protocol for reducing air pollution.

As a result of this acquisition, Fertiline also becomes a leading urea importer in the French market and is consoli-

dating its logistics network and mixed fertiliser production facilities. It will be using the two port sites in Sète and Rouen to establish import channels, in a similar manner to its activities at the ports of Rouen and La Pallice for nitrogen solutions.

Driven by price rises, Fertiline's consolidated revenue remains stable at 144.3 million euros, in spite of lower nitrogen solution sales, its main activity (560,000 tonnes out of total volume of 900,000 tonnes). Farmers held significant stocks at the start of

the campaign due to reduced spreading in the spring of 2017 as a result of the very rainy conditions.

#Grains Businesses

Logistics & Storage continues to be held back by the cereal environment

The twelve sea and river port installations operated by InVivo saw 4.7 million tonnes of grain pass through their facilities during the 2017-2018 campaign. Loading operations saw a significant increase of 15% over the previous year, although still below the average for the past five years. Logistics & Storage continues to be held back by the difficulties of finding export markets for French product within a general context of low prices unfavorable to French producers and high global production with multiple competitive sources, notably in Russia and the Ukraine.

Magestiv, the rail freight forwarder and a specialist in the transport of grain to ports for export, has also been negatively affected by the environment. Its business volume is below the levels achieved in previous years.

The drying business, on the other hand, grew by 34%, with 500,000 tonnes of grain having been dried.



InVivo Trading continues its transformation

InVivo Trading is putting its business model's transformation plan into action. The cooperative unit dedicated to the export of grain of French origin has been established, notably with the InGrains digital export platform. The business unit, for its part, operates as a global trading company, which is seeking to generate profits which will also enable it to sustain the cooperative export unit for

French wheat until it becomes competitive once again.

The grain volumes processed by the three offices in Paris, Singapore and São Paulo stand at 3.3 million tonnes, a sharp fall on the previous period (10 million tonnes), due to lower trading on French origin product. Consolidated revenue stands at 957.5 million euros against 1.6 billion euros in the previous year.

The business model transformation plan of InVivo Trading, a grain trading



company, has begun to bear fruit, with initiatives implemented in the various identified development areas.

In France, InVivo Trading works closely with InGrains, to which it first allocates its buying interests for wheat. The oilseeds office works with the same objectives as InGrains (market liquidity and optimisation of the logistics chain) and this year posted a fine performance with 900,000 tonnes of rape sold.

Abroad, and in order to diversify risk and revenue, InVivo Trading is expanding its portfolio by diversifying treated raw materials and by developing recurrent collection and distribution activities. It is proving to be a winning strategy that is delivering the anticipated results.

In Asia, the Singapore office distributes maize and soya meal in the Middle East. A third office was opened on 1 July 2018 in Shanghai, which will be responsible for developing the soya distribution business in China.

InVivo Trading has also successfully offered its expertise in consultancy and risk management on a service provider basis.

InGrains: the first step for a French cooperative project

A digital platform dedicated to the export of wheat of French origin, InGrains is a system accessible by the cooperatives engaged with Union InVivo, whose mission is to seek out added value for the French industry.

The platform was launched in a difficult market context. The volumes processed by InGrains have been

below forecast due to lower exports to third countries and the inherent difficulties of implementing a system that seeks to overcome a historic model.

Although this breaking-in phase has not managed to achieve equilibrium, set at 2.3 million tonnes, the modifications made to the platform's management framework should lead to higher volumes processed by InGrains during the 2018-2019 campaign.

Changes in the governance of InGrains, with representatives from port export silos joining those of the collection cooperatives on the steering committee, also create the conditions for joint reflection on how to globally integrate the supply chain, a vital factor if the structural difficulties of the French export sector can be overcome in a context of fierce competition from wheat of Black Sea origin.

By pooling goods right up to FOB handover, the construction of InGrains is just the first step in the construction of a competitive sector. Union InVivo is seeking to take pooling even further in order to reduce the current risk of negative margins in the wheat export market. Work is underway with other cooperative groups to construct a co-managed logistics chain able to operate in pull-flow mode, and even to create a common structure of grain marketing.

< The Biosolutions network identifies and assesses products >



Founded in 2016, the Biosolutions experimentation network brings together around one hundred cooperatives that assess biocontrol products and biostimulants within the sectors of arable crops, winegrowing, arboriculture and vegetable crops, by incorporating new indicators to better measure performance, efficacy conditions and any co-benefits they may offer (zero residues, lower environmental impact, etc.).

During the 2017-2018 campaign, the Biosolutions network identified methods and indicators for the efficacy and co-benefits in soil fertility, plant physiology and nutrition, and plant immune defences.



A list of the biostimulants available on the market was produced and circulated among the network's cooperatives. It contains 196 specialities and will be updated every six months.

Regarding experimentation, two multi-annual trial platforms for arable crops and winegrowing have been introduced. Fifteen biocontrol product trials have been conducted to investigate the issues of vine mildew and powdery mildew, sclerotin in oilseed rape, septoria in wheat and corn borer.

Focus

< The Fermes LEADER network is in place >



Agtechs are booming. The IoT (Internet of Things), apps and satellite maps have become everyday tools for farmers. In a market that is only just becoming structured, it is difficult to find your bearings, to make the right choices and to differentiate.

By bringing together 1,000 farms by 2020, the objective of the Fermes LEADER network is to offer a practical supervisory service designed to identify opportunities by pooling resources between farmers and cooperatives. The network provides more effective expertise through unity in order to support the conception and deployment of digital services for the economic, environmental or social benefit of farmers.

The network already unites 21 cooperatives and 300 farms around three objectives:

- > to provide on-the-ground support for cooperatives' digital initiatives by measuring, popularising and communicating innovations introduced by the cooperatives;



- > to characterise in detail the production types (land or livestock) using sensors designed to help optimise agricultural operations and innovations;
- > to monitor farming operations through economic and environmental performance indicators involving all operators in the sector, as in the case of the Agriprogress initiative conducted with McDonald's and Agromousquetaires.



< 62 cooperatives engaged with InVivo Trading in oilseed rape >

Close to the cooperatives producing oilseed rape, present on all the French parities and maintaining relations with all the main French, German and Spanish grain crushing plants, InVivo Trading is strengthening its positions in the oilseed rape market.

The volumes processed during the 2017-2018 campaign by InVivo Trading reached 900,000 tonnes, some 20% of French oilseed rape production. This success is the result of its very close relationships with the cooperatives: 62 cooperatives (representing the majority of oilseed rape production cooperatives) have a contract with InVivo Trading (commitment to a predefined pre-harvest volume, payment at the average price plus supplements calculated in line with performance).

A specialist in the physical oilseed market, InVivo Trading is expanding its offering to third party trading. The oilseeds office also operates in sunflower and soya of French origin.

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bioline group

Bioline Group covers four businesses generating high levels of added value: seeds, plant protection, biosolutions and agro-digital, complemented by our agricultural consultancy services. Active throughout the agriculture value chain, Bioline Group offers comprehensive solutions to construct the third way for agriculture.



It is Bioline's objective to construct a third way for agriculture. Can you define this concept for us?

Laurent Martel: In the light of consumption demands and needs, we are convinced that there is a place for all types of agriculture, whether intensive or small-scale, conventional or organic, rural or urban. The third way for agriculture we are mapping out is based on our determination to promote measured and innovative agriculture that gives equal weighting to the demands of society and economic performance. Through its expertise in its various businesses, namely seeds, fertilisation, plant Protection, biosolutions, agri-digital and precision farming and agricultural consultancy, Bioline holds all the cards for offering comprehensive solutions to individual farmers.

What were the key events over the past year?

L. M.: 2018 has been a year of restructuring for Bioline Group. The business has taken on a new dimension with the creation of the Bioline brand in December 2017. Our consolidated revenue rose from 212.9 million euros in 2016-2017 to 340.5 million euros during the past year. Conducted in April 2018 via a consortium of investor partners led by LFPI supported by Idia Capital Investissement and Unigrains, the capital increase of 50 million euros provides us with the means for investing in strategic sectors, enabling us to construct this third way for agriculture, to position ourselves in new target markets and to accelerate our internationalisation. Growth will be achieved through acquisitions and partnerships. With the acquisition of Phyteurop, a French company that formulates and markets plant protection products, we have become a major operator in this market.

We are striving to promote measured and innovative agriculture that gives equal weighting to the demands of society and economic performance.

Interview with **Laurent Martel**, CEO of Bioline Group

What are your forthcoming challenges?

L. M.: Now that Bioline Group has been reorganised and has the resources at its disposal for development, our main challenge is to promote cross-functionality between our various businesses and identify the most pertinent innovations for farmers among the multitude of new products and services that continually arrive on the market. We therefore recently founded Bioline Innovation in order to increase synergies between the various businesses and to enhance the links between marketing and R&D, thereby facilitating the market introduction of our future multi-sector offering of products and services. Agriculture is undergoing a new revolution. All companies are transforming themselves and investing in new markets. Who knows who the market leaders of tomorrow will be. But we are exploiting the full range of our ingenuity and resources to ensure that we are among them. ■

Seeds

In its four development areas, namely organic growth, internationalisation, development of decision-making tools and seed products, the Seeds division is making great strides. Its contribution to consolidated revenue stands at 122.8 million euros. The results of the subsidiaries, namely Novasem (Italy), Tradisco Seeds (Hungary) and DTI Sementes (Brazil), demonstrate that internationalisation is becoming a significant driver of growth.

Semences de France working closely with its cooperative shareholders

The results of Semences de France were greatly affected by the lower use of certified straw cereal seeds following the harvest crisis of 2016, as well as by corn acreage and the prohibition on neonicotinoids used in seed treatment. Conversely, the year also confirmed the company's

successful entrance into the hybrid wheat market and its gain of market share in the fodder crop market. Its sales are distributed almost equally between straw cereals and protein crops, hybrids and fodder crops. Its contribution to consolidated revenue stands at 100.1 million euros.

The results of the 2018 communications campaign, once again featuring the rugby player Sébastien Chabal and the strong presence of Semences de France on social networks, also demonstrate that recognition and goodwill are continuing to increase.



Affected by the lower sales of certified straw cereal seeds, the network has rallied its forces to gain higher levels of performance. New partner

companies have joined the trialling network, Variétoscope. Even more are taking advantage of Visualiz, the data processing system for variety trials. Discussions during working meetings covering the potential five-year renewal of the Semences de France agreement in 2019 demonstrated their desire to strengthen the partnership between Semences de France and its shareholders.

Semences de France is also a stakeholder in ongoing restructuring designed to optimise the performance of industrial seed production facilities. It is participating in the project to construct a new station in the north of France alongside the three cooperative groups of Advitam, Noriap and Capseine.

In the same vein, it is completely rebuilding the industrial facilities located in La Chapelle d'Armentières with the objective of becoming a favoured partner of breeders of straw cereals, protein crops and oilseed rape.

International linkages provided by Novasem, Tradisco and Agrosol

At the international level, it is the objective of the Seeds division to replicate the multi-species distribution model underpinning the success of Semences de France, by signing exclusive distribution agreements with breeders and producing seeds with the cooperatives of the network or local partners.

Acquired in 2016, Novasem in Italy enjoyed a fine year with higher sales of straw cereals, corn and chickpeas.

Acquired in 2017, Tradisco Seeds in Hungary posted highly positive

first year results with higher fodder seed production and is scheduled to commence marketing in the very near future.

In Brazil, the joint venture DTI Sementes, located in the state of Mato Grosso, doubled its sales of soya seeds thanks to the quality of its offering. Its growth will be driven by expanding both its product portfolio (corn) and its geographical scope of activities, exploiting the CCAB network of cooperatives. The contribution of DTI Sementes to the results of the Seeds division was highly positive in this first year.



#Plant Protection

Specialists in plant protection, Phyteurop, Life Scientific and CCAB Agro are working on improving formulations and reducing doses to offer innovative solutions and enhance their economic and environmental performance; the third way for agriculture will still need phytosanitary products. But their use will be measured and be combined with other solutions.

Phyteurop joins the Plant Protection division

The acquisition of a majority interest in Phyteurop, a French company active in the formulation and distribution of plant protection products and notably operating a production site in Montreuil-Bellay (Maine-et-Loire), will ensure that farmers enjoy access to plant protection solutions that combine chemical molecules and biocontrol products, capitalising on its close relation-

ships with leading French agricultural distributors.

Phyteurop was taken over in October 2017 by the cooperative holding company Sofragri, in which Bioline Group and other cooperative part-

ners hold a controlling interest. This transaction was performed in conjunction with a capital increase by Bioline Group in Sofagri and the implementation of a new system of governance at Sofagri and Phyteurop.



Integrated within the Plant Protection division of Bioline Group during the first half of 2018, its contribution to consolidated revenue stands at 33.5 million euros. It has posted fine results with Buggy Greenline, its new herbicide composed of plant-sourced adjuvants that enhance absorption of the molecule by the plant, and with Levto, a cereal herbicide created from R&D conducted by Life Scientific.



The main thrusts of Phyteurop's 5-year strategic plan have been defined. Co-construction with the cooperatives remains a priority. The company will be concentrating its research on developing new crop protection solutions combining phytosanitary products, preferably formulated with plant-based adjuvants and biocontrol products. This is why it has been entrusted with the marketing of Bioline AgroSciences' trichogramms for agricultural use.

The exploitation of the know-how of the industrial site in Montreuil-Bellay is also a key area of the strategic plan. Investment of 2 million euros has been made for the formulation and packing of products in small containers.

Life Scientific goes Europe-wide

Life Scientific is accelerating its development in France by obtaining approval for products designed for the arable crops market, notably Levto, a cereals herbicide for which

the marketing has been entrusted to Phyteurop. These products have also been approved in Germany, where they are distributed by Plantan.

The year was also marked by the company establishing operations in Spain and the move to new premises in Dublin.

CCAB Agro posts excellent results

Bioline Group increased its equity interest in the Brazilian company CCAB Agro to 54.9%.

This year once again, all of the indicators for CCAB Agro remain positive. The product portfolio has been extended thanks to new approvals for soya and cotton protection products, two of which are biosolutions. The company's distribution scope has also been widened, as it is now marketing its products beyond the network of the member cooperatives of CCAB Participacoes. At year



end, CCAB Agro's sales had risen by over 50% and its consolidated revenue stood at 136.5 million euros.

Celebrating its 10th anniversary during the year, CCAB Agro is resolutely pursuing a sales growth strategy and has reinforced its management team.

In-Ou: commercial launch scheduled for 2020

In China, the results of the trials conducted since 2016 by In-Ou, the joint venture with HVH, suggest that the sale of phytosanitary products will be able to commence in 2020-2021. Initial prospecting activities are also being conducted with the objective of selling Bioline AgroSciences' biocontrol products and Smag's agro-digital solutions in China.

#Biocontrol

Bioline AgroSciences invests in its bioplants

A specialist in the production of macro-organisms for the protection of plants and Ephestia eggs and the technical and scientific benchmark operator for the breeding of predatory auxiliary insects and parasitoids, Bioline AgroSciences has made multiple investments at its industrial sites. The production capacity of Ephestia eggs has been increased at the bioplant in Livron, France, making Bioline AgroSciences the world's biggest producer. Macropholus breeding is also concentrated at the site. New climate chambers have been installed at the Clacton site in the UK to increase production of predatory mites. Similarly, the Oxnard site in California has been modernised to increase production of Phytosius persimilis, an auxiliary mite vital for the control of spider mites, especially for red fruit.

The sales teams dedicated to speciality crops and the retail market have also been reinforced in Europe and America.

Posting consolidated revenue of 23 million euros, Bioline AgroSciences' business has been affected by the drought and wildfires in California, which destroyed numerous strawberry crops, a highly significant market for the company. The loss was offset by higher sales of ornamental crops, pepper and cucumber in the USA and Canada, and by the launch of trichogramma for soya in South America and for vines in France, where they are used to combat fruit moths (eudemis and cochylis).

Elsewhere, Geoinsecta, the participatory application to geolocate the presence of crop pests launched two years ago to combat the box tree moth, has widened its spectrum to cover the grape berry moth, Paysandisia archon and the red palm weevil.



#Agro-digital

Smag: the client experience at the heart of agro-digital creativity

Smag, a publisher of software designed for farm management and production traceability, is pursuing its development by focussing on the digital transformation of agricultural practices and on supporting other Bioline subsidiaries. It

has over 200 employees, some thirty of whom were recruited during the past financial year. Its revenue stands at 12.2 million euros, a rise of 9%. This growth is driven by the volume of orders for services.

Use of the agreeo and altand software packages are rising sharply, notably agreeo vigne & vin and agreeo seeds, the only solution offer-

ing complete management of the entire seed production chain, and the LEA solution dedicated to the administration of agricultural works contractors.





Smag is also reinforcing its partnership with Michelin, for which it has developed a collaborative web platform, Rubberway, enabling it to map out its value chain for rubber. It is gaining market share with consulting and accountancy firms.

The user experience lays at the heart of designing new solutions. This collaborative approach has been adopted to create the new mobile solutions and digital platforms of be Api and Ferme LEADER. Smag's personnel are also participating in the construction of the Digital Factory to enable the digitalisation of agricultural practices.

Smag's solutions constitute a genuine system combining everyday cultural practices with the power of big data technology. They aim to facilitate collaboration and the exchange of information between the various users (members, consultants and cooperatives), to respect production guidelines and regulatory standards, to support decision-making and lighten the burden of everyday tasks, exploiting "cloud first" access on all PC and mobile environments, 24/7.

Smag has also received multiple awards for its first big data projects cross-referencing data and algorithms to deliver new services. This notably applies to the Datacrop project conducted with Agrosolutions, which industrialises yield forecasts and wheat quality at individual plot level several weeks

ahead of time. Datacrop was recognised at the Data Masters Awards 2017 organised by Talend, the global market leader in big data and cloud integration solutions, and at the Etoiles du Big Data Occitanie awards in 2017.

be Api: expertise in precision farming

Three new cooperatives have joined be Api: La Flandre, Terre d'Alliances and Dauphinoise, bringing the total number of affiliated cooperatives up to 36.

During 2017-2018, the first real development campaign for the precision farming offering of be Api as the company was founded in December 2016; priority was given to organising the team and supporting

the cooperatives and their technical sales representatives in terms of how best to sell the service. It transpires that the main issues for the cooperatives wishing to develop precision farming is the ability to sell this high-value range of services. The average investment for a 150 hectares farm adopting precision farming lies between 12,000 and 20,000 euros. One of be Api's ambitions is to provide cooperatives with support for their service and digital transformation activities and to act as a catalyst to enable them to find the right organisational structure to develop their service offering.

Intra-plot diagnosis, the basis of the be Api concept, was carried out on 20,000 hectares during the 2017-2018 campaign. In total, 670 farmers are implementing the be Api intra-plot modulation advice, covering 105,000 hectares.

The initial results from the trial platforms collected in the autumn of 2018, in addition to the data recorded by sensors, drones and satellite images, are just some of the data being built up enabling decision-making rules to be refined and to expand the spectrum of modulated inputs. Currently the intra-plot



advice module uses plot data entered into Smag's atland and agreo software and automatically integrates data relating to the

intra-plot heterogeneity diagnostics (today's fertility tomorrow's potential, then yield and biomass). The digital platform can be

accessed by the cooperatives and consultants. Farmers will very soon be able to directly access the elements concerning their own farm.

#Agricultural Consulting

Agrosolutions is continuing its development with the objective of creating value to be shared by the farmers and their stakeholders, notably agri-food groups and regional planners. A pioneer in the creation of new services, this year one of its personnel founded Bioline Insurance, which offers farmers harvest insurance.

Agrosolutions: win-win partnerships

The agricultural consulting firm is refocusing its activities on large private sector operators, with which it is seeking to establish win-win partnerships covered by multi-annual framework agreements. Among its flagship clients during the year are Groupe d'Aucy, Panzani, Barilla, Mondelez, Bel, Casino, the EIG CRC, Veolia, Direct Energie and Total. These companies recognise the technical expertise of the personnel, their understanding of the issue of high-quality agricultural production and sustainable management of resources (soil, water, climate, air and biodiversity) and their ability to establish dialogue between the companies and the suppliers of agricultural raw materials.

Agrosolutions has been active with the management committees of the Aucy group and of the EIG CRC ("*le blé de nos campagnes*"), helping them to develop and implement a



CSR strategy. At Mondelez, the partnership commenced a few months ago to deploy the LU Harmony progress initiative is continuing. It is also within the context of multiple progress initiatives that Agrosolutions was contacted by Panzani. Having acquired expertise in livestock production, this year Agrosolutions won a first contract with Bel to establish specifications for the production of premium quality milk.

Regional planners are increasingly calling on Agrosolutions to develop a support structure for their pollution risk management and natural

resource preservation policies, as well as to secure the viability of their projects vis-à-vis their regulatory obligations relating to the environment and the farming industry. They also value their role as ambassador between the world of agriculture and their own field. Already a partner of Veolia within the framework of its water pollution risk management initiative and the implementation of its programme to protect abstracted water, the framework partnership agreement signed by InVivo and Veolia, designed to develop the circular economy within the world of farming, opens up a new field of

possibilities as it will be the main project manager on the InVivo side.

Within the context of their development policy covering renewable energies, notably solar, Direct Energie and Total contacted Agrosolutions for its legal expertise and to conduct impact studies for the installation of photovoltaic farms.

Agrosolutions also worked with other entities of Bioline and with external clients to help them decipher the issues generated by the Egalim food forums, enabling them to adopt their positions and press home their arguments during the negotiations.

Bioline Insurance: a harvest insurance solution dedicated to cooperatives

Selected within the context of the Group's entrepreneurship support policy and sponsored by Agrosolutions, the project to create new insurance products that meet new demands in terms of managing farming risks has broken new ground with the founding of Bioline Insurance.

Thirty cooperatives participated in developing the specifications of a disruptive harvest insurance solution (levels of excess and coverage, crops and risks covered), nominating Agrosolutions to conduct negotiations on their behalf.

The tender was won by the global market leader of wholesale service suppliers of reinsurance, insurance and other forms of insurance-based risk transfer.

The offering available since July 2018 from Bioline Insurance, the company founded specially for this purpose, concerns harvest insurance for farmers. Initial feedback from the cooperatives participating in the initiative has been highly positive. It should enable the number of hectares required to safeguard against pre-negotiated disruptive conditions to be contractually covered for the next five campaigns. The partner insurance company has allocated the necessary financial resources to cover one million hectares of crops, a target that Bioline Insurance hopes to reach within two years.



< Bioline AgroSciences seeks to conquer the West >

Bioline AgroSciences has conducted an in-depth study into biocontrol supply and demand in North America.

Assessment of the potential of this booming market and the identification of the most promising sectors and regions have enabled it to refine its 5-year development strategy and to budget for all necessary investments and preparations (HR, production, organisation of sales & marketing, technical and R&D, product portfolio, distribution networks and SAP implementation) in order to pick up a significant share of the growth. Bioline AgroSciences has set itself the objective of tripling its revenue in this region within the next 5 years.

Focus

< Bioline Innovation: the pioneer of a third way for agriculture >

Being a pioneer and anticipating a 3rd way for agriculture calls for the implementation of a new managerial approach between the personnel of the various entities of Bioline Group and of the corporate entity. Designed to be highly flexible, it is the objective of Bioline Innovation to strengthen the links between marketing and R&D, thereby facilitating the introduction of future cross-functional ranges of products and services.

Within 5 years, 30% of Bioline's offerings will be co-constructed by multiple business units: Biocontrol &

Phytos, Seeds & Phytos, Biocontrol & Digital.

Bioline Innovation's mission is to detect market trends, to construct cross-functional offerings and to conduct trials to validate all new product and service opportunities. To this end, certain existing cross-functional entities, namely Ferme LEADER, be Api and the experimental farm, Agrinovex, have joined forces with Bioline Innovation.

< Management of Bioline Innovation has been entrusted to Philippe Hamelin, who is also the CEO of Phyteurop.



< InVivo and Veolia team up to develop the circular economy in the world of farming >



Covering a 3-year period, the framework contract signed by InVivo and Veolia sets out collaboration in three areas: the management and enhancement of water quality in farming, reutilisation of waste water, enhanced engineering in favour of urban and peri-urban agriculture and digital solutions. The cooperation is designed to promote regional circular economy strategies.

Veolia helps cities and industries on all continents to manage and optimise water and sewerage services and to manage and recycle waste and energy services.

< Thierry Blandinières and Antoine Frérot, CEO of Veolia France

InVivo designs and deploys solutions to produce more and produce better, supporting the development of regions, farms and the agri-food sector. Together the two companies provide complementary skills to support regional circular economy strategies.

The first project conducted by Agrosolutions and SEDE Environnement for the cooperative wine growing group Vinadeis, located in the southeast of France, will cover the reutilisation of waste water treated up to drinking water standard for irrigating vineyards.

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invivo retail

InVivo Retail is accelerating development within its three sectors: garden centres, pet supplies and retail food, while redefining the profile of the InVivo Group by focussing on its positioning in BtoC markets. InVivo Retail is constructing a new grow-your-own garden centre model that creates value for customers, franchisees and agricultural cooperatives.



You joined InVivo Retail in September 2018 with the mission of developing a division for which InVivo has high ambitions. What are your main objectives?

Guillaume Darrasse: The acquisition of Jardiland is one of the major events for the InVivo Group in 2017-2018. With Jardiland, Gamm vert and Delbard, InVivo Retail has taken on a new dimension, becoming a European market leader in garden centres, garden living and pet supplies. At the same time, the development of Frais d'Ici and the recent acquisition of Bio&Co are testament to our desire to become a benchmark operator in retail food, and more specifically local organic products in France. On another continent, namely Asia, with So France Singapore, InVivo Retail is trialling a gastro-store concept showcasing fine French cuisine. At the end of 2018, the networks operating under the InVivo Retail banner had posted annual revenue of 2.2 billion euros. We are targeting revenue of 2.7 billion euros by 2025.

Garden centres are the driver of growth for InVivo Retail. Following the acquisition of Jardiland, how will you be developing your market-leading position?

G. D.: The garden centre market in France is a mature market. We will therefore be striving to recreate value by consolidating a multi-chain network with strong brands, in addition to creating a new, more attractive, more resilient and more profitable garden centre model by rebalancing revenue around three pillars: garden & plants, pet supplies and food. With our three brands we cover 75% of French territory and we reconfirm our determination to be the plant experts. Jardiland will be the leading showcase garden centre chain, Gamm vert the local chain and Delbard the independent chain. We will also be continuing the development initiated by Jardiland in Europe and will be paying particular attention to Gamm vert Village, which are the everyday stores for numerous rural communities. And of course, we will also be digitalising the model. Finally, it is of vital importance that we work on operational efficiency, modernising the supply chain and optimising the ranges.

Jardiland will be the leading showcase garden centre chain, Gamm vert the local chain and Delbard the independent chain.

Interview with **Guillaume Darrasse**, CEO of InVivo Retail

For two years now, InVivo Retail has been focussing on two particular growth drivers, namely retail food and the penetration of green channels. What are your ambitions for these sectors?

G. D.: Food is our main growth area. We are positioning ourselves in a particular segment, namely local and organic products. Founded three years ago by InVivo Retail and the agricultural cooperatives, the Frais d'Ici model is now operational. The acquisition of Bio&Co provides us with the experience we need in the organic sector. Around 150 garden centres should be able to offer a Frais d'Ici or Bio&Co range by 2025.

Regarding Néodis and Billaud Grains, which enjoy unique marketing expertise in the pet supplies, plants and hygiene fields, they represent a major advantage within our system, notably in terms of developing private labels.

And let us not forget pet supplies, a genuine generator of footfall at garden centres. The market is undergoing profound change with stiff competition from online operators and specialist networks. We will be making every effort to respond effectively and to make further strides in these sectors. ■

#Garden Centres

It is the objective of InVivo Retail to construct a new garden centre model around three distinct areas: garden & plants, pet food & pet supplies, and food. InVivo Retail posted consolidated revenue of 657.7 million euros.

With the integration of Jardiland, InVivo Retail has taken on a new dimension, becoming a European market leader in the garden centre market. Significant synergies have been identified between Gamm vert and Jardiland in terms of procurement and logistics, which should enable us to enhance the operational excellence of all outlets.

Jardiland: garden living

Announced in November 2017, the proposed acquisition of Jardiland by InVivo Retail was approved by the Competition Authority in September 2018, subject to eleven stores being sold to competitors.

The Jardiland network consists of 193 retail outlets: 108 direct owned, 82 franchise stores and 8 affiliated



stores. Most of them are showcase garden centres with floor space of over 4,000 m². Very well located in the major conurbations and in the Paris region, the network is highly complementary with that of Gamm vert, which operates in medium-sized towns and rural areas. Its expertise in the management of directly-owned stores is also of great benefit to InVivo Retail, which this year has been directly managing 90 Gamm vert stores. With a number of garden centres in Spain and Portugal, its understanding of the European market will also be

exploited by InVivo Retail for subsequent developments.

At 30 June 2018, the revenue of the Jardiland chain stood at 750 million euros. The dynamics generated by the new store concept and e-commerce have been highly positive. The 31 stores to have deployed the new concept (based on lifestyle, easy gardening and decoration) have seen sales increase. Jardiland has once again been voted the best chain in France in the garden centre and pet store categories.

Gamm vert: growing your own changes everything

With over 1,000 outlets, the Gamm vert chain generated revenue of 1.24 billion euros in 2017-2018. After a very difficult start in the spring due to climatic conditions, particularly high volumes in May and June enabled the year to close with revenue very slightly up in a stable domestic market.

One year after the launch of its new brand platform, *Produire soi-même ça change tout* (growing your own changes everything), which goes hand-in-hand with the store interior

refurbishment programme, 80 Gamm vert stores have been transformed. They will number about one hundred by the spring of 2019, followed by 200 others during 2019-2020. To enable the stores to adapt more easily to this new model, the network has been segmented into eight standard formats.

In addition to an intensive radio and TV communications campaign based on the new vision, with adverts inviting the public to rediscover the simple pleasures in life (tending your own vegetable garden, maintaining flowers in the garden and taking care of your pets), in addition to the calm of the natural environment, Gamm vert has produced over 300 grow-your-own tutorials. The tutorials are available in-store in brochure form and can also be accessed on the website, gammvert.fr. The Gamm vert gazette delivered through letter boxes has also been very well received, providing the chain with an additional qualitative dimension.

The dynamic focussing on plants is also being emphasised in-store and on the e-commerce website. Having reviewed the nursery and greenhouse

concepts, this year it was the turn of the flowers market to be refashioned. As for the manufactured garden range, its emphasis on grow-your-own gave the department a completely new dimension.

The second pillar of the chain, the world of pet supplies, is managing to resist the emergence of e-commerce and specialist operators thanks to the work conducted with Néodis to create the pet food own labels, Pure and Canicaf.

With over 2.5 million unique visitors during the spring, the gardening season, the website gammvert.fr became the leading e-commerce garden centre chain website following the merger in February 2018 of two sites, namely Plantes et Jardins and Gamm vert.

Gamm vert is becoming a phygital brand with the development of click & collect in store services.

This exercise is also accompanied by the creation of Gamm vert Synergies, the entity covering directly-owned outlets, some 90 stores located in the western and central regions of France previously operated by the cooperative groups of Terrena and Axérial. In its first year, efforts were concentrated on sales promotion and the deployment at ten stores of the *Magasin 2020* concept, which had been successfully trialled at the pilot outlet in Ormoy, near Paris.

Delbard & Affiliés: the network of independent garden centres

The dynamic continues of recruiting independent garden centres under the Delbard brand, including affiliated garden centres. Revenue generated by this network reached 265 million euros.



Delbard & Affiliés includes 43 franchise stores and 143 affiliated garden centres. Proudly independent, their identity is also highlighted on store fascias, with the owner's name displayed alongside that of the Delbard brand.

A wave of modernity and rejuvenation is breathing new life into the Delbard network, with the deployment of the rose boutique. It reinforces the identity and plant expertise of the brand within the store, emphasises the know-how of its franchisees, many of whom are also nursery professionals, and promotes the entire plant collection of Delbard (roses, fruit trees, small fruit, strawberry plants and flower bulbs).

To increase the attractiveness of this network and generate footfall, the objective is to enable each store to develop two or three areas that increase the rate of recurrent visitors, such as the rose boutique and the food department.

The affiliates network will be consolidated to enable independent garden centres to enjoy the purchasing power of InVivo Retail.



#Retail Food

With the acquisition of Bio&Co, InVivo Retail reaffirms its ambitions in the retail sale of fresh, local and organic products. More than a simple catalyst for garden centre sales, retail food is becoming a distinct activity for InVivo Retail, redefining the profile of the InVivo Group. By 2025, InVivo Retail has the objective of opening 150 retail food outlets under the Frais d'Ici and Bio&Co brands.

Frais d'Ici: the local products brand

The store model of Frais d'Ici associated with a Gamm vert garden centre has revealed its effectiveness by every yardstick. The investment level is lower than for independent stores; although the entrance is separate from that of the garden centre, the same checkouts are used. Frais d'Ici generates higher footfall at the garden centre and increases profitability per m². The average garden centre enjoys 4% additional sales and the revenue of each Frais d'Ici store stands at between 1.2 and 1.5 million euros.

Three Frais d'Ici stores opened their doors this year: in Foix, by the coop-



erative group Arterris; in Cahors, by Capel; and in Limoges, by Natea. With floor space of over 280 m², these stores offer fresh fruit and vegetables, fresh meat, cured meat, dairy products, wine, grocery goods and frozen products. Each is supplied by around one hundred producers. A further nine are currently under construction.

Bio&Co: the organic stores of InVivo Retail

Through the takeover of Bio&Co, InVivo Retail has acquired the means to develop its expertise in organic retail food. Multiple development scenarios are planned, via stores adjoined to a garden centre or as an independent outlet.

Bio&Co has six retail outlets in the region of Provence-Alpes-Côte d'Azur. Its annual revenue stands at some 22 million euros. Mainly focusing on fruit and vegetables, preferably regional, Bio&Co is also developing grocery and butchery departments and an area for nutritional dietary supplements and health & beauty products, which has proved to be highly popular with the public.

With the aim of structuring a wide and high-quality range, Bio&Co is now carving out a niche as a chain offering wider access to organic produce.



So France: the French gastro-store abroad

On 21 March 2018, InVivo and ANAA, the food agency from the Nouvelle Aquitaine region, opened So France Singapore, the first and pioneering gastro-store promoting French gastronomy.

It is the objective of the So France brand to unite French producers around a common goal: to export and exploit the value of French gastronomy around the world. This brand is expressed through the store concept incorporating under a single roof:

- > a bistro restaurant, with the menu created by the celebrated chef, Frédéric Coiffé;

- > a wine bar;
- > a boutique offering gourmet products: fresh produce, grocery products, a wine and spirits cellar; 850 products in total;
- > a promotional area offering cookery courses, culinary demonstrations and wine tasting.

The range is simple, congenial and authentic, aiming to dispel the elitist and expensive image of French cuisine.

Singapore was selected as the location for the pilot store as the demand for French products is especially high, with France occupying second spot among the country's international suppliers.

The first few months of business have confirmed the attractiveness of the new concept. Consumer surveys have produced positive results in terms of customer satisfaction regarding the quality and ambiance of the restaurant. The bakery-cafe section and wine bar will be expanded.

Once the business model of the pilot store has been confirmed, InVivo Retail intends to develop the concept under franchise, beginning with a new deployment in Southeast Asia.



Market Introduction

Néodis-Billaud Grains: reinforced expertise in support of Gamm vert

Néodis-Billaud Grains posted consolidated revenue of 24.3 million euros. Although the results at Billaud Grains are good, 2017-2018 was a year of contrasting fortunes for Néodis.

Néodis recorded solid results in the pet supplies range (pet food, new pets and farmyard animals) thanks to the strengthening of its partnership with Gamm vert through the development of dedicated brands. In the home cleaning and hygiene market, formulations and marketing for the new Agrinet range were completely reviewed, producing strong growth. The Signe Nature business (signage for the plants market) also posted a very good performance.

Conversely, due to regulatory changes affecting biocides, it recorded a fall in sales of pest control products and of protection products for foodstuffs stored in silos. As market leader with the Myriad brand, Néodis is preparing the market introduction of certain new molecules.

2018 is also an important transitional year for Néodis, which is strengthening its relations with the InVivo Retail chains, making available its entire range of expertise and know-how to support growth.

In the dog-food sector, placing private label brands at Gamm vert in prominent shelf locations alongside the leading brands in over 400 stores, combined with in-store promotional campaigns and the training of product managers, enabled the brands to move upmarket in the most favourable of conditions. The same exercise will be performed in 2018-2019 for the cat food range.

Néodis is also reinforcing its range around the “nature in the garden” concept, via its range of feed and accessories for wild birds, small wild fauna and farmyard animals served by the Plume & Compagnie brand, dedicated to specialist networks.

With its production plant for seed mixes and fat balls for wild birds, the integration of Billaud Grains shows its full range of benefits for future developments.



< InVivo Retail supports the food donation movement >



The fight against food wastage fully meets our ethics based on solidarity and respect for producers' work.

On 21 October 2017, the two Frais d'Ici stores in Toulouse and Chenôve held an anti-waste day. Supported by the chef and restaurateur Philippe Abirached, personnel gave culinary demonstrations providing customers with tips and recipes for using up leftover food.

Elsewhere, thanks to the commitment of personnel from Gamm vert and Frais d'Ici and to the partnership with the Solaal charity, no less than 3,440 kg of foodstuffs exhibited during the latest Gamm vert congress, held in Lyon on 3 and 4 October 2017, were donated to the most disadvantaged members of the community with the support of the Rhône food bank.

< Cat and dog food produced in France >

Developed by Néodis, the cat and dog food ranges of Pure Origine, Pure Complicity, Canicaf and Caticaf are made from 95% of ingredients produced in France. Located in Braconne in Charente the plant has capacity for 33,000 tonnes of dry food. A significant investment project is being studied in order to increase the production capacity and to implement new production processes to meet new market trends and demands.



< Activities certified as “Organic Agriculture” >



InVivo Retail is developing numerous product ranges from organic agriculture, some of which under private label (farmyard animal feed, plants). To support such developments, InVivo Retail has entered into a framework contract with a Certipaq certification body and, just over one year ago, launched a certification programme for all of its activities, ranging from the listing to the market introduction and sale of organic products.

Several entities (the Gamm vert south-west logistics platform and Frais d'Ici stores, including online sales) have already successfully undergone the certification audit.

The drafting of a common procedures manual that can be duplicated at all sites will accelerate the certification process.

< More organic products on sale at Gamm vert >



In order to meet consumer demand, numerous product ranges from organic agriculture have been developed and will soon be placed on sale at Gamm vert: vegetable garden seedlings, farmyard animal feed and various foodstuffs.

Gamm vert has also developed a private-label range of vegetable and herb seedlings under the plante bleue label, a national benchmark label for French horticulturalists and nurseries committed to environmentally friendly production.

This label guarantees:

- > French origin;
 - > eco-responsible cultivation: optimised spraying, limited use of fertiliser and treatments, waste sorting and recycling, reduced energy consumption and respect for flora and fauna.
- The specifications for *Plante bleue* certification also contain a social and corporate dimension (occupational health and safety, management of human relations and the role of the company within local society).



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invivo wine

It is the ambition of InVivo Wine to become a major player in international wine commercialisation by exploiting strong brands and a global retail network which emphasises the quality of the wines and the diversity of the “terroirs”.



You joined InVivo Wine in September 2018, can you explain the driving forces you wish to instil?

Frédéric Noyère: The strategy of InVivo Wine is consistent with the Group’s strategy, focussing on internationalisation, innovation and digital. A solid base has been established with the acquisition of Baarsma Wines in June 2017 and the founding of the subsidiaries InVivo Asia and InVivo America. The consolidated revenue of InVivo Wine reached 237.3 million euros in 2017-2018. The organisational structure of InVivo Wine has been reviewed, based on customer needs and organised around three business units: Fine Wines, Retail and Services. Now we have to put our foot on the accelerator. Our development priorities have been redefined. Our three priorities are to construct international brands and a portfolio of world wines, to acquire and develop retail networks and to expand the range to meet the ever-changing demands of consumers, notably via rosé, sparkling, organic and alcohol-free wines. We are also planning to establish an e-commerce platform.

What are the objectives of these three business units?

F. N.: In the fine wines sector, with Mestrezat Grands Crus and Armit Wines we have achieved critical mass, enabling us to believe that by expanding our range we are

Construction of international brands and a portfolio of world wines, development of retail networks and extending the range – InVivo Wine is making strong progress in all three areas.

Interview with **Frédéric Noyère**, CEO of InVivo Wine

able to join the market leaders achieving annual revenue of the order of 100 million euros. In retail, Cordier remains the emblematic brand around which we will consolidate a portfolio of brands and châteaux. In the services sector, we enjoy the industrial potential and expertise to develop our offering around the management of retailer brands. ■

#Production

Union InVivo prioritises the quality of input products

Within a context of small harvests and tight markets, the 2017 input contracts signed with the 21 member cooperatives of the Union InVivo wines division cover 170,000 hectolitres.

To improve wine quality and deploy sustainable agricultural practices, the cooperatives of Saint-Maurice-de-Cazeville (Gard) and Labastide (South-East) have committed themselves to the Agriprogress initiative sponsored by Fermes LEADER in partnership with Agromousquetaires.

Similarly, within the context of InVivo working groups looking into development of the circular economy, a project is being conducted in partnership with Vinadeis (South-East) for the reutilisation of waste water treated up to drinking water standards for irrigating vineyards.

#Fine Wines

Mestrezat Grands Crus and Armit Wines establish a foothold in the market

With a unique collection of fine wines from the world's leading wine-growing regions, Armit Wines in the UK and Mestrezat Grands Crus in Bordeaux are strengthening their positioning in the fine wines sector via partnerships with prestigious wine estates producing iconic wines. This year they enjoyed a fine *vin primeur* campaign again and established new commercial

networks. Their consolidated revenue stands at 46.9 million euros.

Targeting a highly demanding international clientele, they reinforce relationships with their clients by organising private events. To celebrate its 30th anniversary, Armit Wines invited its most loyal clients to London for a wine tasting also attended by its historic production partners. Mestrezat enjoyed a highly successful auction sale at Sotheby's in Hong Kong and London.



#Services

Wine Excel: the services platform

Achieving operational excellence in support of InVivo Wine's marketing companies and major retail chains in terms of packaging, purchasing, sourcing and logistics – this is the objective of Wine Excel.

With a very high performance bottling plant in the Netherlands, production capacity of 70 million bottles and targeting retailer labels, in 2017-2018 Wine Excel achieved consolidated revenue of 35 million euros.

#Retail

InVivo Wine structures its brand portfolio

It is the ambition of InVivo Wine to develop strong commercial brands for all of the specialist retail entities.

During the year, efforts were focussed on integrating Baarsma Wines and the US and Asian subsidiaries. The development of the Cordier – Enjoy la Vie brand was postponed in order to reconstruct a brand portfolio adapted to the different markets and regions. The retail division posted consolidated revenue of 155 million euros, of which 38 million euros from its own brands.

InVivo Wine already has a recognised range of own brands: the global brands Cordier and Canei; local brands very well positioned in Northern Europe, notably La Tulipe,

Guillaume and Rutishauser. The creation of an organic range with premium and mass-market wines is ongoing.

The Canei range, aromatic semi-sparkling wines with low alcohol content, has been comprehensively revised to meet the demands of the new NoLo (no alcohol – low alcohol) generations, notably including an alcohol-free semi-sparkling wine, Canei Frizzante 0%. It was awarded a gold medal at Drinks International's Wine Design 2018.

The Guillaume range (varietal wines) distributed on the Belgian market has also been extended to move up market, with La Gloire de Guillaume. In the USA, a new brand of French wines, Marval ("You are marvellous") has been launched to meet the Americans' nomadic consumption modes.



Focus

< HOM: the organic wine range >

InVivo Wine launched the organic wine brand HOM on the US market. Its range includes five grape varieties, one sulphur-free wine, one AOC and a well-structured red blend, positioned in the premium segment. It bears the distinguished signature of Robert Eden, a renowned specialist in biodynamics and owner of Château Maris in Minervois, southern France, where the winery made out of hemp bricks is the world's first plant-based cellar, making a positive contribution to the environment and to the wines it houses.

< Robert Eden, a leading protagonist of sustainable, organic and biodynamic viticulture.



Corporate communication department.

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