Blue Ocean Resources Pte. Ltd.

Independent Business Review

—

10 May 2021

Terms of Reference

This report has been prepared in accordance with our letter of engagement dated 12 March 2021 (“Engagement Letter”) and addendum dated 3 May 2021 as the Independent Financial Advisor of Blue Ocean Resources Pte. Ltd. (the “Issuer”).

Basis of Information

This report has been prepared based on the list of documents made available to us, and the representations and clarifications obtained from the management and Directors of PT Central Proteina Prima Tbk (the “Company” or the “Parent Company” or “CPP”). We have not sought, and will not seek, to establish the reliability of those sources.

Disclaimer

Whilst all reasonable care has been exercised in the preparation of this report, no opinion and assurance will be expressed, as our work does not constitute an audit, an assurance or a review on the information provided by the Company in accordance with Indonesian Financial Accounting Standards (IFAS) or Indonesian Standards on Special Audit or Review Engagements. We have placed significant reliance on the accuracy of the information, explanations and representations provided by the sources mentioned above. We have not sought, and will not seek, to establish the reliability of those sources. We accept or assume no responsibility whatsoever for any loss or liability of whatsoever nature to any parties howsoever arising out of, in relation to and/or in connection with this report or any part thereof (including but not limited to any use or reliance upon the same) by any party.

Restriction of Purpose and Use

This report is provided to the Issuer for its benefit and use, based on its specific facts and circumstances and pursuant to the Engagement Letter. This report will be provided to Madison Pacific Trust Limited, in its capacity as trustee under the Indenture of the Notes (who shall circulate the same to holders of the Notes (the “Noteholders”) via the applicable clearing systems), to the Issuer (who shall include the same in its application to the High Court of Singapore in connection with the restructuring of the Notes by way of the Scheme of Arrangement), and to PT Central Proteina Prima Tbk (the “Parent Company”), in accordance with the terms of the Engagement Letter, on a non-reliance basis for information purposes only. This report cannot be relied upon to disclose fraud, defalcations or other irregularities or any non-compliance with relevant laws and regulations.

KPMG Siddharta Advisory
35th Floor Wisma GKBI
28, Jl. Jend. Sudirman
Jakarta, 10210, Indonesia
Telephone + (62) 21 574 0877

PRIVATE AND CONFIDENTIAL

Privileged and Confidential

The Board of Directors
Blue Ocean Resources Pte. Ltd.
16 Gemmill Lane
Singapore 069254

10 May 2021

Dear Sirs,

Blue Ocean Resources Pte. Ltd.

In accordance with the terms of reference set out in our engagement letter dated 12 March 2021 and addendum dated 3 May 2021, we are pleased to enclose a copy of our report dated 10 May 2021. The executive summary of the report may be found from page 8.

Should you require any further information or explanation, please contact Michael Horn at +6221 5799 5451.

Yours faithfully

Michael Horn
Director, Head of Restructuring Services
For and on behalf of PT KPMG Siddharta Advisory (in its capacity as Independent Financial Advisor)

Limitation of this report

KPMG's deliverables have been supplied to the Issuer for its benefit and use, based on its specific facts and circumstances and pursuant to the Engagement Letter dated 12 March 2021 and addendum dated 3 May 2021. This report will be provided to Madison Pacific Trust Limited, in its capacity as trustee under the Indenture (or any successor trustee) (the "Trustee") of the Notes (who shall circulate the same to holders of the Notes (the "Noteholders") via the applicable clearing systems), to the Issuer. (who shall include the same in its application to the High Court of Singapore in connection with the restructuring of the Notes by way of the Scheme of Arrangement), and to PT Central Proteina Prima Tbk (the "Parent Company"), in accordance with the terms of the Engagement Letter, on a non-reliance basis for information purposes only.

Our duty is owed only to the Issuer and not any other third party, and we disclaim all liability by us to any such third party.

KPMG's duties are owed solely to the Issuer, and to the fullest extent permissible by law, KPMG accepts no responsibility and expressly disclaims liability for loss occasioned to any other party acting or refraining from acting as a result of KPMG's deliverables. Accordingly, any reliance by other parties is at their own risk.

We have not assessed any information provided to us by the Issuer, or the Parent Company or obtained from any other source, or any report prepared by us that includes any such information, to determine if it contains any material non-public information or other information, the dissemination of which by the Issuer and/or the Parent Company (for example, by its distribution, or consent to distribution, of any KPMG-produced report) may be subject to restrictions or penalties under any securities laws or regulations, any confidentiality obligations or any other regulatory or contractual requirement. We have also not assessed the Company's internal processes or external advice in respect of any securities law restrictions or penalties related to such Issuer and/or Company dissemination of information. It is and remains the responsibility of the management and Directors of the Issuer and/or the Company to assess whether the information set out in this report contains any material non-public information or other information that may be subject to securities laws restrictions or penalties or that may be subject to disclosure requirements under any law or regulation. A New Noteholder who wishes to assess the impact (if any) of its receipt of any of the information contained in this report on trading in any securities issued by the Issuer and/or the Company, or otherwise of using such information, to determine whether it does so in a manner that does not violate securities or any other laws may elect to seek its own legal advice.

This report has been prepared based on information provided by the Company and the representations and clarifications obtained from the management and Directors of PT Central Proteina Prima Tbk (the "Company" or the "Parent Company" or "CPP"). . We have not sought, and will not seek, to establish the reliability of those sources.

The Company has provided its comments and confirmed the factual accuracy of the content and supporting documents of this report and KPMG does not accept responsibility for the accuracy of such information, which remains the responsibility of the Directors of the Issuer and/or Company.

KPMG has not conducted an audit, an assurance or a review of the information provided by the Company in accordance with Indonesian Financial Accounting Standards (IFAS) or Indonesian Standards on Special Audit or Review Engagements. Accordingly, no assurance will be expressed. KPMG makes no representation or warranty as to the accuracy or completeness of such information, statements, estimates or projections contained in this report. This report cannot be relied upon to disclose fraud, defalcations or other irregularities or any non-compliance with relevant laws and regulations.

Glossary (1/2)

1QXXA	Actual numbers for 3 month period ending 31 March 20XX
1QXXP	Projected numbers for 3 month period ending 31 March 20XX
1QXX	3 month period ending 31 March 20XX
2013 Noteholders	Holders of the 2013 Notes
2013 Notes	Original Notes restructured in 2013, due December 2020
2018 Noteholders	Holders of the 2018 Notes
2018 Notes	USD145.75 million Notes issued pursuant to the 2018 Scheme
2021 Tranche A Loan	Loan tranche which will be issued under the 2021 Scheme to 2018 Noteholders who elect the Re-participation Option
2021 Tranche A Loan Holders	Holders of the 2021 Tranche A Loan
2021 Tranche B Loan	Loan tranche which will be issued under the 2021 Scheme to subordinated investors
2021 Tranche B Loan Holders	Holders of the 2021 Tranche B Loan
2021 Scheme	The Scheme of Arrangement which shall be proposed by BOR to the Noteholders to effect an arrangement and compromise in respect of the 2018 Notes
2QXXA	Actual numbers for 3 month period ending 30 June 20XX
2QXXP	Projected numbers for 3 month period ending 30 June 20XX
3QXXA	Actual numbers for 3 month period ending 30 September 20XX
3QXXP	Projected numbers for 3 month period ending 30 September 20XX
3QXX	3 month period ending 30 September 20XX
4QXXA	Actual numbers for 3 month period ending 31 December 20XX
4QXXP	Projected numbers for 3 month period ending 31 December 20XX
4QXX	3 month period ending 31 December 20XX
9M20A	Actual numbers for 9 month period ending 30 September 2020
Arrangers	As defined in the RSA
ASC	Aquaculture Stewardship Council
ASP	Average selling price
Available Cash Flow	At least 50.0% of CPP's EBITDA in the preceding fiscal quarter
BAP	Best Aquaculture Practices
Base Interest Rate	As defined in the RSA
BKIPM	Badan Karantina Ikan Pengendalian Mutu dan Keamanan Hasil Perikanan
BOR	Blue Ocean Resources Pte. Ltd
BRC	British Retail Consortium
BRI	PT Bank Rakyat Indonesia Tbk

BRI Agroniaga	PT Bank Rakyat Indonesia Agroniaga Tbk
BV	Book value
CAGR	Compound annual growth rate
Capex	Capital expenditures
Cash-out Option	As defined in the RSA
Cash Sweep	As defined in the RSA
CBB	PT Central Bali Bahari
CBIB	Cara Budidaya Ikan yang Baik/Good Aquaculture Practices
CCE	Cash and cash equivalents
CIMB Niaga	PT Bank CIMB Niaga Tbk
CIT	Corporate income tax
COGS	Cost of goods sold
Cont.	Continued
Core Noteholders	Holders of 71.9% of the MEBs
COVID-19	Coronavirus disease 2019
CPB	PT Central Pertiwi Bahari
CPgP	PT Central Panganpertiwi
CPIB	Cara Pembenihan Ikan yang Baik/Good Hatchery Practices
CPP India	CP Prima Aquaculture (India) Private Limited
CPP or the "Company" or the "Parent Company"	PT Central Proteina Prima Tbk.
CPP Vietnam	CP Prima (Vietnam) Corporate Limited
CWS	PT Centralwindu Sejati - Consolidated
DBSi	PT Bank DBS Indonesia
DER	Debt to equity ratio
EBITDA	Earnings before interest, taxes, depreciation and amortization
Engagement Letter	Letter agreement dated 12 March 2021 setting forth the business relationship between Blue Ocean Resources Pte. Ltd and KPMG for KPMG's provision to BOR of Independent Financial Advisor services
eq	Equivalent
ERV	Estimated recovery value
Financial Projections/ Projections	A set of financial projections under the name "(KPMG - IFA) CPRO Quarterly Consolidated Financial Model 03012021 – Sent" provided to KPMG on 3 March 2021.
Forex or FX	Foreign exchange
Free Market	System in which the prices for goods and services are self-regulated by the open market and by the consumers
FRR	KJPP Fuadah, Rudi & Rekan
FYXX	12 month period ending 31 December 20XX

Glossary (2/2)

FYXXA	Actual numbers for 12 month period ending 31 December 20XX
FYXXP	Projected numbers for 12 month period ending 31 December 20XX
G&A	General & administrative
GAAP	Generally Accepted Accounting Principles
GAA	Global Aquaculture Alliance
GDP	Gross Domestic Product
Global G.A.P.	Global Good Agricultural Practices
Gross margin or "GPM"	Gross profit margin
Group	CPP and its subsidiaries
HORECA	Hotel, restaurant, and café
IDR	Indonesian Rupiah
IKI	Instalasi Karantina Ikan
IMNV	Infectious Myonecrosis Virus
Initial Consenting Creditors	As defined in the RSA
Interest Cover	As defined in the RSA
KEB Hana	PT Bank KEB Hana Indonesia
kg	kilogram
KJPP	Kantor Jasa Penilai Publik
kmt	000 metric ton
KPMG	PT KPMG Siddharta Advisory
L/C	Letter of credit
LPEI	Lembaga Pembiayaan Ekspor Indonesia
LV	Liquidity value
MLP	PT Marindolab Pratama
mn	Million
MOH	Manufacturing overhead
MUI	Majelis Ulama Indonesia
MV	Market value
NBV	Net book value
NDR	KJPP Nirboyo, Dewi Apriyanti & Rekan
New Money Amount	As defined in the RSA
NRV	Net realizable value
Nucleus-Plasma Partnerships	Partnership between large aquaculture companies, the nucleus, and the surrounding smallholder farmer communities, the plasma, to create a production cluster of mutual benefit. The Group will provide working capital to the plasma farmers for each shrimp production cycle (about 4-5 months including preparation time)

Operasi Budidaya Mandiri	A scheme where the plasma farmes are allowed to source their raw and production materials as well as sell their finished products to CPB or other parties outside the Group. The plasma farmers will need to seek working capital loans on their own and CPB will not guarantee these loans.
Original Notes	USD325 million 11% guaranteed senior secured notes due 2012 issued by BOR
p.a.	per annum
pc	Piece
PIK	Payment in kind
Previous Noteholders	Holders of the Original Notes at the time of the first restructuring in 2013
Projected Period	Period from FY21P to FY25P
PROPER	Program Penilaian Peringkat Kinerja Perusahaan
PSAK	Pernyataan Standar Akuntansi Keuangan
QNBi	PT Bank QNB Indonesia Tbk
Relevant Period	As defined in the RSA
Re-participation Option	As defined in the RSA
ROA	Return on assets
ROE	Return on equity
Rolled Commitments	As defined in the RSA
RSA	Restructuring Support Agreement dated 27 April 2021
Scheme of Arrangements	Scheme of Arrangement pursuant to Section 210 of the Companies Act (Chapter 50; 2006 Revised Edition)
SG&A	Selling, general & administrative
SKBDN	Surat Kredit Berdokumen Dalam Negeri
SKP	Sertifikat Kelayakan Pengelolahan
SNI	Standar Nasional Indonesia
SPF	Specific pathogen free
SWR	KJPP Susan Widjojo & Rekan
Term Sheet	Draft term sheet dated 2 November 2020
TP	Trade payables
Tranche A Commitment	As defined in the RSA
TR	Trade receivables
US	United States
USD	United States Dollar
VAT	Value-added tax
WM	PT Wachyuni Mandira
y.o.y.	Year over year

Contents

Executive summary

Headlines (1/3)

Business and financial overview	— Founded in 1980, CPP is a leading aquaculture company in Indonesia, producing aqua feed and seafood-based food products. — In recent years, the Company has begun producing pet food, which has seen strong growth in the past 3 years. Additionally, there has been an increased focus on selling its higher margin products such as feed and fry, while reducing the sales of its lower margin products, particularly local food. — BOR initially issued a USD325 million note in 2007 that was scheduled to mature in 2012. However, the Group's shrimp farms experienced a devastating IMNV outbreak in 2009 which caused the Group to be unable to pay its Original Notes coupon due in December 2009. — Since then, the Group had underwent 2 Schemes of Arrangements in Singapore to restructure the notes, with the latest one being in 2018. — The second default on the notes came about primarily as a result of credit obligations arising from the Nucleus-Plasma Partnership. Previously, the Group was providing working capital to the plasma farmers, as well as guaranteeing loans from bank to the farmers. In exchange, the farmers would agree to buy feed from the Group (at a discount) and the Group would purchase shrimp from the farmers. However, the farmers were unable to produce enough to repay their debt to the banks, causing the bank to call on the Group's guarantee, which crystallized the Group’s debt obligation. This led to this partnership being cancelled, at a significant cost to the Group. — The Group has subsequently defaulted on the notes for a third time. Despite greater-than-projected revenue since 2017, the Group was unable to meet its EBITDA targets. The Group had originally projected and sought to raise new funds to help service the 2018 Notes beginning in 2019. However, it was unable to do so, and without the new funds and without sufficient cash from operations, the Group defaulted on its debt payment obligations for a third time, and failed to pay the 2018 Notes interest due on 30 June 2019. — Subsequently, the Company, as part of its plan to restructure its 2018 Notes via a Scheme of Arrangement in Singapore, has agreed to an RSA with the Arrangers, which the Company believes will help to right-size its outstanding debt. Details of the RSA, which gives 2018 Noteholders the option to either re-participate in a new loan, or to take the cash-out option, are set out on pages 77-84 of this report.

Headlines (2/3)

Historical financial performance

- Net sales has grown consistently from FY18-FY20, proving to generally be resilient despite facing viruses in the shrimp farms and the COVID-19 pandemic during that time.
- Gross margins have also remained steady during this time, as the Group has offset declining sales volumes in several product segments by focusing on higher margin products, and also introducing pet food to the market which has shown strong growth.
- During FY20, the Group experienced lower SG&A costs as a result of implementation of new accounting standards (PSAK 72 & PSAK 73), as well as lower travel and marketing expenses as a result of COVID-19. This has led the Group to achieve EBITDA in FY20 that was a 32% improvement over FY19.
- The Group has consistently achieved positive EBITDA for the past three years, increasing from IDR538.9 billion in FY18 to IDR620.8 billion in FY19 to IDR817.2 billion in FY20. This shows that the Group’s operational activities remain viable.
- The Group’s EBITDA has also stabilized since FY18, which reflects the change in business model to no longer have its own shrimp farming business, which was implemented during the prior restructuring,
- The Group has achieved positive operating cash flows in each of the reviewed years, however this has been mostly been used to fund its non-2018 Note financing activities. After repaying its other debt obligations (principal and interest), the Group has not generated sufficient cashflows to pay the obligations under its 2018 Notes.
- Several working capital facilities have been closed as a result of some banks’ desire to no longer have large exposure to the group. Despite this, the Company believes its existing facilities are sufficient to continue to operate the Group in an efficient manner, and will not need additional facilities to fund the growth projected over the next 5 years.
- As result of the reduction in its bank debt, and its overall profits earned from FY18-FY20, the Group has reduced its debt-to-EBITDA ratio from 7.3 times in FY18 to 4.3 times in FY20.
- In FY18, the Group’s overall profit and loss was greatly impacted by the gain it recognized as a result of the agreed haircut as part of the 2018 Scheme of Arrangement. Then in FY19, the Group’s recorded a large loss when it recognized the entire remaining unamortized cost of the 2018 Notes when it defaulted in June 2019.
- Trade payables were significantly greater in FY18 as the Group postponed payments to suppliers, as a result of the increase in raw material prices and the depreciation of IDR against USD that put pressure on the Group’s cashflow. The Group repaid suppliers on normal terms in FY19 when prices and IDR exchange rate had stabilized.
- The Group has also seen its accrued expenses increase significantly in FY19 and FY20 as a result of the accumulating interest and penalties on the 2018 Notes. This is expected to be waived as part of the 2021 Scheme of Arrangement.

Headlines (3/3)

Prospective financial information, free cashflow and sustainable debt

- The Company has prepared consolidated financial projections for the Group for FY20-FY25 on the basis of FY19 projected figures which were based on management's estimates during the time when the Projections were developed. Thus, the Projections do not take into account the Group's FY19 or FY20 actual financial performance. The Company has nonetheless requested that its original version of the projections be used for purposes of this report. We have tried to quantify any significant impacts relating to this.
- A simulated profit and loss based on application of the Company's assumptions to the FY20 actual results are presented on page 51. Had the FY20A numbers been applied, the Group would have projected to generate an additional IDR578 billion in EBITDA from FY21-FY25. This amount should be adjusted by about IDR253 billion (USD16.9 million) in rental expenses as a result of implementation of PSAK 73. Had the Company used FY20A for its projections, an additional amount of at least 50% of the additional EBITDA (and likely the full amount), would be available to the 2021 Tranche A Loan Holders and 2021 Tranche B Loan Holders.
- The Projections have not included the impact from the potential tax arising from gain on restructuring of the 2018 Notes. The Group has appointed Ernst & Young in Singapore and Indonesia who, according to the Company, have advised that this is not taxable in Singapore and Indonesia.
- Based on the Projections, the Group projects to be able to not only settle its obligations as per the RSA, but also to have a cash sweep in each quarter starting in 4Q21.
- As a result, Tranche A is projected to be fully repaid using cash generated from the Group's operations by December 2025, Tranche A's maturity date.
- While there are some assumptions that we believe the Company may wish to revisit given the differences between FY20A and FY20P, there is nothing in the current projections, given the expected steady EBITDA levels to be achieved, that would likely prevent the Company from servicing its cash interest and scheduled amortization payments under the proposed terms of the 2021 Tranche A Loan and 2021 Tranche B Loan. The amount of cash sweep projected to be available for Tranche A repayment would likely be positively impacted by the updated projections.

Business overview

Company profile

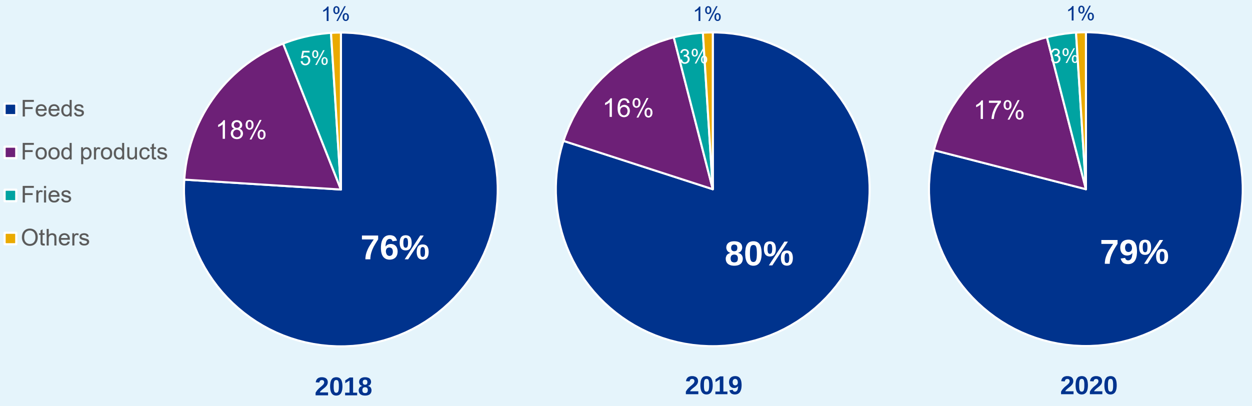
Company snapshot

Business description	Founded in 1980, CPP is a leading integrated shrimp farming and aquaculture group of companies in Indonesia, producing aqua feed and seafood-based food products.
Key personnel	Hendri Laiman - President Director
	Saleh - Vice President Director
	Arman Zakaria Diah - Director
	Arianto Yohan – Director
	Fredy Robin Sumendap – Director
	Budy Powito – Director
Employees	The Group has a total of 1,796 employees as of 31 December 2020

Head office	Puri Matari 2,2nd floor, Puri Matari Building, Jl. HR Rasuna Said Kav HI-2, Setiabudi, South Jakarta
Shrimp production center	Lampung and South Sumatera
Plant locations	Surabaya, Sidoarjo, Medan and Lampung
Products	Feeds (fish, shrimp and pet food), food products (local and export), fries (shrimp and fish) and probiotics
Exports	14% of total 2020 sales
Export destinations (based on 2020 sales)	Europe (45%): UK, Russia, Italy, Germany, France, Netherlands
	America (33%): USA, Canada
	Asia (22%): Singapore, Philippines, Japan, China

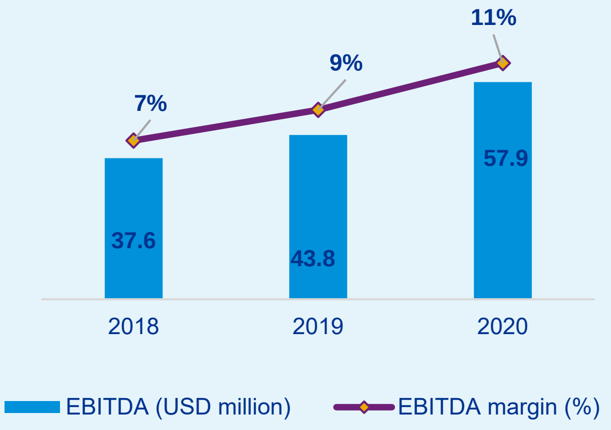
Source: CPP website, Annual report of CPP as of 31 December 2018 (audited) and 31 December 2019 (audited), Management information.

2018 - 2020 net sales by products



Source: Consolidated financial statements of CPP as of 31 December 2018 (audited), 31 December 2019 (audited), 31 December 2020 (unaudited). We have not adjusted for rounding differences.

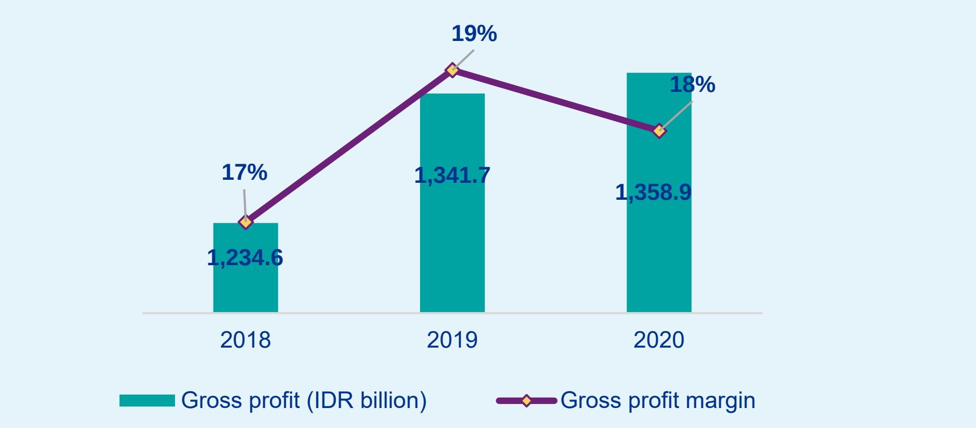
EBITDA and EBITDA margin



Source: Management information. We have not adjusted for rounding differences.

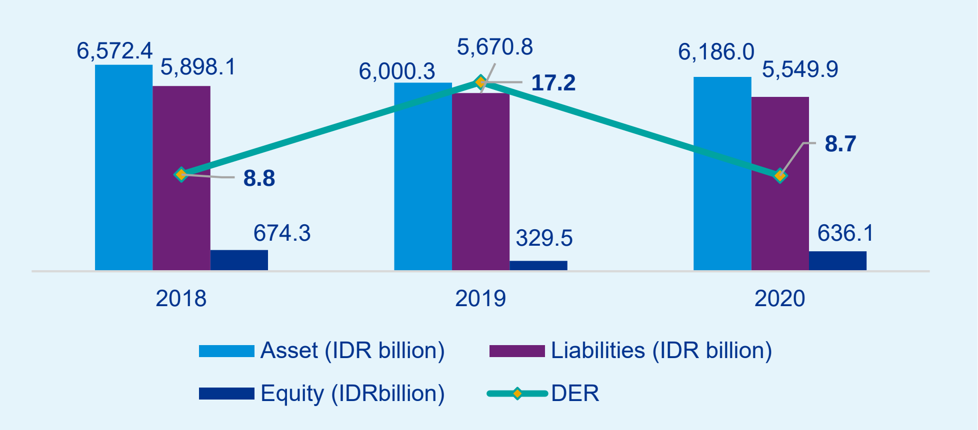
Company profile

Gross profit and gross profit margin



Source: Consolidated financial statements of CPP as of 31 December 2018 (audited), 31 December 2019 (audited), 31 December 2020 (unaudited). Management information. We have not adjusted for rounding differences.

Financial position and debt-to-equity ratio



Source: Consolidated financial statements of CPP as of 31 December 2018 (audited), 31 December 2019 (audited), 31 December 2020 (unaudited). We have not adjusted for rounding differences. We have not adjusted for rounding differences.

Key business licenses and permits

The Company has acquired several business certificates, including:

BAP is issued by the GAA and is required to export to the US. CPP has acquired BAP certificates for its hatcheries, shrimp farms, food processing plants, and feed mills in Lampung and Surabaya.

ASC certification is required to export seafood products to Europe, as it indicates that CPP complies with the principles of responsible and sustainable farmed seafood.

PROPER is issued by the Ministry of Environment for managing environmental impact of the company's operations.

CPP's shrimp and fish feed have been registered in **SNI**, which issues and establishes technical standards references in Indonesia.

IKI certificate is issued by BKIPM, Ministry of Marine Affairs and Fisheries. It guarantees that the quarantine process of fish and brood stock is conducted in accordance with the applicable standards of quality and safety.

SKP is issued by the Ministry of Marine Affairs and Fisheries for aquaculture processing facilities that meet the standards of good manufacturing practices, and is a prerequisite for companies to process and export aquaculture products

Global G.A.P. is one of the requirements from European buyers. CPP has obtained the certification for its hatcheries (Lampung), shrimp farms (Lampung), feedmills (Lampung) and food processing plant (Lampung).

BRC is an organization that ensures food products in the market meet the standards of food safety and quality and is a prominent standard in the UK and other countries.

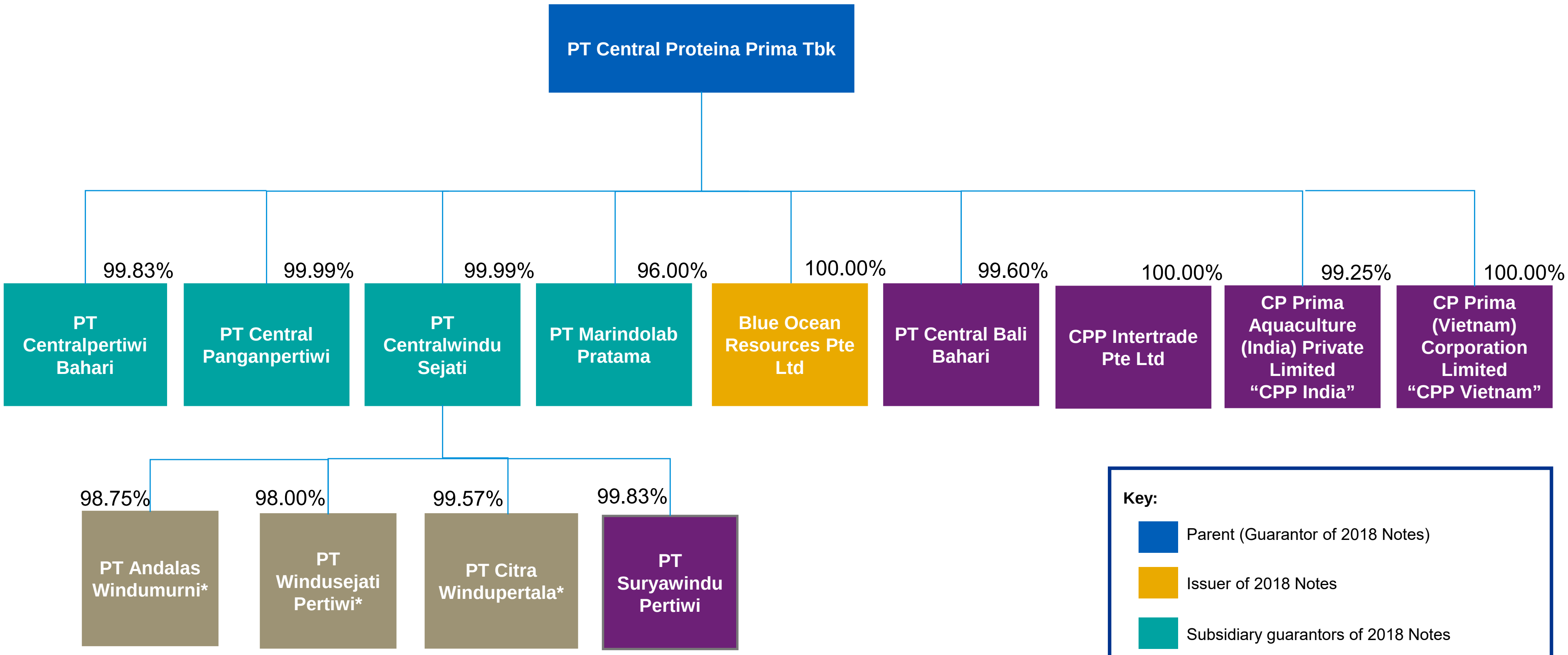
Halal certification is issued by MUI, stating the food products conform to Islamic law and are safe for consumption by muslim.

CBIB certificate is issued by the Ministry of Marine Affairs and Fisheries for aquaculture facilities that meet the standards of good aquaculture practices.

CPIB certificate is issued by the Ministry of Marine Affairs and Fisheries for hatchery facilities that meet the standards of good hatchery practices.

Source: CPP website, Annual report of CPP as of 31 December 2018 (audited) and 31 December 2019 (audited), Management information.

Organization structure



- PT Central Proteina Prima Tbk
  - 99.83% PT Centralpertiwi Bahari
  - 99.99% PT Central Panganpertiwi
  - 99.99% PT Centralwindu Sejati
    - 98.75% PT Andalas Windumurni*
    - 98.00% PT Windusejati Pertiwi*
    - 99.57% PT Citra Windupertala*
    - 99.83% PT Suryawindu Pertiwi
  - 96.00% PT Marindolab Pratama
  - 100.00% Blue Ocean Resources Pte Ltd
  - 99.60% PT Central Bali Bahari
  - 100.00% CPP Intertrade Pte Ltd
  - 99.25% CP Prima Aquaculture (India) Private Limited "CPP India"
  - 100.00% CP Prima (Vietnam) Corporation Limited "CPP Vietnam"

Source: Group structure as at 31 October 2020 audited financial statements
Note: *) The Company has confirmed that these companies are not in liquidation

Key:

🟦 Parent (Guarantor of 2018 Notes)

🟨 Issuer of 2018 Notes

🟩 Subsidiary guarantors of 2018 Notes

🟪 Non-guarantor subsidiaries

🟫 Non-guarantor subsidiaries. Ceased operations

Significant milestones

CPP started its business focusing on processed shrimp products, aquaculture products, feeds, as well as probiotics for both domestic and international markets. It has expanded the business by moving into the Asian, Australian, European and US markets. Within their 41 years of operations, the Company has received numerous product safety certificates and awards, both from Indonesia and other continents such as the US and Europe.

1980

The Company was established in 30 April 1980 and started its commercial operations in 18 August 1980.

2007

Original Notes were issued on 28 June 2007.

2009

Devastating IMNV outbreak in the CPB and WM shrimp farms caused a severe decrease in shrimp yield and corresponding decrease in revenue during the year of about 34% from the shrimp processing, caused the Group to be unable to pay its Original Notes coupon due in December 2009.

2013

The Group entered into restructuring discussions with the Original Noteholders and the Original Notes were restructured through a Scheme of Arrangement sanctioned by the High Court of Singapore on 14 May 2013.

2016

The Group decided to shift its strategy from focusing on integrated shrimp farming that relied on Nucleus-Plasma Partnerships, to focusing on only the Free Market shrimp and fish feed businesses. These decisions resulted in an accumulated loss of USD168 million by 30 June 2017 due to impairment of all receivables from the farmers and acceleration of repayments of the Group guaranteed farmers' bank loans, which put great pressure on the Group's cash flows, causing a default on their notes for the second time.

2018

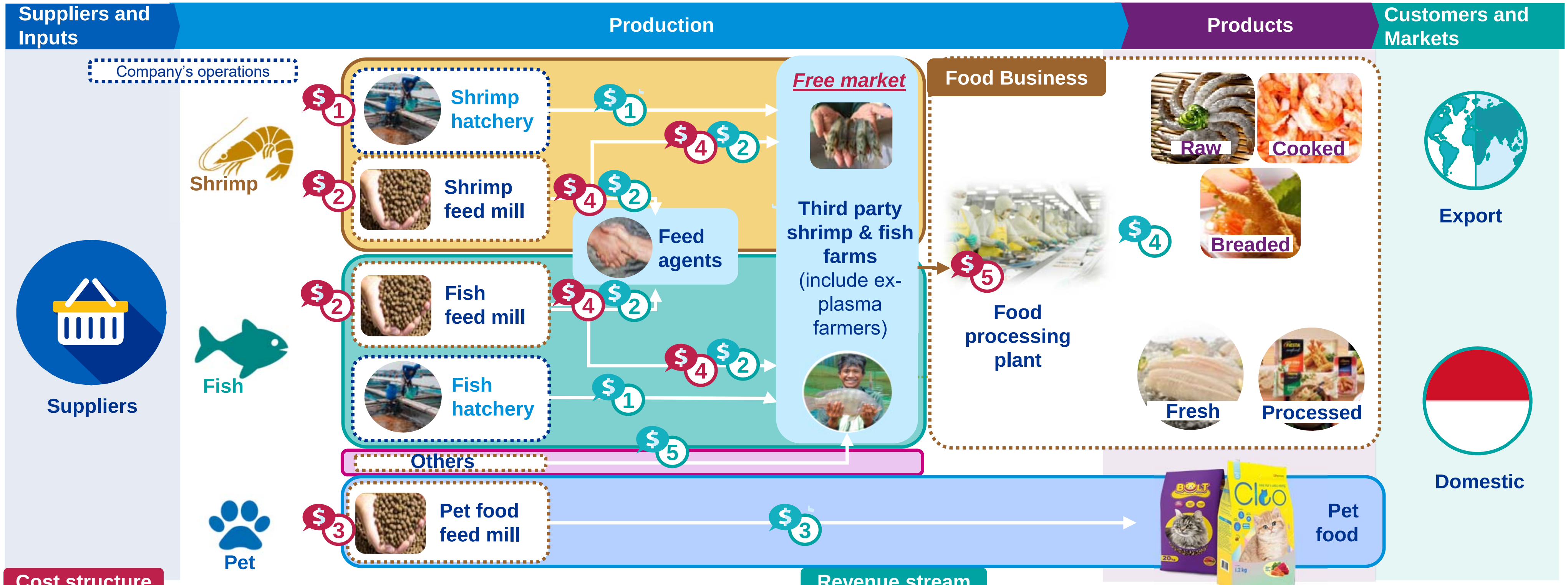
The Group and the 2013 Noteholders entered into restructuring discussions and the 2013 Notes were restructured through a Scheme of Arrangement sanctioned by the High Court of Singapore on 26 July 2018.

2019

Despite greater-than-projected revenue since 2017, the Group was unable to meet its EBITDA targets. The Group had originally planned to raise new funds to service the 2018 Notes beginning in 2019. However, it was unable to do so, and without the new funds and without sufficient cash from operations, the Group defaulted on its debt payment obligations for a third time, and failed to pay the 2018 Notes interest due on 30 June 2019.

Source: CPP website, CPP 2019 Statement of Outcome, Annual report of CPP as of 31 December 2019 (audited).

Business operating model



Suppliers and Inputs | **Production** | **Products** | **Customers and Markets**

Company's operations

Suppliers

Shrimp

Shrimp hatchery

Shrimp feed mill

Feed agents

Fish

Fish feed mill

Fish hatchery

Others

Pet

Pet food feed mill

Free market

Third party shrimp & fish farms (include ex-plasma farmers)

Food Business

Food processing plant

Raw

Cooked

Breaded

Fresh

Processed

Pet food

Export

Domestic

Cost structure

① The Group purchases from companies that produce shrimp brood stock with more disease-resistant genetics and produces its own shrimp fries.

② Major cost components are raw materials which are mainly soybean, wheat flour, fishmeal, meat bone meal, and corn from suppliers on page 18.

③ The Group uses 60-70% similar raw materials with shrimp & fish feed, utilizing fish feed mill capacity for pet feed production.

④ Feed is sold via agents in outright sale at a lower price (due to commissions) then directly to cultivators, to whom the Group also regularly assigns technical consultants to provide in-field assistance.

⑤ The Group purchases shrimp and fish from any party that passes the Group's quality control. This includes purchasing from ex-plasma farmers who also buy feed from the Group. The Group also rented facilities of tolling companies for processing fish products.

Revenue stream

① Shrimp fries are 90% sold to the free market and 10% to ex-plasma farmers, while fish fries are sold 100% to the free market. The Group has no contractual obligations to sell to ex-plasma farmers.

② Feed is sold directly to cultivators or via agents or sub-agents. As of FY19, the Group had 1,600 agents.

③ The Group sells pet food to retailers in the domestic market.

④ The Group sells frozen shrimp mainly to the export market while fish and surimi products are sold to the domestic market.

⑤ The Group sells non-core business products such as probiotics to the farmers.

Source: Annual report of CPP as of 31 December 2019 (audited), Management information.

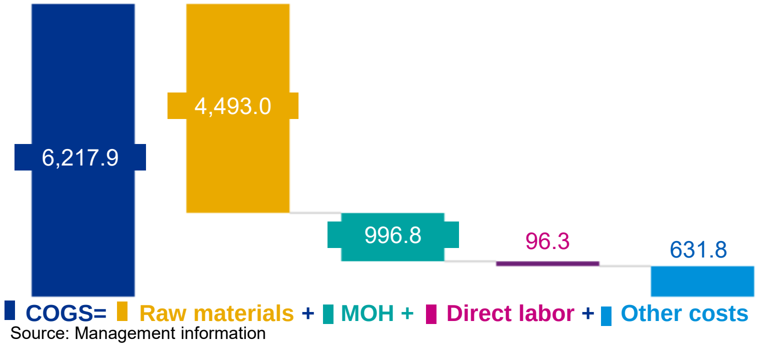
Suppliers & raw materials

Suppliers and Inputs | Production | Products | Customers and Markets

- Primary COGS component is raw material cost, which contributed to 72% of FY20 COGS.
- The Group imported some of its raw materials, which are mainly commodity goods essential for its feed and fry business. This exposed the Group to foreign exchange risk (particularly against USD), and commodity prices fluctuations.
- Due to IDR depreciation against USD in FY20, and gradually increasing raw material prices since late FY19, COGS for feed has increased and GPM dropped as further detailed in pages 20 and 25.
- The Group normally acquired its raw material purchases in the beginning of the year to anticipate higher demand and sales for:
  - i. Food products during Eid-Al Fitr period, which occurred and will be scheduled to occur in the second quarter during FY18-FY24, while in FY25 it will fall at the end of the first quarter which may require purchases to be made in 4Q24;
  - ii. Feed and fries during rainy seasons, when farmers cultivate more shrimp and fish.

Source: Management information.

FY20 raw materials cost contribution to total COGS (IDR billion)



Source: Management information

Raw materials per business segment

Business segment	Main raw materials	Import percentage
Feed	Soy bean meal, fish meal, and wheat bran	40-50%
Food	Raw shrimp and fish	<1% (99% domestic)
Fry	Shrimp and fish brood stock	25%- 30%

Source: Management information

Main drivers of raw material costs

Commodity prices

IDR/kg	FY18	FY19	FY20
Soybean	5,328.1	4,887.1	5,601.6
Fishmeal	22,085.0	20,128.5	21,380.2

Source: Macrotrends (average closing price of soybean), World Bank (average closing price of fishmeal).

- Prices of main raw materials for feed decreased from FY18, but had steadily increased in late FY19 to FY20.

Forex rate

in IDR	FY18	FY19	FY20
USD 1	14,481	13,901	14,105

Source: Consolidated financial statements of CPP as of 31 December 2018 and 31 December 2019, BI middle rate 31 December 2020 (4Q20)

- We noted that as of 31 December 2020, the Group was not applying any hedging on any financial instruments to reduce its forex risk.

FY20 suppliers

- In FY20, the top 5 suppliers accounted for 30% of total purchases, with the largest supplier accounting for 13% of total purchases.

Historical production

Suppliers and Inputs | **Production** | **Products** | **Customers and Markets**

① Cultivation centers

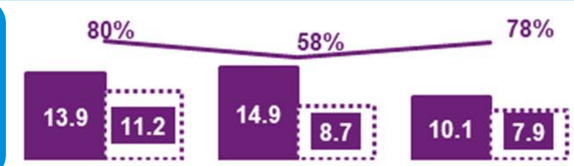
Cultivation centers comprised of shrimp and fish farms owned by ex-plasma farmers, other third party farmers, and the Group. These are an integral part of the Group's operations, affecting supply to the food business as well as demand from the feed & hatchery business. Problems occurring in cultivation centers had resulted in financial difficulties as explained on page 16, and we note there were also events during FY19 that disrupted cultivation:

i. a prolonged drought that caused fish farmers to have difficulty obtaining clean water for fish cultivation, which also impacted shrimp farming as the pond water's salinity increased abnormally,

ii. outbreak of white feces disease attacking cultivation centers in Lampung & Sumatera.

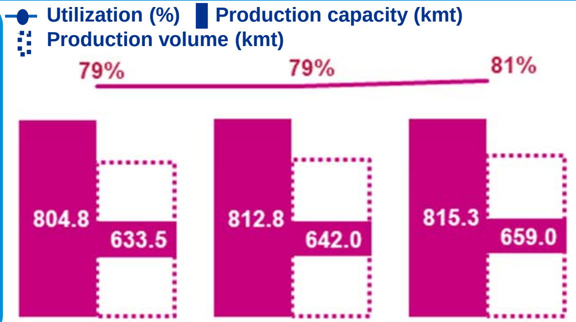
This resulted in lower demand for shrimp fry, shrimp and fish feed, and lower supply for food business production. Management informed that as farmers delayed cultivation, these events also impacted performance in FY20.

Fries business ②



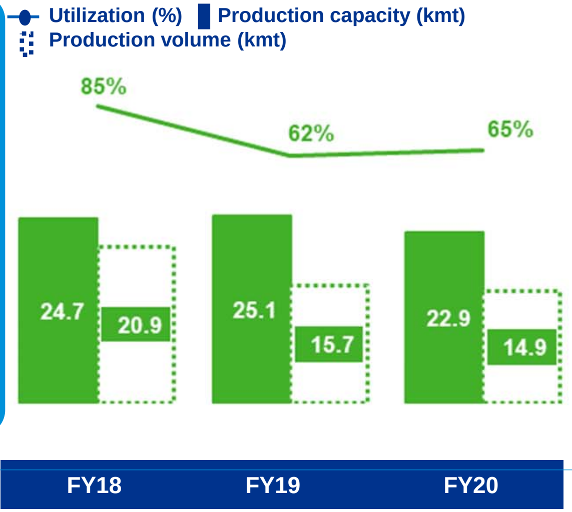
The fries segment in this report is comprised of shrimp fries as further explained on page 21. Production throughout the year depends on the estimated market demand, as certain breeding ponds are able to be opened or closed to adjust to demand. Since the termination of the Nucleus-Plasma Partnership, the cultivation method has shifted from intensive culture (high density) to extensive culture (low density), thus lowering production capacity for shrimp hatcheries especially in FY20.

Feed business ③



In 2018, the Group installed additional capacity for fish feed production and started to utilize existing facilities to produce pet food products. Management informed that production volume and utilization for feed business has grown since FY18, mainly driven by increasing pet food and floating fish feed production, while shrimp and sinking fish feed decreased. Shrimp feed production declined due to the events described in point 1, Floating fish feed also saw an increase in demand as compared to sinking fish feed as farmers can monitor the health of the fish as they surface. By modifying the molder in the machine, the Group could utilize the line of sinking fish feed facility to produce floating fish feed.

Food business ④



In FY19, food product production dropped due to the events described in point 1. In FY20, production was further lowered particularly for domestic fish food products as demand was affected by COVID-19 (please refer to page 22, and the Group decided to reduce its fresh fish fillet production due to the low margins generated by the product. The Group rented facilities from tolling companies which production capacity and volume are not included in beside figures. On the other hand, export production recovered in FY20 to meet higher demand following a global supply shortage as major shrimp-producing countries outside Indonesia were affected by COVID-19 mainly due to strict restrictions on operations from the government.

To reduce its dependency on the ex-plasma farmers and the production facility currently geographically centered in Lampung, the Group had implemented several initiatives:

i. Purchase fresh shrimp from Java, which is the center of cultivation

ii. Partner with tolling companies to develop food products that are more in demand. The Group sees potential growth for local food segment (particularly surimi products), and intends to spend Capex (please refer to page 72) to develop its own local food facilities.

Source: Management information. We have not adjusted for rounding differences.

Products and services (1/2)

Suppliers and Inputs | **Production** | **Products** | **Customers and Markets**

1 Feeds

Fish | Shrimp | Pet

FY20 net sales contribution

78.8%

Brands and product description

& 5 other brands

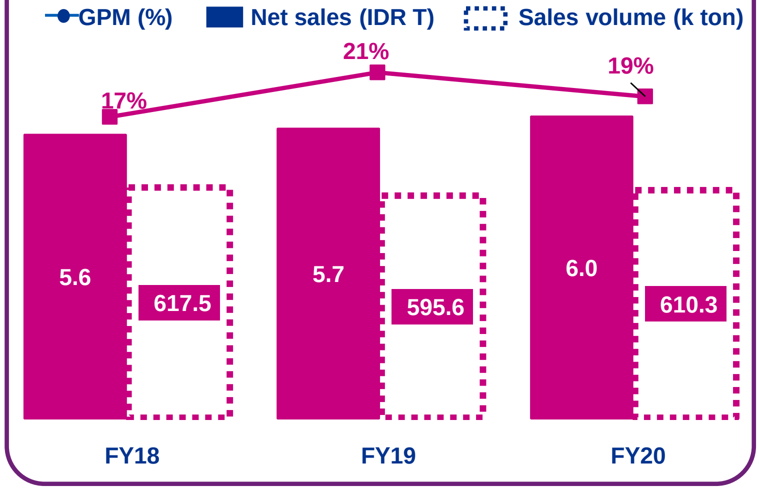
& 3 other brands

& 8 other brands

Fish and shrimp feed for aquaculture purposes

Feed for cat, dog, bird, rabbit, pet fish

Historical performance



2 Food products

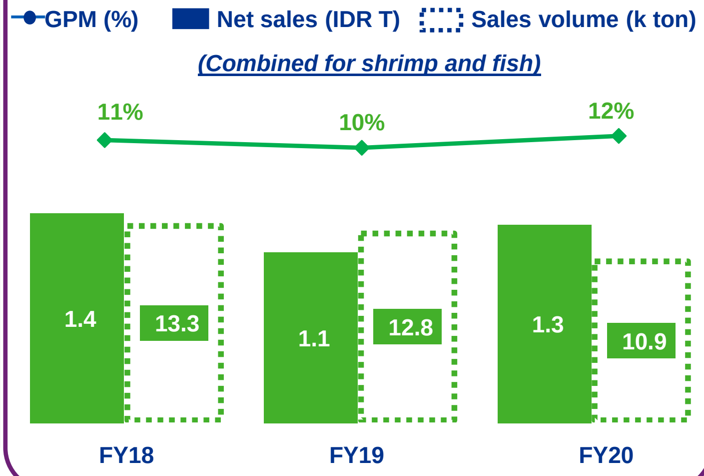
Shrimp | Fish

17.2%

Export brand (raw, cooked, breaded shrimp)

Domestic brand (raw filet)

Domestic brand (processed food: nuggets, fish balls, etc)



- ***Feed business***
  Margins increased in FY19 and decreased slightly in FY20.
  i. Fish and shrimp feed volume declined, but net sales were kept relatively steady as ASP increased. The Group focused on high margin products with higher sales price.
  ii. Pet food increased in both sales volume and ASP.
- ***Food business***
  Export and domestic food product margins decreased in FY19 followed by recovery in FY20.
  i. Starting FY20, the Group reduced raw fish fillet sales and production due to low margins, which contributed to the overall local product ASP increase.
  ii. Export food product ASP mainly decreased in FY19 due to IDR depreciation, and later increased due to COVID-19 (explained in page 22)

Source: Management information. We have not adjusted for rounding differences.

Products and services (2/2)

Suppliers and Inputs → Production → **Products** → Customers and Markets

③ Fries

FY20 net sales contribution

Shrimp fry | Fish fry

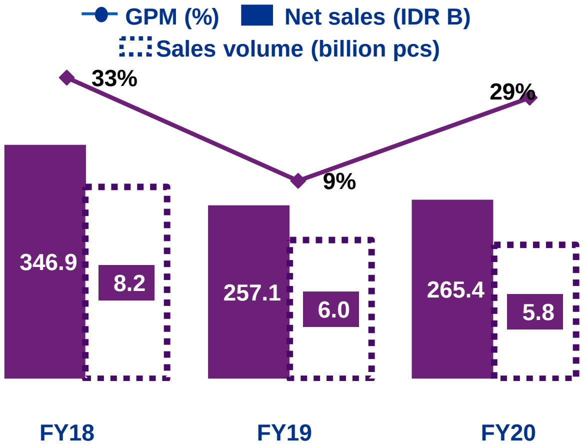
3.5%

Brands and product description

SPF fry with good growth rate & disease resistance

Fish fry with good growth rate, speed & endurance

Historical performance

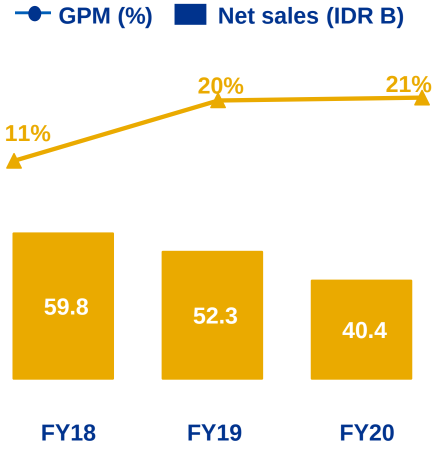


④ Others

Probiotic

0.5%

Supplements for cultivation centers (aquaculture)



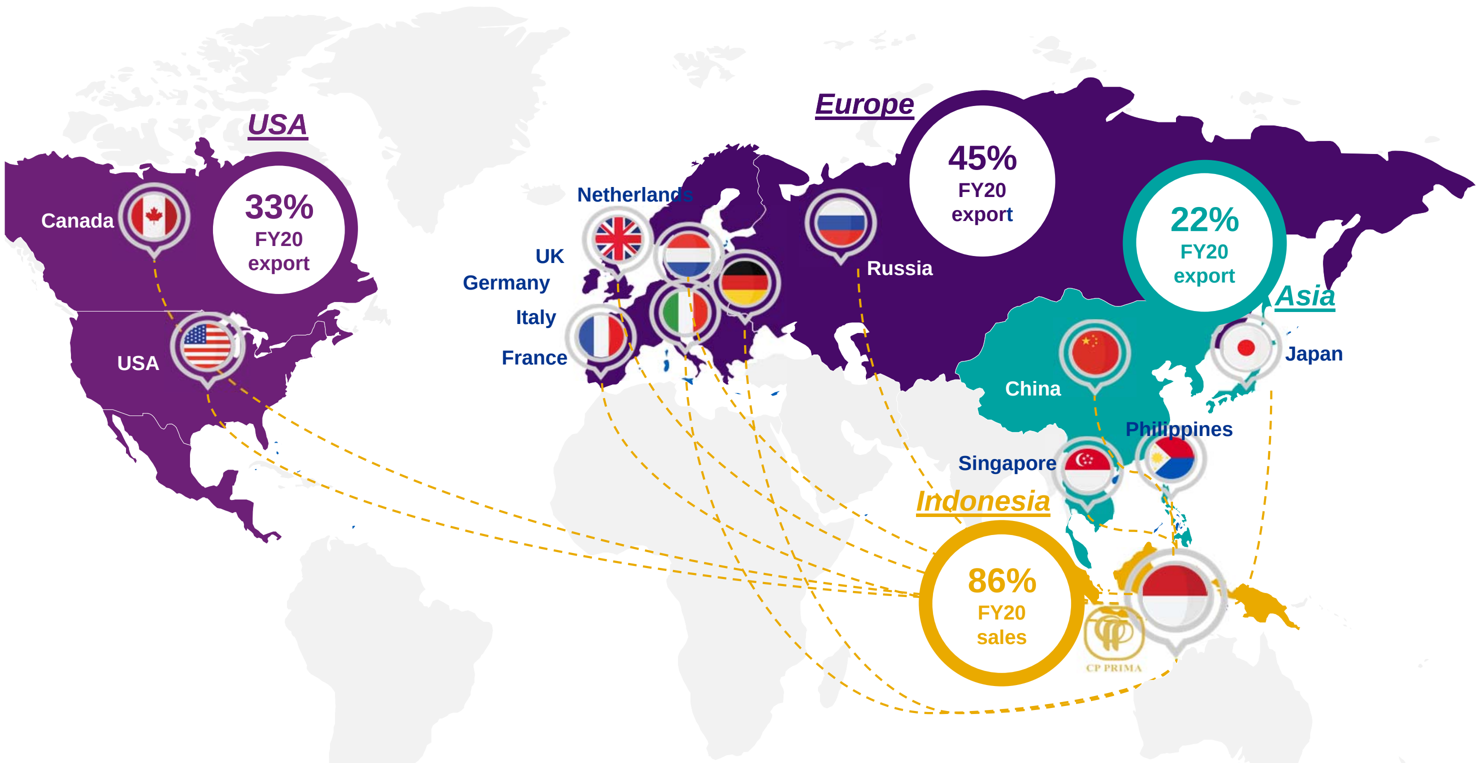
- ***Fries business***
  The Group's fries business is only focused on shrimp fries, as fish fries do not contribute a significant amount to the Group's revenue.

  Shrimp fries recorded a significant decrease in revenue in FY19 but started to recover in FY20. Despite decreasing sales volume, net sales managed to climb after the drop in FY19 as a result of the disease explained on page 19, due to increasing ASP as the Group started selling its more disease-resistant breed.
- ***Others***
  Other sales only consists of probiotics in FY20. Net sales declined mainly due to the Group stopping its sales of electricity to the ex-plasma farmers in June 2019. In FY18, management informed that electricity sales comprised 35% of others sales, but was sold at a negative margin which brought down the average margin to 11%.

Source: Management information. We have not adjusted for rounding differences.

Market overview

Suppliers and Inputs | **Production** | **Products** | **Customers & Markets**



Sales info

- Shrimp and fish feed, as well as fry are 100% sold to the domestic market.
- 75%- 80% of food products, mainly shrimp, are sold to the export market, mainly to Europe, USA, and Japan.
- Local food products sales are mainly fish based food products.
- The Group's top 10 customers in FY20 accounted for about 14% of total sales (IDR 1.1 trillion), with the largest customer accounting for 2% of total sales.

Customers & Markets

- Feed is the core business of the Group, contributing 79% of FY20 revenue. This is primarily because Indonesia is geographically suitable for year round farming of fish and shrimp, and thus has become a strong base for this sector. Its increasing population and economic growth also provides strong and increasing demand.
- The Group acquired several certifications (refer to page 14) in order to export food products overseas, while domestic demand has increased for surimi and processed fish products.
- The Group is able to charge a premium for its new, more disease-resistant breed. For food and feed products, the Group generally follows global and domestic market prices.

Due to COVID-19, Management informed that:

- Demand for local shrimp and surimi products in FY20 declined due to social restrictions affecting the Group's main customers in the Hotel, Restaurant & Café (HORECA) industry. This is expected to recover gradually in FY21.
- Global shrimp supply decreased as COVID-19 affected major-shrimp producing countries, increasing the ASP for shrimp food products in FY20.

Source: Annual report of CPP as of 31 December 2019 (audited).

Historical financial performance

Historical financial statements

FY18, FY19 & FY20 profit and loss (1/2)

PT Central Proteina Prima Tbk

FY18, FY19, and FY20 profit and loss statement

				Difference				
	FY18	FY19	FY20	FY19 - FY18		FY20 - FY19		Ref
IDR billion	Audited	Audited	Unaudited	Amount	%	Amount	%	
Net sales	**7,390.6**	**7,175.8**	**7,576.8**	**(214.8)**	**-3%**	**401.0**	**6%**	
Feeds	5,615.9	5,732.8	5,970.7	116.9	2%	237.9	4%	
Food products	1,368.0	1,133.7	1,300.3	(234.3)	-17%	166.7	15%	
Fries	346.9	257.1	265.4	(89.8)	-26%	8.3	3%	
Others	59.8	52.3	40.4	(7.6)	-13%	(11.9)	-23%	
Cost of goods sold	**(6,155.9)**	**(5,834.1)**	**(6,217.9)**	**321.9**	**-5%**	**(383.8)**	**7%**	
Feeds	4,658.9	4,542.9	4,851.4	(116.1)	**-2%**	**308.5**	**7%**	
Food products	1,211.7	1,015.9	1,144.7	(195.9)	**-16%**	**128.8**	**13%**	
Fries	231.8	233.6	189.7	1.8	1%	(43.9)	-19%	
Others	53.5	41.8	32.1	(11.7)	-22%	(9.7)	-23%	
Gross profit	**1,234.6**	**1,341.7**	**1,358.9**	**107.1**	**9%**	**17.2**	**1%**	
Feeds	956.9	1,189.9	1,119.3		233.0		(70.6)	
Food products	156.2	117.8	155.6		(38.5)		37.9	
Fries	115.1	23.5	75.7		(91.6)		52.2	
Others	6.3	10.5	8.3		4.2		(2.2)	
Gross profit margin	**17%**	**19%**	**18%**		**2%**		**-1%**	A
Feeds	**17%**	**21%**	**19%**		**4%**		**-2%**	a1
Food products	**11%**	**10%**	**12%**		**-1%**		**2%**	a2
Fries	**33%**	**9%**	**29%**		**-24%**		**19%**	a3
Others	**11%**	**20%**	**21%**		**9%**		**0%**	

A

Overall GPM has remained stable across FY18-FY20 at 17%-19% despite some fluctuations in several business segments.

1. Gross profit for feeds business accounted for 83% of the Group's gross profit from FY18-FY20. In FY20, GPM for feeds decreased by 2% compared to FY19, which was mainly driven by increased COGS by 7% which was primarily due to gradual increases in raw material prices since late FY19. Additionally, as the Group imported some of its raw materials (as explained in page 18), COGS in IDR terms also increased due to a higher average forex rate in FY20, including a significant spike around the end of 1Q20. Normally, the Group would just adjust the selling price to maintain its gross margin, however the Indonesian government restricted feed industry players from raising prices during the initial COVID-19 outbreak in Indonesia.

   Increases in COGS were partially offset by increase in sales which were mainly driven by increased volume, particularly from pet food, as this is a new segment which has shown rapid growth due to increasing pet ownership in line with rising income and middle class population. Meanwhile fish and shrimp feed sales declined, mainly due to the drought in FY19 as explained on page 19 that disrupted water supply and caused farmers to delay the shrimp and fish cultivation process.

2. Food products contributed to 11% of the Group's gross profit from FY18-FY20, mainly due to increase in sales for export frozen shrimp products driven by global shrimp supply shortage as an effect from COVID-19 pandemic, as explained in page 22. Domestic food products gross profit also slightly increased due to the lower production of low margin fish fillet products (as explained in page 19), despite sales decrease due to lower demand from HORECA customers as explained on page 22, and lower fish fillet sales.

A

(cont.)

3. Fries accounted for 5% of the Group's total gross profit from FY18-FY20, and comprised of mostly shrimp fries. In FY20, GPM of fries increased by 19% or IDR52.2 billion to almost reach its FY18 level at 33%, mainly driven by ASP increase as the Group started selling its more disease-resistant shrimp fries, which it is able to do so at a premium. This increased net sales of shrimp fries by IDR9.3 billion compared to FY19 despite lower volume sold. COGS was also reduced by 19% mainly due to increasing survival rate ratio of the fries as a result of the Group's initiatives to procure special more disease-resistant brood stock.

Source: Consolidated financial statements of CPP as of 31 December 2018 (audited), 31 December 2019 (audited), 31 December 2020 (unaudited); Management information. We have not adjusted for rounding differences.

FY18, FY19 & FY20 profit and loss (2/2)

PT Central Proteina Prima Tbk

FY18, FY19, and FY20 profit and loss statement

				Difference				
	FY18	FY19	FY20	FY19 - FY18		FY20 - FY19		Ref
IDR billion	**Audited**	**Audited**	**Unaudited**	**Amount**	**%**	**Amount**	**%**	
Net sales	**7,390.6**	**7,175.8**	**7,576.8**	**(214.8)**	**-3%**	**401.0**	**6%**	
Cost of goods sold	**(6,155.9)**	**(5,834.1)**	**(6,217.9)**	**321.9**	**-5%**	**(383.8)**	**7%**	
Gross profit	**1,234.6**	**1,341.7**	**1,358.9**	**107.1**	**9%**	**17.2**	**1%**	**A**
Selling expenses	(362.8)	(374.9)	(255.3)	(12.1)	3%	119.6	-32%	**B**
G&A expenses	(465.4)	(464.6)	(424.8)	0.8	0%	39.8	-9%	**C**
Other operating income	48.3	78.5	91.3	30.2	63%	12.8	16%	
Other operating expenses	(109.2)	(170.6)	(143.0)	(61.4)	56%	27.6	-16%	**D**
Gain (loss) arising from change in fair value biological assets	7.3	(9.3)	-	(16.5)	-227%	9.3	-100%	
Gain (loss) from operations	**352.7**	**400.8**	**627.2**	**48.1**	**14%**	**226.3**	**56%**	
Finance income	4.0	6.8	2.1	2.8	69%	(4.7)	-70%	
Finance cost	(390.1)	(392.5)	(384.2)	(2.4)	1%	8.3	-2%	**E**
Amortization of bond valuation	(197.3)	(449.4)	-	(252.1)	128%	449.4	-100%	**F**
Gain (loss) on foreign exchange - bonds	(294.0)	86.0	(33.1)	380.1	-129%	(119.2)	-139%	**G**
Income from bond settlement	2,356.6	-	-	(2,356.6)	-100%	-	-	
Income (loss) before income tax	**1,831.9**	**(348.3)**	**211.9**	**(2,180.1)**	**-119%**	**560.2**	**-161%**	
Final tax expense	-	(1.9)	-	(1.9)	-100%	1.9	-100%	
Income tax benefit (expense) - net	(109.2)	1.3	97.0	110.5	-101%	95.7	7441%	
Profit (loss) for the period	**1,722.7**	**(348.9)**	**308.9**	**(2,071.6)**	**-120%**	**657.7**	**-189%**	
Total other comprehensive income (loss)	45.4	4.0	-	(41.4)	-91%	(4.0)	-100%	
Total profit (loss) and other comprehensive income	**1,768.1**	**(344.9)**	**308.9**	**(2,113.0)**	**-120%**	**653.7**	**-190%**	
EBITDA (IDR billion)	**535.7**	**620.8**	**817.2**	**85.1**	**16%**	**196.4**	**32%**	**H**
EBITDA (USD million)	**37.0**	**44.7**	**57.9**	**7.7**	**21%**	**13.3**	**30%**	
EBITDA margin	**7%**	**9%**	**11%**					

B Selling expenses significantly decreased by 32% in FY20. This was mainly due to IDR84.3 billion lower sales incentive due to PSAK 72 and IDR8.0 billion reduced rental expense (net of right of use depreciation) due to PSAK 73 implementation, and IDR10.8 billion reduced transportation and travelling expenses following limited travelling activities as government imposed social restrictions due to COVID-19. Management informed that future levels of travelling and transportation expenses related to marketing activities will be determined by the Indonesian government's progress in successfully mitigating the COVID-19 pandemic. However, management expects that future actual amounts will not be as high as in previous years due to new tools implemented during the pandemic such as online video conference platform.

C G&A expenses slightly decreased in FY20 primarily as a result of reduced rental expense (net of right of use depreciation) by IDR6.9 billion following PSAK 73 implementation and decrease in transportation and traveling expense amounting to IDR10.1 billion following social restrictions due to COVID-19.

D Other operating income in FY20 mainly comprised of insurance claims amounting to IDR57.8 billion mainly relating to the fire accident in the Sidoarjo warehouse. The losses were reflected in other operating expenses in FY20, which mainly comprised of write-off of inventory and fixed asset due to the fire amounting to IDR90.6 billion and IDR13.0 billion, respectively. The remaining expenses were IDR25.6 billion loss on foreign exchange, allowance for doubtful debts amounting to IDR5.7 billion (please refer to page 28) and for impairment losses on finished goods in inventory amounting to IDR4.2 billion.

E Finance costs are mainly comprised of bonds interest expense and penalty and bank loan interest expense. Bank loan interest expense declined 32% from IDR173.4 billion in FY19 to IDR131.3 billion in FY20, in line with the closure of long-term bank loan facilities and decrease in working capital facilities (see page 41 and Appendix 3). The decrease was offset by increase in bonds interest expense from IDR190.3 billion in FY19 to IDR222.8 billion in FY20 due to additional penalty on bond principal and unpaid interest in FY20.

F The Group defaulted on its 2018 Notes interest and principal payments in FY19, and thus charged the unamortized difference between initial amount and amount at maturity amounting to IDR449.4 billion in FY19. As this was fully recognized in FY19, there was no recorded amortization in FY20.

G The Group recognized a foreign exchange loss in FY20 amounting to IDR33.1 billion as the IDR depreciated against the USD in FY20. The Group's primary USD exposure is on its debt, both bank loans and 2018 Notes, while the substantial majority of its operations are conducted in IDR.

H EBITDA increased by 32% from FY19 to FY20. This was mainly driven by the lower costs in SG&A expenses mainly due to lower rental expense prior to the PSAK 73 implementation and lower travel expenses arising from larger scale social restrictions caused by COVID-19. From FY18 to FY20, the Group has recorded positive EBITDA, increasing each year in the historical period, which shows the Group's operations are viable.

Source: Consolidated financial statements of CPP as of 31 December 2018 (audited), 31 December 2019 (audited), 31 December 2020 (unaudited); Management information. We have not adjusted for rounding differences.

FY18, FY19 & FY20 financial position - assets

PT Central Proteina Prima Tbk
FY18, FY19, and FY20 statement of financial position

				Difference		
	FY18	FY19	FY20	FY20 - FY19		Ref
IDR billion	**Audited**	**Audited**	**Unaudited**	**Amount**	**%**	
Assets						
Current assets						
Cash and cash equivalents	115.3	129.4	296.5	167.0	129%	A
Trade receivables	692.5	514.3	497.5	(16.7)	-3%	B
Other receivables - third parties, net	96.5	11.3	8.5	(2.8)	-25%	
Inventory	841.0	770.3	683.4	(86.9)	-11%	C
Biological assets	30.0	17.1	13.2	(3.8)	-23%	
Advances	66.6	32.5	44.0	11.5	35%	D
Prepaid taxes	6.5	0.8	7.5	6.6	804%	D
Prepaid expenses	35.2	24.4	13.7	(10.7)	-44%	
Restricted financial assets	76.1	74.4	29.0	(45.4)	-61%	A
Total current assets	**1,959.7**	**1,574.5**	**1,593.2**	**18.7**	**1%**	
Non-current assets						
Due from related parties	11.3	8.8	8.1	(0.7)	-8%	
Deferred tax assets	2.2	6.1	91.4	85.3	1405%	E
Investment in shares of stock	46.7	46.7	46.7	-	-	
Right of Use Assets	-	-	53.6	53.6	100%	F
Investment properties	179.6	181.0	180.9	(0.1)	0%	
Fixed assets, net	4,206.3	4,052.9	4,070.6	17.7	0%	
Claims for tax refund	134.6	102.9	122.7	19.8	19%	
Non-current assets - others, net	32.0	27.4	18.8	(8.6)	-31%	
Total non-current assets	**4,612.7**	**4,425.7**	**4,592.7**	**167.0**	**4%**	
Total assets	**6,572.4**	**6,000.3**	**6,186.0**	**185.7**	**3%**	

A Greater-than-budgeted CCE was primarily due to increases in net cashflow provided from operating activities (please refer to page 36), the decrease in working capital facilities (refer to page 41 and Appendix 3) which lead to more cash released from the restricted accounts due to reduced cash margin requirements, and partially offset by payment for term loan facilities as explained on page 32 and 41.

B Trade receivables declined despite the Group recording increasing sales revenue from FY19 to FY20. Please refer to page 28 for further analysis on trade receivables.

C Inventory declined from FY19 to FY20 as a result of decreasing turnover days and write-offs as explained on page 29. Please refer to page 29 for further analysis on inventory.

D The Group recorded an increase in supplier advances mainly due to increase purchase of raw materials, while increase in prepaid taxes was mainly due to CPB prepaid VAT in relation with the closure of bonded zone.

E The Group advised that the increase in deferred tax assets mainly arose from the fiscal loss that was recorded as a result of the write-off of CPB's plasma loan receivables amounting to a total of IDR795.1 billion as of FY20 (please refer to page 28 for more details).

F The Company advised that under the implementation of PSAK 73, leases are now recorded as right of use assets and lease liabilities. The Company recorded leases amounting to IDR83.5 billion at the beginning of FY20, which mainly comprised of leases related to buildings and transportation equipment amounting to IDR37.2 billion and IDR33.8 billion, respectively. As at the end of FY20, the balance has decreased to IDR53.6 billion mainly due to depreciation expense recorded on the relevant leases.

Source: Consolidated financial statements of CPP as of 31 December 2018 (audited), 31 December 2019 (audited), 31 December 2020 (unaudited); Management information. We have not adjusted for rounding differences.

Trade receivables

PT Central Proteina Prima Tbk

Trade receivables

	FY18	FY19	FY20	Aging schedule as of FY20					
IDR billion	**Audited**	**Audited**	**Unaudited**	**< 31 days**	**31 - 60 days**	**61 - 90 days**	**91 - 180 days**	**> 180 days**	**Total**
Related parties									
PT Sinar Hidup Satwa	4.4	2.9							
PT Multirasa Nusantara	2.5	2.0							
PT Sumber Hidup Satwa	7.8	2.0							
PT Primafood International	-	1.5							
Total related parties	**14.7**	**8.4**	**17.1**	**10.1**	**6.0**	**0.4**	**0.5**	**-**	**17.1**
Third parties									
IDR	606.7	488.0							
USD	73.3	55.7							
INR	0.4	0.5							
Total third parties	**680.3**	**544.2**	**515.3**	**432.7**	**8.9**	**3.1**	**1.7**	**68.9**	**515.3**
Allowance for impairment losses	(2.6)	(38.4)	(34.8)	-	-	-	-	(34.8)	**(34.8)**
Total third parties - net of allowance	**677.8**	**505.9**	**480.5**	**432.7**	**8.9**	**3.1**	**1.7**	**34.0**	**480.5**
Non-current trade receivables									
Farmers-estimated payment over one year	1,160.5	1,160.5	365.4						
Allowance for impairment losses	(1,160.5)	(1,160.5)	(365.4)						
Total non-current trade receivables	-	-	-	-	-	-	-	-	-
Total trade receivables - net	**692.5**	**514.3**	**497.5**	**442.8**	**14.9**	**3.5**	**2.3**	**34.0**	**497.5**
% of total assets	11%	9%	8%	7%	0%	0%	0%	1%	**8%**
Turnover days	34	26	24						

IDR68.9 billion was overdue by greater than 180 days. IDR34.8 billion of this amount has been reserved as allowance for impairment as of 31 December 2020.

Overview

Most of the Group's terms of payment from customers are around 30 days. The Group informed that FY18 turnover days of 34 days was the basis of its assumptions in developing TR projected turnover days of 35 days (refer to page 70). TR turnover days were faster during FY19 and FY20 of 26 and 24 days. The Group informed that this was the result of its initiative to become more selective by selling to customers with a track record of on time payments.

The non-current trade receivables resulting from the previous Nucleus – Plasma Partnerships amounting to IDR1,160.5 billion from the ex-plasma farmers had been fully reserved for impairment since 2016. As of FY20, we note that IDR795.1 billion of this amount has been written-off.

The Group's net trade receivables contributed to 9% and 8% to total assets in FY19 and FY20, respectively. In FY20, the Group has reserved an additional IDR5.7 billion of allowance for TR impairment (see page 26). During FY20, the Group recovered just IDR0.9 billion of the amount that was more than 180 days past due as at 31 December 2019.

We noted that the Group only reserved IDR34.8 billion or only about half of its overdue more than 180 days outstanding TR as of 31 December 2020. Management is of the view that allowance for impairment is sufficient to cover the risk of uncollectible TR in the future. For purposes of the working capital calculation, we have added an additional IDR34.0 billion in impairment, which represents the entire remaining balance in the over 180 days bucket, as "other items to consider" in the net working capital calculations to capture the risk arising from the remaining long overdue TR. Refer to page 38.

Due to the nature explained above, TR is included in our net working capital calculations on page 38.

Source: Consolidated financial statements of CPP as of 31 December 2018 (audited), 31 December 2019 (audited), 31 December 2020 (unaudited); Management information. We have not adjusted for rounding differences.

Inventories

PT Central Proteina Prima Tbk

Inventories and biological assets

				Difference			
	FY18	FY19	FY20	FY19 - FY18		FY20 - FY19	
IDR billion	**Audited**	**Audited**	**Unaudited**	**Amount**	**%**	**Amount**	**%**
Finished goods	263.6	259.2	178.1	(4.4)	-2%	(81.1)	-31%
Raw material	417.9	374.4	390.2	(43.5)	-10%	15.8	4%
Premix & medicines	30.3	26.4	31.1	(3.9)	-13%	4.7	18%
Spareparts and material	99.3	88.6	75.9	(10.8)	-11%	(12.7)	-14%
Manufacturing office supplies	31.6	28.1	22.8	(3.5)	-11%	(5.3)	-19%
Others	56.8	62.6	30.1	5.8	10%	(32.5)	-52%
Total inventories	**899.6**	**839.3**	**728.2**	**(60.3)**	**-7%**	**(111.0)**	**-13%**
Allowance for impairment losses	(58.6)	(69.0)	(44.8)	(10.4)	18%	24.2	-35%
Total inventories - net	**841.0**	**770.3**	**683.4**	**(70.8)**	**-8%**	**(86.9)**	**-11%**
Biological assets	**30.0**	**17.1**	**13.2**	**(13.0)**	**-43%**	**(3.8)**	**-23%**
Total inventories and biological assets	**871.1**	**787.3**	**696.6**	**(83.7)**	**-10%**	**(90.7)**	**-12%**
% of total assets	13%	13%	11%	0%	0%	-2%	-14%
Turnover days	52	49	41	(2)	-5%	(8)	-17%

Overview

Inventory, which primarily comprised of finished goods and raw materials, are pledged as collateral to DBSi, LPEI, QNBi, CIMB Niaga and BRI Agroniaga (see Appendix 3). The Group provides an allowance based on the net realizable value ("NRV") of inventories based on periodic reviews of the physical condition of the inventory.

Based on the review of the inventories' NRV and physical condition at the end of the year, management believes that the allowances for decline in value of inventory and inventory obsolescence are adequate to cover possible losses arising in the future.

During FY19, the Group wrote-off expired food products inventory amounting to IDR9.6 billion.

On 28 April 2020, a fire damaged CPP's and CWS's inventories and fixed assets in Sidoarjo amounting to IDR87.0 billion and IDR13.0 billion, respectively. The Group informed that it immediately wrote-off the affected inventory balance and so it is not recognized it as an allowance for impairment. This write-off was reflected under other operating expense in profit and loss statement for FY20 on page 26 amounting to IDR90.6 billion for inventories (with the IDR3.6 billion difference due to write-off not attributed to the fire) and IDR13.0 billion for fixed assets.

The Company has reduced its inventory turnover days from 52 days in FY18 to 41 days in FY20, which helps to reduce the risk of holding onto obsolete inventory.

Source: Consolidated financial statements of CPP as of 31 December 2018 (audited), 31 December 2019 (audited), 31 December 2020 (unaudited); Management information. We have not adjusted for rounding differences.

Advances, prepaid tax and expenses

PT Central Proteina Prima Tbk

Advances, prepaid tax and expenses

				Difference			
	FY18	FY19	FY20	FY19 - FY18		FY20 - FY19	
IDR billion	Audited	Audited	Unaudited	Amount	%	Amount	%
Advances	66.6	32.5	44.0	(34.1)	-51%	11.5	35%
Prepaid taxes							
Value-added tax	6.5	0.8	7.5	(5.7)	-87%	6.6	804%
Prepaid expenses	35.2	24.4	13.7	(10.7)	-30%	(10.7)	-44%
Total	**108.3**	**57.8**	**65.1**	**(50.5)**	**-47%**	**7.4**	**13%**

Advances

This line item is primarily comprised of advance payments for raw materials and management has informed that the level of ending balance would be relative to the sales volume in a particular year.

Due to the nature of advances as explained above, we are in the same view with management to include advances in the net working capital calculations on page 38.

Prepaid taxes

This mainly consists of value added tax amounting to IDR0.8 billion in FY19 and IDR7.5 billion in FY20. The significant increase in FY20 was driven by CPB's prepaid VAT, which related to the closure of the "bonded zone" (a VAT-free zone) and thus, removing the previous VAT-free status.

Due to the nature of prepaid taxes as explained above, we are in the same view with management to include prepaid taxes in the net working capital calculations on page 38.

Prepaid expenses

This mainly comprises of operational prepayments such as prepaid rent and insurance. These prepayments are recurring each year which impact the Group's short-term cash flows and thus, we are in the same view with management to include prepaid expenses in the net working capital calculations on page 38.

Source: Consolidated financial statements of CPP as of 31 December 2018 (audited), 31 December 2019 (audited), 31 December 2020 (unaudited); Management information. We have not adjusted for rounding differences.

Other current assets

PT Central Proteina Prima Tbk

Other current assets

				Difference			
	FY18	**FY19**	**FY20**	**FY19 - FY18**		**FY20 - FY19**	
IDR billion	**Audited**	**Audited**	**Unaudited**	**Amount**	**%**	**Amount**	**%**
Other receivables							
Aruna Wijaya Sakti Group*	581.3	581.3	-	-	-	(581.3)	-100%
PT Daya Inti Pusaka	60.4	0.5	0.3	(59.9)	-99%	(0.2)	-42%
Others	36.1	14.8	12.2	(21.3)	-59%	(2.6)	-17%
Allowance for impairment losses	(581.3)	(585.3)	(4.0)	(4.0)	1%	581.3	-99%
Total other receivables	**96.5**	**11.3**	**8.5**	**(85.2)**	**-88%**	**(2.8)**	**-25%**
Restricted financial assets	76.1	74.4	29.0	(1.6)	-2%	(45.4)	-61%
Total restricted financial assets	**76.1**	**74.4**	**29.0**	**(1.6)**	**-2%**	**(45.4)**	**-61%**
Total other current assets	**172.6**	**85.7**	**37.5**	**(86.9)**	**-50%**	**(48.2)**	**-56%**

Note: * Loan given by the Company for operational activities of Aruna Wijaya Sakti Group since 2007

Other receivables

This is mainly comprised of a loan to Aruna Wijaya Sakti Group, which was given by the Company in 2007. The ending balance as of FY20 has been written off.

As the nature above resulted from discontinued practice, other receivables are not considered net working capital items.

Restricted financial assets

This line item is the restricted cash in the Group’s lenders which are ranging from cash collateral of the working capital and long-term bank loans facilities as well as the indemnity reserve accounts of BOR.

The nature of restricted financial assets is not related to the normal business operation and hence, it is not included as net working capital items.

Note:

In relation to CPP and CWS’ inventories and fixed assets which caught fire as explained on pages 26 and 29, management informed that the Group claimed the losses to insurance. The Group has received claims amounting to a total IDR57.8 billion in FY20 as recorded in other operating income on page 26, with IDR56.4 billion related to fire losses and the remaining from CPP Lampung. The Group has not recorded the remaining insurance claims amounting to IDR61.3 billion in the FY20 management accounts.

Source: Consolidated financial statements of CPP as of 31 December 2018 (audited), 31 December 2019 (audited), 31 December 2020 (unaudited); Management information. We have not adjusted for rounding differences.

FY18, FY19 & FY20 financial position - liabilities & equity

PT Central Proteina Prima Tbk
FY18, FY19, and FY20 statement of financial position

				Difference		
	FY18	FY19	FY20	FY20 - FY19		Ref
IDR billion	**Audited**	**Audited**	**Unaudited**	**Amount**	**%**	
Liabilities						
Current liabilities						
Short-term bank loans	1,465.1	1,359.9	1,151.3	(208.6)	-15%	A
Trade payables	999.9	575.0	591.3	16.3	3%	B
Advances from customers	-	21.8	13.9	(7.9)	-36%	
Other payables third parties	312.5	231.9	238.1	6.1	3%	
Taxes payable	16.6	15.2	55.3	40.1	264%	C
Accrued expenses	48.9	251.1	485.4	234.2	93%	D
Short-term employee benefit liabilities	18.4	41.7	57.7	16.0	38%	
Current maturities of long-term debts						
Bank loans	225.9	322.3	71.4	(250.8)	-78%	A
Lease liabilities	-	-	27.2	27.2	100%	
Other	0.1	0.1	-	(0.1)	-100%	
Bonds payable	105.5	2,258.4	2,291.6	33.1	1%	
Total current liabilities	**3,192.8**	**5,077.5**	**4,983.2**	**(94.2)**	**-2%**	
Non-current liabilities						
Bonds payable	1,789.5	-	-	-	0%	
Due to related parties	189.6	213.2	205.1	(8.1)	-4%	
Deferred tax liabilities	108.0	91.3	35.5	(55.8)	-61%	E
Long-term employee benefit liabilities	292.9	288.5	299.2	10.7	4%	
Long-term debts - net of current maturities						
Bank loans	325.3	-	-	-	0%	
Lease liabilities	-	-	26.9	26.9	100%	
Other payables	0.1	0.3	-	(0.3)	-100%	
Total non-current liabilities	**2,705.3**	**593.3**	**566.7**	**(26.6)**	**-4%**	
Total liabilities	**5,898.1**	**5,670.8**	**5,549.9**	**(120.9)**	**-2%**	
Equity						
Share capital	5,002.2	5,002.2	5,002.2	(0.0)	0%	
Additional paid-in capital, net	(1,102.6)	(1,102.6)	(1,102.6)	(0.0)	0%	
Difference in equity transactions with non-controlling interest	249.0	249.0	249.0	(0.0)	0%	
Other comprehensive income	2,900.7	2,914.1	2,914.1	(0.0)	0%	
Retained earnings (deficit)	(6,376.7)	(6,735.3)	(6,429.3)	306.0	-5%	
Appropriated	0.1	0.1	0.1	-	0%	
Unappropriated	(6,376.8)	(6,735.4)	(6,429.4)	306.0	-5%	
Non-controlling interests	1.7	2.0	2.6	0.6	32%	
Total equity	**674.3**	**329.5**	**636.1**	**306.6**	**93%**	
Total liabilities and equity	**6,572.4**	**6,000.3**	**6,186.0**	**185.7**	**3%**	

Source: Consolidated financial statements of CPP as of 31 December 2018 (audited), 31 December 2019 (audited), 31 December 2020 (unaudited); Management information. We have not adjusted for rounding differences.

A The Group recorded lower overall bank loans in FY20 mainly due to decrease in working capital facilities (refer to Appendix 3) and repayment of term loan installments as explained on page 41.

B Trade payables increased from FY19 to FY20 in line with increases in revenue and COGS (please refer to pages 25 and 26). We note that FY20 TP turnover days of 35 days was faster than the 36 days recorded in FY19. Please refer to page 33 for further analysis on trade payables.

C Taxes payable increased significantly in FY20 by 264% to IDR55.3 billion. Please refer to page 35 for more details.

D This item mainly relates to the 2018 Notes accruals. In FY20, this mainly comprised of accrued interest from January 2019 to December 2020 which is equivalent to IDR366.7 billion and accrued penalty for unpaid principal and interest equivalent to IDR38.6 billion.

E The Group recorded lower deferred tax liability in FY20 mainly due to CPB moving from a deferred tax liability position to an asset position after the write-off of ex-plasma farmer loan receivables explained on point E on page 27.

Trade payables

PT Central Proteina Prima Tbk

Trade payables

				Difference			
	FY18	FY19	FY20	FY19 - FY18		FY20 - FY19	
IDR billion	**Audited**	**Audited**	**Unaudited**	**Amount**	**%**	**Amount**	**%**
Related parties							
PT Sinar Hidup Satwa	2.7	2.7	3.2	0.1	3%	0.5	17%
PT SHS International	2.0	1.3	1.3	(0.7)	-34%	(0.0)	-1%
PT Charoen Pokphand	18.4	-	0.8	(18.4)	-100%	0.8	100%
Others (each below IDR1 billion)	0.1	0.0	-	(0.1)	-90%	(0.0)	-100%
Total related parties	23.2	4.1	5.3	(19.1)	-82%	1.2	30%
Third parties							
IDR	579.3	427.0	429.4	(152.4)	-26%	2.4	1%
USD	396.6	143.4	156.1	(253.2)	-64%	12.7	9%
Others	0.8	0.6	0.5	(0.1)	-17%	(0.1)	-22%
Total third parties	976.7	571.0	586.0	(405.7)	-42%	15.0	3%
Total trade payables	**999.9**	**575.0**	**591.3**	**(424.8)**	**-42%**	**16.3**	**3%**
% of total liabilities	17%	10%	11%	-7%	-40%	1%	5%
Turnover days	59	36	35	(23)	-39%	(1)	-3%

Overview

The Company informed us that most of the Group’s payment terms from suppliers are typically 30 days, but some have 60 day terms.

During FY18, the Group’s average TP turnover days was 59 days, as the Group stretched its payments to suppliers as a result of pressure on its cashflow resulting from an increase in raw material prices and the depreciation of IDR against USD (please refer to page 18).

The Group then repaid suppliers on more typical terms in FY19 when prices and the IDR exchange rate stabilized which caused the trade payables balance to decrease dramatically in FY19.

As explained on page 25, raw material prices gradually started to increase again starting in late FY19. However, the Company advises that, because the IDR only slightly depreciated against the USD by the end of FY20, the effect on the Group’s cashflows was not significant, and therefore the Group did not renegotiate its payment terms with its suppliers. We note however, that the group had insufficient cash flow during this period to pay its outstanding 2018 Notes.

Due to the nature explained above, TP is included in our net working capital calculations on page 38.

The Company advises that the Group does not maintain any TP aging data as it pays all of its payables on or before the invoice due date.

Source: Consolidated financial statements of CPP as of 31 December 2018 (audited), 31 December 2019 (audited), 31 December 2020 (unaudited); Management information. We have not adjusted for rounding differences.

Other current liabilities (1/2)

PT Central Proteina Prima Tbk

Other payables - third parties

				Difference			
	FY18	FY19	FY20	FY19 - FY18		FY20 - FY19	
IDR billion	**Audited**	**Audited**	**Unaudited**	**Amount**	**%**	**Amount**	**%**
PT Shrimp Improvement System Bali	32.4	29.7	22.4	(2.8)	-9%	(7.3)	-24%
Provision for repayment of farmers' bank loans	34.3	4.9	-	(29.4)	-86%	(4.9)	-100%
PT Central Daya Energi	34.9	-	-	(34.9)	-100%	-	-
Others (each below Rp10,000)*	210.9	197.4	215.6	(13.5)	-6%	18.2	9%
Total	**312.5**	**231.9**	**238.1**	**(80.6)**	**-26%**	**6.1**	**3%**

Note: * Mostly consist of customer guarantee, freight payables, payable related to imported goods, sparepart payables and outsourcing fee payables.

Other payables – third parties

Other payables includes prepayment to PT Shrimp Improvement Systems Bali ("SIS Bali") for terminated land lease agreement.

In FY19, the provision for repayment of farmers' bank loans related to an amount owed to PT Bank IBK Indonesia Tbk amounting to IDR4.9 billion in connection with the change of shrimp farming scheme at PT Wachyuni Mandira. This facility was fully settled in February 2020.

Both prepayment and provision for repayment are non-operational related and hence, are not included as one of working capital items.

PT Central Proteina Prima Tbk

Accrued expenses

				Difference			
	FY18	FY19	FY20	FY19 - FY18		FY20 - FY19	
IDR billion	**Audited**	**Audited**	**Unaudited**	**Amount**	**%**	**Amount**	**%**
Bond interest and penalty	-	187.0	405.3	187.0	100%	218.3	117%
Promotion, supporting facility, sales incentive and commission	3.7	21.0	43.4	17.3	469%	22.4	107%
Electricity and water	10.5	8.7	9.0	(1.8)	-17%	0.3	4%
Others (each below Rp10,000)	34.7	34.5	27.7	(0.3)	-1%	(6.7)	-20%
Total	**48.9**	**251.1**	**485.4**	**202.2**	**414%**	**234.2**	**93%**

Accrued expenses

This primarily consists of 2018 Notes interest and penalty amounting to IDR405.3 billion as of 2020 (please refer to page 42 for further information). As this amount is proposed to be waived in the 2018 Notes restructuring, we have excluded this from the working capital calculation.

Operational related accruals in relation to promotions, supporting facilities, sales incentives and commissions, are included as potential adjustments on the net working capital calculations on page 38. The Group has excluded it previously.

PT Central Proteina Prima Tbk

Short-term employee benefit liabilities

				Difference			
	FY18	FY19	FY20	FY19 - FY18		FY20 - FY19	
IDR billion	**Audited**	**Audited**	**Unaudited**	**Amount**	**%**	**Amount**	**%**
Accrued severance payment	14.4	38.5	0.1	24.1	100%	(38.4)	-100%
Others	3.9	3.2	57.6	(0.7)	100%	54.4	1696%
Total	**18.3**	**41.7**	**57.7**	**23.4**	**100%**	**16.0**	**38%**

Short-term employee benefit liabilities

The Company provides a defined benefit scheme which is not funded, for those employees reaching the retirement age of 55 in accordance with Labor Law No. 13/2003 dated March 25, 2003 (UU No. 13/2003) and recognizes the liability for these employee benefits in accordance with PSAK 24 (Revised 2013), "Post Employment Benefits".

Employee benefits liability as of 31 December 2019 was determined on the basis of actuarial valuations performed by PT Milliman Indonesia, dated 23 June 2020 using the "projected unit credit" method.

As the nature of this account is not related to normal business operation activities, it is not included as net working capital items.

Source: Consolidated financial statements of CPP as of 31 December 2018 (audited), 31 December 2019 (audited), 31 December 2020 (unaudited); Management information. We have not adjusted for rounding differences.

Other current liabilities (2/2)

PT Central Proteina Prima Tbk

Advances from customers

				Difference			
	FY18	FY19	FY20	FY19 - FY18		FY20 - FY19	
IDR billion	Audited	Audited	Unaudited	Amount	%	Amount	%
Advances from customers	-	21.8	13.9	21.8	100%	(7.9)	-36%
Total	**-**	**21.8**	**13.9**	**21.8**	**100%**	**(7.9)**	**-36%**

Advances from customers

The nature of advances from customers is related to normal business operations and therefore, it is included as a potential adjustment in the net working capital calculation on page 38. The Group has excluded it previously.

PT Central Proteina Prima Tbk

Taxes payable

				Difference			
	FY18	FY19	FY20	FY19 - FY18		FY20 - FY19	
IDR billion	Audited	Audited	Unaudited	Amount	%	Amount	%
The Company							
Income Tax							
Article 4(2)	0.1	0.0	0.1	(0.1)	-68%	0.1	156%
Article 21	2.7	2.0	2.5	(0.8)	-28%	0.5	25%
Article 22	0.1	0.2	0.0	0.0	38%	(0.1)	-91%
Article 23	0.2	0.3	0.4	0.1	37%	0.1	26%
Article 26	-	-	0.0			0.0	100%
Value-added tax	5.0	1.4	10.6	(3.7)	-72%	9.2	660%
Total taxes payable for the Company	8.3	3.9	13.6	(4.4)	-53%	9.7	251%
Subsidiaries							
Income Tax							
Article 4(2)	0.1	0.0	0.1	(0.1)	-80%	0.0	172%
Article 15	0.1	0.1	0.1	0.0	5%	(0.0)	-4%
Article 21	2.5	1.7	2.5	(0.8)	-33%	0.8	46%
Article 22	0.1	0.3	0.9	0.1	90%	0.6	213%
Article 23	0.7	1.5	2.1	0.8	128%	0.6	38%
Article 25	1.9	0.1	0.4	(1.8)	-96%	0.3	473%
Article 29	2.6	5.1	32.6	2.5	95%	27.5	533%
Final tax PP 23	-	0.3		0.3	100%	(0.3)	-100%
Value-added tax	0.3	2.3	3.2	2.0	728%	0.9	40%
Foreign tax	0.0	0.0	0.0	-	-	0.0	121%
Total taxes payable for subsidiaries	8.3	11.4	41.8	3.0	36%	30.4	268%
Total taxes payable	**16.6**	**15.2**	**55.3**	**(1.4)**	**-8%**	**40.1**	**264%**

Source: Consolidated financial statements of CPP as of 31 December 2018 (audited), 31 December 2019 (audited), 31 December 2020 (unaudited); Management information. We have not adjusted for rounding differences.

Taxes payable

This line item primarily comprised of tax payable Article 21, Article 29 (Corporate Income Tax or "CIT") and VAT of the Group.

It has increased in FY20 due to primarily increase in Article 29 and VAT, in line with increasing revenue and pre-tax income during FY20 as set out on page 26.

The nature of this line item meets the criteria of net working capital items, such as:

i. Related to normal business operations activities;
ii. Recurring every year; and
iii. Changes in this line item resulting in short-term cashflows.

Hence, taxes payable should be included as a potential adjustment in the net working capital calculation on page 38. The Group excluded it previously.

FY18, FY19 & FY20 cash flow

PT Central Proteina Prima Tbk
FY18, FY19, and FY20 cash flow statement

				Difference		
	FY18	FY19	FY20	FY20 - FY19		Ref
IDR billion	**Audited**	**Audited**	**Unaudited**	**Amount**	**%**	
Cashflow from operating activities						
Receipts from customers	7,456.8	7,338.5	7,607.3	268.8	4%	
Payments to suppliers	(6,107.0)	(6,016.6)	(6,075.2)	(58.6)	1%	
Payments for operating expense	(471.5)	(439.8)	(286.0)	153.8	-35%	
Payments to employees	(458.4)	(414.3)	(406.0)	8.3	-2%	
Cash generated from operations	**419.8**	**467.8**	**840.1**	**372.3**	**80%**	**A**
Receipts of finance income	4.0	2.1	2.1	(0.1)	-4%	
Payments of corporate income taxes	(56.1)	(35.6)	(24.9)	10.7	-30%	
Payments of final tax	(0.0)	(1.6)	-	1.6	-100%	
Payments of interest expense	(328.4)	(201.2)	(153.7)	47.5	-24%	B
Claims for tax refund	37.3	111.8	25.9	(85.9)	-77%	
Other receipts - net	33.3	15.5	78.8	63.3	409%	C
Net cashflows provided (used) in operating activities	**109.8**	**358.9**	**768.4**	**409.5**	**114%**	
Cashflow from investing activities						
Proceeds from sale of fixed assets	5.4	1.6	0.0	(1.5)	-98%	
Acquisitions of fixed assets	(59.5)	(43.4)	(119.3)	(75.9)	175%	D
Acquisitions of investment property	(0.6)	-	-	-	-	
Net cashflows provided (used) in investing activities	**(54.6)**	**(41.8)**	**(119.3)**	**(77.5)**	**185%**	
Cashflow from financing activities						
Proceeds from:						
Short-term bank loans	479.9	278.0	273.6	(4.4)	-2%	E
Related parties	7.6	20.8	15.6	(5.2)	-25%	
Long-term debts - others	-	0.2	-	(0.2)	-100%	
Long-term bank loans	10.0	-	-	-	-	
Payments for:						
Short-term bank loans	(414.5)	(362.4)	(469.2)	(106.8)	29%	E
Long-term bank loans	(173.1)	(224.4)	(279.8)	(55.4)	25%	E
Related parties	(81.6)	(14.4)	(23.0)	(8.6)	60%	
Long-term debts - others	(0.1)	-	-	-	-	
Lease liabilities	-	-	(45.4)	(45.4)	-100%	F
Payment of consent fee	(290.3)	-	-	-	-	
Liquidation (placement) of restricted financial assets	(43.7)	1.6	45.4	43.8	2674%	E
Net cashflows provided (used) in financing activities	**(505.8)**	**(300.6)**	**(482.8)**	**(182.1)**	**61%**	
Net increase (decrease) in cash and cash equivalents	**(450.6)**	**16.4**	**166.3**	**149.9**	**912%**	
Net effects of forex in cash and cash equivalents	23.1	(2.3)	0.7	3.0	-131%	
Beginning cash balance	542.7	115.3	129.4	14.1	12%	
Ending cash balance	**115.3**	**129.4**	**296.5**	**167.0**	**129%**	

Source: Consolidated financial statements of CPP as of 31 December 2018 (audited), 31 December 2019 (audited), 31 December 2020 (unaudited); Management information. We have not adjusted for rounding differences.

A The Group generated positive cash flows from operations, with higher cash generated in FY20 mainly due to:

i. IDR268.8 billion higher receipts from customers as a result of increased net sales and lower turnover days;

ii. Lower payments for operating expenses driven by lower marketing and travelling expenses due to COVID-19 as explained on page 26; and

iii. Payment of lease related to PSAK 73 implementation amounting to IDR45.4 billion, which was previously an operating cashflows item, was moved to financing cashflows in FY20 as stated in point F.

B Payments for interest expense decreased mainly due to the Group having steadily reduced the balance on, and ultimately closing, several of its long-term bank facilities as and when payments came due, as well as reducing several of its working capital facilities (please refer to page 41).

C The Group received claims amounting to a total IDR57.8 billion in FY20, with IDR56.4 billion due to a fire accident on 28 April 2020 as explained on page 29, which impacted the Company's and CWS's inventories and fixed assets in Sidoarjo; and the remaining from CPP Lampung.

D In FY19, the Group recorded IDR43.4 billion in Capex for maintenance, such as for office renovations and maintenance of hatcheries. In FY20, the Group paid IDR119.3 billion comprising of IDR31.5 billion for maintenance and IDR87.8 billion for expansion which mainly comprised of:

i. Additional extruders mainly for the pet food business amounting to IDR36.7 billion;

ii. Warehouse replacement cost due to the fire amounting to IDR 30.9 billion; and

iii. New warehouse construction amounting to IDR8.6 billion.

E The Group recorded net repayment of bank loans in FY19, FY20, amounting to IDR308.8 billion and IDR475.3 billion, respectively as the Group repaid several term loan installments and decreased its working capital facilities as stated in Appendix 3 and page 41 for more details. This closure has also resulted in cash being released from the restricted accounts as explained in point A on page 27.

F As a result of PSAK 73 implementation in FY20, payments for rental expense was recorded as cash outflow for financing activities.

Working capital

Net working capital

PT Central Proteina Prima Tbk

Net working capital

IDR billion	Ref	FY18 Audited	FY19 Audited	FY20 Unaudited	Average
Working capital items					
Trade receivables, net		692.5	514.3	497.5	
Inventories		841.0	770.3	683.4	
Biological assets		30.0	17.1	13.2	
Advances, prepaid taxes and expenses		108.3	57.8	65.1	
Less:					
Trade payables		(999.9)	(575.0)	(591.3)	
Net working capital		**672.0**	**784.3**	**668.0**	**708.1**
Add (less) potential adjustments:					
Accrued expenses (operational related)	A	(3.7)	(21.0)	43.4	
Advances from customers	B	-	(21.8)	(13.9)	
Taxes payable	C	(16.6)	(15.2)	(55.3)	
Adjusted net working capital requirements		**651.7**	**726.4**	**642.1**	**673.4**
Add (less) other items to consider:					
Allowance for doubtful accounts	D	-	-	(34.0)	
Total adjusted net working capital requirements		**651.7**	**726.4**	**608.0**	**662.0**
Available source of working capital fundings:					
Cash and cash equivalents (excluding restricted financial assets)		115.3	129.4	296.5	
Adjusted cash and cash equivalents		**115.3**	**129.4**	**296.5**	
% of funding to (additional) adjusted net working capital requirements		**18%**	**18%**	**49%**	**28%**
Working capital metrics - turnover days					
Trade receivables (days)		34	26	24	28
Inventories and biological asset (days)		52	49	41	47
Advances and prepaid expenses (days)		6	4	4	5
Less:					
Trade payables (days)		59	36	35	43
Net cash conversion days		**33**	**43**	**34**	**37**

Potential adjustments

Based on our analysis on the preceding pages, we have made several adjustments to include accounts that relate to normal business operations and which changes result in changes in short-term cashflows, as potential adjustments:

A. **Accrued expenses** amounting to IDR43.4 billion in FY20;
B. **Advances from customers** amounting to IDR13.9 billion in FY20;
C. **Taxes payable** amounting to IDR55.3 billion in FY20.

Other items to consider

D. **Allowance for TR**: As explained on page 28, the Group has only reserved half of total TR with more than 180 days of overdue. As this amount has a high risk in terms of collectability, thus the remaining amount could be considered to be included as additional allowance for TR.

Level of working capital and sources of funding

Based on the beside table, it can be observed that during FY19 and FY20, adjusted working capital requirements ranged between IDR642.1 billion to IDR726.4 billion or slightly lower than the Group's calculations excluding adjustment items and other items to consider which ranged between IDR668.0 billion to IDR784.3 billion.

We note that adjusted cash and cash equivalents as the available funding source of working capital only covers 18% and 49% of working capital requirements in FY19 and FY20, respectively.

Cash conversion cycle

In FY18-FY20, TR turnover days ranged between 24 to 34 days, in line with the average terms of customer payments of 30 days (see page 28).

Inventories and biological assets turnover days consistently decreased from 52 to 41 days, reducing the risk of inventory obsolescence over the last three years.

While advances and prepaid expenses turnover days slightly decreased from 6 to 4 days, TP turnover days recorded significant change from 59 days in FY18 to 35 days in FY20, indicating faster payments to suppliers.

Average cash conversion cycle of 37 days resulted from combination of faster TR and inventories & biological assets turnover days and offset by significantly faster TP turnover days. If the Group could re-negotiate the terms of payment to its suppliers or pay longer within the normal terms of payment of 30-60 days, the average cash conversion days could be lowered, increasing short-term free cash.

Source: Consolidated financial statements of CPP as of 31 December 2018 (audited), 31 December 2019 (audited), 31 December 2020 (unaudited); Management information. We have not adjusted for rounding differences.

Loans

Borrowing facilities and repayment

1. Related parties loan

PT Central Proteina Prima Tbk

Due to related parties

IDR billion	FY18 Audited	FY19 Audited	FY20 Unaudited	Nature	Interest
PT Charoen Pokphand Indonesia Tbk	180.3	197.2	197.2	In relation to business structure restructuring that occurred during 2006-2007	No interest charged
PT Sinar Hidup Satwa	1.9	7.0	7.5	In regards of business operations of the Group	No interest charged
PT Sumber Hidup Satwa	6.1	5.6	0.3	In regards of business operations of the Group	No interest charged
PT Kalma Prima Jaya	1.1	3.4	(0.0)	In regards of business operations of the Group	No interest charged
Others (each less than IDR1 billion)	0.2	0.0	0.0	In regards of business operations of the Group	No interest charged
Total due to related parties	**189.6**	**213.2**	**205.1**		
% of total liabilities	**3%**	**4%**	**4%**		

Overview

The Group recognizes loans from several related parties, including PT Charoen Pokphand Indonesia, PT Sinar Hidup Satwa, PT Sumber Hidup Satwa, PT Kalma Prima Jaya, and others. All of these loans are to help fund the Group's operations and will be repaid as and when these come due, except for the loan from PT Charoen Pokphand Indonesia Tbk, which was due to a restructuring of the business that occurred during 2006 - 2007.

Related party loans comprise 3% of the Group's total liabilities in FY18, and have increased to 4% of the Group's liabilities in FY19 and FY20.

The Group has confirmed that no interest is charged on any of these loans and therefore, no extra burden from these loans in terms of interest expense.

Source: Consolidated financial statements of CPP as of 31 December 2018 (audited), 31 December 2019 (audited), 31 December 2020 (unaudited); Management information. We have not adjusted for rounding differences.

Borrowing facilities and repayment

2. Third parties loan – bank loans

Bank loans

No	Lender	Type	Borrower	Number of facilities as of Dec-18	Number of facilities as of Dec-20	Limit as of Dec 20	Outstanding amount as of Dec-18	Outstanding amount as of Dec-19	Outstanding amount as of Dec-20	Change	Utilization	NBV of assets pledged (Note 1)	MV of assets pledged (Note 2)	Loan-to-value	Ref
in equivalent IDR billion, or otherwise stated						a	b	c	d	e=(d-b)	d/a		f	d/f	
1	LPEI	Short-term	CPP & CPB	5	5	928.2	701.9	623.1	542.4	(159.5)	58%	1,198.5	n/a	n/a	
		Long-term	CPP & CPB	4	1	25.0	114.7	66.9	25.0	(89.7)	100%				
		Total		**9**	**6**	***953.2***	***816.6***	***690.0***	***567.4***	***(249.2)***	***60%***				
2	CIMB Niaga	Short-term	CPP & CPB	2	1	320.0	307.7	309.7	169.8	(137.8)	53%	722.4	650.4	26%	
		Long-term	CPB	2	0	-	216.5	133.7	-	(216.5)	0%				
		Total		**4**	**1**	***320.0***	***524.2***	***443.4***	***169.8***	***(354.4)***	***53%***				
3	DBSi	Short-term	CPP & CPgP	1	1	280.9	238.9	212.0	240.6	1.7	86%	649.2	450.8	53%	
4	BRI Agroniaga	Short-term	CPgP	4	4	242.6	207.2	207.5	198.5	(8.7)	82%	95.6	359.2	55%	
		Long-term	CPgP	1	0	-	1.6	-	-	(1.6)	0%				
		Total		**5**	**4**	***242.6***	***208.8***	***207.5***	***198.5***	***(10.3)***	***82%***				
5	BRI	Long-term	CPP	2	0	-	113.8	46.9	-	(113.8)	0%	381.6	234.9	-	**A**
6	QNBi	Long-term	CPP	1	1	94.7	96.3	67.7	40.6	(55.7)	43%	120.7	154.0	26%	
7	KEB Hana	Short-term	CPP	1	0	-	9.4	7.6	-	(9.4)	0%	292.8	18.4	33%	
		Long-term	CPP	1	1	10.0	10.0	8.0	6.0	(4.0)	60%				
		Total		**2**	**1**	***10.0***	***19.4***	***15.6***	***6.0***	***(13.4)***	***60%***				
	Total short-term loan			**13**	**11**	**1,771.6**	**1,465.1**	**1,359.9**	**1,151.3**	**(313.7)**	**65%**				
	Total long-term loan			**11**	**3**	**129.7**	**552.9**	**323.2**	**71.6**	**(481.3)**	**55%**				
	Unamortized provision of long-term bank loans						(1.8)	(0.9)	(0.2)						
	Total long-term loan, net					**129.7**	**551.1**	**322.3**	**71.4**	**(479.7)**	**55%**				
	Total bank loans			**24**	**14**	**1,901.3**	**2,016.2**	**1,682.2**	**1,222.7**	**(793.5)**	**-42%**				

Note: 1) Net book value as of 31 October 2020, 2) Market value based on the latest valuation reports provided as per listing on Appendix 3.

Overview

The Group had outstanding bank loans as of 31 December 2020 amounting to IDR1,222.9 billion, of which the majority (94%) were short-term.

As of FY20, the Group was indebted to LPEI (46% of outstanding loan), DBSi (20%), CIMB Niaga (14%), BRI Agroniaga (16%), and QNBi (3%). For these facilities, the loan to value was within the range of 26%-55%. For details regarding the assets pledged to each bank, please refer to Appendix 3.

A These facilities were liabilities which resulted from the crystallization of ex-plasma farmers loan for which the Group had provided guarantees.

Since FY18, the Group has closed 8 long-term and 2 short-term bank loan facilities. Among these, only two long-term facilities were for investment purposes, which were the BRI Agroniaga and LPEI investment loans intended for CPgP and CPB and were closed as the Group has made the final instalments.

The remaining facilities were originally for working capital which were closed as the banks assumed lower working capital required by the Group resulting from the Nucleus – Plasma Partnership termination. Upon agreement following the banks' request for closure, 6 working capital facilities were converted to term loans with a fixed repayment schedule and were subsequently reclassified classified as long-term loans. For more details regarding the facilities that were closed, please refer to Appendix 3 on page 107. Based on its financial projections, the Company believes the current working capital facilities are sufficient to finance the Group's future working capital requirements.

Total assets amounting to a total net book value of IDR381.6 billion previously pledged to BRI, are no longer encumbered as a result of the closure of BRI facilities and no more outstanding amount remained. However, management informed that these assets are not attractive as security to banks when seeking new loan facilities, as banks find the location of the assets to be secluded and difficult to enforce on. A listing of the Group's pledged assets is set out in Appendix 3.

Source: Consolidated financial statements of CPP as of 31 December 2018 (audited), 31 December 2019 (audited), 31 December 2020 (unaudited); Management information. We have not adjusted for rounding differences.

Borrowing facilities and repayment

2. Third parties loan – notes payable

Notes payable							
No	Lender	Type	Borrower	Limit as of Dec 20	Outstanding amount as of		
					Dec-18	Dec-19	Dec-20
in equivalent IDR billion, or otherwise stated				a	b	c	d
1	New Noteholders	Long-term	BOR	2,047.6	2,352.7	2,258.4	2,291.6
	Total notes payable			**2,047.6**	**2,352.7**	**2,258.4**	**2,291.6**

Notes payable	IDR billion
Principal	**2,055.8**
Deferred interest	
30 June 2017	72.0
31 December 2017	74.8
30 June 2018	44.1
31 December 2018	44.9
Total deferred interest	235.8
Total bonds payable principal (as reported in unaudited FY20)	**2,291.6**
Coupons not paid	
30 June 2019	91.9
31 December 2019	90.3
30 June 2020	92.9
31 December 2020	91.7
Total unpaid coupons (as of 31 December 2020)	366.7
Penalties on unpaid bond principal & semiannual interest	
31 December 2019	6.3
30 June 2020	13.1
31 December 2020	19.3
Total penalties (as of 31 December 2020)	38.6
Total coupons and penalties (as reported under accrued expenses in unaudited FY20)	**405.3**

Overview

The Group issued the 2018 Notes in 26 July 2018 in exchange for the 2013 Notes, as part of the 2018 Scheme of Arrangement. The 2018 Notes were scheduled to mature on 31 December 2021, with repayment schedule as follows:

Interest

- FY17: 1% cash interest and 7% to be capitalized to the principal,
- FY18: 4% cash interest and 4% capitalized,
- FY19 until maturity: 8% cash interest paid semi-annually on June 30 and December 31

Principal

- 2.5% paid semi-annually starting 30 June 2019 until 30 June 2021 and the remaining balance on maturity date

On June 2018, the Group made payment for interest which was due on 30 June 2017, 31 December 2017, 30 June 2018, and penalty for late interest payment amounting to USD4.7 million. This was all paid at once as a result of the timing of the completion of the restructuring of the 2013 Notes. In December 2018, the Group paid bond interest due 31 December 2018 amounted to USD3.2 million. However, we note that the Group did not make semi-annual bond interest due 30 June 2019 onwards with total outstanding coupons amounting to IDR366.7 billion. This resulted in penalties amounting to IDR38.6 billion. In the RSA, the outstanding coupons and penalties are proposed to be waived.

Source: Consolidated financial statements of CPP as of 31 December 2018 (audited), 31 December 2019 (audited), 31 December 2020 (unaudited); Management information. We have not adjusted for rounding differences.

Financial and technical covenants

Bank	Ratio	Requirements			Borrower	FY18	FY19	FY20
LPEI	Current ratio	≥	1.0	Annually	CPP (consolidated)	🟧 0.61	🟧 0.31	🟧 0.32
					CPB	🟧 0.68	🟧 0.56	🟧 0.70
	Interest service ratio	≥	2.0	Annually	CPP (consolidated)	🟧 1.50	🟧 1.71	🟩 2.13
					CPB	🟩 3.87	🟩 3.48	🟩 7.80
	(Trade receivable + inventory + advances)/ (short term bank loan)	≥	1.25	Annually	CPP (consolidated)			🟧 1.07
CIMB Niaga	Interest service coverage ratio	≥	2.0	Annually	CPP (consolidated)	🟧 1.50	🟧 1.71	🟩 2.13
	Leverage ratio (debt to equity ratio)	≤	3.5	Annually in FY18-19	CPP (consolidated)	🟧 5.80	🟧 11.96	🟧 8.73
		≤	3.2	Annually in FY20	CPP (consolidated)			
	(Trade Receivable +Inventory)/ (Trade Payable +Short term bank loan)	≥	1.0	Annually	CPP (consolidated)	🟧 0.57	🟧 0.57	🟧 0.64
					CPB	🟧 0.62	🟧 0.51	🟧 0.55
	Debt service coverage ratio	≥	1.0	Annually	CPP (consolidated)	🟩 1.01	🟩 1.06	🟩 1.15
					CPB	🟩 1.38	🟧 0.91	🟧 0.96
DBSi	EBITDA/Interest expense	≥	1.5	Biannually	CPP (consolidated)	🟩 1.50	🟩 1.71	🟩 2.13
	Gearing ratio	≤	3.0	Biannually	CPP (consolidated)	🟧 5.80	🟧 11.96	🟧 5.68
QNBi	Current Ratio	≥	1.0	Annually	CPP (consolidated)	🟧 0.61	🟧 0.31	🟧 0.32
	Debt service coverage ratio	≥	1.0	Quarterly	CPP (consolidated)	🟩 1.01	🟩 1.06	🟩 1.15
	Debt to equity ratio	≤	3.0	Quarterly, FY18	CPP (consolidated)	🟩 2.99		
		≤	6.0	Quarterly, FY19-20	CPP (consolidated)		🟧 11.96	🟩 5.61
BRI Agroniaga	Debt to equity ratio	≤	4.0	Annually	CPgP	🟩 0.94	🟩 0.80	🟩 0.75
	Current ratio	≥	1.5	Annually		🟧 1.46	🟩 1.62	🟩 1.55

🟧 Breach of covenants

🟩 Comply with covenants

Overview

The Group breached most of the required covenants in FY18-FY20. However, the Company informed us that the Group has received waivers from each of the banks for each instance of non-compliance through FY18-FY20.

Source: Consolidated financial statements of CPP as of 31 December 2018 (audited), 31 December 2019 (audited), 31 December 2020 (unaudited); Management information. We have not adjusted for rounding differences.

Ratio analysis

Key financial ratios

Key financial ratios	CPP Consolidated			Industry average*		
	FY18 Actual	FY19 Actual	FY20 Actual	FY18 Actual	FY19 Actual	FY20 Actual
Liquidity ratios						
Current ratio	0.6	0.3	0.3	1.5	1.1	1.1
Quick ratio	0.3	0.1	0.2	0.5	0.5	0.5
Capital structure and long term solvency ratios						
Debt to Equity ratio	8.7	17.2	8.7	1.2	1.2	1.6
Gearing ratio	5.3	12.0	5.5	0.5	0.7	1.0
Interest coverage ratio	1.4	1.6	2.1	3.3	2.8	2.6
Debt service coverage ratio	0.6	0.8	0.9	1.4	1.1	0.7
Total borrowings to EBITDA ratio	6.7	6.3	4.3	2.7	3.9	4.6
Return on investment ratios						
Return on Assets	26%	-6%	5%	4%	3%	2%
Return on Equity	255%	-106%	49%	10%	8%	5%
Profitability ratios						
Gross margin	17%	19%	18%	16%	15%	14%
EBITDA margin	7%	9%	11%	7%	6%	7%
Net profit margin	23%	-5%	4%	3%	2%	2%

*Note: * Industry average number were taken from 5 competitors of relatively similar nature as detailed on Appendix 4*

Set out above are key financial ratios in FY18, FY19, and FY20 for the Group's compared to the industry average We enclosed each of the competitors' ratios and description that made up the industry average figure in Appendix 4.

- **Liquidity ratios:** Overall results of below 1 indicate a low level of liquidity to cover the Group's current obligations. Significant decrease from FY18 to FY19 was driven by the default on the 2018 Notes during FY19 which resulted in cross-defaults on the bank loans causing the 2018 Notes and the bank loans to be reclassified to current liabilities. We note that the Group's ratios were below the industry average each year, which may indicate higher working capital requirement compared to its industry peers.
- **Capital structure and long term solvency ratios:**
  - Debt to equity and gearing ratios decreased significantly from FY19 to FY20. The decrease was primarily driven by the closure of some of its working capital facilities and long-term bank loans repayment (refer to Appendix 3) as well as greater net income which results in an increase in equity. Despite the improvement, the ratios indicate that the Group still has a highly leveraged balance sheet, especially when compared to the industry average with debt to equity ratio of less than 1.5 and gearing ratio less than 1. This was mainly due to the Group having a substantial amount of bank loans and notes outstanding as compared to the industry average.

Capital structure and long term solvency ratios (cont.):

  - Interest coverage, debt service coverage and total borrowings to EBITDA have all improved in FY20 primarily as a result of improvements in EBITDA/profitability. Compared to the industry average, the Group recorded worse results within the last three years, primarily driven by the larger amount of bank loans and notes payable reported on its balance sheet.

- **Return on investment ratios:** Increased return on investment ratios in FY20 were largely due to improvements in the Group's financial performance as it recorded net income in FY20 as compared in FY19 where the Group had reported net loss. The Group also recorded higher return than industry average, which was at 5% and 2-4% for return on equity and asset, respectively.
- **Profitability ratios:**
  - Net profit margin increased due to lower SG&A and other operating expenses in FY20, as well as the absence of the amortization expense on the 2018 Notes in FY20, as explained on page 26. Net profit margin at 4% was higher than the industry at 2% in FY20.
  - Gross margin has remained relatively stable across FY19 – FY20 and greater than the industry average.
  - Through FY18-FY20, EBITDA margin has also increased which shows the Group's operations remain viable.

Source: Consolidated financial statements of CPP as of 31 December 2018 (audited), 31 December 2019 (audited), 31 December 2020 (unaudited); Management information. We have not adjusted for rounding differences.
Notes: 1) Gearing = Interest bearing debt/ equity

Projected financial performance

Basis of preparation

Basis of preparations

The Company has prepared financial projections for FY20-FY25 on the basis of FY19 projected figures where were based on management's estimates during the time when the Projections was developed. Thus, the projection do not take into account FY19 nor FY20 actual financial performance of the Group.

We have simulated the projections based on application of the Company's assumptions to the FY20 actual results. The results of this simulation are presented on page 52 of this report.

The Company has requested that its original version of the projections be used for purposes of this report, as this is the version upon which the term sheet and RSA were developed.

Basis of preparations of the Financial Projections

As the Group is currently aiming to restructure the 2018 Notes as a Scheme of Arrangement in Singapore, the Financial Projections was prepared pursuant to the proposed 2021 Scheme.

The Projections, which set out a 6-year time frame (2020 – 2025) and underpinned by the 2019 (projected) as its base year, and has been broken down into quarterly periods, in line with the payment periods proposed in the RSA. The 2019 projected figures are based on the Company's projections for the full year, based on its results through the second quarter of 2019.

Management has explained that the Projections were prepared in 3Q19 in relation to initial discussion for restructuring the 2018 Notes. The FY19P figures were based on management's estimate. The signed Term Sheet and RSA were developed based on these projections.

The assumptions used and the calculations made in the model were developed by the management of the Group.

Revenue projections have been prepared in a "bottom-up" approach in which revenue calculation is a function of sales volume multiplied by ASP. This approach does not include the Group's market share as parts of its projected revenue driver. Instead, revenue, like most of the other line items in the projections, is projected by the Company to grow in a linear manner across the Projected Period.

KPMG comments

- The Company has not provided updated projections which take into account the FY19 and FY20 actual figures To mitigate and quantify this gap, KPMG has simulated the projections during the Projected Period based on FY20 actual results. A table setting out the impact to the projections is set out on page 52 of this report.
- As the FY19P numbers were based on management's best estimate during 3Q19 when the Projections were being developed, these base year numbers do not represent actual achievements and conditions during FY19A.
- The Company's projections are created based on each of its individual product segments. However, at the request of the Company, for purposes of this report, these have been aggregated into segments in line with what is presented in the Group's financial statements due to concerns around disclosing market sensitive information.
- We also found many inconsistencies in the formulas used to generate the FY20P numbers arising from some numbers were calculated based on their expected relationship to the FY19P numbers and others were hardcoded numbers based on management's best estimate of the 2020 performance. The Company has provided explanations for these differences which we detail in the assumptions section.
- We noted that the Group has historically produced below its installed capacity and thus, it has the ability to increase its production volume for most of its products, namely shrimp feed, food products and shrimp fries. We have provided our commentaries on projected sales volumes and its reasonableness based on historical production and available capacity in the assumptions section on pages 54 to 57.
- As the quarter-to-quarter fluctuations are typically not significant, our analysis is focused on the annual Projections as the starting point. Further analysis on the quarterly projections are set out in Appendix 1.

The impact of difference base year on the Financial Projections (1/2)

Difference in base year impact

IDR billion	FY19	FY20	FY21P	FY22P	FY23P	FY24P	FY25P	Total cumulative projected
Revenue								
Default base year (2019P & 2020P)	7,366.9	7,704.3	8,055.6	8,335.8	8,533.7	8,836.2	9,149.4	42,910.6
FY19A & FY20A	7,175.8	7,576.8	8,013.5	8,292.9	8,495.4	8,797.6	9,110.5	42,709.9
Difference	**(191.1)**	**(127.5)**	**(42.0)**	**(42.9)**	**(38.3)**	**(38.6)**	**(38.8)**	**(200.7)**
Gross profit								
Default base year (2019P & 2020P)	1,348.7	1,369.8	1,460.0	1,503.3	1,537.9	1,592.5	1,644.5	7,738.2
FY19A & FY20A	1,341.7	1,358.9	1,470.2	1,513.1	1,548.5	1,603.7	1,655.8	7,791.4
Difference	**(7.0)**	**(10.9)**	**10.2**	**9.8**	**10.6**	**11.2**	**11.3**	**53.2**
Operating profit								
Default base year (2019P & 2020P)	576.5	366.2	561.0	561.1	554.6	564.1	568.8	2,809.6
FY19A & FY20A	400.8	627.2	654.9	657.4	656.1	670.9	680.6	3,319.9
Difference	**(175.6)**	**261.0**	**93.8**	**96.3**	**101.5**	**106.8**	**111.9**	**510.3**
Total net income & comprehensive income								
Default base year (2019P & 2020P)	(136.8)	1,630.8	199.3	208.0	214.5	238.6	265.6	1,125.9
FY19A & FY20A	(344.9)	308.9	438.7	457.1	316.0	345.4	377.5	1,934.7
Difference	**(208.0)**	**(1,321.9)**	**239.5**	**249.2**	**101.5**	**106.8**	**111.9**	**808.8**
EBITDA								
Default base year (2019P & 2020P)	602.2	501.4	677.6	688.4	686.8	699.8	708.5	3,461.0
FY19A & FY20A	620.8	817.2	783.8	798.6	802.1	820.5	834.3	4,039.3
Difference	**18.6**	**315.8**	**106.2**	**110.2**	**115.4**	**120.7**	**125.8**	**578.3**

Source: Management information, Financial Projections. We have not adjusted for rounding differences.
Note: The FY20A simulation was done by changing the assumptions in the Financial Projections using the actual results of FY20A. We did not change any other non-profit and loss assumptions, formula calculations, or logical integrity used in the Projections.

As the Financial Projections used the FY19P as its base year, we have done a simulation to see the impact on the Projections had the FY20A results been used as the baseline figures while keeping all other assumptions, including working capital levels, the same. Even though the default base year (FY19P) assumptions result in greater forecasted revenue, the forecasted EBITDA would be substantially better had the FY20A figures been used. This was partly due to the default base year had not taken into account items which drove SG&A expenses lower in FY20 actual, including (i) the implementation of PSAK 73 in FY20 which resulted in IDR45.0 billion in annual rental expenses no longer being recorded in the profit and loss and (ii) lower travelling expenses arising from large scale social restrictions in regards to the COVID-19 pandemic, thus actual EBITDA in future years might be greater than projected. We note that the RSA's definition of EBITDA allows for an exception for differences caused by PSAK 73.

We note that, had the FY20A numbers been applied, the Group would have projected to generate an additional IDR578 billion in EBITDA from FY21-FY25. This amount should be adjusted by about IDR253.5 billion (USD16.9 million) in rental expenses as a result of implementation of PSAK 73, in line with the with the RSA's definition of EBITDA. As the Cash Sweep is EBITDA based, this potential increase in EBITDA represents a significant potential upside for the Noteholders. We have set out a sensitized Cash Sweep on page 50 which shows the projected repayment schedule, had FY20A been used as a baseline. Had the Company used FY20A for its projections, an additional amount of at least 50% of the additional EBITDA (and likely the full marginal increase), would be available to the 2021 Tranche A Loan Holders and 2021 Tranche B Loan Holders. In this scenario, 20201 Tranche A Loan is repaid by Dec 2024, a full year before the proposed 2021 Tranche A Loan maturity date. This also has the potential to increase the Group's sustainable debt, allowing the 2021 Tranche A Loan outstanding to increase, assuming the projections are met or exceeded.

The impact of difference base year on the Financial Projections (2/2)

Set out below the cash Cash Sweep calculations had the base year uses FY20A actual results:

Cash Sweep

USD million		**4Q20A**	**1Q21P**	**2Q21P**	**3Q21P**	**4Q21P**	**1Q22P**	**2Q22P**	**3Q22P**	**4Q22P**	**1Q23P**	**2Q23P**	**3Q23P**	**4Q23P**	**1Q24P**	**2Q24P**	**3Q24P**	**4Q24P**	**1Q25P**	**2Q25P**	**3Q25P**	**4Q25P**	**Total**
	EBITDA	16.0	12.1	13.2	13.1	13.9	12.4	13.5	13.3	14.0	12.4	13.5	13.5	14.1	12.7	13.8	13.8	14.4	12.9	14.0	14.0	14.6	
50%	**Available EBITDA to 2018 Noteholders**		**8.0**	**6.1**	**6.6**	**6.5**	**6.9**	**6.2**	**6.8**	**6.7**	**7.0**	**6.2**	**6.7**	**6.7**	**7.0**	**6.4**	**6.9**	**6.9**	**7.2**	**6.5**	**7.0**	**7.0**	
1	Cash coupon to Tranche A[1)]		(1.2)	(1.2)	(1.2)	(1.2)	(1.1)	(1.3)	(1.2)	(1.1)	(1.0)	(0.8)	(0.7)	(0.6)	(0.5)	(0.4)	(0.2)	(0.1)	-	-	-	-	**(13.8)**
	Remaining EBITDA		**6.8**	**4.9**	**5.4**	**5.4**	**5.8**	**4.9**	**5.6**	**5.6**	**6.0**	**5.4**	**6.0**	**6.1**	**6.6**	**6.0**	**6.7**	**6.8**	**7.2**	**6.5**	**7.0**	**7.0**	
2	Principal amortization to Tranche A		-	-	-	-	-	(1.4)	-	(1.4)	-	(1.4)	-	(1.4)	-	(1.4)	-	(1.4)	-	-	-	-	**(8.5)**
	Remaining EBITDA		**6.8**	**4.9**	**5.4**	**5.4**	**5.8**	**3.5**	**5.6**	**4.2**	**6.0**	**3.9**	**6.0**	**4.7**	**6.6**	**4.6**	**6.7**	**5.3**	**7.2**	**6.5**	**7.0**	**7.0**	
3	PIK coupon to Tranche A[1)]		-	-	-	(1.2)	(0.3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**(1.5)**
	Remaining EBITDA		**6.8**	**4.9**	**5.4**	**4.2**	**5.5**	**3.5**	**5.6**	**4.2**	**6.0**	**3.9**	**6.0**	**4.7**	**6.6**	**4.6**	**6.7**	**5.3**	**7.2**	**6.5**	**7.0**	**7.0**	
4	Accelerated principal payment to Tranche A		-	-	-	(2.9)	(3.9)	(2.4)	(3.9)	(2.9)	(4.2)	(2.8)	(4.2)	(3.3)	(4.6)	(3.2)	(4.7)	(3.0)	-	-	-	-	**(46.0)**
	Remaining EBITDA		**6.8**	**4.9**	**5.4**	**1.3**	**1.7**	**1.0**	**1.7**	**1.3**	**1.8**	**1.2**	**1.8**	**1.4**	**2.0**	**1.4**	**2.0**	**2.3**	**7.2**	**6.5**	**7.0**	**7.0**	
5	PIK coupon to Tranche B[1)]		-	-	-	(1.4)	(0.7)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.5)	(0.5)	(0.5)	(0.4)	(0.4)	(0.4)	(0.3)	(0.1)	-	-	**(8.3)**
	Remaining EBITDA		**6.8**	**4.9**	**5.4**	**(0.1)**	**1.0**	**0.4**	**1.0**	**0.6**	**1.2**	**0.6**	**1.3**	**0.9**	**1.5**	**0.9**	**1.6**	**1.9**	**6.9**	**6.3**	**7.0**	**7.0**	
6	Accelerated principal payment to Tranche B		-	-	-	0.1	(1.0)	(0.4)	(1.0)	(0.6)	(1.2)	(0.6)	(1.3)	(0.9)	(1.5)	(0.9)	(1.6)	(1.9)	(6.9)	(5.2)	-	-	**(24.9)**
	Surplus (deficit)		**6.8**	**4.9**	**5.4**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1.2**	**7.0**	**7.0**	**32.3**

Tranche A loan

USD million		**Dec-20**	**Mar-21**	**Jun-21**	**Sep-21**	**Dec-21**	**Mar-22**	**Jun-22**	**Sep-22**	**Dec-22**	**Mar-23**	**Jun-23**	**Sep-23**	**Dec-23**	**Mar-24**	**Jun-24**	**Sep-24**	**Dec-24**	**Mar-25**	**Jun-25**	**Sep-25**	**Dec-25**	**Total**
Beginning balance		56.9	54.6	54.6	54.6	54.6	51.6	47.8	43.9	40.0	35.7	31.4	27.2	23.1	18.3	13.8	9.1	4.5	-	-	-	-	
Prepayments		(2.3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Repayment - scheduled		-	-	-	-	-	-	(1.4)	-	(1.4)	-	(1.4)	-	(1.4)	-	(1.4)	-	(1.4)	-	-	-	-	
Repayment - accelerated		-	-	-	-	(2.9)	(3.9)	(2.4)	(3.9)	(2.9)	(4.2)	(2.8)	(4.2)	(3.3)	(4.6)	(3.2)	(4.7)	(3.0)	-	-	-	-	
Ending balance		**54.6**	**54.6**	**54.6**	**54.6**	**51.6**	**47.8**	**43.9**	**40.0**	**35.7**	**31.4**	**27.2**	**23.1**	**18.3**	**13.8**	**9.1**	**4.5**	**-**	**-**	**-**	**-**	**-**	
Cash coupon			**1.1**	**1.1**	**1.1**	**1.1**	**1.0**	**1.2**	**1.1**	**1.0**	**0.9**	**0.8**	**0.7**	**0.6**	**0.5**	**0.3**	**0.2**	**0.1**	**-**	**-**	**-**	**-**	**12.8**
PIK interest			0.3	0.3	0.3	0.3	0.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Accrued PIK balance			0.3	0.5	0.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
PIK payment			**-**	**-**	**-**	**1.1**	**0.3**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1.3**
2.5%	**Scheduled amortizations**		**-**	**-**	**-**	**-**	**-**	**1.4**	**-**	**1.4**	**-**	**1.4**	**-**	**1.4**	**-**	**1.4**	**-**	**1.4**	**-**	**-**	**-**	**-**	
	Maturity amortization		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
			-	**-**	**-**	**-**	**-**	**1.4**	**-**	**1.4**	**-**	**1.4**	**-**	**1.4**	**-**	**1.4**	**-**	**1.4**	**-**	**-**	**-**	**-**	**8.5**
Prepayments		**2.3**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2.3**
70%	Amount available for accelerated principal repayments		4.8	3.4	3.8	2.9	3.9	2.4	3.9	2.9	4.2	2.8	4.2	3.3	4.6	3.2	4.7	3.7	5.0	4.5	4.9	4.9	
	Accelerated principal repayments		**-**	**-**	**-**	**2.9**	**3.9**	**2.4**	**3.9**	**2.9**	**4.2**	**2.8**	**4.2**	**3.3**	**4.6**	**3.2**	**4.7**	**3.0**	**-**	**-**	**-**	**-**	**46.0**
Total payment to Noteholders		**2.3**	**1.1**	**1.1**	**1.1**	**5.1**	**5.2**	**5.0**	**5.0**	**5.3**	**5.1**	**5.0**	**4.9**	**5.3**	**5.0**	**5.0**	**4.9**	**4.6**	**-**	**-**	**-**	**-**	**71.0**

As presented above, the cumulative surplus available from the waterfall is projected to be USD32.3 million which is more than double the amount as compared to the projections which use FY19P as the base line of USD15.4 million (see page 79). Using these projections results in repayment of the 2021 Tranche A Loan by the end of 4Q24 in this scenario, which shows there could be a significant buffer available to ensure timely repayment of the 2021 Tranche A Loan.

Source: Management information, Financial Projections. We have not adjusted for rounding differences.
Note: The FY20A simulation was done by changing the assumptions in the Financial Projections using the actual results of FY20A. We did not change any other assumptions, formula calculations, or logical integrity used in the Projections.
1) The coupon payments include Withholding Tax/ Gross up of 8%.

Profit and loss

Projected profit and loss

Yearly profit and loss

	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
IDR billion	**Actual**	**Actual**	**Actual**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**
Net sales								
Feeds	5,615.9	5,732.8	5,970.7	6,381.2	6,610.1	6,739.2	6,981.0	7,231.5
Food products	1,368.0	1,133.7	1,300.3	1,328.8	1,370.5	1,429.4	1,479.8	1,532.0
Shrimp fries	342.3	253.3	262.6	308.0	315.8	323.7	331.9	340.2
Others	64.5	56.1	43.2	37.6	39.4	41.4	43.5	45.7
Sub-total	**7,390.6**	**7,175.8**	**7,576.8**	**8,055.6**	**8,335.8**	**8,533.7**	**8,836.2**	**9,149.4**
Cost of goods sold								
Feeds	4,658.9	4,542.9	4,851.4	5,145.0	5,337.2	5,440.2	5,635.2	5,841.6
Food products	1,211.7	1,015.9	1,144.7	1,187.6	1,224.9	1,277.6	1,322.6	1,369.2
Shrimp fries	224.2	228.5	185.1	231.0	236.8	242.8	248.9	255.2
Others	61.0	46.8	36.7	31.9	33.5	35.2	37.0	38.8
Sub-total	**6,155.9**	**5,834.1**	**6,217.9**	**6,595.6**	**6,832.5**	**6,995.8**	**7,243.7**	**7,504.9**
Gross Profit	**1,234.6**	**1,341.7**	**1,358.9**	**1,460.0**	**1,503.3**	**1,537.9**	**1,592.5**	**1,644.5**
Selling expenses	(362.8)	(374.9)	(255.3)	(425.4)	(446.3)	(465.3)	(487.4)	(510.8)
G&A expenses	(465.4)	(464.6)	(424.8)	(473.5)	(495.9)	(518.1)	(540.9)	(565.0)
Other operating income	55.6	78.5	91.3	-	-	-	-	-
Other operating expenses	(109.2)	(170.6)	(143.0)	-	-	-	-	-
Gain (loss) arising from change in fair value biological assets	-	(9.3)	-	-	-	-	-	-
Gain (loss) from operations	**352.7**	**400.8**	**627.2**	**561.0**	**561.1**	**554.6**	**564.1**	**568.8**
Finance income	4.0	6.8	2.1	2.7	4.6	4.7	4.9	4.4
Finance cost	(390.1)	(392.5)	(384.2)	(303.4)	(276.8)	(247.5)	(217.0)	(183.2)
Amortization of bond valuation	(197.3)	(449.4)	-	(17.2)	(35.0)	(33.0)	(37.7)	(35.9)
Gain (loss) on foreign exchange - old bonds	(294.0)	86.0	(33.1)	-	-	-	-	-
Income from bond settlement	2,356.6	-	-	-	-	-	-	-
Income (loss) before final and income tax	**1,831.9**	**(348.3)**	**211.9**	**243.1**	**253.9**	**278.8**	**314.2**	**354.1**
Final tax expense	-	(1.9)	-	-	-	-	-	-
Income tax benefit (expense) - net	(109.2)	1.3	97.0	(43.8)	(46.0)	(64.2)	(75.7)	(88.5)
Profit (loss) for the period	**1,722.7**	**(348.9)**	**308.9**	**199.3**	**208.0**	**214.5**	**238.6**	**265.6**
Total other comprehensive income (loss)	45.4	4.0	-	-	-	-	-	-
Total profit (loss) and other comprehensive income	**1,768.1**	**(344.9)**	**308.9**	**199.3**	**208.0**	**214.5**	**238.6**	**265.6**
EBITDA (IDR billion)	**535.6**	**620.8**	**817.2**	**677.6**	**688.4**	**686.8**	**699.8**	**708.5**
EBITDA (USD million)	**37.0**	**43.9**	**54.5**	**45.2**	**45.9**	**45.8**	**46.7**	**47.2**

Source: Management information, Financial Projections. We have not adjusted for rounding differences.
Note: Please refer to Appendix 1 for quarterly figures

The detailed analysis later in this section focuses on the underlying revenue assumptions which are a functions of sales volume and ASP.

Gross profit is projected by setting targeted gross profit margins to be achieved by each product.

The Projections do not make assumptions on the detailed nature of the underlying expenses.

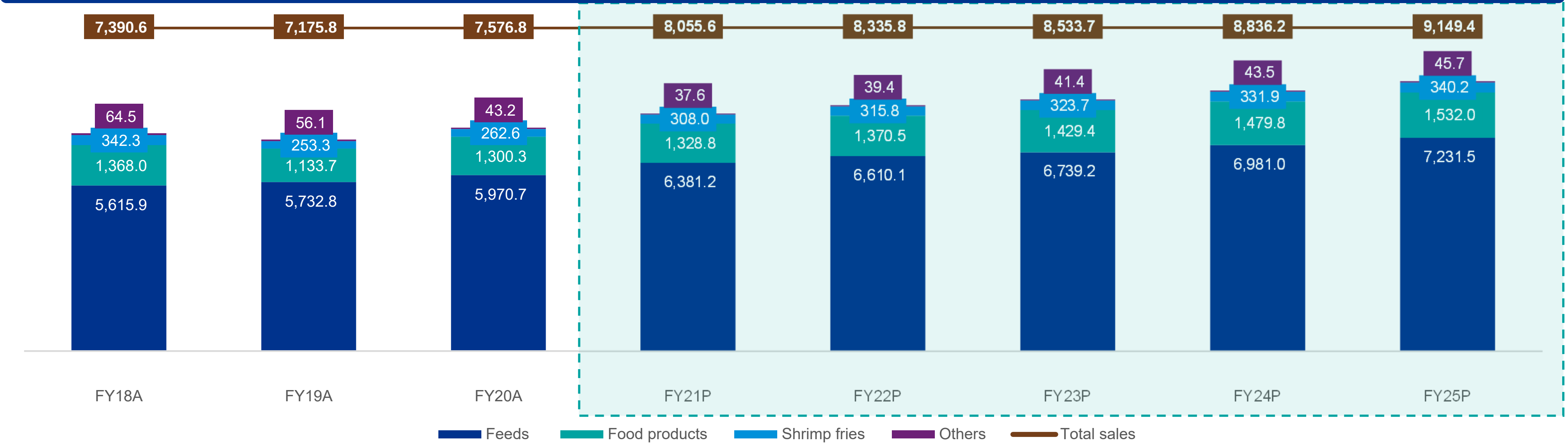
The Projections do not make any assumptions on these line items as they relate to non-recurring operational activities, and are typically non-recurring in nature.

Finance income was assumed at a 1.0%-2.0% of average cash balance.

Instead of applying Indonesia's applicable CIT rate, the Projections assume annual growth based on FY20P figure, while attempting to capture the utilization of available tax losses of the Company and CPB which could be carried forward to FY22. The hardcoded numbers in FY23-FY25 represent tax rates that get closer to assumed 25% CIT rate in Indonesia.

Overview: Revenue

Projected net revenue (IDR billion)



Source: Management information, Financial Projections. We have not adjusted for rounding differences.
Note: Please refer to Appendix 1 for quarterly figures

Overview:

1) **Revenue is projected based on the Company's estimated sales volumes and ASP for each of its different product segments.**
2) **The biggest revenue contributor is the feeds segment, which projects to account for about 79% of total annual sales each year. This is followed by food products (about 17% of projected annual sales) and shrimp fries (about 4% of projected annual sales). These proportions are approximately in line with the product mix in FY20.**
3) **From FY20-FY25, revenue is projected to grow at a CAGR of 4%. This is greater than the overall sales CAGR from FY18-FY20 of 1%.**
4) **Please refer to pages 54-58 for the detailed assumptions for sales volume and ASP.**

Note: The Company's financial projections are based on product groupings that differ from the segment reporting in the audited financial statements. In the projections fish fries are included in under others with probiotics, while in the financial statements, fish fries are grouped together under the fries segment. As fish fries and others contribute an insignificant amount to the Group's revenue, there is minimal impact to this difference in classification.

Revenue: Assumptions (1/5)

Key assumptions and comments on Financial Projections

Area | **Assumptions** | **KPMG comments**

Revenues

Sales volume

- Estimated sales volume is based on yearly growth rates which range between 1.5% - 2.5%, depending on the particular product. With the exception of FY21P where; (i) feeds volume are projected to grow by 3.2% mainly driven by the Group's initiative to focus on the economical pet food segment which projects to increase the sales volume substantially, and (ii) food products volume is forecasted to grow 5.3% which is primarily driven by Group's shifting strategy to selling surimi and processed food products in line with the increasing demand in the local market.
- In FY23P, the Company assume there will be a drought in line with typical drought cycles, which resulting in flat growth in fish feed products in that year.
- All assumed production volume is considered to be fully sold or equal to volume sold. This is in line with the Company having minimal inventory write-offs historically, and the annual sales growth of 1.5%-2.5% is not expected to cause a significant difference between production and sales volume. Projected sales volume is set out below:

Projected sales volume

Yearly growth assumptions	FY18A	FY19P	FY20P	FY21P	FY22P	FY23P	FY24P	FY25P
Feeds		0%	2%	3.2%	2.5%	0.6%	2.5%	2.5%
Food products		-3%	7%	5.3%	2.5%	2.5%	2.5%	2.5%
Shrimp fries		-23%	8%	1.5%	1.5%	1.5%	1.5%	1.5%
tons	**FY18A**	**FY19P**	**FY20P**	**FY21P**	**FY22P**	**FY23P**	**FY24P**	**FY25P**
Feeds	617,465.9	618,251.7	627,994.4	648,117.7	664,320.7	668,415.5	685,125.9	702,254.0
Food products	13,278.9	12,822.4	13,665.5	14,390.4	14,750.2	15,118.9	15,496.9	15,884.3
Shrimp fries (mn fries)	8,225.6	6,311.2	6,784.6	6,886.3	6,989.6	7,094.5	7,200.9	7,308.9
Total sales volume	**638,970.4**	**637,385.3**	**648,444.5**	**669,394.4**	**686,060.4**	**690,628.9**	**707,823.7**	**725,447.2**

Source: Management information, Financial Projections. We have not adjusted for rounding differences.

Sales volume

Historical sales volume

Yearly growth	FY18A	FY19A	FY20A	*CAGR*
Feeds		-4%	2%	
Food products		-4%	-15%	
Shrimp fries		-28%	-3%	
tons	**FY18A**	**FY19A**	**FY20A**	
Feeds	617,465.9	595,647.3	610,319.3	*-1%*
Food products	13,278.9	12,771.8	10,883.8	*-9%*
Shrimp fries (mn fries)	8,225.6	5,912.0	5,722.4	*-17%*
Total sales volume	**638,970.4**	**614,331.1**	**626,925.6**	***-1%***

Historical production utilization

	Actual volume produced			Production capacity			Production utilization		
Metric tons	**FY18**	**FY19**	**FY20**	**FY18**	**FY19**	**FY20**	**FY18**	**FY19**	**FY20**
Feeds[1)]	508,339.7	530,424.2	549,465.3	632,130.0	640,151.0	642,648.0	*80%*	*83%*	*86%*
Food products	20,902.8	15,652.4	14,878.8	24,682.5	25,069.9	22,866.4	*85%*	*62%*	*65%*
Shrimp fries (million pcs)	11,167.4	8,668.8	7,865.1	13,932.0	14,919.0	10,080.0	*80%*	*58%*	*78%*

Source: Management information, Financial Projections. We have not adjusted for rounding differences.
Note: 1) Includes fish feed, shrimp feed and pet food products

Feeds

Overall feeds products have declined during the last two years with CAGR of -1% although FY20A achieved sales volume growth of 2% as compared to FY19. Production utilization across these years has averaged around 86% at FY20.

The flat volume sales growth projected in FY23 is due to the expected prolonged drought caused by El Nino, which is in line with historical drought seasons, which have proven to disrupt the fish cultivation process and to lower the demand for fish feed, as explained on page 19.

However, because feed sales have declined since FY18 the Group will actually need to achieve a 6% volume increase in FY21 from the actual 610.3k tons achieved in FY20A. Achieving only 3.2% FY21 growth instead of 6% would cause the Group's gross profit to be lower by IDR34.8 billion in FY21 assuming no change in projected gross margin, a large portion of which would impact the Group's EBITDA. Based on the Group's annual growth rate assumption, failure to achieve 6% growth in FY21 could have a compounding effect on future results.

Revenue: Assumptions (2/5)

Key assumptions and comments on Financial Projections

Area	Assumptions	KPMG comments

Revenues

Sales volume (cont.)

- Estimated sales volume is based on yearly growth rates which range between 1.5% - 2.5%, depending on the particular product. With the exception of FY21P where; (i) feeds volume are projected to grow by 3.2% mainly driven by the Group's initiative to focus on the economical pet food segment which projects to increase the sales volume substantially, and (ii) food products volume is forecasted to grow 5.3% which is primarily driven by Group's shifting strategy to selling surimi and processed food products in line with the increasing demand in the local market.
- In FY23P, the Company assume there will be a drought in line with typical drought cycles, which resulting in flat growth in fish feed products in that year.
- All assumed production volume is considered to be fully sold or equal to volume sold. This is in line with the Company having minimal inventory write-offs historically, and the annual sales growth of 1.5%-2.5% is not expected to cause a significant difference between production and sales volume. Projected sales volume is set out below:

Projected sales volume

Yearly growth assumptions	FY18A	FY19P	FY20P	FY21P	FY22P	FY23P	FY24P	FY25P
Feeds		0%	2%	3.2%	2.5%	0.6%	2.5%	2.5%
Food products		-3%	7%	5.3%	2.5%	2.5%	2.5%	2.5%
Shrimp fries		-23%	8%	1.5%	1.5%	1.5%	1.5%	1.5%
tons	**FY18A**	**FY19P**	**FY20P**	**FY21P**	**FY22P**	**FY23P**	**FY24P**	**FY25P**
Feeds	617,465.9	618,251.7	627,994.4	648,117.7	664,320.7	668,415.5	685,125.9	702,254.0
Food products	13,278.9	12,822.4	13,665.5	14,390.4	14,750.2	15,118.9	15,496.9	15,884.3
Shrimp fries (mn fries)	8,225.6	6,311.2	6,784.6	6,886.3	6,989.6	7,094.5	7,200.9	7,308.9
Total sales volume	**638,970.4**	**637,385.3**	**648,444.5**	**669,394.4**	**686,060.4**	**690,628.9**	**707,823.7**	**725,447.2**

Source: Management information, Financial Projections. We have not adjusted for rounding differences.

Sales volume (cont.)

Historical sales volume

Yearly growth	FY18A	FY19A	FY20A	*CAGR*
Feeds		-4%	2%	
Food products		-4%	-15%	
Shrimp fries		-28%	-3%	
tons	**FY18A**	**FY19A**	**FY20A**	
Feeds	617,465.9	595,647.3	610,319.3	*-1%*
Food products	13,278.9	12,771.8	10,883.8	*-9%*
Shrimp fries (mn fries)	8,225.6	5,912.0	5,722.4	*-17%*
Total sales volume	**638,970.4**	**614,331.1**	**626,925.6**	***-1%***

Historical production utilization

	Actual volume produced			Production capacity			Production utilization		
Metric tons	**FY18**	**FY19**	**FY20**	**FY18**	**FY19**	**FY20**	**FY18**	**FY19**	**FY20**
Feeds[1)]	508,339.7	530,424.2	549,465.3	632,130.0	640,151.0	642,648.0	*80%*	*83%*	*86%*
Food products	20,902.8	15,652.4	14,878.8	24,682.5	25,069.9	22,866.4	*85%*	*62%*	*65%*
Shrimp fries (million pcs)	11,167.4	8,668.8	7,865.1	13,932.0	14,919.0	10,080.0	*80%*	*58%*	*78%*

Source: Management information, Financial Projections. We have not adjusted for rounding differences.
Note: 1) Includes fish feed, shrimp feed and pet food products

Feeds (cont.)

Current installed production capacities for feeds is 642.7k tons p.a. which projects to be insufficient based on projected sales volume in FY25. However, the Company further informed that since the beginning of FY21, the Group has added 40.0k tons p.a. feed mill production capacity and therefore, current installed capacity is around 682.7k tons. Combined with the plan to spend a substantial amount of Capex during FY22 which aim to boost another feed mill additional production by 40.0k tons p.a. on top of its current capacity, the projected production capacity of approximately 722.7k tons p.a will be sufficient to support the projected sales volume. See page 73 for projected Capex information.

The Group also informed that it could modify or expand its current installed production capacity to produce other products to keep up with changes in demand.

Revenue: Assumptions (3/5)

Key assumptions and comments on Financial Projections

Area | **Assumptions** | **KPMG comments**

Revenues (cont.)

Sales volume (cont.)

- Estimated sales volume is based on yearly growth rates which range between 1.5% - 2.5%, depending on the particular product. With the exception of FY21P where; (i) feeds volume are projected to grow by 3.2% mainly driven by the Group's initiative to focus on the economical pet food segment which projects to increase the sales volume substantially, and (ii) food products volume is forecasted to grow 5.3% which is primarily driven by Group's shifting strategy to selling surimi and processed food products in line with the increasing demand in the local market.
- In FY23P, the Company assume there will be a drought in line with typical drought cycles, which resulting in flat growth in fish feed products in that year.
- All assumed production volume is considered to be fully sold or equal to volume sold. This is in line with the Company having minimal inventory write-offs historically, and the annual sales growth of 1.5%-2.5% is not expected to cause a significant difference between production and sales volume. Projected sales volume is set out below:

Projected sales volume

Yearly growth assumptions	FY18A	FY19P	FY20P	FY21P	FY22P	FY23P	FY24P	FY25P
Feeds		0%	2%	3.2%	2.5%	0.6%	2.5%	2.5%
Food products		-3%	7%	5.3%	2.5%	2.5%	2.5%	2.5%
Shrimp fries		-23%	8%	1.5%	1.5%	1.5%	1.5%	1.5%
tons	**FY18A**	**FY19P**	**FY20P**	**FY21P**	**FY22P**	**FY23P**	**FY24P**	**FY25P**
Feeds	617,465.9	618,251.7	627,994.4	648,117.7	664,320.7	668,415.5	685,125.9	702,254.0
Food products	13,278.9	12,822.4	13,665.5	14,390.4	14,750.2	15,118.9	15,496.9	15,884.3
Shrimp fries (mn fries)	8,225.6	6,311.2	6,784.6	6,886.3	6,989.6	7,094.5	7,200.9	7,308.9
Total sales volume	**638,970.4**	**637,385.3**	**648,444.5**	**669,394.4**	**686,060.4**	**690,628.9**	**707,823.7**	**725,447.2**

Source: Management information, Financial Projections. We have not adjusted for rounding differences.

Sales volume (cont.)

Historical sales volume

Yearly growth	FY18A	FY19A	FY20A	*CAGR*
Feeds		-4%	2%	
Food products		-4%	-15%	
Shrimp fries		-28%	-3%	
tons	**FY18A**	**FY19A**	**FY20A**	
Feeds	617,465.9	595,647.3	610,319.3	*-1%*
Food products	13,278.9	12,771.8	10,883.8	*-9%*
Shrimp fries (mn fries)	8,225.6	5,912.0	5,722.4	*-17%*
Total sales volume	**638,970.4**	**614,331.1**	**626,925.6**	***-1%***

Historical production utilization

	Actual volume produced			**Production capacity**			**Production utilization**		
Metric tons	**FY18**	**FY19**	**FY20**	**FY18**	**FY19**	**FY20**	**FY18**	**FY19**	**FY20**
Feeds[1]	508,339.7	530,424.2	549,465.3	632,130.0	640,151.0	642,648.0	*80%*	*83%*	*86%*
Food products	20,902.8	15,652.4	14,878.8	24,682.5	25,069.9	22,866.4	*85%*	*62%*	*65%*
Shrimp fries (million pcs)	11,167.4	8,668.8	7,865.1	13,932.0	14,919.0	10,080.0	*80%*	*58%*	*78%*

Source: Management information, Financial Projections. We have not adjusted for rounding differences.
Note: 1) Includes fish feed, shrimp feed and pet food products

Food products

Food product volumes have significantly declined during the last two years at a CAGR of -9%. This was driven by a combination of shifting products in FY19, and the adverse impact on local demand caused by COVID-19 in FY20, as explained on pages 19 and 22 as well as lower supply of fresh shrimp for exporting in FY19 which has gradually recovered by the end of FY20.

The projected 5.3% yearly growth in FY21 means that the Group would actually need to achieve 32% or 3.5k tons greater than FY20 actual sales volume**.** Potential impact to GPM in FY21 from achieving only 5.3% growth instead of 32% would be about IDR28.7 billion, which could have a compounding effect in the future.

Current installed capacity of 22.9k tons p.a. will be sufficient to support projected sales volume that will peak at around 70% utilization in FY25.

Revenue: Assumptions (4/5)

Key assumptions and comments on Financial Projections

Area	Assumptions	KPMG comments

Revenues (cont.)

Sales volume (cont.)

- **Quarterly seasonality**: Volume sold each quarters are differed by each products, depending on the historical and forecasted seasonality. Total volume sold every quarters will add up to 100% of yearly volume sold.

Quarterly sales volume seasonality

	Actual								FY21P - FY25P			
	1Q19A	2Q19A	3Q19A	4Q19A	1Q20A	2Q20A	3Q20A	4Q20A	1Q	2Q	3Q	4Q
Feeds	25%	***28%***	24%	23%	25%	23%	***26%***	***26%***	25%	***26%***	24%	***26%***
Food products	24%	***27%***	***26%***	23%	24%	24%	***27%***	25%	24%	***26%***	25%	25%
Shrimp fries	***32%***	23%	***26%***	19%	20%	***26%***	***29%***	25%	25%	***26%***	24%	25%

Source: Management Information, Financial Projections. We have not adjusted for rounding differences.

Sales volume (cont.)

Quarterly seasonality

Projected quarterly sales volumes are mainly driven by the seasonality of each product type. The Group sold the least during the 2Q20A primarily driven by the COVID-19 pandemic and started to recover during the remaining two quarters of the year. The Group projects it will resume its normal seasonality across the Projected Period.

Feeds

Fish and shrimp feed sales are likely to be impacted by weather and cultivation season. As explained on page 19, the Company informed that peak dry season will have adverse impact on fish cultivation activities. On the other hand, during peak rainy seasons the shrimp cultivation activities will decrease. This resulted in lower demand for feed in the first and third quarters of the year, while the second and fourth quarters of the year will see an increase in demand. The quarterly projected sales volume reflect this rationale.

Meanwhile, the pet food segment projects to continue its historical trend with the later quarters of the year having higher sales compared to earlier quarters.

Food products

Food products is anticipated to have its sales volume peak in the second quarter as the Group assumes that food products' sales volumes will spike around the Eid al-Fitr celebrations and continue to be stable throughout the remaining quarters of the year. Eid al-Fitr is projected to occur in the second quarter of the year for FY21-FY24, and in the first quarter of FY25.

Shrimp fries

Shrimp fries sales are likely to be impacted by weather and cultivation season (see above explanation about feeds segment).

Further analysis on the quarterly projections can be found in Appendix 1.

Revenue: Assumptions (5/5)

Key assumptions and comments on Financial Projections

Area | **Assumptions** | **KPMG comments**

Revenues (cont.)

Assumptions

ASP

- FY20P ASP, which was the basis of FY21P onwards' ASP, was estimated during 2019 as part of an on-going budgeting process. FY21P onwards ASP is projected based on yearly growth rates which range from 1% - 1.5%, depending on the product.
- Variations of yearly ASP growth rates set out below was due to the Projections assuming different rates in its sub-products. The ASP presented below resulted from total projected sales value divided by total sales volume.

ASP

Yearly growth assumptions	FY18A	FY19P	FY20P	FY21P	FY22P	FY23P	FY24P	FY25P
Feeds		4.7%	1.9%	1.5%	1.1%	1.3%	1.1%	1.1%
Food products		-12.5%	3.4%	-0.9%	0.6%	1.8%	1.0%	1.0%
Shrimp fries		2.7%	3.7%	1.0%	1.0%	1.0%	1.0%	1.0%
IDR/ kg	**FY18A**	**FY19P**	**FY20P**	**FY21P**	**FY22P**	**FY23P**	**FY24P**	**FY25P**
Feeds	9,095.0	9,522.3	9,704.8	9,845.7	9,950.1	10,082.3	10,189.4	10,297.6
Food products	103,019.9	90,117.0	93,183.8	92,337.6	92,914.7	94,545.2	95,490.6	96,445.5
Shrimp fries (IDR/ fry)	41.6	42.7	44.3	44.7	45.2	45.6	46.1	46.5

Source: Management Information, Financial Projections. We have not adjusted for rounding differences.

KPMG comments

ASP

Historical ASP

Yearly growth	FY18A	FY19A	FY20A	*CAGR*
Feeds		5.8%	1.6%	
Food products		-13.8%	34.6%	
Shrimp fries		3.0%	7.1%	
IDR/ kg	**FY18A**	**FY19A**	**FY20A**	
Feeds	9,095.0	9,624.4	9,782.8	*4%*
Food products	103,019.9	88,762.7	119,473.0	*8%*
Shrimp fries (IDR/ fry)	41.6	42.8	45.9	*5%*

Source: Management Information, Financial Projections. We have not adjusted for rounding differences.

Feeds

Feeds' ASP has increased the last two years at a CAGR of 4%, resulting from the Group focusing on products with higher margins as explained on page 20. Projected 1.5% yearly growth of feeds' ASP appears reasonable to achieve in line with its current trend.

Food products

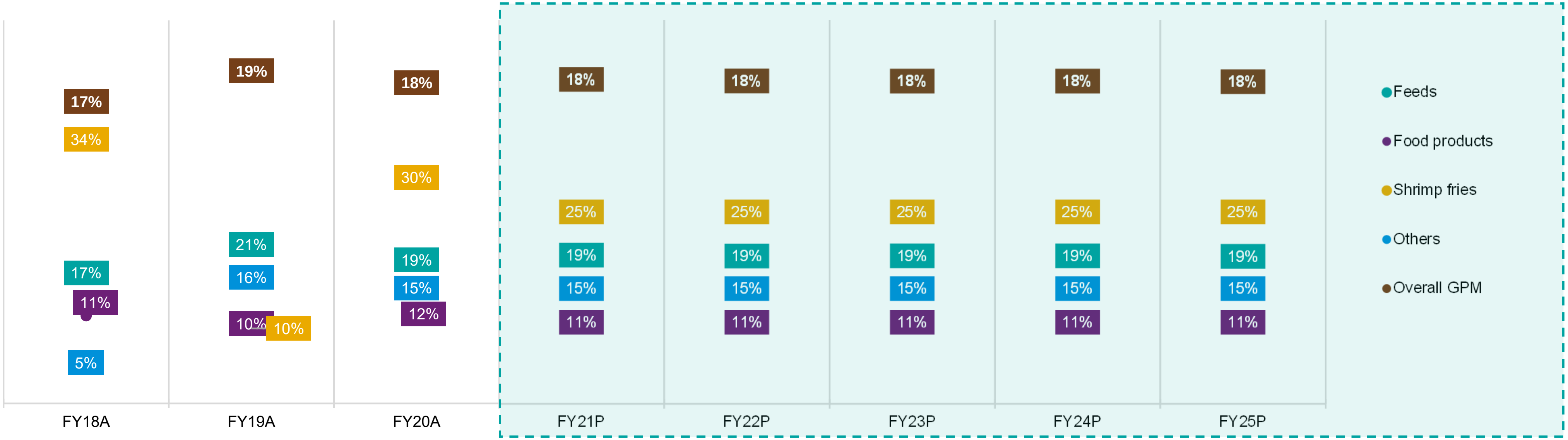
Food products' ASP has substantially increased the last two years at a 8% CAGR, primarily resulting from a combination of the Group's focus on greater margin products and increases in export food products' ASP driven by a global supply shortage arising from the COVID-19 pandemic in FY20, as explained on page 20.

As actual ASP achieved in FY20 was 23% greater per kg than the FY21P, should the Group continue to be able to achieve the FY20A ASP, it would result in additional IDR39.8 billion of gross profit from FY21-FY25.

The Company projects a jump in ASP yearly growth to 1.8% in FY23 which is driven by an assumed shift in product mix to focus on a more premium segment (such as live harvest) and high value added food products. The Group informed that the premium live harvest shrimp products require different harvesting techniques compared to the current product line-up (raw, breaded, and cooked as explained on page 17).

Overview: COGS & Gross margin

Projected gross margins (IDR billion, otherwise stated)



Source: Management information, Financial Projections. We have not adjusted for rounding differences.
Note: Please refer to Appendix 1 for quarterly figures

Overview:

1) **The Group forecasted to achieve overall stable gross margin of approximately 18% across the Projected Period.**
2) **All of the Group's product margins were projected to be in line with historical achievements**
3) **Please refer to page 60 for the detailed gross margin assumptions.**

Note: The Company's financial projections are based on product groupings that differ from the segment reporting in the audited financial statements. In the projections fish fries are included in under others with probiotics, while in the financial statements, fish fries are grouped together under the fries segment. As fish fries and others contribute an insignificant amount to the Group's revenue, there is minimal impact to this difference in classification.

COGS & Gross margin: Assumptions

Key assumptions and comments on Financial Projections

Area | **Assumptions** | **KPMG comments**

COGS

Estimated based on percentage of sales value per product (to achieve a targeted gross profit margin), as follows:

- Feeds: 81% of sales
- Food products: 89% of sales
- Shrimp fry: 75% of sales
- Others: 85% of sales

Resulting in 18% overall GPM across the Projected Period.

Gross margins

	FY18A	FY19P	FY20P	FY21P	FY22P	FY23P	FY24P	FY25P
Feeds	17%	20%	19%	19%	19%	19%	19%	19%
Food products	11%	12%	11%	11%	11%	11%	11%	11%
Shrimp fries	34%	13%	18%	25%	25%	25%	25%	25%
Others	5%	13%	15%	15%	15%	15%	15%	15%
Overall GPM	**17%**	**18%**	**18%**	**18%**	**18%**	**18%**	**18%**	**18%**

Source: Management Information, Financial Projections. We have not adjusted for rounding differences.

GPM

Gross margins

	FY18A	FY19A	FY20A
Feeds	17%	21%	19%
Food products	11%	10%	12%
Shrimp fries	34%	10%	30%
Others	5%	16%	15%
Overall GPM	**17%**	**19%**	**18%**

Source: Management Information, Financial Projections. We have not adjusted for rounding differences.

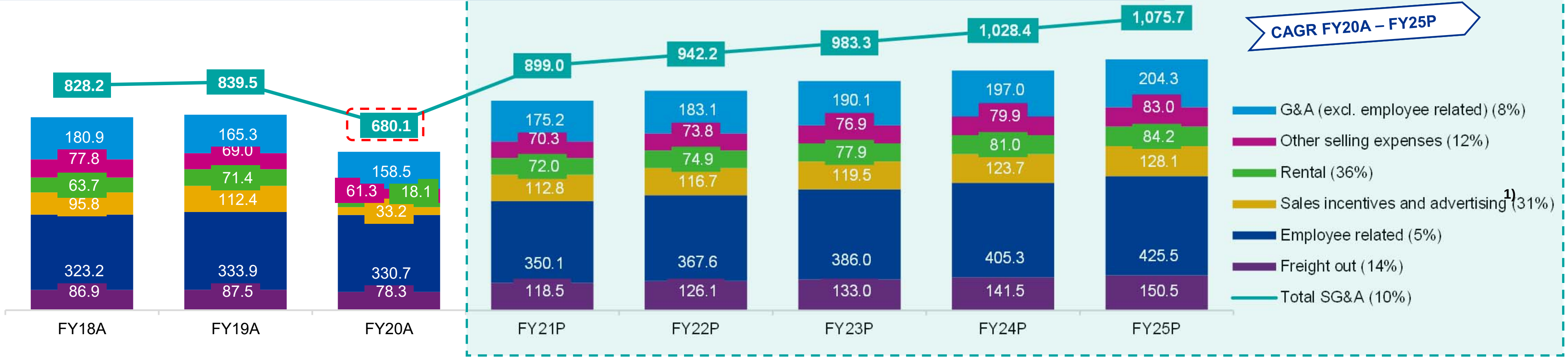
The Projections assumed all gross margins to be the in line with the historical achievements during FY18 – FY20, based on the following rationale:

- The Group is generally able to raise the selling price in response to increased raw material prices and thus, able to maintain its gross margins, as explained on page 25; and
- The Group could modify the feed products' formula to anticipate fluctuations in the raw materials commodity prices.

Overview: SG&A expenses

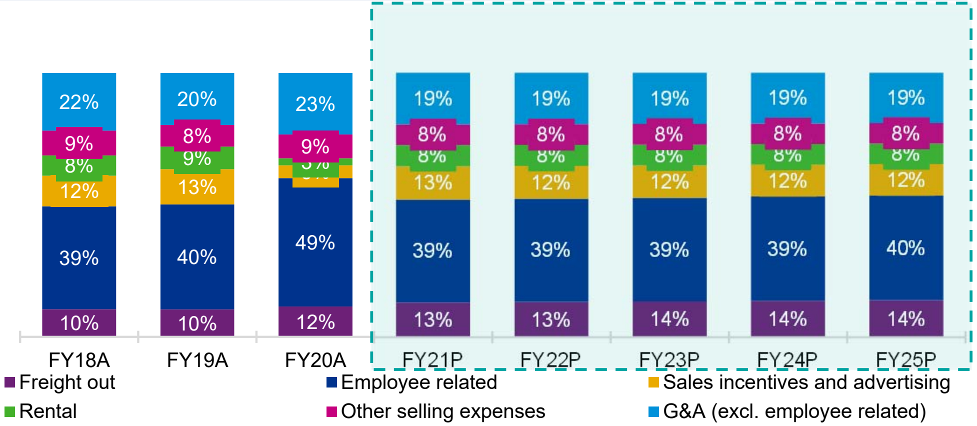
Projected SG&A (IDR billion, otherwise stated)

The Projections did not incorporate the impact of PSAK 72 & 73 implementation in FY20 which resulted in lowering sales incentives and rental expense under SG&A line item, respectively, as the Projections was developed during 3Q19 or the period prior to the PSAK 73 implementation.



Source: Management information, Financial Projections. We have not adjusted for rounding differences.
Note: Please refer to Appendix 1 for quarterly figures

SG&A compositions



Overview:

1) **SG&A expenses is primarily made up of employee related cost, which is projected to accounts for roughly 40% of total expense. However changes in projected total costs were mainly driven by freight out costs, sales incentives, and advertising whereby these costs are projected to be sensitive to the projected sales volume.**
2) **Other SG&A expenses are projected to increase by 4% – 5% p.a.**
3) **The Group informed that COVID-19 pandemic in FY20 significantly reduced SG&A due to less travelling activities and delayed marketing events as social restrictions were imposed by many countries as explained on page 26. The projected figures do not represent the COVID-19 pandemic impact as the Projections were developed during the start of restructuring discussions in 3Q19 or prior to the pandemic.**
4) **Please refer to the assumptions section on pages 62 - 63 for the details of SG&A key driver assumptions.**

Source: Management information, Financial Projections. We have not adjusted for rounding differences.
Note: 1) Due to the implementation of PSAK 72 in FY20, this line item only comprise of advertising and promotion expense or the sales incentives expense was no longer included under this line item.

SG&A: Assumptions (1/2)

<table>
<tr><th colspan="3">Key assumptions and comments on Financial Projections</th></tr>
<tr><th>Area</th><th>Assumptions</th><th>KPMG comments</th></tr>
<tr>
<td>**Selling expenses**</td>
<td>Comprised of variable costs, which are driven by sales volumes, and fixed costs.
▪ Freight out: Assumed to increase by 4% p.a. Each segments are estimated based on:
– Export food products: USD0.3/ kg;
– Local food products: IDR1,000.0/ kg;
– Feed: IDR70.0/ kg; and
– Shrimp fry: IDR3.5/ piece
▪ Advertising, promotion and supporting facilities: 0.6% of sales
▪ Sales incentive and commission: 0.8% of sales
▪ Salaries, wages and employees' benefits is assumed to increase by 5% p.a, which exceeds the projected inflation rate.
▪ Other costs (fixed), comprised of rental, transportations and travelling on duty, professional fees, repair and maintenance and others, are assumed to increase by 4% p.a.</td>
<td>
<table>
<tr><th colspan="4">Indonesia's inflation rate</th></tr>
<tr><td>*y.o.y.*</td><td>**2018**</td><td>**2019**</td><td>**2020**</td></tr>
<tr><td></td><td>3.13%</td><td>2.72%</td><td>1.68%</td></tr>
</table>
Source: Central Bank of Indonesia
We noted that the assumed yearly growth of 4% - 5% p.a. is significantly greater than FY20 Indonesia's inflation rates (y.o.y.) was 1.68%[1], mainly driven by the COVID-19 pandemic impacts on economy.
The Group's approach in projecting the primary expense in this line item, salaries, wages and employees' benefits, is inflation rate + GDP growth rate.
The projected yearly growth rates are greater than revenue and COGS assumptions which result in reduced profit margins across Projected Period.
Freight out
This cost is projected to range between 1% - 2% of total sales, in line with historical FY18 – FY19 portions of 1% of total sales. Furthermore, in line with the sales volume growth, this cost will increase from only 10% - 12% of total SG&A during FY18 – FY19, to 14% of total SG&A on FY25P.
Advertising, promotion and supporting facilities
The projected assumption is in line with the historical figures of FY18 to FY20, which ranges between 0.4% - 0.6% of total sales.
Sales incentive and commission
The projected assumption is lower than FY19 portion of 1.2% of total sales and roughly in line with the FY18 portion of 0.7%. Meanwhile, during FY20 the Group implemented PSAK 72 whereby sales incentives was recorded as a deduction of selling price and therefore, no longer recorded under selling expenses. This will result in the absence of actual sales incentive and commission expenses as a line item within selling expenses in the future, but will have no overall impact on EBITDA.
</td>
</tr>
</table>

Note: 1) Central Bank of Indonesia, (https://www.bi.go.id/id/statistik/indikator/data-inflasi.aspx) accessed on 29 March 2021.

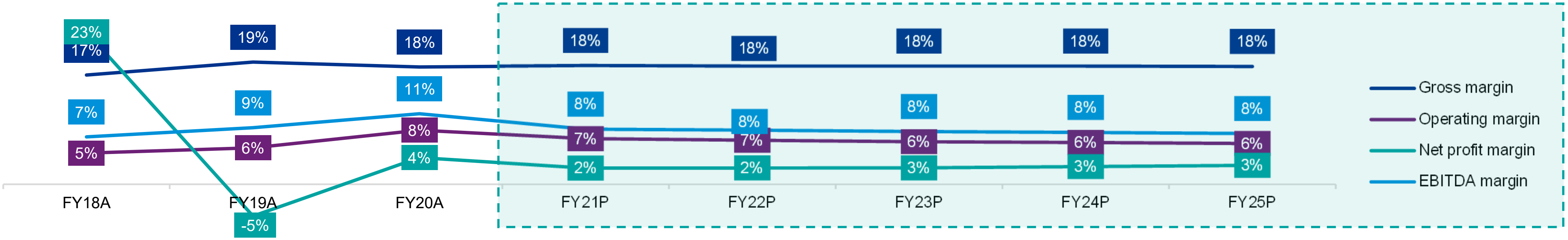
SG&A: Assumptions (2/2)

<table>
<tr><th colspan="3">Key assumptions and comments on Financial Projections</th></tr>
<tr><th>Area</th><th>Assumptions</th><th>KPMG comments</th></tr>
<tr><td>G&A</td><td>▪ Salaries, wages and employees' benefits is assumed to increase by 5% p.a, which exceeds the projected inflation rate.
▪ Other costs (fixed), comprised of transportation and travelling on duty, telephone, electricity and water, professional fees, rent, repair and maintenance and others, are assumed to increase by 4% p.a.</td><td><table><tr><th colspan="4">Indonesia's inflation rate</th></tr><tr><td><i>y.o.y.</i></td><td>2018</td><td>2019</td><td>2020</td></tr><tr><td></td><td>3.13%</td><td>2.72%</td><td>1.68%</td></tr></table>Source: Central Bank of Indonesia
We noted that the assumed yearly growth of 4% - 5% p.a. is significantly greater than FY20 Indonesia’s inflation rates (y.o.y.) was 1.68%$^{1)}$, mainly driven by the COVID-19 pandemic impacts on economy.
The Group’s approach in projecting the primary expense in this line item, salaries, wages and employees' benefits, is inflation rate + GDP growth rate.
The projected yearly growth rates are greater than revenue and COGS assumptions which result in reduced profit margins across Projected Period.</td></tr>
</table>

Note: 1) Central Bank of Indonesia, (https://www.bi.go.id/id/statistik/indikator/data-inflasi.aspx) accessed on 29 March 2021.

Overview: Profitability measurements

Projected profitability measures



Source: Management information, Financial Projections. We have not adjusted for rounding differences.
Note: Please refer to Appendix 1 for quarterly figures

Overview

Gross margin

Projected gross margin of 18% is consistent with the historical gross margins achieved during FY19 and FY20, which ranged between 18% - 19%. As the Company's underlying assumption is a specific percentage of revenue across each of its products, the resulting gross margins are fixed across the Projected Period. Refer to gross margin section on page 60.

Operating margin

The operating margins are projected to be roughly stable at around 6% - 7% across the Projected Period. The variations are due to some projected fixed expenses based on assumed growth rate that are not sensitive to sales activity, for instance employee related expenses and other fixed SG&A expenses.

Net profit margin

While the projected margins are stable between 2% - 3%, the Group's historical net profit margins have ranged between negative 5% in FY19 to positive 23% in FY20

Overview (cont.)

Net profit margin (cont.)

This was mainly driven by (i) lower SG&A expenses due to COVID-19 pandemic social restrictions in FY20, (ii) lower operating expenses in FY20 as the Group booked additional impairment losses, and (iii) recognition of the amortization expense on the 2018 Notes unamortized valuations difference in FY19 as the Notes defaulted in FY19. Please refer to ratio analysis on page 45 for further information on the historical net profit margin.

Projected figures are a result of adjusting the operating margin by finance income, finance cost and amortization of 2021 Tranche A Loan and 2021 Tranche B Loan valuations.

EBITDA margin

Projected EBITDA margins are stable in line with the other explanation provided on this page.

Balance sheet

Supporting - Projected balance sheet (1/3)

Yearly balance sheet

IDR billion	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Projected	FY22 Projected	FY23 Projected	FY24 Projected	FY25 Projected
Assets								
Current assets								
Cash and cash equivalents	115.3	129.4	296.5	277.0	211.3	261.7	315.4	463.7
Trade receivables	692.5	514.3	497.5	772.5	799.3	818.3	847.3	877.3
Inventory	841.0	770.3	683.4	903.5	936.0	958.3	992.3	1,028.1
Biological assets	30.1	17.1	13.2	-	-	-	-	-
Advances, prepaid tax and expenses	108.3	57.8	65.1	126.5	131.0	134.2	138.9	143.9
Others	172.5	85.7	37.5	138.4	138.4	138.4	138.4	138.4
Total current assets	**1,959.7**	**1,574.5**	**1,593.2**	**2,217.8**	**2,216.0**	**2,310.8**	**2,432.3**	**2,651.4**
Non-current assets								
Due from related parties	11.3	8.8	8.1	11.3	11.3	11.3	11.3	11.3
Deferred tax assets, net	2.2	6.1	91.4	6.0	6.0	6.0	6.0	6.0
Investment in shares of stock	46.7	46.7	46.7	46.7	46.7	46.7	46.7	46.7
Right of use assets	-	-	53.6	-	-	-	-	-
Investment properties	179.7	181.0	180.9	179.6	179.6	179.6	179.6	179.6
Fixed assets, net	4,206.2	4,052.9	4,070.6	4,080.2	4,075.9	3,999.8	3,904.1	3,810.4
Claims for tax refund	134.6	102.9	122.7	72.3	72.3	72.3	72.3	72.3
Non-current assets - others, net	32.0	27.4	18.8	26.7	26.7	26.7	26.7	26.7
Total non-current assets	**4,612.7**	**4,425.7**	**4,592.7**	**4,422.7**	**4,418.5**	**4,342.3**	**4,246.6**	**4,152.9**
Total assets	**6,572.4**	**6,000.3**	**6,186.0**	**6,640.5**	**6,634.4**	**6,653.1**	**6,678.9**	**6,804.3**

Projected based on the reasons explained on page 88.

The projections group these two items together.

Comprised of other receivables and restricted financial assets, which are projected based on hardcoded FY19P figure with no subsequent fluctuations.

Projected numbers were based on hardcoded FY19P figure, which was derived from management view during 3Q19, with no subsequent fluctuations.

Changes in projected fixed assets is driven by the assumed yearly maintenance and expansion Capex and annual depreciation on the basis of the following useful life:

- 10 years for newly acquired fixed assets; and
- 15 years for existing fixed assets.

Source: Management information, Financial Projections. We have not adjusted for rounding differences.
Note: Please refer to Appendix 1 for quarterly figures

Supporting - Projected balance sheet (2/3)

Yearly balance sheet

IDR billion	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Projected	FY22 Projected	FY23 Projected	FY24 Projected	FY25 Projected
Liabilities								
Current liabilities								
Short-term bank loans	1,465.0	1,359.9	1,151.3	1,454.3	1,454.3	1,454.3	1,454.3	1,454.3
Trade payables	999.9	575.0	591.3	831.2	861.1	881.7	912.9	945.8
Advances from customers	-	21.8	13.9	-	-	-	-	-
Other payables-third parties	312.5	231.9	238.1	303.8	303.8	303.8	303.8	303.8
Taxes payable	16.6	15.2	55.3	17.8	17.8	17.8	17.8	17.8
Accrued expenses	48.9	251.1	485.4	55.4	55.4	55.4	55.4	55.4
Short-term employee benefit liabilities	18.4	41.7	57.7	-	-	-	-	-
Current maturities of long-term debts								
Bank loans	225.9	322.3	71.4	15.5	2.0	-	-	-
Lease liabilities	-	-	27.2	-	-	-	-	-
Other payables	0.1	0.1	-	-	-	-	-	-
Bonds payable	105.5	2,258.4	2,291.6	-	-	-	-	-
Total current liabilities	**3,192.8**	**5,077.5**	**4,983.2**	**2,678.1**	**2,694.4**	**2,713.0**	**2,744.2**	**2,777.1**
Non-current liabilities								
Bonds payable	1,789.5	-	-	-	-	-	-	-
Refinancing of New Notes	189.6	-	-	942.6	694.0	459.8	195.0	-
Due to related parties	108.0	213.2	205.1	189.6	189.6	189.6	189.6	189.6
Deferred tax liabilities	292.8	91.3	35.5	125.6	125.6	125.6	125.6	125.6
Long-term employee benefit liabilities	325.3	288.5	299.2	335.1	355.3	375.1	395.9	417.8
Long-term debts - net of current maturities								
Bank loans	-	-	-	2.0	-	-	-	-
Lease liabilities	-	-	26.9	-	-	-	-	-
Other payables	0.1	0.3	-	-	-	-	-	-
Total non-current liabilities	**2,705.3**	**593.3**	**566.7**	**1,595.0**	**1,364.6**	**1,150.1**	**906.1**	**733.0**
Total liabilities	**5,898.1**	**5,670.8**	**5,549.9**	**4,273.0**	**4,059.0**	**3,863.1**	**3,650.3**	**3,510.1**

Projected based on FY18 actual outstanding principal.

The Projections assumes that advances from customers and other payables - third parties are grouped together and projected based on hardcoded FY19P number with no subsequent fluctuations.

Projected numbers were based on hardcoded FY19P figure, which was derived from management view during 3Q19, with no subsequent fluctuations.

Projected as 6% of yearly growth based on FY19P hardcoded number.

Projected bank loan repayments were only for long-term facilities from PT Bank QNB Indonesia Tbk and PT Bank KEB Hana Indonesia.

Source: Management information, Financial Projections. We have not adjusted for rounding differences.
Note: Please refer to Appendix 1 for quarterly figures

Supporting - Projected balance sheet (3/3)

Yearly balance sheet

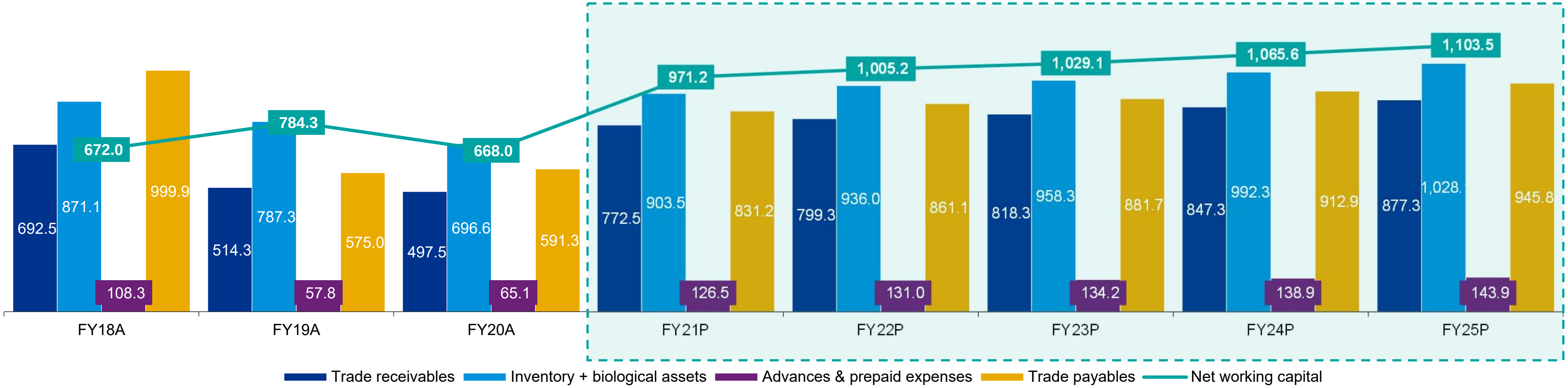
IDR billion	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Projected	FY22 Projected	FY23 Projected	FY24 Projected	FY25 Projected
Equity								
Share capital	5,002.2	5,002.2	5,002.2	5,002.2	5,002.2	5,002.2	5,002.2	5,002.2
Additional paid-in capital, net	(1,102.6)	(1,102.6)	(1,102.6)	(1,102.6)	(1,102.6)	(1,102.6)	(1,102.6)	(1,102.6)
Difference in equity transactions with non-controlling interest	249.0	249.0	249.0	249.0	249.0	249.0	249.0	249.0
Other comprehensive income	2,900.7	2,914.1	2,914.1	2,900.7	2,900.7	2,900.7	2,900.7	2,900.7
Retained earnings (deficit)	(6,376.7)	(6,735.3)	(6,429.3)	(4,683.5)	(4,475.5)	(4,261.0)	(4,022.4)	(3,756.8)
Non-controlling interests	1.7	2.0	2.6	1.7	1.7	1.7	1.7	1.7
Total equity	**674.3**	**329.5**	**636.1**	**2,367.6**	**2,575.5**	**2,790.1**	**3,028.7**	**3,294.2**
Total liabilities and equity	**6,572.4**	**6,000.3**	**6,186.0**	**6,640.6**	**6,634.5**	**6,653.2**	**6,679.0**	**6,804.4**

Other than other comprehensive income and retained earnings, the projected figures are based on FY18 actual numbers.

Source: Management information, Financial Projections. We have not adjusted for rounding differences.
Note: Please refer to Appendix 1 for quarterly figures

Overview: Working capital

Projected working capital (IDR billion)



Source: Management information, Financial Projections. We have not adjusted for rounding differences.

Overview:

1) **Working capital items are projected based on the Group's estimated turnover days and will be remaining stable each year, across the Projected Period.**
2) **Significant increase in FY21P net working capital as the base year in the Projections was FY19P and does not take into account the actual FY20 results.**
3) **Primary items in working capital are inventory and biological assets, which account for about 93% of projected net working capital, and followed by TR (86% of net working capital) and TP (80% of net working capital). These proportions are approximately in line with the net working capital composition in FY18 – FY20.**
4) **Based on the figure above, the Group recorded its lowest net working capital requirements in FY20 primarily driven by it tightening its controls over inventory and AR primarily driven by the COVID-19 pandemic. This has resulted in significant projected net working capital growth in FY21 by 45% as the Projections were developed after the default on the 2018 Notes, but prior to the Group tightening its AR and inventory controls. Starting from FY22, yearly net working capital is projected to grow by roughly 4% each year throughout Projected Period, except in FY23 where the Group assumed no sales growth in fish feed products due to drought season cyclicality caused by El Nino (see page 54).**
5) **Please refer to the assumptions section on pages 54-58 for the details of sales volume and ASP key driver assumptions.**

Source: Management information, Financial Projections. We have not adjusted for rounding differences.

Working capital: Assumptions

Key assumptions and comments on Financial Projections

Area

Working capital

Assumptions

Working capital items are assumed based on the following turnover days:

Turnover days

	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25
Trade receivables	34	26	24	35	35	35	35	35
Inventory + biological assets	52	49	41	50	50	50	50	50
Advances & prepaid expenses	6	4	4	7	7	7	7	7
Trade payables	59	36	35	46	46	46	46	46
Cash conversion cycles	**33**	**43**	**34**	**46**	**46**	**46**	**46**	**46**

Source: Management Information, Financial Projections. We have not adjusted for rounding differences.

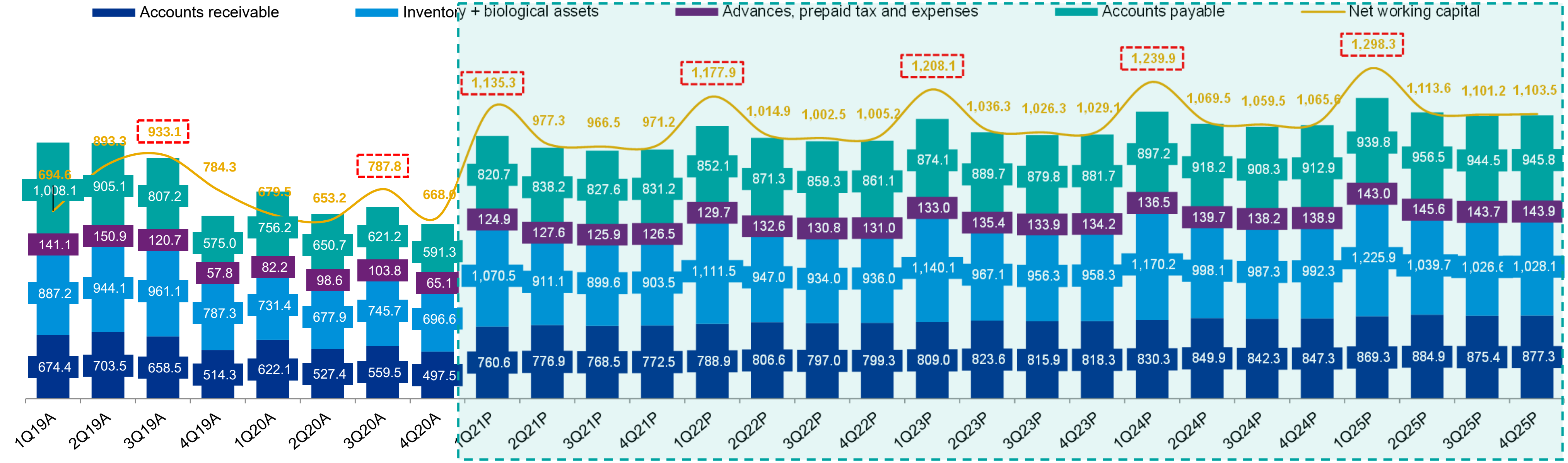
KPMG comments

We note that the projected working capital turnover days are generally longer in the projections than the historical turnover days.

The projected 46 cash conversion cycle days is longer than the recent historical 33 – 43 days. This is primarily driven by longer TR days assumed in the Projections than the average historical TR days. As explained on page 28, most of the Group's terms of payment from customers are around 30 days. The Group informed that FY18 turnover days of 34 days was the basis of its assumption in developing TR projected turnover days of 35 days.

Working capital: Seasonality

Projected working capital seasonality (IDR billion)



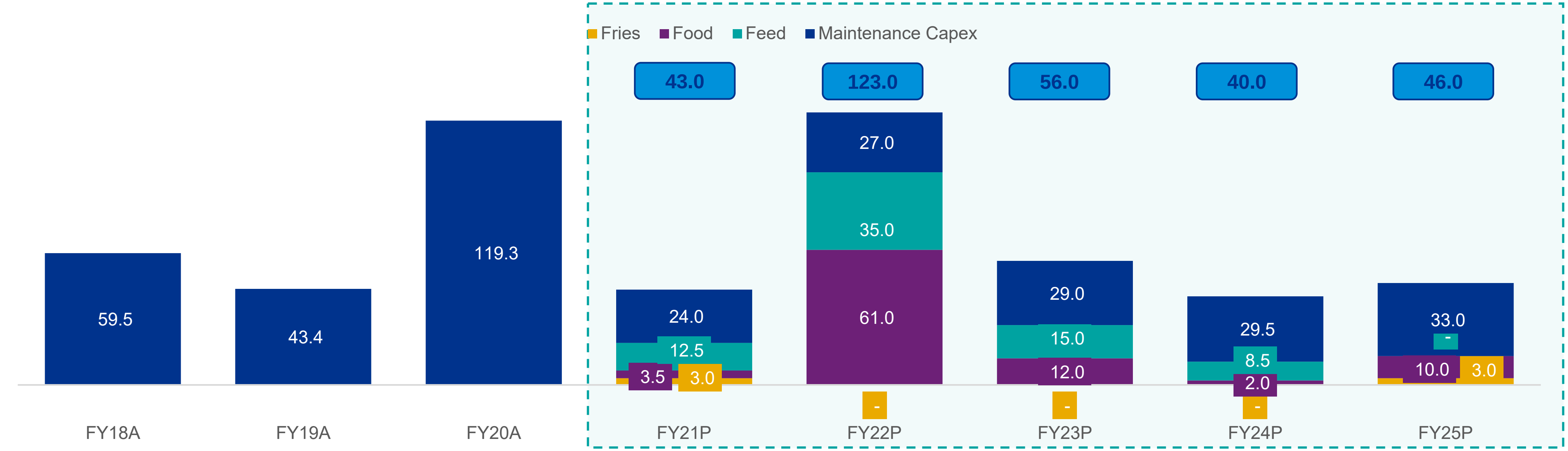
Overview:

1) **Based on the above figures, significant increase in 1Q21P net working capital as the base year in the Projections was FY19P and does not take into account the actual FY20 results.**
2) **The projected quarterly net working capital will peak during the first quarter (greater by almost 20% as compared to the rest quarters) before falling back and remaining flat throughout the rest of the quarters in the year. This is driven by the assumed quarterly sales volume which is projected to peak during the second quarter of the year and therefore, the Group is expecting to prepare for this by stocking up on its inventory during the first quarter. This, however, is in not in line with FY19A and FY20A where the greatest net working capital was in the third quarter, as driven by (i) prolonged drought season and virus outbreak in FY19, thus lowering the feed demand and forcing the inventory to bulk up during 2Q19 and 3Q19, and (ii) COVID-19 pandemic during FY20 which results in demand recovery to start in 3Q20.**
3) **The Group informed us that the seasonality in the projected sales volume is driven by weather conditions, whereby farmers cultivate more fish during rainy season, thus increasing the demand of fish feed, and Eid Al-Fitr month which boosts the sale of food products, as explained on pages 18 and 57 and Appendix 1.**

Source: Management information, Financial Projections. We have not adjusted for rounding differences.

Overview: Fixed assets and capital expenditures

Projected Capex (IDR billion, otherwise stated)



Source: Management information, Financial Projections. We have not adjusted for rounding differences.

Overview:

1) **Capex is projected based on the Group’s long-term infrastructure investment plan, categorized as maintenance and expansion (for each of product segments) Capex.**
2) **The biggest contributor is maintenance Capex, which is projected to account for about 50% - 70% of annual Capex each year, except for FY22 where substantial amount of Capex is contributed by expansion on food and feed segment. This composition is in line with the Capex in FY18 and FY19, while in contrary to the FY20 Capex, which was dominated by expansion Capex (see point D on page 36).**
3) **Please refer to the assumptions section on page 73 for the details of Capex key driver assumptions.**

KPMG

Capex: Assumptions

Key assumptions and comments on Financial Projections

Area	Assumptions	KPMG comments
Capex	See below	See below

Area: Capex

Assumptions

- Capex schedule is assumed based on projected long-term Capex schedule which based on management's view during 3Q19.

Projected Capex details

IDR billion	FY18A	FY19A	FY20A	FY21P	FY22P	FY23P	FY24P	FY25P
Expansion Capex								
Hatchery				3.0	-	-	-	3.0
Food				3.5	61.0	12.0	2.0	10.0
Feed				12.5	35.0	15.0	8.5	-
Total expansion Capex	**33.0**	**-**	**87.8**	**19.0**	**96.0**	**27.0**	**10.5**	**13.0**
Total maintenance Capex	**26.5**	**43.4**	**31.5**	**24.0**	**27.0**	**29.0**	**29.5**	**33.0**
Total Capex	**59.5**	**43.4**	**119.3**	**43.0**	**123.0**	**56.0**	**40.0**	**46.0**

Source: Management Information, Financial Projections. We have not adjusted for rounding differences.

- Assumed useful life:
  - 10 years for newly acquired fixed assets; and
  - 15 years for existing fixed assets.

KPMG comments

Substantial expenditures of expansion Capex are expected to incur during FY22P for food and feed segments amounting to IDR61.0 billion and IDR35.0 billion, respectively.

Capex on food segment

Currently, the Group is renting its local food production facilities. Based on the view that this segment has high growth potential, the Group intends to build its own facilities in FY22 in order to produce local food products. The estimated additional capacity (beyond the rented facilities' capacity) is 3.9k tons/ year beyond the current running capacities at the rented facilities.

Capex on feed segment

A substantial amount of Capex is planned to be spent during FY22 to add another feed mill, which will generate additional production on top of its current capacity. The Group intends to buy additional machineries which could yield 40.0k tons p.a. of additional production on top of its current capacity.

The Company also confirmed that it has spent substantial Capex on adding feedmill production facilities that will yield am additional 40.0k tons p.a. Thus, the current actual installed capacity since the beginning of FY21 is around 682.7k tons p.a.

Capex on hatchery

Hatchery production capacity has been declining due to low density farming, as explained on page 19. However, the Group projected to build hatcheries in areas with high growth potential near to the market (cultivation centers), which would result in lower transportation costs and increase shrimp fries survival ratio.

Overview: Bank loans (1/2)

As the Projections assumed its base year to be the FY19P numbers which were no longer relevant with the FY20A numbers, thus resulting in a gap between the actual outstanding bank loans as of FY20A and the FY20P. Set out below the projected bank loans with actual outstanding as of 31 December 2020 as the comparable baseline:

Projected bank loans

		Outstanding amount as of			Projected																			
No	**Lender**	**Dec-18**	**Dec-19**	**Dec-20**	**Mar-21**	**Jun-21**	**Sep-21**	**Dec-21**	**Mar-22**	**Jun-22**	**Sep-22**	**Dec-22**	**Mar-23**	**Jun-23**	**Sep-23**	**Dec-23**	**Mar-24**	**Jun-24**	**Sep-24**	**Dec-24**	**Mar-25**	**Jun-25**	**Sep-25**	**Dec-25**
Short-term bank loans																								
1	Indonesia Eximbank	701.9	623.1	542.4	653.3	653.3	653.3	653.3	653.3	653.3	653.3	653.3	653.3	653.3	653.3	653.3	653.3	653.3	653.3	653.3	653.3	653.3	653.3	653.3
2	PT Bank CIMB Niaga Tbk.	307.7	309.7	169.8	333.5	333.5	333.5	333.5	333.5	333.5	333.5	333.5	333.5	333.5	333.5	333.5	333.5	333.5	333.5	333.5	333.5	333.5	333.5	333.5
3	PT Bank DBS Indonesia	238.9	212.0	240.6	231.5	231.5	231.5	231.5	231.5	231.5	231.5	231.5	231.5	231.5	231.5	231.5	231.5	231.5	231.5	231.5	231.5	231.5	231.5	231.5
4	PT Bank Rakyat Indonesia Agroniaga Tbk	207.2	207.5	198.5	226.4	226.4	226.4	226.4	226.4	226.4	226.4	226.4	226.4	226.4	226.4	226.4	226.4	226.4	226.4	226.4	226.4	226.4	226.4	226.4
5	PT Bank KEB Hana Indonesia	9.4	7.6	-	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6
6	Additional loans	-	-	-	150.0	-	-	-	150.0	-	-	-	150.0	-	-	-	150.0	-	-	-	150.0	-	-	-
Total short-term bank loans		**1,465.1**	**1,359.9**	**1,151.3**	**1,604.3**	**1,454.3**	**1,454.3**	**1,454.3**	**1,604.3**	**1,454.3**	**1,454.3**	**1,454.3**	**1,604.3**	**1,454.3**	**1,454.3**	**1,454.3**	**1,604.3**	**1,454.3**	**1,454.3**	**1,454.3**	**1,604.3**	**1,454.3**	**1,454.3**	**1,454.3**
Long-term bank loans																								
1	Indonesia Eximbank	114.7	66.9	25.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	PT Bank QNB Indonesia Tbk	96.3	67.7	40.6	33.8	27.1	20.3	13.5	6.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	PT Bank Rakyat Indonesia Agroniaga Tbk	1.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	PT Bank CIMB Niaga Tbk.	216.5	133.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	CIMB Niaga (ex-plasma loan)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	PT Bank Rakyat Indonesia (BRI) (Persero) Tbk. (ex-plasma CPB)	52.9	20.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	PT Bank Rakyat Indonesia (BRI) (Persero) Tbk. (ex-plasma WM)	60.9	26.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	PT Bank KEB Hana Indonesia	10.0	8.0	6.0	5.5	5.0	4.5	4.0	3.5	3.0	2.5	2.0	1.5	1.0	0.5	-	-	-	-	-	-	-	-	-
9	PT Bank IBK Indonesia Tbk (joint financing with Indonesia Eximbank)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total long-term bank loans		**552.9**	**323.2**	**71.6**	**39.3**	**32.1**	**24.8**	**17.5**	**10.3**	**3.0**	**2.5**	**2.0**	**1.5**	**1.0**	**0.5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Unamortized provision of long-term bank loans		(1.8)	(0.9)	(0.2)																				
Total long-term bank loans, net		**551.1**	**322.3**	**71.4**	**39.3**	**32.1**	**24.8**	**17.5**	**10.3**	**3.0**	**2.5**	**2.0**	**1.5**	**1.0**	**0.5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total bank loans		**2,016.2**	**1,682.2**	**1,222.7**	**1,643.6**	**1,486.4**	**1,479.1**	**1,471.8**	**1,614.6**	**1,457.3**	**1,456.8**	**1,456.3**	**1,605.8**	**1,455.3**	**1,454.8**	**1,454.3**	**1,604.3**	**1,454.3**	**1,454.3**	**1,454.3**	**1,604.3**	**1,454.3**	**1,454.3**	**1,454.3**
Cash flows																								
	Short-term bank loans drawdown (repayment)				150.0	(150.0)	-	-	150.0	(150.0)	-	-	150.0	(150.0)	-	-	150.0	(150.0)	-	-	150.0	(150.0)	-	-
	Long-term bank loans drawdown (repayment)				(7.3)	(7.3)	(7.3)	(7.3)	(7.3)	(7.3)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	-	-	-	-	-	-	-	-
Total principal drawdown (repayments)					**142.7**	**(157.3)**	**(7.3)**	**(7.3)**	**142.7**	**(157.3)**	**(0.5)**	**(0.5)**	**149.5**	**(150.5)**	**(0.5)**	**(0.5)**	**150.0**	**(150.0)**	**-**	**-**	**150.0**	**(150.0)**	**-**	**-**

Source: Management information, Financial Projections. We have not adjusted for rounding differences.

Overview: Bank loans (2/2)

Overview:

- **No repayment is forecast to be made for its existing short-term bank loans as these loans are mainly working capital facilities comprised of revolving loans and L/C or SKBDN ("local L/C") facilities, as these loans will have continuous utilization and repayment throughout the Projected Period based on the Group's operational requirements. Based on the latest maturity dates as of 31 December 2020, these facilities are expected to mature at various points during the Projected Period. The Company is of the view that these facilities will be extended.**
- **The Projections assume an additional drawdown on its existing working capital loans during the first quarter every year amounting to USD10.0 million (equal to IDR150.0 billion) and for this amount to be immediately repaid during the second quarter. The Company informed us that this additional drawdown will be made through its existing working capital facilities and not new lenders or new facilities. This is to support the projected negative net operating cashflows during the first quarter, as the Projections assumed the Group would stock up on inventory during the beginning of the year (see Appendix 2), and will then increase its sales in the second quarter, allowing it to repay the additional working capital facilities.**
- **The only repayments made will only be for the long-term bank loans facilities from PT Bank QNB Indonesia Tbk and PT Bank KEB Hana Indonesia. As the Projections were developed based on the 2018 actual bank loans outstanding, the Group anticipates differences between the Projections and actual loan repayments schedule.**
- **Please refer to page 76 for the bank loans key driver assumptions.**

Source: Management information, Financial Projections. We have not adjusted for rounding differences.

Bank loans: Assumptions

Key assumptions and comments on Financial Projections

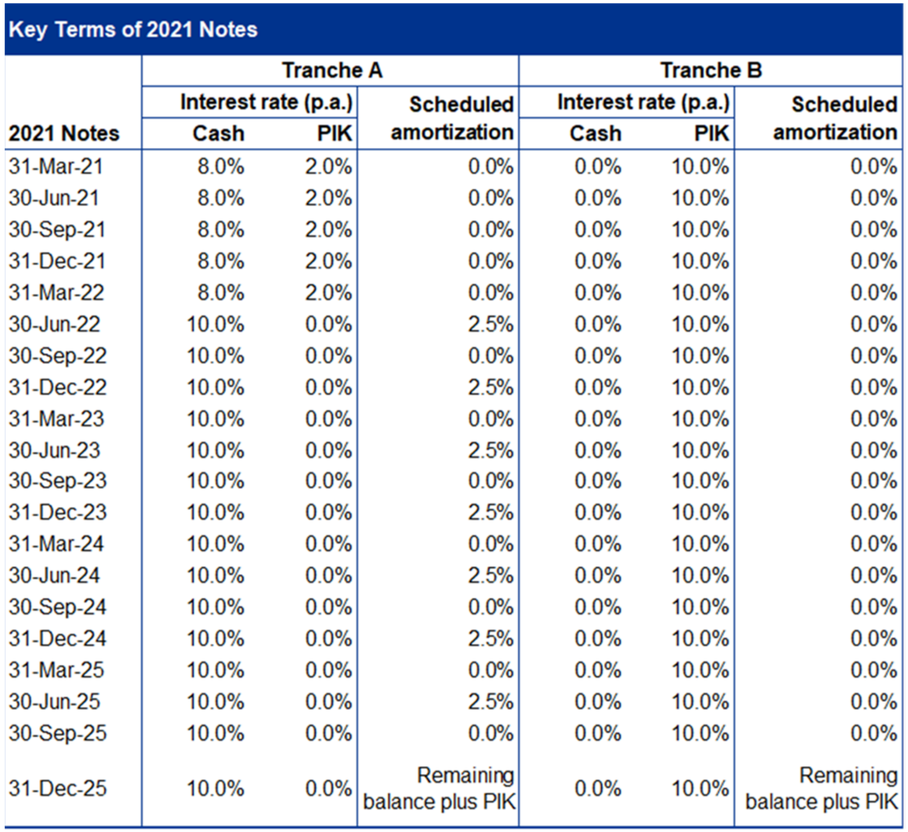
Area	Assumptions	KPMG comments
Bank loans	**Projected interest rate** ▪ USD loans: Fixed rate between **5% - 6.6%** p.a. ▪ IDR loans: Fixed rate between **10% - 12.8%** p.a. **Principal drawdown (repayment)** ▪ Short-term bank loans: Assumed to drawdown a USD10.0 million (eq. to IDR150.0 billion) working capital loan in the first quarter of each year to fund the increase in purchases and working capital requirements and immediately repay it in the second quarter of the same year. ▪ No reduction in outstanding amount is forecast to be made for its existing short-term bank loans as these loans are mainly working capital facilities comprised of revolving loans and L/C or SKBDN ("local L/C") facilities. ▪ Long-term bank loans: Scheduled repayment based on agreement with the relevant bank	**Projected interest rate** Historical interest rates between FY18 and FY20 were: ▪ USD loans: **5% - 8.7%** p.a. ▪ IDR loans: **7.6% - 13.4**% p.a. The assumed rates are in line with historical annual interest rate between FY18 to FY20. **Principal drawdown (repayment)** ▪ The Projections assumes to drawdown additional working capital facility during the first quarter every year across Projected Period amounting to USD10.0 million (equal to IDR150.0 billion) and immediately repay such outstanding during the second quarter. The Group informed that this additional facility will be obtained through existing working capital facilities. The projected additional loan is in line to support the negative net operating cashflows during every first quarter, as the Projections assumed to stock up inventory during the beginning of the year (see Appendix 2). ▪ The only repayments made will only be for the long-term bank loans facilities from PT Bank QNB Indonesia Tbk and PT Bank KEB Hana Indonesia. We noted that as of December 2020, the Group has further converted 6 working capital facilities into term loan with a fixed repayment schedule, as explained on page 41.

The 2021 Scheme

Restructuring of 2018 Notes - Scheme

The Company and the Arrangers have come to an agreement on the RSA. The restructuring of the 2018 Notes is expected to be completed under a Scheme of Arrangement in Singapore. The restructuring provided for in the 2021 Scheme has 2 different options – the **Re-participation Option** and the **Cash-out Option**. If the Scheme is approved, any 2018 Noteholders that do not vote in favor of the Scheme, would be included in the Re-participation Option. The only way to participate in the Cash-out Option is to vote for this option in the 2021 Scheme.

Set out below the key repayment terms which should be serviced by the Group's EBITDA, summarized from the 2021 Scheme:



Key Terms of 2021 Notes

	Tranche A			Tranche B		
	Interest rate (p.a.)		Scheduled amortization	Interest rate (p.a.)		Scheduled amortization
2021 Notes	Cash	PIK		Cash	PIK	
31-Mar-21	8.0%	2.0%	0.0%	0.0%	10.0%	0.0%
30-Jun-21	8.0%	2.0%	0.0%	0.0%	10.0%	0.0%
30-Sep-21	8.0%	2.0%	0.0%	0.0%	10.0%	0.0%
31-Dec-21	8.0%	2.0%	0.0%	0.0%	10.0%	0.0%
31-Mar-22	8.0%	2.0%	0.0%	0.0%	10.0%	0.0%
30-Jun-22	10.0%	0.0%	2.5%	0.0%	10.0%	0.0%
30-Sep-22	10.0%	0.0%	0.0%	0.0%	10.0%	0.0%
31-Dec-22	10.0%	0.0%	2.5%	0.0%	10.0%	0.0%
31-Mar-23	10.0%	0.0%	0.0%	0.0%	10.0%	0.0%
30-Jun-23	10.0%	0.0%	2.5%	0.0%	10.0%	0.0%
30-Sep-23	10.0%	0.0%	0.0%	0.0%	10.0%	0.0%
31-Dec-23	10.0%	0.0%	2.5%	0.0%	10.0%	0.0%
31-Mar-24	10.0%	0.0%	0.0%	0.0%	10.0%	0.0%
30-Jun-24	10.0%	0.0%	2.5%	0.0%	10.0%	0.0%
30-Sep-24	10.0%	0.0%	0.0%	0.0%	10.0%	0.0%
31-Dec-24	10.0%	0.0%	2.5%	0.0%	10.0%	0.0%
31-Mar-25	10.0%	0.0%	0.0%	0.0%	10.0%	0.0%
30-Jun-25	10.0%	0.0%	2.5%	0.0%	10.0%	0.0%
30-Sep-25	10.0%	0.0%	0.0%	0.0%	10.0%	0.0%
31-Dec-25	10.0%	0.0%	Remaining balance plus PIK	0.0%	10.0%	Remaining balance plus PIK

Source: RSA. We have not adjusted for rounding differences.

Remarks: The above table presents the key terms under the assumption more than 75% of 2018 Noteholders vote in favor of the Re-participation Option. Key terms will be amended should less than 75% of the 2018 Noteholders vote in favor of the Re-participation Option. These terms can be found in the RSA.

A key feature of the 2021 Tranche A Loan is the Cash Sweep, under which a minimum amount of Group's cash in excess of an agreed amount (and more if the Company so elects) will be paid through an agreed cash distribution waterfall to amortize amounts owing Tranche A, and if sufficient, to amortize amounts owing under Tranche A and Tranche B.

The relevant provision of the RSA, Section Cash Sweep in Part II Schedule 4, provides that "On each Quarter Date falling on or after 31 December 2021, the Parent shall apply an amount of cash that is not less than 50% of the Group's EBITDA for the fiscal quarter ending on the immediately preceding Quarter Date in accordance with and in the order set out below (the "Cash Sweep"):

1. *first*, in payment of cash interest accrued on the Tranche A Loan and falling due on or prior to that date;
2. *second*, in payment of scheduled amortisations in respect of the Tranche A Loan falling due on or prior to that date;
3. *third*, in payment of PIK interest accrued on the Tranche A Loan and to be and/or which have been capitalised on or before that date;
4. *fourth,* of the cash remaining after payment of the items set out above
    a. 70% shall be applied in prepayment of the principal outstanding under the Tranche A Loan falling due after that date but prior to the Tranche A Facility Maturity Date (in inverse chronological order); and
    b. provided that there are no events of default continuing under the Term Loan Facilities, 30% shall be applied in accordance with and in the order set out below:
        i. first, in payment of PIK interest accrued on the Tranche B Loan and to be capitalised on that date; and
        ii. second, repayment of the Tranche B Loan.

If there are events of default continuing under the Term Loan Facilities, the 30% should also be applied in prepayment of scheduled amortisations in respect of the Tranche A Loan falling due after that date but prior to the Tranche A Facility Maturity Date (in inverse chronological order)."

Restructuring of 2018 Notes - Cash Sweep (1/3)

The Financial Projections set out the Cash Sweep calculations which were used during the discussion with the Arrangers. We have recalculated the Cash Sweep based on our understanding of the RSA and is the foundation of our Cash Sweep analysis. Output results, such as EBITDA, net working capital, Forex rate, etc., are based on the Financial Projections output. Set out below the Cash Sweep calculation with the scenario of 100% re-participation rate of 2018 Noteholders (see Assumptions section on pages 82 – 84 for further information):

Cash Sweep

USD million		4Q20A	1Q21P	2Q21P	3Q21P	4Q21P	1Q22P	2Q22P	3Q22P	4Q22P	1Q23P	2Q23P	3Q23P	4Q23P	1Q24P	2Q24P	3Q24P	4Q24P	1Q25P	2Q25P	3Q25P	4Q25P	Total
	EBITDA	16.0	10.4	11.5	11.3	12.0	10.6	11.7	11.5	12.1	10.6	11.6	11.5	12.1	10.8	11.8	11.7	12.3	10.9	12.0	11.9	12.5	
50%	**Available EBITDA to 2018 Noteholders**		**8.0**	**5.2**	**5.7**	**5.6**	**6.0**	**5.3**	**5.9**	**5.7**	**6.1**	**5.3**	**5.8**	**5.8**	**6.1**	**5.4**	**5.9**	**5.9**	**6.2**	**5.5**	**6.0**	**5.9**	
1	Cash coupon to Tranche A 1)		(1.2)	(1.2)	(1.2)	(1.2)	(1.1)	(1.3)	(1.2)	(1.2)	(1.1)	(1.0)	(0.9)	(0.8)	(0.7)	(0.6)	(0.5)	(0.4)	(0.2)	(0.1)	(0.0)	-	**(15.6)**
	Remaining EBITDA		**6.8**	**4.0**	**4.5**	**4.5**	**4.9**	**4.0**	**4.6**	**4.6**	**5.0**	**4.3**	**4.9**	**5.0**	**5.4**	**4.8**	**5.5**	**5.5**	**5.9**	**5.3**	**6.0**	**5.9**	
2	Principal amortization to Tranche A		-	-	-	-	-	(1.4)	-	(1.4)	-	(1.4)	-	(1.4)	-	(1.4)	-	(1.4)	-	(1.4)	-	-	**(10.0)**
	Remaining EBITDA		**6.8**	**4.0**	**4.5**	**4.5**	**4.9**	**2.6**	**4.6**	**3.2**	**5.0**	**2.9**	**4.9**	**3.6**	**5.4**	**3.4**	**5.5**	**4.1**	**5.9**	**3.9**	**6.0**	**5.9**	
3	PIK coupon to Tranche A 1)		-	-	-	(1.2)	(0.3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**(1.5)**
	Remaining EBITDA		**6.8**	**4.0**	**4.5**	**3.3**	**4.6**	**2.6**	**4.6**	**3.2**	**5.0**	**2.9**	**4.9**	**3.6**	**5.4**	**3.4**	**5.5**	**4.1**	**5.9**	**3.9**	**6.0**	**5.9**	
4	Accelerated principal payment to Tranche A		-	-	-	(2.3)	(3.2)	(1.8)	(3.2)	(2.2)	(3.5)	(2.0)	(3.4)	(2.5)	(3.8)	(2.4)	(3.8)	(2.9)	(4.1)	(2.7)	(0.7)	-	**(44.6)**
	Remaining EBITDA		**6.8**	**4.0**	**4.5**	**1.0**	**1.4**	**0.8**	**1.4**	**0.9**	**1.5**	**0.9**	**1.5**	**1.1**	**1.6**	**1.0**	**1.6**	**1.2**	**1.8**	**1.2**	**5.3**	**5.9**	
5	PIK coupon to Tranche B 1)		-	-	-	(1.1)	(0.7)	(0.7)	(0.7)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.5)	(0.5)	(0.5)	(0.5)	(0.4)	(0.4)	(0.3)	**(9.7)**
	Remaining EBITDA		**6.8**	**4.0**	**4.5**	**(0.1)**	**0.7**	**0.1**	**0.7**	**0.3**	**0.9**	**0.3**	**0.9**	**0.5**	**1.1**	**0.5**	**1.1**	**0.7**	**1.3**	**0.7**	**4.9**	**5.7**	
6	Accelerated principal payment to Tranche B		-	-	-	0.1	(0.7)	(0.1)	(0.7)	(0.3)	(0.9)	(0.3)	(0.9)	(0.5)	(1.1)	(0.5)	(1.1)	(0.7)	(1.3)	(0.7)	(4.9)	(5.7)	**(20.3)**
	Surplus (deficit)		**6.8**	**4.0**	**4.5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	15.4

Cash Sweep

IDR billion		4Q20A	1Q21P	2Q21P	3Q21P	4Q21P	1Q22P	2Q22P	3Q22P	4Q22P	1Q23P	2Q23P	3Q23P	4Q23P	1Q24P	2Q24P	3Q24P	4Q24P	1Q25P	2Q25P	3Q25P	4Q25P	Total
	EBITDA	222.2	156.0	171.8	169.2	180.6	158.9	175.7	171.9	181.9	158.6	173.6	172.9	181.8	162.0	177.4	175.6	184.8	163.7	179.6	177.8	187.3	
50%	**Available EBITDA to 2018 Noteholders**		**111.1**	**78.0**	**85.9**	**84.6**	**90.3**	**79.4**	**87.9**	**86.0**	**90.9**	**79.3**	**86.8**	**86.4**	**90.9**	**81.0**	**88.7**	**87.8**	**92.4**	**81.9**	**89.8**	**88.9**	
1	Cash coupon to Tranche A		(17.7)	(17.7)	(17.7)	(17.7)	(16.9)	(19.9)	(18.6)	(17.3)	(15.8)	(14.4)	(13.0)	(11.6)	(10.0)	(8.4)	(6.9)	(5.4)	(3.6)	(2.0)	(0.3)	-	**(234.5)**
	Remaining EBITDA		**93.4**	**60.3**	**68.2**	**66.9**	**73.4**	**59.6**	**69.3**	**68.7**	**75.2**	**64.9**	**73.8**	**74.9**	**80.9**	**72.5**	**81.8**	**82.4**	**88.8**	**79.9**	**89.6**	**88.9**	
2	Principal amortization to Tranche A		-	-	-	-	-	(21.3)	-	(21.3)	-	(21.3)	-	(21.3)	-	(21.3)	-	(21.3)	-	(21.3)	-	-	**(149.3)**
	Remaining EBITDA		**93.4**	**60.3**	**68.2**	**66.9**	**73.4**	**38.3**	**69.3**	**47.4**	**75.2**	**43.6**	**73.8**	**53.5**	**80.9**	**51.2**	**81.8**	**61.1**	**88.8**	**58.6**	**89.6**	**88.9**	
3	PIK coupon to Tranche A		-	-	-	(17.7)	(4.2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**(21.9)**
	Remaining EBITDA		**93.4**	**60.3**	**68.2**	**49.2**	**69.1**	**38.3**	**69.3**	**47.4**	**75.2**	**43.6**	**73.8**	**53.5**	**80.9**	**51.2**	**81.8**	**61.1**	**88.8**	**58.6**	**89.6**	**88.9**	
4	Accelerated principal payment to Tranche A		-	-	-	(34.5)	(48.4)	(26.8)	(48.5)	(33.2)	(52.6)	(30.5)	(51.7)	(37.5)	(56.6)	(35.8)	(57.3)	(42.8)	(62.1)	(41.0)	(9.9)	-	**(669.2)**
	Remaining EBITDA		**93.4**	**60.3**	**68.2**	**14.8**	**20.7**	**11.5**	**20.8**	**14.2**	**22.5**	**13.1**	**22.1**	**16.1**	**24.3**	**15.4**	**24.5**	**18.3**	**26.6**	**17.6**	**79.6**	**88.9**	
5	PIK coupon to Tranche B		-	-	-	(16.0)	(10.1)	(9.8)	(9.8)	(9.5)	(9.4)	(9.0)	(8.9)	(8.5)	(8.3)	(7.9)	(7.7)	(7.3)	(7.0)	(6.4)	(6.1)	(4.1)	**(145.9)**
	Remaining EBITDA		**93.4**	**60.3**	**68.2**	**(1.2)**	**10.6**	**1.6**	**11.0**	**4.7**	**13.2**	**4.1**	**13.2**	**7.5**	**15.9**	**7.4**	**16.8**	**11.1**	**19.7**	**11.1**	**73.5**	**84.8**	
6	Accelerated principal payment to Tranche B		-	-	-	1.2	(10.6)	(1.6)	(11.0)	(4.7)	(13.2)	(4.1)	(13.2)	(7.5)	(15.9)	(7.4)	(16.8)	(11.1)	(19.7)	(11.1)	(73.5)	(84.8)	**(305.1)**
	Surplus (deficit)		**93.4**	**60.3**	**68.2**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	221.9

Had the cash sweep started prior to 4Q21P, the 2021 Tranche A Loan Holders and 2021 Tranche B Loan Holders would have had an opportunity to be repaid up to IDR221.9 billion (eq. to USD15.4 million). However, as per the terms of the RSA, the accelerated repayment (without prepayment penalties) will only begin on 31 December 2021 and thus, the surplus available during 1Q21 – 3Q21 will add to the Group's ending cash and might be partially used for accelerated repayment on 31 December 2021.

Source: Financial Projections. We have not adjusted for rounding differences.
Note:
1) The coupon payments include Withholding Tax/ Gross up of 8%.
2) Assumed USD/IDR Forex rate: 15,000

Restructuring of 2018 Notes - Cash Sweep (2/3)

Set out below are the 2021 Tranche A Loan and Tranche B Loan repayment schedules in conformity with the RSA. Based on the 100% re-participation of existing 2018 Noteholders, 2021 Tranche A Loan will be fully repaid by 3Q25 primarily through accelerated repayments, while Tranche B Loan is projected to be fully repaid by 1Q26 or beyond the Cash Sweep period.

Tranche A Loan

USD million	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Total
Beginning balance	56.9	54.6	54.6	54.6	54.6	52.3	49.0	45.8	42.6	39.0	35.5	32.0	28.6	24.6	20.9	17.1	13.2	9.0	4.8	0.7	-	
Prepayments	(2.3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Repayment - scheduled	-	-	-	-	-	-	(1.4)	-	(1.4)	-	(1.4)	-	(1.4)	-	(1.4)	-	(1.4)	-	(1.4)	-	-	**(10.0)**
Repayment - accelerated	-	-	-	-	(2.3)	(3.2)	(1.8)	(3.2)	(2.2)	(3.5)	(2.0)	(3.4)	(2.5)	(3.8)	(2.4)	(3.8)	(2.9)	(4.1)	(2.7)	(0.7)	-	**(44.6)**
Ending balance	**54.6**	**54.6**	**54.6**	**54.6**	**52.3**	**49.0**	**45.8**	**42.6**	**39.0**	**35.5**	**32.0**	**28.6**	**24.6**	**20.9**	**17.1**	**13.2**	**9.0**	**4.8**	**0.7**	**-**	**-**	
Cash coupon		**1.1**	**1.1**	**1.1**	**1.1**	**1.0**	**1.2**	**1.1**	**1.1**	**1.0**	**0.9**	**0.8**	**0.7**	**0.6**	**0.5**	**0.4**	**0.3**	**0.2**	**0.1**	**0.0**	**-**	**14.5**
PIK interest		0.3	0.3	0.3	0.3	0.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Accrued PIK balance		0.3	0.5	0.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
PIK payment		**-**	**-**	**-**	**1.1**	**0.3**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1.4**
2.5% Scheduled amortizations		**-**	**-**	**-**	**-**	**-**	**1.4**	**-**	**1.4**	**-**	**1.4**	**-**	**1.4**	**-**	**1.4**	**-**	**1.4**	**-**	**1.4**	**-**	**-**	
Maturity amortization		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
		-	**-**	**-**	**-**	**-**	**1.4**	**-**	**1.4**	**-**	**1.4**	**-**	**1.4**	**-**	**1.4**	**-**	**1.4**	**-**	**1.4**	**-**	**-**	**10.0**
Prepayments	**2.3**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2.3**
70% Amount available for accelerated principal repayments		4.8	2.8	3.2	2.3	3.2	1.8	3.2	2.2	3.5	2.0	3.4	2.5	3.8	2.4	3.8	2.9	4.1	2.7	4.2	4.1	
Accelerated principal repayments		**-**	**-**	**-**	**2.3**	**3.2**	**1.8**	**3.2**	**2.2**	**3.5**	**2.0**	**3.4**	**2.5**	**3.8**	**2.4**	**3.8**	**2.9**	**4.1**	**2.7**	**0.7**	**-**	**44.6**
Total payment to Noteholders	**2.3**	**1.1**	**1.1**	**1.1**	**4.5**	**4.5**	**4.4**	**4.4**	**4.7**	**4.5**	**4.3**	**4.2**	**4.6**	**4.4**	**4.3**	**4.2**	**4.6**	**4.4**	**4.3**	**0.7**	**-**	**72.7**

Tranche B Loan

USD million	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Total
Beginning balance		25.0	25.0	25.0	25.0	25.0	24.3	24.2	23.5	23.1	22.3	22.0	21.1	20.6	19.5	19.0	17.9	17.2	15.9	15.1	10.2	4.6	
Repayment - scheduled		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4.6)	**(4.6)**
Repayment - accelerated		-	-	-	-	(0.7)	(0.1)	(0.7)	(0.3)	(0.9)	(0.3)	(0.9)	(0.5)	(1.1)	(0.5)	(1.1)	(0.7)	(1.3)	(0.7)	(4.9)	(5.7)	-	**(20.4)**
Ending balance		**25.0**	**25.0**	**25.0**	**25.0**	**24.3**	**24.2**	**23.5**	**23.1**	**22.3**	**22.0**	**21.1**	**20.6**	**19.5**	**19.0**	**17.9**	**17.2**	**15.9**	**15.1**	**10.2**	**4.6**	**-**	
0% Cash coupon		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
PIK interest		0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.3	0.1	
Accrued PIK balance		0.6	1.3	1.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
PIK payments		**-**	**-**	**-**	**2.5**	**0.6**	**0.6**	**0.6**	**0.6**	**0.6**	**0.6**	**0.5**	**0.5**	**0.5**	**0.5**	**0.5**	**0.4**	**0.4**	**0.4**	**0.4**	**0.3**	**0.1**	**10.6**
Scheduled amortizations		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
Maturity amortization		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4.6**	
		-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4.6**	**4.6**
30% Amount available for accelerated principal repayments		6.8	4.0	4.5	-	0.7	0.1	0.7	0.3	0.9	0.3	0.9	0.5	1.1	0.5	1.1	0.7	1.3	0.7	4.9	5.7	-	
Accelerated principal repayments		**-**	**-**	**-**	**-**	**0.7**	**0.1**	**0.7**	**0.3**	**0.9**	**0.3**	**0.9**	**0.5**	**1.1**	**0.5**	**1.1**	**0.7**	**1.3**	**0.7**	**4.9**	**5.7**	**-**	**20.4**
Total payment to Noteholders		**-**	**-**	**-**	**2.5**	**1.3**	**0.7**	**1.3**	**0.9**	**1.5**	**0.8**	**1.4**	**1.0**	**1.6**	**1.0**	**1.6**	**1.2**	**1.7**	**1.1**	**5.3**	**5.9**	**4.7**	

Source: Financial Projections. We have not adjusted for rounding differences.

Restructuring of 2018 Notes - Cash Sweep (3/3)

Remaining 50% EBITDA portion

IDR billion	Dec-20 1)	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
50% Remaining EBITDA		**111.1**	**78.0**	**85.9**	**84.6**	**90.3**	**79.4**	**87.9**	**86.0**	**90.9**	**79.3**	**86.8**	**86.4**	**90.9**	**81.0**	**88.7**	**87.8**	**92.4**	**81.9**	**89.8**	**88.9**
Adjusted by:																					
Changes in net working capital		**(275.0)**	**157.9**	**10.9**	**(4.8)**	**(206.7)**	**163.0**	**12.4**	**(2.7)**	**(202.8)**	**171.7**	**10.1**	**(2.9)**	**(210.7)**	**170.4**	**10.0**	**(6.1)**	**(232.7)**	**184.7**	**12.4**	**(2.3)**
Accounts receivable	738.8	760.6	776.9	768.5	772.5	788.9	806.6	797.0	799.3	809.0	823.6	815.9	818.3	830.3	849.9	842.3	847.3	869.3	884.9	875.4	877.3
Inventory + biological assets	867.7	1,070.5	911.1	899.6	903.5	1,111.5	947.0	934.0	936.0	1,140.1	967.1	956.3	958.3	1,170.2	998.1	987.3	992.3	1,225.9	1,039.7	1,026.6	1,028.1
Advances, prepaid tax and expenses	121.5	124.9	127.6	125.9	126.5	129.7	132.6	130.8	131.0	133.0	135.4	133.9	134.2	136.5	139.7	138.2	138.9	143.0	145.6	143.7	143.9
Accounts payable	867.7	820.7	838.2	827.6	831.2	852.1	871.3	859.3	861.1	874.1	889.7	879.8	881.7	897.2	918.2	908.3	912.9	939.8	956.5	944.5	945.8
Net working capital	860.2	1,135.3	977.3	966.5	971.2	1,177.9	1,014.9	1,002.5	1,005.2	1,208.1	1,036.3	1,026.3	1,029.1	1,239.9	1,069.5	1,059.5	1,065.6	1,298.3	1,113.6	1,101.2	1,103.5
Tax payments		**(10.9)**	**(10.9)**	**(10.9)**	**(10.9)**	**(11.5)**	**(11.5)**	**(11.5)**	**(11.5)**	**(16.1)**	**(16.1)**	**(16.1)**	**(16.1)**	**(18.9)**	**(18.9)**	**(18.9)**	**(18.9)**	**(22.1)**	**(22.1)**	**(22.1)**	**(22.1)**
Capex		**(10.8)**	**(10.8)**	**(10.8)**	**(10.8)**	**(30.8)**	**(30.8)**	**(30.8)**	**(30.8)**	**(14.0)**	**(14.0)**	**(14.0)**	**(14.0)**	**(10.0)**	**(10.0)**	**(10.0)**	**(10.0)**	**(11.5)**	**(11.5)**	**(11.5)**	**(11.5)**
Remaining EBITDA		**(185.7)**	**214.2**	**75.1**	**58.1**	**(158.6)**	**200.2**	**58.0**	**41.0**	**(141.9)**	**221.0**	**66.8**	**53.5**	**(148.8)**	**222.5**	**69.7**	**52.8**	**(173.9)**	**232.9**	**68.6**	**53.0**
Other cashflows items:																					
Bank loans interest expense		(34.6)	(34.6)	(33.5)	(33.5)	(34.1)	(34.1)	(32.9)	(32.9)	(33.8)	(33.8)	(32.7)	(32.7)	(33.8)	(33.8)	(32.7)	(32.7)	(33.8)	(33.8)	(32.7)	(32.7)
Bank charges		(9.0)	(9.0)	(10.1)	(10.1)	(9.0)	(9.0)	(10.1)	(10.1)	(9.0)	(9.0)	(10.1)	(10.1)	(9.0)	(9.0)	(10.1)	(10.1)	(9.0)	(9.0)	(10.1)	(10.1)
Long-term bank loans repayment		(7.3)	(7.3)	(7.3)	(7.3)	(7.3)	(7.3)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	-	-	-	-	-	-	-	-
Proceeds (repayment) of short-term bank loans		150.0	(150.0)	-	-	150.0	(150.0)	-	-	150.0	(150.0)	-	-	150.0	(150.0)	-	-	150.0	(150.0)	-	-
Others:																					
Long-term employee benefit obligations		4.8	4.8	4.8	4.8	5.1	5.1	5.1	5.1	4.9	4.9	4.9	4.9	5.2	5.2	5.2	5.2	5.5	5.5	5.5	5.5
Amortization of 2021 Notes valuations		-	-	-	(17.2)	(13.3)	(6.3)	(7.8)	(7.5)	(8.7)	(7.1)	(8.6)	(8.6)	(9.7)	(8.4)	(9.9)	(9.8)	(13.1)	(12.3)	(10.5)	-
Others		0.7	0.7	0.7	0.7	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.1	1.1	1.1	1.1
Remaining EBITDA (net other cashflows items)		**(81.0)**	**18.8**	**29.7**	**(4.5)**	**(66.1)**	**(0.2)**	**12.9**	**(3.9)**	**(37.8)**	**26.6**	**21.0**	**7.8**	**(44.8)**	**27.8**	**23.5**	**6.6**	**(73.2)**	**34.4**	**21.8**	**16.8**
Surplus (deficit) from cash waterfalls		93.4	60.3	68.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Beginning cash balance		296.5	308.8	388.0	485.9	481.4	415.4	415.1	428.0	424.1	386.3	412.9	433.9	441.7	396.9	424.6	448.1	454.8	381.5	416.0	437.8
Ending cash balance		**308.8**	**388.0**	**485.9**	**481.4**	**415.4**	**415.1**	**428.0**	**424.1**	**386.3**	**412.9**	**433.9**	**441.7**	**396.9**	**424.6**	**448.1**	**454.8**	**381.5**	**416.0**	**437.8**	**454.6**

Based on the projected cash balance noted above, the Company projects to have sufficient cash to pay more than the required 50% of each quarter's EBITDA that it has agreed to in the Cash Sweep in the RSA. Building up its cash balance to such levels would be an inefficient use of cash, and further repayment of the 2021 Tranche A Loan and 2021 Tranche B Loan would likely be a more efficient use of its cash

Source: Financial Projections. We have not adjusted for rounding differences.
Note: 1) Figures based on FY19P numbers set out in the Projections.

Restructuring of 2018 Notes: Assumptions (1/3)

Key assumptions and comments on Financial Projections

Area	Assumptions	KPMG comments
Restructuring of 2018 Notes	The Company and the Arrangers have come to an agreement on the RSA. The restructuring of the 2018 Notes is expected to be completed under a Scheme of Arrangement in Singapore. The Projections for repayment of the 2021 Tranche A Loan and 2021 Tranche B Loan is based on the RSA. The Projections are comprised of the following Re-participation Option key terms which affect the Group's cashflows: ▪ The assumed participation rate of 2018 Noteholders is 100% and the rest of the terms are in line with the RSA. ▪ Term Loan Facilities will be comprised of 2021 Tranche A Loan and 2021 Tranche B Loan, **amounting to USD54.6 million** and **USD25.0 million**, respectively, based on the following: (Fund requirement table below) ▪ Tranche A Facility Maturity Date: 31 December 2025 ▪ Tranche B Facility Maturity Date: 31 March 2026	We noted that based on the RSA, the Rolled Commitments is USD56.9 million (considering that if 100% of 2018 Noteholders elected to choose the Re-participation option and thus, 35% of 2018 Notes principal amounting to USD162.5 million). However, as total New Money Amount required is USD79.6 million and Tranche B Loan commitment is fixed at USD25.0 million, the resulting Tranche A Commitment will be USD54.6 million. To bridge the gap between USD56.9 million and USD54.6 million, the USD2.3 million will be considered as a prepayment by the Group to the 2021 Tranche A Loan Holders. (Please refer to pages 79 – 81 for further information on the Cash Sweep calculation).

Fund requirement

USD million	
Rolled Commitments	56.9
Prefunded cash coupon	4.4
Upfront Fees	1.1
Commitment Fees	1.6
Early Bird Consent Fees	1.6
Regular Consent Fees	0.8
Mandatory repayment amount	5.7
MEB Tender Offer	2.0
Contingency expenses	5.5
Total New Money Amount	**79.6**

Source: Management Information, Financial Projections. We have not adjusted for rounding differences.

Restructuring of 2018 Notes: Assumptions (2/3)

Key assumptions and comments on Financial Projections		
Area	**Assumptions**	**KPMG comments**
Restructuring of 2018 Notes (cont.)	▪ In accordance with the RSA, scheduled principal amortizations are as follow: 2021 Tranche A Loan – 30 June 2022: 2.5% of the Tranche A Commitments; – 31 December 2022: 2.5% of the Tranche A Commitments; – 30 June 2023: 2.5% of the Tranche A Commitments; – 31 December 2023: 2.5% of the Tranche A Commitments; – 30 June 2024: 2.5% of the Tranche A Commitments; – 31 December 2024: 2.5% of the Tranche A Commitments; – 30 June 2025: 2.5% of the Tranche A Commitments; – Tranche A Facility Maturity Date: remaining balance of the Tranche A Commitments (including capitalised interest) and all other amounts outstanding under or in respect of the Tranche A Facility. 2021 Tranche B Loan Bullet repayment on 31 March 2026 (“Tranche B Facility Maturity Date”). ▪ Interest rate: Assumed Base Interest Rate → 10.0% p.a. 2021 Tranche A Loan 31 December 2020 to 31 March 2022: – Cash interest rate: 8.0% p.a., payable quarterly; – PIK Interest: Base Interest Rate less Cash Interest Rate, capitalized quarterly. 1 April 2022 to the Tranche A Facility Maturity Date: – Cash Interest Rate: Base Interest Rate, payable quarterly. 2021 Tranche B Loan 31 December 2020 to Maturity: – 0.0% p.a. cash interest, payable quarterly. – PIK Interest: Base Interest Rate, capitalized quarterly.	

Restructuring of 2018 Notes: Assumptions (3/3)

Key assumptions and comments on Financial Projections

Area	Assumptions	KPMG comments
Restructuring of 2018 Notes (cont.)	▪ Cash Sweep: “On each Quarter Date falling on or after 31 December 2021, the Parent shall apply an amount of cash that is not less than 50% of the Group’s EBITDA for the fiscal quarter ending on the immediately preceding Quarter Date in accordance with and in the order set out below (the “Cash Sweep”): *1.* *first*, in payment of cash interest accrued on the Tranche A Loan and falling due on or prior to that date; *2.* *second*, in payment of scheduled amortisations in respect of the Tranche A Loan falling due on or prior to that date; *3.* *third*, in payment of PIK interest accrued on the Tranche A Loan and to be and/or which have been capitalised on or before that date; *4.* *fourth,* of the cash remaining after payment of the items set out above a. 70% shall be applied in prepayment of the principal outstanding under the Tranche A Loan falling due after that date but prior to the Tranche A Facility Maturity Date (in inverse chronological order); and b. provided that there are no events of default continuing under the Term Loan Facilities, 30% shall be applied in accordance with and in the order set out below: i. first, in payment of PIK interest accrued on the Tranche B Loan and to be capitalised on that date; and ii. second, repayment of the Tranche B Loan. If there are events of default continuing under the Term Loan Facilities, the 30% should also be applied in prepayment of scheduled amortisations in respect of the Tranche A Loan falling due after that date but prior to the Tranche A Facility Maturity Date (in inverse chronological order).”	As set out in the Financial Projections, the Cash Sweep calculation assumed the 3Q21 and 4Q21 EBITDA portion available for the sweep were 100% and 75%, respectively. All other periods assume the Cash Sweep will be 50% of EBITDA.. The Company informed that the EBITDA assumptions are in line with the version of the Financial Projections which were the basis of the restructuring of 2018 Notes. Our Cash Sweep calculation on pages 50 and 79 – 81 is based on the 50% of EBITDA portion assumptions starting from 1Q21P.

Others

Other assumptions

Key assumptions and comments on Financial Projections

Area: **Others**

Assumptions

- Foreign exchange rate: IDR/ USD = 15,000
- Income tax: Assumed to have a 5% p.a. growth rate between FY21P – FY22P, based on FY20P hardcoded figure. Subsequently, projected income tax from FY23P onwards is projected on the basis of hardcoded figure.
- Finance income: Assumed at a 1.0%-2.0% of average cash balance.
- Long term estimated liabilities for employees' benefit: Assumed to increase by 6% based on hardcoded FY20P number.

KPMG comments

- Historical IDR/ USD foreign exchange rates during FY18 and FY20 are ranging between IDR13,901 to IDR14,481, based on closing rate on each end of period.

Forex rate

in IDR	FY18	FY19	FY20
USD 1	14,481	13,901	14,105

Source: Central Bank of Indonesia. We have not adjusted for rounding differences.

- The Company informed us that the Projections were not prepared based on each of the individual subsidiaries' separate results. At the time the projections were being prepared, the Company and CPB both had tax losses which could be carried forward. The Company informed us that the 5% growth in annual income tax is based on an attempt to balance capturing the utilization of this tax loss against the growth of the business. The hardcoded numbers in FY23-FY25 represent tax rates that get closer to the assumed 25% CIT rate in Indonesia.

Projected CIT

IDR billion	FY18A	FY19A	FY20A	FY21P	FY22P	FY23P	FY24P	FY25P
Pre-tax income	1,831.9	(348.3)	211.9	243.1	253.9	278.8	314.2	354.1
Income tax expense (Final tax & CIT)	(109.2)	(0.6)	97.0	(43.8)	(46.0)	(64.2)	(75.7)	(88.5)
Equivalent CIT rate	**-6%**	**0%**	**46%**	**-18%**	**-18%**	**-23%**	**-24%**	**-25%**

Source: Financial Projections. We have not adjusted for rounding differences.

- The Projections have not included the impact from the potential tax arising from gain on restructuring of the 2018 Notes. The Company has advised that this is not taxable in Singapore and Indonesia. The Group has appointed Ernst & Young in Singapore and Indonesia who, according to the Company, have advised that this is not taxable in Singapore and Indonesia.
- The Group assumed basic salary to increase by 6.0% p.a., while other salary components, such as insurance, transport allowance, and fringe benefit was assumed to increase by 4%, thus long term estimated liabilities were projected to increase at 6% throughout the projection period.

Cash flows

Supporting - Projected cash flows

Yearly cashflows

IDR billion	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Projected	FY22 Projected	FY23 Projected	FY24 Projected	FY25 Projected
Cashflow from operating activities								
Receipts from customers	7,456.7	7,338.5	7,607.3	8,021.9	8,308.9	8,514.8	8,807.2	9,119.3
Payments to suppliers	(6,107.0)	(6,016.6)	(6,075.2)	(6,467.3)	(6,613.9)	(6,760.0)	(6,991.3)	(7,232.7)
Payments for operating expense	(471.5)	(439.8)	(286.0)	(509.9)	(532.5)	(553.8)	(578.6)	(604.5)
Payments to employees	(458.4)	(414.3)	(406.0)	(453.8)	(483.4)	(515.2)	(548.5)	(584.6)
Cash generated from operations	**419.8**	**467.8**	**840.1**	**590.9**	**679.2**	**685.7**	**688.9**	**697.5**
Receipts of finance income	4.1	2.1	2.1	2.7	4.6	4.7	4.9	4.4
Payments of corporate income taxes	(56.1)	(35.6)	(24.9)	(43.8)	(46.0)	(64.2)	(75.7)	(88.5)
Payments of final tax	(0.4)	(1.6)	-	-	-	-	-	-
Payments of interest expense	(328.4)	(201.2)	(153.7)	(276.8)	(276.8)	(247.5)	(217.0)	(183.2)
Claims for tax refund	37.4	111.8	25.9	-	-	-	-	-
Other receipts (payments) - net	33.4	15.5	78.8	(5.0)	(4.5)	(3.1)	(4.8)	(5.0)
Net cashflows provided (used) in operating activities	**109.8**	**358.9**	**768.4**	**267.9**	**356.5**	**375.6**	**396.3**	**425.2**
Cashflow from investing activities								
Proceeds from sale of fixed assets	5.4	1.6	0.0	-	-	-	-	-
Acquisitions of fixed assets	(59.4)	(43.4)	(119.3)	(43.0)	(123.0)	(56.0)	(40.0)	(46.0)
Acquisitions of investment property	(0.6)	-	-	-	-	-	-	-
Net cashflows provided (used) in investing activities	**(54.6)**	**(41.8)**	**(119.3)**	**(43.0)**	**(123.0)**	**(56.0)**	**(40.0)**	**(46.0)**
Cashflow from financing activities								
Proceeds from:								
Short-term bank loans	479.9	278.0	273.6	-	-	-	-	-
Related parties	7.6	20.8	15.6	-	-	-	-	-
Long-term debts - others	-	0.2	-	-	-	-	-	-
Long-term bank loans	10.0	-	-	-	-	-	-	-
Payments for:								
Short-term bank loans	(414.3)	(362.4)	(469.2)	-	-	-	-	-
Long-term bank loans	(173.0)	(224.4)	(279.8)	(29.1)	(15.5)	(2.0)	-	-
Refinancing of New Notes	-	-	-	(136.1)	(283.6)	(267.2)	(302.5)	(231.0)
Related parties	(81.3)	(14.4)	(23.0)	-	-	-	-	-
Long-term debts - others	(0.7)	-	-	-	-	-	-	-
Lease liabilities	-	-	(45.4)	-	-	-	-	-
Payment of consent fee	(290.3)	-	-	-	-	-	-	-
Liquidation (placement) of restricted financial assets	(43.7)	1.6	45.4	-	-	-	-	-
Net cashflows provided (used) in financing activities	**(505.8)**	**(300.6)**	**(482.8)**	**(165.1)**	**(299.1)**	**(269.2)**	**(302.5)**	**(231.0)**
Net increase (decrease) in cash and cash equivalents	**(450.5)**	**16.4**	**166.3**	**59.8**	**(65.7)**	**50.4**	**53.8**	**148.2**
Net effects of forex in cash and cash equivalents	23.1	(2.3)	0.7	-	-	-	-	-
Beginning cash balance	542.7	115.3	129.4	217.2	277.0	211.3	261.7	315.4
Ending cash balance	**115.3**	**129.4**	**296.5**	**277.0**	**211.3**	**261.7**	**315.4**	**463.7**

Source: Management information, Financial Projections. We have not adjusted for rounding differences.
Note: Please refer to Appendix 1 for quarterly figures

The Projections forecasted a declining yearly trend in interest expense payment, primarily driven by the repayment of Tranche A and B principal starting from 4Q21.

However, in FY21 there will be a PIK coupon capitalization to Tranche B principal amounting to a total of USD1.8 million (eq. to IDR26.6 billion) and therefore, out of IDR303.4 billion of interest expense (see page 52), only IDR276.8 billion will be paid in FY21.

Thus, this resulted in nearly no difference in amount of interest paid in FY21 and FY22.

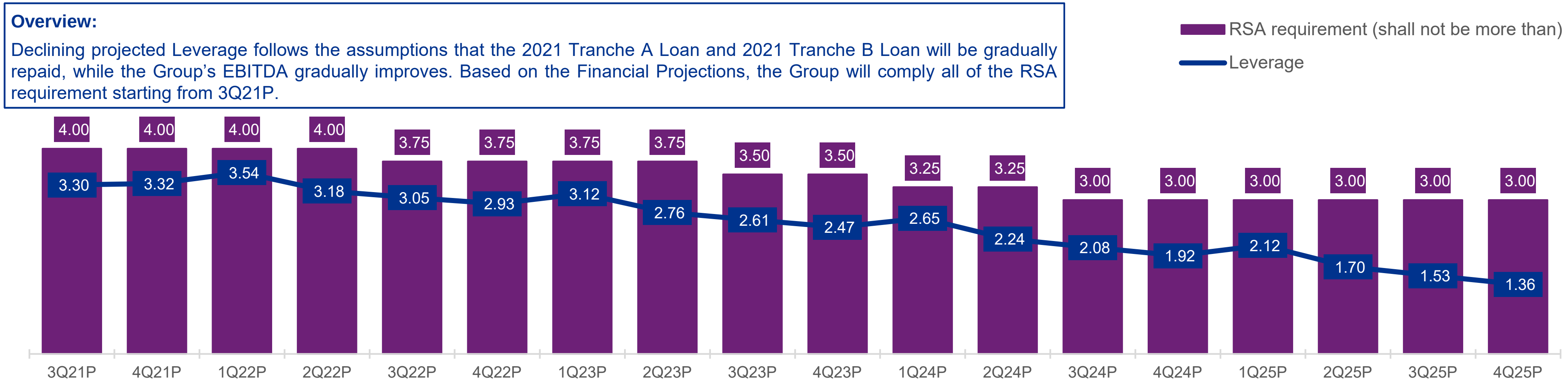
Financial ratios

Financial ratios (1/3)

Specific ratio required by the RSA – Leverage[1] (times)

Overview:

Declining projected Leverage follows the assumptions that the 2021 Tranche A Loan and 2021 Tranche B Loan will be gradually repaid, while the Group's EBITDA gradually improves. Based on the Financial Projections, the Group will comply all of the RSA requirement starting from 3Q21P.

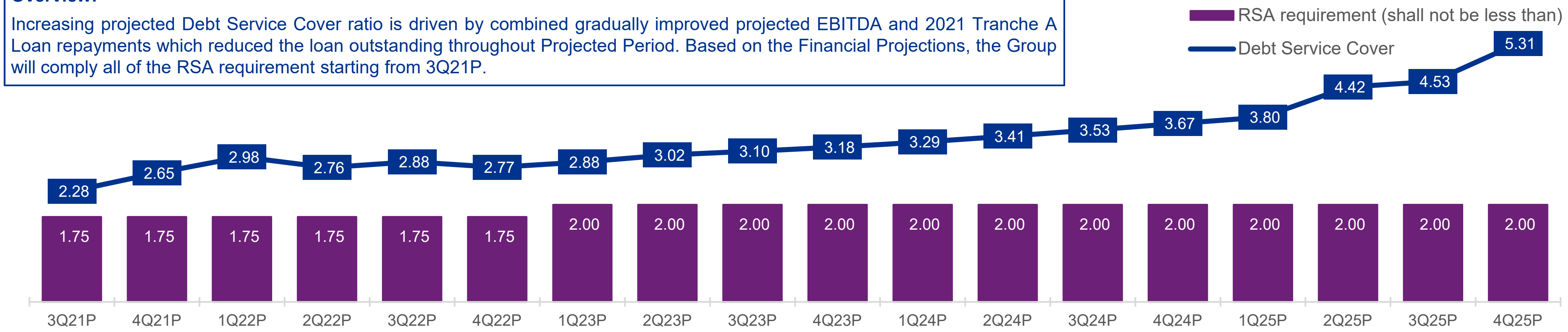


Source: Management information, Financial Projections. We have not adjusted for rounding differences.

Specific ratio required by the RSA – Debt Service Cover[2] (times)

Overview:

Increasing projected Debt Service Cover ratio is driven by combined gradually improved projected EBITDA and 2021 Tranche A Loan repayments which reduced the loan outstanding throughout Projected Period. Based on the Financial Projections, the Group will comply all of the RSA requirement starting from 3Q21P.



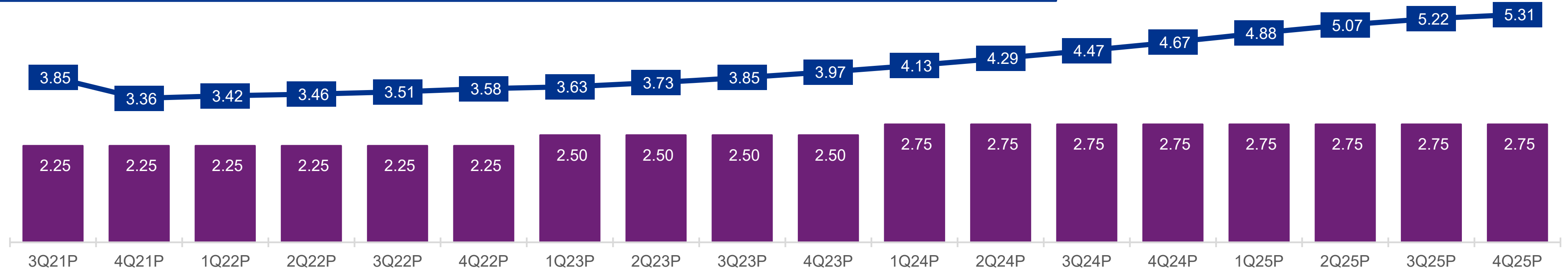
Note:
1) Leverage = Net Debt/ EBITDA, whereby Net Debt defined as all liabilities which would in accordance with Indonesian GAAP be classified as interest-bearing liabilities minus (a) cash (b) cash equivalents and (c) any other restricted financial assets.
2) Debt Service Cover = EBITDA to Debt Service in respect of any Relevant Period, where Debt Service as defined in the RSA. The ratio excludes bank charges and withholding tax resulting from interest payments.

Financial ratios (2/3)

Specific ratio required by the RSA – Interest Cover[1] (times)

Overview:

Gradually increased Interest Cover throughout the Projected Period was in line with the gradual repayment of the 2021 Tranche A Loan and long-term bank loans outstanding principal. Based on the Financial Projections, the Group will comply all of the RSA requirement starting from 3Q21P.

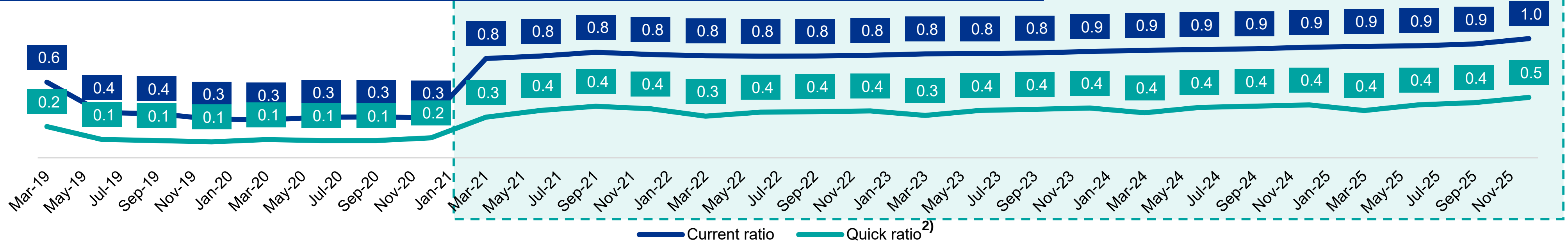


Source: Management information, Financial Projections. We have not adjusted for rounding differences.

Liquidity (times)

Overview:

Based on the above figures, significant increase in 1Q21P is due to the restructuring of the 2018 Notes has been assumed to be finalized in the Projections. Subsequently, both ratios are projected to result in stable numbers across Projected Period.



Source: Management information, Financial Projections. We have not adjusted for rounding differences.

Note:

1) Interest Cover = ratio of EBITDA to Finance Charges in respect of any Relevant Period, where Finance Charges as defined in the RSA. The ratio excludes bank charges and withholding tax resulting from interest payments.

2) Quick ratio = Cash and cash equivalents + TR / Current liabilities

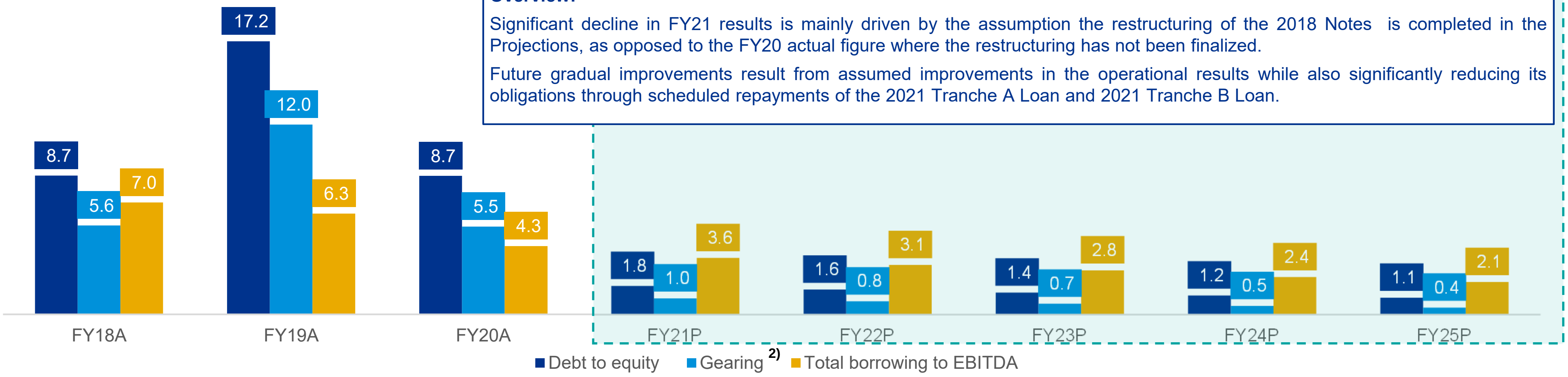
Financial ratios (3/3)

Solvency (times)[1)]

Overview:

Significant decline in FY21 results is mainly driven by the assumption the restructuring of the 2018 Notes is completed in the Projections, as opposed to the FY20 actual figure where the restructuring has not been finalized.

Future gradual improvements result from assumed improvements in the operational results while also significantly reducing its obligations through scheduled repayments of the 2021 Tranche A Loan and 2021 Tranche B Loan.



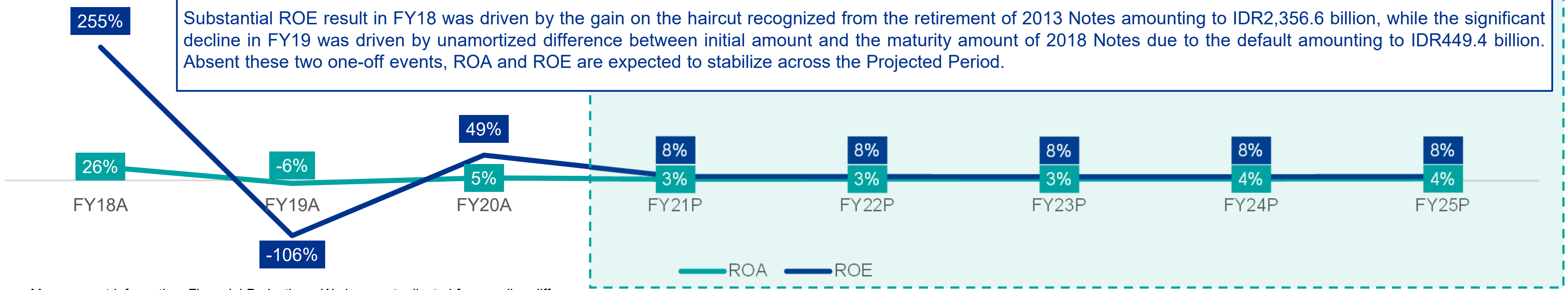
Source: Management information, Financial Projections. We have not adjusted for rounding differences.

Return on investments[1)]

Overview:

ROA and ROE are projected to be stable across the Projection Period due to steady projected net income.

Substantial ROE result in FY18 was driven by the gain on the haircut recognized from the retirement of 2013 Notes amounting to IDR2,356.6 billion, while the significant decline in FY19 was driven by unamortized difference between initial amount and the maturity amount of 2018 Notes due to the default amounting to IDR449.4 billion. Absent these two one-off events, ROA and ROE are expected to stabilize across the Projected Period.



Source: Management information, Financial Projections. We have not adjusted for rounding differences.

Note:

1) As these ratios are more suitable for a longer time frame horizon, we presented the yearly figures of the projected ratios as opposed to the quarterly figures.

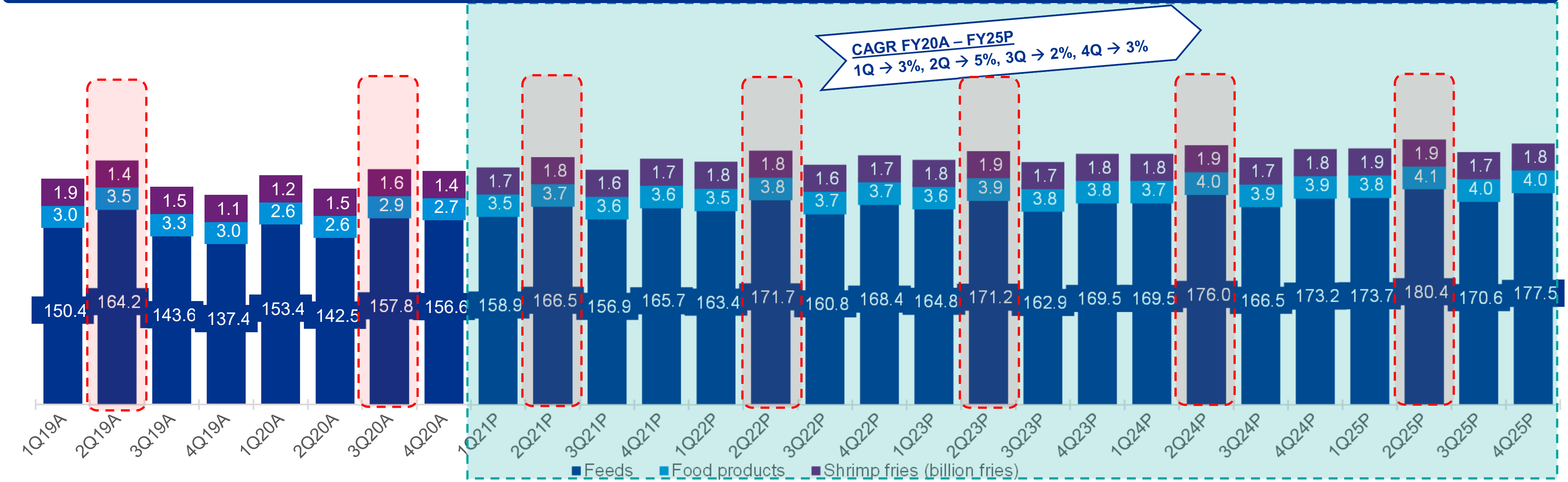
2) Gearing = Interest bearing debt/ equity

Appendices

Appendix 1

Quarterly sales volume

Projected quarterly sales volume (k tons, otherwise stated)



Source: Management information, Financial Projections. We have not adjusted for rounding differences.

Quarterly sales volume is projected to increase gradually based on the assumed yearly growth rate of each products as mentioned on pages 54-57.

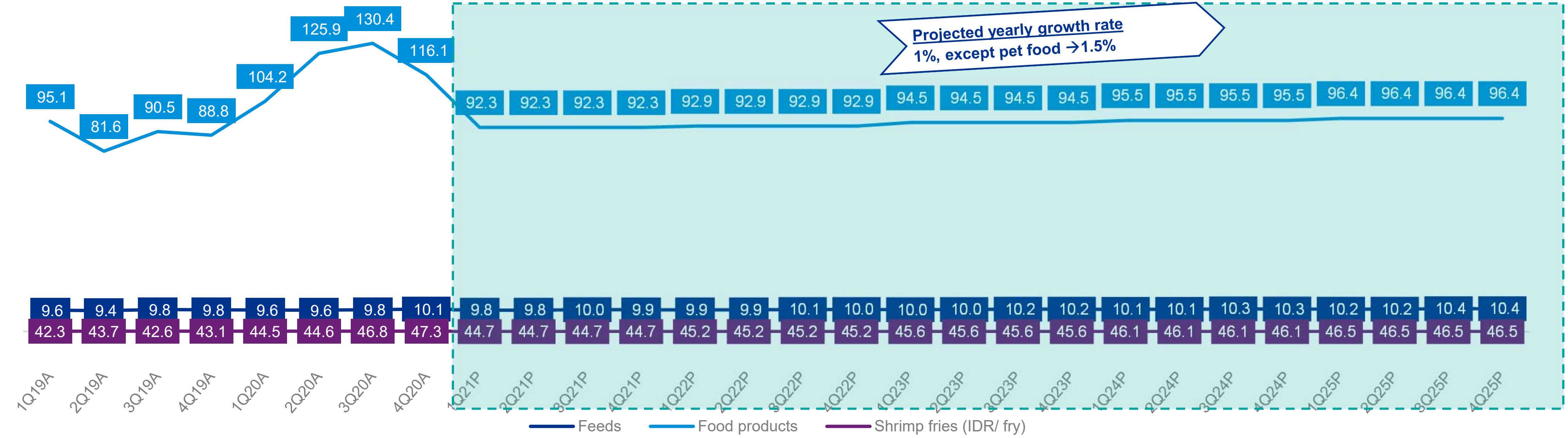
Historically, the Group managed to achieve the greatest volume sold in second quarter during FY19, while in FY20, the second quarter was overturned to the quarter with lowest volume sold, as driven by early period of social restrictions imposed by the Government due to COVID-19 pandemic.

In overall, most of the products are projected to be sold in the second quarter of year, and continue to fall in the third quarter before starting to raise by the end of the last quarter. As explained on page 57, this is largely driven by the rationale:

- **Feeds sales are likely to be impacted by weather and cultivation season. The Company informed that peak dry season will have adverse impact on fish cultivation activities. On the other hand, during peak rainy seasons the shrimp cultivation activities will decrease. This resulted in lower demand for feed in the first and third quarters of the year, while the second and fourth quarters of the year will see an increase in demand. The quarterly projected sales volume reflect this rationale; and**
- **Food products sales which is anticipated to peak in the second quarter, assuming Eid al-Fitr season occurred in such quarter. As FY25 Eid Al-Fitr is projected to occur in the first quarter, increased volume sold might be faster than what have been projected.**
- **Shrimp fries sales are likely to be impacted by weather and cultivation season (see above explanation about feeds segment).**

Quarterly ASP

Projected ASP$^{1)}$ (k IDR/ kg, otherwise stated)



Projected yearly growth rate
1%, except pet food →1.5%

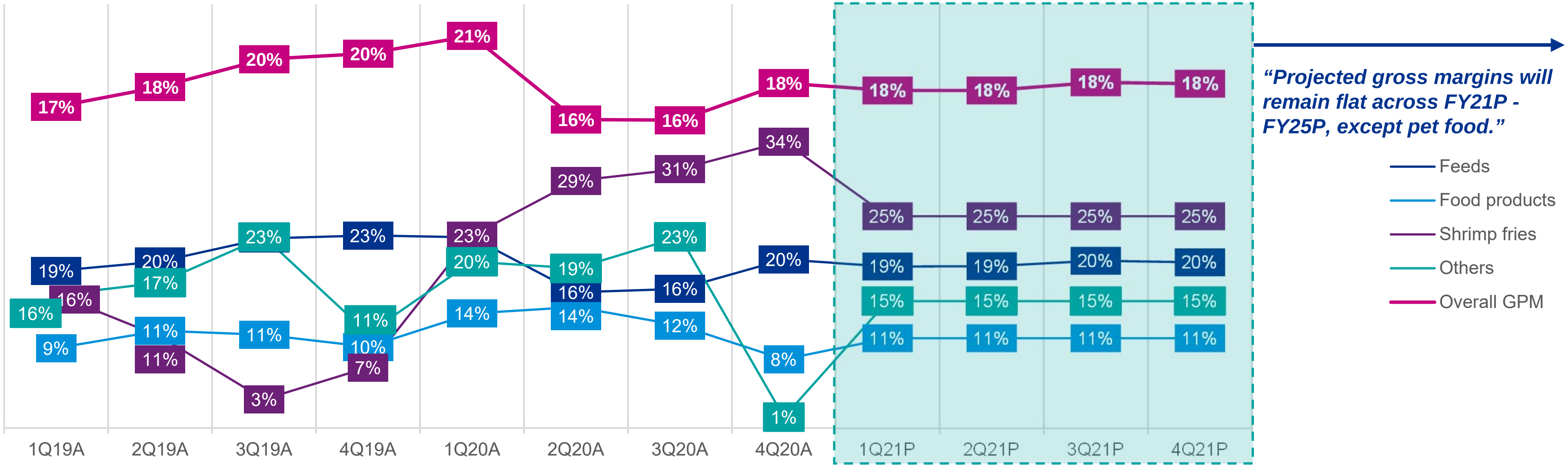
Source: Management information, Financial Projections. We have not adjusted for rounding differences.

Quarterly ASP is projected to increase based on yearly assumed growth rate as set out on page 58 for each products, with every quarter to have equal ASP.

Note: 1) The presented yearly ASP is to simplify the presentation of equal quarterly ASP as assumes in the Projections.

Quarterly gross margin

Projected gross margins (IDR billion, otherwise stated)



“Projected gross margins will remain flat across FY21P - FY25P, except pet food.”

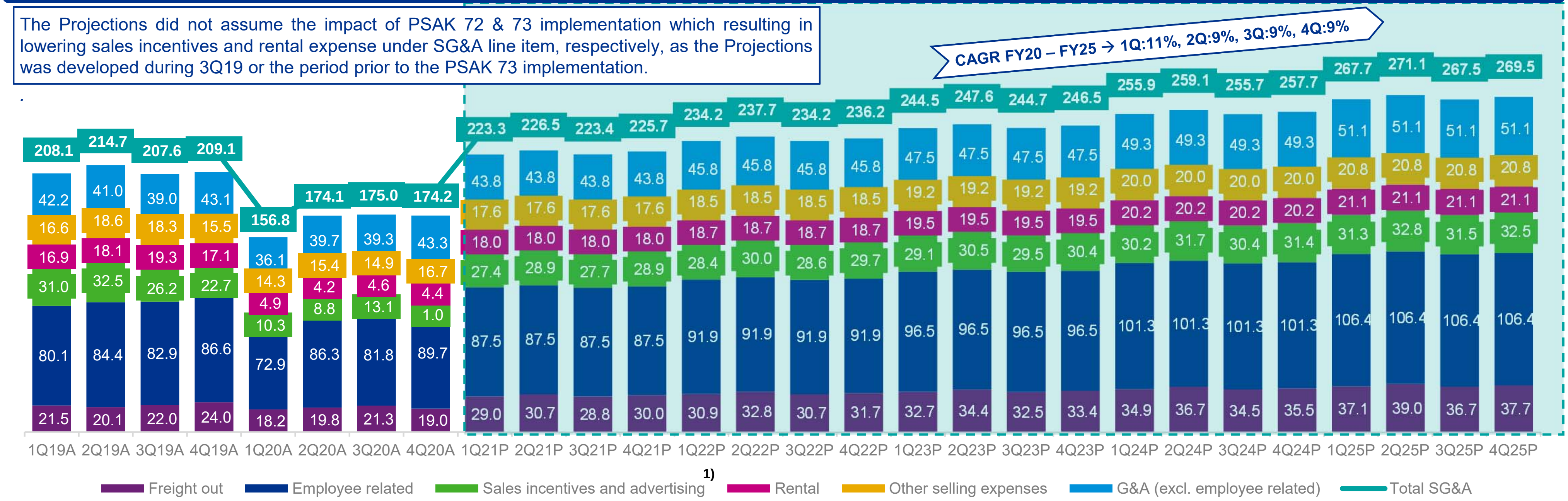
Source: Management information, Financial Projections. We have not adjusted for rounding differences.

The Group forecasted to achieve flat gross margins for each of its products across all of the projected quarters, in line with the assumed yearly fixed gross margins assumptions in the Projections.

Please refer to page 60 for further details on gross margins.

Quarterly SG&A expenses

Projected SG&A (IDR billion, otherwise stated)



The Projections did not assume the impact of PSAK 72 & 73 implementation which resulting in lowering sales incentives and rental expense under SG&A line item, respectively, as the Projections was developed during 3Q19 or the period prior to the PSAK 73 implementation.

Source: Management information, Financial Projections. We have not adjusted for rounding differences.

The second quarter of each year is projected to result in the greatest quarterly SG&A expense, which is consistent with the projected sales activity of the Group (refer to projected sales volume on page 95).

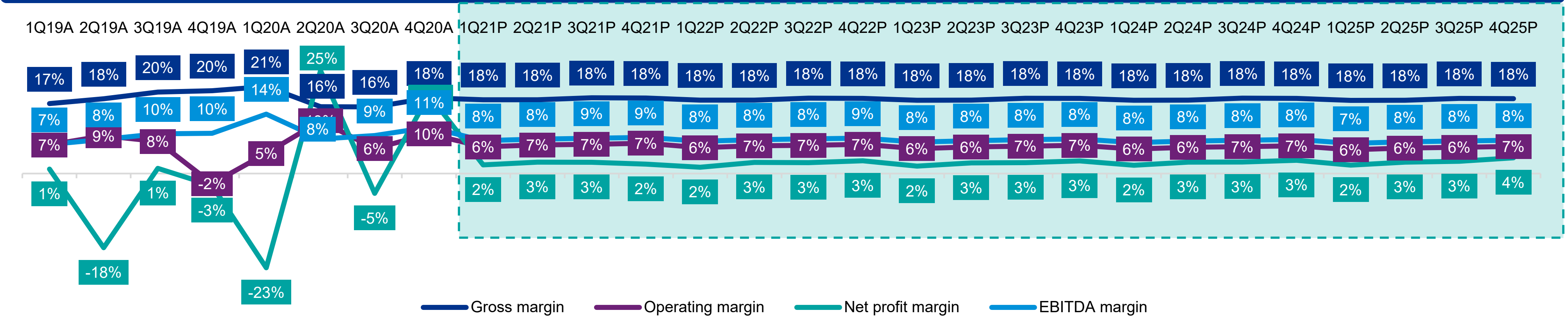
While in line with FY19A, SG&A projections are not in line with FY20 results. The COVID-19 pandemic in FY20 significantly reduced SG&A due to fewer travelling activities and delayed marketing events as social restrictions were imposed by many countries. Additionally, the implementation of PSAK 73 reduced the Group's rental expenses. The projected figures do not take into account these items.

Please refer to the assumptions section on pages 62-63 for the details of SG&A key driver assumptions.

Note: 1) Due to the implementation of PSAK 72 in FY20, this line item only comprise of advertising and promotion expense or the sales incentives expense was no longer included under this line item.

Quarterly profitability measures

Projected profitability measures



Source: Management information, Financial Projections. We have not adjusted for rounding differences.

Gross margin

Projected quarterly gross margin of 18% is consistent with the historical quarterly gross margins, which have ranged between 16% and 21%. However, as the Company's underlying basis of assumptions are specific percentage of revenue across products, this resulted in fixed projected margins across the Projected Period.

Operating margin

The operating margins are projected to be stable at around 6% - 7% every quarter. The variations are due to some projected fixed expenses based on assumed growth rate that are not sensitive to sales activity, for instance employee related expenses and other fixed SG&A expenses.

Net profit margin

While the projected margins are considered to be low between 2% - 3%, historical Group's net profit margins were significantly oscillated between FY19 and FY20, ranging from the lowest of negative 5% to positive 23%.

High net profit margins during 2Q20A and 4Q20A primarily resulted from gains on foreign exchange on the 2018 Notes due to IDR appreciation against the USD, while significant net losses booked during 1Q20A resulted from IDR depreciation against the USD which led to a significant loss on foreign exchange on the 2018 Notes.

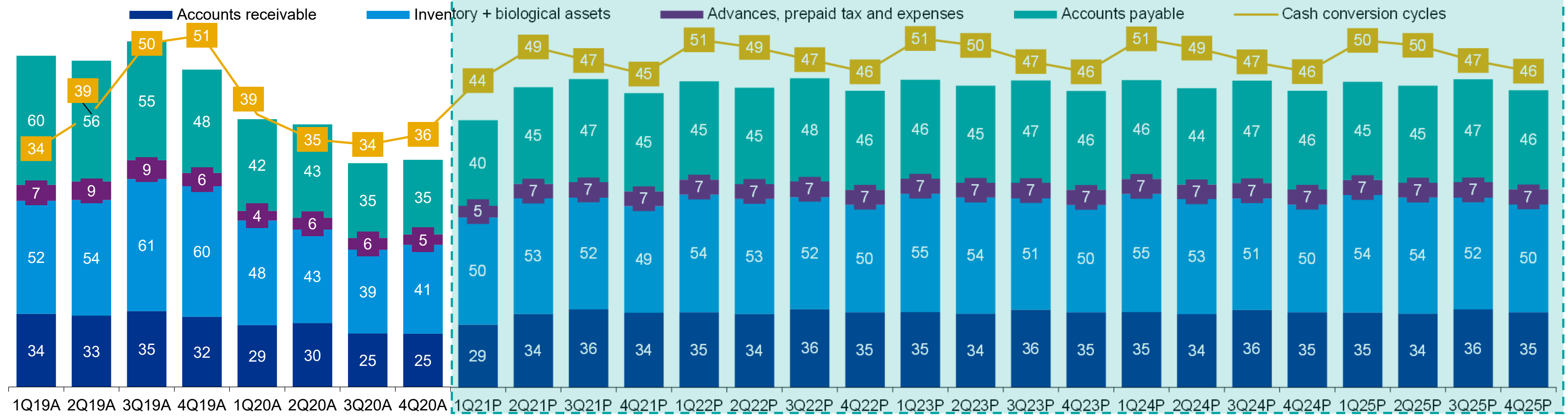
In 2Q19A, when the Group defaulted on the 2018 Notes interest and principal scheduled payments, the entire unamortized cost of the 2018 Notes was charged to 1Q19 and 2Q19 profit and loss. Total amount charged in FY19 was IDR449.4 billion.

EBITDA margin

The stability of projected quarterly EBITDA margins were in line with operating margins trend as the Group did not take into account the lower SG&A caused by COVID-19 pandemic during FY20A.

Quarterly working capital: turnover days

Projected quarterly working capital turnover days[1)]



Source: Management information, Financial Projections. We have not adjusted for rounding differences.

Overview

Overall cash conversion cycle days will be greatest during the first quarter and will reduce gradually each subsequent quarter. As the Projections expected the increase in sales volume during the second quarter every year, it then assumed to anticipate the second quarter rising sales volume by assuming to bulk up on inventory and biological assets, including purchasing the supplies needed for its production process thus, increasing advances and prepayments, as well as trade payables during the beginning quarter of the year.

The longest cash conversion cycle is projected to be 50 days, which is in line with to the longest conversion cycle achieved by the Group during 3Q19A and 4Q19A of 50 and 51 days. Meanwhile, the projected conversion days to be achieved is 44 days, which is expected to be realized during 1Q21A, which is slower than the Group's best conversion cycle of 34 days in 1Q19A.

Appendix 2

Appendix 2

Projected quarterly profit and loss

Quarterly profit and loss

	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
IDR billion	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected
Net sales												
Feeds	1,438.0	1,542.9	1,411.1	1,340.9	1,476.1	1,363.1	1,550.6	1,580.9	1,550.3	1,626.2	1,563.0	1,641.8
Food products	285.9	283.3	299.7	264.7	271.6	330.5	381.8	316.4	318.9	345.5	332.2	332.2
Shrimp fries	81.1	59.7	64.8	47.7	51.3	66.4	77.0	67.8	77.3	80.7	72.4	77.6
Others	16.8	15.8	11.1	12.3	10.8	10.5	10.1	11.9	9.4	9.4	9.4	9.4
Sub-total	**1,821.7**	**1,901.8**	**1,786.7**	**1,665.6**	**1,809.8**	**1,770.4**	**2,019.5**	**1,977.0**	**1,955.9**	**2,061.8**	**1,976.9**	**2,061.0**
Cost of goods sold												
Feeds	1,171.3	1,239.7	1,095.6	1,036.2	1,144.0	1,144.8	1,296.0	1,266.6	1,254.7	1,315.3	1,254.3	1,320.7
Food products	259.0	250.8	266.7	239.4	234.9	283.3	335.7	290.8	285.0	308.8	296.9	296.9
Shrimp fries	68.3	53.3	62.6	44.3	39.7	47.1	53.5	44.9	58.0	60.5	54.3	58.2
Others	14.1	13.1	8.6	11.0	8.7	8.5	7.8	11.7	8.0	8.0	8.0	8.0
Sub-total	**1,512.7**	**1,556.9**	**1,433.6**	**1,330.8**	**1,427.2**	**1,483.6**	**1,693.0**	**1,614.0**	**1,605.7**	**1,692.6**	**1,613.5**	**1,683.8**
Gross Profit	**309.0**	**344.8**	**353.1**	**334.8**	**382.6**	**286.8**	**326.5**	**362.9**	**350.2**	**369.2**	**363.5**	**377.2**
Selling expenses	(97.7)	(100.8)	(93.4)	(83.0)	(65.7)	(64.7)	(68.6)	(56.3)	(104.9)	(108.1)	(105.0)	(107.4)
G&A expenses	(110.4)	(113.8)	(114.2)	(126.1)	(91.1)	(109.5)	(106.4)	(117.9)	(118.4)	(118.4)	(118.4)	(118.4)
Other operating income	30.4	49.9	(1.3)	(0.5)	5.7	5.7	8.7	71.2	-	-	-	-
Other operating expenses	(4.6)	(6.2)	(5.2)	(154.6)	(142.9)	107.9	(38.2)	(69.8)	-	-	-	-
Gain (loss) from operations	**126.6**	**173.9**	**139.1**	**(29.5)**	**88.7**	**226.3**	**122.1**	**190.1**	**126.8**	**142.7**	**140.0**	**151.4**
Finance income	0.5	0.6	0.5	5.1	0.5	0.5	0.6	0.4	0.7	0.7	0.7	0.7
Finance cost	(95.8)	(101.4)	(96.2)	(99.1)	(94.1)	(97.8)	(97.2)	(95.1)	(75.3)	(75.5)	(75.8)	(76.8)
Amortization of bond valuation	(32.7)	(416.7)	-	-	-	-	-	-	-	-	-	(17.2)
Gain (loss) on foreign exchange - old bonds	30.8	16.3	(5.4)	44.4	(400.6)	335.5	(100.1)	-	-	-	-	-
Gain (loss) on foreign exchange - existing bonds	-	-	-	-	-	-	-	132.1	-	-	-	-
Income (loss) before income tax	**29.5**	**(327.3)**	**38.0**	**(79.1)**	**(405.5)**	**464.6**	**(74.6)**	**227.4**	**52.2**	**67.8**	**64.9**	**58.1**
Income tax benefit (expense) - net	(9.7)	(15.0)	(15.6)	41.6	(7.9)	(22.4)	(22.5)	149.8	(10.9)	(10.9)	(10.9)	(10.9)
Profit (loss) for the period	**19.8**	**(342.3)**	**22.4**	**(37.5)**	**(413.4)**	**442.2**	**(97.1)**	**377.2**	**41.2**	**56.9**	**54.0**	**47.2**
Total other comprehensive income (loss)	-	-	-	4.0	-	-	-	-	-	-	-	-
Total profit (loss) and other comprehensive income	**19.8**	**(342.3)**	**22.4**	**(33.5)**	**(413.4)**	**442.2**	**(97.1)**	**377.2**	**41.2**	**56.9**	**54.0**	**47.2**
EBITDA (IDR billion)	**128.8**	**157.6**	**172.0**	**162.4**	**261.0**	**148.1**	**186.0**	**222.2**	**156.0**	**171.8**	**169.2**	**180.6**
EBITDA (USD million)	**9.0**	**11.1**	**12.2**	**11.5**	**15.9**	**10.4**	**12.5**	**15.8**	**10.4**	**11.5**	**11.3**	**12.0**

	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25
IDR billion	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Net sales																
Feeds	1,610.1	1,693.1	1,619.0	1,687.8	1,645.0	1,712.3	1,660.4	1,721.5	1,708.5	1,778.1	1,715.5	1,778.9	1,769.7	1,841.9	1,777.1	1,842.8
Food products	328.9	356.3	342.6	342.6	343.1	371.6	357.4	357.4	355.2	384.8	370.0	370.0	367.7	398.3	383.0	383.0
Shrimp fries	79.6	83.4	74.2	78.6	81.9	84.5	76.7	80.6	84.3	87.0	78.3	82.3	86.4	89.1	80.3	84.4
Others	9.9	9.9	9.9	9.9	10.4	10.4	10.4	10.4	10.9	10.9	10.9	10.9	11.4	11.4	11.4	11.4
Sub-total	**2,028.5**	**2,142.6**	**2,045.7**	**2,119.0**	**2,080.3**	**2,178.8**	**2,104.8**	**2,169.9**	**2,158.8**	**2,260.7**	**2,174.7**	**2,242.0**	**2,235.2**	**2,340.8**	**2,251.8**	**2,321.5**
Cost of goods sold																
Feeds	1,305.2	1,371.7	1,301.2	1,359.1	1,333.4	1,386.3	1,334.6	1,386.0	1,385.0	1,439.8	1,378.6	1,431.8	1,435.7	1,492.4	1,429.2	1,484.4
Food products	294.0	318.5	306.2	306.2	306.6	332.2	319.4	319.4	317.4	343.9	330.7	330.7	328.6	356.0	342.3	342.3
Shrimp fries	59.7	62.5	55.7	59.0	61.4	63.4	57.5	60.5	63.2	65.2	58.7	61.7	64.8	66.9	60.2	63.3
Others	8.4	8.4	8.4	8.4	8.8	8.8	8.8	8.8	9.2	9.2	9.2	9.2	9.7	9.7	9.7	9.7
Sub-total	**1,667.2**	**1,761.0**	**1,671.5**	**1,732.7**	**1,710.2**	**1,790.7**	**1,720.3**	**1,774.6**	**1,774.9**	**1,858.1**	**1,777.3**	**1,833.5**	**1,838.8**	**1,925.0**	**1,841.4**	**1,899.7**
Gross Profit	**361.2**	**381.6**	**374.2**	**386.3**	**370.1**	**388.1**	**384.5**	**395.2**	**383.9**	**402.6**	**397.4**	**408.6**	**396.5**	**415.8**	**410.4**	**421.9**
Selling expenses	(110.2)	(113.7)	(110.2)	(112.2)	(115.0)	(118.1)	(115.2)	(117.0)	(120.6)	(123.9)	(120.5)	(122.4)	(126.4)	(129.8)	(126.3)	(128.3)
G&A expenses	(124.0)	(124.0)	(124.0)	(124.0)	(129.5)	(129.5)	(129.5)	(129.5)	(135.2)	(135.2)	(135.2)	(135.2)	(141.2)	(141.2)	(141.2)	(141.2)
Other operating income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain (loss) from operations	**127.1**	**143.9**	**140.1**	**150.1**	**125.5**	**140.5**	**139.8**	**148.7**	**128.0**	**143.5**	**141.7**	**150.9**	**128.8**	**144.7**	**142.9**	**152.3**
Finance income	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.1	1.1	1.1	1.1
Finance cost	(72.5)	(69.6)	(68.2)	(66.5)	(64.6)	(62.7)	(61.1)	(59.2)	(57.3)	(55.2)	(53.3)	(51.2)	(49.1)	(46.7)	(44.6)	(42.8)
Amortization of bond valuation	(13.3)	(6.3)	(7.8)	(7.5)	(8.7)	(7.1)	(8.6)	(8.6)	(9.7)	(8.4)	(9.9)	(9.8)	(13.1)	(12.3)	(10.5)	-
Gain (loss) on foreign exchange - old bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain (loss) on foreign exchange - existing bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income (loss) before income tax	**42.4**	**69.1**	**65.3**	**77.2**	**53.5**	**71.9**	**71.3**	**82.1**	**62.3**	**81.2**	**79.7**	**91.1**	**67.8**	**86.8**	**88.8**	**110.7**
Income tax benefit (expense) - net	(11.5)	(11.5)	(11.5)	(11.5)	(16.1)	(16.1)	(16.1)	(16.1)	(18.9)	(18.9)	(18.9)	(18.9)	(22.1)	(22.1)	(22.1)	(22.1)
Profit (loss) for the period	**30.9**	**57.6**	**53.8**	**65.7**	**37.4**	**55.8**	**55.3**	**66.1**	**43.4**	**62.2**	**60.8**	**72.1**	**45.6**	**64.7**	**66.7**	**88.5**
Total other comprehensive income (loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total profit (loss) and other comprehensive income	**30.9**	**57.6**	**53.8**	**65.7**	**37.4**	**55.8**	**55.3**	**66.1**	**43.4**	**62.2**	**60.8**	**72.1**	**45.6**	**64.7**	**66.7**	**88.5**
EBITDA (IDR billion)	**158.9**	**175.7**	**171.9**	**181.9**	**158.6**	**173.6**	**172.9**	**181.8**	**162.0**	**177.4**	**175.6**	**184.8**	**163.7**	**179.6**	**177.8**	**187.3**
EBITDA (USD million)	**10.6**	**11.7**	**11.5**	**12.1**	**10.6**	**11.6**	**11.5**	**12.1**	**10.8**	**11.8**	**11.7**	**12.3**	**10.9**	**12.0**	**11.9**	**12.5**

Source: Management information, Financial Projections. We have not adjusted for rounding differences.

Projected quarterly balance sheet (1/2)

Quarterly balance sheet

	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
IDR billion	**Actual**	**Actual**	**Actual**	**Actual**	**Actual**	**Actual**	**Actual**	**Actual**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**
Assets																												
Current assets																												
Cash and cash equivalents	114.2	107.3	87.7	129.4	197.9	170.6	158.8	296.5	158.0	247.6	337.4	277.0	157.6	180.4	197.5	211.3	158.6	207.5	236.4	261.7	206.5	258.3	290.0	315.4	234.1	296.8	348.5	463.7
Trade receivables	674.4	703.5	658.5	514.3	622.1	527.4	559.5	497.5	760.6	776.9	768.5	772.5	788.9	806.6	797.0	799.3	809.0	823.6	815.9	818.3	830.3	849.9	842.3	847.3	869.3	884.9	875.4	877.3
Inventory	857.9	911.9	932.1	770.3	713.7	656.8	726.9	683.4	1,070.5	911.1	899.6	903.5	1,111.5	947.0	934.0	936.0	1,140.1	967.1	956.3	958.3	1,170.2	998.1	987.3	992.3	1,225.9	1,039.7	1,026.6	1,028.1
Biological assets	29.3	32.2	29.0	17.1	17.7	21.0	18.7	13.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances, prepaid tax and expenses	141.1	150.9	120.7	57.8	82.2	98.6	103.8	65.1	124.9	127.6	125.9	126.5	129.7	132.6	130.8	131.0	133.0	135.4	133.9	134.2	136.5	139.7	138.2	138.9	143.0	145.6	143.7	143.9
Others	95.7	106.2	94.5	85.7	84.0	177.0	144.7	37.5	138.4	138.4	138.4	138.4	138.4	138.4	138.4	138.4	138.4	138.4	138.4	138.4	138.4	138.4	138.4	138.4	138.4	138.4	138.4	138.4
Total current assets	**1,912.6**	**2,011.9**	**1,922.4**	**1,574.5**	**1,717.6**	**1,651.5**	**1,712.4**	**1,593.2**	**2,252.3**	**2,201.5**	**2,269.9**	**2,217.8**	**2,326.0**	**2,205.0**	**2,197.7**	**2,216.0**	**2,379.2**	**2,272.0**	**2,280.8**	**2,310.8**	**2,482.0**	**2,384.4**	**2,396.2**	**2,432.3**	**2,610.6**	**2,505.3**	**2,532.6**	**2,651.4**
Non-current assets																												
Due from related parties	3.2	3.1	2.9	8.8	7.1	8.1	20.1	8.1	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3
Deferred tax assets, net	4.3	6.0	7.7	6.1	5.0	4.3	4.4	91.4	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Investment in shares of stock	46.7	46.7	46.7	46.7	46.7	46.7	46.7	46.7	46.7	46.7	46.7	46.7	46.7	46.7	46.7	46.7	46.7	46.7	46.7	46.7	46.7	46.7	46.7	46.7	46.7	46.7	46.7	46.7
Right of use assets	-	-	-	-	80.0	69.4	60.7	53.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment properties	179.6	179.6	179.6	181.0	181.0	180.9	180.9	180.9	179.6	179.6	179.6	179.6	179.6	179.6	179.6	179.6	179.6	179.6	179.6	179.6	179.6	179.6	179.6	179.6	179.6	179.6	179.6	179.6
Fixed assets, net	4,186.9	4,168.4	4,160.4	4,052.9	4,034.0	4,004.3	4,016.4	4,070.6	4,135.4	4,117.0	4,098.6	4,080.2	4,079.2	4,078.1	4,077.0	4,075.9	4,056.9	4,037.8	4,018.8	3,999.8	3,975.8	3,951.9	3,928.0	3,904.1	3,880.7	3,857.2	3,833.8	3,810.4
Claims for tax refund	142.9	81.3	85.9	102.9	106.9	83.7	87.8	122.7	72.3	72.3	72.3	72.3	72.3	72.3	72.3	72.3	72.3	72.3	72.3	72.3	72.3	72.3	72.3	72.3	72.3	72.3	72.3	72.3
Non-current assets - others, net	27.5	26.7	26.3	27.4	25.8	23.8	21.5	18.8	26.7	26.7	26.7	26.7	26.7	26.7	26.7	26.7	26.7	26.7	26.7	26.7	26.7	26.7	26.7	26.7	26.7	26.7	26.7	26.7
Total non-current assets	**4,591.1**	**4,511.6**	**4,509.5**	**4,425.7**	**4,486.4**	**4,421.1**	**4,438.5**	**4,592.7**	**4,477.9**	**4,459.5**	**4,441.1**	**4,422.7**	**4,421.7**	**4,420.6**	**4,419.5**	**4,418.5**	**4,399.4**	**4,380.4**	**4,361.3**	**4,342.3**	**4,318.4**	**4,294.4**	**4,270.5**	**4,246.6**	**4,223.2**	**4,199.7**	**4,176.3**	**4,152.9**
Total assets	**6,503.6**	**6,523.5**	**6,431.9**	**6,000.3**	**6,204.0**	**6,072.6**	**6,151.0**	**6,186.0**	**6,730.2**	**6,661.1**	**6,711.0**	**6,640.5**	**6,747.7**	**6,625.6**	**6,617.2**	**6,634.4**	**6,778.6**	**6,652.3**	**6,642.1**	**6,653.1**	**6,800.3**	**6,678.9**	**6,666.7**	**6,678.9**	**6,833.8**	**6,705.1**	**6,708.9**	**6,804.3**

Source: Management information, Financial Projections. We have not adjusted for rounding differences.

Projected quarterly balance sheet (2/2)

Quarterly balance sheet

	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22
IDR billion	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Liabilities																
Current liabilities																
Short-term bank loans	1,348.7	1,419.3	1,411.5	1,359.9	1,296.0	1,166.8	1,250.9	1,151.3	1,604.3	1,454.3	1,454.3	1,454.3	1,604.3	1,454.3	1,454.3	1,454.3
Trade payables	1,008.1	905.1	807.2	575.0	756.2	650.7	621.2	591.3	820.7	838.2	827.6	831.2	852.1	871.3	859.3	861.1
Advances from customers	-	-	-	21.8	14.1	15.7	12.0	13.9	-	-	-	-	-	-	-	-
Other payables third parties	329.3	323.4	285.7	231.9	222.4	241.6	216.2	238.1	303.8	303.8	303.8	303.8	303.8	303.8	303.8	303.8
Taxes payable	16.1	17.8	30.9	15.2	23.3	36.2	37.0	55.3	17.8	17.8	17.8	17.8	17.8	17.8	17.8	17.8
Accrued expenses	97.9	147.7	197.7	251.1	342.4	377.0	470.4	485.4	55.4	55.4	55.4	55.4	55.4	55.4	55.4	55.4
Short-term employee benefit liabilities	16.9	10.1	21.9	41.7	44.1	40.2	42.9	57.7	-	-	-	-	-	-	-	-
Current maturities of long-term debts																
Bank loans	235.2	435.0	382.4	322.3	263.4	188.1	141.4	71.4	29.1	29.1	22.3	15.5	8.8	2.0	2.0	2.0
Lease liabilities	-	-	-	-	40.1	37.4	30.0	27.2	-	-	-	-	-	-	-	-
Other payables	0.1	0.1	0.1	0.1	-	-	-	-	-	-	-	-	-	-	-	-
Bonds payable	103.8	2,297.4	2,302.8	2,258.4	2,659.1	2,323.6	2,423.7	2,291.6	-	-	-	-	-	-	-	-
Total current liabilities	**3,156.2**	**5,555.9**	**5,440.1**	**5,077.5**	**5,661.0**	**5,077.3**	**5,245.6**	**4,983.2**	**2,831.1**	**2,698.6**	**2,681.2**	**2,678.1**	**2,842.2**	**2,704.6**	**2,692.6**	**2,694.4**
Non-current liabilities																
Bonds payable	1,793.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Refinancing of New Notes	-	-	-	-	-	-	-	-	1,043.5	1,052.4	1,061.5	942.6	850.2	803.6	748.8	694.0
Due to related parties	194.9	189.5	189.7	213.2	214.1	210.4	205.4	205.1	189.6	189.6	189.6	189.6	189.6	189.6	189.6	189.6
Deferred tax liabilities	115.8	125.8	140.9	91.3	87.2	98.7	112.8	35.5	125.6	125.6	125.6	125.6	125.6	125.6	125.6	125.6
Long-term employee benefit liabilities	294.3	300.1	286.9	288.5	291.9	295.3	297.0	299.2	320.7	325.5	330.3	335.1	340.2	345.2	350.3	355.3
Long-term debts - net of current maturities																
Bank loans	255.1	-	-	-	-	-	-	-	10.3	3.0	2.5	2.0	1.5	1.0	0.5	-
Lease liabilities	-	-	-	-	35.9	34.9	31.3	26.9	-	-	-	-	-	-	-	-
Other payables	0.0	0.3	0.3	0.3	-	-	-	-	-	-	-	-	-	-	-	-
Total non-current liabilities	**2,653.4**	**615.8**	**617.7**	**593.3**	**629.2**	**639.4**	**646.5**	**566.7**	**1,689.7**	**1,696.1**	**1,709.5**	**1,595.0**	**1,507.1**	**1,465.0**	**1,414.8**	**1,364.6**
Total liabilities	**5,809.5**	**6,171.7**	**6,057.8**	**5,670.8**	**6,290.2**	**5,716.6**	**5,892.1**	**5,549.9**	**4,520.8**	**4,394.7**	**4,390.7**	**4,273.0**	**4,349.4**	**4,169.6**	**4,107.4**	**4,059.0**
Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share capital	5,002.2	5,002.2	5,002.2	5,002.2	5,002.2	5,002.2	5,002.2	5,002.2	5,002.2	5,002.2	5,002.2	5,002.2	5,002.2	5,002.2	5,002.2	5,002.2
Additional paid-in capital, net	(1,102.6)	(1,102.6)	(1,102.6)	(1,102.6)	(1,102.6)	(1,102.6)	(1,102.6)	(1,102.6)	(1,102.6)	(1,102.6)	(1,102.6)	(1,102.6)	(1,102.6)	(1,102.6)	(1,102.6)	(1,102.6)
Difference in equity transactions with non-controlling interest	249.0	249.0	249.0	249.0	249.0	249.0	249.0	249.0	249.0	249.0	249.0	249.0	249.0	249.0	249.0	249.0
Other comprehensive income	2,900.7	2,900.7	2,900.7	2,914.1	2,914.1	2,914.1	2,914.1	2,914.1	2,900.7	2,900.7	2,900.7	2,900.7	2,900.7	2,900.7	2,900.7	2,900.7
Retained earnings (deficit)	(6,357.0)	(6,699.4)	(6,677.0)	(6,735.3)	(7,151.0)	(6,708.9)	(6,806.1)	(6,429.3)	(4,841.5)	(4,784.7)	(4,730.7)	(4,683.5)	(4,652.6)	(4,595.0)	(4,541.2)	(4,475.5)
Non-controlling interests	1.7	1.8	1.8	2.0	2.1	2.1	2.2	2.6	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Total equity	**694.1**	**351.8**	**374.2**	**329.5**	**(86.2)**	**356.0**	**258.9**	**636.1**	**2,209.5**	**2,266.4**	**2,320.4**	**2,367.6**	**2,398.4**	**2,456.1**	**2,509.8**	**2,575.5**
Total liabilities and equity	**6,503.6**	**6,523.5**	**6,431.9**	**6,000.3**	**6,204.0**	**6,072.6**	**6,151.0**	**6,186.0**	**6,730.3**	**6,661.1**	**6,711.1**	**6,640.6**	**6,747.8**	**6,625.7**	**6,617.3**	**6,634.5**

	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
IDR billion	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Liabilities												
Current liabilities												
Short-term bank loans	1,604.3	1,454.3	1,454.3	1,454.3	1,604.3	1,454.3	1,454.3	1,454.3	1,604.3	1,454.3	1,454.3	1,454.3
Trade payables	874.1	889.7	879.8	881.7	897.2	918.2	908.3	912.9	939.8	956.5	944.5	945.8
Advances from customers	-	-	-	-	-	-	-	-	-	-	-	-
Other payables third parties	303.8	303.8	303.8	303.8	303.8	303.8	303.8	303.8	303.8	303.8	303.8	303.8
Taxes payable	17.8	17.8	17.8	17.8	17.8	17.8	17.8	17.8	17.8	17.8	17.8	17.8
Accrued expenses	55.4	55.4	55.4	55.4	55.4	55.4	55.4	55.4	55.4	55.4	55.4	55.4
Short-term employee benefit liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Current maturities of long-term debts												
Bank loans	1.5	1.0	0.5	-	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Other payables	-	-	-	-	-	-	-	-	-	-	-	-
Bonds payable	-	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	**2,856.9**	**2,722.0**	**2,711.6**	**2,713.0**	**2,878.5**	**2,749.5**	**2,739.6**	**2,744.2**	**2,921.1**	**2,787.9**	**2,775.8**	**2,777.1**
Non-current liabilities												
Bonds payable	-	-	-	-	-	-	-	-	-	-	-	-
Refinancing of New Notes	633.3	581.2	521.3	459.8	392.9	333.0	264.8	195.0	121.9	56.3	-	-
Due to related parties	189.6	189.6	189.6	189.6	189.6	189.6	189.6	189.6	189.6	189.6	189.6	189.6
Deferred tax liabilities	125.6	125.6	125.6	125.6	125.6	125.6	125.6	125.6	125.6	125.6	125.6	125.6
Long-term employee benefit liabilities	360.3	365.2	370.1	375.1	380.3	385.5	390.7	395.9	401.4	406.8	412.3	417.8
Long-term debts - net of current maturities												
Bank loans	-	-	-	-	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Other payables	-	-	-	-	-	-	-	-	-	-	-	-
Total non-current liabilities	**1,308.8**	**1,261.6**	**1,206.6**	**1,150.1**	**1,088.4**	**1,033.7**	**970.7**	**906.1**	**838.4**	**778.3**	**727.5**	**733.0**
Total liabilities	**4,165.7**	**3,983.7**	**3,918.2**	**3,863.1**	**3,966.9**	**3,783.2**	**3,710.3**	**3,650.3**	**3,759.6**	**3,566.2**	**3,503.3**	**3,510.1**
Equity	-	-	-	-	-	-	-	-	-	-	-	-
Share capital	5,002.2	5,002.2	5,002.2	5,002.2	5,002.2	5,002.2	5,002.2	5,002.2	5,002.2	5,002.2	5,002.2	5,002.2
Additional paid-in capital, net	(1,102.6)	(1,102.6)	(1,102.6)	(1,102.6)	(1,102.6)	(1,102.6)	(1,102.6)	(1,102.6)	(1,102.6)	(1,102.6)	(1,102.6)	(1,102.6)
Difference in equity transactions with non-controlling interest	249.0	249.0	249.0	249.0	249.0	249.0	249.0	249.0	249.0	249.0	249.0	249.0
Other comprehensive income	2,900.7	2,900.7	2,900.7	2,900.7	2,900.7	2,900.7	2,900.7	2,900.7	2,900.7	2,900.7	2,900.7	2,900.7
Retained earnings (deficit)	(4,438.1)	(4,382.3)	(4,327.1)	(4,261.0)	(4,217.6)	(4,155.3)	(4,094.6)	(4,022.4)	(3,976.8)	(3,912.1)	(3,845.4)	(3,756.8)
Non-controlling interests	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Total equity	**2,612.9**	**2,668.7**	**2,724.0**	**2,790.1**	**2,833.5**	**2,895.7**	**2,956.5**	**3,028.7**	**3,074.3**	**3,139.0**	**3,205.7**	**3,294.2**
Total liabilities and equity	**6,778.7**	**6,652.4**	**6,642.2**	**6,653.2**	**6,800.4**	**6,678.9**	**6,666.8**	**6,679.0**	**6,833.9**	**6,705.1**	**6,709.0**	**6,804.4**

Source: Management information, Financial Projections. We have not adjusted for rounding differences.

Projected quarterly cash flows

Quarterly cashflows

	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25
IDR billion	**Actual**	**Actual**	**Actual**	**Actual**	**Actual**	**Actual**	**Actual**	**Actual**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**	**Projected**
Cashflow from operating activities																												
Receipts from customers	1,838.3	1,878.5	1,831.9	1,789.9	1,713.3	1,869.4	1,997.3	2,027.3	1,934.0	2,045.5	1,985.3	2,057.1	2,012.1	2,124.9	2,055.3	2,116.7	2,070.6	2,164.2	2,112.5	2,167.4	2,146.8	2,241.1	2,182.3	2,237.0	2,213.3	2,325.2	2,261.3	2,319.6
Payments to suppliers	(1,427.0)	(1,697.0)	(1,508.5)	(1,384.2)	(1,216.9)	(1,521.3)	(1,776.4)	(1,560.8)	(1,805.4)	(1,465.6)	(1,562.4)	(1,633.9)	(1,799.0)	(1,522.1)	(1,615.2)	(1,677.6)	(1,842.0)	(1,542.6)	(1,660.1)	(1,715.4)	(1,907.5)	(1,601.1)	(1,712.6)	(1,770.1)	(1,976.7)	(1,653.4)	(1,771.6)	(1,831.0)
Payments for operating expense	(114.3)	(112.1)	(113.2)	(100.1)	(77.6)	(67.3)	(67.3)	(73.7)	(126.0)	(129.2)	(126.1)	(128.5)	(131.8)	(135.2)	(131.7)	(133.8)	(137.1)	(140.2)	(137.3)	(139.1)	(143.4)	(146.7)	(143.3)	(145.2)	(149.8)	(153.2)	(149.7)	(151.7)
Payments to employees	(104.6)	(113.2)	(107.1)	(89.4)	(88.4)	(141.6)	(88.1)	(88.0)	(113.5)	(113.5)	(113.5)	(113.5)	(120.8)	(120.8)	(120.8)	(120.8)	(128.8)	(128.8)	(128.8)	(128.8)	(137.1)	(137.1)	(137.1)	(137.1)	(146.2)	(146.2)	(146.2)	(146.2)
Cash generated from operations	**192.3**	**(43.8)**	**103.0**	**216.2**	**330.5**	**139.3**	**65.5**	**304.8**	**(110.8)**	**337.3**	**183.3**	**181.2**	**(39.5)**	**346.7**	**187.5**	**184.5**	**(37.3)**	**352.6**	**186.4**	**184.1**	**(41.2)**	**356.2**	**189.2**	**184.6**	**(59.4)**	**372.4**	**193.9**	**190.7**
Receipts of finance income	0.5	0.6	0.5	0.5	0.5	0.5	0.6	0.4	0.7	0.7	0.7	0.7	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.1	1.1	1.1	1.1
Payments of corporate income taxes	(13.0)	(11.2)	(6.5)	(4.9)	(5.9)	(8.8)	(4.2)	(6.0)	(10.9)	(10.9)	(10.9)	(10.9)	(11.5)	(11.5)	(11.5)	(11.5)	(16.1)	(16.1)	(16.1)	(16.1)	(18.9)	(18.9)	(18.9)	(18.9)	(22.1)	(22.1)	(22.1)	(22.1)
Payments of final tax	-	-	-	(1.6)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments of interest expense	(50.3)	(57.4)	(47.1)	(46.4)	(39.7)	(39.4)	(38.4)	(36.1)	(66.7)	(66.7)	(66.7)	(76.8)	(72.5)	(69.6)	(68.2)	(66.5)	(64.6)	(62.7)	(61.1)	(59.2)	(57.3)	(55.2)	(53.3)	(51.2)	(49.1)	(46.7)	(44.6)	(42.8)
Claims for tax refund	1.4	110.3	0.0	0.1	-	26.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts (payments) - net	23.6	(12.0)	(4.5)	8.5	5.2	4.2	4.5	64.9	(3.4)	(2.7)	1.6	(0.5)	(3.2)	(2.9)	1.8	(0.3)	(2.0)	(2.4)	1.5	(0.3)	(2.4)	(3.2)	1.5	(0.7)	(4.1)	(2.5)	1.8	(0.2)
Net cashflows provided (used) in operating activities	**154.5**	**(13.5)**	**45.4**	**172.4**	**290.6**	**121.8**	**28.0**	**328.0**	**(191.2)**	**257.6**	**107.9**	**93.6**	**(125.6)**	**263.8**	**110.8**	**107.4**	**(118.7)**	**272.6**	**111.9**	**109.8**	**(118.5)**	**280.1**	**119.7**	**115.0**	**(133.6)**	**302.1**	**130.1**	**126.6**
Cashflow from investing activities																												
Proceeds from sale of fixed assets	0.1	0.4	0.7	0.4	0.0	-	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions of fixed assets	(7.6)	(8.2)	(18.1)	(9.5)	(3.8)	(5.8)	(34.4)	(75.2)	(10.8)	(10.8)	(10.8)	(10.8)	(30.8)	(30.8)	(30.8)	(30.8)	(14.0)	(14.0)	(14.0)	(14.0)	(10.0)	(10.0)	(10.0)	(10.0)	(11.5)	(11.5)	(11.5)	(11.5)
Acquisitions of investment property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cashflows provided (used) in investing activities	**(7.5)**	**(7.8)**	**(17.4)**	**(9.1)**	**(3.8)**	**(5.8)**	**(34.4)**	**(75.2)**	**(10.8)**	**(10.8)**	**(10.8)**	**(10.8)**	**(30.8)**	**(30.8)**	**(30.8)**	**(30.8)**	**(14.0)**	**(14.0)**	**(14.0)**	**(14.0)**	**(10.0)**	**(10.0)**	**(10.0)**	**(10.0)**	**(11.5)**	**(11.5)**	**(11.5)**	**(11.5)**
Cashflow from financing activities																												
Proceeds from:																												
Short-term bank loans	81.6	127.1	35.1	34.2	23.2	87.4	120.6	42.4	150.0	(150.0)	-	-	150.0	(150.0)	-	-	150.0	(150.0)	-	-	150.0	(150.0)	-	-	150.0	(150.0)	-	-
Related parties	14.5	1.5	0.8	4.0	2.8	0.2	0.2	12.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term debts - others	-	0.2	(0.0)	(0.0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments for:																												
Short-term bank loans	(190.8)	(52.3)	(44.3)	(75.0)	(176.7)	(145.5)	(31.0)	(116.0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term bank loans	(57.5)	(54.9)	(53.0)	(59.0)	(68.2)	(69.1)	(73.1)	(69.5)	(7.3)	(7.3)	(7.3)	(7.3)	(7.3)	(7.3)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	-	-	-	-	-	-	-	-
Refinancing of New Notes	-	-	-	-	-	-	-	-	0.0	(0.0)	(0.0)	(136.1)	(105.7)	(53.0)	(62.5)	(62.3)	(69.4)	(59.3)	(68.5)	(70.0)	(76.6)	(68.3)	(78.1)	(79.6)	(86.2)	(77.9)	(66.8)	-
Related parties	(1.0)	(6.7)	(0.5)	(6.2)	(0.2)	(4.9)	(17.3)	(0.6)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term debts - others	(0.0)	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lease liabilities	(0.0)	0.0	-	-	(10.3)	(9.5)	(15.0)	(10.8)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquidation (placement) of restricted financial assets	6.1	(0.2)	14.3	(18.6)	2.4	5.3	7.9	29.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cashflows provided (used) in financing activities	**(147.2)**	**14.8**	**(47.7)**	**(120.5)**	**(227.0)**	**(135.9)**	**(7.6)**	**(112.2)**	**142.7**	**(157.3)**	**(7.3)**	**(143.3)**	**37.0**	**(210.3)**	**(63.0)**	**(62.8)**	**80.1**	**(209.8)**	**(69.0)**	**(70.5)**	**73.4**	**(218.3)**	**(78.1)**	**(79.6)**	**63.8**	**(227.9)**	**(66.8)**	**-**
Net increase (decrease) in cash and cash equivalents	**(0.2)**	**(6.5)**	**(19.7)**	**42.8**	**59.8**	**(19.9)**	**(14.1)**	**140.6**	**(59.2)**	**89.6**	**89.9**	**(60.5)**	**(119.3)**	**22.8**	**17.0**	**13.8**	**(52.7)**	**48.9**	**28.9**	**25.2**	**(55.1)**	**51.8**	**31.6**	**25.5**	**(81.3)**	**62.7**	**51.8**	**115.1**
Net effects of forex in cash and cash equivalents	(0.9)	(0.4)	(0.8)	(0.2)	8.6	(7.3)	2.3	(2.9)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Beginning cash balance	115.3	114.2	107.3	86.7	129.4	197.9	170.6	158.8	217.2	158.0	247.6	337.4	277.0	157.6	180.4	197.5	211.3	158.6	207.5	236.4	261.7	206.5	258.3	290.0	315.4	234.1	296.8	348.5
Ending cash balance	**114.2**	**107.3**	**86.7**	**129.4**	**197.9**	**170.6**	**158.8**	**296.5**	**158.0**	**247.6**	**337.4**	**277.0**	**157.6**	**180.4**	**197.5**	**211.3**	**158.6**	**207.5**	**236.4**	**261.7**	**206.5**	**258.3**	**290.0**	**315.4**	**234.1**	**296.8**	**348.5**	**463.7**

Source: Management information, Financial Projections. We have not adjusted for rounding differences.

Appendix 3

Appendix 3

Financial indebtedness

Financial indebtedness

No	Lender	Borrower	Facility	Limit	Outstanding amount (IDR billion) as of			Maturity date (as of FY20)
					31-Dec-18	31-Dec-19	31-Dec-20	
1	Indonesia Eximbank	CPP	Revolving loan	IDR75.0 billion	100.0	100.0	75.0	26-May-21
2	Indonesia Eximbank	CPP	Working capital loan	IDR 25 billion			25.0	20-Oct-23
3	Indonesia Eximbank	CPP	Import loan a)	USD35.0 million	243.4	213.3	163.3	26-May-21
4	Indonesia Eximbank	CPP	Revolving loan	USD10.0 million	144.8	139.0	141.1	26-May-21
5	Indonesia Eximbank	CPB	Revolving loan	USD9.3 million	133.9	128.6	130.5	26-May-21
6	Indonesia Eximbank	CPB	Import loan a)	USD6.5 million	79.8	42.2	32.6	26-May-21
7	Indonesia Eximbank	CPB	Working capital loan	USD8.5 million	103.8	66.9	▨	29-Dec-20
8	Indonesia Eximbank	CPB	Working capital loan	USD0.8 million	6.0	▨	▨	26-May-19
9	Indonesia Eximbank	CPB	Investment loan	USD3.0 million	4.9	▨	▨	26-May-19
10	PT Bank DBS Indonesia	CPP CPgP	Import loan a)	USD20.0 million	238.9	212.0	240.6	23-Apr-21
11	PT Bank CIMB Niaga Tbk.	CPB	Working capital loan	IDR107.1 billion	76.7	49.9	▨	31-Oct-20
12	PT Bank CIMB Niaga Tbk.	CPB	Working capital loan	IDR203.8 billion	139.8	83.8	▨	31-Oct-20
13	PT Bank CIMB Niaga Tbk.	CPB	Import loan a)	IDR20.0 billion	-	1.3	▨	31-Dec-20
14	PT Bank CIMB Niaga Tbk.	CPP	Import loan a)	IDR320.0 billion	307.7	308.4	169.8	31-Mar-21
15	PT Bank QNB Indonesia Tbk	CPP	Working capital loan	IDR94.7 billion	96.3	67.7	40.6	16-Jun-22
16	PT Bank Rakyat Indonesia Agroniaga Tbk	CPgP	Import loan a)	IDR84.0 billion	80.7	73.8	83.8	9-May-21
17	PT Bank Rakyat Indonesia Agroniaga Tbk	CPgP	Revolving loan	IDR10.0 billion	9.9	10.0	10.0	9-May-21
18	PT Bank Rakyat Indonesia Agroniaga Tbk	CPgP	Import loan a)	USD6.0 million	108.0	74.8	45.0	9-May-21
19	PT Bank Rakyat Indonesia Agroniaga Tbk	CPgP	Investment loan	IDR50.0 billion	1.6	▨	▨	6-Feb-19
20	PT Bank Rakyat Indonesia Agroniaga Tbk	CPgP	Import loan a)	IDR64.3 billion	8.7	48.9	59.7	9-May-21
21	PT Bank KEB Hana Indonesia	CPP	Import loan a)	IDR10.0 billion	9.4	7.6	▨	21-Mar-20
22	PT Bank KEB Hana Indonesia	CPP	Working capital loan	IDR10.0 billion	10.0	8.0	6.0	21-Dec-23
23	PT Bank Rakyat Indonesia (BRI) (Persero) Tbk. (ex-plasma CPB)	CPP	Working capital loan	IDR103.4 billion	52.9	20.2	▨	30-Sep-20
24	PT Bank Rakyat Indonesia (BRI) (Persero) Tbk. (ex-plasma WM)	CPP	Working capital loan	IDR72.3 billion	60.9	26.7	▨	30-Sep-20
25	PT Bank IBK Indonesia Tbk	CPP (Ex-Plasma Loan) b)	Working capital loan	IDR49.6 billion	34.3	4.9	▨	1-Feb-20
26	PT Bank IBK Indonesia Tbk	CPP (Ex-Plasma Loan)	Working capital loan	IDR14.3 billion	▨	▨	▨	3-Jun-19
27	New Noteholders	BOR	New Notes c)	USD145.8 million	2,352.7	2,258.4	2,291.6	31-Dec-21
Total				**IDR1,288.5 billion** **USD244.8 million**	**4,404.9**	**3,946.4**	**3,514.5**	

▨ Closed facilities

Source: Management information

The Group has closed these facilities in FY20 as the banks assumed lower working capital required by the Group resulting from the Nucleus – Plasma Partnership termination in 2018.

Pledged assets

Assets pledged by bank and entity

Bank	Entity	Asset	KJPP	Report date	Valuation date	BV (IDR billion) as of 31 October 2021	MV (IDR billion)
LPEI	CPP	Feed mill - Sidoarjo	NDR	30-Mar-21	30-Dec-20	405.8	501.8
		Land - Gempol	NDR	30-Mar-21	30-Dec-20	89.9	89.9
		Warehouse - Rengas Dengklok	NDR	30-Mar-21	30-Dec-20	27.9	43.9
		Warehouse and office - Pasar Kemis	NDR	30-Mar-21	30-Dec-20	39.3	45.5
	CPB	Power plant	NDR	30-Mar-21	30-Dec-20	4.6	221.8
		Land	NDR	30-Mar-21	30-Dec-20	-	123.1
		Pondsite	NDR	30-Mar-21	30-Dec-20	216.0	387.1
		Cold storage	NDR	30-Mar-21	30-Dec-20	127.7	259.0
	Total LPEI					911.3	1,672.2
CIMB Niaga	CPP	Hatchery - Merak Belantung Village, South Lampung Regency	NDR	9-Nov-20	23-Sep-20	244.1	275.7
	CPB	Hatchery - Suak Village, Lampung	NDR	9-Nov-20	23-Sep-20	228.5	228.9
		Feed mill - Jl. Ir. Sutami, Sindangsari Village, Lampung	NDR	9-Nov-20	23-Sep-20	143.2	145.8
	Total CIMB Niaga					615.7	650.4
BRI	CPP	Land - Gajah Mati and Bumi Pratama Mandira village, South Sumatra	NDR	12-Mar-19	29-Nov-18	249.1	122.2
	CPB	Hatchery - Klatakan village, Situbondo, East Java	NDR	12-Mar-19	29-Nov-18	17.1	19.4
		Hatchery - Sumurtawang village, Rembang Central Java	NDR	12-Mar-19	29-Nov-18	4.3	12.6
		Land - Tejakula, Buleleng, Bali (Investment property)	NDR	22-May-18	7-May-18	111.2	80.7
	Total BRI					381.6	234.9
QNBi	CPP	Land and Building - Karang Suraga, Banten	SWR	13-Dec-21	17-Nov-20	42.6	55.1
		Feed mill - Dupak Rukun, East Java	SWR	13-Dec-21	16-Nov-20	78.1	98.8
	Total QNBi					120.7	154.0
DBS	CPP	Feed mill - Jln. Pulau Pinang V (KIM II), North Sumatra	FRR	30-Dec-20	7-Dec-20	264.8	290.3
		Feed mill - Jln. Sisingamangaraja, Timbang Deli village, North Sumatra	FRR	30-Dec-20	7-Dec-20	128.0	110.5
		Land & building - Bumi Pratama Mandira village, South Sumatra	FRR	30-Dec-20	7-Dec-20	43.4	50.1
	Total DBS					436.2	450.8
KEB Hana	CPP	Land - Jl. Modern Industri XVII, Banten	NDR	18-Nov-19	4-Nov-19	18.4	18.4
	Total KEB Hana					18.4	18.4
BRI Agroniaga	CPgP	Land - Pabuaran Village, Subang	NDR	21-Dec-20	27-Nov-20	33.6	40.0
		Feedmill - Purwasari Village, Cikampek	NDR	13-Dec-19	5-Dec-19	145.5	218.2
	CWS	Land - Industrial Estate Makassar, Biringkayana, Makassar	NDR	13-Dec-19	23-Oct-19	25.5	25.5
	MLP	Probiotic Factory - Nambo Ilir Village, Cikande, Serang	NDR	21-Dec-20	27-Nov-20	3.5	5.6
	CBB	Land - Les Village, Tejakula, Bali	NDR	21-Dec-20	27-Nov-20	66.5	69.9
	Total BRI Agroniaga					**274.8**	**359.2**
Total						**2,758.7**	**3,540.1**

Source: Management information

Appendix 4

Financial ratio benchmarking (1/2)

PT JAPFA Comfeed Indonesia Tbk

Key financial ratios

	FY18 Audited	FY19 Audited	FY20 Audited
Liquidity ratios			
Current ratio	1.7	1.7	2.0
Quick ratio	0.4	0.4	0.5
Capital structure and long term solvency ratios			
Debt to Equity ratio	1.3	1.2	1.3
Gearing ratio	0.2	0.4	0.3
Interest coverage ratio	4.8	4.3	3.5
Debt service coverage ratio	3.5	2.2	0.7
Total borrowings to EBITDA ratio	0.5	1.3	1.1
Return on investment ratios			
Return on Assets	9%	7%	4%
Return on Equity	20%	15%	8%
Profitability ratios			
Gross margin	22%	20%	20%
EBITDA margin	11%	9%	8%
Net profit margin	6%	5%	2%

PT Malindo Feedmill Tbk

Key financial ratios

	FY18 Audited	FY19 Audited	FY20 Audited
Liquidity ratios			
Current ratio	1.7	0.1	0.1
Quick ratio	0.4	0.3	0.3
Capital structure and long term solvency ratios			
Debt to Equity ratio	1.3	1.3	1.4
Gearing ratio	0.9	1.0	1.0
Interest coverage ratio	5.1	3.3	2.6
Debt service coverage ratio	0.5	1.1	0.8
Total borrowings to EBITDA ratio	2.6	3.2	4.2
Return on investment ratios			
Return on Assets	7%	3%	-1%
Return on Equity	15%	8%	-2%
Profitability ratios			
Gross margin	14%	12%	9%
EBITDA margin	10%	8%	7%
Net profit margin	4%	2%	-1%

PT Sreeya Sewu Indonesia Tbk

Key financial ratios

	FY18 Audited	FY19 Audited	FY20 Audited
Liquidity ratios			
Current ratio	1.1	1.2	1.1
Quick ratio	0.5	0.6	0.5
Capital structure and long term solvency ratios			
Debt to Equity ratio	1.6	1.7	1.8
Gearing ratio	0.9	0.8	0.6
Interest coverage ratio	1.6	2.5	2.2
Debt service coverage ratio	0.0	0.0	0.0
Total borrowings to EBITDA ratio	5.2	3.3	3.5
Return on investment ratios			
Return on Assets	1%	3%	1%
Return on Equity	3%	9%	3%
Profitability ratios			
Gross margin	16%	15%	12%
EBITDA margin	5%	6%	4%
Net profit margin	1%	2%	1%

- **PT Japfa Comfeed Indonesia Tbk** mainly engages in manufacturing animal (mainly poultry) feed, commercial poultry breeding and farming which contributed to FY20 revenue amounting to 39%, 29%, and 10% respectively. It is also engaged in aquaculture farming, including fish, shrimp, and eel feed manufacturing, breeding, and farming, as well as fish processing and cold storage which contributed 6% of FY20 revenue.
- **PT Malindo Feedmill Tbk** mainly produces animal (mainly poultry) feed, poultry breeding and farming, and food processing. Feed business and processed food contributed to 64% and 3% of FY20 revenue, respectively.
- **PT Sreeya Sewu Indonesia Tbk** engages in sales of poultry and processed food, which contributed to FY20 net sales amounting to 89% and 11% respectively.

Financial ratio benchmarking (2/2)

PT Sekar Bumi Tbk Key financial ratios	FY18 Audited	FY19 Audited	FY20 Ann. Audited
Liquidity ratios			
Current ratio	1.4	1.3	1.3
Quick ratio	0.8	0.7	0.7
Capital structure and long term solvency ratios			
Debt to Equity ratio	0.7	0.8	0.9
Gearing ratio	0.1	0.5	0.5
Interest coverage ratio	1.7	1.2	1.8
Debt service coverage ratio	1.7	1.2	1.8
Total borrowings to EBITDA ratio	2.6	7.9	8.0
Return on investment ratios			
Return on Assets	1%	0%	1%
Return on Equity	2%	0%	1%
Profitability ratios			
Gross margin	12%	13%	10%
EBITDA margin	3%	3%	2%
Net profit margin	1%	0%	0%

- **PT Sekar Bumi, Tbk.** is a manufacturer and distributor of frozen food products specializing in shrimp, fish and other frozen processed food. Its subsidiaries engage in shrimp and fish feed production, cultivation of shrimp ponds, and processed food products (breaded shrimps, fish and seafood food products, etc). Export sales of frozen value-added seafood products contributed around 91% of total FY19 sales while shrimp and fish feed contributed to around 4%.

PT Panca Mitra Multiperdana Tbk Key financial ratios	FY20 Audited
Liquidity ratios	
Current ratio	1.2
Quick ratio	0.2
Capital structure and long term solvency ratios	
Debt to Equity ratio	2.8
Gearing ratio	2.4
Interest coverage ratio	2.8
Debt service coverage ratio	0.0
Total borrowings to EBITDA ratio	6.1
Return on investment ratios	
Return on Assets	4%
Return on Equity	16%
Profitability ratios	
Gross margin	21%
EBITDA margin	15%
Net profit margin	6%

- **PT Panca Mitra Multiperdana Tbk** is an exporter of shrimp products (raw, cooked, and breaded). It also expands to the domestic market with its frozen, ready to cook shrimp food products. It was just listed in FY20 in the Indonesian Stock Exchange therefore there was no information for FY18.

Appendix 5

Documents provided by the Company

No.	Documents provided
1	Consolidated financial statements of CPP as of 31 December 2018 (audited), 31 December 2019 (audited) and 31 December 2020 (unaudited)
2	Draft term sheet dated 2 November 2020
3	Financial projections under the name "(KPMG - IFA) CPRO Quarterly Consolidated Financial Model 03012021 – Sent" provided to KPMG on 3 March 2021
4	Financial indebtedness listing as of 31 December 2020
5	Accounts receivable aging as of 31 December 2020
6	Related parties loans as of 31 December 2020
7	Historical FY18 – FY20 production volume and installed capacities
8	Bank loan agreements per subsidiary and related collaterals' valuation reports
9	Top 10 suppliers by % of purchases and customers by % of revenue in FY20

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