

PT Archi Indonesia Tbk (IDX: ARCI)

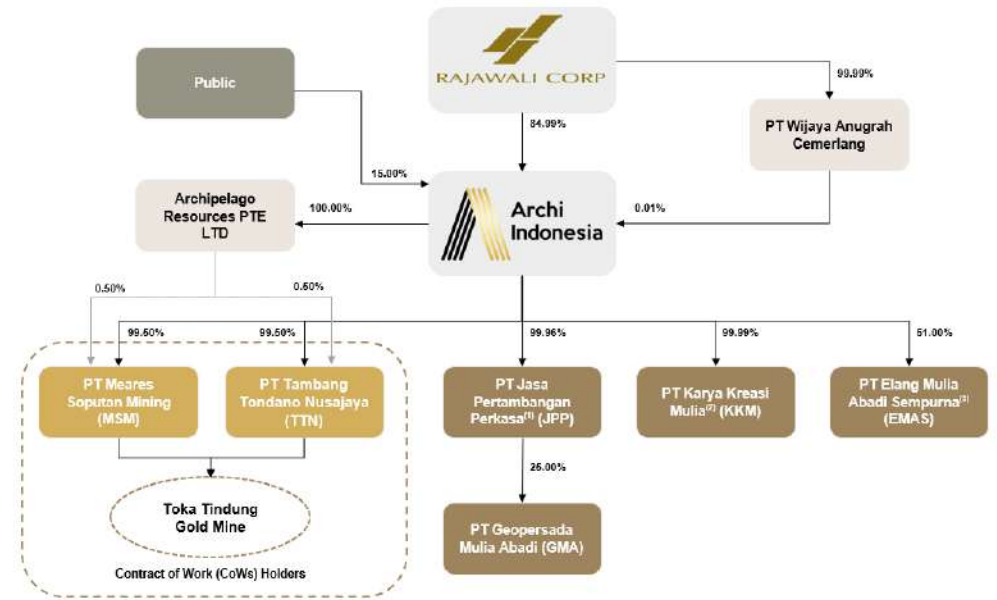
Public Expose 2023

Published Date: June 2023



General Company Overview

Operating Subsidiary & Associates	Gold Producers: <ul style="list-style-type: none"> - PT Tambang Tondano Nusajaya (“PT TTN”) - PT Meares Soputan Mining (“PT MSM”) Mining Contractor: <ul style="list-style-type: none"> - PT Geopersada Mulia Abadi (“GMA”) Gold Minted Bar Producer: <ul style="list-style-type: none"> - PT Elang Mulia Abadi Sempurna (“EMAS”)
Mining Location	North Sulawesi, Indonesia
Operation History	Commenced mining operations in 2009, first gold production in 2011
Concession	39,817 hectares Contract of Work (“CoW”) expires in 2041 & extendable as an IUPK for another 2x10 years
Date of Stock Listing	28 June 2021 through Indonesia Stock Exchange (IDX)
Current Mining Method	Open pit with future underground operation
Processing Capacity	4.0 Mtpa → Plant Project Optimization is ongoing



Composition of 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.



Key Highlights – FY 2022

1

Ore processed of 3.68 Mt slightly higher compared to 3.64 Mt in previous year. Gold grade 2022: 1.07 g/t vs. 2021: 1.93 g/t, lower due to insignificant ore processed from high grade Araren pit. As a result, gold production was lower, 2022: 111.1 koz vs. 2021: 194.4 koz which eventually impact the financial performance.

2

Lower production due to natural disaster at high grade Araren pit eventually impact to the financial performance as the Company's revenue of US\$216.5 million, 37% lower compared to 2021: US\$345.9 million, due to lower gold sold volume 2022: 117.3 koz vs. 2021: 188.1 koz; EBITDA⁽¹⁾ of US\$84.2 million, 49% lower compared to 2021: US\$163.7million & Net Income of US\$14.5 million, 81% lower compared to 2021: US\$75.1 million.

3

Total net debt⁽²⁾ was US\$310.2 million at 31 December 2022, thus, the Company's debt to equity ratio ("DER") as of 31 December 2022 was 1.3x.

4

Capex realized totalling US\$69.3 million during the year, mainly represents development activities of mining infrastructure.

5

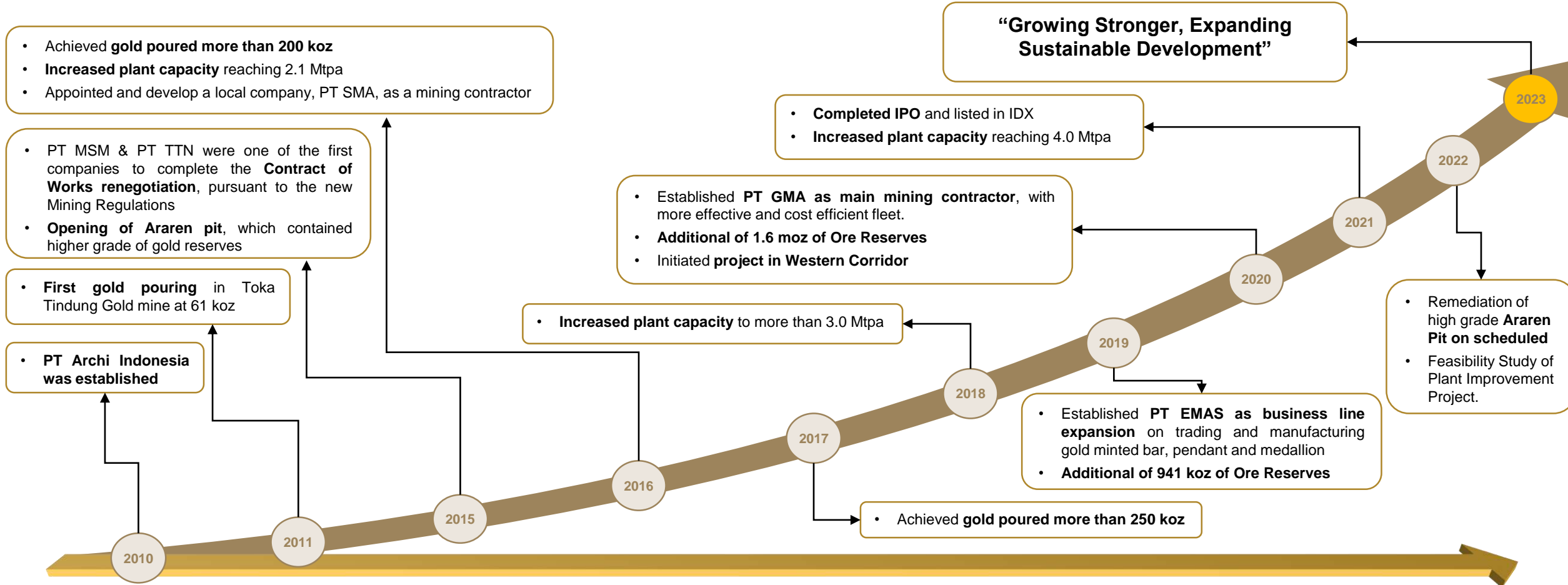
Remediation process of high grade Araren pit on schedule and align with the Company's target.

Note: (1) EBITDA refer 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.



Milestones

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



Operation Progress on Araren Pit



Pit condition prior to incident (December 2021)

Araren pit operated normally in December 2021

Pit condition post incident (2 January 2022)

Heavy rainfall has resulted land subsidence, road damage and river body damage. Simultaneously, the pit wall in Araren pit was damaged, resulting in river water flowing the pit.

Araren pit Condition (December 2022)

Pit Araren Restarted its mining operation in Q4 2022

- River diversion completed
- Penambangan bijih dimulai
- Remediation activities as per plan

Current Pit condition (June 2023)

- Stable pit wall
- Started the development for the next stage of Araren pit.



Throughout 2022, Archi continued doing exploration activities, both in the Eastern and Western Corridor.

- ❑ 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.
- ❑ During the year, the Company had undertaken total 106 Diamond Drilling Drill holes resulting of 22,843 drilling meters and 35 Reserve Circulation Drill holes resulting of 5,068 drilling meters, with the total exploration cost during the year 2022 of US\$5.1 million which provided initial significant finding of future additional reserve and resource.
- ❑ There were several significant exploration results in the Eastern Corridor and Western Corridor which are suitable for future underground project.
- ❑ Identify new exploration prospect for potential open pit & underground development.

The initial exploration drilling of geothermal project has been carried out in July 2022 (Archi in collaboration with PT Ormat Geothermal Indonesia)



Downstream Business – Mining Contractor Services

Major Mining Fleet	Up to Dec'22	Addition in 2023	Up to Jun'23
Rigid Truck 100 T	29	-	29
Articulated DT 40 T	6	21	27
Excavator	8	5	13
Dozer	6	4	10
Grader	4	-	4



- GMA was established 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”).
- Within less than 3 (three) years, GMA has expanded its operation & became the main mining contractor for the Toka Tindung Gold mine
- By end of June 2023 GMA is completing its additional fleets to cater all the fleets requirement for servicing Toka Tindung Gold mine operation
- By end of June 2023 GMA Fleet capacity can cater more than 45 MT production per annum



PT. Geopersada Mulia Abadi
Mining Contractor And Heavy Equipment



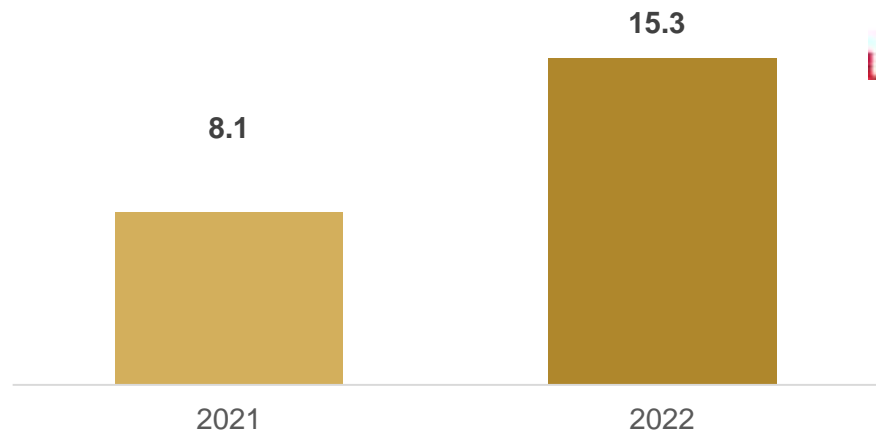
Downstream Business – Gold Minting Bar

Taping into Downstream Market

- Started operation in 2020, EMAS is a JV company between Archi and Lotus – one of Indonesia’s major players in gold jewelry market with extensive outreach locally and internationally.
- EMAS’s first product launch is **“Emas Merah Putih”, Proudly Made in Indonesia.**
- EMAS continuously innovates new products such as gift series, paper gold, mini series, Proud of Merah Putih, etc.
- In Oct 2021, LotusArchi signed license deal with Warner Bros to produce Justice League & Harry Potter Series.

PT EMAS Total Revenue

(US\$ mn)



Value Creation

- Starting Q4 2022, EMAS expanded its business through manufacturing & exporting 22K gold medallion & pendant to South Asia countries which generates higher **Premium above LBMA price.**
- By Q3 '23, EMAS’s Refinery business will commence, **Archi to be The First Fully Integrated Gold Mining Company in Indonesia.**

Refinery will generate:

- Efficient refining cost
- Better cash flow due to faster refining time
- Alternative for other gold mining/producers



Source: Company information

2023 Business Prospects

1 Gold production target growth ~25-30%.

2 Unlocking full potential of Araren for sustainable production moving forward.

3 Strengthen operational reliability through investment of new mining fleets.

4 Development of underground projects.

5 Expanding exploration prospects beyond existing operation area.

6 Establishment gold refinery business to fulfill ARCI objective becoming the first integrated gold mining company in Indonesia.

7 Potential establishment renewable energy business through geothermal project.





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Thank You!

