



Written questions for the General Meeting of 12 June 2024

1. SIPEF is increasingly becoming a “one product, one country” company! Dangerous? Unwise? In Indonesia, earthquakes, tsunamis, floods, volcanic eruptions, small or large government interventions, etc., can occur. Why not (again!) show interest in coffee and cocoa, the prices of which have risen to record highs, and this is far from temporary, given the demand that can only increase! (Jean Misson)

Answer: We understand the potential risks associated with geographical concentration and take them very seriously. SIPEF has developed extensive measures and strategies to effectively manage these risks and minimize their impact. Our experience and expertise in risk management allow us to respond adequately to natural disasters and political changes.

Regarding the diversification of our activities: the focus is on oil palm products and bananas. However, we always remain open to new opportunities that fit within our strategic and operational frameworks. The choice to concentrate on these crops is based on their high productivity, long-term prospects, and relatively stable yields and prices. We believe this enables us to create long-term value and maintain our strong market position.

We closely monitor the markets of other products and recognize the recent price increases. However, the long-term evolution of a product is also important, and it is crucial that any expansion or diversification is strategically sound and aligns with our operational capabilities and sustainability objectives. At this time, we see the greatest growth and value opportunities in our current focus areas. However, we remain alert to opportunities in other sectors that can contribute to our long-term strategy.

2. Have you already completed the very interesting peer review with the figures for 2023 of SIPEF's main competitors?

Answer: At this time, the peer review based on the 2023 data is still in course of being finalized. Once our Board of Directors has reviewed this information, we will share it with all stakeholders via the SIPEF website and announce its availability. As previously indicated, this peer review remains an internal exercise based on our interpretation of data made available by publicly listed companies in the sector.

3. Last year, in response to my question about the long-term strategy, you mentioned that you were looking for a partner to create added value in the area of full traceability of your produced palm oil; who has it become and what are the expectations in this regard?

Answer: At this time, we are in discussions with potential partners who align with SIPEF's corporate culture and acknowledge our values regarding quality, sustainability, and traceability in the supply chain. These partners are also focused on producing high-quality products. However, we are still in the early stages of these discussions. It is important to note that we will carefully evaluate whether a partnership is profitable and strategically beneficial for SIPEF. If our analysis shows that a partnership does not meet these criteria, we will not proceed with the collaboration. However, we will continue to strive for partnerships that add value and support our strategic goals. Once we have taken further steps and made concrete agreements, we will be able to share more information about this.

4. Petra Meekers will succeed François Van Hoydonck as CEO of SIPEF. What will her main focus areas be to provide an extra boost to SIPEF's value creation? Or to what extent will she place different emphases in SIPEF's future strategy?

Answer: Petra Meekers will focus on several strategic areas to promote SIPEF's value creation. Petra will actively seek growth opportunities that can be seamlessly integrated into our existing operations. This includes both organic growth and strategic acquisitions that strengthen our market position. She will be committed to increasing operational efficiency through process optimization and the implementation of innovative technologies. This helps to boost productivity. Petra will work on expanding SIPEF's market presence, both in existing markets and potential new markets. This will contribute to a broader and more stable revenue base for the company. Meeting stringent European regulations, particularly in the areas of sustainability and traceability, remains a top priority. Petra will ensure that SIPEF not only meets these standards but also takes a leading role in the sector regarding environmentally friendly and sustainable practices. These focus areas closely align with SIPEF's existing strategy, ensuring that we continue to grow, work efficiently, expand our markets, and comply with all relevant regulations.

5. Regarding the F1 hybrid seeds, which will come to market in 2029. I assume you will also plant these yourself, primarily during the replanting of old plantations. You are counting on very high yields (up to 3 times higher than your current average yield).
 - a. Considering these much higher yields, how do you see the average CPO Yield per hectare evolving from 2030 onwards?

Answer: We expect that the introduction of the F1 hybrid seeds will have a significant impact on our average CPO yield per hectare. From 2030, we foresee a gradual increase in the average yield, with a peak in productivity once the replanted fields are fully in production. This could potentially lead to an increase in the average CPO yield per hectare of up to 2.5 to 3 times the current level, depending on local growing conditions and further optimization of agricultural techniques. However, we must keep in mind that the introduction of these new seeds will happen gradually in line with annual replanting activities.

- b. Do you plan to also massively market these hybrid F1 seeds to external plantations? Any idea how many seeds you will be able to produce? And what percentage you will sell? Any idea of the price per kg?

Answer: Yes, we plan to also sell the hybrid F1 seeds to external plantations. The purpose of Verdant is not only to ensure that SIPEF and its partners become more efficient but also to increase the global supply of palm oil over time through efficiency improvements. We expect to have sufficient production capacity by 2029 to meet both our internal replanting needs and external demand. Our current estimates indicate that Verdant's internal partners can take about 500 000 to 1 million seeds annually, while the capacity of the seed gardens can clearly exceed this volume. The exact price per seed will depend on market conditions at that time, but we aim for competitive pricing that reflects the high quality and increased yields of the seeds.