INVESTOR UPDATE

December 2022

AGENDA

- Strategic Review
- Carr’s Billington Agriculture (CBAL) Disposal
- Continuing Group
- Trading Update
- FY22 Audit Status
- A Refreshed Board
- Summary and Outlook

STRATEGIC REVIEW – ENHANCING SHAREHOLDER VALUE

DEMONSTRABLE PROGRESS MADE…

- ✓ Announced January 2022
- ✓ Reviewed all options for each division, with a focus on enhancing medium/long-term growth in shareholder value and profitability
- ✓ Supported by external advisers
- ✓ Disposal of Agricultural Supplies division (Carr's Billington Agriculture), as the first step, completed in October 2022

REVIEW PROCESS

1

POSITION PRE-STRATEGIC REVIEW

- A portfolio of businesses
- Limited synergy between Speciality Agriculture and Agricultural Supplies
- Portfolio limits ease of valuation
- Demands on management time
- Mix of full and joint ownership

2

STRATEGIC CONSIDERATIONS

- Long-term growth opportunities
- Scope for differentiation
- Return on investment
- Earnings Per Share growth
- Reduction in complexity
- Focus management time and input

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CONCLUSION

- Focus on (1) Speciality Agriculture and (2) Engineering divisions: high margin, differentiated products and services, international markets
- Exit Agricultural Supplies

CARR'S BILLINGTON AGRICULTURE DISPOSAL

- Completed in October 2022 for initial cash proceeds of £24.7m
- Valuation in line with market peers
- Various elements to gain further value include potential sale of properties over 3 years
- CBAL represented 75% of Carr's Group reported turnover for 25% of EPS, substantial proportion of working capital
- Continuing relationship for Speciality Agriculture product sales

STRATEGIC CONSIDERATIONS

- UK regional business with limited options for growth
- Capital intensive feed milling assets requiring £10 million investment for renewal and upgrade
- Carr's Group's freedom to manage the business and fully-determine strategy limited by joint-ownership structure

USE OF NET PROCEEDS

- Support international growth in Speciality Agriculture division through the investment c.£10m in manufacturing capacity and plant upgrades between 2023-25;
- Enable growth in Engineering division providing c.£4m of liquidity over the next three years to fund potential new larger and longer-term customer contracts; and
- Fund carefully targeted acquisitions
- Potential full buy out of DB pension scheme

CARR'S GROUP - THE CONTINUING BUSINESS

The continuing Group has market leading brands and robust market positions in Agriculture and Engineering supplying customers in over 50 countries, with manufacturing sites in the UK, Germany and the USA, managed in two divisions: **Speciality Agriculture and Engineering.**

Speciality Agriculture

- Molasses-based nutrition for ruminant livestock, with brands including Megalix, Megastart, Crystalyx®, Horslyx®, MegaLic® SmartLic® , FlaxLic® and FesCool® manufactured in UK, Germany and USA.
- Trace element supplements, including boluses, sold under the Tracesure® and Allsure® brands, manufactured in UK

Speciality Agriculture division has considerable potential for growth through market penetration and product extension

1. Upgrade and expansion of UK manufacturing capacity
2. International growth targeted in USA, Canada, New Zealand
3. European market growth from existing capacity in Germany

Engineering

- Engineering solutions
- Fabrication and precision engineering
- Robotics

Support organic growth and development in the Engineering division to increase Shareholder value in the future

Enable growth in Engineering division by providing liquidity to fund potential new larger and longer-term customer contracts

TRADING UPDATE (NOV-22) - “*IN-LINE WITH EXPECTATIONS*”

- FY22 (ending August) was ahead of prior year, *in line with Board expectations*

- For continuing operations, FY22

  - Speciality Agriculture adjusted PBT ahead of expectations, marginally below prior year due to USA drought and timing of raw material cost increases pass through to pricing

  - Engineering adjusted PBT significantly ahead of prior year, below Board expectations

- Net debt £14.0 million (2021 £10.0 million), before taking into account net proceeds from sale of CBAL

- Trading for continuing Group operations in the current financial year (FY23) has started well, in line with the Board's expectations and ahead of FY22

FY22 - AUDIT STATUS

- Audit delay announced November 2022
- Grant Thornton first year as auditor
- Precedent of relying on statutory auditor for 49% owned CBAL Operations
- GT decided, during the audit, that statutory auditor of CBAL Operations not independent to audit a Significant Component of a Public Interest Entity
- Separate audit of CBAL Operations therefore required with all alternatives actively explored
- Now expect completion of Group audit mid-January 2023
- Anticipate temporary suspension of listing from 4 January 2023
- Will request immediate restoration of listing on publication of audited results

A REFRESHED BOARD - SET TO DELIVER LONG-TERM AMBITIONS

"Ensuring that the Board and senior management team possess the right balance of skills, experience and knowledge to support the Group's strategy and to meet the requirements of good governance"

- **Non-Executive Chair**: Tim Jones to join the Board on 1 February 2023,
  - Following 12 years as Chair of Treatt plc where he has developed a board and leadership team *which has overseen substantial long-term growth in shareholder value*.
- **Chief Executive Officer**: Peter Page to take on role after AGM, following 3 years as Chair at Carr's Group plc and over 10 years as CEO of Devro plc
- **Chief Financial Officer**: new appointment in progress following Neil Austin's decision to stand down after 10 years at Carr's Group
- **Independent Non-Executive Directors**: Shelagh Hancock and Stuart Lorimer joined the Board September 2022

SUMMARY AND OUTLOOK

SUMMARY

- Strategic review progressing to enhance long-term shareholder value.

- "***Right price, right time and right buyer for the Agricultural Supplies division***" - disposal of interests in Agricultural Supplies division completed Oct-22, on favourable terms and ultimately providing the Group with net proceeds to fund growth opportunities

- The continuing Group has "*performed strongly, with FY22 in line with the Board's expectations and ahead of the prior year*"

- Refreshed board is now well-placed to deliver growth ambitions

OUTLOOK

- Trading for continuing Group operations in the current financial year (FY23) has started well, and is in line with the Board's expectations and ahead of FY22 (vs. the comparable period).

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