

R.E.A. Holdings plc: AGM Statement

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R.E.A. Holdings plc (“REA” or the “company”)

AGM statement

The company will hold its AGM at 10 a.m. today when the chairman will give the following statement to shareholders.

Agricultural operations

Key agricultural statistics for the period 1 January to 31 May 2025 (with comparative figures for 2024) were as follows:

	2025	2024
Fresh Fruit Bunch (FFB) crops (tonnes)		
Continuing group (excluding CDM):		
Group harvested	264,688	256,824
Third party harvested	89,973	80,340
Total	354,661	337,164
CDM:		
Group harvested	6,189	18,588
Third party (plasma) harvested	5,446	3,152
Total	11,635	21,740
Production (tonnes)		
Total FFB processed	359,215	342,993
FFB sold	7,980	15,336
CPO	79,062	76,243
Palm kernels	18,679	17,566
CPKO	7,349	6,845
Extraction rates (percentage)		
CPO	22.0	22.2
Palm kernel	5.2	5.1
CPKO*	39.8	40.8
Rainfall (mm):		
Average across the estates	1,867	1,209

**Based on kernels processed*

Agriculture

Overall production achieved in the first five months of the year from the continuing group estates is slightly ahead of that of the corresponding period in 2024, notwithstanding that the current year crop is coming from a mature area that has been reduced by the continuing replanting programme and despite exceptionally high levels of rain during the first four months of the year. Rainfall to the end of May 2025 was some 54 per cent higher than in 2024 and 22 per cent above the 10 year historic average.

Although such high rainfall created challenges for timely evacuation, the recent investments in road stoning meant that the group was better able to cope with these challenges than in the past. Nevertheless, there was some impact on fruit quality with consequent pressure on extraction rates.

Replanting and extension planting are proceeding with the expectation that the 2025 targets of, respectively, 1,500 and 1,000 hectares will be achieved.

Prices

CPO prices have remained consistently above \$1,000, CIF Rotterdam, in the first five months of 2025, trading in a range between a high of \$1,365 at the start of the year and a low of \$1,060 during May. The price currently stands at \$1,215 per tonne.

Whilst 2025 may see some increase in worldwide CPO production against the depressed level of 2024, supplies remain tight and are expected to remain so as Indonesia continues to push increased use of biodiesel in transport fuel. Despite geo-political uncertainties, international tariffs and a recent increase in the Indonesian export levy from 7.5 per cent to 10 per cent, there is a reasonable prospect that domestic prices for CPO and CPKO will be sustained at good levels for the rest of 2025.

The average price realised from sales of CPO by the group during the period January to May 2025, including premia for certified oil but net of export levy and duty, adjusted to FOB Samarinda, was \$869 per tonne (average for the year 2024: \$819 per tonne). The average selling price for the group's CPKO, on the same basis, was \$1,565 per tonne compared with \$1,094 per tonne in 2024.

Sustainability and climate

Following the sale of CDM, 100 per cent of the group's own plantations are now RSPO certified. The group continues to press ahead with its commitments to sustainable development, forest protection, climate action, and empowering local livelihoods. In particular, the group is expanding projects with smallholders to improve the sustainable component of the group's supply chain and promote sustainable palm oil production.

Stone and sand operations

The group continues to work on scaling up production and sales of stone in ATP. Deliveries to-date in 2025 have been hampered by the very high levels of rainfall referred to earlier but rainfall levels are now reducing. Road quality is being continually improved by applications of ATP stone. As this stone compacts, ATP can increase delivery volumes by increasing the number of trucks undertaking deliveries and moving to larger trucks. Stone deliveries in the five months to end May totalled 40,000 tonnes but the group still expects to be delivering approaching 100,000 tonnes of stone per

month by the end of the year. ATP now has confirmed contracts with three substantial purchasers for in excess of 1 million tonnes over the next 18 months.

Following installation of the sand washing plant, MCU's first customer is conducting sample testing in preparation for an initial trial shipment of approximately 50,000 tonnes of silica sand. Provided that this trial is successful, MCU expects progressively to scale up production to 100,000 tonnes per month.

The group now has direct management control of both ATP and MCU and is currently progressing formalisation of its economic ownership of 95 per cent of each company.

Finance

Steps to improve the group's liquidity and strengthen the balance sheet are continuing.

As recently announced, the group has completed the sale of its subsidiary company, CDM. The final loss on disposal is estimated to be some \$9 million, in line with the proforma figures published in the announcement on 22 April 2025 of the conditional sale of CDM.

Additionally, as previously announced, loan funding provided by Bank Mandiri to the Indonesian operating companies has been repackaged and increased on a basis that improves the maturity profile of the group's debt.

On 31 August 2025, the outstanding balance of the sterling notes of £21.4 million nominal will fall due for redemption and be redeemed. Then, the group intends to invite holders of the \$27 million nominal of the dollar notes to roll over their notes to 31 December 2028, having already obtained the agreement of the largest holder of the notes to support the proposals and roll over its holding of \$17.6 million nominal of the notes on the terms that will be proposed. Finally, in 2025, the group aims to eliminate all remaining prepaid sales advances from customers which amounted at the end of 2024 to \$8.0 million.

On 30 June 2025, the semi-annual preference share dividend of 4.5p per share falling due on 30 June 2025 will be paid to holders on the register on 13 June 2025.

Outlook and results

With liquidity improved, a stable outlook for CPO and CPKO prices, and operational performance benefitting from the substantial investments in infrastructure and factories in recent years, the group expects that its financial position will continue to strengthen. Financing costs should further reduce as net debt falls and the plantation operations should generate cash flows at good levels. Stone is expected to start providing a valuable addition to cash flow and profits and positive contributions from the sand mining operations are likely to follow. The prospects for the group are therefore encouraging.

In line with the timetable adopted in previous years, the half yearly results to 30 June 2025 will be published in the second half of September 2025.

Terms and definitions used in this statement are listed in the Glossary in the group's 2024 annual report.

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