



PT Inocycle Technology Tbk ("INOV")

Turning waste to resources

Investor presentation, June 2020





Has received The
Sustainability
Certification on ESG
from



eden project

INOV's achievements in The
Sustainability Certification:

- Processing 2 billions of plastic bottles waste into resources annually.
- Reducing carbon footprint to 0.0005tCO₂ emission per production unit.
- Partially substituting fossil fuel usage with the shell of palm fruit.

We are



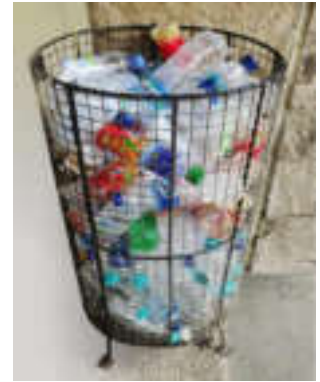
Table of Contents

- 1 Introduction
- 2 Company Overview
- 3 Manufacturing Plants & Products
- 4 Financial Highlights
- 5 Investment Highlights

We are



We turn
waste



to resources



Company Overview



- **Established in 2001**, under the name of **PT Hilon Felt** (subsidiary of Hilon Indonesia)
- **Products** : Recycled Polyester Staple Fiber (**Re-PSF**), **Non-Woven** Polyester
- **Locations** : Tangerang (Head Office), Karanganyar, Mojokerto, Palembang, Semarang



Recycle > 2 billion plastic bottles

Recycling the PET bottles waste from all over Indonesia



Global Recycle Standard (GRS)

The only company in Indonesia that is globally certified in recycling PET bottles



Export to > 10 Countries

Exporting Re-PSF to more than 10 different countries



Certified on Environmental, Social & Governance (ESG)

Recently received ESG certification from “The Planet Mark” Eden Project



Company Overview

Current Capacity and Utilization

| Location | Product | Capacity | Utilization |
|-------------------|-----------|-------------|-------------|
| Tangerang | Re-PSF | 10,200 Tons | 85% |
| Karanganyar, Solo | Re-PSF | 10,200 Tons | 95% |
| Mojokerto | Re-PSF | 13,200 Tons | 90% |
| Salatiga | Non-Woven | 2,000 Tons | 82% |
| Palembang | Non-Woven | 1,800 Tons | 75% |



Sales and Distribution

Domestic: Jabodetabek, Java (Central-West-East) & South Sumatra. **International:** USA, Europe, Asia, Africa & Australia.

Customer Mix

Approximately **33%** of Inocycle sales revenues are from **affiliated parties** and the other **67%** are sold directly to our customer.



Our Production Overview



**PET bottles
waste**



**Clean bottles as
raw materials**



**Flaked
bottles**



**Recycled Polyester
Staple Fiber
(Re-PSF)**



PET Bottle



PET (Polyethylene terephthalate) bottles, are plastic bottles that are commonly used to store beverages.

Products Overview



Our main product: Recycled Polyester Staple Fiber (Re-PSF), a synthetic fiber from recycled PET bottles waste. It is an effective way to utilize the waste since PET bottle is not bio-degradable



The versatility of our Re-PSF is so resourceful, it can be used in wide range of products:



1

2

3

4

5

We are



Company Overview

Vision & Mission



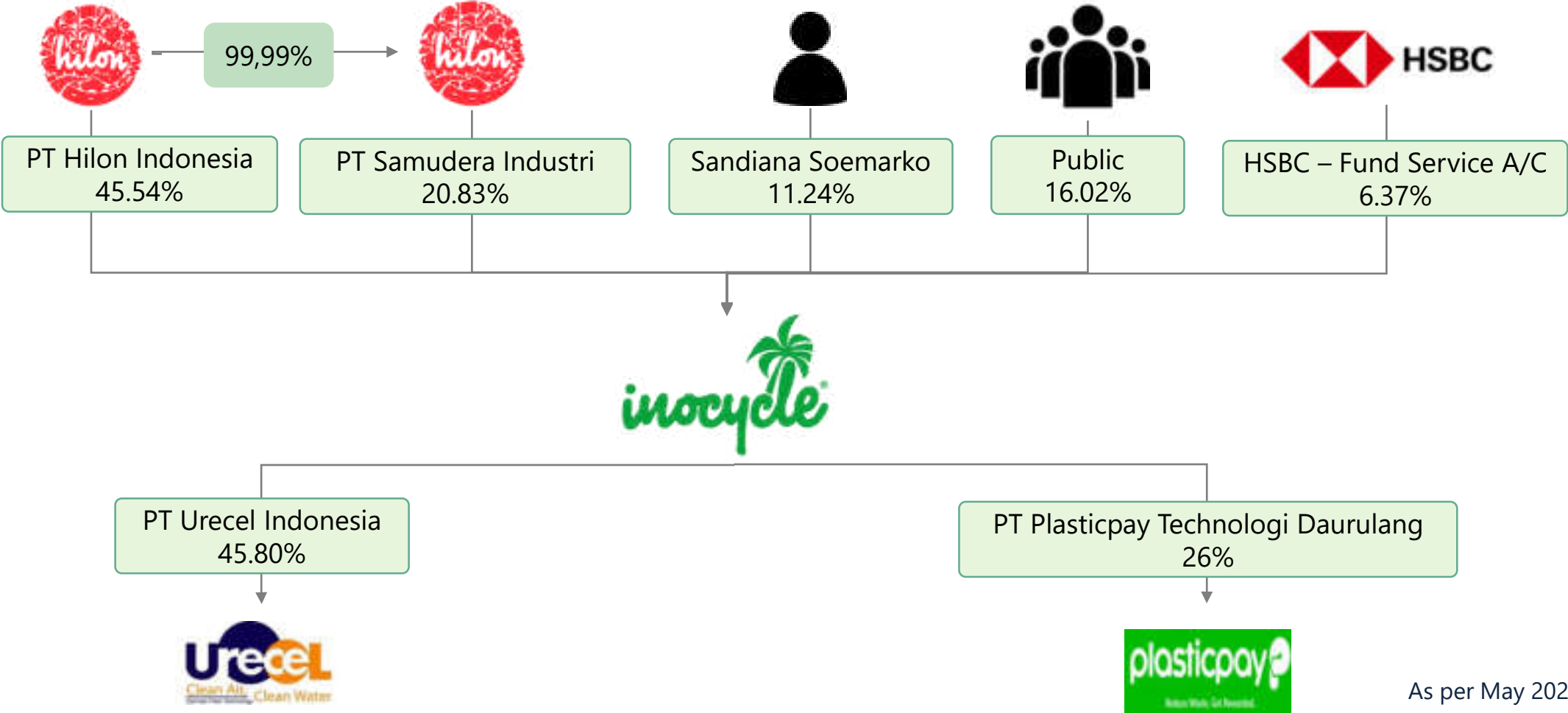
VISION

"To become the Biggest Sustainable Eco-friendly Recycled Fiber Company that produces world-class quality product."

MISSION

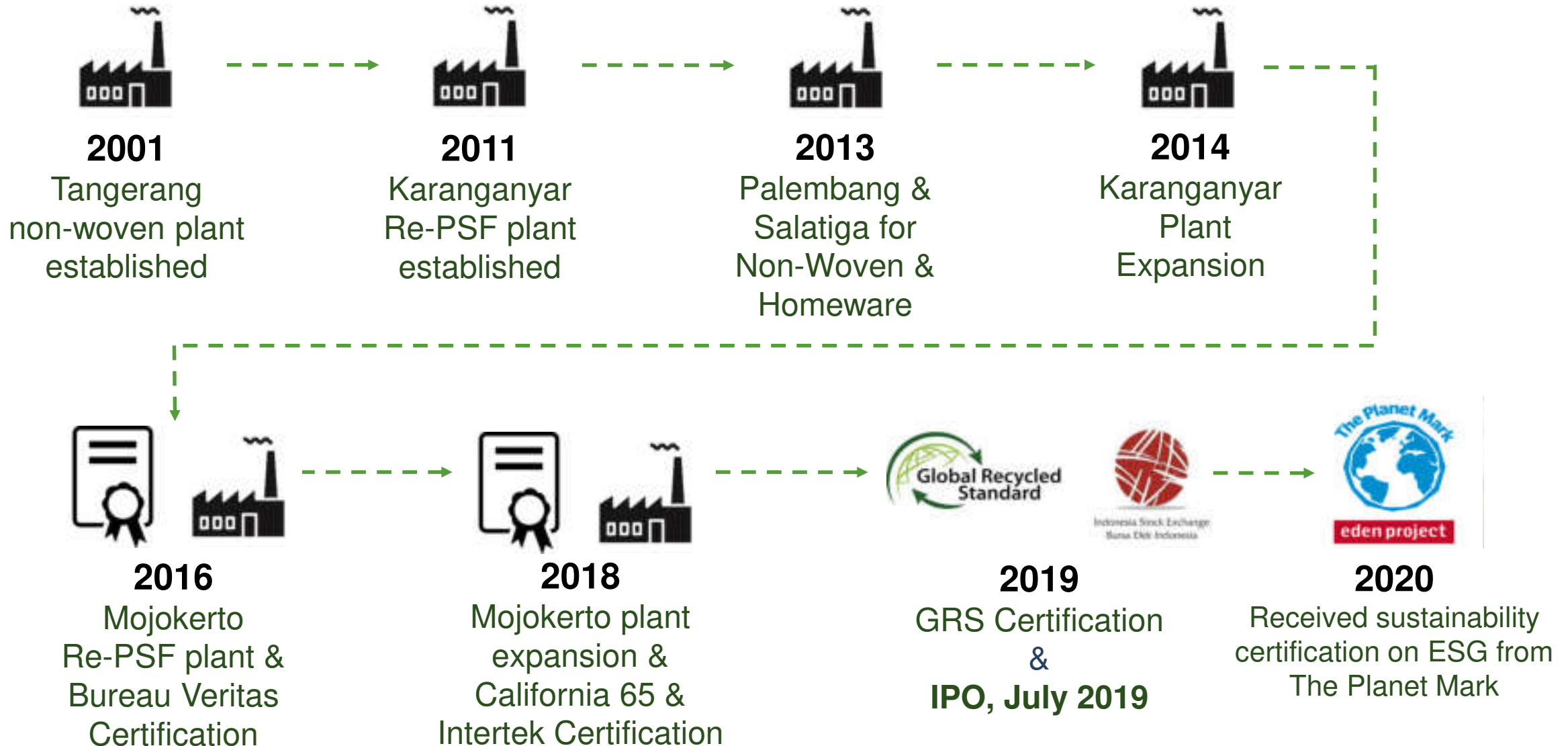
- To produce world class eco polyester fiber with industry professionals
- To provide significant contribution in reducing national waste pollution and creating an ideal and sustainable living environment
- To establish a nationwide production and sales network covering all major cities in Indonesia for recycled fiber business

Shareholder's Composition



As per May 2020

Milestones



Management Team



Commissioners



Jung Hyo Choi
President Commissioner



Dr. Ir. Widhyawan Prawiraatmadja
Independent Commissioner

Directors



Jaehyuk Choi
President Director



Yoon Chong Hyun
Finance Director



Seung Koo Yang
Director



Wonhyuk Choi
Director



Victor Choi
Director



Suhendra Setiadi
Business Dev. Director

Our Clients



HOLLANDER



INIREST®



We are



Our Plants and Products



Re-PSF



Non-woven



Homeware

Our Plants & Products



Re-PSF plant

- Tangerang, Banten
- Karanganyar, Central Java
- Mojokerto, East Java

Non-Woven plant


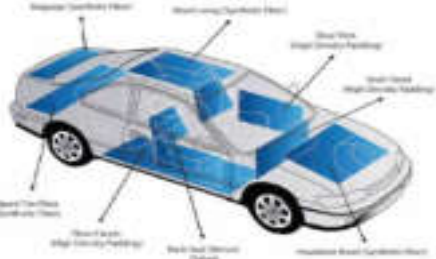

- Salatiga, Central Java
- Palembang, South Sumatra

Homeware plant

- Palembang, South Sumatra
- Salatiga, Central Java

Washing facilities

- Solo, Central Java
- Mojokerto, East Java

| Consumer products that can be produced | | |
|---|---|--|
| Re-PSF | Non-woven | Homeware |
|  |  |  |
| As stuffing for your plushies, jackets, shoes, etc. | As geotextile for constructions, car paddings, etc. | As bedding products like pillows, blankets, etc. |

Our Plants & Products



| | TANGERANG | KARANG- ANYAR (Solo) | MOJOKERTO | SALATIGA | PALEMBANG |
|----------------------|---------------|--|--|---|---|
| Re-PSF | | | | | |
| Non-Woven | | | | | |
| Homeware | | | | | |
| Capacity (Tonnes) | 10,200 | 10,200 | 13,200 | 2,000 | 2,000 |
| Machines Facility | Fiber Machine | Crusher Fiber Machine, Washing Machine | Boiler, Fiber Machine, Washing Machine | HDP Line, CF Line, Sewing Machine, Press Machine, Blower, Quilting Machine & Comforter Machine | HDP Line, CF Line, Sewing Machine, Press Machine, Blower, Quilting Machine, Comforter Machine |

We are



Our Financials Highlights

Listed in the Indonesian Stock Exchange



On 10 July 2019, Inocycle was listed in the Indonesian Stock Exchange as the first Indonesian plastic recycling company.



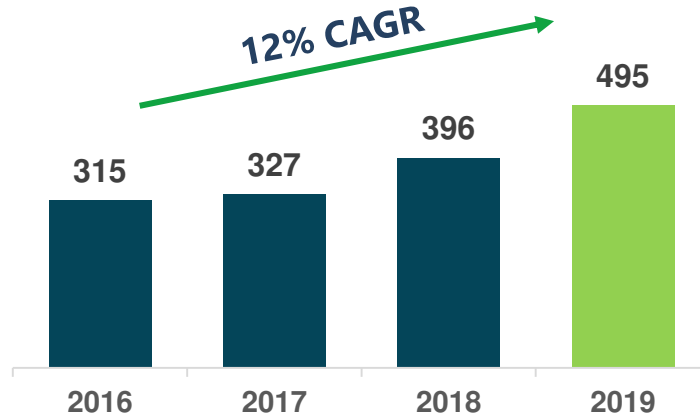
Indonesian stock exchange - Jakarta



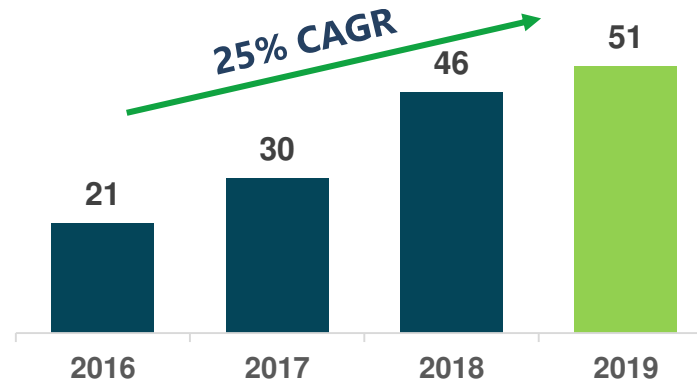
Financial Highlights*

*expressed in billions IDR

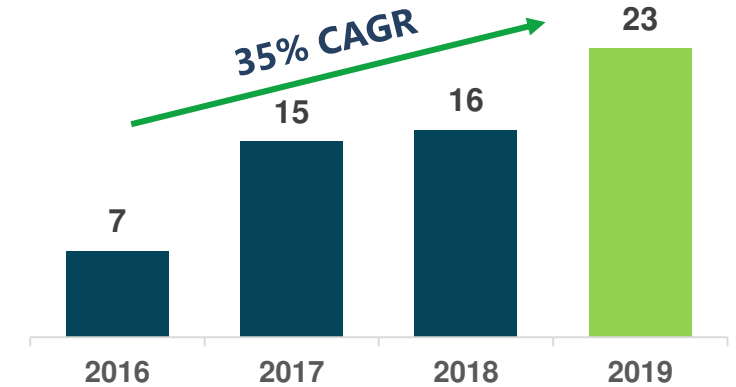
Net Sales



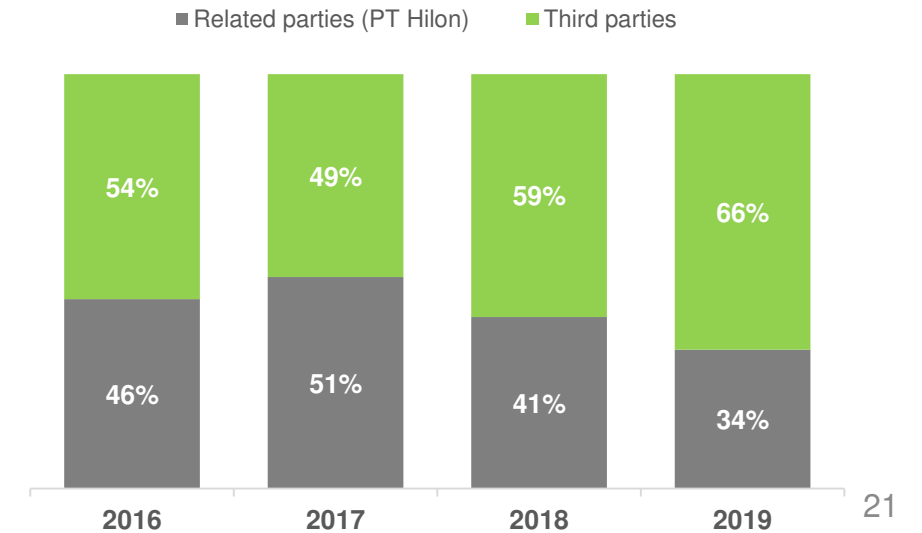
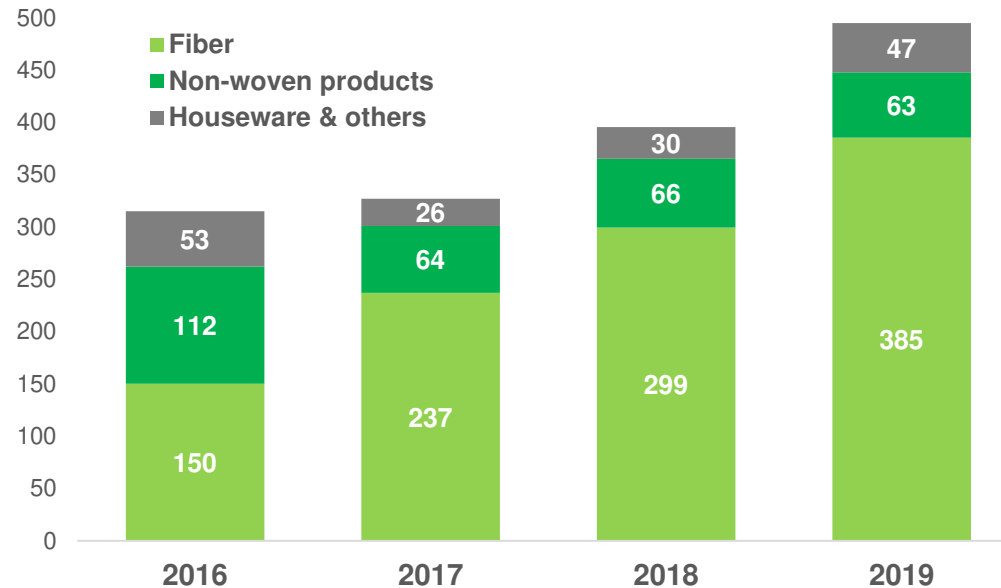
Operating Income



Net Income



Sales Segments

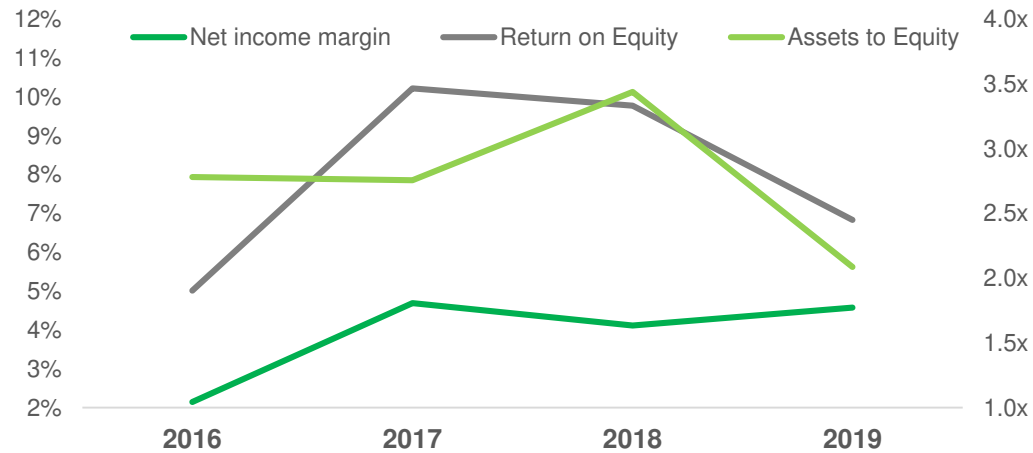


Financial Highlights*

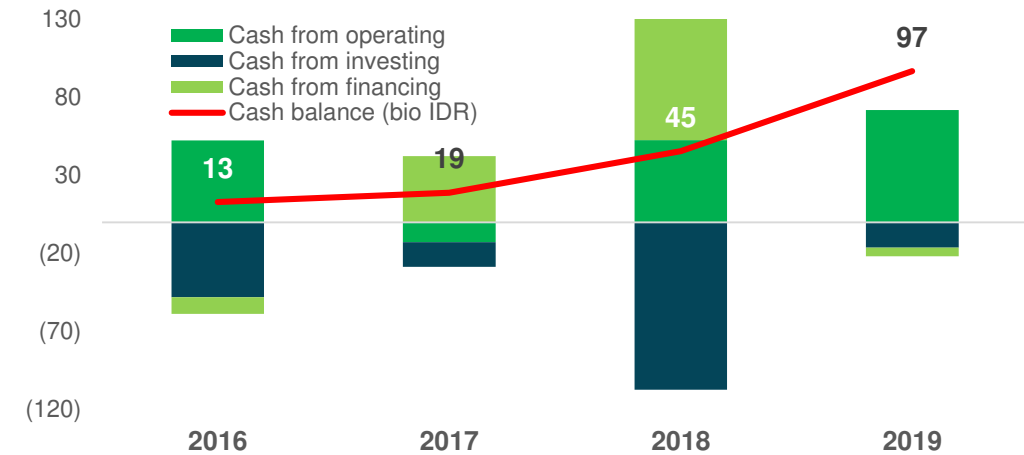
*expressed in billions IDR



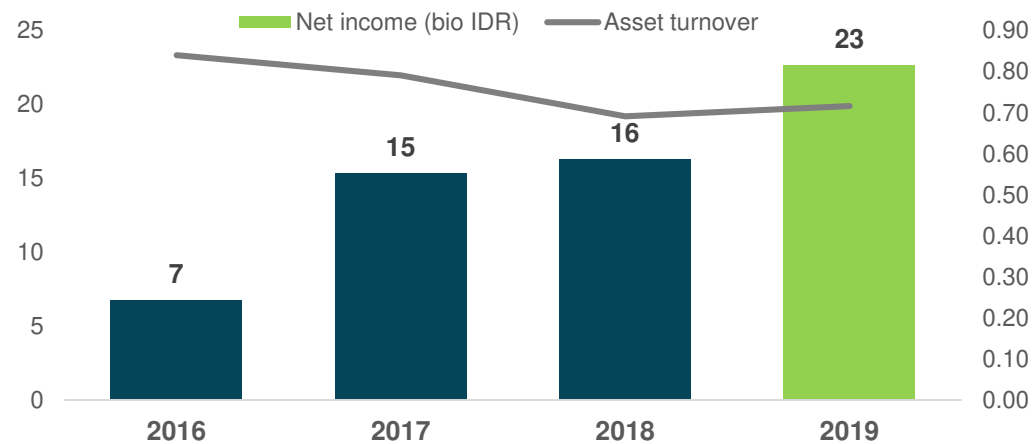
ROE to Net Income Margin & Leverage



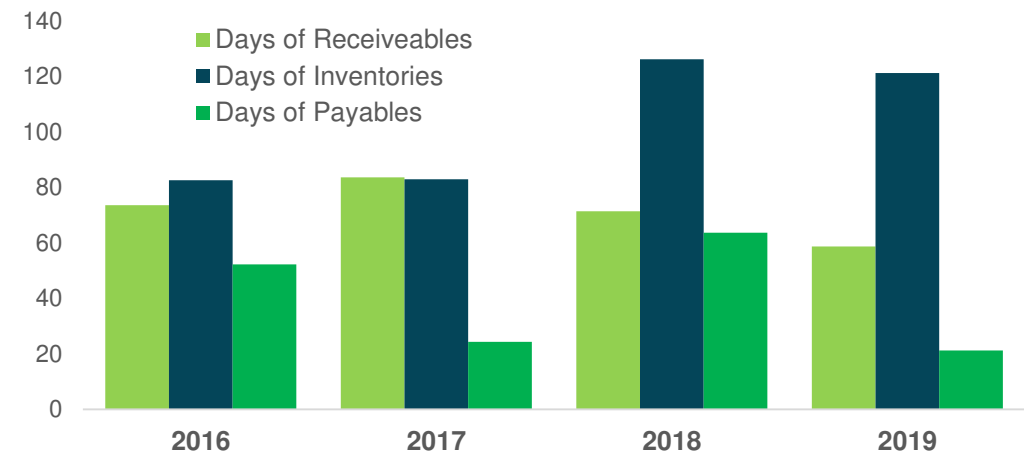
Cashflow Performance



Net Income to Asset turnover



Operating Policies

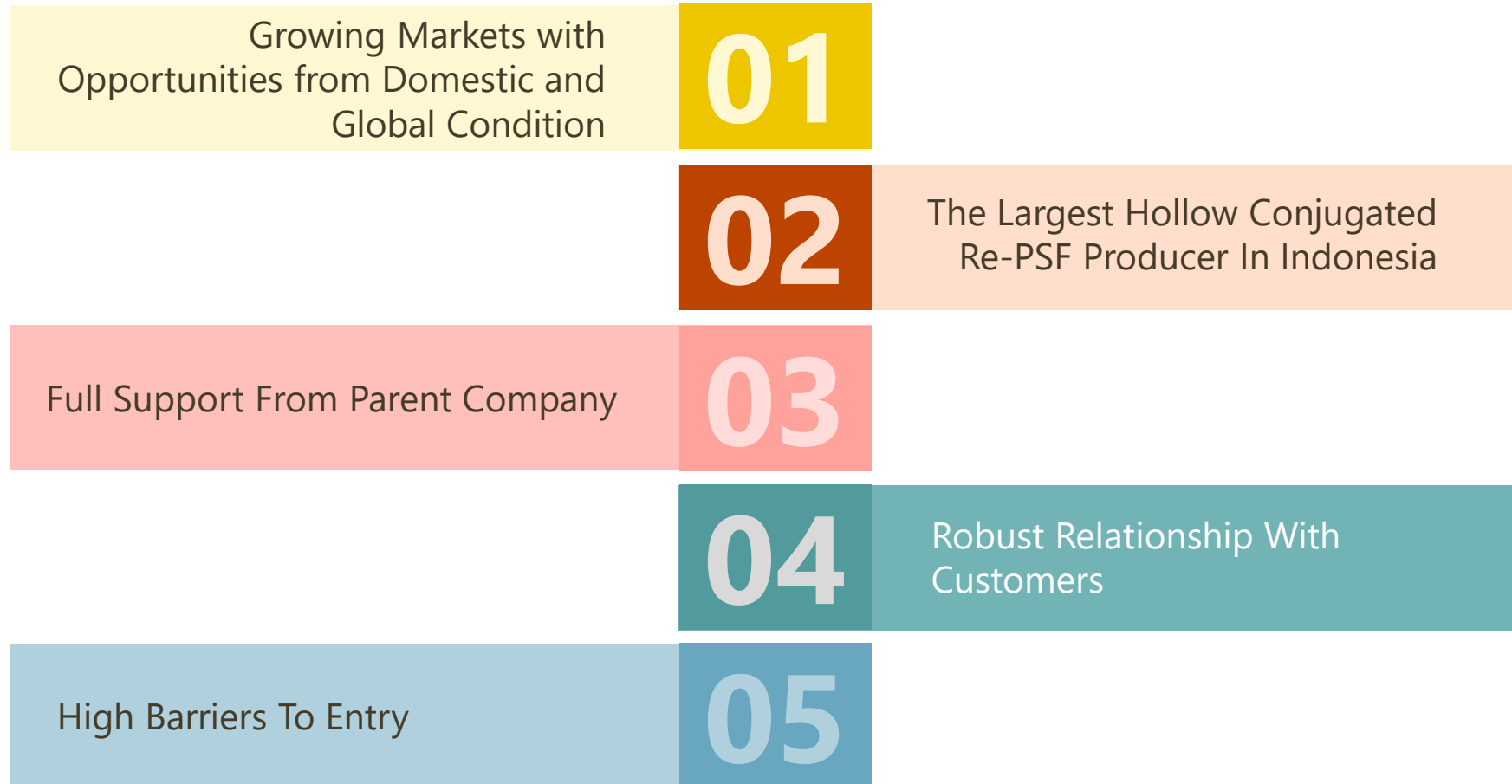


We are



Our Investments Highlights

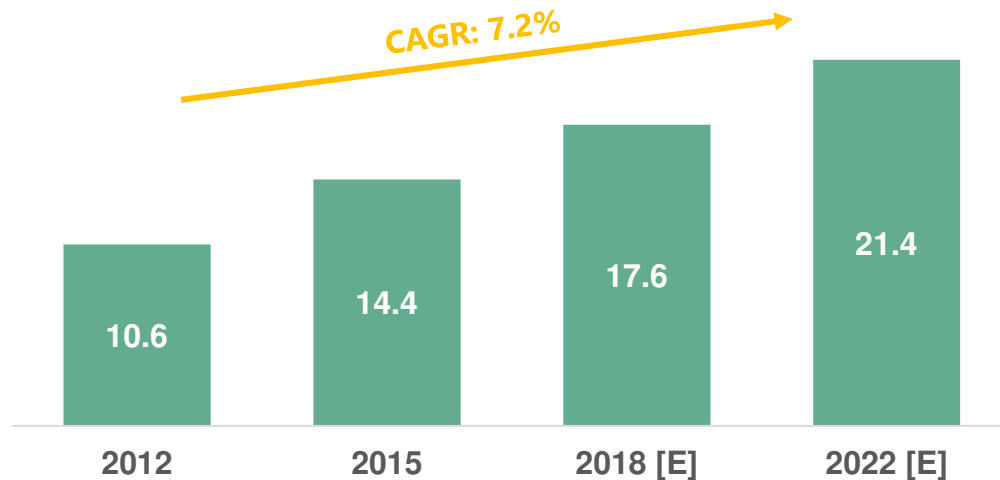
Investments Highlights



1 Growing Markets - Opportunities from Domestic Demand & Global Condition

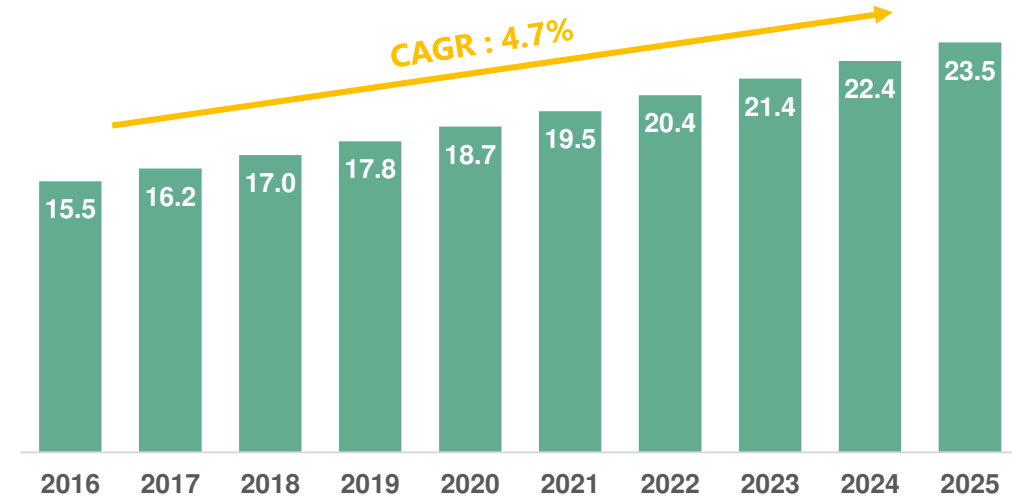


Estimated Indonesia Non-Woven Automotive Consumption (in Kilotons)



Source : Company, Smithers Apex, PwC Analys Shinhan Sekuritas Indonesia

Global Polyester Staple Fiber (PSF) Consumption Forecast (in thousands of Kilotons)



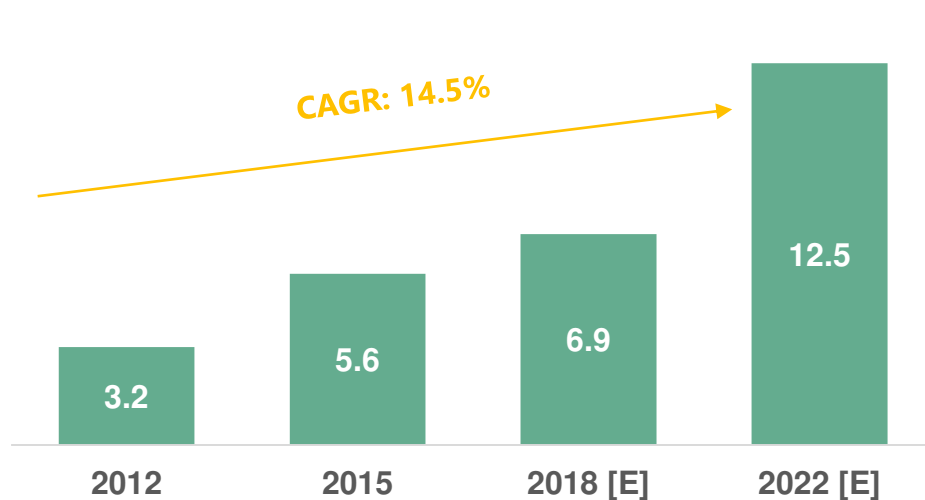
Source : Company, Smithers Apex, PwC Analys Shinhan Sekuritas Indonesia

- The national demand for the Recycled Polyester Staple Fiber (Re- PSF) expected to increase along with Indonesia's GDP.
- There consumption of Re- PSF are including non-woven consumption at automotive sector, construction and civil works, bedding and apparel sector.

1 Growing Markets - Opportunities from Domestic Demand & Global Condition

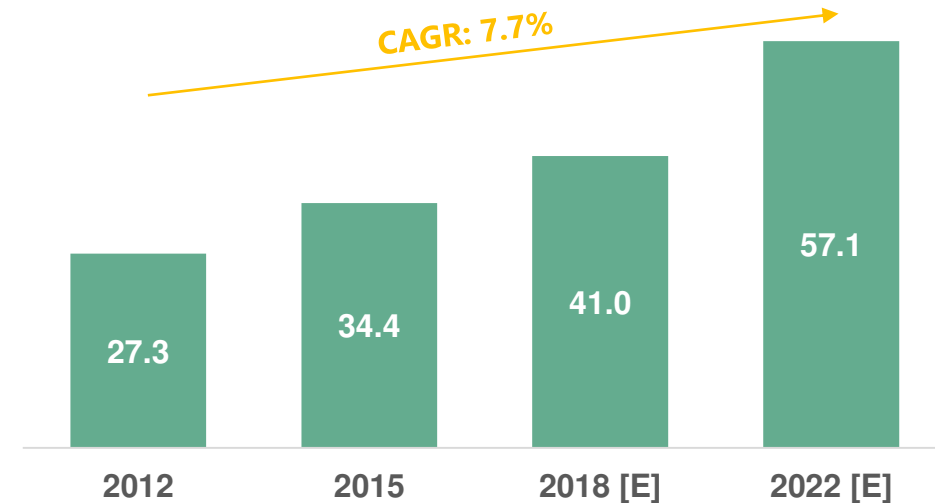


Indonesia Non-Woven Building/Roof Consumption (in Kilotons)



Source : Company, Smithers Apex, PwC Analys Shinhan Sekuritas Indonesia

Indonesia Non-Woven Hygiene (in Kilotons)



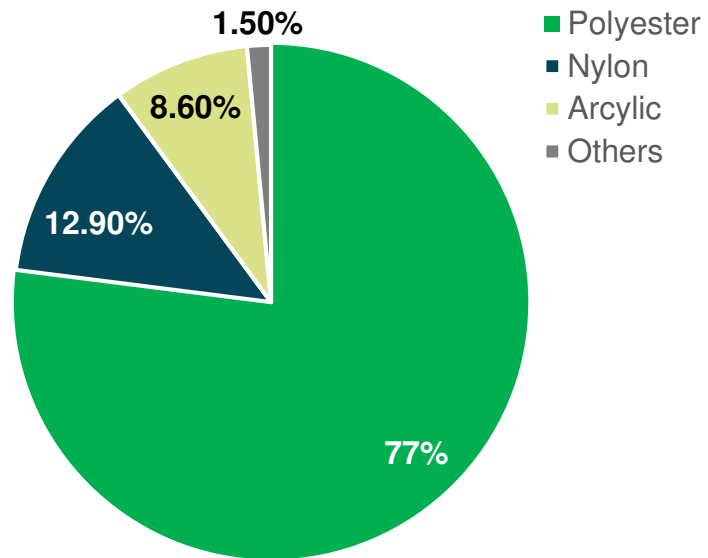
Source : Company, Smithers Apex, PwC Analys Shinhan Sekuritas Indonesia

- The consumption of non-woven building/roof is also estimated to follow the GDP growth.
- The demand from non-woven hygiene would come from the infant and adult above 70 years old.

1 Growing Markets - Opportunities from Domestic Demand & Global Condition

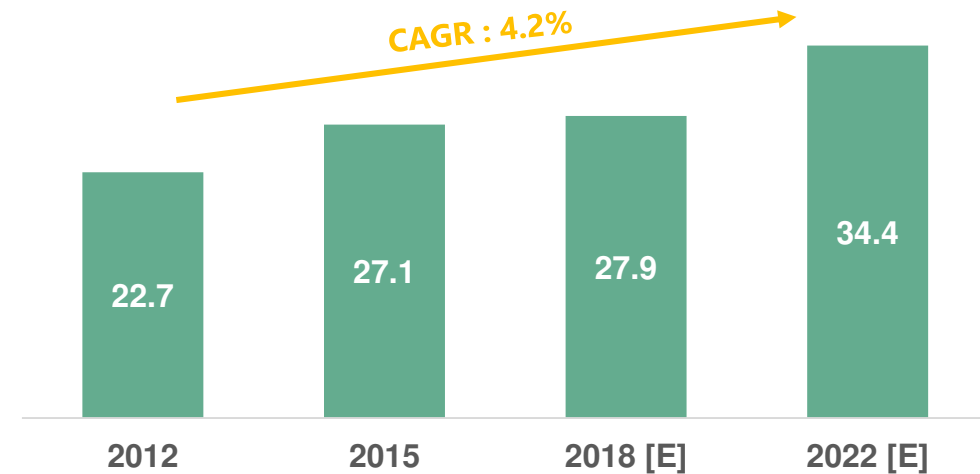


Polyester Contributed 77% of the Total Apparel Material



Source : www.fibre2fashion.com, Shinhan Sekuritas Indonesia,

Non-Woven Upholstery/Beddings Consumption



Source : Company, Smithers Apex, PwC Analys Shinhan Sekuritas Indonesia, Estimation

- The non-woven materials for apparel arranging from jackets, shoes, hats and bags
- The demand for the bedding goods products is triggered by the growth of hotel and tourism.

2 The Largest Hollow Conjugated Re-PSF Producer in Indonesia



We are the largest Re-PSF Producer in Indonesia with capacity of 37,600 Tonnes.

Our national sales channel



Our international sales channel



3 Full Support from Parent Company



Utilising the network from Parent Company for sales



- PT Hilon Indonesia
- PT Hilon Felt
- PT Urecel Indonesia

- PT Samudera Industri
- PT Hilon Surabaya
- PT Hilon Sumatera

- Medan
- Pekanbaru
- Palembang
- Lampung

- Jakarta
- Bandung
- Cikalong
- Cirebon

- Solo
- Salatiga
- Klaten
- Purwokerto

- Semarang
- Surabaya
- Mojokerto
- Bali

- Makassar
- Banjarmasin
- Balikpapan
- Manado



4 Robust Relationship with Key Customers



Inocycle and Hilon Group have abundant **knowhow** and experience in product **production**, so that stable and efficient **quality maintenance** and production activities are possible and meet customer satisfaction.



1

2

3

4

5

5 High Barriers to Entry

- **High hurdle** to procure the raw material, PET bottle.
- **Government's strict policies** in terms of importing PET bottles from abroad.



Time-consuming and cost to build **marketing networks**.

Advanced **tecnology knowledge** for the industry.

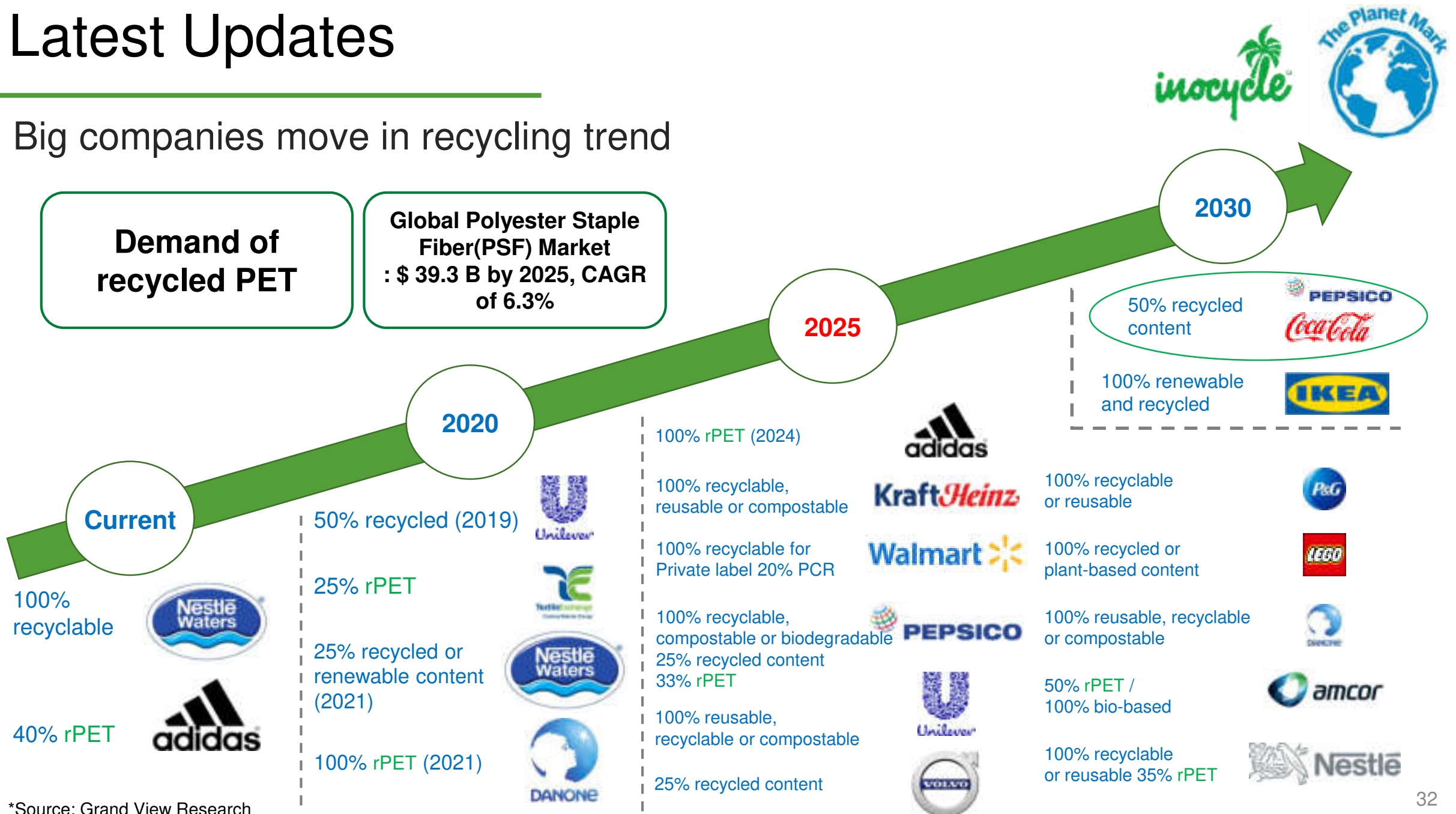


Inocycle is the **only** company in Indonesia that is **certified** by the **Global Recycle Standard (GRS)** in recycling PET bottles. And recently received ESG (Environmental Social & Governance) certification by **The Planet Mark**.



Latest Updates

Big companies move in recycling trend

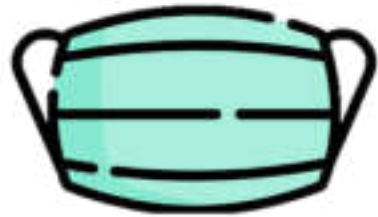


Entering the new normal adapting to Covid-19 pandemic



In response to the demand from public in this pandemic, **Inocycle** initiatively producing mask.

The filter attached in the mask is related to the **Inocycle's** non-woven material.



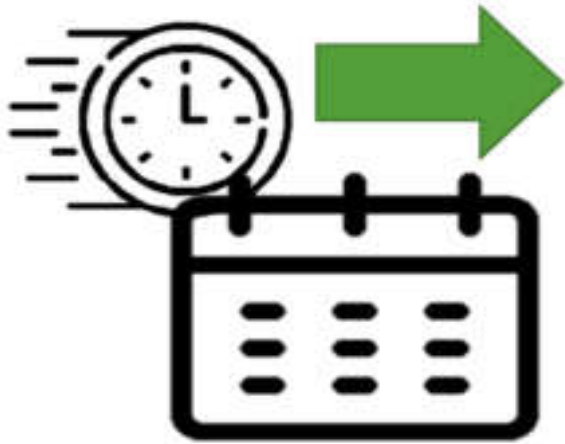
4 million ea

targeted production capacity of mask
per month



Entering the new normal

adapting to Covid-19 pandemic



- **Inocycle** is prepared to continue producing PPE (personal protective equipment)

“In supplying mask, Indonesia should grow the infrastructure and not rely on imports.

Inocycle is setting an example for that.”

Victor Choi, Director

- **Inocycle** is conducting R&D to support the production of medical equipment, like melt-blown method
- In parallel, **Inocycle** plans to maintain the ESG certificate from ***The Planet Mark***





DISCLAIMER

The information contained in this presentation material has been taken from sources which we deem reliable. However, none of PT Inocycle Technology Group Tbk and/or its affiliated companies and/or their respective employees makes any representation or warranty (express or implied) or accepts any responsibility or liability as to, or in relation to, the accuracy or completeness of the information and opinions contained in this report or as to any information contained in this report or any other such information or opinions remaining unchanged after the issue thereof.

We expressly disclaim any responsibility or liability (express or implied) of PT Inocycle Technology Group Tbk, its affiliated companies and their respective employees whatsoever and howsoever arising (including, without limitation for any claims, proceedings, action, suits, losses, expenses, damages or costs) which may be brought against or suffered by any person as a results of acting in reliance upon the whole or any part of the contents of this presentation material and neither PT Inocycle Technology Group Tbk, its affiliated companies or their respective employees accepts liability for any errors, omissions or misstatements, negligent or otherwise, in the presentation material and any liability in respect of the report or any inaccuracy therein or omission there from which might otherwise arise is hereby expresses disclaimed.

The information contained in this presentation material is not be taken as any recommendation made by PT Inocycle Technology Group Tbk or any other person to enter into any agreement with regard to any investment mentioned in this document. This presentation material is prepared for general circulation. It does not have regards to the specific person who may receive this presentation material. In considering any investments you should make your own independent assessment and seek your own professional financial and legal advice.

Corporate Secretary

PT Inocycle Technology Group Tbk
info@inocycle.com ;
corp.secretary@inocycle.com

Investor Relations

PT Inocycle Technology Group Tbk
ir_inov@yahoo.com
www.inocycle.com