Tirlán

Annual Report
& Accounts 2022

HERE FOR GOOD.

Tirlán Co-operative Society Limited

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Please find a copy of our full financial statements on **www.tirlan.com/reports**

If you would like a printed copy of our full financial statements please **email: hello@tirlan.ie**

or write to Company Secretary,
Tirlán, Abbey Quarter, Kilkenny, R95 DXR1.

Throughout our Annual Report, this symbol represents a link to a video on the Tirlán website. To view, simply use the camera on your phone to scan the accompanying QR code.

OUR VISION
TO CREATE A GLOBAL COMMUNITY CELEBRATING WHOLESOME NUTRITION FROM THE LAND WE LIVE AND LOVE

We've harnessed all that's great about Glanbia Ireland to bring it with us into our future as Tirlán. From the land we farm to the customers we serve, we value life in perfect balance. Our work is done in harmony with nature, and builds on our rich legacy of excellence in food production, and reputation of providing world-class nutrition.

OUR PURPOSE
NOURISHING LIVES IN BALANCE WITH NATURE

As a farmer-owned Co-operative, we are deeply invested in our communities and family farms that provide our high-class produce. The passion and dedication of our people has helped to make our award-winning brands and tailored ingredient solutions standout in the international marketplace.

Pictured on front: Alan and Cheryl Poole, Gorey, Co. Wexford. The Poole family are Tirlán's Operation Biodiversity Ambassadors. (See page 9)

TIRLÁN - A GLOBAL NAME IN FOOD AND NUTRITION

Tirlán is Ireland's leading 100% Irish farmer owned Co-op providing world-class dairy and grain ingredients across the globe.

WE'RE TIRLÁN AND WE'RE HERE FOR GOOD.
OUR HIGHLIGHTS IN 2022

19.6%
rise in Co-op dividend payment since 2020

Processing
1/3
of Ireland's milk pool

#1
milk processor in Ireland

Revenues
€3BN

€2BN
Total paid for milk and grain

€14.7M
total paid to Co-op Members in share interest, Trading Bonus 2022 and Share of GI Profit

7
Agri brands

8
Consumer brands

3.2BN
litre milk pool

Approximately
2,300
Tirlán employees

0.4%
reduction in CO_2 from processing sites (from 2021)

4,327
member dairy farmers

689
member grain farmers

>100
number of countries where Tirlán products are sold

>500K
nutritional meal kits sent to Ukrainian hospitals and refugees

€54M
Suppliers through the Milk Supplier Sustainability Action Payment

TIRLÁN – THE NEW NAME FOR GLANBIA IRELAND AND GLANBIA CO-OP

Tirlán is a farmer-owned, world-class food and nutrition business. We operate across three categories: Agribusiness, Consumer, and Ingredients through which we deliver a diverse portfolio of agricultural brands, leading consumer products and quality ingredients. As a vibrant, ambitious and innovative business, we have a strong track record of success in global markets and are committed to being at the forefront of sustainable dairy and grains, today and into the future.

OUR BUSINESS CATEGORIES

Tirlán Agribusiness is proud to be the largest supplier of inputs to the Irish farming sector, with 52 dedicated retail outlets serving our farmers and local communities.

Working closely with our farm families, our team of technical advisors supports efficient, profitable and sustainable farmer Members to provide high-quality innovative products and ingredients to our customers globally.

At GAIN Animal Nutrition, our feeds are specially designed to provide complete nutrition for dairy, beef, sheep and calf nutrition. We offer a wide-range of pet food products, and our equine range funds many of the world's top racehorses.

Agribusiness category
page 36

OUR BRANDS

GAIN ANIMAL NUTRITION

Tirlán FarmLife

Tirlán CountryLife

MASTER CROP

Our consumer products have been enjoyed in Irish homes for over half a century. We believe that only the best quality and distinct fresh taste are good enough for our customers. Built on a long heritage of family farming, our range of products has made us leaders in the marketplace by delivering award-winning brands such as Avonmore. Our fortified milks offer a wealth of nutritional benefits for everyone. Our product range also includes cheese, protein milks, butter, cream, and a range of chilled soups. Determined that our naturally tasty dairy should be enjoyed all over the world, our UHT milk and cream are the perfect solution for the international marketplace.

Consumer category
page 42

We supply a range of innovative dairy and plant-based ingredients from highly specialised whey proteins to functional oat flours for use in a range of applications, including lifestyle nutrition, clinical nutrition and functional foods. We have proven capabilities when it comes to delivering uncompromising quality and traceability at every step along our supply chain. Our long heritage of family farming results in only the best-quality grass-fed dairy and grains being selected for our wide range of tailored ingredients and solutions.

Ingredients category
page 48

AMBITIOUS FOR THE FUTURE OF OUR CO-OP AND FARMERS

Dear Member

In recognition of a remarkable year in the history of our Co-op, it is with great pride that I present the first Tirlán Annual Report. For the first time since 1988 we, as farmers, have full ownership of Tirlán Ltd (formerly Glanbia Ireland). We have experienced an incredible journey to reach this point.

Over the course of that journey since 2012, we have spun out 48.6 million in plc shares worth €672.8** million to our Members and paid €80.4 million in Share Interest (dividends) to Co-op Members.

When we launched our proposal to take complete ownership of the Glanbia Ireland business, our main objective was clear: to pay the best possible price for our farmers' milk and grain. In 2022 we paid an average milk price of just over 63cpl (including VAT) with a strong position achieved in the comparative milk price leagues. We also paid record prices for grain, with €310 per tonne for green barley and €320 per tonne for green feed wheat.

We are hugely ambitious for the future of our Co-op. As always, we will face challenges, but we are determined to work hard and continue to deliver for the benefit of our Members.

The creation of Tirlán followed on from the successful Special General Meeting (SGM) of Members in December 2021, when our farmer Members gave their overwhelming support for our Co-op to acquire the remaining 40% of Glanbia Ireland.

We are now a fully farmer-owned Co-op. The change in structure has been good for our Members and has brought clarity and focus to our organisation. I also believe that the change in organisational structure has been positive for Glanbia plc, as they continue to focus on their international strategy. As the largest individual investor with a 27.94%* stake valued at €1,046.2** million, we continue to watch its progress with significant interest.

Funding of Transaction

Following Member approval for the Glanbia Ireland transaction, funding was secured in January 2022. Approximately €70 million was raised for the Co-op through the placement of 5.75 million ordinary shares in Glanbia plc at a price of €12.25 per share.

At the same time, we raised €250 million through the launch of an Equity-Linked Exchangeable Bond. The five-year Exchangeable Bond is linked to a pledge of approximately 15.1 million Glanbia plc shares. The Co-op retains full ownership of the pledged shares until such time as an exchange is exercised in accordance with the terms of the Exchangeable Bond. The Co-op will continue to benefit from the dividend paid by Glanbia plc on the shares during the term of the Bond.

* As of 21 April 2023
** Based on the Glanbia plc closing share price of €13.85 on 21 April 2023.

Launch of Tirlán

On 31 August 2022, we were delighted to unveil Tirlán as the name and identity for our Co-op.

Tirlán is:

- A strong Irish name;
- A name with meaning – land of abundance;
- And most importantly, it is a name that works in Ireland and globally.

Following that hugely positive launch event attended virtually by our farmers and simultaneously by our employees we unveiled Tirlán in Japan with the Minister for Agriculture, Food & the Marine Charlie McConalogue. We also hosted launch events with key customers in Singapore, Vietnam, Paris and Dubai.

We have been thrilled with the positive reaction to the new name and identity, from our farmers, our employees and our customers.

In the coming months you will continue to see the new brand coming to life in our branches, on our milk tankers and on all our packaging. Completing the transition to a new identity across all of our products and markets is a large and complex project, but I am pleased to say that it is progressing very well.

Spin-out of Glanbia plc shares

At the SGM held on 17 December 2021 Members endorsed a proposal to distribute some value to all Co-op Members through a spin-out of Glanbia plc shares. The spin-out of 12 million Glanbia plc shares to individual Co-op Members was successfully completed on 12 September 2022.

Plc Board representation

Following the completion of the spin-out, Tirlán is the largest individual shareholder in Glanbia plc. In line with previous agreements, from 2023 Tirlán will have three representatives on the Board of Glanbia plc (the Chairman and the two Vice Chairs).

See the full interview with John G. Murphy, Tirlán Chairman here

CHAIRMAN'S STATEMENT
CONTINUED

Financial supports to Members during 2022

The 2022 Trading Bonus Scheme was paid in early 2023 based on the level of trade of milk and grain suppliers. In addition, beef, sheep, and pig farmer customers that are Tirlán Co-op Members qualified for a Feed Bonus on tonnes purchased. A total of €8.0 million was paid, comprising €5.2 million to milk suppliers, €2.4 million to grain growers and €0.4 million relating to feed. A further €1.2 million will be paid to grain growers during summer 2023 on completion of dried grain deliveries from the 2022 harvest. All payments to Co-op Members were funded through core business operations.

A further €0.6 million was paid to milk suppliers during 2022. This reflected a share of GI profit from dividends received by the Co-op from GI prior to the acquisition of full ownership of the GI business by the Co-op during 2022.

Pictured at the official opening of Tirlán's new headquarters and Collaboration Hub at Abbey Quarter, Kilkenny on 6 April 2023 was Minister for Enterprise, Trade and Employment Simon Coveney TD who officiated at the opening with (L to R) Tirlán Office Facilities Manager Mary Banks, Tirlán Chief Executive Officer Jim Bergin and Tirlán Chairman John Murphy.

2023 Trading Bonus Scheme

The Board has announced the launch of a 2023 Trading Bonus Scheme that will continue to reward farmer Members of the Co-op for purchases made from Tirlán and its subsidiaries. The terms of the Scheme are largely unchanged from the 2022 Scheme. For milk suppliers, a Trading Bonus of 0.25cpl will be paid on all milk supplied by Members that spend over 8cpl on input purchases with Tirlán in 2023. For grain growers, a Trading Bonus of up to €10 per tonne of grain supplied is available for 2023 and a €10 per tonne trading bonus is also available for beef, dairy and sheep non-milk suppliers.

Commitment to Grain

Tirlán is the largest buyer and user of Irish grains, with the green grain intake increasing to over 190,000 tonnes for 2022, with excellent yields and strong prices for crops. The grain and ingredients teams have focused strongly on value-added premium crops, with over €3 million in premiums paid over and above the record feed price to farmers for the 2022 harvest. The Board is committed to future growth and development in our grains portfolio for the benefit of our grain growing members.

AGM/SGM

At the forthcoming Annual General Meeting (AGM) of the Society which will take place on 24 May 2023, the Board is proposing that Members approve a share interest payment of 19.058 cent per share, (totalling €6.5 million) payable to Members on the share register at that date. This is an increase of 10% on the previous year's payment.

The Co-op continued to pursue a progressive dividend policy during 2022. At the AGM held on 25 May 2022, Members approved payment of Share Interest ("Dividend") of 17.3 cent per share, totalling €6.5 million, which was available to all Members on the share register at that date. The Co-op Board's dividend policy reflects its commitment to delivering a fair return to all shareholders. Total share interest of €1.16 per share has been paid in the five-year period up to and including 2022.

Average milk price paid
63CPL
(inc. /VAT)

Highest ever grain price paid
€310/ TONNE
for barley

Trading Bonus
€8.0M

A Special General Meeting of the Society will take place on 24 May 2023 at which a number of Rule changes will be presented for the consideration of members. Details of the proposed changes will be included in the notice of the meeting which will be issued separately issued to members. The Rule changes will present the Rules in a more gender neutral format and reflect our ambition to encourage greater diversity within both the membership and representative structures of the Society.

Society membership

Following the completion of the spin-out of 12 million Glanbia plc shares to individual Co-op Members on 12 September 2022, the Society share register was re-opened. Membership invitations have recently been issued to eligible milk suppliers who have commenced milk supply since 2021. The Board and Council will continue to monitor the requirements for membership to ensure that we are well placed to respond to the emerging needs of farmers.

Fixed Milk Price Schemes

A major challenge for a large number of Tirlán milk suppliers in 2022 was the fact that they had a significant proportion of their milk supply contracted in Fixed Milk Price Schemes at prices that became extremely challenging due to the unprecedented surge in the price of farm inputs.

The Board allocated a large amount of time and significant resources to alleviate the serious challenge facing some milk suppliers. Support payments were made to all suppliers who were in Fixed Milk Price Schemes and in particular targeted at those with in excess of 35% of their annual milk supply volumes committed to Fixed Milk Price Schemes.

The total level of support committed to suppliers in Fixed Milk Price Schemes amounted to approximately €22 million in 2022. As a Co-operative, this was the appropriate thing to do. But we did have to strike a balance and be fair to those with no milk in Fixed Price contracts, and those ineligible for the Support Schemes that were offered.

On 22 February 2023 we announced that suppliers taking part in Fixed Milk Price Schemes would be able to cap their volumes at 35% in 2023 and 2024. This applies to volumes under Fixed Milk Price Scheme 17 and the Fixed Milk Price Support Scheme.

I am satisfied that our Co-op dealt with a very challenging issue in a fair and balanced manner and appreciate the support of our milk suppliers on the issue throughout the year.

Alan and Cheryl Poole and their children, Danny, Jacob and Isabelle, and dog, Bruno.

A FARMER'S VIEW

ALAN AND CHERYL POOLE

Alan and Cheryl Poole milk 72 cows and rear their replacements on their 103 acre farm near Gorey in Co. Wexford, which has been in Alan's family since 1707.

Alan is an environmental scientist and Cheryl a research scientist in chemistry but they both now farm full-time.

"There are times when you're so busy on the farm you wonder if there will ever be an end to it. But then there are other days when the sun shines and you're out in the fields and your batteries are completely recharged.

Our son Jacob has special needs and has quite a few hospital appointments. There are times when we're stuck in traffic on the way from Dublin after a doctor's appointment and you wonder how people do that every day.

It was a good year for dairy farmers in general. We were unfortunate in ways in that we had a significant volume of milk in Fixed Price Milk agreements, our price was about 6cpl below the Tirlán average.

We just had to work our way through it and push on. There was no point dwelling on it. The Support Schemes and Agri Input Support were an important help last year.

Hopefully the milk price will stabilise soon because if it doesn't, its unlikely to recover before the peak supply period. High input costs now mean that no supplier could sustain the prices that were being paid three or four years ago.

The Poole family are Tirlán's Operation Biodiversity ambassadors and say their family farm is living proof that nature and dairying can work together.

We've applied the science background we have to our family farm - to nutrition, to breeding through genetics and to herd and soil health.

The Sustainability Action Payment introduced in the past year by Tirlán has been a very good starting point. But we need to keep raising the bar all the time, add more actions, offer more bonuses. The farming sector needs it and consumers demand it.

Our children are still young so who knows what will happen with this farm in the future. One thing we've learnt over the years - you never know where life will take you. So for now, we will just keep doing what we do to the best of our ability and drive on."

CHAIRMAN'S STATEMENT
CONTINUED

Tirlán investments

Tirlán has a significant portfolio of investments as summarised on page 33 of this Report. The most valuable investment is our shareholding in Glanbia plc which is valued at €1,046.2** million. We have a really strong relationship with Glanbia plc and look forward to maintaining that close link.

At our Special General Meeting on 17 December 2021, Members approved rule changes to enable the creation of an Investment Fund. This fund is available to acquire new businesses and technologies with the aim of driving higher returns for Tirlán Co-op Members. This is an exciting part of an ambitious, long-term diversification strategy to deliver additional independent profit streams. A strategy sub-committee of the Board is in place to work closely with the Investment team led by Frank Tobin, Chief Investments Officer, to drive the investment agenda.

Kilkenny Cheese

Our new cheese processing facility at Belview in South Kilkenny is now well advanced and the team is focused on getting the plant into production for the 2024 milk season.

This is a joint venture between Tirlán and international Dutch dairy firm, Royal A-ware. We are ambitious for this positive partnership and the rewards this exciting facility will reap for both our farm families and the surrounding communities.

Representative Structure Review

As a Co-operative, our representative structure – summarised on pages 70-83 - is hugely important to Tirlán. I would like to express my sincere thanks to those involved for their contribution. We are currently completing a very significant review of our structure, led by a sub-committee of the Board chaired by Vice-Chairman Brendan Hayes. The objective is to ensure that we have a vibrant representative structure that is relevant and fit for purpose for the Society and its Members in the future.

We have engaged in detailed consultations with our Members, including a task force of researchers from UCD, legal advisers and Diversity, Equity & Inclusion (DEI) consultants, and we are distilling the findings of a member survey that was completed by over 1,000 of our Members.

We must improve on the diversity metric and it is also important that we encourage and facilitate more younger members to get involved. In the coming weeks we will be communicating with our members in more detail on this important topic.

I would encourage more Members to consider taking an active role in the future of your Co-op.

In the context of our representative structure, I wish to acknowledge the passing of our Council Member, Cathal Moran, and our former Council Member, Padraig Walshe. Both men were highly regarded dairy farmers and strongly contributed to our Council debates. On behalf of the Board, I want to express our sincere sympathies to the Moran and Walshe families.

Board retirements

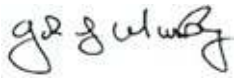
At our forthcoming Society AGM Patsy Ahern will retire from the Board of the Society. I would like to thank Patsy for his commitment and contribution since he was appointed to the Board in 2015. Daniel Lynch from the Castlelyons' region will replace Patsy on the Board of Tirlán. Siobhan Talbot, Brian Phelan and Michael Patten retired from the Glanbia Ireland board during 2022. I would like to thank them for their valued contributions and wise counsel during their respective board tenures.

Conclusion

Operating as a Co-op allows us greater flexibility to support our farmers into the future, while maintaining strong financial discipline.

As referenced on the front cover of this Report, Tirlán's tagline is "Here for Good". This reflects our great heritage that stretches back for over 100 years and our determination to make decisions for the long-term so that we can continue to be in a position to deliver for our farmers in our catchment area. "Here for Good" also reflects our determination to run our business in a manner that is positive for all stakeholders – farmer suppliers, employees, customers, our communities and our planet. This report provides a summary of our key activities in 2022 and provides you, our Members, with an insight into the business that you own. With your support, we can continue to live up to our tagline – "Here for Good".

For 2023, our objectives are very clear – pay the best possible price for milk and grain. The Board is very ambitious for the future growth and development of Tirlán and looks forward to the continued support of our Members. I would like to take this opportunity to thank each and every one of our Members for their continued support for Tirlán.



John G. Murphy
Chairman

TRENDS SHAPING OUR INDUSTRY

Our consumer brands and ingredient solutions are playing into powerful consumer trends which positions us well for future growth.

AGEING POPULATIONS

The number of people aged 60 and over is growing dramatically, while the number of consumers under the age of 60 is shrinking. By 2030, one in six people in the world will be aged 60 years or over.

Source: WHO

GLOBAL FOOD INFLATION

While food prices will not grow at the staggering rate they did in 2022 — which was as much as 12% in some countries — they will continue to rise above historical average rates.

Source: US Department of Agriculture

DEMAND FOR DAIRY

The global dairy products market size was valued at US$ 481.7 billion in 2021 and is expected to hit US$ 640.8 billion by 2030, poised to grow at a noteworthy compound annual growth rate (CAGR) of 3.2% from 2022 to 2030. Yoghurt and cheese consumption continues to rise.

Source: Precedence Research

CLIMATARIAN DIETS

More people are not only eating with their own health in mind, but also the health of our planet. Climatarian diets are on the rise as people embrace sustainability at the supermarket. One in four consumers in the UK have changed their food purchases, now opting for sustainable brands, thus suggesting consumer awareness surrounding sustainability is more acute.

Source: Glow Research and Technology Company

DEMAND FOR HEALTHY NUTRITION

Consumers are becoming savvier about nutrition, they are looking for ways to boost their health through functional foods — foods which offer benefits beyond simply their nutritional value. The Covid-19 pandemic put a spotlight on the importance of immune health, with consumers reaching for cultured dairy products such as spoonable and drinkable yoghurt for extra support. Functional foods and drinks that support gut and brain health are a growing trend for 2023.

Source: Future Market Insights.

HIGH-PROTEIN DAIRY BEVERAGES

Demand for high-protein dairy drinks is expected to rise in 2023. These protein-fortified drinkable yoghurt, shakes, and flavoured milks can be used as a healthy protein snack or as a meal replacement for consumers returning to their busy, on-the-go lifestyles. Known for their variety of indulgent flavours, high-protein dairy drinks also meet the need for conscious indulgence. The global ready-to-drink protein beverage market is projected to register a CAGR of 7.7% over the next five years.

Source: Mordor Intelligence

TIRLÁN – LOCAL PRODUCE, GLOBAL REACH

Exporting to

OVER 100

global markets

AL CHEN

Business Development Manager
Tirlán Ingredients
China

"China has a population of 1.4 billion people and is the world's second largest economy. It is also the world's most integrated trading hub with 8 out of the top 10 busiest ports situated in China. I'm Tirlán's Business Development Manager based in Shanghai, China. China is a key growth market for us with rising dairy consumption per capita; a growing middle class population; and a rapidly ageing population. An estimated 402 million people will be over 60 years old by 2040. As a global provider of functional and nutritional dairy ingredients, these market drivers present a significant opportunity for Tirlán's ingredients business."

JACLYN CRABBE

Marketing Director
Truly Grass Fed
U.S.

"The U.S. is the largest grocery market in the world. U.S. consumers are continuously seeking products with purpose, transparency and sustainability. The Truly Grass Fed brand proposition is well positioned to meet this demand with its delicious, sustainable and premium butter and cheese products. I work to develop brand awareness for Truly Grass Fed. We reach our target consumers through social, influencers, digital video, connected TV and shopper marketing channels. I also work closely with our sales team for key retailers. Overall, we're experiencing strong year-on-year growth and momentum for the brand in the U.S."

JENNIFER FORD

Regional Development Manager
Truly Grass Fed
U.S.

"The western region of the United States offers a unique landscape and wide-ranging climate but also a very diverse, well-educated, and thoughtful consumer. The State of California is a key economic driver within this region and its gross domestic product is poised to overtake Germany as the fourth largest economy in the world. In my role as Truly Grass Fed's Regional Development Manager, my daily focus is to share our story, in the most compelling and authentic manner. Our Irish family farmers are at the forefront of that story. They are true stewards of the progressive and regenerative farming movement and dedicated to delivering the highest quality milk. This approach resonates with so many of our large supermarket chains who stock and sell Truly Grass Fed products."

MASATO NAKAMURA

Business Development Manager
Tirlán Ingredients
Japan

"Tirlán has a long history of supplying cheese ingredients into the growing Japanese market. Milk and dairy products have become a key part of the Japanese diet over the past decade. Our cheese is predominately used as an ingredient in processed cheese, for example triangles or cheese slices. I work closely with our distributor "Lacto Japan" to further develop opportunities for Tirlán's cheese and other value-add dairy ingredients. Japan offers a large market opportunity for Tirlán Ingredients. As the world's third largest economy, it has a highly developed social economy with a population of 124 million that have a life expectancy of 84 years."

A MILESTONE YEAR IN THE HISTORY OF OUR CO-OP

Dear Member

It is my privilege to present our first Annual Report as a new organisation and under our new identity – Tirlán. This document provides an overview of our Co-op and its broad range of activities.

2022 was a milestone year in the history of our Co-op. We unveiled our new identity, Tirlán, a name for the future, that will positively reflect the ethos of our Co-op and our wonderful natural Irish credentials. We are very pleased in our first year as Tirlán to have delivered the highest milk and grain prices in our history. It was a clear signal of our ambitions for the future of our Co-op which are built on strong financial disciplines, a strategic focus and a world class workforce.

We aim to continue to fulfil our commitments to our farmer Members to pay the 'best possible milk and grain price'.

Our 2022 performance

In 2022, we delivered a strong set of financial and operational results, despite supply chain constraints and high inflation. Revenue jumped 36% to over €3bn. Overall, as outlined in detail on pages 26-32, our results are reflected in a strong end-of-year balance sheet, with total equity attributable to shareholders standing at €1.2 billion. The acquisition of the remaining 40% of Glanbia Ireland from Glanbia plc was the largest acquisition by an Irish company in 2022. As we transition to a new operating model, we will remain rigorous on financial management. Our emphasis on cost efficiencies, combined with digital solutions, has continued to strengthen the core business.

Sustainability

We are all aware of the challenges surrounding climate, water quality, clean air and biodiversity, and we are committed to playing our part. We know that as an organisation we hold a pivotal role in Ireland achieving its wider climate action commitments.

Tirlán's symbol is inspired by the ancient Ogham letter 'úr' for the word 'earth', reflecting the balance between the soil below and the sky above. As an organisation, we believe in the importance of delivering wholesome nutrition, while caring for our land and our communities.

Our sustainability commitments are clearly set out through our comprehensive sustainability strategy, "Living Proof", which has delivered a blueprint for our organisation and our supply chain. It is, I believe, both ambitious and achievable. Read more about our sustainability strategy on pages 58-67.

I know our farmer suppliers are equally committed to embracing sustainability to deliver both economic and environmental benefits on their family farms. For example, there has been a strong sign-up to our new annual €18m Sustainability Action Payment and it is a clear indication of the importance our farm families are placing on improving water quality and further reducing the on-farm carbon footprint. Read more on pages 38 and 64.

See a short interview with Jim Bergin, Tirlán Chief Executive Officer here

Category reviews

As you will read later in our Agribusiness, Consumer and Ingredients category reviews on pages 36-53, 2022 was a strong year in the global commodity markets. However, it was also a year in which we witnessed sharp inflationary increases in the cost of inputs and supply constraints heightened by the Russian invasion of Ukraine. The experience of the team and the strength of our risk management processes helped the business navigate the logistical issues and surging costs of energy, packaging and raw materials.

Agribusiness

The Agribusiness Category experienced a strong year with a 40% rise in revenue to €644m. As the largest buyer and user of Irish grains, favourable weather conditions gave rise to a record harvest and with it record prices. Innovation and targeting of value-added premium crops, of which over 40% attracted a premium, continued to yield results for our growers. The foundation stones to deliver our plant-based strategy were laid 10 years ago. Our investment in our Portlaoise food-grade Oat Mill has equipped us with strong gluten-free capabilities. The strong collaboration with our expert growers to deliver a 'closed loop' supply chain has firmly differentiated our product in a competitive marketplace.

Consumer

Our Consumer Category delivered a solid performance, with turnover of €365m. Our brands have continued to navigate a difficult cost-of-living environment whilst winning shelf-space in supermarkets for our award-winning consumer brands such as Avonmore, Kilmeaden, Wexford and Premier.

During 2022, we underwent a significant restructuring of our Customer Category to enhance core elements of the business, investing in automation and focusing on digital innovation to deliver growth platforms for the future. On the international markets, our Avonmore Professional range of UHT cream has continued to gain market share in China and saw further launches into new markets including Vietnam.

MILK PAYMENTS 2022 BY COUNTY

A huge economic driver of the rural economy

€1.9BN

Total 2022 milk payments

Ingredients

Our ingredients Category had another strong year. I'm pleased to say that our brands such as the Truly Grass Fed B2B ingredients portfolio, Millac, Solmiko and Oat-Standing continue to win new customers in the global marketplace. In 2022, over 410,000 tonnes of dairy products were sold on worldwide markets.

Our ongoing investment in innovation has enhanced our position in the value-add solutions arena, including developments such as our new CheddMax range and portfolio of Oat-Standing functional Oat Flours. Our plant-based products have established strong foundations in line with consumer trends. Our dairy ingredients business performed strongly as consumers continue to demand nutritional food and beverages that are fortified with dairy ingredients. In addition we launched our Pro-Oats drink under the Avonmore brand which has been well received by the market.

Dairy markets

In 2022, Tirlán collected 3.2 billion litres of raw milk and processed 95 million litres, across the peak week. In line with other regions, milk volumes were slightly back by 0.5% over the calendar year. Across the course of the year, more than €1.9 billion was paid to more than 4,300 farm families for milk. That was a remarkable 40% increase on 2021 and demonstrates the huge importance of dairy as a major economic driver of the rural economy and underpins more than 17,500 jobs.

Our business makes a difference to our communities, with a significant economic multiplier effect driving further local employment and prosperity. In milk and grain payments alone, Tirlán underpins over €3 billion of economic activity in our rural economies (see map showing milk payments per county). We also make a significant contribution to the communities in which we operate through local fundraising and community events. We raised over €40,000 for worthy charitable causes in 2022.

As a Co-op, we have worked to fulfil our commitments to our farm families and strengthened our position in comparative milk price leagues. Amid stronger prices on global commodity markets, our Co-op paid an actual average price of 63cpl (including VAT) for the year.

Tirlán international launch
Launching and establishing our new identity across the globe was a key focus in 2022. This included a programme of launch events with customers including a launch led by Minister for Agriculture, Food and the Marine, Charlie McConologue in Japan in September, and an event in Paris in December led by Irish Ambassador to France, Mr Niall Burgess.

In turn, the sharp rise in milk price required significant cashflow facilities and the business moved to twice-monthly milk payments from July 2022. We believe this cashflow management brings strong benefits for our suppliers by delivering more financial flexibility.

The strength of our Co-op model was also evident as we were able to work together to deliver more than €22 million in 2022 to those with larger volumes committed to Fixed Milk Price Schemes who were adversely impacted by the unprecedented rise in input costs.

Investing for the future

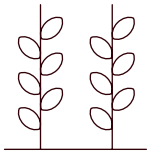
During 2022, we were delighted to commence the development of our much-anticipated €200 million continental cheese facility in South Kilkenny in conjunction with our joint venture partners, Royal A-ware, the Dutch family-owned, international cheese and dairy producer. It is the biggest single dairy investment in the history of the State. We are currently on-target to have the facility commissioned for Spring 2024, with active recruitment of teams currently underway to operate the facility.

We also continued to invest in our existing high-value facilities with more than €22 million invested in our Ballyragget facility aimed at delivering additional expansion capacity across the peak months. We also announced an investment of more than €11 million in our agri branch network, and strongly believe the benefits of these investments will be felt throughout our communities.

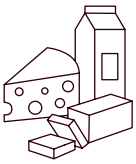
Furthermore, Tirlán remains strong financially, with a number of significant and diversified income streams in addition to our core dairy and grains processing business. We remain the largest single shareholder in Glanbia plc and in addition, we hold a valuable shareholding in dairy exporter Ornua, alongside a number of established business partnerships as part of our core commercial strategy. For more information on our investments see page 33.

In January 2023, we made the difficult decision in tandem with our joint venture partners Corman to close the Corman Miloko facility at Carrick-on-Suir. Our butteroil plant in Ballyragget will continue to operate under the joint venture.

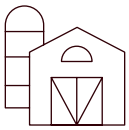
We have strong opportunities as a standalone 100% farmer-owned Co-op. At our SGM on December 17, 2021, our Members approved the creation of an Investment Fund. The Fund can be activated at a future date through the sale of a proportion of our Glanbia plc shares. The shares continue to deliver an annual dividend. We will remain focused on evolving our business through the appropriate investments to support our strategy and deliver additional income streams for our Members.



5,016
family farms supplying milk and grain



423,000 TONNES
of dairy products manufactured and sold



OVER €673M
invested in facilities since 2012

CHIEF EXECUTIVE OFFICER'S REPORT
CONTINUED

Investing in our People

We are a vibrant, strong international organisation with 2,300 people across 11 processing facilities, 52 retail branches and global offices. I would like to thank each and every one of our people for their hard work and dedication over the past year. It has been a momentous year for the organisation, and I am incredibly proud of what we have all achieved.

We believe in investing in our people to thrive at Tirlán and unearth their future. As a progressive employer, we have strong continuous education programmes and a coaching-led culture to ensure that our people are the best they can be.

We are also taking steps to become a more diverse and inclusive organisation, through our Diversity and Inclusion (D&I) strategy. We acknowledge that we need to do more in this area, and have outlined a series of commitments in our first Gender Pay Gap report.

While 2023 is proving challenging to date with a significant reduction in dairy market returns, combined with high farm inputs and supply chain inflation, we believe our Co-op is strong and well-positioned to navigate these challenges and support our farmer Members.

We have come through the high-growth period following the removal of milk quotas. I believe the years to come will be defined by more moderate milk volume growth and a concentration on sustainability, in tandem with a firmer focus on innovation and value-add products.

Supporting our farmer Members

We will continue to evolve to meet the changing needs of our farmers, customers, employees and other stakeholders. Whatever challenges lie ahead, it is our role to ensure we use resources responsibly, support our farmer Members and ensure thriving healthy communities. By drawing upon everything we have learned over many decades, we continue to build upon our successes, invest wisely, and work collaboratively for the benefit of all stakeholders.

Jim Bergin
Chief Executive Officer

OUR PURPOSE
NOURISHING LIVES IN BALANCE WITH NATURE

In 2022 we established a new purpose, vision and values for the organisation which are showcased throughout this report. Our purpose to "nourish lives in balance with nature" is at the core of what we do in Tirlán. Our farmers are acutely aware that they must produce food in the most sustainable fashion possible. They are working with nature every day and know the importance of striking the balance of delivering nutrition while caring for the land. Land is their core asset and they are committed to protecting it. Many of Tirlán's farmers have re-orientated towards innovative sustainability practices and are embedding sustainability initiatives into every step of their milk and grain production processes. As an organisation we are passionate about our purpose, to nourish lives in balance with nature, and we know that our farmers will not be found wanting in our collective ambition to meet our carbon reduction targets.

For more information see our Sustainability Business Report on page 58.

Pictured: Alice O'Brien,
Tirlán Commercial Associate

STRATEGY AND

Pictured: Steven and Richard Fitzgerald, Aglish, Cappoquin, Co. Waterford.

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PERFORMANCE

"Firmly rooted in our family farms, Tirlán is a vibrant, ambitious and innovative business committed to being at the forefront of sustainable dairy and grains into the future"

Jim Bergin - CEO, Tirlán

OUR BUSINESS MODEL

Our business model describes the essence of what we do, and how as a Co-operative we create value for our farmer Members, and all our stakeholders.

OUR INPUTS

OUR FARMER SUPPLIER MEMBERS

We are proudly supplied by in excess of 5,000 dairy and grain family farms from across Ireland. Our Co-operative structure means we have longstanding and loyal relationships with our farmer suppliers - many of whom have been supplying our Co-op for generations.

OUR PROCESSING, MANUFACTURING AND LOGISTICS ASSETS

We have world-class dairy and grain processing facilities which allow us to sustainably source, process, package and deliver our consumer and agri brands, and ingredients solutions.

OUR TALENTED EMPLOYEES

Our success is dependent on the passion, engagement and focus of our talented people. We have a strong, loyal workforce with long service and specific industry insights.

OUR SCIENTIFIC AND TECHNICAL KNOW HOW

Innovation is in our culture. Our teams of technical scientists and advisors promote efficient, profitable and sustainable food production.

OUR FINANCIAL DISCIPLINE

Our business activities require strong financial discipline and we seek to allocate capital effectively and to where we will see the best return on investment.

OUR CUSTOMER RELATIONSHIPS

We have strong and deep relationships with our long-term global customers. These relationships are built on trust and our track record of delivery.

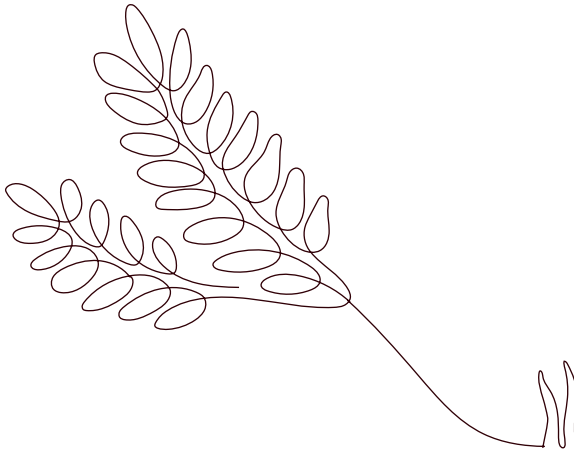
OUR COMMUNITY RELATIONSHIPS

From farm to fork we establish strong trusted relationships with all our stakeholders. From our wider farming communities to industry representatives and government bodies, all are essential for the success of our business.

HOW WE CREATE VALUE

1. WORKING WITH OUR SUPPLIERS

We are a key supplier of inputs to many of our farmer suppliers. In turn our Co-operative structure gives us access to a supply of high-quality, sustainable and traceable, milk and grains which is a key differentiator for global customers. We collect 3.2bn litres of milk from our family farms and are supplied with almost 300kt of grain.

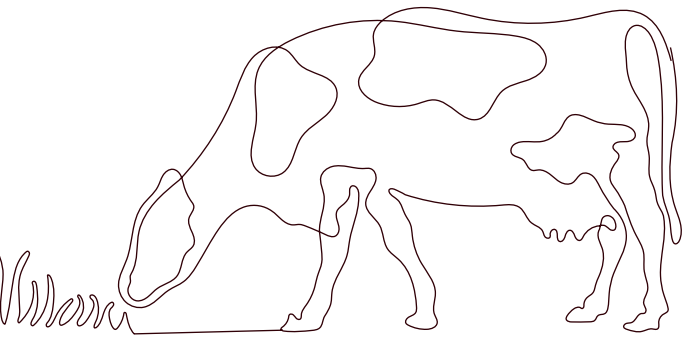


4. DELIVERING FOR OUR CUSTOMERS AND CONSUMERS

Our brands and ingredients help our customers win in the market place. Through our insights and execution, we work closely with our customers to help them grow their businesses. When our customers grow, we grow too. Our end-to-end integration system and closed loop production processes help to differentiate us from our competitors. Coupled with this is our strong track record of developing innovative products and ingredients to meet consumers ever-evolving needs and tastes.

2. MOVING ALONG THE VALUE CHAIN

We add value by turning our pool of raw materials into value-added brands and ingredients. We leverage our collaborative long-term partnerships, customer-focused innovation, insights and R&D to deliver higher-margin brands and ingredient solutions.



3. OPERATIONAL AND FINANCIAL EFFICIENCY

We operate 11 production sites across Ireland, generating over 400kt of premium ingredients, up to 500kt of feed and 300 million litres of liquid products in Ireland. We foster a culture of safety, efficiency and continuous improvement throughout all our facilities. We have a strong and liquid balance sheet, ambitious Categories, and a clear set of investment priorities that will enable us to strategically invest in further growth areas as the opportunities arise.

OUR CONTRIBUTION TO THE WORLD AROUND US

FAMILY FARM MEMBERS

We support our farmers and their families through the delivery of the best possible milk and grain prices. We work with our farmer suppliers to procure high-quality raw materials with environmental sustainability in mind.

€2BN

Paid to farm families for the milk and grain they supplied

EMPLOYEES

We want our people to be the best they can be. We empower them to thrive and offer a diverse and inclusive workplace with excellent opportunities for development and progression.

2,300

CUSTOMERS

We are the trusted business partner of choice to companies all around the world.

>100

No. of countries in which we sell our products

COMMUNITIES

We help build thriving communities by investing in the communities where we live, work, source and sell.

€44,850

raised for worthy causes by the Tirlán 300 cycle

ENVIRONMENT

We are conscious of the impact our organisation has on our planet. We have set ambitious sustainability targets for ourselves and consciously support our farmers in achieving their sustainability goals.

7%

reduction in Scope 3 (Farm Carbon Footprint) since 2018

NOURISHING AMBITION

Joe Taneyhill
Director of Strategy

As part of the establishment of Tirlán, we developed a new vision and purpose. Furthermore, in March 2023, the Tirlán Board approved a new five-year strategy - Nourishing Ambition.

As a fully farmer-owned Co-op, the ambition of our strategy is to add value to the products that we make and sell; maintain a fit for purpose cost base; and to build a strong loyal Co-operative for all of our Members.

Tirlán will deliver on this strategy by working across its five strategic pillars. These pillars form the themes upon which Tirlán views the delivery of its strategy over time.

Strategic pillars

- ENHANCING THE CUSTOMER EXPERIENCE TO ADD VALUE
- CULTURE OF OPERATING EFFICIENCY
- LIVING PROOF AND ESG
- PEOPLE EXPERIENCE
- DELIVERING THE CO-OP OF THE FUTURE

OUR VALUES

Our Values, along with our vision and purpose, guide us along every step. They form the foundations of who we are and what we do. They are the principles that inform the culture of our organisation and how we do business.

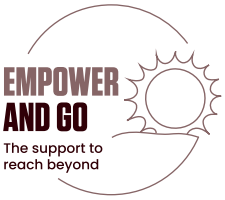
OUR VISION

TO CREATE A GLOBAL COMMUNITY CELEBRATING WHOLESOME NUTRITION FROM THE LAND WE LIVE AND LOVE

OUR PURPOSE

NOURISHING LIVES IN BALANCE WITH NATURE

How this enables us to grow	Strategy in action
We are a trusted partner to our customers. We put our customers' needs at the heart of everything we do. The ingredients and brands we produce are used everyday by millions of consumers.	As a business we know that when our customers grow, we also grow. We are committed to driving this growth through innovation. See pages 54 and 55
We maintain a strong operating cost discipline and seek to drive operating efficiencies in the development of all our products, supported by a rigorous and safe operating culture.	As the largest dairy processor in Ireland, our unrivalled scale and leadership positions are key differentiators for the business. See page 52
Sustainability is crucial to both our farming and operations activities within Tirlán. Our ESG ambitions will be an increasing source of commercial advantage and are fundamental to driving resilience across our organisation.	We have a clear road map to accelerate our sustainability agenda around sustainable farming and processing models. See page 60
Our people are our greatest asset. We have proven management teams who are highly experienced in our sectors. Our teams are engaged, empowered, supported, and rewarded for their performance.	We empower and develop our people through dedicated development coaching and training programmes. See page 34
For over 100 years, we have continually transformed, adapted and reinvented, while delivering a sustainable living for our farmer members. As the needs and priorities of our Co-op members evolve, we will continue to innovate to enable our members to grow and progress. Tirlán's Investment Fund activities will seek to drive additional income streams to diversify our Co-op's business.	Growing together is a key pillar of our sustainability strategy. We will ensure rural communities remain a thriving part of society. See page 67



GROWING EVERY LAYER OF OUR BUSINESS

At a glance

Total Turnover
€3BN

Operating Profit
€71.9M

Average Milk Price paid
63CPL

Total Co-op Equity Value
€1.2BN

Operating Entities Profit & Loss

	2022 €m	2021 €m	Change €m	Change %
Revenue	3,059.0	2,245.6	813.4	36%
Cost of sales	(2,781.7)	(2,017.1)	(764.6)	-38%
Gross profit	**277.3**	**228.5**	**48.8**	**21%**
Distribution costs	(135.7)	(112.2)	(23.5)	-21%
Administration expenses	(69.7)	(65.9)	(3.8)	-6%
Operating profit	**71.9**	**50.4**	**21.5**	**43%**
Finance income	0.1	0.2	(0.1)	-50%
Finance costs	(13.0)	(12.4)	(0.6)	-5%
Share of result of Joint Venture	(2.2)	1.2	(3.4)	-283%
Share of result of Associate	0.1	0.1	-	-
Exceptional item	(4.7)	1.9	(6.6)	-347%
Profit before taxation	**52.2**	**41.4**	**10.8**	**26%**
Income taxes	(7.6)	(5.4)	(2.2)	-41%
Profit after taxation	**44.6**	**36.0**	**8.6**	**24%**

2022 was a momentous year for our Co-op having successfully completed the acquisition of the remaining 40% interest in Glanbia Ireland. With Tirlán now 100% Co-op owned, we have the benefit of a more flexible profit model in line with our Co-op ethos while maintaining strong financial disciplines across the organisation. During 2022 we delivered the highest milk and grain prices in our history thus delivering on our commitment to pay our members the 'best possible milk and grain price'.

We achieved this result despite considerable instability in the global macroeconomic environment, the continued reverberations from Covid-19, and significant inflationary pressures. We ended the year with a robust balance sheet having successfully managed our cash flows and debt positions and we enter 2023 in a strong financial position.

For ease of reference this report is prepared on a pro forma basis considering the Co-op in two parts;
(a) the operating entities of Tirlán Limited
(b) the Co-op entities and their investments.

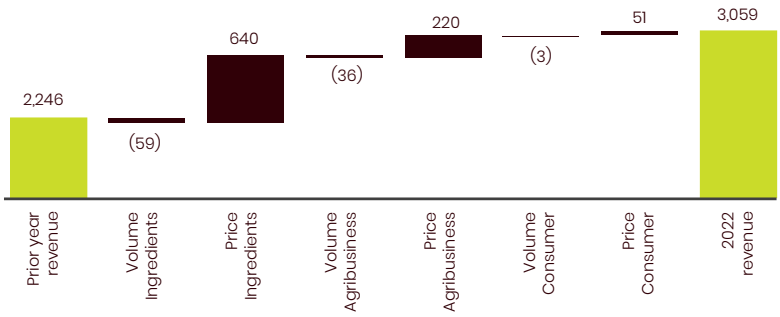
Revenue

In the 2022 calendar year, the Group delivered revenue of €3.06 billion, compared to €2.25 billion in 2021. This comprised price inflation of 41% and volume decline of 5%.

The **Agribusiness Category** had turnover of €644 million in 2022, up 40% on 2021, comprising volume reduction of 8% and price inflation of 48%. A stand-out feature was the outstanding grain harvest in 2022 which was aided by good weather over the summer months. The Group remains the largest buyer and user of Irish grains, with the green grain intake increasing to over 190,000 tonnes for 2022, with excellent yields and strong prices for crops. The grain and ingredients teams have focused strongly on value-added premium crops, with over €3 million in premiums paid over and above the feed price to farmers for the 2022 harvest.

The **Consumer Category** delivered turnover of €365 million showing growth of 15%; the International business grew by 46%, while the Domestic business recorded a 10% increase in sales. Taking the Category as a whole, pricing was the main driver of sales revenue growth, with overall volumes of milk and cream in line with the prior year. During 2022, the Consumer Category was successfully restructured and is now focused on core elements of the business, whilst investing in new technologies to enhance growth opportunities for the future. Non-core elements, including certain distribution contracts which did not contribute

REVENUE CAUSAL TRACK IN €'M



to profitability, were phased out during 2022. The award-winning consumer brands such as Avonmore, Kilmeaden, Wexford and Premier have continued to be household staples, despite the necessary price increases at retail level required to keep pace with cost inflation. The category continued to see strong growth in areas such as protein milks which grew by 50% in the year, a testament to our innovation strategy.

The **Ingredients Category** revenue also advanced by 40% in 2022, with volumes down by 4% overall, but price inflation of 44% contributed to the large turnover increase. Despite geo-political upheaval during 2022, demand for dairy products remained robust across the globe, while supply was curtailed in many regions.

The Group's continual evolution from a commodity seller to a value-add provider of solutions is developing well. The strength of the organisation is reflected in the cross-functional collaboration around the development of our functional cheese solutions, with the extension of our CheddMax range.

In the international marketplace, our brands such as Millac, Solmiko, Oat-Standing™ and Truly Grass Fed have gained traction with customers. Investment in a significant digital transformation project for the commercial sales team in the Ingredients Category is also bearing fruit.

Operating Profit - In 2022 Operating Profit grew to €71.9m reflecting the strong underlying performance of the business. While selling prices advanced strongly in 2022 reflecting strong dairy commodity markets, overheads also increased substantially over 2021 due to significant inflation across most cost categories, notably energy, chemicals and packaging. The price paid to milk suppliers similarly increased. From an operational perspective, milk volumes were down by 0.5% in calendar year 2022 compared to 2021, while milk volumes in peak week showed a 2% reduction on the figures at peak in 2021.

In 2022, Tirlán's milk intake was 3.2 billion litres. 2022 saw over €1.9 billion paid to farmers for milk, a 40% increase on 2021. The Tirlán milk price was on average circa. 63cpl (including VAT) in 2022 and we strengthened our position in comparative milk price leagues.

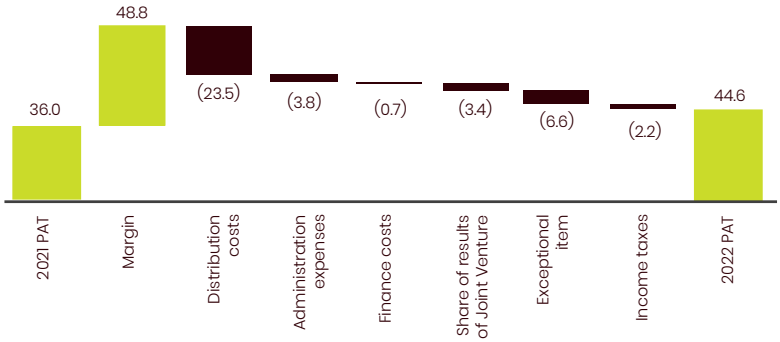
Finance Costs - Finance costs increased marginally in the period due to increased average net debt arising from the inflationary environment experienced in 2022.

Share of results of JV & Associates - The performance of joint ventures and associates deteriorated in the period mainly due to the losses incurred at Corman Miloko. A decision was made by the joint venture partners to cease most operations with a plan to close the plant in Carrick-on-Suir during 2023.

Exceptional costs in 2022 of €4.7 million (before tax), primarily as a result of costs incurred from a Milk Supply Voluntary Retirement Scheme offered to farmers who exited from milk production as part of peak supply management restrictions finalised in early 2022, net of the release of a dilapidation provision relating to a depot in connection with the organisation structure review. This compares with a net exceptional gain of €1.9 million before tax in the prior year.

In 2021, the exceptional items gain of €1.9m comprised of energy gains arising from the exit from favorable fixed price energy price arrangements, a settlement gain arising from the completion of an enhanced transfer value exercise for deferred members of the defined benefit pension scheme, less the costs of providing for organisation redesign and redundancy costs following a fundamental review of the structure of elements of the business portfolio.

2021 PAT TO 2022 PAT IN €'M



Income Taxes – while income taxes rose in the period this is broadly in line with the profits with the effective tax rate rising very marginally period on period.

Profit after tax – increased in the period arising from the increased revenue in the period due to strong dairy markets.

Operating Entities Cash Flow	2022 €m	2021 €m	Change €m	Change %
EBITDA	**116.3**	**95.8**	**20.5**	**21%**
Working Capital	(68.7)	51.8	(120.5)	-233%
Business Sustaining Capex	(28.8)	(35.3)	6.5	18%
Operating Cashflow	**18.8**	**112.3**	**(93.5)**	**-83%**
Interest & Tax	(11.5)	(17.0)	5.5	32%
Pension	(2.5)	(18.8)	16.3	87%
Dividends Received	0.3	0.5	(0.2)	-40%
IFRS 16 Lease Payments	(7.0)	(7.1)	0.1	1%
Other	29.6	0.4	29.2	7300%
Free Cashflow	**27.7**	**70.3**	**(42.6)**	**-61%**
Strategic Capex	(38.2)	(12.1)	(26.1)	-216%
Dividends Paid	-	(30.5)	30.5	100%
Exceptional items	3.3	(2.0)	5.3	265%
Investments / Acquisitions / Disposals	(21.0)	(1.1)	(19.9)	-1809%
Net Cashflow	**(28.2)**	**24.6**	**(52.8)**	**-215%**
Opening Net Debt	**(206.2)**	**(230.8)**	**24.6**	**11%**
Exchange differences	0.8	-	0.8	-
Closing Net Debt	**(233.6)**	**(206.2)**	**(27.4)**	**-13%**

Operating cashflow – fell during the period due to increased working capital as a result of significant investments made in both receivables and inventory in the period arising from the high inflationary environment in 2022. These investments were somewhat offset by increases in current liabilities and the increase in profitability in the period as explained earlier.

Interest & Tax – outflows have decreased in the period mainly due to the timing of preliminary and final tax payments between the periods.

Pension – payments to fund our defined benefit pensions schemes decreased in the period due to the funding requirements in 2022, while 2021 included one off payments due to pension restructuring. The valuation of the pension scheme liabilities decreased due to the impact of rising interest rates, whilst the scheme asset portfolio remained positive.

Strategic capital expenditure and investments – increased mainly driven by capital investments in upgrading our R&D facilities and our new collaboration centre in Abbey Quarter along with the continued investment in Kilkenny Cheese our joint venture with Royal Aware, a leading cheese and dairy producer in The Netherlands. The continental cheese production facility at Belview in south Kilkenny is now under construction and is planned to be operational in Spring 2024.

Dividends paid – was reduced to nil in the current year as Tirlán Limited didn't pay a dividend to the Co-op but instead maximised milk and grain prices paid directly to our suppliers.

Net debt – Overall net debt increased by €27.4m to €233.6m in the period driven by the increased investment required in working capital due to the inflationary environment, while also continuing strategic and business sustaining capital expenditure. In summary we had excellent cash management throughout the year, managing our peak debt and year end debt positions tightly with the backdrop of unprecedented inflation and supply chain challenges following Covid-19 and the war in Ukraine. The Board is satisfied that it has in place adequate funding arrangements to meet its ongoing obligations.

Investment Vehicle

Tirlán Co-op Summary Profit & Loss	2022 €m	2021 €m	Change €m	Change %
Dividend Income - Glanbia Plc	26.7	25.8	0.9	3%
Dividend Income - Glanbia Ireland	-	18.4	(18.4)	-100%
Representative Structure Fees & Expenses	(1.8)	(0.9)	(0.9)	-100%
Administration Costs	(5.3)	(3.2)	(2.1)	-66%
Operating Profit	**19.6**	**40.1**	**(20.5)**	**-51%**
Finance Interest	(10.7)	0.9	(11.6)	-1,289%
Exceptional Items	55.9	(1.1)	57.0	5,182%
Profit after Tax	**64.8**	**39.9**	**24.9**	**62%**

The **operating profit** decreased in the year as Tirlán Limited no longer makes a distribution to the Co-op. Costs also increased during 2022 back to more normal levels following reduced costs during periods of lockdown as in person meetings of members could not occur, while other costs such as professional fees increased in line with inflation.

Finance interest increased as a result of the funding cost associated with the issuance of the exchangeable bond at the beginning of 2022.

Exceptional items relate to the profit on disposal arising from the sale of Glanbia plc shares of €60.4m offset by costs of €4.5m relating to the overall transaction to acquire the remaining 40% interest in Glanbia Ireland.

Tirlán Co-op Cashflow	2022 €m	2021 €m	Change €m	Change %
Dividend Income - Glanbia Plc	26.2	25.8	0.4	1%
Dividend Income - Glanbia Ireland	-	18.4	(18.4)	-100%
Ordinary Share Interest	(6.2)	(6.1)	(0.1)	-2%
Patronage Supports	(8.6)	(22.0)	13.4	61%
Administration & Other	(4.0)	(3.2)	(0.8)	-25%
Interest (Expense) / Income	(1.2)	1.2	(2.4)	-200%
Funds from Co-op shares issued	0.1	0.3	(0.2)	-67%
Loans (Issued to) / Repaid by Tirlán Limited	(7.5)	59.9	(67.4)	-113%
Operations Cashflows	**(1.2)**	**74.3**	**(75.5)**	**-102%**
Purchase of 40% of Glanbia Ireland	(307.0)	-	(307.0)	-
Bond Receipt / (Repayment)	250.0	(100.0)	350.0	350%
Sale of Glanbia Plc shares (net proceeds)	69.9	-	69.9	-
Costs related to purchase of 40% of Glanbia Ireland	(9.1)	(1.1)	(8.0)	-727%
Sale of Other Investments	-	1.0	(1.0)	-100%
Transaction Cashflows	**3.8**	**(100.1)**	**103.9**	**104%**
Net cashflow	**2.6**	**(25.8)**	**28.4**	**110%**
Opening Cash	**0.3**	**26.1**		
Closing Cash	**2.9**	**0.3**		

Dividend income - The Co-op continued to receive dividend income from Glanbia plc. In 2022 no dividend income was received from Tirlán Limited, instead the amounts previously paid in dividends were used to support amounts paid to farmers for both milk and grain.

Ordinary share interest - The Co-op continued to pay an ordinary dividend to its members during 2022. At the AGM held on 25 May 2022, Members approved payment of Share Interest ("Dividend") of 17.3 cent per share, totalling €6.5 million.

Patronage supports - The 2021 Trading Bonus Scheme was paid in early 2022 based on the level of trade for milk and grain suppliers. In addition, beef, sheep and pig farmer customers that are Tirlán Co-op Members qualified for a Feed Bonus on tonnes purchased.

Transaction related cashflows – During the period significant cashflows related to the acquisition of the remaining 40% of Glanbia Ireland occurred. We raised €250 million through the launch of an Equity-Linked Exchangeable Bond. The five-year Exchangeable Bond is linked to a pledge of approximately 15.1 million Glanbia plc shares. The Co-op retains full ownership of the pledged shares until such time as an exchange is exercised in accordance with the terms of the Exchangeable Bond. The Co-op will continue to benefit from the dividend paid by Glanbia plc on the pledged shares during the term of the bond. The bond carries an interest rate of 1.875% per annum over a 5 year term. The timing of the bond issuance has proven very favorable with a significant rise in interest rates subsequent to the debt raise.

The Co-op realised an amount of €69.9m (net of costs) from the sale of 5.75 million plc shares at a price of €12.25 per share. The proceeds from the bond issuance and sale proceeds from Glanbia plc shares were used to fund the purchase of the remaining 40% of Glanbia Ireland from Glanbia plc and the transaction costs arising.

Net Debt - Total net debt of the Co-op entities was €200.5m at the balance sheet debt.

At 21 April 2023 the Co-op held 27.94% of Glanbia plc which had a market value of €1,046.2 million using the closing share price of €13.85.

Consolidated Co-op Financial Statements

Tirlán Co-operative Society Limited is the ultimate holding company of the Tirlán Group which is comprised of Tirlán Limited and its investment in Glanbia plc which generates the need to prepare consolidated financial statements.

Since 2012 the Co-op has been on a journey which has culminated in it owning 100% of Tirlán Limited, initially through the creation of a joint venture with Glanbia plc which saw the Co-op acquire 60% of Glanbia Ingredients Ireland Limited. The joint venture was expanded in 2017 to include Consumer and Agri business. Finally in April 2022, the Co-op acquired the remaining 40% of Glanbia Ireland from Glanbia plc.

As part of the creation of the joint venture with Glanbia plc in 2012, and as further amended in 2017, it was agreed the Co-op would reduce its representation on the plc board to seven and that its right to appoint the chairman was forfeited.

Over that period the Co-op has accounted for these events in line with International Accounting Standards which required fair value exercises to be completed in 2020 and again in 2022. This related primarily to an uplift in the carrying value of Glanbia plc and the carrying value of Glanbia Ireland, resulting in material exceptional items arising in 2020 of €666.5m and 2022 a loss of €192.6m. The equity value of the Co-op at the end of 2022 stands at €1.2bn as compared with €0.8bn at the end of 2019.

The full consolidated IFRS financial statements, which have been audited by Deloitte with an unmodified opinion, are available by request from the Company Secretary or by email at hello@tirlan.ie or at www.tirlan.com.

AGM & Share interest payment

Tirlán Co-op AGM will take place on 24 May 2023 at the Lyrath Hotel, Kilkenny. The Board is proposing that members approve a Share interest payment of 19.058 cent per share, (totaling €6.5 million) payable to Members on the Share Register at that date.

Michael Horan
Chief Finance and Secretariat Officer

Frank Tobin
Chief Investment Officer

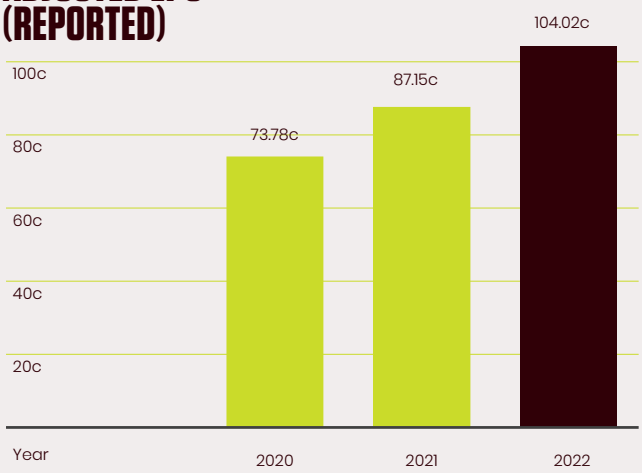
TIRLÁN'S INVESTMENTS

We are ambitious for the future and will seek to grow into new sectors, geographies and markets that are aligned with our vision and purpose, and positive long-term growth trends. Tirlán has a strong and liquid balance sheet, a clear set of investment priorities and M&A capabilities that will enable us to invest in further growth and development. We will combine our deep market knowledge with capital allocation to ensure investment opportunities are strategically assessed as they arise.

Our current investments

1. Glanbia plc
2. Ornua Co-operative Limited
3. Malting Company of Ireland Limited
4. South Eastern Cattle Breeding Society Limited
5. South East Port Services Limited
6. Grassland Fertilizers (Kilkenny) Limited
7. Kilkenny Cheese Holdings Limited
8. Co-operative Animal Health Limited
9. D. Walsh & Sons Limited
10. Corman Miloko Ireland Limited

GLANBIA PLC - ADJUSTED EPS (REPORTED)



Glanbia plc - delivering double digit growth in 2022

Tirlán's main investment to date is its 27.94% shareholding in Glanbia plc which saw a strong performance in 2022 with the delivery of the highest earnings that it ever achieved in terms of adjusted earnings per share (EPS). Adjusted EPS from continuing operations rose by 17.6% constant currency to 104.02c. Glanbia's group revenue increased to €5.6bn, a constant currency increase of 34.4% over the previous year. Pre-exceptional operating profit rose to €272.1m an increase of 31.6% . Glanbia has reshaped and broadened its portfolio over the past decade to focus on the 'better nutrition' space. Ten years ago, that better nutrition element of Glanbia's portfolio was about 50% of its operating income. As Glanbia progressively moved from largely commodity-based spaces into higher value-added areas via its brands and ingredients portfolio, better nutrition was over 90% of Glanbia's operating income in 2022.

GLANBIA PLC - 3 YEAR SHARE PRICE TREND 2020 - 2022

DEVELOPING A DIVERSE AND ENGAGED TEAM

Mick O'Leary
Chief People, D&I & Org Development Officer

At a glance

2,300
employees

26%
female representation in leadership roles

170
Leaders across our business have now completed our Coaching Programme

Tirlán's purpose is to nourish lives in balance with nature, working as a community with our farmers and our employees. Everyday we strive to nurture our people so they can reach their personal and professional potential. We believe our positive work environment shapes an engaging employee experience, where our people have a say, feel listened to and thrive through limitless possibilities. As the company continues to grow, the depth and quality, combined experience and potential of our talent is a key contributor to our future success. As at 31 December 2022, Tirlán employed 2,300 people across all its categories and functions.

Our coaching culture

At Tirlán we want to empower all of our people to perform at their best, realise and expand their potential, and build fulfilling careers. This is enabled by our coaching culture.

At Tirlán our coaching culture is about creating an environment where our people, our possibilities and our potential flourishes. It enables us to embrace an agile mindset, elevate our thinking, and through empowering leadership deliver our growth strategy.

Coaching has changed the way we lead our organisation by creating new leadership mindsets and capability and by forming new psychological contracts with our people. In doing this it has allowed our business to transform, change, and thrive, against the backdrop of global turbulence.

We truly believe that coaching allows us to deliver better results, improve performance and make each other - and the wider organisation – stronger and more capable.

Developing our people

We provide an integrated people development experience, with expanded access to all employees, to build new skills, leadership capabilities and careers. We believe that our people should have autonomy over their career direction, and we are committed to delivering tools and resources so employees and teams can own their personal development.

We are building a leadership academy consisting of programmes specifically designed to support the development, of Tirlán leaders at all levels of the organisation from graduates to Board members. We have made a strong start to this initiative, delivering an Emerging Leader programme in 2022 for a number of participants from all sections of the business. This programme was designed to accelerate their development and spotlight employees to fill our succession pipelines.

We have also introduced an on-demand e-learning platform where all employees can access thousands of courses, learning at on-demand at their own pace. Our very popular 'Thrive, Lead and Keynote' series continues into 2023, delivering business relevant courses to those wishing to expand their capability, confidence and effectiveness.

Graduate recruitment

2023 will be a momentous year as we welcome our first intake as a new organisation, to the Tirlán Graduate programme. Up to 40 graduates will join Tirlán in 2023 under the "Unearth your Future" graduate recruitment programme. Our graduate programme is a tailored programme providing networking, spotlighting, challenging job rotations and opportunity matching. We are focused on attracting high-potential graduates and nurturing them into our future high-potential leaders.

Innovative working environment

Our ways of working have evolved significantly over recent years. Technological changes, flexible working, and other new practices are providing greater work/life balance for many employees and are the changes that we wish to incorporate deeper into our business.

Building an inclusive organisation

Along with our new identity, we have developed a new set of values reflecting the type of business we want to be. These values are focused on developing a culture which embraces diversity across all traits, whether seen or unseen.

Our corporate value of "Celebrate Individuality" reflects our aspirations for a more inclusive culture, one which embraces other perspectives and welcomes differences. We aim to create an environment where every individual feels a sense of belonging and can thrive and bring their true self to work everyday. This means embracing diversity in the broadest possible sense, including gender, ethnicity, ability, age, sexual orientation, education, and ways of thinking.

We believe that to reap the benefits of our diverse and talented workforce we need inclusive work environments where all of our colleagues have the freedom to achieve their ambitions both personally and professionally. Our 2022 Gender Pay Gap report highlighted that we have more work to do in this area and we are committed to delivering on our commitments. For more detail on our commitments see page 67.

We have commenced a programme of development and awareness across our business to establish a more inclusive culture which attracts greater diversity.

We are also developing our talent management to create more balanced recruitment to attract and retain a more diverse workforce. This includes developing role descriptions, selection processes, tools and decision making to become more inclusive. Succession planning processes are evolving to develop the leadership pipeline and providing pathways for a more diverse team.

A WORD FROM ONE OF OUR EMPLOYEES

GRACE O'DWYER RETAIL MARKETING MANAGER

"Following a marketing career spent primarily in the grocery retail and fast moving consumer good (FMCG) industries, I joined the Tirlán agri category as Retail Marketing Manager in 2019.

It is these community roots and strong 'roll-up the sleeves' work ethic that has always made me feel at home within the Tirlán Agri business team.

Working in retail across any industry brings a huge amount of variability. Tirlán's 52 branch network has the added dimension of two distinct customer types: farming and gardening customers. I've worked on many different projects, but one of the projects that I'm most proud of is the recent Tirlán rebrand of our retail branch network. Our new name and brand will be represented to the highest level across the 52 communities we serve and these branches along with those who work in them, will continue to breathe life into rural Ireland.

In my relatively short time in Tirlán I've been lucky enough to take part in a number of learning and development programmes. In 2022, I participated in both the Emerging Leader and the Coaching Leader Programme. Having completed lots of courses during my career to date, I can honestly say nothing has ever had such a profound impact on my approach to collaboration and leadership than these programmes.

Tirlán embraces a people-led leadership model which is built on a foundation of trust and empowerment of our people. I'm excited to be part of an organisation like Tirlán that places a huge value in the power of employee development and coaching."

A DIVERSE AND GROWING BUSINESS

Seán Molloy
Chief Agri and Ingredients Officer

At a glance

Revenue
€644M

Feed sold
491KT

Grain intake
288KT

No. of Branches
52

Who we are and what we do

Tirlán Agribusiness is the largest buyer and user of Irish grains. It is also the largest supplier of inputs to the Irish farming sector, with 52 dedicated retail outlets serving local farmers and communities. GAIN Animal Nutrition supplies feeds specially designed to provide complete nutrition for animals, with our equine range fueling many world-class racehorses.

Our growth strategy

Working within a truly Co-op ethos, Tirlán Agribusiness is committed to establishing a closed loop approach between the supply of inputs and the supply of milk and grain to the business. The Agribusiness category is focused on assisting farmers to ensure sustainable business practices are deployed by providing access to world-class technical support and a wide range of competitively priced farm inputs. We achieve this through our extensive branch network, award-winning online channel and our highly experienced field sales staff. Our Agribusiness category is also focused on capturing growing business opportunities in the expanding lifestyle markets, including in the areas of horticulture, pet and equine.

Our 2022 performance

In 2022, Tirlán Agribusiness delivered a strong performance with a 40% increase in revenues. Despite strong global inflationary pressures, record grain prices were paid to our grain suppliers. While the war in the Ukraine placed unprecedented pressure on fertiliser prices, our portfolio management team ensured the fertiliser requirements of our farmer shareholders were met throughout this extremely challenging market environment.

Our pet feed division experienced a strong year with a 27% increase in sales. Our pet food brands also entered the Irish grocery market through Dunnes Stores and are now available nationwide in these stores. This reflects both the quality and the demand for our pet brands. Our equine feed division also experienced solid sales during the year, with revenues up 27%.

Our Agribusiness Brands

GAIN ANIMAL NUTRITION · Tirlán FarmLife · Tirlán CountryLife · MASTER CROP

€11M
INVESTMENT IN AGRI-BRANCH NETWORK

Our 52 agri branches are at the heart of our agribusiness. We work hard to create experiences that our customers enjoy and are in the process of re-branding all of our branches to Tirlán FarmLife or Tirlán CountryLife. We are also rolling out a project to upgrade and develop key future growth branches over the coming years on a phased basis. We aim to upgrade and revamp all branches over the next four to five years. The objective is to bring consistency, standardisation and quality across all our branches. Phase 1 of the development includes Ashford, Monasterevin, Castlelyons, Athboy and Bennettsbridge. Phase 2, which will be rolled out in 2024, comprises: Dungarvan, Kilmeaden and Tullamore. This investment reflects a real commitment to the communities in which Tirlán operates.

EXPANDING THE REACH OF OUR E-COMMERCE CHANNEL

We recognise that ecommerce has an increasingly important role to play in complementing that in-branch experience. Our social media channels have long been an important part of our marketing mix, enabling us to showcase the breadth of Tirlán products. We are constantly striving to reach both new and existing customers in different ways. To further support our agri customers we have significantly upgraded our customers' digital experience through enhancing our website functionality, including more products which are much better showcased. Our website features more than 11,000 products from across Tirlán's ranges.

We now have a dedicated ecommerce fulfillment operation in Portlaoise to meet the rapidly growing online demand.

The new 20,000sq ft fulfillment centre is using the latest Warehouse Management Software to ensure very efficient pick, pack and despatch times, simplicity of system and existing warehouse knowledge allows for quick training of new staff.

Tirlán Agri Digital Engagement 2022

296
Technical & commercial videos created

727.8K (+43%)
YouTube video views

26,460
Agri social followers

256 (+70%)
Social Posts
(Instagram and Facebook)

23,729
Email subscribers

ACHIEVING OUR SUSTAINABILITY GOALS

Tirlán together with our farmer suppliers is committed to playing our part in meeting Ireland's ambitious carbon reduction targets. We have established a number of key sustainability initiatives and are investing €54 million over three years to support our farmers in achieving their sustainability goals and in transitioning towards more sustainable farming practices.

There was strong participation in the Sustainability Action Payment programme where Tirlán family farm suppliers received an additional sustainability payment of 0.5 cpl, as part of their milk price. To participate in the programme, our farmer suppliers log on to their Tirlán FarmLife account and declare specific actions taken in 2022 on their farms, to receive their 2023 Sustainability Action Payment.

For more information on our sustainability ambitions see our Sustainability Business Report on pages 56-67

€54M

investment in supporting farmer sustainability initiative over the next three years.

SUPPORTING OUR FARMERS IN ACHIEVING THEIR SUSTAINABILITY GOALS

Top five sustainability initiatives taken by Tirlán farmers in 2022

1. Low Emissions Slurry Spreading
2. Herd Disease Screening
3. Improved Herd EBI
4. Fencing off of watercourses
5. Milk Recording

During 2022, Tirlán's Sustainability advisors continued to collaborate with our farm family suppliers, to address water quality challenges as part of the Agricultural Sustainability Support Advisory Programme (ASSAP). Over 450 water quality remediation plans were put in place, as part of the ASSAP programme. Best practice guidance was provided regarding manure management, fertiliser application, water course management and on-farm sustainability. Tirlán's sustainability advisory team and the ASSAP Programme continue to make an environmental difference, with improved water quality being recorded in a number of rivers.

A RECORD HARVEST 2022

Tirlán will pay its farmer Members over €100 million for grain from Harvest 2022, with prices averaging €310/t for green feed barley and €320/t for green feed wheat.

As the largest buyer and user of Irish grains we continue to invest in tillage and selling oat-based products across the globe. Harvest 2022 saw the highest ever volumes of premium crops, returning on average close to €40/t over feed grain prices. These premiums were critical to underpinning farm profitability.

We remain focused on growing our customer base and acreage for our premium crops, including gluten-free oats and HEAR Oilseed rape. The specialised premium grains portfolio will deliver over €3 million in premium payments to growers in Harvest 2022 - over 40% of the harvest Intake.

Our network of facilities performed strongly in handling large volumes of high-quality grain over a short time period. Our infrastructure ensured we were well positioned to handle the excellent harvesting conditions and good yields in 2022. This was clearly highlighted with over 65,000 tonnes of grain handled in one week alone. This is no small feat and is testament to the commitment and hard work of our dedicated workforce and level of investment in our world-class processing network.

The expert teams in our new Innovation Centre continue to work with our premium grains portfolio with a keen focus on the plant-based food sector as part of our commitment to maximise returns to farm families. See page 50 for more details on our plant-based ingredients.

Thomas and Annabel Butler with their children, Jago and Alice.

A FARMER'S VIEW

THOMAS AND ANNABEL BUTLER

Champion grain grower Thomas Butler and his wife, Annabel, took top honours at the coveted Tirlán Quality Grain Supplier of the Year Award for 2022, beating off competition from over 1,100 other growers.

The couple farm 480 acres in Bennettsbridge, Co Kilkenny, 260 of which is under tillage. The rest comprises grass, forestry, trails and ample room for wildlife to prosper and thrive. Thomas and Annabel's award-winning green feed wheat crop for 2022 averaged a specific weight of 80.8 kph and 11.0% protein at a moisture of 14.1% across 310 tonnes.

"2022 was an exceptional year for prices and for yields," Thomas acknowledges. "I hope we see it again soon. I've never seen prices that high. We were getting €100 more per tonne for our wheat and €400 for malting barley.

It's rare and exceptional that everything came right, but it did last year. Winter Barley was back a bit but everything else hit new records. My hopes for 2023 would be for an equally good price. Our input costs have gone through the roof so we really need anther year of high prices and high yields. The price of fertiliser is very slow to come down and sprays are up anything from 10% to 25%.

While I won an award for my winter wheat last year, I've none this year. It was just too wet to sow it. I've more beans, more peas and more spring wheat for the local Kells Wholemeal mill. I've sown gluten free oats for the first time. I've 30 acres of it sown on nice clean ground. It's another value added crop for Tirlán and if that goes well, I might look at increasing the acreage next year. We work very closely with our agronomist, James Hickey, so I'll consult with him on that.

We've been farming this land for hundreds of years and I want to leave it in as good if not better order for our son or daughter to farm into the future. Sustainability is key for us.

My late father was a Tirlán shareholder. We were into sucklers in his time and had around 100 head. I've never really been tempted to go into dairying. I'll be 50 this year and while dairy farming might be more financially rewarding, it can be difficult to have a work-life balance. But I like the life we have."

NEW ENHANCEMENTS TO TWENTY20 BEEF CLUB FOR 2023

Our European award-winning Twenty20 Beef Club, a sustainable beef production partnership between Tirlán and Kepak, has evolved significantly for existing club members and continues to target and attract new members. Animal eligibility, weight bands, numbers of cattle movements and finished animal pricing have substantially evolved. The Club is now open for young bulls, steers and heifers. Club participants can now achieve 50c/kg more than the prevailing market price which includes a new 10c/kg bonus to acknowledge the use of Tirlán agri inputs. Interested shareholders should contact their Business Manager, Ross Brady or a member of the Twenty20 Technical Team.

MAXIMISING ON-FARM POTENTIAL AND PROFITABILITY

We aim to help farmers maximise the potential of their herds through animal feed, advisory and through data and technology solutions which improve productivity. We have an extensive portfolio of feed products for dairy and beef herds, as well as the knowledge and insight into how best to apply them.

The GAIN Momentum Programme has been developed to add tangible value, increase efficiency, environmental performance and profitability for our farm members.

This results-driven integrated programme comprises four main categories: great grass; herd nutrition; herd health; and milk solids. Our GAIN business mangers work collaboratively with farmers to ensure they are maximising their farms' potential.

GAIN HOSTS MIDDLE EASTERN CUSTOMERS AT GAIN RAILWAY STAKES

GAIN Equine delivered a strong year in 2022 with a 45% increase in sales volume. Sales to the Saudi Arabian market were particularly buoyant following a customer visit from the Middle East. In June 2022, the GAIN Equine Nutrition team hosted a group of customers and potential customers from the Middle East to coincide with our flagship equine sponsorship of the GAIN Railway Stakes, which took place at The Curragh Racecourse on Irish Derby Day.

We are proud to continue our association with The Curragh and the Railway Stakes and our guests enjoyed meeting with our valued Irish customers who were also hosted by the GAIN team on the day.

The pet food industry is continuously growing to stay ahead of consumer demands. Europe is considered as one of the leaders in the industry, generating around 30% of the total pet food and pet care sales worldwide. GAIN Pet Nutrition continues to innovate its product range launching its new GAIN Elite Cat food range, enriched with premium, natural ingredients targeting the health and nutritional needs based on an individual cat's life stage.

Pictured: Edward Colgan, Tirlán Business Manager and milk supplier Ollie Clarke, Athboy, Co. Meath

DRIVING VALUE-ADDED GROWTH IN OUR MARKETS

Jim O'Neill
Chief Operating & Consumer Officer

At a glance

Revenue
€365M

Domestic volume
245M
litres

Countries sold to
36

International business volume
22M
litres and kgs

Who we are and what we do

Tirlán Consumer sells a wide range of dairy products to Irish and International markets. Our products include value-added liquid milks, cheese, protein milks, butter, cream, UHT milks and a range of chilled soup products. We are leaders in the marketplace, delivering award-winning brands such as Avonmore. Our Avonmore protein drink is the No. 1 protein drink in its category.

Our growth strategy

The Tirlán Consumer category offers leading brands that appeal to consumers across a range of nutrition and lifestyle needs. Our strategic focus is clear: attract new consumers; grow our international footprint and continue to drive consumer-focused innovation.

Our markets

A number of our brands sit at the heart of growing market trends. The Avonmore protein brand's appeal to the fast growing 'Generation Fit' consumer trend where consumers are demanding high-quality protein in convenient formats. The Truly Grass Fed brand in the U.S. appeals to the conscious consumer looking for natural, ethical brands that deliver on quality and taste. The global UHT cream market also continues to grow, and we are ambitious to capture further market share in this sector.

We have a strong track record of innovation and will continue to launch new and innovative products and invest behind the marketing of these on a domestic and global scale.

Our 2022 performance

In 2022, our consumer business successfully drove topline growth in volume and revenue across both domestic and international markets. Despite significant inflationary pressures, and the ongoing reverberations from Covid-19, we maintained volume growth and achieved an overall growth rate of +15% on net revenue.

We continued to make strong progress on expanding our international footprint with growth of the Truly Grass Fed brand in the US grocery market. We also continued our expansion into Middle East and Asia with Avonmore Professional into the food service sector and the Avonmore retail brand in UHT milk, cheese and butter.

In 2022, we restructured our consumer category, investing in automation and digital innovation, both of which will enable strong future growth.

Our Consumer Brands

Avonmore · Kilmeaden · myMILKMAN.ie · Avonmore PROFESSIONAL · Premier Dairies · Snowcream · Wexford Creamery · Truly Grass-Fed

DRIVING GROWTH IN OUR CORE MARKET: IRELAND

We are proud that Avonmore is the No.1 dairy brand in Ireland. Providing dairy products to suit all life stages and lifestyles, including standard milk, functional milk, soup and butter. We're also delighted Avonmore is the No. 2 brand across all food and drinks brands in Ireland according to Shelflife's '100 Master Brands at Home' 2022.

Tirlán also won 'Fresh Produce Supplier of the Year' for a 2nd year running. The award was won as part of the National Grocery Retail Awards which highlight best-in-class performance in retailing and honour the companies and suppliers that help Ireland's stores and retail chains to achieve levels of excellence.

CASE STUDY

AVONMORE PROTEIN MILK

+50%

Growth year on year (2022 vs 2021)

Consumer demand for high quality nutritious products continues.

- Avonmore Protein milk offers consumers a convenient and tasty format to get extra protein into their diet to aid the growth and maintenance of muscle mass.
- The standard range is available in a variety of delicious flavours (Chocolate, Strawberry, Vanilla) with 27g of protein per 500ml serving.
- Avonmore Protein Gold (Chocolate and Vanilla) offers 33g of protein with added whey.
- Avonmore Pro Oats offers not only 27g of protein in a tasty vanilla flavour but each serving also contains 23g of gluten free oats as a delicious snack.

INCREASING OUR INTERNATIONAL FOOTPRINT - CHINA

Achieving success in China

China accounts for 60% of global dairy demand, with expected growth of +14% CAGR for dairy cream over the next three years. Tirlán continues to build brand awareness of Avonmore Professional within the food service channel across China. As the nation slowly returned to normal following Covid-19, Avonmore Professional participated in Bakery China, a key growth area for dairy. We ran demonstrations with chefs and bakers, supported by an awareness campaign and a recipe co-developed with baking media. Building on this solid groundwork in 2022, we are confident that this will pave the way for the development of new channels for the brand such as the growing tea and beverage store sector.

FOCUSED ON INNOVATION

Innovation is a key driver of both topline growth and profitability for our retail and food service businesses. Informed by consumer insights on market trends, we ensure we provide choices to suit evolving consumer attitudes and motivations. Our capabilities in brand building and innovation help drive sustainable long-term growth of our consumer brands. Framed by key growth trends such as sustainability, dairy alternatives and increasing consumer interest in health and wellness, we are currently developing a pipeline of innovation which will deliver a steady introduction of new products to the market starting with a number of Irish and International launches in the second half of 2023.

INCREASING OUR INTERNATIONAL FOOTPRINT - VIETNAM

Driving our penetration in Vietnam: Demos with Good Food

UHT cream food service

Global UHT Cream market excluding Europe is estimated to be 450 million litres. Vietnam is currently our largest UHT Cream market in Southeast Asia, outside of China. Since our launch in 2021, we have experienced strong growth. In 2022, we hosted a two week demonstration road show in the cities of Ho Chi Minh and Hanoi with over 700 customers and potential customers attending the successful demonstrations.

REGIONAL SPOTLIGHT - MIDDLE EAST

The Middle East presents a large opportunity for the Tirlán consumer category with growing consumer sectors across food service, catering, hospitality, retail and airlines. Key growth markets include UAE, Lebanon, Jordan, Kuwait and Egypt. Key regions include Saudi Arabia and India.

INCREASING OUR INTERNATIONAL FOOTPRINT - USA

Spotlight on Truly Grass Fed in US

Our Truly Grass Fed (TGF) brand experienced record sales in November and December of 2022.

Innovation is a key element to our success with TGF and we are constantly looking at ways to deliver new and exciting products to our consumers. In 2022 we launched our latest innovation - a spreadable butter tub. This product is now carried across the US. Spreadable butter tubs are set to become available on Amazon Fresh in 2023.

TGF also made it's first appearance on Boston cable television in late Autumn 2022 with our "Get to Delicious" campaign. We received 27 million impressions and the brand awareness grew 7% for our target market in Boston.

Consumer preference and taste will continue to evolve. We are confident that our focus on innovation and our investment in our TGF brands will position us effectively to develop new products that will meet consumer expectations in the years ahead.

A growing
GLOBAL BRAND

DELIVERING GROWTH BY MOVING UP THE VALUE CHAIN

Seán Molloy
Chief Agri and Ingredients Officer

At a glance

Revenue
€2.1BN

Milk processed
3.1BN
litres

Over
100
country sales

Ingredients sold
423KT

Who we are and what we do

Tirlán is the ingredient solutions partner to some of the world's largest food and nutrition companies. We process almost three billion litres of milk annually into a range of solutions and ingredients for export to global markets. We supply nutritional and functional ingredients to key market segments including mainstream food and beverage, sports nutrition, and clinical and infant nutrition.

Our growth strategy

A desire for improved health and physical wellness is driving the demand for functional and nutritional foods and beverages that are high in fibre and protein, or fortified with dairy ingredients. These are all high growth market segments. Our strategy is clear: to maximise the value of our dairy pool by moving up the ingredient value chain, expanding our global reach and meeting customers' market needs. We will continue to grow by diversifying our ingredients and applications range and providing ingredient solutions for our customers to help them stay ahead of their competitors in the marketplace.

Our 2022 Performance

In 2022, Tirlán ingredients category delivered a strong performance with revenues of €2.1bn. Our business performed very well with the performance of the overall category exceeding our expectations. In total we sold over 423kt of ingredients across more than 100 countries.

We continued to invest in our expansion and thereby enabling further growth in our dairy and plant-based protein ingredient business. In our plant-based ingredients sector, we expanded our oat portfolio to include Organic Oat-Standing™ Functional Oat Flour, which helps manufacturers meet demand for organic, natural, and functional oat products. See pages 50 and 51 for more details on our ingredients and solutions offerings.

Our Ingredients brands

CHEDDMAX
MILLAC PREMIUM
Promiko
OAT-STANDING™
solmiko
TRULY GRASS-FED

OUR INGREDIENTS

CHEESE & BUTTERFATS

PROTEIN & NUTRITIONAL POWDERS

DAIRY POWDERS

GRAINS & PLANT-BASED

AFFORDABLE NUTRITION

TRULY GRASS FED

Tirlán Ingredients' philosophy is to create as much value as possible from our farmer Members' milk and grain.

Through our expertise, innovation and top-class processing environments, we deliver the very best nutrition solutions to international food and nutrition companies across a range of sectors.

Our Applications

Our ingredients can be used in a wide variety of applications including lifestyle and sports nutrition, clinical nutrition, infant formula, premium confectionery and indulgence, cheese production, bakery and food service.

Your partner in nutrition

We leverage our ingredient technologies to process raw ingredient materials such as milk and grain into nutritional solutions with added functionality.

We have control and visibility at each stage of the supply chain, enabling full traceability so we can provide assurances on quality. Through our team of nutritionists and scientists, we can support and enable our customers to incorporate these ingredients into their product offering, thereby empowering consumers to embrace a sustainable and nutritional diet as part of their lifestyle.

Read more on our innovation on pages 54 and 55.

BUILDING OUR EXPERTISE IN DAIRY INGREDIENT SOLUTIONS

Consumers are demanding more from their food and beverages, beyond basic nutrition. They are searching for better, healthier nutrition that will enable them to live long and healthy lives. Functional foods have added ingredients which have a positive impact on consumer's health. This is a strong area of growth for Tirlán and we have invested in our ingredient application technologies to help drive continued global growth. Our world-class analytical and application technologies are used in foods, bakery, confectionery, beverages, processed cheese, yoghurt and ice cream. We also offer product characterisation and functionality analysis which is critical to our business as it allows us build technical knowledge and capability around the ingredient functionality and benefits of our ingredients to customer products. We showcase our applications and development capabilities at our multi-functional applications and development laboratory in Kilkenny. Our team validates the proof points of our ingredient solutions in customers' applications to ensure their recipes are optimised and meet their product needs.

FUELLING SUSTAINABLE GROWTH THROUGH PLANT-BASED NUTRITION

Demand for plant-based food and beverages continues to grow as consumers incorporate more plant-based food and beverages into their diets. Working alongside our world class dairy business, our innovative plant-based solutions offer great tasting, highly functional and nutritious ingredients, suitable for a range of product applications. We use traditional methods to produce a range of best-in-class oat ingredients delivering the highest quality and consistency for our customers needs. At Tirlán, we have a long-standing relationship with our local growers, enabling us to secure the best that nature has to offer for our products. Our new product development continues to focus on value-add solutions with new launches in 2022 of Gluten Free and Organic functional oat flours

OAT-STANDING™

INTRODUCING OUR LATEST INNOVATION - FUNCTIONAL OAT FLOUR

Tirlán has a long heritage in grains, with a network of family tillage farms building on generations of expertise to deliver high-quality ingredients.

The Oat-Standing™ brand encompasses our full range of oat flakes and oat flours.
It represents:

- Our superior, plump, golden Irish oats.
- Our closed-loop supply chain and secure processing methods, ensuring fully traceable oats.
- Our quality agronomy programme, providing top-class advice to our network of farmers and ensuring quality at every step of our oat journey.
- Our highly functional solutions provided for use in a range of bakery, confectionary, cereal, snacks, and dairy alternative applications. Tirlán recently extended the Oat-Standing range, launching Oat-Standing™ Functional Oat Flour. This new and unique range of ingredients offers valuable functional properties, clean labelling, and dependable wholegrain benefits and flavour to a wide range of end products.

CHEDDMAX

PROVIDING TAILOR MADE CHEESE SOLUTIONS

We have been at the forefront of cheddar cheese technology for more than 60 years. In addition to award-winning natural cheddars, we have crafted a multi-functional range of cheese solutions designed to deliver a number of key benefits to enhance customers' recipes for global market sectors.

Our Cheese Lab is a space where we can showcase this expertise, develop prototypes and demonstrate end-user applications. Here, we convert bulk cheese into smaller units such as grated and shredded on a lab scale, heat test, process and taste product.

CheddMax is our range of natural cheese solutions. The brand was born out of a need to deliver the tailor-made cheese solutions to Tirlán Ingredients' ever-growing customer base. With over six decades of cheese-making expertise, we honed our skills from right across the business to develop a portfolio of cheese solutions that combats typical and specialised manufacturing challenges. Through our highly-skilled R&D team, CheddMax has been designed to deliver yield, texture and visual benefits in a range of applications from functional and processed cheese to food service and industrial manufacturing. And, of course, it's no surprise that its superior taste and sensorial attributes stem from our base of grass-fed, high quality, Irish milk.

solmiko ADVANCED MILK PROTEINS

DELIVERING HIGH PROTEIN INGREDIENTS FOR BEVERAGES AND CLINICAL NUTRITION

Solmiko Milk Protein was launched in 2008 and has developed into a full range to meet specific functional or nutritional requirements depending on the end use market. Solmiko is used in the manufacture of (RTM) ready to mix powdered beverages, (RTD) ready to drink beverages and clinical nutrition applications

Solmiko has excellent rehydration properties, which make it the perfect ingredient for RTM applications. Due to its high solubility nature, it performs well in both the manufacturing process but also in consumer RTM applications.

Heat stability is a critical function in the application of high protein RTD beverages. Solmiko Milk Proteins are stable across all heat treatment processes and maintain low viscosity levels before and after heat treatment ensuring good shelf life in UHT and retort beverages. Solmiko is also a one-stop protein source which contains high levels of calcium and essential amino acids. It is the perfect high protein ingredient for nutritional food and beverage manufacturers.

OPERATIONAL EXCELLENCE DRIVING A STRONG PERFORMANCE

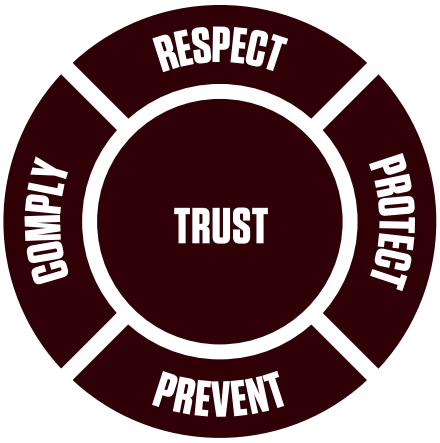
Tirlán's dairy processing facility in Ballyragget, Co. Kilkenny.

3.1BN
litres of milk processed in 2022

Operational efficiency is one of the hallmarks of Tirlán's business model. As the largest dairy processor in Ireland, our unrivalled processing capabilities is a key differentiator for the business.

In 2022 we processed 3.1bn litres of milk. We operate four separate dairy ingredient processing facilities – Ballyragget and Belview in Co. Kilkenny, Virginia, Co. Cavan and our Wexford processing plant. In 2022, our cheese factory project in Ballyragget delivered strong weekly production volumes. In our Oats mill in Portlaoise, there was a significant ramp up of production to meet an exciting new contract.

OUR COMMITMENT TO QUALITY AND COMPLIANCE



In 2022, Tirlán was awarded a best-in-class industry award and best overall national award for our Health & Safety (H&S) programmes. Benchmarking our performance against global standards, we are currently operating at a world-class level with our Total Recordable Incident Rate metrics (TRIR).

Our production sites are accredited to the globally recognised ISO 14001 Environmental Management System and our ingredient and agri mills have also been accredited to the globally recognised ISO 50001 Energy Management System. During 2022, we committed significant investment to future-proof our environmental compliance standards. This continuous focus on environmental compliance is in line with our ESG strategy as detailed on pages 58-67.

All our food manufacturing sites hold an externally recognised food safety certification, recognised by the Global Food Safety Initiative (GFSI). Our feed mills also hold certification to the Universal Feed Assurance Scheme (UFAS). In addition to operating to these certifications, the Tirlán Quality, Food Safety & Regulatory strategy goes beyond those standards to ensure ongoing development based on risk assessment and horizon scanning.

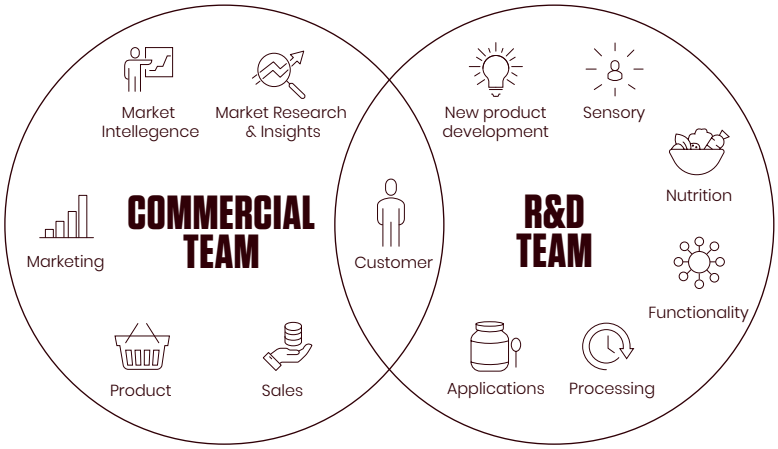
Our focus for 2023 is on the continuous improvement of our Zero Harm Strategy. We will also continue to run our facilities and operations in line with industry best practice; robust regulatory requirements; and our customer expectations.

We will also focus on the further roll out of our "*H&S First, Food Safety Always, Compliance Everyday*" compliance culture, and embedding our purpose, vision, and values across our operations. As our commercial ambitions accelerate, so too will our compliance requirements. We are committed to delivering effective oversite of third-party manufacturing as we expand our innovation portfolio in this area.

INNOVATION FOR A CHANGING WORLD

Dr. Michelle Collins
Director of R&D

Tirlán is dedicated to driving dairy and plant-based innovation and offering an evolving portfolio of products and solutions positioned for the global markets. We are also committed to delivering on a more ambitious innovation pipeline in our retail and food service businesses over the coming years with a plan to launch new products both in Ireland and across our core focus regions of North America, China and Middle East. We continuously push the boundaries to improve our knowledge of nutrition and ingredients and deliver for our customers.



Collaboration is the engine of innovation, and that starts with our cross-functional teams

Our Research & Innovation centre is home to scientists, nutritionists, sensory specialists, development chefs and process technology experts who passionately research dairy and plant-based ingredients. Through engagement with Tirlán's commercial team, we are jointly committed to designing and developing quality ingredients, products and solutions that deliver both nutritional and functional benefits for our customers.

NOURISHING LIVES IN BALANCE WITH NATURE

We understand the important role nutrition plays when it comes to the desire of consumers to embrace healthy sustainable diets. Our portfolio consists of a range of dairy products and ingredients, including beverages, cheeses, and milk and protein powders. We also have an extensive range of plant-based ingredients, including a diverse portfolio of oat flakes and flours. Tirlán's natural supply credentials, our pasture-based and tillage farming, are at the foundation of everything we produce, enabling a sustainable food system and contributing to the production of nutritious products and ingredients.

WHERE CONCEPTS BECOME REALITIES

Applications and development lab

Our multi-functional applications and development laboratory is where we showcase our applications and development capabilities. We have invested in an unrivalled range of world-class analytical and application equipment for bakery, confectionery, beverages, processed cheese, yoghurt and ice cream including product characterisation and functionality analysis.

Analytical Laboratory

Our analytical laboratory is a custom-built space and features a host of analytical equipment used in the development of new solutions that support customers to drive their businesses further.

Using this equipment, our scientists have the ability to produce tangible data to illustrate to customers how our solutions can contribute to increasing the functionality of their products.

Sensory Suite

Our purpose-built sensory suite assists us to garner a deep understanding of the sensory attributes that enable the design of products and solutions that carry the optimal characteristics requested by our customers.

Development Kitchen

Our extensive development kitchen allows for bench scale recipe and prototype development and testing. Our spacious, industry-standard kitchen is designed to facilitate optimum customer collaboration, tastings, and competitor analysis.

Cheese Lab

Our cheese Lab is a space where we can showcase this expertise, develop prototypes and demonstrate end-user applications. Here, we convert bulk cheese into smaller units such as grated and shredded on a lab scale, heat test, process and taste product.

"Our new €15m R&D centre in Ballyragget, Co Kilkenny will increase our capabilities, utilise synergies across the business and allow us to bring new products to the marketplace."

Jim Bergin, CEO Tirlán

PIONEERING MANUFACTURING CAPABILITIES

Our pilot plant facilities are state-of-the-art and maintained to the highest quality and standards. We are pioneers in membrane processing and separation enabling mild and efficient separation, and concentration of products of high nutritional quality.

WE CARE ABOUT

SUSTAINABILITY

Our 'Living Proof' sustainability strategy is a bold commitment to developing better, fairer practices that benefit everyone.

Dr. Lisa Koep
Chief ESG Officer

DELIVERING A BRIGHTER FUTURE

Dr. Lisa Koep
Chief ESG Officer

Tirlán's beginnings are firmly rooted in Ireland's farming history. We have a long, rich heritage that runs all the way back to the early 1900s, when groups of Irish farming families worked together to create the Irish Co-operative movement. Their aim was simple: to deliver a brighter future for their communities by adding value to their farm produce. Tirlán's vision to create a global community celebrating wholesome nutrition from the land we live, and love is not far removed from this today. We exist today for the same reason we did then: to nourish lives in balance with nature.

While our grass-based farming system gives us a natural advantage in relation to the environmental footprint of our products, we acknowledge the interconnectedness between agricultural production and our planet's resources, Therefore we strive to deliver responsibly produced natural nutrition products for all, aligned with the sustainable food system goals of the United Nations Sustainable Development Goals (SDGs).

Based on our materiality assessment, Tirlán's Living Proof Sustainability Strategy and our ESG framework provide a clear roadmap to accelerate our sustainability actions around sustainable farming and processing practices and to ensure our suppliers and all stakeholders are safe guarded now and for generations to come.

While sustainability has always been part of how we do business, we formally launched our Living Proof strategy with clearly set out targets and actions in 2021. With the formation of Tirlán in 2022, an additional commitment was made by the organisation to advance the sustainability agenda by creating the Environmental and Social Governance (ESG) function. This new function allows us to advance with intent the delivery of our sustainability targets as set out in our strategy and ensures that we have a rigorous, evidence-based approach to measuring our progress and impacts and on which we report on in line with auditable standards. We have established a rigorous ESG framework (see page 59) which guides and support us as we continue to create sustainable value for all of our stakeholders.

TIRLÁN ESG FRAMEWORK

OUR VISION AND STRATEGIC DIRECTION

ESG Strategy & Partnerships, Stakeholder Engagement,
Materiality, Policy Direction & Target Setting

LIVING PROOF SUSTAINABILITY STRATEGY

Tirlán's commitment to farming, food and the future. It is our sustainability promise for a better way and a better world for generations to come.

CARBON REDUCTION

REGENERATIVE AGRICULTURE

NATURAL NUTRITION

CIRCULAR ECONOMY

GROWING TOGETHER

GOVERNANCE & REPORTING

Corporate Governance, Data Transparency, Disclosure and Progress Reporting

PURPOSE

Nourishing Lives in Balance with Nature

SUSTAINABLE ACTIONS SUPPORTING TIRLÁN GROWTH

115
PV panel installations completed on Tirlán supplier farms as part of the Farm Gen programme

7%
reduction in Scope 3 (Farm Carbon Footprint) since 2018

ZERO
waste to landfill maintained across our sites

0.4%
absolute carbon reduction at our processing sites versus 2021

146,000
trees and hedgerow plants supplied by Tirlán Country Life

Over
450
water quality management ASSAP Plans completed with Tirlán suppliers

11
demonstration farms in the Tirlán Future Farms Programme

ZERO
product recalls in 2022

2
National Health and Safety Awards received. Achieved "World Class" status for our Total Recordable Incidence Rate.

ZERO
lost time accidents over six month period

€45K
donated to the UNICEF Ireland appeal for Ukraine

534,000
meal kits distributed to hospitals in the Ukraine

3rd year in a row

Tirlán and all of its farmer suppliers are members of the third party Sustainable Dairy Assurance Scheme (SDAS), operated by Bord Bia. The scheme requires that the farmer's milk production processes are assessed to ensure that they meet the highest Bord Bia standards. In addition, the scheme has also been designed to assess and record sustainability data that can be used to demonstrate improvements at an individual farm level, therefore providing the necessary proof to customers of dairy products that milk has been produced under both Sustainability and Quality Assurance criteria.

The primary objectives of the scheme are:

- To demonstrate that milk produced on certified farms meets the highest Bord Bia standards, including those for animal welfare, traceability, environmental protection, and food safety.
- To provide proof that milk produced on certified farms is produced to an ISO accredited sustainability and quality assurance scheme.
- To provide a uniform mechanism for recording and monitoring.
- To set out the criteria for best practice in dairy farming.

Tirlán has responded to global sustainability challenges with our Living Proof sustainability strategy which launched in July of 2021. Living Proof sets out clear sustainability targets to 2030 and beyond and is aligned with the UN Sustainable Development Goals (SDG's). The pillars of our strategy focus on Carbon, Regenerative Agriculture, Circular Economy, Natural Nutrition and Growing Together and mean that we are addressing sustainability in a holistic manner throughout the Tirlán value chain. In this report we have given a snapshot of some of our Living Proof Projects in action but the full scope of our strategy goes much wider.

SUSTAINABLE DEVELOPMENT GOALS

AMBITION TO REACH OUR SUSTAINABILITY GOALS

CARBON REDUCTION	Net Zero Carbon by no later than 2050.	Reduce carbon emissions from Tirlán processing sites with 30% absolute reductions by 2030.	Support our dairy farmers to deliver a 30% reduction in carbon intensity from milk production by 2030.	Sign up to Science Based Target Initiative (SBTi).
REGENERATIVE AGRICULTURE	100% of Tirlán farms to have a Nutrient Management Plan, Soil Testing and Fertiliser Programme by 2025.	100% of Tirlán farms in Priority Areas for Action with water quality plans by 2025.	100% of Tirlán farms certified to 'A Greener World Animal Welfare Approved Standard' by 2025.	Work with our farmers to deliver 450,000 native trees and hedgerows by December 2025 as part of Operation Biodiversity.
CIRCULAR ECONOMY	100% of packaging materials of our consumer-facing food brands compatible with a circular economy by 2025.	Reduction in plastic usage by 15% by 2025 and 25% by 2030.	Maintain Zero waste to landfill.	Halve food waste by 2030.
NATURAL NUTRITION	100% of inputs for food to be responsibly sourced by 2030.	Annually maintain a balance between nourishing products and indulgent products for consumers.		
GROWING TOGETHER	Achieve 50/50 female/male representation in leadership roles by 2030.	Continue to engage with and support sustainable sporting, cultural and community projects for the benefit of all.		

CARBON REDUCTION

Reduce carbon emissions from Tirlán processing sites, with

30%

absolute reduction by 2030 (from 2018 baseline)

Tirlán's carbon reduction journey follows an "avoid – reduce – compensate" approach. Whenever possible, we aim to avoid the creation of carbon emissions (e.g. optimised logistical routes). If we cannot avoid carbon emissions, we reduce carbon through focused energy management system approach, energy efficiency and renewable energy projects. As a last resort we consider compensation for those emissions we cannot avoid or reduce any further.

Tirlán has committed to becoming Net Zero by no later than 2050. In the short to medium term we are focusing on reducing absolute carbon emissions from our Operations (Scope 1 & 2) by 30%, and also our on-farm (Scope 3) emissions intensity by 30%. The Scope 1 & 2 emission targets will be achieved through improved energy and resource efficiency, migration to renewable energy sources and technology developments, while the on farm Scope 3 emissions will be achieved through regenerative agricultural practices, including working with our farmers to increase and enhance carbon sequestration on Irish farms. Working with the Carbon Trust, we have used a science-based approach to setting our targets. Various best practices inform our thinking to ensure our targets are valid as well as relevant and impactful to our stakeholders.

Addressing Carbon in our operations

In 2022 we reduced our absolute carbon emissions from processing by 0.40% versus 2021 building on a strong foundation of energy optimisation projects such as:

- employing Combined Heat and Power (CHP) technologies at our main manufacturing sites which optimise energy efficiency through the recovery of waste heat from electricity generation
- obtaining ISO 50001 for the energy management at 7 of our processing sites
- implementing a proactive and intensive utility management programme
- examples of projects implemented in 2022 are highlighted on page 63.

A FarmGen 8.8Kw solar PV installation in Kilkenny

Tirlán Carbon reduction action 2022

Combined Heat & Power (CHP) refurbishment in Ballyragget
- 6.057 GwH saved annually
- 1105t CO_2 reduction per annum.

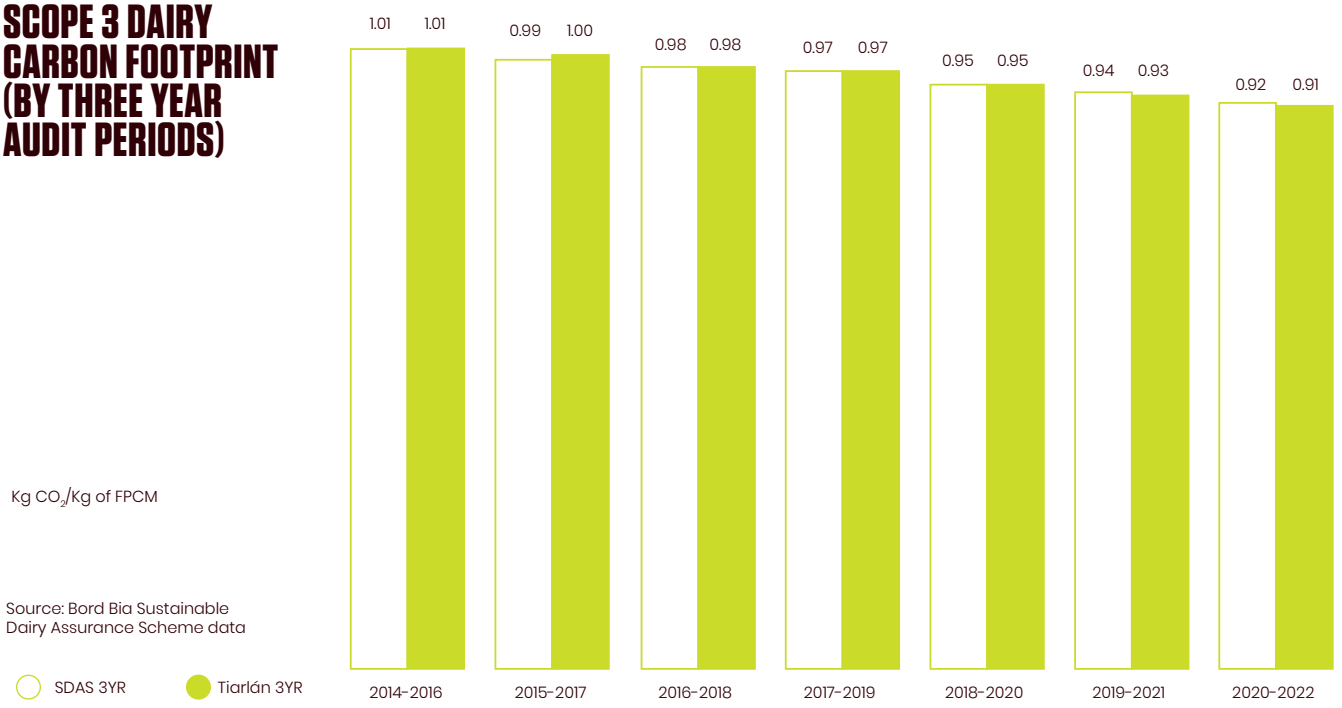
Reverse Osmosis was installed to remove water from Buttermilk
- 16 GwH saved annually
- 3157t CO_2 reduction per annum.

Addressing Carbon on Farm

The majority of our carbon footprint can be attributed to our Scope 3 (on-farm) emissions from the dairy enterprise. Our dairy is produced from a pasture based system in Ireland, which is recognised as having one of the lowest carbon footprints internationally. However, we recognise the need to reduce our Scope 3 carbon footprint and we have been intensively working with our farmers and farm advisors to optimise the carbon emissions of our milk and grain.

As a result of our accelerated sustainability action, the average Carbon Footprint for Tirlán milk suppliers in 2022 was 0.91 kg CO_2/kg FPCM, 7% less compared to 2018. This reduction has been achieved by embracing proven management techniques demonstrated through our Future Farms programme, continuing regenerative agriculture practices and the incorporation of new technologies such as the use of protected urea, low emissions slurry spreading and Nutrient Management Planning.

SCOPE 3 DAIRY CARBON FOOTPRINT (BY THREE YEAR AUDIT PERIODS)



Source: Bord Bia Sustainable Dairy Assurance Scheme data

REGENERATIVE AGRICULTURE

Agriculture is at the heart of what we do. While there are significant environmental impacts associated with farming such as climate change, water scarcity and biodiversity loss, agriculture is key in feeding a growing global population. At Tirlán we are convinced that farming is part of the solution and thus we are committed to championing regenerative models of agriculture that protect soils, empower farmers and promote animal welfare.

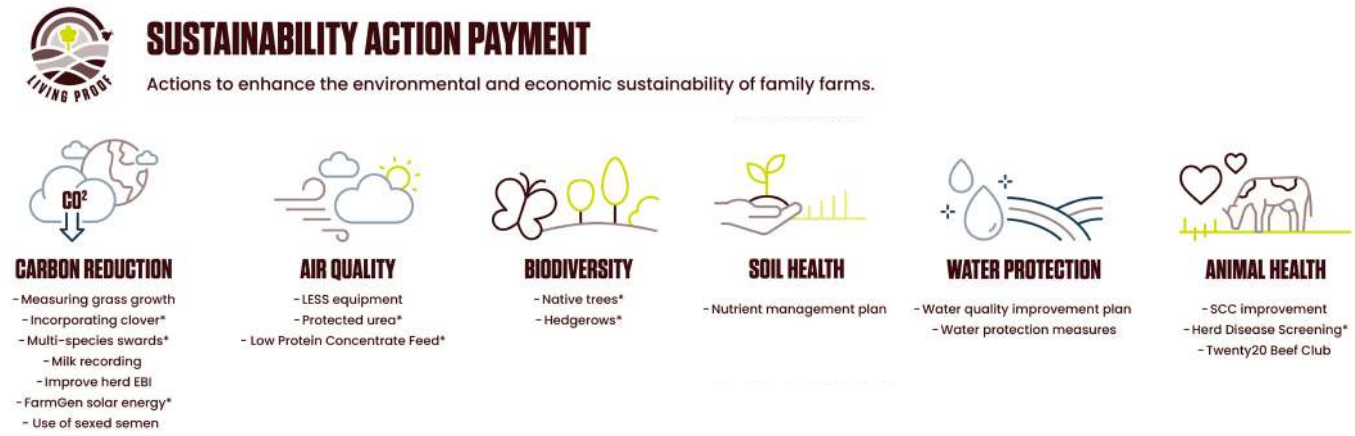
To support our farmers on their regenerative agriculture journey, we have devised a bespoke incentivisation programme to assist our farm families in reducing carbon footprint, enhancing water quality and biodiversity and improving air quality and soil health. These measures are closely aligned with the climate action measures identified in Teagasc's emissions reduction Marginal Abatement Cost Curve (MACC) climate plan. As part of this initiative, dairy suppliers receive 0.5 cent per litre (cpl) (including VAT) through delivering specific sustainability actions, equating to €54m Euro investment by Tirlán over a three-year time period.

Our Milk Purchasing Policy is updated annually to reflect the high standards in animal welfare expected from Tirlán milk suppliers and includes a commitment to our Living Proof animal health and welfare targets. All our suppliers must be Bord Bia Sustainable Dairy Assurance Scheme (SDAS) certified at all times. This 3rd party certification includes specific animal welfare requirements and expects our milk suppliers to follow the Farm Animal Welfare Advisory Council's best practice guidelines.

Since 2018 we have been working to the highest animal welfare requirements for our Truly Grass Fed brand. 2022 saw another round of our suppliers audited to the Animal Welfare Approved by A Greener World standard. Given the excellent work Tirlán milk suppliers are doing in relation to animal care and welfare and our commitment to maintain our very positive reputation with consumers we have included these high standards in our Living Proof sustainability strategy.

Operation Biodiversity

Tirlán has introduced a bespoke biodiversity programme: "Operation Biodiversity" has the objective of supporting our farm families to purchase 450,000 native trees and hedging by the end of 2025 for the use on their farms to support biodiversity, provide animal shelter, enhance air, water quality and sequester carbon. In 2022, 146,000 trees and hedgerow plants were supplied. Further details on our on farm sustainability advisory and advocacy can be found on page 22.



CIRCULAR ECONOMY

At Tirlán, we are committed to developing innovative ways to strive for utilities excellence, by effectively managing our waste streams to ensure that we reduce our packaging requirements, recycle more, as well as minimise food waste and redistribute surplus food to charity. We work closely with packaging and waste experts to ensure we are as efficient as possible.

Zero waste, maximum recycling:

We work tirelessly to minimise waste at our facilities and have made significant commitments in this area:

- Minimising our water usage through reuse and recycling, with a target to further reduce fresh water use in processing by 10% by end 2030;
- Maintain our 'Zero waste to landfill' initiative across all of our processing plants through employee engagement and process improvements;
- Recycling highly nutritious by-products from our milk filtration process to create natural fertiliser as part of our nutrient recycling programme.

We aim to optimise the use and value derived from products and materials; design out and eliminate waste, enhance recycling of packaging and drive plastic/packaging reduction in order to achieve our targets:

- 100% of packaging materials compatible with a circular economy by 2025 (consumer-facing food brands);
- Reduction in plastic usage by 15% by 2025 and 25% by 2030 (consumer-facing food brands).

Actions we take to achieve these targets include the following:

- Reduce the amount of packaging (particularly plastic) we use through light-weighting or the use of alternative materials;
- Change some of our packaging to more sustainable forms such as bio-based plastics or increasing the amount of recycled content in the consumer packaging we use;
- Work with external stakeholders, such as industry bodies, regulatory partners, suppliers and the waste handling industry to help improve the recycling opportunities for our packaging materials; and
- Educate consumers on reducing, re-using, and recycling packaging.

Examples of how we have reduced our plastic packaging are below.

~49T
of plastic removed per annum by reducing the weight of our milk jugs

~5.7T
Plastic removed per annum by reducing the thickness of our cheese film

~40T
of plastic removed by changing to Tetra Pak cartons for cream

~115T
of plastic removed by taking out smaller volume plastic milk jugs and switching to paperboard format

We value the dairy and grain our farmers produce and aim to minimise food waste as much as possible and thus reduce the environmental impact associated with it. Through efficiency processes in our production sites we have made significant strides and have partnered with FoodCloud to redistribute surplus food. Since joining FoodCloud in 2018, we have donated over €1 million worth of food, over 830,000 meals, with 1,114 tonnes of CO_2 avoided. We have also cut our overall food waste by a third over a two-year period.

NATURAL NUTRITION

As a world-class food and nutrition business, we process more than three billion litres of milk annually into a range of solutions and ingredients for export to global markets. Milk and dairy foods are naturally rich sources of a wide range of essential nutrients and contain high quality protein, carbohydrate in the form of lactose, as well as different fatty acids and a wide range of micronutrients including vitamins, minerals and trace elements. Through our expertise, innovation and top-class processing environments, we deliver the very best dairy and plant based nutrition solutions. In doing so, we seek to deliver a range of nutritious products and ingredients that promote health and wellbeing, and that are accessible, affordable, safe and equitable.

Meeting our Living Proof Targets

We recognise that our consumer portfolio is a blend of nourishing and indulgent products. Therefore, to support health and wellbeing through a sustainable healthy diet we ensure a balance between nourishing and indulgent product across our consumer retail portfolio. We consider nourishing foods are part of dietary guidelines with differing recommendations on consumption whereas indulgent foods are those whose consumption should be limited. Generally, dietary guidelines recommend that indulgent foods are not consumed every day. Tirlán envisions providing our consumers with choice and the knowledge to make informed nutritional decisions.

To track performance the Tirlán Nutrition Team use the Tirlán Nutrition Framework, that sets out our approach to produce a range of nutritious products and ingredients that promote health and wellbeing.

GROWING TOGETHER

The importance of staying true to our Co-operative ethos is central to the Tirlán sustainability approach. It is seen in our commitment to diversity, inclusion and fairness amongst our employees. Therefore we actively promote the well-being of our employees and the farming community. It is about us playing our part in ensuring that rural communities remain vital and sustainable for generations to come.

Community

As a Co-operative, Tirlán has a strong focus on giving back to our communities and organisations which align with our values. We have committed strong support to a number of international, national and regional charitable organisations through direct corporate donations and employee fundraising such as our Tirlán 300 cycle race. Throughout 2022 we supported a number of initiatives including:

- Tirlán donated €44,850 to three worthy causes in the community, Focus Ireland, Carlow/Kilkenny Homecare Team and the Ford Counselling and Psychotherapy Centre, through the Tirlán 300 cycle.
- Employees raised €15,000 to support the plight of people in the stricken areas in Ukraine, which was matched by a €30,000 donation to UNICEF Ireland.
- A donation of €5,000 was made to the Cois Nore 5km race to support the cancer support service
- Over 500,000 Avonmore nutritional Irish milk powder-based meal kits at a cost of more than €35,000 were sent to Ukrainian hospitals and refugees.

(L to R) Complex Nutrition CEO John Cunningham and Tirlán Chairman John Murphy hold the milk powder sachets produced for donation to Ukrainian hospitals and refugee shelters.

In addition, as a Co-operative , we believe in giving back to the communities where we live and work. Through our network of facilities and agri-retail branches we support many different causes at a local level across each year. We actively support the mental health and wellbeing our family farm suppliers through a free and confidential counselling and information service provided in partnership with Vhi Corporate Solutions.

Collaborating for success

Tirlán works hand-in-hand with government agencies, NGOs, pre-competitive industry platforms and other decision-making organisations to ensure we drive sustainability action across our value chain. Partners such as Bord Bia Origin Green & AgDif, Teagasc, Sustainable Agriculture Initiative (SAI) and Sustainable Dairy Platform (SDP) IBEC, Dairy Industry Ireland, Irish Cooperative Society, National Dairy Council, Foodcloud, Business in the Community, Food Drink Europe.

Diversity and Inclusion

Through the Tirlán Diversity and Inclusion Programme and to fulfil our commitment in the Living Proof sustainability strategy, we need to become a more diverse employer, better representing the diversity of the communities with which we engage every day. We know that the best performing businesses prioritise diversity and inclusion and believe it is crucial to create an inclusive culture and a sustainable business. For our business to thrive and realise our ambitions as an Irish Co-op competing globally, we need to recruit, retain, and develop diverse talent from a range of backgrounds and with a variety of skills and perspectives. Diversity of thought and of experience spurs growth and innovation and brings us closer to our customers.

One of our key measures of success will be through the achievement of balanced gender representation in our Senior leadership Group with a view to becoming a more diverse and inclusive organisation overall.

Tirlán's boardroom at the
Tirlán Offices, Abbey Quarter, Kilkenny.

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Board of Directors 71
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Board Committees 75
Council Membership and Structure 79

GOVERNANCE

CHAIRMAN'S INTRODUCTION

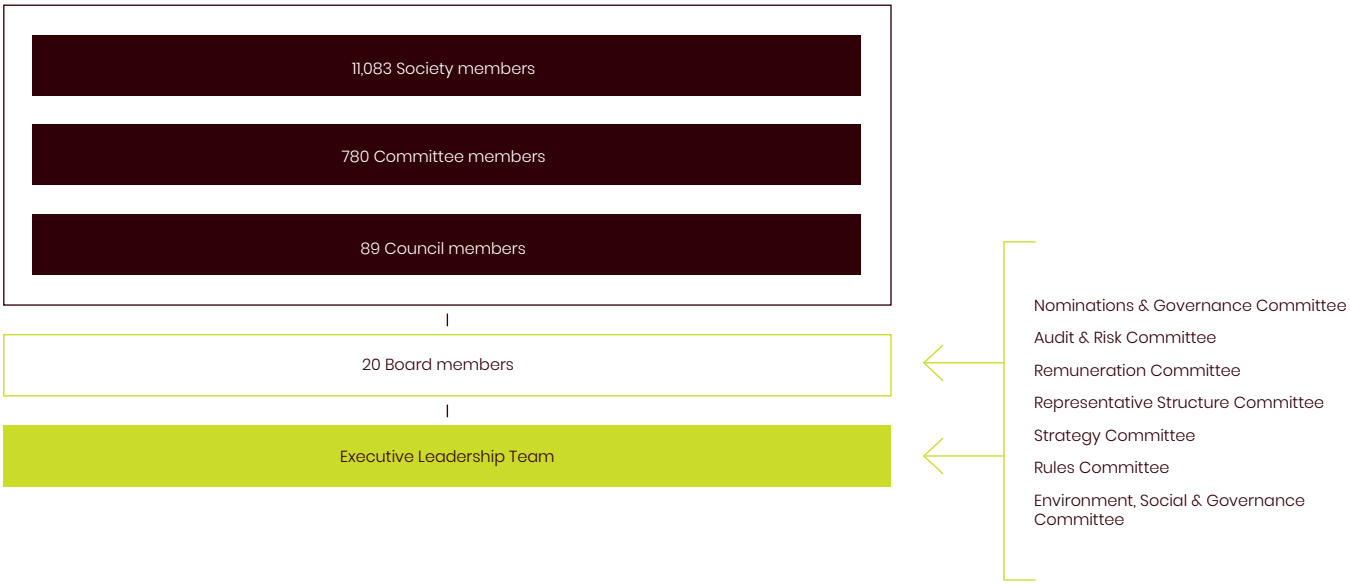
John G. Murphy
Chairman

The Board of your Society recognises that the values, behaviours and integrity that shape our culture and corporate governance are the foundation of long-term success. The Board is committed to high standards of corporate governance to maintain the trust of Members and all stakeholders. The Society expects all its directors and employees to act with honesty, integrity and fairness. The Society will strive to act in accordance with the laws and customs of the countries in which it operates, adopt proper standards of business practice and procedure, and operate with integrity.

Board of Directors

The Board is comprised of 20 individuals who bring a diverse range of experience. 14 directors are appointed from the Society's member representative structure, in addition to which there are four executive directors and two independent non-executive directors.

TIRLÁN CO-OPERATIVE STRUCTURE



BOARD OF DIRECTORS

John G. Murphy

Chairman

John is a director since 29 June 2010 of Glanbia Ireland (now known as Tirlán Limited) and appointed Chairman of the Co-operative on 8 October 2020. He was appointed as a director of Tirlán Co-operative on 4 April 2022.

Skills and experience: John has completed a Diploma in Corporate Direction from University College Cork. He is a former Vice Chairman of the National Dairy Council Board. John farms at Ballinacoola, Craanford, Gorey, Co. Wexford.

External Appointments: John is a non-executive director of Glanbia plc and is a member of the Ornua Advisory Council.

Brendan Hayes

Vice Chairman

Brendan is a director since 2014 of Glanbia Ireland (now known as Tirlán Limited) and appointed Vice Chairman on 8 October 2020. He was appointed as a director of Tirlán Co-operative on 4 April 2022.

Skills and experience: Brendan completed a Diploma in Corporate Direction from University College Cork. He farms at Ballyquinn, Carrick on Suir, Co. Waterford.

External Appointments: Brendan is a non-executive director of Glanbia plc and is Chairman of Co-operative Animal Health.

Patrick Murphy

Vice Chairman

Patrick is a director since 26 May 2011 of Glanbia Ireland (now known as Tirlán Limited) and appointed Vice Chairman on 1 June 2018. He also served two years as vice chairman from 2015 to 2017. He was appointed Vice Chairman of Tirlán Co-operative on 4 April 2022.

Skills and experience: Patrick farms at Smithstown, Maddoxtown, Co. Kilkenny.

External appointments: Patrick is Chairman of Farmer Business Developments plc and a non-executive director of Glanbia plc.

Jim Bergin

Chief Executive Officer and Executive Director

Board tenure: Jim is a director since 2012 of Glanbia Ireland (now known as Tirlán Limited) and was appointed as a director of Tirlán Co-operative on 4 April 2022.

Skills and experience: Jim worked with the Glanbia Group in 1984 and held numerous senior management positions across the business including CEO of Glanbia Ireland. Jim is the former Chairman of the Irish Dairy Industry Association. He graduated from University College Cork with a Bachelor of Commerce degree and holds and MSc. from UCD Smurfit Business School, Dublin.

External appointments: Director of the South East Technological University, Ireland.

Michael Horan

Chief Finance Officer and Secretariat Officer

Board tenure: Michael is a director since 2012 of Glanbia Ireland (now known as Tirlán Limited) and was appointed as a director of Tirlán Co-operative on 4 April 2022.

Skills and experience: Michael worked with the Glanbia Group since 1998. He held a number of senior management positions including Group Secretary of Glanbia plc from 2005 to 2022, Group Financial Controller and Financial Controller of the Fresh Pork business in Ireland. Michael previously worked with Almarai Company in Saudi Arabia and BDO Simpson Xavier. Michael graduated from the National University of Ireland, Galway with a Bachelor of Commerce degree and is a fellow of Chartered Accountants Ireland.

Seán Molloy

Chief Ingredients & Agri Officer and Executive Director

Board tenure: Seán is a director since 2012 of Glanbia Ireland (now known as Tirlán Limited) and was appointed as a director of Tirlán Co-operative on 4 April 2022.

Skills and experience: Seán worked with the Glanbia Group since 2007. He held a number of senior management positions in Glanbia Ireland including Director of Strategy where he was responsible for strategy and commercial execution in both the Ingredients and Agribusiness categories. Seán has previously worked as a strategy consultant with PricewaterhouseCoopers (PwC). Sean graduated from University College Dublin in 1994 with a degree in Agricultural Science.

BOARD OF DIRECTORS
CONTINUED

Frank Tobin

Chief Investment Officer and Executive Director

Board tenure: Frank is a director of Glanbia Ireland (now known as Tirlán Limited) since 2017 and was appointed as a director of Tirlán Co-operative on 4 April 2022.

Skills and experience: Frank has worked with the Glanbia Group since 1980, where he held a number of senior finance and operations roles across Ingredients, Agri, Meats (UK & Ireland), Consumer Foods (COO) and as Chief Finance Officer of Glanbia Ireland. Frank has served as a board member of the National Milk Agency, National Dairy Council, National Dairy Association and is currently a board member of the Malting Company of Ireland. Frank studied accountancy at Waterford Institute of Technology and holds an MBA from the UCD Smurfit Business School, Dublin.

Paul Haran

Independent non-executive director

Board tenure: Paul is a director since 2012 of Glanbia Ireland (now known as Tirlán Limited) and was appointed as a director of Tirlán Co-operative on 17 June 2022.

Skills and experience: Paul served as non-executive Director of Glanbia plc from 2005 and retired from the board in 2019. Paul is a former director of Bank of Ireland, the Road Safety Authority, the Mater Private Hospital, the Institute of Public Administration and the Qualifications Authority of Ireland. He retired at the end of 2004 as Secretary General of the Department of Enterprise Trade and Employment after a public sector career of almost 30 years.

External appointments: Paul is Chairman of Edward Dillon & Co, Ireland's largest importer of premium spirits and wines. He is also a director of National Broadband Ireland and is Chairman of Golf Ireland.

Janet McCollum

Independent non-executive director

Board tenure: Janet is a director since 2018 of Glanbia Ireland (now known as Tirlán Limited) and was appointed as a director of Tirlán Co-operative on 4 April 2022.

Skills and experience: Janet is the former Chief Executive Officer of Moy Park and holds extensive experience in the agricultural industry. Janet spent 25 years with Moy Park. She was appointed to the executive board as Finance Director in 2002 and held the role of CEO from 2014 to 2018. Janet graduated from the University of Aston in Birmingham with a degree in Business Administration & French.

External appointments: Janet is a non-executive director of Foyle Foods Group, a non-executive director of W&R Barnett and a Trustee of The Prince's Countryside Fund.

Patsy Ahern

Director

Patsy is a director since 12 June 2015 of Glanbia Ireland (now known as Tirlán Limited) and was appointed a director of Tirlán Co-operative on 4 April 2022.

Skills and experience: Patsy completed the University College Cork Diploma in Corporate Direction. He farms at Sheanmore, Ballyduff Upper, Co. Waterford.

External appointments: Patsy is a non-executive director of Glanbia plc. In addition, he is on the Board of ICOS.

Robert Barron

Director

Robert is a director since 8 October 2020 of Glanbia Ireland (now known as Tirlán Limited) and was appointed a director of Tirlán Co-operative on 4 April 2022. Robert farms at Battlestown, Ramsgrange, New Ross, Co. Wexford.

William Carroll

Director

William is a director since 31 May 2019 of Glanbia Ireland (now known as Tirlán Limited) and was appointed a director of Tirlán Co-operative on 4 April 2022. William farms at Mile Tree, Clonmel, Co. Tipperary.

Larry Hannon

Director
Larry was appointed a director of Tirlán Co-operative on 27 May 2022. Larry farms at Ballytore, Athy, Co. Kildare.

Eamonn McEnteggart

Director
Eamonn is a director since 2 June 2017 of Glanbia Ireland (now known as Tirlán Limited) and was appointed a director of Tirlán Co-operative on 4 April 2022. Eamonn completed the University College Cork Diploma in Corporate Direction. He farms at Castlering, Knockbridge, Dundalk, Co. Louth.

John Murphy

Director
John is a director since 2 June 2017 of Glanbia Ireland (now known as Tirlán Limited) and was appointed a director of Tirlán Co-operative Board on 4 April 2022. John farms at High Down Hill, Newcastle, Co. Dublin.
External Appointments: John is a non-executive director of Glanbia plc.

Gerard O'Brien

Director
Gerard is a director since 1 June 2018 of Glanbia Ireland (now known as Tirlán Limited) and was appointed a director of Tirlán Co-operative Board on 4 April 2022. Gerard farms at Camphire, Cappoquin, Co. Waterford.

Denis O'Sullivan

Director
Denis is a director since 8 October 2020 of Glanbia Ireland (now known as Tirlán Limited) and was appointed a director of Tirlán Co-operative Board on 4 April 2022. Denis farms at Fairlands, Garlow Cross, Navan, Co. Meath.

Tom Phelan

Director
Tom is a director since 4 June 2021 of Glanbia Ireland (now known as Tirlán Limited) and was appointed a director of Tirlán Co-operative Board on 4 April 2022.Tom farms at Pike of Rushall, Portlaoise, Co. Laois.

John Regan

Director
John is a director since 8 October 2020 of Glanbia Ireland (now known as Tirlán Limited) and was appointed a director of Tirlán Co-operative Board on 4 April 2022. John farms at Chatsworth, Clogh, Castlecomer, Co Kilkenny.

Patrick Whyte

Director
Patrick is a director since 2 June 2017 of Glanbia Ireland (now known as Tirlán Limited) and was appointed a director of Tirlán Co-operative Board on 4 April 2022. Patrick farms at Ballystanley, Roscrea, Co. Tipperary.

Gordon Murphy

Group Secretary
Skills and experience:
Gordon has been Company Secretary of Glanbia Ireland (now known as Tirlán Limited) since 2013 and was appointed as Group Secretary of Tirlán Co-operative on 4 April 2022. Gordon joined Glanbia Ireland in 2013 and has held the positions of Group Financial Controller and Company Secretary. Gordon previously worked in financial roles in major industrial and retail organisations of scale, including RPS Group, Bord na Móna, Kingspan Group and Tesco. Gordon is a Fellow of the Institute of Chartered Accountants Ireland.

EXECUTIVE LEADERSHIP TEAM

Tirlán's Executive Leadership Team (L to R) Jim O' Neill, Michael O' Leary, Sean Molloy, Michael Horan, Jim Bergin, Dr. Lisa Koep, Frank Tobin, Joe TaneyHill.

Jim Bergin

see biography on page 71

Michael Horan

see biography on page 71

Seán Molloy

see biography on page 71

Frank Tobin

see biography on page 72

Jim O'Neill

Chief Operating & Consumer Officer

Skills and experience: Jim worked in the Glanbia Group since 2007 where he held the role of Chief Operations and Supply Chain Office, having worked across a number of senior management roles including supply chain, quality and compliance, innovation/ R&D, manufacturing and operations. Prior to this, Jim worked in a number of senior operational roles with Henkel Ireland. Jim graduated University College Dublin with a Bachelor of Chemical Engineering and holds and holds an MBA from the UCD Smurfit Business School, Dublin. Jim is on the Board of Kilkenny Cheese.

Dr. Lisa Koep

Chief ESG Officer

Skills and experience: Prior to joining Tirlán in 2022, Lisa worked in a range of senior retail sector roles, most recently as the Head of Corporate Social Responsibility/Sustainability for Lidl in Germany. Lisa also worked as a researcher and lecturer in sustainability at Technological University Dublin and the Technische Universitaet Dresden. Lisa graduated from Trinity College with a Bachelor in Economics & Geography and holds a Masters in Public Relations as well as a PhD in CSR/CSR Communication from Dublin Technological University (formerly Dublin Institute of Technology).

Michael O'Leary

Chief People, D&I & Org Development Officer

Skills and Experience: Michael worked in the Glanbia Group since 1997. He held a number of senior human resource roles across the Group including Chief Human Resource and Organisation Design Officer with Glanbia Ireland. Michael graduated with a Bachelor of Business Studies majoring in Human Resources from University of Limerick.

Joe Taneyhill

Strategy Director

Skills and Experience: Joe has worked with the Glanbia Group since 2007. He previously worked in Strategy & Development across the company's Consumer Foods business before being appointed Development Director at Glanbia Ireland in 2018. Joe who has dual citizenship in America and Ireland, and previously worked at JPMorgan in Corporate and Investment Banking in the US. He is a graduate of Fairfield University, holds an MBA from London Business School and has been a CFA charterholder.

BOARD COMMITTEES

The Board established a Committee structure to assist it in the discharge of its responsibilities, in compliance with the highest standards of corporate governance. The Committees and their membership are detailed below. All Committees of the Board have written terms of reference, which are reviewed regularly, dealing with their role and authority delegated by the Board. Each Committee reviews its own performance on a regular basis to ensure it is operating at maximum effectiveness and recommends any changes it considers necessary to the Board for approval.

Nominations & Governance Committee

Members of the Nominations & Governance Committee are appointed by the Board, in consultation with the Chairperson of the Committee. This Committee currently comprises the Society Chairman and four other non-executive directors. **The Committee is chaired by Mr. John G. Murphy.** The Chief Executive Officer and the Chief Financial & Secretariat Officer attend meetings of the Committee, and the Group Secretary acts as Secretary to the Committee.

The role of the Committee is primarily focused on the process of:

- the appointment of executive directors;
- the appointment of directors to any Board committees;
- the nomination of directors to the boards of any joint ventures, associates or any company in which the Group maintains an investment; and
- the nomination of any directors or appointees to the board, advisory council or similar committee of any representative body, organisation, agency where the Group has been requested to put forward a nominee.

With respect to the appointment of executive directors to the Board, the Committee is responsible for identifying and nominating candidates to fill such roles as and when they arise, for the approval of the Board and makes recommendations to the Board concerning formulating plans for succession.

The Committee also makes recommendations to the Board in relation to the membership of any Board committees.

In relation to the nomination of directors to boards of any company in which the Group maintains an investment or the nomination of any non-executive directors or appointees to the board, advisory council or similar committee of any representative body, organisation, agency where the Society has been requested to put forward a nominee, the Committee:

- is responsible for identifying and nominating candidates to fill such roles as and when they arise, for the approval of the Board;
- considers candidates on merit and against objective criteria, taking care that appointees have the requisite skills for the position, and time available to devote to the position;
- makes recommendations to the Board on any matters relating to the continuation in office of any nominated person at any time including the suspension or termination of service of a nominated person;
- takes into account any pre-existing legacy arrangements relevant to the Society representative structure.

The Nominations & Governance Committee meets as necessary and, in any case, at least once a year. The Chairman ensures that any new Directors are provided with a full induction on joining the Board.

BOARD COMMITTEES
CONTINUED

Audit & Risk Committee

Members of the Audit & Risk Committee are appointed by the Board, on the recommendation of the Nominations & Governance Committee. **The Committee is chaired by Mr. Paul Haran.** The Audit & Risk Committee is comprised of at least three members, each of whom shall be a non-executive director, and at least one of whom shall have recent and relevant financial experience. The Board appoints the Committee Chairman, who must be an independent non-executive director. The Chief Executive Officer and the Chief Financial & Secretariat Officer attend meetings of the Committee, and the Group Secretary acts as Secretary to the Committee. The external auditors are always invited to attend meetings of the Audit & Risk Committee except when any matter concerning the external auditors (e.g. performance, independence and value provided) is being considered. The external auditors may attend Board meetings at the request of the Chairperson of the Committee.

The key activities of the Audit & Risk Committee are:

- to monitor the integrity of the financial statements of the company, including its annual report, reviewing significant financial reporting issues and judgements that they contain, and reviews any financial information contained in certain other documents which may be made public;
- to assist the Board in meeting its obligations relating to financial reporting, risk management and overall Corporate Governance;
- to review the company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters, reviews the Society's procedures for fraud prevention and detection, and ensures that these arrangements allow proportionate and independent investigation of such matters and appropriate follow-up action;
- to monitor and review the effectiveness of the internal control framework and the Society's internal audit function in the context of the Society's overall risk management system;
- to consider and make recommendations to the Board, to be put to shareholders for approval at the AGM, in relation to the appointment, re-appointment and removal of the company's external auditor, oversees the selection process for new auditors and if an auditor resigns the Committee shall investigate the issues leading to this and decide whether any action is required;
- to oversee the relationship with the external auditors.

The Audit & Risk Committee meets a minimum of 4 times throughout the year.

Remuneration Committee

Members of the Remuneration Committee are appointed by the Board, on the recommendation of the Nominations & Governance Committee. **The Committee is chaired by Ms. Janet McCollum.** The Committee shall be made up of at least five members, at least two of whom shall be independent non-executive directors. The Board appoints the Committee Chairman, who must be an independent non-executive director. The Chief Executive Officer and the Chief Financial & Secretariat Officer attend meetings, and the Group Secretary acts as Secretary to the Committee. The Chief People, D&I and Organisational Development Officer also attends all meeting of the Committee. The executives recuse themselves from meetings at which individual remuneration and performance metrics are discussed which involves these individuals.

The key activities of the Remuneration Committee are:

- to determine and agree with the Board the framework or broad policy for the remuneration of the Group's Chief Executive Officer, and his / her direct reports In determining the remuneration policy, the Committee takes into account all factors which it deems necessary, including relevant legal and regulatory requirements. The objective of the remuneration policy is to ensure that members of the Executive Leadership Team of the Group are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Group;
- to review the remuneration policy in respect of any performance related pay schemes operated by the Group;
- to review the design of, and determine targets for, all incentive plans relating to the Group's Chief Executive Officer, and his / her direct reports; and
- to establish the selection criteria, selecting, appointing and setting the Terms of Reference for any remuneration consultants who advise the Remuneration Committee and for obtaining reliable, up-to-date information about remuneration in other companies.

The remuneration of non-executive directors is a matter for the Chairperson and the non-conflicted members of the Committee

Representative Structure Committee

The Representative Structure Committee was established in 2022 following the approval of members of the transaction for the Society to acquire the remaining 60% of Glanbia Ireland DAC from Glanbia Plc. **The Committee is chaired by Mr. Brendan Hayes** who was appointed by the Board. The Chief Executive Officer and the Chief Financial & Secretariat Officer attend meetings, and the Group Secretary acts as Secretary to the Committee.

The remit of the Committee is:

- to ensure representation is relevant and fit for purpose for the Society and its members in the future;
- to ensure the representative structure is vibrant and contributing positively to the well-being and future direction of the Society;
- to review the Representative Structure size and composition (including skills, knowledge, experience and diversity);
- to consider succession planning for the Council and the farmer representatives on the Board, and the required skills and expertise of such appointees;
- to consider how to attract the best calibre and most diverse member representation (including diversity of thought and gender);
- to consider the agenda and frequency of Area and Regional Committees;
- to consider how technology can be deployed to enhance participation and member engagement.

The Representative Structure Committee has made recommendations to the Board on:

- the future size, shape and composition of the Representative Structure;
- the criteria and process for appointment to the Representative Structure, including tenure of appointment;
- training and development plans to attract and retain high calibre and diverse participation;
- communication methods for information to and from Representative Structure.

The Board plans to outline the proposals emerging from the Representative Structure review at the Society's Annual General Meeting in May 2023, and will further detail out these proposals during the summer of 2023 with a view to convening a Special General Meeting of the Society's members before the end of the year.

Strategy Committee

Members of the Strategy Committee are appointed by the Board, on the recommendation of the Nominations & Governance Committee. **The Committee is chaired by Mr. John G. Murphy.** The Committee is comprised of at least five members, and is chaired by the Society Chairman. The Chief Executive and the Chief Financial & Secretariat Officer attend meetings of the Committee, and the Group Secretary acts as Secretary to the Committee. The Director of Strategy and Development also attends the meetings.

The Strategy Committee's focus is on the following areas:

- the Group's business environment including regulations, emerging trends and food, nutrition, plant and dairy / agriculture markets generally;
- geographical expansion, market positioning, market success requirements, commercial development, brand investment, milk supply, raw materials, supply chain and operations planning, quality, and innovation management;
- new strategic initiatives, alliances, acquisitions, divestments, and other strategic opportunities including the Society's investment portfolio generally.

The duties of the Strategy Committee are:

- to consider and make recommendations to the Board concerning the strategy to be adopted;
- to consider the resources required to implement the Society's Strategy and any allocation of such resources, including any relevant trade-offs;
- to consider and make recommendations to the Board on the Society's Strategic Financial Plan, including funding;
- to review the performance of the Group in meeting its strategic objectives;
- to review material investment proposals and make recommendations to the Board;
- to assess the post investment review of prior investments.

BOARD COMMITTEES
CONTINUED

Rules Committee

Members of the Rules Committee are appointed by the Board, on the recommendation of the Nominations & Governance Committee and comprised of at least five directors.

The Committee is chaired by Mr. Pat Murphy who was appointed by the Board. The Chief Executive Officer and the Chief Financial & Secretariat Officer attend meetings, and the Group Secretary acts as Secretary to the Committee. The Co-op Operations Manager also attends the meetings of the Committee.

The role of the Rules Committee is:

- to review the Rules of the Society on a periodic basis to ensure they are consistent in their application and aligned to the Society's strategic objectives;
- to advise and make recommendations to the Board of the Society with regard to any alterations or amendments required to the Rules; and
- to make recommendations on policy matters to the Board of the Society in relation to the implementation of the Rules.

Environment, Social & Governance ("ESG") Committee

Members of the ESG Committee are appointed by the Board, on the recommendation of the Nominations & Governance Committee and comprised of at least three directors.

The Committee is chaired by Mr. Pat Murphy. In addition all four executive directors attend ESG Committee meetings, and the Group Secretary acts as Secretary to the Committee.

The remit of the ESG Committee shall include, but not be limited to, the following:

The ESG Committee's duties include:

- to monitor and review current and emerging ESG trends, relevant international standards and legislative requirements and identify how these are likely to impact on the strategy, operations, and reputation of the Group; and determine whether and how these are incorporated into or reflected in the Society's ESG policies and objectives;
- to ensure that the Society has an ESG Strategy in place;
- in conjunction with the Chief Executive Officer, to assess the effectiveness of the Society's policies, programmes, practices and systems for (a) identifying, managing and mitigating or eliminating ESG risks in connection with the Society's operations and corporate activity; and (b) ensuring compliance with relevant legal and regulatory requirements and industry standards and guidelines applicable to ESG matters;
- to review and approve the Group's metrics for target setting and tracking performance in the areas of, diversity, equity and inclusion, environmental / climate change, natural nutrition, responsible sourcing and community support;
- to review the quality and integrity of internal and external reporting of ESG matters and performance to ensure that the Society provides appropriate information, complies with reporting obligations and meets international reporting standards and is transparent regarding its ESG related policies with the investment community;
- to review the annual ESG & sustainability report and recommend approval to the Board;
- to support and provide guidance to management in developing and updating policies and procedures with respect to environment and social responsibility and governance;
- to monitor any current, pending or threatened legal actions with respect to environment and social responsibility and governance;
- to review the results of any reviews or independent audits of the Society's ESG performance, review any ESG strategies and action plans developed by management in response to issues raised; and make recommendations to the Board on any of the matters listed above that the Committee considers appropriate;
- to consider the impact of the Tirlán's operations on its key stakeholders.

COUNCIL MEMBERSHIP AND STRUCTURE

The Society has 89 Council Members across 11 regions and 39 Area and Regional Committees with up to 780 Members participating. Individuals on these Area and Regional Committees are elected directly by Society Members.

This structure acts as a mechanism for communication between Members and the Board and the Executive Leadership Team of the Society. The Committees also facilitate two-way communication within the representative structure and provide a training forum for potential Council and Board Members.

Over the following four pages you will find details of our Council and Regional Committees members.

See highlights from the Regional Committee members Tirlán Business Information Day hosted in November 2022. Scan here to watch.

TIRLÁN CO-OPERATIVE COUNCIL MEMBERS

1. Barrowvale:

(L to R): Michael Dunne, Seamus O'Shea, Larry Hannon, John Ryan, Bernard Dunne. (Missing from photo: William Barrett, Cathal Moran (RIP) and Eddie O'Mahony.)

2. Donaghmore/ Monasterevin

(L to R): John Murphy, Shane O'Loughlin, James Mahon, Alan Stephenson, Paul Ennis, Patrick McWey, Noreen Callanan, Thomas Phelan.

3. North Wexford/East Wicklow

(L to R): Roger Boyd, Chris Fox, John G. Murphy, John Joesph O'Shaughnessy, Chris Hill, Michael Gahan. (Missing from photo: Patrick Darcy, Declan O'Neill.)

4. South Tipperary

(L to R): Paul Flaherty, Bill Carroll, James Fogarty, David Kennedy, Denis Corcoran, Noel Butler.

5. Castlelyons

(L to R): Larry Kearney, Patsy Ahern, Daniel Lynch, Jerome Buttimer, Shane Fitzgerald, Kevin Moloney. (Missing from photo: Seamus Fleming.)

6. East Waterford

(L to R): James Mulligan, Brendan Hayes, Niall Moore, Jonathan Tighe. (Missing from photo: Roger Shanahan, John P. Nugent.)

7. Northern

(L to R): Diarmuid Lally, Aidan Brogan, Eamonn McEnteggart, Joe Maxwell, Michael O'Flaherty, Denis O'Sullivan, Brendan Smith, John Edward Murphy, Gerard Brady, Patrick Tuite. (Missing from photo: Padraig O'Scanaill.)

8. South Wexford

(L to R): Seán Windsor, David O'Dwyer, Robert Barron, Nicholas Roberts, Rory Hammel, Padraig Barron.

9. North Kilkenny

(L to R): James Mulhall, Willie Costigan, Martin J. Healy, Michael O'Carroll, John Regan. (Missing from photo: Vincent Cunningham, John Robinson.)

10. South Kilkenny

(L to R): Jimmy Walsh, P J Malone, Gerard Doherty, Walter Crowley James O'Brien, Patrick Murphy. (Missing from photo: John J. Murphy.)

11. West Waterford

(L to R): Gerard O'Brien, Peter Kiely, Joe Harty, Michael M. Keane, Sean Osborne, Vincent McCarthy. (Missing from photo: John Byrne.)

12. Corporate

(L to R): Derek Ryan, Patrick Whyte, Denis Brereton, John Hogan, James Power, James Finn, Pat Kennedy.

TIRLÁN REGIONAL COMMITTEE MEMBERS
AT 31 DECEMBER 2022

Trevor Atkinson
William Barrett
Philip Donohue
Martin Doyle
Barry Drea
John Kieran Duffy
Bernard Dunne
Michael Dunne
John Flood
Brendan Gorman
Laurence Hannon
Niall Hosey
Alan Hughes
Donal Kavanagh
Eamonn Kealy
James Kealy
Brendan Kehoe
Declan Leigh
Michael Moloney
Cathal Moran (RIP)
Eamon Murphy
Con O'Kelly
Eddie O'Mahoney
Seamus Joseph O'Shea
John Gerard Ryan
Sylvester Ryan
Trevor Tutty
Liam Walsh
Richard Whelan

Patsy Ahern
John Barry
Jerome Buttimer
Neilus Cashman
David Fitzgerald
Shane Fitzgerald
Seamus Fleming
Patricia Fouhy-Barry
Sean Healy
Patrick Hegarty
Thomas Hegarty
Donal Howard
George Patrick Howard
Laurence Kearney
Tim Kearney
John Leamy
Daniel Lynch
Kevin Garrett Moloney
David Joseph Murphy
James Murphy
Thomas Murphy
Declan O'Flynn
James O'Keeffe
Martin O'Riordan
Seamus Roche

Martin Bergin
Aidan Byrne
Noreen Callanan
Thomas Creagh
Edward Cummins
Martin Davin
Paul Ennis
Timothy Fitzgerald
Patrick Fitzpatrick
Laurence Flood
Timothy Garry
Bernard Ging
Thomas Horan
Paul Hyland
Patrick Keegan
Albert Lalor
James Mahon
Mel Martin
Michael Mcevoy
Patrick Mcwey
Sean Miller
Noel Moriarty
Hugh Murphy
John Murphy
Shane O'Loughlin
John Joe O'Rourke
Joseph Parlon
Thomas Phelan
Mark Rochford
Brian Rohan
Alan Stephenson

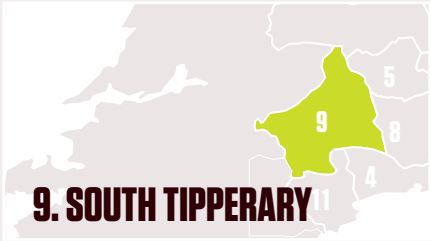
Roger Benedict Callanan
Kevin Connolly
Laurence Curran
Philip Cusack
Michael Foran
Thomas Galvin
Patrick Richard Gough
Michael Gerard Hahessy
Thomas Hahessy
Mervyn Hanley
Brendan Hayes
Mike Hayes
Pat Keane
Michael Kent
John Mackey Jnr
Richard Mahony
Niall Moore
James Mulligan
Gerald Murphy
Walter Anthony Murphy
Paul Norris
John Paul Nugent
John G O'Connell
John O'Donnell
John Phelan
Edward Power
James Power
Paul Power
Seamus Power
James Anthony Quigley
Roger Shanahan
John Paul Skehan
Jonathan Tighe
Chris Walsh
David Walsh
James Walsh

Laurence Martin Bergin
Thomas William Cooke
Willie Costigan
Vincent Cunningham
Nicholas Deevy
Michael John Delaney
John Gerard Dowling
Thomas Gaffney
Martin Joseph Healy
Thomas Gavan Kearney
Patrick Maher
James Mulhall
Michael O'Carroll
John Regan
John Robinson
Brian Roche
Michael Rowe
James Declan Ryan
Martin Treacy
James Walsh
Patrick Walsh
Padraig Walshe (RIP)

Gerard Brady
Aidan Brogan
Declan Carroll
John Clinton
Seamus Commons
Henry Corbally
Seamus Donohoe
Willie Eivers
Dennis Fagan
Stephen Finnegan
Gordon Foster
Andrew Gerraghty
Stanley Gibney
Jim Gilsenan
Kevin Gilsenan
Malachy Hickey
Gerard Hoey
Peter Holton
George Jordan
James Kelly
Diarmuid Lally
Joseph Maxwell
Fintan Mccabe
Michael Mccaughey
Eamonn McEntaggert
Peter Mongey
Paul Morrin
Declan Mullen
John Edward Murphy
Patrick John Nangle
Michael O'Flaherty
Padraig O'Scanaill
Denis O'Sullivan
Andrew Revington
Andrew Rogers
Brendan Smith
Patrick Tuite
Vincent Ward Junior

Stephen Arthur
Roger Boyd
John Byrne
Nicholas Darcy
Patrick Darcy
Desmond Devereux
Chris Fox
Michael Gahan
Christopher Hill
Gerard Lyons
Amanda Mooney
Martin Morris
John Murphy
John O'Hagan
Declan O'Neill
John Joseph O'Shaughnessy
Alan Poole
Thomas Short
Stephen Tracey

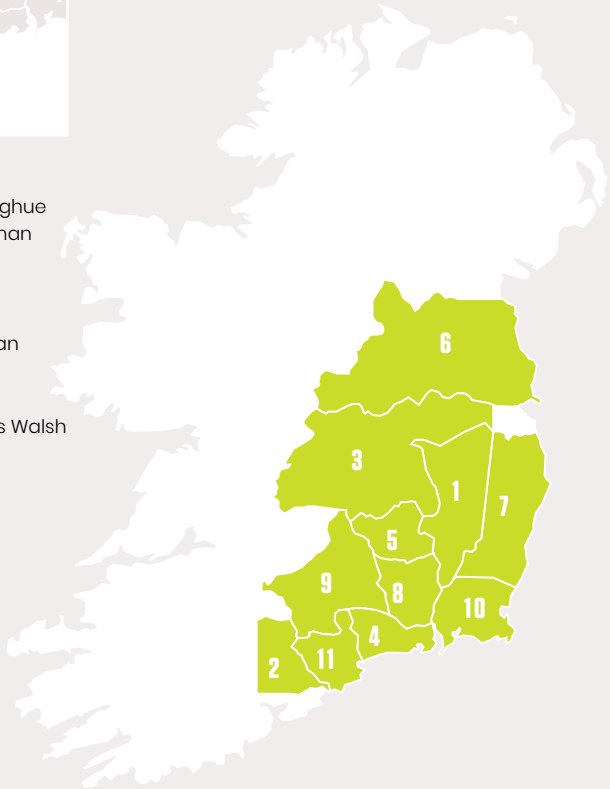
Michael D Aylward
Patrick John Byrne
Bill Carroll
Andrew Connolly
Thomas Corcoran
Walter Crowley
Bryan Daniels
Gerard Doherty
Patrick Doherty
Brendan Dunne
William Fitzgerald
James Fitzpatrick
William Heffernan
Patrick Holden
Patrick Joseph Irish
Peter Kirwan
Thomas Landy
Joseph Malone
Patrick John Malone
Thomas Mullins
John J Murphy
Patrick Murphy
James O'Brien
Eamonn Phelan
Michael Phelan
Paul Purcell
John Ryan
Allen Smyth
Liam Vereker
Jimmy Walsh
Michael Gerard Walsh
Padraig Walsh
Seamus Walsh



Daniel Butler
Noel Butler
William Carroll
Denis Corcoran
Michael Croke
Peter Delaney
Patrick Feehan
Paul Flaherty
James Fogarty
Eamonn Hall
Brendan Hickey
Michael Joseph Horan
David Kennedy
George Leahy
Adrian Morrissey
Donal Morrissey
Richard O'Connell
Donal O'Loughlin
Walter Power
James Francis Prendergast
John P Ryan
Bernard Sheehy

Brian Kevin Barnwell
Frank Barron
Padraig Barron
Robert Barron
Michael Corcoran
John Cullen
Frank Curtis
Gerald Dunne
John F Fitzgerald
David French
William Gleeson
Rory Hammell
Edward Lyng
Anthony Murphy
James Joseph Murphy
Michael Murphy
Tomas Murphy
Walter O'Brien Junior
Aidan O'Connor
David O'Dwyer
Declan O'Hanlon
Joseph A O'Neill
Eamonn Power
Thomas Quinn
Nicholas James Roberts
Sean Windsor

John Byrne
Hugh Collender
Patrick Cooney
Laurence Curran
Gavin Dower
Patrick Drohan
Robert Fennell
Liam Fenton
Joseph Harty
Patrick Joseph Hickey
John Anthony Keane
Michael Martin Keane
John Patrick Keating
Peter Kiely
Vincent McCarthy
John Mckeon
Shane Nugent
Gerard O'Brien
William O'Donoghue
Michael O'Gorman
Sean Osborne
Edmond Power
Thomas Power
Morgan Sheehan
Kieran Veale
Patrick Walsh
Thomas Francis Walsh



FINANCIAL

Pictured: Brian O'Donoghue,
Tirlán Whey Process Manager

INFORMATION

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TIRLÁN CO-OP SUMMARY PROFIT & LOSS

	2022 €m	2021 €m
Dividend Income - Glanbia Plc	26.7	25.8
Dividend Income - Glanbia Ireland	-	18.4
Representative Structure Fees & Expenses	(1.8)	(0.9)
Administration Costs	(5.3)	(3.2)
Operating Profit	**19.6**	**40.1**
Finance Interest	(10.7)	0.9
Exceptional Items	55.9	(1.1)
Profit after Tax	**64.8**	**39.9**
Tax	-	-
Profit after Tax	**64.8**	**39.9**
Appropriations from reserves		
Farm inputs / milk / grain patronage	(0.4)	(22.2)
Ordinary share interest (dividend)	(6.5)	(6.2)
Spin-out of Glanbia plc shares	(20.1)	-
Total appropriations	**(27.0)**	**(28.4)**
Net gain for the year after appropriations	**37.8**	**11.5**

TIRLÁN CO-OP BALANCE SHEET

	2022 €m	2021 €m
Fixed & Intangible Assets	0.6	0.9
Investments (at cost)	512.1	234.8
Bank	2.9	0.3
Working Capital	(11.9)	(16.7)
Loans to Tirlán Limited	50.8	43.3
Bond (incl. costs to be amortised)	(254.2)	-
Pension	-	(0.1)
Net Assets	**300.3**	**262.5**
Share Capital	34.0	37.4
Share Premium	9.0	9.0
Reserves	20.8	17.4
Retained Earnings	236.5	198.7
Equity	**300.3**	**262.5**

TIRLÁN CO-OP CASHFLOW

	2022 €m	2021 €m
Dividend Income - Glanbia Plc	26.2	25.8
Dividend Income - Glanbia Ireland	-	18.4
Ordinary Share Interest	(6.2)	(6.1)
Patronage Supports	(8.6)	(22.0)
Administration & Other	(4.0)	(3.2)
Interest (Expense) / Income	(1.2)	1.2
Funds from Co-op shares issued	0.1	0.3
Loans (issued to) / repaid by Tirlán Limited	(7.5)	59.9
Operations Cashflows	**(1.2)**	**74.3**
Purchase of 40% of Glanbia Ireland	(307.0)	-
Bond Receipt / (Repayment)	250.0	(100.0)
Sale of Glanbia Plc shares (net proceeds)	69.9	-
Costs related to purchase of 40% of Glanbia Ireland	(9.1)	(1.1)
Sale of Other Investments	-	1.0
Transaction Cashflows	**3.8**	**(100.1)**
Net Cashflow	**2.6**	**(25.8)**
Opening Cash	**0.3**	**26.1**
Closing Cash	**2.9**	**0.3**

OPERATING GROUP PROFIT & LOSS ACCOUNT

	pro forma 2022 €m	pro forma 2021 €m
Revenue	3,059.0	2,245.6
Cost of sales	(2,781.7)	(2,017.1)
Gross profit	**277.3**	**228.5**
Distribution costs	(135.7)	(112.2)
Administration expenses	(69.7)	(65.9)
Operating profit	**71.9**	**50.4**
Finance income	0.1	0.2
Finance costs	(13.0)	(12.4)
Share of result of Joint Venture	(2.2)	1.2
Share of result of Associate	0.1	0.1
Exceptional item	(4.7)	1.9
Profit before taxation	**52.2**	**41.4**
Income taxes	(7.6)	(5.4)
Profit after taxation	**44.6**	**36.0**

OPERATING GROUP BALANCE SHEET

	2022 31 Dec 2022 €m	2021 1 Jan 2022 €m
ASSETS		
Non-current assets		
Property, plant and equipment	677.3	654.7
Right-of-use assets	36.6	18.9
Intangible assets	22.1	21.0
Financial assets	4.5	5.8
Investment in joint ventures	36.3	19.3
Investment in associates	2.1	2.1
Derivative financial instruments	11.3	-
Deferred tax asset	0.9	6.2
Non current debtors	1.9	1.9
Retirement benefit asset	13.3	-
Total non-current assets	**806.3**	**729.9**
Current assets		
Inventories	409.1	293.9
Trade and other receivables	297.3	199.4
Derivative financial instruments	1.8	1.0
Cash and cash equivalents	105.9	82.8
Total current assets	**814.1**	**577.1**
Total assets	**1,620.4**	**1,307.0**
EQUITY		
Called up share capital presented as equity	2.9	2.9
Share premium	500.9	307.7
Other reserves	(90.3)	(116.0)
Retained earnings	150.1	279.3
	563.6	**473.9**
Non controlling interest	15.9	13.8
Total equity	**579.5**	**487.7**
LIABILITIES		
Non-current liabilities		
Financial liabilities	271.2	260.9
Trade and other payables	19.2	-
Lease liabilities	29.4	12.0
Deferred tax liabilities	41.7	36.7
Retirement benefit obligation	-	31.4
Provisions	9.6	5.9
Deferred consideration	5.5	6.0
Derivative financial instruments	0.5	4.0
Capital grants	30.2	30.0
Total non-current liabilities	**407.3**	**386.9**
Current liabilities		
Trade and other payables	551.0	384.0
Provisions	4.6	12.7
Financial liabilities	68.3	27.9
Lease liabilities	6.7	5.4
Deferred consideration	0.2	-
Derivative financial instruments	1.0	0.5
Capital grants	1.8	1.9
Total current liabilities	**633.6**	**432.4**
Total liabilities	**1,040.9**	**819.3**
Total equity and liabilities	**1,620.4**	**1,307.0**

OPERATING GROUP CASHFLOW

	Pro forma 2022 €'m	Pro forma 2021 €'m
EBITDA	**116.3**	**95.8**
Working Capital	(68.7)	51.8
Business Sustaining Capex	(28.8)	(35.3)
Operating Cashflow	**18.8**	**112.3**
Interest & Tax	(11.5)	(17.0)
Pension	(2.5)	(18.8)
Dividends Received	0.3	0.5
IFRS 16 Lease Payments	(7.0)	(7.1)
Other	29.6	0.4
Free Cashflow	**27.7**	**70.3**
Strategic Capex	(38.2)	(12.1)
Dividends Paid	-	(30.5)
Exceptional cash paid	3.3	(2.0)
Acquisitions / Disposals	(21.0)	(1.1)
Net Cashflow	**(28.2)**	**24.6**
Opening Net Debt	**(206.2)**	**(230.8)**
Exchange translation adjustment & other	0.8	-
Closing Net Debt	**(233.6)**	**(206.2)**

CONSOLIDATED GROUP PROFIT & LOSS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	2022 €'m	2021 €'m
Revenue	**2,478.0**	**-**
Cost of sales	(2,340.9)	-
Gross profit	**137.1**	**-**
Distribution costs	(109.0)	-
Administration expenses	(62.0)	(4.1)
Net impairment losses on financial assets	(0.1)	-
Other income	0.2	0.2
Operating loss	**(33.8)**	**(3.9)**
Finance income	0.4	1.7
Finance costs	(21.3)	(0.9)
Share of profit of joint ventures	11.4	44.7
Share of profit of associates	72.2	66.6
Exceptional items	(164.6)	(15.8)
(Loss) / profit before taxation	**(135.7)**	**92.4**
Income taxes	3.9	-
(Loss) / profit for the financial year	**(131.8)**	**92.4**
Attributable to :		
Equity holders of the Society	(134.1)	92.4
Non-controlling interests	2.3	-
	(131.8)	**92.4**

All amounts relate to continuing operations.

CONSOLIDATED GROUP BALANCE SHEET

	31 Dec 2022 €'m	1 Jan 2022 €'m
ASSETS		
Non-current assets		
Property, plant and equipment	753.2	0.7
Right-of-use assets	36.6	-
Intangible assets	36.2	0.2
Financial assets	4.5	-
Investment in joint ventures	36.3	503.0
Investment in associates	809.3	956.1
Derivative financial instruments	11.3	-
Trade and other receivables	3.6	26.1
Deferred tax asset	1.2	-
Retirement benefit assets	13.4	-
Total non-current assets	**1,705.6**	**1,486.1**
Current assets		
Inventories	409.1	-
Trade and other receivables	298.7	19.7
Derivative financial instruments	1.8	-
Cash and cash equivalents	108.8	0.3
Total current assets	**818.4**	**20.0**
Total assets	**2,524.0**	**1,506.1**
EQUITY		
Called up share capital	34.0	37.4
Share premium	9.0	9.0
Capital reserves	20.8	17.4
Other reserves	(47.8)	(28.3)
Retained earnings	1,222.0	1,451.4
	1,238.0	1,486.9
Non-controlling interest	15.9	-
Total equity	**1,253.9**	**1,486.9**
LIABILITIES		
Non-current liabilities		
Other payables	19.2	-
Lease liabilities	29.4	-
Borrowings	478.9	-
Derivative financial instruments	19.2	-
Retirement benefit obligation	-	0.1
Deferred tax liabilities	52.7	-
Deferred consideration	5.5	-
Provisions	9.6	-
Capital grants	30.2	-
Total non-current liabilities	**644.7**	**0.1**
Current liabilities		
Trade and other payables	565.8	19.1
Lease liabilities	6.7	-
Borrowings	45.6	-
Derivative financial instruments	0.7	-
Deferred consideration	0.2	-
Provisions	4.6	-
Capital grants	1.8	-
Total current liabilities	**625.4**	**19.1**
Total liabilities	**1,270.1**	**19.2**
Total equity and liabilities	**2,524.0**	**1,506.1**

CONTACTS

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Ireland.

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Bank of Ireland
Coöperatieve Rabobank U.A.
Danske Bank A/S Irish Branch
HSBC Continental Europe

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