

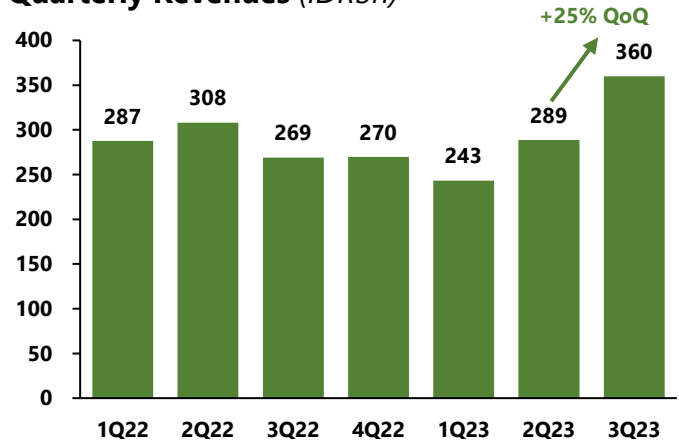
PT Nusantara Sawit Sejahtera Tbk (NSSS)

Investor Newsletter Volume 4: 3Q23 Results Update

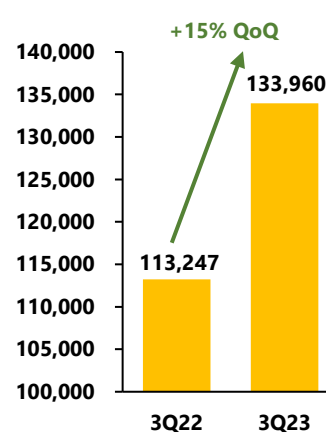
BUSINESS HIGHLIGHTS

- **3Q23 topline: highest revenues in seven quarters.** Supported by strong volumes, NSSS booked revenues of IDR360bn, despite a slight decline in CPO prices of -4.7% QoQ.
- **Higher 3Q23 volumes with FFB (+15% QoQ) and CPO Production (+6.2% QoQ).** Management expects the positive production momentum to continue through 4Q23 due to seasonality and young age profile.
- **3Q23 CPO extraction rates remained at 22% with PK extraction staying constant at 4.6%.** 3Q23 Nucleus FFB yield improved to 5.2 tons per ha, up from 4.6 tons per ha in 2Q23.
- **Newly constructed second CPO mill to commence operations in 4Q23** supporting higher production volumes going forward; in addition, NSSS is constructing an adjacent special terminal to be operational in 1H24.

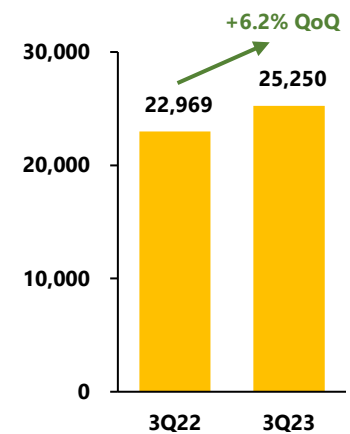
Quarterly Revenues (IDRbn)



FFB Production (tons)



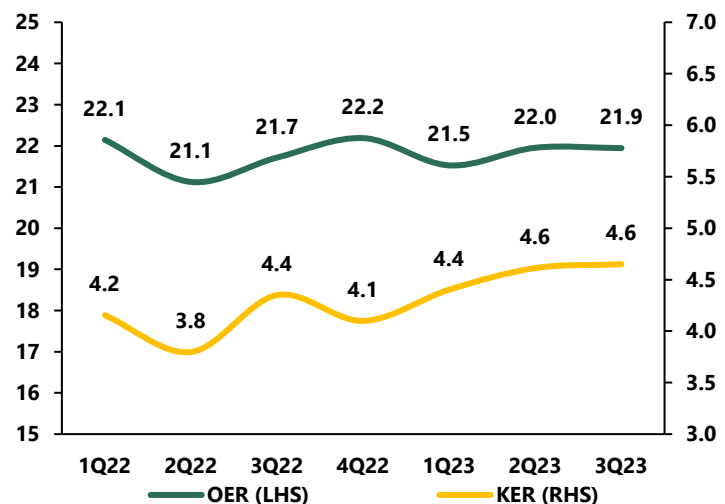
CPO Production (tons)



2nd CPO mill operational testing in Dec'23



Palm Oil & Kernel Extraction Rate (%)



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FINANCIAL OVERVIEW

- 3Q23 revenues surged **25%** QoQ and **34%** YoY due to stronger CPO sales volume growth of **20%** QoQ along with PK sales volume of **13%** QoQ. CPO contributed 84% of NSSS' total 3Q23 revenues, followed by PK at 8% and 8% FFB.
- EBIT jumped **35%** QoQ and nearly **200%** YoY, helped by **38%** lower QoQ G&A expenses and much improved topline which already allowed gross profit to rise **15%** QoQ and **26%** YoY.
- EBIT margin rose to 21.2% in 3Q23 (2Q23: 19.6%).
- NSSS' 3Q23 net profit of IDR23bn (**+462%** QoQ) more than quadrupled compared to 2Q23, a sharp turnaround from a net loss in 3Q22.
- This bottom-line improvement was supported by a gain in 3Q23 biological assets amounting to IDR16bn (2Q23: IDR9bn).
- 9M23 net gearing stood at 182%, a significant improvement from 328% in 9M22. This was due to NSSS' total equity rising **63%** YTD to IDR1.0tn despite our debt level remaining constant.

Profit & Loss (IDR bn)	3Q23*	2Q23*	3Q22*	QoQ (%)	YoY (%)	9M23*	9M22*	YoY (%)
Revenues	360	289	269	24.6	33.8	892	864	3.2
Gross Profit	77	67	61	15.0	26.4	176	345	(49.2)
% margin	21.5	23.2	22.7	-	-	19.7	40.0	-
EBITDA	109	89	56	22.2	92.7	214	349	(38.6)
% margin	30.2	30.8	21.0	-	-	24.0	40.4	-
EBIT	76	57	26	34.7	196.4	118	256	(54.0)
% margin	21.2	19.6	9.6	-	-	13.2	29.6	-
Net Profit	23	4	(22)	462.1	n.a.	(34)	65	n.a.
% margin	6.3	1.4	n.a.	-	-	n.a.	7.5	-

Balance Sheet (IDR bn)	Sep'23*	Dec'22	YTD (%)
Total Asset	3,525	3,035	16.1
Total Liabilities	2,498	2,405	3.9
Total Equity	1,027	630	63.0

Cash Flow (IDR bn)	Sep'23*	Dec'22
Operation	(24)	2
Investing	(178)	(55)
Financing	408	(64)
Net Change in Cash	206	(117)

*Unaudited

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OPERATIONAL OVERVIEW

- 3Q23 FFB production increased **15%** QoQ due to a rise in FFB yield of 5.2 tons/ha vs. 4.6 tons/ha in 2Q23.
- Processed FFB rose **6.2%** QoQ translating into higher CPO production of **6.2%** QoQ and PK Production of **7.1%** QoQ. This was due to higher CPO extraction rate of 21.9% and PK of 4.6%.

FFB Production (tons)	3Q23	2Q23	3Q22	QoQ (%)	YoY (%)	9M23	9M22	YoY (%)
Nucleus	133,960	116,630	113,247	14.9	18.3	340,705	293,953	16.1
Plasma	1,615	1,614	1,521	0.0	6.1	4,263	3,280	15.9
FFB Yield (tons/ha)	5.2	4.6	4.5	-	-	13.3	11.7	30.0

Mill Performance (tons)								
Processed FFB	115,068	108,320	105,773	6.2	8.8	307,352	284,966	7.9
CPO Production	25,250	23,780	22,969	6.2	9.9	67,104	61,655	8.8
CPO OER (%)	21.9	22.0	21.7	-	-	21.8	21.6	-
PK Production	5,350	4,996	4,601	7.1	16.3	14,044	11,698	20.1
KER (%)	4.6	4.6	4.4	-	-	4.6	4.1	-

Sales Volumes (tons)								
CPO	27,713	23,036	24,005	20.3	15.4	69,251	59,963	15.5
PK	5,487	4,861	4,776	12.9	14.9	14,030	11,628	20.7
FFB	19,855	9,661	8,711	105.5	127.9	36,487	11,885	207.0

Avg Selling Price (IDR/kg)								
CPO	10,177	10,683	9,613	(4.7)	5.9	10,818	12,435	(13.0)
PK	4,736	5,096	5,098	(7.1)	(7.1)	5,051	8,309	(39.2)
FFB	1,892	1,854	1,589	2.0	19.0	1,973	1,858	6.2

OUTLOOK

- Higher CPO prices** going forward in anticipation of draught caused by the El-Nino.
- Increased volumes** supported by young plantation age profile of 8.1 years and massive room for growth stemming from unplanted landbank of 20,000ha including plasma.
- Improved profitability margins** on the back of higher CPO Production due to newly operated 2nd CPO Mill in December 2023.

PLANTED AREAS (in hectares)

	9M23	2022	YoY (%)
Nucleus	26,551	26,384	0.6
Mature	25,594	25,197	1.6
Immature	957	1,187	(19.4)
Plasma	1,259	881	43.0
Mature	583	560	4.1
Immature	676	321	110.8
Total Planted	27,810	27,265	2.0

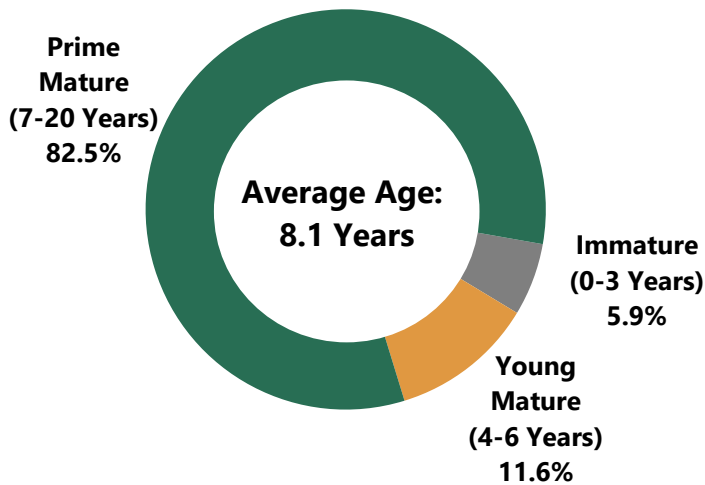
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ADDITIONAL INFORMATION

Established in 2008 and listed on the IDX in 2023, PT Nusantara Sawit Sejahtera Tbk (NSSS) is comprised of five upstream integrated plantation companies with total planted and unplanted nucleus area of 43,000ha located in Central Kalimantan, Indonesia. Led by a solid and experienced management team, NSSS produces the highest quality palm oil products complying with best practices in the cultivation of palm oil.

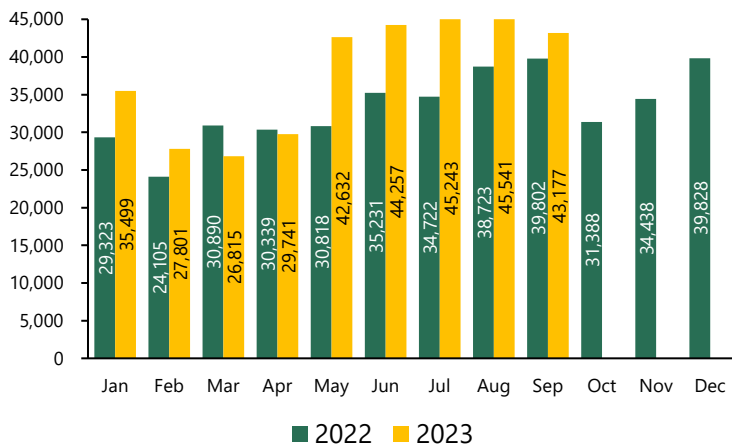
Age Profile 9M23



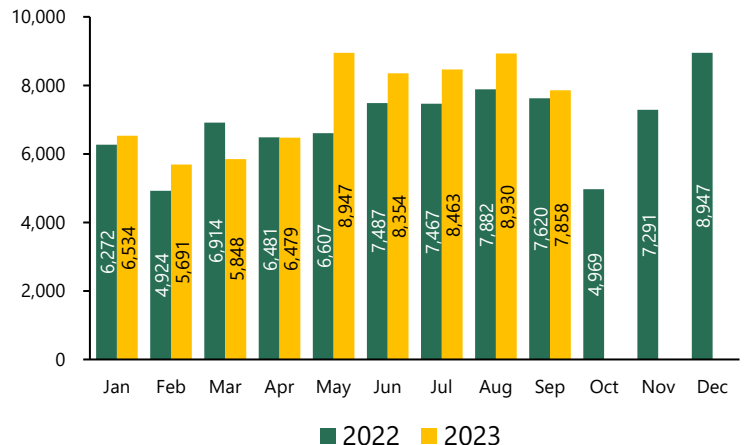
2nd CPO Mill Construction



FFB Production (tons)



CPO Production (tons)



For more information:

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