For Immediate Release

Favourable Commodity Pricing and Higher Output Drive Strong FY2025 Results

Singapore, 27 February 2026 – **Kencana Agri Limited** ("Kencana" or the "Group") announced its financial results for the year ended 31 December 2025 ("FY2025"). Building on the positive momentum achieved in prior years, the Group delivered a solid performance in FY2025. A summary of the Group's financial performance is set out below:

Summary of Results

US$ '000	2025	2024	% Change
Revenue	198,652	153,734	29.2%
Gross profit	55,654	43,337	28.4%
EBITDA (*)	56,620	47,539	19.1%
Profit before tax	24,776	22,725	9.0%
Net profit	18,442	11,942	54.4%

(*) 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

Group's Financial Performance

Revenue

The Group recorded an increase in revenue of 29.2% in FY2025 compared to FY2024. The higher revenue was attributable to a combination of increased sales volumes and higher average selling prices ("ASP") for both crude palm oil ("CPO") and palm kernel ("PK").

The ASP of CPO increased moderately by 6.0%, from US$785/MT in FY2024 to US$832/MT in FY2025, while the ASP of PK increased by 44.1%, from US$491/MT to US$708/MT, reflecting improved market pricing conditions during the year. Sales volume of CPO increased by 17.3%, from 173,323 MT in FY2024 to 203,314 MT in FY2025, and PK sales volume increased by 18.1%, from 33,833 MT to 39,964 MT. The increase in sales volumes was mainly due to higher output and improved operational performance.

Overall, the Group's revenue performance in FY2025 was supported by favourable pricing conditions and higher sales volumes, compared to the corresponding period of the immediately preceding financial year.

Cost of Sales

Cost of sales increased by 29.5%, from US$110.4 million in FY2024 to US$143.0 million in FY2025. The increase was mainly attributable to more intensive manuring and upkeep activities carried out during the year to maintain plantation condition and support yield potential. In addition, the improvement in CPO market prices resulted in a corresponding increase in the cost of fresh fruit bunches ("FFB") procured from plasma cooperatives and third-party suppliers. Cost of sales was further impacted by higher purchases volume of third-party CPO, which were combined with the Group's own production primarily to meet minimum cargo requirements and optimise delivery arrangements.

As a result, the increase in cost of sales broadly corresponded with the increase in revenue, and the Group's gross profit margin remained stable at 28.0% in FY2025 compared to 28.2% in FY2024.

Net Profit

Profit before tax increased to US$24.8 million in FY2025, from US$22.7 million in FY2024, mainly due to higher gross profit arising from increased revenue, as explained above. This was partially offset by losses from changes in the fair value of biological assets and plasma receivables, with the fair value loss on biological assets primarily attributable to the moderation of CPO prices from the elevated levels recorded at the end of 2024.

After accounting for lower income tax expenses, the Group recorded a net profit of US$18.4 million in FY2025, representing an increase of 54.4% compared to US$11.9 million in FY2024.

Group's Financial Position

As at 31 December 2025, the Group's total current assets decreased by US$15.1 million, from US$91.3 million in FY2024 to US$76.2 million in FY2025. The decrease was primarily driven by :

- US$3.5 million reduction in the fair value of biological assets, reflecting the moderation CPO price as explained above;

- US$2.9 million foreign exchange translation loss arising from the depreciation of the Indonesian Rupiah ("IDR") against the United States Dollar ("USD"). During the year, the IDR weakened by 620 points, or 3.8%, from IDR16,162 per USD to IDR16,782 per USD, which reduced the USD-equivalent value of IDR-denominated current assets; and
- US$10.9 million reduction in trade and other receivables mainly due to reimbursements received from banks under new plasma loan facilities for advances previously funded by the Group under the plasma programme, as well as refunds of excess input VAT recovered from the tax authority.

Total non-current assets decreased by US$9.6 million to US$187.4 million as at 31 December 2025, from US$197.0 million as at 31 December 2024. The decrease was mainly attributable to (i) foreign exchange translation loss of US$6.8 million on land use rights, property, plant and equipment, and bearer plants, arising from the depreciation of IDR; and (ii) US$4.2 million net reduction in mature bearer plants, mainly due to depreciation and write-off.

The Group's total liabilities decreased by US$40.7 million from US$247.4 million as of 31 December 2024 to US$206.7 million as of 31 December 2025. This decrease was mainly due to (i) US$7.2 million foreign exchange translation gain from IDR-denominated trade payables and bank borrowings, and (ii) net repayment of bank borrowings amounting to US$30.2 million during FY2025.

Group's Cash Flows

The Group generated net cash flows from operating activities of US$58.5 million in FY2025, compared to US$28.8 million in FY2024, reflecting improved operating performance and stronger cash conversion. Operating cash flows before working capital changes increased to US$57.9 million, driven mainly by higher profitability and non-cash adjustments, including depreciation, amortisation and bearer plants write-offs. Working capital movements also contributed positively, particularly from a reduction in trade and other receivables, partially offset by an increase in trade and other payables.

Net cash flows used in investing activities amounted to US$11.2 million, largely attributable to capital expenditure on property, plant and equipment and continued investments in bearer plants. Net cash flows used in financing activities were US$39.3 million, reflecting the Group's continued deleveraging efforts, with loan repayments exceeding new borrowings during the year. As a result, the Group recorded a net increase in cash and cash equivalents of US$8.0 million, bringing the closing cash and cash equivalents balance to US$16.9 million as at 31 December 2025, compared to US$9.4 million at the end of FY2024.

Group's Operational Performance

The Group maintained a stable total planted area, including plasma, of 67,885 hectares in FY2025, unchanged from FY2024.

Total FFB production increased by 15.5%, from 680,478 MT to 785,833 MT, while CPO production rose by 14.6%, from 163,489 MT to 187,295 MT. The improvement was driven by higher yields across the Group's estates, particularly at the Sulawesi plantation, which continued to deliver year-on-year yield improvements and an increasing contribution to overall output. Production performance was further supported by improved agronomic practices, operational efficiency, and generally favourable weather conditions in Indonesia throughout the year.

Proposed Dividend

The Board of Directors has resolved to recommend a final dividend with details as follows:

Name of Dividend	Proposed final dividend
Dividend Type	Cash
Dividend Amount per Share	1.50 Singapore cents
Tax Rate	Tax-exempt, one-tier

The proposed final dividend for FY2025 will be declared in 2026 out of profits available to the Company at the time of declaration, arising from dividends receivable from subsidiaries in respect of their FY2025 results. The proposed final dividend is subject to the approval of the shareholders of the Company.

Outlook

Mr Henry Maknawi, Chairman of Kencana, said, "The Indonesian oil palm industry continues to operate in a challenging yet supportive market environment. Indonesia remains the world's largest producer and exporter of CPO with demand underpinned by food consumption and domestic biodiesel mandates. Nevertheless, competitive conditions remain subject to regulatory developments, export levies, sustainability requirements and cost inflation across the supply chain.

Geopolitical developments are expected to remain a key source of uncertainty over the next 12 months. Ongoing tensions in the Middle East and recent geopolitical events involving major oil-producing regions, have contributed to heightened volatility in global energy markets. Although such events do not have a direct impact on palm oil production, fluctuations in crude oil prices may influence biofuel economics, logistics costs and broader commodity market sentiment, which could in turn affect CPO pricing dynamics and demand conditions. Prolonged geopolitical uncertainty may also weigh on global economic growth and trade flows, potentially impacting purchasing behaviour in key export markets.

The Group will maintain a disciplined and adaptive approach in overseeing its procurement activities, inventory management and overall risk profile. Although the operating outlook for 2026 remains generally constructive, the Group acknowledges that heightened external uncertainties could result in near-term market fluctuations. Accordingly, the Group will continue to closely monitor these developments and factor them into its operational planning and risk management strategies, with a focus on preserving margins, ensuring financial stability and maintaining 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 31 December 2025, Kencana's total planted area (including Plasma Programme) was 67,885 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

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