Ordinary General Shareholders' Meeting of 11 June 2025

Message from the Chairman and the Managing Director

Ladies and Gentlemen,

It is our pleasure to welcome you to this 106th Ordinary General Shareholders' Meeting of SIPEF. We are pleased to once again meet in person at our head office in Schoten, and to share this occasion with our valued shareholders, board members, executive committee, and our statutory auditor, represented today by Christoph Oris of EY.

As customary, we shall today reflect on the financial year 2024 and provide context on the Group's strategic progress and the early performance for the current year.

2024 in General

The year 2024 will be remembered as a period of resilience, targeted investments, and prudent governance, set against a backdrop of external challenges. Our teams demonstrated resilience and adaptability in facing a range of challenges from the aftermath of the volcanic eruption in Papua New Guinea and dry weather conditions in Indonesia to volatile global markets. Thanks to targeted measures, we successfully mitigated the impact and safeguarded operational continuity. Despite these challenges, SIPEF delivered a solid financial performance in 2024. The Group achieved a net profit, share of the Group, of KUSD 65 838 and a net recurring result of KUSD 71 913, marginally ahead of initial guidance. These figures are all the more commendable considering the 7.4% decline in crude palm oil production across the Group, which is largely due to weather-induced setbacks in Indonesia and the lingering effects of the volcanic eruption in Papua New Guinea late 2023.

Throughout 2024, the Group continued to focus on further developing its activities in South Sumatra and Côte d'Ivoire, with continued attention to delivering high quality products. In Musi Rawas, in line with RSPO guidelines, an additional 1 366 hectares were compensated last year, and 1 644 hectares were prepared for planting or planted, bringing the total planted area to 19 827 hectares. As per the end of 2024, the total renewed and planted area in the South Sumatra reached 30 052 hectares, of which 21 867 hectares (i.e. 72.8%) mature and harvested. In Côte d'Ivoire, the expansion of the banana activities was substantially completed by the end of 2024. As a result, the total planted area of bananas is expected to reach 1 338 hectares, supporting gradual production increase to nearly 60 000 tonnes by the end of 2025.

By the end of 2024, SIPEF's supply base exceeded 105 000 hectares. A total of 85 500 hectares within SIPEF's concessions were planted with oil palms. Adding to those the smallholders' plantations, the total supply base exceeds 105 000 hectares, supplying 10 palm oil processing mills in Indonesia and Papua New Guinea. This surpasses the milestone of 100 000 hectares of supply bases previously achieved in 2023.

Markets

The palm oil market remained strong throughout 2024, with prices at historically high levels and palm oil trading at a premium compared to other competing oils. Exports persisted despite the price level, also driven by market scarcity. A notable price rally gained momentum in September, driven by strong consumer demand as supply chains replenished following periods of reduced buying activity earlier in the year. Crude palm oil prices on the MDEX averaged USD 906 per tonne in 2024, supported by lower supply from Indonesia and Malaysia, strong global demand, and geopolitical disruptions to trade routes. SIPEF achieved an average ex-mill gate price of USD 867 per tonne, with a notable increase in selling prices during the final two months of the year.

Globally, the banana market faced several challenges in 2024, including adverse weather and the spread of plant pests and diseases. This led to a contraction in global trade of around 1%. Nonetheless, stronger output from countries such as Colombia, India and Vietnam partially offset supply shortfalls.

Amid these conditions, SIPEF recorded robust growth in the European market, with banana sales up by 24.6% compared to 2023. This strong performance was underpinned by consistently high product quality and strict compliance with certification standards, reinforcing SIPEF’s market reputation and positioning.

Production

In 2024, SIPEF’s plantations experienced a cyclical decline of 5.2% in Fresh Fruit Bunch (FFB) production, due to drier weather conditions in Indonesia in the previous year and the volcanic eruption in Papua New Guinea in 2023. This reduction in crop production was part of a broader trend observed across Indonesia and Malaysia, where adverse climatic factors in 2023 significantly impacted production levels in 2024. Consequently, crude palm oil (CPO) production mirrored the decline in total FFB processed, reflecting the challenges faced by the industry as a whole. The production of CPO at SIPEF also saw a decline of 7.4%, as the oil extraction rate (OER) was negatively affected as well.

Papua New Guinea operations showed resilience in 2024, navigating the challenges posed by the volcanic eruption end of 2023. Production declined with 22.1%, in line with SIPEF’s expectations given the scale of the rehabilitation efforts. Following the full clean-up of the ash-affected blocks, these areas have now been fully restored. CPO production is gradually recovering, with a marked rebound in 2025 and a recovery expected by 2026 In contrast, Indonesia showed an upward trend, with an overall 2.1% increase in FFB production, despite challenges earlier in the year, and a 1.5% increase in palm oil production. This was driven by South Sumatra which recorded a particularly strong performance, supported by maturing estates and operational efficiencies.

In North Sumatra, overall production declined by 2.9%, reflecting the delayed effects of water shortages from 2023 and repeated flooding in 2024, which disrupted harvesting throughout the year.

Bengkulu saw a decline in palm oil output by 7.1%. This was linked to mill adjustments and a reduced area under mature palms following replanting activities. Weather conditions also had a residual impact, as a dry spell in late 2023 curtailed crop development in early 2024. On a positive note, the conversion of the former Sei Jerinjing rubber estate was finalised with 1 298 hectares newly planted, and a further 2 256 hectares replanted across the Bengkulu estates.

South Sumatra delivered strong growth in 2024, driven by expanding mature areas and the new Agro Muara Rupit mill, which, with a capacity of 45 tonnes per hour, marked a major milestone and significantly enhanced SIPEF's processing infrastructure in this key region. The total mature area in South Sumatra now stands at 21 867 hectares, including 14 078 hectares in Musi Rawas and 7 789 hectares in Dendymarker. Favourable rainfall enhanced fruit ripening and bunch weight, especially in younger plantings. For the full year 2024, palm oil production in South Sumatra grew by 19.6%.

Banana production in Côte d'Ivoire experienced robust growth, with production volumes in 2024 rising by 24.6% compared to 2023. The Lumen and Akoudié sites surpassed expectations, and therefore overall output reached 51 038 tonnes at Plantations J. Eglin SA. Plantations J. Eglin SA also achieved 100% Fairtrade certification across all banana estates, further consolidating our premium market positioning in Europe.

Expansion and Investments

Throughout 2024, efforts were centred on enhancing quality and refining processes across our oil mills in Indonesia and Papua New Guinea. All mills in Indonesia and Papua New Guinea implemented quality assurance protocols to reduce MOSH/MOAH levels in palm oil, and the Mukomuko washing installation yielded promising results in lowering chloride content. These measures form part of our broader ambition to offer differentiated, low-contaminant palm oil, aligned with the highest global standards.

We also expanded our traceability and compliance capacity through the launch of the GeoSIPEF platform in October 2024, further preparing for alignment with the EU Deforestation Regulation. Additionally, PT Citra Sawit Mandiri completed its RSPO certification audit, adding 1 568 certified hectares to our sustainable supply base.

On the investment side, we planted a further 1 644 hectares in South Sumatra and fully completed the replanting of Dendymarker Indah Lestari's 10 225 hectares. The total renewed and planted area now exceeds 30 000 hectares in South Sumatra, of which 72.8% is already mature and in production.

Driving efficiency remains a key focus across our palm oil operations. SIPEF's continued investment in Verdant Bioscience exemplifies its dedication to innovation and long-term sustainability. In 2024, promising progress was made in the F1 hybrid programme, with the first trial harvest showing positive results. A total of 140 new F1 crosses were planted, in addition to the 234 established in previous years. Verdant also developed adapted varieties to address soil types and changing climate conditions and provided targeted advice on crop protection and soil health. Through this collaboration, SIPEF actively supports the development of next-generation seed materials aimed at improving yields and advancing more efficient, responsible palm oil production.

In Côte d'Ivoire, banana expansion continued with an additional 28 hectares, bringing the total to 1 257 hectares by year-end. Group-wide, we managed capital expenditure prudently and closed the year with a net financial position of KUSD -18 087. This disciplined approach ensures that we retain headroom for continued dividend distribution and strategic investments.

Sustainability

Sustainability continued to be a cornerstone of SIPEF's activities in 2024.The Group continues to strive to produce 100% sustainable palm oil and imposes strict standards on itself that often go beyond certification standards. In 2024, SIPEF maintained strong results in the CDP Climate Change and Forests disclosures, underscoring SIPEF's ongoing commitment to environmental transparency and responsible stewardship, with efforts underway to even further enhance its sustainability disclosures in the years ahead.

In that regard, SIPEF completed its first double materiality assessment in May 2024 and produced its inaugural Sustainability Statement in line with CSRD and ESRS requirements. This statement, which successfully received assurance from the statutory auditor EY, is included in SIPEF's third integrated annual report covering financial year 2024. The report now serves as a comprehensive reference, offering a transparent and cohesive view of the Group's activities, performance, results and ambitions.

In 2024, SIPEF once again made significant progress in the area of sustainability. Preparations of the first bio-compressed natural gas (bio-CNG) facility was initiated at the Perlabian estate. Further investments were made in methane capture and the reuse of organic by-products such as EFB and POME, in line with the company's climate strategy.

SIPEF also achieved full traceability of all its palm oil through the updated GeoSIPEF platform, which now includes shipment-specific data and legal documentation for customers. All CPO mills switched to food-grade lubricants, which—together with technical adjustments—led to a noticeable reduction in MOSH/MOAH content.

On the social front, efforts focused on the inclusion of women in operational roles on the plantations, and a dedicated team was established in Papua New Guinea to strengthen local dialogue and community projects.

Finally, 100% of the banana operations in Côte d'Ivoire were certified under Fairtrade, GLOBALG.A.P., and Rainforest Alliance.

Looking forward to 2025

Production

As for 2025, the Group started the year on a strong footing. In the first quarter, Group-wide palm oil production increased in the first quarter by 17.9%, driven by favourable weather and rising maturity across Indonesian estates. CPO extraction rates improved by 9.2% in Papua New Guinea and 1.7% in Indonesia. Crude palm oil prices averaged USD 994 per tonne on MDEX, with total forward sales to date representing 56% of budgeted volumes, at an average realised price of USD 979 per tonne.

In Indonesia, the ongoing maturation of planted areas continues to drive production growth, although yields from younger palms and replanting activities may cause short-term fluctuations. Papua New Guinea remains on a steady recovery path following the 2023 volcanic eruption and with smallholder volumes holding firm. Production is expected to remain solid in 2025, with South Sumatra continuing to outperform and crop volumes broadly tracking seasonal patterns. Efficiency improvements at both field and mill level remain a priority to support stable output through the remainder of the year. The Group therefore remains confident in achieving its full-year CPO production of approximately 430 000 tonnes for 2025, i.e. a projected 15.7% increase, reflecting strong recovery across the Group.

The outlook for palm oil in the second half of 2025 remains broadly positive. While stocks are expected to build with seasonal production, high prices may temper export flows. Domestic demand in Indonesia, supported by the B40 biodiesel programme, continues to absorb supply. Importantly, palm oil has regained price competitiveness, now trading below soya oil in key markets. This shift that may stimulate renewed buying interest amid tightness in other vegetable oil segments.

Banana production so far rose by 4.4% year-on-year, with improving yields at both mature and developing sites. With export contracts secured for the full year, this segment continues to deliver stable and profitable results.

Banana production is expected to remain stable throughout 2025, with mature sites performing consistently and newer plantations like Akoudié and Lumen contributing positively. Despite minor weather-related setbacks at the beginning of the year, overall volumes have been tracking close to seasonal expectations, supported by steady export demand.

Markets

Looking at the market, while fundamentals remain supportive, external factors such as evolving US trade policy merit close monitoring. Although the United States accounts for less than 2.3% of global palm oil demand, potential tariff changes could have a certain impact on sentiment. Looking ahead, trade flows, planting trends and weather patterns will continue to shape market dynamics. Despite possible volatility, palm oil prices still remain within historical ranges, underpinning a balanced outlook for the remainder of 2025.

The banana market remained firm in the first half of 2025, supported by strong European demand and weather-related supply disruptions in key producing regions. While seasonal softening is expected from June, this has been factored into planning. Growing interest in premium-quality bananas continues to support stable pricing, and the segment is on track for another solid year.

Cash Flow and Investment

In 2025, SIPEF will continue to invest in its long-term growth, with over USD 100 million in planned capital expenditure, fully funded by operational cash flow.

Key priorities include the development of 1 454 new hectares in South Sumatra, the ongoing replanting of former rubber estates in North Sumatra and Bengkulu, and continued replanting across mature estates. The Group will also complete mill upgrades, including methane capture systems in Indonesia and infrastructure improvements in Papua New Guinea, alongside new washing facilities to further enhance product quality. These investments are expected to strengthen yields, efficiency and sustainability.

Even with this substantial capital expenditure programme, the projected cash flow comfortably allows for maintaining SIPEF's dividend proposal of EUR 2.00 per share. The Group expects to return to a positive net financial position by year-end, reflecting its disciplined financial management and robust balance sheet.

Conclusion

SIPEF can look forward to another strong performance year. SIPEF's strong start to 2025, supported by higher production, firm selling prices and disciplined cost control, provides a solid foundation for the year. Barring significant external disruptions, the Group expects the recurrent result for 2025 to exceed that of the previous year, with the final outcome largely depending on palm oil market developments.

As announced in the February 2025 press release and 2024 integrated annual report, the Board of Directors proposes to pay a gross dividend of EUR 2.00 for financial year 2024 on 2 July 2025, in line with the 30% payout ratio of previous years. This reflects SIPEF's continued confidence in the future and its ongoing commitment to delivering value to its shareholders.

The shareholders are also humbly requested to grant discharge to the directors and the statutory auditor for the performance of their mandate during financial year 2024. The Board of Directors further proposes the renewal of the mandates of Luc Bertrand as non-executive director for one year and Yu-Leng Khor as independent director for four years.

Lastly, the Board of Directors seeks your approval for the revised remuneration policy, in line with the legal requirement to maintain and review such policies every four years. The current policy expired at the end of 2024 and has undergone a thorough revision. The proposed policy will apply for the financial years 2025 through 2028 and covers directors, including the managing director, as well as the members of the executive committee.

A key update is the introduction of ESG-based performance criteria into the variable remuneration of executive committee members. Under the revised approach, 20% of the variable component will be tied to ESG-related KPIs, with the remaining 80% continuing to depend on the consolidated recurring result before tax, consistent with the previous policy. As before, no variable remuneration will be paid in the event of a negative Group result. The ESG KPIs will be reviewed and set annually by the Board, upon recommendation of the Remuneration Committee, to ensure relevance and alignment with SIPEF's sustainability ambitions.

The revised policy was approved by the Board on 11 February 2025 and is hereby submitted to the General Meeting for your approval.

In closing, we extend our sincere thanks to all employees across the SIPEF group for their hard work and commitment, and to our shareholders for their continued trust. Together, we look forward to building on the achievements of 2024 and to delivering a sustainable and profitable 2025.

Thank you for your attention.