



Dear Member,

I am delighted to be writing to you again to provide what is overall a very positive update on ANM Group's performance and to convey some new and exciting news about the future at Thainstone. With our ever-growing shareholder base, I really value this opportunity to share the key elements of news from ANM with our members.

Trading update and wider developments

The first half of 2023 has been positive for our core auction business with livestock throughput for the six months up by 13%, on top of gains recorded last year. That throughput outcome is largely being driven by values, and it is pleasing to see the recent strong trade for all classes of stock continues to dominate.

At Thainstone Specialist Auctions our monthly collective sales remain hugely popular, with our online sales platform exposing consigners goods to a wider audience and attracting buyers from across the UK and beyond. We appreciate that live online sales aren't everyone's preference, however we continue to see excellent numbers of bidders online and a 15% increase in throughput and strong values achieved. That online technology, as in the livestock ring, is bringing more potential buyers and boosting competition.

A big part of that success is down to our people, who provide excellent customer service, and peerless support for sellers placing their trust in our ring. We are continuing the theme of recent years and investing in our team with the latest addition to the livestock business, Lesley Wylie. Angus-based Lesley, who joins in early September, will take up a canvassing role and bring our unique ANM offer to new potential sellers in the south and central belt area. Her arrival will mean that our industry-leading commission rates and the power of the independent member-owned cooperative will be available from Orkney in the north down to the very heart of central Scotland. It's important that as a Group we continue to look for new opportunities and Lesley's appointment and our expansion in the south is an exciting development for the whole business.

Turning to our property asset base, I'm pleased also to confirm that we have had some positive developments in progressing the abattoir at Thainstone, and we have made good forward strides on property development work in Elgin, Balmedie and the wider Thainstone site.

Our Vision for Thainstone

Opened in 1990, the Thainstone Centre is the beating heart of the rural economy of north east Scotland. As many of you will remember, it was a pioneering development, a purpose-built auction centre and rural hub for the region. Always working in our members' best interests and continually leading the field, we want to provide the very best auctioneering experience in the country long into the future.

The Board and Executive Team at ANM have a bold and ambitious vision to explore the concept of creating a new bespoke auction centre, rural community, events and retail hub on its own land at Thainstone that is fit for future generations looking ahead to the next 40 – 50 years of ANM. The vision for a new, all-purpose agri hub in the north east is an exciting one although we recognise there are a lot of challenges to face up to in order to get it right. We're

in the strong position that we have options to consider - Do we invest in the current centre or explore alternative options on the wider site at Thainstone?

However that vision is achieved, it will maintain the focus of the auction ring as the best possible place to do business. A future Thainstone should have sustainable and industry leading working practices, the very highest standards in customer service and animal welfare and continue to provide attractive member benefits and trading terms to the market.

We also understand the significance of the Thainstone site to our local community, and we should aim to ensure that we develop any opportunity to further improve our community links and capture future benefits for the wider area. Our vision is for detailed proposals to be submitted to the planning authorities in 2025, allowing us to operate from a new or revised Thainstone within the next 10 years.

As we consider our plans, we warmly invite and welcome all contributions from members and users of the current Thainstone Centre about their priorities, so that we can formulate a specific proposal putting their views and needs at the centre of our future plans.

A series of opportunities will be launched in August for everyone to contribute their views to influence the future development of Thainstone Centre. The opportunity for engagement will run for the remainder of this year. As part of that consultation exercise, you can make your contribution in confidence online at www.anmgroup.co.uk or in person by calling Katie McRobbie on 01467 623752.

This is a hugely important project - and as you'd expect, our members are at the very heart of our thinking. Your ideas and thoughts are genuinely welcome, and we look forward to hearing your views.

Speaking up for our members and the industry

We continue to be active participants in the development of public policy in the rural economy. Farming policy in particular is in a period of change, and considerable challenge, and you will rightly expect us to be proactive in standing up for our industry.

I have, over recent months, met with the Secretary of State for Scotland, as well as the Parliamentary Undersecretary of State, Mairi Gougon MSP, the Scottish Government's Cabinet Secretary for Rural Affairs, in addition to Douglas Ross MP, Rachael Hamilton MSP and Finlay Carson MSP, along with local MSPs Liam Kerr and Alexander Burnett. At a time of potential policy change, this kind of dialogue is so important, as well as our work to seek to inform policy officials and advisors. The consequences of unhelpful change in agricultural policy is the key driver for our engagement with influential representatives and officials. There is no more important time to redouble our efforts to stand up for common sense in our members' interests.

Stronger together for members

I will continue to provide updates going forward about many of these positive Group developments but in the meantime, it is worth saying that this positivity will remain our focus. Our strong performance across the board is due to our co-operative structure, and our determination to deliver for our member shareholders. Unlike others, we don't have Partners or external shareholders to support.

Our shared ownership business is founded on the principle that we are stronger together.

In summary, 2023 so far, despite significant cost pressures across the business, has been another encouraging period for your co-operative. Together with the excitement surrounding the announcement of our vision for a future Thainstone, we are continuing to look to the future with confidence.

As a shareholder and member, you should too, and in particular, look for the opportunity to contribute to our consultation and help support our future vision for Thainstone.

With best wishes,

Grant Rogerson
Chief Executive