



ROYAL SUGAR A.B.E.E.

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Press release

Historical Agreement - ROYAL SUGAR SA takes over the factories Hellenic Sugar Industry (EBZ) at Platy & Serres

Thessaloniki, Greece - November 06, 2019

Royal Sugar SA, in partnership with the Cooperative Bank of Central Macedonia, announces the signing of an agreement with the Hellenic Sugar Industry SA. (EBZ) and Piraeus Bank SA, and is solely responsible for the management and operation of the EBZ sugar production plants in Platy Imathia and Serres. Royal Sugar, which won the public tender announced by EBZ, is leasing the Platy and Serres factories for 28 months with an exclusive right to buy them out, for 15.2 million and 10.8 million respectively, at the expiration of the lease.

The purpose of the agreement is to rescue and revive beet growing and sugar production in Greece. This is a historic agreement, as this is the first time that a private company will produce sugar in Greece. Royal Sugar SA has the vision, the knowledge of the global sugar market, the means and the alliances to succeed. As of today, a detailed five-year strategic development and investment plan is in place that will change the sugar map in Greece, the Balkans and Europe.

For the current 2019 campaign, Royal Sugar commits itself to the immediate receipt of all sown beets and payment to producers. In the coming days, Royal Sugar will invite all Greek producers, providing specific incentives and guarantees, seeking cooperation and signing contracts for the immediate sowing of beet for sale and sugar production by Royal Sugar during the forthcoming 2020 campaign. Royal Sugar SA plans gradual annual increase in arable land, implementation of modern farming practices to improve crop and sugar yields, full utilization of production capacity and exploitation of all of by-products.

Royal Sugar immediately starts maintenance and upgrades, applying know-how from abroad, always aiming to reduce production costs. It is worth noting that Royal Sugar's strategic plan foresees a large investment in refining sugar cane starting in 2020. This innovative move will ensure the ability to produce sugar, not only on the days of the beet processing campaign, but throughout the year, creating the necessary economies of scale. At the same time, it also leads to more permanent, new and well-paid jobs.

Royal Sugar's priority is to cover the Greek market. Sugar is a product of strategic importance for every economy and a key ingredient in a multitude of products. The revival of sugar production in Greece will make Greek industries more competitive in their exports. A permanently fully stocked 50,000-tonne sugar storage silo at the Platy plant will provide security. But given the geographical location of Greece and the lack of sugar factories in neighboring countries, Greek sugar will play a regulatory role in the Balkans



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and the Mediterranean.

Royal Sugar has in recent years been Greece's only representative at international sugar conferences and has established relationships with a variety of sugar producers and traders. Our dynamic growth is due to our ingenuity and flexibility, which is why we always remain open to collaborative suggestions. Our company confirms its commitment to an internationalized and competitive Greek industry, which will be the pillar of growth and stability for the future of the country and looks forward to support of this great effort.

Royal Sugar SA was established in 2013 and is one of the key players with a 35% share of the Greek market of 280,000 tonnes per year. The company has established strong partnerships globally and across Europe with leading sugar producers and traders. Royal Sugar is the official and exclusive representative of Dutch sugar producer Suiker Unie and the British sugar producer British Sugar in Greece, Cyprus and the Balkans. Turnover in 2018 was € 21 million, while for 2019 it is estimated at € 30 million with significant profitability. Royal Sugar has built an extended clientele of over 2,000 customers, serving all retailers and major food industries

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