

## PRESS RELEASE

### Strengthened the breeding collaboration, but ending the intent to merge process

*The synergies of a cooperation between the leading AI companies in Europe have been investigated including the intent to merge. The investigation has identified many benefits of collaboration between partners, but the complexity exceeds the added value of a merge. Therefore, a decision to end the merging process have been taken.*

**16th December 2021**, the owners of Innoval in France, Masterrind in Germany and VikingGenetics (owned by Faba, Växa and VikingDanmark) in the Nordic countries, have decided to stop the process of merging the three companies Innoval, Masterrind and VikingGenetics.

On 1st December 2020, the three companies Evolution, Masterrind and VikingGenetics, announced the foundation of the new cooperative Arcowin from 1st of January 2021. Arcowin was established to support dairy and beef breeding programs from Evolution, Masterrind and VikingGenetics, with the main objective to take advantage of their respective genetic resources and start some R&D collaborations. In December 2020, the three companies agreed to investigate further synergies of collaboration. Based on the analysis of the synergies, the board of directors of the cooperatives announces their intent to merge activities related to R&D, breeding, production and international sales and marketing in April 2021.

16. December 2021, the leadership, and Board of Directors of Arcowin, has evaluated that it has not been possible to create further synergies by merging the companies. This is due to legal and technical issues, that has ended in a possible structure not being beneficial for the members.

“Merging the three companies should result in synergies that exceeds the benefit each company individual delivers to their members, owners and worldwide customers. It has not been possible to gain, and therefore the decision has been made to stop the merging, says Lars-Inge Gunnarsson, Chairperson of the board of VikingGenetics.

The three partners will continue to work on common breeding programs and collaborate on some R&D projects, but each company operating independently. The work will be continuing ensuring the most sustainable and highest possible genetic progress of different breeds, for the greatest benefit of the members and worldwide customers within the dairy and beef industry.

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