

M.P. EVANS GROUP PLC
("Group" or "M.P. Evans")

ANNUAL GENERAL MEETING

The annual general meeting of M.P. Evans Group PLC, a producer of sustainable Indonesian palm oil, is being held at 12:00 pm in Tunbridge Wells today. Further details on the AGM, including a link to the live AGM webcast, can be found on the Group's website at www.mpevans.co.uk/investors/aggm. The following statement is an update on trading conditions and progress on the Group's activities since the publication of the annual report in March.

Covid-19

The global Covid-19 pandemic continues to have little effect on the Group's operations. Preventative measures are in place to protect the Group's employees, including remote working at its Jakarta office. All estates and mills have continued to harvest and process throughout the Covid-19 pandemic.

Crops

The crop of fresh fruit bunches ("ffb") for the five months ended 31 May 2021 was 342,100 tonnes from estates controlled by the Group, some 24% higher than the 275,900 tonnes recorded for the same period in 2020. Crops from the smallholder co-operatives associated with the Group's new projects increased by 43% to 100,800 tonnes. Overall, the Group's crops continue on an upward trend resulting from the young average age of the Group's plantations with yields increasing as they mature.

Crops grew strongly in the Group's youngest development at Musi Rawas, South Sumatra, as well as in the more mature estates at Bangka and Kota Bangun. The doubling of crop at Musi Rawas to 38,200 tonnes was due to the increasing yield of its maturing palms and the rise in total mature area, whilst the pronounced growth of 80% in Bangka represented recovery from a period of low rainfall that had adversely affected its production in 2020. In Kota Bangun, an upswing in the trend of long-term rainfall led to increasing crop in the last quarter of 2020, and this momentum has carried through into 2021. Even so, the normal crop pattern, with the second half of the year being stronger than the first half, is expected. In Bumi Mas and North Sumatra crops were slightly ahead of the levels achieved in 2020.

Production

The Group produced the equivalent of 132,400 tonnes of crude palm oil ("CPO") during the first five months of 2021, including 104,800 tonnes in its own mills with the balance being the oil content of ffb sold by the Group to third-party mills. This represented a 25% increase compared with the 106,000 tonnes produced during the equivalent period in 2020 (including 82,700 in its own mills). The Group continues to achieve a high oil-extraction rate of 23.4%, albeit slightly lower than the 23.6% achieved in 2020 on account of the high volumes of ffb purchased from independent smallholders. This amounted to 137,800 tonnes (2020 – 115,200 tonnes), in addition to those produced by the Group's own estates and scheme smallholders.

Prices

The average price of CPO (cif Rotterdam) for the first five months of the year was US\$1,127 per tonne, substantially higher than the US\$659 per tonne during the equivalent period in 2020. However, the introduction of an Indonesian export levy in December 2020 meant that this increase was only reflected to a limited extent in the price actually received by the Group at mill gate. Nonetheless, in the period to the end of May 2021, the Group realised an average price at mill gate of US\$715 per tonne compared

with US\$550 per tonne in 2020, an increase of 30%. Prices for palm kernels have also strengthened, averaging US\$487 per tonne (mill gate), 57% higher than the US\$310 per tonne in 2020.

Sustainability

The Group is a long-standing member of the Roundtable on Sustainable Palm Oil (“RSPO”). In 2020, 53% of its output was certified as sustainable by the RSPO. This was lower than in 2019, since the Group is only able to certify output processed in its own mills as sustainable: the Group’s policy is for all its mills to be certified by the RSPO with any new mills achieving certification within 18 months of commencing operation. All its estates, whether they have a mill or not, including all smallholder schemes attached to the Group’s projects, are run in accordance with the RSPO’s standards, which relate to environmental, social and ethical plantation practices. The Group is committed to achieving traceability of its purchases of ffb, and has a project in place to certify crop purchased from independent smallholders as sustainable under the RSPO Independent Smallholder Standard by 2024.

Strategy

The Group is nearing the end of delivering its current investment programme. It already has four mills in operation and expects to commission two further mills before the end of 2022, at Bumi Mas and Musi Rawas. In addition, the Group is exploring the feasibility of a seventh mill, at Simpang Kiri if it is successful in securing more land in the vicinity. It is also seeking to secure additional land near Kota Bangun in order to maximise throughput at its two existing mills. Milling capacity enables the Group to maximise the margin it obtains by processing its own and scheme-smallholder crop, in addition to providing it with the opportunity to purchase additional crop from independent smallholders. The increasing maturity of its planted areas and the application of high operating standards means the board is confident in its ability to deliver crop growth which is the foundation for improving results and a rising dividend. In light of the strong performance achieved to date, it remains the board’s intention to recommend a dividend of 30p per share in respect of 2021.

10 June 2021

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