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31 March 2022

INDIKA ENERGY RESULTS FOR THE PERIOD ENDED DECEMBER 31, 2021

Indika Energy recorded Net Profit of US\$57.7 million and Core Profit of US\$227.9 million in FY21

Jakarta - **PT Indika Energy Tbk. (IDX: INDY)**, Indonesia's leading integrated and diversified company, reported its audited financial statements for the period ended December 31, 2021.

Upon signing of term sheet between the Company and buyer for divestment of the Company's 69.8% ownership in Petrosea in October 2021, as amended in December 2021, all of the assets and liabilities of Petrosea are classified as held for sale, based on PSAK 58 Non-current assets held for sale and discontinued operations. Non-current assets classified as held for sale are presented separately from the other assets in the consolidated statement of financial position as of December 31, 2021. The liabilities classified as held for sale are presented separately from other liabilities in the consolidated statement of financial position as of December 31, 2021.

For the years ended December 31, 2021 and 2020, profit and loss of Petrosea are presented separately as profit (loss) from discontinued operation together with the anticipated loss from such divestment plan.

Highlights

- **Revenues grew by 69.2% YoY to US\$3,069.2 million in FY21** from US\$1,813.8 million reported in FY20, chiefly driven by higher coal price where average Newcastle index was US\$137.3 in FY21 per ton compared to US\$60.7 per ton in FY20.
- **Gross profit rose 429.8% YoY to US\$918.1 million in FY21 from US\$173.3 million reported in FY20. The consolidated gross margin improved to 29.9% from 9.6% in FY20**, mainly led by Kideco's and MUTU's strong performance.
- **SG&A expenses increased by 43.4% YoY to US\$145.4 million in FY21** from US\$101.4 million in FY20, mainly driven by higher marketing expenses in Kideco and higher rental expenses for tug & barges in MUTU.
- **Operating income jumped 974.6% YoY to US\$772.7 million in FY21** from US\$71.9 million reported in FY20 and operating margin expanded to 25.2% from 4.0% in FY20.

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- **Finance cost decreased by 5.8% YoY to US\$104.9 million in FY21** from US\$111.3 million in FY20, mainly due to 2020's one-off acceleration of amortization on bond issuance cost and call premium related to bond 2022 and 2023 redemption.
- **Changes in fair value of contingent liability related to investment in Kideco increased from US\$2.6 million in FY20 to to US\$41.8m in FY21**, driven by higher coal price in 2021.
- **Loss from discontinued operation of US\$144.1m in FY21** was related to 1) realized losses of US\$98.1m (100% basis) from MBSS' divestment in October 2021 and 2) estimated losses of US\$46.0m on Petrosea's divestment plan which term sheet was signed in Oct 2021.
- **The company recorded Profit attributable to owners of the company of US\$57.7m in FY21**, compared to loss of US\$117.5 million in FY20.
- **Core Profit* of US\$227.9 million reported in FY21**, a significant turnaround compared to Core Loss of US\$52.2 million reported in FY20.
**) Core Profit (loss) is defined as net profit (loss) attributable to Owners of the Company for the year excluding non-operational income or expense and the related tax, covering: 1) fair value changes on contingent consideration obligation related to acquisition of additional shares in Kideco; 2) amortization of intangible assets of Kideco and MUTU; 3) gain from refloat of Petrosea's shares in 2021; (4) loss recognized on acquisition of Nusantara in 2021; 5) impairment of assets in 2020; 6) gain from bargain purchase related to additional investment in Awak Mas in 2020; and 7) acceleration of amortization of bond issuance cost in 2020.*
- **The Adjusted EBITDA totalled US\$977.5 million for the period ending December 31, 2021**, compared to US\$274.1 million in the same period previous year.
- **Cash, Cash Equivalents and Other Financial Assets at end of December 2021 stood at US\$986.5 million.**
- **Capex spending during FY21 was US\$25.2 million, including for Kideco of US\$7.2 million, Interport of US\$3.5 million and Indika Resources US\$3.0 million.** In addition to capex spending, Indika Energy made **new investment of US\$83.2 million** for diversification in 2021. Separately, capex on Petrosea was US\$42.0 million in 2021.

PT Indika Energy Tbk.

Descriptions (in USD mn)	FY21	FY20	YoY	4Q21	3Q21	QoQ
Total revenues	3,069.2	1,813.8	69.2%	1,058.6	835.4	26.7%
Kideco	2,196.9	1,249.5	75.8%	710.8	609.3	16.7%
Indika Resources	491.4	190.5	157.9%	196.7	136.2	44.4%
Tripatra	231.6	299.4	-22.7%	76.5	59.3	29.0%
Interport	29.0	15.5	86.4%	7.4	7.1	3.5%
Others	138.9	104.6	32.8%	85.7	23.5	265.0%
Elimination	(18.6)	(45.7)	-59.3%	(18.5)	0.0	-100.0%
Cost of contracts and goods sold	(2,151.0)	(1,640.5)	31.1%	(667.2)	(518.0)	28.8%
Gross profit	918.1	173.3	429.8%	391.4	238.1	64.3%
Selling, general and administrative expenses	(145.4)	(101.4)	43.4%	(53.2)	(31.2)	70.4%
Operating profit	772.7	71.9	974.6%	338.2	206.9	63.4%
Equity in net profit of associates	27.9	32.6	-14.5%	4.5	6.7	-32.7%
Investment income	4.3	12.3	-65.3%	0.2	1.5	-87.8%
Finance cost	(104.9)	(111.3)	-5.8%	(22.5)	(27.5)	-18.0%
Amortization of intangible assets	(136.0)	(135.6)	0.2%	(34.2)	(33.9)	0.9%
Impairment of assets	0.0	(6.0)	-100.0%	0.0	0.0	na
Final tax	(6.8)	(6.3)	7.7%	(0.6)	(2.4)	-73.3%
Gain from a bargain purchase	0.0	16.2	-100.0%	0.0	0.0	0.0%
Fair value changes on contingent consideration obligation	(41.8)	(2.6)	1530.4%	(3.4)	(28.9)	88.3%
Others- net	(13.4)	9.0	-248.6%	(15.9)	2.8	-667.0%
Profit (Loss) Income before tax	502.1	(119.7)	319.3%	253.0	147.3	71.7%
Income tax expense	(294.7)	(1.2)	23807.0%	(135.3)	(86.5)	56.4%
Profit (Loss) after tax from continued operation	207.4	(121.0)	271.5%	117.7	61.2	92.4%
Profit (Loss) from discontinued operation	(144.1)	17.5	-922.4%	(46.0)	(98.4)	53.3%
Profit (Loss) for the year/period :	63.3	(103.4)	161.2%	71.7	(37.3)	292.5%
Profit (Loss) attributable to owners of the company	57.7	(117.5)	149.1%	63.7	(18.0)	454.5%
Profit (Loss) attributable to non-controlling Interest	5.6	14.1	-60.3%	8.0	(19.3)	-141.7%
Core Profit (Loss) of the Company	227.9	(52.2)	536.1%	144.0	28.1	412.9%
Adjusted EBITDA*	977.5	274.1	256.6%	395.5	171.6	130.4%
EPS (USD/share)	0.0111	(0.0226)		0.0122	(0.0034)	
Core EPS (USD/share)	0.0437	(0.0100)		0.0276	0.0054	
Gross margin	29.9%	9.6%		37.0%	28.5%	
Operating margin	25.2%	4.0%		31.9%	24.8%	
Net margin	1.9%	-6.5%		6.0%	-2.1%	
Core profit margin	7.4%	-2.9%		13.6%	3.4%	
Adjusted EBITDA Margin	31.8%	15.1%		37.4%	33.1%	

* Includes dividends from associates (last twelve months period ended 31 Dec 2021)

The consolidated revenues increased 69.2% YoY to US\$3,069.1 million in FY21 from US\$1,813.8 million in FY20)** The higher YoY figures were attributed to higher contribution from Kideco and Indika Resources:

**) All subsidiaries revenue figures are before eliminations

- Kideco's revenue grew by 75.8% YoY to US\$2,196.9 million in FY21**, boosted by higher average selling price (+62.3% YoY) and higher sales volume (+8.5% YoY). Kideco sold 35.8 MT of coal at ASP of US\$61.4/ton in FY21 compared to 33.0 MT of coal sold at ASP of US\$37.8/ton in FY20. In FY21, Kideco sold 12.1MT or 34% of sales volume to domestic market, higher than the 25% DMO requirement. Kideco's export sales volume of 23.7 MT were dominated by China, Southeast Asia countries, and India with 31%, 16% and 8% of sales volume, respectively.
- Indika Resources' revenue increased by 157.9% YoY to US\$491.4 million in FY21** from US\$190.5 million in FY20, driven by higher ASP and volume at MUTU and coal

trading. MUTU's revenue rose by 85.7% YoY to US\$145.0 million in FY21, driven by +19.8% YoY growth in sales volume to 1.6MT and +54.9% YoY increase in ASP to US\$93.0/ton. Coal trading revenue in FY21 jumped by 201.8% YoY to US\$346.5 million on 5.8 MT coal traded (+34.5% YoY) with ASP of US\$59.7/ton (+129.1% YoY).

c) **Interport revenue increased by 86.4% YoY to US\$29.0 million in FY21**, of which US\$22.0 million came from KGTE with fuel storage volume of 14.6kbd.

d) **On the hand, Tripatra's revenue decreased by 22.7% to US\$231.6 million in FY21** compared to US\$299.4 million in FY20. The lower contribution, mainly due to: 1) BP Tangguh project which decreased 16.1% YoY from US\$225.4 million in FY20 to US\$189.2 million in FY21; 2) lower revenue from Emily project and 3) completion of Vopak project

Cost of Contracts and Goods Sold increased by 31.1% YoY to US\$2,151.0 million in FY21 from US\$1,640.5 million in FY20. Kideco's cash costs excluding royalties were up slightly 8.1% YoY to US\$29.2/ton in FY21 compared to US\$27.0/ton in FY20, mainly due to higher fuel rate (US\$0.50/lit in FY21 vs US\$0.42/lit in FY20) and higher contract mining rate.

Gross profit rose 429.8% YoY to US\$918.1 million in FY21 from US\$173.3 million reported in FY20. The consolidated gross margin improved to 29.9% from 9.6% in FY20, supported by strong performances from Kideco (GP margin of 38.0% in FY21 vs 14.2% in FY20) and MUTU (GP margin of 40.8% in FY21 vs 25.0% in FY20).

Selling, General and Administrative expenses increased by 43.4% YoY to US\$145.4 million in FY21 predominantly driven by higher marketing expenses in Kideco and higher rental expenses for tugs & barges in MUTU.

Finance costs decreased by 5.8% to US\$104.9 million from US\$111.3 million in FY20, mainly due to 2020's one-off acceleration of amortization on bond issuance cost and call premium related to bond 2022 and 2023 redemption.

The Company reported Profit Attributable to the Owners of the Company of US\$57.7 million in FY21 compared to loss of US\$117.5 million in FY20.

The Company reported Core Profit of US\$227.9 million in FY21, a significant jump compared to Core Loss of US\$52.2 million reported in FY20.

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Descriptions (in USD mn)	FY21	FY20	Change % FY21 - FY20
Cash balance*	986.5	792.1	24.5%
Current assets	2,092.0	1,394.1	50.1%
Non current asset held for sale	448.2	0.0	100.0%
Total assets	3,691.5	3,493.7	5.7%
Current liabilities	1,135.8	707.7	60.5%
Total Debt**	1,581.8	1,693.8	-6.6%
Liabilities directly related to Non current asset held for sale	267.4	0.0	100.0%
Shareholder equity	883.7	867.3	1.9%
Current ratio (X)	1.8	2.0	
Debt to Ebitda (X)	1.6	6.2	
Net Debt to Ebitda (X)	0.5	3.6	
Debt to equity (X)	1.8	2.0	
Net debt to equity (X)***	0.7	1.0	

*) includes other financial asset

**) total debt with interest bearing exclude accrued interest and issuance cost

***) total debt minus total cash balance divided by shareholders' equity

Kideco Financial and Operational Highlights

Descriptions (USD mn)	4Q21	4Q20	YoY	3Q21	QoQ	FY21	FY20	YoY
Sales	710.8	330.9	114.8%	609.3	16.7%	2,196.9	1,249.5	75.8%
Gross profit	355.9	47.5	648.7%	239.6	48.5%	835.4	177.1	371.8%
Operating profit	333.7	37.2	796.5%	223.6	49.2%	773.7	138.2	460.0%
Net income	182.6	21.4	753.4%	123.5	47.8%	426.4	75.4	465.4%
EBITDA	339.3	42.8	692.7%	229.2	48.0%	796.1	160.5	396.0%
Gross margin	50.1%	14.4%		39.3%		38.0%	14.2%	
Operating margin	46.9%	11.2%		36.7%		35.2%	11.1%	
Net margin	25.7%	6.5%		20.3%		19.4%	6.0%	
EBITDA margin	47.7%	12.9%		37.6%		36.2%	12.8%	
Overburden (mn bcm)	43.2	45.6	-5.2%	44.3	-2.3%	179.9	186.9	-3.8%
Production volume (MT)	9.0	9.1	-1.4%	8.7	2.8%	35.8	33.0	8.5%
Sales volume (MT)	8.4	9.4	-10.7%	9.4	-10.9%	35.8	33.0	8.5%
Stripping ratio (X)	4.8	5.0	-3.8%	5.1	-5.0%	5.0	5.7	-11.3%
Cash Cost excl royalty (US\$/ton)	30.2	25.4	19.0%	29.5	2.4%	29.2	27.0	8.1%
Average selling price (US\$/ton)	85.0	35.4	140.5%	64.9	31.0%	61.4	37.8	62.3%

Recent Development

- On 18 February 2022, Indika Energy has signed a Conditional Sale and Purchase Agreement with PT Caraka Reksa Optima (“CARA”) in accordance with the proposed sale of all its shares in PT Petrosea Tbk. (“Petrosea”) to CARA (“CSPA”), with effective date as of 25 February 2022. Based on the CSPA, the Company intends to sell all of its 704,014,200 shares in Petrosea representing 69.8% of the paid-up capital of Petrosea for the amount of US\$146,580,000.- based on indicative valuation of US\$210,000,000.- for 100% basis. This transaction is expected to complete at the end of May 2022, subject to fulfillment of a number of conditions precedents as governed under the CSPA.

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ABOUT INDIKA ENERGY

PT Indika Energy Tbk. (“Indika Energy”) is Indonesia’s leading integrated energy company through its strategic investments in the areas of **Energy Resources** – coal production (PT Kideco Jaya Agung, PT Multi Tambangjaya Utama); coal trading (Indika Capital Investment Pte. Ltd.); **Energy Services** – EPC - oil & gas (PT Tripatra Multi Energi, PT Tripatra Engineers & Constructors, PT Tripatra Engineering); EPC – contract mining (PT Petrosea Tbk. (IDX: PTRO).); **Energy Infrastructure** – marine transportation, ports & logistics for bulk goods and natural resources, PT Sea Bridge Shipping, PT Cotrans Asia, PT Indika Logistic & Support Services, PT Kuala Pelabuhan Indonesia); fuel storage (PT Kariangau Gapura Terminal Energi); coal-fired power plant (PT Cirebon Electric Power and PT Prasarana Energi Cirebon); **Other Portfolios** – gold production (Nusantara Resources Limited), IT enterprise (PT Xapiens Teknologi Indonesia), digital technology services (PT Zebra Cross Teknologi), green businesses (PT Indika Multi Properti, PT Empat Mitra Indika Tenaga Surya and PT Electra Mobilitas Indonesia).

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FURTHER INFORMATION

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