

Grup Șerban Holding acquires four new grain storage bases and reaches a total storage capacity of 167,000 tons

Grup Șerban Holding (BVB: GSH), a Romanian entrepreneurial company active in several fields in agriculture, acquired four new grain storage bases in Bacau county. Following this transaction, Grup Șerban expanded its storage capacity by 48,530 tons, an increase of 40%, and reached a total storage capacity of 167,000 tons.

"The expansion of storage capacities is an important component of Grup Șerban's investments in the medium and long term. In the context of the conflict in Ukraine, which is disrupting grain supply chains, including by blocking the port of Constanța, the activation of additional storage capacity on the eastern border of the European Union is becoming a significant differentiator in agribusiness. By integrating the four new bases in Grup Șerban, we will increase the volumes of cereals and oilseeds to 120,000 tons from this development alone. At the same time, the four bases are in the vicinity of important roads and railways, such as the European road 85 and the railway 500. This will lead to an increase in the speed of loading and unloading of grain. Following this investment and implicitly expanding the total storage capacity, we will reach an annualized EBITDA increase of 7.5 million lei," stated **Ovidiu Bucataru**, *CFO of Grup Șerban Holding*.

The total value of the transaction amounts to 17.7 million lei, and the four bases located in Sascut, Racaciuni, Parincea, and Secuieni are fully functional. The total area of the land on which they are built is about 12.5 ha, which allows further developments, and includes an operational industrial railway of 764 meters within the Sascut base, as well as a grain dryer with a capacity of 1,000 tons per day. With the takeover of the new grain dryer, Grup Șerban reaches a total drying capacity of 3,500 tons per day. At the level of investments in the new bases, Grup Șerban estimates a total CAPEX of approximately 0.5 million lei by the end of this year.

In the field of agriculture, Grup Șerban is the largest producer in the area of Moldova, where it operates over 12,000 ha of crops in Bacau and Vaslui counties. The beneficiaries of the agricultural products made by Grup Șerban are significant players in the food field, such as PepsiCo or Cargill. The company is one of the few in Romania that applies sustainability principles even before the emergence of the European Green Pact, the harvested crops being EU ISCC certified, respecting the latest trends in sustainability. ISCC (International Sustainability and Carbon Certification) is a globally applicable sustainability certification system that covers all sustainable raw materials, including agricultural and forestry biomass, circular materials, and renewable resources.

Regarding the development of sold crops, Grup Șerban has implemented the principles of circular agriculture, using manure from Avicola Șerban farms as organic fertilizers after composting. Such a method has an economic impact on the costs of mineral fertilizers. Also, from the sustainability perspective, within Grup Șerban farms, fuel consumption is reduced through no-tillage farming practices while keeping the soil moist.