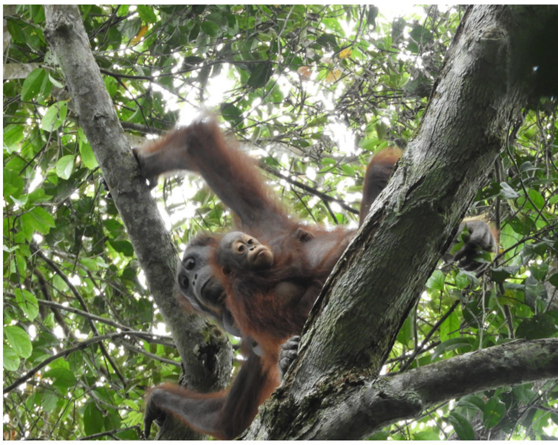
R.E.A. HOLDINGS PLC



Annual Report and Accounts

2024

R.E.A. Holdings plc (**REA** or the **company**) is a UK public listed company of which the shares are admitted to the Official List and to trading on the main market of the London Stock Exchange.

The REA group (the company and its subsidiaries) is principally engaged in the cultivation of oil palms in the province of East Kalimantan in Indonesia and in the production and sale of crude palm oil and crude palm kernel oil.

Contents

All terms in this report are listed in the Glossary.

References in this report to group operating companies in Indonesia are as listed under the map on page 5.

Key statistics

	2024	2023	2022	2021	2020
Results ($'000)					
Revenue	187,943	176,722	208,783	191,913	139,088
Earnings before interest, tax, depreciation and amortisation (see note 7)	61,580	43,594	69,055	75,807	36,775
Profit / (loss) before tax	38,897	(29,245)	42,046	29,198	(23,250)
Profit / (loss) attributable to ordinary shareholders	18,275	(14,370)	18,951	(1,500)	(13,604)
Cash generated by operations (see note 38)	49,086	47,174	48,282	64,035	53,579
Returns per ordinary share					
Profit / (loss) (US cents)	41.6	(32.7)	43.1	(3.4)	(31.0)
Dividend (pence)	–	–	–	–	–
Plantation land areas (hectares)*					
Mature oil palm	31,605	34,043	35,461	35,665	34,745
Immature oil palm	4,267	1,699	507	351	1,219
Planted areas	35,872	35,742	35,968	36,016	35,964
Infrastructure and undeveloped	27,745	27,875	28,554	28,506	28,558
Fully titled***	63,617	63,617	64,522	64,522	64,522
Subject to completion of title	5,454	5,454	10,723	10,723	10,723
Total	69,071	69,071	75,245	75,245	75,245
FFB harvested (tonnes)*					
Group	682,522	762,260	765,681	738,024	765,821
Third party	210,594	231,823	248,971	210,978	205,544
Total	893,116	994,083	1,014,652	949,002	971,365
Production (tonnes)*					
Total FFB processed	857,575	949,701	981,011	933,120	948,260
FFB sold	34,192	45,032	33,168	18,369	20,058
CPO	190,235	209,994	218,275	209,006	213,536
Palm kernels	44,286	47,324	46,799	44,735	47,186
CPKO	18,086	19,393	18,206	17,361	16,164
CPO extraction rate**	22.2%	22.1%	22.3%	22.4%	22.5%
Yields (tonnes per mature hectare)*					
FFB	21.6	22.4	21.6	20.7	22.0
CPO	4.8	5.0	4.8	4.6	5.1
CPKO	0.4	0.4	0.4	0.4	0.4
Average exchange rates					
Indonesian rupiah to US dollar	15,906	15,219	14,917	14,345	14,570
US dollar to pounds sterling	1.28	1.25	1.23	1.38	1.29

* 2020 hectarage and FFB reflect certain adjustments for the redesignation of areas to infrastructure, conservation or plasma, and reallocations between planting years; 2023 and 2024 hectarage and FFB reflect changes arising from the replanting and extension planting programmes

** The group cannot separately determine extraction rates for its own FFB and for third party FFB; CPO extraction rate and CPO and CPKO yields are therefore calculated applying uniform extraction rates across all FFB processed

*** Of the group's total plantable land areas in 2024, 62,843 hectares are able to be certified in accordance with the RSPO's principles and criteria

Highlights

Overview

- Marked increase in profitability with EBITDA up 41.3 per cent to $61.6 million
- Debt profile and liquidity significantly improved
- Good progress in bringing stone and sand to commercial production

Financial

- Revenue increased by 6.3 per cent to $187.9 million (2023: $176.7 million) primarily reflecting higher average selling prices (net of export duty and levy) at $819 per tonne (2023: $718 per tonne) and CPKO at $1,094 per tonne (2023: $749 per tonne)
- Profit before tax of $38.9 million (2023: loss before tax of $29.2 million) principally due to higher revenues and positive non-routine items
- DSN group's subscription of further shares in REA Kaltim completed in March 2024 with final subscription proceeds of $53.6 million, increasing DSN's investment in the operating sub-group from 15 per cent to 35 per cent
- Successful discussions with Bank Mandiri to refinance maturing debt, with two new bank loans and one repackaged bank loan agreed and drawn during 2024
- Purchase and cancellation of £9.2 million nominal of sterling notes due for redemption in August 2025, leaving £21.7 million outstanding at 31 December 2024
- Group net indebtedness reduced to $159.3 million from $188.4 million (including CDM) at 31 December 2024; pre-sale advances reduced by $9.1 million
- Full discharge of outstanding arrears of preference dividend of $10.4 million (equivalent to 11.5p per preference share) in April 2024

Agricultural operations

- FFB harvested down 10.5 per cent to 682,522 tonnes (2023: 762,260) reflecting the widespread impact of drier weather conditions and reduced group hectarage due to the replanting programme
- Improved mill throughput with fewer breakdowns contributing to reduced labour costs
- Replanting and extension planting proceeding as planned (respectively, 1,531 and 1,037 hectares)

Stone and sand operations

- ATP now managed by the group and accounted for as a 95 per cent group subsidiary
- Stone production and sales started
- Sand operation close to commercial production

Sustainability and climate

- One of the first palm oil companies to be EUDR ready
- ZSL SPOTT score increased to 91.5 per cent (2023: 88.7 per cent)
- RSPO certified plantations increased to 84.4 per cent (2023: 79.7 per cent)
- Projects with smallholders to improve the sustainable component of the group's supply chain and promote sustainable palm oil production

Outlook

- Operational performance projected to benefit from continuing improvements to productivity and progressively increasing crops from currently immature areas reaching maturity
- Stone production to provide a significant addition to results with sand production following
- Debt profile and liquidity further improved by recent Bank Mandiri agreements for further loans and rephased repayment terms providing additional cash resources equivalent to $52.6 million
- Discussions at an advanced stage with holders of $17.5 million nominal of dollar notes, out of a total outstanding of $27.0 million and currently due for redemption in June 2026, to roll over their notes to December 2028
- Cash flow expected to be at good level in 2025 due to current firm CPO and CPKO prices

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Map

The map provides a plan of the operational areas and of the river and road system by which access is obtained to the main areas.

Key

M	Methane capture plant
	New capital city (IKN) under construction
	Oil mill
	Road
	Tank storage

Companies

Agricultural operations

	CDM	PT Cipta Davia Mandiri
	KMS	PT Kutai Mitra Sejahtera
	PU	PT Prasetia Utama
	REA Kaltim	PT REA Kaltim Plantations
	SYB	PT Sasana Yudha Bhakti

Stone operations

	ATP	PT Aragon Tambang Pratama

Sand operations

	MCU	PT Millenia Coalindo Utama

Chairman's statement

2024 saw a marked improvement in profitability of the group's operations. Higher selling prices more than offset the lower than expected production volumes that were reportedly widespread across the palm oil industry in Indonesia. Estate operating costs were also well controlled.

Group revenue for 2024 amounted to $187.9 million, $10.2 million (6.3 per cent) higher than that achieved in 2023, resulting in EBITDA of $61.6 million, up by 41.3 per cent from 2023. Operating profits amounted to $35.0 million, 135.6 per cent higher than in the previous year (2023: $14.8 million).

FFB harvested fell back by 10.5 per cent in 2024 to 682,522 tonnes (2023: 762,260 tonnes). The fall can be attributed to generally widespread lower crop yields resulting from past drier weather conditions that inhibited female flowering as well as to the reduction in mature hectarage due to the group's replanting programme. Third party FFB purchases were similarly lower than in 2023.

CPO, CPKO and palm kernel production for 2024 amounted to, respectively, 190,235 tonnes (2023: 209,994 tonnes), 18,086 tonnes (2023: 19,393 tonnes) and 44,286 tonnes (2023: 47,324 tonnes) with the group's three mills continuing to operate efficiently, with oil losses consistently minimised and below the standards for the industry. Mill capacity utilisation, as measured by average throughput per hour, saw further improvement during the year with fewer breakdowns contributing to reduced mill labour costs.

Replanting and extension planting continued on schedule with a total of 1,531 hectares of mature palms being replanted and a further 1,037 hectares of new plantings being established in the group's PU estate. Subject to availability of funding, these programmes are expected to continue during 2025 at a similar rate to that achieved in 2024.

Throughout 2024, the group continued to develop its leadership as a sustainable palm oil producer, cementing sustainability and climate action as core elements in all aspects of the group's business and long term strategy. In addition to maintaining 100 per cent RSPO certification for its three mills, the proportion of its RSPO certified plantations increased to 84.4 per cent from 79.7 per cent in 2023. The group also became one of the first palm oil companies to be independently verified as EUDR-ready, ensuring that the operations align with evolving regulatory requirements. To support smallholder inclusion, the group launched a programme designed to assist smallholders achieve RSPO certification and EU compliance. In 2024, the group's SPOTT score, in the assessment conducted by ZSL, increased to 91.5 per cent from 88.7 per cent in 2023, reinforcing the group's status as a leading sustainable palm oil producer.

Good progress was made throughout 2024 in bringing both the stone and sand operations to commercial production, although some permitting delays meant that their contribution to the group's financial results for the year was immaterial. Both operations, however, should start to make meaningful contributions in 2025. Following the change in its ownership structure, the stone company is now being managed and accounted for as a 95 per cent subsidiary of the company.

The CPO price, CIF Rotterdam, opened the year at $940 per tonne and remained firm during the first half of the year. The second half of the year saw prices strengthen considerably, largely as a consequence of generally lower CPO production and increased demand, closing at $1,265 per tonne at the end of 2024. The average selling price for the group's CPO during the year, including premia for certified oil but net of export duty and levy, adjusted to FOB Samarinda, was 14.1 per cent higher at $819 per tonne (2023: $718 per tonne) and the average selling price for CPKO, on the same basis, was 46.1 per cent higher at $1,094 per tonne (2023: $749 per tonne).

By contrast, average premia realised for sales of certified oil increased to just $14 per tonne (2023: $13 per tonne) for CPO sold with ISCC certification, and fell to $12 per tonne (2023: $15 per tonne) and $77 per tonne (2023: $213 per tonne) for, respectively, CPO and CPKO sold with RSPO certification.

Profit before tax for 2024 was $38.9 million (after an impairment write back of $3.1 million) compared with a loss of $29.2 million in 2023 (after impairment and similar charges of $26.1 million). Administrative costs, before deduction of amounts capitalised were broadly in line with those of 2023. Interest income amounted to $3.4 million (2023: $4.1 million). During the year there was a $6.6 million release of a provision for interest payable by the stone company. Other gains and losses included gains of $6.6 million from exchange movements, principally in relation to rupiah borrowings (2023: loss of $4.2 million). Finance costs in 2024 were slightly lower at $16.4 million (2023: $17.5 million).

Following completion in March 2024 of the issue of further shares in REA Kaltim to the DSN group, the group's ownership of REA Kaltim was diluted from 85 per cent to 65 per cent. At 31 December 2024, shareholders' funds less non-controlling interests amounted to $224.5 million (2023: $219.8 million) and non-controlling interests to $70.5 million (2023: $14.3 million).

The subscription monies received from the DSN group enabled the group to materially reduce group net debt, presale advances from customers, and to eliminate all arrears of dividend on the preference shares. Net debt at 31 December 2024 amounted to $159.3 million (2023: $178.2 million, excluding CDM net indebtedness of $10.2 million) and prepaid sales advances from customers to $8.0 million (2023: $17.1 million).

Dividends arising on the preference shares in June and December 2024 were paid on the due dates. As a priority, the group intends to continue to reduce its debt and accordingly does not intend at this time to declare any dividends on the group's ordinary shares.

Since the year end, further steps have been taken to improve the group's liquidity. In March 2025, agreements were concluded with Bank Mandiri to provide further term loans and to amend the repayment terms of certain existing loans to REA Kaltim and SYB, thereby providing the group with additional cash resources equivalent to $37.6 million. Additionally, Bank Mandiri has provided a new term loan to PU, equivalent to $15.0 million (of which $5.1 million has been drawn down) to assist in financing PU's continuing development programme.

The additional cash resources at the end of 2024, together with the further liquidity resulting from the enhanced bank facilities in Indonesia, will support the repayment in August 2025 of the sterling notes due, repayments falling due in the short term on existing borrowings, as well as the elimination of the remaining prepaid sales advances from customers.

The group intends further to improve the maturity profile of its debt by inviting holders of its $27.0 million nominal of dollar notes to roll over their notes until 31 December 2028, but with appropriate arrangements for those noteholders who do not wish to roll over their notes. Discussions are at an advanced stage with holders of $17.5 million nominal of dollar notes, who have confirmed their willingness, subject to agreement of detailed terms, to roll over their notes.

Building on the strategic initiatives of 2023, good progress was made in 2024 in addressing the legacy of excessive net indebtedness and simplifying the group structure. Net debt has reduced as detailed above and the group has assumed substantially full ownership and control of the stone operations. Discussions are in hand which are expected to lead to the sand operations becoming similarly owned and controlled by the group, facilitating savings in sand and stone overheads.

With liquidity improved, certainty as to the group's ability to retire the sterling notes, a stable outlook for CPO and CPKO prices, and operational performance benefitting from the substantial investments in infrastructure and factories in recent years allowing levels of capital expenditure to normalise, the group expects that its financial position will continue to strengthen. With financing costs continuing to reduce as net debt falls, the plantation operations should generate cash flows at good levels. With stone production expected to provide a valuable addition to 2025 results and a positive contribution from the sand mining operations also likely to follow, the prospects for the group are encouraging.

The group's much improved financial position and prospects contrast favourably with the group's situation in 2017 when Carol Gysin assumed the role of group managing director. Carol has decided to step down from that position at the end of 2025. I would like to express the board's appreciation of Carol's successful stewardship of the group during a difficult period. The board intends to appoint Luke Robinow to succeed Carol, confident that, after 17 years working for the group in Indonesia, latterly as President Director of REA Kaltim, Luke will drive the group's continued recovery and enable it to fulfil its potential.

DAVID J BLACKETT
Chairman

Strategic environment

Business model and resources

The group is principally engaged in the cultivation of oil palms in the province of East Kalimantan in Indonesia and in the production and sale of CPO and CPKO. Ancillary to these activities, the group generates renewable energy from its methane capture plants to provide power for its own operations and, at times, for sale to local villages via the Indonesian state electricity company, PLN. The group is also developing stone quarrying and sand mining operations with concessions located in East Kalimantan.

Detailed descriptions of the group's oil palm and related activities and information regarding the stone and sand activities are provided under, respectively, Agricultural operations and Stone and sand operations below.

The group and predecessor businesses have been involved for over one hundred years in the operation of agricultural estates growing a variety of crops in developing countries in South East Asia and elsewhere. Today, the group sees itself as marrying developed world capital and Indonesian opportunity by offering investors in, and lenders to, the company the transparency of a company listed on the LSE while using capital raised by the company (or with the company's support) to develop natural resource based operations in Indonesia from which the group believes that good returns can be achieved.

The knowledge and expertise gained from the group's long involvement in the plantation industry and experience in Indonesia represent significant intangible resources that underpin the group's credibility. This is important when sourcing capital, working with the Indonesian authorities in relation to project development and recruiting a high calibre experienced management team familiar with Indonesian regulatory processes and social customs and with a firm commitment to sustainable practices and respect for the environment. Other resources important to the group are its established base of operations, large and near contiguous land concessions, and a trained workforce with strong links to the local community.

Objectives and general strategy

The group's objectives are to provide attractive overall returns to investors in the shares and other securities of the company from the operation and expansion of the group's existing businesses and to foster social and economic progress in the localities of the group's activities, while maintaining high standards of sustainability, respect for the environment and addressing the impacts of climate change.

CPO and CPKO are primary commodities that are sold at prices determined by world supply and demand and the local regulatory environment. Such prices fluctuate in ways that are difficult to predict and that the group cannot control. The group's strategy for its agricultural operations is therefore to concentrate on minimising unit production costs, without compromising on quality or its objectives as respects sustainable practices, with the expectation that, by optimising efficiencies, the group will have greater resilience to downturns in prices than competitor producers.

The group adopts a two-pronged approach in seeking production cost efficiencies in the agricultural operations. First, the group strives continually to improve the productivity and efficiency of its established agricultural operations. Secondly, the group aims to capitalise on its available resources by developing its land bank as rapidly as logistical, financial and regulatory constraints permit while utilising the group's existing agricultural management capacity to manage the resultant larger business.

The stone and sand operations derive from original plans for the group to diversify in a limited way into mining activities. This diversification was initially by way of loans to a group of connected holding companies owning stone and coal concessions with the intention of ultimately acquiring majority equity interests in those companies. Changes in Indonesian mining regulations for a long time precluded implementation of such original planned equity ownership, but further changes to those regulations have altered the position and the group is now rationalising the structure of its mining interests as detailed in Stone and sand operations below.

Access to stone deposits offers a valuable resource for improving the durability of infrastructure in the group's agricultural operations and for sale to neighbouring companies for road building. With the stone operations located in close proximity to the agricultural operations, both operations can efficiently share management. Stone has the capacity to make a material contribution to group profits, and sand can provide a useful add-on to stone without significant additional overheads. The group's strategy for stone and sand is therefore to maximise production and sales while seeking to optimise productivity.

The group's financial strategy is discussed under Financing policies in Finance below.

The group recognises that its agricultural operations, of which the total assets at 31 December 2024 represented approximately 81 per cent of the group's total assets and which, in 2024, contributed substantially all of the group's revenue, lie within a single locality and rely on a single crop. This permits significant economies of scale but brings with it some risks. Whilst further diversification would afford the group some offset against these risks, the directors believe that the interests of the group and its shareholders will be best served by focusing on the growth and development of the existing operations. They therefore have no plans for further diversification, save as respects the mining of stone and sand as detailed in Stone and sand operations below.

Initiatives

During 2024 DSN, the Indonesian minority shareholder in REA Kaltim, increased its equity interest in REA Kaltim from 15 per cent to 35 per cent by way of a subscription of further shares in REA Kaltim. Concurrently, the group completed an intra-group sale and purchase of the group's new development estate, PU, such that the DSN group ceased to hold an indirect interest, through REA Kaltim, in PU and PU became a wholly owned subsidiary of the company. While the further DSN subscription diluted the company's interest in REA Kaltim from 85 per cent to 65 per cent, it provided an immediate and substantial cash injection to the group and permitted the group to retain control of its core operations.

The cash inflow resulting from such further subscription of shares in REA Kaltim, coupled with improved trading by the group, has been successful in eliminating in full all remaining arrears of dividend on the company's preference shares and in reducing the group's net indebtedness, which stood at $188.4 million at 31 December 2023, to the level of $159.3 million at 31 December 2024 (in both cases including the net indebtedness of CDM).

To the extent that circumstances permit, the directors aim to continue reducing the group's net indebtedness, whilst also taking steps to improve the maturity profile of the group's borrowings. As detailed in Finance below, in 2024 and 2025 to date, the group has been successful in agreeing several new bank loans which will replace indebtedness maturing in the short term with new indebtedness of significantly longer tenor. In addition, the group is well advanced in proposals to extend the maturity date of at least a proportion of the dollar notes and has recently secured the agreement of the two largest holders of dollar notes to support the proposals.

The group has recently concluded an agreement with a neighbouring company, Enggang, to take over the management of some 2,300 hectares of oil palms planted in areas adjacent to the group's estates. The group will be remunerated for its management services by a fixed fee of, initially, some $500,000 per annum and an incentive fee equal to 30 per cent of the component of Enggang's profit before tax attributable to the areas to be managed. The agreement is for a term of ten years. All FFB from the areas in question will be processed in the group's mills. The group already mills most of the FFB harvested from these areas, however FFB production should increase substantially with the planned rehabilitation and replanting programme for these areas, providing remunerative utilisation of the group's surplus milling capacity.

Succession planning

Carol Gysin, the company's managing director, has advised the company that she wishes to step down from her current position at the end of 2025. Carol has been managing director since the beginning of 2017 and has overseen a substantial recovery in the group's affairs during her tenure. The directors have agreed that Luke Robinow should be appointed as managing director in her place.

Luke, who is now aged 40, moved to Indonesia in 2008 to join REA Kaltim, the company's principal operating subsidiary. Initially employed on the REA Kaltim estates, he has over the 17 years since 2008 had experience of all aspects of the group's Indonesian operations and has had overall responsibility for those operations since 2018 when he was appointed President Director of REA Kaltim. The directors are confident that Luke has the skills and understanding of the group's business needed to drive the business forward.

With Luke continuing to reside in Indonesia, the directors recognise that there will be a requirement for a senior director based in London to oversee the group's London office and all administrative activities handled by that office. The directors are therefore grateful that Carol has agreed to assume that role and to continue as an executive director on a part time basis.

As the management of the group transfers to a younger generation, it is expected that the more longstanding non-executive members of the board will progressively retire. The directors intend that they should be replaced to the extent necessary to assure continuance of the board's ethnic and gender diversity aims and maintenance of the board's mix of skill sets.

The vegetable oil market

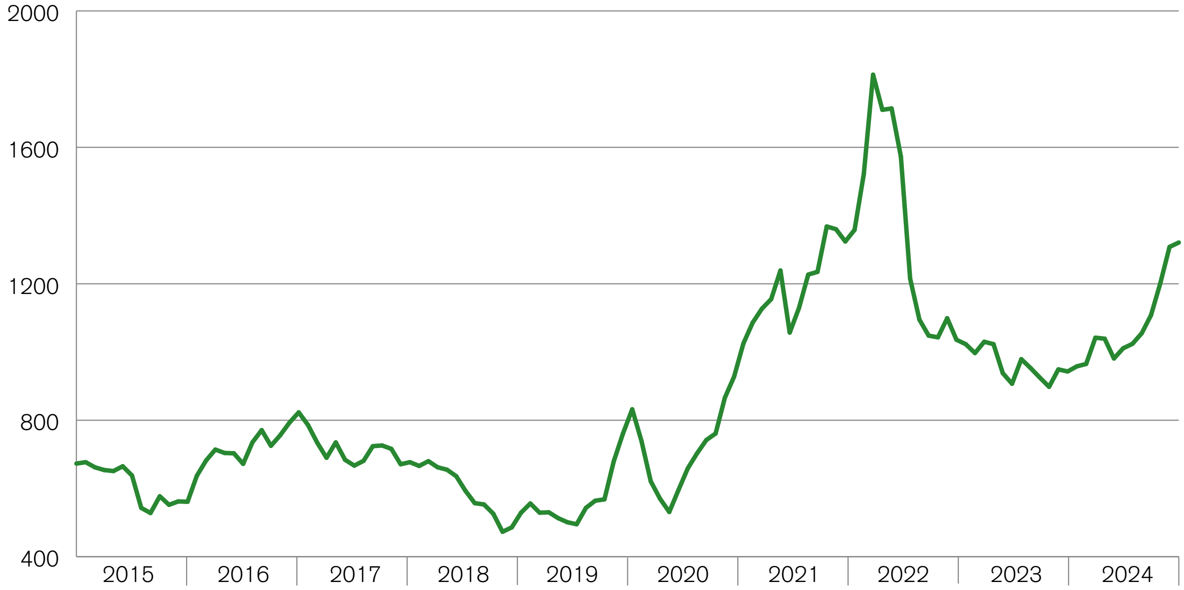
According to Oil World, in the year to 30 September 2024 worldwide production of the 17 major vegetable and animal oils and fats increased by 2.2 per cent to 259.8 million tonnes and consumption increased by 3.6 per cent to 261.2 million tonnes. For the same period, production and consumption of CPO represented, respectively, 80.1 million tonnes and 81.9 million tonnes. Production of the 17 vegetable and animal oils and fats is currently forecast by Oil World to increase by 1.2 per cent in 2025 to 262.9 million tonnes and consumption by 0.8 per cent to 263.3 million tonnes, of which CPO production is projected to account for 81.0 million tonnes and consumption 80.3 million tonnes, representing some 31 per cent of the total.

Vegetable and animal oils and fats have conventionally been used principally for the production of cooking oil, margarine and soap. Consumption of these basic commodities correlates with population growth and, in less developed areas, with per capita incomes and thus economic growth. Demand for vegetable and animal oils and fats for these uses is therefore driven by the increasing world population and economic growth in the key markets of Indonesia, China and India.

The principal competitors of CPO are the oils from the annual oilseed crops, the most significant of which are soybean, oilseed rape and sunflower. Since the oil yield per hectare from oil palms (at up to seven tonnes) is much greater than that of the principal annual oilseeds (less than one tonne), CPO can be produced more economically than the principal competitor oils and this provides CPO with a natural competitive advantage within the vegetable oil and animal fat complex. Within vegetable oil markets, CPO should also continue to benefit from health concerns in relation to trans-fatty acids. Such acids are formed when vegetable oils are artificially hardened by partial hydrogenation. Polyunsaturated oils, such as soybean oil, rape oil and sunflower oil, require partial hydrogenation before they can be used for shortening and other solid fat applications, but CPO does not.

Strategic environment
continued

CPO monthly average price (USD)



Vegetable and animal oils and fats can also be used to make biofuels and, in particular, biodiesel. In recent years, biofuel has become an increasingly important factor in the vegetable oil markets. According to Oil World, biofuel production in the year to 30 September 2024 accounted for some 21 per cent of global consumption of the 17 major vegetable and animal oils and fats. An increasing element of biofuel use reflects government mandates. In Indonesia, for example, fuel for use in transport and in power stations is, in each case, required to contain a stipulated minimum percentage of biodiesel. As a result, an increasing amount of Indonesian CPO is being converted to biodiesel for internal consumption.

The Indonesian government applies duties and tariffs on exports of CPO and CPKO. These tariffs are calculated on a sliding scale by reference to a CPO reference price that is set periodically by the Indonesian government on the basis of recognised benchmark CPO prices. Export levy is payable to a dedicated fund that utilises levy income to support measures designed to benefit the growing of oil palms in Indonesia. Export duty is a tax payable to the Indonesian government. The applicable tariffs, which are adjusted from time to time, are published on the group's website at www.rea.co.uk/investors/cpo-export-tariffs.

The group sells CPO into the local Indonesian market which is not subject to export levy or export duty. However, arbitrage between the Indonesian and international CPO markets normally results in a local price that is broadly in line with prevailing international prices after adjustment of the latter for delivery costs and export tariffs and restrictions. Changes to export tariffs and restrictions therefore have an indirect effect on the prices that the group achieves on sales of its CPO.

A graph of CPO monthly average prices, CIF Rotterdam, for the ten years to 31 December 2024, as derived from prices published by Oil World, is shown above. The monthly average price over the ten years has moved between a high of $1,990 per tonne and a low of $439 per tonne. The monthly average price over the ten years as a whole has been $851 per tonne.

Opening 2024 at $940 per tonne, CIF Rotterdam, prices steadily increased to peak at $1,390 per tonne in mid December and ended the year at $1,265 per tonne. Despite some increased volatility since the start of 2025, CPO prices have remained comfortably above the $1,000 per tonne mark and currently stand at $1,140 per tonne.

These historically high CPO prices reflect the lower levels of CPO production seen during 2024. Whilst there may be some recovery in production going forward, supplies remain tight and are expected to remain thus as Indonesia continues to push increased use of biodiesel in transport fuel. This encourages the hope that, notwithstanding the uncertainties regarding international tariffs and the US commitment to biofuels, prices will be sustained at levels above the average for 2024.

The Indonesian context

In February 2024 Indonesia held its sixth fully democratic elections since former President Soeharto stood down in May 1998. The pairing of Prabowo Subianto (Presidential candidate), the former Minister of Defence running for the presidency for the third time, and Gibran Rakabuming Raka, son of the former President Jokowi (Vice Presidential candidate) resulted in an electoral success. Despite court challenges by the two losing candidates, in April 2024, Prabowo and Gibran were declared winners with over 58.5 per cent of the vote and were inaugurated in October 2024.

Notwithstanding continuing global economic challenges and increasing geopolitical tensions, the Indonesian economy grew by 5.03 per cent in 2024 (2023: 5.05 per cent). The new government has committed to increasing economic growth to 8.0 per cent per annum by the end of their four year term, focusing on expanding downstream processing capacity for Indonesian commodities, services and tourism, housing and construction, the digital economy, technology and green energy.

On 1 January 2025, President Prabowo, delivering on one of his key campaign commitments, announced a new regulation to implement a biofuel blend based on 40 per cent CPO (B40) and 60 per cent diesel by the end of March 2025. Once fully implemented, this new regulation will lead to significantly higher domestic consumption of CPO than under the previous B35 blend. With Indonesian CPO production now relatively static at around 47 million tonnes per annum and increasing domestic demand for food and soap products containing CPO, the volume of palm oil available for export will inevitably decline. This is likely to support both domestic and international CPO prices.

The reported Indonesian annual inflation rate in 2024 of 1.57 per cent is the lowest achieved in the last two decades, 2023 being the previous low at 2.61 per cent. The 2024 fiscal deficit was contained at 2.29 per cent (2023: 1.7 per cent), well within the 3.0 per cent limit permitted by current Indonesian law.

The US dollar to Indonesia rupiah exchange rates fluctuated considerably during 2024. Starting the year at Rp 15,416 = $1, the currency then weakened to Rp 16,450 = $1 in mid June, strengthened again to Rp 15,100 in September, but then again weakened to Rp 16,162 = $1 at the end of 2024. The rupiah has weakened further since the start of 2025 and is currently trading in a range +/- Rp 16,773 = $1. Despite this weakness, the Bank of Indonesia has maintained its base rate at 6.0 per cent since September 2024.

Evaluation of performance

In seeking to meet its expansion, efficiency and sustainability objectives, the group sets operating standards and targets for most aspects of its activities and regularly monitors performance against those standards and targets. For many aspects of the group's activities, there is no single standard or target that, in isolation from other standards and targets, can be taken as providing an accurate continuing indicator of progress. In these cases, a collection of measures has to be evaluated and a qualitative conclusion reached.

The directors do, however, rely on regular reporting of certain KPIs that are comparable from one year to the next, in addition to monitoring the key components of the group's profit and loss account and balance sheet. These performance indicators are summarised in the Glossary below.

Quantifications of the indicators for 2024 with, where available, comparative figures for 2023 are provided in the succeeding sections of this report, with each category of indicators being covered in the corresponding section of the report.

Agricultural operations

Structure

All of the group's agricultural operations are located in East Kalimantan and have been established pursuant to an understanding dating from 1991 whereby the East Kalimantan authorities undertook to support the group in acquiring, for its own account and in cooperation with local interests, substantial areas of land in East Kalimantan for planting with oil palms.

The group's core agricultural land areas, the first of which was acquired in 1991 and planted in 1994, are owned by REA Kaltim, together with REA Kaltim's wholly owned subsidiaries. REA Kaltim is owned as to 65 per cent by a group company and as to 35 per cent by DSN. A separate agricultural land area, into which the group is currently expanding its oil palm plantings, is held by PU, a wholly owned subsidiary of the company.

DSN is an Indonesian natural resources company listed on the Indonesia Stock Exchange in Jakarta and is engaged in the cultivation of oil palm plantations, the processing of oil palm fruit and the manufacture of wood products, with plantation estates based in East, Central and West Kalimantan.

Land areas

The group's operations are located some 140 kilometres north-west of Samarinda, the capital of East Kalimantan, and lie either side of the Belayan River, a tributary of the Mahakam, one of the major river systems of South East Asia. The SYB areas are contiguous with the REA Kaltim areas and together these form a single site falling within the Kutai Kartanegara regency of East Kalimantan. The CDM and KMS areas are located in close proximity of each other in the East Kutai regency of East Kalimantan. KMS lies less than 30 kilometres to the east of the REA Kaltim areas whereas CDM lies some 70 kilometres north-west of the REA Kaltim administrative centre. Land held by PU is adjacent to the land areas held by REA Kaltim and SYB.

Historically, the REA Kaltim estates and adjacent areas could only be accessed by river but, in 2015, a government road was constructed between Tabang (a town to the north of the REA Kaltim estates) and Kota Bangun connecting via a bridge over the Mahakam River with an existing road from Kota Bangun to Samarinda. This road passes through the REA Kaltim estates and provides the group with alternative transport options which are of particular value when excessively dry periods limit river access to the estates. A bridge across the Senyiur River links REA Kaltim with the KMS and CDM areas.

In 2023, a local coal company, which mines areas adjacent to SYB's northern estate, constructed a haul road starting to the north of the PU estate, crossing the Belayan River by way of a newly constructed bridge and then, by agreement, passing through the group's estates and on to the Mahakam River. The new bridge over the Belayan is already helpful to the group in transporting produce and other items between the group estates that lie to each side of the river. Additionally, the haul road potentially provides the group with a valuable alternative land route for evacuating its produce at times when river access to the estates is limited. Moreover, the access afforded to the Mahakam River would, if a loading point was established on the Mahakam, permit evacuation of CPO in larger barges than can then be accommodated at the group's existing estate loading points.

Although the 1991 understanding established a basis for the provision of land for development by, or in cooperation with, the group, all applications to develop previously undeveloped land areas must be agreed by the Indonesian Ministry of Forestry and have to go through a titling and permit process. This process begins with the grant of an allocation of Indonesian state land by the Indonesian local authority responsible for administering the land area to which the allocation relates (an *Izin Lokasi*). Allocations are normally valid for periods of between one and three years but may be extended if steps have been taken to obtain full titles.

After a land allocation has been obtained (either by direct grant from the applicable local authority or by acquisition from the original recipient of the allocation or a previous assignee), the progression to full title involves environmental and other assessments to delineate those areas within the allocation that are suitable for development, settlement of compensation claims from local communities and other necessary legal procedures that vary from case to case. The titling process is then completed by a cadastral survey (during which boundary markers are inserted) and the issue of a formal registered land title certificate (a *Hak Guna Usaha* or HGU). Separately, central government and local authority permits are required for the development of land. Renewal of the group's earliest HGUs that were approaching the end of their initial validity period in the next few years was successfully concluded in 2023.

The group's fully titled agricultural land, at 31 December 2024, totalled 63,617 hectares. In addition to that land, at 31 December 2024, the group held land allocations in CDM of 5,454 hectares representing land that was originally zoned for use under the Indonesian transmigration scheme and held by CDM pursuant to a former licence (which is currently under renewal) issued by the Indonesian Ministry of Transmigration.

Details of the land areas held by the group as at 31 December 2024 are set out below:

Plantation land areas	Hectares
Fully titled land	
CDM	9,784
KMS	7,321
PU	9,097
REA Kaltim	29,442
SYB	7,973
Fully titled*	63,617
Land subject to completion of titling	
CDM	5,454

* Of the group's total plantable land areas in 2024, 62,843 hectares are able to be certified in accordance with the RSPO's principles and criteria

Areas the subject of land allocations may be reduced on renewal of allocations and further reduced on full titling, or renewal of full titles, when land the subject of conflicting claims or reallocated for smallholder cooperatives may be excluded.

Not all areas in respect of which full HGU titles are issued can be planted with oil palms. Some land may be unsuitable for planting, HCV areas must not be developed, and some land will be required for roads, buildings and other infrastructural facilities. The directors believe that currently unplanted fully titled land and existing land allocations, augmented by some potentially available adjacent plots, should permit extension of the group's existing oil palm plantings by between 5,000 and 10,000 hectares.

With land prices rising, increasing interest in plantation development and sustainability obligations severely restricting land development, plantable land is much less available than was the case in 1991 when the group was first established in East Kalimantan. Moreover, the Indonesian government now applies a "use it or lose it" policy to land. Pursuant to this policy, land allocations and titles may be rescinded if the land concerned is not utilised within a reasonable period for the purposes for which it was allocated. The group must therefore manage its land bank carefully to ensure that it can demonstrate clear plans for the utilisation of its undeveloped land holdings, subject to the group's environmental policies and sustainability obligations. The group does not believe that any land now intended for further expansion is likely to be lost as a consequence of this government policy.

Land development

Areas planted as at 31 December 2024 amounted in total to 35,872 hectares, having a weighted average age of 16.8 years. Mature plantings comprised 31,605 hectares.

The breakdown by planting year of the total of 35,872 hectares planted is shown below:

Planted areas*	Hectares
Mature areas	
1995	611
1996	1,896
1997	2,269
1998	4,333
1999	351
2000	874
2004	3,190
2005	2,280
2006	3,361
2007	3,446
2008	936
2009	124
2010	666
2011	578
2012	1,926
2013	1,814
2014	79
2015	1
2016	1,858
2017	801
2018	211
	31,605
Immature areas	
2021	140
2022	327
2023	1,232
2024	2,568
	4,267
	35,872

* Planted areas that complete a planned planting programme for a particular year but are planted in the early months of the succeeding year are normally allocated to the planting year for which they were planned

Replanting and extension planting continued on schedule during 2024. A total of 1,531 hectares were replanted, principally representing mature oil palms dating from 1994 to 1997. A further 1,037 hectares of new plantings were established in PU. Other changes to planted areas are accounted for as follows: 940 hectares of 2010 to 2017 plantings being re-allocated to plasma in CDM; and 249 hectares of 2010 to 2017 plantings being transferred from the group's Satria estate to the neighbouring coal company that has constructed the road through that estate and down to the Mahakam River as described under Land areas above.

Extension planting in areas adjacent to the existing developed areas offers the prospect of good returns. It remains the policy of the directors to continue the group's extension planting programme within the framework of the group's sustainability criteria, and when funding so permits, so that, over time, all suitable undeveloped land available to the group (other than areas set aside by the group for conservation) will be planted with oil palms. As previously acknowledged, such expansion involves a series of discrete annual decisions as to the area to be planted in each forthcoming year and the rate of planting may be accelerated or scaled back in the light of prevailing circumstances. Subject to availability of funding, the group aims, during 2025, to continue replanting of older areas and extending its planted areas at the PU estate at a similar rate to that achieved in 2024.

The group sizes its nurseries to ensure availability of seedlings to meet the group's planned replanting and extension planting programmes.

Processing and transport facilities

The group operates three oil mills, POM, COM and SOM, in which the FFB crops harvested from group and smallholder areas are processed into CPO and palm kernels. POM and COM date from 1998 and 2006 respectively and each is designed to have an effective processing capacity of 80 tonnes per hour. SOM, operating since 2012, initially had a capacity of 45 tonnes per hour but an extension completed in 2023 has doubled its capacity.

Following the substantial investment over the past few years in the expansion of SOM and in the renovation of POM and COM, all three mills are operating with good reliability and maximising throughput. Processing capacity should remain ample for some time for the group's own FFB crops and for the volume of FFB expected to be purchased from third parties. The mills will continue to require regular replacement and upgrading of mill machinery, but with two boilers in each mill providing resilience and facilitating downtime for this ongoing programme, the annual investment entailed should be less prone to fluctuation than in recent years.

The sufficiency of processing capacity allowed the group, during 2024, to install verifiable processes and control systems for producing segregated oil at one of its three mills (COM). Segregated certified CPO normally commands a price premium.

COM and SOM incorporate, within their overall facilities, palm kernel crushing plants in which palm kernels are further processed to extract the CPKO that the kernels contain. Each kernel crushing plant has a nominal design capacity of 150 tonnes of kernels per day. The installed capacity is sufficient to process current kernel output from the group's three oil mills.

A fleet of river barges for transporting CPO and CPKO is used in conjunction with tank storage adjacent to the oil mills and a transhipment terminal owned by the group downstream of the port of Samarinda. The core river barge fleet, which is operated under time charter arrangements to ensure compliance with current Indonesian cabotage regulations, comprises a number of small vessels, ranging between 750 and 2,000 tonnes. These barges are used for transporting CPO and CPKO from the estates to the transhipment terminal for bulking and then either loading to buyers' own vessels on an FOB basis or for loading to a 4,000 tonne seagoing barge. The seagoing barge, also operated under a time charter arrangement, makes deliveries on a CIF basis to customers operating refineries along the coast of East Kalimantan. On occasion, the group also spot charters additional barges for shipments and to provide temporary storage if required.

The current river route downstream from the mature estates follows the Belayan River to Kota Bangun (where the Belayan joins the Mahakam River), and then the Mahakam through Tenggarong, the capital of the Kutai Kartanegara regency, to Samarinda, the East Kalimantan provincial capital, and ultimately through the Mahakam delta into the Makassar Straits.

During periods of lower rainfall (which normally occur for short periods during the drier months of May to August of each year), river levels on the upper part of the Belayan become more volatile. CPO and CPKO must then be transferred by road from the mills to a point some 70 kilometres downstream at Pendamaran where the group has established a permanent loading facility and where the year round loading of barges of up to 2,500 tonnes is possible. The group uses a combination of its own fleet of trucks and contractors' trucks to transport CPO and CPKO from the oil mills either to the usual loading points on the upper reaches of the Belayan or to the downstream loading point at Pendamaran.

The new road through the group's Satria estate and on to the Mahakam River would, as discussed under **Land areas** above, provide an alternative option for evacuation of CPO and CPKO if the group established a loading point on the Mahakam at the end of the road.

Flexibility of delivery options is helpful to the group in its efforts to minimise CPO and CPKO stocks and optimise the net prices, FOB port of Samarinda, that it is able to realise for its produce. Moreover, the group's ability to deliver CPO on a CIF basis, buyer's port, allows the group to make sales without exposure to the collection delays sometimes experienced with FOB buyers. The majority of CPO sales are currently made CIF to an Indonesian refinery in East Kalimantan, which can be easily accessed from the group's bulking terminal on the Mahakam River.

In conjunction with the new installations for producing segregated CPO at COM, during 2024 the group's bulking terminal also completed the installation of an additional unloading and loading pipeline to allow for the segregation of fully certified CPO into separate storage tanks. The group's bulking terminal now houses three sets of unloading pipelines for CPO which facilitate short unloading times for the fleet of river barges, as well as two loading pipelines for loading CPO to the 4,000 tonne seagoing barge.

Crops and extraction rates

Key agricultural statistics for the year were as follows:

	2024	2023
FFB harvested (tonnes)		
Group	682,522	762,260
Third party	210,594	231,823
Total	893,116	994,083
Production (tonnes)		
Total FFB processed	857,575	949,701
FFB sold	34,192	45,032
CPO	190,235	209,994
Palm kernels	44,286	47,324
CPKO	18,086	19,393
Extraction rates (per cent)		
CPO	22.2	22.1
Palm kernels	5.2	5.0
CPKO*	40.6	40.2
Rainfall (mm)		
Average across the estates	2,707	3,225

* Based on kernels processed

Group FFB production for 2024 fell some 10 per cent below production in 2023. Albeit that crop levels were weighted to the second half of the year, this weighting was less pronounced than usual with no discernible peak period as typically occurs in the latter months of the year. The lower overall level of production and absence of a peak period is attributed to drier weather having inhibited female flowering in an earlier period and is reported to have been widespread across Indonesia. Additionally, the group's lower crop volumes reflected the reductions in hectarage following clearing of mature areas for replanting.

Third party FFB was similarly impacted by the climatic factors that reduced production generally and, in turn, CPO production mirrored the drop in total FFB processed.

The CPO extraction rate for the year averaged 22.2 per cent, consistently in the upper quartile when compared against local benchmarks. Oil losses in the mills remain comfortably below the minimum standards for the industry. Under experienced engineering management and with the benefit of recent substantial investments, improvements in operating efficiency and capacity utilisation in the group's three mills were reflected in increased average throughput per hour, fewer breakdowns, and a consequent reduction in labour costs.

The group's own FFB crop for the first quarter of 2025 was 160,103 tonnes compared with 166,456 tonnes harvested during the same period in 2024, but with the current year crop coming from a mature area that has been reduced by the continuing replanting programme. Third party FFB amounted to 50,049 tonnes against 50,237 tonnes for 2024. The CPO extraction rate for the quarter averaged 22.0 per cent against the 22.3 per cent rate for the same period in 2024. The 2023 comparatives have been adjusted to reflect settlement agreements reached in 2024 in respect of plasma allocations at CDM.

The rolling out of various initiatives, including improvements to infrastructure and reorganisation and upskilling of field management, should support improvements to production and extraction rates in 2025.

Revenues

During 2024, all of the group's CPO and CPKO was sold in the local Indonesian market, reflecting continuing good demand from easily accessible local refiners. The group has established relationships with each of the four main refineries now operating locally. Competition between these refineries ensures that prices achieved are competitive.

CPO and CPKO sales are made on contract terms that are comprehensive and standard for each of the markets into which the group sells. The group therefore has no current need to develop its own terms of dealing with customers. CPO and CPKO are widely traded and the group does not see the concentration of its sales on a small number of customers as a significant risk. Were there to be problems with any one customer, the group could readily arrange for sales to be made further afield and, whilst this could result in additional delivery costs, the overall impact would not be material.

Whilst the group has never ruled out making forward sales at fixed prices, the fact that export levy and export duty are levied on prices prevailing at date of delivery, not on prices realised, acts as a disincentive to making forward fixed price sales. This is because a rise in CPO prices prior to delivery of fixed price forward sales will mean that the group will not only forego the benefit of a higher price but may also pay export levy and duty on, and at rates calculated by reference to, a higher price than it has obtained. No deliveries were made against forward fixed price sales of CPO or CPKO during 2024 and the group currently has no sales outstanding on this basis. The group's sales are for the most part priced approximately four weeks ahead of delivery. This means that there is a lag of four weeks in the impact on the group of price movements in the CPO and CPKO markets.

Arrangements with the group's customers for the provision of funding in exchange for forward commitments of CPO and CPKO, on the basis that pricing is fixed at the time of shipment by reference to prevailing prices, are continuing into 2025, with buyers continuing to seek secure oil supplies. The average selling price for the group's CPO for 2024, including premia for oil with certified sustainability credentials, net of export duty and levy, adjusted to FOB Samarinda, was $819 per tonne (2023: $718 per tonne). The average selling price for the group's CPKO, on the same basis, was $1,094 per tonne (2023: $749 per tonne).

Agricultural operations

continued

Sales of CPO and CPKO are shown below:

	2024			
	CPO		CPKO	
	tonnes	%	tonnes	%
RSPO sales	99,052	51.5	10,661	56.1
ISCC sales	16,012	8.3	–	–
RSPO sold as non-certified	31,051	16.3	4,945	26.0
ISCC sold as non-certified	87	0.0	–	–
Non-certified	45,710	23.8	3,400	17.9
Total	192,912	100.0	19,006	100.0
Average premium for RSPO certified sales	$12		$77	
Average premium for ISCC certified sales	$14		n/a	

	2023			
	CPO		CPKO	
	tonnes	%	tonnes	%
RSPO sales	45,830	21.7	2,392	12.0
ISCC sales	42,321	20.0	–	–
RSPO sold as non-certified	22,153	10.5	10,680	53.7
ISCC sold as non-certified	16,219	7.7	–	–
Non-certified	84,624	40.1	6,826	34.3
Total	211,147	100.0	19,898	100.0
Average premium for RSPO certified sales	$15		$213	
Average premium for ISCC certified sales	$13		n/a	

Operating efficiency

The costs specifically attributable to the group's agricultural operations principally comprise: direct costs of harvesting, processing and despatch; direct costs of upkeep of mature areas; estate and central overheads in Indonesia; and financing costs. The group's strategy, in seeking to minimise unit costs of production, includes maximising yields per hectare and seeking efficiencies in overall costs.

The group's operations lie in an area where average rainfall levels are high. The group endeavours to capitalise on this advantage by striving to achieve economic efficiencies and best agricultural practice. In particular, careful attention is given to ensuring that new oil palm areas are planted with high quality seed from proven seed gardens and that all oil palm areas receive appropriate husbandry.

Methane from the group's two methane capture plants using bio waste, which were commissioned in 2012, drives seven generators each of one megawatt capacity. This provides four to six megawatts of power for the group's own use and has largely eliminated the use of diesel gensets on the REA Kaltim and SYB estates with consequential material savings in energy costs. For some years, the group's additional generating capacity was used to supply power to villages and sub-villages surrounding the group's estates by way of the local grid owned by the Indonesian state electricity company, PLN. Recently, however, the local grid has been connected to the national grid which has gradually reduced PLN's reliance on power supplied by the group. The group now supplies power to the grid as and when required. By contrast, the group's own requirement for electricity has steadily increased with electrification of newly installed dewatering pumps and other formerly diesel powered equipment, for which surplus generating capacity is critical to avoid power interruptions. Revenue from sales of green electricity to PLN amounted to some $210,000 in 2024, compared with $594,000 in 2023.

In addition to reducing energy costs, the two methane capture facilities have substantially reduced the group's GHG emissions. The mooted construction of a third methane capture plant at SOM, with a view to producing biogas for power generation at SOM and potentially for sale to neighbouring companies or for upgrading to compressed biomethane gas to replace diesel used by the group's vehicle fleet, remains under consideration but, for the moment, is regarded as a lower priority than more immediately pressing capital expenditure projects.

The group continues to implement other cost saving initiatives as opportunities arise and technologies develop. Such initiatives have included measures to reduce the use of pesticides, manufacture of *batako* bricks for housing using a mixture of cement and boiler ash from the mills, and switching to using compound fertiliser, in place of separate applications of the various component fertiliser inputs, to reduce the labour requirement for fertiliser application. Additionally, the group has significantly enhanced its in house fabrication capacity on the estates in order to reduce reliance on contractors, which has improved the quality of parts and reduced response times for replacements and repairs.

The opening of the andesite quarry (discussed under Stone and sand operations below) is allowing the group to press ahead with progressively building a stone base to all the group's roads so as to convert these into all-weather roads. Better quality roads are improving logistical efficiency and reducing operating and maintenance costs, particularly during periods of heavy rainfall.

Stone and sand operations

Structure

The stone and sand operations derive from original plans for the group to diversify in a limited way into mining activities. This diversification was initially by way of loans to a group of connected holding companies owning stone (ATP) and coal (IPA and PSS) concessions, located in East Kalimantan. The loans were made by the group in conjunction with arrangements which were intended to permit the group to acquire majority equity interests in the concession holding companies.

Changes in Indonesian mining regulations for a long time precluded implementation of such originally planned equity ownership, but further changes to those regulations have altered the position. Accordingly, as previously reported, the group has implemented the original agreement under which it had the right to acquire majority ownership of ATP, albeit that formal registration of its ownership remains subject to completion of Indonesian regulatory requirements.

The coal mining concessions originally comprised a high calorific value coal deposit near Kota Bangun (held by IPA) and the lower grade Liburdinding concession (held by PSS) in the southern part of East Kalimantan. Mining of the IPA concession between 2021 and 2023 permitted recovery of substantially all group loans to IPA but, at current coal prices, mining of the remaining coal at IPA and of the PSS concession is considered to be uneconomic. Accordingly, the group has withdrawn from providing further funding to IPA and PSS (except, as respects IPA, to the extent required for closure of the former coal mining activities), has relinquished its rights to acquire a majority equity interest in PSS and will rely on a guarantee given by ATP of loans made to PSS for recovery of those loans.

The group is, however, continuing its involvement with IPA because, in 2022, substantial silica (quartz) sand deposits were identified in the coal concession area held by IPA. Under Indonesian law, sand mining and coal mining are subject to separate licensing arrangements which must be held by separate legal entities. The rights to mine the sand deposits have been obtained by MCU.

Under a joint venture agreement with the shareholders of MCU in 2022, the group agreed that, once all licences necessary for mining had been secured by MCU, it would subscribe shares in MCU representing a 49 per cent interest in MCU and would, in the meanwhile, provide loans to MCU to finance pre-production expenditure. This agreement remains in place but, following recent discussions with the shareholders of MCU, the group now expects to increase the number of shares in MCU that it will subscribe so as to hold a 95 per cent controlling interest once MCU has been brought into commercial operation. Shares subscribed in MCU by the group will be paid up by conversion of existing group loans to MCU.

Given that IPA and MCU have concessions involving overlapping deposits within the same physical area, the group believes that splitting ultimate ownership of the two companies would be likely to create conflicting interests and operational challenges. Accordingly, it has been agreed that MCU should assume ownership of IPA (which has hitherto been substantially owned by ATP). The retention of IPA by MCU may provide the opportunity for the group to recover some further value from IPA should coal prices return to higher levels or the mining of sand in the overburden above the limited remaining coal seams reduce the applicable stripping ratio and improve the economic potential of the residual coal.

In mid 2024, the group took over full responsibility for the management of ATP. Accordingly, ATP is being treated as a 95 per cent subsidiary of the company with effect from then.

ATP and MCU have appointed the company's 95 per cent subsidiary, KCCRI, to act as their marketing agent in connection with the sale of their stone and sand production and have agreed to pay KCCRI appropriate sales related commissions for this service.

Stone operations

ATP is located some 15 kilometres to the north-west of SYB's northern-most plantation. The concession comprises substantial deposits of high grade andesite stone. Access to this stone offers a valuable resource, both for improving the durability of infrastructure in the group's operations and for sale to neighbouring companies for road building. Moreover, the profits from quarrying such deposits has the potential to make a significant contribution to group results.

Development of the stone concession progressed towards commercial production throughout 2024 with permits obtained to extend the area in which the concession can be mined and extensive work to improve the roads to the east and west of the concession completed to permit more efficient access. With the access roads to the ATP quarry open and two contractors working on site, some 75,000 tonnes of stone were produced, and the first volumes of some 40,000 tonnes had been sold and delivered by the end of the year.

An unexpected delay in renewing one permit has meant that production and sales did not accelerate as rapidly as had been hoped during the first quarter of 2025. The required permit has now been renewed and ATP still expects to scale up production steadily throughout 2025, with a target of 100,000 tonnes per month. Production may be increased further in accordance with demand. Local demand for crushed stone for infrastructure projects is strong and the majority of sales will be to neighbouring coal companies for road building. ATP has now concluded offtake agreements for delivery of 290,000 tonnes of stone during 2025 and 2026 with a sales value ex quarry of some $6.5 million. ATP expects to conclude further offtake agreements with other interested purchasers.

Stone and sand operations

continued

To date, production has been from large boulders found across the ATP concession area as a result of past rock falls, but good progress is being made in establishing access to the west face of the andesite deposit which will permit ATP to start bench quarrying on that face and step up production in the coming months. In the interim, clearance of access to the west face is providing increasing volumes of loose rock for crushing and sale.

Sand operations

As noted under Structure above, MCU's sand concession is near Kota Bangun and comprises silica (quartz) sand deposits within the IPA coal concession area, in part within the overburden overlaying the remaining coal deposits. The sand is suitable for premium uses such as glass making, solar panels and technological components.

Arrangements for sand production progressed well in 2024, MCU having agreed production arrangements with IPA's coal mining contractor (who already has equipment on site) on terms similar to those that previously applied to mining coal at IPA. Pursuant to such terms, the contractor funds all necessary expenditure on infrastructure, land compensation and mobilisation (such expenditure to be reimbursed on an agreed basis from the proceeds of future sand sales) and the profit contribution from MCU sand sales (representing the excess of the net proceeds of such sales over the direct costs) will be shared between MCU and the contractor in the approximate proportion 70:30. By the end of 2024, some 16,000 tonnes of sand had been stockpiled.

The contractor is now commissioning a sand washing plant and thereafter expects to be in a position to produce some 50,000 tonnes of sand per month, in due course scaling up to some 100,000 tonnes per month. The market for sand appears to be large, but under greater price pressure than the market for stone. Nonetheless, offtake agreements should be at prices and for volumes that will support commercial production so that sand mining can be expected to start providing a useful contribution to group profits.

Port operations

Although mining of coal at IPA has now ceased, other companies in the vicinity are continuing to mine and sell coal. These third parties are utilising IPA's loading point on the Mahakam River to evacuate their coal production for which IPA receives modest fee revenue.

Finance

Accounting policies

The group continues to report in accordance with UK adopted IFRS and the company continues to report under FRS 101. Both the group and the company present their financial statements in dollars.

There have been no changes to the group's accounting policies as a consequence of new standards and amendments that are mandatorily effective for accounting periods beginning on or after 1 January 2024 as such new standards and amendments do not impact the disclosures or amounts reported by the group.

Consolidated group

Due to ongoing discussions with DSN, which at the time had a priority right to acquire CDM, at 31 December 2023 the assets of CDM were reported in the consolidated balance sheet as Assets classified as held for sale and the liabilities of CDM as Liabilities directly associated with assets held for sale. As previously reported, DSN confirmed at the end of June 2024 that they would not exercise their right to purchase CDM and CDM was reconsolidated at its recoverable amount at 30 June 2024, assumed to be equivalent to the DSN valuation. The impairment of $23.6 million in respect of CDM that had been recognised in the 2023 consolidated financial statements was allocated against non-current asset categories and deferred tax.

As noted under **Stone and sand operations** above, the stone company has been consolidated from 1 July 2024 on the basis on 95 per cent ownership. This has resulted in the derecognition of the group loans to that company, the consolidation of its assets and liabilities in the consolidated balance sheet as at 31 December 2024, a fair value adjustment to its mining asset of $58.9 million, and the inclusion of its results from 1 July 2024 in the consolidated income statement for the year ended 31 December 2024.

Group results

Group revenue, operating profit and profit before tax for 2024 (with comparative figures for 2023), were as follows:

	2024 $'m	2023 $'m
Revenue	187.9	176.7
Operating profit	35.0	14.8
Profit / (loss) before tax	38.9	(29.2)

In comparing profit before tax for 2024 with the loss before tax of 2023, account needs to be taken of gains / (losses) on disposals of subsidiaries and similar charges, foreign exchange movements and other non-routine items. The following table shows the effect of excluding these items:

	2024 $'m	2023 $'m
Profit / (loss) before tax	38.9	(29.2)
Exclude:		
Gains / (losses) on disposal of subsidiaries and similar charges	(3.1)	26.1
Foreign exchange movements	(6.6)	4.2
Gain on sterling notes	(0.7)	–
Prior year provision released	(6.6)	–
	21.9	1.1

Revenues increased by 6.3 per cent in 2024 compared with 2023 due to higher average selling prices which offset the lower CPO sales volumes (see above under **Revenues** in **Agricultural operations**). Average prices realised were:

	2024 $	2023 $
Average price per tonne*:		
CPO	819	718
CPKO	1,094	749

* Including premia for certified oil but net of export levy and duty, adjusted to FOB Samarinda

Cost of sales reported for 2024 was made up as follows (with comparative figures for 2023):

	2024 $'m	2023 $'m
Estate operating costs	72.7	78.0
Purchase of external FFB	36.9	33.6
Depreciation and amortisation	26.6	28.8
Stock movements	0.3	2.0
	136.5	142.4

Estate operating costs were 6.8 per cent lower in 2024 than in 2023. Upkeep costs reduced significantly principally as a result of lower fertiliser prices and the change to using compound fertiliser in place of separate applications of the various component fertiliser inputs. This change meant that there were fewer rounds of application with a consequent saving in the associated labour cost.

The increased purchase cost of external FFB reflected higher CPO prices, the impact of which more than outweighed the reduced volume which was 9.2 per cent lower than in 2023 (2024: 210,594 tonnes; 2023: 231,823 tonnes).

The $11.2 million increase in revenue and $8.3 million reduction in operating costs meant that operating profit for 2024 at $35.0 million was $20.2 million higher than the corresponding figure for 2023.

Administrative costs reported for 2024 were made up as follows (with comparative figures for 2023):

	2024 $'m	2023 $'m
Loss on disposal of PPE	0.3	1.1
Indonesian operations	16.0	14.9
Head office	3.2	3.4
	19.5	19.4
Amount capitalised	(4.3)	(2.0)
	15.2	17.4

Total administrative costs of $19.5 million, before deduction of amounts capitalised, were broadly in line with 2023. 2024 reflected a $0.5 million increase in Indonesian salary costs and a $0.3 million additional cost in respect of IT security which was offset by an $0.8 million reduction in losses on disposals of PPE. Costs capitalised were $2.3 million higher than in 2023 due to the increased proportion of total plantings represented by immature areas.

EBITDA increased by $18.0 million to $61.6 million (2023: $43.6 million). As in previous years, EBITDA in the second half at $40.0 million showed a significant improvement on the first half of $21.6 million. Although the usual weighting of crops to the second half of the year was less pronounced than usual, the group benefited from higher average selling prices of $877 per tonne in the second half, compared with $755 per tonne in the first half.

Interest income decreased by $0.7 million to $3.4 million in 2024 (2023: $4.1 million), the reduction being principally attributable to only six months of interest payable by the stone company to the company before 1 July 2024 compared to 12 months of interest in 2023. In 2024 there was also the release of a provision of $6.6 million in respect of past interest due from the stone company which commenced generating revenue during 2024 and is now consolidated.

Gains / (losses) on disposal of subsidiaries and similar charges comprised a gain of $3.1 million in 2024 representing the release of an impairment provision in respect of planted hectarage transferred to plasma schemes by CDM during the year, the carrying value of such planted hectarage having previously been fully impaired (2023: $23.6 million impairment of CDM and a $2.4 million loss on reorganisation of subsidiaries).

Other gains and losses comprised a gain of $7.3 million in 2024 (2023: $4.7 million loss). $6.6 million of this gain arose on exchange movements, principally in relation to rupiah borrowings (2023: $4.2 million loss in relation to sterling and rupiah borrowings). There was also a $0.7 million gain on the purchase of sterling notes for cancellation (2023: $0.4 million loss on the sale of dollar notes held in treasury).

Finance costs for 2024 were $16.4 million (2023: $17.5 million). Bank interest was $0.4 million lower than in 2023 as a result of slightly lower average bank borrowings during 2024, despite a general increase in rupiah interest rates resulting in the rate payable on the Bank Mandiri loans being raised from 8.0 per cent to 8.25 per cent from 1 October 2024. Interest on the dollar notes was $0.3 million higher than in 2023 because 2023 dollar note interest was reported net of six months' interest on $8.6 million nominal of notes that were held in treasury for part of 2023. Other finance charges were $1.2 million higher than in 2023 due to higher amortisation of bank loan issuance costs on the repackaging of KMS's loan facility. Interest capitalised was $1.6 million higher in 2024 than in 2023 reflecting, as with administrative costs, the increased proportion of total plantings represented by immature areas.

Profit before taxation for 2024 was $38.9 million, compared to a loss of $29.2 million in 2023.

The tax charge for 2024 was $8.4 million (2023: credit of $11.6 million). This comprised a current tax charge of $7.0 million (2023: $5.7 million) and a deferred tax charge of $1.4 million (2023: $17.2 million deferred tax credit). The $1.3 million increase in the current tax charge reflects the higher profits from the plantation operations. The deferred tax current year charge of $3.1 million mainly comprises the following: a $2.4 million charge being exchange differences on deferred tax in the year (2023: credit of $4.6 million), a $1.8 million charge on the release of impairment provision as a result of the sale of non-current assets by CDM (2023: $10.6 million credit arising on the impairment of CDM in the local accounts of REA Kaltim) and a $1.3 million credit in respect of tax losses created in the year (2023: $1.6 million). The prior year credit of $1.7 million (2023: charge of $1.4 million) was the effect of the change in the rupiah exchange rate on opening balances.

Dividends

The outstanding preference dividend arrears (amounting in aggregate to 11.5p per preference share) were paid on 15 April 2024 and the semi-annual dividends on the preference shares arising in June and December 2024 were paid on the due dates.

The directors expect that the semi-annual dividends arising on the preference shares in June and December 2025 will be paid in full on the due dates.

While the dividends on the preference shares were more than six months in arrear, the company was not permitted to pay dividends on its ordinary shares but, with the payment in full of the outstanding arrears of preference dividend, that is no longer the case. Nevertheless, in view of the continuing high level of group net debt, no dividend in respect of the ordinary shares has been paid in respect of 2024 or is proposed.

Capital structure

The group is financed by a combination of debt and equity (comprising ordinary and preference share capital). Total equity less non-controlling interests at 31 December 2024 amounted to $224.5 million as compared with $219.8 million at 31 December 2023. Non-controlling interests at

31 December 2024 amounted to $70.5 million (2023: $14.3 million).

The agreed issue of further shares in REA Kaltim to the DSN group, on the terms previously advised to and approved by shareholders, was completed in March 2024 with the final subscription price subsequently determined at $53.6 million. As a result of the issue, the DSN group's ownership of REA Kaltim increased from 15 per cent to 35 per cent, this being the principal reason for the increase in non-controlling interests detailed above.

During 2024, Bank Mandiri provided additional rupiah denominated facilities to the group. These comprised a replanting loan to REA Kaltim (equivalent to $21.7 million), agreed in March 2024 and subsequently drawn down in full, a loan to CDM (equivalent to $15.5 million), agreed in August 2024 and immediately drawn down in full and a repackaging of an existing loan to KMS, (equivalent to $13.9 million), as a new loan (equivalent to $25.5 million), agreed in December 2024 and immediately drawn down in full. During 2024, group repayments of Bank Mandiri loans (excluding the KMS repackaged loan) amounted in total to the equivalent of $14.2 million.

Group borrowings from the DSN group were reduced during the year. The DSN group loan to CDM of $10.6 million outstanding at 31 December 2023 and classified as a liability relating to assets held for sale in the consolidated group balance sheet as at that date was repaid in full and the amount owed by REA Kaltim to the DSN group was reduced from $13.5 million at 31 December 2023 to $8.8 million at 31 December 2024.

During October and November 2024 the group purchased and cancelled £9.2 million nominal of sterling notes, leaving outstanding £21.7 million nominal of the sterling notes.

Following the above, group indebtedness at 31 December 2024 amounted to $198.1 million against which the group held cash and cash equivalents of $38.8 million. The composition of the resultant net indebtedness of $159.3 million was as follows:

	$'m
Dollar notes ($27.0 million nominal)*	26.7
Sterling notes (£21.7 million nominal)**	28.2
Loans from non-controlling shareholder	8.8
Indonesian term bank loans*	131.6
Drawings under working capital facilities	2.8
	198.1
Cash and cash equivalents	(38.8)
Net indebtedness	159.3

* Net of issue costs

** Plus $1.0 million present value of premium on redemption

The group has no material contingent indebtedness save that, in connection with the development of oil palm plantings owned by village cooperatives and managed by the group, the group has guaranteed the Indonesian rupiah bank borrowings of the cooperatives concerned. The outstanding balance of these borrowings at 31 December 2024 was equivalent to $3.2 million (2023: $4.6 million).

The dollar notes are unsecured obligations of the company and are repayable in a single instalment on 30 June 2026.

The sterling notes are issued by REAF, a wholly owned subsidiary of the company, are guaranteed by the company and REAS, and are secured almost wholly on an unsecured loan made by REAS to PU. The sterling notes are repayable in a single instalment on 31 August 2025 at a premium of £4 per £100 of notes.

Indonesian bank borrowings provided by Bank Mandiri at 31 December 2024 comprised rupiah denominated loans to REA Kaltim, SYB, KMS and CDM and rupiah denominated working capital facilities provided to REA Kaltim and SYB with the working capital facilities subject to annual renewal.

REA Kaltim, SYB, KMS and CDM have agreed certain financial covenants under the terms of the bank facilities relating to debt service coverage, debt equity ratio, EBITDA margin and the maintenance of positive net income and positive equity; such covenants are tested annually upon delivery to Bank Mandiri of the audited financial statements in respect of each year by reference to the consolidated results for that year, and to the consolidated closing financial position as at the year end, of REA Kaltim and its subsidiaries. The covenants have been complied with for 2024.

The REA Kaltim loan and working capital facility were secured on certain assets of REA Kaltim and guaranteed by the company. The outstanding balance of the loan at 31 December 2024 was the equivalent of $67.1 million. The balance was repayable as follows: 2025: $10.6 million, 2026: $11.2 million, 2027 to 2029: $26.2 million and thereafter $19.1 million. The working capital facility amounted to $1.9 million.

The SYB loans and working capital facility were secured on certain assets of SYB and guaranteed by the company and REA Kaltim. The outstanding balance of the loans at 31 December 2024 was the equivalent of $26.2 million. That balance was repayable as follows: 2025: $3.7 million, 2026: $4.4 million, 2027 to 2029: $17.8 million and thereafter $0.3 million. The working capital facility amounted to $0.9 million.

The KMS loan was secured on certain assets of KMS and guaranteed by the company and REA Kaltim. The outstanding balance of the loan at 31 December 2024 was the equivalent of $25.2 million. The loan was repayable as follows: 2025: $3.3 million, 2026: $3.3 million, 2027 to 2029: $10.3 million and thereafter $8.2 million.

Finance

continued

The CDM loan was secured on certain assets of CDM and guaranteed by the company and REA Kaltim. The outstanding balance of the loan at 31 December 2024 was the equivalent of $15.5 million. The loan was repayable as follows: 2025: $0.3 million, 2026: $0.6 million, 2027 to 2029: $3.1 million and thereafter $11.5 million.

Each of the term loans provided by Bank Mandiri, as detailed above, requires the applicable group company to maintain a certain level of cash deposits with the bank but Bank Mandiri has agreed that the applicable company can draw short-term revolving borrowings against the relative cash deposits. There were no such drawings as at 31 December 2024 (2023: $6.1 million).

The company has shareholder authority to buy back limited numbers of ordinary shares into treasury with the intention that, once a holding of a reasonable size has been accumulated, the holding be placed with one or more investors. No acquisitions pursuant to this authority were made in 2024, but 132,500 ordinary shares were acquired previously and remain held in treasury.

Group cash flow

Group cash inflows and outflows are analysed in the consolidated cash flow statement. Cash and cash equivalents increased during 2024 from $14.2 million to $38.8 million.

As noted under Group results above, the operating profit for 2024 amounted to $35.0 million compared to $14.8 million in the prior year. After adjusting for depreciation, amortisation and other non-cash items ($23.6 million), operating cash flows before movements in working capital were $58.6 million. There was a $9.6 million increase in working capital in 2024 (2023: $1.5 million decrease) mainly due to the repayment of $9.0 million pre-sale advances provided by the group's customers in exchange for forward commitments of CPO and CPKO. Cash generated by operations in 2024 was $49.1 million (2023: $47.2 million).

There were $3.6 million of net taxes paid during the year (2023: $2.2 million). Interest paid amounted to $13.7 million (2023: $15.4 million).

Investing activities for 2024 involved a net outflow of $40.4 million (2023: outflow of $35.4 million). This was principally accounted for by capital expenditure on plantation assets which, net of proceeds from disposals, amounted to $32.6 million (2023: $23.8 million), made up as follows:

	2024 $'m
Replanting*	13.2
Extension planting*	6.6
Road stoning (mature areas)	3.8
Buildings	1.8
Oil mills and biogas	3.6
Plant, equipment and similar	1.8
Land rights and titling	4.5
Intangibles	1.5
	36.8
Proceeds from disposals	(4.2)
	32.6

* Including upkeep of immature areas from prior years

In 2024 there was $2.4 million expenditure on the mining assets (2023: not applicable).

The $5.4 million outflow of investing activities not related to capital expenditure comprised $8.0 million loans to stone, sand and coal interests, $1.1 million interest received and other cash receipts of $1.5 million.

The net cash inflow from financing activities amounted to $32.1 million (2023: $1.3 million outflow) made up as follows:

	2024 $'m	2023 $'m
Preference dividends paid	(18.6)	(4.1)
Repayments to non-controlling shareholder	(12.2)	(1.4)
Borrowings from non-controlling shareholder		10.0
New equity from non-controlling interests	53.6	0.2
Cost of non-controlling interest transaction	(1.1)	–
Sale / (purchase) of dollar notes held in treasury	–	8.1
Purchase of sterling notes for cancellation	(11.6)	
Net movement in bank borrowings	27.5	(9.7)
Net movement in other borrowings	(2.8)	(2.8)
Purchase of non-controlling interest	(2.7)	(1.6)
	32.1	(1.3)

Liquidity and financing development

As noted under Cash flow above, the group opened 2025 with cash balances totalling $38.8 million.

In March 2025, Bank Mandiri agreed to repackage, with immediate drawdowns and repayments, existing loans to REA Kaltim, equivalent in total to $41.6 million, as new loans equivalent to $70.4 million, and existing loans to SYB, equivalent in total to $24.6 million, as new loans equivalent to $33.4 million. The repackaged loans to REA Kaltim together with the replanting loan to REA Kaltim agreed in March 2024 (equivalent at 31 December 2024 to $21.1 million) are repayable as follows: 2025: $8.3 million, 2026: $11.7 million, 2027 to 2029: $31.9 million and thereafter $39.7 million.

The repackaged loans to SYB are repayable as follows: 2025: $4.1 million, 2026: $4.8 million, 2027 to 2029: $19.3 million and thereafter $5.2 million.

Additionally, Bank Mandiri has provided a new term loan to PU. The loan is equivalent to $15.0 million of which $5.1 million has been drawn down and the balance of $9.9 million is expected to be drawn down during the remaining months of 2025. The loan is repayable as follows: 2025: $0.2 million, 2026: $0.3 million, 2027 to 2029: $4.0 million and thereafter $10.5 million.

The repackaged and new loans carry interest at rates of between 8.25 and 8.5 per cent per annum. The repackaged loans to REA Kaltim and SYB are secured similarly to the loans that they replace (as detailed under Capital structure above), The loan to PU is secured on assets of PU and is guaranteed by the company and Luke Robinow personally in his capacity as President Director of PU. The company has agreed to provide a limited indemnity to Luke Robinow in respect of his guarantee to Bank Mandiri.

A total of $27.0 million falls due for payment during 2026 on maturity of the group's dollar notes. To alleviate the possible pressure that this could place on the group's cash resources, the group intends over the coming months to seek an extension to the maturity date of the dollar notes to 31 December 2028. This will be on terms that those noteholders who do not wish to retain their notes for the extended period will have the right to elect to have their dollar notes purchased by the company at par plus accrued interest on the existing maturity date of 30 June 2026. Discussions are at an advanced stage with holders of $17.5 million nominal of dollar notes, who have confirmed their willingness, subject to agreement of detailed terms, to support the proposals and not to exercise their right to sell their notes on 30 June 2026.

Whilst the group has some flexibility in determining its annual levels of capital expenditure, maintenance in 2025 and the immediately succeeding years of capital expenditure on the plantation operations at around the level incurred in 2024 would be desirable to permit continuance of current programmes for the replanting of older palm areas in REA Kaltim, extension planting in PU and the progressive stoning of the group's extensive road network to improve the durability of roads in periods of heavy rain. After the very substantial investments already made in the stone and sand operations, capital expenditure within those operations should now reduce but some further expenditure will be needed as the operations are brought into full production.

The group expects that CPO and CPKO prices will remain at remunerative levels for the immediate future. Some cost inflation may be unavoidable, but the group believes that improved operating efficiencies, facilitated by the substantial investments of recent years in roads, factories and equipment, will limit cost increases. With financing costs continuing to reduce as net debt falls, the group's plantation operations should generate cash flows at good levels. Stone is not yet in full production but indications are that it will provide a significant addition to group cash flows in 2025. Positive cash flows from sand are also likely to make a useful contribution.

The repackaged Bank Mandiri loans and new loan to PU will provide the group with cash inflows totalling $52.6 million which are being applied by the group towards funding the repayments of bank term loans due in 2025 of $19.6 million, the repayment of the £21.7 million nominal of sterling notes (total cash outflow to be $29.8 million including the 4p premium per £1 nominal of notes) and the repayment of the $8.0 million of funding provided by the group's customers in exchange for forward commitments of CPO and CPKO that was outstanding at 31 December 2024. The proposed extension of the maturity date of the dollar notes should improve liquidity in 2026.

As a result of these developments, the group can look forward to reporting a strengthened financial position at the end of 2025, with greater cover for debt service from operational cash flows, reduced net indebtedness and an improved debt maturity profile. Going forward, the directors' strategy for the group will be to derive maximum value from the ancillary operations in stone and sand and to use such extracted value, supplemented by the cash flow from the core oil palm business, further to reduce group net indebtedness while continuing to invest in improvements to and the expansion of the oil palm operations.

The group's oil palms fruit continuously throughout the year, but crops are generally weighted to the second half of each year. This results in some seasonality in the funding requirements of the agricultural operations with cash generation greater in the second half of the year than the first.

Financing policies

The directors believe that, in order to maximise returns to holders of the company's ordinary shares, a proportion of the group's funding needs should be met with prior ranking capital, namely borrowings and preference share capital. The latter has the particular advantage that it represents relatively low risk permanent capital and, to the extent that such capital is available, the directors believe that it is to be preferred to debt. Insofar as the group does have borrowings, the directors believe that the borrowings should be structured to fit the characteristics of the assets that they are financing so that new plantings, which take several years to mature, are financed with longer term debt while shorter term debt is used only to finance working capital requirements.

Whilst the directors retain the above stated policy regarding borrowings, they recognise that further debt reduction will be needed to bring the group's capital structure fully into line with the policy.

Finance

continued

Net debt was 54.0 per cent of total shareholder funds at 31 December 2024 (31 December 2023: 76.1 per cent, 80.7 per cent including CDM). The total net debt at 31 December 2024 amounted to $159.3 million (31 December 2023: $178.2 million, $188.4 million including CDM).

The sterling notes and the dollar notes carry interest at fixed rates of, respectively, 8.75 and 7.5 per cent per annum (the sterling notes are also entitled to a 4.0 per cent premium on final redemption in August 2025). Interest is currently payable on the rupiah term bank loans and working capital facilities at rates of between 8.25 and 8.5 per cent per annum. A 1.0 per cent increase in the floating rates of interest payable on the group's floating or variable rate borrowings at 31 December 2024 would have resulted in an additional annual cost to the group of approximately $1.0 million (2023: $1.0 million).

The group regards the dollar as the functional currency of most of its operations. The directors believe that the group will be best served going forward by simply maintaining a balance between its borrowings in different currencies and avoiding currency hedging transactions. Accordingly, the group regards some exposure to currency risk on its non-dollar borrowings as an inherent and unavoidable risk of its business. The group has never covered, and does not intend in future to cover, the currency exposure in respect of the component of the investment in its operations that is financed with sterling denominated shareholder capital.

The group's policy is to maintain a cash balance in sterling sufficient to meet its projected sterling expenditure for a period of between six and twelve months and a cash balance in rupiah sufficient to cover its forthcoming rupiah debt service obligations and short term rupiah denominated operating expenditure.

Sustainability and climate report

Introduction

In 2024, under the direction of the group's newly appointed chief sustainability officer, the group continued to develop its sustainability leadership, cementing sustainability as a core element in all aspects of the group's business and long term strategy. To provide the foundation for, and to add impetus to, the group's approach to sustainability, four strategic pillars (sustainable development, climate action, forest preservation and empowering livelihoods) were established with a view to ensuring that the operations contribute positively to sustainable growth, emission reduction, forest conservation, biodiversity protection, smallholder inclusion, and creating values for stakeholders.

Focusing on key areas that support responsible and sustainable business practices, the group has: expanded the certification of its operations to ensure compliance with evolving standards; sought to drive improvements and empower inclusivity across the supply chain by expanding strategic partnerships with smallholders and building on engagement and firm relationships with local communities; and worked to reduce emissions through circularity and conservation initiatives.

Several key milestones reflect the group's progress in 2024. These are described below under TCFD, Climate-related risks and opportunities, and other following sections of this report. In addition to maintaining 100 per cent RSPO certification for the group's three mills, the proportion of RSPO certified plantations increased to 84.4 per cent (2023: 79.7 per cent).

The group also became one of the first palm oil companies to be independently verified as EUDR-ready, ensuring that the operations align with evolving regulatory requirements. To support smallholder inclusion, the group launched SHINES, a programme designed to help smallholders achieve RSPO certification and EUDR compliance. A grievance committee and Grievance Action Team (GREAT) was established in a drive towards greater transparency and accountability, enabling a structured approach to addressing stakeholder concerns. Two RSPO complaint cases were successfully resolved.

The group achieved a ZSL SPOTT score of 91.5 per cent (2023: 88.7 per cent), reinforcing the group's status as a leading sustainable palm oil producer. Additionally, the group became a member of the Palm Oil Collaboration Group (POCG) to further expand the group's engagement in sustainability initiatives at industry level.

In addition to the sustainability information published each year in the annual report, the group publishes on its website more detailed information regarding the group's sustainability, environmental and social performance in accordance with internationally recognised standards and practices. This allows the group to take responsibility for its impacts and allows stakeholders to monitor the group's progress in meeting its sustainability commitments. This additional sustainability information is updated regularly through the year and is available at www.rea.co.uk/sustainability. The website information substitutes for standalone hard copy sustainability reports such as were published by the group in the past, but does not substitute for the statutory disclosures (as set out in Regulatory information below) required pursuant to the UK Listing Rules.

Certification

Certification provides third party verification that a company is operating in accordance with national and international standards. Further, it encourages companies to improve their policies and practices by generating higher premia for certified products. Standards are embodied in various certification schemes, specifically the RSPO, ISPO and ISCC. These schemes focus on minimising deforestation, transparent feedstock supply chains, human rights and safety, and measurement of GHG emissions. The group aims to achieve and maintain certification under these internationally recognised schemes for all of its plantations and mills.

Certified sales

During 2024, some 86 per cent of the group's FFB was sourced from estates managed by the group and some 14 per cent was purchased from third party suppliers. Some 84.4 per cent (2023: 79.7 per cent) of the group's estates is now RSPO certified whilst a significantly lower percentage of external FFB suppliers is RSPO certified. The successful resolution in 2024 of two RSPO complaint cases means that, going forward, almost all of the group's own FFB crop will be classified as RSPO certified.

Where CPO is both RSPO and ISCC certified, such oil can only be sold with one of the two certifications. Accordingly, the group decides which certification scheme should apply to each sale to achieve the highest premium. Although the same is true of RSPO and ISCC certified CPKO, in practice CPKO is only sold under the RSPO certification scheme. A schedule of sales classified by certification category is set out under Revenues in Agricultural operations above.

There was only limited demand for ISCC certified oil in 2024. Demand for RSPO certified oil, though higher, was still limited which meant that significant volumes of RSPO certified oil were again sold as non-certified and therefore without premia on such sales.

The group uses the RSPO PalmTrace system for certifying transfers of oil palm products from mills to buyers' refineries. Where RSPO certified oil is sold as non-certified, the group is able to obtain RSPO paper credits and sell those credits separately from the oil. RSPO PalmTrace provides a marketplace for such credits which can be carried forward and sold at a later date at the group's discretion.

Environment and responsible agricultural practices

The group's mills are also rated annually under PROPER, an initiative of the Indonesian government's Environmental Impact Agency which seeks to mitigate risks of pollution and associated consequences. A blue rating denotes that environmental management standards meet the regulatory requirements; a green rating denotes that the company's standards go beyond the standard regulatory requirements. In 2024, COM became the first palm oil mill in East Kalimantan to earn the National Green PROPER award.

	2024		2023	
	Provincial	National	Provincial	National
POM	Green	Blue	Green	Blue
COM	Green	Green	Green	Blue
SOM	Green	Blue	Green	Blue

Usage of water and inorganic fertiliser are as shown below:

	2024	2023
Water usage (m^3 per tonne of FFB)	1.60	1.61
Inorganic fertiliser application (tonnes)	28,757	29,374
Inorganic fertiliser application (tonnes per hectare)	0.75	0.74*

*Restated

Production of CPO and CPKO uses large quantities of water which must be carefully managed to minimise waste and to reduce the risks associated with droughts during the drier seasons. Water usage inevitably increases as FFB production increases, so the group has been working to improve the efficiency of water consumption in its mills and has developed a time bound plan with the objective of minimising water usage, which is consistently maintained at below 2.5m^3 per tonne of FFB. The reduction in water usage in 2024 was due to utilisation of condensate water for processing in mills and regular preventative maintenance on water management equipment. The group conducts an annual review and evaluation of water saving targets to ensure ongoing reductions in water consumption.

SECR

The group has been monitoring and reporting its carbon footprint using the PalmGHG tool for over ten years and currently uses the latest version (version 4) of the PalmGHG tool which became mandatory for RSPO members on 1 January 2020. The PalmGHG tool was developed by a multi stakeholder group within RSPO which included leading scientists in the field of GHG accounting for oil palm operations. Annual reporting of emissions using the PalmGHG tool has been mandatory for all RSPO members since 2016, with submissions independently verified by RSPO accredited certification bodies. The group also reports emissions for both ISCC and ISPO using a different calculation methodology.

The PalmGHG tool uses a lifecycle assessment approach, whereby all the major sources of GHG emissions (carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O)) linked to the cultivation, processing and transport of oil palm products are quantified and balanced against carbon sequestration and GHG emission avoidance. All direct, and the majority of indirect, emissions associated with the group's oil palm operations in Indonesia are captured within the PalmGHG tool. Changes in the calculation methodologies of the various versions of the PalmGHG tool as it has developed mean that there are variations in the calculation of emissions from year to year.

Information on the group's emissions and energy consumption in accordance with SECR is set out in Regulatory information below.

Whilst the methodology for calculating emissions under SECR is identical to that used for RSPO, the scope of activities covered is different. RSPO requires only the GHG emissions from the group's palm oil mills and their supply bases to be included. Emissions linked to the group's estates that do not yet supply FFB to one of the group's mills are not included. Instead, emissions associated with the land use change component of new oil palm developments are amortised over the 25 year oil palm lifecycle once the development starts producing crop. The scope of emissions reported under SECR, however, includes all group activities worldwide and thus includes emissions from new developments as these arise, but without applying the concept of emission amortisation. Except where otherwise stated, the PalmGHG methodology, adjusted for this different basis, has been used for the calculations. Going forward, the group will adopt the now widely accepted international GHG Corporate Standard for calculating and reporting the group's GHG emissions although the PalmGHG tool may continue to be used for the purposes of certification schemes for palm oil.

Gross GHG emissions associated with the group's oil palm operations were overall 3.6 per cent lower in 2024 compared with 2023 due to a reduction in the FFB received from third party suppliers, leading to lower emissions from transportation and processing.

Net GHG emissions are calculated by deducting from the gross GHG emissions the carbon that is estimated to have been fixed (sequestered) by the oil palms and conserved set-aside forest through the process of photosynthesis. A further deduction is made to account for the GHG emissions that have been avoided as a result of the use of renewable electricity from the group's methane capture facilities in domestic buildings and by local communities that were previously supplied with electricity from diesel powered generators. As a result, net emissions are substantially lower than gross emissions.

In 2024, net GHG emissions were 25.6 per cent lower than in 2023 due principally to a significant reduction in fertiliser use, reflecting the switch from single fertilisers (Urea, MOP, KCP, RP) to compound fertilisers (NPK), a decrease in third party FFB, and a reduced loss of stored carbon due to biomass and land clearing. However, collection, milling and distribution emissions increased due to the diversion of FFB between different mills, principally to allow for segregation in preparation for EUDR, as well as the activities associated with the planting and replanting programmes.

The group applies two measures to its evaluation of the intensity of its GHG emissions: net GHG emissions per tonne of CPO produced and net GHG emissions per planted hectare (immature and mature). Both intensity measures are considered relevant because the maturity of the oil palm within the supply base does not influence the trend in GHG emissions per planted hectare, whereas it does impact the GHG emissions per tonne of CPO. Net GHG emissions in 2024 show a 17.9 per cent decrease to 0.46 tCO2eq (2023: 0.56 tCO2eq) when expressed per tonne of CPO produced (2024: 193,582 tonnes) and a 27.3 per cent decrease to 2.21 tCO2eq (2023: 3.04 tCO_2eq) when expressed per planted hectare (2024: 40,695 hectares, including both group and plasma hectarage). The group's long term strategy is to reduce emissions by focusing on decarbonisation and carbon insetting, as explained under TCFD and UK CFD below.

Employees

	2024		
	Male	Female	Total
Directors (including non-executive directors)	5	2	7
Management	69	22	91
Rest of workforce	6,142	2,468	8,610
Total workforce	6,216	2,492	8,708
Proportion of total workforce	71%	29%	
Proportion of management team	76%	24%	

	2023		
	Male	Female	Total
Directors (including non-executive directors)	5	2	7
Management	76	19	95
Rest of workforce	6,936	2,341	9,277
Total workforce	7,017	2,362	9,379
Proportion of total workforce	75%	25%	
Proportion of management team	80%	20%	

The workforce reduction in 2024 reflected the drive to reduce headcount whilst improving efficiency and productivity. The directors encourage and promote the participation of women in senior leadership roles and seek to increase the number of female employees at all levels throughout the group. Substantially all of group's employees are based in Indonesia and 8,676 (some 99 per cent) are South East Asian. Given the nature and location of the group's operations, the directors have not set specific targets as respects gender or ethnic diversity.

Performance of management and employees is evaluated annually in relation to a pre-agreed set of quantitative and objective KPIs and in line with best practice in the industry in which the group operates. Particular attention is paid to ensuring that compensation and benefits for field workers, who are a key component of the group's workforce, are competitive and effective.

The group runs in-house and external training and coaching for employees to ensure the alignment of individual and corporate values, policies, and priorities. The group also promotes upward mobility of promising employees through its management training programme and by recruiting new graduates through collaborations with local polytechnics and universities. 30 per cent of participants in this programme since its initiation in 1997 are still employed by the group.

The group partners with a specialist palm oil polytechnic, CWE (Citra Widya Edukasi), in supporting the development of future technical specialists by sponsoring scholarships for CWE's diploma programme. Nine students, children of group employees and members of the local community, who have been awarded scholarships were in their third year of study in 2024 and will be offered employment by the group upon their graduation.

As well as opportunities for career development, the group provides competitive remuneration packages and a decent standard of living on the estates for employees and their families in order to attract and retain staff at all levels. This is particularly important given the remote location of the group's estates. Good quality housing and community facilities for employees are a priority. The village emplacements are provided with medical clinics, crèches, mosques, churches, sports facilities and markets. Three employee cooperative shops (REA Mart) serve the group's estate areas. These supply everyday groceries and household items for the benefit of employees living on the estates. The shops are able to bulk purchase and thereby source products competitively. In 2024, a new fast food outlet franchise was completed and new indoor sports facilities and adjacent café were established for employees.

The group's educational foundation provides a network of 27 schools across the estates, authorised in accordance with government regulations, comprising 13 pre-schools, 13 primary schools and one secondary school. At the end of 2024, there were 2,655 students (536 pre-school, 1,874 primary school and 245 secondary school children) enrolled in the group's school system.

An informal team of volunteers who are either employees or employee family members, works to develop and undertake activities aimed at improving the quality of the REA Kaltim community, focusing on educational facilities and general hygiene.

Sustainability and climate report

continued

Social matters

Health and safety

The group maintains health and safety policies and procedures for employees, contractors and visitors to the group's sites. In 2024, the group successfully completed a comprehensive, independent company-wide safety audit for the SMK3 Gold certification under the Indonesian Health and Safety Work Management System (SMK3). Routine training covers safe working practices throughout the operations, fire risks and management, and first aid.

	2024	2023
Work incident cases	955	1,367
Working days lost	651	1,256
LTIFR	11.8	17.9

The decrease in incidents and working days lost is attributable to continuous safety training, stricter enforcement of safety protocols, and increased supervision, particularly in high-risk areas such as tall palm harvesting, including rigorous safety audits, inspections, and corrective actions. This has played a crucial role in identifying and mitigating potential hazards before incidents occur.

Healthcare provision is usually extremely limited in the remote rural areas in Indonesia, such as in the locations of the group's operations. The group has therefore established a network of 19 clinics to provide healthcare to employees, their family members and members of the local communities living in proximity to the group's operations. There is a full time team of three general practitioners, one dentist, 26 nurses, 13 midwives, two pharmacists, a laboratory analyst, a nutritionist, an environmental health officer and one medical record officer on site.

All employees receive training in basic life support skills and, at certain levels, training in first aid. The group performs regular general and specific work related medical checks, and promotes monthly immunisation and disease prevention programmes. The group's medical facilities were again recognised with a silver award from the provincial government for success in the prevention and control of HIV AIDS.

Communities

The group remains committed to fostering strong relationships with local communities to support their wellbeing and ensure sustainable operations. An in-house team engages regularly with community representatives to facilitate dialogue, address concerns, and enhance collaboration with local communities.

Land claims

Land rights claims against the group due to encroachment activities have decreased significantly in recent years, from 27 claims in 2017 to a handful of claims in each year since. In 2024, one new land claim was lodged covering an area of 4 hectares in an HCV area.

Community resources

Water treatment facilities installed by the group provide access to clean drinking water for local villages. Additionally, the renewable energy generated by the group and distributed through the infrastructure of the Indonesian state electricity company, PLN, is available to villages in the vicinity the group's operations. With the local grid now connected to the national grid, however, PLN's reliance on power supplied by the group has reduced to an as-required basis, as explained under Operating efficiency in Agricultural operations above.

Smallholders

The group supports oil palm smallholders in the surrounding communities by way of three smallholder schemes: *Program Pemberdayaan Masyarakyat Desa* (PPMD), plasma, and independent cooperatives. These schemes create mutually beneficial relationships, contribute to local employment and are supported by the group's provision of training in better, more sustainable, agricultural practices.

The group currently purchases FFB from 11 PPMD cooperatives and 22 plasma scheme and independent cooperatives. Planted areas owned by these cooperatives, and the FFB purchased from them, is shown below with other relevant statistics:

	2024	2023
Smallholder plantings (hectares)		
Plasma	4,266	4,034
Independent cooperatives	7,510	7,917
PPMD	1,479	1,281
Total	13,255	13,232
Group plantings (hectares)	35,873	35,742
Smallholder plantings equivalent to the planted areas of the group's own estates	37%	37%

	2024	2023
FFB purchased (tonnes)*		
Plasma	72,636	74,054
Independent smallholder and PPMD cooperatives	123,662	152,486
Total	196,298	226,540
Proportion of smallholder FFB processed in the group's mills	16%	23%
Revenue to cooperatives ($ millions)	35.5	32.8

* Excluding purchases from third party corporates

The group's SHINES programme, launched in 2024, is a bespoke initiative designed to support smallholders in attaining RSPO certification and EUDR compliance whilst promoting forest conservation of some 10,000 hectares. Some 600 smallholders are currently enrolled in the programme.

Governance

Respect for human rights

The group takes seriously its duty to protect and respect the human rights of any person affected by its operations and is committed to adhering to the core conventions of the International Labour Organisation's Fundamental Principles and Rights at Work, as well as Indonesian labour regulations and the provisions of the Modern Slavery Act 2015. The policy on human rights is displayed at work sites to communicate the group's commitments in this regard to employees at every level. This policy includes a commitment to promote diversity and equality in the workplace and states clearly that discrimination based on age, disability, ethnicity, gender, marital status, political opinion, race, religion, or sexual orientation will not be tolerated. As at the end of 2024, 40 ethnicities and 5 religions were represented in the group's workforce. The group's DEI committee comprises the head of human resources, senior managers and employees with relevant knowledge and expertise. The DEI committee advises on and supports the implementation of group policies, promoting an inclusive workplace culture.

Anti-corruption and anti-bribery safeguards

A code of conduct established in 2011 embodies the group's anti-bribery and corruption policy as well as whistleblowing procedures. Anti-bribery training for employees in Indonesia covers both local and international standards of good governance, laws and regulations, with specific reference to the Bribery Act 2010. The whistleblowing procedure implemented for employees in Indonesia, where the majority of the workforce is based, and for external stakeholders is managed and facilitated by a professional independent third party firm. Matters, such as unethical, illegal, or improper activities that could harm individuals, the group, stakeholder's interests or the environment, may be reported via the group's website at www.rea.co.uk/sustainability/complaints-and-grievances. Reported matters that warrant investigation are brought to the attention of the REA Kaltim audit committee which has primary responsibility for oversight of issues arising and any follow up action necessary in respect of the group's code of conduct. As required, such matters are referred to the group audit committee.

Conservation

Plantation development in the tropics has the potential to alter local biodiversity and natural ecosystem functions. The group therefore believes that operational requirements for oil palm cultivation, that include land clearing, maintenance, harvesting, processing and delivery, should be guided by conservation principles designed to avoid or mitigate negative impacts and augment positive steps to restore or enhance original landscape level biological diversity. Currently a total of approximately 18,000 hectares have been set aside as conservation reserves within the group's titled land bank, accounting for over 26 per cent of the group's land areas.

The group's dedicated conservation department (REA Kon) is responsible for a range of activities, including:

- monitoring water quality
- monitoring temperature, rainfall and humidity from weather stations across the estates
- species monitoring and data logging to maintain a database of, in particular, Critically Endangered (CR) or Endangered (EN) species in accordance with the International Union for Conservation of Nature's (IUCN) species classification system, which is externally verified for RSPO certification purposes
- investigating any encroachment and, as necessary, processing transgressions in conjunction with local communities and government authorities
- establishing HCV boundary markers and conservation signboards
- distributing seedlings for enrichment programmes to enhance biodiversity and improve the ecological function of the conservation areas
- promoting environmental awareness and collaboration through outreach programmes for students, employees, and local communities.

Orangutan and other wildlife population monitoring is conducted using camera traps. Data is analysed in collaboration with researchers for spatial distribution and population estimates. Since 2018, the number of CR and EN species recorded has remained stable.

Principal risks and uncertainties

The group's business involves risks and uncertainties. Risks and uncertainties that the directors currently consider to be material or prospectively material are described below, together with climate-related risks and the opportunities that these may provide. There are or may be further risks and uncertainties faced by the group (such as future natural disasters or acts of God) that the directors currently deem immaterial, or of which they are unaware, that may have a material adverse impact on the group.

Identification, assessment, management and mitigation of the risks associated with sustainability matters forms part of the group's system of internal control for which the board has ultimate responsibility. The board discharges that responsibility as described in Corporate governance below. Material risks, related policies and the group's successes and failures with respect to sustainability matters and the measures taken in response to any failures are described in more detail in Climate-related risks and opportunities below.

Geo-political uncertainty, such as may be caused by wars, can lead to pricing volatility and shortages of the necessary inputs to the group's operations, such as fuel and fertiliser, inflating group costs and negatively impacting the group's production volumes. The impact of input shortages, however, may be offset by a consequential benefit to prices of the group's outputs.

Where risks are reasonably capable of mitigation, the group seeks to mitigate them. Beyond that, the directors endeavour to manage the group's finances on a basis that leaves the group with some capacity to withstand adverse impacts from both identified and unidentified areas of risk, but such management cannot provide insurance against every possible eventuality.

Risks assessed by the directors as currently being of particular significance are those detailed below under:

- Agricultural operations – Produce prices
- Agricultural operations – Other operational factors
- Stone and sand operations – Sales
- General – Funding

The directors' assessment, as respects the above risks, reflects both the key importance of those risks in relation to the matters considered in the Longer term viability statement in the Directors' report below and more generally the extent of the negative impact that could result from adverse incidence of such risks.

Risk	Potential impact	Mitigating or other relevant considerations
Agricultural operations		
Cultivation risks		
Failure to achieve optimal upkeep standards	A reduction in harvested crop resulting in loss of potential revenue	The group has adopted standard operating practices designed to achieve required upkeep standards
Pest and disease damage to oil palms and growing crops	A loss of crop or reduction in the quality of harvest resulting in loss of potential revenue	The group adopts best agricultural practice to limit pests and diseases
Other operational factors		
Shortages of necessary inputs to the operations, such as fuel and fertiliser	Disruption of operations or increased input costs leading to reduced profit margins	The group maintains stocks of necessary inputs to provide resilience and has established biogas plants to improve its self-reliance in relation to fuel. Construction of a further biogas plant in due course would increase self-reliance and reduce costs as well as GHG emissions
High levels of rainfall or other factors restricting or preventing harvesting, collection or processing of FFB crops	FFB crops becoming rotten or over ripe leading either to a loss of CPO production (and hence revenue) or to the production of CPO that has an above average free fatty acid content and is saleable only at a discount to normal market prices	The group endeavours to employ a sufficient complement of harvesters within its workforce to harvest expected crops, to provide its transport fleet with sufficient capacity to collect expected crops under likely weather conditions and to maintain resilience in its palm oil mills with each of the mills operating separately and some ability within each mill to switch from steam based to biogas or diesel based electricity generation

Risk	Potential impact	Mitigating or other relevant considerations
Disruptions to river transport between the main area of operations and the Port of Samarinda or delays in collection of CPO and CPKO from the transhipment terminal	The requirement for CPO and CPKO storage exceeding available capacity and forcing a temporary cessation in FFB harvesting or processing with a resultant loss of crop and consequential loss of potential revenue	The group's bulk storage facilities have sufficient capacity for expected production volumes and, together with the further storage facilities afforded by the group's fleet of barges, have hitherto always proved adequate to meet the group's requirements for CPO and CPKO storage.
Occurrence of an uninsured or inadequately insured adverse event; certain risks (such as crop loss through fire or other perils), for which insurance cover is either not available or is considered disproportionately expensive, are not insured	Material loss of potential revenues or claims against the group	The group maintains insurance at levels that it considers reasonable against those risks that can be economically insured and mitigates uninsured risks to the extent reasonably feasible by management practices
Produce prices		
Volatility of CPO and CPKO prices which as primary commodities may be affected by levels of world economic activity and factors affecting the world economy, including levels of inflation and interest rates	Reduced revenue from the sale of CPO and CPKO and a consequent reduction in cash flow	Swings in CPO and CPKO prices should be moderated by the fact that the annual oilseed crops account for the major proportion of world vegetable oil production and producers of such crops can reduce or increase their production within a relatively short time frame
Restriction on sale of the group's CPO and CPKO at world market prices including restrictions on Indonesian exports of palm products and imposition of high export charges	Reduced revenue from the sale of CPO and CPKO and a consequent reduction in cash flow	The Indonesian government applies sliding scales of charges on exports of CPO and CPKO, which are varied from time to time in response to prevailing prices, and has, on occasions, placed temporary restrictions on the export of CPO and CPKO; several such measures were introduced in 2022 in response to generally rising prices precipitated by the war in the Ukraine but, whilst impacting prices in the short term, were subsequently modified to afford producers economic margins. The export levy charge funds biodiesel subsidies and thus supports the local price of CPO
Disruption of world markets for CPO and CPKO by the imposition of import controls or taxes in consuming countries	Depression of selling prices for CPO and CPKO if arbitrage between markets for competing vegetable oils proves insufficient to compensate for the market disruption created	The imposition of controls or taxes on CPO or CPKO in one area can be expected to result in greater consumption of alternative vegetable oils within that area and the substitution outside that area of CPO and CPKO for other vegetable oils
Expansion		
Failure to secure in full, or delays in securing, the land or funding required for the group's planned extension planting programme	Inability to complete, or delays in completing, the planned extension planting programme with a consequential reduction in the group's prospective growth	The group holds sufficient fully titled or allocated land areas suitable for planting to enable it to complete its immediately planned extension planting. It works continuously to maintain permits for the planting of these areas and aims to manage its finances to ensure, in so far as practicable, that it will be able to fund any planned extension planting programme
A shortfall in achieving the group's planned extension planting programme negatively impacting the continued growth of the group	A possible adverse effect on market perceptions as to the value of the group's securities	The group maintains flexibility in its planting programme to be able to respond to changes in circumstances
Sustainable practices		
Failure by the agricultural operations to meet the standards expected of them as a large employer of significant economic importance to local communities	Reputational and financial damage	The group has established standard practices designed to ensure that it meets its obligations, monitors performance against those practices and investigates thoroughly and takes action to prevent recurrence in respect of any failures identified

Principal risks and uncertainties

continued

Risk	Potential impact	Mitigating or other relevant considerations
Criticism of the group's environmental practices by conservation organisations scrutinising land areas that fall within a region that in places includes substantial areas of unspoilt primary rainforest inhabited by diverse flora and fauna	Reputational and financial damage	The group is committed to sustainable development of oil palm and has obtained RSPO certification for most of its current operations. All group oil palm plantings are on land areas from which trees have previously been extracted by logging companies and which have subsequently been zoned by the Indonesian authorities as appropriate for agricultural development. The group maintains substantial conservation reserves that safeguard landscape level biodiversity
Community relations		
A material breakdown in relations between the group and the host population in the area of the agricultural operations	Disruption of operations, including blockages restricting access to oil palm plantings and mills, resulting in reduced and poorer quality CPO and CPKO production	The group seeks to foster mutually beneficial economic and social interaction between the local villages and the agricultural operations. In particular, the group gives priority to applications for employment from members of the local population, encourages local farmers and tradesmen to act as suppliers to the group, its employees and their dependents and promotes smallholder development of oil palm plantings
Disputes over compensation payable for land areas allocated to the group that were previously used by local communities for the cultivation of crops or as respects which local communities otherwise have rights	Disruption of operations, including blockages restricting access to the area the subject of the disputed compensation	The group has established standard procedures to ensure fair and transparent compensation negotiations and encourages the local authorities, with whom the group has developed good relations and who are therefore generally supportive of the group, to assist in mediating settlements
Individuals party to a compensation agreement subsequently denying or disputing aspects of the agreement	Disruption of operations, including blockages restricting access to the areas the subject of the compensation disputed by the affected individuals	Where claims from individuals in relation to compensation agreements are found to have a valid basis, the group seeks to agree a new compensation arrangement; where such claims are found to be falsely based the group encourages appropriate action by the local authorities
Stone and sand operations		
Production		
Failure by external contractors to achieve agreed production volumes with optimal extraction rates	Reduction in revenue	The stone and sand concession holding companies endeavour to use experienced contractors, to supervise them closely and to take care to ensure that they have equipment of capacity appropriate for the planned production volumes
External factors, in particular weather, delaying or preventing delivery of extracted stone and sand	Reduced production and consequent loss of revenue	Adverse external factors would not normally have a continuing impact for more than a limited period
Geological assessments, which are extrapolations based on statistical sampling, proving inaccurate	Unforeseen extraction complications causing cost overruns and production delays or failure to achieve projected production resulting in loss of revenue and reduced operating margins	The stone and sand concession holding companies seek to ensure the accuracy of geological assessments of any extraction programme
Sales		
Inadequate demand reducing sales volumes	Reduced revenue and profits	The group aims to secure forward sales offtake agreements for stone and sand and to set its production targets to align with the expected offtake

Risk	Potential impact	Mitigating or other relevant considerations
Transport constraints delaying deliveries or reducing delivered volumes	Failure to meet contractual sale obligations with loss of revenue and possible consequential costs	For the stone operations, the group has established transport corridors to east and west of the main stone deposit and intends that regular maintenance will ensure that these corridors remain fit for purpose; the sand concession is adjacent to the Mahakam River and barges are readily available to effect sand deliveries
Local competition reducing stone and sand prices	Reduced revenue and operating margins	There are currently no other stone quarries of similar quality or volume in the vicinity of the stone concessions and the cost of transporting stone should restrict competition
Imposition of additional royalties or duties on the extraction of stone or sand or imposition of export restrictions	Reduced revenue	The Indonesian government has not to date imposed measures that would seriously affect the viability of Indonesian stone and sand quarrying operations
Sustainable practices		
Failure by the stone and sand operations to meet the standards expected of them	Reputational and financial damage	The areas of the stone and sand concessions are relatively small and should not be difficult to supervise. The concession holding companies are committed to international standards of best environmental and social practice and, in particular, to proper management of waste water and reinstatement of quarried and mined areas on completion of extraction operations
General		
IT security		
IT related fraud including cyber attacks that are becoming increasingly prevalent and sophisticated	Losses as a result of disruption of control systems and theft	The group's IT controls and financial reporting systems and procedures are independently audited and tested annually and recommendations for corrective actions to enhance controls are implemented accordingly. Several upgrades to firewalls and other anti-malware protections were installed during 2024 and a disaster recovery plan has been fully tested and implemented. Cyber security reviews are conducted periodically
Currency		
Strengthening of sterling or the rupiah against the dollar	Adverse exchange movements on those components of group costs and funding that arise in rupiah or sterling	As respects costs and sterling denominated shareholder capital, the group considers that the risk of adverse exchange movements is inherent in the group's business and structure and must simply be accepted. As respects borrowings, where practicable the group seeks to borrow in dollars but, when borrowing in sterling or rupiah, considers it better to accept the resultant currency risk than to hedge that risk with hedging instruments
Cost inflation		
Increased costs as result of worldwide economic factors or shortages of required inputs (such as shortages of fuel or fertiliser arising from the wars)	Reduction in operating margins	For each of the group's products, cost inflation is likely to have a broadly equal impact on all producers of that product and may be expected to restrict supply if production of the product becomes uneconomic. Cost inflation can only be mitigated by improved operating efficiency

Principal risks and uncertainties

continued

Risk	Potential impact	Mitigating or other relevant considerations
Funding		
Bank debt repayment instalments and other debt maturities coincide with periods of adverse trading and negotiations with bankers and investors are not successful in rescheduling instalments, extending maturities or otherwise concluding satisfactory refinancing arrangements	Inability to meet liabilities as they fall due	The group maintains good relations with its bankers and other holders of debt who have generally been receptive to reasonable requests to moderate debt profiles or waive covenants when circumstances require. Such was the case, for example, when certain breaches of bank loan covenants by group companies at 31 December 2020 and 2023 were waived. Moreover, the directors believe that the fundamentals of the group's business will normally facilitate procurement of additional equity capital should this prove necessary
Counterparty risk		
Default by a supplier, customer or financial institution	Loss of any prepayment, unpaid sales proceeds or deposit	The group maintains strict controls over its financial exposures which include regular reviews of the creditworthiness of counterparties and limits on exposures to counterparties. In addition, 90 per cent of sales revenue is receivable in advance of product delivery
Regulatory exposure		
New, and changes to, laws and regulations that affect the group (including, in particular, laws and regulations relating to land tenure, work permits for expatriate staff and taxation)	Restriction on the group's ability to retain its current structure or to continue operating as currently	The directors are not aware of any specific planned changes that would adversely affect the group to a material extent
Breach of the various continuing conditions attaching to the group's land rights and the stone and sand concessions (including conditions requiring utilisation of the rights and concessions) or failure to maintain or renew all permits and licences required for the group's operations	Civil sanctions and, in an extreme case, loss of the affected rights or concessions	The group endeavours to ensure compliance with the continuing conditions attaching to its land rights and concessions, that its activities, and the activities of the stone and sand concession holding companies, are conducted within the terms of the licences and permits that are held and that licences and permits are obtained and renewed as necessary
Failure by the group to meet the standards expected in relation to human rights, slavery, anti-bribery and corruption	Reputational damage and criminal sanctions	The group has traditionally had, and continues to maintain, strong controls in this area because Indonesia, where all of the group's operations are located, has been classified as relatively high risk by the International Transparency Corruption Perceptions Index
Restrictions on foreign investment in Indonesian mining concessions, limiting the effectiveness of co-investment arrangements with local partners	Constraints on the group's ability to recover its investment	The group endeavours to maintain good relations with the local partners in the group's mining interests so as to ensure that returns appropriately reflect agreed arrangements
Country exposure		
Deterioration in the political or economic situation in Indonesia	Difficulties in maintaining operational standards particularly if there was a consequential deterioration in the security situation	Indonesia currently appears stable and the Indonesian economy has continued to grow but, in the late 1990s, Indonesia experienced severe economic turbulence and there have been subsequent occasional instances of civil unrest, often attributed to ethnic tensions, in certain parts of Indonesia. The group has never, since the inception of its East Kalimantan operations in 1989, been adversely affected by regional security problems

Risk	Potential impact	Mitigating or other relevant considerations
Introduction of exchange controls or other restrictions on foreign owned operations in Indonesia	Restriction on the transfer of fees, interest and dividends from Indonesia to the UK with potential consequential negative implications for the servicing of UK obligations and payment of dividends; loss of effective management control	The directors are not aware of any circumstances that would lead them to believe that, under current political conditions, any Indonesian government authority would impose restrictions on legitimate exchange transfers or otherwise seek to restrict the group's freedom to manage its operations
Mandatory reduction of foreign ownership of Indonesian plantation or mining operations	Forced divestment of interests in Indonesia at below market values with consequential loss of value	The group accepts there is a possibility that foreign owners may be required over time to divest partially ownership of Indonesian oil palm operations and there are existing regulations that may result in a requirement to divest over an extended period part of the substantial equity participation in the stone concession holding company that the group has agreed to acquire but the group has no reason to believe that any divestment would be at anything other than market value
Miscellaneous relationships		
Disputes with staff and employees	Disruption of operations and consequent loss of revenues	The group appreciates its material dependence upon its staff and employees and endeavours to manage this dependence in accordance with international employment standards as detailed under Employees in the Sustainability and climate report above
Breakdown in relationships with local investors in the group's Indonesian subsidiaries	Reliance on the Indonesian courts for enforcement of the agreements governing its arrangements with local partners with the uncertainties that any juridical process involves and with any failure of enforcement likely to have, in particular, a material negative impact on the value of the stone and sand interests because ownership of those concessions currently remains registered in the name of by the group's local partners	The group endeavours to maintain cordial relations with its local investors by seeking their support for decisions affecting their interests and responding constructively to any concerns that they may have. Further, the group is currently applying to register its ownership of 95 per cent of the stone concession holding company and 49 per cent of the sand concession holding company

Climate-related risks and opportunities

S Short term (1-3 years)
M Medium term (3-5 years)
L Long term (5-15 years)

Risk	Impact	Mitigation	Opportunity
Transition risks			
Regulatory compliance (EUDR, RSPO, ISCC) S	▪ Increased investment and costs of compliance, including mapping land use, enhancing traceability systems, and verifying supply chains ▪ Impact on sourcing external FFB as stricter regulations may disproportionately affect independent smallholders	▪ Prepared for EUDR compliance by engaging Control Union Malaysia for an independent readiness assessment (covering the three mills and seven estates), developing a due diligence system to mitigate deforestation risks, and establishing a robust traceability system, ▪ Invested in a traceability system to track FFB to its origin and infrastructure to enable physical segregation of (external) FFB supplies and tank storage ▪ Increased RSPO certification of its plantations to 84.4 per cent and is working towards achieving 100 per cent	▪ EUDR affords a competitive advantage, maintaining future access to the group's CPO and CPKO to EU markets ▪ Allows for increased premia for EUDR compliance from December 2025, in addition to premia for RSPO certified products ▪ Encourages local FFB suppliers to become eligible to attract increased premia under EUDR ▪ Allows the group to increase the volume of sustainably sourced FFB by including independent smallholders for EUDR through the launch of SHINES ▪ Recent RSPO certification of COM will permit sales of RSPO identity preserved CPO as market demand increases

Principal risks and uncertainties
continued

Risk	Impact	Mitigation	Opportunity
Reputational risk from deforestation concerns S-M	▪ Impact on revenue, market access, and long term sustainability strategy due to increased regulatory compliance costs and negative perception of palm oil products	▪ Adheres to an NDPE policy and strictly applies this policy to all suppliers through due diligence onboarding ▪ Established grievance action processes (GREAT) in support of transparency and accountability, and a structured approach to addressing stakeholder concerns ▪ Redefined community and stakeholder engagement strategy to improve long-term community relationships ▪ Implemented internal communication and social media strategy	▪ Opportunities for partnerships with relevant stakeholders ▪ Stronger stakeholder relationships through a proactive engagement strategy ▪ Improving brand reputation through communication and sharing of success stories in social media ▪ Enhancing media relations for current and future communications ▪ Partnering with RSPO on communication initiatives
Carbon pricing and emissions regulation M	▪ Potential costs associated with carbon taxation and emission caps ▪ Impact of EU Omnibus Directive to simplify and streamline EU regulations on carbon	▪ Adopting the international GHG Protocol Corporate Standard for carbon footprint assessment ▪ Improving carbon footprint monitoring ▪ Monitoring industry and market trends on carbon related requirements	▪ The group can develop verified baseline, short, medium and long-term targets for emission reduction
Community and smallholder resilience M-L	▪ Smallholder livelihoods are increasingly at risk due to climate variability and evolving regulatory requirements, which may create financial and operational challenges in meeting compliance standards, potentially leading to exclusion	▪ Expanding smallholder programmes, including providing support, capacity for, and promoting, RSPO certification for smallholders, including polygon mapping and acquiring legitimacy through the eSTDB platforms managed by the Indonesian government	▪ Established SHINES to improve livelihoods and include smallholders in the supply chain ▪ Increased sustainably sourced FFB from independent smallholders through SHINES and other smallholder partnership programmes (including Reforma Agraria Land Object (TORA))
Market and consumer preferences S-M	▪ Shifting demand towards sustainable palm oil ▪ Shifting market demand away from RSPO mass balanced (MB) oil towards RSPO segregated (SG) oil, with physical segregation increasingly viewed as a way to ensure deforestation-free supply chains	▪ Achieving 100 per cent RSPO certification ▪ Continuous compliance with various national and international sustainability standards embodied in certification schemes (RSPO, ISPO, ISCC) ▪ Maintaining a robust traceability system ▪ Being EUDR ready	▪ Brand differentiation with increased market share in responsible supply chains ▪ Market demand for EUDR oil starting in December 2025 is expected to increase sourcing from eligible farmers with an expected premium for EUDR compliant produce in addition to RSPO premia
Physical risks			
Extreme weather events (flooding, droughts) S	▪ Intense rainfall leading to seasonal flooding of low lying estate areas, thereby damaging palms, conservation areas, infrastructure, and disrupting supply chains	▪ Conducting hydrology assessment of assets ▪ Improving drainage systems ▪ Road stoning for all-weather access ▪ Training smallholders on sustainable best agricultural practices	▪ More resilient operations ▪ Adapting to climate variability by innovation and adoption of technology-assisted tools
Changing rainfall patterns S-M	▪ Water scarcity and inconsistent weather affecting FFB yields ▪ Reduced production impacting revenue	▪ Rainwater capture ▪ Improved irrigation techniques	▪ Exploring the use of mill organic by-products to enhance soil moisture and nutrient retention ▪ Extending rainfall capture
Biodiversity loss and habitat degradation M-L	▪ Ecosystem imbalances ▪ Effect on ecosystem services	▪ Ensuring strict NDPE policy enforcement ▪ REA Kon biodiversity monitoring and preventative actions ▪ Partnering with various stakeholders such as NGOs, educational institutions and local governments on research and actions ▪ Adherence to TNFD	▪ Forest protection and conservation leading to biodiversity protection ▪ Stronger collaborations with conservation bodies for mutual benefits

Regulatory information

Overview
Strategic report
Governance
Group financial statements
Company financial statements
Notice of AGM
Glossary

Nature of information

The company's Strategic report has been prepared to provide holders of the company's shares with information that complements the accompanying financial statements. Such information is intended to help shareholders in understanding the group's business and strategic objectives and thereby assist them in assessing how the directors have performed their duty of promoting the success of the company.

The report contains forward-looking statements. These have been included by the directors in good faith based on the information available to them up to the time of their approval of this report. Such statements should be treated with caution given the uncertainties inherent in any prognosis regarding the future and the economic and business risks to which the group's operations are exposed.

This section includes details of the group's compliance with:

- Non-financial and sustainability information statement – CA 2006 section 414CB
- Section 172(1) statement – CA 2006.
- Taskforce on Climate-related Financial Disclosures (TCFD) – UKLR 6.6.6(8)R
- Climate-related Financial Disclosures (UK CFD) – CA 2006 sections 414 CA and CB
- Streamlined Energy and Carbon Reporting (SECR).

Non-financial and sustainability information statement

In addition to complying with the requirements of section 414CB of the CA 2006, the group has included certain non-financial information within this report as detailed below:

(a)	The group's business model and resources, its objectives and strategy for achieving these and the market context in which the group operates	See above in Strategic environment
(b)	Information on the following matters, including the relevant policies, the due diligence processes implemented in pursuance of those policies and the resultant outcomes of such policies: ▪ Environmental matters (see TCFD, Climate-related risks and opportunities, UK CFD, SECR, Environment and responsible agricultural practices, and Conservation) ▪ Employees ▪ Social matters (see Health and safety, Communities, and Smallholders) ▪ Respect for human rights ▪ Anti-corruption and anti-bribery safeguards	See above in the Sustainability and climate report
(c)	The principal risks identified in relation to the matters listed above and considered by the directors to be material or prospectively material, including, where relevant, a description of the business relationships, products and services that are likely to cause adverse impacts in those areas of risk, and a description of how such risks are managed	See above in Principal risks and uncertainties
(d)	Non-financial KPIs that the directors consider relevant to assessment of the group's performance	See above in the Sustainability and climate report, and below under Glossary
(e)	Operational review, including, where appropriate, references to, and additional explanations of, amounts included in the group's accompanying financial statements	See above in Agricultural operations, Stone and sand operations, Finance, and the Sustainability and climate report
(f)	UK CFD	See table below

Regulatory information

continued

Section 172(1) statement

All directors recognise their responsibilities to promote the success of the company for its shareholders, other investors, its employees, customers, suppliers and the wider community. Due consideration is given to stakeholders' interests as well as the other matters referred to below when strategic decisions are taken. Further information regarding the chairman and individual directors and their approach as regards leadership, responsibilities and strategy are set out in the Directors' and Corporate governance reports in the Governance section of this annual report.

The directors are conscious that the group is in essence a guest in Indonesia and that an understanding of local customs and sensitivities is important. To enhance their understanding and better inform their decisions, directors make periodic visits to the group's operations to ensure that they each have a proper understanding of, and learn at first hand about, the day to day issues and challenges for the group. The managing director, who resides in the UK, and the president director of the group's principal operating subsidiary, who resides permanently in Indonesia, hold weekly meetings by conference call on each aspect of the business. The president director submits a monthly report covering key aspects of the group's operations, finance, and sustainability matters. The president director presents in person (or by conference call) a detailed report on the operations and proposed projects for discussion and, as required, approval at each regular meeting of the board.

Long term consequences of decisions	Strategic and operational decisions must be and are based on long term considerations as agricultural activities require continuity and time, and impact the local community and physical environment, on both of which the group is dependent	See Agricultural operations below
Employees' interests	Employee welfare is central to decision making, particularly given the remote rural location of the group's operations and the fact that most employees live with their families on the group's plantations	See Employees and Health and safety in the Sustainability and climate report below
Business relationships with suppliers, customers and others	Mutually beneficial long term relationships are developed with the group's suppliers, customers and other counterparties based on the policies and internationally recognised certification criteria against which the group is continuously audited and which drive the group's sustainability standards and its reputation as a trusted producer of certified CPO and CPKO	See the Sustainability and climate report and the Directors' report below
Impact of the operations on the community and the environment	Good relations and mutual respect between the group and the communities impacted by its operations are of fundamental importance to the living standards and conditions of the local communities and to the group's ability to operate sustainably and efficiently The board acknowledges the importance of climate change and seeks to mitigate the negative impacts of the business on the environment through its sustainable practices	See TCFD, Climate-related risks and opportunities, UK CFD, SECR, Environment and responsible agricultural practices, Communities, Smallholders, and Conservation in the Sustainability and climate report below; see also the KPIs described in the Glossary
Reputation for high standards of business conduct	The group's long established framework of policies embodies the standards, values and culture to which it has committed and govern the conduct of its operations	See the Sustainability and climate report below and policies available for download at www.rea.co.uk/sustainability/policies
Acting fairly between members of the company	The directors seek to ensure that there is a regular dialogue with the group's key stakeholders, particularly shareholders and debt investors, based on a mutual understanding of respective interests The directors recognise that holders of the company's preference shares and holders of its ordinary shares have separate interests and take care to ensure that these separate interests are appropriately balanced and that, within each class of capital, holders are treated equally according to their holdings	See Corporate governance below

TCFD

In compliance with UK Listing Rule 6.6.6(8)R, the group has included in this annual report climate-related financial disclosures, as respects the group, consistent with the TCFD recommendations and recommended disclosures. The table below provides a summary of the group's climate-related financial disclosures, noting which of these disclosures are aligned with the TCFD recommendations. The disclosures required pursuant to UK CFD are set out separately below.

* Aligned with TCFD recommended disclosures
** Not yet fully aligned with TCFD recommended disclosures

Governance	
Board oversight of climate-related risks and opportunities*	The managing director, the board of the company and the president director of REA Kaltim together have oversight of the group's approach and strategies to address sustainability matters. Climate-related matters are presented in the monthly operational management reports from the chief sustainability officer and in the quarterly president director's reports to directors. These are then considered at, respectively, all regular quarterly meetings of the REA Kaltim and at the regular meetings of the board of the company.
Role of management in assessing and managing climate-related risks and opportunities*	The group's chief sustainability officer, who is based in South East Asia and reports directly to both the president director of REA Kaltim and the managing director, is responsible for oversight and implementation of the group's strategy for identifying and managing climate-related risks and opportunities. Climate-related matters are discussed monthly at operational management meetings of all business units in Indonesia to foster an accountable and collaborative approach, moving beyond the work of the former Climate Change Working Group. Focusing on the group's four strategic pillars (sustainable development, climate action, forest preservation, and empowering livelihoods), all business unit leaders are responsible for identifying, assessing and highlighting environmental and climate-related risks and opportunities and work together with the chief sustainability officer to analyse threats and opportunities, implement strategies and develop commitments and targeted actions to address these matters as they affect their respective departments. Strategies and actions are then agreed with and approved by the president director and the managing director. The Grievance Committee, headed by the president director and chief sustainability officer, and the cross functional Grievance Action Team (GREAT), manage environmental and climate-related risk from unsustainable practices, NDPE violations, and community activities within the group's operations or supply bases. GREAT identifies and addresses risks (including illegal logging, encroachment into conserved forests, and threats to key biodiversity areas) and works closely with relevant stakeholders to coordinate necessary actions and ensure effective mitigating measures are taken.
Strategy	
Climate-related risks and opportunities identified over the short, medium and long term*	Climate and climate change present specific risks and opportunities for an agricultural group to adapt in its drive to achieve a lower carbon economy. Climate change is forecast to introduce increasing variability in rainfall patterns in the humid tropics where the group's operations are based. A detailed assessment of climate-related risks and opportunities is set out in the following section, together with the time horizons (short, medium and long term) for each.
Impact of climate-related risks and opportunities on business, strategy and financial planning*	The group has always and continues to implement programmes to address climate-related risks and opportunities, and specifically to improve resilience to volatile weather patterns. These programmes are explained under Climate-related risks and opportunities below. The group's annual budget incorporates the costs of all such climate-related programmes. In assessing the group's viability, the group also considers climate-related risks and opportunities, together with their impact on the group's projections over a two to five year time horizon. Optimising sustainable production can, in turn, maximise sales premia.
Resilience of strategy taking account of climate-related scenarios**	The current strategy and practices being developed are intended to build operational resilience in response to existing climate conditions and also to address anticipated climate scenarios as global temperatures increase and weather patterns become more variable. Intense rainfall brings the threat of seasonal flooding of the group's low-lying estate areas thereby damaging the palms, conservation areas and infrastructure and restricting access. Directors consider the potential impacts of climate change when considering the group's projections and statements as regards viability and going concern. The directors consider that the group's sustainable policies and practices mean that climate change is not considered to be a principal risk. Risks presented by climate change are being addressed and the group has committed to working towards net-zero GHG emissions by 2050. Accordingly, pursuant to UKLR 6.6.10 G, the directors do not, at present, intend to perform scenario analyses to take account of the impacts of changing weather patterns on the group's financial performance.

Regulatory information

continued

Risk management	
Process for identifying and assessing climate-related risks*	Identification of climate change impacts is the responsibility of the group's operational team lead by the president director in Indonesia. The head of compliance and certification, together with the conservation department (REA Kon), document findings from department heads and, through the chief sustainability officer, submit their findings to the president director. Findings are assessed and considered by management and the managing director and, ultimately, the board of the company, after which action is agreed as required.
Process for managing climate-related risks*	Climate-related matters are considered and addressed in the monthly meetings between operational senior management, which includes conservation and sustainability managers in Indonesia, and in the operational management reports and quarterly president director's reports considered by the board, as described under Corporate governance below. The chief sustainability officer provides targeted and in-depth management oversight aimed at ensuring that agreed actions are implemented and coordinated through all business units.
Integration of climate-related risks into overall risk management*	The sustainability department (under the direction of the group's chief sustainability officer) has established four strategic pillars aimed at ensuring that identification and evaluation of climate-related risks are a priority in, and integral to, management of the group's operations. Targets for water consumption and fertiliser usage, as well as progress in reducing GHG emissions and developing practices to address climate-related matters, are components of individual managers' and corporate KPIs. At each board meeting, directors consider the likelihood and impact of climate-related risks and actions, if any, that may be required to address such risks.
Metrics and targets	
Internal metrics to assess climate-related risks and opportunities in line with group strategy*	The group records climate-related data daily, as well as biodiversity indicators across the operational landscape. Climate-related risks and opportunities are assessed and managed using climate indicator tools recording data on temperature, rainfall and humidity at the group's weather stations. The group seeks to minimise water waste and the use of inorganic fertiliser. Usage of both is reviewed annually to target reductions. REA Kon monitors water quality to ensure that resources remain free of contamination and encroachment through regular patrols on the ground supported by satellite imagery. REA Kon maintains a permanent database of species richness, distribution, and abundance emphasising the status of flora and fauna listed as Critically Endangered of Endangered by the IUCN. REA Kon runs programmes for rewilding and enrichment, as well as education for local communities. The group has signed collaboration agreements with relevant organisations to develop expertise and capacity to record and evaluate performance on a timely basis. These organisations include Rainforest Research Sdn Bhd on behalf of SEARRP, a Malaysian based research organisation engaged in programmes to address environmental issues in the tropics and, specifically, in fragmented oil palm landscapes across South East Asia. In 2023, the group signed up to the SBTi net-zero standard. However, after reassessing the group's climate strategy in 2024, the group is no longer pursuing formal verification under SBTi, but instead is adopting what the group considers to be a more balanced and pragmatic sustainability approach by focusing on the four strategic pillars to guide the group's efforts beyond simply carbon reduction. The pillars offer a holistic framework that balances environmental, social, and economic priorities, ensuring long-term resilience and meaningful impact. The group remains committed to achieving net zero by 2050 and a 50 per cent reduction in net GHG emissions by 2030, but also recognises the importance of a broader, integrated approach to sustainability.
GHG emissions (scope1, scope 2, (and scope 3 if appropriate))*	As explained under SECR below, for over ten years the group has been monitoring and reporting its carbon footprint using the PalmGHG tool that is mandatory for RSPO members. Going forward, the group intends to adopt the now widely accepted international GHG Corporate Standard for calculating and reporting the group's GHG emissions although the PalmGHG tool may continue to be used for the purposes of certification schemes for palm oil. Details of global gross and net emissions (Scope 1, 2 and partial Scope 3) are set out in the SECR table.
Targets for managing climate-related risks and opportunities**	The group's performance (described further in the Sustainability and climate report) is measured in terms of several key environmental indicators including GHG emissions, water usage, and inorganic fertiliser application. While long-term climate targets are already in place, the group is currently refining interim targets and KPIs based on short, medium and long-term goals, to better demonstrate progress and communicate the group's commitment to its 2030 and 2050 climate goals. The group's current KPIs are based on intensity metrics: ▪ GHG: the group uses an intensity-based approach, measuring emissions per tonne of CPO produced. The methodology follows the RSPO PalmGHG calculator to ensure consistency and transparency. ▪ Water use: the group tracks consumption intensity by measuring water used per tonne of FFB processed. This approach reflects the group's focus on improving operational efficiency and responsible water usage. ▪ Inorganic Fertiliser: the group monitors the intensity of chemical fertiliser usage per hectare, with the goal of gradually reducing dependence on inorganic inputs. This includes a transition to organic fertilisers while maintaining productivity through improved sustainable good agricultural practices. The group has adopted 2023 as the baseline year for clear year-on-year comparison and progress tracking. In 2025, the group will define interim targets aligned with the opportunities described above. These targets will reflect the group's ongoing efforts to build a low-emission, resource-efficient operation, supporting the group's broader ambition of achieving net-zero emissions by 2050.

UK CFD

The group's UK CFDs comply with the requirements of the CA 2006 sections 414 CA and CB, as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022, as follows:

Pillar		Disclosure
(a)	Governance arrangement for assessing and managing climate-related risks and opportunities:	Persons or committees responsible for identifying and considering, and frequency of considering, such matters: see TCFD – Governance above regarding regular company board meetings, and REA Kaltim quarterly board and monthly operational meetings.
(b)	How the business identifies, assesses and manages climate-related risks and opportunities	The extent to which climate-related risks and opportunities are considered at group and subsidiary level and how frequently these processes are refreshed: see TCFD – Governance and Risk management above regarding consideration at regular company board meetings, and REA Kaltim quarterly board and monthly operational meetings. Processes are continuously reviewed and refreshed.
(c)	How processes for identifying, assessing and managing climate-related risks are integrated into the overall risk management process	How climate-related risks contribute to decision making and risk management: see TCFD – Risk management above.
(d)	The climate-related risks and opportunities arising in connection with the business operations and the time periods for assessing such risks and opportunities	Programmes to address climate-related risks and opportunities are set out in the table above, and include: ▪ generating renewable energy from the group's two methane capture facilities to replace diesel consumption ▪ investments in: independent verification to secure certification (RSPO, ISPO and ISCC) for the group's operations; infrastructure to permit supply chain segregation; traceability and verification solutions (such as polygon mapping and the e-STDB regulatory process) to optimise sustainable production ▪ preparing for compliance with the EUDR and the increasing market demands for sustainable CPO in export destinations ▪ taking advantage of the opportunity provided by the current replanting programme to improve drainage and the permeability and water retention capacity of the soils ▪ stoning roads to provide all-weather access across the group's estates ▪ concluding agreements to use a neighbouring coal company's new haul road as an alternative land route for evacuating produce when river levels restrict barge access to the Belayan River. ▪ exploring additional uses for mill organic by-products, such as fertiliser to improve soil health, water retention capacity and reduce carbon emissions ▪ extending rainfall capture for both domestic and operational use to reduce extraction of river water and chemical usage for water treatment.
(e)	Actual and potential impacts of principal climate-related risks and opportunities on the business model and strategy	Principal risks with potential to have a material impact on the business strategy: see TCFD – Strategy and Climate-related risks and opportunities above.
(f)	Analysis of the resilience of the business model and strategy taking into consideration different climate-related scenarios	Scenario analysis: see TCFD – Strategy above. The group has decided to omit this requirement on the basis that such disclosure is not considered necessary for an understanding of the business and is part of the group's developing sustainability plan.
(g)	Targets for managing climate-related risks and for realising climate-related opportunities and performance against those targets	Transition plan for identified risks and opportunities, with time frame for monitoring and achieving targets: see TCFD – Metrics and targets and Climate-related risks and opportunities above.
(h)	KPIs used to assess progress against targets to manage climate-related risks and release climate-related opportunities and description of the calculations on which the KPIs are based	Annual progress in meeting KPIs: see TCFD – Risk management and Metrics and targets, and Climate-related risks and opportunities above. The group has decided to omit this requirement on the basis that such disclosure is not considered necessary for an understanding of the business and is part of the group's developing sustainability plan.

Regulatory information

continued

SECR

	2024	2023	2022
Gross emissions (tCO_2eq)			
Oil palm cultivation in Indonesia[1, 2]	417,105	452,809	480,912
Manufacture, transport and use of fertilisers[3]	43,118	69,387	49,872
Subtotal	460,222	522,196	530,784
Collection, milling and distribution operations in Indonesia[4]	145,756	106,573	100,578
Electricity purchased for own use[5]	90	79	79
Global emissions	606,069	628,848	631,442
UK emissions included within global emissions	17	17	17
Net emissions (tCO_2eq)			
Oil palm cultivation in Indonesia[1] (including manufacture, transport and use of fertilisers[3])	(11,122)	67,100	39,997
Collection, milling and distribution operations in Indonesia[4]	100,908	53,556	35,773
Electricity purchased for own use[5]	90	79	79
Global emissions	89,876	120,735	75,848
UK emissions included within global emissions	17	17	17
Energy usage (kWh '000)			
Combustion of fuel	179,454	96,968	85,416
Methane capture generated electricity	17,614	17,933	17,520
Purchased electricity	86	75	75
Global energy use	197,154	114,976	103,011
UK energy use included within global energy use	16	10	16
Intensity measures (tCO_2eq)[6]			
Gross emissions / planted hectare[7]	14.89	15.81*	17.76
Gross emissions / tonne of CPO produced[8]	3.13	2.94*	2.80
Net emissions / planted hectare[7]	2.21	3.04*	2.13
Net emissions / tonne of CPO produced[8]	0.46	0.56*	0.34

* Restated

1 Covers Scope 1 direct GHG emissions from historic land conservation, agricultural practices and peat soil
2 Includes land use change (LUC) emissions, which decreased by 8.0 per cent to 410,324.49 in 2024 (2023: 446,028.85 tCO_2eq) due to the exclusion of LUC emissions from oil palm areas older than 25 years
3 Covers Scope 3 indirect GHG emissions including those associated with the extraction, production, LUC and transport of purchased materials such as fertilisers and pesticides, as well as fuel usage by third party contractors involved in operations
4 Covers Scope 1 and 3 emissions from the transport and processing of crop and waste products. Conversion factor used to calculate energy use from combustion of fuel is 10.58kWh/litre diesel (Source: UK government GHG Conversion Factors for company reporting 2020)
5 Covers Scope 2 emissions associated with electricity usage in group offices in both Indonesia and the UK, representing indirect GHG emissions from the consumption of purchased electricity as defined by the GHG protocol
6 Calculated using the group's palm oil emissions data
7 Based on 40,695 planted hectares in 2024, of which group plantings comprised 35,872 hectares and smallholder plantings comprised 4,823 hectares
8 Based on total CPO produced from the group's operations of 193,582 tonnes in 2024, of which 190,235 tonnes were produced in the group's mills and 3,347 tonnes from FFB sold to and processed by third parties

Approved by the board on 16 April 2025 and signed on behalf of the board by

DAVID J BLACKETT

Chairman

Board of directors

David Blackett | Chairman (independent)
Committees: nomination (chairman) and remuneration
David Blackett was appointed a non-executive director in July 2008. After qualifying as a chartered accountant in Scotland, he worked for over 25 years in South East Asia, where he concluded his career as chairman of AT&T Capital Inc's Asia Pacific operations. Previously, he was a director of an international investment bank with responsibility for the bank's South East Asian operations and until October 2014 served as an independent non-executive director of South China Holdings Limited (now Orient Victory China Holdings Limited), a company listed on the Hong Kong Stock Exchange. He was appointed chairman in January 2016 following the retirement of Richard Robinow from that position.

Mieke Djalil | Non-executive director
Mieke Djalil was appointed as a non-executive director in July 2022. Mieke is an Indonesian national residing in Indonesia, with over 36 years of experience in business process improvement and project management. She was educated in the USA, graduating with a Bachelor of Business Administration and started her career as an auditor with Ernst & Young. She then moved to PwC Consulting which subsequently became part of IBM. Since leaving IBM as a Partner and Country General Manager of the Business Consulting Services, Mieke has worked as an advisor for, and director of, various Indonesian companies, specialising in IT, systems, and business transformation. Mieke is currently an independent commissioner of PT Chubb General Insurance Indonesia and Pure DC in Jakarta, and a member of the audit committees of PT Bank Permata Tbk and the University of Indonesia.

Carol Gysin | Executive director
Carol Gysin was appointed to the board as managing director in February 2017. Based in London, she had previously worked for the group for over eight years as group company secretary, with increasing involvement in the operational areas of the business, including making regular visits to the group's offices and plantation estates in Indonesia. Prior to joining the group, Carol worked as company secretary to a telecommunications company, Micadant plc (formerly, Ionica Group plc, listed in London and on NASDAQ), to a medical devices company, Weston Medical plc, as well as to a number of early-stage technology companies, following an initial career in investment banking in London and Geneva.

John Oakley | Non-executive director
After early experience in investment banking and general management, John Oakley joined the group in 1983 as divisional managing director of the group's then horticultural operations. He was appointed to the main board in 1985 and in the early 1990s took charge of the day to day management of the group's then embryonic East Kalimantan agricultural operations. He was appointed managing director in 2002 and, until the appointment of a regional executive director in 2013, was the sole executive director of the group. He retired as managing director in January 2016 but remains on the board as a non-executive director.

Richard Robinow | Non-executive director
Richard Robinow was appointed a director in 1978 and became chairman in 1984. Following his seventieth birthday, he retired from the chairmanship in January 2016. He remains on the board as a non-executive director and undertakes some additional responsibilities particularly as respects the financing of the group. After early investment banking experience, he has been involved for some 50 years in the plantation industry. He is a non-executive director of a Kenyan plantation company, REA Vipingo Plantations Limited, substantially all of the shares in which are indirectly owned by his family and which is principally engaged in growing sisal in Kenya and Tanzania.

Rizal Satar | Independent non-executive director
Committees: audit and remuneration
Rizal Satar was appointed to the board in December 2018. He lives in Indonesia and is an Indonesian national, educated in the United States and Belgium where he majored in computer science, accounting and finance. Rizal previously worked for 20 years for PwC, as a director/senior partner in Advisory Services. Prior to joining PwC, he worked for various companies in Indonesia specialising in finance, leasing and computer systems. Rizal is also an independent commissioner (the Indonesian equivalent of a non-executive director) of two Indonesian-based companies: PT Centratama Telekomunikasi Indonesia Tbk, a company listed on the Indonesia Stock Exchange and engaged in the provision of infrastructure for cellular networks and broadband internet services, where he is also head of the audit committee; and PT FWD Asset Management, a fund management company owned by FWD Insurance, part of the Asian-based private investment Pacific Century Group, which has interests in technology, media and telecommunications, financial services and property.

Michael St. Clair-George | Senior independent non-executive director
Committees: audit (chairman), nomination, remuneration (chairman)
Michael St. Clair-George was appointed to the board in October 2016. He is a fellow of the Institute of Chartered Accountants in England & Wales. He has over 40 years' experience in the plantation and agribusiness industries in Malaysia and Indonesia, having worked for some 25 years in the Far East, initially as financial controller of the Harrison's & Crosfield group Malaysian plantations (becoming finance director of Harrisons Malaysian Plantations Berhad on that company taking over ownership of such plantations) and, after that, as president director of Sipef NV's Indonesian operations. He then spent 10 years as managing director of Sipef NV, based in Belgium. Retiring from this position in 2007 and returning to London, he served until 2013 as senior non-executive director and chairman of the audit committee of New Britain Palm Oil Limited, a company then listed in London.

Directors' report

The directors present their annual report on the affairs of the group, together with the financial statements and independent auditor's report, for the year ended 31 December 2024. The Corporate governance report below forms part of this report.

There are no significant events since 31 December 2024 to be disclosed.

Financial instruments

Information about the use of financial instruments by the company and its subsidiaries is given in note 26 to the consolidated financial statements.

Results and dividends

The results are presented in the consolidated income statement and notes thereto.

All arrears of dividend outstanding on the company's preference shares were discharged in April 2024 and the fixed semi-annual dividends that fell due on the preference shares in June 2024 and December 2024 were paid on their due dates.

The directors expect that the semi-annual dividends arising on the preference shares in June and December 2025 will be paid in full on the due dates.

While the dividends on the preference shares were more than six months in arrear, the company was not permitted to pay dividends on its ordinary shares but, with the payment in full of the outstanding arrears of preference dividend, that is no longer the case. Nevertheless, in view of the group's current level of net debt, no dividend in respect of the ordinary shares has been paid or is proposed in respect of 2024.

Longer term viability statement

The group's business activities, together with the factors likely to affect its future development, performance and financial position are described in the Strategic report above which also provides (under the heading Finance) a description of the group's cash flow, liquidity and financing development and treasury policies. In addition, note 26 to the group financial statements includes information as to the group's policy, objectives, and processes for managing capital, its financial risk management objectives, details of financial instruments and hedging policies and exposures to credit and liquidity risks.

The Principal risks and uncertainties section of the Strategic report describes the material risks faced by the group and actions taken to mitigate those risks. In particular, there are risks associated with the group's local operating environment and the group is materially dependent upon selling prices for CPO and CPKO over which it has no control.

The group has material indebtedness in the form of bank loans and listed notes. At 31 December 2024, over half of this indebtedness was due for repayment in the three year period to 31 December 2027. For this reason, the directors have chosen that period for their assessment of the longer term viability of the group.

Total group indebtedness at 31 December 2024, as detailed in Capital structure in the Strategic report, amounted to $198.1 million, comprising Indonesian rupiah denominated term bank loans equivalent in total to $131.6 million, drawings under Indonesian rupiah denominated working capital facilities equivalent to $2.8 million, $27.0 million nominal of 7.5 per cent dollar notes 2026, £21.7 million nominal (equivalent, with accrued redemption premium, to $28.2 million) of 8.75 per cent sterling notes 2025 and loans from the non-controlling shareholder in REA Kaltim of $8.8 million. The total borrowings repayable in the period to 31 December 2027 (based on exchange rates ruling at 31 December 2024) amounted to the equivalent of $118.8 million of which $49.0 million falls due in 2025, $46.6 million in 2026 and $23.2 million in 2027.

In addition to the cash required for debt repayments, the group also faces substantial demands on cash to fund capital expenditure, dividends on the company's preference shares and the repayment of contract and similar liabilities, the outstanding amount of which at 31 December 2024 was $8.0 million.

Whilst the group has some flexibility in determining its annual levels of capital expenditure, maintenance in 2025 and the immediately succeeding years of capital expenditure on the plantation operations at the level incurred in 2024 would be desirable to permit continuance of current programmes for the replanting of older palm areas in REA Kaltim, extension planting in PU and the progressive stoning of the group's extensive road network to improve the durability of roads in periods of heavy rain. After the very substantial investments already made in the stone and sand operations, capital expenditure within those operations should now reduce but some further expenditure will be needed as the operations are brought into full production.

In March 2025 Bank Mandiri agreed to repackage, with immediate drawdowns and repayments, existing loans to REA Kaltim and SYB equivalent in total to $66.2 million repayable over the period to 2029, as new loans equivalent to $103.8 million and repayable over the period to 2033. Additionally, Bank Mandiri has provided a new term loan to PU equivalent to $15.0 million of which $5.1 million has been drawn down and the balance of $9.9 million is expected to be drawn down during the remaining months of 2025.

As already noted, a total of $27.0 million falls due for payment during 2026 on maturity of the group's dollar notes. To alleviate the possible pressure that this could place on the group's cash resources, the group intends over the coming months to seek an extension to the maturity date of the dollar notes to 31 December 2028. This will be on terms that those noteholders who do not wish to retain their notes for the extended period will have the right to elect to have their dollar notes purchased by the company at par plus accrued interest on the existing maturity date of 30 June 2026.

Discussions are at an advanced stage with holders of $17.5 million nominal of dollar notes, who have confirmed their willingness, subject to agreement of detailed terms, to support the proposals and not to exercise their right to sell their notes on 30 June 2026.

Whilst commodity prices can be volatile, CPO and CPKO prices are expected to remain at remunerative levels for the immediate future. Some cost inflation may be unavoidable, but the group believes that improved operating efficiencies, facilitated by the substantial investments of recent years in roads, factories and equipment, will limit cost increases. With financing costs continuing to reduce as net debt falls, the group's plantation operations should generate cash flows at good levels. Stone production is still at an early stage but indications are that it will provide a significant addition to group cash flows in 2025. Positive cash flows from sand are also likely to make a useful additional contribution before long.

Taking account of the cash already held by the group at 31 December 2024 of $38.8 million, the cash inflow from the new Bank Mandiri loans ($52.6 million), the forthcoming extension of the maturity date of a substantial proportion of the dollar notes and the projected cash flow from the group's operations, the group should be well placed to meet its obligations from 2025 to 2027.

Based on the foregoing, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the period to 31 December 2027 and to remain viable during that period.

Going concern

Factors likely to affect the group's future development, performance and financial position are described in the Strategic report. The directors have carefully considered those factors, together with the principal risks and uncertainties faced by the group which are set out in the Principal risks and uncertainties section of the Strategic report and have reviewed key sensitivities which could impact on the liquidity of the group.

As at 31 December 2024, the group had cash and cash equivalents of $38.8 million, and borrowings of $198.1 million (in both cases as set out in note 26 to the group financial statements). The total borrowings repayable by the group in the period to 30 April 2026 (based on exchange rates ruling at 31 December 2024) amounted to the equivalent of $54.1 million.

In addition to the cash required for debt repayments, the group also requires cash in the period to 30 April 2026 to fund capital expenditure, preference dividends and repayment of contract and similar liabilities as referred to in more detail in the Longer term viability statement above. That statement also notes the cash inflows from new bank loans and the group's expectations regarding positive cash flows from its various operations.

Having regard to the foregoing, based on the group's forecasts and projections (taking into account reasonable possible changes in trading performance and other uncertainties) and having regard to the group's cash position and available borrowings, the directors expect that the group should be able to operate within its available borrowings for at least 12 months from the date of approval of the financial statements.

On that basis, the directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

Sustainability and climate change

Detailed information regarding sustainability, the environment, and energy and carbon disclosures (SECR), including TCFD, is provided in the Sustainability and climate report and Regulatory information sections of the Strategic report and at www.rea.co.uk/sustainability.

Control and structure of capital

Details of the company's share capital are set out in note 35 to the consolidated financial statements. At 31 December 2024, the issued preference share capital and the issued ordinary share capital represented, respectively, 86.8 and 13.2 per cent of the nominal value of the total issued share capital.

In addition, at 31 December 2024, the company had in issue 3,997,760 warrants with each such warrant entitling the holder to subscribe, until 15 July 2025, one new ordinary share in the capital of the company at a subscription price of £1.26 per share.

The rights and obligations attaching to the ordinary shares, preference shares and warrants are governed by the company's articles of association, the warrant instrument and prevailing legislation. A copy of the articles of association and the warrant instrument are available at www.rea.co.uk/investors/capital-and-constitution. Rights of ordinary and preference shares to income and capital are summarised in note (xiii) to the company's financial statements.

On a show of hands at a general meeting of the company, every holder of ordinary shares and every duly appointed proxy of a holder of ordinary shares, in each case being entitled to vote on the resolution before the meeting, shall have one vote. On a poll, every holder of ordinary shares present in person or by proxy and entitled to vote on the resolution the subject of the poll shall have one vote for each ordinary share held. Holders of preference shares are not entitled to vote on a resolution proposed at a general meeting unless, at the date of notice of the meeting, the dividend on the preference shares is more than six months in arrear or the resolution is for the winding up of the company or is a resolution directly and adversely affecting any of the rights and privileges attaching to the preference shares. Deadlines for the exercise of voting rights and for the appointment of a proxy or proxies to vote in relation to any resolution to be proposed at a general meeting are governed by the company's articles of association and prevailing legislation and will normally be as detailed in the

Directors' report

continued

notes accompanying the notice of the meeting at which the resolution is to be proposed.

There are no restrictions on the size of any holding of shares in the company. Shares may be transferred either through the CREST system (being the relevant system as defined in the Uncertificated Securities Regulations 2001 of which Euroclear UK & Ireland Limited is the operator) where held in uncertificated form or by instrument of transfer in any usual or common form duly executed and stamped, subject to provisions of the company's articles of association empowering the directors to refuse to register any transfer of shares where the shares are not fully paid, the shares are to be transferred into a joint holding of more than four persons, the transfer is not appropriately supported by evidence of the right of the transferor to make the transfer or the transferor is in default in compliance with a notice served pursuant to section 793 of the CA 2006. The directors are not aware of any agreements between shareholders that may result in restrictions on the transfer of securities or on voting rights.

No person holds securities carrying special rights with regard to control of the company and there are no arrangements in which the company co-operates by which financial rights carried by shares are held by a person other than the holder of the shares.

The articles of association provide that the business of the company is to be managed by the directors and empower the directors to exercise all powers of the company, subject to the provisions of such articles (which include a provision specifically limiting the borrowing powers of the group) and prevailing legislation and subject to such directions as may be given by the company in general meeting by special resolution. The articles of association may be amended only by a special resolution of the company in general meeting and, where such amendment would modify, abrogate or vary the class rights of any class of shares, with the consent of that class given in accordance with the company's articles of association and prevailing legislation.

The company's dollar notes, and the sterling notes issued by the company's wholly owned subsidiary, REAF, and guaranteed by the company, are transferable either through the CREST system, where held in uncertificated form, or by instrument of transfer. Transfers may be in any usual or common form duly executed in amounts, in the case of the dollar notes, of $120,000 and integral multiples of $1 in excess thereof; and, in the case of the sterling notes, of £100,000 and integral multiples of £1,000 in excess thereof. There is no maximum limit on the size of any holding in each case.

Substantial holders

On 31 December 2024, based on notifications received by the company in accordance with the DGTRs of the FCA, the following were substantial holders of voting rights attaching to ordinary shares of the company.

Substantial holders of shares	Number of voting shares	Percentage of voting rights
Emba Holdings Limited*	13,022,420	29.71
M&G Investment Management Limited	6,022,546	13.74
Arbuthnot Latham (Nominees) Limited	3,258,643	7.43
James Bartholomew	2,585,314	5.90

* The issued ordinary share capital of Emba Holdings Limited (Emba) is owned by certain members of the Robinow family. The ordinary shares of the company held by Emba are included in the interest of Richard Robinow, shown under Statement of directors' shareholdings in the Directors' remuneration report

As explained under Dividends in the Finance section of the Strategic report above, all outstanding arrears of dividend on the company's preference shares were paid on 15 April 2024. Accordingly, holders of preference shares are no longer entitled to voting rights on the same basis as holders of ordinary shares.

During the period from 31 December 2024 to the date of this report, the company did not receive any notifications in accordance with the DGTRs save as stated above.

Significant holdings (being 10 per cent or more) of ordinary shares, preference shares, dollar notes and sterling notes shown by the respective registers of members and noteholders as at 31 December 2024 are set out below:

Substantial holders of securities	Ordinary shares '000	Preference shares '000	Dollar notes $'000	Sterling notes £'000
Luna Nominees Limited	10,096	–	–	–
State Street Nominees Limited OM04	5,923	–	–	–
KLK Overseas Investments Limited	–	–	9,000	–
KL-Kepong International Limited	–	–	8,570	–
Securities Services Nominees Limited 1702334 acct	–	–	–	8,767
State Street Nominees Limited OU61 acct	–	7,202	5,100	7,526
Euroclear Nominees Limited EOC01 acct	–	–	–	6,565

A change of control of the company would entitle holders of the sterling notes to require repayment of the notes held by them at 104 per cent of par.

The directors are not aware of any agreements between the company and its directors or between any member of the group and a group employee that provides for compensation for loss of office or employment that occurs because of a takeover bid.

Directors

The directors who served during 2024 and up to and including the date of this report are listed under Board of directors above, which is incorporated by reference in this Directors' report.

In accordance with the provisions of the Code issued by the FRC, all continuing directors are subject to annual re-election. Resolutions 4 to 10, which are set out in the accompanying notice (the Notice) of the forthcoming AGM and will be proposed as ordinary resolutions, deal with the re-election of the directors.

The board considers that the contribution of each current director is, and continues to be, important and of value to the long term success of the company and the group.

David Blackett, who was first appointed to the board in 2008 and was appointed chairman in 2016, has served on the board for more than nine years. The board considers that David Blackett's term as chairman should again be extended beyond that recommended under the Code, as he provides valuable continuity and support to the company and management during a period of operational and financial recovery, and in particular with regard to the group's relationship with DSN. David makes yearly visits to the operations in Indonesia and has considerable knowledge of the business of the company, offering insights based on his previous experience in the region. In fulfilling his role as chairman, David promotes healthy debate amongst directors and the board considers that his objectivity and judgement are not compromised by his length of service.

Carol Gysin is the sole executive director of the company. Based in England, Carol has worked for the group for over 16 years. She joined the group as group company secretary but, after increasing involvement in the group's operations, she was appointed managing director in 2017. Carol makes regular visits to the group's offices and plantation estates in Indonesia.

John Oakley was managing director of the company from 2002 until the end of 2015. John has remained on the board as a non-executive director and provides valuable support to the current management, given his detailed knowledge of agronomic practices and oil mill engineering.

Richard Robinow relinquished his position as chairman of the company in January 2016. Richard has remained on the board as a non-executive director and, with his significant family shareholding in the company, continues to support the development of the group, particularly with regard to financing and strategic initiatives.

Rizal Satar, an Indonesian national based in Indonesia, has extensive experience in accounting and finance having previously worked for PwC, Indonesia, for 20 years until 2017, latterly as a director/senior partner in Advisory Services. Rizal is a valuable member of the board in terms of his relevant commercial and financial experience and local knowledge. Rizal is also an independent commissioner (the Indonesian equivalent of a non-executive director) of REA Kaltim and chairman of the REA Kaltim sub-group's audit committee which oversees on behalf of the group matters that include internal audit, anti-bribery and corruption measures, whistleblowing policies and procedures, and employee engagement. As detailed under Diversity and human rights below, substantially all of the group's employees are based in Indonesia.

Michael St. Clair-George is the senior independent non-executive director of the company and chairman of the audit and remuneration committees. Now based in England, Michael has over 40 years' experience in the plantation and agribusiness industries in Malaysia and Indonesia first in the Harrison's & Crosfield group and then in the Sipef group.

Mieke Djalil is an Indonesian national, based in Indonesia and has over 35 years of experience in business process improvement and project management. Mieke's broad commercial and technical knowledge and her local and international experience are valuable resources for the board.

The senior independent non-executive director confirms that, following the annual performance review and evaluation of the chairman, the latter's performance continues to be effective and to demonstrate his commitment to the role. Accordingly, the senior non-executive director, together with fellow non-executive directors recommend the re-election of the chairman as a non-executive director.

The chairman confirms that, following the annual performance review and evaluation, the performance of each of the current non-executive directors and the managing director continues to be effective and recommends their re-election to the board. The chairman particularly welcomes the valuable commitment and extensive experience of all of the directors.

Engagement with suppliers, customers and other stakeholders

As noted in the section 172(1) statement in the Regulatory information section of the Strategic report, each director is conscious of their and the group's responsibility to customers, suppliers, the wider community and other stakeholders.

There is a regular dialogue between managers in the sales and marketing and Sustainability department and the group's customers, with whom the group has developed long term supply arrangements and who take a keen interest in the group's sustainability credentials. An important area of focus is the scheduling of deliveries with timely fulfilment of importance to customers and critical to the smooth running of the group's operations. Managers in the procurement department have an open dialogue with the group's limited number of suppliers and contractors to ensure that contracts are performed efficiently and satisfactory relationships are maintained. The company seeks to procure that suppliers, contractors and customers conform to the group's sustainability principles and practices.

Directors' report

continued

In support of the established relationships, from time to time the group's president director in Indonesia has meetings with the group's key suppliers and customers at which any concerns can be aired. Occasionally, the managing director will also participate in such meetings.

Managers are in regular communication with local government bodies in Indonesia and with the certification and other bodies that promote sustainability matters. Issues, if any, are discussed at the regular meetings between senior management and the president director and escalated, as required, to the managing director. The company's non-executive Indonesia resident directors provide a conduit to the group board for matters arising with stakeholders in Indonesia.

Directors' indemnities

Qualifying third party indemnity provisions (as defined in section 234 of the CA 2006) were in place for the benefit of directors of the company and of other members of the group for 2024 and remain in place at the date of this report.

The group carries appropriate insurance cover in respect of legal actions against the directors, commissioners and senior managers of the group in the UK and Indonesia.

Political donations

No political donations were made during the year.

Acquisition of the company's own shares

The company's articles of association permit the purchase by the company of its own shares subject to prevailing legislation which requires that any such purchase (commonly known as a "buy-back"), if a market purchase, has been previously authorised by the company in general meeting and, if not, is made pursuant to a contract of which the terms have been authorised by a special resolution of the company in general meeting.

The company currently holds 132,500 of its ordinary shares of 25p each, representing 0.3 per cent of the called up ordinary share capital, as treasury shares which were acquired with the intention that, once a holding of reasonable size has been accumulated, such holding be placed with one or more substantial investors on a basis that, to the extent reasonably possible, broadens the spread of substantial shareholders in the company. Save to the extent of this intention, no agreement, arrangement or understanding exists whereby any ordinary shares acquired pursuant to the share buy-back authority referred to below will be transferred to any person. There were no acquisitions or disposals of treasury shares during 2024.

The directors are seeking renewal at the forthcoming AGM (resolution 15 set out in the Notice) of the buy-back authority granted in 2024 to purchase up to 5,000,000 ordinary shares, on terms that the maximum number of ordinary shares that may be bought back and held in treasury at any one time is limited to 400,000 ordinary shares. The directors may, if it remains appropriate, seek further annual renewals of this authority at subsequent AGMs. The authorisation being sought will continue to be utilised only for the limited purpose of buying back ordinary shares into treasury with the expectation that the shares bought back will be re-sold when circumstances permit. The new authority, if provided, will expire on the date of the AGM to be held in 2026 or on 30 June 2026 (whichever is the earlier).

Although the directors are seeking renewal of the buy-back authority to maintain flexibility for the future, they do not currently intend to exercise such authority.

The renewed buy-back authority is sought on the basis that the price (exclusive of expenses, if any) that may be paid by the company for each ordinary share purchased by it will be not less than 25p and not greater than an amount equal to the higher of: (i) 105 per cent of the average of the middle market quotations for the ordinary shares in the capital of the company as derived from the Daily Official List of the LSE for the five business days immediately preceding the day on which such share is contracted to be purchased; and (ii) the higher of the last independent trade and the current highest independent bid on the LSE.

Any ordinary shares held in treasury by the company will remain listed and form part of the company's issued ordinary share capital. However, the company will not be entitled to attend meetings of the members of the company, exercise any voting rights attached to such ordinary shares or receive any dividend or other distribution (save for any issue of bonus shares). Sales of shares held in treasury will be made from time to time as investors are found, following which the new legal owners of the ordinary shares will be entitled to exercise the usual rights from time to time attaching to such shares and to receive dividends and other distributions in respect of the ordinary shares.

The consideration payable by the company for any ordinary shares purchased by it will come from the distributable reserves of the company. The proceeds of sale of any ordinary shares purchased by the company would be credited to distributable reserves up to the amount of the purchase price paid by the company for the shares, with any excess over such price being credited to the share premium account of the company.

The company will continue to comply with its obligations under the Listing Rules of the FCA in relation to the timing of any share buy-backs and re-sales of ordinary shares from treasury.

Authorities to allot share capital

At the AGM held on 6 June 2024, shareholders authorised the directors under the provisions of section 551 of the CA 2006 to allot ordinary shares or 9 per cent cumulative preference shares within specified limits. Replacement authorities are being sought at the 2025 AGM (resolutions 13 and 14 set out in the Notice) to authorise the directors (a) to allot and to grant rights to subscribe for, or to convert any security into, shares in the capital of the company (other than

9 per cent cumulative preference shares) up to an aggregate nominal amount of £3,652,585 representing 33.3 per cent of the issued ordinary share capital (excluding treasury shares) at the date of this report, and (b) to allot and to grant rights to subscribe for, or to convert any security into, 9 per cent cumulative preference shares in the capital of the company up to an aggregate nominal amount of £24,000,000 representing 33.3 per cent of the issued preference share capital of the company at the date of this report. The new authorities, if provided, will expire on the date of the AGM to be held in 2026 or on 30 June 2026 (whichever is the earlier). The directors have no current intention of exercising the allotment authorities.

Authority to disapply pre-emption rights

Fresh powers are also being sought at the forthcoming AGM under the provisions of sections 570 and 573 of the CA 2006 to enable the board to make a rights issue or open offer of ordinary shares to existing ordinary shareholders without being obliged to comply with certain technical requirements of the CA 2006 which can create problems with regard to fractions and overseas shareholders.

In addition, the resolution to provide these powers (resolution 16 set out in the Notice) will, if passed, empower the directors to allot equity securities or sell treasury shares for cash and otherwise than to existing shareholders pro rata to their holdings up to a maximum aggregate nominal amount of £1,095,775 (representing 10 per cent of the issued ordinary share capital of the company (excluding treasury shares) at the date of this report).

The figure of 10 per cent reflects the Pre-Emption Group 2022 Statement of Principles for the disapplication of pre-emption rights (the Statement of Principles). The board will have due regard to the Statement of Principles in relation to any exercise of this power.

Reflecting the Statement of Principles, a further power is being sought at the forthcoming AGM to enable the board to allot equity securities or sell treasury shares for cash otherwise than to existing shareholders pro rata to their holdings in addition to the 10 per cent referred to above. The resolution to provide these powers (resolution 17 set out in the Notice) will, if passed, be limited to the allotment of equity securities and sales of treasury shares for cash up to a maximum aggregate nominal amount of £1,095,775 (representing 10 per cent of the issued ordinary share capital of the company (excluding treasury shares) at the date of this report). The board will have due regard to the Statement of Principles in relation to any exercise of this power and in particular the board may only use this power in connection with a transaction which they have determined to be an acquisition or other capital investment (of a kind contemplated by the Statement of Principles most recently published prior to the date of this notice) which is announced contemporaneously with the announcement of the issue, or which has taken place in the preceding 12 month period and is disclosed in the announcement of the issue.

The foregoing powers (if granted) will expire on the date of the AGM to be held in 2026 or on 30 June 2026 (whichever is the earlier).

General meeting notice period

At the 2025 AGM a resolution (resolution 18 set out in the Notice) will be proposed to authorise the directors to convene a general meeting (other than an AGM) on 14 clear days' notice (subject to due compliance with requirements for electronic voting). The authority, if granted, will be effective until the date of the AGM to be held in 2026 or until 30 June 2026 (whichever is the earlier). The applicable resolution is proposed following legislation which, notwithstanding the provisions of the company's articles of association and in the absence of specific shareholder approval of shorter notice, has increased the required notice period for general meetings of the company to 21 clear days. While the directors believe that it is sensible to have the flexibility that the proposed resolution will offer to convene general meetings on shorter notice than 21 days, this flexibility will not be used as a matter of routine for such meetings, but only where use of the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole.

Directors' remuneration report

Resolution 2 as set out in the Notice provides for approval of the Directors' remuneration report as detailed below.

Directors' remuneration policy

In December 2024, following the recommendation of the remuneration committee, the directors determined that the company's long term incentive plan (LTIP) should be terminated on the grounds that it is no longer required. Under the rules of the scheme, the LTIP was due to terminate in any event after 10 years i.e. June 2025. However, there are no longer any participants in the LTIP (the last participant having left the company in 2017) and there is no intention to grant any new awards under the scheme. Accordingly, the directors resolved to terminate the scheme in advance of June 2025 to reduce unnecessary administration.

Resolution 3 as set out in the Notice provides for approval of the company's revised directors' remuneration policy, which no longer includes an LTIP, as detailed in the report below. If approved, the policy will take effect from the date of such approval. The directors' remuneration policy was previously approved at the company's 2024 AGM.

Recommendation

The board considers that the proposals to grant the directors the authorities and powers as detailed under Acquisition of the company's own shares, Authorities to allot share capital and Authority to disapply pre-emption rights above and the proposals to permit general meetings (other than AGMs) to be held on just 14 clear days' notice as detailed under General meeting notice period above are all in the best interests of the company and shareholders as a whole and accordingly

Directors' report

continued

the board recommends that shareholders vote in favour of resolutions 13 to 18 as set out in the Notice.

Independent auditor

Each director of the company at the date of approval of this report has confirmed that, so far as such director is aware, there is no relevant audit information of which the company's independent auditor is unaware; and that such director has taken all the steps that ought to be taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's independent auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the CA 2006.

A resolution to re-appoint MHA as independent auditor (resolution 11 set out in the Notice) will be proposed at the 2025 AGM.

Resolution 12 set out in the Notice proposes that the audit committee, in accordance with its terms of reference and standard practice, be authorised to determine and approve the remuneration of the independent auditor.

Disclosure requirements of UKLR 6.6.1R

The following table references the location of information required to be disclosed in accordance with UKLR 6.6.1R of the Listing Rules published by the FCA.

Following the changes in 2024 to the FCA listing categories which replaced the two tier (premium and standard) listing segments with new listing categories, the company is now classed as a commercial company with ordinary shares categorised as equity shares and preference shares categorised as non-voting equity shares.

Disclosure requirement	Disclosure in annual report
The amount of interest capitalised during the year with an indication of the amount and treatment of any related tax relief	Note 12 to the consolidated financial statements
Any information required in respect of published unaudited financial information as required by UKLR 6.2.23R	Not applicable
Details of long-term incentive scheme as required under UKLR 9.3.3R	Not applicable
Any arrangements under which a director has waived or agreed to waive any emoluments from the company or any subsidiary undertaking	Not applicable
Any arrangement under which a director has agreed to waive future emoluments	Not applicable
Allotments for cash of equity securities made during the period under review otherwise than to the holders of the company's equity shares in proportion to their holdings of such equity shares and which has not been specifically authorised by the company's shareholders	Not applicable
Allotments for cash of equity securities by a major unlisted subsidiary of the company made during the period under review otherwise than to the holders of the company's equity shares in proportion to their holdings of such equity shares and which has not been specifically authorised by the company's shareholders	Not applicable
Participation by a parent company in any placing made by the company	Not applicable
Any contract of significance: (i) to which the listed company, or one of its subsidiary undertakings, is a party and in which a director of the listed company is or was materially interested; and (ii) between the listed company, or one of its subsidiary undertakings, and a controlling shareholder	Not applicable
Contracts for the provision of services to the company or any of its subsidiary undertakings by a controlling shareholder	Not applicable
Arrangements under which a shareholder has waived or agreed to waive any dividends	Not applicable
Arrangements under which a shareholder has agreed to waive future dividends	Not applicable
Board statement in respect of relationship agreement with the controlling shareholder	Not applicable

By order of the board
R.E.A. SERVICES LIMITED
Secretary
16 April 2025

Corporate governance report

This directors' report on corporate governance in respect of the year ended 31 December 2024 is made pursuant to the Code, which is available from the FRC's website at www.frc.org.uk.

Throughout the year ended 31 December 2024, the company remained in compliance with the provisions set out in the Code.

Statement on corporate governance

The directors appreciate the importance of ensuring that the group's affairs are managed effectively and with integrity and acknowledge that the principles laid down in the Code provide a widely endorsed model for achieving this. The directors seek to apply the Code principles and the supporting provisions in a manner proportionate to the group's size but, as the Code permits, reserving the right, when and if it is appropriate to the individual circumstances of the company, not to comply with certain Code principles and to explain why. The directors are mindful of the changes to the Code (the 2024 Code) that will apply to financial years beginning on or after 1 January 2025 and will seek to apply the revised principles and provisions as applicable to the group.

At the performance review and evaluation conducted in 2024 and following a further formal review and evaluation conducted in April 2025, directors concluded that the board performed effectively as constituted during 2024 and continues to do so during 2025. It was further concluded that the diversity of gender and ethnic backgrounds and complementary skills of individual board members are appropriate for the size and strategic direction of the group and for the challenges that it faces. It was considered that each director brings separate valuable insights into, variously, the plantation industry, business in Indonesia and the group's affairs. Taking account of the nature and size of the company and the limited number of directors on the board, it was decided that an externally facilitated board evaluation was not required.

The directors are conscious that the group relies not only on its shareholders but also on the holders of its debt securities for the provision of the capital that the group utilises. The comments below regarding liaison with shareholders apply equally to liaison with holders of debt securities.

Role and responsibilities of the board

The board is responsible for the proper leadership of the company in meeting its objectives for the long term sustainable success of the company, the community in which it operates and its shareholders.

The board has a schedule of matters reserved for its decision which is kept under review. Such matters include strategy, material investments and financing decisions and the appointment or removal of executive directors and the company secretary. In addition, the board is responsible for ensuring that resources are adequate to meet the group's objectives and for reviewing performance, financial and operational controls, risk and compliance with the group's policies and procedures with respect to its strategy and values regarding business ethics, responsible development, environment and biodiversity conservation, human rights, diversity, and health and safety. Each of these matters is considered at the group's quarterly board meetings with such discussions informed by exchanges with, and information provided by, the senior management team. The group's culture and long history of operating in South East Asia underpins the policies, standards and procedures that it employs in seeking to meet the group's objectives. The group's local directors, commissioners and minority shareholders are a valuable resource in ensuring that the culture and conduct of the group are maintained and appropriately aligned with that of the region in which it operates.

The chairman and managing director (being the chief executive) have defined separate responsibilities under the overall direction of the board. The chairman has responsibility for leadership and effective management of the board in the discharge of its duties; the managing director has responsibility for the executive management of the group overall. Neither has unfettered powers of decision.

Michael St. Clair-George, Rizal Satar and Mieke Djalil are considered by the board to be independent directors. Further, the chairman on appointment was considered to meet the board of directors' criteria for independence. There is a regular and frank dialogue, both formal and informal, between all directors and senior management and communication is open and constructive and non-executive directors are able to express their views, challenge one another and senior management and to raise issues or concerns. Executive management is responsive to feedback from non-executive directors and to requests for clarification and amplification.

Composition of the board

The board currently comprises the chairman, one executive director and five non-executive directors, three of whom the board considers to be independent. Two (representing 29 per cent) of the seven members of the board, being the managing director and one independent non-executive director, are female.

Biographical information concerning each of the directors of the company is set out under Board of directors above. The variety of backgrounds brought to the board by its members provides perspective and facilitates balanced and effective strategic planning and decision making for the long-term success of the company in the context of the company's obligations and responsibilities, both as the owner of a business in Indonesia and as a UK listed entity. In particular, the board believes that the respective skills and experience of its members complement each other and that their knowledge and commitment is of specific relevance to the nature and geographical location of the group's operations.

The group's London office comprises the managing director and a small number of senior executives, all of whom are female, managing the company's London listing and liaising with its European investors, as well as liaising closely with the senior management team in Indonesia. The Indonesian management team has day to day responsibility for the plantation operations and reports to the local president director.

Under the company's articles of association, any director who has not been appointed or re-appointed at each of the preceding two AGMs shall retire by rotation and may submit himself for re-election. This has the effect that each director is subject to re-election at least once every three years. Further, any director appointed during the year holds office until the next AGM and may then submit himself or herself for re-election. However, in compliance with the Code, all directors are subject to annual re-election by shareholders.

It is the policy of the company that the board should be refreshed on the basis that independent non-executive directors will not normally be proposed for reappointment if, at the date of reappointment, they have served on the board for more than nine years. However, David Blackett, who was first appointed to the board in 2008 and was appointed chairman in 2016, has served on the board for more than nine years. The board is mindful of maintaining a suitable balance between independence and relevant experience and considers that, as chairman, David's objectivity and judgement are not compromised by his length of service. The board considers that the value brought to board proceedings by David's commitment and continuity outweighs other factors. David fosters healthy discussions at board meetings to ensure that board decision making is effective and conforms with the group's strategy and objectives. Accordingly, as explained in the Directors' report above, the board has further extended the chairman's term beyond that recommended under the Code, taking account of the views of fellow directors and of the company's major shareholders.

Directors' conflicts of interest

In connection with the statutory provisions regarding the avoidance by directors of situations which conflict or may conflict with the interests of the company, the board has approved the continuance of potential conflicts notified by Richard Robinow, who absented himself from the discussion in this respect. Such notifications relate to Richard's interests as a shareholder in or as a director of companies the interests of which might conflict with those of the group but are not at present considered to do so. No other conflicts or potential conflicts have been notified by directors.

Professional development and advice

In view of their previous relevant experience and, in some cases, length of service on the board, all directors are familiar with the financial and operational characteristics of the group's activities. Directors are required to ensure that they maintain that familiarity and keep themselves fully cognisant of the affairs of the group and matters affecting its operations, finances and obligations (including sustainability responsibilities). Whilst there are no formal training programmes, the board regularly reviews its own competences, receives periodic briefings on legal, regulatory, operational and political developments affecting the group and may arrange training on specific matters where it is thought to be required. Directors are able to seek the advice of the company secretary and, individually or collectively, may take independent professional advice at the expense of the company if necessary.

Newly appointed directors receive induction on joining the board and steps are taken to ensure that they become fully informed as to the group's activities.

Information and support

Monthly operational, financial and sustainability reports are issued to all directors for their review and comment. These reports are augmented by annual budgets and positional papers on matters of a non-routine nature and by prompt provision of such other information as the board periodically decides that it should have to facilitate the discharge of its responsibilities.

Board evaluation

A formal rigorous internal evaluation of the performance of the board, the committees and individual directors is undertaken annually. Balance of powers, mix of skills, experience and knowledge, ongoing contribution to objectives, strategy, efficacy, diversity, climate change and accountability to key stakeholders are reviewed by the board as a whole. The performance of the chairman is appraised by the independent non-executive directors led by the senior independent director. The appraisal process includes assessments against a detailed set of criteria covering a variety of matters including how the board works together as a unit, key board relationships, effectiveness of individual directors and committees and the commitment and contribution of all directors in developing strategy and enforcing disciplined risk management, pursuing areas of concern, if any, and in addition setting appropriate commercial, social and environmental responsibility objectives, the adequacy and timeliness of information made available to the board and the proportion of time allotted for considering financial performance versus strategic matters.

Following the 2025 evaluation, and noting the plans for succession outlined in the Strategic report above (under Succession planning in Strategic environment), the chairman confirmed the directors' view that the board is effective as currently constituted and that the performance of each of the non-executive directors continues to be effective. The chairman welcomed the valuable commitment and engagement of all the directors, each of whom has extensive experience relevant to the group's business and of broader issues that are of relevance to the group's immediate and longer term goals and was satisfied that the board performed effectively throughout the period under review and to date.

Corporate governance report

continued

Board committees

The board has appointed nomination, audit and remuneration committees to undertake certain of the board's functions, with written terms of reference which are available for inspection at www.rea.co.uk/investors/corporate-governance and are updated as necessary.

Overall, the board considers that the board committees are of a size that is appropriate to the needs and circumstances of the company and that the structure of the committees retains a suitable balance between independence and recent and relevant financial or industry experience and avoids unnecessary duplication of the oversight exercised by the commissioners of REA Kaltim (the Indonesian sub-holding company of all of the group's plantation interests) of which a majority are independent.

There is a committee of the board, currently comprising any two of the managing director, the chairman and Richard Robinow, to deal with various matters of a routine or executory nature.

Nomination committee

The members of the nomination committee are David Blackett (chairman) and Michael St. Clair-George. Although David has served on the board for more than nine years, he was independent upon his appointment to the board and to the nomination committee and, as noted above, the board considers that his independence is not compromised by his length of service. Further, given that the board currently comprises only seven members, it is not considered appropriate to change membership of the nomination committee at this time.

The duties of the nomination committee, including as respects board evaluation and succession planning, are set in its terms of reference available at www.rea.co.uk/investors/corporate-governance. The outcome of the annual board evaluation is summarised above under Board evaluation. The group's policy and approach as respects diversity and inclusion are detailed under Diversity and human rights below.

The nomination committee is responsible for monitoring the performance of the executive director and senior management against agreed performance objectives and submitting recommendations for the appointment and removal of directors for approval by the full board. In making such recommendations, the committee pays due regard to the group's diversity policy and takes into consideration the ethos of the company and the specific nature and location of the group operations. Experience and understanding of the plantation industry and business in Indonesia, including that from a South East Asian perspective provided by overseas directors, is an important factor in considering a potential appointment, whether from an external applicant or as part of the succession planning process. The committee may use external consultants to advertise directly for or carry out a search exercise for potential applicants when seeking a new chairman or directors.

A prospective director's availability to devote the time and attention necessary to support the company's long-term sustainable success is considered vital. It is important that directors make periodic visits to the group's operations which are located in a remote rural location in Indonesia, entailing lengthy and sometimes complex, strenuous travel. The nomination committee assesses current demands on a potential director's time in addition to the time commitment and stamina expected of a director, prior to recommending their appointment to the board. The board considers whether a proposed director is able to discharge his duties within the constraints on the proposed director's availability and preparedness for such a role.

The managing director does not currently hold any other significant appointment.

Audit committee

The members of the audit committee are detailed in the Audit committee report below. The company constitutes a smaller company for the purpose of the Code and accordingly an audit committee comprising two members complies with the requirements of the Code. Both members have relevant financial expertise and experience. Given the commitment and specific competencies relevant to the group's business that are required of audit committee members, the board is satisfied that the committee is appropriately constituted.

Rizal Satar, who is one of the two members of the audit committee, is also chairman of the audit committee of the REA Kaltim sub group and has primary responsibility for overseeing audit matters in the region and for reporting back to the audit committee in London. Membership of the audit committee is kept under review by the board to ensure that it continues to remain independent and effective.

As set out in its terms of reference, the audit committee monitors and reports to the board at each quarterly meeting on the independence and effectiveness of the internal and external audit functions, the integrity of financial and narrative statements and its assessment of risk management and internal control procedures. The audit committee's report on its composition and activities is set out in the Audit committee report below. This also provides information concerning the independent external auditor.

Remuneration committee

The members of the remuneration committee are detailed in the Directors' remuneration report below. The remuneration committee meets the criteria of the Code as respects both independence and the composition of remuneration committees.

The principles, policies and activities of the remuneration committee are set out in the Directors' remuneration report below. This also provides information concerning the remuneration of the directors and includes details of the basis upon which such remuneration is determined.

Board proceedings

Four meetings of the board are scheduled each year. Other board meetings are held as required to consider corporate and operational matters with all directors consulted in advance regarding significant matters for consideration and provided with relevant supporting information. Minutes of board meetings are circulated to all directors. The managing director is present at all board meetings. Where appropriate, telephone discussions take place between the chairman and the other non-executive directors outside the formal meetings. Committee meetings are held as and when required. All proceedings of committee meetings are reported to the full board.

The attendance of individual directors, who served during 2024, at the board meetings held in 2024 is set out below:

	Regular meeting	Ad hoc meeting
David Blackett	4	2
Mieke Djalil	4	2
Carol Gysin	4	2
John Oakley	4	2
Richard Robinow	4	2
Michael St. Clair-George	4	2
Rizal Satar	4	2

In addition, during 2024 there were three meetings of the audit committee and one meeting of each of the remuneration committee and nomination committee. All committee meetings were attended by all of the committee members appointed at the time of each meeting.

Whilst all formal decisions are taken at board meetings, the directors have frequent informal discussions among themselves and with management and most decisions at board meetings reflect a consensus that has been reached ahead of the meetings. Two of the directors reside permanently in the Asia Pacific region and some UK based directors travel extensively. Since the regular board meetings are fixed to fit in with the company's budgeting and reporting cycle and ad hoc meetings normally have to be held at short notice to discuss specific matters that do not fall within the remit of the board committees, it may not always be practical to fix meeting dates to ensure that all directors are able to attend each meeting in person but, when possible, the company organises a conference facility to facilitate remote attendance. In the event that a director is unable to attend a meeting in person or by way of a conference facility, the company ensures that the director concerned is fully briefed so that the director's views can be made known to other directors ahead of time and be reported to, and taken into account, at the meeting.

The use of conference facilities is not felt by directors to impact adversely the conduct or administration of meetings or the quality and depth of board discussions and contributions by individual directors.

Audit, risk and internal control

The board is responsible for the group's audit and system of internal control and for reviewing their effectiveness, taking account of the views and recommendations of the audit committee in considering such matters. The system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The board has established a continuous process for identifying, evaluating and managing the principal risks which the group faces (including risks arising from sustainability matters) and considering any such risks in the context of the group's overall strategic objectives.

A robust assessment of the principal and emerging risks, as set out under Principal risks and uncertainties in the Strategic report above, was conducted by the board on 15 April 2025. The board also regularly reviews the process and internal control systems, which were in place throughout 2024 and up to the date of approval of this report, in accordance with the FRC Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

The board attaches importance not only to the process established for controlling risks but also to promoting an internal culture in which all group staff are conscious of the risks arising in their particular areas of activity, are open with each other in their disclosure of such risks and combine together in seeking to mitigate risk. In particular, the board has always emphasised the importance of integrity and ethical dealing and continues to do so, in accordance with the group's policies on business ethics and human rights.

Policies and procedures in respect of diversity, human rights and anti-bribery and corruption are in place for all of the group's operations in Indonesia as set out in the Strategic report above (under the Employees in the Sustainability and climate report) as well as in the UK. These include detailed guidelines and reporting requirements, a comprehensive, continuous training programme for all management and employees and a process for ongoing monitoring and review. To support the group's policies and procedures, a local third party assists with corporate governance matters and regular anti-bribery training for employees in Indonesia. Such training covers local and international standards of good governance and anti-bribery laws and regulations, with specific reference to the Bribery Act 2010. The group's whistleblowing procedure, implemented for employees in Indonesia, where over 99 per cent of the workforce is based, is managed and facilitated externally by a professional independent third party firm.

The group has in place measures to ensure that it is compliant with UK GDPR.

The board, assisted by the audit committee and the internal audit process, reviews the effectiveness of the group's system of internal control on an ongoing basis. The board's

Corporate governance report

continued

monitoring covers all controls, including financial, operational and compliance controls and risk management. It is based principally on reviewing reports from management and the internal audit department (providing such information as the board requires) and considering whether significant risks are identified, evaluated, managed and controlled and whether any significant weaknesses are promptly remedied or indicate a need for more extensive monitoring. Details of the internal audit function and the board's risk management monitoring are provided under Internal audit and Risk management and internal control in the Audit committee report below.

Internal audit and reporting

The group's internal audit arrangements are described in the Audit committee report below.

The group has established a management hierarchy which is designed to delegate the day to day responsibility for specific departmental functions within each working location, including financial, operational and compliance controls and risk management, to a number of senior managers and department heads who in turn report to the managing director.

Management reports to the board on a regular basis by way of the circulation of progress reports, management reports, budgets and management accounts. Management reports, in particular as regards finance matters, are also considered by the audit committee as required. Management is required to seek authority from the board in respect of any transaction outside the normal course of trading which is above an approved limit and in respect of any matter that is likely to have a material impact on the operations that the transaction concerns. Monthly meetings to consider operational matters are held in London and Indonesia and regular meetings are held between the two offices by way of conference calls. Directors based in London make frequent visits to the overseas operations each year. The managing director has a continuous dialogue with the chairman and with other members of the board.

Diversity and human rights

The group encourages an open approach to recruitment, promotion and career development irrespective of age, gender, national origin or background. As noted in the group's Non-financial and sustainability information statement in the Strategic report above under Regulatory information, applicable policies are designed to recognise and promote this open approach. Substantial progress has been made in implementing the diversity policy as evidenced by the composition of the group board, Indonesian subsidiary boards and senior management, and the DEI committee, thus broadening the scope of the previous gender committee, as set out in the Strategic report above under Employees in the Sustainability and climate report.

The directors have determined that the main board should continue to be of a size that is appropriate to the needs and circumstances of the company with its operations being based entirely overseas in Indonesia. Given the nature and location of the group's operations, the directors have not set specific targets as respects gender or ethnic diversity.

As at 31 December 2024, the company was in compliance with the requirements of UKLR 6.6.6R(9) as respects senior board positions and ethnic diversity, but not as respects the 40 per cent target for women on the board. The managing director and one independent non-executive director of the company are women, together representing 29 per cent of the board of seven directors. 29 per cent of the board are also from minority ethnic backgrounds as determined by the Office for National Statistics. As noted in the Strategic report above (under Succession planning in Strategic environment), the directors are contemplating new appointments to the board as existing longstanding directors retire. Those appointments and any new appointments to board committees will take account of the group's diversity policy.

The directors encourage and promote the participation of women in senior leadership roles and seek to increase the number of female employees at all levels throughout the group. The group head office in London comprises six employees, five of whom are senior executives (including the managing director), and all of whom are women. Substantially all of group's employees are based in Indonesia and 8,676 (some 99 per cent) are South East Asian. As noted in the Strategic report under Employees in the Sustainability and climate report, 29 per cent of the group's combined Indonesian and UK workforce, and 24 per cent of the management team, are women.

Gender representation

	No. of board members	% of board	No. of senior positions on board*	No. in executive management	% of executive management
Men	5	71	2	3	38
Women	2	29	1	5	63

Ethnicity representation

	No. of board members	% of board	No. of senior positions on board*	No. in executive management	% of executive management
White British or other White**	5	71	3	7	87
Mixed Multiple ethnic groups	–	–	–	–	–
Asian/Asian British	2	29	–	1	13
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group including Arab	–	–	–	–	–
Not specified	–	–	–	–	–

* (CEO, CFO, SID, Chair)

** (Including minority-White groups)

The group collects and stores employee data on a human resources management information system which complies with data protection regulations in the applicable locations. Data as regards gender is mandatory in Indonesia; data as regards ethnicity is provided voluntarily and may be withheld at the employee's discretion.

In accordance with the Modern Slavery Act 2015, the group seeks to ensure that its partners abide by its ethical principles, including those with respect to slavery as set out in the policies on human rights and business ethics. All full time employees, casual workers and third party contractors are provided with clear terms of engagement, including a defined notice period for termination and the group's policy with respect to slavery or trafficked labour. The policy statement on modern slavery is available on the group's website and is reviewed annually by the board in light of the group's policies and practices. The group is also subject to assessments of its human rights policies and procedures by major customers and certification bodies. These audits, which are usually conducted by independent bodies, cover the management and governance of human rights, as well as respect for fundamental rights in the workplace and in the community.

Relations with stakeholders

The Chairman's statement and Strategic report above, when read in conjunction with the financial statements, the Directors' report above and the Audit committee report and Directors' remuneration report below are designed to present a comprehensive and understandable assessment of the group's position and prospects. The respective responsibilities of the directors and independent auditor in connection with the financial statements are detailed in Directors' responsibilities below and in the Independent auditor's report.

The group maintains its website at www.rea.co.uk. The website has detailed information on, and photographs illustrating various aspects of, the group's activities, including its commitment to sustainability, conservation work and managing its carbon footprint. The website is updated regularly and includes information on the company's share prices and the price of CPO. The company's corporate governance documentation is published at www.rea.co.uk/investors/corporate-governance. The company's results and other news releases issued via the LSE's Regulatory News Service are published at www.rea.co.uk/investors/regulatory-news and, together with other relevant documentation concerning the company, are available for downloading.

The directors endeavour to ensure that there is satisfactory dialogue, based on mutual understanding, between the company and its shareholder body. The annual report, interim communications, periodic press releases and such circular letters to shareholders as circumstances may require are intended to keep shareholders informed as to progress in the operational activities and financial affairs of the group. In addition, within the limits imposed by considerations of confidentiality, the company engages with institutional and other major investors through regular meetings and other contact in order to understand their concerns. The views of shareholders are communicated to the board as a whole to ensure that the board and the board committees maintain a balanced understanding of shareholder opinions and issues arising.

All ordinary shareholders may attend the company's annual and other general meetings and put questions to the board. Two directors reside permanently in the Asia Pacific region. Moreover, the nature of the group's business requires that directors travel frequently to Indonesia. It is therefore not always feasible for all directors to attend general meetings, but, those directors who are present are available to talk on an informal basis to shareholders after the meeting's conclusion.

At least 20 working days' notice is given of the AGM and related papers are made available to shareholders at least 20 working days ahead of the meeting. For every general meeting, proxy votes are counted, and details of all proxies lodged for each resolution are reported to the meeting and made available on the group's website as soon as practicable after the meeting.

Arrangements for the company's 2025 AGM are set out in the Notice. Reference should be made to the Notice for further information regarding attendance at the meeting.

The board is mindful of another of the company's key stakeholders, its employees. Rizal Satar, who resides in Indonesia and is also a commissioner (akin to a non-executive director) of REA Kaltim and chairman of the local audit committee, is the designated non-executive director with responsibility for engagement with employees, as well as oversight of anti-bribery and whistleblowing procedures in line with the group's policies. Rizal works with REA Kaltim's president director, head of human resources and chief sustainability officer to consider employee issues and periodically attends employee workshops on the group's estates. In addition, Rizal provides the conduit between the independent whistleblowing facilitator and the board. Outcomes and findings from employee engagement and whistleblowing procedures are reported to the local boards of directors and commissioners and ultimately to the group's main board via the REA Kaltim audit committee. This engagement mechanism is to ensure that the board understands the views of all stakeholders and that employee interests have been considered in board discussions and decision making in order to promote the long term success of the company.

Approved by the board on 16 April 2025 and signed on behalf of the board by
DAVID J BLACKETT
Chairman

Audit committee report

Summary of the role of the audit committee

The terms of reference of the audit committee are available for download at www.rea.co.uk/investors/corporate-governance.

The audit committee's remit covers the group as a whole, as well as the parent company and major subsidiary undertakings, unless required otherwise by regulations. The audit committee is responsible for:

- monitoring the integrity of the financial statements, reviewing formal announcements of financial performance and the significant reporting issues and judgements that such statements and announcements contain
- reviewing the effectiveness of the internal control functions (including the internal financial controls and internal audit function in the context of the group's overall risk management system, as well as arrangements whereby internally raised staff concerns as to financial reporting and other relevant matters are considered)
- making recommendations to the board in relation to the appointment, reappointment, removal, remuneration and terms of engagement of the independent external auditor, and overseeing the relationship with and reviewing the audit findings of the independent external auditor
- reviewing and monitoring the independence of the external auditor and the effectiveness of the audit process.

The audit committee also monitors the engagement of the independent external auditor to perform non-audit work. During 2024, non-audit work undertaken by the independent auditor was principally in relation to the shareholder circular dated 25 January 2024 in respect of the proposals for the further investment by DSN in REA Kaltim, the potential sale of CDM and the intra-group sale and purchase of PU. The fee for such non-audit work was approved by the board on 25 January 2024. Additional non-audit work undertaken by the independent auditor was, as in previous years, routine compliance reporting in connection with covenant obligations applicable to certain group loans (as respects which the governing instruments require that such compliance reporting is carried out by the independent auditor). The audit committee considered that the nature and scope of, and remuneration payable in respect of, these engagements were such that the independence and objectivity of the auditor was not impaired. Fees payable are detailed in note 7 to the consolidated financial statements. MHA will undertake covenant compliance tasks during 2025, subject to their reappointment at the 2025 AGM.

The members of the audit committee discharge their responsibilities by formal meetings and informal discussions between themselves, meetings with the independent external auditor, and with management in Indonesia and London and by consideration of reports from management, the Indonesian audit committee and the independent external auditor.

The committee provides advice and recommendations to the board with respect to the financial statements to ensure that these offer fair, balanced, understandable and comprehensive information for the purpose of informing and protecting the interests of the company's shareholders.

Composition of the audit committee

The audit committee currently comprises Michael St. Clair-George (chairman) and Rizal Satar. Both are considered by the directors to have relevant financial and professional expertise and experience, as well as experience of the business sector and region in which the company operates, so as to be able to fulfil their specific duties effectively with respect to the audit committee. The experience of each member of the committee is described under Board of directors above.

Meetings

Three audit committee meetings are scheduled each year to match the company's budgeting and reporting cycle. Additional ad hoc meetings are held to discuss specific matters when required, including meetings called at the request of the independent external auditor.

Significant issues relating to the financial statements

The committee reviewed the half year financial statements to 30 June 2024 (on which the independent auditor did not report) and the full year financial statements for 2024 (the 2024 financial statements) contained in this annual report. The external audit report on the latter was considered together with a paper to the committee by the independent auditor reporting on the principal audit findings. The audit partner of MHA responsible for the audit of the group attended the audit planning meeting prior to the year end as well as the meeting of the committee at which the full year audited financial statements were considered and approved. Senior members of staff of MHA who were involved in the audit also attended the meetings.

In relation to the group's audited 2024 financial statements, the committee considered the significant accounting and judgement issues set out below.

Significant accounting and judgement issues

Issues	Relevant considerations
Consolidation of ATP	The consolidation of ATP within the group in line with IFRS 3: Business Combinations requires management to make significant judgements in respect of control and the fair value of the assets acquired (see note 3). A substantial fair value adjustment has been made in respect of the mining asset as management considers it to be appropriate in view of future cash flows and the long term value to the group.
A deferred tax asset of $6.3 million (2023: nil) is recognised in the consolidated financial statements as a result of carried forward income tax losses in Indonesia. The carrying value assumes that sufficient profits are generated within the relevant subsidiaries in the five year statutory expiry limit imposed in Indonesia to utilise fully the tax losses	The group seeks to limit uncertainty in respect of utilisation of tax losses by preparing detailed forecasts of future taxable profits by company which are flexed for a range of outcomes, for example, ten per cent decreases in price and production. Provisions are made to the extent that losses may not be utilised.
The amount of the deferred tax liability that is recognised in the consolidated financial statements as a result of differences between the carrying amounts of financial assets and liabilities in those statements and the corresponding fiscal balances used in reporting taxable results	The computation of deferred tax liabilities is complicated by Indonesian tax legislation and by the extent of differences between group and local carrying amounts that have accumulated over many years, in part due to the past requirements of IAS 41 to restate plantings at fair value for group reporting purposes. The computation methodology applied is consistent with that adopted in previous years.
The accounting treatment of land titles and whether amounts included in respect of land titles in non-current plantation operating assets should be amortised or depreciated	The committee has considered and taken independent advice regarding Indonesian land tenure law and regulations as applied to oil palm plantations. The Indonesian system of land tenure for agricultural purposes (HGU) gives the licensee rights to occupy for periods of up to 35 years, followed by an extension and then further renewals of between 25 and 35 years. The committee has concluded that acquiring an HGU represents, in substance, purchase of an item of PPE. To reach this conclusion the committee made the judgement that the initial payment to acquire an HGU is akin to a payment to purchase land and that valid renewal requests will always be granted by the Indonesian administration (unless there is a significant change in law or government policy). The alternative would be to treat an HGU as a lease of land rights and depreciate the cost over the period of the HGU. Either treatment requires review of whether the underlying assets are impaired at period ends. From 1 January 2017, the group moved to a position of considering land titles (previously known as "pre-paid operating lease rentals") as a class of non-current assets with no amortisation, bringing the group's treatment into line with other companies in the oil palm sector. Previously, the group had amortised the pre-paid operating lease rentals at group level although Indonesian standards had not required any amortisation in the local accounts. Land rights in the past have been generally renewed without issue and it is a reasonable assumption that HGUs will continue to be renewed or extended. Further, land suitable for oil palm development and subject to HGUs can be readily bought and sold. Accordingly, and taking account of independent advice, the committee considers that the group should continue to adopt the policy that land titles are treated as non-current assets with no amortisation, in line with local treatment and with other oil palm groups.

Audit committee report

continued

In its review of the annual report and the financial statements, the committee considered management's submissions on the matters above, together with the conclusions reached by the independent auditor, to ensure that the annual report and the consolidated financial statements are fair, balanced and understandable and provide sufficient information to enable shareholders to make an assessment of the group's position, performance, business model and strategy.

External audit

The independent external auditor, MHA (a member firm of Baker Tilly International), was appointed as the group's external auditor in 2020, following approval of their appointment by the company's shareholders at the AGM held in 2020. Rakesh Shaunak has completed his fifth and final year as the group's senior statutory auditor. Simon Knibbs, the replacement partner, has been engaged. The other key audit partners are expected to continue their engagement with the group for a further three years.

The audit committee meets the independent external auditor each year to consider the annual audit plan, specific auditing and accounting matters and the independent auditor's report to the committee. In its assessment of the independent external auditor, the audit committee considered the following criteria and confirmed that it was satisfied that such criteria had been met:

- delivery of a thorough and efficient audit of the group in accordance with agreed plans and timescales
- provision of accurate, relevant and robust advice on, and challenge of, key accounting and audit judgements, technical issues and best practice
- the degree of professionalism and expertise demonstrated by the audit staff
- sufficient continuity planned for within the core audit team
- adherence to independence policies and other regulatory requirements.

Risk management and internal control

The board of the company has primary responsibility for the group's risk management and internal control systems. At each of its meetings, the committee conducts a robust assessment of principal, prospective and emerging risks faced by the group and makes recommendations to the board accordingly. Current risks, and the assessment thereof are set out under Principal risks and uncertainties in the Strategic report above and are reflected in the Viability statement and Going concern in the Directors' report above.

The audit committee supervises the internal audit function, which forms a key component of the control systems, and keeps the systems of financial, operational and compliance controls generally under review. Any deficiencies identified are drawn to the attention of the board.

The committee is regularly appraised of matters relating to potential IT related fraud which requires continued vigilance and system monitoring and presents a substantial, albeit remote, risk for all business areas. Several upgrades to firewalls and other anti malware protection were implemented during 2024. A disaster recovery plan has been put in place and tested. Cyber security reviews of information technology are conducted periodically throughout the year. The committee is satisfied that the group's systems are effective and sufficient for their purpose.

Internal audit

The group's Indonesian operations have an internal audit function supplemented where necessary by the use of external consultants to assist with corporate governance and anti bribery training for employees. Such training covers local and international standards of good governance and anti-bribery laws and regulations, with specific reference to the Bribery Act 2010. The function issues reports on each internal audit topic for consideration by the audit committee in Indonesia. Report summaries and remedial actions are submitted for consideration to the group audit committee. An internal audit programme is agreed at the beginning of each year and supplemented by special audits through the year as and when directed by management. In addition, follow-up audits are undertaken to ensure that necessary remedial action has been taken. Internal audit work continued throughout 2024, in accordance with the internal audit programme agreed with the committee. The group's whistleblowing procedure, implemented for employees in Indonesia, where over 99 per cent of the workforce is based, is managed and facilitated externally by a professional independent third party firm.

In the opinion of the audit committee and the board, there is no need for an internal audit function outside Indonesia due to the limited nature of the non-Indonesian operations.

Approved by the audit committee on 16 April 2025 and signed on behalf of the committee by:
MICHAEL A ST. CLAIR-GEORGE
Chairman of the audit committee

Directors' remuneration report

This report has been prepared in accordance with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (the Regulations) as amended. The report is split into three main sections: the statement by the chairman of the remuneration committee, the annual report on remuneration, and the policy report. The annual report on remuneration provides details of directors' remuneration during 2024 and certain other information required by the Regulations. The annual report on remuneration will be put to an advisory shareholder vote at the company's 2025 AGM. The remuneration policy detailed in the policy report is separately subject to approval at that AGM. The remuneration policy is unchanged from the policy that was previously approved at the company's 2024 AGM, save that the policy no longer includes a long term incentive component (the LTIP), for the reasons explained in the Directors' report above and under Scheme interests below.

The Companies Act 2006 requires the independent auditor to report to shareholders on certain parts of the annual report on remuneration and to state whether, in their opinion, those parts of the report have been properly prepared in accordance with the Regulations. The parts of the annual report on remuneration that have been audited are indicated in that report. The statement by the chairman of the remuneration committee and the policy report are not subject to audit.

Statement by Michael St. Clair-George, chairman of the remuneration committee

The succeeding sections of this Directors' remuneration report cover the activities of the remuneration committee during 2024 and provide information regarding the remuneration of executive and non-executive directors. In particular, the report is designed to compare the remuneration of directors with the performance of the company.

The group's policy on remuneration is designed to be clear, simple and consistent with the group's values. The committee believes that remuneration should continue to motivate and reward individual performance in a way that supports the best long term interests of the company, its shareholders and stakeholders. The committee considers that executive remuneration is consistent with such policy and that the award of any bonus, which is wholly discretionary and currently the only variable element of remuneration for the sole executive director, takes account of the group's targets and objectives.

The policy and principles applied by the remuneration committee in fixing the appropriate remuneration of the sole executive director take account of the company's strategy, commercial goals and achievements as well as its sustainability objectives in furtherance of the long term success of the company. In addition, the committee takes into consideration external guidance and benchmarks, including annual publications by leading audit firms regarding directors' remuneration in smaller (FTSE SmallCap) companies, as well as remuneration awards for senior managers of the company in Indonesia and London.

In considering a bonus for the managing director (being the sole executive director) in respect of 2024, the committee confirmed the importance of striking an appropriate balance between positive and negative factors, reward and incentive in the context of the group's financial and share price performance in 2024. The committee noted continued progress on operational, financial and administrative fronts: replanting and extension planting; commencement of the stone and sand operations and the reorganisation of the group's interests in these companies; finance initiatives, including reorganisation of the group's debt profile (bank financing in Indonesia and buying in of sterling notes), and payment of all outstanding arrears of preference dividend in April 2024; management development, succession planning and organisational changes across the group; sustainability initiatives, including preparing for EUDR compliance, raising the group's SPOTT score, measures to address climate change risks and opportunities and smallholder projects; and completion of strategic initiatives such as the reorganisation of the REA Kaltim sub-group and the DSN subscription and related arrangements.

The committee reflected these factors in awarding the managing director's bonus in respect of 2024 and setting the executive remuneration and specific objectives for 2025. The committee considers that it has struck an appropriate balance between reward and incentive in approving the remuneration package of the managing director for 2025.

Annual report on remuneration

The information provided below under Single total figure of remuneration for each director, Pension entitlements, Scheme interests and Directors' shareholdings has been audited.

Single total figure of remuneration for each director

The remuneration of the executive and non-executive directors for 2023 and 2024 was as follows (stated in sterling as all the directors are remunerated in sterling). There was no remuneration in respect of any long term incentive plan in 2024 or 2023.

Directors' remuneration report

continued

2024	Salary and fees (fixed) £'000	All taxable benefits (fixed)* £'000	Annual bonus (variable)** £'000	Pensions (fixed)*** £'000	Total £'000
Managing director					
C E Gysin	412.5	12.7	165.0	15.1	605.3
Chairman and non-executive directors					
D J Blackett	122.1	–	–	–	122.1
M Djalil	33.6	–	–	–	33.6
J C Oakley	33.6	–	–	–	33.6
R M Robinow	122.1	14.9	–	–	137.0
R Satar	36.1	–	–	–	36.1
M A St. Clair-George	36.1	–	–	–	36.1
Total	796.1	27.6	165.0	15.1	1,003.8

2023	Salary and fees (fixed) £'000	All taxable benefits (fixed)* £'000	Annual bonus (variable)** £'000	Pensions (fixed)*** £'000	Total £'000
Managing director					
C E Gysin	392.9	35.2	160.0	15.7	603.8
Chairman and non-executive directors					
D J Blackett	116.2	–	–	–	116.2
M Djalil	32.0	–	–	–	32.0
J C Oakley	32.0	–	–	–	32.0
R M Robinow	116.2	10.9	–	–	127.1
R Satar	34.5	–	–	–	34.5
M A St. Clair-George	34.5	–	–	–	34.5
Total	758.3	46.1	160.0	15.7	980.1

* Types of benefit: health insurance, rental accommodation

** In respect of the applicable year (awarded in the subsequent year)

*** Contributions to auto enrolment workplace pension

Fees paid to Michael St. Clair-George and Rizal Satar in 2023 and 2024 included additional remuneration at the rate of £2,500 per annum in respect of their membership of the audit committee.

Pension entitlements

In the past, executive directors were eligible to join the R.E.A. Pension Scheme, a defined benefit scheme of which details are given in note 40 to the consolidated financial statements. That scheme is now closed to new members and it is no longer the policy of the company to offer pensionable remuneration to directors, except to the extent required under local legislation.

Mr Oakley (who was aged 76 at 31 December 2024) is a pensioner member of the scheme. Details of Mr Oakley's annual pension entitlement are set out below:

	£
In payment at beginning of year	87,538
Increase during the year	3,407
In payment at end of year	90,945

Scheme interests awarded during the financial year

There were no scheme interests awarded during the financial year.

Directors' shareholdings

There is no requirement for directors to hold shares in the company.

At 31 December 2024, the interests of directors (including interests of persons connected with directors) in the 9 per cent cumulative preference shares of £1 each, ordinary shares of 25p each of the company and warrants to subscribe ordinary shares were as set out in the table below:

Directors	Preference shares	Ordinary shares	Warrants to subscribe ordinary shares
D J Blackett	250,600	131,144	–
M Djalil	–	–	–
C E Gysin	91,957	2,132	–
J C Oakley	–	442,493	–
R M Robinow	50,000	13,046,587	1,734,330
R Satar	–	–	–
M A St. Clair-George	2,108	129,371	–

There have been no changes in the interests of the directors between 31 December 2024 and the date of this report.

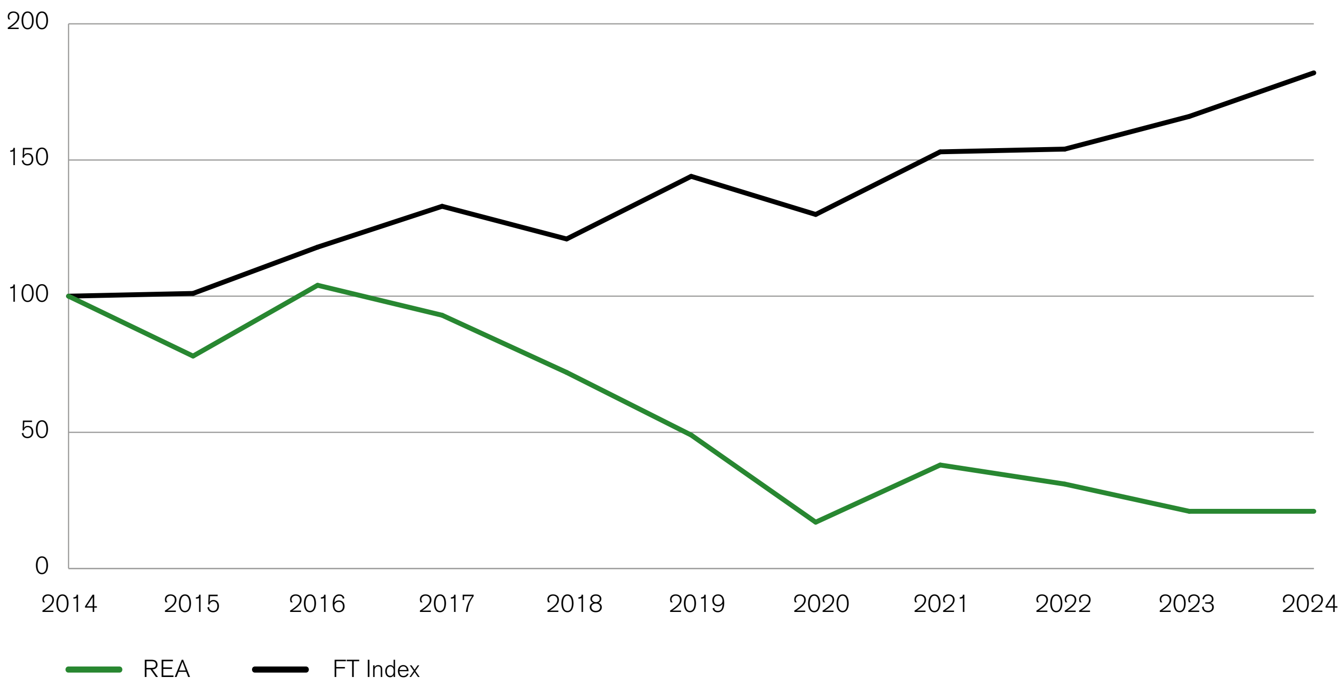
Scheme interests

No director currently holds any scheme interests in shares of the company.

As explained in the Directors' report above, following the recommendation of the committee, the directors resolved in December 2024 that the LTIP be terminated forthwith, there being no participants in the scheme and there being no intention to grant new awards under the scheme. Accordingly, the LTIP approved by shareholders in June 2015 has been terminated and the policies to be applied to the remuneration of senior management have been revised so as to exclude a long term incentive component. The revised company policy on remuneration, which is set out below under Future policy tables, is subject to the approval of shareholders at the 2025 AGM.

Performance graph and managing director remuneration table

The following graph shows the company's performance, measured by total shareholder return, compared with the performance of the FTSE All Share Index also measured by total shareholder return. The FTSE All Share index has been selected for this comparison as there is no index available that is specific to the activities of the company.



Directors' remuneration report

continued

The table below provides details of the remuneration of the managing director over the ten years to 31 December 2024.

Managing director's remuneration		Single figure of total remuneration £'000	Annual bonus pay-out against maximum %	Long term incentive vesting rates against maximum opportunity %
2024	C E Gysin	605.3	80	N/A
2023	C E Gysin	603.8	81	N/A
2022	C E Gysin	557.9	80	N/A
2021	C E Gysin	538.5	83	N/A
2020	C E Gysin	494.2	57	N/A
2019	C E Gysin	439.8	35	N/A
2018	C E Gysin	473.3	67	N/A
2017	C E Gysin (for the period 21 February to 31 December 2017)	400.3	50	N/A
2017	M A Parry (for the period 1 January to 20 February 2017*)	412.8	N/A	N/A
2016	M A Parry	617.3	92	N/A
2015	M A Parry	541.7	88	N/A
2015	J C Oakley	473.9	60	N/A

* Includes £200,000 ex gratia payment for loss of office pursuant to a resolution of shareholders in 2017

Percentage change in remuneration

The table below shows the percentage changes in the remuneration of each director and in the average remuneration (on a full time equivalent basis) of employees of the company in the UK and of certain senior managers in Indonesia between 2020 and 2024. The selected comparator employee group is considered to be the most relevant taking into consideration the nature and location of the group's operations. Using the entire employee group would involve comparison with a workforce in Indonesia, whose terms and conditions are substantially different from those pertaining to employment in the UK. The remuneration of the selected group in prior years has been restated at prevailing average exchange rates for 2024 so as to eliminate distortions based on exchange rate movements of the rupiah and dollar against sterling.

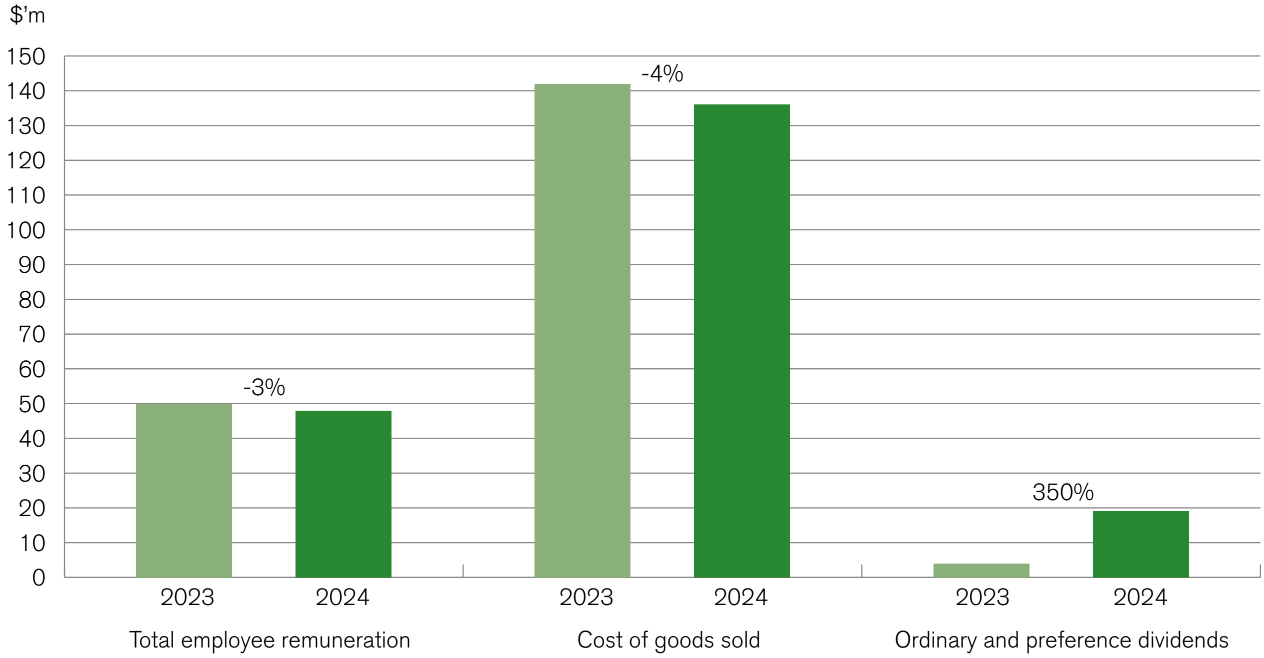
Percentage change in remuneration (FTE)	C E Gysin	D J Blackett	M Djalil/ I Chia*	J C Oakley**	R M Robinow	R Satar	M A St. Clair-George	Employees
2023-2024								
Salary and fees	5	5	5	5	4.6	4.6	5	5.0
All taxable benefits	(64.0)	–	–	–	36.8	–	–	0.1
Annual bonuses	3.1	–	–	–	–	–	–	8.1
Total	0.4	5	5	5	7.7	4.6	5	5.3
2022-2023								
Salary and fees	8.5	8.5	9.9	9.9	8.5	9.1	9.1	1.2
All taxable benefits	12.5	–	–	–	8.8	–	–	(4.5)
Annual bonuses	6.7	–	–	–	–	–	–	1.4
Total	8.2	8.5	9.9	9.9	8.5	9.1	9.1	1.9
2021-2022								
Salary and fees	4.0	4.0	4.0	(70.3)	4.0	3.7	3.7	4.3
All taxable benefits	(0.6)	–	–	–	0.0	–	–	(7.9)
Annual bonuses	3.4	–	–	–	–	–	–	2.3
Total	3.6	4.0	4.0	(70.3)	3.6	3.7	3.7	3.7
2020-2021								
Salary and fees	0.0	3.0	3.7	(22.8)	3.0	3.4	3.4	(2.1)
All taxable benefits	(2.1)	–	–	–	18.6	–	–	13.8
Annual bonuses	45.0	–	–	–	–	–	–	(2.7)
Total	9.2	3.0	3.7	(22.8)	4.2	3.4	3.4	(1.9)

* I Chia retired 31 December 2021. M Djalil was appointed 4 July 2022

** Fees paid to J C Oakley in 2020 and 2021 include additional remuneration for his assistance with various operational projects. Such additional duties ceased at the end of 2021

Relative importance of spend on pay

The graph below shows the movements between 2023 and 2024 in total employee remuneration, cost of goods sold and ordinary and preference dividends. Cost of goods sold has been selected as an appropriate comparator as it provides a reasonable measure of the growth in the group's activities.



Functions of the remuneration committee

The remuneration committee currently comprises independent non-executive directors, Michael St. Clair-George (chairman) and Rizal Satar. The committee sets the remuneration and benefits of the executive directors. The committee is also responsible for long term incentive arrangements, if any, for key senior executives in Indonesia.

The committee does not use independent consultants but takes into consideration external guidance, including annual publications by leading audit firms regarding directors' remuneration in smaller (FTSE SmallCap) companies.

Service contracts of directors standing for re-election

David Blackett, Mieke Djalil, Carol Gysin, John Oakley, Richard Robinow, Rizal Satar and Michael St. Clair-George are proposed for re-election at the forthcoming AGM. Carol Gysin, the managing director and sole executive director, has a service contract of which the unexpired term is nine months. All the non-executive directors have contracts for services to the company which are terminable at will by either party.

Statement of voting at general meeting

At the annual general meeting held on 6 June 2024, votes lodged by proxy in respect of the resolutions to approve the 2023 directors' remuneration report and policy were as follows:

	Votes for	Percentage for	Votes against	Percentage against	Total votes	Votes withheld
Voting on remuneration report	22,466,317	99.96	9,232	0.0	22,475,549	511
Voting on remuneration policy	22,466,317	99.96	9,232	0.0	22,475,549	511

The company pays due attention to voting outcomes. Where there are substantial votes against resolutions in relation to directors' remuneration, relevant information pertaining to such votes will be published on the group's website, the reasons for any such vote will be sought, and any actions in response will be detailed in the next directors' remuneration report.

Directors' remuneration report

continued

Policy report

The information provided in this part of the Directors' remuneration report is not subject to audit.

The remuneration policy detailed below is subject to approval at the company's 2025 AGM on 19 June 2025 in accordance with the CA 2006 (Strategic report and Directors' report) Regulations 2013 requiring all companies to put their remuneration policy to shareholders for approval at least every three years or earlier if there is a change to the policy.

The remuneration policy is unchanged from the policy that was previously approved at the company's 2024 AGM, save that the policy no longer includes a long term incentive component (LTIP), for the reasons explained in the Directors' report and under Scheme interests above.

The remuneration of directors approved in respect of 2025 is consistent with this policy.

Future policy tables

The table below provides a summary of the key components of the company's policy in respect of the remuneration package for directors. In determining and implementing such policy, the company seeks to ensure that arrangements are clear and transparent, straightforward, predictable as regards the range of any discretionary awards, and proportionate in terms of targets and values in the context of the company's business and strategy. It is not the policy of the company to provide for possible recovery after payment of directors' remuneration.

	Purpose	Operation	Opportunity	Applicable performance measures
Executive directors				
Salary and fees	To provide a competitive level of fixed remuneration aligned to market practice for comparable organisations, reflecting the demands, seniority and location of the position and the expected contribution to achievement of the company's strategic objectives	Reviewed annually with annual increases effective from 1 January by reference to: the rate of inflation, specific responsibilities and location of the executive, current market rates for comparable organisations, rates for senior employees and staff across the operations, and allowing for differences in remuneration applicable to different geographical locations	Within the second or third quartile for similar sized companies	None
Taxable benefits	To attract, motivate, retain and reward fairly individuals of suitable calibre	Benefits customarily provided to equivalent senior management in their country of residence	The cost of providing the appropriate benefits, subject to regular review to ensure that such costs are competitive	None
Annual bonus	To incentivise performance over a 12 month period, based on achievements linked to the company's strategic objectives	Annual review of performance measured against prior year progress in corporate development, both commercial and financial, and including objectives relating to sustainability and governance	Up to a maximum of 50 per cent of annual base salary	A range of objectives for the respective director, reflecting specific goals for the relevant year, with weighting assessed annually on a discretionary basis depending upon the dominant influences during the year to which a bonus relates
Pensions	Compliance with prevailing legislation	Compliance with prevailing legislation	Compliance with prevailing legislation	None

	Purpose	Operation	Opportunity	Applicable performance measures
Non-executive directors				
Fees	To attract and retain individuals with suitable knowledge and experience to serve as directors of a listed UK company engaged in the plantation business in Indonesia	Determined by the board within the limits set by the articles of association and by reference to comparable organisations and to the time commitment expected; reviewed annually		
Fees for additional duties	An additional flat fee in each year in respect of membership of certain committees and additional fees in respect of particular services performed	Determined by the board having regard to the time commitment expected and with no director taking part in the determination of such additional remuneration in respect of himself; reviewed annually		
Taxable benefits	Continuance of previously agreed arrangements	The provision of private medical insurance, subject to regular review to ensure that the cost is competitive		

The policies on remuneration set out above in respect of executive directors are applied generally to the senior management and executives of the group but adjusted appropriately to reflect the position, role and location of an individual. Remuneration of other employees, almost all of whom are based in Indonesia, is based on local and industry benchmarks for basic salaries and benefits, subject as a minimum to an annual inflationary adjustment, and with additional performance incentives as and where this is appropriate to the nature of the role.

Approach to recruitment remuneration

In setting the remuneration package for a newly appointed executive director, the committee will apply the policy set out above.

Base salary and bonuses, if any, will be set at levels appropriate to the role and the experience of the director being appointed and, together with any benefits to be included in the remuneration package, will also take account of the geographical location in which the executive is to be based. The maximum variable incentive which may be awarded by way of annual bonus will be 50 per cent of the annual base salary.

In instances where a new executive is to be domiciled outside the United Kingdom, the company may provide certain relocation benefits to be determined as appropriate on a case by case basis taking account of the specific circumstances and costs associated with such relocation.

Directors’ service agreements and letters of appointment

The company’s policy on directors’ service contracts is that contracts should have a notice period of not more than one year and a maximum termination payment not exceeding one year’s salary. No director has a service contract that is not fully compliant with this policy.

Contracts for the services of non-executive directors may be terminated at the will of either party, with fees payable only to the extent accrued to the date of termination. Continuation of the appointment of each non-executive director depends upon satisfactory performance and re-election at annual general meetings in accordance with the articles of association of the company and the provisions of the Code.

Directors' remuneration report

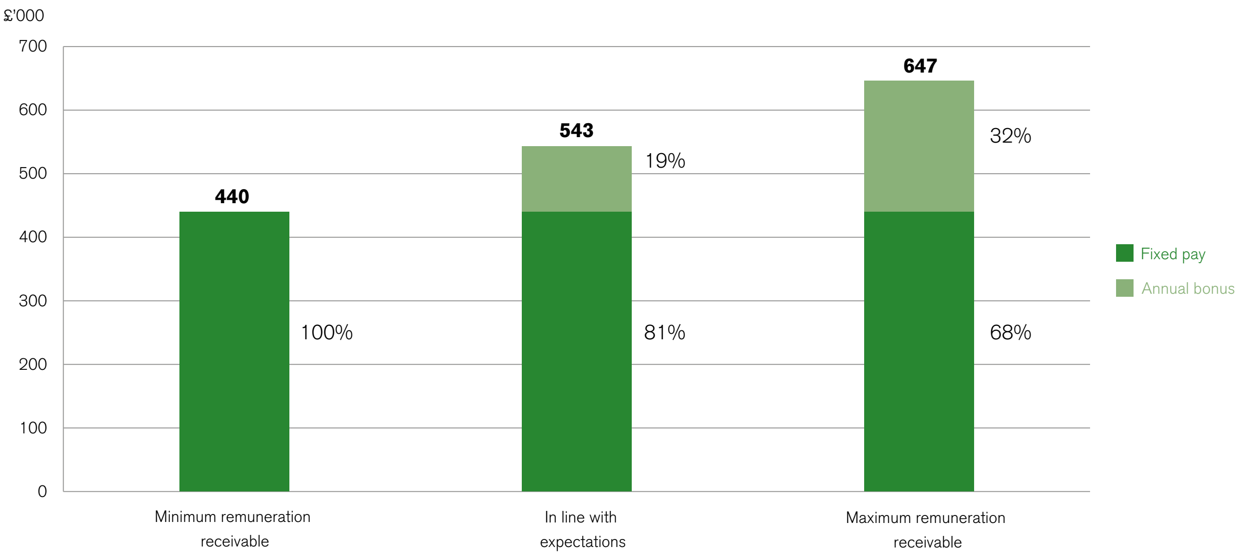
continued

Carol Gysin has two service agreements whereby her working time and remuneration are shared between two employee companies to reflect the division of responsibility between different parts of the group. The contracts state that her appointment shall continue until automatically terminated on 31 January 2026 without the need for notice unless it is previously terminated by either party giving the other at least 12 months' prior written notice expiring before 31 January 2026. As at the date of this report, the unexpired term under Carol Gysin's contracts was nine months. The nomination committee will consider the arrangements in respect of Carol Gysin prior to 31 December 2025 having regard to her planned new role after that date as outlined in the Strategic report above (under Succession planning in Strategic environment).

Illustration of application of remuneration policy

The chart below provides estimates of the potential remuneration receivable pursuant to the remuneration policy by the managing director (being the only executive director) and the potential split of such remuneration between its different components (being the fixed component and the annual variable component) under three different performance scenarios: minimum, in line with expectations and maximum. The managing director's remuneration has no long-term variable component.

Managing director



The figures reflected in the chart above have been calculated against the policies that were applicable throughout 2024 and on the basis of remuneration payable in respect of 2025.

Payment for loss of office

It is not company policy to include provisions in directors' service contracts for compensation for early termination beyond providing for an entitlement to a payment in lieu of notice if due notice is not given.

The company may cover the reasonable cost of repatriation of any expatriate executive director and the director's spouse in the event of termination of appointment, other than for reasons of misconduct, and provided that the move back to the director's home country takes place within a reasonable period of such termination.

Consideration of employment conditions elsewhere in the company

In setting the remuneration of executive directors, regard will be had to the levels of remuneration of expatriate employees overseas and to the increments granted to employees operating in the same location as the relevant director. Employee views are not specifically sought in determining this policy. Employee salaries will normally be subject to the same inflationary adjustment as the salaries of executive directors in their respective locations.

Shareholder views

Shareholders are not specifically consulted on the remuneration policy of the company. Shareholders who have expressed views on remuneration have supported the company's policies and the application of those policies to date. Were a significant shareholder to express a particular concern regarding any aspect of the policy, the views expressed would be carefully weighed.

Approved by the board on 16 April 2025 and
signed on behalf of the board by
MICHAEL A ST. CLAIR-GEORGE
Chairman of the remuneration committee

Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

UK company law requires the directors to prepare financial statements for each financial year. Under company law, the directors are required to prepare the group financial statements in accordance with UK adopted IFRS and have also chosen to prepare the company financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (UK Accounting Standards, comprising FRS 101 Reduced Disclosure Framework, and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss for that period.

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK adopted IFRS have been followed for the group financial statements and UK Accounting Standards, comprising FRS 101 Reduced Disclosure Framework, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that its financial statements comply with the CA 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for the maintenance and integrity of the corporate and financial information included on the group's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

To the best of the knowledge of each of the directors, they confirm that:

- the group financial statements, prepared in accordance with UK adopted IFRS, give a true and fair view of the assets, liabilities, financial position, and profit or loss of the company and the subsidiary undertakings included in the consolidation taken as a whole;
- the company financial statements, prepared in accordance with UK Accounting Standards, comprising FRS 101 Reduced Disclosure Framework, give a true and fair view of the company's assets, liabilities, and financial position of the company;
- the Strategic report and Directors' report include a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the group's and the company's position, performance, business model and strategy.

Approved by the board on 16 April 2025 and signed on behalf of the board by

DAVID J BLACKETT
Chairman

Independent auditor's report to the members of R.E.A. Holdings plc

For the purpose of this report, the terms "we" and "our" denote MHA in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of R.E.A. Holdings plc. For the purposes of the table on pages 73 to 75 that sets out the key audit matters and how our audit addressed the key audit matters, the terms "we" and "our" refer to MHA. The Group financial statements, as defined below, consolidate the accounts of R.E.A. Holdings plc and its subsidiaries (the "Group"). The "Parent Company" is defined as R.E.A. Holdings plc, as an individual entity. The relevant legislation governing the Company is the United Kingdom Companies Act 2006 ("Companies Act 2006").

Opinion

We have audited the financial statements of R.E.A. Holdings plc for the year ended 31 December 2024. The financial statements that we have audited comprise:

- the Consolidated Income Statement;
- the Consolidated Statement of Comprehensive Income;
- the Consolidated Balance Sheet;
- the Consolidated Statement of Changes in Equity;
- the Consolidated Cash Flow Statement;
- the Notes to the consolidated financial statements, including material accounting policies;
- the Parent Company Balance Sheet;
- the Parent Company Statement of Changes in Equity; and
- the notes to the Parent Company Financial Statements, including material accounting policies.

The financial reporting framework that has been applied in the preparation of the Group's financial statements is applicable law and United Kingdom adopted International Financial Reporting Standards ('UK adopted IFRS'). The financial reporting framework that has been applied in preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- the Group's financial statements have been properly prepared in accordance with UK adopted IFRS;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- the consideration of inherent risks to the Group's and the Parent Company's operations and specifically their business model;
- confirming our understanding of the directors' going concern assessment process, including obtaining an understanding of relevant controls over management's model;

Independent auditor's report to the members of R.E.A. Holdings plc continued

- testing the mathematical accuracy and appropriateness of the model used to prepare the forecast and verifying going concern model inputs against board-approved forecasts;
- obtaining confirmation for the financing facilities including the nature of facilities, repayment terms and covenant compliance and liquidity requirements both during the year and during the going concern period;
- evaluation of the financial forecasts for the Group and the Parent Company, including consideration of management's ability to forecast through review of previous models, recent production, trading activity and business plans, in assessing the reasonableness of the directors' going concern assumptions;
- the evaluation of the Group's base case and stress case scenarios, including the associated sensitivities and consideration of possible mitigating actions, and the rationale supporting the underlying assumptions; and
- assessing the Groups going concern related financial statement disclosures.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Group's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the company's financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Scope	Our audit was scoped by obtaining an understanding of the Group, including the Parent Company, and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement. We, and our component auditors acting on specific group instructions, undertook full scope audits on the complete financial information of 5 components, specified audit procedures on particular aspects and balances on another 6 components.		
Materiality	**2024**	**2023**	**Benchmark Used**
Group	$2.91m	$3.6m	5% of 3-year average EBITDA (2023: 1.5% of Plantation assets)
Parent Company	$2.4m	$2.6m	1% (2023: 1%) of gross assets
Key audit matters			
Recurring	The key audit matter that we identified in the current year relating to the Group and Parent Company is: ▪ Non-impairment of plantation assets		

Our assessment of the Group's key audit matters remains consistent with 2023, except for the removal of the key audit matter relating to the recoverability of loans to stone, sand, and coal interests. This was a key audit matter in 2023 but has been removed following the consolidation of PT Aragon Tambang Pratama (ATP) during the year, which is now considered a key audit matter in 2024.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those matters which had the greatest effect on:

- the overall audit strategy;
- the allocation of resources in the audit; and
- directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Non-impairment of plantation assets

Key audit matter description	Plantations, as defined by the Group, which includes goodwill, intangible assets, plantings, buildings and structures and land, had a book value of $404.3m at 31 December 2024 ($355.6m at 31 December 2023). There is a risk of impairment due to the volatility of Crude Palm Oil (CPO) prices. The valuation of these cash generating units rely on certain assumptions and estimates in relation to the ability of the underlying plantations to generate suitable future cash flows. A key input to the valuation is the CPO price which requires the judgement of the directors. The CPO price is known to be volatile, and the use of an inappropriate CPO price could have a material impact on the valuation of plantation assets. The discount rate used is also a key input to the valuation and requires the judgement of the directors. The calculation of the discount rate includes certain inputs that are judgemental. The use of an inappropriate discount rate could have a material impact on the valuation of plantation assets. As disclosed in note 3, critical accounting judgements and key sources of estimation uncertainty, management has performed a sensitivity analysis which involves judgement over the potential impact of a change in CPO pricing and the discount rate used. Further details are included within critical accounting estimates and key sources of estimation uncertainty note in note 3.
How the scope of our audit responded to the key audit matter	Our work over the valuation of plantations included: ▪ obtaining an understanding of the review controls over the impairment assessment including the CPO price and discount rate assumptions to ensure there is an appropriate management review control; ▪ assessing arithmetic workings of the model and the integrity of the formulae used; ▪ assessing the design and implementation of relevant controls; ▪ comparing CPO prices used to the Group's average selling price over the past 10 years to assess reasonableness; ▪ reviewing forecast inflation adjustments included in the CPO price calculation for reasonableness; ▪ reviewing publicly available news articles and other publications commenting on the expectations for the CPO price and global demand and supply; ▪ assessing the level of impairment at different CPO prices; ▪ assessing the appropriateness of the methodology used in calculating the discount rate, including input from independent specialists acting as auditor experts; ▪ corroborating the inputs to the calculation of the discount rate and assessing the appropriateness of the inputs used utilising auditors experts; ▪ challenging management to understand how they concluded that their price and discount rate assumptions were appropriate; ▪ reviewing the yield assumptions made as part of the impairment assessment comparing to historic and market data and assessing the reasonableness; ▪ reviewing the events after the reporting period for matters which may have a bearing on the valuation model; ▪ reviewing the sensitivity analysis prepared by management on palm oil price and discount rate changes and stress testing based on those sensitivities; and ▪ reviewing the disclosures in the financial statements against the relevant reporting requirements.

Independent auditor's report to the members of R.E.A. Holdings plc continued

Key observations communicated to the Group's Audit Committee	Nothing has come to our attention that indicates the carrying value of plantations is misstated, or that management's assessment that no impairment is required is unreasonable.

Consolidation of PT Aragon Tambang Pratama

Key audit matter description	The Group held loans made to stone, sand and coal concession holding companies in Indonesia for which control was outside of the Group as at 31 December 2023. During the year the Group obtained control of stone concession company; PT Aragon Tambang Pratama (ATP). In accordance with the terms and conditions of agreements made as part of the loan funding provided to ATP, the Group has assumed operational control, demonstrated through the appointment of the director during the year. The Group's management has made the assessment that these appointments demonstrate that control was obtained from 1 July 2024. The acquired assets and liabilities were recognised at fair value upon acquisition, resulting in the recognition of uplifts to mining assets, net of deferred tax, amounting to $58.9m in the financial statements as at 31 December 2024, resulting in neither goodwill or a gain on bargain purchase.
How the scope of our audit responded to the key audit matter	Our work over the consolidation of ATP included: ▪ review of board resolutions confirming the appointment of senior Group board members on 17 July 2024; ▪ evaluated operational meeting minutes and governance documents evidencing Group direction of ATP from 1 July 2024; ▪ reviewed shareholder arrangements and obtained representations confirming no protective or veto rights remain with legacy shareholders; ▪ reviewed management's accounting paper and internal valuation model to assess the fair value measurement, and reconciled key DCF assumptions (including production volumes, pricing, and costs) to ATP's operational plans; ▪ assessing the design and implementation of relevant controls around the consolidation of ATP; ▪ reviewed ATP's December 2024 operational report for consistency with valuation assumptions; ▪ verified the uplift entry in group journals and confirmed appropriate consolidation elimination of the intercompany loan; ▪ engaged external auditor's expert to review the reasonableness of the valuation adjustments including the discount rate applied.
Key observations communicated to the Group's Audit Committee	Nothing has come to our attention to suggest that the Group's consolidation of ATP from 1 July 2024 is misstated, or that management's assessment of having obtained control in substance under IFRS 10 is unreasonable, based on board appointments, operational oversight, and the absence of protective rights. Furthermore, nothing has come to our attention to indicate that the valuation of ATP's mining assets is misstated, or that management's valuation approach and related disclosures in the consolidated financial statements are unreasonable.

Our application of materiality

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audits.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent Company financial statements
Overall materiality	US$ 3.9 million (2023: US$ 3.6 million)	US$ 2.4 million (2023: US$ 2.6 million)
How we determined it	5% of three year average EBITDA (2023: 1.5% of plantation assets)	1.0% of Parent Company's gross assets (2023: 1.0% of Parent Company's gross assets)
Rationale for the benchmark applied	We consider a 3-year average EBITDA benchmark to be appropriate. In 2023, materiality was determined using the net book value of plantation assets. However, in light of the Group's recent operational diversification following the acquisition of ATP, stakeholders, including lenders, shareholders, and investors are placing increased emphasis on performance metrics such as EBITDA. This measure is widely recognised as an indicator of underlying profitability, operational efficiency, and the Group's ability to service debt, and has therefore been selected as the benchmark for 2024. We set our 2024 performance materiality at 60% of overall materiality, amounting to $1.74m (2023: 60%) to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. In determining performance materiality, we considered a number of factors – the history of misstatements, our risk assessment and the strength and robustness of the control environment.	The Parent Company is a holding company whose purpose is to consolidate the active trading entities and other Group companies. We consider gross assets to be the most important balance to the users of the financial statements. We set our 2024 performance materiality at 60% of overall materiality, amounting to $1.56m (2023: 60%) to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. In determining performance materiality, we considered a number of factors – the history of misstatements, our risk assessment and the strength and robustness of the control environment.

We agreed to report any corrected or uncorrected adjustments exceeding $195,000 (2023: $182,000) and $28,000 (2023: $130,000) in respect of the Group and Parent Company respectively to the Audit Committee as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

Independent auditor's report to the members of R.E.A. Holdings plc continued

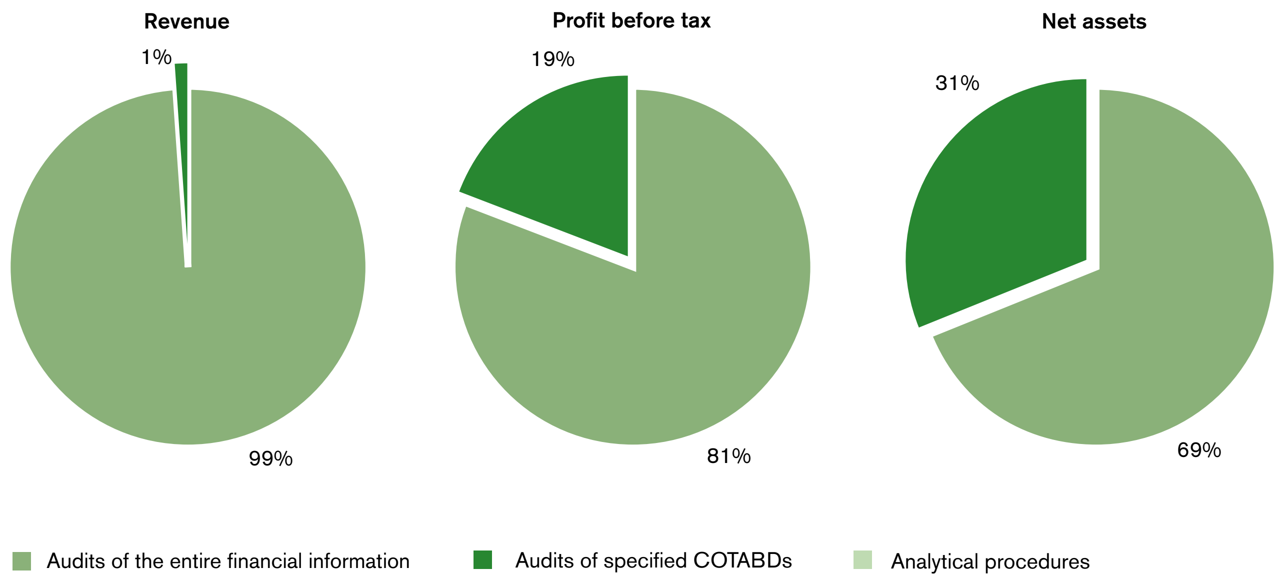
Overview of the scope of the Group and Parent Company audits

Our assessment of audit risk, evaluation of materiality and our determination of performance materiality sets our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. This assessment takes into account the size, risk profile, organisation / distribution and effectiveness of group-wide controls, changes in the business environment and other factors such as recent internal audit results when assessing the level of work to be performed at each component.

The Parent Company, head office and services company are UK based whilst the plantations are based in Indonesia and the financing company is based in the Netherlands.

Considering operational and financial performance and risk factors, we assessed risks of material misstatement at Group Classes of Transactions, Account Balances, and Disclosures (COTABDs) level and determined how those risks are associated with the assertions in a component's financial information. We, along with our component auditors, performed audits of the entire financial information of the Parent Company and four Indonesian components; PT R.E.A. Kaltim Plantations (RKP), PT Cipta Davia Mandiri (CDM), PT Sasana Yudha Bhakti (SYB), and PT Kutai Mitra Sejahtera (KMS) along with the audits of specified COTABD's over six entities, including two in the UK, one in Netherlands and three in Indonesia.

The work over the audits of entire financial information combined with specified COTABDs provided coverage of 100% of revenue, profit before tax, and net assets.



Our audit of the Group financial statements involved the use of component auditors, particularly in relation to components based in Indonesia and the Netherlands. The group audit team was actively involved in directing, supervising and reviewing their work. This included regular correspondence, scheduled video conference calls, and remote file reviews of key working papers and reporting deliverables. We assessed the risks of material misstatement at the level of classes of transactions, account balances and disclosures (COTABDs), determined how these risks related to relevant assertions in each component's financial information, and coordinated the audit approach accordingly. The proposed responses to these risks were discussed and agreed with the component auditors, along with the required nature, timing and extent of their procedures and the format of their reporting. Throughout the audit, the group team maintained close involvement through review of work performed and participation in discussions at key stages of the engagement, ensuring the appropriateness and consistency of the audit conclusions drawn.

The specified procedures on COTABDs for the UK entities; R.E.A Services Limited and KCC Resources Limited were carried out by the Group audit team.

The control environment

We evaluated the design and implementation of those internal controls of the Group, including the Parent Company, which are relevant to our audit, such as those relating to the financial reporting cycle.

Climate-related risks

In planning our audit and gaining an understanding of the Group and Parent Company we considered the potential impact of physical and transitional climate-related risks on the business and its financial statements. We obtained management's climate-related risk assessment, along with relevant documentation and reports relating to management's assessment and held discussions with management to understand their process for identifying and assessing those risks.

We then engaged internal specialists to assess, amongst other factors, the benchmarks used by management, the nature of the Group's business activities, its procedures and processes and the geographic distribution of its activities. We critically reviewed management's assessment and challenged the assumptions underlying their assessment.

We specifically considered the mitigating actions taken by the Group to reduce its exposure to climate-related risks, and factored these into our evaluation of management's assessment. We have agreed with managements' assessment that climate-related risks are not material to these financial statements.

We critically reviewed management's assessment and challenged the assumptions underlying their assessment. We also designed our audit procedures to specifically consider those assets where we anticipated, based on the work performed, that the highest impact arising from climate change might fall. We considered the ongoing viability of the business in respect both to physical climate risks and changes in legislation as nations implement new reporting regulations and associated commitments to reduce greenhouse gas emissions.

Reporting on other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Strategic report and directors report

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Directors' remuneration report

Those aspects of the director's remuneration report which are required to be audited have been prepared in accordance with applicable legal requirements.

Independent auditor's report to the members of R.E.A. Holdings plc continued

Corporate governance statement

We have reviewed the Directors' Statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the entity's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regard to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 45;
- Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why the period is appropriate set out on page 44;
- Directors' statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 45;
- Directors' statement on fair, balanced and understandable set out on page 70;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 30;
- Section of the Annual Report and Accounts that describes the review of effectiveness of risk management and internal control systems set out on page 60; and
- Section describing the work of the Audit Committee set out on page 58.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received by branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- a corporate governance statement has not been prepared by the Parent Company.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Identifying and assessing potential risks arising from irregularities, including fraud

The procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

- we considered the nature of the industry and sector, the control environment, business performance including remuneration policies and the Company's own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the directors, we obtained an understanding of the legal and regulatory frameworks applicable to the Group and Parent Company focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, such as provisions of the Companies Act 2006, Indonesian labour laws, UK tax legislation or those that had a fundamental effect on the operations of the Group.
- we enquired of the directors and management including the audit committee concerning the Group's and the Parent Company's policies and procedures relating to:
  - identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- we assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls. We determined that the principal risks were related to posting inappropriate journal entries in order to conceal misappropriation of assets or other manipulation of accounting entries intended to result in the production of financial statements which give a misleading view of the entity's financial position or performance. The group engagement team shared this risk assessment with the component auditors of significant subsidiaries so that they could include appropriate audit procedures in response to such risks in their work.

Independent auditor's report to the members of R.E.A. Holdings plc continued

Audit response to risks identified

In respect of the above procedures:

- we corroborated the results of our enquiries through our review of the minutes of the Group's and the Parent Company's board and Audit Committee meetings;
- audit procedures performed by the engagement team in connection with the risks identified included:
  - assessing the Group's risk register and its approach to identifying and responding to applicable legal and regulatory frameworks, including those relevant to UK listed entities and the plantation sector. This included review of correspondence with the Group's key legal advisers and a review of minutes from various governance committees;
  - gaining an understanding of the key laws and regulations applicable to the Group, including the UK Companies Act, Listing Rules, tax legislation, employee legislation, and environmental regulations, which are fundamental to its operations;
  - evaluation of the design and implementation of management's controls designed to prevent and detect irregularities;
  - challenging assumptions and judgements made by management in their significant accounting estimates, in particular, with respect to valuations of plantation assets and the consolidation of ATP;
  - the use of data analytics software to interrogate the journals posted in the year and to review areas where the incentive to override controls may be greatest. We also used our data analytics tool to identify potential transactions with related parties; and
  - review of legal expenses incurred for evidence of potential undisclosed contingent liabilities.
- the Group operates in an agriculture industry. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities; and
- we communicated relevant laws and regulations and potential fraud risks to all engagement team members, including experts and the component auditors, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Other matters which we are required to address

Following the recommendation of the Audit Committee, we were initially appointed by the members of the company by ordinary resolution at the Annual General Meeting held on 11 June 2020 and have been reappointed at subsequent Annual General Meetings. Our total uninterrupted engagement is 5 years.

We did not provide any non-audit services which are prohibited by the FRC's Ethical Standard to the Group or the Parent Company, and we remain independent of the Group and the Parent Company in conducting our audit.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.14R, these financial statements form part of the European Single Electronic Format (ESEF) prepared Annual Financial Report filed on the National Storage Mechanism of the UK FCA in accordance with the ESEF Regulatory Technical Standard ((ESEF RTS). This auditor's report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS.

Simon Knibbs MA FCA
(Senior Statutory Auditor)
for and on behalf of MHA, Statutory Auditor
Milton Keynes, United Kingdom
16 April 2025

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542)

Consolidated income statement

for the year ended 31 December 2024

	Note	2024 $'000	2023 $'000
Revenue	4	**187,943**	**176,722**
Net gain / (loss) arising from changes in fair value of biological assets	6	9	(580)
Cost of sales	4	(136,495)	(142,415)
Gross profit		**51,457**	**33,727**
Distribution costs		(1,281)	(1,511)
Administrative expenses	7	(15,208)	(17,372)
Operating profit		**34,968**	**14,844**
Interest income	9	3,369	4,091
Reversal of provision	9	6,622	–
Gains / (losses) on disposals of subsidiaries and similar charges	10	3,051	(26,051)
Other gains / (losses)	11	7,317	(4,669)
Finance costs	12	(16,430)	(17,460)
Profit / (loss) before tax	7	**38,897**	**(29,245)**
Tax	13	(8,434)	11,552
Profit / (loss) after tax		**30,463**	**(17,693)**
Attributable to:			
Equity shareholders		26,447	(10,241)
Non-controlling interests	36	4,016	(7,452)
		30,463	**(17,693)**
Profit / (loss) per 25p ordinary share (US cents)			
Basic	15	**41.6**	**(32.7)**
Diluted	15	**41.6**	**(32.7)**

All operations for both years are continuing.

Consolidated statement of comprehensive income

for the year ended 31 December 2024

	Note	2024 $'000	2023 $'000
Profit / (loss) for the year		**30,463**	**(17,693)**
Other comprehensive (losses) / income			
Items that may be reclassified to profit or loss:			
Foreign exchange on new subsidiary		(712)	–
Reclassification of foreign exchange differences on disposal of group company		(1,204)	685
Loss arising on sale of non-controlling interests taken to equity	36	(580)	–
Loss arising on purchase of non-controlling interests taken to equity		(668)	(96)
		(3,164)	589
Items that will not be reclassified to profit or loss:			
Actuarial loss	40	(113)	(449)
Deferred tax on actuarial loss	30	22	99
		(91)	(350)
Total other comprehensive (losses) / income		(3,255)	239
Total comprehensive income / (loss) for the year		**27,208**	**(17,454)**
Attributable to:			
Equity shareholders		23,219	(9,961)
Non-controlling interests		3,989	(7,493)
		27,208	**(17,454)**

Consolidated balance sheet

as at 31 December 2024

	Note	2024 $'000	2023 $'000
Non-current assets			
Goodwill	16	11,144	11,144
Intangible assets	17	2,684	1,593
Property, plant and equipment	18	386,997	297,255
Land	19	58,098	46,015
Financial assets	20	26,735	73,640
Deferred tax assets	30	21,278	15,012
Total non-current assets		506,936	444,659
Current assets			
Inventories	22	18,393	16,709
Biological assets	23	3,338	3,087
Trade and other receivables	24	31,312	28,254
Current tax asset		228	975
Cash and cash equivalents	25	38,837	14,195
Total current assets		92,108	63,220
Assets classified as held for sale	34	–	32,516
Total assets		**599,044**	**540,395**
Current liabilities			
Trade and other payables	33	(44,715)	(27,834)
Current tax liabilities		–	(1,462)
Bank loans	27	(20,012)	(17,413)
Sterling notes	28	(28,167)	–
Other loans and payables	31	(2,707)	(14,891)
Total current liabilities		(95,601)	(61,600)
Non-current liabilities			
Trade and other payables	33	–	(16,841)
Bank loans	27	(114,417)	(94,361)
Sterling notes	28	–	(40,549)
Dollar notes	29	(26,746)	(26,572)
Deferred tax liabilities	30	(47,404)	(34,888)
Other loans and payables	31	(19,897)	(15,356)
Total non-current liabilities		(208,464)	(228,567)
Liabilities directly associated with assets held for sale	34	–	(16,109)
Total liabilities		**(304,065)**	**(306,276)**
Net assets		**294,979**	**234,119**
Equity			
Share capital	35	133,590	133,590
Share premium account		47,374	47,374
Translation reserve		(26,332)	(24,416)
Retained earnings		69,826	63,267
		224,458	219,815
Non-controlling interests	36	70,521	14,304
Total equity		**294,979**	**234,119**

Authorised and approved by the board on 16 April 2025 and signed on behalf of the board.
DAVID J BLACKETT
Chairman

Consolidated statement of changes in equity

for the year ended 31 December 2024

	Share capital (note 35) $'000	Share premium $'000	Translation reserve $'000	Retained earnings $'000	Subtotal $'000	Non-controlling interests (note 36) $'000	Total equity $'000
At 1 January 2023	**133,590**	**47,374**	**(25,101)**	**78,042**	**233,905**	**23,625**	**257,530**
Loss for the year	–	–	–	*(10,241)*	*(10,241)*	*(7,452)*	*(17,693)*
Other comprehensive income / (loss) for the year	–	–	*685*	*(405)*	*280*	*(41)*	*239*
Total comprehensive income / (loss) for the year	–	–	685	(10,646)	(9,961)	(7,493)	(17,454)
Reorganisation of subsidiaries	–	–	–	–	–	(1,978)	(1,978)
Capital from non-controlling interest	–	–	–	–	–	150	150
Dividends to preference shareholders	–	–	–	(4,129)	(4,129)	–	(4,129)
At 31 December 2023	**133,590**	**47,374**	**(24,416)**	**63,267**	**219,815**	**14,304**	**234,119**
Profit for the year	–	–	–	*26,447*	*26,447*	*4,016*	*30,463*
Other comprehensive loss for the year	–	–	*(1,916)*	*(1,312)*	*(3,228)*	*(27)*	*(3,255)*
Total comprehensive (loss) / income for the year	–	–	(1,916)	25,135	23,219	3,989	27,208
Reorganisation of subsidiaries	–	–	–	–	–	(854)	(854)
Capital from non-controlling interest	–	–	–	–	–	53,082	53,082
Dividends to preference shareholders	–	–	–	(18,576)	(18,576)	–	(18,576)
At 31 December 2024	**133,590**	**47,374**	**(26,332)**	**69,826**	**224,458**	**70,521**	**294,979**

Consolidated cash flow statement

for the year ended 31 December 2024

	Note	2024 $'000	2023 $'000
Net cash from operating activities	38	**31,751**	**29,625**
Investing activities			
Interest received		1,069	4,019
Proceeds on disposal of PPE		4,179	3,054
Purchases of intangible assets and PPE	17,18	(34,621)	(21,756)
Expenditure on land	19	(4,530)	(5,093)
Net investment stone and coal interests	20	(3,610)	(13,314)
Net investment sand interest	20	(4,413)	(3,633)
Cash received from non-current receivables		1,258	1,574
Cash acquired with new subsidiary	37	259	–
Cash divested on disposal of group company		–	(1,340)
Cash reclassified from / (to) asset held for sale	34	9	(674)
Proceeds on disposal of group company		–	1,810
Net cash used in investing activities		(40,400)	(35,353)
Financing activities			
Preference dividends paid	14	(18,576)	(4,129)
Repayment of bank borrowings	26	(36,862)	(15,773)
New bank borrowings drawn	26	64,342	6,098
Sale of dollar notes held in treasury	26	–	8,142
Purchase of sterling notes for cancellation	26	(11,606)	–
Repayment of borrowings from non-controlling shareholder	26	(12,234)	(1,394)
New borrowings from non-controlling shareholder	26	–	10,000
New equity from non-controlling interest	36	53,580	150
Cost of non-controlling interest transaction		(1,078)	–
Purchase of non-controlling interest		(2,726)	(1,575)
Repayment of lease liabilities	32	(2,724)	(2,846)
Net cash from / (used in) financing activities		32,116	(1,327)
Cash and cash equivalents			
Net increase / (decrease) in cash and cash equivalents		23,467	(7,055)
Cash and cash equivalents at beginning of year		14,195	21,914
Effect of exchange rate changes		1,175	(664)
Cash and cash equivalents at end of year	25	**38,837**	**14,195**

Notes to the consolidated financial statements

1. General information

R.E.A. Holdings plc is a company registered in England and Wales under the CA 2006 with registration number 00671099. The company's registered office is at 5th Floor North, Tennyson House, 159-165 Great Portland Street, London W1W 5PA. Details of the group's principal activities are provided in the Strategic report.

Basis of accounting

The consolidated financial statements are prepared in accordance with UK adopted IFRS and with the requirements of the CA 2006, as applicable to companies reporting under IFRS. The statements are prepared under the historical cost convention except where otherwise stated in the accounting policies.

For the reasons given under Going concern in the Directors' report, the consolidated financial statements have been prepared on the going concern basis.

Presentational currency

The consolidated financial statements of the group are presented in dollars, which is considered to be the functional currency of the company and the currency of the primary economic environment in which the group operates and are rounded to the nearest thousand. References to $ or dollar in these financial statements are to the lawful currency of the United States of America.

2. Material accounting policies

Adoption of new and revised standards

New standards and amendments to IFRSs and IASs issued by the IASB that are mandatorily effective for an accounting period beginning on 1 January 2024 have been reviewed and have had no impact on the disclosures in, or the amounts reported, in these consolidated financial statements.

In April 2024 the IASB published IFRS 18: Presentation and Disclosure in Financial Statements, which aims to improve how companies communicate in their financial statements by: (i) Requiring additional defined subtotals in the statement of profit or loss; (ii) Requiring disclosures about management-defined performance measures; and (iii) Adding new principles for grouping of information. IFRS 18 is effective for annual reporting beginning on or after 1 January 2027 and has yet to be endorsed by the UK. The standard is expected to result in presentational changes to the group's consolidated income statement and new disclosures of management-defined performance measures will be required in the notes to the financial statements.

At the date of approval of these financial statements, there were no other standards and interpretations which were in issue but not yet effective that have not been applied in these financial statements.

Basis of consolidation

The group consolidated financial statements consolidate the financial statements of the company and entities controlled by the company (its subsidiary companies as listed in note (v) to the company's individual financial statements) made up to 31 December of each year.

A parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over that entity.

The acquisition method of accounting is adopted with assets and liabilities valued at fair values at the date of acquisition. The interest of non-controlling shareholders is stated at the non-controlling shareholders' proportion of the assets and liabilities recognised. Appropriate proportions of total comprehensive income are attributed to the owners of the parent and to non-controlling interests even if this results in the non-controlling interests having a deficit balance. Results of subsidiaries acquired or disposed of are included in the consolidated income statement from the effective date of acquisition (when control is obtained) or to the effective date of disposal (when control is lost). On the sale of a subsidiary the difference between the subsidiary's carrying value and the sum of the consideration received and receivable is recognised in profit or loss within Gains/losses on disposals of subsidiaries and similar charges. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies into line with those used by the group.

2. Material accounting policies – continued

Goodwill

Goodwill is recognised as an asset on the basis described under Basis of consolidation above and once recognised is not amortised although it is tested for impairment at least annually. Any impairment is debited immediately as a loss in the consolidated income statement and is not subsequently reversed. On the disposal or reclassification of a subsidiary as an asset held for sale, the attributable amount of any goodwill is included in the determination of the profit or loss on disposal.

For the purpose of impairment testing, goodwill is allocated to each of the group's cash generating units expected to benefit from the synergies of the combination. Cash generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the goodwill attributable to a unit may be impaired.

Other intangible assets

Other intangible assets are stated at cost less accumulated amortisation and any recognised impairment losses.

Intangible assets acquired separately are measured at cost on initial recognition. An intangible asset with a finite life is amortised on a straight-line basis so as to charge its cost to the income statement over its expected useful life.

Computer software that is not integral to an item of property, plant and equipment is recognised separately as an intangible asset. Amortisation is provided on a straight-line basis so as to charge the cost of the software to the income statement over its expected useful life, not exceeding eight years.

The expected useful life of development expenditure on computer software is four to eight years.

Assets held for sale

Assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. The directors must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. This impairment is recognised in profit or loss within Gains/losses on disposals of subsidiaries and similar charges.

When the group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the group will retain a non-controlling interest in its former subsidiary after the sale.

When an asset (or disposal group) ceases to be classified as held for sale it is reconsolidated at the lower of its carrying amount before the asset (or disposal group) was classified as held for sale adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (or disposal group) not been classified as held for sale and its recoverable amount at the date of the subsequent decision not to sell. Any reversal of impairment provision is recognised in profit or loss within Gains/losses on disposals of subsidiaries and similar charges.

Revenue recognition

Revenue is measured as the fair value of the consideration received or receivable in respect of goods and services provided in the normal course of business, net of VAT and other sales related taxes.

Most of the group's sales are in respect of the sale of CPO and CPKO which are made on a mix of CIF (Cost, Insurance and Freight) and FOB (Free on Board) terms. Revenue is recognised in respect of the shipment of oil at the time of transfer to the buyer, that is upon the completion of the discharge of the applicable oil into the buyer's tank or vessel which is evidenced by a surveyor's report (CIF sales) or a bill of lading (FOB sales). Contract prices are negotiated based on prevailing market prices. Adjustments to contract prices may be made at the point of delivery if certain quality standards fall outside contracted parameters. The group has prepaid sales contracts whereby advance payments are received for future product deliveries.

Notes to the consolidated financial statements

continued

2. Material accounting policies – continued

No revenue is recognised until product delivery. The advance payments are recognised as contract liabilities until the revenue is recognised.

Income from services is accrued on a time basis by reference to the rate of fee agreed for the provision of services.

For sales of stone, revenue is recognised when control of the stone has transferred to the buyer, being either when the stone has been collected by the buyer from the quarry or when delivered to the customer. A receivable is recognised by the group when the stone is provided to the customer as this represents the point in time at which the right to consideration becomes unconditional.

Commission income in respect of stone, sand and coal marketing services is recognised when the relative stone, sand or coal sales are completed, being in each case the point of delivery to the buyer.

Interest income is accrued on a time basis by reference to principal outstanding and at the effective interest rate applicable (which is the rate that exactly discounts estimated future cash receipts, through the expected life of the relative financial asset, to that asset's net carrying amount). Dividend income is recognised when the right to receive payment has been established.

Leases and ROU assets

The group leases barges for the transportation of CPO and CPKO and also leases office properties. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. Land titles are not treated as leases, but as in-substance fixed assets, with no depreciation.

The lease liability is initially measured at the present value of the lease payment obligations, which include the following:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The obligations are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the group's incremental borrowing rate is used, being the rate that the group would have to pay to borrow the funds necessary to acquire an asset of a similar value in a similar economic environment, with similar terms and conditions. Generally, the group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method as described above) and by reducing the carrying amount to reflect the lease payments made. The interest is charged to the consolidated income statement.

An ROU asset is measured at cost, which comprises the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received (e.g. rent free period)
- any initial direct costs, and
- restoration costs.

An ROU asset is subsequently depreciated over the shorter of the lease term and the asset's useful life on a straight-line basis.

Foreign currencies

Transactions in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions. At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange prevailing at that date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the dates that the fair values were determined.

2. Material accounting policies – continued

Exchange differences are recognised in the consolidated income statement in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss in the consolidated income statement on disposal or partial disposal of the net investment.

For consolidation purposes, the assets and liabilities of any group entity with a functional currency other than the dollar are translated at the exchange rate at the balance sheet date. Income and expenses are translated at the average rate for the period unless exchange rates fluctuate significantly during the period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in translation reserve (or attributed to non-controlling interests if appropriate).

On the disposal of a foreign operation, all of the exchange differences accumulated in translation reserve in respect of that operation and attributable to the owners of the operation are reclassified to profit or loss in the consolidated income statement, within gain/loss on disposal of subsidiaries and similar charges.

Goodwill and fair value adjustments arising on the acquisition of an entity with a functional currency other than the dollar are treated as assets and liabilities of that entity and are translated at the closing rate of exchange.

Borrowing costs

Borrowing costs incurred in financing construction or installation of qualifying property, plant or equipment are added to the cost of the qualifying asset, until such time as the construction or installation is substantially complete and the asset is ready for its intended use. Borrowing costs incurred in financing the planting of extensions to the developed agricultural area are treated as expenditure relating to plantings until such extensions reach maturity. All other borrowing costs are recognised in the consolidated income statement of the period in which they are incurred.

Operating profit

Operating profit is stated after any gain or loss arising from changes in the fair values of growing produce and agricultural produce inventory but before investment income, finance costs and impairments and similar charges that do not relate to operating activities.

Pensions and other post-employment benefits

United Kingdom

Certain existing and former UK employees of the group are members of a multi-employer contributory defined benefit scheme. The estimated regular cost of providing for benefits under this scheme is calculated so that it represents a substantially level percentage of current and future pensionable payroll and is charged as an expense as it is incurred.

Amounts payable to recover actuarial losses, which are assessed at each actuarial valuation, are payable over a recovery period agreed with the scheme trustees. Provision is made for the present value of any future amounts payable by the group to cover its share of such losses. The provision is reassessed at each balance sheet date, with the difference on reassessment being charged or credited to the consolidated income statement in addition to the adjusted regular cost for the period.

Indonesia

In accordance with local labour law, the group's employees in Indonesia are entitled to lump sum payments on retirement. As required by IAS19: Employee benefits, the cost of these unfunded obligations are based on periodic assessments by independent actuaries as this arrangement is categorised as a defined benefit plan. Actuarial gains and losses are recognised in the statement of comprehensive income; any other increase or decrease in the provision is recognised in the consolidated income statement.

Taxation

The tax expense represents the sum of tax currently payable and deferred tax. Tax currently payable represents amounts expected to be paid (or recovered) based on the taxable profit (or loss) for the period using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

2. Material accounting policies – continued

A provision is recognised for those matters for which the tax determination is uncertain but as respects which it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on specialist independent tax advice supported by previous experience in respect of such matters.

Deferred tax is calculated on the balance sheet liability method on a non-discounted basis on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding fiscal balances used in the computation of taxable profits (temporary differences). Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. A deferred tax asset or liability is not recognised in respect of a temporary difference that arises from goodwill or from the initial recognition of other assets or liabilities in a transaction which affects neither the profit for tax purposes nor the accounting profit.

Deferred tax is calculated using the tax rates and laws that are expected to apply in the periods when deferred tax liabilities are settled or deferred tax assets are realised. Deferred tax is charged or credited in the consolidated income statement, except when it relates to items charged or credited to other comprehensive income or equity, in which case the deferred tax is also dealt with in, respectively, other comprehensive income or equity.

PPE – plantings

On application of the amendments to IAS41: Agriculture and IAS 16: Property, plant and equipment, the directors elected to state the group's plantings at deemed cost, being the fair value recognised as at 1 January 2015 less the fair value at that date of the growing produce which is disclosed in current assets under Biological assets. Additions after that date (which include interest incurred during the period of immaturity) are recognised at historical cost.

All expenditure on plantings up to maturity, including interest, is treated as addition to plantings. Expenditure to maturity includes an allocation of overheads to the point that oil palms are brought into productive cropping. Such overheads include general charges and the costs of the Indonesian head office (including in both cases personnel costs and local fees) together with costs (including depreciation) arising from the use of agricultural buildings, plantation infrastructure and vehicles.

Depreciation is not provided on immature plantings. Once plantings reach maturity, depreciation is provided on a straight-line basis at a rate that will write off the costs of the plantings by the date on which they are scheduled to be replanted, with a maximum of 25 years.

PPE – other

All PPE other than plantings is carried at original cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is computed using the straight line method so as to write off the cost of assets, other than property and plant under construction, over the estimated useful lives of the assets as follows:

▪ Buildings and structures	20 to 67 years
▪ Plant, equipment and vehicles	4 to16 years
▪ Construction in progress	not depreciated

The gain or loss on the disposal or retirement of an asset is determined as the difference between the sales proceeds, less costs of disposal, and the carrying amount of the asset and is recognised in the consolidated income statement.

Mining assets

Development expenditure on mining assets incurred by or on behalf of the group is capitalised. Such expenditure comprises costs directly attributable to the establishment of the mine and the related infrastructure but excludes separately identifiable physical assets and land rights which are recorded as fixed assets.

Mining assets are amortised using the units of production method from the date of commencement of commercial operations. The amortisation is based on estimated reserves. Changes in estimated reserves are accounted for on a prospective basis from the beginning of the period in which the change occurs.

Mining assets acquired in a business combination are initially recognised as assets at their fair value.

2. Material accounting policies – continued

Land

Land comprises payments to acquire Indonesian licences over land for plantation purposes, together with related costs including permits, surveys and villager compensation. In view of the indefinite economic life associated with such licences, land is not depreciated.

Impairment of PPE and intangible assets excluding goodwill

At each balance sheet date, the group reviews the carrying amounts of its PPE and intangible assets to determine whether there is any indication that any asset has suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

The recoverable amount of an asset (or cash generating unit) is the higher of fair value less costs to sell and value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and those risks specific to the asset (or cash generating unit) for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

Where, with respect to assets other than goodwill, an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years.

Inventories

Inventories of agricultural produce are stated at the lower of cost and net realisable value but the cost of the FFB input into such inventories is taken, where such FFB is harvested from the group's estates, to be the fair value of that FFB at point of harvest. Inventories of engineering and other items are valued at the lower of cost, on the weighted average method, or net realisable value.

For these purposes, net realisable value represents the estimated selling price (having regard to any outstanding contracts for forward sales of produce) less all estimated costs of processing and costs incurred in marketing, selling and distribution.

Biological assets

Biological assets comprise the growing produce (FFB) on oil palm trees and are carried at fair value using a formulaic methodology to determine the value of the oil content of such produce at the balance sheet date.

Periodic movements in the fair value of growing produce are reflected in the consolidated income statement.

Recognition and derecognition of financial instruments

Financial assets and liabilities are recognised in the group's financial statements when the group becomes a party to the contractual provisions of the relative constituent instruments. Financial assets are derecognised only when the contractual rights to the cash flows from the assets expire or if the group transfers substantially all the risks and rewards of ownership to another party. Financial liabilities are derecognised when the group's obligations are discharged, cancelled or expire.

Financial assets

The group's financial assets comprise trade receivables, loans and cash and cash equivalents. The group's receivables and loans are initially recognised at fair value plus transaction costs and subsequently at amortised cost under the effective interest method.

At each reporting date the company reviews the carrying amount of each financial asset initially carried at amortised cost. The company accounts for expected credit losses and changes in those expected credit losses to reflect changes in credit risk since initial recognition of the financial asset.

Notes to the consolidated financial statements

continued

2. Material accounting policies – continued

The group has applied the simplified approach under IFRS 9: Financial Instruments, and records lifetime expected losses on all trade receivables.

For loans, the group measures expected credit losses by applying the general expected credit loss model under IFRS 9 (three stages of expected credit loss assessment).

When interest past due is added to a loan and a provision made against this interest element of the loan, the interest receivable and provision are recognised within Interest income in profit and loss. When the provision is subsequently reversed the reversal is through Reversal of provision in profit and loss.

Cash and cash equivalents comprise cash in hand, demand deposits and other short term highly liquid investments that have a maturity of not more than three months from the date of acquisition and are readily convertible to a known amount of cash and, being subject to an insignificant risk of changes in value, are stated at their nominal amounts.

Financial liabilities

The group's financial liabilities comprise redeemable instruments, bank borrowings, loans from non-controlling shareholder, trade payables and contract liabilities.

Redeemable instruments and bank borrowings

Redeemable instruments, being dollar and sterling note issues, and bank borrowings are classified in accordance with the substance of the relative contractual arrangements. Finance costs are charged to income on an accruals basis, using the effective interest method, and comprise, with respect to redeemable instruments, the coupon payable together with the amortisation of issuance costs (and any premia payable or expected by the directors to be payable on settlement or redemption) and, with respect to bank borrowings, the contractual rate of interest together with the amortisation of costs associated with the negotiation of, and compliance with, the contractual terms and conditions. Redeemable instruments are recorded in the accounts at their expected redemption value net of the relative unamortised balances of issuance costs and premia. Notes purchased by the group and held for resale are also deducted. Bank borrowings are recorded at the amounts of the proceeds received less subsequent repayments with the unamortised balance of issuance costs netted off the gross borrowing.

Derecognition of financial liabilities

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss. When the group exchanges with the existing lender one debt instrument for another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate differs by at least 10 per cent from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between the carrying amount of the liability before the modification and the present value of the cash flows after modification is recognised in profit or loss as a modification gain or loss within other gains and losses.

Trade payables

All trade payables owed by the group are non-interest bearing and are stated at amortised cost.

Equity instruments

Instruments are classified as equity instruments if the substance of the relative contractual arrangements evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs not charged to income.

The preference shares of the company are regarded as equity instruments because the terms of the preference shares contain no provisions for their redemption and provide that the semi-annual dividend on the preference shares becomes payable only if it is resolved to make a distribution in respect of the preference shares.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies (see note 2) the directors are required to make judgements, estimates and assumptions. Such judgements, estimates and assumptions are based upon historical experience and other factors that are considered to be relevant. Actual values of assets and amounts of liabilities may differ from estimates. The judgements, estimates and assumptions are reviewed on a regular basis. Revisions to estimates are recognised in the period in which the estimates are revised.

Critical judgements in applying the group's accounting policies

The following are critical judgements not being judgements involving estimations (which are dealt with below) that the directors have made in the process of applying the group's accounting policies.

Land rights

The Indonesian system of land tenure for agricultural purposes (HGU) gives the licensee rights to cultivate agricultural land for periods of up to 35 years, followed by an extension and then further renewals of between 25 and 35 years. The directors have concluded that acquiring an HGU represents the in-substance purchase of an item of PPE. To reach this conclusion the directors have made the judgements that the initial payment to acquire an HGU is consistent with a payment to purchase the land and valid renewal requests will always be granted by the Indonesian administration (at least until a significant change in law or government policy occurs). The alternative would be to treat an HGU as the lease of land rights and so depreciate the cost over the period of the HGU.

Control of stone operations

Interest bearing loans have been made to Indonesian companies which own the rights to stone and coal concessions in East Kalimantan, Indonesia. In 2008, the company's subsidiary, KCC, entered into an option to acquire the shares of the concession holding companies at original cost but subsequent regulations, which limited foreign ownership of stone and coal concessions, meant that the option could not be exercised. Following further changes in the applicable regulations, which have to an extent relaxed the previous restrictions on foreign ownership of the concession holding companies, the group has implemented the original agreement under which it has the right to acquire majority ownership of the stone concession holding company. Although the formal registration of ownership is still pending due to Indonesian regulatory requirements, this does not prevent the Group from exercising its power over the investee. The stone concession holding company has therefore been consolidated from 1 July 2024. This has resulted in the elimination of the group loans to the stone concession holding company, which were $65.3 million as at 30 June 2024, and the consolidation of the assets and liabilities of that company in the group balance sheet as at 31 December 2024 and the inclusion of its results in the consolidated income statement for the year ended 31 December 2024.

Key sources of estimation uncertainty

The key sources of estimation uncertainty at the balance sheet date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Mining assets

The stone concession holding company has been consolidated from 1 July 2024, and in line with the requirements of IFRS 3 the directors have performed a fair value analysis of the assets and liabilities acquired. The aggregate fair value of the assets was derived by applying a project-specific pre-tax discount rate of 19.5 per cent to the projected future cash flows of the company over the lifetime of the mining asset, which is essentially indefinite as the proven stone deposits would take at least 90 years to quarry. The discount rate was calculated by taking the group's pre-tax discount rate of 11.6 per cent and applying a premium to reflect additional risks associated with the stone operation including the size of the current operation, the possibility of delays in production and other operational risks associated with running a mining operation. The fair value of liabilities was assessed to be the face value of the liabilities.

The calculation of the fair value of the assets acquired is sensitive to the price at which the stone will be sold and the discount rate. The valuation model applied uses an average stone price of $18.4 per tonne and monthly production of 94,000 tonnes. The stone price would have to fall to $17.9 per tonne or the monthly production fall to 89,500 tonnes before there would be any material reduction to the valuation. As discussed above, a discount rate of 19.5 per cent has been used, and an increase in rate of 1 per cent would result in a $2.6 million change in the valuation of the assets being valued.

3. Critical accounting judgements and key sources of estimation uncertainty – continued

Plantation assets

Plantation assets (including PPE, land, intangible assets and goodwill) are carried at $404.3 million (2023: $355.6 million) in the consolidated balance sheet. At 31 December 2024, each group plantation company has been identified as a CGU and tested for impairment by calculating the value in use over 25 years. The 25 year forecast period reflects the nature and growth profile of the assets and their long term resilience to variations in climate and weather patterns and this is used to derive a net present value. The key assumptions in the model used are the CPO selling prices assumed and the discount rate applied. The CPO prices base case has been derived by calculating a ten year average of inflation adjusted CPO prices FOB Samarinda and then assuming that this price ($733) is maintained throughout the 25 year period of the projections (2023: $719). Viewing the group's plantation assets as a whole if there was an expectation that the price would be at $684 per tonne (2023: $600 per tonne) over the next 25 years (a possibility that is considered remote) then an impairment of $14.1 million (2023: $10.0 million) would be required being the difference between the carrying value of the assets and their value in use. The average price in 2024 was $814 per tonne (2023: $718 per tonne). The average price from 1 January 2025 to 31 March 2025 was $877 per tonne (2024: $744 per tonne). The discount rate applied was 11.6 per cent (2023: 8.3 per cent) on a pre-tax basis. If the discount rate was increased by 2.0 per cent to 13.6 per cent then no impairment would be required.

Deferred tax assets

A deferred tax asset of $6.3 million (2023: nil) is recognised in the consolidated financial statements as a result of carried forward income tax losses in Indonesia. The carrying value assumes that sufficient profits are generated within the relevant subsidiaries in the five year statutory expiry limit imposed in Indonesia to utilise fully the tax losses. The group seeks to limit uncertainty in respect of utilisation of tax losses by preparing detailed forecasts of future taxable profits by company which are flexed for a range of outcomes, for example, ten per cent decreases in price and production. Provisions are made to the extent that losses may not be utilised.

Retirement benefit obligations

The costs recorded in the financial statements are assessed in accordance with the advice of independent qualified actuaries but require the exercise of significant judgement in relation to assumptions for long-term inflation, mortality and future salary and pension increases, and in the selection of appropriate rates at which to discount future liabilities (see note 40 for sensitivities to variations in the underlying assumptions).

4. Revenue and cost of sales

	2024 $'000	2023 $'000
Revenue:		
Sales of palm product	185,919	175,313
Revenue from management services	941	1,138
Sales of stone	1,083	–
Marketing commission on sales of coal	–	271
	187,943	176,722
Cost of sales:		
Depreciation and amortisation	(26,612)	(28,750)
Other costs	(109,883)	(113,665)
	(136,495)	(142,415)

In 2024, three customers accounted for respectively 49 per cent, 20 per cent and 16 per cent of the group's sales of agricultural goods (2023: three customers, 47 per cent, 19 per cent and 18 per cent). As stated under Credit risk in note 26, substantially all sales revenue is receivable in advance of product delivery and accordingly the directors do not consider that these sales result in a concentration of credit risk to the group.

The crop of oil palm FFB for 2024 amounted to 682,522 tonnes (2023: 762,260 tonnes). The fair value of the crop of FFB was $117.4 million (2023: $113.2 million), based on the price formulae determined by the Indonesian government for purchases of FFB from smallholders.

5. Segment information

The group operates in two segments: the cultivation of oil palms and stone operation and sand interest (2023: oil palms and stone, sand and coal interests). In 2024 the latter met the quantitative thresholds set out in IFRS 8: Operating segments and, accordingly, analyses are provided by business segment. (In 2023 the quantitative thresholds were not met but segmental analyses are provided as comparatives.)

	Segment revenue		Segment profit	
	2024 $'m	2023 $'m	2024 $'m	2023 $'m
Plantations	186.8	176.4	31.9	12.4
Stone operation and sand interest (2023: stone, sand and coal interests)	1.1	0.3	0.4	0.3
Other	–	–	2.7	2.1
	187.9	176.7	35.0	14.8
Interest income			3.4	4.1
Reversal of provision			6.6	–
Gains / (losses) on disposals of subsidiaries and similar charges			3.0	(26.0)
Other gains / (losses)			7.3	(4.7)
Finance costs			(16.4)	(17.4)
Profit / (loss) before tax			38.9	(29.2)

	Segment assets		Segment liabilities	
	2024 $'m	2023 $'m	2024 $'m	2023 $'m
Plantations	484.5	479.3	(242.4)	(270.3)
Stone operation and sand interest (2023: stone, sand and coal interests)	92.7	58.6	(14.3)	–
Total segment	577.2	537.9	(256.7)	(270.3)
Unallocated	21.8	2.5	(47.4)	(36.0)
Total group	599.0	540.4	(304.1)	(306.3)

The group's sales of goods and carrying amount of net assets analysed by geographical area of asset location are as follows:

	2024 $'m	2023 $'m
Sales by geographical destination:		
Indonesia	187.9	176.7
	187.9	176.7

	2024 Europe $'m	2024 Indonesia $'m	2024 Total $'m	2023 Europe $'m	2023 Indonesia $'m	2023 Total $'m
Consolidated non-current assets	68.8	438.1	506.9	57.3	415.3	472.6
Consolidated current assets	9.3	82.8	92.1	4.3	63.5	67.8
Consolidated liabilities	(56.4)	(247.6)	(304.0)	(68.5)	(237.8)	(306.3)
Net assets / (liabilities)	21.7	273.3	295.0	(6.9)	241.0	234.1

Note: 2023 figures have been updated to include assets held for sale which were all in Indonesia.

Notes to the consolidated financial statements

continued

6. Net gain / (loss) arising from changes in fair value of biological assets

Net gain / (loss) arising from changes in fair value of biological assets represents the movement in the fair value of growing produce (FFB) on oil palms arising on the revaluation of the estimated oil content of such produce at the balance sheet date and determined using a formulaic methodology (see note 23).

7. Profit / (loss) before tax

	2024 $'000	2023 $'000
Salient items charged in arriving at profit / (loss) before tax		
Administrative expenses (see below)	15,208	17,372
Movement in agricultural produce inventory	310	1,973
Movement in fair value of biological assets (see note 23)	(9)	580
Amortisation of intangible assets	386	374
Depreciation of PPE*	26,226	28,376

* Of which $2.0 million (2023: $2.1 million) is depreciation of ROU assets (see note 32)

Administrative expenses

Loss on disposal of PPE	310	1,055
Indonesian operations	16,030	14,895
Head office	3,204	3,436
	19,544	19,386
Amount included as additions to PPE	(4,336)	(2,014)
	15,208	17,372

Amounts payable to the company's auditor and its affiliates

The amount payable to MHA for the audit of the financial statements of the company and its subsidiaries was $264,250 (2023: $235,000).

The amount payable to MHA for other services in 2024 was $6,000 in respect of the report to the trustee regarding group compliance with covenants pursuant to the terms of the trust deed in respect of the dollar notes (2023: $6,000 regarding covenant compliance and $115,000 in relation to the shareholder circular dated 25 January 2024 in respect of the proposals for the further investment by DSN in REA Kaltim, the potential sale of CDM and the intra-group sale and purchase of PU).

Amounts payable to affiliates of MHA for the audit of subsidiaries' financial statements was $136,000 (2023: $126,000) and for agreed upon procedures in respect of financial statements prepared in local currency was $59,000 (2023: $65,000).

	2024 $'000	2023 $'000
Earnings before interest, tax, depreciation and amortisation		
Operating profit	34,968	14,844
Depreciation and amortisation	26,612	28,750
	61,580	43,594

8. Staff costs, including directors

	2024 Number	2023 Number
Average number of employees (including executive directors):		
Agricultural – permanent	8,794	9,085
Stone – permanent	18	–
Head office	6	6
	8,818	9,091

	$'000	$'000
The aggregate payroll costs comprised:		
Wages and salaries	44,187	45,406
Social security costs	2,385	2,514
Pension costs	1,245	1,618
	47,817	49,538

2024 pension costs included a $0.5 million provision release arising on an actuarial revaluation.

Details of the remuneration of directors are shown in the Directors' remuneration report.

9. Interest income and reversal of provision

	2024 $'000	2023 $'000
Interest on bank deposits	281	851
Other interest income	3,088	3,240
Interest income	3,369	4,091
Reversal of provision in respect of interest on stone loan	6,622	–

Other interest income includes $2.3 million interest receivable in respect of stone, sand and coal loans (2023: interest receivable of $3.9 million net of a provision of $0.7 million). In 2024, interest from stone represents interest receivable in the period prior to the borrowing company becoming a subsidiary (see note 37).

The provision of $6.6 million reversed in 2024 was in respect of past interest due from the stone concession holding company which has commenced commercial production and sales.

10. Gains / (losses) on disposals of subsidiaries and similar charges

	2024 $'000	2023 $'000
Impairment of asset held for sale	–	(23,616)
Release of impairment provision on sale of non-current assets	3,051	–
Reorganisation of subsidiaries	–	(2,435)
	3,051	(26,051)

In 2023 the impairment of asset held for sale was the effect of adjusting CDM's assets and liabilities to their fair value less cost to sell in line with the terms of the potential sale of CDM to DSN (see note 34).

The $3.1 million release of impairment provision on the sale of non-current assets is the amount receivable for the transfer of hectarage to plasma schemes by CDM, the carrying value of which had been fully impaired.

In 2023 the reorganisation of subsidiaries is in respect of the steps taken during 2023 to simplify the structure of the group and thereby reduce administrative costs. The REA Kaltim sub-group acquired the 5 per cent third party interests in its previously 95 per cent held subsidiaries such that these are all now wholly owned by REA Kaltim. Concurrently, two subsidiaries, KKP and KKS, in the latter case with its subsidiary, PBA, were divested. The acquisition of the former 5 per cent third party interests in subsidiaries of REA Kaltim was made possible by a 2021 change in the Indonesian regulations which abolished a previous requirement for 5 per cent local ownership of all Indonesian companies engaged in oil palm cultivation. The $2.4 million cost in 2023 comprises the $0.6 million write down of a loan to a third party interest, a $0.7 million reclassification of foreign exchange differences on the divestment of KKP, a loss on the sale of KKS and PBJ2 of $0.1 million and $1.0 million provision in respect of indemnities given in connection with that sale.

11. Other gains / (losses)

	2024 $'000	2023 $'000
Change in value of sterling notes arising from exchange fluctuations	265	(2,199)
Change in value of other monetary assets and liabilities arising from exchange fluctuations	6,350	(2,042)
Gain on acquisition of sterling notes for cancellation	702	–
Loss on sale of dollar notes held in treasury	–	(428)
	7,317	(4,669)

12. Finance costs

	2024 $'000	2023 $'000
Interest on bank loans and overdrafts	9,240	9,623
Interest on dollar notes	2,028	1,708
Interest on sterling notes	3,231	3,412
Interest on other loans	1,086	1,319
Interest on lease liabilities	374	529
Other finance charges	3,136	1,961
	19,095	18,552
Amount included as additions to PPE	(2,665)	(1,092)
	16,430	17,460

Other finance charges comprise bank charges and fees and amortised bank loan and loan note issue expenses.

Amounts included as additions to PPE arose on borrowings applicable to the Indonesian operations and reflected a capitalisation rate of 17.1 per cent (2023: 7.0 per cent). There is no directly related tax relief.

13. Tax

	2024 $'000	2023 $'000
Current tax:		
UK corporation tax	–	–
Overseas withholding tax	696	1,097
Foreign tax	6,883	4,271
Foreign tax – prior year	(536)	317
Total current tax charge	7,043	5,685
Deferred tax:		
Current year	3,079	(18,593)
Prior year	(1,688)	1,356
Total deferred tax charge / (credit)	1,391	(17,237)
Total tax charge / (credit)	8,434	(11,552)

Taxation is provided at the rates prevailing for the relevant jurisdiction. For Indonesia, the current and deferred taxation provision is based on a tax rate of 22 per cent (2023: 22 per cent) and for the UK, the taxation provision reflects a corporation tax rate of 25 per cent (2023: 23.5 per cent) and a deferred tax rate of 25 per cent (2023: 25 per cent).

The tax charge for the year can be reconciled to the profit per the consolidated income statement as follows:

	2024 $'000	2023 $'000
Profit / (loss) before tax	38,897	(29,245)
Notional tax at the Indonesian standard rate of 22 per cent (2023: 22 per cent)	8,557	(6,434)
Tax effect of the following items:		
Interest expense not deductible	911	1,387
Other expenses not deductible	384	595
Exchange difference on deferred tax	2,369	(4,571)
Prior year adjustments	(2,224)	1,673
Non-taxable income	(1,694)	(71)
UK tax rates above Indonesian standard rate	228	24
Overseas withholding taxes, net of relief	–	418
Impairment	18	(5,034)
Tax losses not recognised for deferred tax purposes	–	303
Other movements	(115)	158
Tax charge / (credit) at effective tax rate for the year	8,434	(11,552)

The deferred tax current year charge of $3.1 million mainly comprises the following: a $2.4 million charge being exchange differences on deferred tax in the year (2023: credit of $4.6 million), a $1.8 million charge on the release of impairment provision as a result of the sale of non-current assets by CDM (2023: $10.6 million credit arising on the impairment of CDM in the local accounts of REA Kaltim) and a $1.3 million credit in respect of tax losses created in the year (2023: $1.6 million). The prior year credit of $1.7 million (2023: charge of $1.4 million) was the effect of the change in the rupiah exchange rate on opening balances.

Notes to the consolidated financial statements

continued

14. Dividends

	2024 $'000	2023 $'000
Amounts recognised as distributions to preference shareholders:		
Dividends on 9 per cent cumulative preference shares	18,576	4,129

All arrears of dividend outstanding on the company's preference shares (amounting in aggregate to 11.5p per preference share as at 31 December 2023) were discharged in April 2024 and the fixed semi-annual dividends that fell due on the preference shares in June 2024 and December 2024 were paid on their due dates.

While the dividends on the preference shares were more than six months in arrear, the company was not permitted to pay dividends on its ordinary shares but with the payment in full of the outstanding arrears of preference dividend that is no longer the case. Nevertheless, in view of the group's current level of net debt, no dividend in respect of the ordinary shares has been paid or is proposed in respect of 2024.

15. Profit / (loss) per ordinary share

	2024 $'000	2023 $'000
Profit / (loss) attributable to equity shareholders	26,447	(10,241)
Preference dividends paid relating to current year	(8,172)	(4,129)
Profit / (loss) for the purpose of calculating profit / (loss) per share	18,275	(14,370)

	'000	'000
Weighted average number of ordinary shares for the purpose of:		
Basic profit / (loss) per ordinary share	43,964	43,964
Diluted profit / (loss) per ordinary share	43,964	43,964

The warrants (see note 35) are non-dilutive in 2024 as the average share price was below the exercise price.

16. Goodwill

	2024 $'000	2023 $'000
Beginning of year	11,144	12,578
Transferred to assets held for sale	–	(1,434)
End of year	11,144	11,144

Goodwill of $12.6 million arose from the acquisition by the company in 2006 of a non-controlling interest in the issued ordinary share capital of Makassar Investments Limited, the parent company of REA Kaltim, for a consideration of $19.0 million and has an indefinite life. Due to the potential sale of CDM in 2023 a portion of the goodwill was deemed attributable to CDM and reclassified as part of the asset held for sale and was subsequently impaired to a nil value. The amount of goodwill transferred was based on the proportion of net assets of CDM compared to total plantation assets.

The goodwill is reviewed annually for impairment. The group's testing for impairment of goodwill includes the comparison of the recoverable amount of each CGU to which goodwill has been allocated (the remaining plantation companies, excluding PU, which are treated for this purpose as a single CGU) with their carrying value and this is updated at each reporting date and whenever there are indications of impairment. The recoverable amounts of all plantations are based on their value in use. Value in use is the present value of expected future cash flows from the plantations over a 25 year plantation cycle (25 years being the normal cycle of an oil palm planting). The key assumptions and sensitivities are set out in note 3.

Based upon their review, the directors have concluded that no impairment of goodwill is required as at 31 December 2024 (31 December 2023: nil).

17. Intangible assets

	2024 $'000	2023 $'000
Beginning of year	7,124	6,993
Additions	1,477	131
End of year	8,601	7,124
Amortisation:		
Beginning of year	5,531	5,157
Charge for year	386	374
End of year	5,917	5,531
Carrying amount:		
End of year	2,684	1,593
Beginning of year	1,593	1,836

Included within Intangible assets is development expenditure on computer software that is not integral to an item of PPE and is therefore recognised separately as an intangible asset and costs of easements.

18. Property, plant and equipment

	Plantings	Mining assets	Buildings and structures	Plant, equipment and vehicles	Construction in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost:						
At 1 January 2023	176,547	–	255,293	130,177	13,168	575,185
Additions	4,141	–	6,731	4,578	6,826	22,276
Reclassifications and adjustments	–	–	7,844	9,187	(17,031)	–
Disposals	(4,511)	–	(3,102)	(1,322)	–	(8,935)
Divested on sale of subsidiary	(176)	–	(330)	(31)	–	(537)
Transferred to assets held for sale	(18,090)	–	(37,154)	(1,055)	(76)	(56,375)
At 31 December 2023	157,911	–	229,282	141,534	2,887	531,614
Additions	7,315	1,059	15,090	2,066	7,801	33,331
Reclassifications and adjustments	–	1,330	2,220	124	(3,674)	–
Disposals	(6,906)	–	(7,740)	(3,545)	–	(18,191)
Acquired with new subsidiary (see note 38)	–	66,841	–	1,602	153	68,596
Transferred from assets held for sale (see note 34)	18,092	–	35,435	1,099	88	54,714
At 31 December 2024	176,412	69,230	274,287	142,880	7,255	670,064
Accumulated depreciation:						
At 1 January 2023	76,011	–	66,601	78,545	–	221,157
Charge for year	9,586	–	8,111	10,679	–	28,376
Disposals	(2,705)	–	(872)	(1,249)	–	(4,826)
Divested on sale of subsidiary	(7)	–	(10)	(31)	–	(48)
Transferred to assets held for sale	(3,705)	–	(5,858)	(737)	–	(10,300)
At 31 December 2023	79,180	–	67,972	87,207	–	234,359
Charge for year	8,510	–	7,303	10,413	–	26,226
Disposals	(5,248)	–	(5,012)	(1,850)	–	(12,110)
Release of impairment	(1,007)	–	(2,044)	–	–	(3,051)
Acquired with new subsidiary (see note 38)	–	–	–	164	–	164
Transferred from assets held for sale (see note 34)	13,946	–	22,728	805	–	37,479
At 31 December 2024	95,381	–	90,947	96,739	–	283,067
Carrying amount:						
At 31 December 2024	81,031	69,230	183,340	46,141	7,255	386,997
At 31 December 2023	78,731	–	161,310	54,327	2,887	297,255

The depreciation charge for the year includes $376,000 (2023: $144,000) which has been capitalised as part of additions to plantings and buildings and structures.

At the balance sheet date, the group had entered into $3.7 million contractual commitments for the acquisition of PPE (2023: nil).

At the balance sheet date, PPE of $131.8 million (2023: $118.1 million) had been charged as security for bank loans (see note 27).

Additions to PPE include $187,000 of ROU assets which are not included in purchases of PPE within the consolidated cash flow statement.

19. Land

	2024 $'000	2023 $'000
Cost:		
Beginning of year	48,832	48,648
Additions	4,530	5,093
Acquired with new subsidiary	3,086	–
Transferred from assets held for sale (see note 34)	4,467	–
Transferred to assets held for sale	–	(4,909)
End of year	60,915	48,832
Accumulated amortisation:		
Beginning of year	2,817	3,681
Transferred to assets held for sale	–	(864)
End of year	2,817	2,817
Carrying amount:		
End of year	58,098	46,015
Beginning of year	46,015	44,967

Balances classified as land represent amounts invested in land utilised for the purpose of the plantation and stone operations in Indonesia.

There are two types of plantations cost, one relating to the acquisition of HGUs and the other relating to the acquisition of *Izin Lokasi*.

At 31 December 2024, certificates of HGU had been obtained in respect of areas covering 63,617 hectares (2023: 63,617 hectares). An HGU is effectively a government certification entitling the holder to utilise the land for agricultural and related purposes. Retention of an HGU is subject to payment of annual land taxes in accordance with prevailing tax regulations. HGUs are normally granted for periods of up to 35 years and are renewable on expiry of such term.

The other cost relates to the acquisition of *Izin Lokasi*, each of which is an allocation of Indonesian state land granted by the Indonesian local authority responsible for administering the land area to which the allocation relates. Such allocations are preliminary to the process of fully titling an area of land and obtaining an HGU in respect of it. *Izin Lokasi* are normally valid for periods of between one and three years but may be extended if steps have been taken towards obtaining full titles.

Stone operation land includes the costs of acquiring licences and permits together with making compensation payments to traditional users of such land. The principal licences are IUPs (mining licences) and IPPKH (additional permits granted to IUP holders operating in a forest area). These licences are granted for periods of 5 years, renewable subject to the fulfilment of certain conditions.

At the balance sheet date, land titles of $36.9 million (2023: $30.9 million) had been charged as security for bank loans (see note 27).

Notes to the consolidated financial statements

continued

20. Financial assets

	2024 $'000	2023 $'000
Stone interest	–	44,681
Sand interest	8,405	3,633
Coal interests	3,478	11,835
Provision against loan to coal interests	(2,550)	(2,550)
	9,333	57,599
Plasma advances (see note 24)	15,406	12,788
Other non-current receivables	1,996	3,253
	17,402	16,041
Total financial assets	26,735	73,640

Pursuant to the arrangements concluded some years ago between the group and its local partners, the company's subsidiary, KCC, had the right, subject to satisfaction of local regulatory requirements, to acquire, at original cost, 95 per cent ownership of two Indonesian companies that directly, and through an Indonesian subsidiary of one of those companies, own rights in respect of certain stone and coal concessions in East Kalimantan Indonesia. Until recently local regulatory requirements precluded the exercise of such rights but following new legislation that position has changed.

Accordingly in 2024 the group implemented the original agreement under which it had the right to acquire majority ownership of the stone concession holding company, albeit that formal registration of its ownership remains subject to final completion of Indonesian regulatory requirements. Pending completion of the formalities of the ownership structure, the stone concession holding company is being managed and controlled by the group. At 1 July 2024 $65.3 million loans owed by and guaranteed by the stone concession holding company to the group have been treated as intercompany and are eliminated on consolidation (see note 37).

Following the identification of quartz sand deposits lying in the overburden within the concession area held by one coal concession holding company the group, in 2022, concluded agreements with the company holding the rights to mine such sand deposits. The latter company is a separate legal entity from the coal concession holding company in question because sand mining and coal mining in Indonesia are subject to separate licencing arrangements and a coal mining licence does not entitle the holder of such licence to mine sand. Pursuant to its agreements with the sand concession holding company, the group has made loans to finance the pre-production costs of that company. The agreements provided that, once all licences necessary for mining had been secured, the group would subscribe new shares in the sand concession holding company so as to provide it with a 49 per cent participation in the company. This agreement remains in place but the group now expects to increase the number of shares that it will subscribe, so as to hold a 95 per cent controlling interest once the sand concession holding company has been brought into commercial operation.

Concurrently with the agreement to acquire the stone concession holding company, the group relinquished its rights to acquire interests in the coal concession holding companies on terms that the ownership of the company with mining rights overlapping those of the sand concession holding company would be transferred to that company. The stone concession holding company had previously guaranteed the loans to the second coal concession holding company and the group will now rely on that guarantee for recovery of the loans going forward.

Included within the stone and coal interest balances in 2023 is past interest due of $11.8 million net of a provision of $9.7 million. This interest, due from the stone concession holding company and the second coal concession holding company was provided against due to the creditworthiness of the applicable concession holding companies. The $6.6 million provision relating to the stone concession holding company has now been reversed as that company has commenced commercial production and sales (see note 9).

Plasma advances are discussed under Credit risk in note 26.

Other non-current receivables is a participation advance to a third party formerly holding a 5 per cent non-controlling interests in a group subsidiary. $1.2 million was repaid during the year on the purchase of the non-controlling interest in the applicable subsidiary.

21. Subsidiaries

A list of the subsidiaries, including the name, country of incorporation, activity, registered office address and proportion of ownership is given in note (v) to the company's individual financial statements.

22. Inventories

	2024 $'000	2023 $'000
Agricultural produce	6,273	6,092
Engineering and other operating inventory	12,120	10,617
	18,393	16,709

Agricultural produce is carried at the lower of cost and net realisable value but for this purpose the cost of FFB (which forms part of the input to the cost of agricultural produce) has been measured at fair value at point of harvest.

The cost of agricultural produce inventory recognised as an expense in the year is disclosed in note 7.

23. Biological assets

Biological assets comprise the growing produce (FFB) on oil palm trees and are carried at fair value using a formulaic methodology to determine the value of the oil content of such produce at the balance sheet date. This determination is made by attributing oil content as of the balance sheet date to the FFB harvested in the weeks immediately following the balance sheet date and valuing that oil content by reference to the value of oil at the point of harvest on the balance sheet date. All the relevant inputs to this valuation methodology are observable:

- the quantity of oil attributed (the rate of oil formation is drawn from academic studies)
- the amount of FFB harvested during the applicable period
- the sales price of CPO and CPKO at the balance sheet date (from published market prices)
- the costs to harvest and process FFB
- the sales charges (transport, export tax, etc.).

Biological assets are classified as level 2 in the fair value hierarchy prescribed by IFRS 13: Fair value measurement as there are observable data inputs to enable the valuation of growing produce prior to harvest.

The reconciliation below does not show decreases due to harvest as required by IAS 41 as all growing produce having a value at the end of each accounting period will have been harvested by the end of the immediately succeeding accounting period.

	2024 $'000	2023 $'000
Beginning of year	3,087	3,909
Fair value gain / (loss) taken to income (see note 7)	9	(580)
Movement in CDM whilst held for sale	150	–
Transferred from assets held for sale (see note 34)	92	–
Transferred to assets held for sale	–	(242)
End of year	3,338	3,087

At the balance sheet date, biological assets of $3.3 million (2023: $3.1 million) had been charged as security for bank loans (see note 27).

24. Trade and other receivables

	2024 $'000	2023 $'000
Financial assets		
Due from sale of goods	1,742	3,731
Plasma advances	18,003	15,824
Advances to third parties	10,326	9,171
Other receivables	5,000	4,302
	35,071	33,028
Non-financial assets		
Prepayments	4,211	2,562
Other tax and social security	7,436	5,452
	11,647	8,014
Total trade and other receivables	46,718	41,042

Receivable as follows:

Within one year (shown under current assets)	31,312	28,254
After one year (see note 20)	15,406	12,788
	46,718	41,042

In respect of CPO and CPKO which represent 95 per cent of the group's revenue from sales of goods, payment of 90 per cent of the cargo is received in advance of loading to the buyers vessel (FOB) or discharge to the buyer (CIF). Due from sale of goods represents amounts in respect of the balance due on sales of CPO and CPKO plus receivables in respect of other products.

Amounts due from sale of goods had an average credit period of 7 days (2023: 6 days). The directors consider that the carrying amount of trade and other receivables approximates their fair value.

Plasma advances are discussed under Credit risk in note 26. Receivables after one year represent the portion of plasma advances that are due after one year in Financial assets in non-current assets (see note 20).

25. Cash and cash equivalents

Cash and cash equivalents comprise cash held by the group and short-term bank deposits. The Moody's prime rating of short term bank deposits amounting to $38.8 million (2023: $14.1 million) is set out in note 26 under the heading Credit risk.

At 31 December 2024 $13.5 million (2023: $6.1 million) of total bank deposits were subject to charges. $8.0 million of this total (2023: nil) represents security in respect of the sterling notes. The remaining $5.5 million (2023: $6.1 million) are Mandiri deposits. Under the Mandiri facilities, the group is required to leave agreed amounts of cash on deposit but is allowed additional borrowings equal to the amount of the blocked cash (see note 27).

26. Financial instruments

Capital risk management

The group manages as capital its debt, which includes the borrowings disclosed in notes 27 to 29 and note 31, cash and cash equivalents and equity attributable to shareholders of the company, comprising issued ordinary and preference share capital, reserves and retained earnings as disclosed in note 35 and the consolidated statement of changes in equity. The group is not subject to externally imposed capital requirements.

The directors' policy in regard to the capital structure of the group is to seek to enhance returns to holders of the company's ordinary shares by meeting a proportion of the group's funding needs with prior ranking capital and to constitute that capital as a mix of preference share capital and borrowings from financial institutions and the public debt market, in proportions which suit, and as respects borrowings that have a maturity profile which suits, the assets that such capital is financing. In so doing, the directors regard the company's preference share capital as permanent capital and then seek to structure the group's borrowings so that shorter term bank debt is used only to finance working capital requirements while debt funding for the group's development programme is sourced from issues of listed debt securities and medium term borrowings from financial institutions.

Whilst the group retains this policy, the directors recognise that the group's borrowings were not compliant with the policy at 31 December 2024.

Net debt to equity ratio

Net debt, equity and the net debt to equity ratio at the balance sheet date were as follows:

	2024 $'000	2023 $'000
Debt*	198,092	192,379
Cash and cash equivalents	(38,837)	(14,195)
Net debt	159,255	178,184

* Being the book value of long and short term borrowings as detailed in the table below under Fair value of financial instruments

	2024	2023
Equity (including non-controlling interests)	294,979	234,119
Net debt to equity ratio	54.0%	76.1%

Material accounting policies

Details of the material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial instrument are disclosed in note 2 of this annual report.

26. Financial instruments – continued

Categories of financial instruments

Financial assets as at 31 December 2024 comprised trade receivables and loans held at amortised cost and cash and cash equivalents.

	2024 $'000	2023 $'000
Non-current (see note 20)		
Sand and coal interests (2023: stone, sand and coal interests)	9,333	57,599
Plasma advances	15,406	12,788
Other non-current receivables	1,996	3,253
	26,735	73,640
Current (see note 24)		
Due from sale of goods	1,742	3,731
Advances to third parties	10,326	9,171
Plasma advances	2,597	3,036
Other receivables	5,000	4,302
	19,665	20,240
Cash and cash equivalents	38,837	14,195
	85,237	108,075

Financial liabilities as at 31 December 2024 comprised liabilities at amortised cost amounting to $215.4 million (2023: $222.9 million).

As explained in note 20, conditional arrangements exist for the group to acquire at historic cost the shares in the Indonesian companies owning rights over certain stone and coal concessions. The directors have attributed a fair value of nil to these interests in view of the prior claims of loans to the concession holding companies and the fact that until recently local regulatory requirements precluded the exercise of such rights.

Financial risk management objectives

The group manages the financial risks relating to its operations through internal reports which permit the degree and magnitude of such risks to be assessed. These risks include market risk, credit risk and liquidity risk.

The board sets policies on foreign exchange risk, interest rate risk, credit risk, the use of financial instruments and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed on a continuous basis. The group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

The financial market risks to which the group is primarily exposed are those arising from changes in interest rates and foreign currency exchange rates.

The group's policy as regards interest rates is to borrow whenever economically practicable at fixed interest rates, but where borrowings are raised at floating or variable rates the directors would not normally seek to hedge such exposure. The sterling notes and the dollar notes carry interest at fixed rates of, respectively, 8.75 and 7.5 per cent per annum. In addition, the company's preference shares carry a cumulative entitlement to an annual dividend of 9 pence per share subject to the same being declared by the directors.

At 31 December 2024 interest was payable on drawings under Indonesian rupiah term loan facilities at 8.25 per cent or 8.5 per cent (2023: 8.00 per cent) and under short term working capital facilities at 8.25 per cent (2023: 8.0 per cent).

26. Financial instruments – continued

A 1 per cent increase in interest applied to those financial instruments shown in the table below entitled Fair value of financial instruments as held at 31 December 2024 which carry interest at floating or variable rates would have resulted over a period of one year in a loss in the consolidated income statement and other equity of $1.0 million (2023: loss of $1.1 million).

The group regards the dollar as the functional currency of most of its operations. The directors believe that the group will be best served going forward by simply maintaining a balance between its borrowings in different currencies and avoiding currency hedging transactions. Accordingly, the group regards some exposure to currency risk on its non-dollar borrowing as an inherent and unavoidable risk of its business. The group has never covered, and does not intend in future to cover, the currency exposure in respect of the component of the investment in its operations that is financed with sterling denominated shareholder capital.

The group's policy is to maintain a cash balance in sterling sufficient to meet its projected sterling expenditure for a period of between six and twelve months and a limited cash balance in Indonesian rupiah.

At the balance sheet date, the group had non-dollar monetary items denominated in sterling and rupiah. A 5 per cent strengthening of sterling against the dollar would have resulted in a loss in the consolidated income statement and other equity of $1.4 million on the net sterling denominated monetary items (2023: loss $2.0 million). A 5 per cent strengthening of the rupiah against the dollar would have resulted in a loss in the consolidated income statement and other equity of $3.9 million on the net Indonesian rupiah denominated monetary items (2023: loss of $4.0 million).

Credit risk

Credit risk is the risk that one party will fail to discharge an obligation and cause the other party to incur a loss. Management has established a credit policy and the exposure to credit risk is monitored on a continuous basis.

The group has credit risk in respect of the loans to sand and coal interests, advances to plasma cooperatives (Plasma advances), other non-current receivables and other advances to third parties.

The group's maximum exposure to credit risk is $39.7 million (2023: $85.8 million)

The credit risk in relation to the sand and coal interests, other non-current receivables and other advances to third parties is addressed by applying the lifetime expected credit loss model as set out in note 2.

The credit risk in relation to customers is limited as sales are either prepaid, paid against presentation of documents or paid by letters of credit. There are three types of sales of CPO and CPKO: Indonesian FOB sales (prepaid in advance of loading to the buyer's vessel) representing 35 percent of sales in 2024 (2023: 31 per cent); Indonesian CIF sales (paid against presentation of documents demonstrating discharge to the buyer) representing 65 per cent of sales in 2024 (2023: 69 per cent); and export CIF sales (paid by letters of credit) of which there were none in 2024 (2023: none).

Plasma advances comprise the cost of developing plasma plantations less recoveries (loan repayments) arising from surplus cashflows generated by the plasma plantations. These plasma plantations are managed by the company thereby ensuring that high agronomy standards are maintained and yields and profitability maximised. With CPO and CPKO prices now forecast to remain at remunerative levels for the foreseeable future, all plasma plantations are expected to be profitable and generate sufficient cashflows to repay fully the advances made.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit agencies. At 31 December 2024, 23 per cent of bank deposits were held with banks with a Moody's prime rating of P1 (2023: 29 per cent) and 77 per cent with a bank with a Moody's prime rating of P2 (2023: 71 per cent).

The group reviews the recoverable amount of each debt on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. During 2024 a loss allowance of $0.5 million was made in respect of non-current receivables (2023: nil).

26. Financial instruments – continued

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors of the company, which has established an appropriate framework for the management of the group's short, medium and long term funding and liquidity requirements.

Within this framework, the board continuously monitors forecast and actual cash flows and endeavours to maintain adequate liquidity in the form of cash reserves and borrowing facilities to meet the projected obligations of the group. As disclosed in note 27 there were undrawn facilities of $5.8 million (2023: nil) available to the group at the balance sheet date.

The board maintains and regularly reviews cash forecasting models for the group's operations and compares projected cash inflows with the forecast outflows for debt obligations and projected capital expenditure programmes, applying sensitivities to take into account perceived major uncertainties. In their review, the directors place the greatest emphasis on the cash flow of the first two years.

Financial instruments

The following tables detail the contractual maturity of the group's financial liabilities at 31 December 2024. The tables have been drawn up based on the undiscounted amounts of the group's financial liabilities based on the earliest dates on which the group can be required to discharge those liabilities. The table includes liabilities for both principal and interest.

2024	Weighted average interest rate %	Under 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
Bank loans	8.3	30,076	28,298	70,646	46,795	175,815
Dollar notes – repayable 2026	7.5	2,028	28,049	–	–	30,077
Sterling notes – repayable 2025	8.8	29,617	–	–	–	29,617
Non-controlling shareholder loan	5.8	503	503	8,219	1,286	10,511
Trade and other payables, and contract liabilities	–	24,666	–	–	–	24,666
		86,890	56,850	78,865	48,081	270,686

2023	Weighted average interest rate %	Under 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
Bank loans	7.7	30,718	23,054	67,389	12,829	133,990
Dollar notes – repayable 2026	7.5	2,028	2,028	28,049	–	32,105
Sterling notes – repayable 2025	8.8	3,337	41,978	–	–	45,315
Non-controlling shareholder loan	6.2	11,715	1,481	714	–	13,910
Trade and other payables, and contract liabilities	–	29,764	–	–	–	29,764
		77,562	68,541	96,152	12,829	255,084

At 31 December 2024, the group's financial assets (other than receivables) comprised cash and deposits of $38.8 million (2023: $14.2 million) carrying a weighted average interest rate of 1.2 per cent (2023: 2.2 per cent) and loans to sand and coal interests of $9.3 million (2023: $57.6 million loans to stone, sand and coal interests) details of which are given in note 20.

26. Financial instruments – continued

Fair value of financial instruments

The table below provides an analysis of the book values and fair values of financial instruments, excluding receivables and trade payables and Indonesian sand and coal interests, as at the balance sheet date. Cash and deposits, dollar notes and sterling notes are classified as level 1 in the fair value hierarchy prescribed by IFRS 13: Fair value measurement (level 1 includes instruments where inputs to the fair value measurements are quoted prices in active markets). No reclassifications between levels in the fair value hierarchy were made during 2024 (2023: none).

	2024 Book value $'000	2024 Fair value $'000	2023 Book value $'000	2023 Fair value $'000
Cash and deposits*	38,837	38,837	14,195	14,195
Bank debt within one year*	(20,012)	(20,012)	(17,413)	(17,413)
Bank debt after more than one year*	(114,417)	(114,417)	(94,361)	(94,361)
Loans from non-controlling shareholder within one year**	–	–	(11,394)	(11,394)
Loans from non-controlling shareholder after more than one year**	(8,750)	(8,750)	(2,090)	(2,090)
Dollar notes after one year – repayable 2026**	(26,746)	(25,683)	(26,572)	(25,683)
Sterling notes within one year – repayable 2025**	(28,167)	(26,237)	–	–
Sterling notes after one year – repayable 2025**	–	–	(40,549)	(34,706)
Net debt	(159,255)	(156,262)	(178,184)	(171,452)

* Bearing interest at floating/variable rates

** Bearing interest at fixed rates

The fair values of cash and deposits, loan from non-controlling shareholder and bank debt approximate their carrying values since these carry interest at current market rates. The fair values of the dollar notes and sterling notes are based on the latest prices at which those notes were traded prior to the balance sheet dates.

Changes in liabilities arising from financing activities and analysis of movement in borrowings

The table below details changes in the group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities from financing activities are those for which cash flows were, or future cash flows will be, classified in the group's consolidated cash flow statement as cash flows from financing activities.

	At 1 January 2024 $'000	Financing cash flows $'000	Non-cash and other changes $'000	At 31 December 2024 $'000
Bank debt	(111,774)	(27,480)	4,825	(134,429)
Loans from non-controlling shareholder	(13,484)	12,234	(7,500)	(8,750)
Dollar notes – repayable 2026	(26,572)	–	(174)	(26,746)
Sterling notes – repayable 2025	(40,549)	11,606	776	(28,167)
Lease liabilities	(5,929)	2,724	(341)	(3,546)
Total liabilities from financing activities	(198,308)	(916)	(2,414)	(201,638)

There were no loans from related parties during the year.

	At 1 January 2023 $'000	Financing cash flows $'000	Non-cash and other changes $'000	At 31 December 2023 $'000
Bank debt	(117,120)	9,675	(4,329)	(111,774)
Loans from non-controlling shareholder	(15,519)	(8,606)	10,641	(13,484)
Dollar notes – repayable 2026	(17,842)	(8,142)	(588)	(26,572)
Sterling notes – repayable 2025	(38,162)	–	(2,387)	(40,549)
Lease liabilities	(7,438)	2,846	(1,337)	(5,929)
Total liabilities from financing activities	(196,081)	(4,227)	2,000	(198,308)

There were no loans from related parties during the year.

27. Bank loans

	2024 $'000	2023 $'000
Bank loans	134,429	111,774

The bank loans are repayable as follows:		
On demand or within one year	20,012	17,413
Between one and two years	19,348	16,662
Between two and five years	56,489	58,684
After five years	38,580	19,015
	134,429	111,774

Amount due for settlement within 12 months	20,012	17,413
Amount due for settlement after 12 months	114,417	94,361
	134,429	111,774

All bank loans are denominated in rupiah and are stated above net of unamortised issuance costs of $2.3 million (2023: $3.8 million). The bank loans repayable within one year include $2.8 million drawings under working capital facilities (2023: $2.9 million and $6.1 million short term revolving borrowings secured against blocked cash (see note 25).

The interest rate on the bank loans and working capital facilities at 31 December 2024 is 8.25 per cent (2023: 8.0 per cent) except for the loan to CDM on which the rate is 8.5 per cent (2023: not applicable). The short term revolving borrowings have an interest rate of 0.5 per cent above the deposit interest rate applicable to the blocked cash deposits. The weighted average interest rate on all bank borrowings for 2024 was 8.3 per cent (2023: 7.7 per cent).

The gross bank loans of $136.8 million (2023: $115.6 million) are secured on certain land titles, PPE, biological assets and cash assets held by REA Kaltim, SYB, KMS and CDM having an aggregate book value of $177.5 million (2023: $158.1 million), and are the subject of an unsecured guarantee by the company. The banks are entitled to have recourse to their security on usual banking terms.

REA Kaltim, SYB, KMS and CDM have agreed certain financial covenants under the terms of the bank facilities relating to debt service coverage, debt equity ratio, EBITDA margin and the maintenance of positive net income and positive equity; such covenants are tested annually upon delivery to Bank Mandiri of the audited financial statements in respect of each year by reference to the consolidated results for that year, and consolidated closing financial position as at the year end, of REA Kaltim and its subsidiaries. The covenants have been complied with for 2024. Prior to 2024 each company was tested on a stand alone basis. In 2023 Bank Mandiri waived the testing requirement as regards REA Kaltim's maintenance of positive net income and the testing requirements as regards SYB's debt service coverage, gross margin and the maintenance of positive net income.

Under the terms of their bank facilities, certain plantation subsidiaries are restricted to an extent in the payment of interest on borrowings from, and on the payment of dividends to, other group companies. The directors do not believe that the applicable covenants will affect the ability of the company to meet its cash obligations.

At the balance sheet date, the group had undrawn rupiah denominated facilities of $5.5 million (2023: nil).

28. Sterling notes

The sterling notes at 31 December 2024 comprised £21.7 million nominal of 8.75 per cent guaranteed 2025 sterling notes (2023: £30.9 million nominal) issued by the company's subsidiary, REA Finance B.V.. The movement during the year resulted from the purchase in October and December 2024 of £9.2 million nominal of notes for cancellation.

The outstanding sterling notes are due for repayment on 31 August 2025. A premium of 4p per £1 nominal of sterling notes will be paid on redemption of the sterling notes on 31 August 2025 (or earlier in the event of default) or on surrender of the sterling notes in satisfaction, in whole or in part, of the subscription price payable on exercise of the warrants held by sterling note holders (see note 35) on or before the final subscription date (namely 15 July 2025).

The sterling notes are guaranteed by the company and another wholly owned subsidiary of the company, REAS, and are secured principally on unsecured loans made by REAS to an Indonesian plantation operating subsidiary of the company.

The repayment obligation in respect of the sterling notes of £21.7 million ($27.1 million) is carried on the balance sheet at $28.2 million (2023: $40.5 million) which includes the amortised premium to date.

29. Dollar notes

The dollar notes as at 31 December 2023 and 2024 comprised $27.0 million nominal of 7.5 per cent dollar notes 2026 and are stated net of the unamortised balance of the note issuance costs.

The dollar notes are due for repayment on 30 June 2026.

30. Deferred tax

The following are the major deferred tax assets and liabilities recognised by the group and the movements thereon during the year and preceding year:

Deferred tax assets / (liabilities)	Plantings and related structures $'000	Other property, plant and equipment $'000	Income/ (expenses)* $'000	Agricultural produce and other inventory $'000	Tax losses $'000	Total $'000
At 1 January 2023	(37,321)	(6,676)	1,741	(457)	1,259	(41,454)
Prior year adjustment	–	(1,356)	–	–	–	(1,356)
Credit / (charge) to income for the year	427	76	11,962	(73)	1,630	14,022
Credit to comprehensive income for the year**	–	–	99	–	–	99
Exchange differences***	1,917	2,653	36	(35)	–	4,571
Transferred to liabilities related to assets held for sale	5,764	142	(79)	51	(1,636)	4,242
At 31 December 2023	(29,213)	(5,161)	13,759	(514)	1,253	(19,876)
Prior year adjustment	3,968	(2,282)	–	2	–	1,688
(Charge) / credit to income for the year	(1,624)	(39)	(80)	(314)	1,347	(710)
Credit to comprehensive income for the year**	–	–	22	–	–	22
Exchange differences***	(2,243)	470	(639)	43	–	(2,369)
Acquired with new subsidiary (see note 37)	–	(10,797)	–	–	3,901	(6,896)
Transferred from assets held for sale (see note 34)	562	(212)	80	(50)	1,635	2,015
At 31 December 2024	(28,550)	(18,021)	13,142	(833)	8,136	(26,126)
Deferred tax assets	–	–	13,142	–	8,136	21,278
Deferred tax liabilities	(28,550)	(18,021)	–	(833)	–	(47,404)
At 31 December 2024	(28,550)	(18,021)	13,142	(833)	8,136	(26,126)
Deferred tax assets	–	–	13,759	–	1,253	15,012
Deferred tax liabilities	(29,213)	(5,161)	–	(514)	–	(34,888)
At 31 December 2023	(29,213)	(5,161)	13,759	(514)	1,253	(19,876)

* Includes income, gains or expenses recognised for reporting purposes, but not yet charged to or allowed for tax
** Relating to actuarial losses / gains
*** Included in the consolidated income statement

At the balance sheet date, the group had unused tax losses of $35.8 million (2023: $4.7 million) available to be applied against future profits. A deferred tax asset of $8.1 million (2023: $1.3 million) has been recognised in respect of these losses, which are expected to be used in the future based on the group's detailed cashflow and profitability projections. Tax losses aggregating $1.5 million (2023: $2.5 million) incurred by KCCRI have not been recognised; these tax losses expire after five years. Capital tax losses totalling $4.4 million in the company and REAS are not recognised in deferred tax as they are not expected to be used.

At the balance sheet date, the aggregate amount of net temporary differences (gross differences after 10 per cent withholding tax) associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was $3.5 million (2023: $2.6 million). No liability has been recognised in respect of these differences because the group is in a position to control the reversal of the temporary differences and it is probable that such differences will not reverse significantly in the foreseeable future.

The temporary difference of $28.6 million (2023: $29.2 million) in respect of plantings and related structures arises from their recognition prior to 2015 at fair value in the group accounts, compared with their historic base cost in the local accounts of overseas subsidiaries. From 2015 onwards this temporary difference reverses as the plantings and related structures are depreciated over their remaining useful life.

31. Other loans and payables

	2024 $'000	2023 $'000
Indonesian retirement benefit obligations (see note 40)	9,572	9,098
Lease liabilities (see note 32)	3,546	5,929
Loan from non-controlling shareholder	8,750	13,484
Payable under settlement agreement	736	1,736
	22,604	30,247
Repayable as follows:		
On demand or within one year (shown under current liabilities)	2,707	14,891
Between one and two years	1,898	4,326
Between two and five years	9,728	2,979
After five years	8,271	8,051
Amount due for settlement after 12 months	19,897	15,356
	22,604	30,247
Liabilities by currency:		
Sterling	261	369
Dollar	9,486	15,220
Rupiah	12,857	14,658
	22,604	30,247

Loan from non-controlling shareholder comprises an $8.7 million interest bearing loan repayable in equal instalments over the period from January 2027 to January 2030 (2023: a $3.5 million interest bearing loan repayable in equal instalments up to June 2026, plus a $10.0 million pre-closing loan in connection with the DSN share subscription agreement which was repaid on completion of the share subscription transaction).

The directors estimate that the fair value of other loans and payables approximates their carrying value.

Notes to the consolidated financial statements

continued

32. Leases

The group leases barges for the transportation of CPO and CPKO and also leases office properties in London and Balikpapan.

The office leases have been capitalised as assets in buildings and structures and the boats in plant, equipment and vehicles within PPE in non-current assets (see note 18).

ROU assets in PPE	Buildings and structures $'000	Plant, equipment and vehicles $'000	Total $'000
Cost:			
At 1 January 2023	1,347	7,212	8,559
Additions	–	645	645
Disposals	–	(632)	(632)
At 31 December 2023	1,347	7,225	8,572
Additions	219	–	219
Disposals	(88)	(98)	(186)
At 31 December 2024	1,478	7,127	8,605
Accumulated depreciation:			
At 1 January 2023	287	595	882
Charge for year	281	1,814	2,095
Disposals	–	(625)	(625)
At 31 December 2023	568	1,784	2,352
Charge for year	301	1,737	2,038
Adjustment	–	820	820
Disposals	(88)	–	(88)
At 31 December 2024	781	4,341	5,122
Carrying amount:			
At 31 December 2024	697	2,786	3,483
At 31 December 2023	779	5,441	6,220

Lease liabilities (see note 31)	2024 $'000	2023 $'000
Within one year	1,876	2,428
Between one and two years	1,577	1,912
Between two and five years	93	1,589
	3,546	5,929

Other information relating to leases

	2024	2023
Interest on lease liabilities (see note 12)	374	529
Principal payments on lease liabilities disclosed in the cash flow statement	2,724	2,846

Short term leases

A number of the barge leases qualify for the short term lease exemption but for consistency all barge leases are treated in the same way.

33. Trade and other payables

	2024 $'000	2023 $'000
Trade payables	7,351	11,630
Contract liabilities	8,032	17,134
Other tax and social security	7,903	100
Accruals	12,146	14,811
Other payables	9,283	1,000
	44,715	44,675
Repayable as follows:		
On demand or within one year (shown under current liabilities)	44,715	27,834
In the second year	–	16,841
In the third to fifth years inclusive	–	–
Amount due for settlement after 12 months	–	16,841
	44,715	44,675

The average credit period taken on trade payables is 23 days (2023: 30 days).

The contract liabilities relate to prepaid sales contacts whereby advance payments are received for future product deliveries. $9.1 million of the 2023 contract liabilities were recognised in revenue in 2024. $8.0 million of the contract liabilities will be recognised in 2025.

The directors estimate that the fair value of trade and other payables approximates their carrying value.

Notes to the consolidated financial statements

continued

34. Assets held for sale

In 2023 the group entered into a share subscription agreement with DSN. Included in this agreement was a priority right, exercisable by notice in writing to the company given at any time prior to 30 June 2024, for DSN to acquire CDM at a price calculated by reference to a valuation of the asset and liabilities of CDM on the basis stipulated in the agreement. Accordingly, at 31 December 2023, the assets of CDM with previous carrying value of $40.0 million were treated as assets held for sale and were impaired by $23.6 million to equal the estimated fair value less costs to sell of $16.4 million.

DSN confirmed at the end of June 2024 that they would not exercise their right to purchase CDM. CDM was therefore reconsolidated at its recoverable amount at 30 June, assumed to be equivalent to the DSN valuation. After the impairment of $23.6 million has been allocated against non-current asset categories and deferred tax the following assets and liabilities were reclassified from held for sale.

	June 2024 $'000
PPE	17,235
Land	4,467
Deferred tax	2,015
Inventories	1,286
Biological assets	92
Plasma advances	1,504
Trade and other receivables	1,295
Cash and bank balances	9
Total assets reclassified from held for sale	27,903
Trade payables	(452)
Other loans and payables	(7,401)
Retirement benefits	(367)
Total liabilities related to assets classified from held for sale	(8,220)
Net assets reclassified from held for sale	19,683

In both 2024 and 2023 the results of CDM were fully consolidated in the group with the exception of depreciation. If CDM had not been held for sale in either year then an additional charge of $787,000 in the six months to 30 June 2024 (2023: additional charge of $261,000 for two months to 31 December 2024) would have been recognised.

35. Share capital

	2024 $'000	2023 $'000
Issued and fully paid:		
72,000,000 – 9 per cent cumulative preference shares of £1 each (2023: 72,000,000)	116,516	116,516
43,963,529 – ordinary shares of 25p each (2023: 43,963,529)	18,075	18,075
132,500 – ordinary shares of 25p each held in treasury (2023: 132,500)	(1,001)	(1,001)
	133,590	133,590

The preference shares entitle the holders thereof to payment, out of the profits of the company available for distribution, but subject to the approval of a board resolution to make a distribution out of available profits, of a cumulative preferential dividend of 9 per cent per annum on the nominal amount paid up on such preference shares. The preference shares shall rank for dividend in priority to the payment of any dividend to the holders of any other class of shares. In the event of the company being wound up, holders of the preference shares shall be entitled to the amount paid up on the nominal value of such shares together with any arrears and accruals of the dividend thereon. On a winding up or other return of capital, the preference shares shall rank in priority to any other shares of the company for the time being in issue.

Subject to the rights of the holders of preference shares, holders of ordinary shares are entitled to share equally with each other in any dividend paid on the ordinary share capital and, on a winding up of the company, in any surplus assets available for distribution among the members. Shares held by the company in treasury do not carry voting rights.

The company has outstanding 3,997,760 warrants to subscribe for ordinary shares (2023: 3,997,760 warrants). Each warrant entitles the holder to subscribe for one ordinary share at a subscription price of 126p per share on or before 15 July 2025. Holders of sterling notes exercising warrants may satisfy the subscription obligations by surrendering sterling notes (see note 28).

There were no changes in preference share capital, ordinary share capital or ordinary shares held in treasury during the current year.

36. Non-controlling interests

	2024 $'000	2023 $'000
Beginning of year	14,304	23,625
Capital injection	53,082	150
Share of result for the year	4,016	(7,452)
Share of other comprehensive loss for the year	(27)	(41)
Reorganisation of subsidiaries	(854)	(1,978)
End of year	70,521	14,304

The non-controlling interests comprise a 35 per cent equity interest held by two subsidiary companies of DSN in REA Kaltim (see note (v) to the company accounts); a 5 per cent equity interest held by a local partner in ATP; and a 5 per cent equity interest held by a local partner in KCCRI (2023: 15 per cent equity interest held by two subsidiary companies of DSN in REA Kaltim, a 5 per cent equity interest held by a local partner in SYB; and a 5 per cent equity interest held by a local partner in KCCRI). During 2024 the 5 per cent equity interest held by the local partner in SYB was purchased, completing the reorganisation of subsidiaries that started in 2023 (see note 10).

The capital injection of $53.1 million represents DSN's increase of equity interest in REA Kaltim from 15 per cent to 35 per cent by way of a subscription of further shares. Subscription proceeds were $53.6 million and transaction expenses $1.1 million. A loss of $0.6 million was recognised in the statement of comprehensive income.

Key financial information (including intra-group balances but excluding group adjustments) in respect of REA Kaltim and its subsidiaries as extracted from the consolidated financial statements is as follows:

	2024 $'000	2023 $'000
Revenue	186,869	175,871
Profit after tax	16,161	5,501
Non-current assets	387,999	364,055
Current assets	54,993	70,799
Non-current liabilities	(119,381)	(91,050)
Current liabilities	(79,338)	(118,757)
Net cash inflow / (outflow) from operating activities	3,812	(9,668)
Net cash outflow from investing activities	(12,377)	(22,713)
Net cash inflow from financing activities	20,470	21,491
Net cash increase / (decrease) in cash and cash equivalents	11,905	(10,890)

37. Acquisition of subsidiary (ATP)

As previously discussed (see note 20), pending completion of the formalities of the ownership structure, the stone concession holding company (ATP) is being managed and controlled by the group and has therefore been consolidated from 1 July 2024. No consideration was paid in 2024, and it is expected to be minimal with no transaction costs. In line with the provisions of IFRS 3, management have 12 months to finalise the acquisition accounts for ATP and accordingly, the amounts included in these financial statements are provisional.

The net assets of this subsidiary at the date of acquisition were as follows:

	2024 $'000
PPE (see note 18)	68,432
Land (see note 19)	3,086
Deferred tax asset (see note 30)	3,901
Current assets	7,679
Cash	259
	83,357
Current liabilities	(7,290)
Deferred tax liability (see note 30)	(10,797)
Loans from group	(65,270)
Total net assets	–

The assets and liabilities were valued at fair value at the date of acquisition of control (see note 3). This resulted in a fair value adjustment of $58.9 million which was applied to the mining assets acquired (included within PPE), the book value of the other assets and liabilities being considered to be their fair values. At acquisition the non-controlling interest of 5 per cent amounts to $nil.

In the six months to 31 December 2024 the results of ATP included within the group results were as follows:

	2024 $'000
Revenue	1,083
Cost of Sales	(648)
Gross Profit	435
Administrative expenses	(65)
Operating Profit	370
Other gains / (losses)	449
Finance costs	(684)
Profit before tax	135

If ATP had been consolidated from 1 January 2024 then the results for the group would have been as follows:

	2024 $'000
Revenue	187,943
Net gain / (loss) arising from changes in fair value of biological assets	9
Cost of sales	(136,567)
Gross profit	51,385
Distribution costs	(1,281)
Administrative expenses	(15,387)
Operating profit	34,717
Interest income	3,369
Reversal of provision	6,622
Gains / (losses) on disposals of subsidiaries and similar charges	3,051
Other gains / (losses)	4,332
Finance costs	(17,431)
Profit before tax	34,660

Notes to the consolidated financial statements

continued

38. Reconciliation of operating profit to operating cash flows

	2024 $'000	2023 $'000
Operating profit	34,968	14,844
Amortisation of intangible assets	386	374
Depreciation of PPE	26,226	28,376
Decrease in fair value of growing produce	(9)	580
Loss on disposal of PPE	310	1,055
Movement in assets held for sale	(1,559)	(784)
Exchange translation differences	(1,686)	1,188
Operating cash flows before movements in working capital	58,636	45,633
(Increase) / decrease in inventories (excluding movements in fair value growing produce)	(887)	9,482
Decrease / (increase) in receivables	4,675	(3,123)
Decrease in payables	(13,338)	(4,818)
Cash generated by operations	49,086	47,174
Taxes paid	(3,621)	(2,177)
Interest paid	(13,714)	(15,372)
Net cash from operating activities	31,751	29,625

39. Movement in net borrowings

	2024 $'000	2023 $'000
Change in net borrowings resulting from cash flows:		
Increase / (decrease) in cash and cash equivalents, after exchange rate effects	24,642	(7,719)
Net (increase) / decrease in bank borrowings	(27,480)	9,675
Purchase of sterling notes for cancellation	11,606	–
Dollar notes held in treasury	–	(8,142)
Decrease / (increase) in borrowings from non-controlling shareholder	12,234	(8,606)
Transfer of borrowings to assets held for sale	–	10,641
Transfer of borrowings from assets held for sale	(7,401)	–
	13,601	(4,151)
Amortisation of sterling note issue expenses and premium	566	(188)
Loss on disposal of dollar notes held in treasury	–	(428)
Amortisation of dollar note issue expenses	(174)	(160)
Amortisation of bank loan expenses	(1,884)	(1,266)
	12,109	(6,193)
Currency translation differences	6,821	(5,262)
Net borrowings at beginning of year	(178,184)	(166,729)
Net borrowings at end of year	(159,254)	(178,184)

40. Retirement benefit obligations

United Kingdom

The company is the principal employer of the Pension Scheme and a subsidiary company is a participating employer. The Pension Scheme is a multi-employer contributory defined benefit scheme with assets held in a trustee-administered fund, which has participating employers outside the group. The Pension Scheme is closed to new members.

As the Pension Scheme is a multi-employer scheme, in which the employers are unable to identify their respective shares of the underlying assets and liabilities (because there is no segregation of the assets), and does not prepare valuations on an IAS 19 basis, the group accounts for the Pension Scheme as if it were a defined contribution scheme. The company's share of the total employer contribution is 6.9 per cent.

A non-IAS 19 valuation of the Pension Scheme was last prepared, using the attained age method, as at 31 December 2023. This method had been adopted in the previous valuation as at 31 December 2020 and in earlier valuations, as it was considered the appropriate method of calculating future service benefits as the Pension Scheme is closed to new members. At 31 December 2023 the Pension Scheme had an overall surplus of assets, when measured against the Scheme's technical provisions, of £12.5 million. The technical provisions were calculated using assumptions of an investment return equal to the Bank of England gilt curve plus 0.25 per cent per annum and annual increases in pensionable salaries in line with RPI. It was further assumed that the retired members' mortality would reflect S3PXA tables (light version) at 100 per cent and that non-retired members would take on retirement the maximum cash sums permitted from 1 January 2024. Had the Pension Scheme been valued at 31 December 2023 using the projected unit method and the same assumptions, the overall deficit would have been similar.

The Pension Scheme has agreed a statement of funding principles with the principal employer and has also agreed a schedule of contributions with participating employers covering normal contributions which are payable at a rate calculated to cover future service benefits under the Pension Scheme.

Total employer contributions for 2025 are estimated to be nil (2024: $21,000).

There are no agreed allocations of any surplus on either the wind-up of the Pension Scheme or on any participant's withdrawal from the Pension Scheme.

An actuarial review as at 31 December 2024 has been completed and the next actuarial valuation will be made as at 31 December 2026.

The company is responsible for contributions payable by other (non-group) employers in the Pension Scheme; however, such liability will only arise if other (non-group) employers do not pay their contributions. There is no expectation of this and, therefore, no provision has been made.

The sensitivity of the surplus as at 31 December 2023 to variations in certain of the principal assumptions underlying the actuarial valuation as at that date is summarised below:

	Reduction in surplus $'000
Decrease in discount rate by 0.1% p.a.	271
Increase inflation by 0.1% p.a.	103
Increase in long term rate of mortality improvement by 0.25% p.a.	129

40. Retirement benefit obligations – continued

Indonesia

In accordance with Indonesian labour laws, group employees in Indonesia are entitled to lump sum payments on retirement at the age of 55 years. The group records a provision in the financial statements for such payments which are not separately funded: accordingly there are no separate assets set aside to meet these entitlements. The provision is assessed at each balance sheet date by an independent actuary using the projected unit credit method. The principal assumptions used were as follows:

	2024	2023
Discount rate (per cent)	7.12	6.81
Salary increases per annum (per cent)	6	6
Mortality table (Indonesia) (TM1)	IV/2019	IV/2019
Retirement age (years)	55	55
Disability rate (per cent of the mortality table)	10	10

The movement in the provision for employee service entitlements was as follows:

	2024 $'000	2023 $'000
Balance at 1 January	9,098	7,824
Current service cost	1,140	1,259
Interest expense	627	598
Past service cost	–	209
Actuarial loss recognised in statement of comprehensive income	113	449
Exchange	(459)	156
Paid during the year	(1,314)	(1,040)
Transferred from assets held for sale (see note 34)	367	–
Transferred to assets held for sale	–	(357)
Balance at 31 December (see note 31)	9,572	9,098

The amounts recognised in the consolidated income statement were as follows:

	2024 $'000	2023 $'000
Current service cost	1,140	1,259
Past service cost	–	209
Interest expense	627	598
Exchange	(459)	156
	1,308	2,222

Estimated lump sum payments to Indonesian employees on retirement in 2025 are $991,000 (2024: $715,000).

The number of employees eligible for benefits in Indonesia is 6,046 (2023: 6,555). The average age of employees is 38.6 years with 8.8 years past service and 16.3 years estimated future service. The maturity profile of the retirement benefits is as follows:

	2024 $'000	2023 $'000
Within one year	95	69
Between two and five years	321	284
Between six and ten years	885	694
After ten years	8,271	8,051
	9,572	9,098

40. Retirement benefit obligations – continued

The sensitivity of the deficit as at 31 December 2024 to variations in certain of the principal assumptions underlying (increase) / decrease in the actuarial deficit as at that date is summarised below:

	Change in deficit $'000
Decrease in discount rate by 0.1% p.a.	(663)
Increase in discount rate by 0.1% p.a.	590
Decrease salary increase by 0.1% p.a.	651
Increase salary increase by 0.1% p.a.	(718)

41. Related party transactions

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the company and its subsidiaries are dealt with in the company's individual financial statements.

Remuneration of key management personnel

The remuneration of the directors, who are the key management personnel of the group, is set out below in aggregate for each of the categories specified in IAS 24: Related party disclosures. Further information about the remuneration of, and fees paid in respect of services provided by, individual directors is provided in the audited part of the Directors' remuneration report.

	2024 $'000	2023 $'000
Short term benefits	1,283	1,222

42. Rates of exchange

	2024 Closing	2024 Average	2023 Closing	2023 Average
Indonesian rupiah to US dollar	16,162	15,906	15,416	15,219
US dollar to pounds sterling	1.2529	1.2783	1.2747	1.2471

43. Events after the reporting period

There have been no material post balance sheet events that would require disclosure in, or adjustment to, these financial statements.

44. Financial guarantees

In furtherance of Indonesian government policy which requires the owners of oil palm plantations to develop smallholder plantations (plasma plantations), the REA Kaltim plantations group has established 11 separate plasma plantations owned by local cooperatives but under the management of the group. These plasma plantations have, in the first instance, been funded by the group but, where possible, have subsequently been refinanced by local banks.

The first three plasma plantations, established in 2009 and 2010 on land owned by smallholders, were refinanced by Bank BPD, a regional development bank, under which the cooperatives borrowed in aggregate rupiah 157 billion ($9.7 million) with the amounts borrowed repayable over 14 years and secured on the lands under development. REA Kaltim has guaranteed the obligations of two of the cooperatives as to payments of principal and interest under the respective bank facilities. SYB has guaranteed the obligations of the third cooperative on a similar basis.

During 2022 SYB was able to secure refinancing from Bank Mandiri for two further co-operatives owning plasma plantations that have been established on land within the SYB's titled plantation areas (the SYB HGU area). Under the refinancing arrangements Bank Mandiri provided one loan of rupiah 25 billion ($1.5 million) repayable over 10 years and a second loan of rupiah 10.8 billion ($0.7 million) repayable over 5 years. These loans are secured on the respective plasma plantations together with certain land titles within the SYB HGU area. SYB has guaranteed the obligations of these two cooperatives as to payments of principal and interest under the respective bank facilities.

As at 31 December 2024 the aggregate outstanding balances owing by the five cooperatives to Bank BPD and Bank Mandiri amounted to rupiah 52 billion ($3.2 million) (2023: rupiah 71.1 billion – $4.6 million).

Company balance sheet

as at 31 December 2024

	Note	2024 $'000	2023 $'000
Non-current assets			
Investments			
Shares in subsidiaries		91,775	91,775
Loans		136,774	148,830
	(v)	228,549	240,605
Financial assets	(vi)	14,014	21,031
Deferred tax assets	(vii)	1,803	1,178
Total non-current assets		244,366	262,814
Current assets			
Trade and other receivables	(viii)	33	415
Cash and cash equivalents	(ix)	1,418	3,810
Total current assets		1,451	4,225
Total assets		**245,817**	**267,039**
Current liabilities			
Trade and other payables	(x)	(300)	(1,391)
Amount owed to group undertakings	(xii)	(34,073)	–
Total current liabilities		(34,373)	(1,391)
Non-current liabilities			
Dollar notes	(xi)	(26,746)	(26,572)
Amount owed to group undertaking	(xii)	–	(41,290)
Total non-current liabilities		(26,746)	(67,862)
Total liabilities		**(61,119)**	**(69,253)**
Net assets		**184,698**	**197,786**
Equity			
Share capital	(xiii)	133,590	133,590
Share premium account		47,374	47,374
Exchange reserve		(4,300)	(4,300)
Retained earnings		8,034	21,122
Total equity		**184,698**	**197,786**

The company reported a profit for the financial year ended 31 December 2024 of $5,488,000 (2023: loss of $2,572,000).

The company is exempt from disclosing its profit and loss account.

Authorised and approved by the board on 16 April 2025 and signed on behalf of the board.
DAVID J BLACKETT
Chairman

Company statement of changes in equity

for the year ended 31 December 2024

	Note	Share capital $'000	Share premium $'000	Exchange reserve $'000	Retained earnings $'000	Total $'000
At 1 January 2023		133,590	47,374	(4,300)	27,823	204,487
Total comprehensive loss		–	–	–	(2,572)	(2,572)
Exercise of warrants	(xiii)	–	–	–	(4,129)	(4,129)
At 31 December 2023		133,590	47,374	(4,300)	21,122	197,786
Total comprehensive income		–	–	–	5,488	5,488
Dividends to preference shareholders	(iv)	–	–	–	(18,576)	(18,576)
At 31 December 2024		**133,590**	**47,374**	**(4,300)**	**8,034**	**184,698**

Notes to the company financial statements

(i) Accounting policies

The accounting policies of R.E.A. Holdings plc (the company) are the same as those of the group, save as modified below.

Basis of accounting

Separate financial statements of the company are required by the CA 2006. These financial statements are prepared under the historical cost convention, except as described in the accounting policy on financial instruments, and in accordance with FRS 101 and applicable UK laws.

The company financial statements present information about the company as an individual undertaking not as a group undertaking.

The company has applied the exemptions under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes
- transactions with wholly owned subsidiaries
- capital management
- as required by IFRS 13: Fair Value Measurement and IFRS 7: Financial Instrument Disclosures
- the effect of new but not yet effective IFRSs
- disclosures in respect of compensation of key management personnel

For the reasons given under Going concern in the Directors' report, the company financial statements have been prepared on the going concern basis.

By virtue of section 408 of the CA 2006, the company is exempted from presenting an income statement or statement of comprehensive income. The profit / (loss) attributable to the company is disclosed in the footnote to the company's balance sheet.

Presentational currency

The financial statements of the company are presented in dollars which is considered to be the functional currency of the company and the currency of the primary economic environment in which the company operates. References to $ or dollar in the financial statements are to the lawful currency of the United States of America.

Adoption of new and revised standards

New standards and amendments to IFRSs and IASs issued by the IASB that are mandatorily effective for an accounting period beginning on 1 January 2024 have no impact on the disclosures or on the amounts reported in these financial statements.

Notes to the company financial statements

continued

(ii) Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, which are set out in note (i) above, the directors are required to make judgements, estimates and assumptions. Such judgements, estimates and assumptions are based upon historical experience and other factors that are considered to be relevant. Actual values of assets and amounts of liabilities may differ from estimates. The judgements, estimates and assumptions are reviewed on a regular basis. Revisions to estimates are recognised in the period in which the estimates are revised.

In the opinion of the directors, all critical accounting judgements and key sources of estimation uncertainty relate to the group's operations as disclosed in note 3 to the consolidated financial statements with the exception of the investments in, and loans to group companies which are a source of estimation uncertainty to the company only as these are eliminated in the consolidated financial statements.

As at 31 December 2024 the shares in subsidiaries are carried at cost of $91.8 million (2023: $91.8 million) and the loans to group companies at $124.9 million (2023: $101.4 million).

The carrying value of the investment in subsidiary undertakings is reviewed for impairment on an annual basis by reference to the underlying value of the undertakings utilising plantation and mining assets impairment testing methodology as described in note 3 to the consolidated financial statements for valuing the plantation and mining assets.

(iii) Auditor's remuneration

The remuneration of the company's auditor is disclosed in note 7 to the consolidated financial statements as required by section 494(4)(a) of the CA 2006.

(iv) Dividends

	2024 $'000	2023 $'000
Amounts recognised as distributions to preference shareholders:		
Dividends on 9 per cent cumulative preference shares	18,576	4,129
	18,576	4,129

All arrears of dividend outstanding on the company's preference shares (amounting in aggregate to 11.5p per preference share as at 31 December 2023) were discharged in April 2024 and the fixed semi-annual dividends that fell due on the preference shares in June 2024 and December 2024 were paid on their due dates.

While the dividends on the preference shares were more than six months in arrear, the company was not permitted to pay dividends on its ordinary shares but with the payment in full of the outstanding arrears of preference dividend that is no longer the case. Nevertheless, in view of the group's current level of net debt, no dividend in respect of the ordinary shares has been paid or is proposed in respect of 2024.

(v) Investments

	2024 $'000	2023 $'000
Shares in subsidiaries	91,775	91,775
Loans to group companies and third parties	136,774	148,830
	228,549	240,605

The movements were as follows:

	Shares $'000	Loans $'000
At 1 January 2023	91,775	148,007
Repayment of loans	–	(10,673)
Additions to loans	–	12,772
Increase in provision	–	(675)
Write off loans	–	(601)
At 31 December 2023	91,775	148,830
Repayment of loans	–	(26,246)
Additions to loans	–	6,735
Decrease in provision	–	7,455
At 31 December 2024	91,775	136,774

The subsidiaries at the year end, together with their countries of incorporation, activity, registered office address and proportion of ownership, are listed below. Details of UK dormant subsidiaries are not shown.

Subsidiary	Activity	Registered Office	Class of shares	Percentage owned
PT REA Kaltim Plantations (Indonesia)	Plantation agriculture	Gedung Grha Bintang 1st Floor B-C-D, Jl. Jend. Sudirman No. 423, Damai Bahagia, Balikpapan Selatan, Balikpapan 76114, Kalimantan Timur	Ordinary	65.0
PT Cipta Davia Mandiri (Indonesia)	Plantation agriculture	As for PT REA Kaltim Plantations	Ordinary	65.0
PT Kutai Mitra Sejahtera (Indonesia)	Plantation agriculture	As for PT REA Kaltim Plantations	Ordinary	65.0
PT Sasana Yudha Bhakti (Indonesia)	Plantation agriculture	As for PT REA Kaltim Plantations	Ordinary	65.0
PT Prasetia Utama (Indonesia)	Plantation agriculture	As for PT REA Kaltim Plantations	Ordinary	100.0
PT KCC Resources Indonesia (Indonesia)	Stone and coal marketing	Plaza 5 Pondok Indah Blok B.06, JL Margaguna Raya, Gandaria Utara, Kebayoran Baru, Jakarta Selatan 12140	Ordinary	95.0
PT Aragon Tambang Pratama (Indonesia)	Stone concession	As for PT KCC Resources Indonesia	Ordinary	95.0
R.E.A. Services Limited (England and Wales)	Group finance and services	5th Floor North, Tennyson House, 159-165 Great Portland Street, London W1W 5PA	Ordinary	100.0
KCC Resources Limited (England and Wales)	Sub holding company	As for R.E.A. Services Limited	Ordinary	100.0
PU Holdings Limited (England and Wales)	Sub holding company	As for R.E.A. Services Limited	Ordinary	100.0
Makassar Investments Limited (Jersey)	Sub holding company	13 Castle Street, St Helier, Jersey JE1 1ES	Ordinary	100.0
REA Finance B.V. (Netherlands)	Group finance	Van Heuven Goedhartlaan 935A, 1181 LD Amstelveen, Amsterdam, Netherlands	Ordinary	100.0

The entire shareholdings in Makassar Investments Limited, PU Holdings Limited, KCC Resources Limited, R.E.A. Services Limited and REA Finance B.V. are held directly by the company. All other shareholdings are held by subsidiaries.

Covenants contained in credit agreements between certain of the company's plantation subsidiaries and banks restrict the amount of dividend that may be paid to the UK without the consent of the banks to certain proportions of the relevant subsidiaries' pre-tax profits. The directors do not consider that such restrictions will have any significant impact on the liquidity risk of the company.

The company evaluates its investments in subsidiary undertakings annually for any indicators of impairment. The company considers the relationship between its market capitalisation and the carrying value of its investments, among other factors, when reviewing for indicators of impairment. However, utilising the plantation and mining asset impairment testing methodology described in note 3 to the consolidated financial statements the directors have determined that no impairment is required.

Notes to the company financial statements

continued

(vi) Financial assets

	2024 $'000	2023 $'000
Amounts owing by group undertakings	14,014	21,031
	14,014	21,031

The amounts owing by group undertakings are non-interest bearing.

(vii) Deferred tax asset

	$'000
At 1 January 2023	884
Credit to income for the year	294
At 31 December 2023	1,178
Credit to income for the year	625
At 31 December 2024	1,803

There were no deferred tax liabilities at 31 December 2024 or 31 December 2023.

At the balance sheet date, the company had unused tax losses of $7.2 million (2023: $4.7 million) available to be applied against future profits. A deferred tax asset of $1.8 million (2023: $1.2 million) has been recognised in respect of these losses as the company considers, based on financial projections, that these losses will be utilised.

The deferred tax asset reflects a tax rate of 25 per cent (2023: 25 per cent).

The aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which tax liabilities have not been recognised are disclosed in note 30 to the consolidated financial statements.

(viii) Trade and other receivables

	2024 $'000	2023 $'000
Other debtors	13	114
Prepayments and accrued income	20	301
	33	415

The directors consider that the carrying amount of trade and other receivables approximates their fair value.

(ix) Cash and cash equivalents

Cash and cash equivalents comprise short-term bank deposits. These deposits amounting to $1.4 million (2023: $3.8 million) are held with banks with a Moody's rating of P1.

(x) Trade and other payables

	2024 $'000	2023 $'000
Amount owing to group undertakings	–	1,128
Other creditors	44	29
Accruals	256	234
	300	1,391

The directors consider that the carrying amount of trade and other payables approximates their fair value. The amounts owing to group undertakings are non-interest bearing and repayable on demand.

(xi) Dollar notes

The dollar notes as at 31 December 2023 and 2024 comprise $27.0 million nominal of 7.5 per cent dollar notes 2026 and are stated net of the unamortised balance of the note issuance costs.

The dollar notes are due for repayment on 30 June 2026.

(xii) Amount owed to group undertakings

Amount owed to group undertakings includes an unsecured interest-bearing loan of £22.1m – $27.7 million (2023: £31.3m – $39.9 million) from REAF held at amortised cost. Repayments totalling $11.9 million were made during 2024 to finance the purchase for cancellation by REAF of £9.2 million of the sterling notes in issue. The balance owed by the company to REAF is repayable on 20 August 2025 and will finance the repayment of the sterling notes issued by REAF on 31 August 2025 (see note 28 to the consolidated financial statements). A premium of 4p per sterling note will be paid on redemption of the sterling notes, and an equivalent premium will be payable on the loan. The cost of this is being added to the loan over the period to 20 August 2025. The amount added as at 31 December 2024 is £0.8 million – $1.0 million (2023: £1.1 million – $1.4 million).

Notes to the company financial statements

continued

(xiii) Share capital

	2024 $'000	2023 $'000
Issued and fully paid:		
72,000,000 – 9 per cent cumulative preference shares of £1 each (2023: 72,000,000)	116,516	116,516
43,963,529 – ordinary shares of 25p each (2023: 43,963,529)	18,075	18,075
132,500 – ordinary shares of 25p each held in treasury (2023: 132,500)	(1,001)	(1,001)
	133,590	133,590

The preference shares entitle the holders thereof to payment, out of the profits of the company available for distribution, but subject to the approval of a board resolution to make a distribution out of available profits, of a cumulative preferential dividend of 9 per cent per annum on the nominal amount paid up on such preference shares. The preference shares shall rank for dividend in priority to the payment of any dividend to the holders of any other class of shares. In the event of the company being wound up, holders of the preference shares shall be entitled to the amount paid up on the nominal value of such shares together with any arrears and accruals of the dividend thereon. On a winding up or other return of capital, the preference shares shall rank in priority to any other shares of the company for the time being in issue.

Subject to the rights of the holders of preference shares, holders of ordinary shares are entitled to share equally with each other in any dividend paid on the ordinary share capital and, on a winding up of the company, in any surplus assets available for distribution among the members. Shares held by the company in treasury do not carry voting rights.

The company has outstanding 3,997,760 warrants to subscribe for ordinary shares (2023: 3,997,760 warrants). Each warrant entitles the holder to subscribe for one ordinary share at a subscription price of 126p per share on or before 15 July 2025. Holders of sterling notes exercising warrants may satisfy the subscription obligations by surrendering sterling notes (see note 28).

There have been no changes in share capital or ordinary shares held in treasury during the current year.

(xiv) Pensions

The company is the principal employer of the Pension Scheme and a subsidiary company is a participating employer. The Pension Scheme is a multi-employer contributory defined benefit scheme with assets held in a trustee-administered fund, which has participating employers outside the group. The Pension Scheme is closed to new members.

As the Pension Scheme is a multi-employer scheme, in which the employers are unable to identify their respective shares of the underlying assets and liabilities (because there is no segregation of the assets), and does not prepare valuations on an IAS 19 basis, the group accounts for the Pension Scheme as if it were a defined contribution scheme. The company's share of the total employer contribution is 6.9 per cent.

A non-IAS 19 valuation of the Pension Scheme was last prepared, using the attained age method, as at 31 December 2023. This method had been adopted in the previous valuation as at 31 December 2020 and in earlier valuations, as it was considered the appropriate method of calculating future service benefits as the Pension Scheme is closed to new members. At 31 December 2023 the Pension Scheme had an overall surplus of assets, when measured against the Scheme's technical provisions, of £12.5 million. The technical provisions were calculated using assumptions of an investment return equal to the Bank of England gilt curve plus 0.25 per cent per annum and annual increases in pensionable salaries in line with RPI. It was further assumed that the retired members' mortality would reflect S3PXA tables (light version) at 100 per cent and that non-retired members would take on retirement the maximum cash sums permitted from 1 January 2024. Had the Pension Scheme been valued at 31 December 2023 using the projected unit method and the same assumptions, the overall deficit would have been similar.

The Pension Scheme has agreed a statement of funding principles with the company and has also agreed a schedule of contributions with participating employers covering normal contributions which are payable at a rate calculated to cover future service benefits under the Pension Scheme.

Total employer contributions for 2025 are estimated to be nil (2024: $17,000).

There are no agreed allocations of any surplus on either the wind-up of the Pension Scheme or on any participant's withdrawal from the Pension Scheme.

An actuarial review as at 31 December 2024 has been completed and the next actuarial valuation will be made as at 31 December 2026.

The company is responsible for contributions payable by other (non-group) employers in the Pension Scheme; however, such liability will only arise if other (non-group) employers do not pay their contributions. There is no expectation of this and, therefore, no provision has been made.

Notes to the company financial statements

continued

(xv) Related party transactions

	2024 $'000	2023 $'000
Loans to subsidiaries		
PT KCC Resources Indonesia	15,511	16,400
PT REA Kaltim Plantations	–	19,745
Makassar Investments Limited	65,297	65,297
PT Aragon Tambang Pratama	54,481	–
	135,289	101,442

ATP became a subsidiary on 1 July 2024 when management and control was assumed by the group. The balance owed by ATP includes $9.7 million which is owed by a coal concession holding company to REA but is guaranteed by ATP and therefore treated as a receivable from ATP.

	2024 $'000	2023 $'000
Interest receivable from subsidiary*		
PT REA Kaltim Plantations	442	1,345
PT KCC Resources Indonesia	–	1,019
	442	2,364

* $1,525,000 interest was also received from ATP in respect of the period 1 January 2024 to 30 June 2024 prior to being a subsidiary. From 1 July 2024 the interest from ATP was waived.

(xvi) Rates of exchange

See note 42 to the consolidated financial statements.

(xvii) Events after the reporting period

There have been no material post balance sheet events that would require disclosure in, or adjustment to, these financial statements.

(xviii) Contingent liabilities and commitments

Sterling notes

The company has guaranteed the obligations for both principal and interest relating to the outstanding £21.7 million nominal 8.75 per cent sterling notes 2025 issued by REAF. The directors consider the risk of loss to the company from these guarantees to be remote.

Bank borrowings

The company has given, in the ordinary course of business, guarantees in support of subsidiary company borrowings from, and other contracts with, banks amounting in aggregate to $136.8 million (2023: $109.5 million). The directors consider the risk of loss to the company from these guarantees to be remote.

Pension liability

The company's contingent liability for pension contributions is disclosed in note (xiv) above.

Notice of annual general meeting

This notice is important and requires your immediate attention. If you are in any doubt as to what action to take, you should consult your stockbroker, solicitor, accountant or other appropriate independent professional adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the UK or, if you are not so resident, another appropriately authorised independent adviser. If you have sold or otherwise transferred all your shares in R.E.A. Holdings plc, please forward this document to the person through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

Notice of the sixty fifth annual general meeting (AGM) of R.E.A. Holdings plc to be held at the London office of Ashurst LLP at London Fruit & Wool Exchange, 1 Duval Square, London E1 6PW on 19 June 2025 at 10.00 am is set out below.

Attendance

To help manage the number of people in attendance, we are asking that only shareholders or their duly nominated proxies or corporate representatives attend the AGM in person. Anyone who is not a shareholder or their duly nominated proxies or corporate representatives should not attend the AGM unless arrangements have been made in advance with the company secretary by emailing company.secretary@rea.co.uk.

Shareholders are strongly encouraged to submit a proxy vote on each of the resolutions in the notice in advance of the meeting:

(i) by visiting Computershare's electronic proxy service www.investorcentre.co.uk/eproxy (and so that the appointment is received by the service by no later than 10.00 am on 17 June 2025);

(ii) via the CREST electronic proxy appointment service;

(iii) by completing, signing and returning a form of proxy to the company's registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible and, in any event, so as to arrive by no later than 10.00 am on 17 June 2025; or

(iv) by using the Proxymity platform if you are an institutional investor (for more information see below).

The company will publish updates, if any, about the meeting at www.rea.co.uk/investors/regulatory-news and on the website's home page. Shareholders are accordingly requested to visit the group's website for any such updates.

The directors and the chairman of the meeting, and any person so authorised by the directors, reserve the right, as set out in article 67 in the company's articles of association, to take such action as they think fit for securing the safety of people at the meeting and promoting the orderly conduct of business at the meeting.

Notice

Notice is hereby given that the sixty fifth AGM of R.E.A. Holdings plc will be held at London Fruit & Wool Exchange, 1 Duval Square, London E1 6PW on 19 June 2025 at 10.00 am for the following purposes and to consider and, if thought fit, to pass the following 18 resolutions set out below. Resolutions 1 to 14 (inclusive) will be proposed as ordinary resolutions and will be passed if more than 50% of the total votes cast are in favour of each such resolution. Resolutions 15 to 18 (inclusive) will be proposed as special resolutions and will be passed if not less than 75% of the total votes cast are in favour of each such resolution.

Ordinary resolutions

1. To receive the company's annual accounts for the financial year ended 31 December 2024, together with the accompanying statements and reports including the independent auditor's report.

2. To approve the directors' remuneration report (other than the part containing the directors' remuneration policy) for the financial year ended 31 December 2024.

3. To approve the directors' remuneration policy to take effect immediately following the AGM.

4. To re-elect as a director David Blackett.

5. To re-elect as a director Mieke Djalil.

6. To re-elect as a director Carol Gysin.

7. To re-elect as a director John Oakley.

8. To re-elect as a director Richard Robinow.

9. To re-elect as a director Rizal Satar.

10. To re-elect as a director Michael St. Clair-George.

11. To re-appoint MHA as independent auditor of the company to hold office until the conclusion of the next general meeting of the company to be held in 2026 at which accounts are laid before the meeting.

12. To authorise the audit committee to determine and approve the remuneration of the independent auditor.

13. That the directors be and are hereby generally and unconditionally authorised for the purposes of section 551 of the CA 2006 to exercise all the powers of the company to allot, and to grant rights to subscribe for or to convert securities into, shares in the capital of the company (other than 9 per cent cumulative preference shares) up to an aggregate nominal amount (within the meaning of sub-sections (3) and (6) of section 551 of the CA 2006) of £3,652,585; such authorisation to expire at the conclusion of the AGM of the company to be held in 2026 (or, if earlier, on 30 June 2026), save that the company may before such expiry make any offer or agreement which would or might require shares to be

allotted, or rights to be granted, after such expiry and the directors may allot shares, or grant rights to subscribe for or to convert securities into shares, in pursuance of any such offer or agreement as if the authorisations conferred hereby had not expired.

14. That the directors be and are hereby generally and unconditionally authorised for the purposes of section 551 of the CA 2006 to exercise all the powers of the company to allot, and to grant rights to subscribe for or to convert securities into, 9 per cent cumulative preference shares in the capital of the company (the preference shares) up to an aggregate nominal amount (within the meaning of sub-sections (3) and (6) of section 551 of the CA 2006) of £24,000,000, such authorisation to expire at the conclusion of the AGM of the company to be held in 2026 (or, if earlier, on 30 June 2026), save that the company may before such expiry make any offer or agreement which would or might require preference shares to be allotted or rights to be granted, after such expiry and the directors may allot preference shares, or grant rights to subscribe for or to convert securities into preference shares, in pursuance of any such offer or agreement as if the authorisations conferred hereby had not expired.

Special resolutions

15. That the company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the CA 2006 to make market purchases (within the meaning of section 693(4) of the CA 2006) of its ordinary shares on such terms and in such manner as the directors may from time to time determine provided that:

(a) the maximum number of ordinary shares which may be purchased is 5,000,000 ordinary shares;

(b) the minimum price (exclusive of expenses, if any) that may be paid for each ordinary share is 25p (which amount shall be exclusive of any expenses, if any);

(c) the maximum price (exclusive of expenses, if any) that may be paid for each ordinary share is an amount equal to the higher of: (i) 105 per cent of the average of the middle market quotations for the ordinary shares in the capital of the company as derived from the Daily Official List of the LSE for the five business days immediately preceding the day on which such share is contracted to be purchased and (ii) the higher of the last independent trade of an ordinary share and the current highest independent bid for an ordinary share on the LSE; and

(d) unless previously renewed, revoked or varied, this authority shall expire at the conclusion of the AGM of the company to be held in 2026 (or, if earlier, on 30 June 2026)

provided further that:

(i) notwithstanding the provisions of paragraph (a) above, the maximum number of ordinary shares that may be bought back and held in treasury at any one time is 400,000 ordinary shares; and

(ii) notwithstanding the provisions of paragraph (d) above, the company may, before this authority expires, make a contract to purchase ordinary shares that would or might be executed wholly or partly after the expiry of this authority, and may make purchases of ordinary shares pursuant to it as if this authority had not expired.

16. That the directors be and are hereby given power:

(a) for the purposes of section 570 of the CA 2006 and subject to the passing of resolution 13 set out in the notice of AGM of the company dated 16 April 2025, to allot equity securities (as defined in sub-section (1) of section 560 of the CA 2006) of the company for cash pursuant to the authorisation conferred by the said resolution 13; and

(b) for the purposes of section 573 of the CA 2006, to sell ordinary shares (as defined in sub-section (1) of section 560 of the CA 2006) in the capital of the company held by the company as treasury shares for cash,

as if section 561 of the CA 2006 did not apply to any such allotment or sale, provided that such powers shall be limited:

(i) to the allotment of equity securities for cash or the sale of treasury shares for cash in either case in connection with or pursuant to an offer of, or invitation to apply for, such equity securities or treasury shares where the offer is made or the invitation is issued to the holders of relevant securities (and for this purpose "relevant securities" means ordinary shares in the capital of the company and, if relevant, any other class of equity securities of the company where the rights attaching to such other class of equity securities either (A) entitle the holders thereof to participate in the offer or invitation; or (B) include provisions such that the directors consider it necessary or appropriate to extend the offer or invitation to the holders of those securities, as permitted by the rights thereof) in proportion (as nearly as practicable) to the respective numbers of ordinary shares (or other class of equity securities) held by them on the record date for participation in the offer or invitation but subject to such exclusions or other arrangements as the directors consider necessary or appropriate to deal with fractional entitlements, treasury shares (other than treasury shares being sold), record dates or legal, regulatory or practical difficulties which may arise under the laws of any territory or the requirements of any regulatory body or stock exchange in any territory or any other matter whatsoever; and

(ii) otherwise than as specified at paragraph (i) of this resolution, to the allotment of equity securities and the sale of treasury shares up to an aggregate nominal amount (calculated, in the case of the grant of rights to subscribe for, or convert securities into, shares in the capital of the company, in accordance with sub-section (6) of section 551 of the CA 2006) of £1,095,775;

and shall expire at the conclusion of the AGM of the company to be held in 2026 (or, if earlier, on 30 June 2026), save that the company may before such expiry make any offer or agreement that would or might require equity securities to be allotted, or treasury shares to be sold, after such expiry and the directors may allot equity securities or sell treasury shares, in pursuance of any such offer or agreement as if the power conferred hereby had not expired.

17. That the directors be and are hereby given power, subject to the passing of resolution 13 set out in the notice of AGM of the company dated 16 April 2025 and in addition to the power given by resolution 16 set out in the notice of AGM of the company dated 16 April 2025:

(a) for the purposes of section 570 of the CA 2006 and subject to the passing of resolutions 13 and 14 set out in the notice of AGM of the company dated 16 April 2025, to allot equity securities (as defined in sub-section (1) of section 560 of the CA 2006) of the company for cash pursuant to the authorisation conferred by the said resolution 13; and

(b) for the purposes of section 573 of the CA 2006, to sell ordinary shares (as defined in sub-section (1) of section 560 of the CA 2006) in the capital of the company held by the company as treasury shares for cash.

as if section 561 of the CA 2006 did not apply to any such allotment or sale, provided that such powers shall be:

(i) used only for the purposes of financing (or refinancing, if the authority is to be used within 12 months after the original transaction) a transaction which the directors have determined to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of the notice of AGM of the company dated 16 April 2025; and

(ii) limited to the allotment of equity securities for cash and the sale of treasury shares up to an aggregate nominal amount (calculated, in the case of the grant of rights to subscribe for, or convert securities into, shares in the capital of the company, in accordance with sub-section (6) of section 551 of the CA 2006) of £1,095,775.

and shall expire at the conclusion of the AGM of the company to be held in 2026 (or, if earlier, on 30 June 2026), save that the company may before such expiry make an offer or agreement that would or might require equity securities to be allotted, or treasury shares to be sold, after such expiry and the directors may allot equity securities or sell treasury shares, in pursuance of any such offer or agreement as if the power conferred hereby had not expired.

18. That a general meeting of the company other than an AGM may be called on not less than 14 clear days' notice.

By order of the board
R.E.A. SERVICES LIMITED
Secretary
16 April 2025

Registered office:
5th Floor North, Tennyson House
159-165 Great Portland Street
London W1W 5PA

Registered in England and Wales no: 00671099

Notice of annual general meeting

continued

Notes

The sections of the accompanying Directors' report entitled Directors, Acquisition of the company's own shares, Authorities to allot share capital, Authority to disapply pre-emption rights, General meeting notice period and Recommendation contain information regarding, and recommendations by the board of the company as to voting on, the resolutions to be proposed pursuant to 4 to 10 above, and set out at 13 to 18 above, in this notice of the company.

The company specifies that in order to have the right to attend and vote at the AGM (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the company at 6.00 p.m. on 17 June 2025 or, in the event of any adjournment, at 6.00 p.m. on the date which is two days before the day of the adjourned meeting. Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting. Please refer to the introduction to this notice for information on attendance at the 2025 AGM.

A holder of shares may appoint another person as that holder's proxy to exercise all or any of the holder's rights at the AGM. A holder of shares may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to (a) different share(s) held by the holder. A proxy need not be a member of the company. A form of proxy for the meeting can be requested from the company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, by calling +44 (0) 370 707 1031 (lines are open from 8.30 am to 5.30 pm (UK time), Monday to Friday) or by email to webcorres@computershare.co.uk. To be valid, forms of proxy and other written instruments appointing a proxy must be received by post or by hand (during normal business hours only) by the company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by no later than 10.00 am on 17 June 2025.

Alternatively, appointment of a proxy may be submitted electronically by visiting www.investorcentre.co.uk/eproxy. You will be asked to enter the Control Number, Shareholder Reference Number (SRN) and PIN shown on the Form of Proxy, so that the appointment is received by the service by no later than 10.00 am on 17 June 2025 or the CREST electronic proxy appointment service as described below.

CREST members may register the appointment of a proxy or proxies for the AGM and any adjournment(s) thereof through the CREST electronic proxy appointment service by using the procedures described in the CREST Manual (available via www.euroclear.com/CREST) subject to the company's articles of association. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment, or instruction regarding a proxy appointment, made or given using the CREST service to be valid, the appropriate CREST message (a CREST proxy instruction) must be properly authenticated in accordance with the specifications of Euroclear UK and Ireland Limited (Euroclear) and must contain the required information as described in the CREST Manual (available via www.euroclear.com/CREST). The CREST proxy instruction, regardless of whether it constitutes a proxy appointment or an instruction to amend a previous proxy appointment, must, in order to be valid, be transmitted so as to be received by the company's registrars (ID: 3RA50) by 10.00 am on 17 June 2025. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST applications host) from which the company's registrars are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that such member's CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

If you are an institutional investor, you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the company and approved by the company's registrar, Computershare Investor Services PLC. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 10.00 am on 17 June 2025 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

Any person to whom this notice is sent who is a person nominated under section 146 of the CA 2006 to enjoy information rights (nominated persons) but a nominated person may have a right, under an agreement with the member by whom such person was nominated, to be appointed (or to have someone else appointed) as a proxy for the AGM. If a nominated person has no such right or does not wish to exercise it, such person may have a right, under such an agreement, to give instructions to the member as to the exercise of voting rights.

The statement of the above rights of the members in relation to the appointment of proxies does not apply to Nominated Persons. Those rights can only be exercised by members of the Company.

Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that, where more than one representative is appointed, each such representative is appointed to exercise the rights attached to (a) different share(s) held by the corporation.

Any member attending the AGM has the right to ask questions. The company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the company or the good order of the meeting that the question be answered.

A copy of this Notice, and other information required by section 311A of the CA 2006, may be found on the group's website at www.rea.co.uk.

Under section 527 of the CA 2006, members meeting the threshold requirements set out in that section have the right to require the company to publish on a website (in accordance with section 528 of the CA 2006) a statement setting out any matter that the members propose to raise at the relevant AGM relating to (i) the audit of the company's annual accounts that are to be laid before the AGM (including the independent auditor's report and the conduct of the audit); or (ii) any circumstance connected with an auditor of the company having ceased to hold office since the last AGM of the company. The company may not require the members requesting any such website publication to pay its expenses in complying with section 527 or section 528 of the CA 2006. Where the company is required to place a statement on a website under section 527 of the CA 2006, it must forward the statement to the company's auditor by not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the company has been required under section 527 of the CA 2006 to publish on a website.

Under section 338 and section 338A of the CA 2006, members meeting the threshold requirements in those sections have the right to require the company (i) to give, to members of the company entitled to receive notice of the AGM, notice of a resolution which may properly be moved and is intended to be moved at the meeting and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the company not later than the date 6 clear weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

As at the date of this Notice, the issued share capital of the company comprises 43,963,529 ordinary shares, of which 132,500 are held as treasury shares, and 72,000,000 9 per cent cumulative preference shares. Accordingly, the voting rights attaching to shares of the company exercisable in respect of each of the resolutions to be proposed at the AGM total 43,831,029 as at the date of this Notice.

Shareholders may not use any electronic address (within the meaning of sub-section 4 of section 333 of the CA 2006) provided in this Notice (or any other related document) to communicate with the company for any purposes other than those expressly stated.

Glossary

Key Performance Indicators

KPI	Measurement	Purpose
Agricultural operations		
FFB crop harvested	The weight in tonnes of FFB delivered to oil mills from the group's estates during the applicable period	To measure field efficiency and assess the extent to which the group is achieving its objective of maximising output from its operations
FFB yield per mature hectare	The FFB crop harvested (as defined above) divided by the hectarage of the mature area	To measure field productivity and harvesting efficiency and assess the extent to which the group is achieving its objective of maximising output from its existing plantings
CPO extraction rate achieved	The percentage by weight of CPO extracted from FFB processed	To measure harvesting and mill efficiency and assess the extent to which the group is achieving its objective of maximising output from its operations
Palm kernel extraction rate achieved	The percentage by weight of palm kernels extracted from FFB processed	To measure harvesting and mill efficiency and assess the extent to which the group is achieving its objective of maximising output from its operations
CPKO extraction rate achieved	The percentage by weight of CPKO extracted from palm kernels crushed	To measure mill efficiency and assess the extent to which the group is achieving its objective of maximising output from its operations
New extension area planted	The area in hectares of new land planted out during the applicable period	To measure performance against the group's expansion objective
Stone and sand operations		
Stone or sand produced	The weight in tonnes of stone or sand extracted from each applicable concession during the applicable period	To measure production efficiency and assess the extent to which the applicable operations are achieving the objective of maximising output
Sustainability and climate		
Work related fatalities	Number of work related fatalities during the applicable period	To measure the efficacy of the group's health and safety policies
Smallholder percentage	The area of associated smallholder plantings expressed as a percentage of the planted area of the group's estates	To measure performance against the group's smallholder expansion objective
GHG emissions per tonne of CPO and per planted hectare	Emissions measured in tonnes of CO_2 equivalent divided, respectively, by the weight of CPO extracted from FFB processed by the group and by the number of group planted hectares supplying the group's mills	To measure the group's GHG emission efficiency
Finance		
Net debt to total equity	Borrowings and other indebtedness (other than intra group indebtedness) less cash and cash equivalents expressed as a percentage of total equity	To assess the risks of the group's capital structure

General

AGM	Annual General Meeting
APT	PT Ade Putra Tanrajeng
ATP	PT Aragon Tambang Pratama
Bank BPD	Bank Pembangunan Daerah Kalimantan Timur
Bank Mandiri	PT Bank Mandiri Tbk
BOD	Biological Oxygen Demand
BPJS	Indonesian national insurance scheme
CA 2006	The Companies Act 2006
CCWG	Climate Change Working Group
CDM	PT Cipta Davia Mandiri
CGU	Cash Generating Unit
CIF	Cost, Insurance and Freight
COD	Chemical Oxygen Demand
Code	UK Corporate Governance Code 2018
COM	Cakra Oil Mill
CPKO	Crude Palm Kernel Oil
CPO	Crude Palm Oil
CR	Critically endangered
CSR	Corporate and Social Responsibility
CWE	Chandra Widya Edukasi, a specialist palm oil polytechnic
DEI	Diversity, Equality and Inclusion
DGTR	Disclosure Guidance and Transparency Rules
Dollar notes	7.5 per cent dollar notes 2026
Dollars, $	The lawful currency of the United States of America
DSN	PT Dharma Satya Nusantara Tbk
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EFB	Empty Fruit Bunches
Emba	Emba Holdings Limited
EN	Endangered
Enggang	PT Enggang Alam Sawita
EUDR	EU Deforestation Regulation
EU RED	European Union Renewable Energy Directive
FCA	Financial Conduct Authority
FFB	Fresh Fruit Bunches
FOB	Free On Board
FPIC	Free Prior and Informed Consent
FRC	Financial Reporting Council
FRS 101	Financial Reporting Standard 101 Reduced Disclosure Framework
FTE	Full Time Equivalent
GHG	Greenhouse Gas
GHG Corporate Standard	GHG Protocol Corporate Accounting and Reporting Standard
GREAT	Grievance Action Team
HCS	High Carbon Stocks
HCV	High Conservation Values
HGU	*Hak Guna Usaha*; Indonesian land title for agricultural purposes
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IFRS(s)	International Financial Reporting Standard(s)
IKN	Ibu Kota Nusantara, new Indonesian capital city under construction
IPA	PT Indo Pancadasa Agrotama
IPPKH	*Izin Pinjam Pakai Kawasan Hutan*; permits granted to mining IUP holders operating in forest areas
ISCC	International Sustainability and Carbon Certification
ISPO	Indonesian Sustainable Palm Oil
IUCN	International Union for Conservation of Nature
IUP	*Izin Usaha Pertambangan*; mining licence
Izin Lokasi	Indonesian land allocation, subject to completion of titling

Glossary
continued

KCC	KCC Resources Limited
KCCRI	PT KCC Resources Indonesia
KCP	Kernel Crushing Plant
KMS	PT Kutai Mitra Sejahtera
KPI	Key Performance Indicator
LSE	London Stock Exchange
LTIP	Long Term Incentive Plan
MIL	Makassar Investments Limited
MCU	PT Millenia Coalindo Utama
MHA	MHA Audit Services LLP; the company's independent auditor
NDPE	No Deforestation, No Peat, No Exploitation
Notice	Notice of AGM
OHS	Occupational Health and Safety
PalmGHG	RSPO calculator for estimating and monitoring GHG emissions
PBJ	PT Putra Bongan Jaya
PBJ2	PT Persada Bangun Jaya
Pension Scheme	REA Pension Scheme
Plasma	Smallholder plantation scheme
PLN	Perusahaan Listrik Negara
POM	Perdana Oil Mill
POME	Palm Oil Mill Effluent
PPE	Property, Plant and Equipment
PPMD	Program Pemberdayaan Masyarakyat Desa (smallholder scheme)
PROPER	Pollution Control, Evaluation and Rating
PSS	PT Selatan Selabara
PU	PT Prasetia Utama
PUH	PU Holdings Limited
REAF	REA Finance B.V.
REA Kaltim	PT REA Kaltim Plantations
REA Kon	The group's conservation department
REA Mart	Employee cooperative shops
REAS	R.E.A. Services Limited
ROU	Right-of-use
RPI	Retail Prices Index
RSPO	Roundtable on Sustainable Palm Oil
RTE	Rare, Threatened and Endangered
Rupiah, Rp	The lawful currency of Indonesia
SBTi	Science Based Targets initiative
SEARRP	South East Asian Rainforest Research Partnership
SECR	Streamlined Energy and Carbon Reporting
SEnSOR	Socially and Environmentally Sustainable Oil palm Research
SHINES	SmallHolder INclusion for Ethical Sourcing
SIA	Social Impact Assessment
SOFRA	Secured Overnight Financing Rate
SOM	Satria Oil Mill
SPA	Share Purchase Agreement
SPOTT	Sustainable Palm Oil Transparency Toolkit
Sterling, pounds sterling, £	The lawful currency of the United Kingdom
Sterling notes	8.75 per cent sterling notes 2025
SYB	PT Sasana Yudha Bhakti
Taiko	Taiko Plantations Pte. Ltd.
TCFD	Taskforce on Climate-related Financial Disclosures
TNFD	Taskforce on Nature-related Financial Disclosures
UK GDPR	UK General Data Protection Regulation
UKLR	UK Listing Rules
Website	www.rea.co.uk
WHO	World Health Organisation
ZSL	Zoological Society of London

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