

PT Archi Indonesia Tbk (IDX: ARCI)

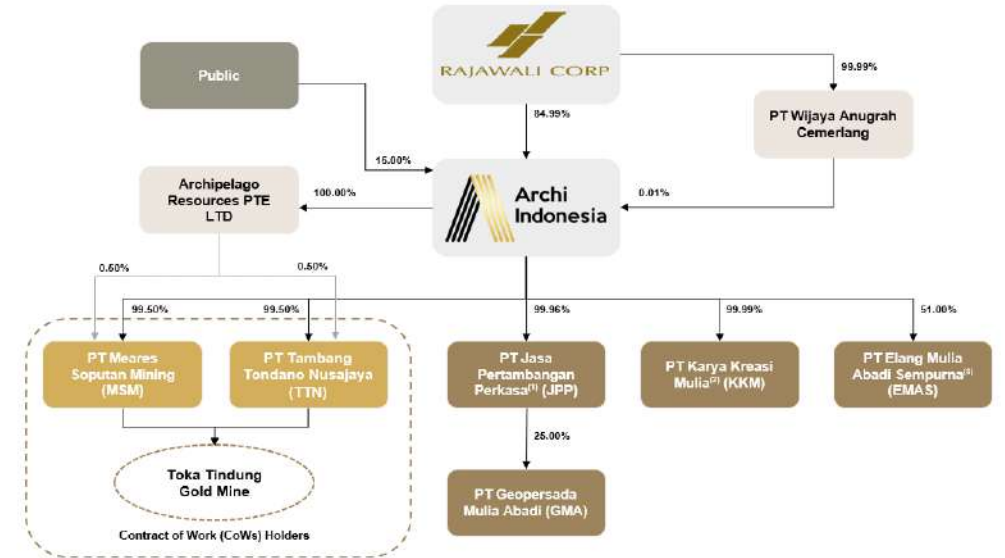
Public Expose 2022

Tuesday, 26th April 2022



General Company Overview

Company Name (Ticker Code)	PT Archi Indonesia Tbk (ARCI)
Date of Establishment Date of Stock Listing	14 September 2010 28 June 2021 through Indonesia Stock Exchange (IDX)
Business Line	<p>A holding company in the mineral mining (among others, gold and silver)</p> <p><u>Based on Article of Association:</u> Main business activity is ownership and/or possession of assets from a group of subsidiaries, both inside or outside the country that, among other things, include but are not limited to engaging in businesses directly or indirectly through operational cooperation, participation in (investment) or disposal of (divestment) capital and/or entering into a joint venture with another party, in companies that engage in the mining business and other related sector.</p>



Composition of Authorized Capital and Shareholders Prior and Post Initial Public Offering (“IPO”)

Description	Prior to Initial Public Offering			Post to Initial Public Offering		
	Number of Share	Nominal Value (Rp)	%	Number of Share	Nominal Value (Rp)	%
Authorized Capital	94,370,000,000	943,700,000,000		94,370,000,000	943,700,000,000	
Shares Issued and Fully Paid						
Other Shareholders:						
PT Rajawali Corpora	23,592,400,000	235,924,000,000	99.99	21,109,650,000	211,096,500,000	84.99
PT Basis Utama Prima	-	-	-	1,533,512,500	15,335,125,000	6.17
PT Wijaya Anugerah Cemerlang	100,000	1,000,000	0.01	100,000	1,000,000	0.01
Public	-	-	-	2,191,737,500	21,917,375,000	8.83
Total Shares Issued and Fully Paid	23,592,500,000	235,925,000,000	100.00	24,835,000,000	248,350,000,000	100.00
Shares in the Portfolio	70,777,500,000	707,775,000,000		69,535,000,000	695,350,000,000	

Note: (1) Holding company of mining services, which holds 25.00% of PT GMA, a local company that is appointed as one of the mining contractors in Toka Tindung Gold Mine.

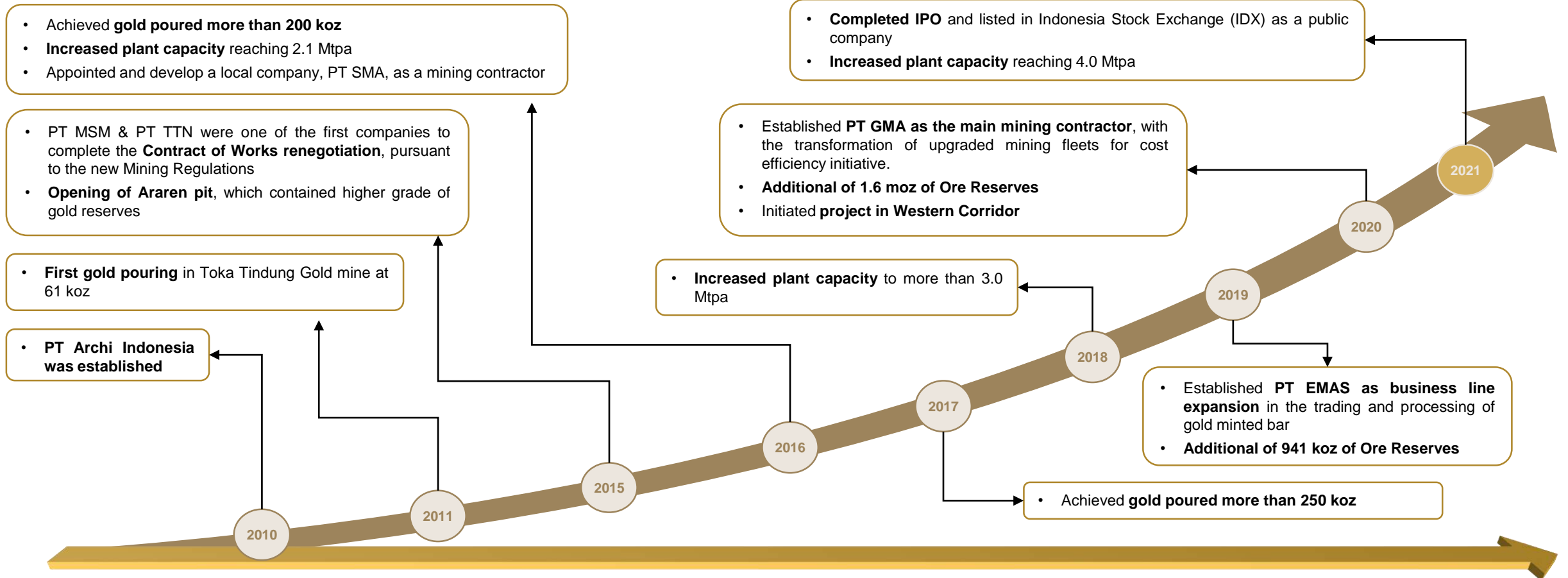
(2) Commenced operations in 2018, providing general management and support services in the areas of tax, legal, human resources, etc for overall Archi Group.

(3) A subsidiary company owned 51% by Archi, operates in trading and processing of gold minted bar.



Milestones

- Proven track record of exploration activities and gold resources discoveries
- Sustainable operational growth through mine development activities and processing plant capacity expansion, as well as various cost efficiency initiatives
- Expanding business lines to become an Integrated Gold Mining Company



The Company has successfully listed its shares in Indonesia Stock Exchange (“IDX”) on 28th June 2021

- 1 In 2021, gold production was 6% lower from 206.8 koz to 194.4 koz. This was mainly due to lower average gold head grade of ore processed from 2.12 g/t to 1.93 g/t, which mainly driven by mine development activities in Araren pit stage 5 and the opening of new Alaskar pit.
- 2 The Company’s revenue was 12% lower at US\$345.9mn, compared to US\$393.3mn in the previous year, mainly driven by lower gold sold volume from 213.8 koz to 188.1 koz as a result from lower gold production.
- 3 EBITDA⁽¹⁾ was 32% lower at US\$163.7mn while profit for the year also recorded 39% lower at US\$75.1mn compared to the previous year. The decrease in profitability was mainly due to higher stripping ratio from the early stage of mining ore in Araren pit stage 5 and opening new Alaskar pit.
- 4 Net debt⁽²⁾ position was lower at 31st December 2021, reflecting a significant improvement of debt to equity (“DER”) ratio from 4.1x to 1.3x, respectively.
- 5 Capex realized amounted to US\$118.6mn, mainly for mine development activities in Araren pit stage 5, increased mill capacity and exploration activities.
- 6 Exploration activities were focused on increasing the potential additional discoveries of the current open pit operations in the Eastern Corridor area and gold resource drillings in Western Corridor area.

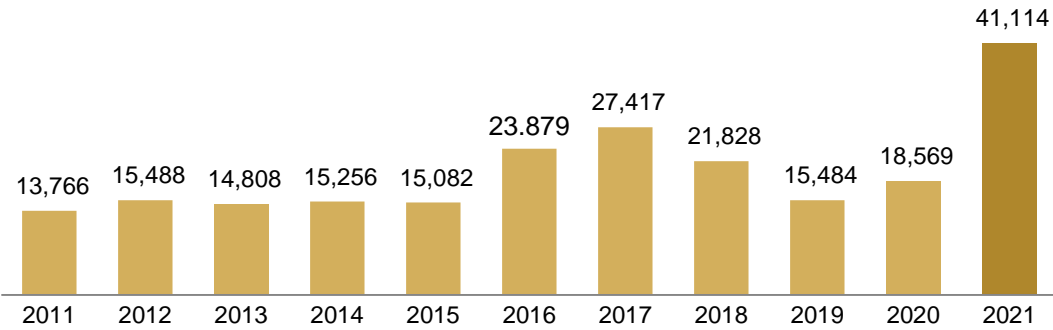
Note: (1) EBITDA refers to profit for the year before finance costs, finance income, income tax expense, depreciation and amortization.
(2) Net Debt is calculated as the total balance of interest bearing debt reduced by current restricted cash in relation to Debt Service.



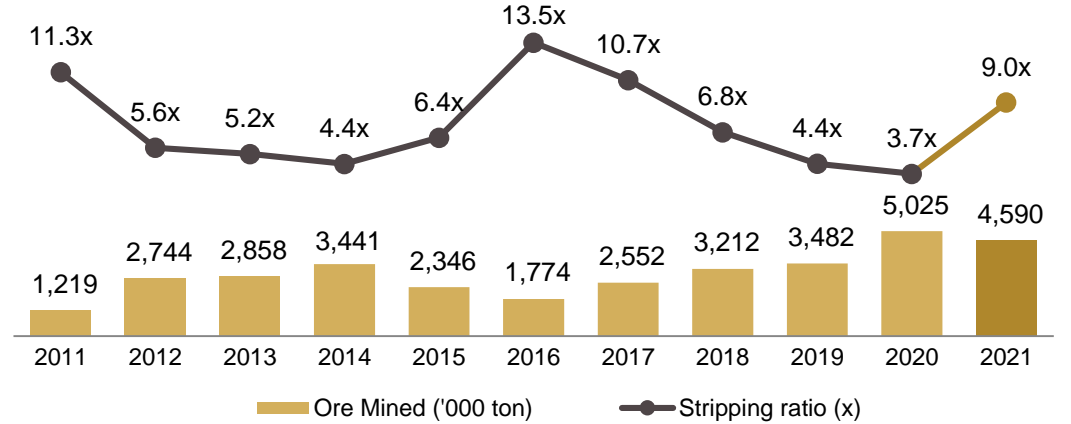
Historical Operational Trend

Waste Mined

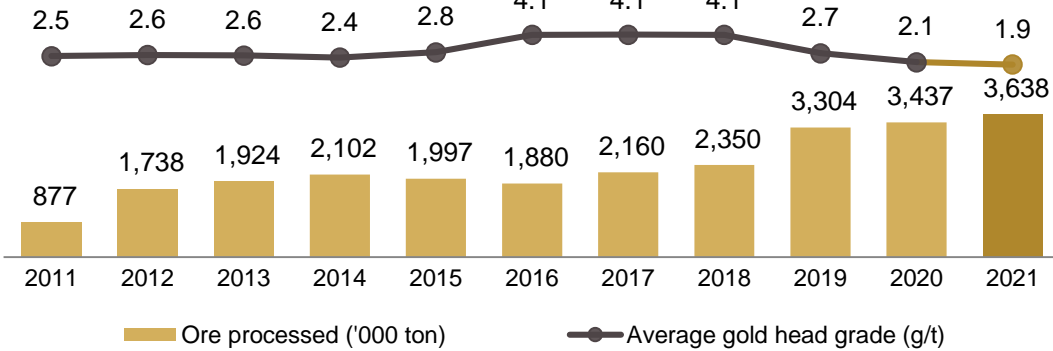
('000 ton)



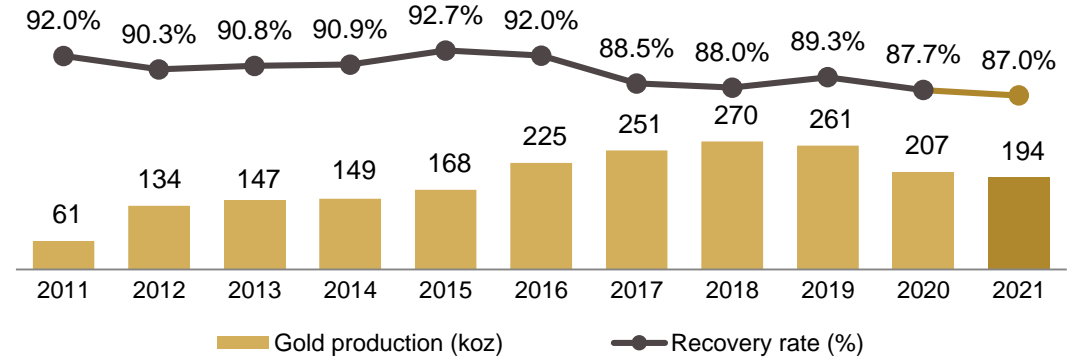
Ore Mined



Ore Processed



Gold Production



Source: Company information

Lower gold produced mainly due to lower average gold head grade, despite higher ore processed

- ❑ Total material mined during 2021 increased significantly due to the opening of new Alaskar pit as well as higher waste removal from the early stage of mining ore in Araren Pit stage 5, which the later was completed in August and has been fully in operation in the fourth quarter.
- ❑ Consequently, stripping ratio was significantly higher at 9.0x compared to 3.7x in the previous year, led to lower total ore mined during the year to 4.6 mn tons from 5.0 mn tons in the previous year.
- ❑ The Company, however, was able to process higher volume of ore at 3.64 mn tons supported by the completion of increased mill capacity, but at lower average gold head grade at 1.93 g/t, resulting in lower gold produced of 194.4 koz compared to 206.8 koz in previous year.

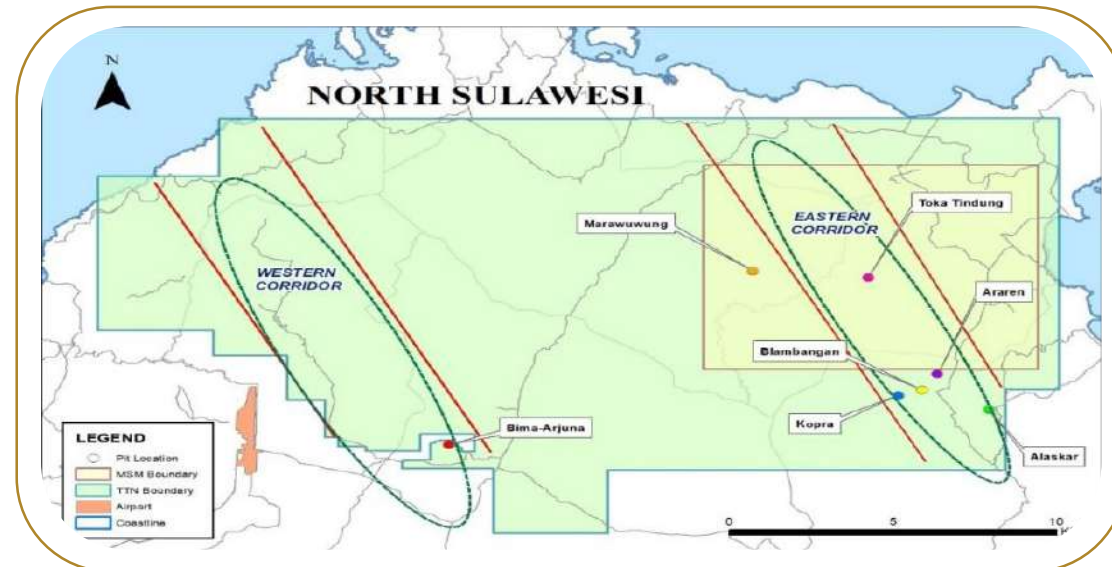
<i>Toka Tindung Operational Data</i>	<i>UoM</i>	<i>FY 2020</i>	<i>FY 2021</i>
Ore Mined	<i>mn tons</i>	5.0	4.6
Waste Mined	<i>mn tons</i>	18.6	41.1
Material Mined	<i>mn tons</i>	23.6	45.7
Stripping Ratio	<i>x</i>	3.7	9.0
Ore Processed	<i>mn tons</i>	3.44	3.64
Avg. Gold Head Grade	<i>g/t</i>	2.12	1.93
Gold Recovery Rate	<i>%</i>	87.7	87.0
Gold Produced	<i>koz</i>	206.8	194.4
Gold Sold	<i>koz</i>	213.8	188.1



Exploration Updates

Throughout 2021, Archi continued to intensify its exploration activities, both in the Eastern and Western Corridor, in order to accelerate the finding of new Mineral Resources and Ore Reserves.

- Exploration activities carried out by the Company, through its subsidiaries PT MSM and PT TTN, for the year were focused on increasing the potential additional discoveries of the current open pit operations in the Eastern Corridor area and gold resource drillings in Western Corridor area. The later includes Bima and Arjuna deposits, with some high-grade intercepts running parallel between the two deposits.
- Throughout 2021, the Company had undertaken a total of 143 Diamond Drill (“DD”) holes and 59 Reverse Circulation (“RC”) holes, represents of more than 51,000 drilling meters, with the total cost for exploration activities carried out amounted to US\$13.1mn during the year.
- In 2022, Archi is committed to ensure the sustainability of its exploration activities as follow:
 - to maintain drilling activities in Western Corridor, especially in the Bima and Arjuna gold deposits, to increase Mineral Resources;
 - to delineate resources surrounding the previously unknown mineralized veins of Kresna and Surya gold deposits; and
 - to put focus on surface mapping to find new indications of Brownfield and Greenfield targets.



Downstream Business – Mining Contractor Services

The appointment of PT GMA as one of the mining contractors in Toka Tindung Gold Mine has helped Archi reduce loading and transportation costs.

- ❑ Mining contractor services business was started in 2020, through 99.9%-owned holding company PT Jasa Pertambangan Perkasa (“PT JPP”), which owns 25% stakes in PT Geopersada Mulia Abadi (“PT GMA”).
- ❑ As at the end of 2021, PT GMA is supported with mining fleets consisting of 4 units of 20-tons excavators, 3 units of 40-tons excavators, 4 units of 120-tons excavators, 6 units of 40-tons articulated dump trucks, and 29 units of 100-tons rigid dump trucks and other supporting heavy equipments.



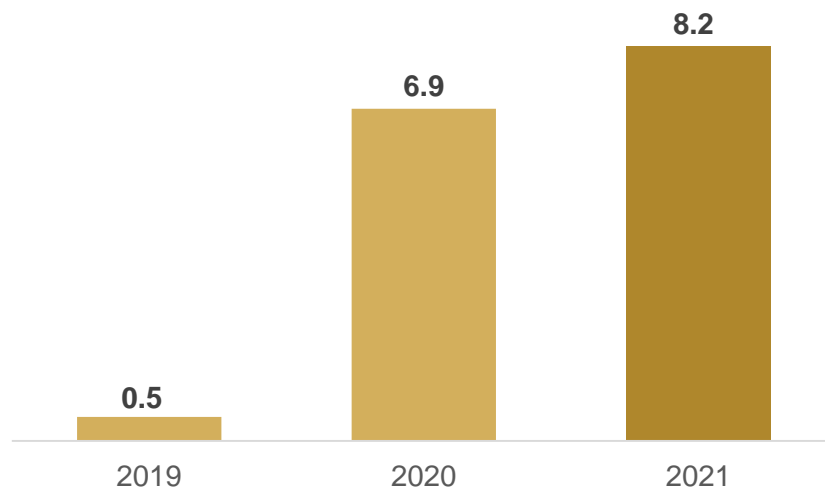
Downstream Business – Gold Minting Bar

Continuous good performance in the gold minting bar business to penetrate domestic retail market

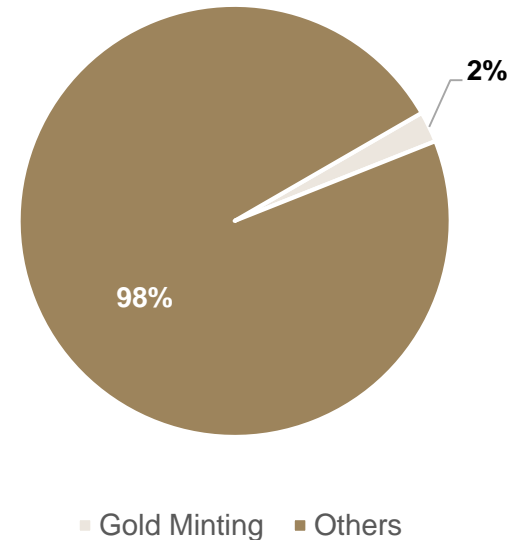
- ❑ The gold minting bar business under brand name “Lotus Archi” was established in 2019, operated by 51%-owned JV Company, PT Elang Mulia Abadi Sempurna (“PT EMAS”).
- ❑ In 2021, PT EMAS recorded 17% higher revenue from US\$6.9mn to US\$8.1mn, which reflects c.2% of the total consolidated revenue from contracts with customers for the year.
- ❑ Throughout 2021, PT EMAS has launched various themed products edition of gold minted bar, including Justice League and Harry Potter collectors editions, partnering with Warner Bros Consumer Product Inc., as well as carried out several other strategic collaborations of products development aimed for the millennials..

PT EMAS Total Revenue

(US\$ mn)



PT EMAS Contribution to Archi



Consolidated Profit & Loss Statement – FY 2021

In US\$ million, unless stated otherwise	For the year ended 31 st December		
	2021	2020	% chg
Revenue from contracts with customers	345.9	393.3	(12)
Cost of goods sold	(209.4)	(161.4)	30
Gross profit	136.5	231.9	(41)
Selling, general & administrative expenses	(10.5)	(20.0)	(48)
Other income / (expenses)	8.6	5.2	63
Income from operations	134.6	217.1	(38)
Finance income / (costs)	(19.1)	(24.6)	(22)
Share in profit of associates	1.8	0.1	2,012
Profit before income tax expenses	117.3	192.6	(39)
Income tax expenses	(42.2)	(69.3)	(39)
Profit for the year	75.1	123.3	(39)
EBITDA	163.7	240.4	(32)

Lower revenue and profitability as a result from lower gold sales volume, and higher mining and processing costs.

- ❑ Revenue from contracts with customers for the year was 12% lower at US\$345.9mn compared with US\$393.3mn in the previous year. The decrease was mainly driven by lower gold sold volume from 213.8 koz to 188.1 koz.
- ❑ EBITDA for the year was at US\$163.7mn, 32% lower compared with US\$240.4mn in the previous year. The decrease was mainly driven by higher mining costs due to higher total material mined and increase in stripping ratio as a result of early stage of mining ore in Araren pit stage 5 and opening new Alaskar pit, as well as higher processing costs in line with higher total ore processed during the year. However, during 2021, mining rate was 11% lower to US\$2.90 per ton.
- ❑ Overall, profit for the year decreased by 39% from US\$123.3mn to US\$75.1mn.



Consolidated Statement of Financial Position – 31st December 2021

<i>In US\$ million, unless stated otherwise</i>	As at 31st Dec 2021	As at 31st Dec 2020	% chg
Cash and cash equivalents ⁽¹⁾	12.3	40.2	(69)
Inventories - current	39.1	31.2	25
Total current assets	79.2	101.9	(22)
Inventories – non current	101.7	89.1	14
Fixed assets	149.2	143.1	4
Mine properties	273.1	196.7	39
Exploration and evaluation assets	57.7	48.9	18
Total assets	689.7	600.2	15
Short-term bank loans	34.2	2.3	1,384
Trade payables	41.7	8.3	401
Current maturities of long-term liabilities	68.4	68.6	(0)
Total current liabilities	201.4	126.0	60
Long-term bank loans	201.2	326.4	(38)
Total liabilities	457.1	505.9	(10)
Non-controlling interest	(0.08)	0.02	(500)
Total equity	232.6	94.3	147

Healthy balance sheets position with low debt to equity (“DER”) level

- ❑ Higher fixed assets, mine properties as well as exploration and evaluation assets mainly from higher capex spending for mine development activities on the Araren stage 5 Pit and opening new Alaskar pit, increased mill capacity and exploration activities.
- ❑ Increased in short term bank loans due to additional working capital loans drawdown in March and October 2021.
- ❑ Higher trade payables were mainly due to increase in third parties trade payables in relation to significant increase in mine development and exploration activities.
- ❑ Net debt⁽²⁾ position was lower at 31st December 2021, reflecting a significant improvement of debt to equity (“DER”) ratio from 4.1x to 1.3x, respectively.
- ❑ Total equity higher due to additional pain-in capital in relation to IPO on June 2021.

Note: Financial position as at 31st December 2021 and 2020 have been prepared in accordance with Indonesian Financial Accounting Standards and audited in accordance with the auditing standards established by the Indonesian Institute of Certified Public Accountants.

(1) Cash and cash equivalents were excluding restricted cash in relation to Debt Service.

(2) Net Debt is calculated as the total balance of interest bearing debt reduced by current restricted cash in relation to Debt Service.



Consolidated Statement of Cash Flow – FY 2021

In US\$ million, unless stated otherwise	For the year ended 31 st December		
	2021	2020	chg
Net cash flows provided from operating activities	124.2	155.7	(31.5)
Net cash flows used for investing activities	(118.2)	(85.8)	(32.4)
Net cash flows used for financing activities	(33.9)	(78.1)	44.2
Net (decrease) / increase in cash & cash equivalents	(27.9)	(8.2)	(19.7)
Net effect of foreign exchange rate changes	(0.006)	(0.03)	0.02
Cash on hand and in banks at the beginning of the period	40.2	48.4	(8.2)
Cash on hand and in banks at the end of the period	12.3	40.2	(27.9)

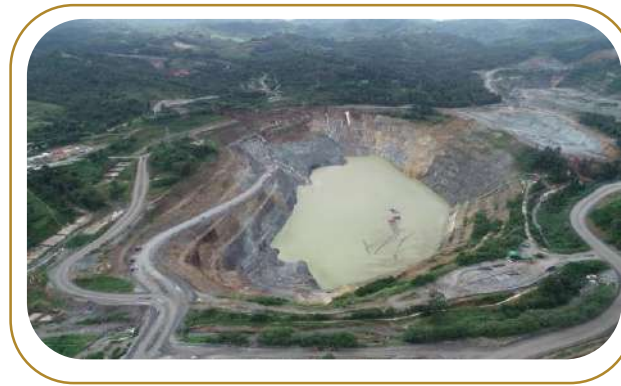
Strong liquidity to support sustainable operations and capital expenditures requirements

- ❑ Net cash flows provided from operating activities was US\$124.2mn for the year, primarily comprising cash receipts from customers of US\$353.4mn, partly offset by cash paid to contractors and suppliers of US\$137.7mn and corporate income tax payment amounted US\$44.8mn.
- ❑ Net cash flows used for investing activities was US\$118.2mn for the year, primarily used for capex spending amounted to US\$118.6mn, much higher compared to average capex spent in the last 3 years of US\$71mn.
- ❑ Net cash flows used for financing activities was US\$33.9mn for the year, primarily represents repayment of long-term bank loans amounted to US\$127.3mn, partially offset with net proceeds from IPO amounted US\$62.6mn and utilization of working capital facility amounted to US\$32.0mn during the year.
- ❑ Net cash position, excluding restricted cash in relation to Debt Service, was at US\$12.3mn as at 31st December 2021, lower compared to US\$40.2mn as at 31st December 2020.



Conditions on Pit Affected by Incident

- ❑ On January 2022, there was an incident of natural disaster in one of PT TTN's pits, as per information disclosure by the Company.
- ❑ The incident has caused, among others, damage in the pit wall.
- ❑ Currently, the Company is in the recovery process of the pit affected from the incident, and will optimize the mining activities in the other 3 (three) pits.
- ❑ The Company has sufficient comprehensive insurance policies in relation to Damage and Business Interruption.



Pit condition prior to incident (Dec 2021)

Pit condition post incident (Jan 2022)

Current Pit condition (Apr 2022)



We believe that all the strategic steps we had done during 2021 will definitely support the sustainable growth of our business in the upcoming years.

- ❑ In accordance to the development of Araren pit stage 5 and the opening of the new Alaskar pit in 2021, The Company is planning to ensure its mining operation activities by focusing on:
 - To fully optimized mining activity in Toka, Kopra and Alaskar pits;
 - To ensure the affected pit can regain its operation activities on schedule;
 - To continue implementing strategic steps on cost efficiency, especially costs in mining and processing activities;
 - To ensure the sustainability of exploration programs in the Western Corridor area and identify other Brownfield and Greenfield targets in order to increase Mineral Resources and Ore Reserves; and
 - To pursue refinery business as part of the Company's vision to become an integrated gold mining company.

- ❑ Build upon the current situation of natural disaster happened in January this year, the Company expects gold production for this year will be dampened by approximately around 25% compared to 2021, and financial performances as well. Furthermore, the Company has sufficient comprehensive insurance policies in relation to Damage and Business Interruption.





Archi
Indonesia

Thank You

For further information,
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or visit : www.archiindonesia.com





Appendix



Key Investment Highlights

- 1 The 2nd Largest Pure-play Gold Producer in Southeast Asia, with more than 10 years of Proven Operation Track Record
- 2 Strong and Proven Exploration Track Record Supports Significant Development Potential and Exploration Upside
- 3 Structurally Low Cost Base with Proven Track Record of Efficient and Uncomplicated Operations
- 4 Strong and Sustainable Free Cash Flow Generation Even at Low Gold Prices
- 5 Strong Sponsorship from a Reputable Indonesian Conglomerate with a Track Record of Building World-class Operations and Creating Shareholders' Value
- 6 Highly Experienced Board Members and Key Senior Management
- 7 Strong ESG Commitment with Established Policies



Corporate Social Responsibility



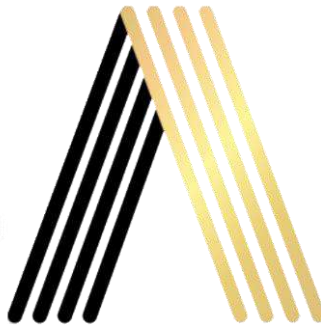
Social & Cultural

- ▣ Worship / religious facilities
- ▣ Preservation of local culture and wisdom



Health

- ▣ First 1,000 day life program
- ▣ Integrated Service Post
- ▣ Disaster response team



Education

- ▣ Scholarship education
- ▣ Teacher training
- ▣ Public library & computer laboratory



Economy

- ▣ Micro economy development
- ▣ Mine consumables production
- ▣ Cooperative & animal husbandry



Infrastructure

- ▣ Clean water project
- ▣ Bridged and road access



Basic foods donation in response to Covid-19 pandemic



1,000 Days of Life program to support babies' health



Integrated chicken poultry cultivation as part of animal husbandry programs



Clean water program for near-mine communities



Nutri Zinc cultivation pilot project in relation to stunting prevention



Integrated health service (Posyandu) activities

