

## **Business report – 2024 first half**

Envien Magyarország Kft. (“Company”)

### **I. Presentation of activities**

The Company carrying out trading activities activities of Envien Group, was established in 2013 with the purpose to get closer to the major corn and rapeseed producer in the region, mainly in the territory of Hungary. The Company has a seat in Fehértó, Dózsa György tér 2, in a leased office. The number of employees as of 30 June 2024 were 7 FTE, which corresponds with the complexity of business activities. The core business represents trading with Distillers Dried Grains with Solubles (DDGS) and rapeseed meal, which are by-products of biofuel production. The purpose of the management report is to present the Company's assets, financial and income status, the course of business to provide information about the current financial/market position of the Company.

### **II. The Owner of the Company, the Guarantor**

**Envien International Limited**, seated at the Hub, Suite W203, Triq Sant Andrija, San Gwann, is the sole owner of the Company and holds shares in other operating companies mainly in the CEE region. Envien Group is one of the largest biofuel producers (producing both bioethanol and biodiesel) in Europe, having its core activities and markets in Slovakia, Czech, Hungary, Croatia, Poland and Switzerland. The group utilised the benefits from the acquired Envien Biopaliwa Poland. The group signed an agreement with Indian partner to form a JV to construct and operate bioethanol plant in India.

### **III. Business performance/environment of the Company in 2024 first half**

Year 2024 has started positively. Although protein prices were dropping, commodity prices were traded at even lower levels. As our DDGS and rapeseed meal (RSM) production was contracted ahead our sale prices remained high in comparison with commodity prices, which resulted good margins. The market for DDGS and RSM was stable during first half of the year. We managed to build up new cooperations on the local market, but also in western Europe. The customers started to purchase in advance so our sale numbers were more predictable.

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On the purchase side we bought 37 000t of corn in first half of 2024, mostly from Poland and Hungary. Hungarian origin had no more toxin problems in crop 2023 so usage of this origin was beneficial. From rapeseed in same period we have purchased 13 500t also mainly from Poland and Hungary. Commodity purchase volumes are rising year by year in our company so we have a good position on the market and sellers are calculating their prices to our destination. We have built up transport routes and set up long term cooperation with our suppliers.

Unfortunately, second half of the year brings a slowdown. Rapeseed crop in 2024 is worse than a year before. Yields are very weak in our region, prices are rising. The supply is also slight, farmers are waiting and not willing to sell their crop, just at high levels.

2024 new crop corn also seems to be weak mainly in Hungary. Low yields are predicted and also toxins will complicate the circumstances. On the other side Poland's crop is expected to be high, so we will focus more on polish imports in second half of 2024. Protein prices are reacting slower to the rise of commodity prices and competition is very high.

Net sales revenue of the Company reached the level of EUR 31.65 million, which is line with the plan. The profit before tax was at level of EUR 3.2 million. The company issued bond in the nominal value of HUF 5.5. billion and in parallel performed a cross-currency interest rate swap deal with OTP Bank Nyrt in order to match its operating cash-flow with future amortisation schedule of the bond.

Fehértó, 23 September 2024



**Aleksza György**



**Ing. Stefan Tóth**

Managing Director

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