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2 May 2023

INDIKA ENERGY RESULTS FOR THE PERIOD ENDED MARCH 31, 2023

Recorded Net Profit of US\$58.9 million and Core Profit of US\$82.7 million

Jakarta - **PT Indika Energy Tbk. (IDX: INDY)**, an Indonesia's investment holding company, reported its unaudited financial statements for the period ended March 31, 2023.

Highlights

- **Revenues increased by 9.2% YoY to US\$906.8 million in 3M23**, driven by higher revenue contribution from Kideco and MUTU. In 3M23, realized ASP of Kideco is US\$87.3/ton or increased 23.4% YoY vs. average ICI-4 of US\$76.6/ton in 3M23 or decreased 6.9% YoY.
- **Gross profit declined 23.7% YoY to US\$199.1 million in 3M23 and consolidated gross margin dropped to 22.0% from 31.4% in 3M22**, driven mainly by new royalty rate under IUP-K tax regime.
- **Operating income decreased 32.1% YoY to US\$149.9 million in 3M23** and operating margin declined to 16.5% from 26.6% in 3M22.
- **The company recorded Profit attributable to owners of the company of US\$58.9 million in 3M23 (-21.5% YoY)**, compared to net profit of US\$75.0 million in 3M22.
- **Core Profit* of US\$82.7 million reported in 3M23**, compared to US\$95.1 million reported in 3M22.
- **Adjusted EBITDA totalled US\$152.0 million for the period ending March 31, 2023**, compared to US\$233.8 million in the same period previous year. LTM EBITDA was US\$1,217.3 million as of end of March 2023.
- **Kideco has obtained an extension of the operating license under a Special Mining Business Permit (IUPK)** as of 16 December 2022, as a Continuation of Contracts Operation/Agreement. Hence, as of January 2023, Kideco is to pay royalty based on the new rate (ranging from 14% to 28%, depending on the HBA price) and income tax rate of 22% (vs 45% under CCOW Gen I) and additional profit-sharing tax of 10%.

**) Core Profit (Loss) is defined as net profit (loss) attributable to Owners 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;*

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- **Cash, Cash Equivalents and Other Financial Assets at end of March 2023 stood at US\$1,350.1 million.**
- **The Company invested US\$32.8 million for new investments during 3M23 and spent US\$3.8 million Capex for existing business.**

PT Indika Energy Tbk.

Income Statement Highlights 3M23

Descriptions (in USD mn)	3M23	3M22	YoY	4Q22	QoQ
Total revenues	906.8	830.8	9.2%	1,201.5	-24.5%
Kideco	659.3	564.6	16.8%	792.6	-16.8%
Indika Resources	164.2	172.7	-4.9%	233.0	-29.5%
Tripatra	66.5	74.2	-10.4%	86.9	-23.4%
Interport	21.0	8.4	150.4%	9.3	126.6%
Others	14.3	12.3	16.3%	104.2	-86.3%
Elimination	(18.5)	(1.5)	1139.6%	(24.4)	-24.3%
Cost of contracts and goods sold	(707.7)	(570.0)	24.2%	(837.0)	-15.4%
Gross profit	199.1	260.8	-23.7%	364.5	-45.4%
Selling, general and administrative expenses	(49.2)	(40.1)	22.8%	(89.7)	-45.2%
Operating profit	149.9	220.7	-32.1%	274.8	-45.5%
Equity in net profit of associates	7.3	6.0	21.7%	10.0	-27.1%
Investment income	5.1	1.2	305.3%	2.8	81.8%
Finance cost	(20.9)	(26.6)	-21.3%	(23.3)	-10.3%
Amortization of intangible assets	(33.7)	(34.0)	-1.0%	(34.0)	-1.0%
Final tax	(2.1)	(2.5)	-15.9%	(2.9)	-26.8%
Fair value changes on contingent consideration obligation	0.0	(2.8)	-100.0%	54.7	-100.0%
Others- net	1.8	(9.4)	-119.2%	(33.4)	-105.4%
Profit (Loss) Income before tax	107.4	155.5	-30.9%	249.1	-56.9%
Income tax expense	(28.1)	(70.5)	-60.1%	(124.8)	-77.5%
PNBP government shares	(10.8)	0.0	-100.0%	0.0	-100.0%
Profit (Loss) for the year/period :	68.4	84.9	-19.4%	124.3	-45.0%
Profit (Loss) attributable to owners of the company	58.9	75.0	-21.5%	114.3	-48.4%
Profit (Loss) attributable to non-controlling Interest	9.5	9.9	-4.0%	10.0	-5.2%
Core Profit (Loss) of the Company **	82.7	95.1	-12.9%	122.6	-32.5%
Adjusted EBITDA*	152.0	233.8	-35.0%	285.3	-46.7%
LTM - Adjusted EBITDA*	1,217.3	1,069.4	13.8%	(110.6)	-1200.8%
EPS (USD/share)	0.0113	0.0144		0.0219	
Core EPS (USD/share)	0.0159	0.0182		0.0235	
Gross margin	22.0%	31.4%		30.3%	
Operating margin	16.5%	26.6%		22.9%	
Net margin	6.5%	9.0%		9.5%	
Core profit margin	9.1%	11.4%		10.2%	
Adjusted EBITDA Margin	16.8%	28.1%		23.7%	

* Includes dividends from associates (last twelve months period ended 31 March 2023)

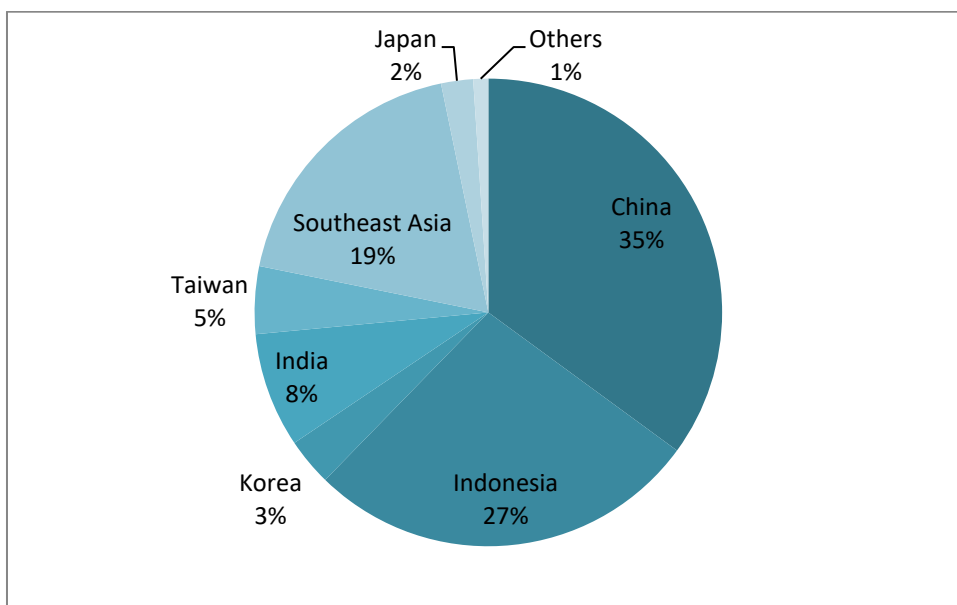
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Core Profit (Loss) is defined as net profit (loss) attributable to Owners of the Company for the year excluding: 1) amortization of intangible assets of Kideco and MUTU; 2) fair value changes on contingent consideration obligation related to acquisition of additional shares in Kideco in 2022.

The consolidated revenues increased 9.2% YoY to US\$906.8 million in 3M23 from US\$830.8 million in 3M22. The higher YoY figures were attributed to higher contribution from Kideco and MUTU:

- a) **Kideco’s revenue increased by 16.8% YoY to US\$659.3 million in 3M23**, supported by higher average selling price (+23.4% YoY to US\$87.3/ton in 3M23). In 3M23, Kideco sold 7.5MT of coal volume (-5.4% YoY), this in line with Kideco’s production target of 31MT in 2023. In terms of sales destination, 73% of volume to export and 27% to domestic market.

Kideco’s Sales Volume by Country 3M23



- b) **Indika Resources’ revenue decreased by 6.0% YoY to US\$164.2 million in 3M23** from US\$174.6 million in 3M22, driven by lower contribution from coal trading (revenue decreased 38.8% YoY to US\$70.5 million) mainly due to decrease in sales volume to 0.9MT (-47.9% YoY) with ASP of US\$77.1/ton (+12.5% YoY). On the other hand, MUTU’s revenue rose by 57.9% YoY to US\$93.7 million in 3M23, led by 76.7% YoY increase in sales volume to 0.6MT (low base effect in 3M22 with export ban in January 2022) with ASP of US\$161.8/ton (-11.6% YoY).
- c) **Interport’s revenue increased by 150.4% YoY to US\$21.0 million in 3M23** mainly due to consolidation of Cotrans’ financials as Interport acquired 56% shares in Cotrans (previously, Tripatra owned 45% shares in Cotrans). In 3M23, Interport revenues consisted of Cotrans of US\$11.1m, KGTE (fuel storage) of US\$7.2m, Interport business park (IBP) of US\$2.1m and ILSS of US\$0.7m. KGTE’s volume increased to 19.6 KBD in 3M23 vs 17.9 KBD in 3M22.

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d) **Tripatra's revenue decreased by 10.4% to US\$66.5 million in 3M23** compared to US\$74.2 million in 3M22, mainly driven by lower contribution from BP Tangguh project which decreased 19.6% YoY to US\$54.3 million in 3M23.

Cost of Contracts and Goods Sold increased by 24.2% YoY to US\$707.7 million in 3M23 from US\$570.0 million in 3M22. Kideco's cash costs including royalties increased 50.8% YoY to US\$64.7/ton in 3M23 compared to US\$42.9/ton in 3M22, mainly due to 1) higher royalty rate under IUP-K tax regime and 2) higher fuel rate (US\$0.76/lt in 3M23 vs US\$0.67/lt in 3M22). With average HBA of US\$288.5/ton in 3M23, under the new IUP-K tax regime effective, Kideco paid 28% royalty rate based on adjusted HBA (vs 13.5% under CCOW Gen I tax regime).

Gross profit declined 45.4% YoY to US\$199.1 million in 3M23 from US\$260.8 million reported in 3M22. The consolidated gross margin dropped to 22.0% from 31.4% in 3M22, mainly driven by new royalty rate under IUP-K in Kideco (GP margin of 23.8% in 3M23 vs 37.6% in 3M22).

SG&A expenses increased by 22.8% YoY to US\$49.2 million in 3M23 from US\$40.1 million in 3M22, mainly driven by 1) higher marketing expenses in Kideco and 2) DMO expenses in MUTU and 3) Professional fees.

Equity in net profit of associates increased by 21.7% to US\$7.3 million in 3M23 from US\$6.0 million mainly due to higher contribution from SBS, CEP and CEPR. Equity in net profit in CEP increased to US\$1.3m in 3M23 vs profit of US\$0.8m in 3M22 (20% ownership). Equity in net profit in SBS increased to US\$1.6m in 3M23 vs profit US\$0.8m in 3M22 (45% ownership). Cotrans is already part of Interport's consolidation in 3M23.

Finance cost decreased by +US\$5.7 million (-21.3%) to US\$20.9 million in 3M23 mainly due to lower interest on lower bond principal resulting from early retirement of bond.

In 3M23, under the new IUP-K tax regime, Kideco pays income tax based on prevailing rate of 22% (vs. 45% under CCOW Gen I). However, Kideco paid additional profit-sharing tax of total 10% from net income to government, amounting to US\$10.8 million (none under CCOW Gen I).

The Company reported Profit Attributable to the Owners of the Company of US\$58.9 million in 3M23, a 21.5% decline from net profit of US\$75.0 million in 3M22.

The Company reported Core Profit of US\$82.7 million in 3M23, (-12.9% YoY) compared to Core Profit of US\$95.1 million reported in 3M22.

The company invested US\$32.8 million for the new investments in 3M23 which majority was allocated for Indika Nature US\$13.0 million (US\$ 11.5 million for acquisition of 46% shares in PT Natura Aromatik Nusantara, an essential oil producer), Ilectra Motor Group (IMG) US\$6.0

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million, Awakmas US\$5.0 million and Interport US\$4.6 million. **The actual spending for capex for the same period is US\$22.4 million, of which we spent US\$3.8 million on existing business**, including for Kideco US\$1.7 million, Indika Resources US\$1.6 million, IDT US\$0.3m and Interport US\$0.2 million. On non-coal business, capex mainly spent on Indika Minerals (primarily for Awakmas project) US\$14.2 million, IMG US\$1.9 million and Indika Nature US\$2.4 million.

PT Indika Energy Tbk.

Balance Sheet Highlights 3M23

Descriptions (in USD mn)	3M23	3M22	YoY	FY22	Change % 3M23 - FY22
Cash balance*	1,350.1	1,125.3	20.0%	1,257.4	7.4%
Current assets	2,057.3	1,947.8	5.6%	2,002.8	2.7%
Total assets	3,645.4	3,995.2	-8.8%	3,593.9	1.4%
Current liabilities	1,218.5	1,023.4	19.1%	1,178.9	3.4%
Total Debt**	1,055.7	1,462.1	-27.8%	1,087.3	-2.9%
Shareholder equity	1,373.6	1,002.1	37.1%	1,340.2	2.5%
Current ratio (X)	1.7	1.9		1.7	
Debt to Ebitda (X)	0.9	1.4		0.8	
Net Debt to Ebitda (X)	Net Cash	0.4		Net Cash	
Debt to equity (X)	0.8	1.5		0.8	
Net debt to equity (X)***	Net Cash	0.3		Net Cash	

* includes other financial assets and restricted cash

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

*** total debt minus total cash balance divided by shareholder equity

Kideco Financial and Operational Highlights 3M23

Descriptions (USD mn)	1Q23	1Q22	YoY	4Q22	QoQ
Sales	659.3	564.6	16.8%	792.6	-16.8%
Gross profit	156.8	212.1	-26.1%	299.1	-47.6%
Operating profit	133.6	191.2	-30.1%	270.7	-50.6%
Net income	90.4	102.9	-12.1%	152.9	-40.9%
EBITDA	134.7	201.4	-33.1%	289.1	-53.4%
Gross margin	23.8%	37.6%		37.7%	
Operating margin	20.3%	33.9%		34.2%	
Net margin	13.7%	18.2%		19.3%	
EBITDA margin	20.4%	35.7%		36.5%	
Overburden (mn bcm)	37.5	42.6	-12.1%	43.6	-14.0%
Production volume (MT)	6.9	7.7	-10.3%	8.7	-20.3%
Sales volume (MT)	7.5	8.0	-5.4%	8.4	-10.4%
Stripping ratio (X)	5.4	5.5	-2.0%	5.0	7.8%
Cash Cost incl royalty (US\$/ton)	64.7	42.9	50.8%	56.4	14.8%
Cash Cost excl royalty (US\$/ton)	34.7	32.8	5.9%	37.5	-7.4%
Average selling price (US\$/ton)	87.3	70.8	23.4%	94.1	-7.2%

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Latest Development

- On 19 January 2023, the Company through its subsidiary PT Indika Multi Properti (IMP), has acquired 46% stake in PT Natura Aromatik Nusantara (NAN), the fourth largest essential oil exporter in Indonesia, for US\$11.5 million.
- On 2 March 2023, the Company obtained US\$250 million credit facility with tenor of 5 years to fund the development of Awakmas project. The lenders are Bank Mandiri (Persero) Tbk, PT Bank Negara Indonesia (Bank BNI), PT Bank UOB Indonesia (UOB), PT Bank DBS Indonesia (DBS), and PT KB Bukopin Tbk.
- At AGM on 19 April 2023, the Company declared final cash dividend of US\$73.2 million or rounded at Rp208/share (at the exchange rate based on the Bank Indonesia middle rate as of April 18, 2023). In August 2022, the company has paid interim dividend of US\$40 million (or Rp114.46/ share). From FY22 financial result, the Company is to distribute a total of US\$113.2 million (total Rp322.46/share) or approximately 25% of net profit in 2022. Cum date for regular market is 4 May 2023 and payment is on 17 May 2023.

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ABOUT INDIKA ENERGY

PT Indika Energy Tbk. ("Indika Energy") is an Indonesia's diversified investment 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); **Energy Infrastructure** – marine transportation for bulk goods and natural resources (PT Sea Bridge Shipping and PT Cotrans Asia); coal-fired power plant (PT Cirebon Electric Power and PT Prasarana Energi Cirebon); **Logistic & Infrastructure** - ports & logistics (PT Indika Logistic & Support Services, PT Kuala Pelabuhan Indonesia); fuel storage (PT Kariangau Gapura Terminal Energi); **Minerals** – gold production (Nusantara Resources Limited); nickel trading (PT Rockgeo Energi Nusantara); **Digital Ventures** - IT enterprise (PT Xapiens Teknologi Indonesia), digital technology services (PT Zebra Cross Teknologi), **Green Businesses** - Nature based solution (PT Indika Multi Properti), Renewable Energy (PT Empat Mitra Indika Tenaga Surya), Electric Vehicle (PT Ilectra Motor Group).

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