For Immediate Release

Robust Half Year Performance Driven by Higher Prices and Volumes

Singapore, 14 August 2025 – **Kencana Agri Limited** (“Kencana” or the “Group”), today announced its financial results for the period ended 30 June 2025.

Summary of Results

US$ ‘000	1H 2025	1H 2024	Change %
Revenue	87,148	54,531	59.8%
Gross profit	28,211	14,317	97.0%
EBITDA (*)	29,941	14,644	104.5%
Operating profit	19,836	11,148	77.9%
Profit before tax	13,132	2,213	493.4%
Profit after tax	9,782	568	1,623.1%

(*) Earnings before interest, tax, depreciation and amortization (EBITDA) is calculated as follows: profit before tax + interest expense – interest income + depreciation and amortisation expenses +/- fair value changes in biological assets and other receivables

Review of Financial Performance

Revenue

The Group recorded a 60% increase in revenue in 1H 2025 compared to the corresponding period in 2024. The revenue increased from US$54.5 million in 1H 2024 to US$87.1 million in 1H 2025. This growth was primarily driven by a combination of higher average selling prices ("ASP") and increased sales volumes of Crude Palm Oil ("CPO") and Palm Kernel ("PK").

The ASP of CPO rose by 30% to US$918/MT in 1H 2025, compared to US$706/MT in 1H 2024. Similarly, the ASP of PK increased significantly to US$752/MT, up from US$384/MT in the prior year period. In addition to price improvements, sales volumes also increased. CPO sales volume grew by 14% to 79,013MT in 1H 2025 from 69,139MT in 1H 2024, while PK sales volume rose by 36% to 18,715MT, compared to 13,715MT in 1H 2024. The combined effect of higher prices and stronger volumes contributed significantly to the overall revenue growth.

Cost of operation

Cost of sales primarily comprises manuring, plantation upkeep and maintenance, harvesting, FFB dispatch, overhead, and mill processing costs. In 1H 2025, cost of sales increased by 47% from US$40.2 million to US$58.9 million, mainly due to more intensive upkeep activities and higher harvesting, FFB dispatch, and processing costs in line with increased production and sales volumes. Despite the higher costs, gross profit margin improved from 26.3% to 32.4%, as revenue growth outpaced the rise in cost of sales.

Net Profit

In 1H 2025, the Group reported a profit before tax of US$13.1 million, a substantial increase from US$2.2 million in the corresponding period of 2024. This improvement was primarily driven by higher revenue, as explained above. After accounting for income tax expenses of US$3.3 million, the Group recorded a profit after tax of US$9.8 million. The effective tax rate was 26%, exceeding the statutory rate of 22% mainly due to (i) non-deductible expenses and (ii) losses from non-operating subsidiaries that are not eligible for offset against future taxable profits.

Review of Financial Position

As at 30 June 2025, the Group's total current assets increased by US$6.0 million to US$97.3 million, from US$91.3 million as at 31 December 2024. The increase was primarily driven by a US$12.4 million rise in inventories, partially offset by a US$4.4 million reduction in cash. Inventories mainly comprise fertilizer, CPO and PK.

The Group's total non-current assets decreased by US$4.0 million to US$193.0 million as at 30 June 2025, down from US$197.0 million as at 31 December 2024. The decrease was primarily attributable to net depreciation of mature bearer plants amounting to US$1.8 million and property, plant and equipment of US$1.0 million.

Total liabilities declined by US$7.7 million to US$239.7 million as at 30 June 2025, from US$247.4 million as at 31 December 2024. The decrease was primarily due to a net repayment of borrowings amounting to US$16.3 million, partially offset by:

- Additional advances from customers of US$8.3 million; and
- An increase in income tax payable of US$1.2 million, following higher profits in the period.

Review of Group Cash Flows

The Group's operating cash flow increased by US$20.5 million in 1H 2025 compared to the same period in 2024, primarily driven by improved financial performance and higher working capital inflows from customer advances. Net cash used in investing activities amounted to US$5.4 million in 1H 2025, mainly due to capital expenditures on additional property, plant and equipment, as well as bearer plants. Net cash outflows from financing activities totaled US$13.7 million, largely attributable to repayments of borrowings and interest payments.

Review of Operational Performance

At operational level, the Group's plantation area including plasma increased by 82 Ha from 67,885 Ha as of 31 December 2024 to 67,967 Ha as of 30 June 2025 mainly due to (i) old mature plantation area cleared for replanting 298 Ha and (ii) re-planting and new planting of 380 Ha.

FFB production from nucleus increased from 241,184MT in 1H 2024 to 322,466MT in 1H 2025. Despite a decline in CPO oil extraction rate from 22.0% to 21.0% in 1H 2025, total CPO production rose from 70,960 MT to 93,981 MT, supported by the higher FFB output.

Outlook

Mr Henry Maknawi, Chairman of Kencana, said, "Crude Palm Oil (CPO) prices are expected to remain relatively firm throughout 2025, supported by solid demand fundamentals and policy-driven domestic absorption. In the second half of the year, price momentum is likely to be underpinned by strong demand from key markets such as India and China, coupled with continued implementation of Indonesia's biodiesel mandate, which is expected to absorb a significant portion of national CPO output.

The Group will continue to adopt a prudent and responsive approach in managing procurement, inventory levels, and risk exposure. While the underlying outlook for the remainder of 2025 remains broadly optimistic, we recognize that external risks—particularly those stemming from geopolitical tensions and global economic uncertainty—may introduce volatility. These factors will be closely monitored and incorporated into our strategic planning and risk mitigation frameworks to safeguard margins and ensure operational resilience."

About Kencana Agri Limited

Listed on the Main Board of the Singapore Stock Exchange on 25 July 2008, Kencana Agri Limited ("Kencana" or the "Group") is a fast-growing producer of Crude Palm Oil ("CPO") with oil palm plantations strategically located in the Sumatra, Kalimantan and Sulawesi regions. As at 30 June 2025, Kencana's total planted area (including Plasma Programme) was 67,967 ha. As part of its growth strategy and in line with its goal to be a leading palm oil producer and supplier of choice for both local and international markets, Kencana has streamlined its integrated plantation operations, which include palm plantations, palm oil mills, kernel crushing plants, as well as bulking facilities, to support its operations. In addition, Kencana strives to pursue sustainable palm oil production whilst remaining committed to being a good corporate citizen for the benefit of all stakeholders.

For more information about Kencana, please visit www.kencanaagri.com

For more information, please contact:

Kencana Agri Ltd: +65 6636 8998

Email: info@kencanaagri.com