

---

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF THAT JURISDICTION**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**Announcement pursuant to UK Listing Rule 7.3**

**For immediate release**

**22 April 2025**

**R.E.A. Holdings plc ("REA" or the "company")**

REA is pleased to announce that the company's principal operating subsidiary, PT REA Kaltim Plantations ("REA Kaltim"), has today entered into a conditional agreement for the sale of REA Kaltim's wholly owned subsidiary, PT Cipta Davia Mandiri ("CDM"), to PT Teladan Prima Agro Tbk ("Telen") (the "Transaction").

**The Transaction constitutes a significant transaction under the UK Listing Rules and, accordingly, this announcement is being made as required pursuant to UK Listing Rule 7.3 "Notification of significant transactions". This announcement includes the additional information required pursuant to UK Listing Rule 7.3.1R and UK Listing Rule 7.3.2R.**

**Highlights**

- REA Kaltim has agreed the sale of CDM to Telen, valuing CDM's business (on the basis of exchange rates ruling at 31 December 2024) at an estimated 23.8 million.
- Realisation of that value will reduce the continuing group's debt, further strengthening the group's balance sheet.
- Completion of the Transaction will result in the continuing group's oil palm plantings being more geographically concentrated, allowing for the group's resources and management time to be further focused on its core assets.
- The parties are working towards a completion date of 4 June 2025, subject to the satisfaction of certain conditions as described below.

**Background**

CDM is a wholly owned subsidiary of REA Kaltim and is engaged in the cultivation of oil palms in the province of East Kalimantan in Indonesia on land holdings comprising 9,784 fully titled hectares and additional land areas, subject to completion of titling, of 5,454 hectares. The latter area principally consists of land originally zoned for use under the Indonesian transmigration scheme and held by CDM pursuant to a licence (now lapsed but proposed to be renewed) issued by the Indonesian Ministry of Transmigration.

Within CDM's land holdings, 4,193 hectares were classified at 31 December 2023 as planted with oil palms, of which 3,150 hectares were within the fully titled areas and 1,043 hectares were outside those areas. During 2024, 940 hectares outside the fully titled areas were transferred, or agreed to be transferred, to cooperative schemes (known in Indonesia as "plasma schemes") for the benefit of local villages in the areas adjacent to CDM's land areas.

Lying some 70 kilometres to the north-west of REA Kaltim's central administrative area, the CDM estate is the most outlying estate within the REA Kaltim group. Whilst the estate has the potential to become a high quality estate, further investment in flood control and infrastructure and several more years of good upkeep will be needed to realise that potential. The transfer of the planted areas to plasma schemes referred to above has resolved longstanding disagreements between CDM and local villages regarding allocation of plasma plantings but, prior to that resolution, such disagreements represented an additional uncertainty affecting the company's interest in CDM. Against this background and having regard to the need to reduce group indebtedness, the directors concluded during 2023 that the group should pursue a sale of CDM.

In November 2023 the company reached an agreement with DSN for a further investment by the DSN group in REA Kaltim and, in conjunction with that agreement, granted the DSN group a priority right, for a limited period, to acquire CDM on an agreed basis. However, DSN concluded, and confirmed in June 2024, that it would not exercise its priority right. Following that decision, the company sought alternative offers for CDM but the one offer received was at a price that the directors considered too low. The directors therefore decided to defer further negotiations for the sale of CDM until the issue of plasma allocations to local villages had been progressed.

With this now the case, and with the benefits of recent improvements to upkeep standards becoming visible, REA Kaltim has been able to reach agreement with Telen for the sale of CDM to Telen on terms that value the business of CDM at close to the value that was reflected in the priority right granted to DSN.

Telen is an Indonesian agribusiness, listed on the Indonesian Stock Exchange. It manages and cultivates some 60,500 hectares of oil palm plantations (including plasma land) in East Kalimantan and operates six palm oil mills. Telen also operates a renewable energy business, currently focused on utilising palm oil waste as fuel to generate electricity.

**The Transaction**

Pursuant to the sale and purchase agreement, further details of which are set out Appendix 1 (*Terms of the sale and purchase agreement*), REA Kaltim has agreed (a) to capitalise the outstanding loan balance of 7.7 million owed by CDM to REA Kaltim at 31 December 2024 and (b) to subscribe further shares in CDM for an aggregate subscription price equal to the amount required by CDM to meet the statutory severance benefits due to employees of CDM in respect of the termination of their employment deemed to occur by operation of Indonesian law on completion of the Transaction, and to sell the whole of the enlarged issued share capital of CDM to Telen for a cash consideration to be calculated by reference to the

formula set out in paragraph 2 of Appendix 1 (*Sale and purchase agreement*) which, if applied at 31 December 2024, would have resulted in a cash consideration of 9.2 million.

The net balance (if any) of monies advanced by REA Kaltim to CDM to fund expenditure between 1 January 2025 and completion of the sale and purchase agreement will be waived. Such amount is not expected to exceed the amount payable by CDM to Bank Mandiri by way of interest and repayments of principal in respect of the Bank Mandiri loan the subject of material contract 2.2(b) in Appendix 4 (*Additional information*).

The Transaction is conditional upon, amongst other things:

- a. completion of the agreed capitalisations of debt as referred to above;
- b. Bank Mandiri consenting to the Transaction and agreeing to release guarantees that have been provided by the company and REA Kaltim in respect of the loan provided by Bank Mandiri to CDM; and
- c. the statutory severance benefits due by operation of Indonesian law to employees of CDM on completion of the Transaction having been duly paid.

The parties are working towards a completion date of 4 June 2025. A further announcement will be released at completion in compliance with UK Listing Rule 7.3.3R.

#### Financial considerations

The consideration receivable by REA Kaltim for the enlarged issued share capital of CDM and the release of the liability for the loan provided by Bank Mandiri to CDM, net of the estimated cost of employee severance payments, will realise a value for CDM's business pursuant to the Transaction which, if calculated by reference to exchange rates ruling at 31 December 2024, would have amounted to an estimated 23.8 million before expenses (which are expected to amount to 0.1 million) made up as follows:

	'000
2,800* fully titled planted hectares at 8,000 per hectare	22,400
Value attributed to other assets (excluding plantation related assets) less liabilities (other than amounts owed to REA Kaltim and Bank Mandiri) and provision for employee retirement benefits of Rp 36.4 billion	2,254
Estimated cost of severance payments	(855)
	<u>23,799</u>

#### Representing

Consideration for the enlarged share capital of CDM	9,186
Release of liability for Bank Mandiri indebtedness	15,468
Estimated cost of severance payments	(855)
	<u>23,799</u>

\* The 350 hectare shortfall on the 3,150 hectares previously treated as planted within the fully titled areas reflects the low stands of oil palm in the 350 hectares as a result of palms having been lost during flooding and not yet resupplied.

Further financial information relating to CDM is included in Appendix 3 (*Financial information re CDM*).

The following table illustrates what the effect would have been on CDM's net assets and net indebtedness as at 31 December 2024 (derived on the basis detailed in Appendix 3) had the further changes proposed to be effected pursuant to the Transaction prior to Completion become effective as at 31 December 2024.

	At 31	Transaction	Proforma
	December	charges	'000
	2024	'000	'000
Net assets of CDM excluding balances due to REA Kaltim and Bank Mandiri	33,693	(469)*	33,224
Net indebtedness			
Loan from REA Kaltim	(7,665)	7,665**	-
Loan from Bank Mandiri	(15,468)	—	(15,468)
	(23,133)	7,655	(15,468)
Net assets	10,560	7,196	17,756

\* Estimated severance pay of Rp 13.8 billion converted to dollars at the rate ruling at 31 December 2024 (855,000) less employee termination costs already provided at that date (386,000)

\*\* Capitalisation of the outstanding loan balance owed by CDM to REA Kaltim at 31 December 2024

Gross assets of CDM, as included in the audited consolidated balance sheet of the company as at 31 December 2024, amounted to 34.8 million. The loss before tax attributable to CDM for the year ended 31 December 2024 amounted to 5.5 million (before partial release of an impairment provision in relation to CDM assets recognised in the year).

#### Reasons for, and financial effects of, the Transaction

The principal objective of the Transaction is to reduce the group's net indebtedness and to strengthen the group's balance sheet and broader financial position.

In recent years, the group has implemented several strategic initiatives with the objective of addressing the legacy of excessive net indebtedness that had resulted from a series of operational challenges faced by the group some years ago. Such initiatives have been successful in eliminating the

arrears of dividend on the company's preference shares (which stood at £12.2 million at 31 December 2021) and in reducing the level of net indebtedness from 211.7 million at 31 December 2017 to 159.3 million at 31 December 2024. However, the board is committed to achieving further reductions.

Receipt of the cash consideration for the sale of CDM, coupled with the release of the group from liability for the loan provided by Bank Mandiri to CDM, will result in a further reduction in group net indebtedness which reduction would, on the basis of the position on 31 December 2024, have amounted to an estimated 23.7 million (net of estimated expenses of 0.1 million).

In addition to improving the group's net debt position, the Transaction will relieve the continuing group of the need to fund further investment in CDM and will permit the continuing group to focus its financial resources and management on its remaining plantings, which will be more concentrated within a single geographical area. CDM's estate currently contributes approximately 7 per cent of the group's own crop, but the estate's location would always mean that a large proportion of the CDM crop would need to be processed in adjacent third party mills, reducing the group's margins on CDM's production when compared with self-milled production.

Completion of the sale of CDM will also mean that the continuing group will no longer consolidate the results of CDM, which, impairment movement apart, has historically contributed a loss to the group results before taxation, the amounts of which, for the years ended 31 December 2022, 2023 and 2024, were as shown under the income statements for those years and that period in Appendix 3 (*Financial information re CDM*).

## **Use of proceeds**

The proceeds of sale of CDM will accrue to REA Kaltim and will be applied by REA Kaltim in meeting repayments of bank borrowings.

## **Appendices**

Appendices 1, 2, 3 and 4 to this announcement contain further information regarding the Transaction pursuant to the requirements under UK Listing Rule 7.3.1R and UK Listing Rule 7.3.2R.

Appendix 5 contains certain definitions used in this announcement.

## **Advisers**

Financial adviser: N.M. Rothschild & Sons Limited of New Court, St Swithin's Lane, London EC4N 8AL

Legal counsel as regards English law: Ashurst LLP of London Fruit and Wool, Exchange, 1 Duval Square, London E1 6PW

Legal counsel as regards Indonesian law: WH&SD Law Group of Prosperity Tower 161 Floor Unit E, District 8 SCBD Lot. 28, Jl. Jend Sudirman Kav. 52-53, Jakarta, 12190, Indonesia

## **Opinion of the board**

The Transaction is, in the opinion of the directors, in the best interests of the holders of the company's shares and other issued securities as a whole.

## **Enquiries:**

David Blackett	Carol Gysin
Chairman	Managing director
R.E.A Holdings plc	R.E.A. Holdings plc
Tel: 020 7436 7877	Tel: 020 7436 7877

## **Appendix 1**

### ***Terms of the sale and purchase agreement***

The sale and purchase agreement is dated 22 April 2025 and is made between (i) REA Kaltim and (ii) Telen.

#### **1. Sale and purchase**

Pursuant to the sale and purchase agreement, REA Kaltim has agreed to sell the whole of the issued and to be issued share capital of CDM (the "Shares") to Telen, including the one share in CDM held by PT Kutai Mitra Sejahtera (a subsidiary of REA Kaltim).

#### **2. Purchase price**

The purchase price payable by the Buyer for the Shares is an amount equal to:

- a. 22,400,000, being the accepted value of the CDM estate, calculated on the basis of 2,800 fully planted hectares at 8,000 per hectare; plus
- b. Rp 36,422,738,977, being the accepted value attributed to certain other assets of CDM; less
- c. Rp 250,000,000,000, being the principal amount owed by CDM to Bank Mandiri as at 31 December 2024.

The purchase price is payable in rupiah, with the dollar amount specified in (a) above being converted to rupiah at the prevailing Bank of Indonesia middle closing –dollar rupiah exchange rate on the business day prior to the completion date.

#### **3. Conditions**

The Transaction is conditional upon, amongst other things:

- a. the receipt by REA Kaltim of:
  - i. formal approval from Bank Mandiri to the sale of CDM; and
  - ii. formal agreement by Bank Mandiri to the termination and release of the guarantees granted by the company and REA Kaltim in respect of the obligations of CDM pursuant to the loan provided by Bank Mandiri to CDM;
- b. the conversion into additional capital in CDM of the loan balance of 7.7 million owed by CDM to REA Kaltim; and
- c. the subscription by REA Kaltim of further shares in REA Kaltim for an aggregate subscription price equal to the monies required by CDM to meet the statutory severance benefits due to all employees of CDM in respect of the termination of their employment deemed to occur by operation of Indonesian law on completion of the Transaction, and CDM having paid such statutory severance benefits.

The net balance (if any) of monies advanced by REA Kaltim to CDM, in excess of the capitalisations referred to above, will be waived.

Each of REA Kaltim and Telen has agreed to use its reasonable endeavours to procure that all conditions to the Transaction are satisfied as soon as practicable after the date of the agreement.

If completion has not occurred by 30 September 2025, then the share purchase agreement will terminate. Telen may also terminate the sale and purchase agreement in certain circumstances, including if any of the representations or warranties given by REA Kaltim would, if repeated at completion of the Transaction by reference to the facts and circumstances then subsisting, be materially untrue or misleading or if the implementation of the agreement becomes impossible for Telen.

#### **4. Period pending completion**

REA Kaltim has undertaken to Telen that, pending completion, REA Kaltim will procure that, save as otherwise agreed, CDM will carry on business in the ordinary course.

#### **5. Completion**

It is agreed that completion of the Transaction will take place on 4 June 2025 or, if later, the later of (x) the fifth business day following the satisfaction of the conditions and (y) the 30<sup>th</sup> calendar day following the date of the publication in an Indonesian newspaper of an announcement of the sale in compliance with Indonesian law (or on such other date as REA Kaltim and Telen may agree).

The purchase price will be payable in full in cash in rupiah on completion.

#### **6. Representations and warranties, compensation for breach of the agreement and tax indemnity**

REA Kaltim has given representations and warranties to Telen with regard to CDM, and has agreed to compensate Telen from and against any losses suffered by Telen as a result of any breach of any agreement, promise, statement or guarantee by REA Kaltim under the agreement.

REA Kaltim and PT Kutai Mitra Sejahtera will also, pursuant to a separate tax indemnification agreement to be signed at completion ("tax indemnity"), agree to indemnify Telen against any outstanding tax liabilities of CDM arising (x) in respect of the five years ended 31 December 2024 or (y) up to the completion date.

REA Kaltim's liability in respect of any claims under the agreement to compensate is subject to an aggregate cap on liability of 22,400,000. REA Kaltim's liability in respect of any claims under the tax indemnity is subject to an aggregate cap on liability of a further 6,000,000. The agreement to compensate is expressed to be binding on the parties for three years; the tax indemnity is expressed to be effective and enforceable only until 30 September 2030. Neither the sale and purchase agreement nor the tax indemnity include other limitation on liability provisions.

#### **7. General**

The sale and purchase agreement and the tax indemnity contain certain standard provisions which would be considered customary in a sale and purchase agreement / tax indemnity governed by English law (albeit, as noted at paragraph 9 below, the two agreements are governed by Indonesian law).

#### **8. Language**

The sale and purchase agreement and the tax indemnity have been prepared in Indonesian, with an English translation. However, in the event of any discrepancy between the English version and the Indonesian version, the Indonesian version shall prevail.

#### **9. Governing law and arbitration**

The sale and purchase agreement and the tax indemnity are governed by Indonesian law. The parties have agreed to refer any dispute arising in relation to the sale and purchase agreement to arbitration in Singapore in accordance with the Arbitration Rules of Singapore International Arbitration Centre.

### **Appendix 2**

#### **Risk factors**

*The board believes the risks set out below to be the known material risk factors relating to the Transaction. The information given is as of the date of this announcement and, except as required by the Financial Conduct Authority, the London Stock Exchange, the UK Listing Rules, or any other applicable law, will not be updated. Shareholders should consider carefully the risks and uncertainties described below, together with all other information contained in this announcement.*

*The factors and risks described below relate only to the Transaction; they do not relate to the group's business generally.*

*There may be other risks of which the board is not aware or which it believes to be immaterial which may, in the future, be connected to the Transaction and have a material and adverse effect on the business, financial condition, results of operations or future prospects of the continuing group.*

## **1. Risks relating to the Transaction not completing**

Although the directors are confident that the conditions to the sale and purchase agreement will be satisfied, there is always the risk that they are not or that, due to unanticipated circumstances, the Transaction nevertheless does not proceed to completion. If the Transaction does not proceed to completion, the group will not receive the consideration payable by Telen. As a result, it may take longer or be more difficult for the group to achieve the reduction in its net indebtedness and strengthening of its balance sheet than can be expected as a result of the Transaction. Moreover, if the group does not receive the consideration payable by Telen, it may adversely affect the group's ability to meet debt repayments falling due, which may have a detrimental impact on the group's prospects.

If the Transaction does not proceed to completion, there can be no guarantee that the company will be able to secure the sale of CDM to another purchaser, or, if secured, that the terms of an alternative transaction would be as favourable as the terms of the Transaction. The company and management have already committed significant time to the Transaction and the identification and negotiation of any alternative transaction would require the duplication of much of the work involved. This additional cost and management time, with no guarantee of a successful resulting transaction, could have a detrimental impact on the prospects of both CDM and the wider group.

Although every effort will be made to ensure that this does not happen, were the statutory severance benefits due to all employees of CDM in respect of the deemed termination of their employment on completion of the Transaction (estimated at 855,000) to be paid and completion not to occur, it may be difficult to recover the payments concerned resulting in a loss to the group of the amount paid.

Were CDM to be retained by the group, the group would need to continue to manage and invest in the business which, while likely beneficial to the future prospects of CDM, would reduce the capital and management time available for the group's other assets. Additionally, the failure of the Transaction to complete could have a deleterious impact on the perceived value of CDM and on the wider group's overall financial condition.

## **2. Risks relating to the Transaction completing**

If the Transaction does, as is expected, complete, the continuing group's agricultural operations will be more concentrated geographically within one area in East Kalimantan. Whilst this has certain operational and managerial benefits, it would also increase the relative impact of a crystallisation of any of the group's normal operating risks, such as adverse climatic factors, pests and diseases, disruption to river transportation facilities and a breakdown in relations between the continuing group and local communities, all of which may have a consequent negative effect on the financial condition or results of the continuing group.

The board believes that the Transaction will benefit the continuing group by allowing it to focus its financial resources and management on plantings concentrated within a smaller geographical area and that this will permit economies of operation and consequent cost saving. However, there can be no guarantee that these perceived benefits will be achieved on a timely basis or at all. Any failure to realise the perceived benefits could have an adverse impact on the financial condition and results of the continuing group.

The sale and purchase agreement contains warranties and indemnities given by REA Kaltim in relation to CDM. Although REA Kaltim has endeavoured to ensure that fair disclosure has been made against the warranties and the sale and purchase agreement contains limitations relating to the liability of REA Kaltim in relation to any breach of warranty, there can be no certainty that circumstances will not come to light, or events will not arise, which may give rise to an unexpected successful warranty claim against REA Kaltim. Any liability to make a payment arising from a successful claim by Telen for breach of warranty would reduce the consideration and could have an adverse effect on the cash flow and financial condition of REA Kaltim and thus of the continuing group.

## **Appendix 3**

### ***Financial information re CDM***

This Appendix sets out summary financial information for CDM and has been extracted (without material adjustment) from the consolidation schedules that underlie the audited consolidated financial statements of the company as at and for the years ended 31 December 2022, 31 December 2023 and 31 December 2024.

The financial information has been prepared in accordance with the IFRS accounting policies adopted in the 2024 annual financial statements. The information has not been audited and does not constitute statutory accounts within the meaning of section 434(3) of the Companies Act 2006.

The consolidated financial statements of the company as at and for the three years ended 31 December 2024 were audited by MHA, a member firm registered with the Institute of Chartered Accountants of England and Wales and have been delivered to the Registrar of Companies in England and Wales. The auditor's reports on those statements were unqualified and did not contain any statements under section 498(2) or (3) of the Companies Act 2006.

### **Income statement for each of the years ended 31 December 2022, 31 December 2023 and 31 December 2024**

	<b>Full Year 2022 '000</b>	<b>Full Year 2023 '000</b>	<b>Full Year 2024 '000</b>
<b>Revenue</b>	<b>5,070</b>	<b>6,832</b>	<b>9,082</b>
Net (loss) / gain arising from changes in fair value of biological assets	47	3	(105)
Cost of sales	(6,664)	(7,736)	(7,967)
<b>Gross profit</b>	<b>(1,547)</b>	<b>(901)</b>	<b>1,010</b>

Distribution costs	(2)	(28)	(21)
Administrative expenses	(1,067)	(1,275)	(3,348)
<b>Operating profit</b>	<b>(2,616)</b>	<b>(2,204)</b>	<b>(2,359)</b>
Investment revenues	6	13	13
Foreign exchange (loss) / gain	(241)	59	558
Finance costs	(2,356)	(4,820)	(3,707)
<b>Loss before tax</b>	<b>(5,208)</b>	<b>(6,951)</b>	<b>(5,495)</b>
Tax	(364)	1,364	4,599
<b>Loss for the year</b>	<b>(5,572)</b>	<b>(5,587)</b>	<b>(897)</b>
Attributable to:			
Equity shareholders	(5,572)	(5,587)	(897)

To aid comparison between periods, the 2023 and 2024 figures exclude, respectively, an impairment charge of 23.6 million and a partial release of that charge of 4.0 million.

#### Balance Sheets as at 31 December 2023 and 2024

	December 2023 '000	December 2024 '000
<b>Non-current assets</b>		
Property, plant and equipment	17,647	17,253
Land	4,467	4,467
Financial assets	1,476	4,963
Deferred tax assets	1,583	5,510
<b>Total non-current assets</b>	<b>25,173</b>	<b>32,194</b>
<b>Current assets</b>		
Inventories	1,477	1,143
Biological assets	242	120
Loan to REA Kaltim	40,723	—
Trade and other receivables	1,147	769
Current tax asset	188	93
Cash and cash equivalents	49	434
<b>Total current assets</b>	<b>43,826</b>	<b>2,559</b>
<b>Total assets</b>	<b>68,999</b>	<b>34,752</b>
<b>Current liabilities</b>		
Trade and other payables	(809)	(798)
Bank loans	—	(295)
Other loans and payables	(172)	—
<b>Total current liabilities</b>	<b>(981)</b>	<b>(1,093)</b>
<b>Non-current liabilities</b>		
Bank loans	—	(15,173)
Loan from DSN	(10,641)	—
Loan from REA Services	(60,297)	—
Loan from REA Kaltim	—	(7,665)
Unamortised loan expenses	142	123
Other loans and payables	(357)	(385)
<b>Total non-current liabilities</b>	<b>(71,153)</b>	<b>(23,099)</b>
<b>Total liabilities</b>	<b>(72,134)</b>	<b>(24,192)</b>
<b>Net assets</b>	<b>(3,135)</b>	<b>10,560</b>
<b>Equity</b>		
Share capital	42,936	53,528
Retained earnings	(46,071)	(42,968)
<b>Total equity</b>	<b>(3,135)</b>	<b>10,560</b>

The 31 December 2023 balances of CDM were all included in assets held for sale and liabilities relating to assets held for sale within the group balance sheet. The assets above are stated after allocation of the group impairment.

#### Appendix 4

##### *Additional information*

###### 1. Presentation of information

This announcement includes statements that are, or may be deemed to be, forward-looking statements, beliefs or opinions, including statements with respect to the company's business, financial condition and results of operations. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "anticipates", "targets", "aims", "continues", "expects", "intends", "hopes", "may", "will", "would", "could" or "should" or, in each case, their negative or other various or

comparable terminology. These statements are made by the company's directors in good faith based on the information available to them at the date of this announcement and reflect the company's directors' beliefs and expectations. By their nature these statements involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements. No representation or warranty is made that any of these statements or forecasts will come to pass or that any forecast results will be achieved. Forward-looking statements speak only as at the date of this announcement and the company and its advisers expressly disclaim any obligations or undertaking to release any update of, or revisions to, any forward-looking statements in this announcement. As a result, readers of this announcement are cautioned not to place any undue reliance on such forward-looking statements.

Nothing in this announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share or dividend per share for the company for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share or dividend per share for the company.

References in this announcement to dollar amounts that have been converted have been converted as follows:

- (1) rupiahs to dollars: at the rate extrapolated from the Foreign Exchange Reference Rate – Jakarta Spot Dollar Middle Rate published by Bank Indonesia as being the rate for the relevant date; and
- (2) sterling to dollars: at the rate extrapolated from the Daily Spot Rate published by the Bank of England as being the rate for dollars against sterling for the relevant date.

Unless the context otherwise requires, the relevant date for the above purposes for dollar equivalent amounts shown in respect of rupiah and sterling balances is 17 April 2025 (being the latest practicable date prior to the publication of this announcement).

## 2. Material contracts

### The continuing group

The following contracts, not being contracts entered into in the ordinary course of business, (x) have been entered into by a member of the continuing group during the two years preceding the date of this announcement or (y) have been entered into by a member of the continuing group at any time and may contain a provision under which any member of the continuing group has an obligation or entitlement and which, in either case, is or may be material to the continuing group as at the date of this announcement and contain provisions of which holders of securities of the company may reasonably require to have knowledge for the purposes of making a properly informed assessment of the Transaction and its impact on the continuing group:

- a. a notarial deed dated 16 August 2024 pursuant to which REA Kaltim subscribed 10 million of additional capital in CDM;
- b. a corporate guarantee dated 30 August 2024 pursuant to which REA Kaltim guaranteed the obligations of CDM pursuant to the facility agreement referred to at paragraph 2.2(b) below;
- c. a cash flow deficit guarantee also dated 30 August 2024 pursuant to which REA Kaltim guaranteed the debt service obligations of CDM falling due pursuant to the facility agreement referred to at paragraph 2.2(b) below;
- d. a corporate guarantee dated 2 October 2024 pursuant to which the company guaranteed the obligations of CDM pursuant to the facility agreement referred to at paragraph 2.2(b) below;
- e. a loan agreement dated 1 December 2024 and made between (i) REA Kaltim (as lender) and (ii) CDM (as borrower), pursuant to which REA Kaltim has provided a loan to CDM in the amount of 7.7 million; the loan is unsecured and bears interest at 3 per cent per annum; and
- f. the sale and purchase agreement as summarised in Appendix 1 (*Terms of the sale and purchase agreement*).

### CDM

The following contracts, not being contracts entered into in the ordinary course of business, (x) have been entered into by CDM during the two years preceding the date of this announcement or (y) have been entered into by CDM at any time and may contain a provision under which CDM has an obligation or entitlement and which, in either case, is or may be material to CDM as at the date of this announcement and contain provisions of which holders of securities of the company may reasonably require to have knowledge for the purposes of making a properly informed assessment of the Transaction and its impact on the continuing group:

- a. the agreement summarised in paragraph 2.1(a) above;
- b. a facility agreement dated 29 August 2024 and made between (i) Bank Mandiri (as lender) and (ii) CDM (as borrower), pursuant to which Bank Mandiri provided to CDM an investment credit facility in the amount of Rp 250 billion, of which Rp 248.75 billion (14.77 million) is currently outstanding, repayable in instalments from March 2025 to June 2034 (or earlier in the event of default); the facility bears interest at 8.5 per cent per annum payable monthly; in addition, an annual maintenance fee of 0.15 per cent is payable; CDM has agreed certain financial covenants under the agreement relating to debt service coverage, debt equity ratio, EBITDA margin (from 2027), the maintenance of positive net income (from 2027) and positive net equity; such covenants are tested annually upon delivery to Bank Mandiri of the audited financial statements in respect of each year by reference to CDM's results for, and closing financial position as at the end of, that year; CDM's obligations under the agreement are secured by charges over substantially the whole of its assets and undertaking; and
- c. the agreement summarised in paragraph 2.1(e) above.

## 3. Litigation

### The continuing group

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the company is aware) which may have, or have had during the twelve months preceding the date of this announcement, a significant effect on the company and/or the continuing group's financial position or profitability.

### CDM

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the company is aware) which may have, or have had during the twelve months preceding the date of this announcement, a significant effect on CDM and/or CDM's financial position or profitability.

4. **Significant change**  
The continuing group

There has been no significant change in the financial position of the continuing group since 31 December 2024, being the end of the last financial period for which financial information has been published.

CDM

There has been no significant change in the financial position of CDM since 31 December 2024, being the end of the last financial period for which financial information has been published.

5. **Related party transactions**

Save as regards (i) transactions in respect of which details have been previously published and (ii) the remuneration of management personnel details of which have been previously published up to 31 December 2024 and the nature of which has not changed since that date, the company has not, during the period from 1 January 2023 and up to the date of this announcement, entered into any related party transaction. For this purpose, "related party transaction" has the meaning set out in the Applicable Accounting Standards, being (for financial years beginning on or after 1 January 2021) the UK adopted international accounting standards.

6. **Other**

No persons are proposed to be appointed as directors of the company in connection with the Transaction.

There are no key individuals important to the business of CDM.

**Appendix 5**

**Definitions**

Unless the context otherwise requires, the following definitions apply throughout this announcement:

<b>"2024 CDM audited financial statements"</b>	the audited financial statements of CDM as at and for the financial year ended on, 31 December 2024, including the notes thereto
<b>"as amended"</b>	as amended, modified and/or supplemented from time to time up to the date of this announcement
<b>"Bank Mandiri"</b>	PT Bank Mandiri Tbk, the group's Indonesian lending bank
<b>"board"</b>	the board of directors of the company
<b>"CDM"</b>	PT Cipta Davia Mandiri, a wholly owned subsidiary of REA Kaltim (and thus also a subsidiary of the company) incorporated in the Republic of Indonesia and engaged in the cultivation of oil palms
<b>"company"</b>	R.E.A. Holdings plc
<b>"continuing group"</b>	the company and its subsidiaries other than CDM
<b>"directors"</b>	the directors of the company and <b>"director"</b> means any one of them
<b>"DSN"</b>	PT Dharma Satya Nusantara Tbk, an Indonesian company listed on the Indonesia Stock Exchange and engaged in the businesses of oil palm plantations, wood products and timber estates
<b>"DSN group"</b>	DSN and its subsidiaries
<b>"FFB"</b>	oil palm fresh fruit bunches
<b>"Financial Conduct Authority"</b>	the Financial Conduct Authority of the UK in its capacity as the competent authority for the purposes of Part VI of FSMA
<b>"FSMA"</b>	the Financial Services and Markets Act 2000 of England and Wales, as amended
<b>"group"</b>	the company and its subsidiaries
<b>"IFRS"</b>	the UK adopted International Financial

	Reporting Standards as applied in accordance with the provisions of the Companies Act 2006 as applicable to companies reporting under those standards
<b>"MHA"</b>	MHA Audit Services LLP (and its predecessor, MacIntyre Hudson LLP) the company's auditor
<b>"plasma receivables"</b>	amounts receivable by CDM from oil palm developments owned, or to be owned, by local village cooperatives but managed by CDM on behalf of such cooperatives
<b>"REA Kaltim"</b>	PT REA Kaltim Plantations, the principal operating subsidiary of the company, incorporated in the Republic of Indonesia and engaged in the cultivation of oil palms and the processing of oil palm fruit, being, as at the date of this announcement, the holding company of all of the agricultural operations of the group
<b>"REA Services"</b>	R.E.A. Services Limited, a wholly owned subsidiary of the company incorporated in England and Wales
<b>"sale and purchase agreement"</b>	the sale and purchase agreement dated 22 April 2025 made between (i) REA Kaltim and (ii) Telen, a summary of which is included in Appendix 1 ( <i>Terms of the sale and purchase agreement</i> )
<b>"Telen"</b>	PT Teladan Prima Agro Tbk, an Indonesian company listed on the Indonesia Stock Exchange and engaged in the business of oil palm cultivation
<b>"Transaction"</b>	the proposed sale by REA Kaltim of CDM to Telen of the whole of the issued and to be issued share capital of CDM, details of which are set out in this announcement
<b>"UK Listing Rules"</b>	the United Kingdom Listing Rules made by the Financial Conduct Authority under Part VI of FSMA, as set out in the Financial Conduct Authority's Handbook of Rules and Guidance as amended

References in this announcement to "**dollars**" and " " are to the lawful currency of the United States, references to "**sterling**", "**£**" and "**p**" are to the lawful currency of the United Kingdom and references to "**rupiah**" and "**Rp**" are to the lawful currency of the Republic of Indonesia.

Dissemination of a Regulatory Announcement that contains inside information in accordance with the Market Abuse Regulation (MAR), transmitted by EQS Group.

The issuer is solely responsible for the content of this announcement.

---

ISIN: GB0002349065  
 Category Code:DIS  
 TIDM: RE.  
 LEI Code: 213800YXL94R94RYG150  
 Sequence No.: 383917  
 EQS News ID: 2121416