INVESTOR NEWSLETTER

PT TRIPUTRA AGRO PERSADA TBK

TAPG

PT Triputra Agro Persada Tbk (TAPG) is an oil palm, rubber, and processing industries company, with 24 oil palm plantation estates, 1 rubber plantation, 16 palm oil mills and 1 Ribbed Smoke Sheet factory located in Jambi, Central Kalimantan and East Kalimantan (Including associate company). In developing its business TAPG uphold the sustainability commitment by adopting world recognized standards and deployment of state-of-the-art technology in operational activities.

Descriptions	6M 2021	6M 2020	%
Revenue	2,856,405	2,457,594	16.2%
Cost of Goods Sold	(2,190,517)	(1,945,195)	12.6%
Gross Profit	665,888	512,399	30.0%
Margin	23.3%	20.8%	
Operating Profit	433,703	205,228	111.3%
Margin	15.2%	8.4%	
Profit Before Tax	467,125	92,849	403.1%
Margin	16.4%	3.8%	
Profit After Tax	416,792	112,567	270.3%
Margin	14.6%	4.6%	
Core Income	481,529	211,091	128.1%
Margin	16.9%	8.6%	

Descriptions	6M 2021	2020	%
Total Assets	12,207,808	12,323,970	-0.9%
Total Liabilities	5,267,075	5,667,688	-7.1%
Total Equity	6,940,733	6,656,282	4.3%

In IDR Mio

Revenue ▲ 16.2% due to higher in productivity, delivery, and average selling price.

Cost of Goods Sold ▲ 12.6% due to increase in FFB 3rd Parties purchased. While FFB production cost more efficient than last year.

Profit Before Tax increased supported by increased in production, delivery and average selling price, efficient production cost, lower in finance cost and foreign exchange.

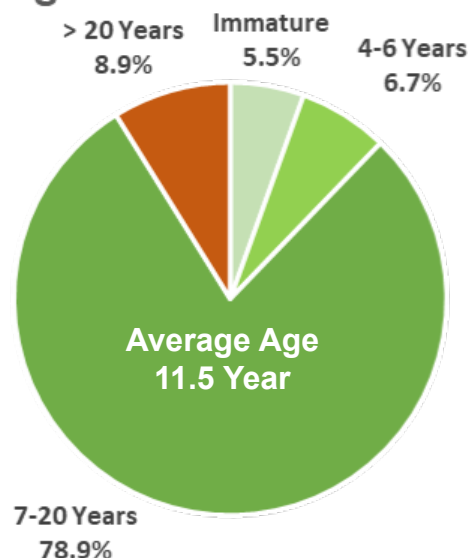Core Income calculate from Profit After Tax excluding forex loss and tax implication for currency translation.

Larger Area of Premium Age Trees

TAPG profit rose significantly ▲ 270.3% compared to 6M 2020 drive by higher FFB yield, delivery and selling price, efficient FFB production cost, lower in Finance cost and foreign exchange.

FFB Production in 6M 2021 increased ▲ 18.8% compared to 6M 2020 production, due to larger area of premium age trees.

CPO Production in 6M 2021 reached 459 thousand tons increased ▲ 15.3% from 6M 2020 and PK Production reached 91 thousand tons increased ▲ 9.4% due to increased in FFB processed from internal nor external.

Age Profile June 2021

> 20 Years 8.9%
Immature 5.5%
4-6 Years 6.7%
Average Age 11.5 Year
7-20 Years 78.9%

Including associate company

	2Q 2021	2Q 2020	YoY%	6M 2021	6M 2020	YoY%
Plantation Performance						
FFB Production (Tons)						
FFB Nucleus	734,926	606,769	21.1%	1,447,569	1,218,262	18.8%
FFB Plasma	81,968	61,718	32.8%	157,058	125,145	25.5%
Mill Performance						
FFB Processed (Tons)	1,016,990	836,396	21.6%	1,988,112	1,689,120	17.7%
CPO Production (Tons)	235,162	195,881	20.1%	458,636	397,668	15.3%
PK Production (Tons)	46,990	40,922	14.8%	91,089	83,246	9.4%
OER (%)	23.1%	23.4%	-1.3%	23.1%	23.5%	-2.0%
KER (%)	4.6%	4.9%	-5.6%	4.6%	4.9%	-7.0%

Including associate company

	Average Age (Yrs)	Planted Area (000 Ha)	
		Mature	**Total**
Nucleus	11.4	131	137
Plasma	12.2	19	22
Total	**11.5**	**150**	**159**

As of June 2021, total planted area including nucleus and plasma reached 159 thousand hectares and mature 150 thousand hectares.

This including planted area for associate company 58 thousand hectares.

Rubber Segment

Rubber segment income in 6M 2021 increased ▲172.1% compared to last year. Supported by increased in sales volume drive by additional new harvest area and improved in selling price.

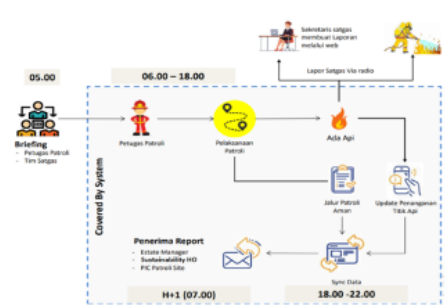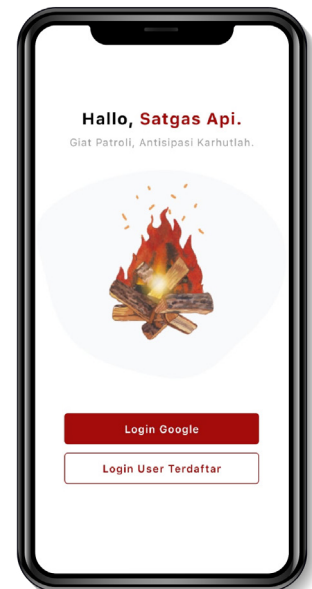|	2Q 2021	2Q 2020	YoY%	6M 2021	6M 2020	YoY%
Rubber Sales (Tons)						
Slab	77	113	-32.1%	163	170	-3.9%
RSS	117	-	n/a	278	72	283.8%

2021 still a challenging year for all industry due to continuous COVID 19 pandemics. TAPG estate operation, mill processing, and delivery are operated under strictly COVID 19 protocol. We understand safety and healthy for our employee is our priority. By doing that we can ensure company to keep operate and achieve higher standard to fulfil the target. The Covid-19 pandemic is not over yet, we must keep the same pace to make sure we can sustainable and Staying Nimble in uncertain time.

Embracing New Technology for Fire Prevention: Mobile Fire Patrol Apps

Land and Forest wild fires always a huge threat for any plantation in Indonesia. TAPG is very committed to the prevention and rapid handling of land fires. Amidst Covid-19 pandemic, among other initiatives for fire prevention, a new initiative based on mobile technology is being implemented. A **Fire Patrol Application for mobile phone**. This app aims to increase the effectiveness of early detection, enforcing the discipline of the officers and properly documenting the reports. After going through trials and testing at two of TAPG plantations in Central Kalimantan, namely GBSM and MIK, we are ready to roll out the apps for the corporate wide plantations.

The working concept of this application is actually fairly simple. The Sustainability officer at the site uploads the patrol path into the system. The patrol officer then will be able to use the application during his/her patrol following the pre-determined path. These patrol lanes are defined based on a predefined fire hazard map, and each lane will pass through a watchtower and must be checked from the top of the tower. The system will match the check points of the existing lanes in the system with the paths passed by the officers. Any sideways of patrol will be indicated by the apps and need justification. In the case of any smoke detection and/or visible fire, the patrol officer immediately able to report to the base-camp both through Handy Talky as well as the apps which will provide alert to the base camp as well as to the head office. The alert will trigger the fire brigade to take actions accordingly.

Patrol work process

Patrol activity

An officer is on patrol with the app

During the dry season, which is indicated by the yellow and/or red color code from the Fire Danger Rating System, daily report will be submitted for review at the base-camp as well as the head office fire monitoring team. The use of the Fire patrol apps provide on-site ground truth report and enhance the way TAPG mitigate any potential fire as early as possible. Early detection and Early Warning System has always the core of our fire prevention management system.

TECHNOLOGY:
Embracing TECHNOLOGY TRANSFORMATION - TAPG REMOTE SENSING

Palm oil is the third largest non-oil and gas foreign exchange earner for the country, and every year it develops quite rapidly. As the one of the youngest palm oil company, the challenge for TAPG is how to effectively and efficiently utilize and monitor plantation area assets to ensure maximal output from the land entrusted to us. We also commit playing an active role in monitoring area safely from fire hazards and comply with Government Regulations related to the implementation of Agriculture and Plantation practices.

In the past, palm oil plantations generally relied on manual measurement, control and monitoring which were costly and time consuming. TAPG since 2014 has been utilizing aerial photography technology for mapping processes with high spatial quality in a single image as well as image sharpening techniques to improve the visuals of orthophoto data up to a resolution of 0.08m per pixel (ground sampling distance) to provide users an unimaginable visibility to see tree-by-tree level only from their desktop.
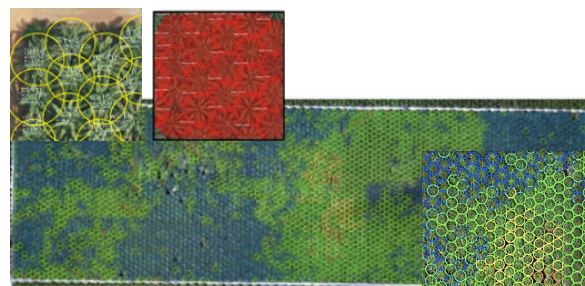

Fast, accurate, full autopilot and high resolution

Health Unhealthy Indicator using NDVI Using NDVI

In 2019, TAPG also adding satellite data to provide faster and broader information flow into our analytics engines and start develop our unique Artificial Intelligence models to interpret those vast data into usable information in timely manner. This combination will provide users near real-time alert, quick scanning capability and also deep drill-down analysis down to tree level.

These technology stacks: remote sensing technology, using aerial photography and satellite data, orthophoto, land used, geo database, mapping inventory report and map presentation, by utilizing artificial intelligence has revolutionized the management of the palm oil industry and provides business and environmental benefits. Now TAPG can build an information system that is able to display plant health by displaying on a map, so that employees can monitor and detect any abnormalities. In addition, the Company can also analyze the harvest in more detail at the yield collection point to control the harvest. Based on internal assessments, the use of aerial mapping has effectively increased oil palm health detection productivity by 85%, enabling them to take immediate corrective action ensuring optimal results.

Machine Learning and Annotation Process for Palm Counting and Canopy Size

Development continues, our future plans are to further utilize drones, aerial photo data, and artificial intelligence for automatic fertilization and pesticide activities.

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