TESS AGRO PLC

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26th Jan 2026

Ms. Nilupa Perera,
Chief Regulatory Officer,
Colombo Stock Exchange,
04-01, West Block,
World Trade Centre,
Colombo 01.

Dear Madam

The Board of Directors of Tess Agro Plc wishes to announce that at a meeting held on 22nd Jan 2026, resolved, subject to the approval of the shareholders and the Colombo Stock Exchange ("CSE"), to issue and list the following securities:

1. **Unsecured Debentures**
   The Company proposes to issue and List **2,500,000 Debentures of LKR 100/- each**, aggregating to a total value of **LKR 250,000,000**, on such terms and conditions as approved by the Board, including interest rate, tenure, mode of redemption, security and ranking.

   Terms of the Issue

   a) 6% fixed interest per annum paid annually.
   b) 5-year tenure
   c) repayment at maturity
   d) Unsecured
   e) rank pari passu with other unsecured creditors
   f) Trustee to be appointed prior to issue opening

2. **Warrants**
   The Company further proposes to issue **100,000,000 Warrants** together with the Debentures, on the basis of **forty (40) Warrants for every one (1) Debenture**. Each Warrant shall entitle the holder to subscribe for one ordinary voting share of the Company, subject to the following principal terms:

   a) The Warrants shall be exercisable after the completion of one (1) year from the date of issue.
   b) The Warrants shall be valid for a period of two (2) years from the date of issue.
   c) The exercise price per share shall be 2.20.
   d) The Warrants shall be listed on the Colombo Stock Exchange and shall be freely transferable.
   e) The total number of ordinary voting shares arising from the exercise of the Warrants, together with any other outstanding unexercised warrants, shall not exceed fifteen percent (15%) of the total voting shares in issue of the Company at the time of submission of the listing application, in compliance with the Listing Rules of the CSE.

3. **Use of Proceeds**
   The proceeds of the Unsecured Debenture issue will be utilized for repayment of existing

borrowings and working capital requirements and capital expenditure .
The proceeds arising from the exercise of the Warrants, if any, will be utilized to strengthen the capital base of the Company and to fund future expansion initiatives.

4. **Public Holding.**
   The Current Public Holding of the company 48.7%

The above issue and listing of the Debentures, Warrants and the ordinary voting shares arising from the exercise of the Warrants are subject to:

- Approval in principle of the Colombo Stock Exchange, and
- Approval of the shareholders of the Company by way of a Special Resolution at a duly convened General Meeting.

Further announcements will be made in due course.

BY ORDER OF THE BOARD

PRESTIGE SECRETARIES AND CONSULTANTS (PVT) LTD
LICENSED COMPANY SECRETARIES
RCS2000166