



# INDIKA ENERGY GROUP COMPANY UPDATE 6M22

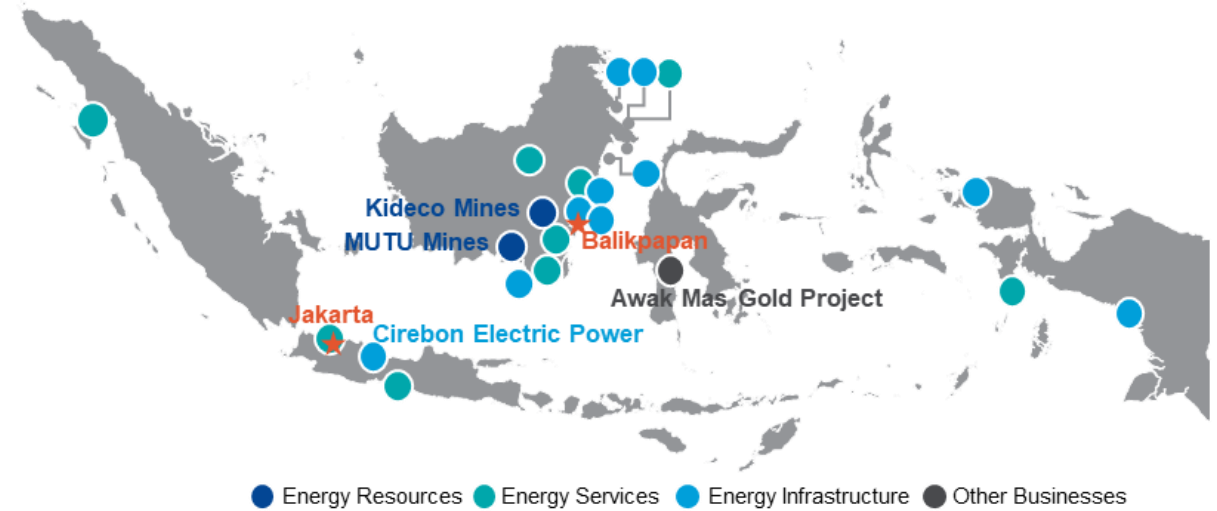
PT Indika Energy Tbk.

Aug 2022

# Indika Energy - To Energize Indonesia for a Sustainable Future



- ✓ A Investment Holding Company with portfolio spanning across Indonesia, especially in energy value chain.
- ✓ Well-placed to capture domestic economic growth and global economic recovery
- ✓ Provides complementary products and services to domestic and international customers
- ✓ Strong operating track-record, with focus on cost control and unlocking synergies within the Group
- ✓ Ongoing diversification initiatives such as renewables, digital technologies and gold mining (target 50% non-coal revenue by 2025)
- ✓ Strong focus on and commitment to ESG initiatives
- ✓ Prudent financial management, with established track record in debt and equity capital markets



Energy			Logistic & Infrastructure	Minerals	Green Business	Digital Ventures
Resources	Services	Infrastructure				
<ul style="list-style-type: none"> <li>Indonesia's 3<sup>rd</sup> largest coal miner<sup>(1)</sup></li> <li>Coal exploration and production through flagship Kideco and MUTU</li> <li>Coal trading (ICI and IETPL)</li> </ul>	<ul style="list-style-type: none"> <li>EPC and O&amp;M services in oil &amp; gas and power generation (Tripatra)</li> </ul>	<ul style="list-style-type: none"> <li>Transportation of bulk materials (SBS &amp; CTA)</li> <li>Electricity generation (CEP/CEPR)</li> </ul>	<ul style="list-style-type: none"> <li>Port and logistics services, as well as fuel storage (Interport)</li> </ul>	<ul style="list-style-type: none"> <li>Gold development Project</li> <li>Nickel Trading</li> </ul>	<ul style="list-style-type: none"> <li>Renewables energy through solar power</li> <li>Electric Vehicle</li> <li>Nature based solutions</li> </ul>	<ul style="list-style-type: none"> <li>Digital technology activities (integration of Group ICT systems)</li> <li>Digital transformation and analytics</li> </ul>

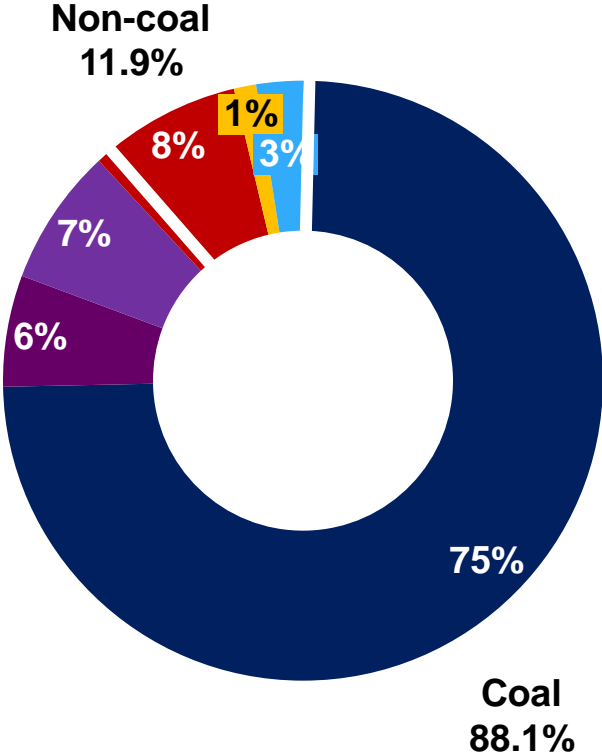
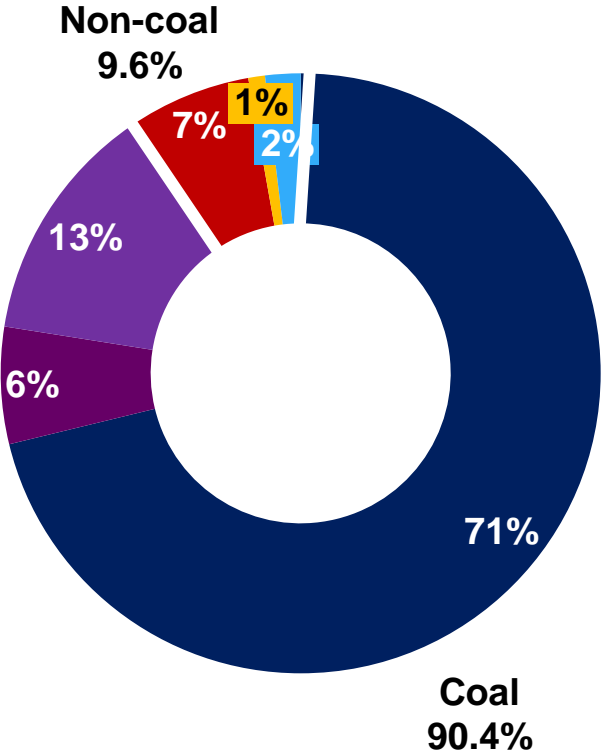
(1) As measured by 2019 production according to Wood Mackenzie

# Indika Energy – 6M22 Revenue Contribution



Revenue 6M22 : US\$1,939.0m

Revenue 6M21 : US\$1,164.7m



- Kideco
- MUTU
- Coal Trading
- Tripatra
- Interport
- Others

*\*) PTRO's figures have been excluded*

# Indika Energy's Consolidated Income Statement Highlights



Summary P&L	Quarter Data					Year To Date		
	2Q22	2Q21	YoY	1Q22	QoQ	6M22	6M21	YTD YoY
Revenues	1,108.2	639.5	73.3%	830.8	33.4%	1,939.0	1,164.7	66.5%
COGS	(700.1)	(486.8)	43.8%	(570.0)	22.8%	(1,270.1)	(905.7)	40.2%
<b>Gross Profit</b>	<b>408.1</b>	<b>152.6</b>	<b>167.4%</b>	<b>260.8</b>	<b>56.5%</b>	<b>668.9</b>	<b>258.9</b>	<b>158.3%</b>
SG&A Expenses	(52.6)	(29.9)	76.1%	(40.1)	31.2%	(92.6)	(56.8)	63.0%
<b>Operating Profit</b>	<b>355.5</b>	<b>122.8</b>	<b>189.6%</b>	<b>220.7</b>	<b>61.1%</b>	<b>576.2</b>	<b>202.1</b>	<b>185.1%</b>
<b>Pre tax Profit</b>	<b>298.2</b>	<b>66.4</b>	<b>349.4%</b>	<b>155.5</b>	<b>91.8%</b>	<b>453.7</b>	<b>87.9</b>	<b>416.4%</b>
Adjusted EBITDA *)	394.9	164.7	139.8%	237.0	66.6%	631.9	306.6	106.1%
Income Tax	(154.6)	(44.1)	250.2%	(70.5)	-119.2%	(225.1)	(71.2)	216%
<b>Profit (Loss) after tax from continued operation</b>	<b>143.6</b>	<b>22.2</b>	<b>546.4%</b>	<b>84.9</b>	<b>69.1%</b>	<b>228.5</b>	<b>16.6</b>	<b>1276.0%</b>
Profit (Loss) from discontinued operation	0.0	9.8	-100.0%	0.0	0.0%	0.0	12.2	-100.0%
<b>Core Profit (Loss)</b>	<b>145.7</b>	<b>43.2</b>	<b>237.5%</b>	<b>95.1</b>	<b>53.2%</b>	<b>240.8</b>	<b>55.8</b>	<b>331.8%</b>
<b>Net Profit (Loss)</b>	<b>125.6</b>	<b>21.4</b>	<b>487.8%</b>	<b>75.0</b>	<b>-67.4%</b>	<b>200.7</b>	<b>12.0</b>	<b>1571.2%</b>
Gross Margin(%)	36.8%	23.9%		31.4%		34.5%	22.2%	
EBIT Margin(%)	32.1%	19.2%		26.6%		29.7%	17.4%	
Core Profit Margin(%)**	13.1%	6.8%		11.4%		12.4%	4.8%	
Net Profit Margin(%)	11.3%	3.3%		9.0%		10.3%	1.0%	

\*) Consolidated EBITDA plus dividends received from associates

\*\*\*) Core Profit refers to the current year's profit attributable to the owner of the company for the year excluding: 1) Provision for contingent liability related to acquisition of additional shares in Kideco; 2) amortization intangible assets of Kideco and MUTU

# 6M22 Business Highlights – Revenue Breakdown



Subsidiaries	6M22 (US\$ mn)	6M21 (US\$ mn)	YoY Chg	Remarks
Kideco	1,384.8	876.8	57.9%	ASP ▲ 67.9% (+US\$33.0/ton) from US\$48.6/ton in 6M21 to US\$81.5/ton in 6M22, Sales Volume ▼ -5.9% (-1.1MT) to 17.0MT in 6M22 due to lower annual target production in 2022.
Indika Resources	377.3	158.5	138.1%	MUTU's ASP ▲ 136.6% to US\$194.6 per ton in 6M22, Sales Volume ▼ 26.7% to 0.6 MT in 6M22 Coal Trading's Sales volume ▲ 56.4% to 3.4MT in 6M22, while ASP ▲ 87.5% (+US\$34.5/ton) to US\$74.0/ton in 6M22.
Tripatra	134.1	96.3	39.3%	Higher contribution from Tangguh (+US\$33.2m) to US\$119.6m (where mostly derived from Reimbursement Contract) and new projects such as Star Energy Geothermal Salak (+US\$6.1m) and Cabott (+US\$3.1m) in 3M22
Interport	16.8	14.5	15.6%	Sales volume ▲ to 17.0 KBD in 6M22 vs 14.5 KBD in 6M21, although sales volume in 6M22 was still below the budget
Others	37.2	29.7	25.4%	
<b>Total Gross Revenue</b>	<b>1,950.1</b>	<b>1,175.8</b>	<b>65.9%</b>	
Elimination	(11.1)	(11.1)		
<b>Total Net Revenue</b>	<b>1,939.0</b>	<b>1,164.7</b>	<b>66.5%</b>	

# 6M22 Business Highlights- Gross Profit/ Margin



Subsidiaries	6M22 (US\$ mn)	6M21 (US\$ mn)	YoY Change	Remarks
<b>Gross Profit</b>	<b>668.9</b>	<b>258.9</b>	<b>158.3%</b>	
<b>Gross Margin (%)</b>	<b>34.5%</b>	<b>22.2%</b>		
Kideco	574.0	240.0	139.2%	ASP ▲ 67.9% (+US\$33.0/ton) from US\$48.6/ton in 6M21 to US\$81.5/ton in 6M22 Sales Volume ▼ 5.9% (-1.1MT) from 18.1MT to 17.0MT in 6M22. Cash cost ex Royalty ▲ (+US\$4.9/ton) from US\$28.7/ton in 6M21 to US\$33.6/ton in 6M22 on higher contractor rate due to index link and higher fuel cost
Indika Resources	79.7	35.1	126.8%	MUTU's ASP ▲ 136.6% to US\$112.3 per ton in 6M22, Sales Volume ▼ 26.7% to 0.6 MT in 6M22, Cash cost inc Royalty▲ 102.3% (+US\$56.9 /ton) to US\$112.5/ton in 6M22 Coal Trading's Sales volume ▲ 126.8% to 1.7MT in 3M22, while ASP ▲ 98.3% (+US\$33.9/ton) to US\$68.5/ton in 3M22.
Tripatra	7.9	(20.2)	139.2%	Gross profit margin improved to 5.9% in 6M22 from loss -20.9% in 6M21 due to improvement in BP Tangguh project where the lump sum contract incurred cost overrun in 6M21
Interport	6.2	4.4	41.4%	Total gross margin increased to 37.0% in 6M22 compared to 30.3% in 6M21 due to higher gross margin in KGTE from 45.6% to 58.3% in 6M22
Others	2.5	3.0	-18.3%	

# Operational Highlights Vs Corporate Guidance



Operational Data Guidance	2022 Budget	6M22	6M21	%
<b>KIDECO</b>				
Production (MT)	34.0	16.4	18.2	-9.5%
Strip Ratio (x)	5.5	5.3	5.1	4.4%
Newcastle Benchmark (\$/ton)	103.5	320.5	98.1	226.7%
Average Selling Price (\$/ton)	52.5	81.5	48.6	67.9%
Cash Cost xRoyalty (\$/ton)	32.8	33.6	28.7	17.2%
Overburden Volume (BCM)	188.6	87.3	92.4	-5.5%
<b>INDIKA RESOURCES</b>				
Coal Traded Volume (MT)	7.5	3.4	2.2	54.5%
MUTU production volume (MT)	1.8	1.0	0.9	11.1%
<b>INTERPORT</b>				
Volume KGTE (Kbd)	21.5	17.0	14.6	16.4%

CAPEX	2022 Budget (US\$M)	6M22 (US\$M)	%
Kideco	17.0	3.7	21.8%
Indika Resources	14.0	1.4	10.0%
Indika Hold Co.	1.0	0.9	90.0%
Interport	5.0	1.3	26.0%
EMI	12.0	1.6	13.3%
EMITS	21.0	0.8	3.8%
IMP	11.0	2.4	21.8%
Awakmas	32.0	7.2	22.5%
Tripatra	0.0	0.0	0.0%
<b>Total Capex</b>	<b>113.0</b>	<b>19.3</b>	<b>17.1%</b>

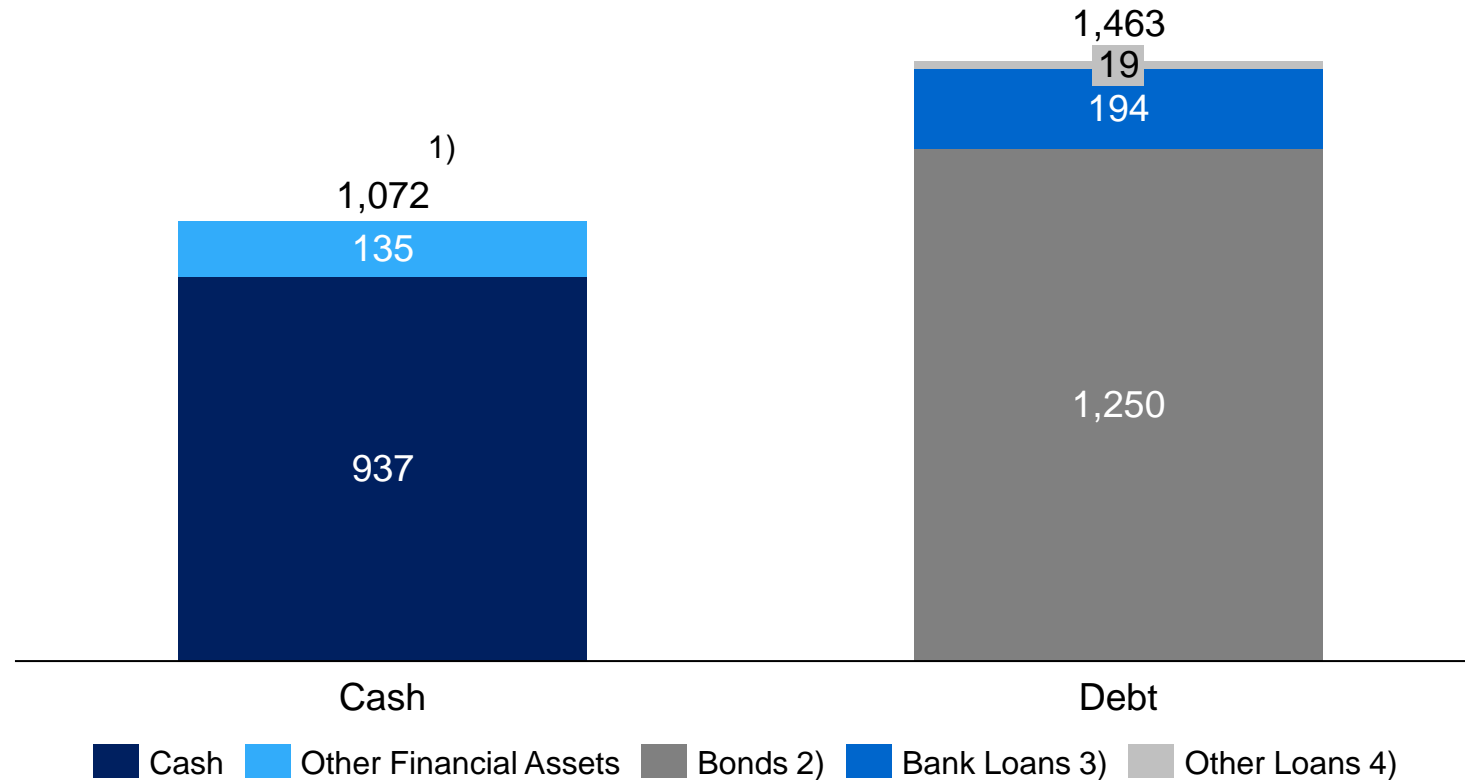
NEW INVESTMENTS	6M22 (US\$M)
Patimban	0.0
Awakmas	34.0
IMP	8.5
Ilectra Motor Group	4.6
EMITS	5.1
Indika Ventures	1.1
<b>Total</b>	<b>53.2</b>

# Cash and Debt Position



## Cash and Debt Breakdown as of 30 June 2022

US\$m



1) Kideco: US\$556.4m, Tripatra: US\$34.0m, IIR: US\$93.5m, Interport: US\$8.0m, IMP: US\$5.6m, EMI: US\$0.9m, ITB: US\$3.7m, HoldCo: US\$370.3m\*  
 2) US\$575mn due 2024 and US\$675m due 2025  
 3) Tripatra: US\$19.2m; IIR: US\$10m; Interport: US\$63.4m, HoldCo: US\$101.3m  
 4). Tripatra: US\$19.2m



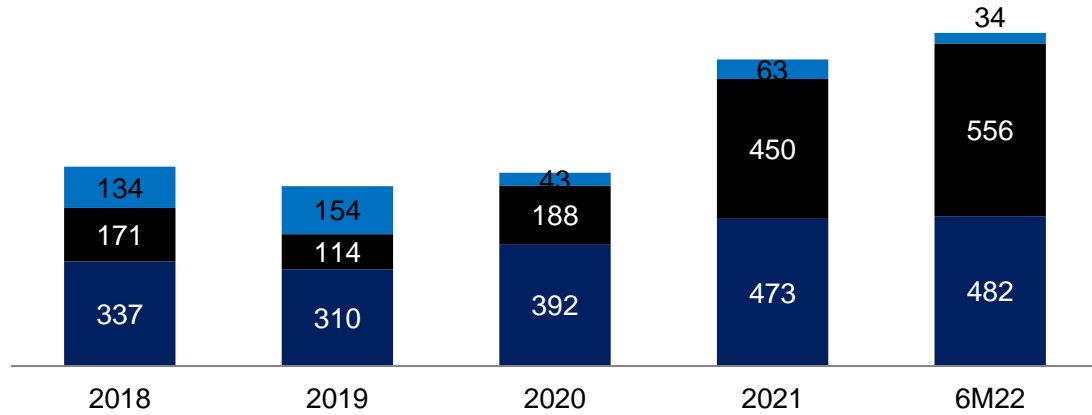
# Indika Energy – Sound Balance Sheet



## Cash Breakdown by Subsidiaries

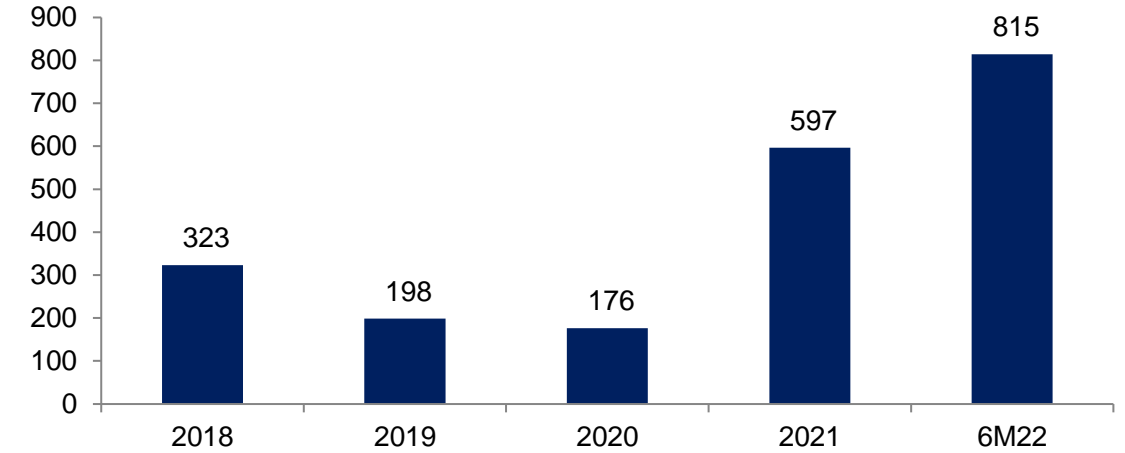
US\$ million

■ HoldCo & Others ■ Kideco ■ Tripatra



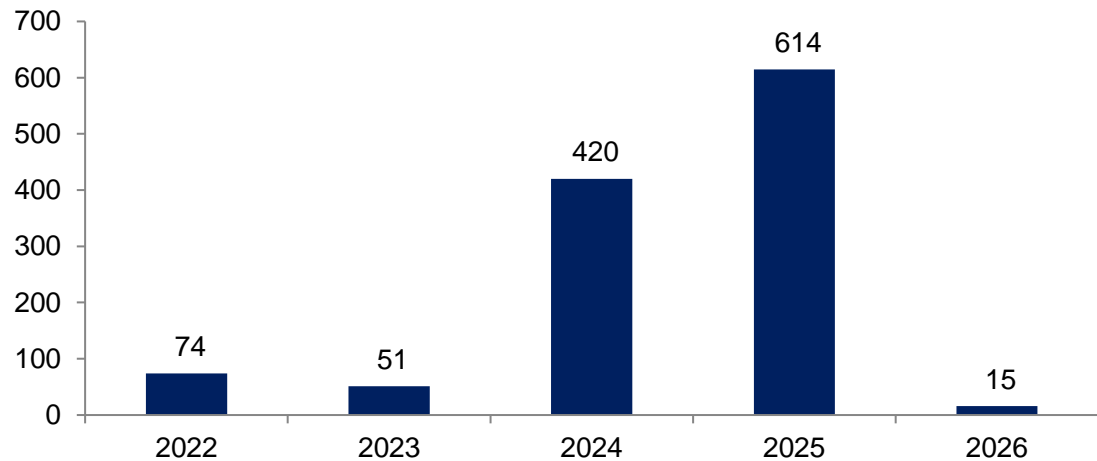
## LTM Free Cash Flow

US\$ million



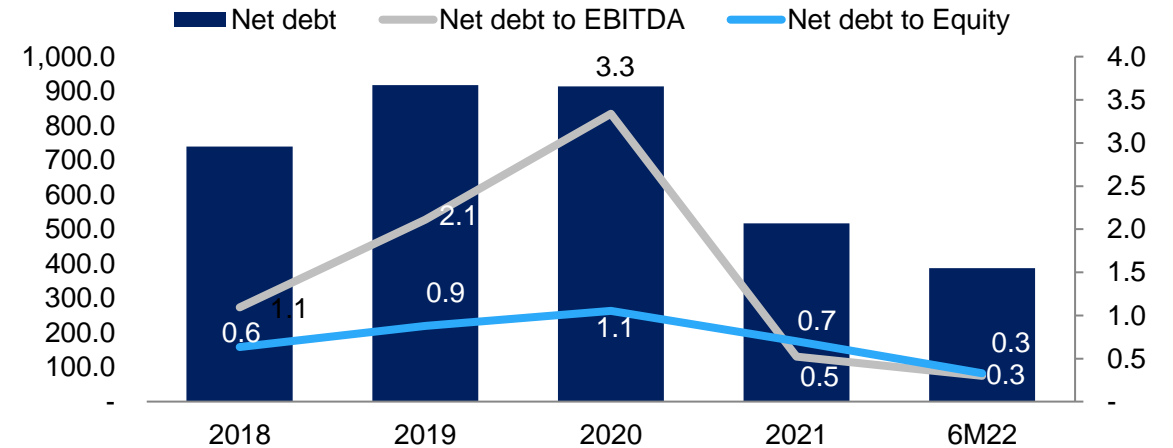
## Long Dated Debt Maturity Profile

US\$ million



## Net Debt Ratio

US\$ million



# Highlights of Recent Key Events

## New Fiscal Tariff

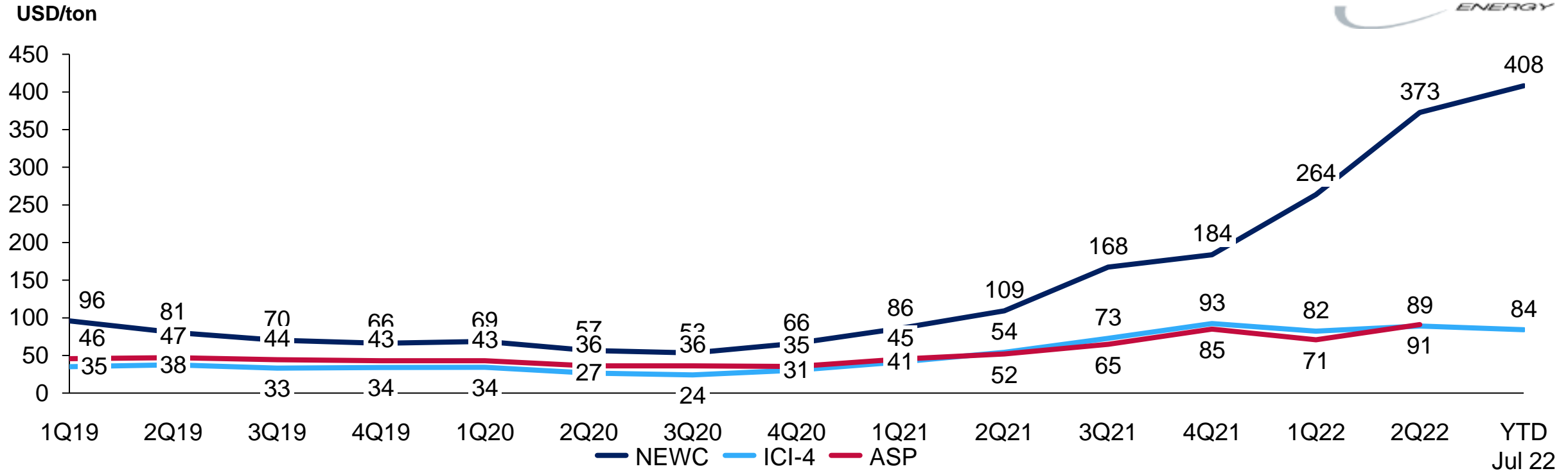


- On 11 April 2022, the Government of Indonesia has issued a new regulation Peraturan Pemerintah No 15/2022 about taxation on coal miners, including new royalty tariff for CCOW holders.
- With the new royalty tariff (from current 45%), IUPK holders will follow the prevailing income tax rate (22%)
- In addition, there will be profit sharing at 10% of net income, which will be applied on the following year after the conversion
- According to PP no 15/2022, New fiscal regime will be **effective the year after the coal miner receives the IUPK conversion**. In the case of INDY receives IUPK by 13 March 2023, new income tax, royalty, profit sharing will be applied as of 1 January 2024.

	CCOW	IUPK	HBA Price US\$/ton	Tariff General/Export	Tariff DMO
Royalty	13.5% flat	DMO: 14% General: progressive from 14% to 28%	HBA < \$70	14%	14%
Income tax	45%	Prevailing (22%)	70 ≤ HBA < 80	17%	14%
Profit sharing tax	nil	4% to central 6% to local govt, based on income tax	80 ≤ HBA < 90	23%	14%
			90 ≤ HBA < 100	25%	14%
			HBA ≥ 100	28%	14%

\*) The HBA is a monthly average price based on Indonesia Coal Index (ICI), Newcastle Export Index (NEX), Globalcoal Newcastle Index (GCNC), dan Platt's 5900 in the previous month with quality adjusted to CV of 6322 kcal/kg GAR, Total Moisture 8%, Total Sulphur 0,8%, and Ash 15%.

# Thermal Coal Price



## Supply

- Geopolitical tension in Russia-Ukraine, has caused disruption in energy supply, including gas and thermal coal.
- Heavy rainfall due to La Nina affecting production areas in Kalimantan is expected to extend well into May 22. Indonesia's 2022 production target growth of 4-8% YoY may prove difficult to achieve.
- NDRC is reported to boost additional domestic production up to 300MT in 2022 as a bid to reduce import.

## Demand

- According to IEA, global coal consumption will reach 8.025 BT in 2022, higher than record in 2013, boosted by the consumption of China, India and SEA countries
- China's coal demand is expected to remain robust and increase by 2% YoY
- Bullish demand also seen from Japan and South Korea.
- European buyers have been looking for alternatives to Russian coal including from Australia and Indonesia.

# Our Diversified Business Portfolio

Indika Energy has  
set out bold  
aspirations as part  
of its ESG  
commitment



**50%**

non-coal revenue by 2025



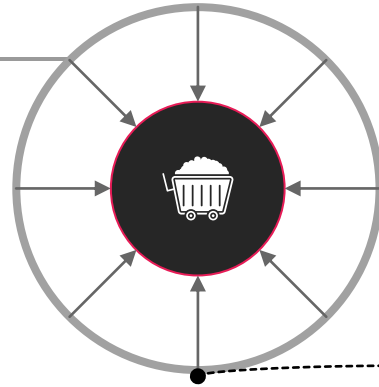
**Net-Zero**

emissions by 2050

# Transforming into a diversified business portfolio

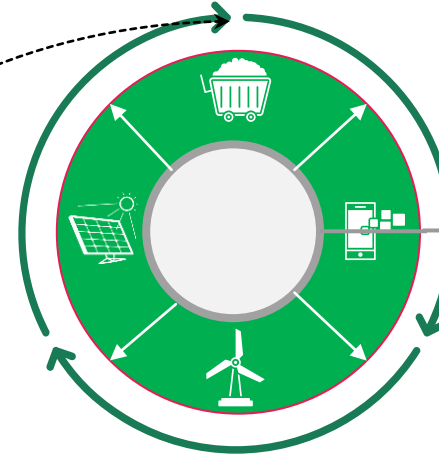
## Current: Coal as core business

Business that relies on coal, from resources, services and infrastructure



## Future: Diversified Business Portfolio

- ✓ Diversified Business Portfolio
- ✓ Significant growth
- ✓ Less volatility
- ✓ ESG investment



- ✓ Target to generate 50% revenue from non-coal businesses by 2025
- ✓ Growing the existing non-coal business and expanding into key areas of interest by leveraging our core competence
- ✓ Reducing exposure in coal related business, including through divestment
- ✓ Benefit of synergies across businesses

### Funding - Key Considerations

- ✓ Strong Cash & equivalent position of US\$1,072 m per Jun 2022
- ✓ Recycle cash (proceeds from divestment can be used for diversification)
- ✓ Development through partnership
- ✓ Option for project funding
- ✓ Financial prudence and discipline maintained for all investments in accordance with the financial covenants

# Indika Energy People Know Today

Strong capabilities across the entire coal value chain

Field exploration of coal resources, production and trading



Coal contract mining and EPC services in oil & gas



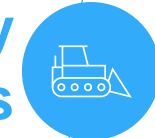
Transportation of bulk materials and port infrastructure



Coal-fired power plant



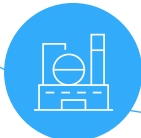
Energy services



Energy resources



Energy infrastructure



# The Future of Indika Energy

Unlocking sustainable development in Indonesia



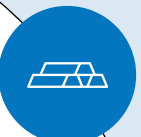
Logistics & Infrastructure



Logistic assets, EPC services, infrastructure, e.g. fuel storage



Minerals



Exploration of gold and other metals and minerals



Green Businesses



Renewable energy, EV mobility, green economies



Digital Ventures



Digital transformation and analytics



Others



Business incubation to develop emerging new businesses





# Diversification Investments – Minerals

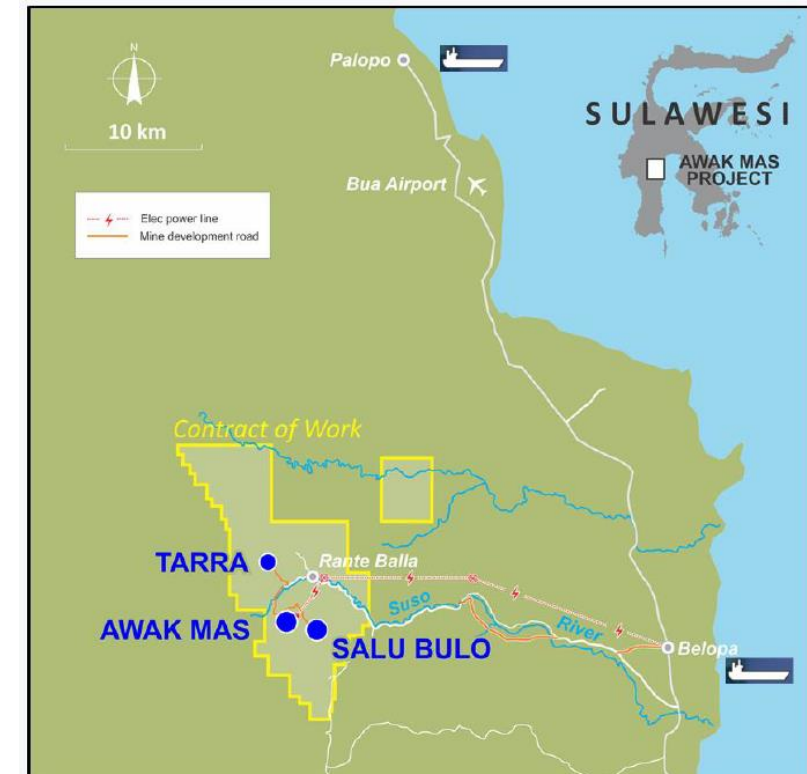
## Developing Gold Asset Project through Nusantara Resources



A Strategic investment in Nusantara Resources Limited. Nusantara owned 100% PT Masmindo Dwi Area which has sole rights to exploit in Awak Mas Gold Project



<b>Location</b>	<b>: South Sulawesi, 370 km from Makasar</b>
<b>Potential Resources</b>	<b>: 2.29 million onz</b>
<b>Potential Reserves</b>	<b>: 1.45 million onz *(1.33g/t)</b>
<b>License</b>	<b>: COW (Contract of Work) amended in March 2018 (up to 2050)</b>
<b>Total concession</b>	<b>: 14,390Ha, explored area ± 2,000Ha</b>
<b>Current Status</b>	<b>: Land Compensation &amp; Funding</b>
<b>Timetable</b>	<b>: Construction in 1Q23</b> <b>Operation in 2025</b>
<b>Production Output</b>	<b>: 100,000 ounces (3,110 kg) annually</b> <b>life of mine 15 years</b>



\* Reserve at USD1,700 per ounce gold price



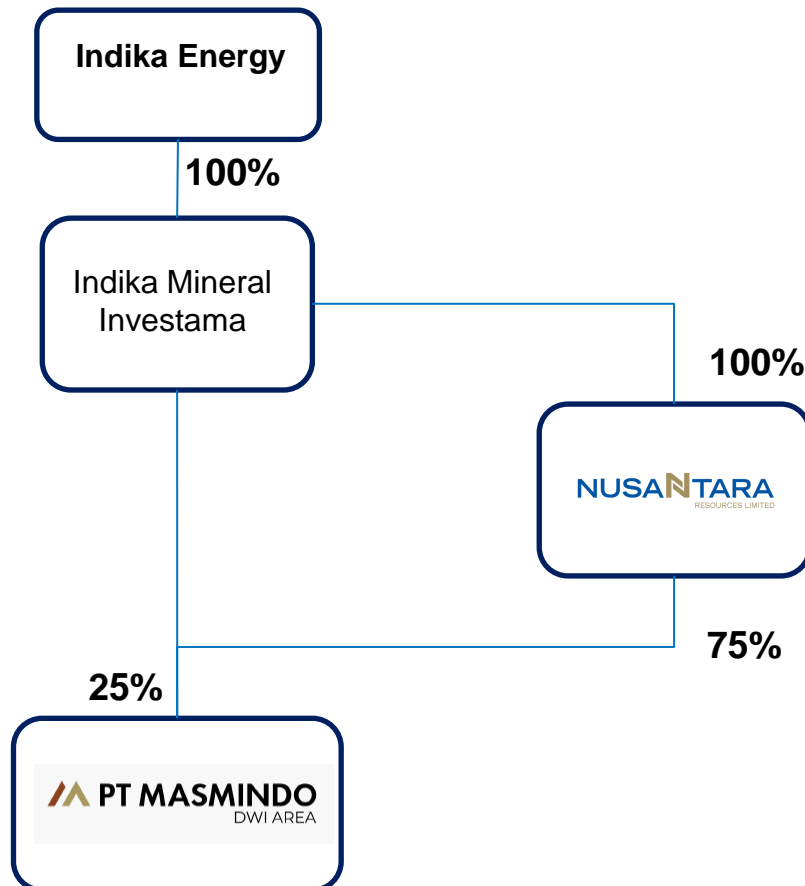
# Diversification Investments – Minerals

## Completed Further Acquisition to Accelerate Development of Awakmas Gold Project



### Ownership in Gold Project

Indika energy has direct and indirect 100% ownership in Awakmas project



### Investment in Gold Project

Period	Investment	Amount (US\$ M)
Dec-18	Initial Investment (19.9% in NUS)	5.1
2019 - 2020	Additional 7.9% shares of NUS, acquired in the period of 2019-2020, including through option and placement	7.5
Aug-20	Exercised option for 25% of direct shares in Masmindo	15.0
Oct-21	Acquisition of remaining 72.2% shares of NUS through SID	42.8
Nov-21	Advance to Masmindo	7.5
Mar-22	Advance to Masmindo	22.0
Jun-22	Advance to Masmindo	10.0
	<b>Total Investment in Nusantara (and directly on Masmindo)</b>	<b>109.9</b>

# Diversification Investments – Logistics & Infrastructure

## *Kariangau Fuel Tank Storage Is Up and Running*



**Build and operate fuel storages exclusively for ExxonMobil**



<b>Location</b>	<b>: Balikpapan, Kariangau, East Kalimantan</b>
<b>Project Company</b>	<b>: PT Karingau Gapura Terminal Energy</b>
<b>Total Project Cost</b>	<b>: US\$115million</b>
<b>Funding Structure</b>	<b>: US\$75 million - bank loan &amp; US\$38 million - equity</b>
<b>Storage Capacity</b>	<b>: 75ML – Diesel; 13ML – MoGas; - 8ML –B100</b>
<b>Construction Periods</b>	<b>: 18 months starting January 2019</b>
<b>COD</b>	<b>: Commercial operation as of 9 November 20</b>
<b>Contractors</b>	<b>: Tripatra &amp; Petrosea</b>



# Diversification Investments – Logistics & Infrastructure

## Patimban Port



- A strategic infrastructure project development; as the first integrated supply chain port in Indonesia
- On 30 Dec 20, Ministry of Transport has appointed a consortium, as operator of Patimban Port for Phase 1
- Indika joined the consortium, PT Pelabuhan Patimban Internasional (“PPI”), through Indika Logistic & Support Services (ILSS) with 29% stake
- Development and operation based on PPP (Public Private Partnership) scheme
- PPI has signed service agreement with Japanese company consortium, led by Toyota Tsusho, to operate the car terminal



**Location** : Patimban, Subang West Java  
**Scheme** : Procure – Operate – Transfer  
**Concession Period** : 40 years (2021 to 2061)  
**Phase I Capacity** : 3.75 million TEUs for container terminal  
600,000 CBU for car terminal

### Phase I

- Development in 2021-2027
- Current capacity of 216,000 CBU (has commenced operation with first export of 1,200 cars in Dec 21)
- Container Terminal to operate in 2024

### Phase II- III

- Development will be in 2027 onwards (not yet tender for infras & operatorship)
- Container terminal with additional capacity of 3.75m TEUs (total 7.5m TEUs)



# Diversification Investments – Green Businesses

## Solar Power – EMITS



- Formed a JV to develop solar power business with Fourth Partner Energy Limited (4PEL), India’s leading solar developer, called Empat Mitra Indika Tenaga Surya (EMITS), with 51% stakes.
- EMITS will provide a one-stop-shop, renewable energy solutions platform for Indonesia’s commercial and industrial sectors.
- Aims to install 500MW in the next 5 year in Indonesia, combination of Utilities, Commercial & Industrial and Off Grid/ Mini Grid



EMITS has signed project with PT Mangole Timber Producer (Sampoerna Kayoe Group) on 7 March 22 to develop a hybrid solar power plant :

- PV Capacity : 12MWp and 3MWh Battery
- Location : Mangole, North Maluku
- Installation : Ground Mounted
- Contract Period : 20 years
- COD : June 2023

### Types of Market Segmentation

	C&I Solar PV	Off Grid	Sale to PLN
Concept	Install rooftop PV or ground mounting to save electricity bill	Clients supply their own electricity (off grid)	Build Solar PV and inject power to PLN's grid
Clients	Commercial & Industrial	Commercial & Industrial	PLN
Development time	<1 year	1-2 years	> 2 years

# Diversification Investments – Green Businesses

## Solar Power – EMITS has Total of 50MWp Projects in the Pipeline



- Have installed almost 1MWp in Kideco's site and INDY's office building in Bintaro area
- Appr. 10MWp to be developed for INDY's consumption
- Projects come from various sectors, located across Indonesia

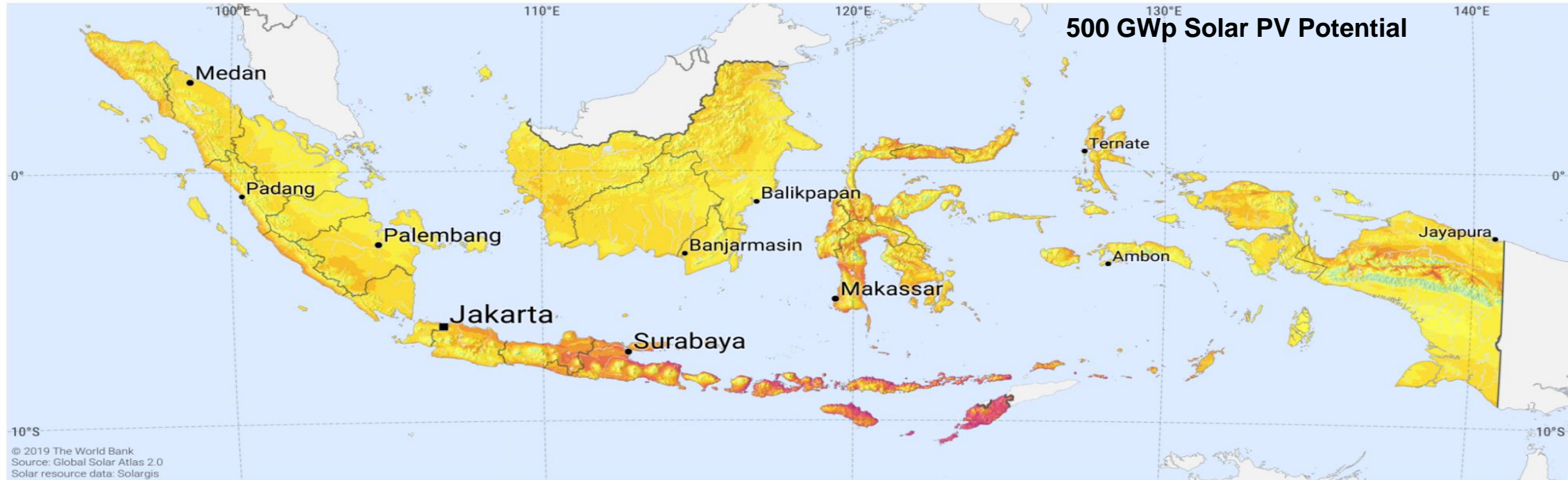


**Solar Farm at KIDECO campsite, Batu Kajang**  
Capacity of 409 kWp + Battery 100 kWh



# Diversification Investments – Green Businesses

## Solar Power – Huge Untapped Solar PV Potential in Indonesia



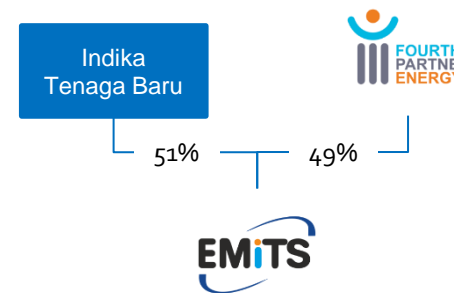
&



**Green Energy, Accelerated.**

JV Co Established  
in March 2021  
*Focused Area on C&I Market*

EMITS corporate structure

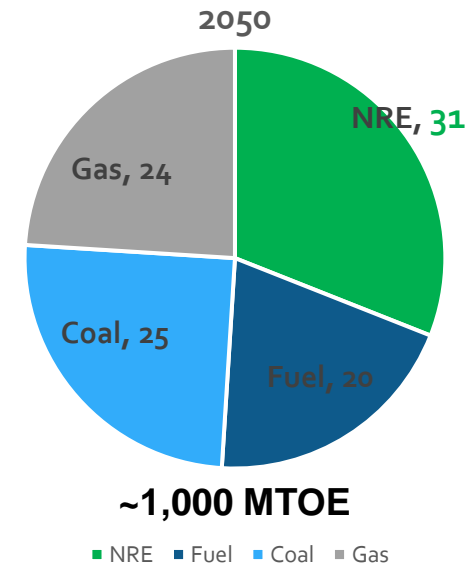
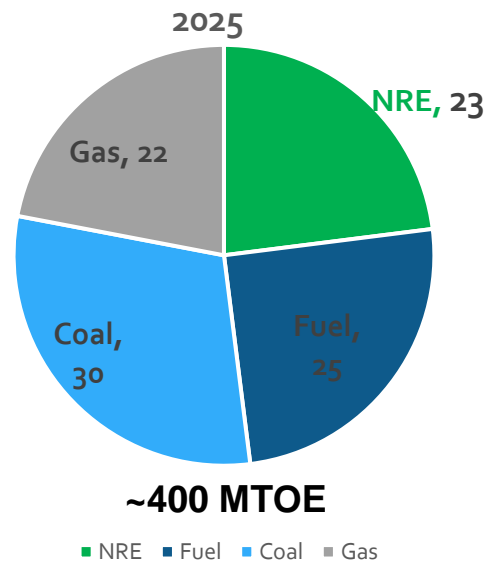
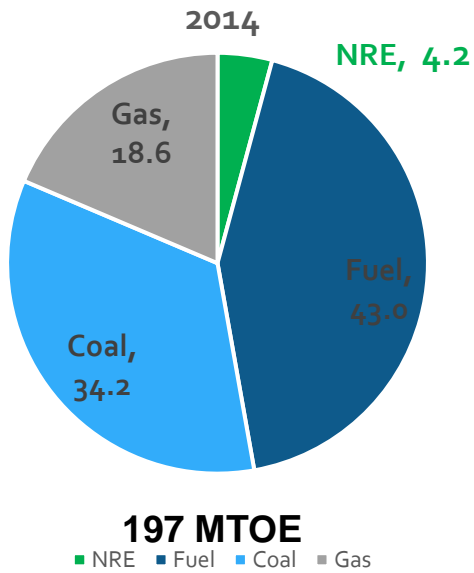


# Diversification Investments – Green Businesses

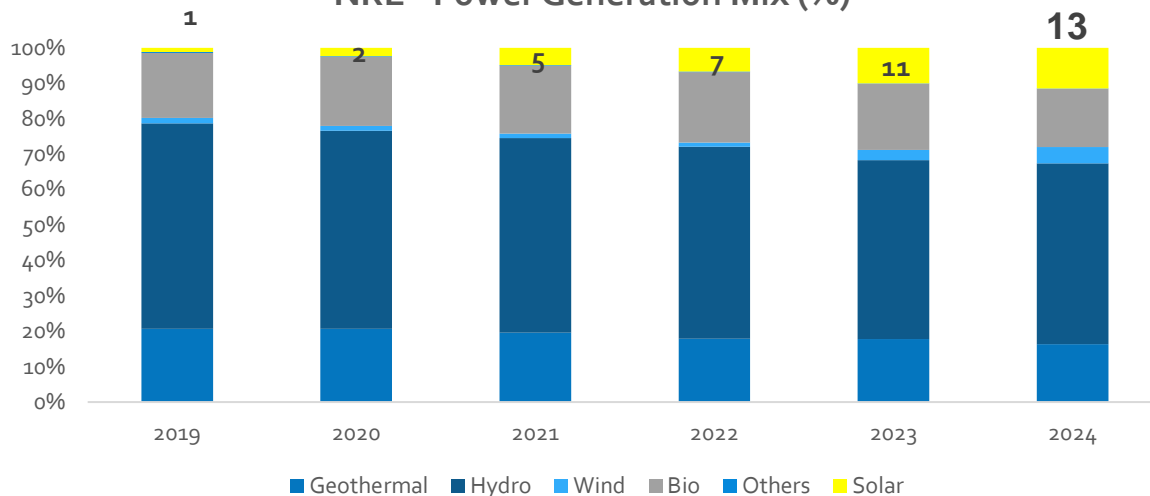
## Solar Power – Indonesia is to Rely More on New and Renewable Energy (NRE)



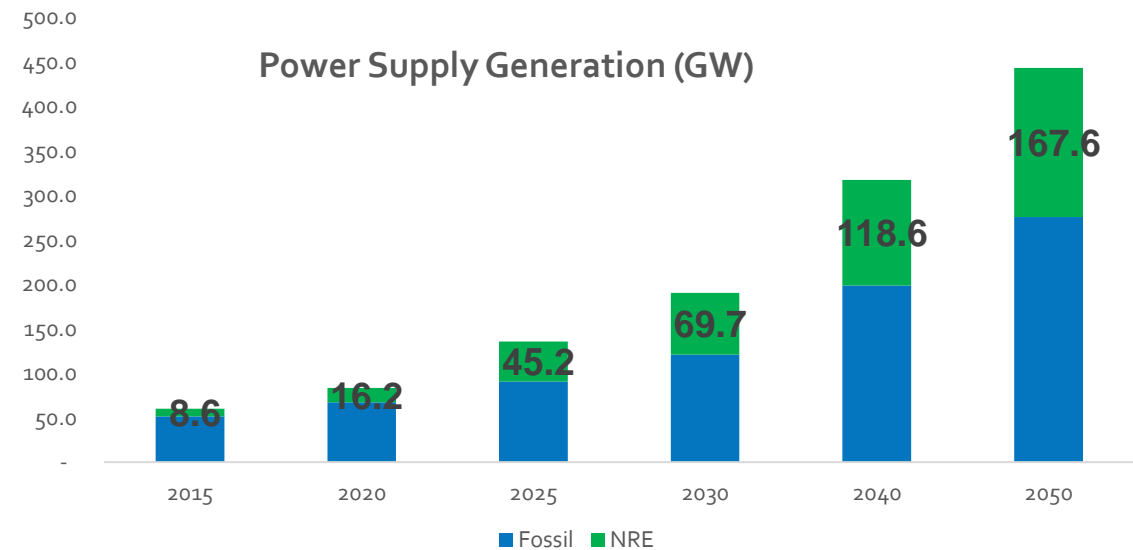
### National Primary Energy Mix (MTOE)



### NRE - Power Generation Mix (%)



### Power Supply Generation (GW)



### Policy To increase Solar Power capacity RUEN

**6.5GW**

- Target to develop solar power capacity by 2025
- The use of solar rooftop and floating solar power plant
- Fiscal and non-fiscal incentives for developer
- In August 21, MoEMR revised export tariff for electricity from rooftop solar panel (private) to PLN to 100% from previously 65%.

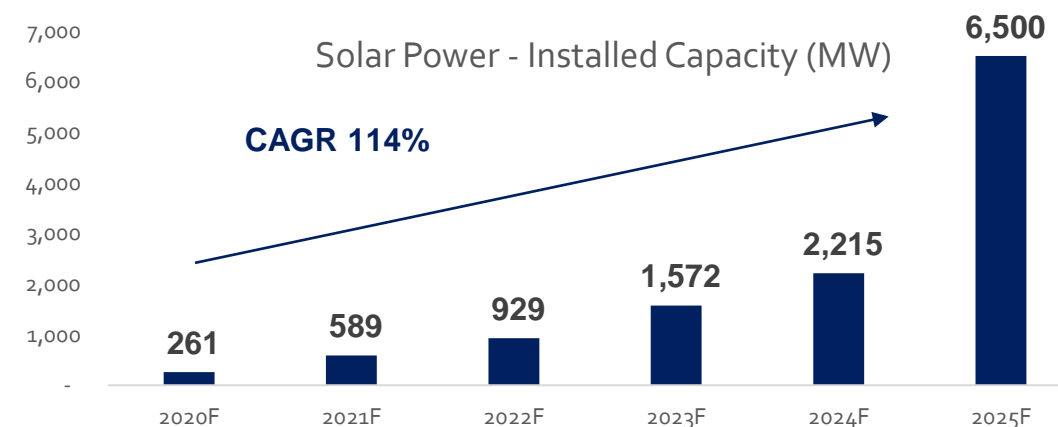
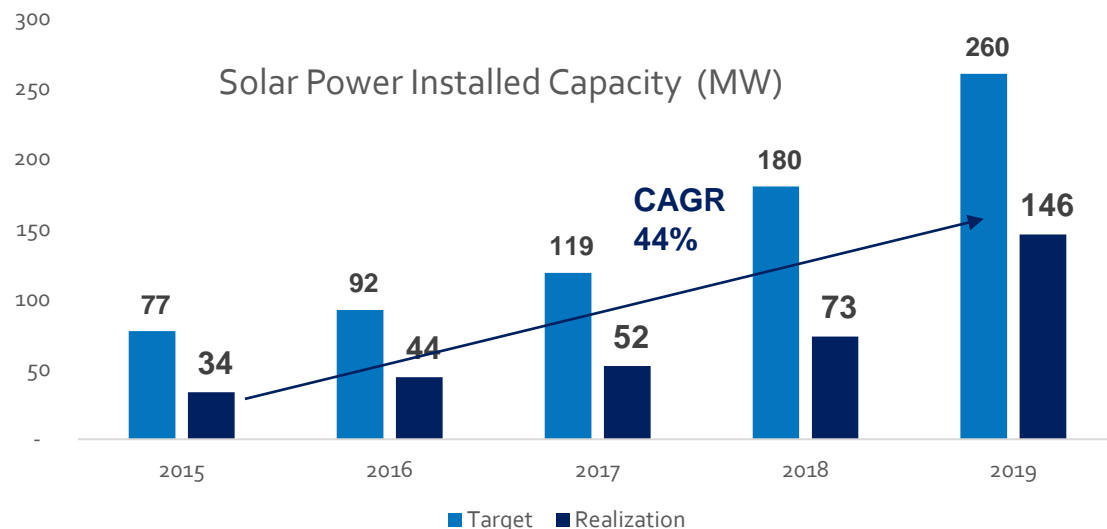
### Utilisation of rooftop for solar panel

**30%**

Requirement to utilize minimum of 30% rooftop area on government building for solar panel.

**25%**

Requirement to utilize minimum 25% of rooftop area on luxury houses, housing complex, and apartment through IMB (building licence)







Through Indika Multi Properti, we are developing more than 160,000 ha industrial forest area, located in East and Central Kalimantan

- Wood pellets for biomass (for co-firing) with effective area for plantation area more than 24,000 ha
- Carbon credit potentials that can be used for carbon offset IE group or sell to voluntary market

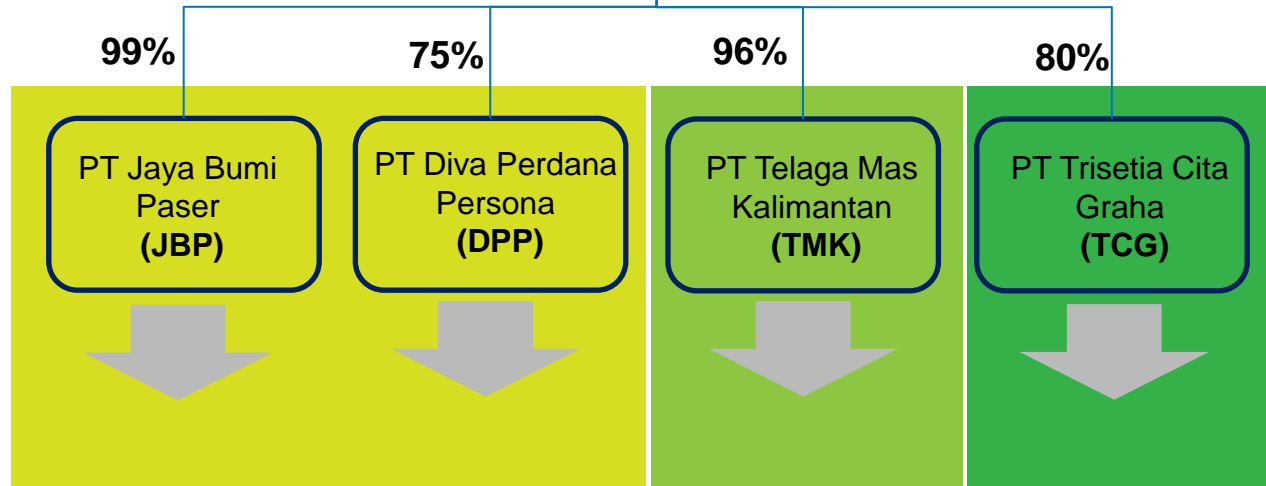
Biomass for co-firing	Calorific value (kcal/kg)
Palm fiber	4,556
Calliandra	4,200
Bagasse (cane)	4,213
Empty palm oil bunches	3,700
Rice hulls	3,053

Source: Rencana Strategis Kementerian ESDM 2020-2024 (RUEN)



# Diversification Investments – Green Businesses

## Industrial Forestry – Large Size Forestry Concession Area

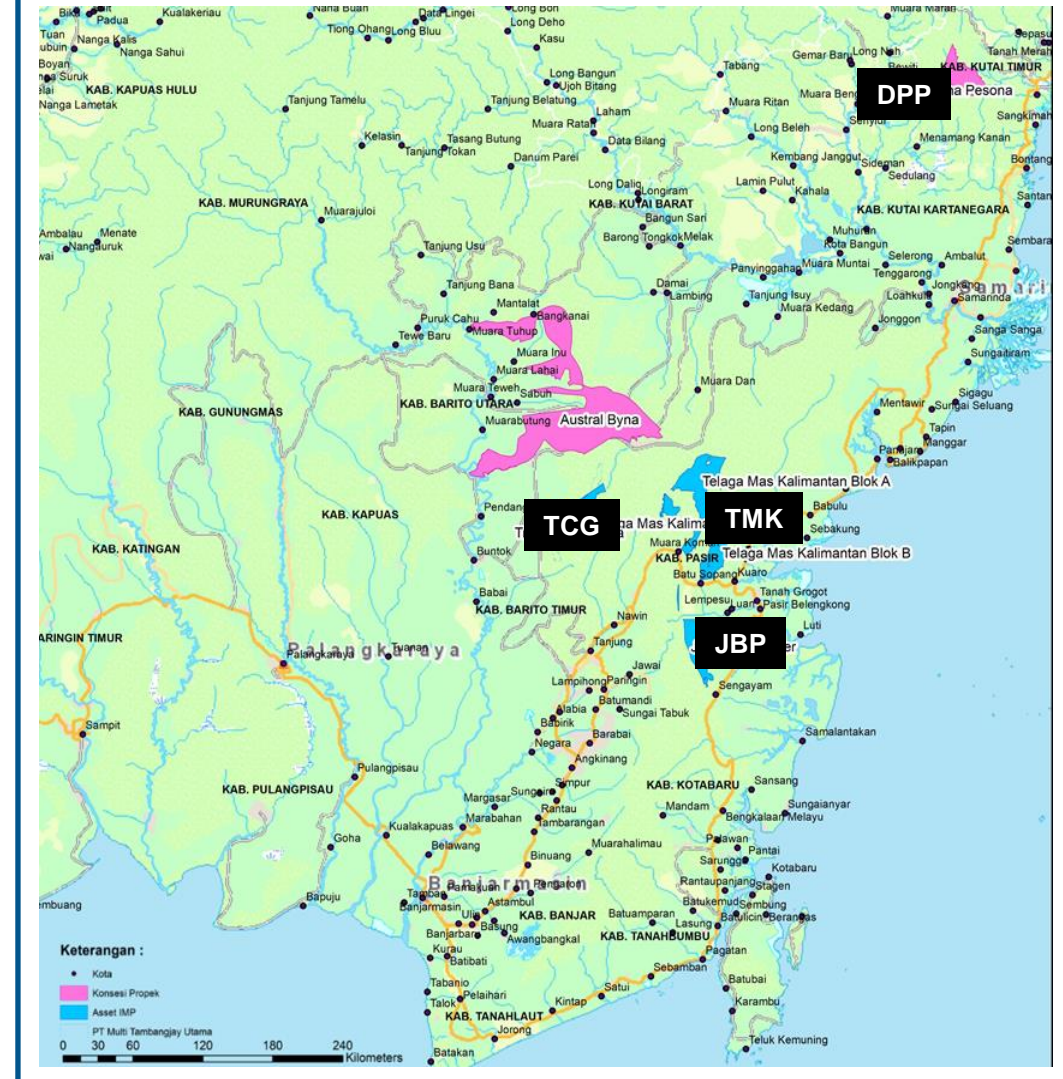


**Annual Output Target by 2025**

**Biomass /Wood Pellets: 650-700 KTONs**

**Carbon Offset : 550-600 KTONs CO2e**

>170,000 Ha in East & Central Kalimantan

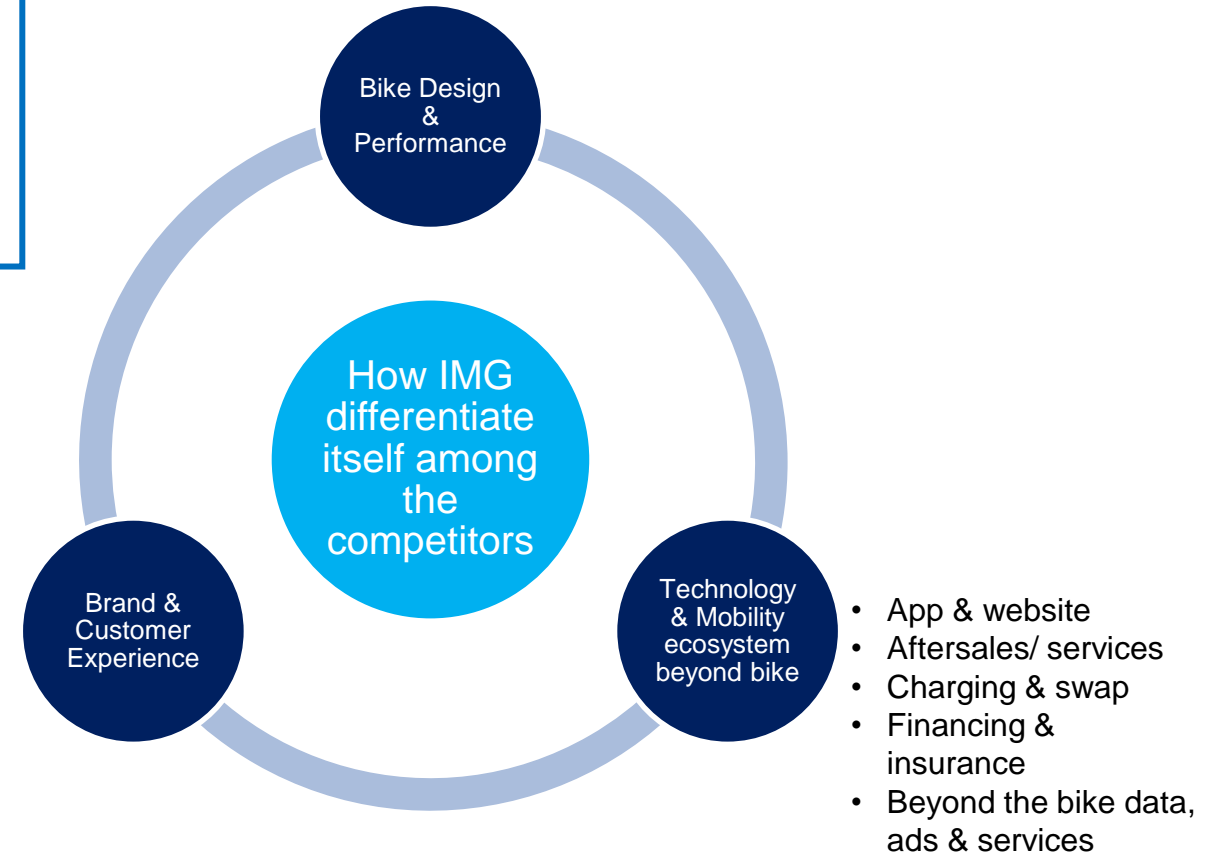
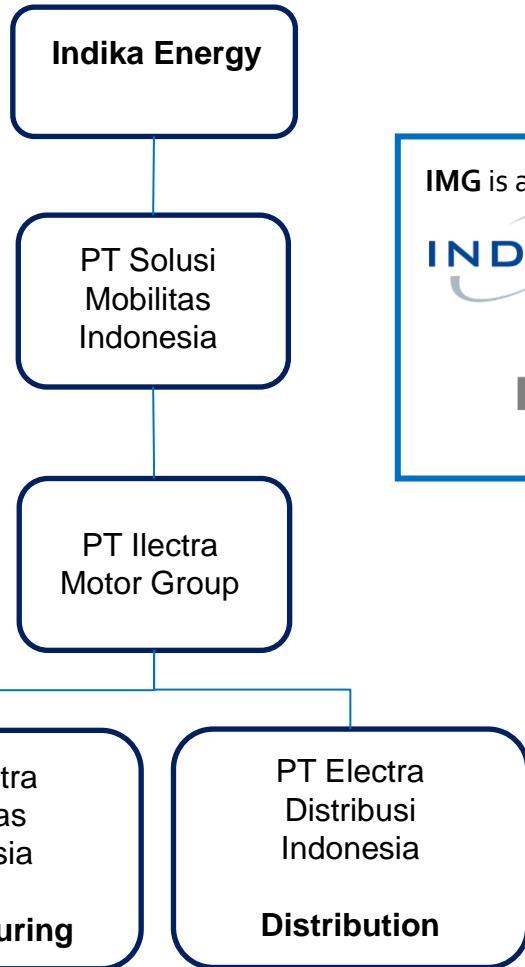


# Diversification Investments – Green Businesses

## Electric 2W – Establishment of Ilectra Motor Group (IMG)



IMG is a national company which focuses on B2C premium markets initially with a view to dominate Indonesia market in all segments including B2B





# Diversification Investments – Green Businesses

## Electric 2W – IMG's Vision to be the Leading E-Mobility Brand In Indonesia

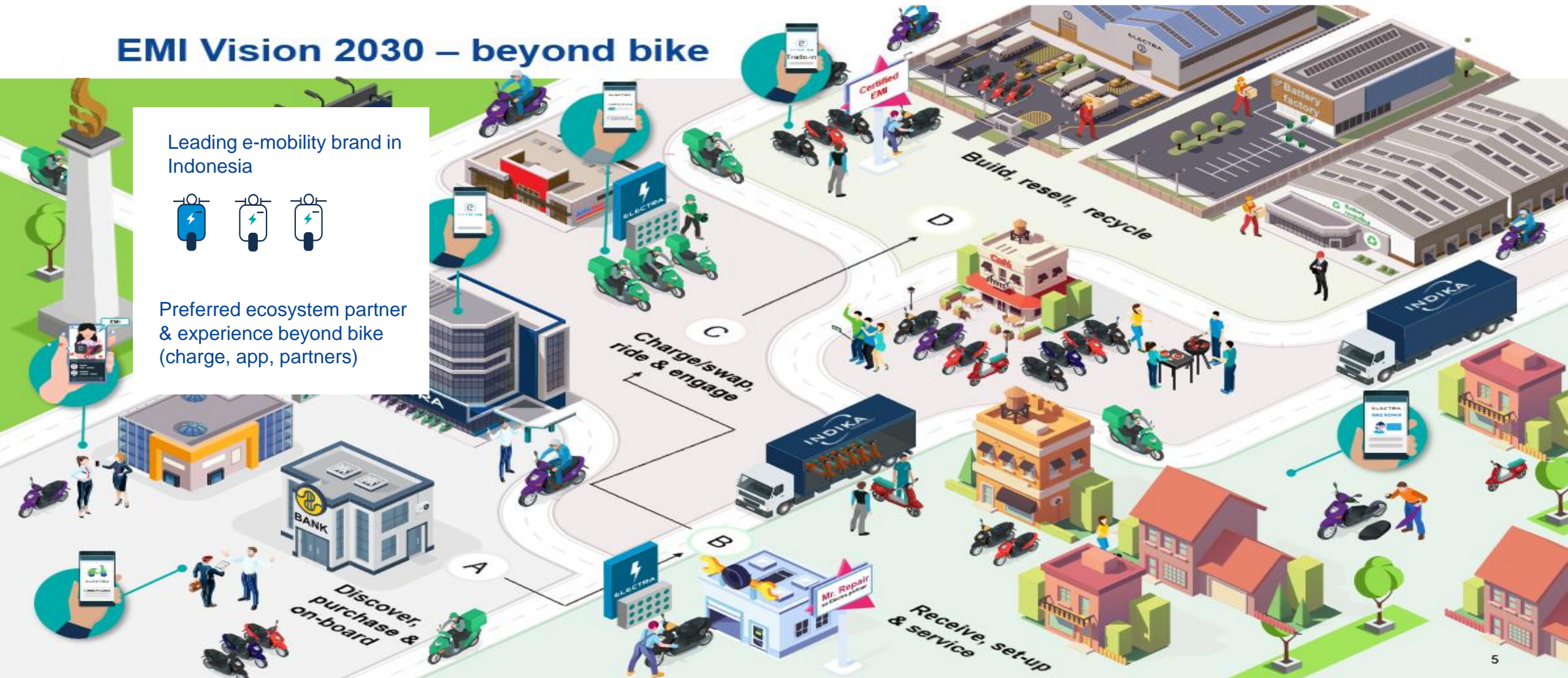


### EMI Vision 2030 – beyond bike

Leading e-mobility brand in Indonesia



Preferred ecosystem partner & experience beyond bike (charge, app, partners)



**Introducing Our Electric Motorcycle Brand : ALVA**



**Arriving at GIIAS on August 11, 2022**

**Visit us**

Website : [www.alvaauto.com](http://www.alvaauto.com)

Instagram : [alvaauto.ev](https://www.instagram.com/alvaauto.ev)

Facebook : [alvaauto.ev](https://www.facebook.com/alvaauto.ev)

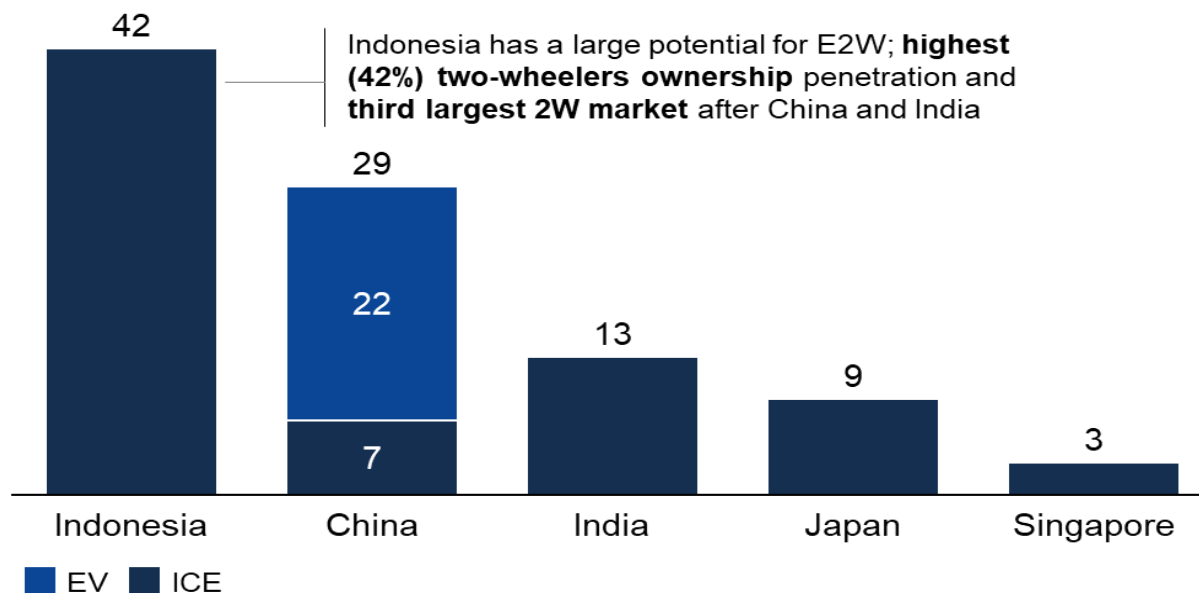
Tiktok : [alvaauto.ev](https://www.tiktok.com/@alvaauto.ev)

# Diversification Investments – Green Businesses

## Electric 2W – Indonesia is the 3<sup>rd</sup> Largest Market for 2W in the World



2W ownership penetration, by country, 2019-20  
# owned per 100 population

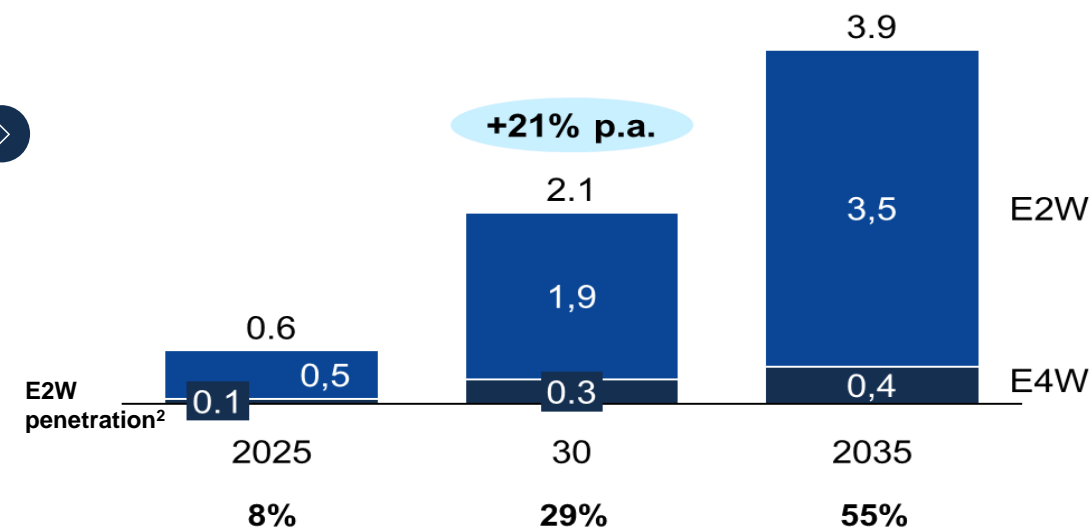


Yearly sales ( Mn vehicles)



Indonesia EV vehicle sales<sup>1</sup>,  
Million vehicles

Total Addressable Market ~US\$ 7 Bn in 2035



1. Includes BEV  
2. Total parc. EV/ (Total EV + ICE)

# EV Sector - MOU to Develop EV Ecosystem in Indonesia



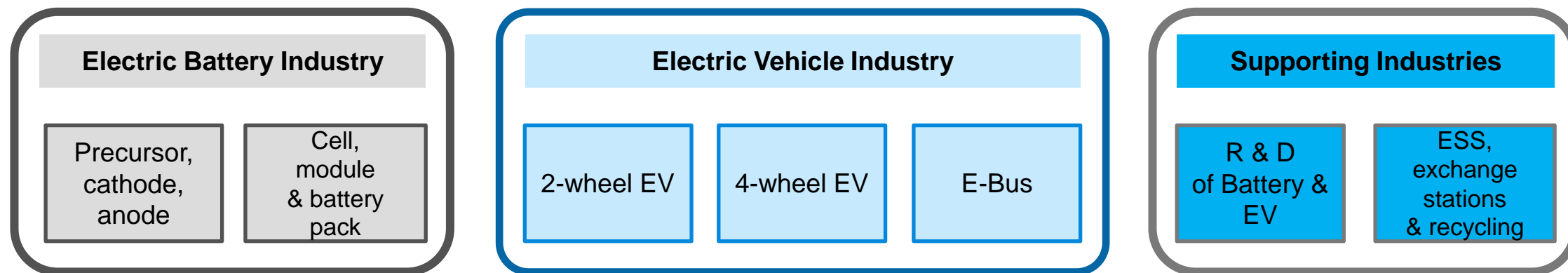
IBC

gogoro.

FOXCONN

MOU

Value Chain



INDY signed MOU together with PT Industri Baterai Indonesia (IBC), Hon Hai Precision Co. Ltd. (Foxconn), and Gogoro Inc. on 21 January 2022

- Collaboration between government and private sector
- Scheme BOL : Build – Operate- Localize
- Explore the cooperation with a wide scope of investment cooperation for comprehensive EV ecosystem in Indonesia

***“To transform the automotive industry in Indonesia from old and traditional automotive supply chain system to become modern open-access electric vehicle (EV) ecosystem, similar to android operating system in smartphone,” (Minister of Investment/ Head of IICB, Mr Bahlil Lahadalia)***



# EV Sector – Government Sets Up Favourable Policy in EV Sector

- Indonesia has aligned with global efforts to adopt EVs as a mean to tackle GHG emissions. The **government plans to introduce EVs to the public under the Low Carbon Emission Vehicles(LCEV) scheme.**
- Govt aims to be EV production hub in the region, aiming for an output of 600k EV cars and 2.5m EV 2W by 2030

## Sector towards 2030 – Key Goals



Fiscal Incentives	Non-Fiscal Incentives
<ul style="list-style-type: none"> <li>Import duty incentives for Completely Knock Down (CKD) and Incompletely Knock Down (IKD) EVs</li> <li>Tax incentives based on emissions and engine capacity of the EVs</li> <li>Tax incentives and tax holidays for imports of materials and machinery for EVs</li> <li>Incentives for research &amp; development</li> <li>Incentives for certification of human resources within the EV battery industry</li> <li>Incentives for certification of EVs, EV batteries and EV related products</li> </ul>	<ul style="list-style-type: none"> <li>Exceptions for limitations on road usage</li> <li>Rights for production of EV-related technology and products whose license/patents are held by the central/regional government</li> </ul>



# Divestment - Reducing Exposure in Coal Related Business

## Completed

### PT Mitrabahtera Segara Sejati Tbk



- ✓ Signed CSPA to divest 51.0% stake in MBSS on 6 Aug 21 to PT Galley Adhika Arnawama (“GAA”) \*
- ✓ Transaction value of US\$41.31m (*based on agreed valuation of US\$81.0 m for 100% basis*)
- ✓ Transaction completed on 8 Oct 2021



## Completed

### PT Petrosea Tbk



- ✓ One of strategic directions to diversify away from coal
- ✓ Signed CSPA to divest 69.8% stake in PTRO on 18 Feb 22 to PT Caraka Reksa Optima (“CARA”) \*
- ✓ Transaction value of US\$146.58m (*based on agreed valuation of US\$210.0 m for 100% basis*)
- ✓ The Transaction completed on 28 July 2022

\* Effective date on 25 February 2022



Indika Energy has  
set out bold  
aspirations as part  
of its ESG  
commitment



**50%**

non-coal revenue by 2025



**Net-Zero**

emissions by 2050

# ESG: Setting 2025 Target Across Key ESG Metrics for Indika Energy

## Environmental



### SCOPE 1 GHG EMISSIONS INTENSITY

Target: -10% by 2025  
Achievement:  
0,0224 TC02eq/T Coal  
production  
26,8%



### LAND RECLAMATION

Target: 5.439 Ha by 2025  
Achievement:  
5.055 Ha in 2021  
11,5%

## Social



### HEALTH AND SAFETY

Target: 0 fatalities  
Achievement:  
0 fatalities



### COMMUNITY DEVELOPMENT

Target: 1% EBIT  
Achievement:  
Rp137 Billion  
1,2% EBIT

## Governance



### SUSTAINABILITY COMMITTEE

Target: To Form  
Sustainability Committee  
Achievement:  
Established



### CORPORATE GOVERNANCE

Target: Incorporate ESG KPI  
Achievement:  
Ongoing



# ESG: We Also Identified Key Initiatives Across Subsidiaries to Drive ESG Impact



## Environmental

- Install **solar cells** with (409 kWp and 11 MWp planned capacity at Kideco) in **basecamp area, offices and mine sites** 
- Implement **technology** in mining operations 
- Adopt the **use of B30 diesel** in operational activities  
- Implement **fleet tracking platform** to monitor fuel consumption  
- **Planting trees** to offset emissions  
- Conduct **road analytics** to improve road conditions 

- Develop **settling pond mud removal with slurry pump** 
- Implement **fixed water sprays** 
- Implement **dewatering process control system** for pumps 
- Optimize **on-site composting** activity (Kideco) and **container recycling** (Interport) 











## Social

- Develop **flagship community development program** with synergy across subsidiaries 
- Roll out **targeted initiatives** with branding under Indika Energy   
- Implement **digitalization of HSE** in operations 
- **Female-to-female mentorship** program to improve diversity 



## Governance

- Establish **Sustainability Committee** to oversee ESG implementation 
- Develop **ESG-linked compensation scheme** for management 
- Become **UN Global Compact signatory** to establish ESG commitment 
- Develop **ESG dashboard to track and evaluate** ESG performance in Indika Energy and subs 
- Create **ESG taskforce** to drive initiative **planning, implementation, and evaluation**    

# ESG: Environmental - Installing Solar PV at our Operational Area



## Target

Reduce GHG emissions intensity by 10% by 2025

## Our key actions

### Solar PV at Kideco, East Kalimantan

- To replace the electrical power currently supplied by diesel generators with solar PV. The system implemented and started to operate in 2021, and supply 450,000 kWh/year.
- Reduce GHG emission through 132,755 Liters per year diesel savings or equivalent to 373.8 TonCo<sub>2</sub>eq. The system uses three inverters and can be used both on-grid or off-grid, with an operational time of seven hours.
- In the long-term, the Kideco's solar power system is expected to reduce diesel consumption by 45%, making electricity production costs more efficient while also reducing greenhouse gas emissions.

**132,755 Liters**

Diesel savings per year  
in Kideco

**373.8 TonCo<sub>2</sub>eq**

Emissions reduction per year  
in Kideco

**45%**

diesel reduction  
for Kideco's electricity in LT



# ESG: Environmental - Adopting the Use of B30 Biodiesel

## Target

Reduce GHG emissions intensity by 10% by 2025

## Our key actions

### Complying with regulations

In 2020, the Indonesian government set out a regulation about the mandatory use of B30 diesel, a blend that uses 30% palm oil-derived biofuel. In compliance with this regulation, we have adopted the use of B30 diesel across our vehicle fleet. With the increasing use of biodiesel in our operations, we are reducing our reliance on regular fossil diesel and shifting to a cleaner energy source.

### Reducing GHG Emissions

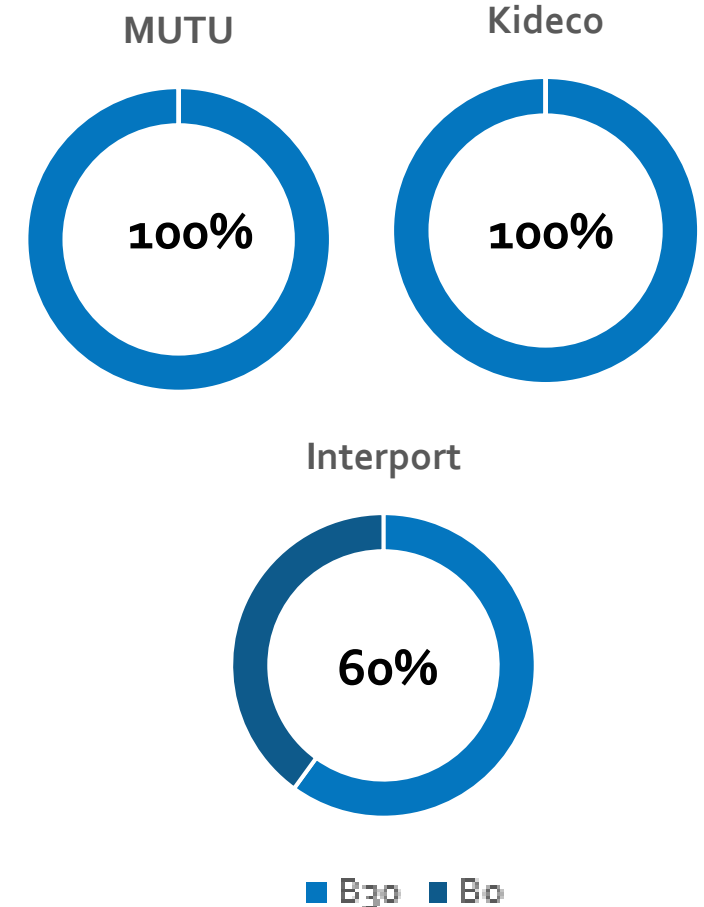
Benefits of B30 also include its ability to significantly reduce greenhouse gas (GHG) emissions. In 2020, the use of B30 diesel led to a decrease of 236,312 TonCO<sub>2</sub>eq in Scope 1 GHG emissions.

### Accelerating implementation

We successfully increased the proportion of B30 in our total fuel consumption especially in Kideco and MUTU. Moving forward, we plan to accelerate the implementation of B30 utilization in our operations, including in Petrosea and Interport.



## B30 out of Total Fuel Usage





# ESG: Environmental - Increase Land Reclamation and Reforestation Program

## Target

Increase land reclamation by 20% by 2025

## Our key actions

### Reclamation and reforestation programs

In 2020, our total reclamation area reached 5,101 Ha. In addition to that, we offset our emissions by investing in reforestation programs. Kideco has been actively planting an average of 290,874 trees every year for the past 10 years as part of its reclamation and revegetation programs in Roto Samurangau and Susubang Uko.

### Maintaining tree nurseries

Our subsidiary Kideco works with local communities to grow native tree species in nurseries that are then planted to create forest corridors connecting fragmented patches of forest, giving wildlife freedom to move safely.

### Planting mangrove trees

We started planting mangrove trees as a part of our CSR programs several years ago. In 2020, Petrosea initiated its reforestation program by planting 2,000 mangrove trees in the area surrounding Petrosea Support Facilities. Through this reforestation program, the company aims to contribute to environmental sustainability, especially around its operational areas.

Our efforts were recognized by the Indonesian Ministry of Environment and Forestry, which awarded our company, Kideco, the Gold PROPER award for two consecutive years



# ESG: Social - Enhancing Community Development



## Target

Spend 1% of EBIT annually for community development by 2025

In 2021 Indika Energy Group disbursed **IDR137 billion** for a total of 70 community development initiatives in its operational areas, including COVID 19 relief activities

This amounts to **1.24% of EBIT** which exceeds our target for at least 1% of EBIT spent on community development



**IDR137 billion**  
Community investment  
spending in 2021

**1.24% of EBIT**  
Achieved in 2021

**195,000+**  
Lives impacted  
overall

## Highlights initiatives



Anti Stunting  
Interport

The campaign has touched the lives of 2 000 children to date



Small Businesses  
Cirebon Power

1,722 businesses have been supported by Cirebon Power's microfinancing.

**61%**  
Of Paser population  
impacted

**8**  
SDGs achieved  
through CSR





## Our key actions

As a part of our health pillar, we carried out a number of COVID-19 relief initiatives

### Rice package donation

Indika Energy Group distributed **20,000 rice packages** for surrounding communities in East Kalimantan.



### Gotong Royong vaccination program

Indika Energy Group participated in Gotong-Royong vaccination program with 15,306 target participants which consisted of employees and families

### #SwabAndSaveIndonesia

Indika Energy Group **donated Rp 2 billion through #SwabAndSaveIndonesia**, a collaboration program for free PCR swab test for those who can't afford it.



### Other vaccination centers

Indika Energy Group supported South Jakarta Police Department, Kanisius and Serviam vaccination centers.

### Rumah Oksigen Gotong-Royong

- Tripatra is the **contractor which built Rumah Oksigen Gotong-Royong** in Pulo Gadung, Jakarta.
- It is the first semi-permanent health facility in Indonesia that is specially equipped with oxygen supply equipment and beds for COVID-19 patients with light and moderate symptoms.














### Oxygen cylinders and ISO tank

- Donation of **8,000 unit of oxygen cylinder** (40 L, 47 L, 50 L), **12 unit of ISO tank** 20,000 L, and **26 ton of liquid oxygen** to KADIN Indonesia for further distribution to hospitals.



# ESG: Governance - Implementing Various Initiatives at the Holding Level

Initiatives		Status
1 	Obtain Anti-Bribery Management System 37001	Done
2 	Strengthen risk management through the Audit, Risk, and Compliance Committee and an in-house web-based management system (PRISMA)	Done
3 	Strengthen management with appointment of 3 new Directors, including to increase women representation in the Board of Directors to 20%	Done
4 	Composition of BOC to consist of 40% Independent Commissioners	Done
5 	Set up Sustainability Committee chaired by independent board member	Done
6 	Link ESG performance to employee / management compensation	Ongoing
7 	Develop human capital and diversity programs	Ongoing
8 	Obtain independent ESG verification of reported ESG performance	Ongoing
9 	Become a signatory of UN Global Compact and join international ESG associations e.g., Indonesia Business Council for Sustainable Development (IBCSD) and Powering Past Coal Alliance	Ongoing
10 	Develop key Group policies in relation to ESG	Ongoing

# ESG: Upgrades of ESG Scores by Two Independent Global Providers

## MSCI from 'BB' to 'BBB'

**PT Indika Energy Tbk (INDY)**  
Metals and Mining - Non-Precious Metals | ID

**MSCI ESG RATINGS** **BBB**

CCC | B | BB | **BBB** | A | AA | AAA

LAST UPDATE: December 22, 2020

**Score attribution by key issue**

This chart highlights the company's positioning relative to the industry average for each Key Issue that contributed to its ESG Rating as of December 22, 2020.

**ESG Rating history**

ESG Rating history shows five most recent rating actions.

**ESG Rating distribution**

Universe: MSCI ACWI Index constituents, Metals and Mining - Non-Precious Metals sub-IB

**Key scores**

Category	Score (0-10)
Industry-Adjusted Score	5.0
Weighted Average Key Issue Score	3.9
Environmental Pillar Score	4.0
Social Pillar Score	2.7
Governance Pillar Score	3.3

**Report table of contents**

- ESG Rating sheet
- Rating model details
- Recent developments
- Corporate governance summary
- ESG Rating drill-down
- Data appendix
- Corporate governance
- Key issue details
- Glossary

**What is an ESG Rating?** MSCI ESG Ratings aim to measure a company's resilience to long-term ESG risks. Companies are scored on an industry relative AAA-CCC scale across the most relevant Key Issues based on a company's business model.

Analyst: Camille Castillo

MSCI | Page 1 of 72 | ©2019 MSCI Inc. All rights reserved.

Last update: 22 December 2020  
Score: BBB



- The company falls into the **average scoring range** relative to global peers
- The most recent upgrade of MSCI ratings factored in the following improvements:
  - Appointment of new directors** during the 2020 AGM, which alleviated concerns on director overboarding
  - Company's **strong business ethics policies and practices** relative to peers

## SUSTAINALYTICS from 38.1 (High Risk) to 34.5 (High Risk)

**PT Indika Energy Tbk**  
Coal Indonesia | KTI:INDY

**ESG Risk Rating** **34.5** **-3.6** **High Risk**

Updated Jul 28, 2022 | Momentum

**ESG Risk Rating Distribution**

**ESG Risk Rating Ranking**

UNIVERSE	RANK (1st = lowest risk)	PERCENTILE (1st = lowest risk)
Global Universe	11480/14613	77th
Oil & Gas Producers INDUSTRY	482/55	88th
Coal SUBINDUSTRY	655	98th

**Peers Table**

Peers (Market cap \$0.0 - \$1.4bn)	Exposure	Management	ESG Risk Rating
1. Paladin Energy Ltd	64.6 Medium	60.7 Strong	31.8 High
2. PT Indika Energy Tbk	72.4 High	63.8 Strong	34.5 High
3. PT Bumi Resources Tbk	61.8 High	48.4 Average	38.0 High
4. Rain Industries Ltd.	60.6 High	32.9 Average	44.0 Severe
5. PT Harum Energy Tbk	61.8 High	31.4 Average	45.7 Severe

SUSTAINALYTICS | © 2022 Sustainalytics. All rights reserved. Notice on applicable conditions on the last page. Page 1 of 82

Last update: 28 July 2021  
Score: 34.5 (High Risk)



- Exposure:** Our ESG risk exposure has constantly increased due to the increase in revenue contribution from coal businesses
- Management:** The company's overall management of material ESG issues is increasingly strong. ESG-related disclosure follows best practice, signaling strong accountability to investors and the public

# Appendix

## PT Indika Energy Tbk.

### 1 Energy Resources

- Established since 1991
  - 3rd largest coal producer
  - Resources 1,625 MT, reserves 569 MT as of end Dec 2017
  - 91.0% ownership as of 6 Dec. 2017
- Established since 1989
  - Bituminous thermal & coking coal
  - Resources 75.2 MT, reserves 40.6 MT
- Established since 2012
  - Coal trading, ~7.0 MT volume

### 2 Energy Services

- Established since 1973
  - Leading EPC and O&M services in oil & gas and power generation
  - 100% ownership

### 3 Energy Infrastructure

- Established since 2007
  - 20.0% owned 660MW, enviro-friendly supercritical technology
  - 6.25% owned 1000MW expansion, ultra supercritical technology (under construction)

### 4 Logistic & Infrastructure

- Established since 2018
  - Integrated logistic services
  - Build and operate fuel storage facility
  - Port Business Entity license to operate and provide port and logistic services at all Indonesia major ports

### 5 Minerals

- Established since 2011
  - Investment company in mineral mining
  - Developing gold project Awak Mas in South Sulawesi
  - Resources 2.3 million oz, reserves 1,45 million oz
  - 100% ownership

### 6 Green Businesses

- Established since 2021
  - Joint investment with Fourth Partner Energy Ltd to develop solar pv business in Indonesia
- Established since 2021
  - Develop electric two-wheeler & its ecosystem in Indonesia
- Established since 2020
  - Industrial Forest cession 160,000 ha
  - Develop woodpellet for biomass and carbon offset business

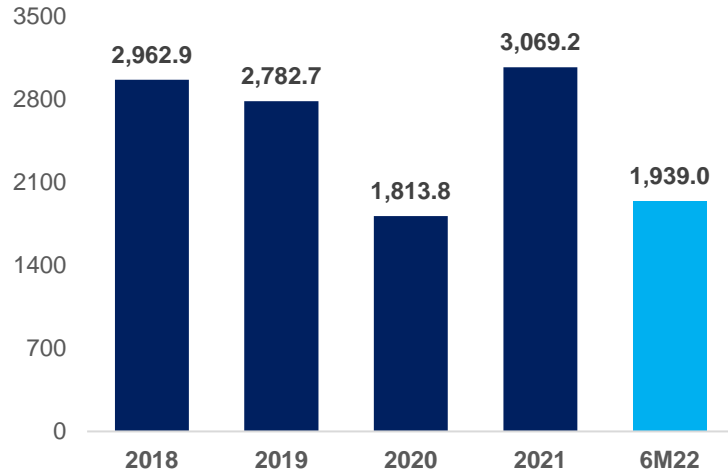
### 7 Digital Ventures

- Established since 2018
- Digital technology & transformation and analytics

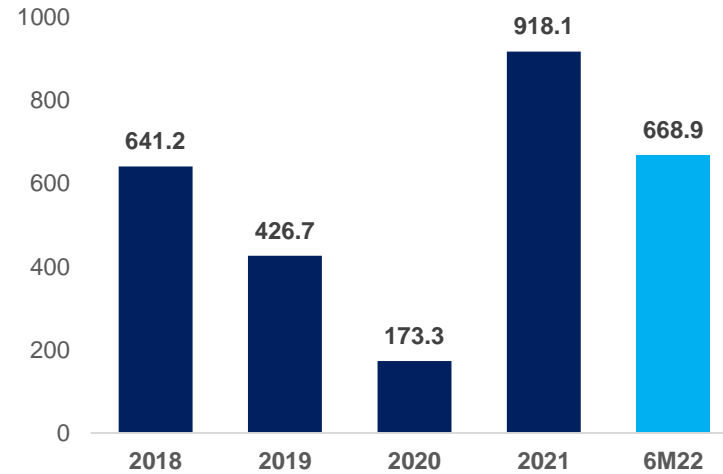
# Indika Energy's Financial Highlights



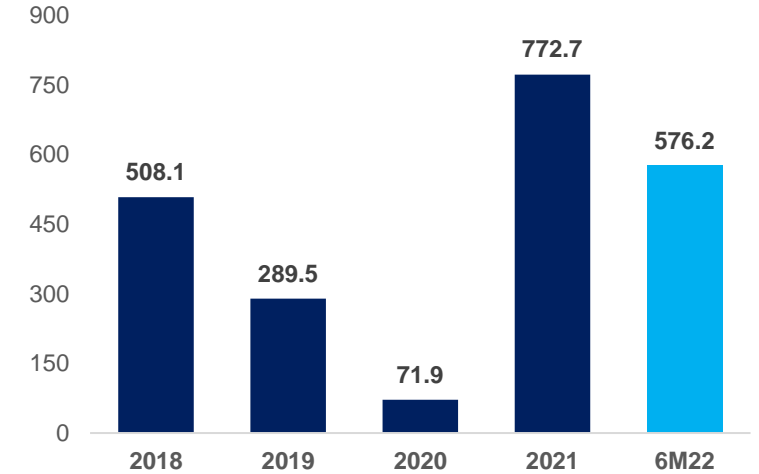
### Revenues (USD mn)



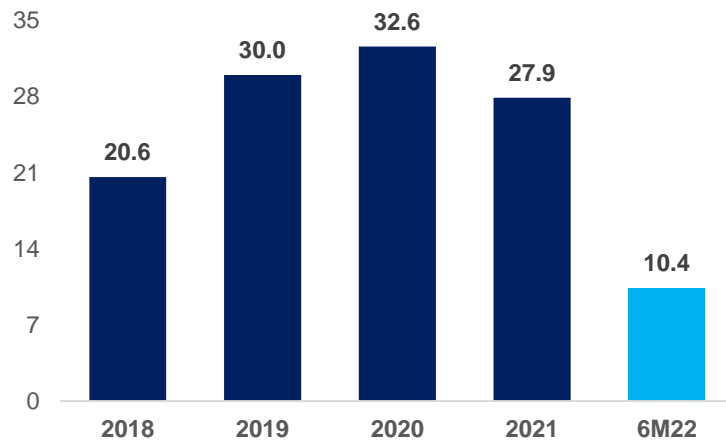
### Gross Profit (USD mn)



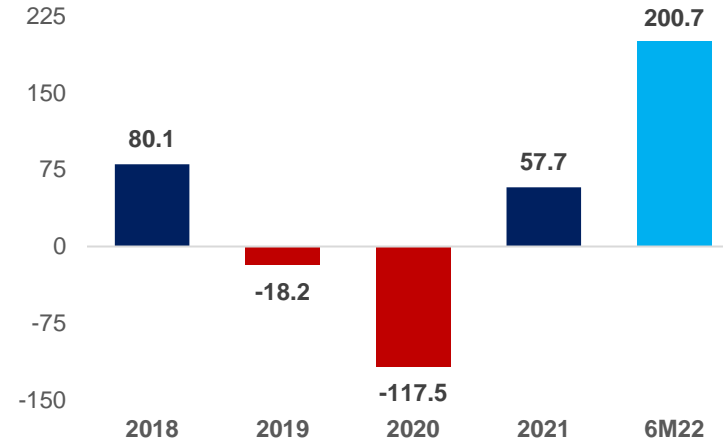
### Operating Profit (USD mn)



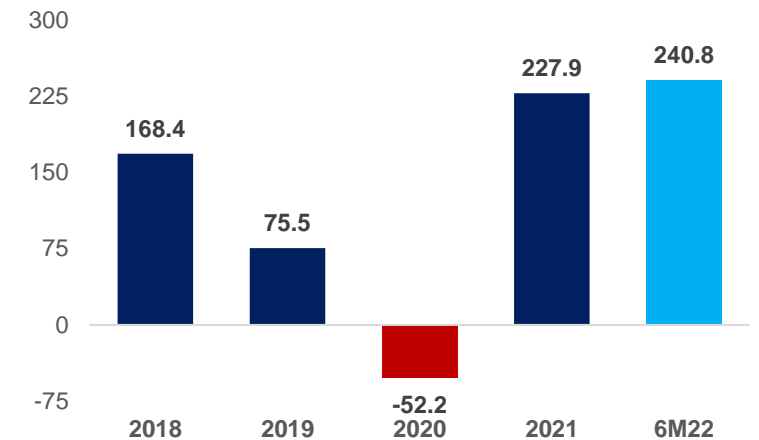
### Income from Associates (USD mn)



### Net Profit/Loss\* (USD mn)



### Core Profit/Loss\*\* (USD mn)



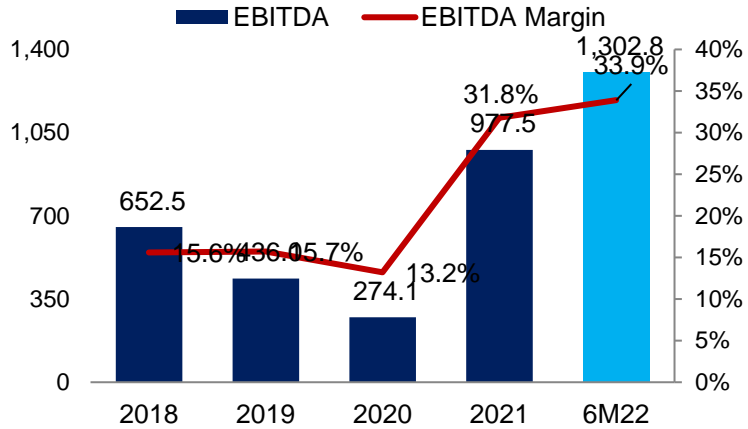
\* Profit/loss for the period attributable to owners of the company

\*\* Core Profit refers to the current year's profit attributable to the owner of the company, excluding non-operating gains / losses and related taxes (amortization of intangible assets, impairment of assets, fair value changes on contingent consideration obligation, gain on revaluation, acceleration on amortization of bond issuance cost, gain from bargain purchase).

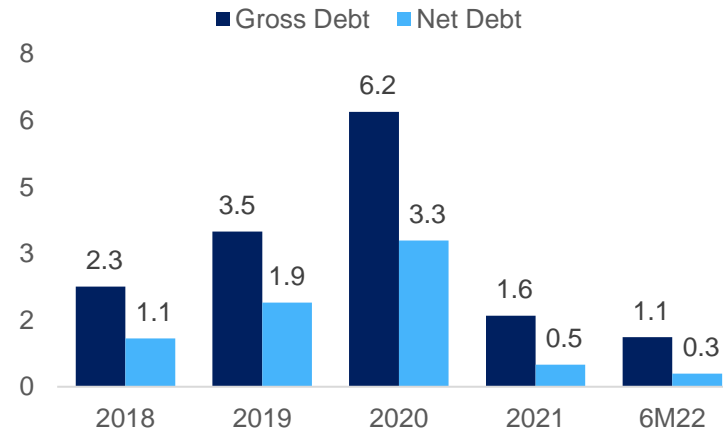
# Indika Energy's Key Business and Credit Ratios



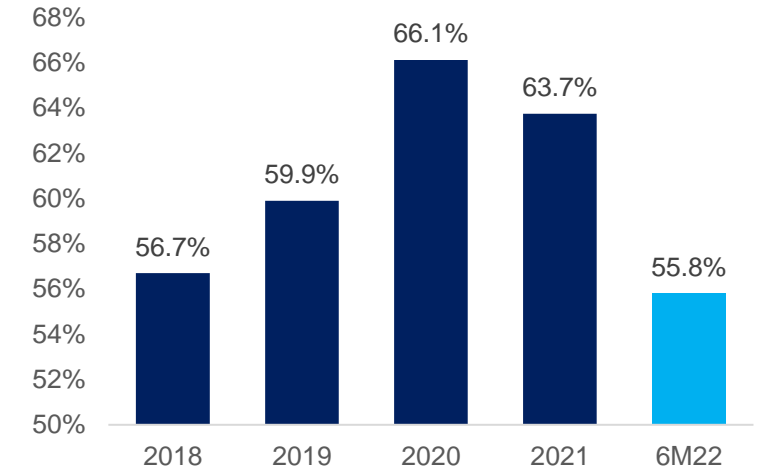
**LTM Adj EBITDA\* (USD mn) & LTM Adj EBITDA Margin (%)**



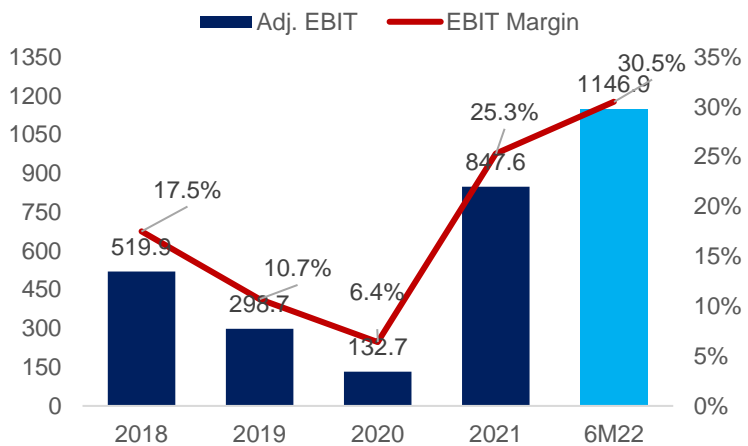
**Gross Debt & Net Debt / Adj. EBITDA (x)**



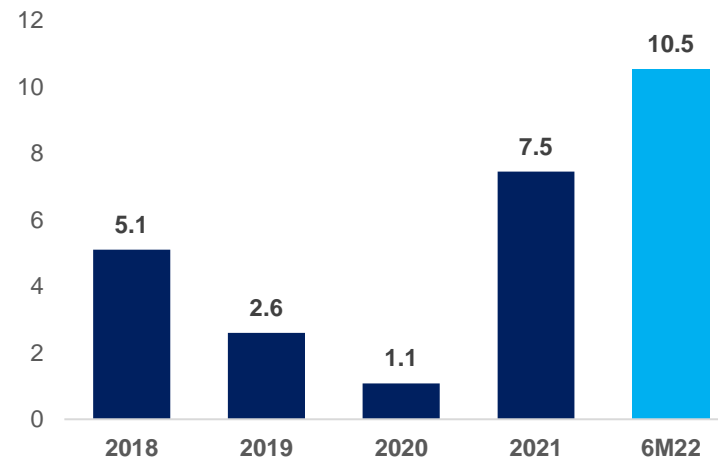
**Debt / Capital (%)**



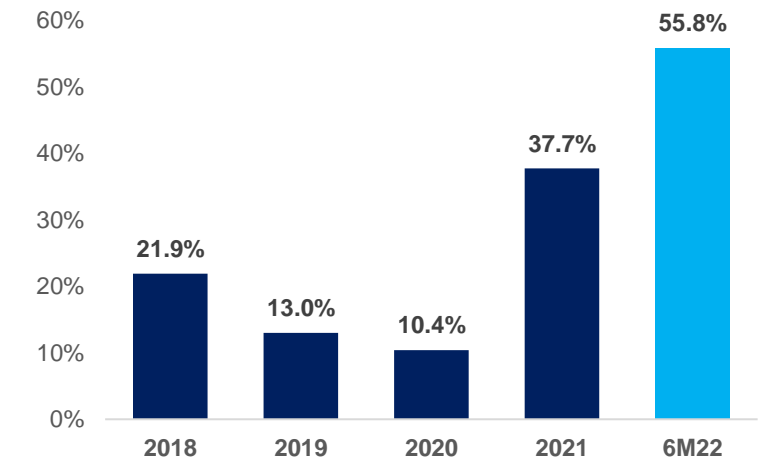
**Adj EBIT (USD mn) & EBIT Margin (%)**



**LTM Adj EBIT / Interest (x)**



**LTM Adj. FCF / Debt (%)**

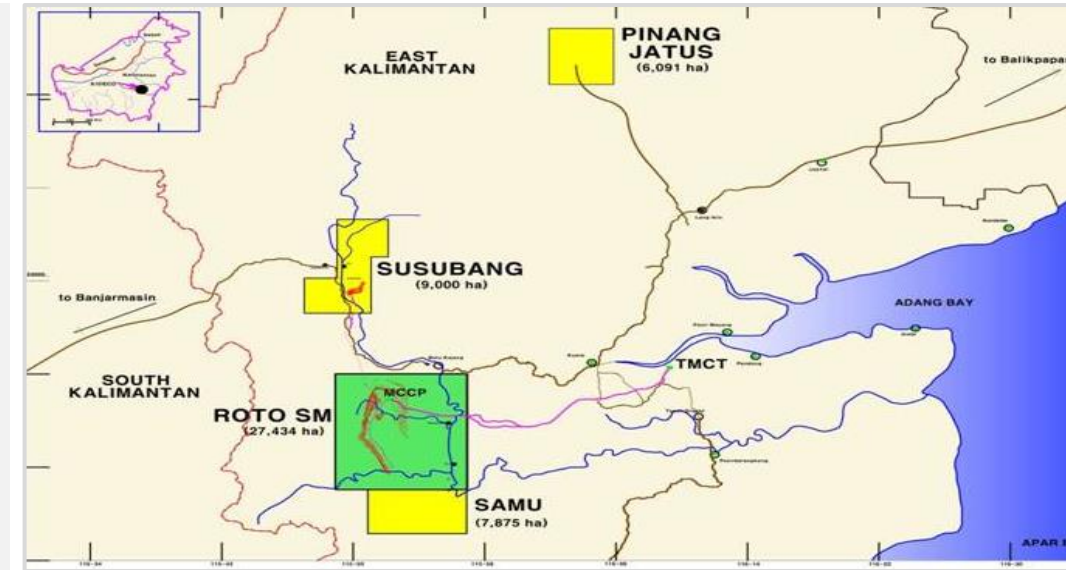




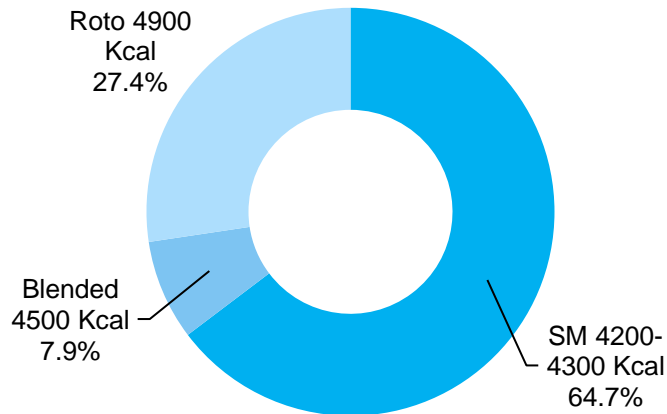
# Kideco – Leading Coal Producer in Indonesia



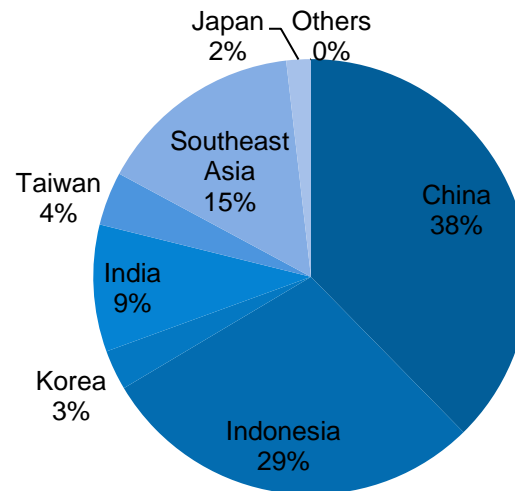
- Third largest coal producer in Indonesia
- Environmental friendly thermal coal with ultra-low sulphur of 0.1% and low ash of (2.1% to 4.9%)
- Attractive location with well-built infrastructure, and integrated value chain within the group, allowing for strong control over operation
- Low cost coal producer
- Resources of 1,550 MT and reserves of 531 MT based on JORC report Dec 2019
- Geographically diversified customer base



**Kideco Product Mix**

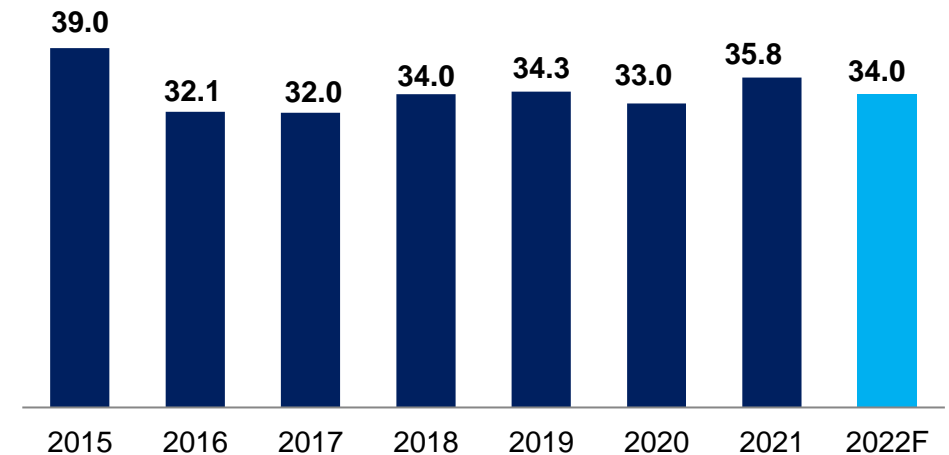


**Kideco Sales – by country**



**Kideco Production**

Million Ton ■ Actual ■ Gov Approval ■ Additional Target

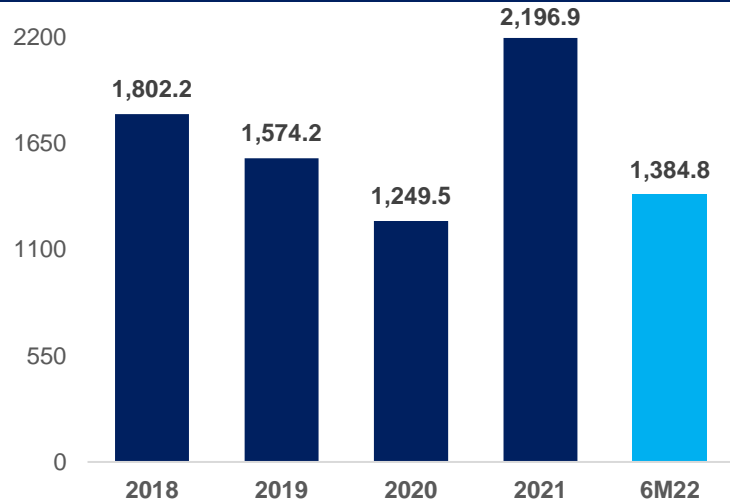




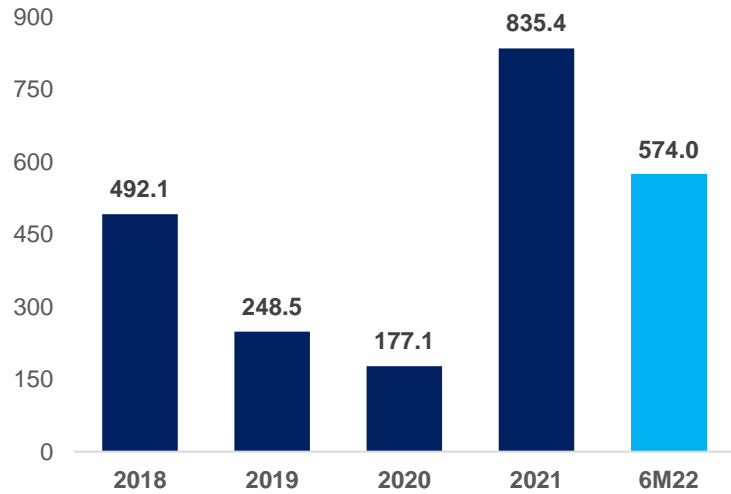
# Kideco's Financial Highlights



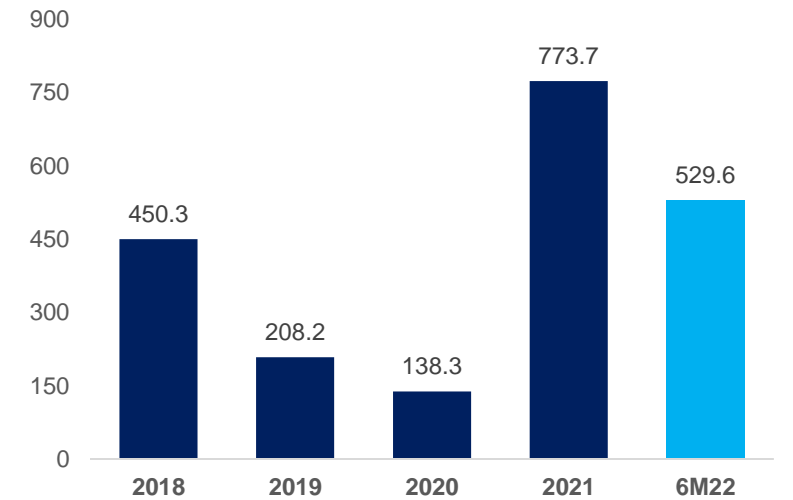
**Revenues (USD mn)**



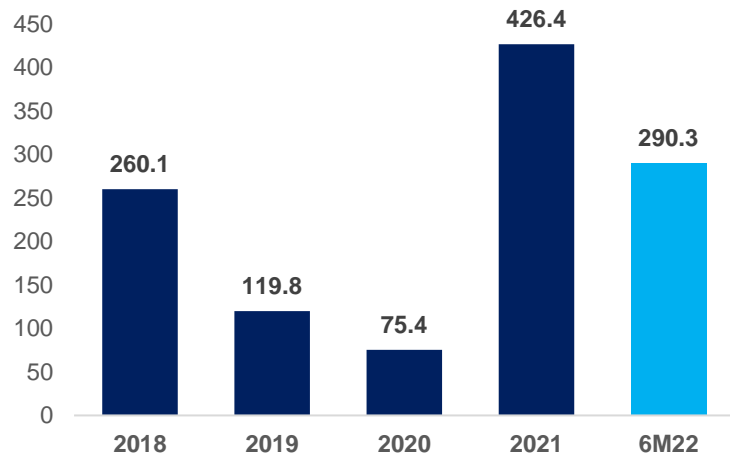
**Gross Profit (USD mn)**



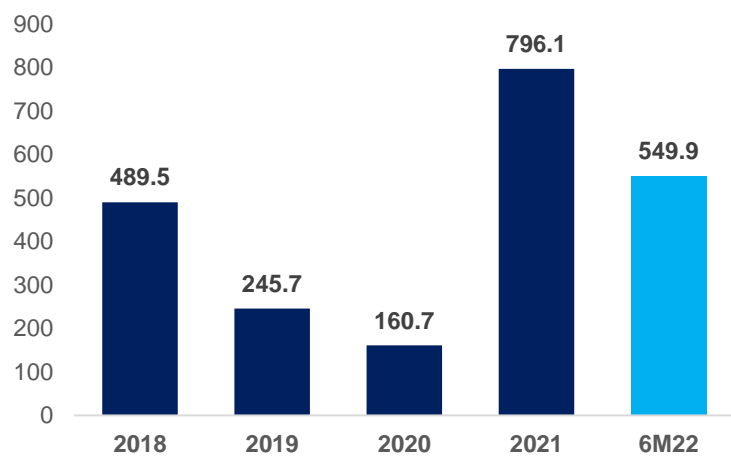
**Operating Profit (USD mn)**



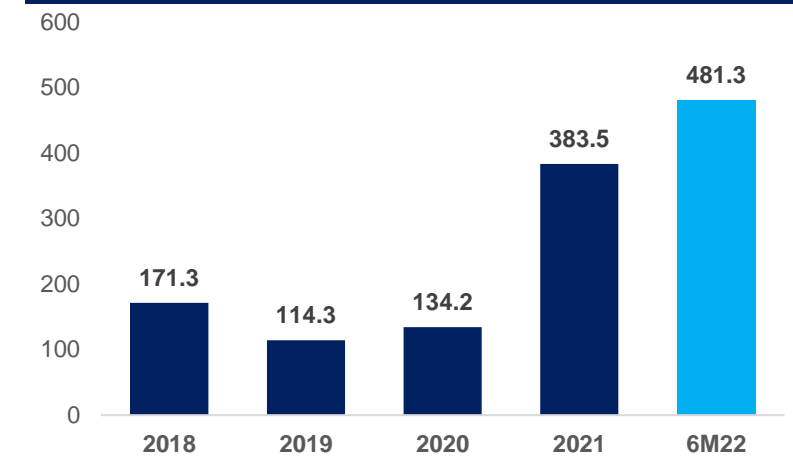
**Net Profit (USD mn)**



**EBITDA (USD mn)**



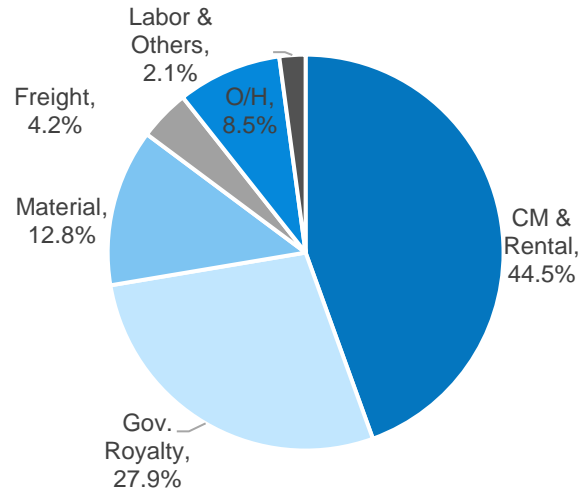
**Cash Balance (USD mn)**



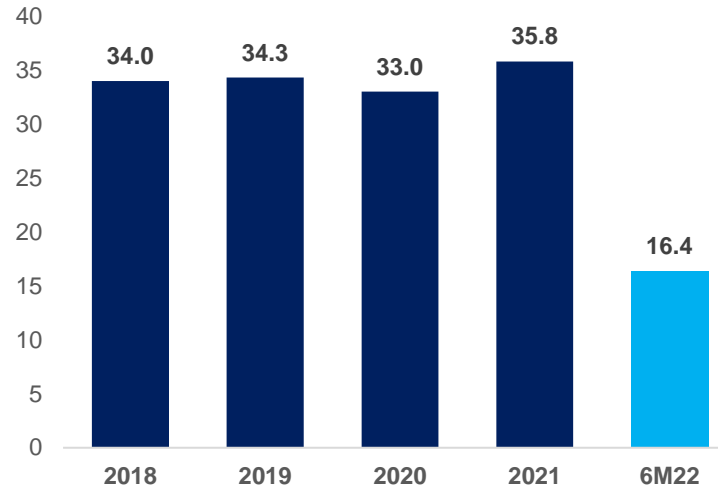
# Kideco's Operational Highlights



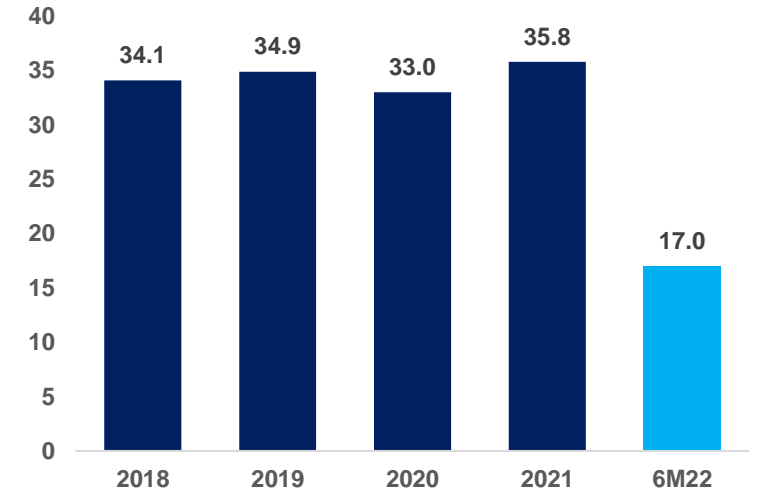
## Cash Cost Breakdown



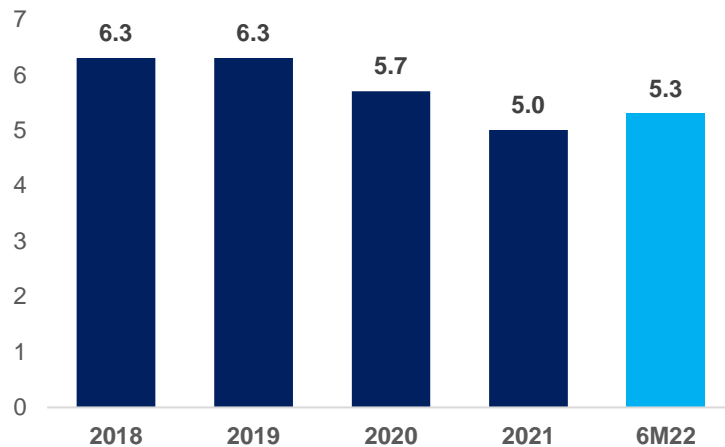
## Coal Production (mn ton)



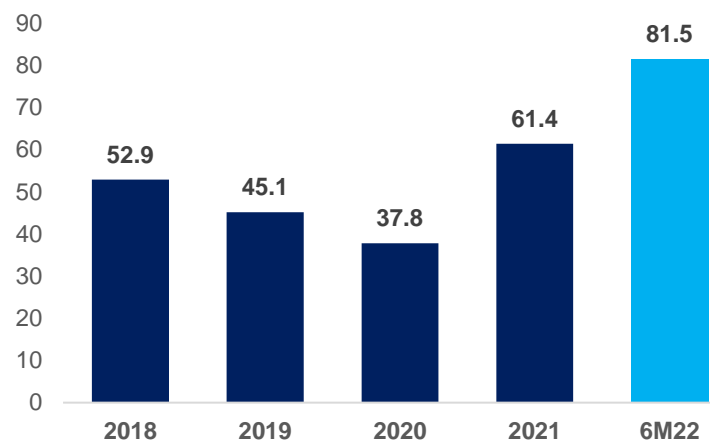
## Coal Sales (mn ton)



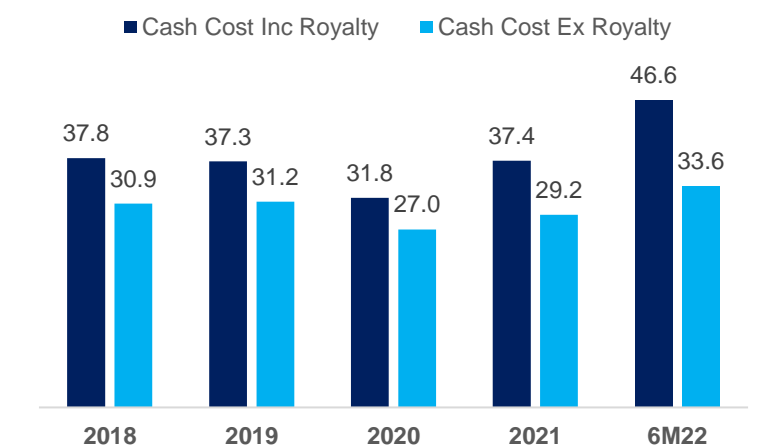
## Stripping Ratio (x)



## Average Selling Price (USD/ton)



## Cash Cost (USD/ton)



# Kideco's Operational Highlights

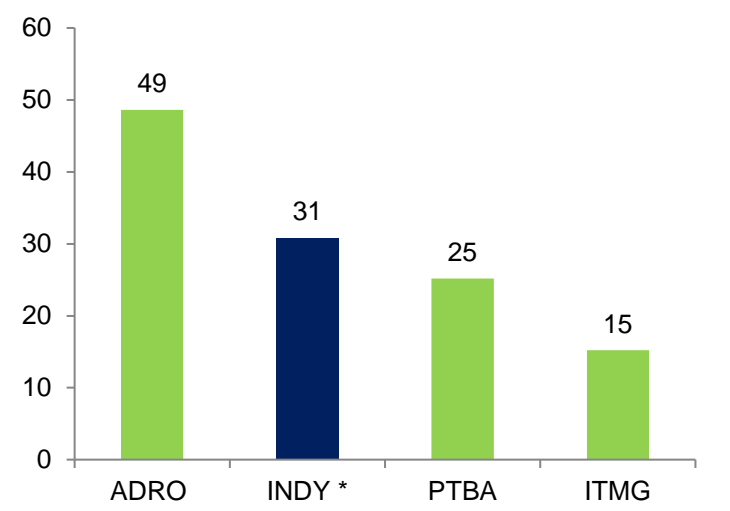


Summary P&L (US\$m)	2Q22	2Q21	YoY	1Q22	QoQ	YTD		
						6M22	6M21	YoY
Sales	820.1	461.9	77.6%	564.6	45.2%	1,384.8	876.8	57.9%
Gross profit	361.8	136.2	165.6%	212.1	70.6%	574.0	239.9	139.2%
Operating profit	338.3	124.7	171.4%	191.2	76.9%	529.5	216.3	144.8%
<b>Net income</b>	187.5	69.2	171.0%	102.9	82.2%	290.3	120.3	141.3%
EBITDA	348.4	130.3	167.4%	201.4	73.0%	549.8	227.5	141.7%
Gross margin	44.1%	29.5%		37.6%		41.4%	27.4%	
Operating margin	41.3%	27.0%		33.9%		38.2%	24.7%	
Net margin	22.9%	15.0%		18.2%		21.0%	13.7%	
EBITDA margin	42.5%	28.2%		35.7%		39.7%	25.9%	
Overburden (mn bcm)	44.7	44.8	-0.3%	42.6	4.9%	87.3	92.4	-5.5%
Production volume (Mt)	8.7	9.1	-3.8%	7.7	13.3%	16.4	18.2	-9.5%
Sales volume (Mt)	9.0	8.9	1.5%	8.0	12.9%	17.0	18.1	-5.9%
Stripping ratio (X)	5.1	4.9	3.7%	5.5	-7.4%	5.3	5.1	4.4%
Cash Cost excl royalty (US\$/ton)	34.3	29.8	15.2%	32.8	4.6%	33.6	28.7	17.2%
Average selling price (US\$/ton)	91.1	52.1	75.0%	70.8	28.7%	81.5	48.6	67.9%

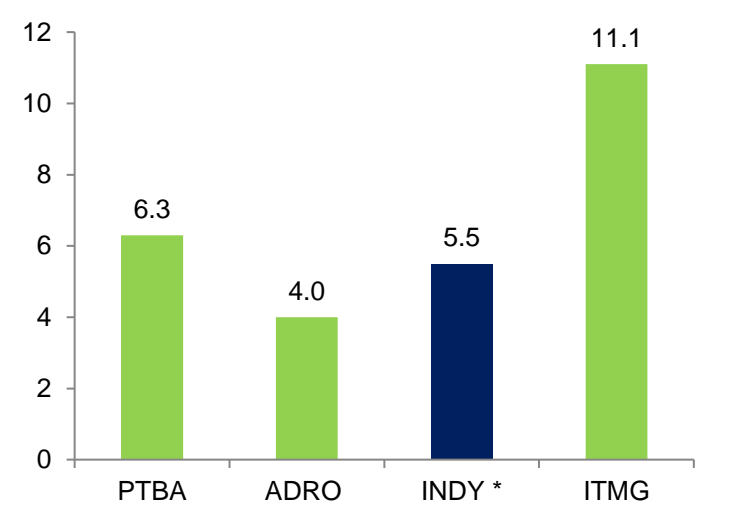
# Peer Comparison (3M22 Data)



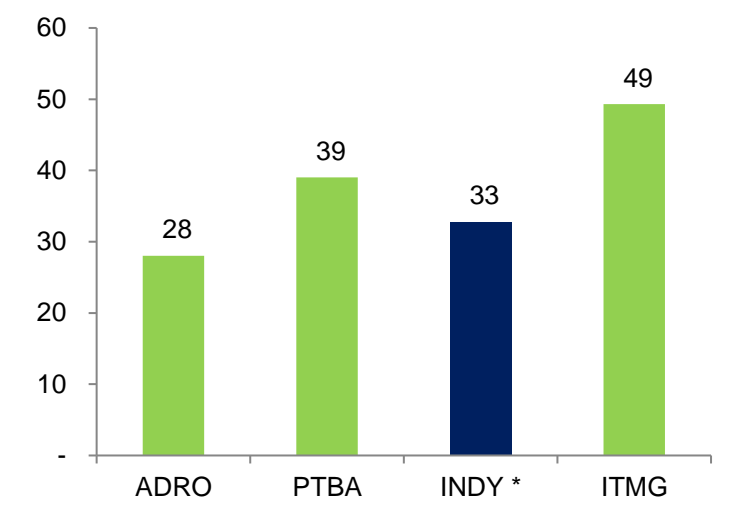
**PRODUCTION ANNUAL (MT)**



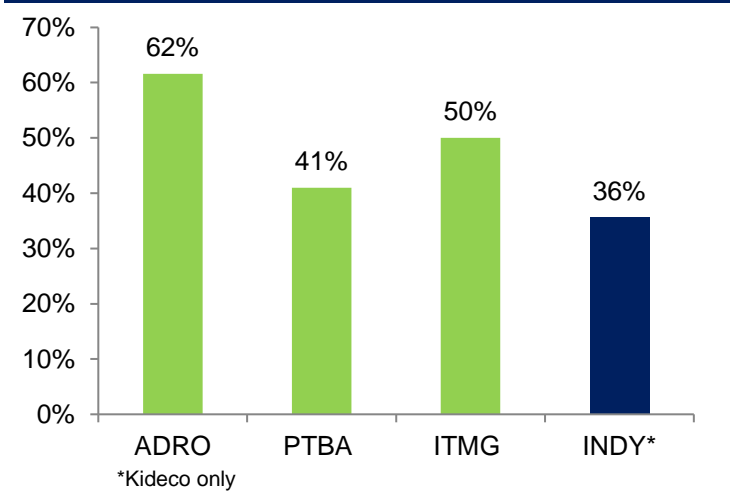
**STRIP RATIO (x)**



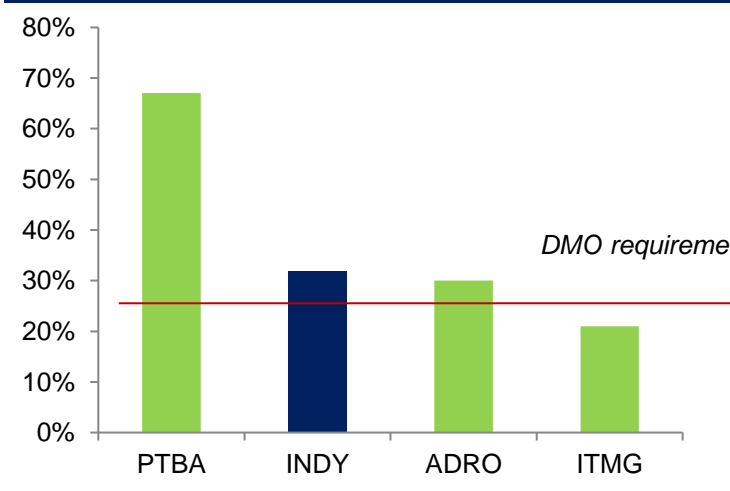
**CASH COSTS ex Royalty (US\$/t)**



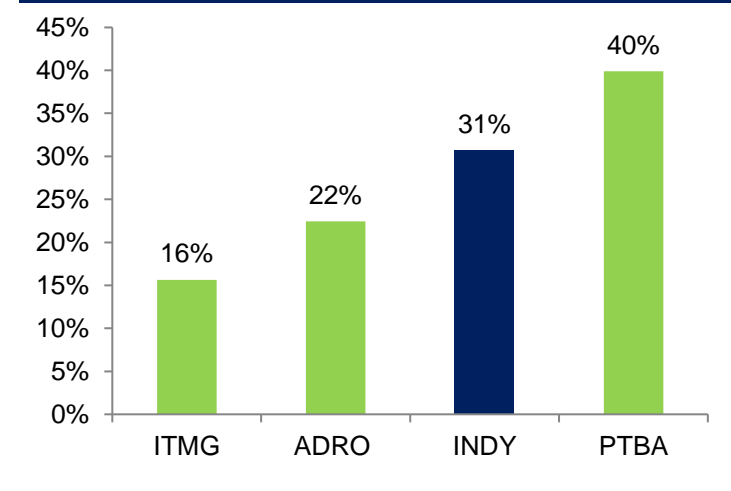
**EBITDA MARGIN**



**Domestic Sales/ Total (DMO 25%)**



**RESERVE/RESOURCE RATIO**

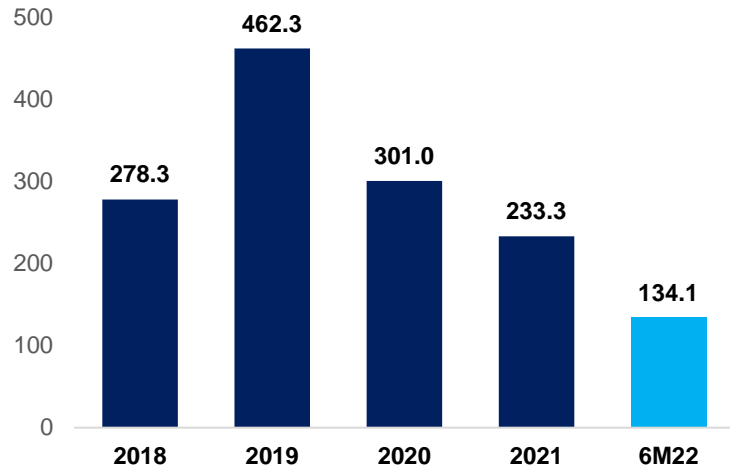




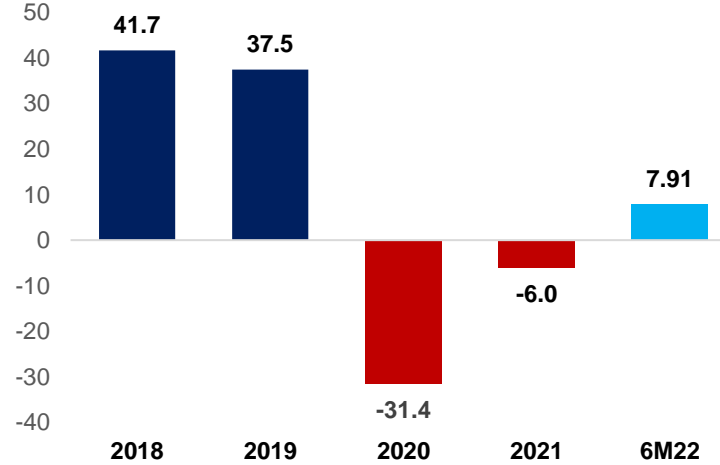
# Tripatra's Financial Highlights (1)



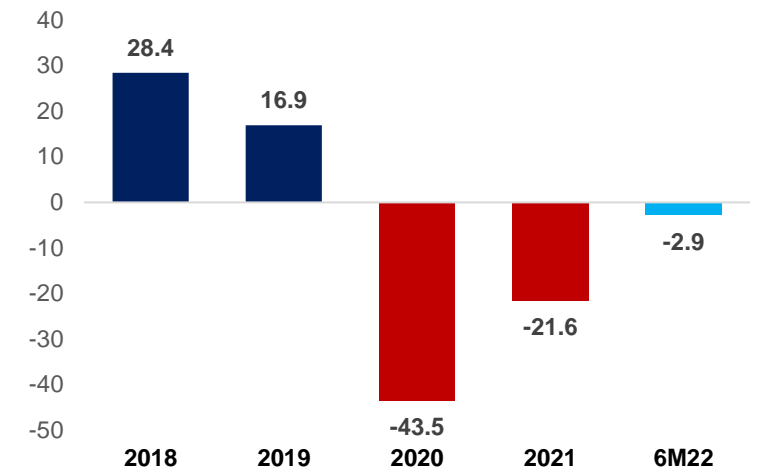
**Revenue (USD mn)**



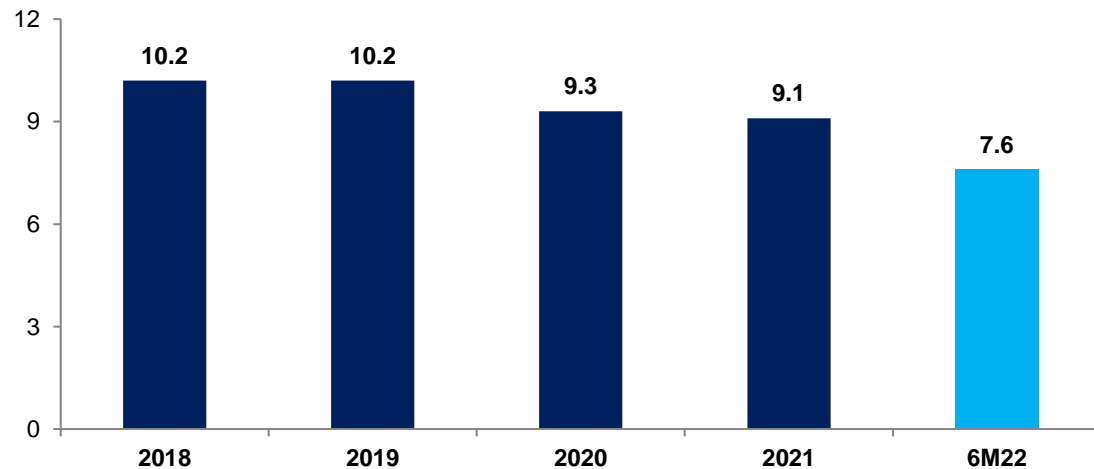
**Gross Profit (USD mn)**



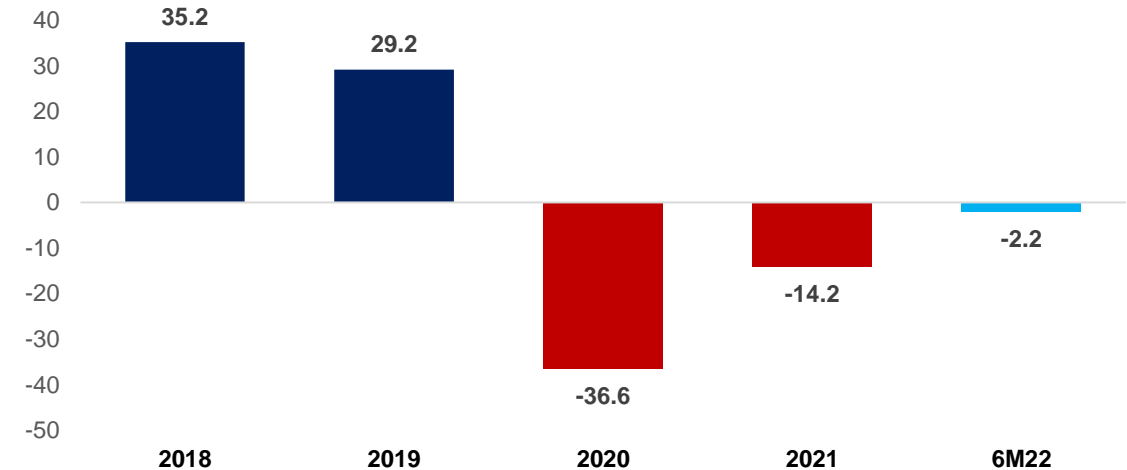
**Net Profit\* (USD mn)**



**Income from Associates (USD mn)**



**Adjusted EBITDA\*\* (USD mn)**



\* Profit/loss for the period attributable to owners of the company

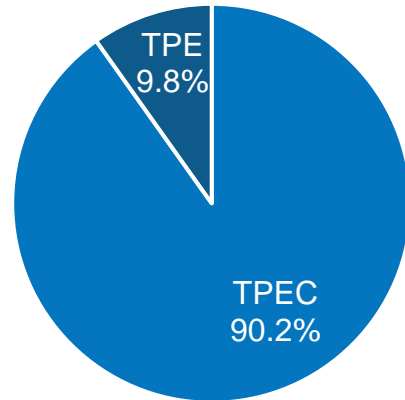
\*\* Including dividends from associates

# Tripatra's Financial Highlights (2)

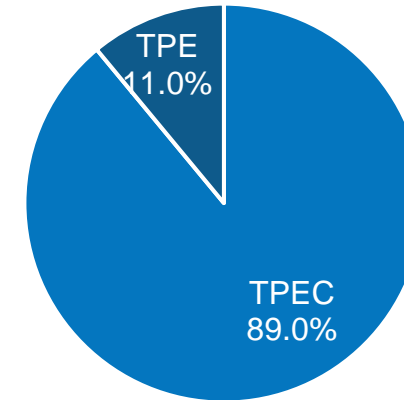


## Revenues Breakdown by Value

6M22: US\$134.1 mn

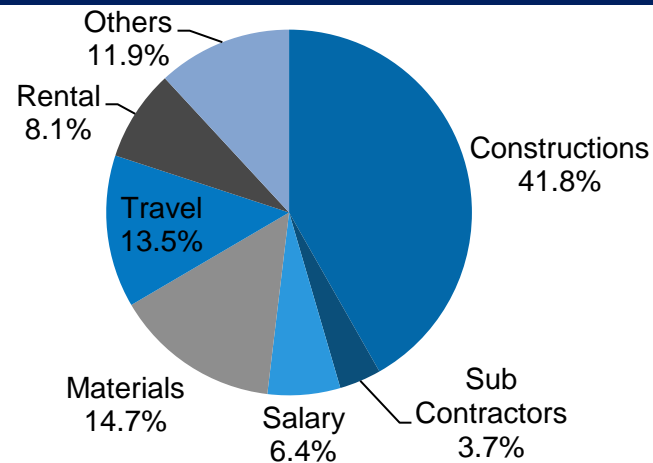


6M21 : US\$96.3 mn

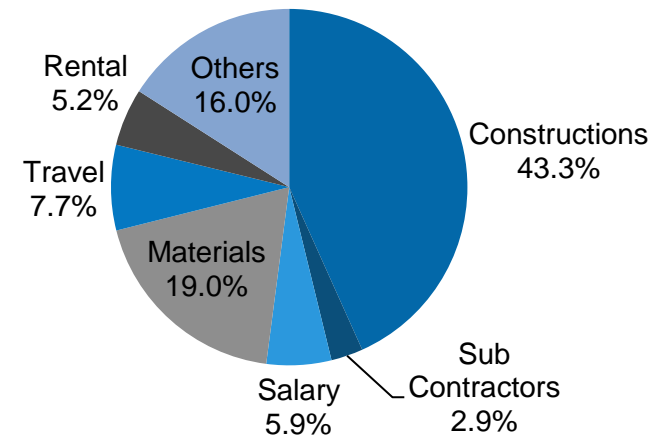


## Cost Structure

6M22: US\$126.2 mn



6M21: US\$116.4 mn



# Tripatra Backlog

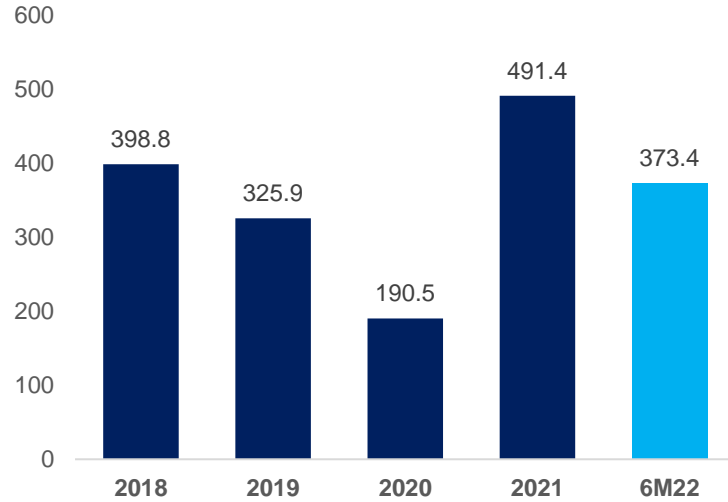


Descriptions	Remaining Contract Value	New Contract/ Adjustment Value in 2022	Revenue Recognition	Remaining Contract Value
	Per 31 Dec 2021		Per 30 Jun 2022	Per 30 Jun 2022
<b>Tripatra</b>				
Tripatra Engineers & Constructors	253.5	7.1	120.9	139.7
Tripatra Engineering	23.3	48.4	13.2	58.5
<b>Total (USD mn)</b>	<b>276.8</b>	<b>55.6</b>	<b>134.1</b>	<b>198.3</b>

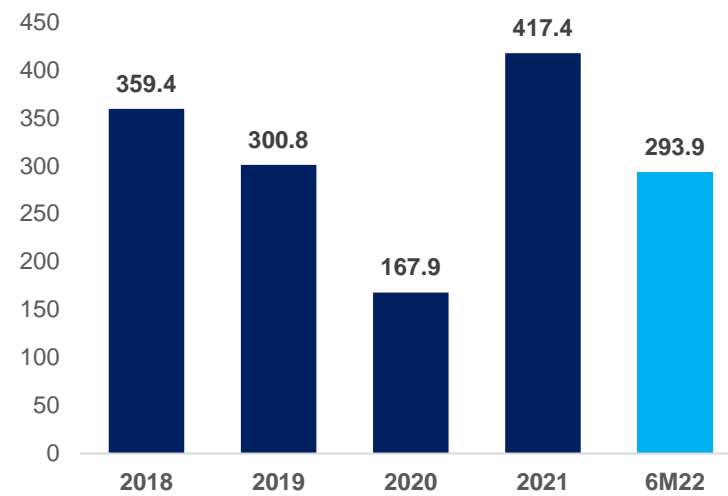
# Indika Resources' Financial Highlights



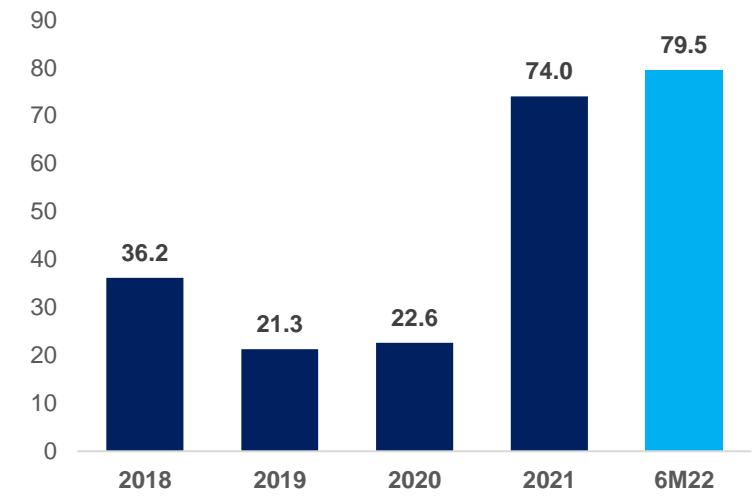
### Revenues (USD mn)



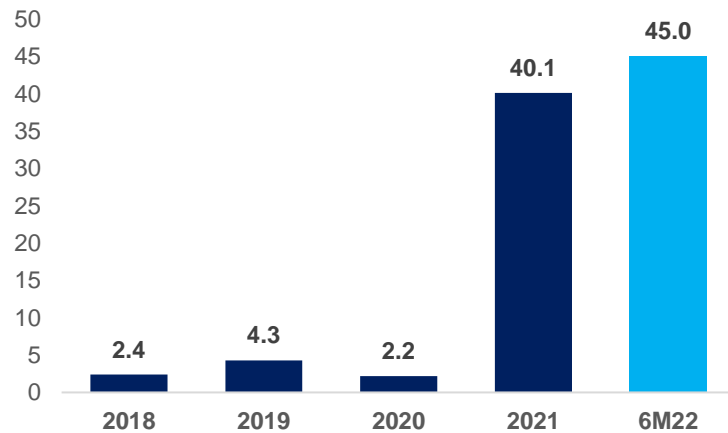
### Cost of Good Sold (USD mn)



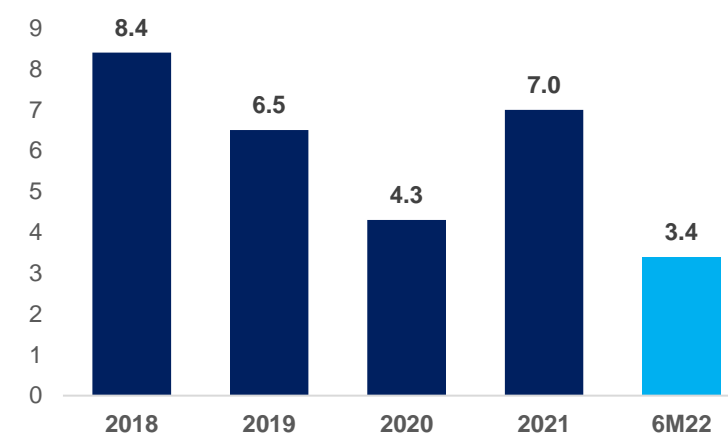
### Gross Profit (USD mn)



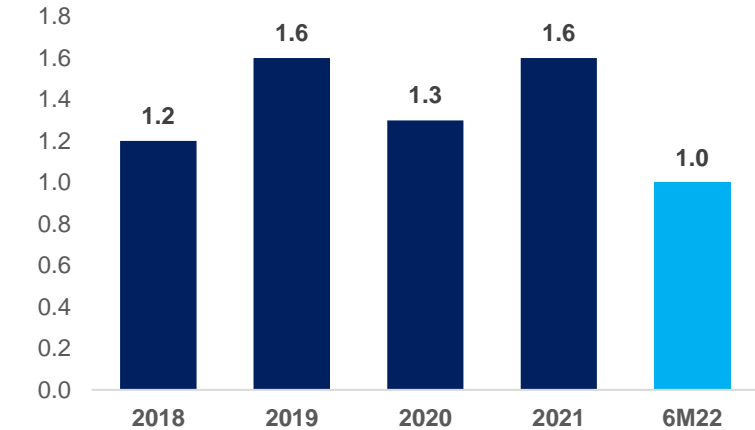
### Net Profit (USD mn)



### Coal Trading Vol. (mn ton)



### MUTU Production Vol. (mn ton)



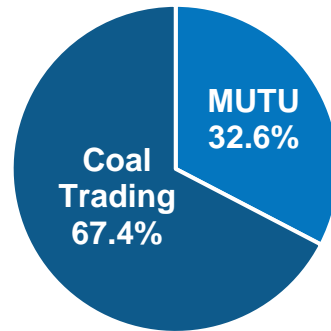


# Indika Resources' Financial Highlights (2)

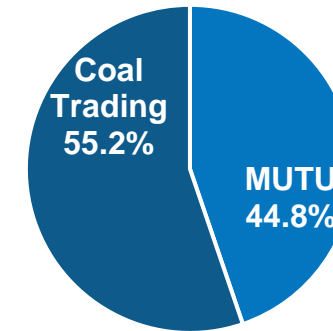


## Revenues Breakdown

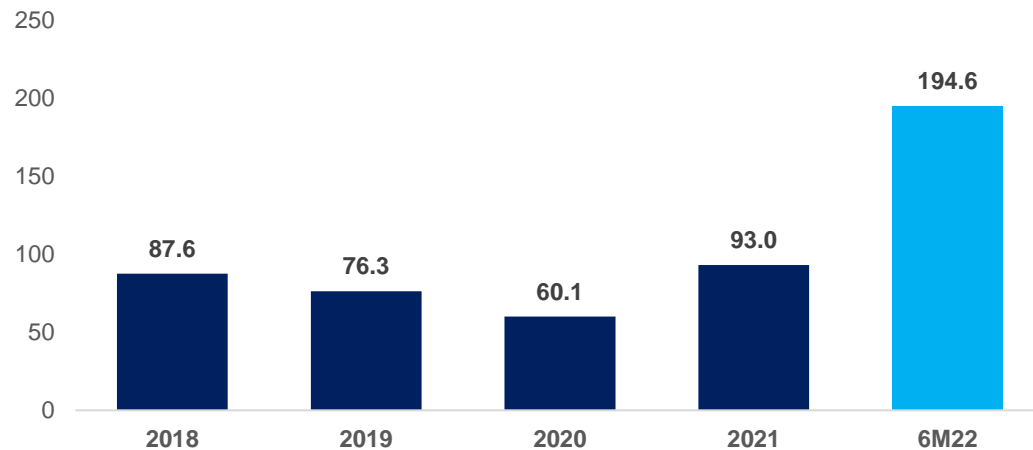
6M22: US\$373.4 mn



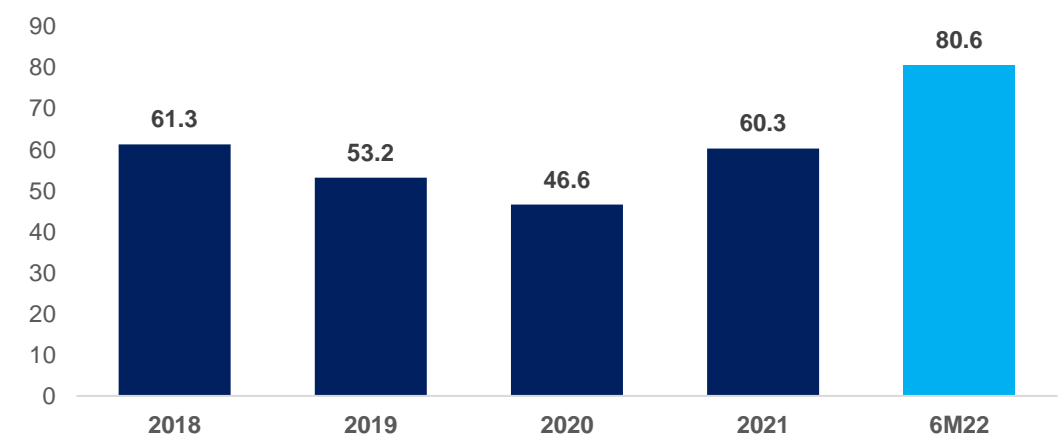
6M21: US\$156.3 mn



## MUTU ASP (USD/ton)



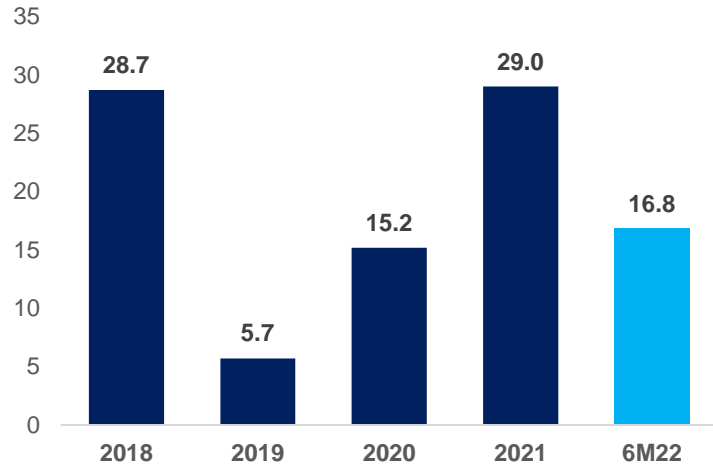
## MUTU Cash Cost ex Royalti (USD/ton)



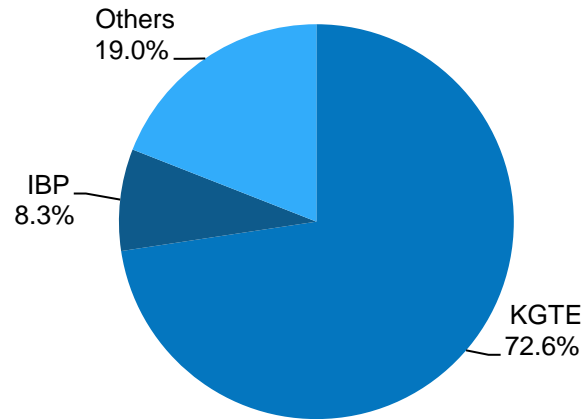
# Interport's Financial Highlights



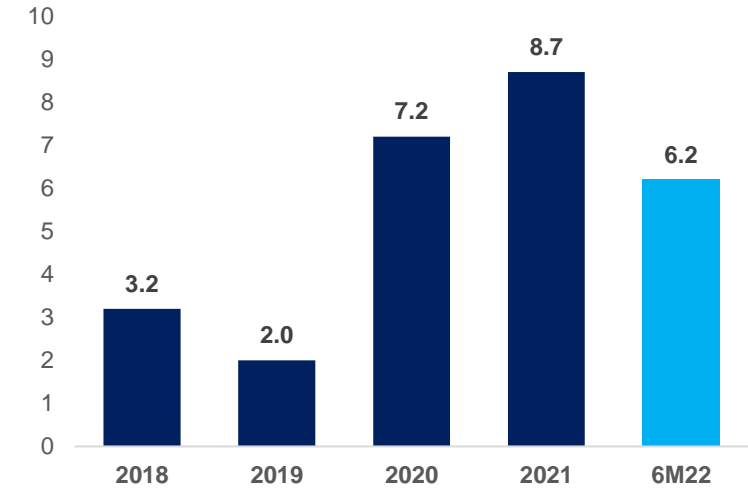
### Revenues (USD mn)



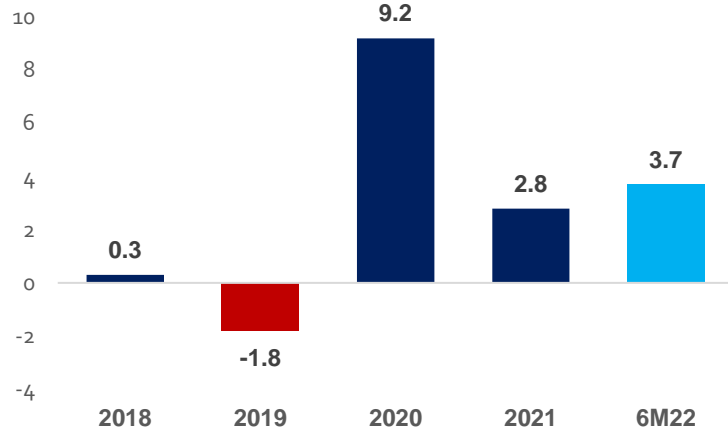
### Revenue Breakdown 6M22



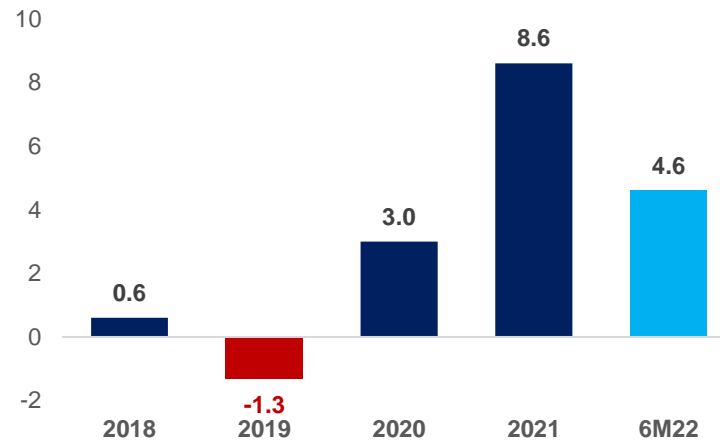
### Gross Profit (USD mn)



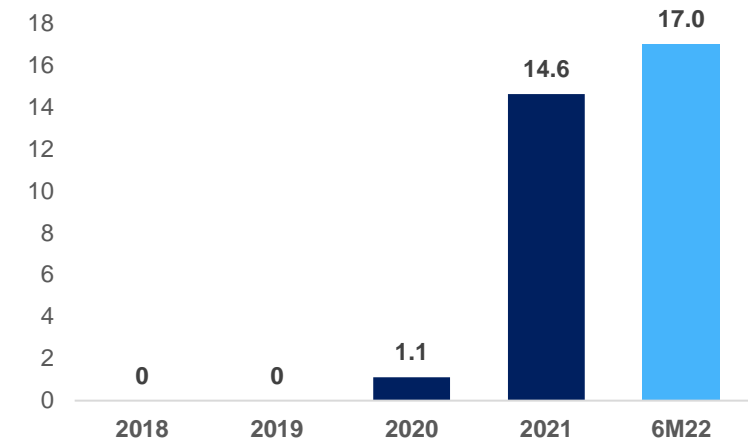
### Net Profit (USD mn)



### EBITDA (USD mn)



### Fuel Storage Vol. (KBD)



# Notes Outstanding



MOODY'S


Ba 3  
Stable Outlook (as of Oct. 2021)

The Senior  
Notes are rated:

FitchRatings

BB - / Stable Outlook  
International Ratings (as of May 2022)


A + / Stable Outlook  
National Ratings (as of May 2022)



Indo Energy Capital III Pte. Ltd.

USD 362.4mn  
5.875% 7-year Senior Notes  
Reg S / 144A  
due 2024

November 2017



Indo Energy Capital IV Pte. Ltd.

USD598.9 mn  
8.250% 5-year Senior Notes  
Reg S / 144A  
due 2025

October 2020

\*) as per 15 July the outstanding of the 2024 Notes is US\$363.4m and the 2025 Notes is US\$598.9m

# Strong Focus on and Commitment to ESG Initiatives



## Environmental

- ✓ **Comply with all Indonesian environmental laws, regulations and standards**
- ✓ **Strong focus on five key elements**
  - ✓ Climate change (Greenhouse gas and carbon emissions)
  - ✓ Water & effluents
  - ✓ Waste management
  - ✓ Biodiversity conservation
  - ✓ Environmentally friendly initiatives
- ✓ **Environmentally friendly technologies at operations**
  - ✓ Ultra-supercritical coal-fired technology which reduces CO<sub>2</sub> emissions
  - ✓ Solar panels at Kideco and CEP
  - ✓ Low ash and sulfur Kideco coal relatively cleaner burning
  - ✓ Industry 4.0 (decreased materials, fuel and spare parts usage)
- ✓ **Environmental management practises recognized by governments**
  - ✓ Kideco received Gold PROPER award from Ministry of Environment and Forestry
- ✓ **Promote green activities, including by partnering with local communities**
- ✓ **Contribute to Indonesia's wildlife protection efforts**

## Social Responsibility

- ✓ Focus on supporting long-term economic growth and improving the quality of life in regions of operation

<b>Education</b>	<ul style="list-style-type: none"> <li>• Develop education infrastructure</li> <li>• Provide scholarships and key skills vocational training</li> </ul>
<b>Health and Safety</b>	<ul style="list-style-type: none"> <li>• Employees receive mandatory health and safety specialized training</li> <li>• Comply with Indonesian safety and health standards</li> <li>• Engage in programs to promote healthier living in the community</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>• Significant portion of site workforce from local areas</li> <li>• Support small community businesses</li> <li>• Sponsor infrastructure development in local communities</li> <li>• Collaboration with key welfare organisations (Indorelawan)</li> </ul>



Intercultural Innovation Awards (UNAOC<sup>(1)</sup> and BMW Group)

*"Achievements in promoting national tolerance and diversity"*

## Governance

- ✓ Continuously implementing and improving good corporate governance
- ✓ Recent addition of three individuals to Board of Directors, including a female member (representing 20% of the board)
- ✓ Robust anti-bribery management system – Indika Energy, IIR and Petrosea obtained ISO37001, while the other subsidiaries are in the process of obtaining
- ✓ Complying with prevailing laws and regulations

### Corporate Principles

Transparency

Accountability

Responsibility

Independence

Fairness & Equality

(1) United Nations Alliance of Civilizations



**THANK YOU**