



KENCANA
ENERGY

**Renewable Energy
Today and Tomorrow**

PT Kencana Energi Lestari Tbk

www.kencanaenergy.com

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Introduction of
Kencana Energy

Operation
Highlights

Financial
Highlights

Environmental,
Social &
Governance

Indonesia
Renewable Energy
Outlook





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Listed on the
Indonesian Stock Exchange
in September 2019

PT Kencana Energi Lestari Tbk

IDX Code: KEEN





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Board of Commissioners



Albert Maknawi
President Commissioner



Jeanny Maknawi Joe
Commissioner



Sim Idrus Munandar
Independent Commissioner



Freenyan Liwang
Independent Commissioner

Board of Directors



Henry Maknawi
President Director



Wilson Maknawi
Vice President Director



Rusmin Cahyadi
Director



Karel Sampe Pajung
Director



Giat Widjaja
Director

Group Structure

20.00% Public | 30.30% PT Paramata Indah Lestari | 49.70% Founders

PT KENCANA ENERGI LESTARI TBK



75.00%

98.40%

98.00%

99.98%

99.80%

25.00%
The Chugoku Electric Power Co, Inc.
(JPN)



PT Energy Sakti Sentosa
PLTA Pakkat 18 MW



Bangun
Tirta
Lestari

PT Bangun Tirta Lestari
PLTA Air Putih 21 MW



Nagata
Dinamika
Hidro
Madong

PT Nagata Dinamika Hidro Madong
PLTM Madong 10 MW

50.94%

24.50%

PT Kencana Energi Matahari
Project Company

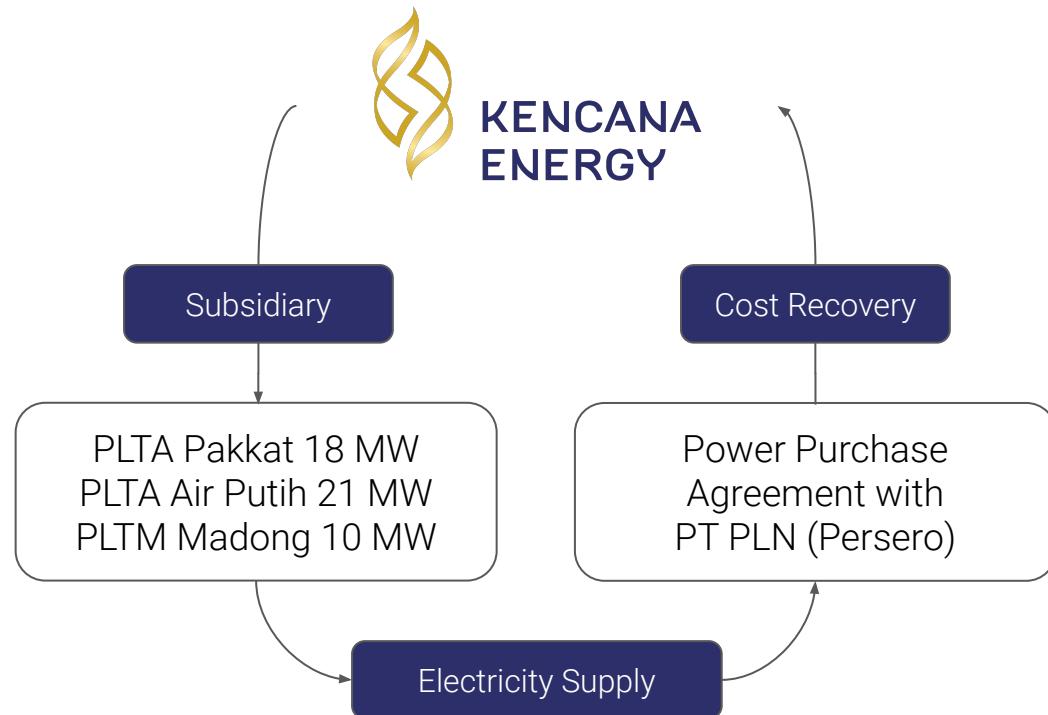
BUSINESS MODEL

RECURRING & LONG TERM

The Ministerial Decree of Energy and Mineral Resources (PERMEN ESDM) allows the company to build and operate hydro power plants supplying electricity to PLN for 20 to 30 years.

SECURED & PREDICTABLE

Take or Pay scheme for the duration of Power Purchase Agreement (PPA).





PROJECT STRUCTURE

PROJECT COMPANY

Established as the Independent Power Producer

PROJECT SPONSOR

Provides equity for the project company

LENDERS / FINANCIERS

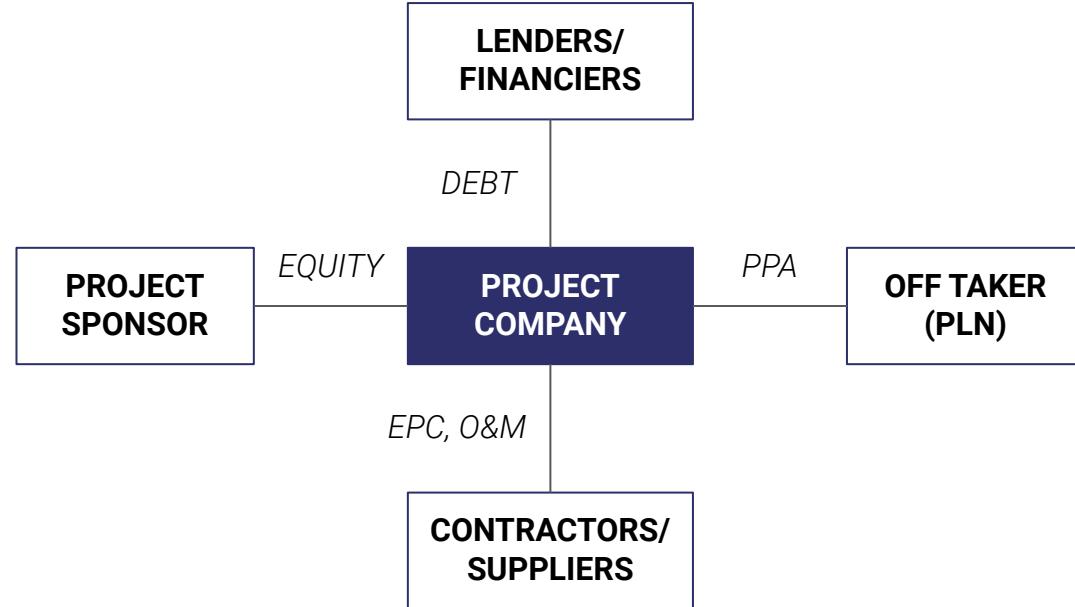
Provides debt financing for the project cost

CONTRACTORS / SUPPLIERS

Responsible for EPC and O&M works

OFF TAKER

Purchases the electricity generated by the project



Kencana Energy Sees Resilient Performance in 2020

US\$25.3 million

stable revenue in face of
economic challenges

106%

increasing electricity
production with the
operation of second plant

136%

strong growth of
profitability for 2020

3 Hydro Power Plants in Portfolio



PLTA Pakkat 18 MW
Sumatera Utara



PLTA Air Putih 21 MW
Bengkulu



PLTM Madong 10 MW
Sulawesi Selatan



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PLTA PAKKAT 18 MW

LOCATION

Humbang Hasundutan Regency,
North Sumatra Province, Indonesia

COMMERCIAL OPERATION DATE

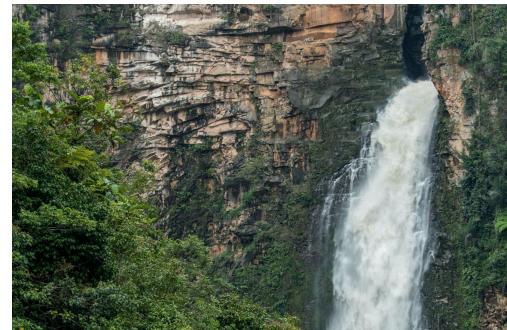
January 31, 2018

POWER PURCHASE AGREEMENT

30 Years, BOOT Scheme

SUBSIDIARY

PT Energy Sakti Sentosa





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PLTA AIR PUTIH 21 MW

LOCATION

Lebong Regency,
Bengkulu Province, Indonesia

COMMERCIAL OPERATION DATE

January 22, 2020

POWER PURCHASE AGREEMENT

30 Years, BOOT Scheme

SUBSIDIARY

PT Bangun Tirta Lestari





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PLTM MADONG 10 MW

LOCATION

North Toraja Regency,
South Sulawesi Province, Indonesia

COMMERCIAL OPERATION DATE

Q1 / 2022 (Target)

POWER PURCHASE AGREEMENT

20 Years, BOO Scheme

SUBSIDIARY

PT Nagata Dinamika Hidro Madong



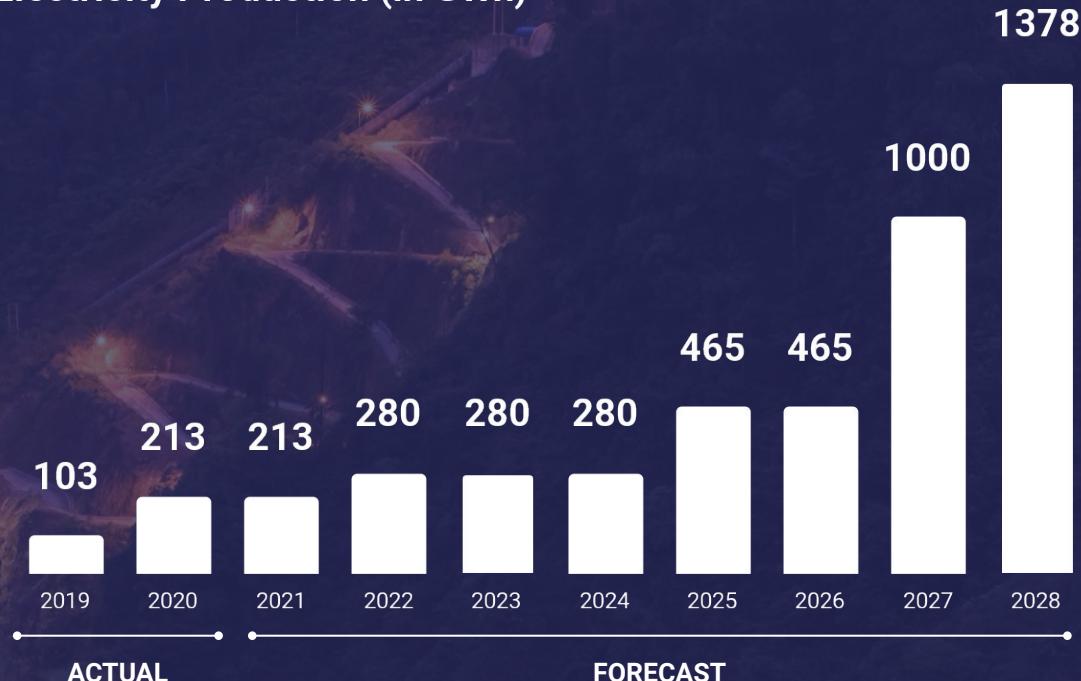


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PRODUCTION HIGHLIGHTS

PROJECTS	CAPACITY	COD
PLTA Pakkat	18 MW	2018
PLTA Air Putih	21 MW	2020
PLTM Madong	10 MW	2022
PLTA Pakkat 2	35 MW	2025
PLTA Salu Uro	90 MW	2027
PLTA Kalaena	75 MW	2028

Electricity Production (in GWh)



COD: Commercial Operation Date



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PROJECT LIST

CURRENT PORTFOLIO

			49 MW
Hydro (>10 MW)	PLTA Pakkat 1	North Sumatra	18 MW
Mini Hydro (<10 MW)	PLTA Air Putih PLTM Madong	Bengkulu South Sulawesi	21 MW 10 MW

PROJECT PIPELINE

			500 MW
Hydro (>10 MW)	PLTA Pakkat 2	North Sumatra	35 MW
	PLTA Kalaena	South Sulawesi	75 MW
	PLTA Salu Uro	South Sulawesi	90 MW
	PLTA Kalaena 2	South Sulawesi	30 MW
	PLTA Kalaena 3	South Sulawesi	20 MW
	PLTA Dambalo	Gorontalo	22 MW
Mini Hydro (<10 MW)	PLTM Aek Nabara	North Sumatra	4 MW
	PLTM Nasal	Bengkulu	10 MW
	PLTM Salu Paku	South Sulawesi	6 MW
	PLTM Salu Noling	South Sulawesi	10 MW
Wind	PLTB Jeneponto 1	South Sulawesi	62 MW
	PLTB Jeneponto 2	South Sulawesi	100 MW
Solar PV	PLTS Tempilang	Bangka Belitung Islands	1 MW
	PLTS (Scattered)	Various Locations	20 MW
Biomass	PLTBm Tempilang 2	Bangka Belitung Islands	5 MW
Biogas	PLTBg (Scattered)	Various Locations	10 MW



Based on the audited financial statements under ISAK 16 accounting standards.

FINANCIAL HIGHLIGHTS

	2019	2020	%
Assets	\$260.8m	\$287.4m	10.2%
Liabilities	\$109.6m	\$130.9m	19.4%
Equity	\$151.2m	\$156.5m	3.5%
Revenue	\$23.7m	\$25.4m	7.2%
Net Profit	\$3.6m	\$8.6m	136.9%
Earnings per Share	\$0.0007	\$0.0018	157.1%
Operating Profit Margin	43.9%	56.1%	27.8%
Net Profit Margin	15.4%	34.0%	121.0%
Return on Asset	1.4%	3.0%	114.3%
Return on Equity	2.4%	5.5%	129.2%
Debt to Equity Ratio	0.41	0.46	12.2%

(Amount in US Dollar)



FINANCIAL PROJECTION

		Revenue	EBITDA	%	Net Profit	%
ACTUAL	2019	\$23.6m	\$7.9m	33.6%	\$3.6m	15.4%
	2020	\$25.3m	\$10.7m	42.2%	\$8.6m	34.0%
FORECAST	2021	\$41.8m	\$18.8m	45.0%	\$10.7m	25.6%
	2022	\$21.5m	\$15.6m	72.8%	\$8.1m	37.7%
	2023	\$111.3m	\$70.9m	63.6%	\$52.4m	47.1%
	2024	\$250.8m	\$142.0m	56.6%	\$109.7m	43.7%
	2025	\$408.8m	\$223.2m	54.6%	\$172.9m	42.3%
	2026	\$407.8m	\$231.4m	56.7%	\$180.0m	44.1%
	2027	\$230.1m	\$151.7m	65.9%	\$108.8m	47.1%
	2028	\$117.8m	\$95.8m	81.2%	\$60.4m	51.2%

(Amount in US Dollar)



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ENVIRONMENTAL, SOCIAL & GOVERNANCE

ESG Contribution to Meet Indonesia Net Zero Emission Target

Providing renewable energy today and tomorrow as what we do is aligned with the **Sustainable Development Goals (SDG)**, particularly:



Kencana Energy provides energy from renewable sources. We have started our journey on hydropower while expanding to other renewable energy, such as solar PV, wind, biomass and biogas.



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ENVIRONMENTAL, SOCIAL & GOVERNANCE

Power for Good

Our reason of being, *raison d'etre*, the core of our business, It springs in the fact that the energy we generate empowers lives in order to sustain and excel today and tomorrow. This is why we are *fully committed* to implement ESG and sustainability principles in everything we do.

For us, it is about balancing our business successes with environmental stewardship, social responsibility, and firm governance, to generate sustainable returns for our shareholders, lasting benefits for the society, protecting mother nature, and delivering our purpose as a company: to deliver *POWER FOR GOOD*.

Our Business | Our Process | Our People | Our Company | Our Presence

Kencana Energy's ESG Commitment & Strategy



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OUR BUSINESS

Using our knowledge, expertise, science, technology, to provide sustainable energy today and tomorrow



FOCUS
01

STRONG FINANCIAL FUNDAMENTALS

Ensuring that Kencana Energy is financially sustainable through firm governance in financial management, planning and analysis, which will be reflected in our project management and operational control.

FOCUS
02

EXPLORATIONS OF RENEWABLES ENERGY PROJECTS

Continue to explore opportunities to expand our project footprints to various renewable energy sources in Indonesia, including hydropower, micro hydro, solar, and wind.

FOCUS
03

TECHNOLOGY INNOVATION BEST PRACTICES

Learning is a lifetime process. Kencana Energy will continue to find new ways to be better. These improvements are driven by innovation, technology, and best-in-class industry best practice.

FOCUS
04

PARTNERSHIP TOWARDS NET ZERO EMISSIONS

Climate change is not a fight that we can fight alone. It is a global problem that requires the commitment and collective response from all stakeholders. On this note, we continue to explore partnership opportunities in the pursuit towards Net Zero Emission and use our business to accelerate Indonesia's transition to a low carbon economy.



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OUR PROCESS

Ensuring best practice in financial, technical, environmental, social, and governance are in place throughout the end-to-end of our process



FOCUS

01

GETTING IT RIGHT FROM THE START

FOCUS

02

SUSTAINABLE DESIGN AND CONSTRUCTION

FOCUS

03

PROJECT AND OPERATIONAL EXCELLENCE

FOCUS

04

SOCIAL AND ENVIRONMENTAL MANAGEMENT

Kencana Energy is committed to implement ESG principles from the very beginning. On that note, every project will start with a pre-feasibility study that not only covers the aspects of financial, operational, technological, political, and technical, but also social, environmental.

Our engineering and construction teams understand the importance of sustainability in their design and in carrying out project constructions. Beside the technical, financial, and technological elements, Our team includes social, cultural, environmental considerations.

Kencana Energy aspires to achieve excellence in everything that we do, from project management to ensure that our project can be completed on time and on budget, to day-to-day operations and maintenance. We look up to industry best practice to continuously improvement our performances in these areas.

Social and Environmental aspects continue to be integral aspects in our operations. We monitor, manage, and mitigate relevant and material social and environmental impacts of our operation from noise, waste management, river flow area, sedimentation, and erosion, and many more.



OUR PEOPLE

Nurturing, developing, and safeguarding our people as our most valuable assets.



FOCUS

01

HEALTH, SAFETY AND SECURITY

Our industry demands the highest health, safety, and security standards. Caring for our people is fundamental to our culture, and we work continuously towards our goal of zero fatalities.

FOCUS

02

TRAINING, DEVELOPMENT AND RETENTION

Our people are our greatest asset. Therefore, we continue to nurture their talents and skills through on-point training and development programs. Also, we want our people to feel as part of Kencana Energy family.

FOCUS

03

HUMAN RIGHTS DIVERSITY & EQUAL OPPORTUNITY

We are committed to be responsible and equitable business, and we promote the high standards that we have always practiced. We support and respect internationally recognised labour rights, we believe in equal treatment, and we have a zero-tolerance policy for discrimination, bullying, and harassment.

FOCUS

04

EMPLOYEE WELFARE & WORK-LIFE BALANCE

Wherever we operate, our employees and contractors should work under safe, secure and fair conditions. We always ensure our people receive fair remuneration and benefits for their work and skills. We also safeguard the balance between life and work for our employees.



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OUR COMPANY

Operating responsibly and upholding ethical behavior in everything that we do



FOCUS
01

BUSINESS ETHICS & COMPLIANCE

We believe that high ethical standards are good both for society and for business and are committed to high ethical standards in our business culture and in all our business activities. Our goals is to reach zero serious compliance incidents.

FOCUS
02

INTEGRITY & ANTI-CORRUPTION

We have a zero-tolerance for corruption. We do not offer, give, accept, request or receive bribes or other improper advantages. We also work to ensure fair competition, avoid unethical business partners, protect personal data and prevent all forms of fraud.

FOCUS
03

STRONG CORPORATE GOVERNANCE

Corporate governance underpins the way we conduct our business. We are committed to the highest level of governance and strive to foster a culture that values and rewards exemplary ethical standards, personal and corporate integrity and respect for all stakeholders.

FOCUS
04

COMPREHENSIVE RISK MANAGEMENT

Kencana Energy implement a comprehensive risk management that encompasses various risks that we are exposed to, from financial, social, political, environmental, climate, physical, personnel, to cyber security risk and emergency preparedness.



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OUR PRESENCE

Empowering the local communities through our presence and social contributions



FOCUS
01

MEANINGFULL SOCIAL CONTRIBUTION

We want to be a part of the communities wherever we operate. We want our neighbours to be able to receive sustainable benefits from our presence in their communities through social contributions and community development programs.

FOCUS
02

JOBS FOR THE LOCAL COMMUNITY

We open opportunities for the local communities to join and grow with us. Combining our community development programs with human resources development, we provide trainings and knowledge transfers for the local communities aiming to equip them with the skills and competencies to work in Kencana Energy or other companies in the vicinity.

FOCUS
03

INVOLVING LOCAL SUPPLIERS & VENDORS

We want our presence to have a positive impact for the local socio-economic growth. To that end, we are committed to support local vendors and suppliers in our procurement policy. On top of that, having our suppliers and vendor closely located to our operations, help us optimize cost and lower carbon footprint.

FOCUS
04

CONTINOUS ENGAGEMENT & COMMUNICATIONS

We continue to consult with a wide range of local stakeholders, such as local authorities, community representatives, civil society organisations and representatives of indigenous peoples. These activities take place during the life-cycle of our projects, from early design phase until the operation phase. Through dialogue and collaboration, we work to find solutions to prevent, reduce and manage any negative impacts.



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CORPORATE SOCIAL RESPONSIBILITY

Hospital Ship



Landslide Natural Disaster

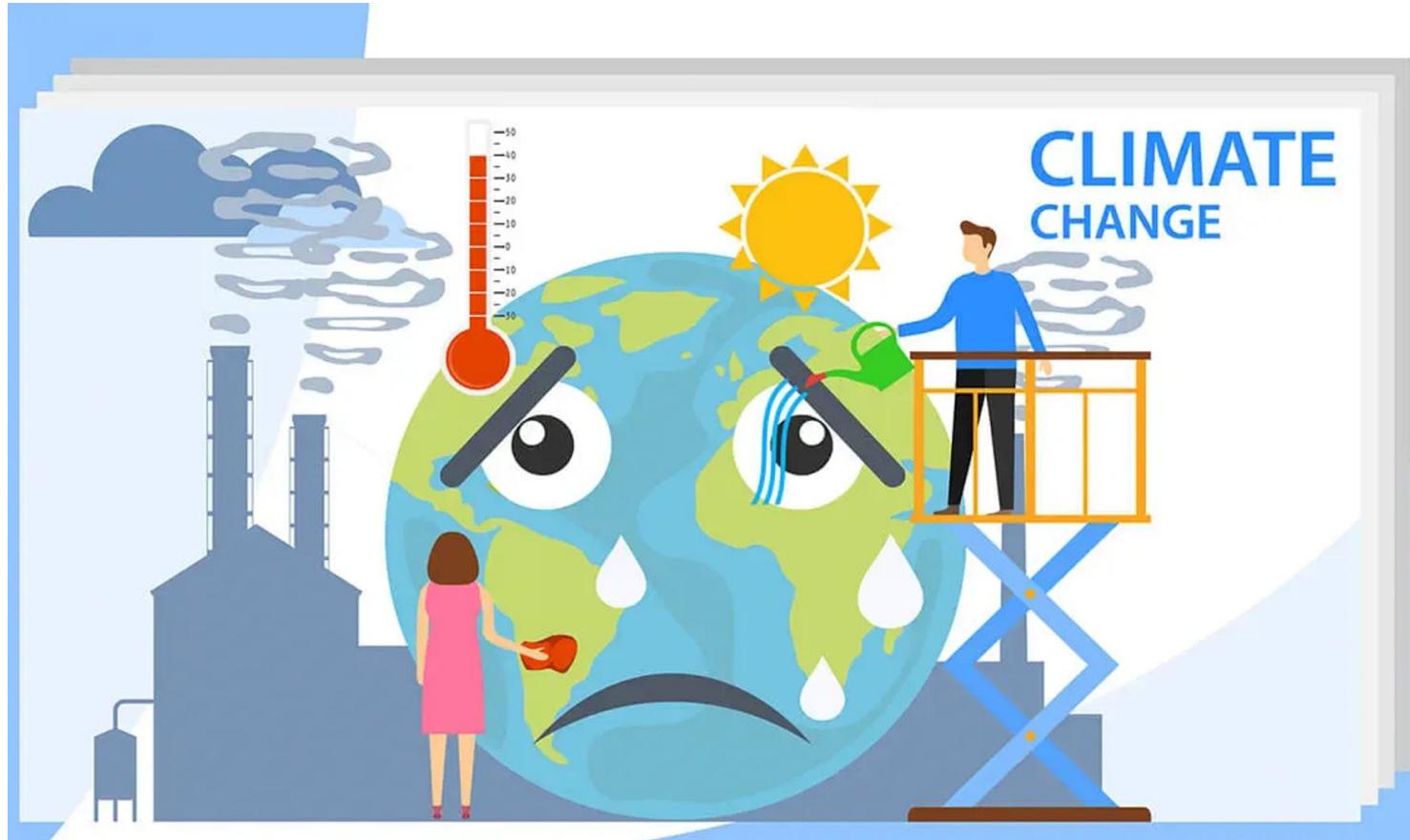


COVID-19 Solidarity Responses



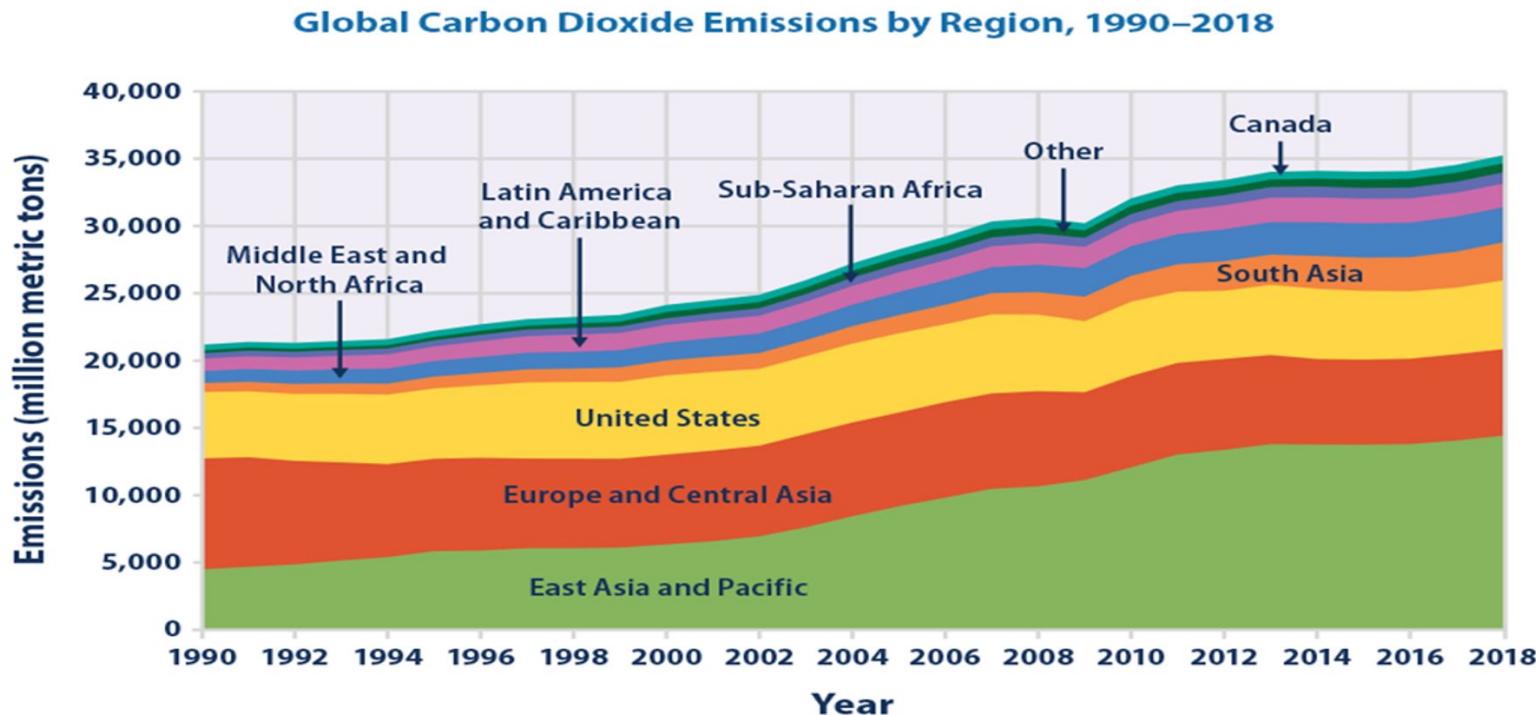


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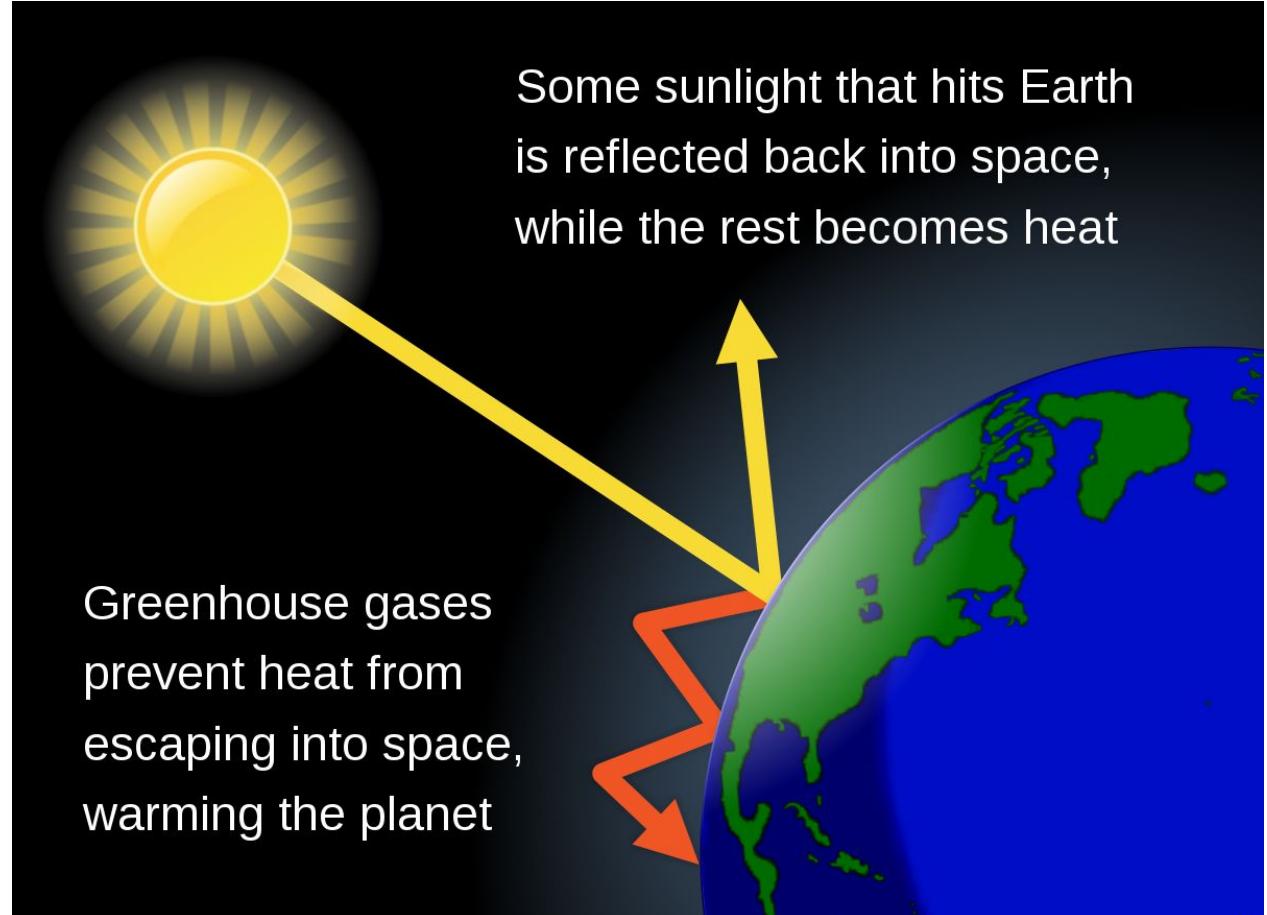
Climate Change





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The Greenhouse Effect



(Data source: Wikipedia)



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The Greenhouse Effect



Ice Melting



Rising Sea Level



Extreme Storm



Flood



Drought



Bush Fire



Heat Waves



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Time to Act





ENERGY TRANSITION ROADMAP

Key Drivers and Legal Framework

Paris Agreement 2015 (signed by 195 countries) to limit the increasing of temperature max 1.5 C – 2 C from pre industrial era (1800s).

Indonesia target to reduce the greenhouse gas by 34,8% in 2025 and 58,3% by 2050

Indonesia target to increase renewable energy portion to 23% by 2025

Government Law No.30 Year 2007 about Energy

Government Regulation No. 70 Year 2014 about Policy of National Energy

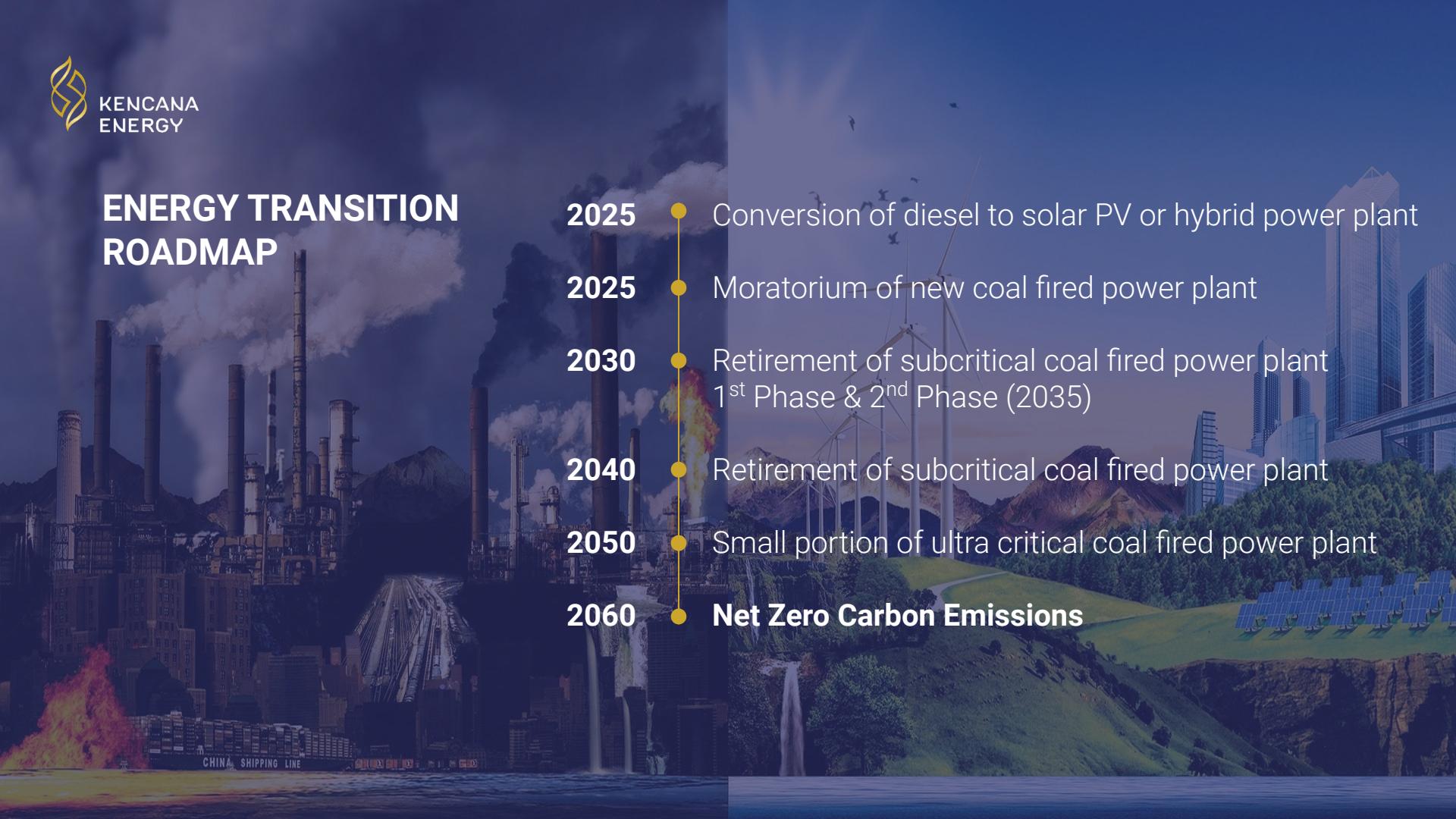
Draft of Presidential Decree about Renewable Energy

Draft of Law about Renewable Energy



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ENERGY TRANSITION ROADMAP



- 2025** • Conversion of diesel to solar PV or hybrid power plant
- 2025** • Moratorium of new coal fired power plant
- 2030** • Retirement of subcritical coal fired power plant
1st Phase & 2nd Phase (2035)
- 2040** • Retirement of subcritical coal fired power plant
- 2050** • Small portion of ultra critical coal fired power plant
- 2060** • **Net Zero Carbon Emissions**



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INDONESIA RENEWABLE ENERGY OUTLOOK

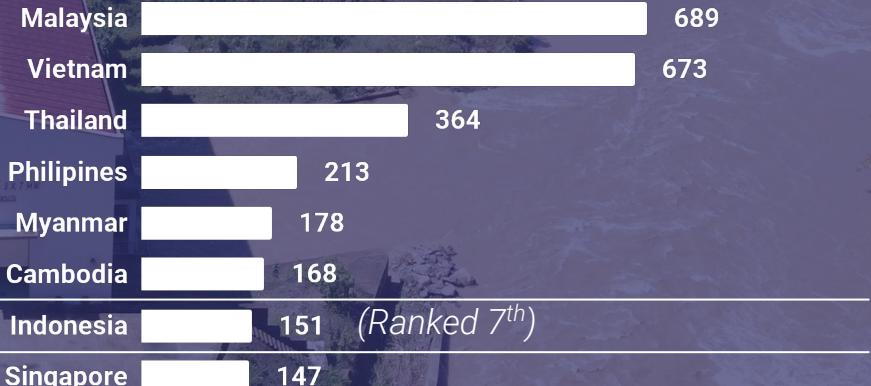
Electricity Consumption per Capita in Indonesia (kWh)



Electricity Consumption per Capita 2017 (kWh)



Renewable Consumption per Capita 2017 (kWh)

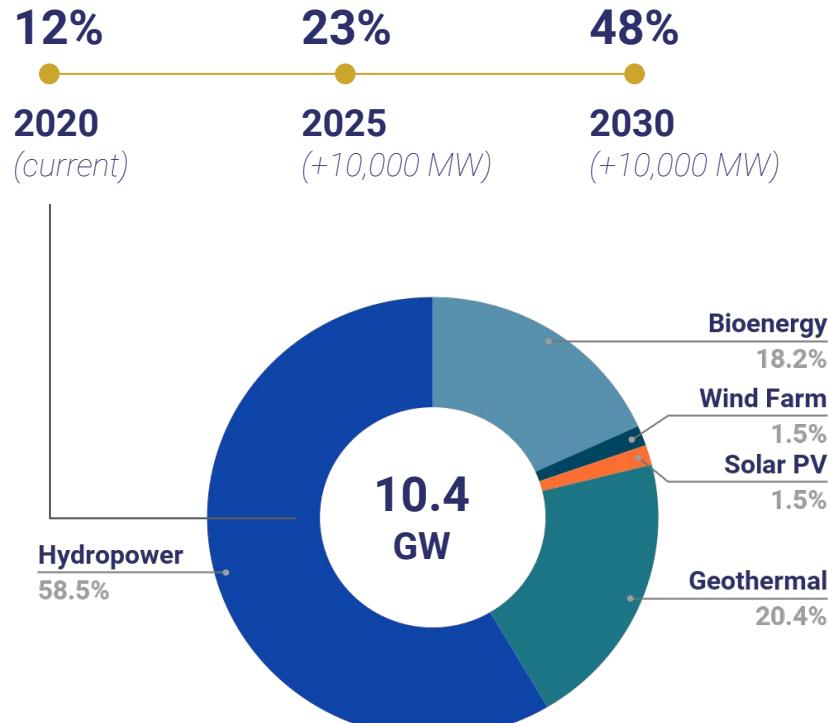




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INDONESIA RENEWABLE ENERGY OUTLOOK

Indonesia Target for Renewable Energy Mix





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THANK YOU

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