

**TICKERS:**

IDX : TLKM  
NYSE : TLK

**SHAREHOLDER COMPOSITION:**

Government of Indonesia : 52.1%  
Public : 47.9%

**CREDIT RATING:**

Moody's : Baa1 (Stable)  
Fitch Ratings : BBB (Stable)  
Pefindo : idAAA (Stable)

## Highlights

- During the first half of 2023, PT Telkom Indonesia (Persero) Tbk (“Telkom or The Company”) recorded positive growth of 2.1% YoY to Rp73.5 trillion in Revenue supported by the growth of Data, Internet & IT Services of 6.1% YoY to Rp41.6 trillion, IndiHome of 4.0% YoY to Rp14.4 trillion, and Interconnection of 5.7% YoY to Rp4.5 trillion.
- EBITDA declined by 2.7% YoY as the impact of increasing cost from additional spectrum acquisition to secure capacity and quality of our network in long-term period.
- Telkomsel’s Digital Business kept growing healthily with 9.4% YoY growth in data traffic and its contribution reached 85.6% of total Telkomsel’s revenue as compared to last year’s contribution of 80.5%. Telkomsel’s subscribers in 2Q23 reached 153.3 million, increased from 151.1 million in 1Q23 with the growing ARPU to Rp49.7 thousand from Rp45.3 thousand in the previous quarter.
- IndiHome continued to become our engine of growth supported by 9.5 million total subscribers or grew 7.2% YoY and increasing add-ons revenue.
- Telkom and Telkomsel signed deed of spin-off to integrate IndiHome to Telkomsel (FMC) on June 27, 2023 and legally IndiHome has been under the management of Telkomsel on July 1, 2023. By having FMC is expected to increase revenue from potential commercial synergies and will also help Telkom Group to be more efficient in operational expenses and capital expenditures. Therefore, Telkom could concentrate on B2B business while Telkomsel will defend its dominancy in B2C Telco business.

Financial Highlights			
Key Indicators (Rp. Bn)	YoY		
	1H23	1H22	Growth (%)
Revenues	73,478	71,983	2.1
Expenses	50,459	49,047	2.9
Operating Profit	23,019	22,936	0.4
EBITDA	38,384	39,447	(2.7)
EBITDA Margin (%)	52.2	54.8	(2.6) ppt
Net Income	12,756	13,310	(4.2)
Net Income Margin (%)	17.4	18.5	(1.1) ppt
Operating Net Income*	12,486	12,788	(2.4)
Operating Net Income Margin (%)*	17.0%	17.8%	(0.8) ppt

*\*) By factoring out unrealized gain (loss) from our investment mostly in GoTo*

Operational Highlights			
Subscribers (000)	YoY		
	1H23	1H22	Growth (%)
<b>Broadband</b>			
Fixed Broadband - IndiHome	9,528	8,889	7.2
Mobile Data User	117,976	119,307	(1.1)
<b>Cellular</b>			
Telkomsel Halo	7,400	7,462	(0.8)
Telkomsel Prabayar	145,869	162,205	(10.1)
<b>Total</b>	<b>153,269</b>	<b>169,667</b>	<b>(9.7)</b>

**Investor Relations**

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## PT TELKOM INDONESIA (PERSERO) Tbk FIRST HALF OF 2023 (UNAUDITED)

The following analysis and discussion are based on our Indonesian GAAP financial statements for first half of 2023 and 2022. The reports have been submitted to Indonesia Financial Services Authority (OJK).

### Revenues

Key Indicators (Rp. Bn)	YoY		
	1H23	1H22	Growth (%)
Data, Internet & IT Service	41,630	39,222	6.1
IndiHome	14,389	13,831	4.0
SMS, Fixed and Cellular Voice	7,506	9,317	(19.4)
Interconnection	4,463	4,222	5.7
Network and Other Telco Services	5,490	5,391	1.8
<b>Total</b>	<b>73,478</b>	<b>71,983</b>	<b>2.1</b>

Telkom consolidated revenue grew by 2.1% YoY to Rp73.5 trillion in the first half of 2023 as mobile data and IndiHome continued to be the growth drivers. The revenue details are as follows:

- **Data, Internet & IT Services revenues** grew by 6.1% YoY to Rp41.6 trillion driven by continuous growth of cellular data and internet revenue which grew by 6.1% YoY. Mobile data traffic jumped by 9.4% YoY to 8,524 petabytes driven by strong traction in mobile data services.
- **IndiHome** posted revenue of Rp14.4 trillion or grew by 4.0% YoY during the period. We added around 316 thousand additional subscribers during 1H23 supported by increasing add-ons revenue.
- **SMS, Fixed and Cellular Voice revenues** declined by 19.4% YoY to Rp7.5 trillion due to cannibalization from instant messaging (OTT) application and continuous transition from legacy to data.
- **Interconnection revenues** increased by 5.7% YoY to Rp4.5 trillion reflecting our capabilities to grab opportunities from the international wholesale voice business.
- **Network and Other Telecommunication Services revenues** increased by 1.8% YoY to Rp5.5 trillion, driven by growing network business.

## Expenses

Key Indicators (Rp. Bn)	YoY		
	1H23	1H22	Growth (%)
<b>Operating Expense</b>			
Operation, Maintenance & Telecommunication Services	19,170	17,847	7.4
Personnel	7,844	7,526	4.2
General & Administrative	3,331	2,820	18.1
Interconnection	3,093	2,647	16.8
Marketing	1,656	1,696	(2.4)
<b>Total Operating Expenses</b>	<b>35,094</b>	<b>32,536</b>	<b>7.9</b>
Depreciation & Amortization	15,948	16,986	(6.1)
Unrealized gain on changes in fair value of investments	(412)	(294)	40.1
Other income – net	(283)	(57)	396.5
Loss (Gain) on foreign exchange - net	112	(124)	(190.3)
<b>Total Expenses</b>	<b>50,459</b>	<b>49,047</b>	<b>2.9</b>

During the first half of 2023, Telkom able to manage the expenses healthily and recorded total expenses of Rp50.5 trillion or increased by 2.9% YoY with Operating Expenses grew by 7.9% YoY to Rp35.1 trillion. Details of expenses are as follows:

- **Operation & Maintenance (O&M) expenses** increased by 7.4% YoY to Rp19.2 trillion, mainly due to increasing spectrum frequency usage fee.
- **Personnel expenses** grew by 4.2% YoY to Rp7.8 trillion, resulted from increasing employee benefit and actuarial calculation.
- **General & Administrative expenses** increased by 18.1% YoY to Rp3.3 trillion, due to higher business activities to support our transformation and prudent approach in collection management.
- **Interconnection expenses** was Rp3.1 trillion or grew by 16.8% YoY, in line with our growing international wholesale voice business.
- **Marketing expenses** decreased by 2.4% YoY to Rp1.7 trillion, attributed to cost efficiency effort with lower marketing placement and healthy conduct initiative that focus on renewal.
- **Depreciation & Amortization expenses** declined by 6.1% YoY to Rp15.9 trillion due to recognition of accelerated depreciation during the same period last year.
- We recorded **Unrealized gain on changes in fair value of investments** of Rp412 billion mainly to recognize unrealized gain from our investment in GoTo. As of June 2023, GoTo's market price was Rp110 per share.
- **Other Income – net** recorded an expense of Rp283 billion from higher non-operating expense and lower non-operating income during the period.
- We recorded **Loss on foreign exchange - net** of Rp112 billion by the end of June 2023.

## EBITDA and Net Income

During the first half of 2023, EBITDA declined by 2.7% YoY to Rp38.4 trillion with EBITDA margin of 52.2%, compared to 54.8% in the first half of 2022. We booked healthy Net Income of Rp12.8 trillion with Net Income Margin of 17.4%

## Financial Position

Key Indicators (Rp. Bn)	End of		
	1H23	FY22	Growth (%)
Total Assets	290,478	275,192	5.6
Total Liabilities	150,127	125,930	19.2
Non-controlling Interests	16,506	20,004	(17.5)
Total Equity	140,351	149,262	(6.0)

- Total assets at end of June 2023 stood at Rp290.5 trillion, increased by 5.6% YTD. The increase was attributed to higher fixed assets resulted from tower acquisition by our subsidiary.
- Total liabilities during the first half of 2023 increased by 19.2% YTD to Rp150.1 trillion mainly due to dividend payable. Telkom paid dividend to shareholders on July 5, 2023. In addition, there were also new loan withdrawals during this period.
- Non-controlling interests decreased by 17.5% YTD as the impact of dividend payment in subsidiary.
- Our equity was Rp140.4 trillion or decreased by 6.0% YTD due to dividend declaration in June 2023.

## Cash Flows

Key Indicators (Rp. Bn)	YoY		
	1H23	1H22	Growth (%)
Cash Flows from Operating Activities	25,620	34,944	(26.7)
Cash Flows used in Investing Activities	(17,669)	(17,569)	0.6
Cash Flow used in Financing Activities	798	(15,707)	(105.1)
Net (Decrease) Increase in Cash and Cash Equivalents	8,749	1,668	424.5
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(174)	181	(196.1)
Allowance for Expected Credit Losses	(1)	-	(100.0)
Cash and Cash Equivalents at Beginning of Year	<b>31,947</b>	<b>38,311</b>	<b>(16.6)</b>
Cash and Cash Equivalents at End of Period	<b>40,521</b>	<b>40,160</b>	<b>0.9</b>

- Net cash provided by operating activities during the first half of 2023 declined by 26.7% YoY to Rp25.6 trillion due to higher payment for operating expenses in 2023, resulted in lower outstanding trade payable balances.
- Net cash used in investing activities was Rp17.7 trillion, in line with our capex utilization to strengthen our infrastructure to enhance service quality and customer experience.

- Net cash used in financing activities significantly decreased, due to the dividend payment in 2022 was paid in 2Q22, while the dividend payment in 2023 was paid in 3Q23.

## Debts

Currencies (Rp. Bn)	End of		Portion (%)	
	1H23	FY22	1H23	FY22
IDR/Rupiah	73,809	62,295	99.3	98.8
USD/US Dollar	392	531	0.5	0.8
JPY/Japanese Yen	120	181	0.2	0.3
MYR/Malaysian Ringgit	29	34	0.0	0.1
<b>Total</b>	<b>74,350</b>	<b>63,041</b>	<b>100.0</b>	<b>100.0</b>

In the half year of 2023, total debts (including lease liabilities) stood at Rp74.4 trillion or grew by 17.9% YTD from Rp63.0 trillion due to higher new loan withdrawal than debt repayment. Around 99% of our debts were in Rupiah currency, around 0.5% were in US Dollar currency and the remaining balance were in Japanese Yen and Malaysian Ringgit, consisting of short and long-term bank loans, bonds, two-step loans, loans from non-bank financial institution, as well as lease liabilities. By excluding lease liabilities, our total debt was Rp55.9 trillion as of 30 June 2023 and Rp44.4 trillion as of 31 December 2022. The debt was allocated to capital expenditure (capex) deployment and working capital stability.

Our Debt-to-Equity Ratio (“DER”) and Debt to EBITDA were still relatively manageable at 53.0% and 1.0x.

## Gearing Ratio

Ratios	End of		
	1H23	FY22	Growth (ppt)
Net Debt to Equity (%)	23.1	19.9	3.2
Debt to Equity (%)	53.0	42.2	10.8
Net Debt to EBITDA (times)	0.4	0.4	0.0
Debt to EBITDA (times)	1.0	0.8	0.2
Debt Service Ratio (times)	2.0	3.0	(1.0)

Notes:

- Net Debt to Equity is calculated as Total Debt deducted by Cash & Cash Equivalent and Other Current Financial Assets, then divided by Total Equity
- Debt Equity is Total Debt to Total Equity
- Net Debt to EBITDA is calculated as Total Debt deducted by Cash & Cash Equivalent and Other Current Financial Assets, then divided by Annualized EBITDA
- Debt to EBITDA represented by Total Debt to Annualized EBITDA
- Debt Service Ratio is calculated as Annualized EBITDA divided by the sum of Annualized Finance Cost and Short-term Debt

## Financial Ratios

Ratios (%)	YoY		
	1H23	1H22	Growth (ppt)
EBIT Margin	31.3	31.9	(0.6)
EBITDA Margin	52.2	54.8	(2.6)
Net Income Margin	17.4	18.5	(1.1)
Current Ratio	69.1	79.9	(10.8)
Total Liabilities to Equity	107.0	95.7	11.3
Return on Assets	11.6	12.8	(1.2)
Return on Equity	24.0	25.0	(1.0)
Return on Invested Capital	15.7	16.3	(0.6)

### Notes:

- EBIT Margin is EBIT to Revenue
- EBITDA Margin is EBITDA to Revenue
- Net Income Margin is calculated as Profit Attributable to Owners of the Company divided by Revenue
- Current Ratio represented by Current Assets divided by Current Liabilities
- Total Liabilities to Equity is Total Liabilities to Total Equity
- Return on Assets represented by Total Profit divided by Total Assets
- Return on Equity represented by Total Profit divided by Total Equity
- Return on Invested Capital is calculated as Annualized Total Profit divided by sum of Total Debt and Total Equity

## Capital Expenditure

During the first half of 2023, Telkom spent Rp15.0 trillion in capital expenditure (capex) or represented 20.5% of total revenue. Our capex was utilized to strengthen network and other supporting infrastructures as well as to enhance capacity to provide better customer experience. In fixed line businesses, capex spending mostly allocated for fiber-based access and submarine backbone infrastructures development, and for other projects such as towers and data centers. Also, capex was absorbed for further improvement of 4G network quality and capacity, commencement 5G roll out as well as enhancement of IT system in mobile business.

## RESULTS BY SEGMENTS

### Mobile Business

#### Telkomsel Financial Result

Optimistic Indonesia economic outlook in 2023 that projected to grow at around 4-5% YoY with inflation rate under control at 3.5% YoY in June 2023 in line with the decline of poverty rate to the period of pre-pandemic levels demonstrated the resilience of the national economy. The positive trend of economic recovery continues especially during Ramadhan and Eid al-Fitr season amidst the global economic challenges and geopolitical uncertainties. The Indonesian cellular industry also continues to show its resilience with competitive dynamics moving to the right direction which reiterated the commitment of maintaining healthy market conduct and increasing demand of high-quality data service with opportunities turn led to industry optimism to secure profitability and sustainability in growth.

In response to the current dynamics, Telkomsel implemented strategic actions to seize opportunities and ensure business sustainability:

- Managing the market to healthier conduct with ideal pricing points while maintaining market relevance and protecting relative market position.
- Optimization the value of customers through personalization, segmentation, and service differentiation.
- Focused on securing profitability through managing top-line and cost optimization measures.
- Continuous network improvement and optimization to strengthen leadership and to support growing in Data payload and Digital Business with sustainable and prudent investment.
- Strengthened core Broadband with Digital Services portfolio to capture growth opportunities and secure company's long-term growth through new digital initiatives with strategic planning execution.
- Fixed Mobile Convergence (FMC) initiative to create sustainable impact with reliable broadband services to accelerate digital inclusion and economy, improve playing field level of telecommunication industry and strengthen future business which IndiHome officially integrated into Telkomsel starting on July 1, 2023 (Legal Day 1) and launched a new product under the brand "Telkomsel One" on July 21, 2023.

#### Financial and operational highlights

- Telkomsel recorded positive revenues growth (+1.0% YoY & +4.7% QoQ) with healthy levels of profitability supported by growth of Digital Business driven by healthy growth of Data and Digital Services as indicative room for future growth.
- Telkomsel managed to stable customer base at 153.3 million in Q2-2023 with improved productive and quality of customers as indicated by higher payload, payload/Data user and solid ARPU growth aligned with the company strategy to lead healthy conduct & industry pricing rationalization.
- Strengthen network leadership thru coverage and quality that support focus on Digital Business and improve customer experience including 3G shutdown to 4G with total BTS on air reached 228,377 units including more than 178,000 4G BTS and 400 5G BTS.

#### Digital Business as engine of growth with positive user engagement

Digital Business remained the engine of growth as the leading digital telecommunication company in Indonesia supported by a focus on maintaining dominance in network supply. This segment recorded positive performance with 7.4% YoY growth to Rp37,693 billion and increased its contribution to total revenues to 85.6% from 80.5% last year driven by healthy growth of Data and Digital Services with digital drivers' potency as indicative room for future growth.

Revenue from Data grew by 6.3% YoY to Rp31,792 billion (+7.1% QoQ) with stable Data users as well as healthy growth in Data payload (+9.4% YoY to 8,728,935 TB) and payload consumption at 12,935 MB per Data user (+11.2% YoY). Digital Services also grew by 14.0% YoY to Rp5,901 billion (+10.6% QoQ) and has been the key drivers of Telkomsel transformation as a digital telco company with initiatives to optimize & accelerate its adoption through products & services in this segment included Digital Lifestyle, Digital Advertising, Digital Enterprise Solution & IoT business.

### Natural decline of legacy business

Continued natural transition phase of Legacy toward Data & impact of OTT services cannibalization, Telkomsel's Legacy business was slowing down. Telkomsel launched several initiatives to manage legacy and prolong the tail with personalized marketing approach to offer better value package while addressing customers' need with consistent network quality and services as well as to increase penetration of voice package.

The following table summarizes Telkomsel's financial results for the period ended 30 June 2023:

### **Financial Performance – Maintaining profitability with substantial Digital Business portion**

Key Indicators (Rp. Bn)	YoY			QoQ		
	1H23	1H22	Growth (%)	2Q23	1Q23	Growth (%)
Revenues	44,009	43,586	1.0	22,510	21,499	4.7
Legacy	6,316	8,504	(25.7)	2,967	3,349	(11.4)
Digital Business	37,693	35,082	7.4	19,543	18,150	7.7
Expenses excl. depr & others	19,347	18,704	3.4	9,816	9,531	3.0
Expenses incl. depr & others	29,192	28,685	1.8	14,916	14,276	4.5
EBITDA	24,662	24,882	(0.9)	12,694	11,968	6.1
EBITDA Margin (%)	56.0%	57.1%	(1.1) ppt	56.4%	55.7%	0.7 ppt
Net Income	10,736	11,401	(5.8)	5,409	5,327	1.5
Net Income Margin (%)	24.4%	26.2%	(1.8) ppt	24.0%	24.8%	(0.8) ppt
<i>Operating Net Income*</i>	<i>10,285</i>	<i>10,586</i>	<i>(2.8)</i>	<i>5,385</i>	<i>4,900</i>	<i>9.9</i>
<i>Operating Net Income Margin (%)*</i>	<i>23.4%</i>	<i>24.3%</i>	<i>(0.9) ppt</i>	<i>23.9%</i>	<i>22.8%</i>	<i>1.1 ppt</i>
Proportion of Digital Business (%)	85.6%	80.5%	5.1 ppt	86.8%	84.4%	2.4 ppt

*\*) Excludes inorganic initiatives with fair value of investment in GoTo*

### **Operating Expenses – Cost optimization initiatives to effectively manage operational expenses**

As of June 2023, total expenses excluding depreciation, amortization and others (net) increased by 3.4% YoY to Rp19,347 billion (+1.8% YoY to Rp29,192 billion if including depreciation, amortization and others-net) in line with company's continuous effort for network optimization and securing spectrum as well as digital investment to expand Digital Business performances. Cost optimization measures continue to be carried out in supporting revenues include Operations & Maintenance cost to key infrastructures development, lower Marketing cost with manageable marketing spend to revenues ratio, and lower cost of services with efficient cost of digital. Additionally, adjustment in fair valuation of investment in GoTo is already included with mark to market position.

### **EBITDA and Net Income – Healthy margin to support sustainable growth**

- Strategic actions to face the challenges and to ensure business continuity with positive growth of total revenues amidst declining in Legacy and initiatives to effectively manage operating expenses with sustainable level of profitability at 56.0% EBITDA Margin.



- We booked Net Income of Rp10,736 billion and Rp11,401 billion in 1H-2023 and 1H-2022 respectively (-5.8% YoY) which included the changes in fair value of investment in GoTo. For simple normalization on the valuation, Operating Net Income in 1H-2023 and 1H-2022 reached at Rp10,285 billion and Rp10,586 billion respectively (-2.8% YoY) with healthy levels of profitability were still maintained.

### Consolidated Statements of Balance Sheet - Maintained fundamental financial position

Description (Rp Bn)	Jun-23	Dec-22	Growth (%)
Current Assets	12,715	15,937	(20.2)
Non-current Assets	85,520	85,055	0.5
<b>Total Assets</b>	<b>98,235</b>	<b>100,991</b>	<b>(2.7)</b>
Current Liabilities	40,311	31,272	28.9
Non-current Liabilities	37,255	39,677	(6.1)
Equity	20,669	30,042	(31.2)
<b>Total Liabilities &amp; Equity</b>	<b>98,235</b>	<b>100,991</b>	<b>(2.7)</b>

- Lower Current Assets mainly due to decrease in cash and cash equivalents while higher Non-current Assets due to increase in long-term investments and prepaid expenses (non-current).
- Higher Current Liabilities mainly due to increase in current maturities of medium-term loans and short-term loans while lower Non-current Liabilities due to decrease in lease liabilities.
- Lower total Equity mainly due to decrease in retained earnings.

### Consolidated Statements of Cash Flows – Maintained healthy cash generations

Description (Rp Bn)	1H23	1H22	Growth (%)
Cash Flows from Operating Activities	15,856	21,779	(27.2)
Cash Flows for Investing Activities	(5,560)	(5,712)	(2.7)
Cash Flows for Financing Activities	(13,007)	(16,090)	(19.2)
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(2,711)</b>	<b>(22)</b>	<b>N/A</b>
Cash and Cash Equivalents at Beginning of Period	6,352	2,766	129.6
Cash and Cash Equivalents at End of Period	3,641	2,744	32.7

- Lower cash flows from operating activities mainly due to payments for operating expenses, as well as up front and annual fees of the new 2.1 GHz bandwidth frequency.
- Cash flows for investing activities was relatively stable and used mainly for capital expenditure.
- Cash flows for financing activities was lower mainly due to timing in the payments of short and medium term loans.

### Debt Profile

As of 30 June 2023, Telkomsel's total outstanding loans amounted to Rp11,500 billion from utilization of revolving credit facilities. Telkomsel has to maintain several financial covenants related to its loans/debts as follows:

Covenants to be Maintained	Required	Actual
EBITDA to Debt Service	≥ 1.25	3.83
Total Debt to Tangible Net Worth	≤ 2.00	0.81

Notes: Debts covenants exclude lease liabilities.

### Credit Ratings - Excellent credit quality

Telkomsel has excellent credit quality and is one of the highest rated companies in Indonesia. Telkomsel's latest ratings issued by Fitch Rating Indonesia are as follows:

	Ratings	Outlook	Issued Date
Fitch Ratings Indonesia	AAA (National Long-Term)	Stable	October 20, 2022

### Digital initiatives as the key foundation

Telkomsel committed to enhance product differentiation and digital capabilities to go beyond connectivity while expanding its current digital ecosystem, thus continue to focus on customer needs and long-term growth supported by network quality.

- Enriching MAXstream platform through more customer-centric features and releasing more MAXstream Original contents as well as continuous improvements of services and offering channels with around 12 million monthly active users.
- Established partnership with key game publishers and developers to expand footprint in mobile gaming industry under Dunia Games brand with more than 18 million monthly active users.
- Strengthen by.U positioning, a fully digital prepaid product offering integrated services based on fully customizable digital applications with positive growth of customer to reach 4.8 million customers.
- Developing Telkomsel Orbit, a home wireless internet service as an effort to leverage strong network capacity.
- Empower MyTelkomsel app with around 34 million monthly active users by improving the digital experiences of customers with various innovations including enhanced payment methods, interactive tracking page, and user interface improvement as well as the analytical engine to personalize and provide customers with the right products and services specifically tailored to their needs. MyTelkomsel will transform into an integrated superapp that will become a true partner in the digital lifestyle of Telkomsel's customers.

Telkomsel's investment in GoTo aims to create potent strategic partnership initiatives that will create synergy value by elaborating capabilities and business advantages. We also aim to help accelerate the digitization of micro, small and medium enterprises (MSMEs) that is expected to move the national economy through ecosystem collaboration, which includes:

- Special data packages and connectivity solutions for partners, improvements in end-user experience, data insight for business development, as well as tSurvey (Telkomsel survey platform using big data analytics) to be utilized by MSMEs.
- Integration of MyTelkomsel & GoPay to improve customer experience when using digital products of both companies.
- Telkomsel Digital Advertising integration as an instrument to accelerate MSMEs in going digital & growing businesses.

- Enhancing application security using Mobile Number Verification and Personalized OTP feature.
- Enhancing channel and distribution by empowering drivers, merchant & partners, and platform integration to touch a wider range of users.

With its purpose to reach beyond to empower Indonesians and enable businesses, INDICO aspires to become Indonesia's best value-creator company to accelerate digital wealth distribution by leveraging Telkomsel and its adjacent ecosystem's assets and capabilities beyond telecom use cases. In Q2-2023, INDICO continues to take a proactive role in developing Indonesia's digital ecosystem through the following milestones:

- In May 2023, Kunci and Universitas Gadjah Mada's Master of Management launched the Kunci Executive Human Capital program by UGM. This program aims to help company leaders and practitioners in the field of human capital solve new challenges in the post-pandemic era resulting in workforce productivity and company growth.
- In June 2023, Kunci and the Faculty of Social and Political Science of the University of Indonesia (FISIP UI) signed a Letter of Intent to provide quality learning access to Indonesians, including professionals, entrepreneurs, and students. This collaboration will launch several education programs that can be accessed through Kunci as a platform.
- To enhance user experience, Majamojo introduced a new tournament feature from Luna Fantasia Mobile in June 2023. The feature allows players to play in a massive online battle arena (MOBA) for a more fun experience and flexibility. This development is expected to reach out to more users.
- Through its Digital Food Ecosystem (DFE) platform, INDICO has successfully organized a harvesting celebration (Panen Raya) in Wonogiri, Central Java, in June 2023. Together with local farmers association Gapoktan Tani Makmur, this pilot project has produced 200 tons of rice grain from 40 hectares of rice fields. By deploying digital technology and digital contract farming, DFE managed to increase the average percentage of rice grain and the selling price compared to the conventional method. Through DFE, INDICO aims to continuously contribute to building national food security and sovereignty in Indonesia.

### **5G service to support society, industry and government**

As the first cellular operator to offer 5G in Indonesia, Telkomsel continue its strategy in improving use cases for 5G deployment selectively through demand-based approach for B2C and B2B with partnership in manufacturing and infrastructure sector, support in educational sector and participate in national events. Telkomsel expanded its 5G services with the commitment to drive the development of the Indonesia digital ecosystem and continued to collaborate with several technology companies to expand the development of the 5G-based Fixed Wireless Access technology roadmap in Indonesia.

### **Optimize additional spectrum to strengthen our network leadership**

After the Ministry of Communications and Informatics has completed the refarming of 2.1 GHz and 2.3 GHz radio frequency band, Telkomsel will optimize the additional spectrum to increase capacity and quality of mobile cellular network to enable leading digital lifestyle while accelerating the digital transformation in the industry through equitable access of reliable broadband network that is fast, equal, and on par across the country.

## Fixed Mobile Convergence (FMC) - IndiHome officially integrated to Telkomsel

In June 2023, Telkom and Telkomsel have signed a deed of spin-off to integrate IndiHome into Telkomsel which IndiHome officially under Telkomsel starting on July 1, 2023. With the completion of IndiHome integration process, this led Telkom's shares to 69.9% and Singtel's shares to 30.1% in Telkomsel. This agreement is an important milestone for the implementation of the Fixed Mobile Convergence (FMC) initiative to create a sustainable impact on community for more widespread, equitable and reliable broadband services, supporting the acceleration of digital inclusion and digital economy, increasing the level playing field of the Indonesian telecommunications industry, and strengthening the company's business in the future.

IndiHome services will further strengthen Telkomsel's position in the telecommunications and digital industry in Indonesia while proving the commitment to advance and expand our business portfolio, especially in Fixed Mobile Convergence services. Telkomsel is committed to moving beyond expectations by providing cutting-edge products and services to our customers and consistently developing various integrated innovative services that can accelerate sustainable and inclusive digital access.

## Customer Base

As of June 2023, Telkomsel managed to have 153.3 million subscribers align with corporate strategy to apply healthy market conduct with right customer acquisition strategy, optimize the value of customers and focus on renewal that resulting to number consolidation with more productive subscribers. We managed to stable customer base in Q2-2023 with improved productivity and quality of customers as indicated by higher payload, payload/Data user and solid ARPU growth aligned with the company strategy to lead healthy conduct & industry pricing rationalization.

## Network Deployment

Strengthen network leadership thru coverage and quality that support focus on Digital Business and improved customer experience in adopting a digital lifestyle including finished the process of 3G to 4G service upgrade (3G shutdown) with total BTS on air reached 228,377 units including 178,945 4G BTS and 420 5G BTS. As we have covered most of the population by 4G LTE network throughout the nation, the deployment will also be prioritizing quality and capacity.

## IT Development

We continue to enhance and strengthen our IT platform to improve our customer analytics' capability to be able to digitalize and provide more personalized products to our customers. Moreover, we also elevate and expand our digital capabilities for the distinctive digital experience of customer.

The following table shows key operational performance as of 30 June 2023:

Key Indicators	YoY			QoQ		
	1H23	1H22	Growth (%)	2Q23	1Q23	Growth (%)
Customer Base (000)	153,269	169,667	(9.7)	153,269	151,067	1.5
ARPU (000)	47.5	42.0	13.1	49.7	45.3	9.8
BTS on Air (units)	228,377	255,107	(10.5)	228,377	258,929	(11.8)
Total Employees (*including subs & associated co)	5,629	5,531	1.8	5,629	5,659	(0.5)
MoU (in billion minutes)	34.0	49.1	(30.9)	16.1	17.8	(9.5)

SMS (in billion units)	4.3	6.5	(34.1)	2.0	2.3	(15.5)
Data Payload (TB)	8,728,935	7,981,455	9.4	4,511,530	4,217,405	7.0

## Fixed Line Businesses

### Consumer Segment

During the period, we continue to maintain our position as a market leader and recorded revenue of Rp14.4 trillion or grew by 4.0% YoY, where its contribution to TelkomGroup revenue increased to 19.6% compared to 19.2% in the same period last year. As a result of higher economic of scale and effective marketing strategy, EBITDA margin of IndiHome was relatively stable at around 50% in 2Q23.

Around 89.3% of the IndiHome revenue was generated from residential customers (Consumer Segment, with around 96.7% contribution to the segment's revenue), while the remaining 10.7% was from business clients (Enterprise Segment).

We recorded around 316 thousand additional customers during 1H23, brought total subscribers to reach 9.5 million by the end of June 2023 or increased by 7.2% YoY. Around 66% of total customers were on Dual Play Package while the remaining 34% were on Triple Play. We are more selective in getting new customers to ensure customer credit quality. IndiHome plays important role in building digital society as its services cover 501 (97.5%) cities/districts throughout Indonesia. IndiHome ARPU in 2Q23 was slightly declined to Rp260 thousand, due to more customers prefer to subscribe the dual play package.

We continue to encourage new and existing customers to subscribe on Triple Play, higher speed, or purchase various add-ons such as various mini packs and additional hybrid boxes. Our ARPU was largely driven by revenue from add-ons that grew by 4.9% YoY and contributed to around 16.6% of total IndiHome revenue, higher than the same period last year which contributed 16.1%.

### Enterprise & Wholesale and International Business (WIB)

During the first half of 2023, Enterprise segment recorded Rp9.3 trillion in revenue or grew by 6.7% YoY, improve from the same period last year which grew 0.3% YoY in revenue, due to growing enterprise connectivity business. B2B IT Digital Services and Enterprise Connectivity solutions were the biggest contributors in Enterprise segment. We keep strengthening our capability in cloud business, including to build strategic partnership with global tech players. We expect these efforts will leverage our capability to deliver digital solutions to our customers. Meanwhile, WIB segment posted Rp8.2 trillion in revenue or increased by 3.2% YoY driven by our growing international wholesale voice business and our digital infrastructure business.

### Tower

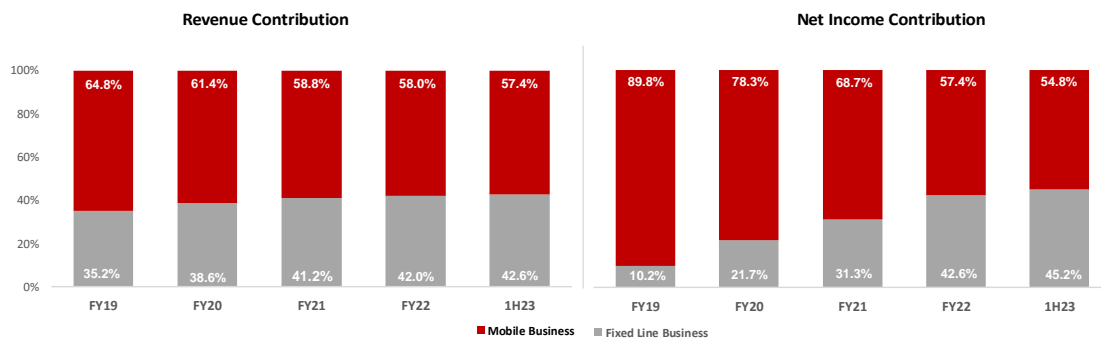
Mitratel owns 36,719 towers in all regions of Indonesia, making it the biggest tower provider in Southeast Asia in terms of total tower ownership. In the first half of 2023, Mitratel's tenancy ratio improved to 1.49x compared to 1.46x in the first quarter of 2023. In addition, Mitratel enjoys site diversification as around 58% of towers are located in ex-Java, while the remaining 42% are located in Java. Therefore, we believe the tower business still has the opportunity to grow, driven by increasing demand for mobile data and the upcoming 5G technology implementation.

On a stand-alone basis, in 1H23, Mitratel recorded Revenue of Rp4.13 trillion or grew by 10.8% YoY, driven by tower leasing revenue. EBITDA and Net Income grew by 16.1% and 14.7% YoY, respectively. Both EBITDA Margin is expanding to 81.2%, increased by 3.7 ppt, and Net Income Margin is at 24.8%, increased by 0.9 ppt. Colocation number and the number of tenants grew by 19.1% and 24.6% YoY respectively. Furthermore, Mitratel has demonstrated a strong financial position with a relatively low leverage ratio of 1.8x (net debt to EBITDA). This allows the company to better weather economic downturns and take advantage of growth opportunities while providing stability to shareholders.

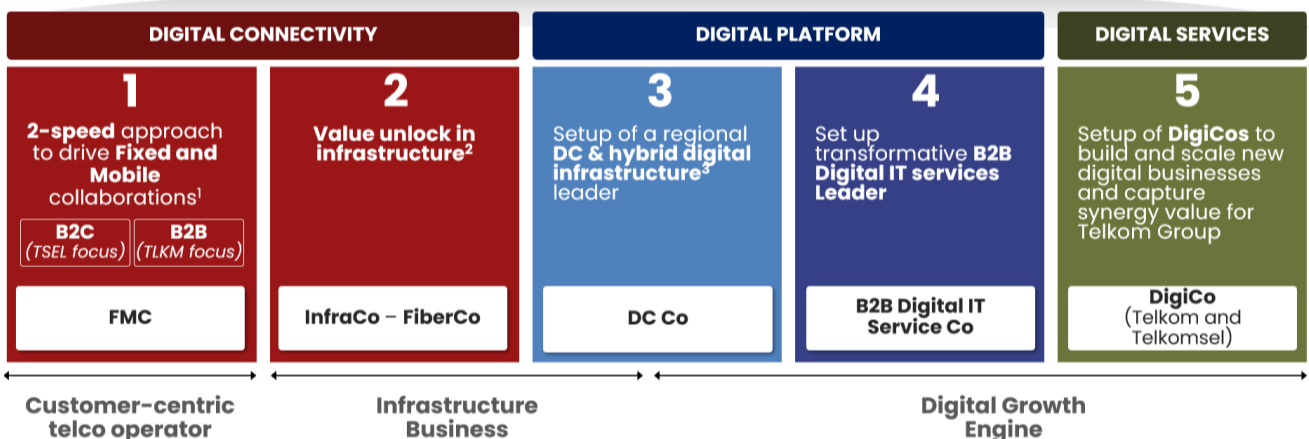
Mitratel is also expanding to the Fiber-to-the-Tower business as part of its strategy to strengthen its product portfolio to become a digital infrastructure company. Mitratel also strengthen the fiber optic business by deploying 10,628 km organically in 1H23, bringing total fiber optic length to 27,269 km by end of the first half of 2023.

### Fixed Line and Mobile Contribution

Fixed line businesses contribution consistently increased and reached 42.6% and 45.2% of Telkom's Consolidated Revenue and Net Income respectively during the first half of 2023 as compared to the same period last year. This reflects our well-diversified businesses, as shown in the charts below.



### FIVE BOLD MOVES STRATEGY



1. Needs deeper exercise across multiple strategic dimensions including complexity, regulation, stakeholder, financial impact  
 2. TowerCo has already completed IPO to unlock value in November 2021  
 3. DC-related is placed under Digital Platform to accommodate integrated directions and more comprehensive strategies, including Cloud and Tech-giant strategy

Telkom initiates Five Bold Moves strategy to build competitive advantages in the areas of digital connectivity, digital platforms, and digital services. This strategy aims to strengthen the Company's position as a world-class digital telco company, with long term objective to create higher value for the Company's stakeholders. By having this five bold moves strategy, Telkom Group can diversify and expand market share form to B2B business while also can defend the position as B2C Telco market leader. We are quite confidence that five bold moves strategy could maximize opportunity and value creation for the group.

We have completed the FMC initiative and on July 1, 2023, IndiHome legally has been under the management of Telkomsel. Currently, we are focusing in InfraCo and DC Co while still developing the fundamental for B2B Digital IT Service Co and DigiCo initiatives.

### Fixed-Mobile Convergence (FMC)

The reason and purpose of the Proposed Spin-Off is to maintain competitiveness and superiority of Telkom in facing competition in the Indonesian telecommunications sector. In order to improve the quality of services provided to the customers, Telkom plans to combine its fixed broadband and mobile broadband (cellular) into one subsidiary, Telkomsel. In addition, the Proposed Spin-Off is expected to also accelerate the process of equalizing broadband services for people throughout all regions of Indonesia.

On 27 June 2023, Telkom and Telkomsel signed deed of spin-off to integrate IndiHome to Telkomsel, and legally IndiHome has been under the management of Telkomsel on July 1, 2023 in relation to the Telkom's plan to carry out a corporate restructuring and business transformation by way of spin-off of the Company's IndiHome business segment serving individuals and individuals registered as micro enterprise customers covering several services, which are internet, voice bundling, IPTV, OTT, and digital services.

As part of this spin-off agreement, the Company and Telkomsel have signed some other related agreements, i.e., Wholesale Agreement regarding infrastructure provision, TSA 1 regarding fixed broadband core service provision and TSA 2 regarding IT system service provision ("Related Transaction").

### InfraCo

Telkom has been pursuing infrastructure value unlock following FMC initiative. Telkom will continue to explore new InfraCo and infra sharing potential. This initiative aims at optimizing consolidated Telkom's Capex efficiency, quality improvement, and coverage of service. We expect carving out Telco infrastructure assets can maximize valuations as well as to achieve strategic differentiation. In InfraCo initiatives, we will have a new entity in charge of managing Telkom's fiber assets. This entity will be established this year and be running the business next year.

By having InfraCo, we can maximize our fiber network value by increasing asset utilization and market penetration, catering Telco business challenge, and opening future business opportunities to meet investor expectation.

### Data Center

Data center and cloud remained as one of the areas that become our focus as the demand is growing significantly with the rising activities in digital business players. The presence of robust data center and cloud infrastructure is key to enable us in developing various digital solutions to enhance customers' experience. Our data centers are integrated to Telkom network and also global submarine cable network. With our

integrated network, we are able to accommodate our customer future business digitization needs, such as edge computing, 5G services, blockchain and other digital solutions. During the first half of 2023, data center and cloud recorded Rp837 billion in revenue.

As an effort to enhance competitive advantage, sustainable competitive growth, as well as to achieve higher valuation, we are still in the process of restructuring our data center business by consolidating the businesses and assets under one entity, called PT Telkom Data Ekosistem with NeutraDC as the brand. The consolidation process is executed in stages.

As of June 2023, we have total 30 data center facilities (25 domestic and 5 overseas) and spreads over 4 countries (Indonesia, Singapore, Hongkong, and Timor Leste). Our data centers has IT Load capacity up to 42 MW. Locally, NeutraDC operated 3 enterprise data centers and one Hyperscale Data Center with classification of Tier 3 and Tier 4 Our data center business provides several products and solutions, such as shared colocation, dedicated colocation, working room, cross connect, smart hand, and DC interconnect.

## PRODUCT AND MARKETING ACTIVITIES

### Fixed Line Business and Mobile Business

#### ■ Bundling Package IndiHome-Halo

Packages that allow our customers to easily access the internet anywhere with our best internet network. This package offers Halo Telkomsel quota of 30GB and 65GB as well as IndiHome connections, ranging from 30 Mbps to 50 Mbps with free Disney+ hotstar access.

#### ■ IndiHome Netflix

This package gives free Netflix access to 3P (Internet + TV + Phone) customers and 2P (Internet + TV) customers. In this package, customers can choose various internet speeds according to their needs. In addition, IndiHome also provides an up to 50% discount on new installation fees.

#### ■ IndiHome Paket Gamer

As a form to facilitate gaming activities, IndiHome introduces packages with super-fast internet networks and some attractive in-game benefits from Game Publisher. IndiHome is also committed to the development of e-sports in the country by actively held several games tournament. Besides that, IndiHome launched an e-sport academy with the concept of athlete enablement, namely Limitless Esport Academy (LEAD), to empower and train the player to become a professional player (pro-player) with an athlete mentality.

#### ■ Launching “Telkomsel One”

After IndiHome officially integrated into Telkomsel starting on July 1, 2023 (Legal Day 1), Telkomsel launched a new product under the brand "Telkomsel One" on July 21, 2023 as commitment in continuing the implementation of FMC initiative that will further encourage equal distribution of digital connectivity for the community with a wide selection of customer-centric packages. Telkomsel One also offers broadband services with a variety of added values, reliable capabilities in one network, the convenience and advantages of Telkomsel Prepaid, Halo, Orbit and IndiHome services in one solution, one application and one bill, which further enhances customer experience for more seamless broadband connectivity access, to support the various needs and activities of digital lifestyle.



## ADDITIONAL INFORMATION

### Awards and Recognition

As a reflection of our business excellence, innovative products and services, reliable network infrastructure, widest coverage areas, excellent customer service, strategy execution as well as strong management operation, we received awards and accolades for various categories from leading institutions at both national and international levels. The awards and accolades we received during 1H23 among others:

- Transparency and Corporate Emission Reduction Award 2023 in Corporate Emission Reduction Transparency and Corporate Emission Calculation Transparency category from B Universe.
- HR Asia Best Companies to Work for in Asia Awards 2023 for Telkomsel in Indonesia edition from HR Asia magazine and Business Media International.
- Marketeers OMNI Brands of the Year 2023 for MyTelkomsel in Cross-Channel Customer Experience category from Marketeers business media
- Indonesia WOW Brand Festive Day 2023 for Leap in Indonesia Brand For Good 2023 category, IndiHome in Internet Service Provider and Pay TV, and Telkomsel as Gold Champion in Cellular Operator category from Markplus Inc.
- CSR Awards 2023 for Telkom in Economic CSR Initiative category and Telkomsel in Infrastructure Sector with “NextDev: Sustain Beyond Expectation” from B-Universe media holdings.
- Indonesia Best Workplace for Women Award 2023 in Telecommunications and Internet Provider Category from Herstory.
- 20<sup>th</sup> Selular Awards for Telkom as Best Digital Transformation Company and Telkomsel as Best Home Internet Solution: Telkomsel Orbit, Most Innovative Data Package: Telkomsel Combo Sakti, Best CSR: Telkomsel Jaga Bumi & Most Active Brand in social media for Telco: Telkomsel from Selular Media Network.

**Table 1**  
**PERUSAHAAN PERSEROAN (PERSERO)**  
**PT TELEKOMUNIKASI INDONESIA Tbk. AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As of June 30, 2023 (unaudited) and December 31, 2022 (audited)**  
**(Amounts in the tables expressed in billions of Indonesian Rupiah, unless otherwise stated)**

	June 30, 2023	December 31, 2022	Growth (%)
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents - net	40,521	31,947	26.8
Other current financial assets - net	1,402	1,349	3.9
Trade receivables - net allowance for expected credit losses			
Related parties	1,763	1,620	8.8
Third parties	8,388	7,014	19.6
Contract assets - net	2,249	2,457	(8.5)
Other receivables - net	1,419	245	479.2
Inventories - net	1,118	1,144	(2.3)
Assets held for sale	6	6	-
Contract cost	697	671	3.9
Prepaid taxes	2,359	1,464	61.1
Claim for tax refund	3	380	(99.2)
Other current assets	5,965	6,760	(11.8)
<b>Total Current Assets</b>	<b>65,890</b>	<b>55,057</b>	<b>19.7</b>
<b>NON-CURRENT ASSETS</b>			
Contract assets - net	110	34	223.5
Long-term investments	9,218	8,653	6.5
Contract cost	1,973	1,741	13.3
Property and equipment	175,471	173,329	1.2
Right-of-use assets	20,673	20,336	1.7
Intangible assets	8,105	8,302	(2.4)
Deferred tax assets - net	4,005	4,117	(2.7)
Other non-current assets	5,033	3,623	38.9
<b>Total Non-current Assets</b>	<b>224,588</b>	<b>220,135</b>	<b>2.0</b>
<b>TOTAL ASSETS</b>	<b>290,478</b>	<b>275,192</b>	<b>5.6</b>
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Trade payables			
Related parties	533	431	23.7
Third parties	14,837	18,026	(17.7)
Contract liabilities	7,189	6,295	14.2
Other payables	16,075	463	3371.9
Taxes payable	5,563	5,372	3.6
Accrued expenses	13,717	15,445	(11.2)
Customer deposits	2,846	2,382	19.5
Short-term bank loans	15,129	8,191	84.7
Current maturities of long-term loans and other borrowings	14,226	8,858	60.6
Current maturities of lease liabilities	5,235	4,925	6.3
<b>Total Current Liabilities</b>	<b>95,350</b>	<b>70,388</b>	<b>35.5</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities - net	1,029	1,023	0.6
Contract liabilities	1,464	1,561	(6.2)
Long service award provisions	1,111	1,031	7.8
Pension benefits and other post-employment benefits obligations	11,142	10,272	8.5
Long-term loans and other borrowings	26,503	27,331	(3.0)
Lease liabilities	13,257	13,736	(3.5)
Other liabilities	271	588	(53.9)
<b>Total Non-current Liabilities</b>	<b>54,777</b>	<b>55,542</b>	<b>(1.4)</b>
<b>TOTAL LIABILITIES</b>	<b>150,127</b>	<b>125,930</b>	<b>19.2</b>
<b>EQUITY</b>			
Capital stock	4,953	4,953	-
Additional paid-in capital	2,711	2,711	-
Other equity	9,558	9,697	(1.4)
Retained earnings			
Appropriated	15,337	15,337	-
Unappropriated	91,286	96,560	(5.5)
Net equity attributable to:			
Owners of the parent company	123,845	129,258	(4.2)
Non-controlling interest	16,506	20,004	(17.5)
<b>TOTAL EQUITY</b>	<b>140,351</b>	<b>149,262</b>	<b>(6.0)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>290,478</b>	<b>275,192</b>	<b>5.6</b>

**Table 2**  
**PERUSAHAAN PERSEROAN (PERSERO)**  
**PT TELEKOMUNIKASI INDONESIA Tbk. AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME**  
**For the Six Months Period Ended June 30, 2023 and 2022 (unaudited)**  
**(Amounts in the tables expressed in billions of Indonesian Rupiah, unless otherwise stated)**

	2023	2022	Growth (%)
<b>REVENUES</b>	<b>73,478</b>	<b>71,983</b>	<b>2.1</b>
<b>COST AND EXPENSES</b>			
Operation, maintenance, and telecommunication service expenses	(19,170)	(17,847)	7.4
Depreciation and amortization expenses	(15,948)	(16,986)	(6.1)
Personnel expenses	(7,844)	(7,526)	4.2
General and administrative expenses	(3,331)	(2,820)	18.1
Interconnection expenses	(3,093)	(2,647)	16.8
Marketing expenses	(1,656)	(1,696)	(2.4)
Unrealized gain on changes in fair value of investments	412	294	40.1
Other income - net	283	57	396.5
(loss) gain on foreign exchange - net	(112)	124	(190.3)
<b>OPERATING PROFIT</b>	<b>23,019</b>	<b>22,936</b>	<b>0.4</b>
Finance income	526	441	19.3
Finance cost	(2,245)	(1,953)	15.0
Share of profit of long-term investment in associates	2	5	(60.0)
<b>PROFIT BEFORE INCOME TAX</b>	<b>21,302</b>	<b>21,429</b>	<b>(0.6)</b>
<b>INCOME TAX (EXPENSE) BENEFIT</b>			
Current	(4,106)	(4,611)	(11.0)
Deferred	(375)	737	(150.9)
	(4,481)	(3,874)	15.7
<b>PROFIT FOR THE PERIOD</b>	<b>16,821</b>	<b>17,555</b>	<b>(4.2)</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
<i>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:</i>			
Foreign currency translation	(139)	141	(198.6)
Share of other comprehensive income of long-term investment in associates	-	1	(100.0)
<i>Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:</i>			
Defined benefit actuarial loss - net	(1,428)	(1)	142700.0
Other comprehensive income (loss) - net	(1,567)	141	(1211.3)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>15,254</b>	<b>17,696</b>	<b>(13.8)</b>
Profit for the period attributable to:			
Owners of the parent company	12,756	13,310	(4.2)
Non-controlling interests	4,065	4,245	(4.2)
	<b>16,821</b>	<b>17,555</b>	<b>(4.2)</b>
Total comprehensive income for the period attributable to:			
Owners of the parent company	11,189	13,451	(16.8)
Non-controlling interests	4,065	4,245	(4.2)
	<b>15,254</b>	<b>17,696</b>	<b>(13.8)</b>
<b>BASIC EARNINGS PER SHARE</b> (in full amount)			
Net income per share	128.77	134.36	(4.2)
Net income per ADS (100 Series B shares per ADS)	12,876.76	13,436.00	(4.2)

**Table 3**  
**PT TELEKOMUNIKASI SELULAR AND ITS SUBSIDIARIES (TELKOMSEL)**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2023 (UNAUDITED) WITH COMPARATIVE FIGURES AS OF DECEMBER 31, 2022 (AUDITED)**  
 (Figures in the table are presented in billions of Rupiah)

	<u>JUN 2023</u>	<u>DEC 2022</u>	<u>Growth (%)</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3,641	6,352	(42.7)
Accounts receivable - net	2,662	1,516	75.5
Unbilled revenues	1,791	1,749	2.4
Inventories	391	317	23.2
Prepaid expenses - current	3,580	5,316	(32.7)
Others	651	686	(5.0)
<b>Total Current Assets</b>	<b><u>12,715</u></b>	<b><u>15,937</u></b>	<b>(20.2)</b>
<b>NON-CURRENT ASSETS</b>			
Long-term investments	3,280	2,833	15.8
Fixed assets - net	45,690	46,454	(1.6)
Right of use assets - net	27,490	27,301	0.7
Intangible assets - net	6,408	6,697	(4.3)
Prepaid expenses - non current	2,260	1,376	64.2
Others	393	393	(0.1)
<b>Total Non-current Assets</b>	<b><u>85,520</u></b>	<b><u>85,055</u></b>	<b>0.5</b>
<b>TOTAL ASSETS</b>	<b><u>98,235</u></b>	<b><u>100,991</u></b>	<b>(2.7)</b>
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued liabilities	11,775	14,725	(20.0)
Taxes payable	2,359	3,048	(22.6)
Unearned revenue	4,872	4,273	14.0
Current maturities of lease liabilities	9,804	8,225	19.2
Current maturities of medium-term loans	6,500	1,000	N/A
Short-term loans	5,000	-	N/A
<b>Total Current Liabilities</b>	<b><u>40,311</u></b>	<b><u>31,272</u></b>	<b>28.9</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities - net of current maturities	30,176	32,977	(8.5)
Provision for employee benefits	5,596	5,124	9.2
Deferred tax liabilities – net	112	158	(29.2)
Unearned revenues, net of current portion	948	969	(2.2)
Other non-current liabilities	424	450	(5.9)
<b>Total Non-current Liabilities</b>	<b><u>37,255</u></b>	<b><u>39,677</u></b>	<b>(6.1)</b>
<b>EQUITY</b>			
Capital stock - Rp 1,000,000 par value			
Authorized - 650,000 shares			
<i>Issued and fully paid - 182,570 shares</i>	183	183	0.0
Additional paid-in capital	1,531	1,531	0.0
Retained earnings:			
<i>Appropriated</i>	37	37	0.0
<i>Unappropriated</i>	18,879	28,246	(33.2)
Other Equity	13	13	0.0
Non-Controlling Interest	27	33	(16.6)
<b>Total Equity</b>	<b><u>20,669</u></b>	<b><u>30,042</u></b>	<b>(31.2)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>98,235</u></b>	<b><u>100,991</u></b>	<b>(2.7)</b>

**Table 4**  
**PT TELEKOMUNIKASI SELULAR AND ITS SUBSIDIARIES (TELKOMSEL)**  
**CONSOLIDATED STATEMENTS OF PROFIT AND LOSS**  
**FOR SIX MONTHS PERIOD ENDED JUNE 30, 2023 AND 2022 (UNAUDITED)**  
 (Figures in the table are presented in billions of Rupiah)

	<u>JUN 2023</u>	<u>JUN 2022</u>	<u>Growth (%)</u>
<b>REVENUES</b>			
Legacy	6,316	8,504	(25.7)
Digital Business	37,693	35,082	7.4
<b>Total Revenues</b>	<b>44,009</b>	<b>43,586</b>	<b>1.0</b>
<b>EXPENSES</b>			
Operations and maintenance	11,043	10,359	6.6
Personnel	3,331	3,067	8.6
Marketing	1,026	1,057	(2.9)
General and administrative	789	700	12.7
Cost of services	2,357	2,798	(15.8)
Interconnection and international roaming	802	724	10.8
<b>Total Expenses exclude depreciation &amp; others</b>	<b>19,347</b>	<b>18,704</b>	<b>3.4</b>
Depreciation and amortization	10,437	10,428	0.1
Others - net	(592)	(447)	32.4
<b>Total Expenses include depreciation &amp; others</b>	<b>29,192</b>	<b>28,685</b>	<b>1.8</b>
Finance charges - net	(1,113)	(938)	18.7
<b>INCOME BEFORE TAX</b>	<b>13,703</b>	<b>13,963</b>	<b>(1.9)</b>
INCOME TAX EXPENSE	(2,967)	(2,562)	15.8
<b>NET INCOME</b>	<b>10,736</b>	<b>11,401</b>	<b>(5.8)</b>
<b>EBITDA</b>	<b>24,662</b>	<b>24,882</b>	<b>(0.9)</b>
<b>EBITDA Margin</b>	<b>56.0%</b>	<b>57.1%</b>	<b>(1.1) ppt</b>
<b>ROA</b>	<b>17.9%</b>	<b>25.1%</b>	<b>(7.2) ppt</b>
<b>ROE</b>	<b>69.5%</b>	<b>79.6%</b>	<b>(10.1) ppt</b>