



Press Release

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Interim statement of the SIPEF group
as per 31 March 2026 (3m/26)

SIPEF off to a strong start, with outlook broadly aligned with last year's record performance

- SIPEF has had a strong start to the year, with palm oil production increasing by 7.3% at the end of March, driven by solid performance in both Indonesia and Papua New Guinea, providing a sound foundation for the remainder of the year. Banana production increased by 2.9% compared to last year.
- Palm oil markets remain favourable, with prices at elevated levels. Benchmark crude palm oil (CPO) futures on MDEX increased from around USD 990 per tonne at the start of the quarter to USD 1 069 per tonne by March, supported by geopolitical factors and changing biodiesel mandates.
- Over the year, palm oil production is expected to be around 470 000 tonnes, in line with the Group's earlier guidance, subject to weather conditions. Benefiting from favourable palm oil markets, SIPEF has secured 44% (compared to 38% in 2025) of its projected volumes at an average ex-mill gate price of USD 1 046 per tonne (compared to USD 1 030 per tonne in 2025).
- The Group expects its recurrent net profit (Group share) in 2026 to be broadly in line with the record recurrent results of 2025, supported by solid production performance and a favourable pricing environment, despite continued pressure from rising input costs related to fertilisers and energy.
- Papua New Guinea continues its recovery from the volcanic eruption in 2023, with the Group's own estates expected to perform well.
- A coalition of partners launched a sustainable landscape development initiative in Mukomuko, Indonesia.
- SIPEF and Borneo Futures, a Brunei based scientific consultancy company, strengthened biodiversity monitoring through a community-driven citizen science programme in Indonesia.

Petra Meekers, managing director

“We have had a strong start to the year, with solid production growth across Indonesia and Papua New Guinea, confirming the positive momentum in our operations. South Sumatra continues to emerge as a key growth driver, while Papua New Guinea is showing a clear recovery. At the same time, we remain mindful of evolving weather patterns and cost pressures. Our focus remains on disciplined execution, operational efficiency, and further strengthening our production base, positioning SIPEF well for the remainder of the year.”

Bart Cambré, chief financial officer

“The current pricing remains favourable, and we have already locked in a significant share of our volumes at attractive prices. Alongside a strong start to the year in production, this underpins our expectation that SIPEF will deliver a solid financial performance in 2026, broadly in line with the record results achieved in 2025. We continue to closely monitor input-cost inflation and market developments, while maintaining a disciplined approach to capital allocation and cost management.”

Interim management report

1. Group production

Group production									
2026 (in tonnes)	Own	Third parties	Q1/26	YoY%	Own	Third parties	YTD Q1/26	YoY%	
	Palm oil	82 335	18 543	100 878	7.3%	82 335	18 543	100 878	7.3%
Bananas	14 919	0	14 919	2.9%	14 919	0	14 919	2.9%	
2025 (in tonnes)	Own	Third parties	Q1/25		Own	Third parties	YTD Q1/25		
	Palm oil	76 548	17 475	94 024		76 548	17 475	94 024	
Bananas	14 496	0	14 496		14 496	0	14 496		

The SIPEF group recorded a 5.4% increase in total fresh fruit bunch (FFB) production compared to the first quarter of 2025, reflecting a solid start to 2026. This growth was supported by both Indonesia and Papua New Guinea, where volumes increased by 3.2% and 9.7% respectively, with Papua New Guinea continuing its recovery following the 2023 volcanic eruption. South Sumatra once again stood out, with own production increasing by 19.9% and plasma volumes rising by 45.0%, reflecting the continued maturing of hectares and the growing contribution from South Sumatra production.

In Indonesia, overall FFB production increased by 3.2% compared to last year, with performance varying across regions. In North Sumatra, FFB production showed a mixed trend, with Tolan Tiga delivering a solid performance supported by improved bunch availability (+3.0%), while the Umbul Mas Wisesa group (-10.0%) faced pressure due to lower bunch formation following earlier dry conditions and a reduction in mature hectareage as a result of ongoing replanting. Rainfall levels remained below historical averages, particularly in the early part of the year, indicating a potential transition towards drier conditions.

In Bengkulu, FFB production remained in line with expectations, although volumes were 8.2% below last year, mainly reflecting the ongoing replanting programme across parts of the estates (of which 23.4% is immature). Crop conditions benefited from favourable weather patterns in late 2025, supporting stable field performance during the first quarter.

In South Sumatra, production continued to develop strongly, with FFB volumes increasing significantly compared to the first quarter of 2025. Own production increased by 19.9%, supported by improving crop conditions, higher bunch availability, and the continued maturing of planted areas. In addition, plasma volumes rose by 45.0%, reflecting the growing contribution from the smallholder base as more hectares come into production. Rainfall was sufficiently distributed to support crop development and harvesting conditions. These positive trends underline the continued ramp-up of the region following the planting phases, with South Sumatra increasingly contributing to the Group's overall production profile. Overall performance confirms the strong underlying momentum of the region.

Crude palm oil (CPO) production in Indonesia amounted to 64 193 tonnes, representing an increase of 7.3% compared to the first quarter of 2025, supported by higher FFB volumes and improved mill performance. Operations in Indonesia recorded an average oil extraction rate (OER) of 23.5%, reflecting stable operational execution across the mills. Oil extraction rates continued to improve following the upgrade programmes implemented across the operations. In North Sumatra, the Umbul Mas Wisesa mill recorded an increase of 4.9% compared to 2025, while Tolan Tiga mills improved by 3.9%, reflecting enhanced processing efficiency. In Bengkulu, mill performance also showed strong progress, with the OER increasing by 5.6%, supported by continued optimisation of processes and strong operational control. In South Sumatra, CPO production continued to grow strongly, with own production increasing by 22.3% compared to the first quarter of last year, supported by higher FFB intake and the continued maturing of planted areas. Oil extraction rates also improved by 1.9% year-on-year, reflecting gradual enhancements in crop quality and mill performance as the estates continue to develop.

In Papua New Guinea, FFB production continued to perform strongly in the first quarter of 2026, increasing by 9.7% compared to last year, supported by above-average rainfall earlier in the season and the ongoing recovery following the 2023 volcanic eruption. Growth was primarily driven by own plantation production (+15.0% year-on-year), while smallholder volumes remained stable (+2.0%). Performance was consistent across most estates, with only Ibana impacted by ongoing replanting activities.

Crude palm oil (CPO) production in Papua New Guinea increased by 7.3% compared to the first quarter of last year, reflecting the higher FFB intake. Oil extraction rates were 2.2% lower than last year, reflecting some pressure from crop quality and evacuation delays linked to wetter conditions. Nevertheless, mill operations are stabilising, with ongoing wet weather patterns to ease, which will support extraction performance and production in the coming months.

Banana production amounted to 14 919 tonnes, representing a 2.9% increase compared to last year. Performance varied across sites, with strong growth at Akoudié (+32.6%) and Agboville (+24.4%), while Motobé (-36.4%) and Lumen (-13.5%) weighed on overall output. At Lumen, yields are starting to adjust towards going concern and expected levels, while at Motobé performance was impacted by agronomical challenges. The required irrigation systems have been installed to support recovery and further improve production going forward.

2. Markets

Average market prices		YTD Q1/26	YTD Q1/25	YTD Q4/25
<i>In USD/tonne</i>				
CPO	MDEX Malaysia*	1 069	994	990
CPKO	CIF Rotterdam**	2 008	1 868	1 866
Bananas	CFR Europe***	822	881	852

** Bursa Malaysia Derivatives Exchange price data*
*** Oil World price data*
**** CIRAD Price Data (in EUR)*

The first quarter of 2026 began with high stock levels in Malaysia and a relatively balanced supply situation in Indonesia. Prices were initially stable, but in the lead-up to the Price Outlook Conference in Malaysia, markets trended upward. This was driven by expectations of increasing biodiesel mandates and strong export demand, supported by the favourable price spread versus soybean oil.

Despite a brief setback in February, following the Indonesian government's announcement to delay the implementation of the B50 blending mandate, the market quickly rebounded. Prices spiked after the outbreak of the conflict in Iran, with petroleum, gasoil, and bunker fuel prices surging by more than 50%. Vegetable oil prices followed more moderately, influenced by a combination of factors: a significantly improved biodiesel spread and hedging environment, softer import demand due to adequate stocks, and record soybean production in South America.

By March it became increasingly clear that many countries were moving toward higher biodiesel mandates. This trend was reinforced by sharply rising global gasoil prices, exacerbated by the closure of the Strait of Hormuz, which made blending vegetable oils more economically attractive. Indonesia, Malaysia, Thailand, and Brazil all increased their mandates, with Indonesia reversing its earlier delay. In addition, the United States (U.S.) finalised its biodiesel blending mandates for 2026 and 2027 as expected. The higher targets are likely to increase U.S. imports of vegetable oils to meet domestic food demand.

Benchmark CPO futures on Bursa Malaysia Derivatives (MDEX) opened the quarter at around USD 1 000 per tonne and rallied to USD 1 100–1 200 per tonne by March. Palm kernel oil (PKO) continued to see strong demand, despite expectations of lower coconut oil prices due to improved production. Lauric oil demand remained robust — particularly for PKO — while stocks stayed tightly balanced. Prices for PKO hovered between USD 1 900 and USD 2 100 per tonne on the Rotterdam market.

3. Prospects

3.1. Projected production

In Indonesia, the outlook for the coming months is expected to remain in line with expectations or slightly below, mainly reflecting lower bunch availability following the mid-2025 dry period. Regionally, North Sumatra and South Sumatra may see a slower production, while Bengkulu is anticipated to perform in line with expectations, supported by improving crop conditions and stronger bunch weights.

Overall, despite some short-term pressure, the underlying trend points to a progressive recovery in crop performance, subject to rainfall conditions. Following a solid first quarter, production momentum in Indonesia is expected to continue into the second quarter, supported by stable estate performance and favourable crop conditions, particularly at mature plantations.

In Papua New Guinea, the strong crop performance observed in the first quarter is expected to continue. While some estates may experience a lower production, overall volumes are expected to remain supported by steady performance across operations. Although weather-related disruptions and logistical constraints may temporarily affect crop evacuation and extraction performance, the underlying crop remains robust, with production expected to remain broadly in line with current strong performance once the wet conditions normalise.

In the banana segment, production is expected to recover in the second quarter, with volumes projected to increase compared to last year, supported by improved flowering levels and favourable crop conditions. While first-quarter production was below initial expectations due to agronomical conditions, ongoing improvements at key sites and supportive weather conditions are expected to contribute to a gradual recovery in the coming months.

Regarding annual palm oil production, the Group remains confident in achieving its full-year CPO production of approximately 470 000 tonnes, reflecting continued growth.

3.2. Future evolution of markets

The conflict in Iran is clearly the dominant factor influencing the markets. Elevated energy prices are having both direct and indirect effects. The most immediate impact is on biodiesel: the sharp rise in gasoil prices, combined with tighter availability (particularly in Asia), has prompted governments to increase biodiesel mandates. This, in turn, is likely to reduce the volume of palm oil available for export.

Shipping markets have also been affected by the significant increase in marine fuel costs, as well as higher inland transportation expenses. Fertiliser prices have risen sharply, as the Middle East is a key producer and the conflict is disrupting exports. At the same time, the war is weighing on the global economy and creating considerable uncertainty. Its duration and outcome will therefore play a decisive role in determining the direction of the palm oil market.

Despite these uncertainties, the underlying fundamentals for palm oil remain supportive. Growth in Malaysia and Indonesia is expected to be minimal, while lower stock levels and robust demand should keep the market tight for the remainder of the year. The extent to which biodiesel mandates are effectively implemented will ultimately determine how much palm oil is available for export.

Looking ahead to the upcoming crop cycles, there are expectations of a shift toward crops requiring less fertiliser and offering higher oil yields. Where possible, this may lead to modest acreage shifts from grains to

oilseeds and, within oilseeds, a preference for higher oil-content crops, such as sunflower and rapeseed. However, the scope for such changes is limited, particularly given the late stage in the planting cycle.

Overall, the conflict in Iran will continue to play a decisive role in shaping market performance in the short to medium term. Nevertheless, the fundamental outlook continues to be strong. SIPEF remains confident in a sustained high-price environment going forward.

Banana demand in Europe remained broadly stable in the first quarter of 2026, although slightly below the stronger levels of previous years. Consumption continued to benefit from the affordability of bananas despite pressure on household purchasing power, although demand was softer in the post-holiday period, particularly in Northern Europe. Prices remained relatively firm in January and February but saw some pressure due to higher supply from Latin America and cautious purchasing behaviour from distributors. The Group expects the usual seasonal softening in demand and prices from June onwards. Ongoing volatility in transport and energy costs will play a role in margins.

3.3. Projected results

As the favourable pricing environment for palm oil continues, SIPEF has secured 44% of its projected volumes at an average ex-mill gate price of USD 1 046 per tonne, including sustainability and origin premiums. This is broadly consistent with the position at the same stage last year, when 38% of volumes had been contracted at an average price of USD 1 030 per tonne.

In Papua New Guinea, sales are largely secured, with 84% of the expected volumes realised at an average ex-mill gate price of USD 1 166 per tonne. In Indonesia, 26% of forecast volumes have been sold at an average price of USD 885 per tonne, including premiums. Pricing in Indonesia continues to be influenced by the monthly sales mechanism and the prevailing export tax and levy regime, currently amounting to approximately USD 196 per tonne, which weighs on net realisations.

At the beginning of 2026, the Group is seeing a gradual increase in input costs due to the changing and uncertain times, particularly for fertilisers and energy, which is translating into higher production and logistics expenses. The evolution of these costs remains closely linked to geopolitical developments, notably the situation in the Middle East, which continues to exert upward pressure and may potentially lead to tighter availability of certain inputs across the supply chain. In addition, recently maturing estates in the South Sumatra group, as well as the rubber conversion areas in Bandar Sumatra and Agro Muko, are expected to increase production costs during the year, as these young plantings already carry a full cost base while still contributing only limited volumes at this stage. At the same time, the year has started with strong production volumes, benefiting from improved operational efficiency.

The Group continues to monitor currency developments, particularly the USD against the Indonesian rupiah (IDR) and the Papua New Guinea kina (PGK). Both currencies have weakened against the USD in the early months of the year. While certain key inputs such as fertiliser, fuel, and international transport are becoming more expensive, this currency movement may partly offset cost increases by reducing USD-denominated local expenses, including labour and domestic transport. Inflationary pressures remain a factor, particularly in the context of tighter monetary conditions in certain markets. As the estates in South Sumatra continue to mature, absolute cost levels will increase; however, higher yields are expected to support further reductions in unit production costs over time.

In the banana segment, SIPEF continues to market volumes through annual fixed-price contracts, providing stability in a volatile market environment. Demand in Europe remained broadly stable in the first quarter, while regional markets continue to develop. At the same time, rising input costs, particularly for fertilisers and

energy, continue to exert pressure on margins. Overall, the Group expects the banana business to remain stable in 2026, subject to market conditions and cost developments.

The Group's strong start to the year, supported by higher production levels, firm selling prices and favourable currency effects, provides a solid foundation for the 2026 financial year, despite continued pressure from rising input costs. Based on current market conditions, SIPEF expects its recurrent result for 2026 to be broadly in line with the record results achieved in 2025, subject to market developments.

The outcome will depend on the evolution of key external factors, including palm oil prices, input costs, and production levels — pending weather conditions — throughout the remainder of the year.

3.4. Cash flow and expansion

In 2026, capital expenditure will primarily be directed towards completing the development of the remaining 706 hectares in South Sumatra, including the associated infrastructure required to bring these areas into full production. The conversion of 2 437 hectares of former rubber estates in North Sumatra and Bengkulu is approaching completion, with additional areas reaching maturity and contributing to FFB production during the year.

Beyond these projects, the Group will continue its regular replanting programmes, covering 12 547 immature hectares across Indonesia, Papua New Guinea, and Côte d'Ivoire, alongside ongoing investments in the maintenance and upgrading of equipment and milling capacity.

Targeted investments aimed at long-term value creation will remain focused on innovation, sustainability, and operational performance, with particular attention to the production of high-quality, low-contaminant oils. These initiatives, representing more than USD 18.8 million in 2026, include the construction of two new CPO washing plants, two additional biogas facilities, and further enhancements to existing biogas installations, as well as other projects related to quality improvement and sustainability. These developments also support the future expansion of bio-compressed natural gas (bio-CNG) production.

In parallel, the Group has initiated the design phase of a palm kernel crushing plant in Bengkulu, reflecting the increasing availability of kernels and the ambition to further integrate the value chain. In Côte d'Ivoire, the expansion of Plantations J. Eglin continues with the planted area expected to reach 1 291 hectares. Certain plots will be temporarily left fallow to enhance soil quality prior to replanting. Additional investments will also be made in plantation infrastructure and in the digitisation of the banana supply chain.

The overall investment programme, estimated between USD 100 million and USD 120 million, is expected to be fully financed through operational cash flow, while maintaining sufficient headroom for the increased dividend proposal. As a result, the net financial position at the end of 2026 is expected to remain strong and improve further compared to the level reported at the end of 2025.

4. Sustainability

4.1. A coalition of partners launched landscape-level sustainability initiative in Mukomuko

The Mukomuko Regional Government in Indonesia, together with SIPEF, Arconesia, and the High Conservation Value Network (HCVN), has launched a new partnership to support more sustainable land use across the district. The initiative brings together government, communities, and industry to better align development with the protection of forests and natural resources.

The programme builds on recent joint discussions and field insights and focuses on practical steps to improve land-use planning, support local livelihoods, and strengthen long-term resilience. While still at an early stage, it has already brought together 22 stakeholders, including local and provincial authorities, universities, and community representatives, to shape the next phase of the initiative.

4.2. SIPEF and Borneo Futures strengthen biodiversity monitoring through community-driven citizen science programme

SIPEF, in partnership with Borneo Futures, a Brunei based scientific consultancy company, is engaging employees and local communities in a citizen science programme to monitor biodiversity across its plantation landscapes in Indonesia. The initiative combines local knowledge with practical field observations to strengthen how biodiversity is identified and managed on the ground.

Since its launch in late 2025, the programme has generated over 8 000 wildlife observations, including nine endangered species, providing valuable insights for more transparent and data-driven environmental management. Supported by digital tools and targeted training, the initiative also strengthens local engagement and awareness, embedding sustainability more deeply into daily operations.

5. SIPEF group Integrated Annual Report (IAR) 2025

SIPEF will publish its IAR covering the 2025 financial year in accordance with the Corporate Sustainability Reporting Directive (CSRD), by the end of this month.

Translation: this press release is available in Dutch and English. The Dutch version is the original; the other language version is a free translation. We have made every reasonable effort to avoid any discrepancies between the different language versions. However, should such discrepancies exist, the Dutch version will take precedence.

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SIPEF is a Belgian agribusiness group listed on Euronext Brussels, specialising in the production of high-quality, sustainable, and traceable palm products and bananas. These labour-intensive activities are consolidated in Indonesia, Papua New Guinea, and Côte d'Ivoire, and are characterised by broad stakeholder involvement, which supports the long-term sustainability of the Group's investments.