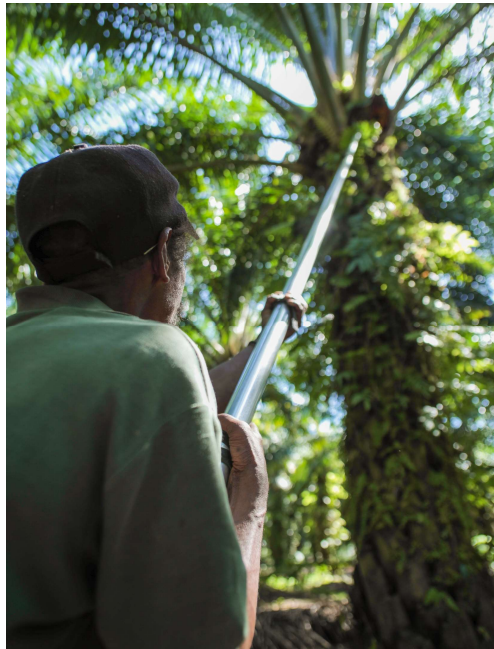




SIPEF

Analyst presentation
February 17, 2022



The Connection to the world of Sustainable Tropical Agriculture



Summary



SIPEF group - Company profile



SIPEF group - Palm oil in the world



SIPEF group - Production & prices



SIPEF group – Financial performance



SIPEF group - Prospects

The Connection to the world of Sustainable Tropical Agriculture



SIPEF group – Company profile

The Connection to the world of Sustainable Tropical Agriculture



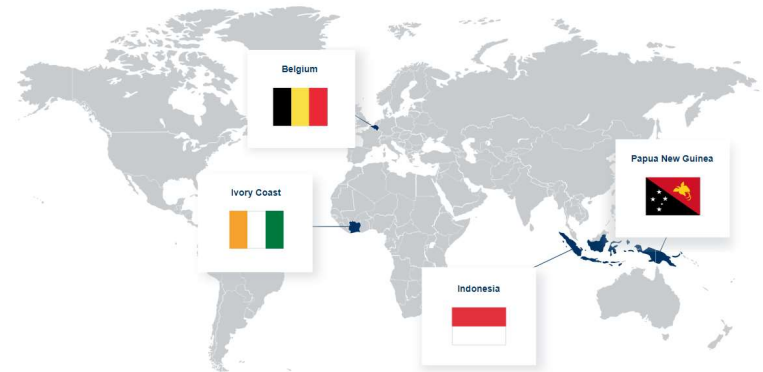
Agriculture

- 1st segment of the supply chain – commodities in continuous crops:
 - Palm oil (96% Ha)
 - Bananas (1% Ha)



Tropical

- Indonesia (82% Ha)
- Papua New Guinea (17% Ha)
- Ivory Coast (1% Ha)



Sustainable

- Audited certifications

Connection

- Publicly quoted



SIPEF group – Company profile
Worldwide



SIPEF group – Company profile

Indonesia



SIPEF group – Company profile
Papua New Guinea



SIPEF group – Company profile

Planted hectares summary 100% – 31 December 2021

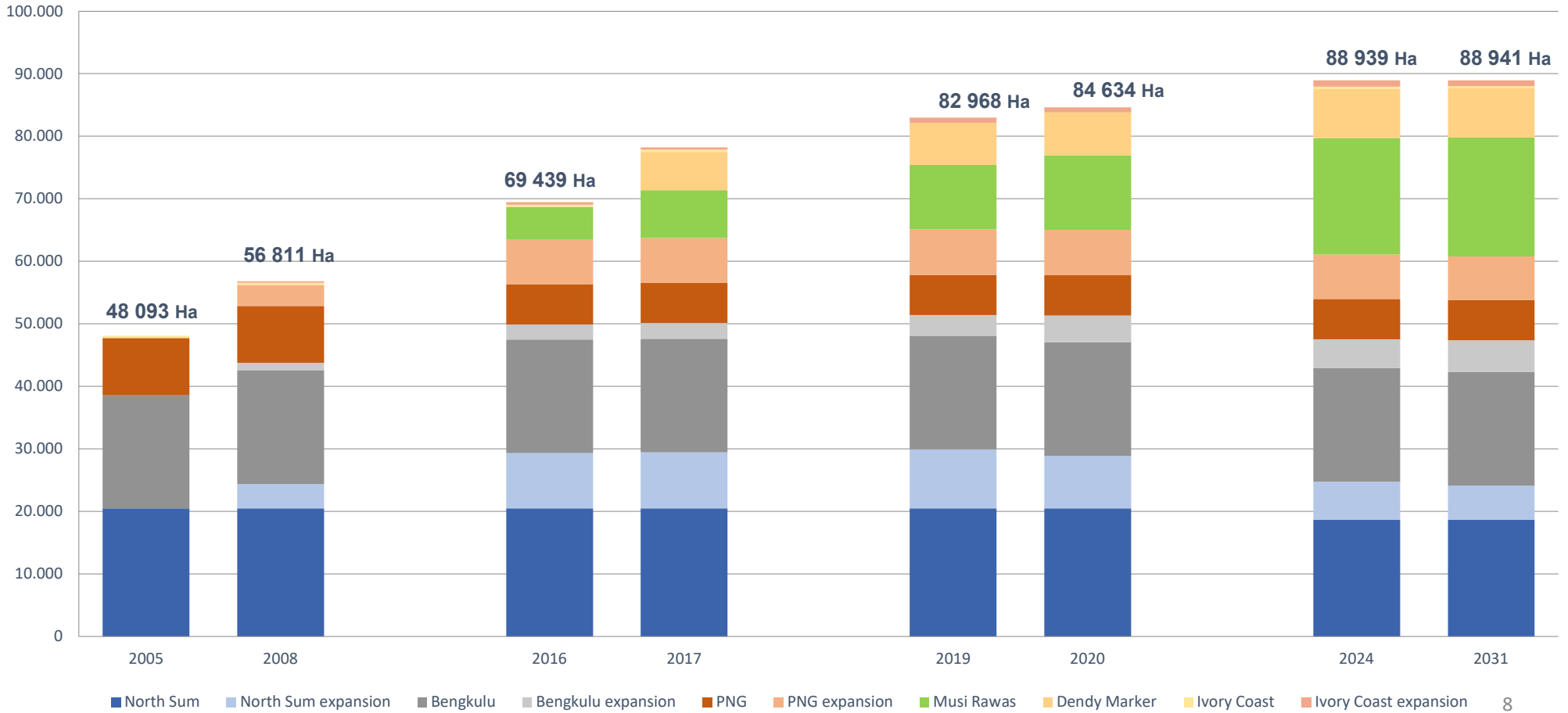


| 2021 | Indonesia | PNG | Ivory Coast | Hectares 100% | % of total | Group share | % of total |
|----------------------|---------------|---------------|-------------|------------------|-------------|----------------|------------|
| Palm | 63.429 | 13.262 | 0 | 76.691 | 97% | 71.328 | 96% |
| Rubber | 1.954 | 0 | 0 | 1.954 | 2% | 1.763 | 2% |
| Tea | 0 | 0 | 0 | 0 | 0% | 0 | 0% |
| Bananas | 0 | 0 | 794 | 794 | 1% | 794 | 1% |
| Other | 0 | 0 | 31 | 31 | 0% | 31 | 0% |
| Total planted | 65.383 | 13.262 | 825 | 79.470 | 100% | 73.916 | 93% |
| % of total | 82% | 17% | 1% | 100% | | | |
| Group share | 59.829 | 13.262 | 825 | | | | |

SIPEF group – Company profile
Increase in own total planted hectares (100%)



Mature + immature (incl. hectares PT TD)



SIPEF group – Company profile

Total supply bases – mature palm



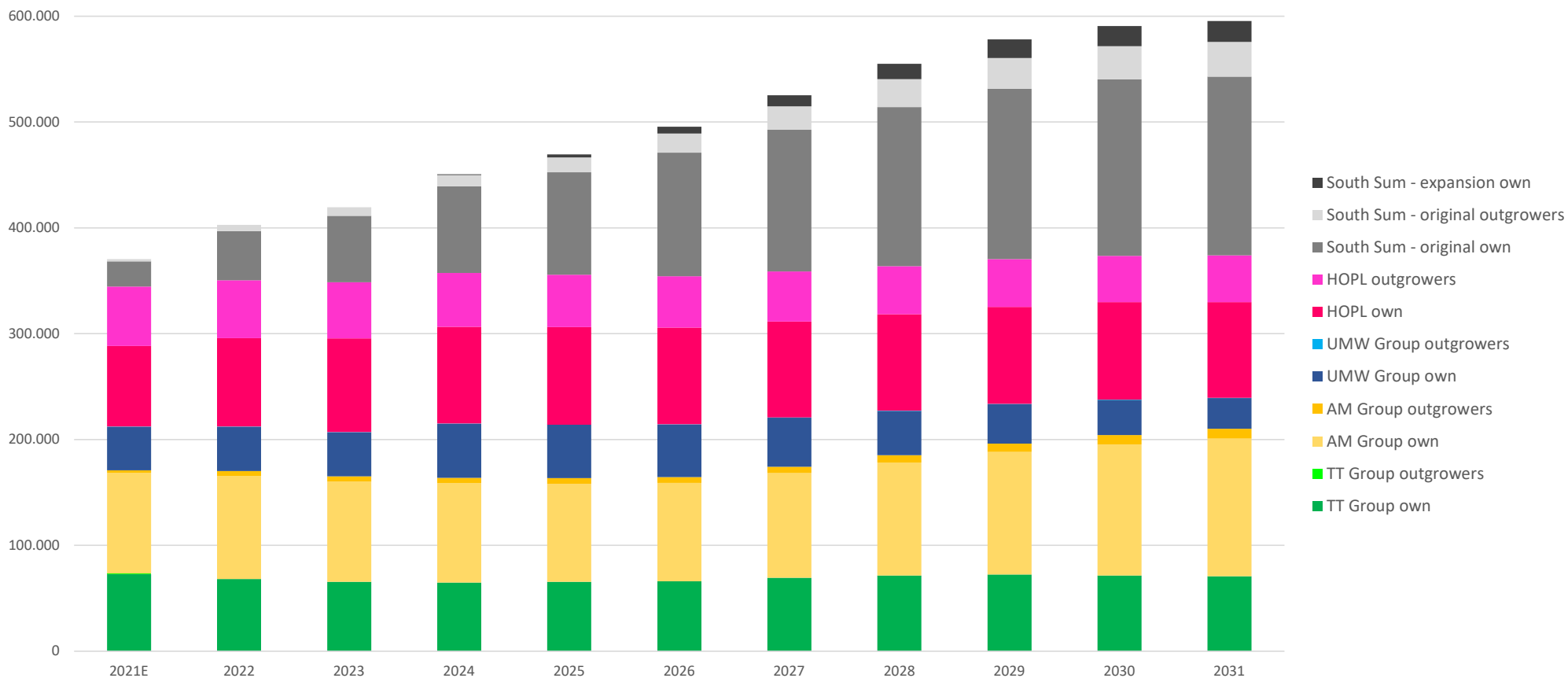
Total supply base area - palm



SIPEF group – Company profile
CPO production LTBP 2020 - 2031



CPO production - own + outgrowers





Summary



SIPEF group - Company profile



SIPEF group - Palm oil in the world



SIPEF group - Production & prices



SIPEF group – Financial performance



SIPEF group - Prospects

The Connection to the world of Sustainable Tropical Agriculture

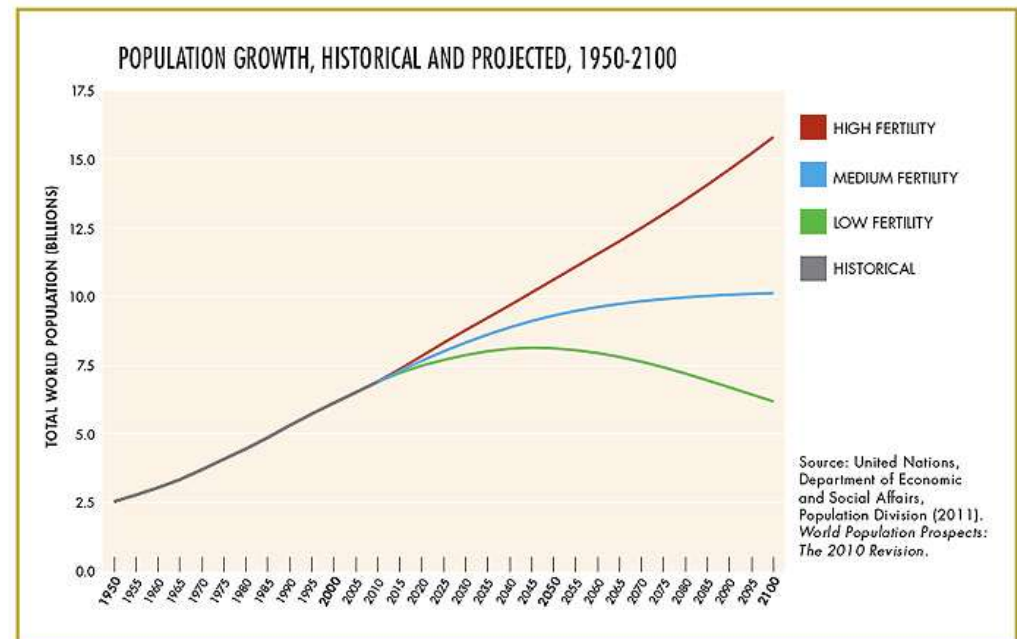


SIPEF group – Palm oil in the world

Palm oil in the world - Population growth



- In the coming 40 years, mankind will have to produce more food than in the previous 10 000 years put together
- Population growth will have a huge impact on future food demands
- Rising middle class is causing diet changes in developing countries
- Agricultural land is increasingly becoming scarcer

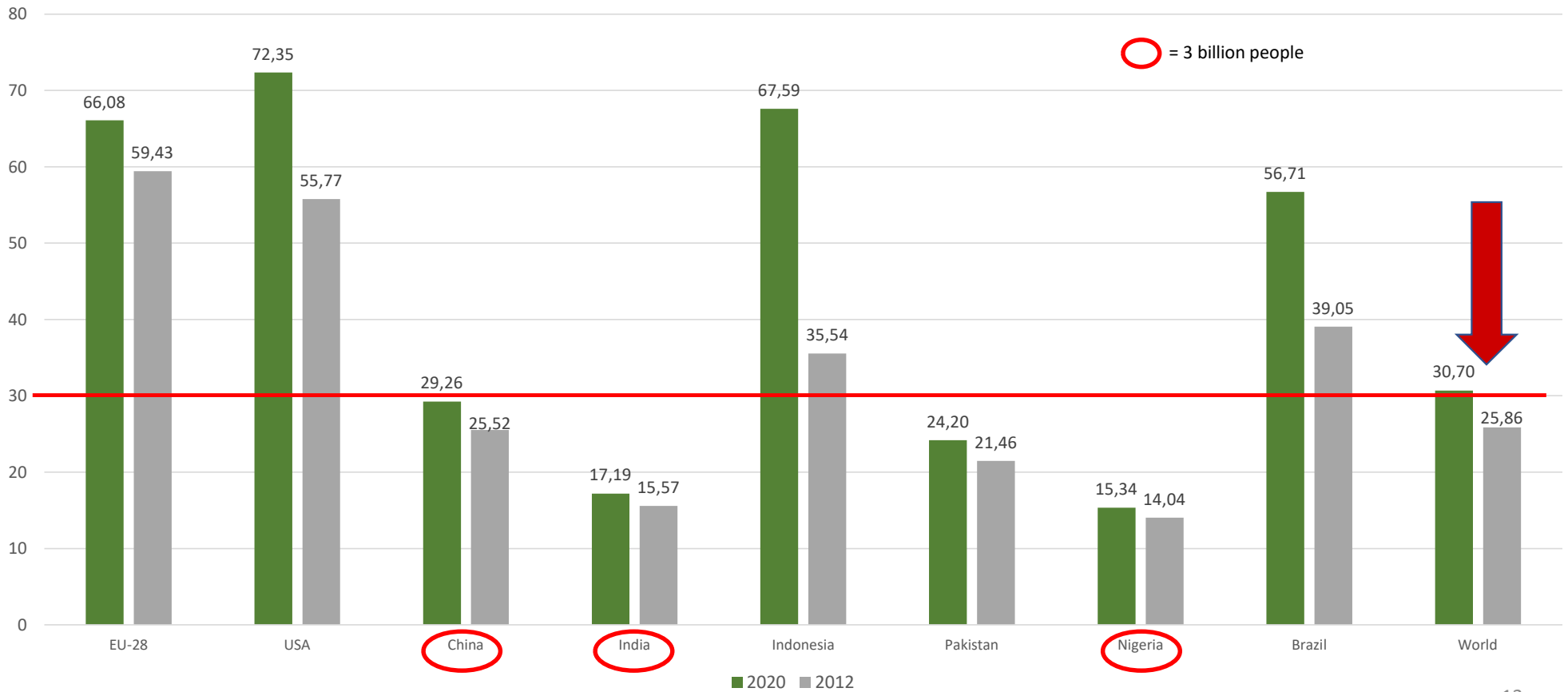


SIPEF group – Palm oil in the world
Oil and fat consumption



Oil and fat per capita consumption (in Kg)

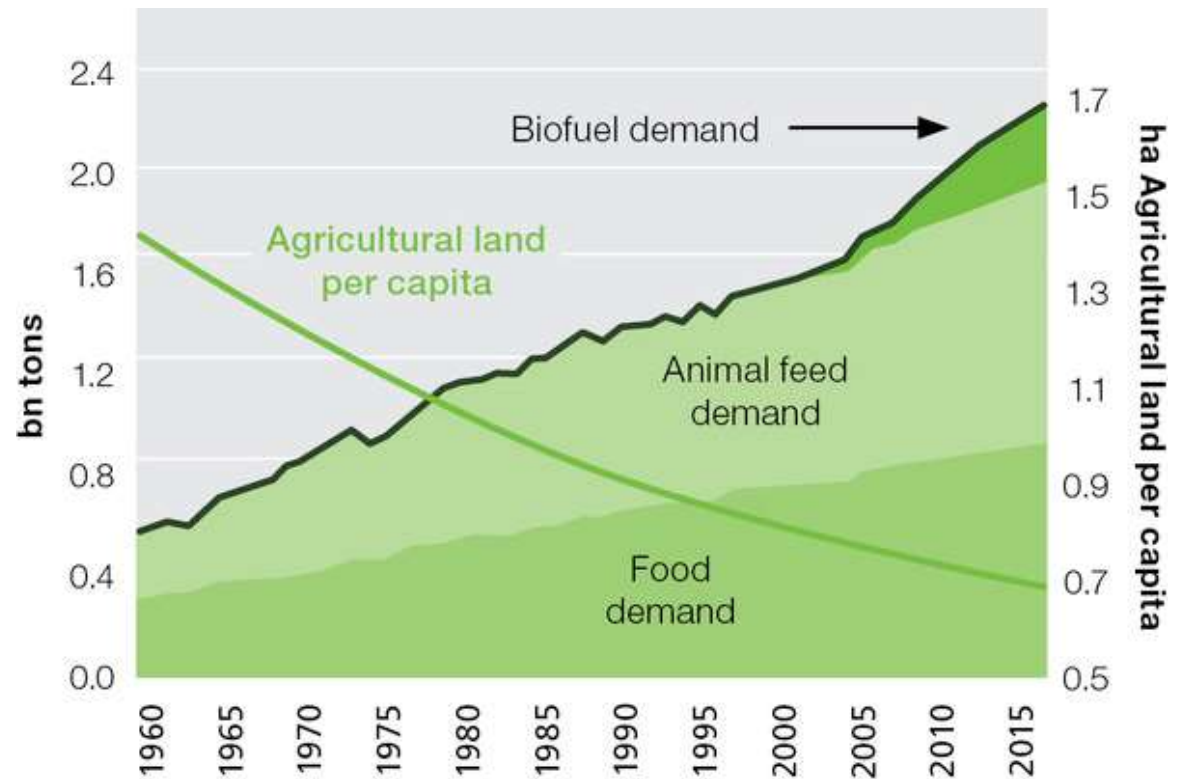
Source: Oilworld



SIPEF group – Palm oil in the world
Palm oil in the world - Land input

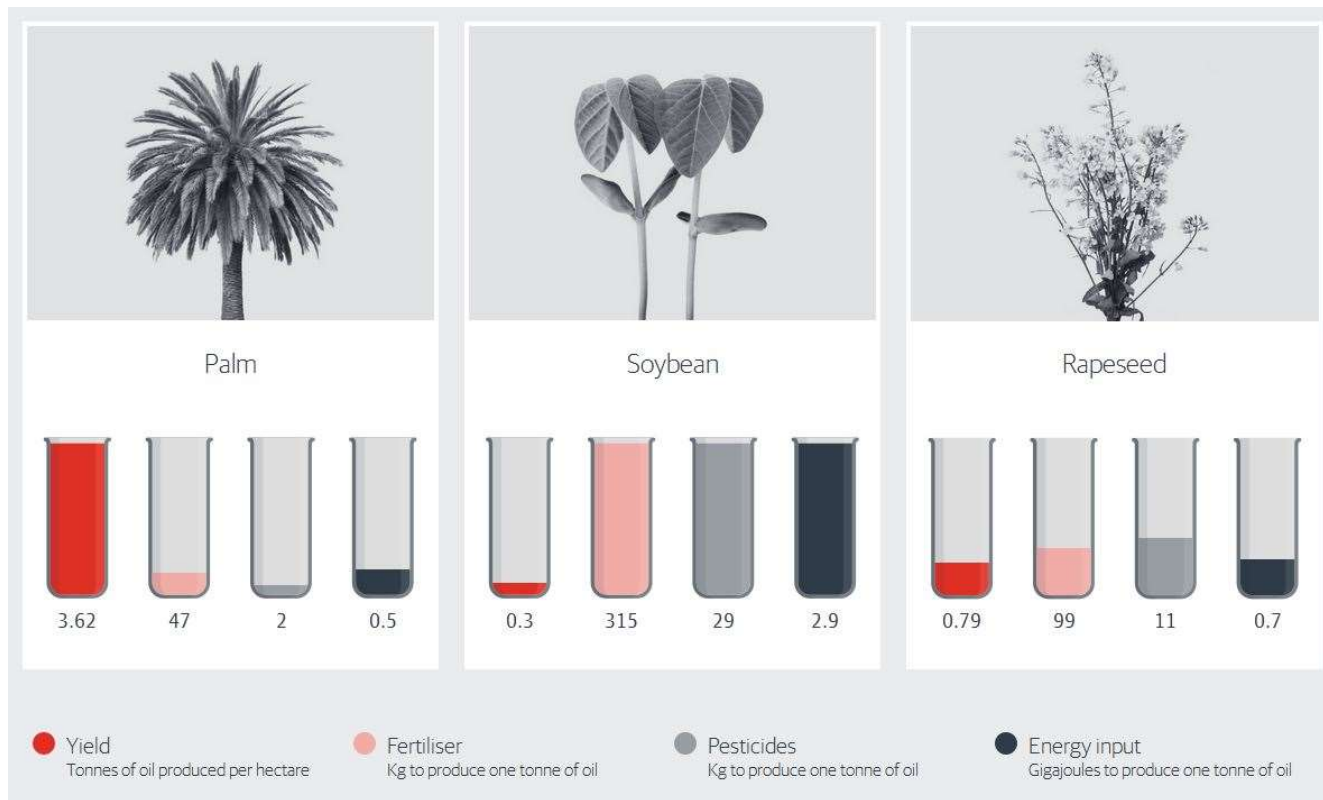


- Increased demand for meat/fat/processed foods
- Increased demand for biofuel
- Decreasing Agricultural land per capita
- Disposable income growth in developing countries



SIPEF group – Palm oil in the world
Palm oil in the world - Comparison to other oils

Resources used per vegetable oil:

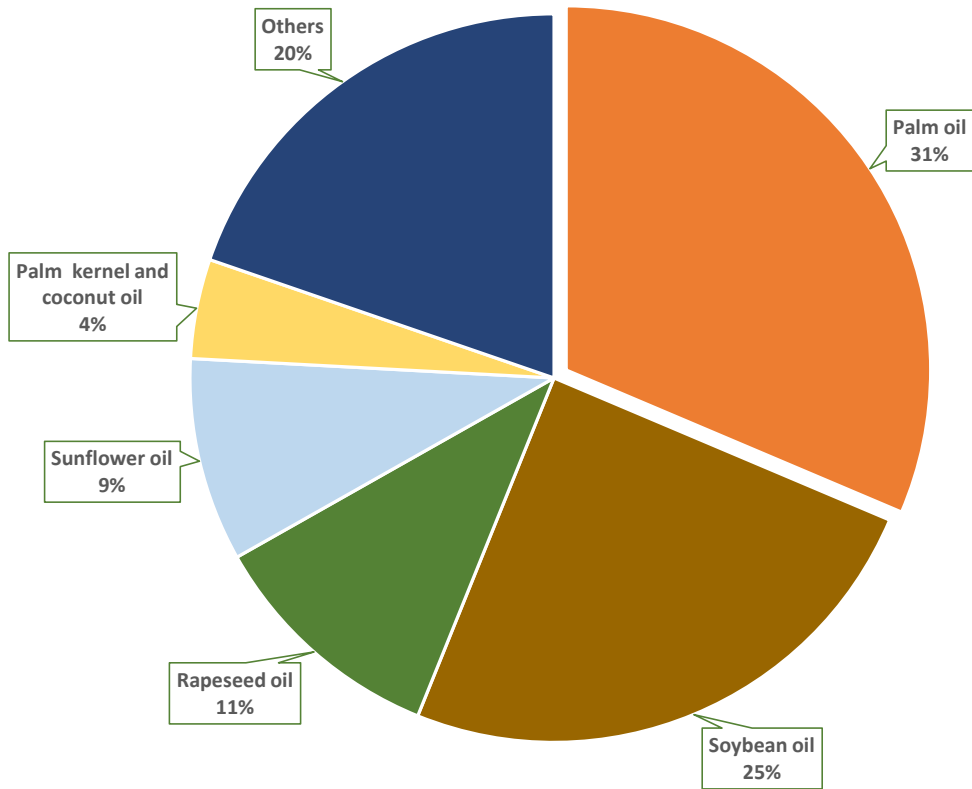


SIPEF group – Palm oil in the world
Palm oil in the world - Vegetable oils

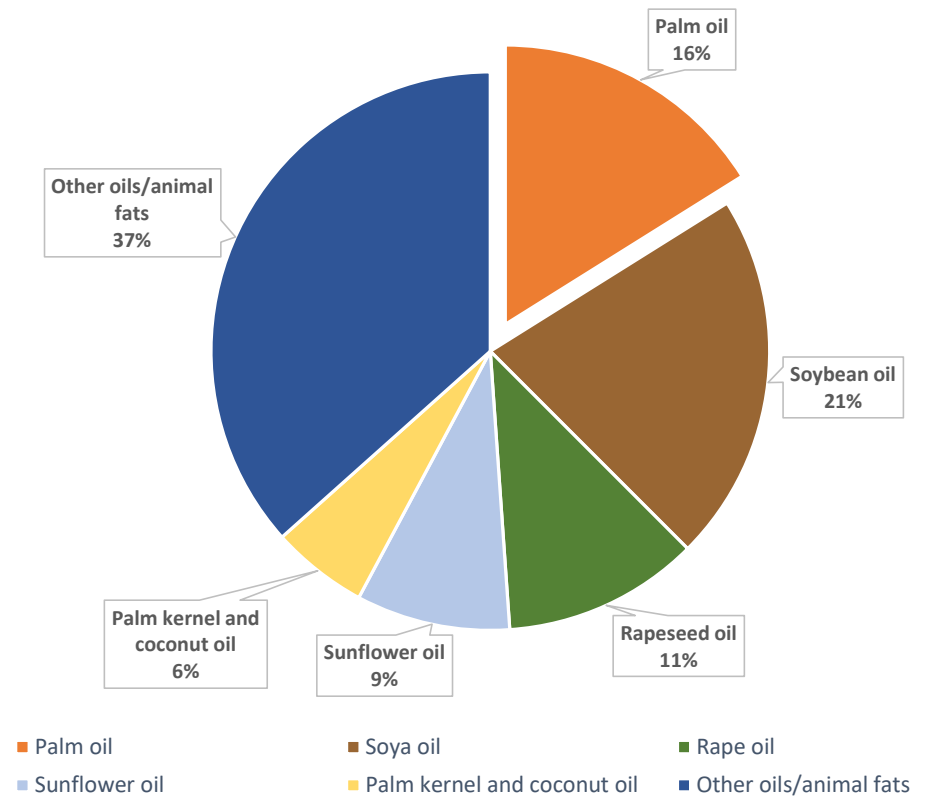


Source: Oilworld

2020 : 236,0 million Ton



1994/95: 93,1 million tonnes



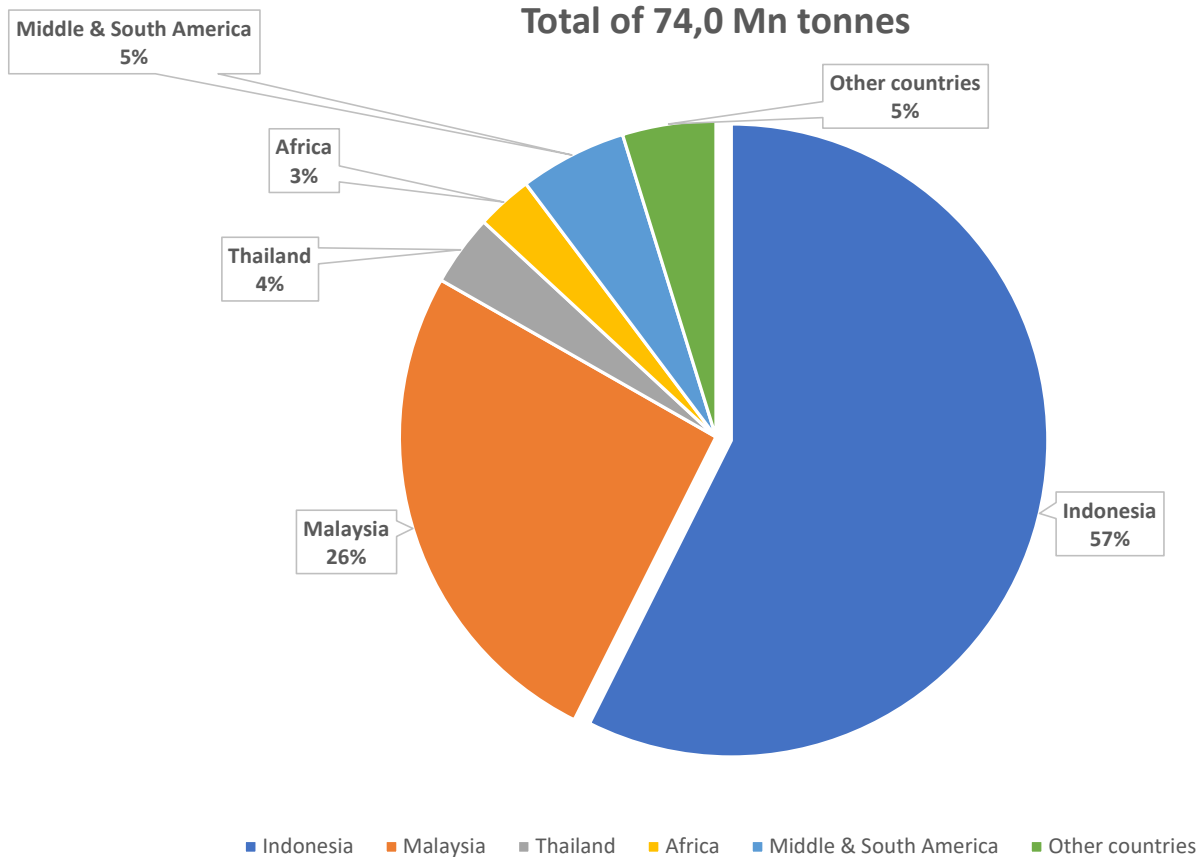
- Palm oil
- Soya oil
- Rape oil
- Sunflower oil
- Palm kernel and coconut oil
- Other oils/animal fats

SIPEF group – Palm oil in the world
Palm oil in the world - Palm oil production



2020 Palm oil production
Total of 74,0 Mn tonnes

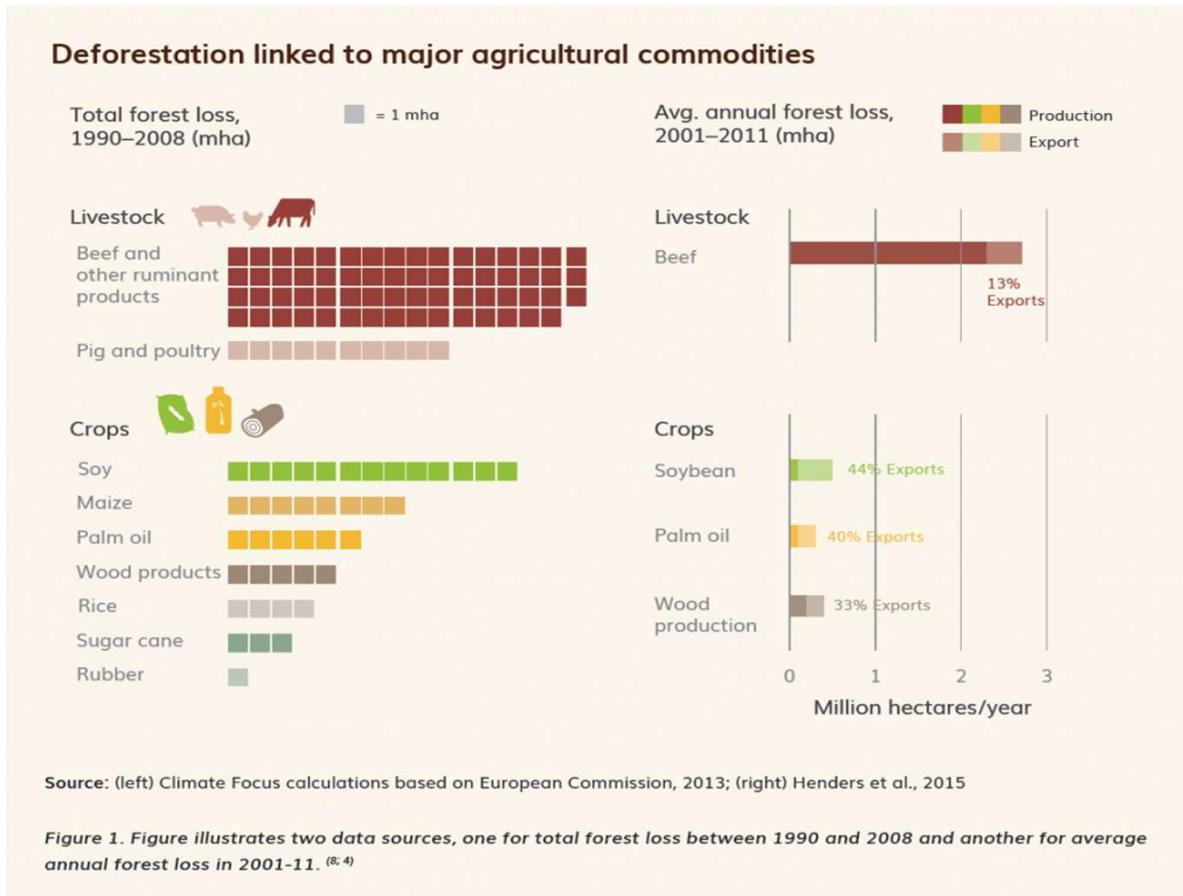
Source: Oilworld



- **Palm oil remains confronted with a European perception problem based on**
 - Health issues
 - No fat <-> moderate use of saturated fat
 - Saturated fats – only 50% saturated and no transfats
 - Environmental issues
 - Deforestation – most efficient vegetable oil/hectare of land
 - Sustainable Development Goals – Palm Oil covers the majority of it!

SIPEF group – Palm oil in the world

Palm oil in the world - Sources for deforestation



SIPEF group – Palm oil in the world
Palm oil in the world – Commodity commitment

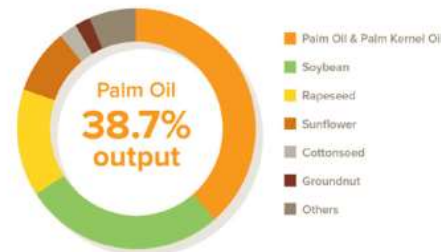
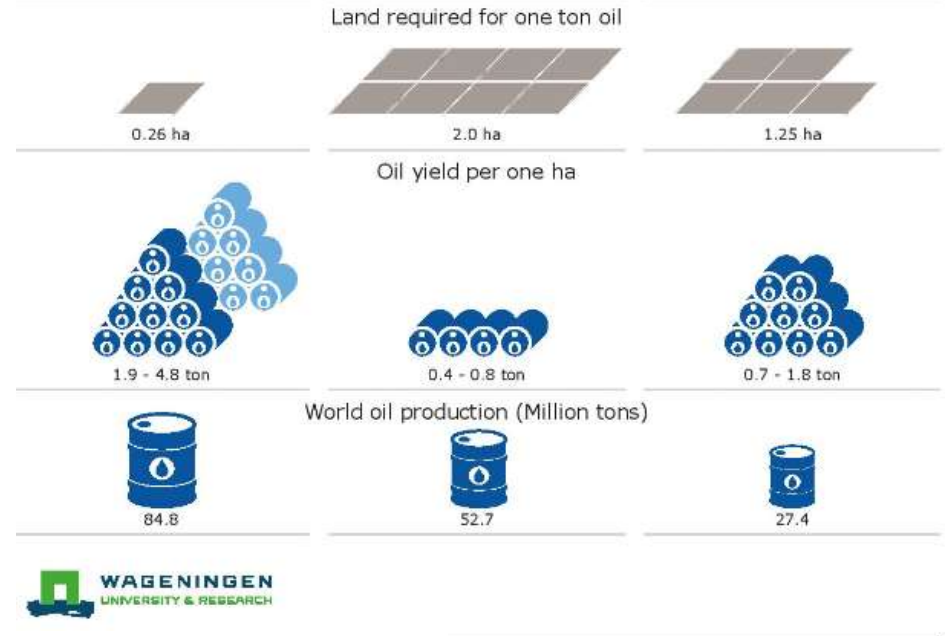
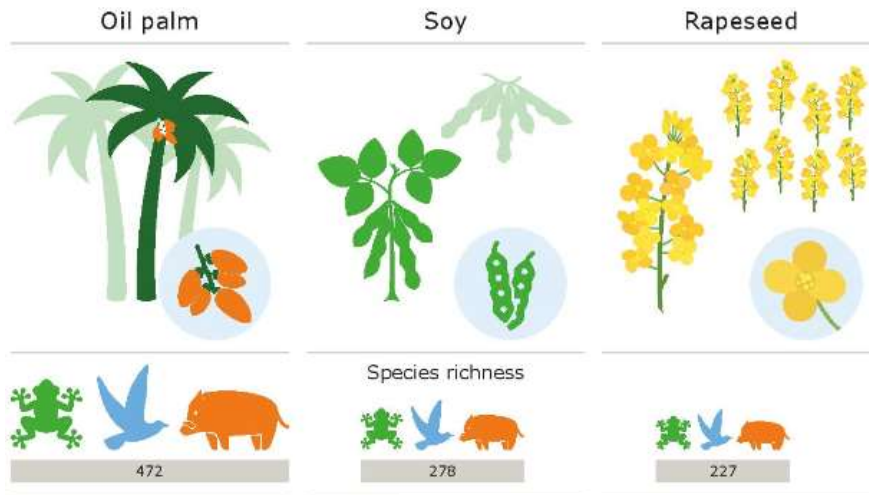


SIPEF group – Palm oil in the world

The oil palm controversy

The oil palm controversy

The three main oil crops compared. Oil palm, with harvest cycles of about 25 years, is grown in areas with many plant and animal species, many of which are endangered, but with some living in oil palm trees. The oil yields are large. Oil production by annual crops such as soy and rapeseed requires much more land and harbours few other species.



SIPEF group – Palm oil in the world
Palm oil in the world - Sustainable palm oil



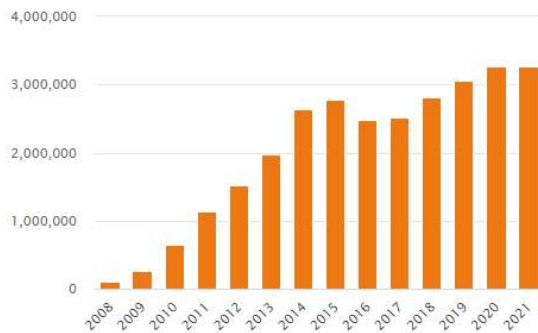
Less than 3 million tons is sold as IP/‘segregated’ (100% traceable)
 SIPEF = 100% compliant and > 390.000 tons (palm products) ‘segregated’



14.5 million tonnes
 Volume of RSPO-certified sustainable palm oil

3,35 Million Ha RSPO certified production area in 2021

Certified Sustainable Palm Oil production area (ha) ⓘ

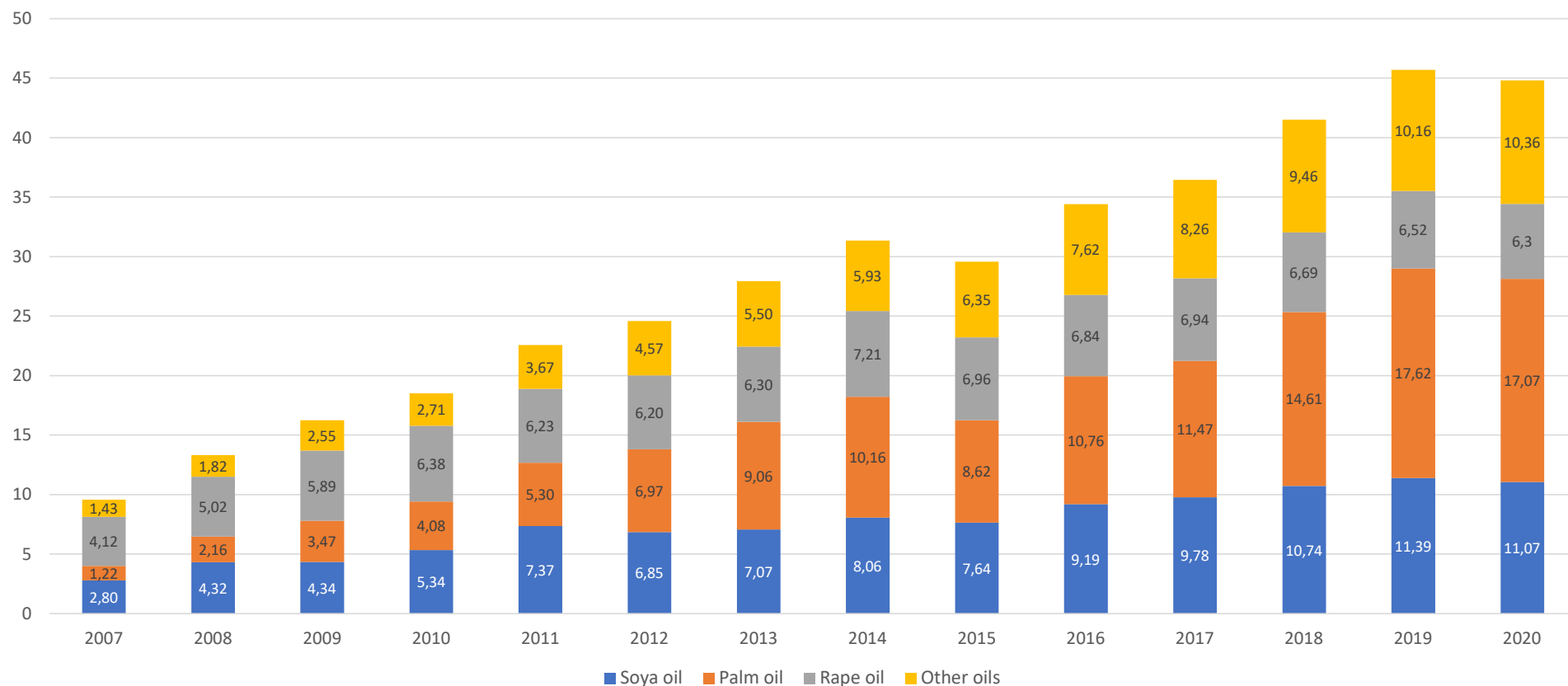


18.9%
 Proportion of global palm oil certified by RSPO

SIPEF group – Palm oil in the world
Palm oil in the world - Biodiesel use of major feedstock (Mn T)



Biodiesel use of major feedstock (Mn T)

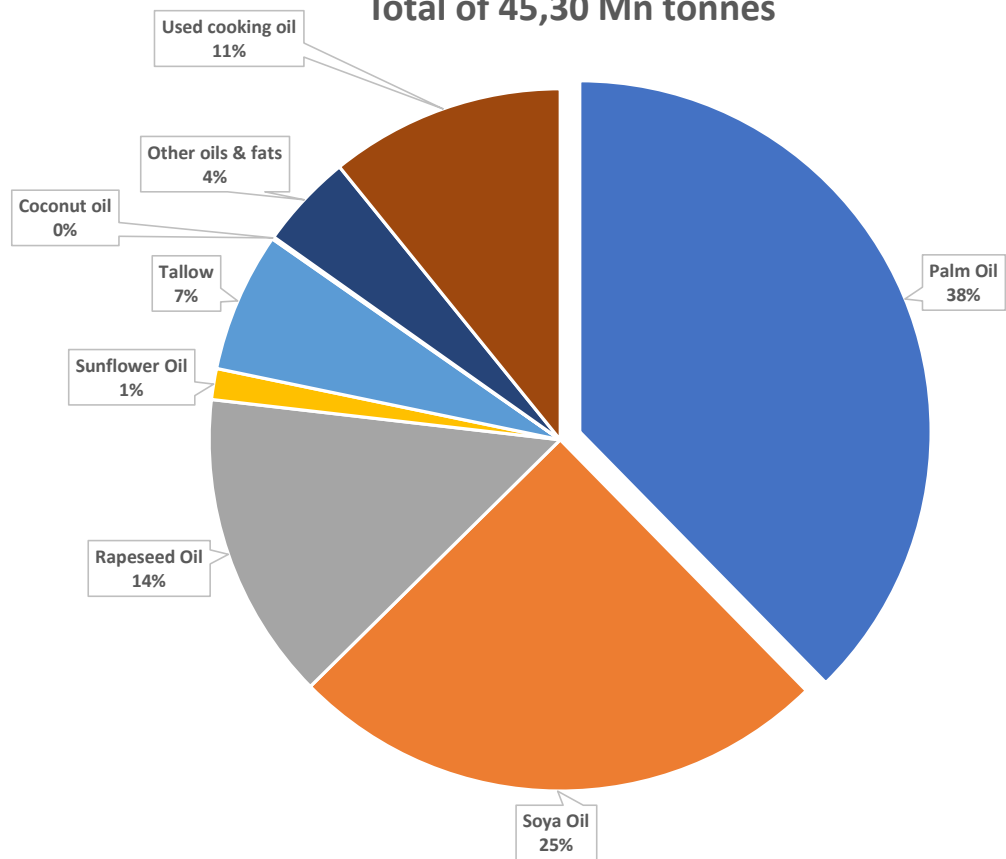


SIPEF group – Palm oil in the world
Biodiesel worldwide

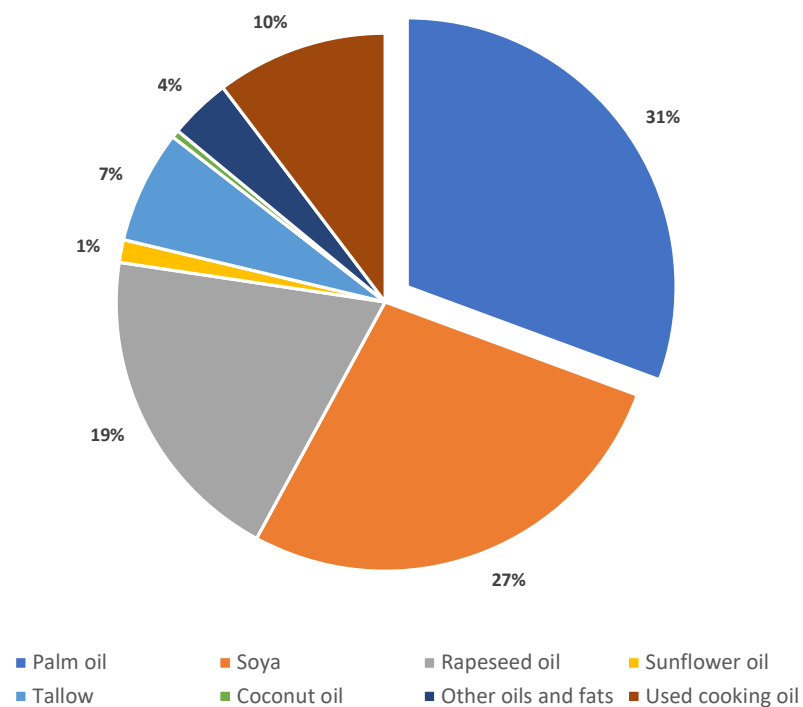


Source: Oilworld

Biodiesel worldwide 2020
Total of 45,30 Mn tonnes



Biodiesel worldwide 2017
Total of 35,8 Mn tonnes



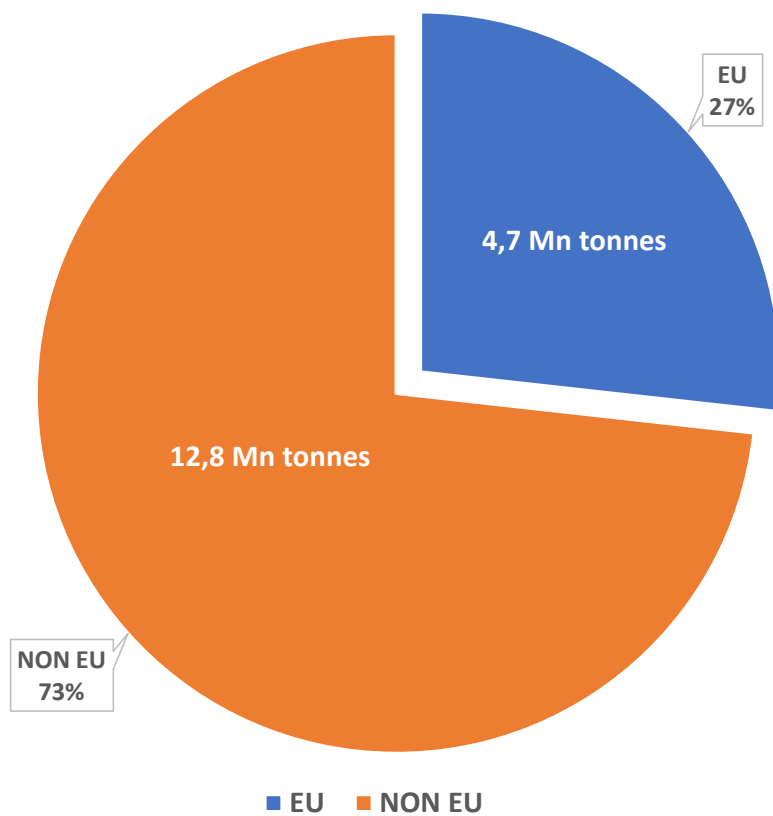
SIPEF group – Palm oil in the world

Palm oil use for biodiesel EU

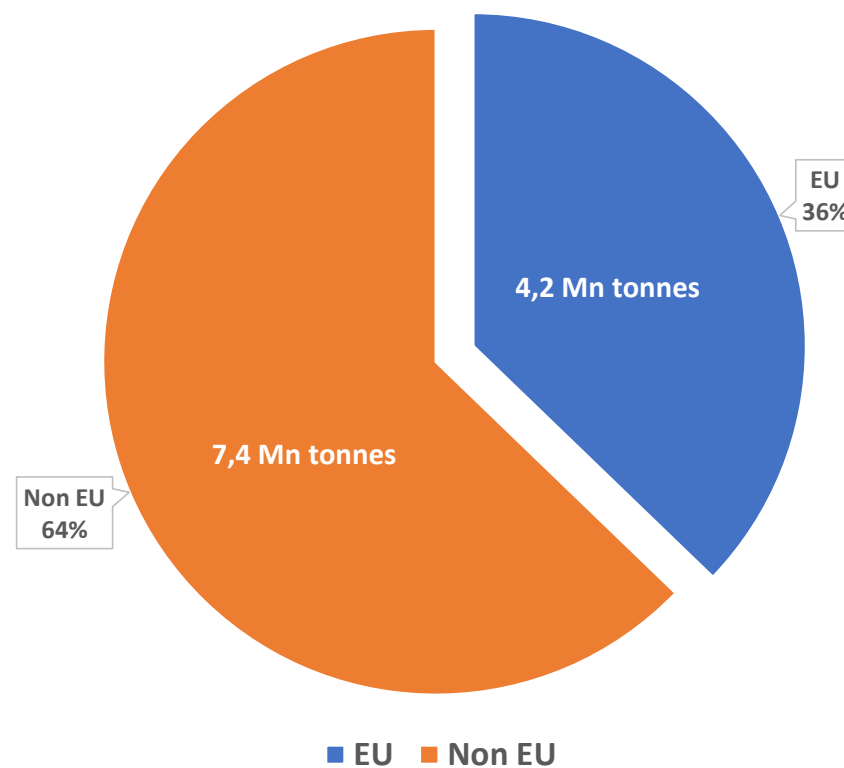


Source: Oilworld

2020: Palm oil use for Biodiesel
Total of 17,5 Mn tonnes



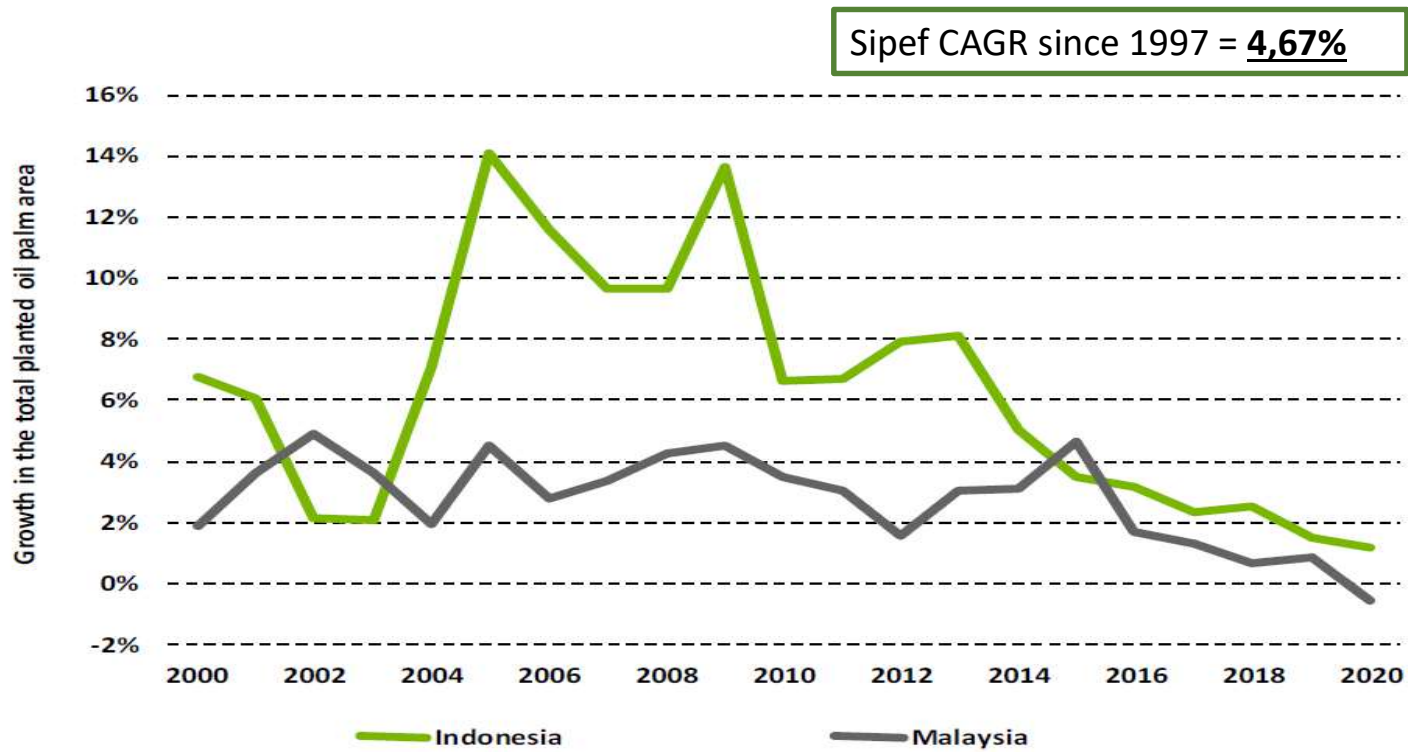
2017 Palm oil use for Biodiesel
Total of 11,6 Mn tonnes



SIPEF group – Expansion
Growth in Indonesia and Malaysia



Growth in the total planted oil palm area in Indonesia and Malaysia

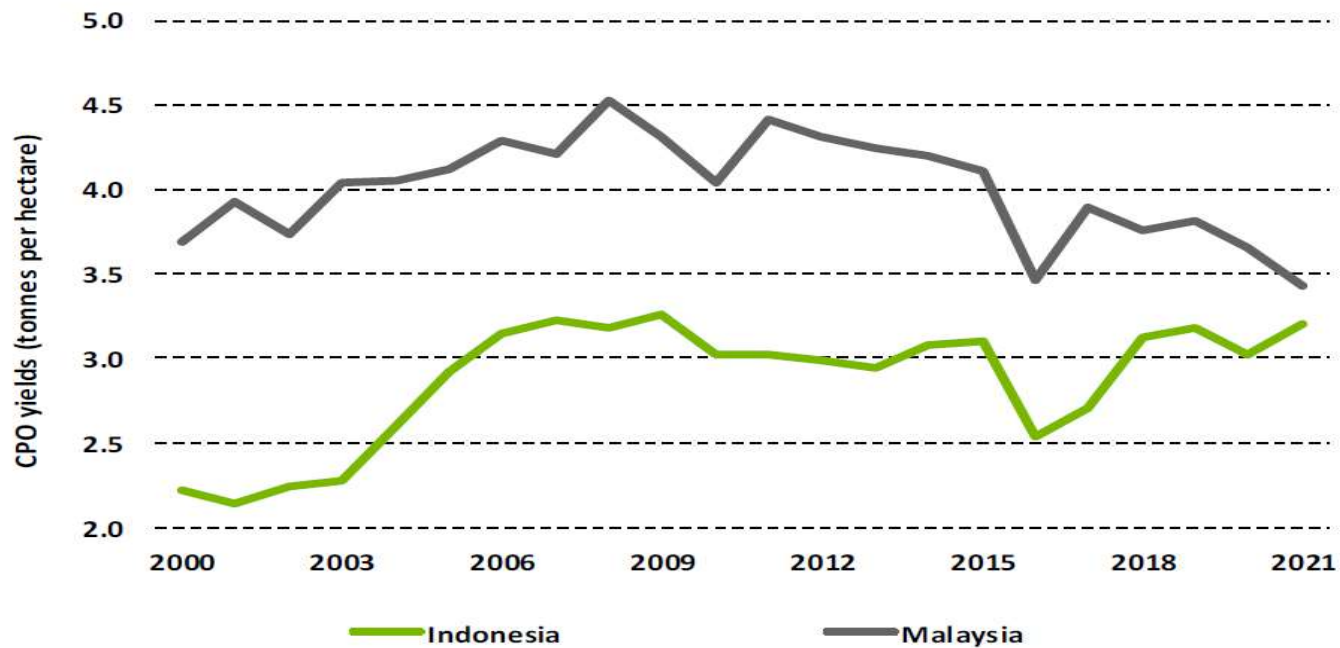


SIPEF group – Expansion
Growth in Indonesia and Malaysia



Indonesian and Malaysian CPO yields

Sipef average CPO yield 2021 = **5,1 T/Ha**





Summary



SIPEF group - Company profile



SIPEF group - Palm oil in the world



SIPEF group - Production & prices



SIPEF group – Financial performance



SIPEF group - Prospects

The Connection to the world of Sustainable Tropical Agriculture

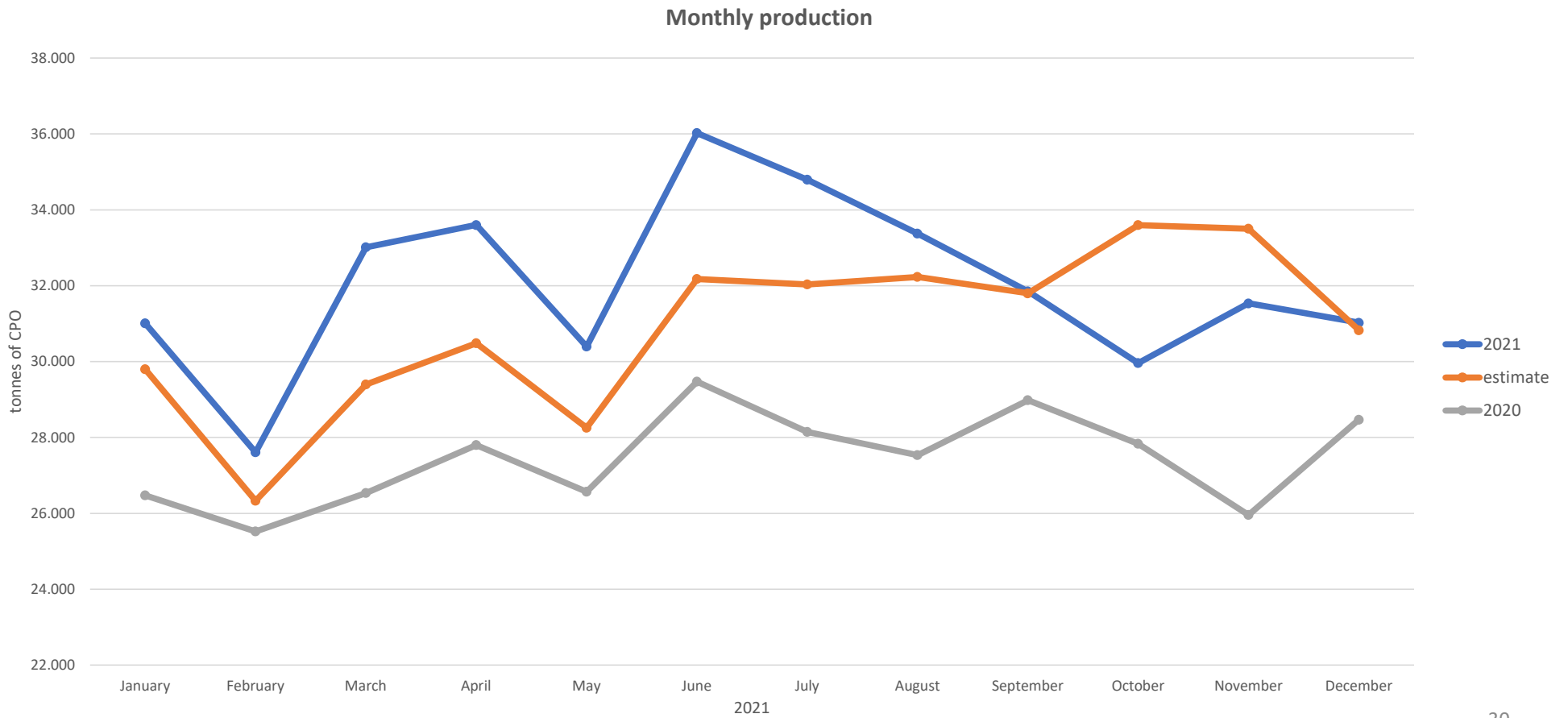


SIPEF group – Productions & prices
Group production PALM OIL – December 2021



| Palm Oil | 2021 | 2020 | Variance |
|-------------------------|----------------|----------------|-----------------|
| Own | | | |
| Tolan Tiga Group | 67 550 | 67 310 | 0,36% |
| Umbul Mas Wisesa Group | 42 733 | 38 413 | 11,25% |
| Agro Muko Group | 90 895 | 83 545 | 8,80% |
| South Sumatra Group | 21 331 | 15 772 | 35,25% |
| Hargy Oil Palms | 94 231 | 66 432 | 41,85% |
| Total own | 316 740 | 271 472 | 16,68% |
| Outgrowers | | | |
| Tolan Tiga Group | 1 094 | 549 | 99,27% |
| Umbul Mas Wisesa Group | 59 | 132 | -55,00% |
| Agro Muko Group | 4 103 | 3 671 | 11,77% |
| South Sumatra Group | 3 209 | 1 769 | 81,42% |
| Hargy Oil Palms | 58 972 | 51 691 | 14,09% |
| Total outgrowers | 67 438 | 57 812 | 16,65% |
| Total Palm Oil | 384 178 | 329 284 | 16,67% |

SIPEF group – Productions & prices
 Group production actual, budget, last year - Monthly trend



SIPEF group – Productions & prices
Group production RUBBER – December 2021



| Rubber | 2021 | 2020 | Variance |
|---------------------|--------------|--------------|----------------|
| Own | | | |
| Tolan Tiga Group | 599 | 918 | -34,78% |
| Melania* | 1 186 | 2 695 | -55,99% |
| Agro Muko | 1 397 | 1 686 | -17,16% |
| Total own | 3 182 | 5 300 | -39,96% |
| Outgrowers | | | |
| Tolan Tiga Group | 645 | 711 | -9,28% |
| Total Rubber | 3 827 | 6 011 | -36,33% |

*PT Melania rubber and tea productions have only been included for 4 months due to sale of PT Melania per 30/04.

SIPEF group – Productions & prices
Group production TEA and BANANAS – December 2021



| Tea* | 2021 | 2020 | Variance |
|----------------------|-------------|--------------|-----------------|
| Melania - own | 829 | 2 664 | -68,88% |
| Melania - outgrowers | 136 | 98 | 38,78% |
| Total Tea | 965 | 2 762 | -65,06% |

| Bananas | 2021 | 2020 | Variance |
|----------------------|---------------|---------------|-----------------|
| Azaguie 1 | 5 600 | 5 152 | 8,70% |
| Azaguie 2 | 7 512 | 8 447 | -11,07% |
| Agboville | 9 507 | 8 988 | 5,77% |
| Motobe | 9 581 | 8 571 | 11,78% |
| Total Bananas | 32 200 | 31 158 | 3,34% |

*PT Melania rubber and tea productions have only been included for 4 months due to sale of PT Melania per 30/04.

SIPEF group – Production & prices

Bull & Bear

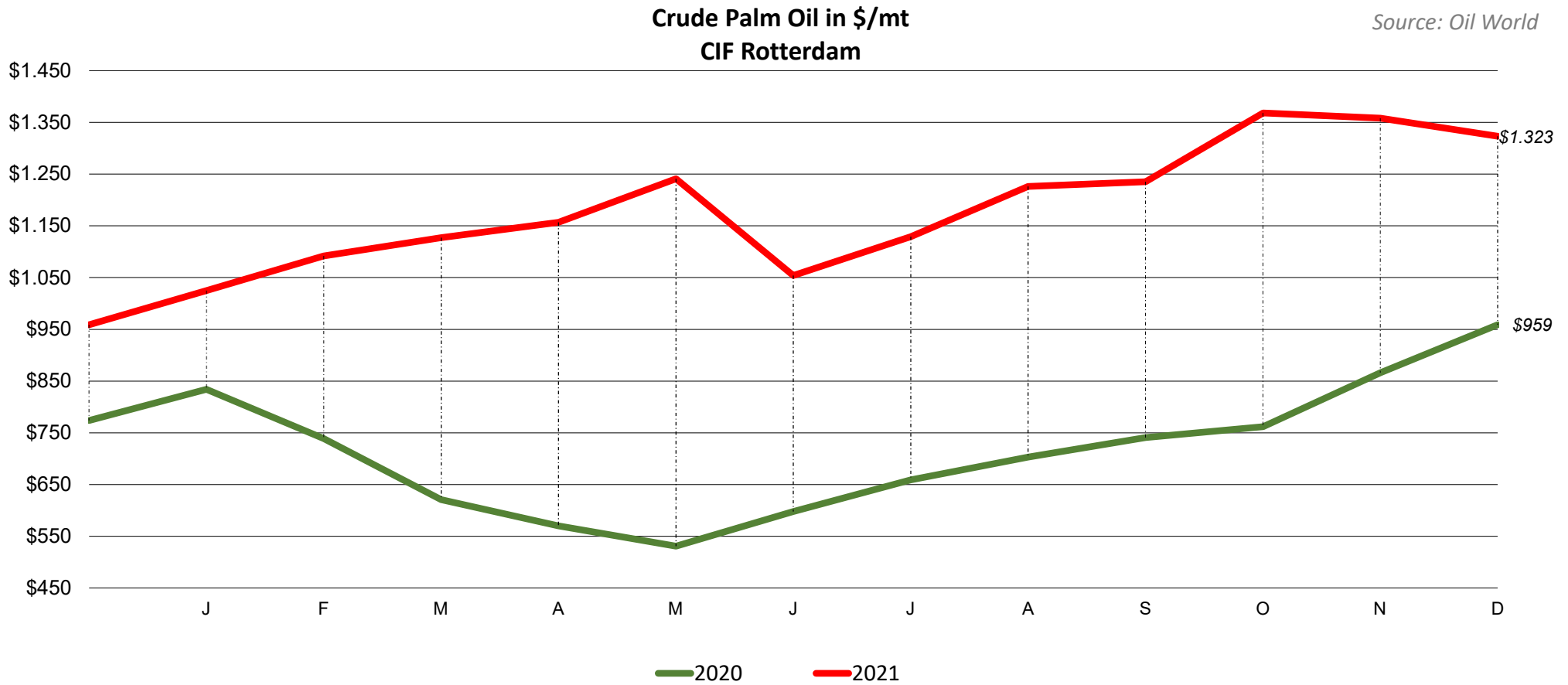


| | Rating | Bullish inputs | Bearish inputs |
|------------|---------------------------|--|---|
| Palm Oil | Neutral due to high price | <ul style="list-style-type: none"> - Palm production continuously below expectation, keeping stocks low (and likely lower). | <ul style="list-style-type: none"> - High prices are killing demand, but unclear to what extent. Certainly in countries in Asia, Middle East and Africa. |
| Feb 1400 | | <ul style="list-style-type: none"> - Indonesian government introduction of DMO at DPO to create affordable local cooking oil.....reducing export availability which took international markets higher. Uncertainty. | <ul style="list-style-type: none"> - Exports have shrunk in recent months. |
| Mar 1410 | | <ul style="list-style-type: none"> - Mal lack of foreign workers solution delayed due to Omicron..... | <ul style="list-style-type: none"> - Biodiesel mandates reduced in Arg, Bra, Thailand....are other mandates fulfilled? |
| April 1440 | | <ul style="list-style-type: none"> - Consumers poorly covered everywhere, except for EU | <ul style="list-style-type: none"> - Sunflower seed market still has plenty to sell, but farmers holding off to sell. |
| May 1410 | | <ul style="list-style-type: none"> - Indian import duties at multi-year lows. | <ul style="list-style-type: none"> - Long position of the funds once they will lock in profit. |
| June 1380 | | <ul style="list-style-type: none"> - La Nina drought took Latam soybean crop from abundant to a tight scenario | |
| JAS 1275 | | <ul style="list-style-type: none"> - Biodiesel mandates in Indo, EU and US are holding despite food inflation. | |
| OND 1200 | | <ul style="list-style-type: none"> - China is not releasing state reserve stocks....yet. | |
| JFM 1150 | | <ul style="list-style-type: none"> - A higher petroleum market and across many commodity markets we see super strong markets and steep backwardation indication a lack of supply. - Geopolitical tension between Russia and Ukraine could spur the petroleum market, and at the same time close the ports in Black Sea for sun seed exports. | |

SIPEF group – Production & prices
CPO prices CIF Rotterdam 2020 – 2021



Source: Oil World

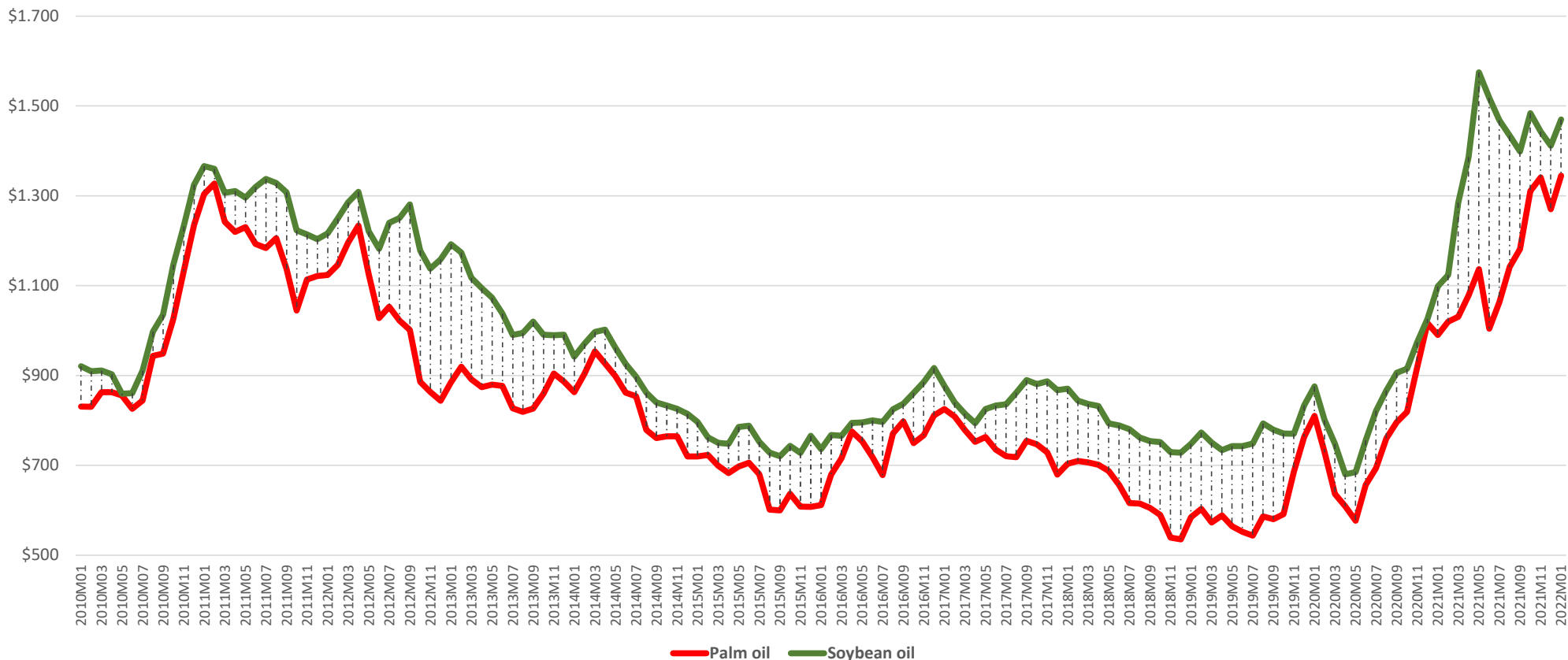


SIPEF group – Production & prices
Spread crude palm oil – soybean oil



Spread CPO - Soybean oil

Source: Worldbank

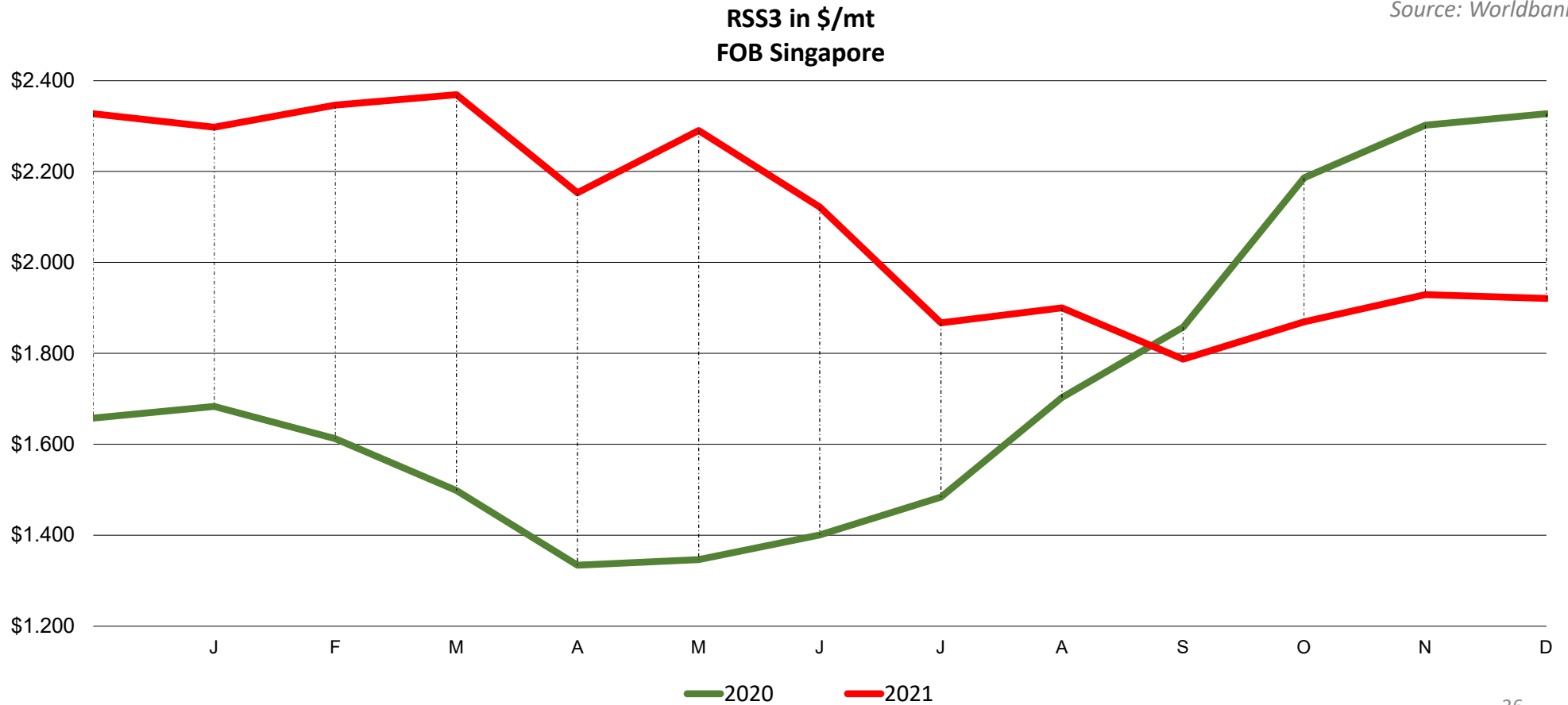


SIPEF group – Production & prices

RSS3 Rubber prices 2020 – 2021



Source: Worldbank





Summary



SIPEF group - Company profile



SIPEF group - Palm oil in the world



SIPEF group - Production & prices



SIPEF group – Financial statements

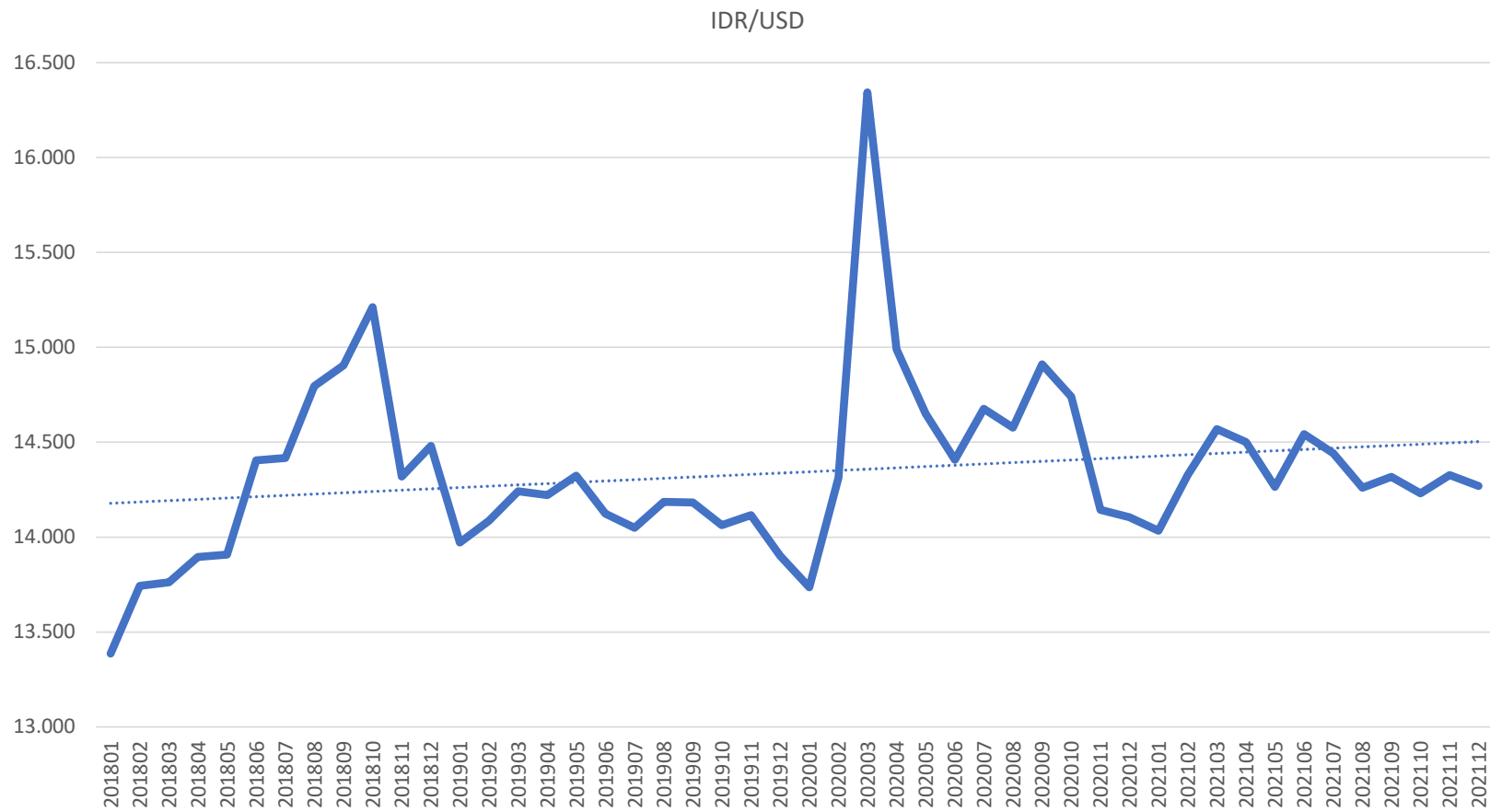


SIPEF group - Prospects

The Connection to the world of Sustainable Tropical Agriculture



SIPEF group – Financial statements
Exchange rates



SIPEF group - Financial statements
Income statement – actuals CY vs actuals PY



| In KUSD | | 31/12/2021 | 31/12/2020 | Difference |
|-------------------------|--------------|----------------|---------------|------------|
| Gross margin | Palm | 166.562 | 59.746 | 179% |
| | Rubber | -2.608 | -1.814 | 44% |
| | Tea | 134 | -788 | -117% |
| | Bananas | 3.610 | 4.199 | -14% |
| | Horticulture | 192 | 191 | 1% |
| G&A including corporate | | -35.562 | -30.750 | |
| Other operating | | -4.552 | -6 | |
| Operating result | | 127.776 | 30.778 | |
| Finance income/charges | | -2.369 | -4.459 | |
| Discount Sipef CI | | 748 | 1.368 | |
| Exchange | | -1.158 | 378 | |
| Financial result | | -2.779 | -2.713 | |

SIPEF group - Financial statements
Income statement – actuals CY vs actuals PY



| In KUSD | 31/12/2021 | 31/12/2020 |
|--|----------------|---------------|
| Profit before tax | 124.997 | 28.065 |
| Tax | -36.075 | -10.828 |
| Profit after tax | 88.922 | 17.237 |
| Associated companies | -1.091 | -1.059 |
| Profit for the period - recurring | 87.831 | 16.178 |
| Gain on sale PT Melania | 11.640 | 0 |
| Profit for the period | 99.471 | 16.178 |
| | | |
| Group share - recurring | 82.746 | 14.123 |
| Group share | 93.749 | 14.123 |
| | | |
| Minority interests - recurring | 5.085 | 2.055 |
| Minority interests | 5.722 | 2.055 |

SIPEF group - Financial statements
Consolidated balance sheet (management presentation)



| In KUSD (management presentation) | 2021 | 2020 |
|---|----------------|----------------|
| Biological assets (depreciated costs) - bearer plants | 307 371 | 315 826 |
| Goodwill | 104 782 | 104 782 |
| Other fixed assets | 363 934 | 359 994 |
| Receivables > 1 year | 25 666 | 16 101 |
| Assets held for sale | 13 520 | 0 |
| Net current assets, net of cash | 61 746 | 86 137 |
| Net cash position | -49 192 | -151 165 |
| Total net assets | 827 827 | 731 675 |
| Shareholders' equity, group share | 727 329 | 638 688 |
| Non controlling interest | 38 854 | 35 862 |
| Provisions and deferred tax liabilities | 56 814 | 57 126 |
| Advances received > 1 year | 4 830 | 0 |
| Total net liabilities | 827 827 | 731 675 |

SIPEF group - Financial statements

Evolution non-recurring net tax position



- The evolution of the **net tax receivable** can be split into:

| | 31/12/2019 | 31/12/2020 | 30/06/2021 | 31/12/2021 |
|--------------|---------------|--------------|--------------|----------------|
| Indonesia | 7 908 | 409 | -995 | -10 214 |
| PNG | 6 635 | 6 907 | 3 033 | -7 770 |
| Europe + IC | - 236 | -237 | -285 | 108 |
| Total | 14 307 | 7 079 | 1 752 | -17 877 |

SIPEF group - Financial statements

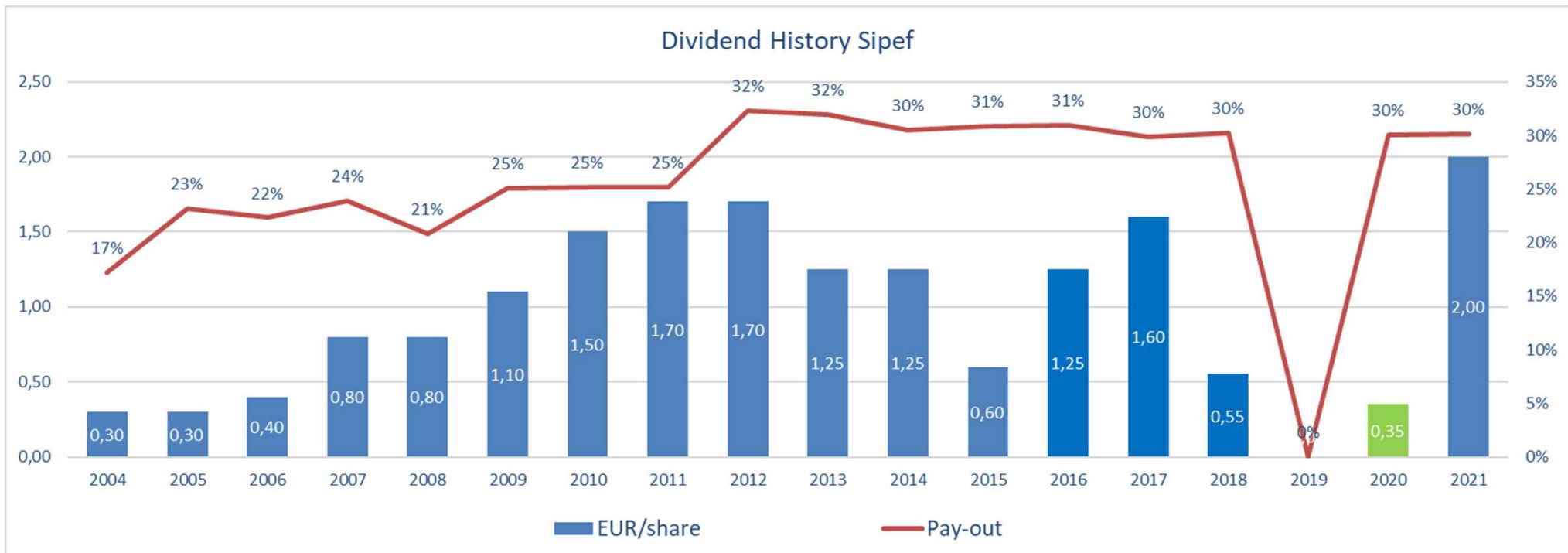
Cash flow (management presentation)



| KUSD | 2021 | 2020 | Diff |
|--|----------------|----------------|----------------|
| Cash flow from operations before working capital | 178.796 | 73.669 | 105.127 |
| Working capital movements | -8.523 | 3.165 | -11.688 |
| Taxes paid | -9.962 | -3.572 | -6.390 |
| Cash flow from operations (a) | 160.311 | 73.262 | 87.049 |
| Cash flow from investing | -68.691 | -51.762 | -16.929 |
| Cash flow from plasma loans | -9.578 | -4.479 | -5.099 |
| Cash flow from desinvesting | 5.521 | 2.401 | 3.120 |
| Cash flow from sale PT Melania | 18.999 | 0 | 18.999 |
| Cash flow from sale PT Melania - use of advance | -1.922 | 0 | -1.922 |
| Cash flow from sales Sipef CI | 7.631 | 1.877 | 5.754 |
| Investing activities (b) | -48.040 | -51.963 | 3.923 |
| Free cash flow (a+b) | 112.271 | 21.299 | 90.972 |
| Equity transactions with non-controlling parties (PT DM) | 0 | -2.795 | 2.795 |
| Purchase/sale own shares | -1.161 | 0 | -1.161 |
| Dividend paid | -6.749 | -716 | -6.033 |
| Interest paid | -2.386 | -4.330 | 1.944 |
| Financing activities (c) | -10.296 | -7.841 | -2.455 |
| Increase/decrease cash (a+b+c) | 101.975 | 13.458 | 88.517 |
| Cash begin | -151.165 | -164.623 | 13.458 |
| Cash end | -49.191 | -151.165 | 101.974 |

SIPEF group - Financial statements

Dividend proposal





Summary



SIPEF group - Company profile



SIPEF group - Palm oil in the world



SIPEF group - Production & prices



SIPEF group – Financial performance



SIPEF Group – Prospects

The Connection to the world of Sustainable Tropical Agriculture



SIPEF group – Prospects

Prospects – 17/02/2022



✓ Production

- Palm oil productions in Indonesia at the beginning of the year below expectations but expected to stabilize;
- Rainy season in HOPL has started
- Production of palm oil for 2022 expected to exceed 400 000 tonnes for the first time in SIPEF history!
- Annual average growth rate of 10% over the last two years.
- Banana productions in Ivory Coast expanded with a new plantation which should result in an increase in production of 18% in 2022.

✓ Markets

- Palm oil is in low production season → stocks expected to remain low;
- Consumer will determine price movement in this supply-driven rally in coming months;
- Indonesian government has expressed concerns about high price local cooking oil → new regulations?
- Vegetable oil picture remains narrow → longer-term elevated price level

SIPEF group – Prospects

Prospects – 17/02/2022



✓ Cash flow and expansion

- Investment policy remains to be fully focused on development of palm oil activities in South Sumatra;
- Expansion of the processing capacity in Dendymarker mill from 20 to 60 tonnes per hour, will be completed in Q1 2022;
- Preparatory work started in Musi Rawas for construction new 45 tonnes per hour mill;
- Investment budget in 2022 will approach USD 100 mio.

✓ Result

- 33% of expected production volumes have been sold at an average price of USD 1 267 CIF Rotterdam, premiums included;
- Government levies in Indonesia skim off significant part of profit
- Unit production cost prices remain well under control but subject to increase in fertilizer/diesel price
- Increase in volumes and high price environment → satisfactory recurrent results in 2022



The Connection to the world of Sustainable Tropical Agriculture