

**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 10.00 am in Tunbridge Wells today. 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 has had little effect on the Group's operations. Preventative measures have been introduced to protect the Group's employees, including putting the Jakarta office onto remote working. All estates and mills have been working normally during the last three months.

**Crops**

The crop of oil-palm fresh fruit bunches ("ffb") for the five months ended 31 May 2020 was 275,900 tonnes from estates controlled by the Group, some 16% higher than the 238,600 tonnes recorded for the same period in 2019. Crops from the smallholder co-operatives associated with the Group's new projects increased by 17% to 70,300 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 development at Musi Rawas, South Sumatra, and also at Bumi Mas in East Kalimantan. In Bumi Mas, crop grew by 56% to reach 63,300 tonnes. Starting from a lower base, crop in Musi Rawas increased from 4,200 last year to 13,000 tonnes in 2020. In East Kalimantan and Bangka, crops were, respectively, a little above and a little below the level of 2019, as both areas have experienced a mild dry spell. Crop in both locations is expected to increase during the second half of the year. In North Sumatra, crops were 10% higher than last year.

**Production**

The Group produced the equivalent of 106,000 tonnes of crude palm oil ("CPO") during the first five months of 2020, including 82,700 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 35% increase compared with the 78,800 tonnes produced during the equivalent period in 2019 (including 64,600 in its own mills). The Group continues to achieve a high oil-extraction rate of 23.6%, similar to the 23.7% achieved in 2019. An important contribution to production, notably in Bangka, was the continuing purchase of ffb from third parties, amounting to 115,200 tonnes (2019 – 42,700 tonnes), in addition to those produced on 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\$659 per tonne, significantly higher than the US\$533 per tonne during the equivalent period in 2019 as a result of the strong start to the year before the emergence of Covid-19 bore down on prices. In the period to the end of May 2020, the Group realised an average price at mill gate of US\$550 per tonne compared with US\$475 per tonne in 2019. Prices for palm kernels have also weakened during 2020, averaging US\$310 per tonne (mill gate), but still higher than the US\$267 per tonne in 2019. Since the middle of May, the CPO price cif Rotterdam, whilst continuing to fluctuate, has strengthened to around US\$600.

## Sustainability

The Group is a long-standing member of the Roundtable of Sustainable Palm Oil (“RSPO”). In 2019, 65% of its output was certified sustainable. Under RSPO certification standards, 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 RSPO certification within 18 months of commencing operation. All its estates, whether they have a mill or not, and 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 has a project in place to certify crop purchased from independent smallholders as sustainable under the RSPO Independent Smallholder Standard by 2024.

## Strategy

Thanks to the strength of its balance sheet and positive operational cash flows, the Group has the financial resources to deliver its planned investment programme. Over the next three years, the Group expects to commission new mills in Kota Bangun, Bumi Mas and Musi Rawas to maximise the oil obtained from its growing crop of ffb at the lowest cost. 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.

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