

AB Akola Group

Overview of activities & finance

For 3 months of FY 2024/2025

21st of November, 2024

Disclaimer

This document might include directly or indirectly expressed forward-looking statements, reflecting assumptions or current view of the Company's management. Group's future performance and results highly depend on the market conditions, regulations, climate changes and other various external factors or risks, that could therefore cause actual results to differ materially from those stated or implied in this document, as well as to the historically attained ones. Company encourages the reader to critically examine these forward-looking statements, furthermore, invites to get acquainted with the scope of Group's risks and it's management in the set of annual financial reports, available on Company's web-page

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For the more detailed representation of Group's results, this document might as well include non-audited alternative financial ratios or operating data. At all events, this alternative data shall not be viewed as a substitute for Company's IFRS based figures, but rather as broader or complementing illustration of the Group's financial performance and overall activity.

The Speaker

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With AB Akola Group since 2020

>10 years professional experience including

Banking & Shipping industries

Master's degree in Shipping, Trade and Finance /

City University London Bayes Business School

Bachelor's degree in Management /

University of Leeds

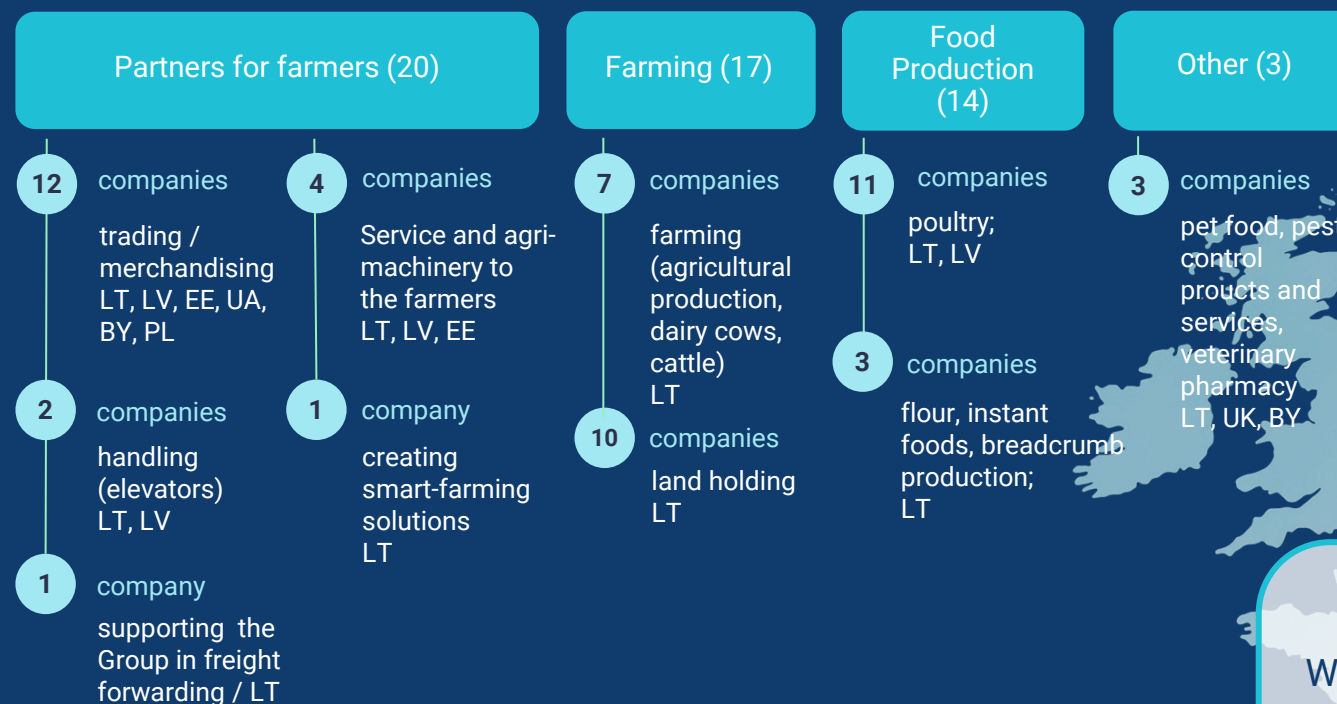


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Agribusiness & food group

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62 subsidiaries 2 associates



*2024-September-30:

Out of 62 companies, not shown in the structure are: 3 management companies, 6 dormant companies, 2 under liquidation, 1 company have activity in three segments, 1 company – in two segments

Within Q1 of 2024/2025:

- UAB Sunvesta shares sold
- stakes in KG Khumex Coldstore B.V. and Khumex Holding B.V. sold
- Gerera UAB deregistered

& after reporting period:

- SIA Linas Agro receives permission to acquire Latvian grain exporter - SIA Elagro Trade

Financial highlights for 3 months 2024/2025

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Ordinary shares: 167,170,481*
Mcap, mEUR: 191

EBITDA, m €

27

3m 24/25

33

3m 23/24

5Y avg 23m €

EBIT, %

4.90%

3m 24/25

5.90%

3m 23/24

5Y avg 3.73%

P/E

9.32

3m 24/25

35.74

3m 23/24

5Y avg 7.73

ROCE, %

6.08%

3m 24/25

3.33%

3m 23/24

5Y avg 6.34%

EPS, €

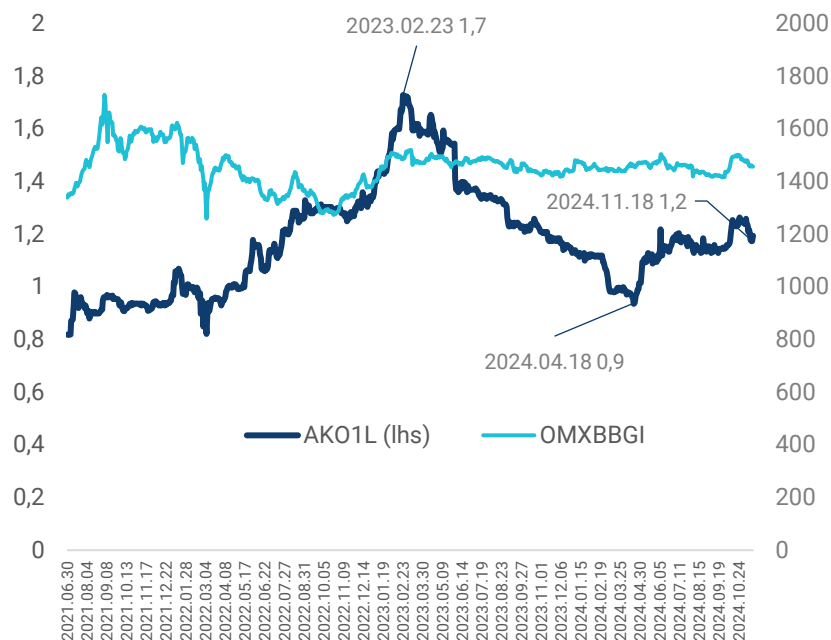
0.12 €

3m 24/25

0.03 €

3m 23/24

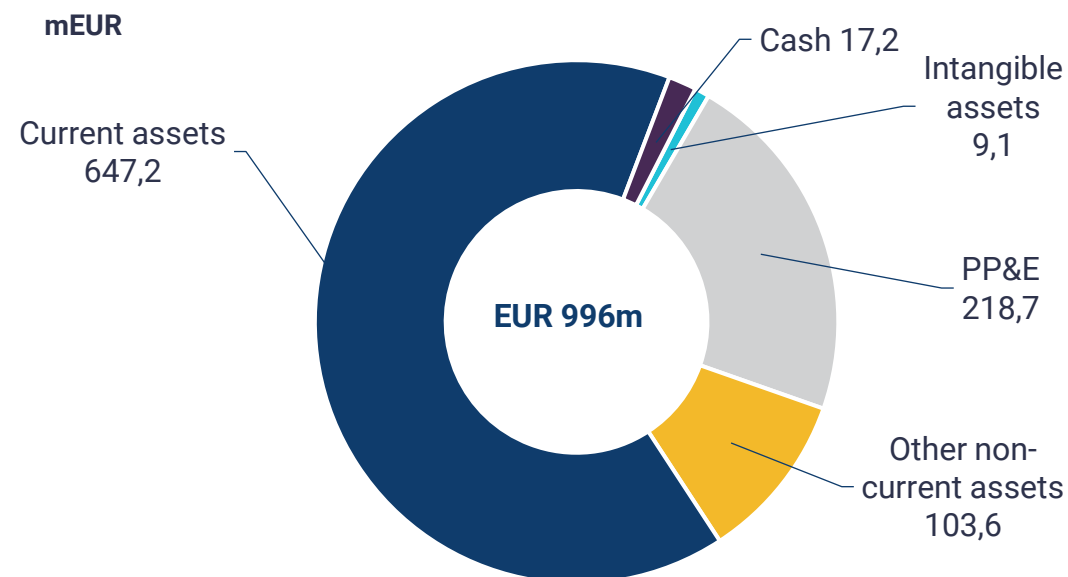
5Y avg 0.18 €



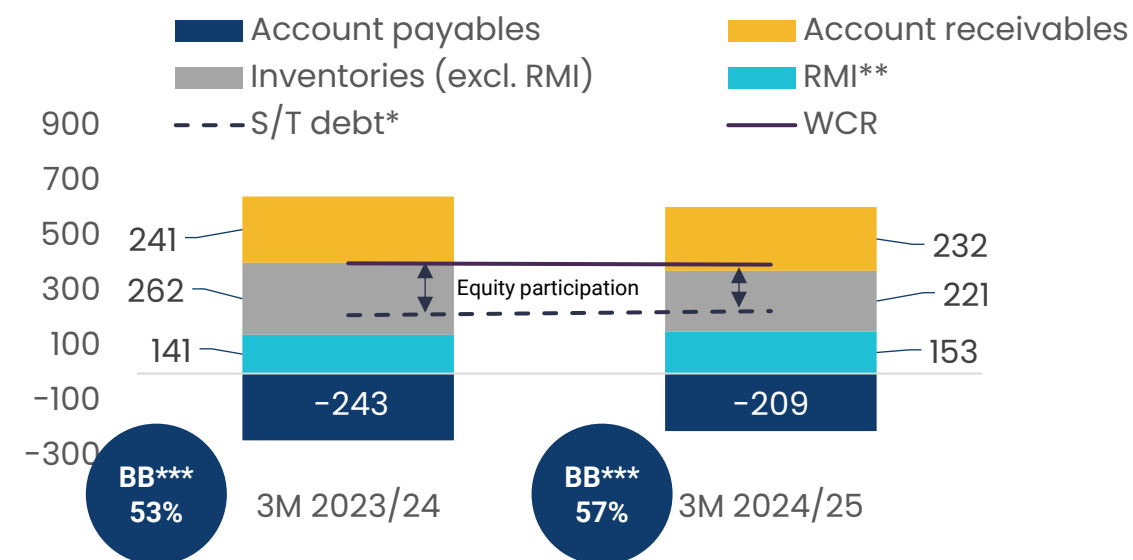
NOTE: ROCE, EPS, P/E - as 12 months rolling basis result / Market capitalisation – 30-September-2024 / *167,170,481 ordinary shares at 30-September-2024

Balance Sheet

Total assets 30-Sep-2024



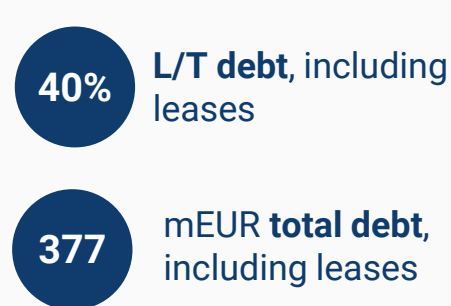
S/T debt portfolio



Liquidity position



Debt composition



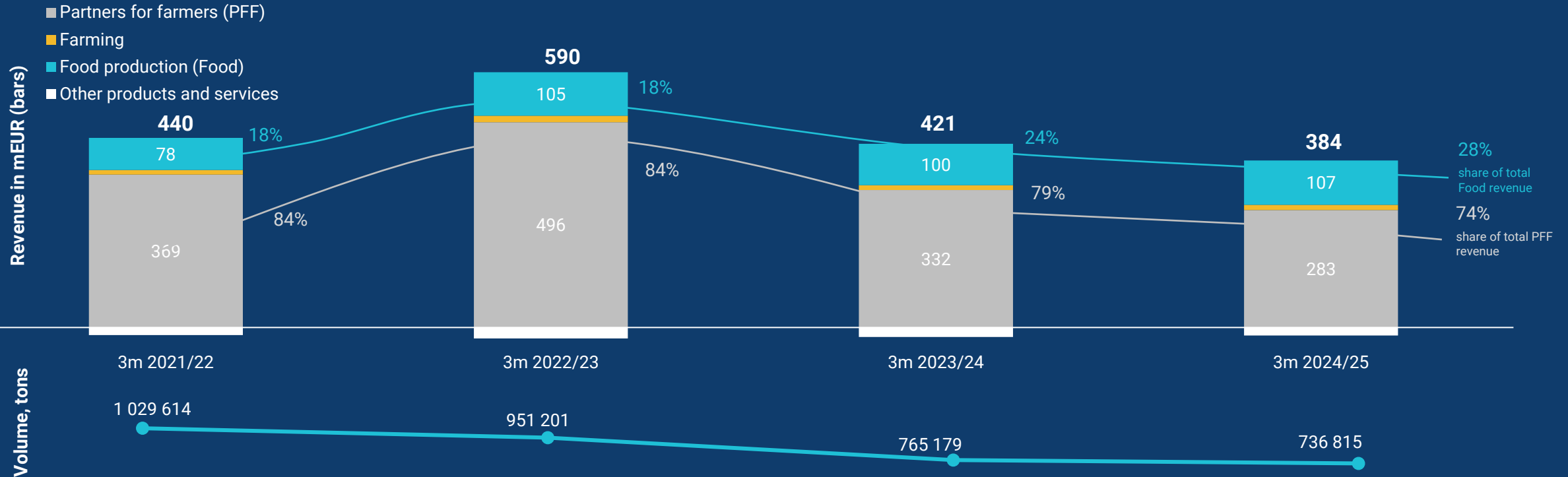
Capital employed



* S/T debt does not include current portion of L/T debt / **RMI - Readily Marketable Inventories / ***BB – borrowing base ratio

Playing it low-key

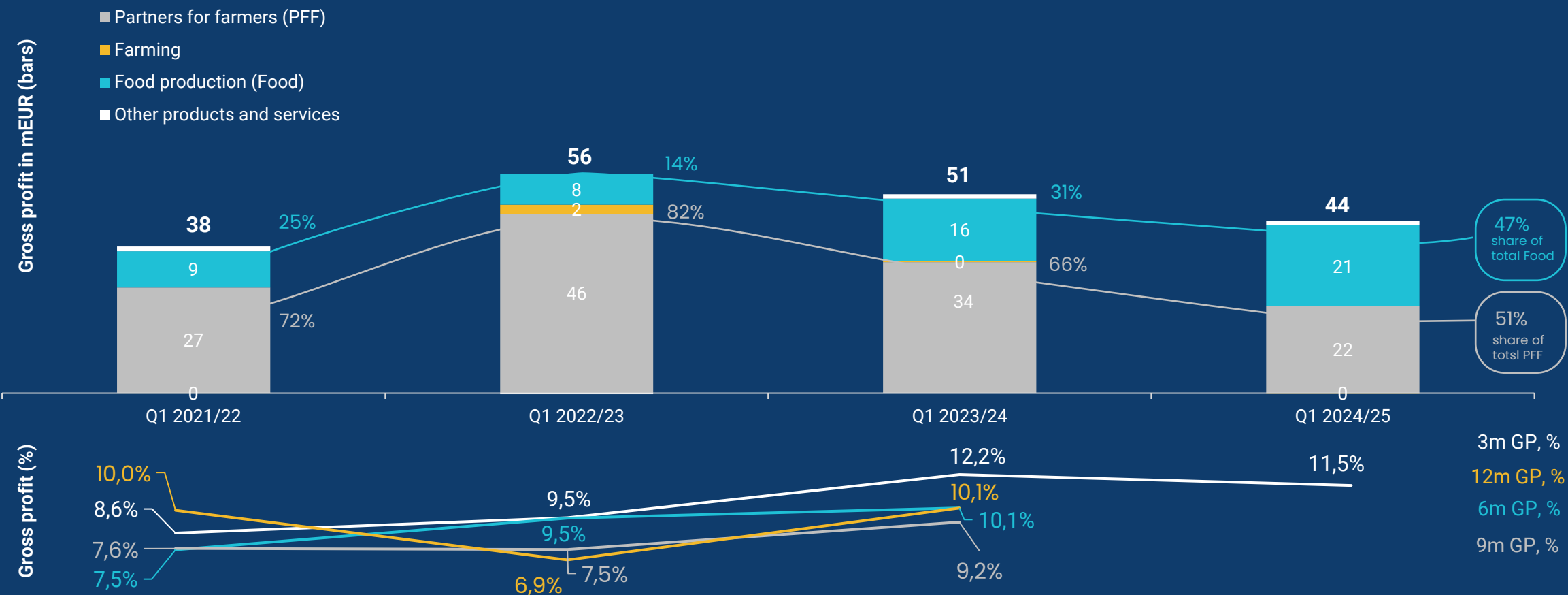
Segment dynamics



- Volume (Q1 24/25 vs Q1 23/24) – 4% down (impact through lower grain and oilseeds trade volumes, specifically rapeseed, maize, veg. oil)
- Revenue (Q1 24/25 vs Q1 23/24) – 9% down (continuously deflationary trends in average trade product portfolios, as well as crop production of farming companies)

Almost perfect equilibrium

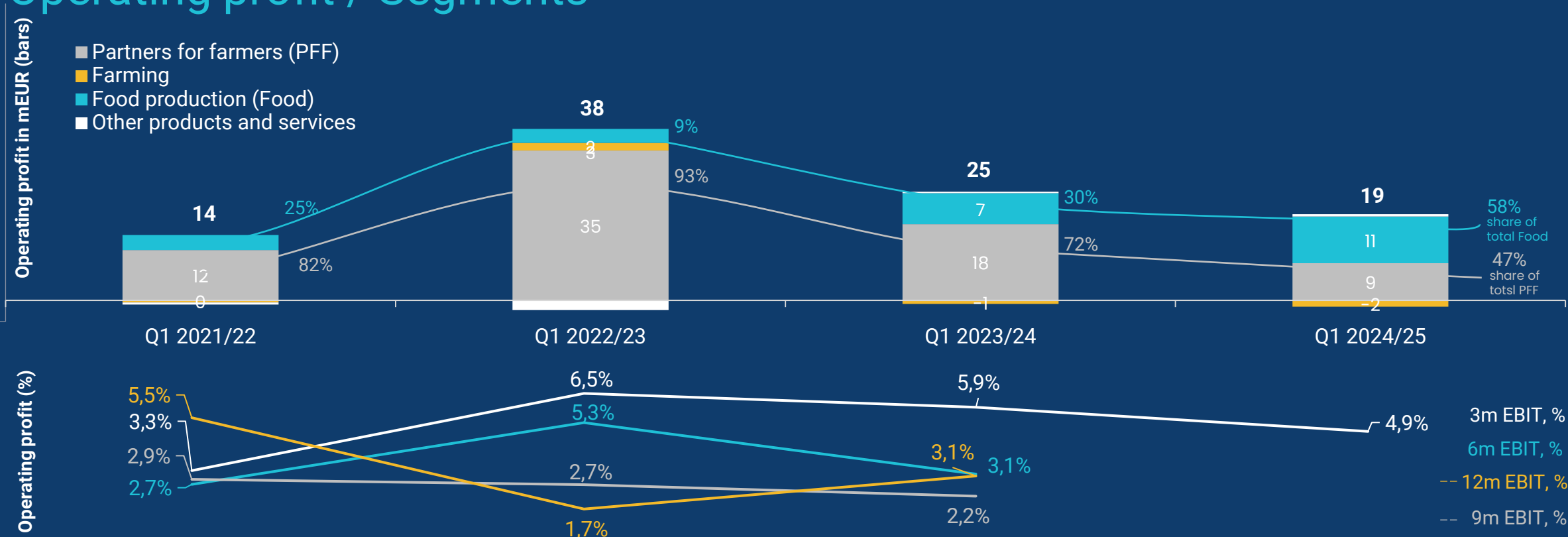
Gross profit / Segments



- GP% (Q1 24/25 vs 5Y Q1 average) **11.5% vs 8.6%**
- Improvement in gross profitability is related with diluted share of trading business and turnaround in poultry activity accompanied with continuously solid grain based foods performance

Nothing to write home about

Operating profit / Segments



- EBIT% (Q1 24/25 vs 5Y Q1 average) **4.9% vs 3.7%**
- Operating profit suffered due to loss making Farming segment and deteriorated PFF profitability
- 2024/2025 Q1 12 months rolling basis EBITDA (68.1mEUR) - close to indicated Normalised levels: within 70-90mEUR range

Partners for farmers (1)

Our major locations:












Activity explained:

- Grain storage and preparation
- Compound feed production and sales
- Grain and oilseeds trade
- Feedstuffs trade
- Logistic services
- Agricultural machinery
- Grain storage facilities and farm equipment
- Spare parts and service
- Smart farming system
- Certified seed
- Fertilizers
- Plant protection products, micronutrients

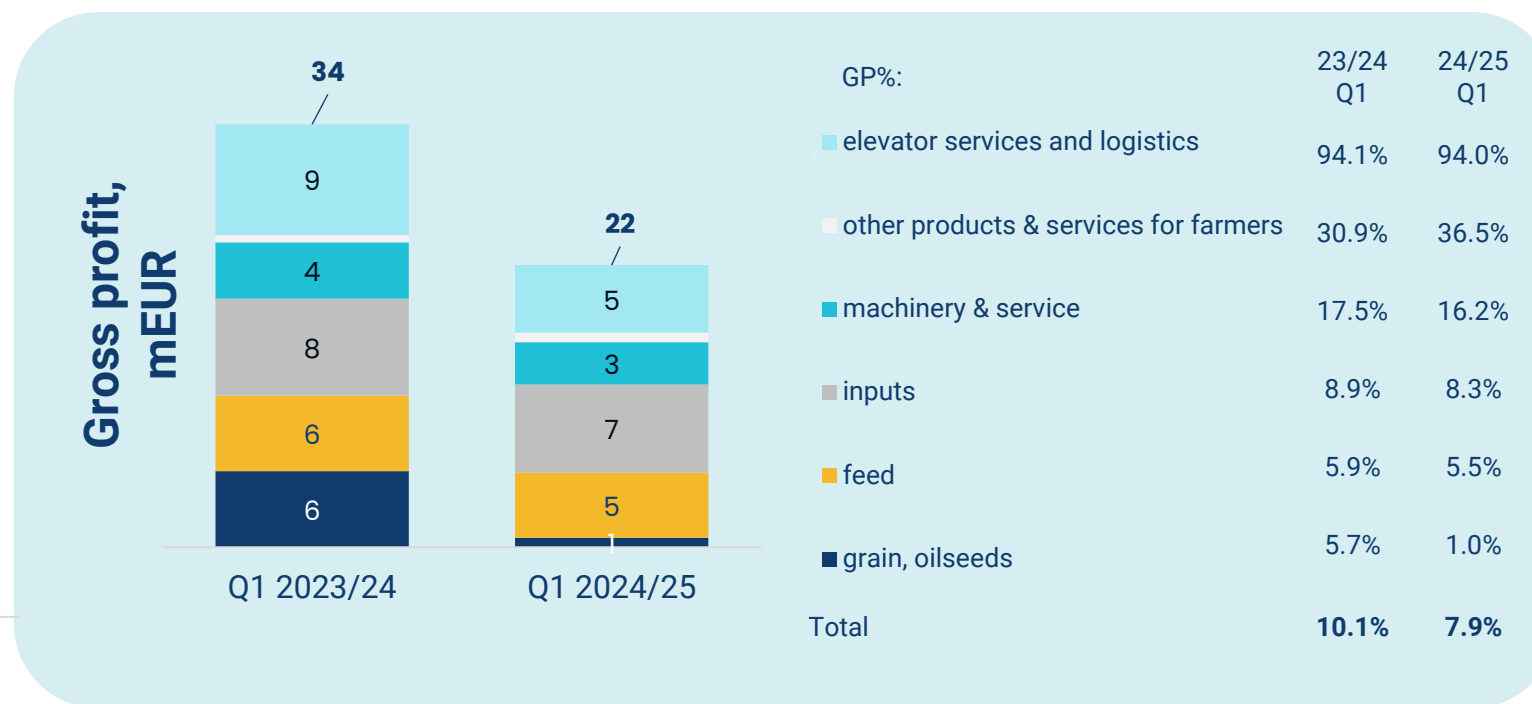
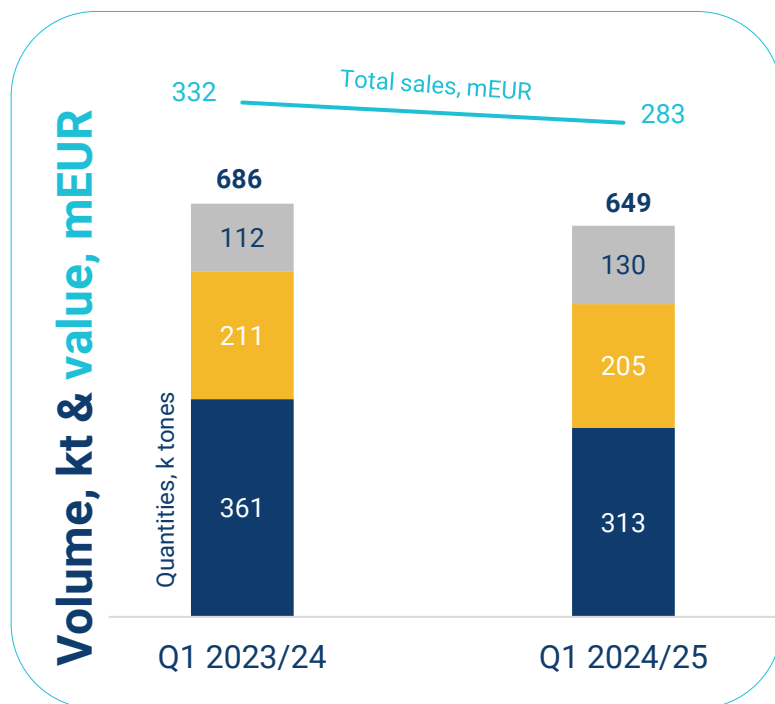
Key export Markets:



Key facts:

-  Main export commodity is Lithuanian and Latvian wheat
-  607 thousand tons total capacity of grain storage
-  296 thousand tons storage Capacity at ports
-  336 ktons of annual compound feed, premixes production capacity
-  12 feed retail stores
-  30 ktons total capacity of seed production plant
-  194 ktons total capacity for warehousing seeds, fertilizers, plant care products
-  16 sales outlets
-  13 service centers

Partners for farmers (2)



- **Grain storage and logistics** – lower quantities collected, squeezed drying service income
- **Grain and oilseeds trade** – lower quantities traded, tactical Group management decisions delaying sales execution and focusing on profitability improvement
- **Feed business** – compound feed production offsetting poor raw materials and feed additives results
- **Inputs** – still challenging plant protection and micronutrients activity, but solid seed and fertilizers performance
- **Agricultural machinery** – deteriorated revenue and market's pressure for discounts led to diminished gross profitability of the category however, on the positive side - inventory levels were further on decreasing



Food production

Activity explained:

- Manufacture and wholesale of flour, flour mixes, breadcrumbs, breeding mixes, instant foods, ready to eat products
- Full poultry manufacturing cycle

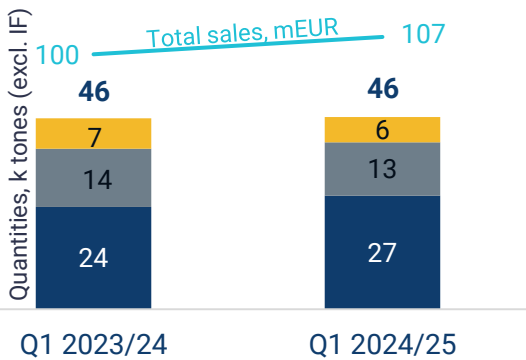
Poultry business: higher quantities and restored profitability

Instant and ready to eat foods: sold quantities in units +11%, stable gross profitability

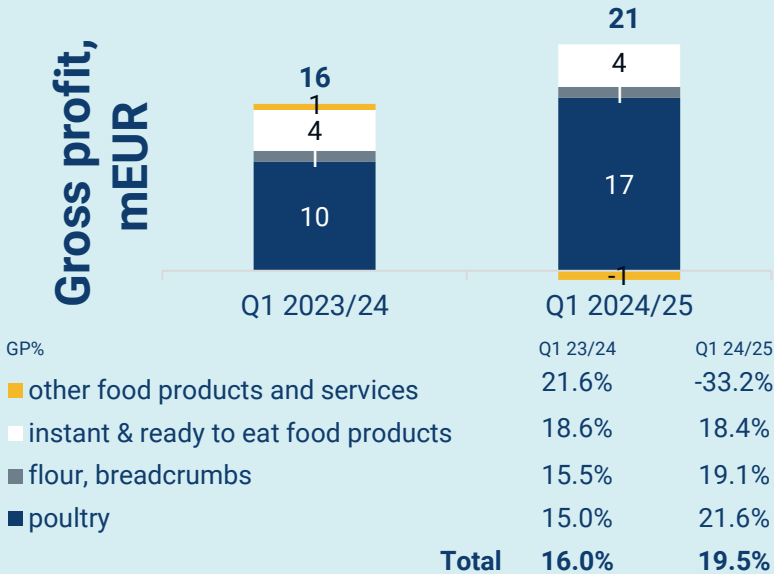
Flour: average product portfolio price roughly 14% down contrasted with improved gross profitability

Coating systems: average production portfolio price falling approx. 8%, still allowing to maintain more or less flat gross profitability margin

Volume, kt &
value, mEUR



Gross profit,
mEUR



Key facts:

- Top poultry producer in LV and LT
- Major flour producer in Lithuania
- Sole producer of instant noodles in the region
- 10 Retail shops (SIA PFK Trader)
- 30.0 thousand tons of live weight meat produced (Q1 of 24/25)
- Private label contractor
- 85% antibiotics free birds in Lithuania
100% antibiotics free birds in Latvia



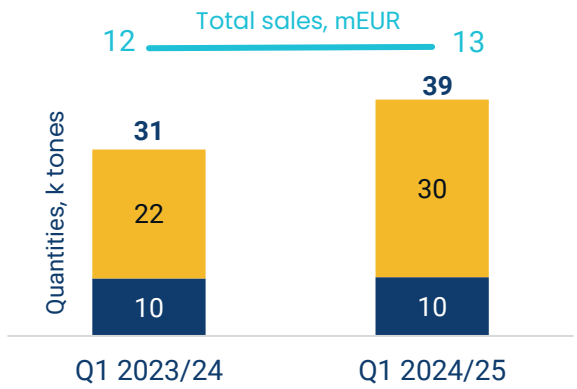
Agricultural production

- Cereals growing
- Rapeseed growing
- Sugar beet growing
- Milk production
- Beef cattle rearing

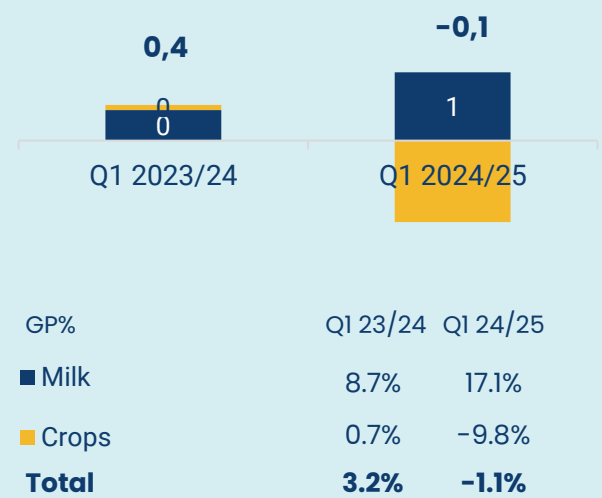
Crop production:
-2024 harvesting results are considered positive (+4% in volume)
-continuously low-price environment (approx. 10-15% lower)
-during Q1 of FY 2024/2025 total EUR 0.6 million (Q1 of FY 2023/2024 total EUR 0.2 million) write-down of the sold inventory cost was made (calculated respectively on the basis of the biological assets fair value as at 30 June 2024 and 30 June 2023)

Milk production:
-average milk quantities per dairy cow throughout the quarter further improved, reaching 3.1 t milk, compared to 2.8 t as the Q1 average of previous 3 years;
-gradually recovering raw milk purchase prices (approx. 10% higher compared to prices a year ago)

Volume, kt & value, mEUR



Gross profit, mEUR



Key facts

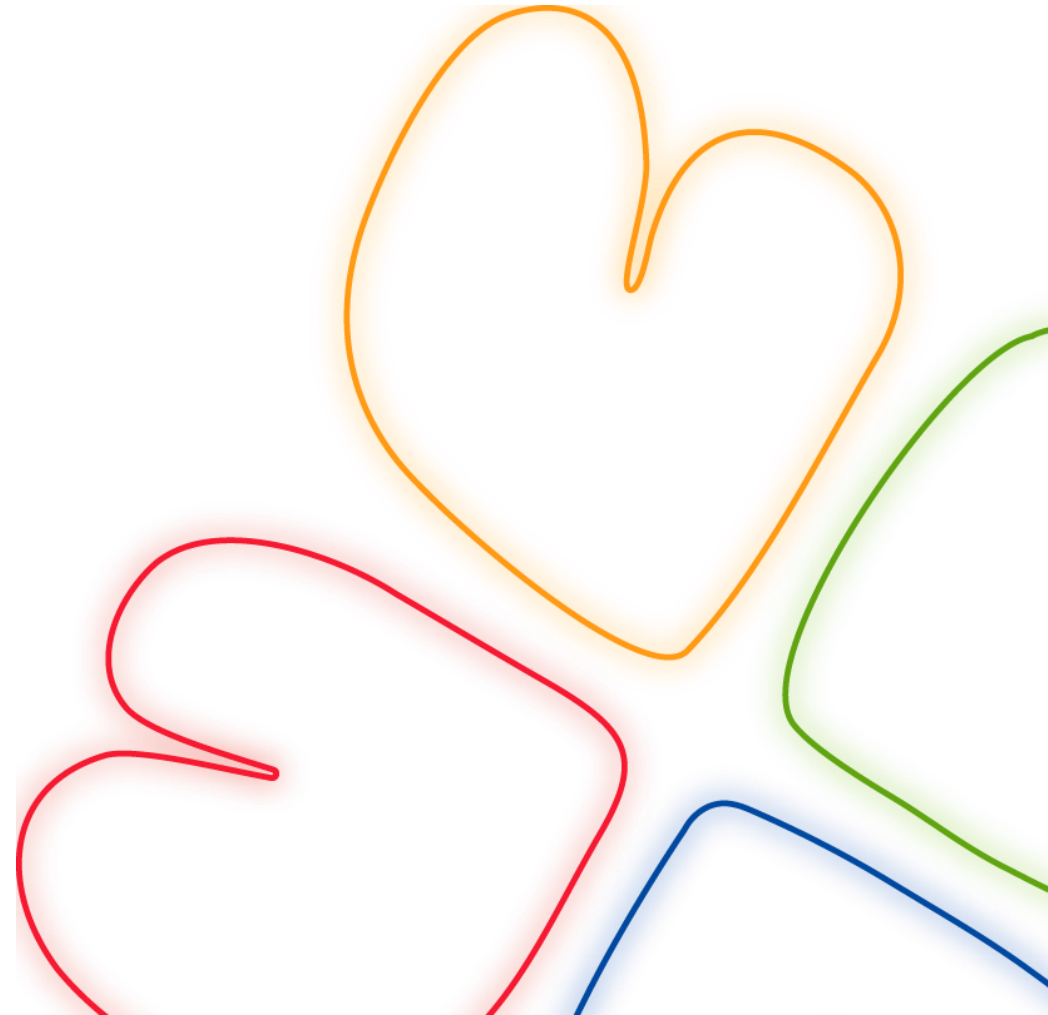
- 19,072 ha – arable land, out of which 6,249 ha owned
- 3,201 dairy cows
- 9.8 thousand tons of raw milk (Q1 24/25)
- 87 thousand tons of crop harvest (Q1 24/25)



**Four
Hearts**
it's time!

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**Sustainability
effort**





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