

| Bond Instrument  |                                                                                                 |
|------------------|-------------------------------------------------------------------------------------------------|
| Issuer           | PT OKI Pulp & Paper Mills (OPPM)                                                                |
| Instrument       | IDR: Obligasi Berkelanjutan II Tahap VI 2026<br>USD: Obligasi USD Berkelanjutan II Tahap V 2026 |
| Rating           | idA+ (Pefindo)                                                                                  |
| PUB Plafond      | IDR 12.0tn / USD 100.0mn (remaining IDR 3.33tn / USD 50.8mn)                                    |
| Issuance Size    | Up to IDR 3.0tn and USD 25.0mn (combined across series)                                         |
| Tenor and Coupon | IDR A 3Y: 9.50–10.00%<br>IDR B 5Y: 10.00–10.50%<br>USD A 3Y: 6.25–6.75%<br>USD B 5Y: 6.50–7.25% |
| Collateral       | Clean basis (unsecured)                                                                         |
| Listing          | Indonesia Stock Exchange (IDX)                                                                  |

| Key Credit Statistics (1H2026) |                |
|--------------------------------|----------------|
| Revenue                        | USD 875.3mn    |
| EBITDA                         | USD 430.9mn    |
| EBITDA Margin                  | 49.2%          |
| Net Profit*                    | USD 438.7mn    |
| Total Assets                   | USD 10,655.7mn |
| Total Debt                     | USD 4,995.9mn  |
| Cash + ST Inv.                 | USD 1,772.5mn  |
| Net Debt / EBITDA              | 3.74x          |
| EBITDA / Fin. Cost             | 3.86x          |
| DSCR                           | 0.73x          |
| Liab. / Equity                 | 0.99x          |

Figures in USD (reporting currency). Source: OKI unaudited FS 30 June 2026; Aldiracita Research. Net debt nets cash and short-term mutual-fund investments. Net Debt/EBITDA, EBITDA/finance cost and DSCR (EBITDA/(finance cost + current maturities)) annualised. \*Includes a USD 233.3mn non-cash FX gain.

## OKI's Margins Rebound Toward 50% as Capex Eases, Backing a Dual-Currency Refinancing

PT OKI Pulp & Paper Mills (OKI) runs one of the world's largest single-site integrated pulp and tissue mills, with 3.0mn tonnes a year of pulp and 500,000 tonnes of tissue capacity in Ogan Komering Ilir, South Sumatra. It is owned 49.08% each by PT Pindo Deli Pulp And Paper Mills and PT Pabrik Kertas Tjiwi Kimia Tbk, under the APP Indonesia group (ultimate parent PT APP Purinusa Ekapersada), and exported 88% of 1H2026 sales, mostly to Asia.

This dual-currency offering under the PUB II shelves comprises up to IDR 3.0tn of Rupiah bonds (Tahap VI) and up to USD 25.0mn of USD bonds (Tahap V), each in 3- and 5-year series, on a clean basis. Proceeds go to debt repayment and/or working capital. Indicative ranges are 9.50–10.00% (3-year) and 10.00–10.50% (5-year) for the Rupiah series, and 6.25–6.75% and 6.50–7.25% for the USD series; bookbuilding runs 7–22 October.

### Investment Highlights

#### Integrated scale at the core of APP

OKI ran its pulp line at 93% of capacity in 2025 (2,786kt) and lifted tissue output 38.5% to 332kt as new lines ramped up. **Fibre, energy and chemicals are integrated on one site, and pulp gross margin held at 46–52% through the cycle.** idA+ (Pefindo) reflects the group's scale and shared resources.

#### 1H2026: margins back near 50%

Revenue rose 10.1% YoY to USD 875.3mn and EBITDA 17.3% to USD 430.9mn, lifting the EBITDA margin to 49.2% from 46.2%. **Operating cash flow recovered to USD 279.0mn from USD 11.7mn**, while finance costs fell 12.0%. Net profit of USD 438.7mn includes a USD 233.3mn FX gain on Rupiah debt.

#### Leverage steady, liquidity deep, capex past its peak

Net debt/EBITDA eased to 3.74x (annualised) from 4.26x in FY2025. **Cash and short-term mutual-fund investments of USD 1.77bn cover debt due within 12 months 1.57x**, and every bond covenant has wide headroom. Capex fell to USD 0.88bn in FY2025 from USD 1.47bn in FY2024, and to USD 0.40bn in 1H2026 (1H2025: USD 0.46bn).

**SUBSCRIBE** · idA+ integrated pulp & tissue credit at 9.50–10.50% (IDR) and 6.25–7.25% (USD)

We recommend SUBSCRIBE. The Rupiah ranges of 9.50–10.00% (3Y) and 10.00–10.50% (5Y) sit 113–163bp and 142–192bp above the idA+ secondary curve and 261–346bp over SBN, and their tops match the 10.00% and 10.50% at which APP Indonesia paper has cleared in every primary window since July. The USD ranges of 6.25–6.75% and 6.50–7.25% top out at August's USD Tahap IV coupons. The credit is improving: margins are back near 50%, operating cash flow has turned, capex is past its peak and USD 1.77bn of liquidity covers debt due within 12 months 1.57x. The watch-points are refinancing reliance (DSCR 0.73x on our definition), the pulp cycle and the composition of the mutual-fund liquidity.

## Instrument Summary

**Exhibit: Term Sheet — Obligasi Berkelanjutan II OKI Pulp & Paper Mills Tahap VI Tahun 2026 and Obligasi USD Berkelanjutan II OKI Pulp & Paper Mills Tahap V Tahun 2026**

|                             |                                                                                                                                                                      |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Issuer</b>               | PT OKI Pulp & Paper Mills (“Perseroan”)/OPPM)                                                                                                                        |
| <b>Program</b>              | PUB Obligasi Berkelanjutan II (target IDR 12.0tn; IDR 3,329.5bn remaining) and PUB Obligasi USD Berkelanjutan II (target USD 100.0mn; USD 50.8mn remaining)          |
| <b>IDR Bonds</b>            | Tahap VI, up to IDR 3,000.0bn combined: Seri A 3 years, Seri B 5 years; bullet repayment                                                                             |
| <b>USD Bonds</b>            | Tahap V, up to USD 25.0mn combined: Seri A 3 years, Seri B 5 years; bullet repayment                                                                                 |
| <b>Rating</b>               | idA+ (Pefindo) for both programmes                                                                                                                                   |
| <b>Coupon Range</b>         | IDR Seri A (3Y) 9.50%–10.00%;<br>IDR Seri B (5Y) 10.00%–10.50%;<br>USD Seri A (3Y) 6.25%–6.75%;<br>USD Seri B (5Y) 6.50%–7.25%                                       |
| <b>Coupon Payment</b>       | Quarterly, fixed rate (as for Tahap V / USD Tahap IV)                                                                                                                |
| <b>Collateral</b>           | Clean basis; ranks pari passu with the Company's other unsecured creditors                                                                                           |
| <b>Use of Proceeds</b>      | IDR and USD bonds: repayment of Company debt and/or working capital.                                                                                                 |
| <b>Financial Covenants</b>  | PUB II trust deed: current ratio $\geq 1.0x$ ; EBITDA / interest expense $\geq 1.75x$ ; total liabilities / equity $\leq 2.5x$ (31 Mar 2026: 2.66x, 3.58x and 1.09x) |
| <b>Financial Statements</b> | In-house (unaudited) as of 30 June 2026                                                                                                                              |
| <b>Listing</b>              | Indonesia Stock Exchange (IDX)                                                                                                                                       |

### Exhibit: Indicative Timetable

| Milestone                     | Dates (Tentative) |
|-------------------------------|-------------------|
| Bookbuilding Period           | 7 – 22 Oct 2026   |
| OJK Verbal Confirmation       | 5 Nov 2026        |
| Public Offering Period        | 6 – 9 Nov 2026    |
| Allotment Date                | 10 Nov 2026       |
| Payment & Distribution (KSEI) | 12 Nov 2026       |
| IDX Listing Date              | 13 Nov 2026       |

Source: OKI indicative structure and schedule (October 2026); Aldiracita.

## Company Overview

PT OKI Pulp & Paper Mills was established in May 2012 and began commercial pulp production in February 2017 and tissue production in June 2018. Its single integrated mill at Desa Bukit Batu, Air Sugihan, Ogan Komering Ilir (South Sumatra) processes plantation wood into bleached hardwood pulp, which is sold to paper and tissue makers or converted on site into tissue. The site also produces chlor-alkali chemicals and, through PT Pupuk Swadaya Purimas, fertiliser. OKI employs about 2,600 people and has its head office at Sinar Mas Land Plaza, Jakarta.

### Exhibit: OKI Production Facilities, Ogan Komering Ilir (South Sumatra)



Wood Processing Facility



Pulp Production Facility



Tissue Industry Facility



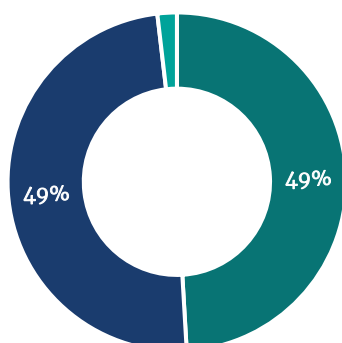
Sea Port Tanjung Tapa

Source: OKI company materials.

### A core asset of APP Indonesia

OKI is owned 49.08% each by PT Pindo Deli Pulp And Paper Mills and PT Pabrik Kertas Tjiwi Kimia Tbk, with PT Muba Green Indonesia holding 1.85%. Its ultimate parent is PT APP Purinusa Ekapersada and its ultimate beneficial owner is Jackson Wijaya Limantara. **Directors and commissioners overlap closely with Indah Kiat, Tjiwi Kimia, Pindo Deli and Lontar Papyrus**, giving OKI shared raw-material, marketing and treasury resources, and a long record in the domestic bond market.

### Shareholders (30 Jun 2026, %)



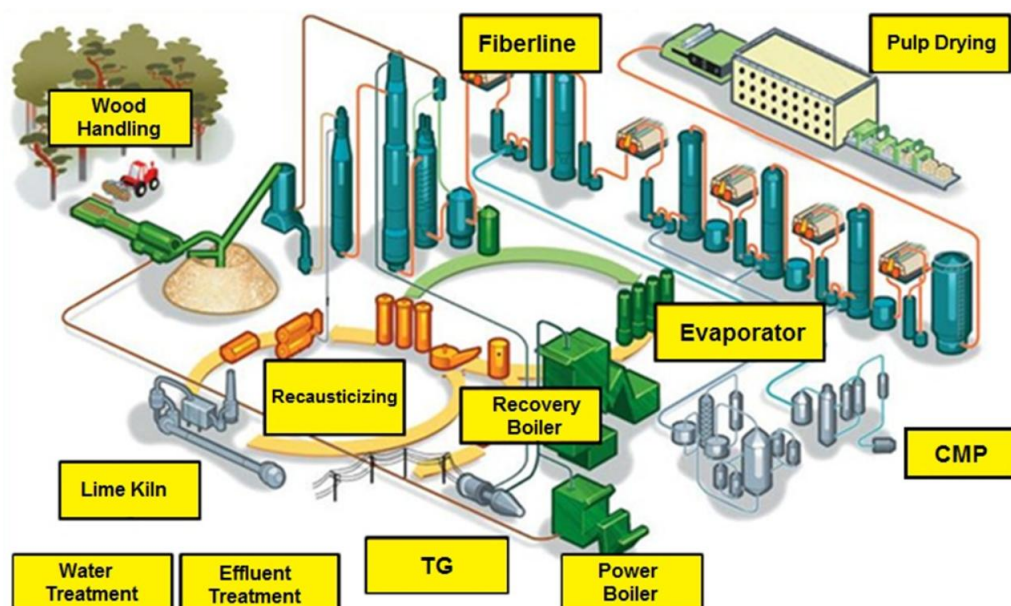
- PT Pindo Deli Pulp And Paper Mills
- PT Pabrik Kertas Tjiwi Kimia Tbk
- PT Muba Green Indonesia

Source: OKI interim financial statements 30 June 2026 (Note 27); Aldiracita.

## Business Model & Segments

OKI reports two segments: pulp products (82% of 1H2026 sales, 87% of gross profit) and tissue and other products (18% and 13%). The economics rest on integration: plantation fibre from the group's supply base, on-site power, steam and chemicals, and a deep-water logistics chain that ships bleached hardwood pulp to Asian paper and tissue makers.

Exhibit: Integrated Kraft Pulp Production Process



Source: OKI company materials.

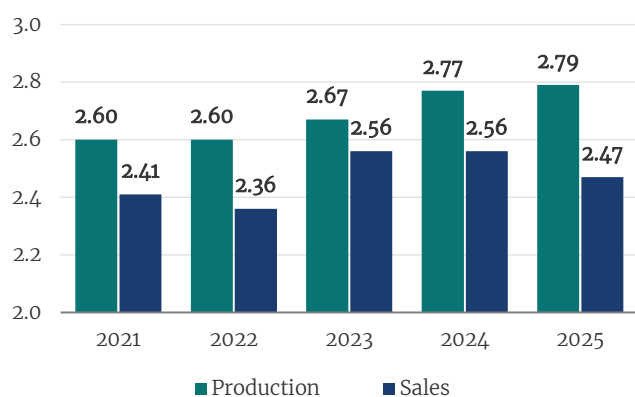
### Pulp: running close to capacity

Pulp production has risen every year since 2021, to 2,786kt in 2025, or 93% of the 3.0mn-tonne nameplate. Sales volumes of 2,467kt in 2025 were 3.5% lower than in 2024, **as a growing share of pulp was consumed internally by the expanding tissue lines**. Pulp generated USD 1,374.3mn of revenue in FY2025 at a 48.6% gross margin.

### Tissue: the growth engine

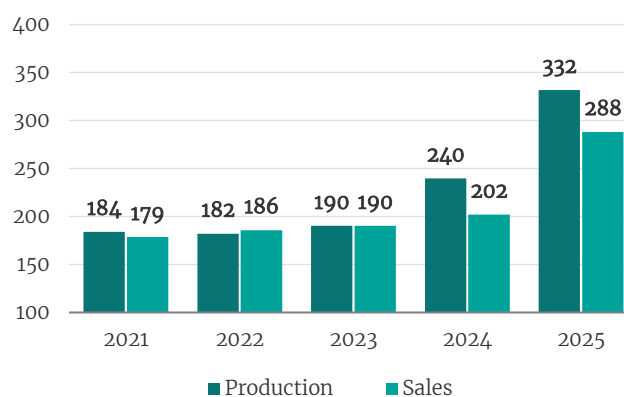
Tissue output jumped 38.5% to 332kt in 2025 and sales volume 42.6% to 288kt as new capacity ramped up, lifting tissue and other products to 17.1% of FY2025 revenue (FY2024: 13.2%). **At 66% utilisation of its 500,000-tonne capacity, tissue still has room to grow without major new spending**, adding a higher-value, less cyclical outlet for OKI's own pulp.

Pulp: Production & Sales (mn t)



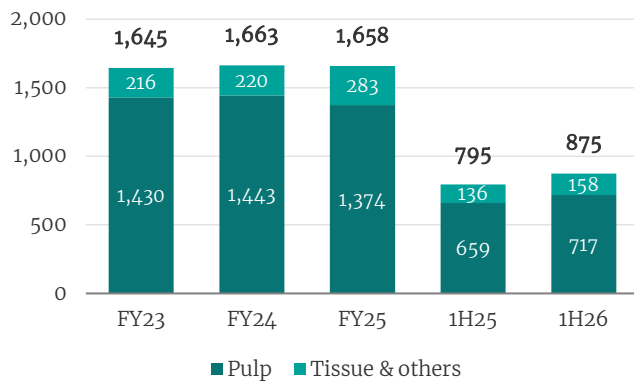
Source: OKI Annual Report 2025 (consolidated operational summary); Aldiracita.

Tissue: Production & Sales (kt)



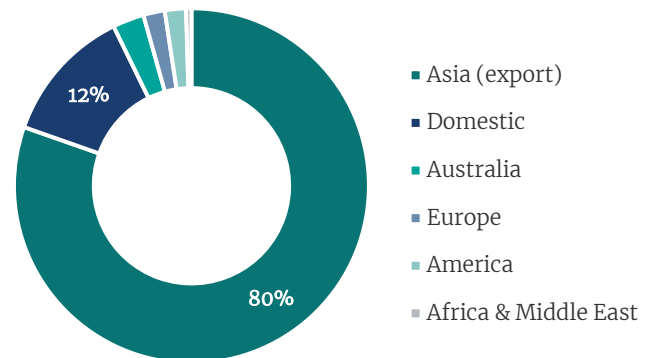
Source: OKI Annual Report 2025 (consolidated operational summary); Aldiracita.

Net Sales by Segment (USD mn)



Source: OKI financial statements (segment information); Aldiracita.

1H2026 Net Sales by Destination



Source: OKI interim financial statements 30 June 2026 (Note 35); Aldiracita.

Exhibit: Segment Results (USD mn)

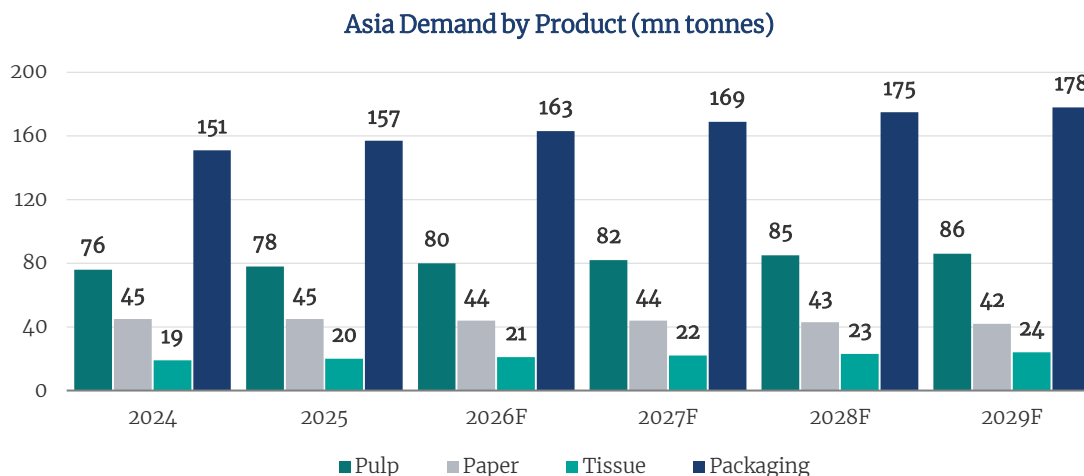
| USD mn                    | FY2023         | FY2024         | FY2025         | 1H2025       | 1H2026       |
|---------------------------|----------------|----------------|----------------|--------------|--------------|
| <b>Net sales</b>          |                |                |                |              |              |
| Pulp products             | 1,429.7        | 1,442.9        | 1,374.3        | 659.0        | 717.3        |
| Tissue and other products | 215.7          | 219.9          | 283.4          | 135.7        | 158.0        |
| <b>Total net sales</b>    | <b>1,645.4</b> | <b>1,662.8</b> | <b>1,657.8</b> | <b>794.7</b> | <b>875.3</b> |
| <b>Gross margin</b>       |                |                |                |              |              |
| Pulp products             | 49.6%          | 48.4%          | 48.6%          | 46.2%        | 51.5%        |
| Tissue and other products | 38.1%          | 32.9%          | 34.2%          | 33.1%        | 33.8%        |
| <b>Group</b>              | <b>48.1%</b>   | <b>46.4%</b>   | <b>46.1%</b>   | <b>43.9%</b> | <b>48.3%</b> |

Source: OKI financial statements FY2023–FY2025 (audited) and 1H2026 (unaudited), segment information; Aldiracita.

## Industry Outlook

### Asian fibre demand keeps growing

OKI sells mainly into Asia, where demand for pulp and pulp-based products is still expanding with incomes and population. RISI projects Asian pulp demand to grow from 76mn tonnes in 2024 to 86mn tonnes in 2029 (2.7% a year), tissue from 19mn to 24mn tonnes (5.0%) and packaging paper from 151mn to 178mn tonnes (3.6%), while printing and writing paper declines 0.9% a year. Total demand across the four grades rises from 291mn to 330mn tonnes.



Source: RISI 2024 Vol. 2 (published August 2025), as cited in OKI Annual Report 2025; Aldiracita.

### Pulp prices are turning up from cash-cost levels

Hardwood pulp prices in China fell to the mid-USD 500s per tonne in July 2026, below the cash cost of many Chinese producers (Suzano estimates an average of USD 535–550 per tonne, with the marginal producer near USD 630). **About 2.5mn tonnes of capacity had announced downtime or closure by August, and Suzano has since raised its Asian hardwood list price twice, by USD 20 a tonne for September and again for October, to around USD 590–600 a tonne.** Chinese port inventories have also started to fall. Analysts read the move as a cyclical rebound rather than a new up-cycle.

### Cost position and integration are the defence

Indonesian hardwood pulp from fast-growing plantations sits low on the global cost curve, and OKI's integrated site limits its exposure to purchased energy and chemicals. At the bottom of the price cycle in 2025, OKI still earned a 47.0% EBITDA margin. The rising tissue share adds a converted product whose prices move less than market pulp.

### SWOT Analysis

#### STRENGTHS

- 3.0mn t pulp + 0.5mn t tissue, one integrated site
- EBITDA margin 46–49% through the cycle
- Part of APP Indonesia; shared resources
- 88% export; USD revenue vs. part-IDR debt
- USD 1.77bn cash + short-term investments

#### OPPORTUNITIES

- Tissue ramp-up (66% utilisation)
- Pulp price recovery from cash-cost floor
- Capex tapering as USD 3.5bn of projects complete
- Asian tissue and packaging demand growth

#### WEAKNESSES

- Large debt load: USD 5.0bn, net 3.7x EBITDA
- DSCR below 1x on full current maturities
- FCF negative while capex runs
- Liquidity largely in two mutual funds

#### THREATS

- Pulp price cyclicity and Chinese demand
- Refinancing and market-access risk
- Rupiah appreciation reverses FX gains
- Sustainability scrutiny in export markets

## Bond Market Overview

### Global: a hiking Fed keeps yields high

The Federal Reserve raised the Fed Funds Rate by 25bp to 4.00% on 16 September 2026, its first hike since 2023, and most officials expect one more move this year. US CPI held at 3.4% YoY in August (core 2.4%), and **the US 10-year yield stood at 5.28% on 2 October, about 50bp higher than in early September**. For OKI's USD series, the relevant anchor is the US curve plus an Indonesian corporate premium.

### Indonesia: BI holds 5.75% to defend the Rupiah

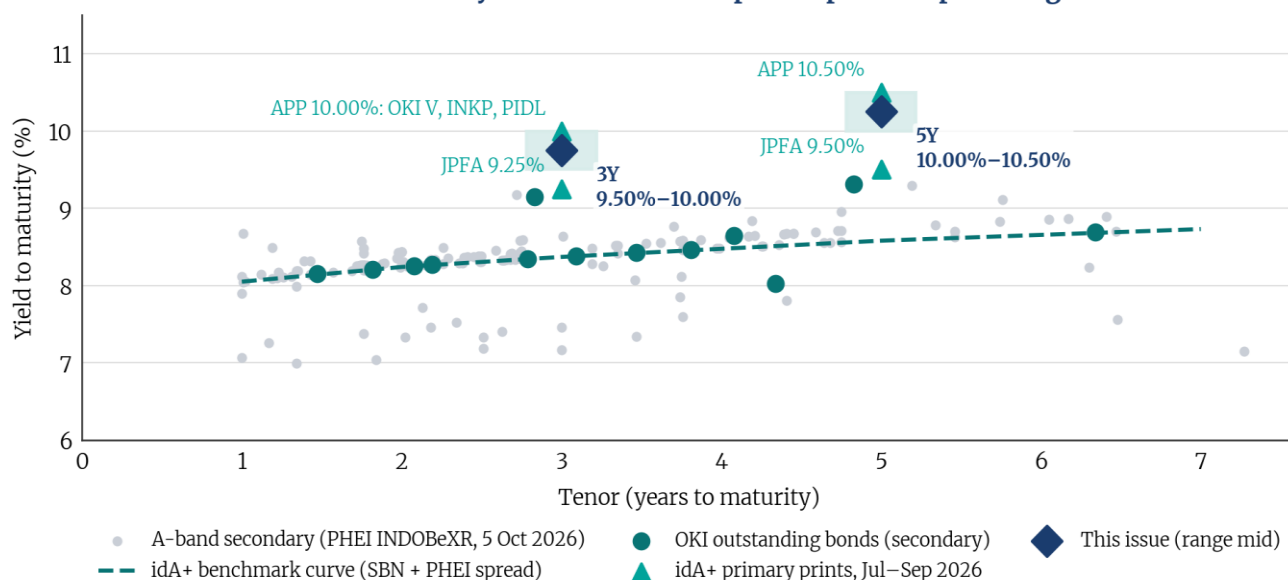
Bank Indonesia kept the BI-Rate at 5.75% on 22–23 September (deposit facility 4.75%, lending facility 6.50%) to stabilise the Rupiah. September CPI rose to 3.28% YoY, still within the 1.5–3.5% target. The Rupiah traded at IDR 17,873/USD and the 10-year SBN at 7.16% on 2 October, while the SBN curve stood at 6.89% (3Y) and 7.04% (5Y) on 5 October.

### Corporate: APP paper prices wide of the idA+ curve

The idA+ benchmark stood at 8.37% (3Y) and 8.58% (5Y) on 5 October, 148bp and 154bp over SBN, after rallying 70bp and 52bp since early July. **APP Indonesia issuers have not followed the curve down: Pindo Deli (July), OKI's Tahap V (August) and Indah Kiat (September) all priced at 10.00% for 3 years and 10.50% for 5 years**, now 163bp and 192bp above the idA+ curve. Japfa, also idA+, cleared at 9.25% and 9.50% in July. In secondary trading, OKI's Tahap V has tightened to 9.15% and 9.32%, and most other OKI series trade on the curve at 8.0–8.7%.

**At the Tahap VI ranges, the Rupiah series pay 113–163bp (3Y) and 142–192bp (5Y) over the idA+ curve and 261–346bp over SBN.** The tops of the ranges, 10.00% and 10.50%, match every APP print since July, while the floors sit 35bp and 68bp above OKI's own Tahap V in the secondary market (9.15% and 9.32%). The USD ranges of 6.25–6.75% (3Y) and 6.50–7.25% (5Y) top out at August's USD Tahap IV coupons of 6.75% and 7.25%, which compare with a 10-year US Treasury yield of 5.28%.

idA+ Secondary Curve vs OKI Tahap VI Rupiah Coupon Ranges



Source: PHEI INDOBeXR A-band constituents, corporate credit spread matrix and SBN curve (5 Oct 2026); IDX new-issue records 2026; Aldiracita.

## Exhibit: idA+ Yield Reference by Tenor (% , indicative)

| Date              | A+ 1Y       | A+ 3Y       | A+ 5Y       | 5Y-1Y        | Key Event                           | Implication                        |
|-------------------|-------------|-------------|-------------|--------------|-------------------------------------|------------------------------------|
| 7 Jul 2026        | 8.89        | 9.07        | 9.10        | +21bp        | PIDL 10.00/10.50%; JPFA 9.25/9.50%  | APP +93/+140bp over curve          |
| 5 Aug 2026        | 8.57        | 8.78        | 8.99        | +42bp        | OKI Tahap V 10.00/10.50%            | APP +122/+151bp                    |
| 4 Sep 2026        | 8.20        | 8.37        | 8.53        | +33bp        | INKP 10.00/10.50%                   | APP +163/+197bp                    |
| <b>5 Oct 2026</b> | <b>8.05</b> | <b>8.37</b> | <b>8.58</b> | <b>+53bp</b> | <b>Fed hikes to 4.00%; BI holds</b> | <b>Tahap VI ranges: +113–192bp</b> |

Source: SBN yield curve + PHEI corporate credit spread matrix for the A+ band; IDX issuance records; Aldiracita. APP spread = 3Y / 5Y coupon minus the idA+ curve on the pricing date.

## Exhibit: Comparable idA+ Primary Issuance, 3Y and 5Y (Jul–Sep 2026)

| Issuer                             | Bond Code                     | Rating      | Tenor          | Coupon                            | Size                    | Listed                  | YTM 5 Oct           |
|------------------------------------|-------------------------------|-------------|----------------|-----------------------------------|-------------------------|-------------------------|---------------------|
| Indah Kiat Pulp & Paper            | INKP06ACN3 + SMINKP05ACN3     | idA+        | 3Y             | 10.00%                            | IDR 2,481.3bn           | 04-Sep-26               | 10.03% <sup>1</sup> |
| Indah Kiat Pulp & Paper            | INKP06BCN3 + SMINKP05BCN3     | idA+        | 5Y             | 10.50%                            | IDR 1,018.7bn           | 04-Sep-26               | 10.58% <sup>1</sup> |
| OKI Pulp & Paper Mills             | OPPM02ACN5                    | idA+        | 3Y             | 10.00%                            | IDR 1,935.9bn           | 06-Aug-26               | 9.15%               |
| OKI Pulp & Paper Mills             | OPPM02BCN5                    | idA+        | 5Y             | 10.50%                            | IDR 333.0bn             | 06-Aug-26               | 9.32%               |
| OKI Pulp & Paper Mills (USD)       | USDOPPM02ACN4                 | idA+        | 3Y             | 6.75%                             | USD 17.1mn              | 06-Aug-26               | —                   |
| OKI Pulp & Paper Mills (USD)       | USDOPPM02BCN4                 | idA+        | 5Y             | 7.25%                             | USD 6.8mn               | 06-Aug-26               | —                   |
| Pindo Deli Pulp & Paper            | PIDL02ACN1 + SMPIDL02ACN1     | idA+        | 3Y             | 10.00%                            | IDR 559.3bn             | 08-Jul-26               | 8.45%               |
| Pindo Deli Pulp & Paper            | PIDL02BCN1 + SMPIDL02BCN1     | idA+        | 5Y             | 10.50%                            | IDR 384.1bn             | 08-Jul-26               | 8.56%               |
| Japfa Comfeed Indonesia            | JPFA03ACN1                    | idA+        | 3Y             | 9.25%                             | IDR 390.0bn             | 08-Jul-26               | 8.34%               |
| Japfa Comfeed Indonesia            | JPFA03BCN1                    | idA+        | 5Y             | 9.50%                             | IDR 110.0bn             | 08-Jul-26               | 8.95%               |
| <b>OKI — this issuance ★ (IDR)</b> | <b>Tahap VI Seri A / B</b>    | <b>idA+</b> | <b>3Y / 5Y</b> | <b>9.50–10.00% / 10.00–10.50%</b> | <b>up to IDR 3.0tn</b>  | <b>13-Nov-26 (ind.)</b> | <b>—</b>            |
| <b>OKI — this issuance ★ (USD)</b> | <b>USD Tahap V Seri A / B</b> | <b>idA+</b> | <b>3Y / 5Y</b> | <b>6.25–6.75% / 6.50–7.25%</b>    | <b>up to USD 25.0mn</b> | <b>13-Nov-26 (ind.)</b> | <b>—</b>            |

**Note:** Primary prints from July 2026 onward only, so all reflect the current rate regime. Tenor computed from listing and maturity dates. Size aggregates bond + sukuk of the same issuance; coupon shown for the conventional tranche (sukuk equivalent identical). YTM from the PHEI A-band constituent list. <sup>1</sup> Barely traded since listing (price near par).

## Exhibit: OKI Bonds and Sukuk Maturing, 4Q2026–4Q2027 (Quarterly)

| Quarter      | Maturity dates | IDR bonds (bn) | IDR sukuk (bn) | Total IDR (bn) | USD bonds (mn) |
|--------------|----------------|----------------|----------------|----------------|----------------|
| 4Q2026       | 12 Oct; 12 Dec | 3,340.0        | 614.1          | 3,954.1        | 6.8            |
| 1Q2027       | 28 Mar; 30 Mar | 1,319.5        | —              | 1,319.5        | 1.8            |
| 2Q2027       | 21 May         | 864.6          | —              | 864.6          | 2.6            |
| 3Q2027       | 19 Jul         | 604.7          | —              | 604.7          | 3.8            |
| 4Q2027       | 4 Nov; 8 Nov   | 1,276.7        | 3.7            | 1,280.4        | 1.5            |
| <b>Total</b> |                | <b>7,405.5</b> | <b>617.8</b>   | <b>8,023.3</b> | <b>16.5</b>    |

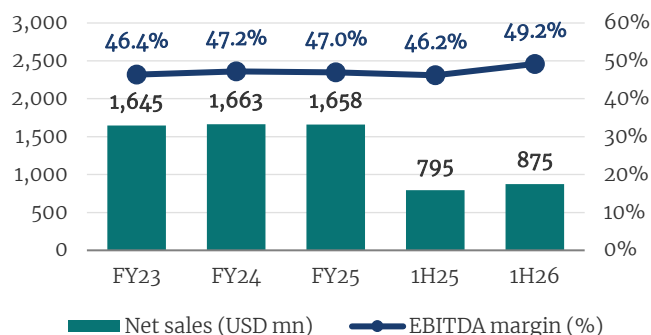
**Note:** As of 7 October 2026, from the IDX bond population (July 2026); the August 2026 tranches mature in 2029 and 2031. 4Q2026 includes IDR 2,984.2bn and USD 1.1mn due on 12 October 2026, before Tahap VI settles on 12 November 2026. Rupiah bonds and sukuk are carried at USD 1.37bn in the 30 June 2026 balance sheet (incl. USD bonds).

## Financial Overview

### Earnings: flat through the trough, rising again in 2026

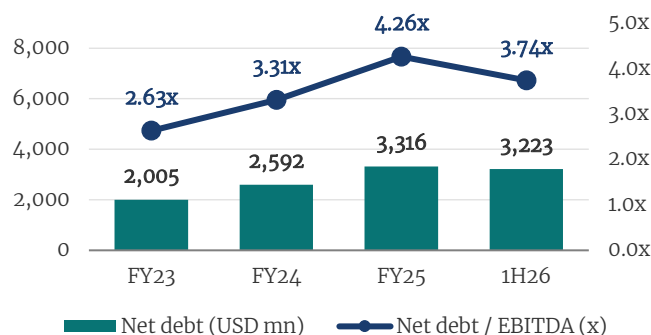
Net sales held at USD 1.65–1.66bn in FY23–FY25 as softer pulp prices offset higher volumes, and EBITDA stayed between USD 763mn and USD 784mn, a 46–47% margin. **FY2025 tissue revenue grew 28.9% while pulp revenue fell 4.8%**, a mix shift that cushioned the pulp downturn. 1H2026 broke the plateau, with EBITDA up 17.3% and the margin at 49.2%.

Net Sales & EBITDA Margin



Source: OKI financial statements; Aldiracita. 1H not annualised.

Net Debt & Net Debt / EBITDA



Source: OKI financial statements; Aldiracita.

### Capex is past its peak; cash flow is turning

Capex of USD 1.47bn in FY2024 and USD 0.88bn in FY2025 was largely debt-funded, and FY2025 operating cash flow fell to USD 22.9mn as receivables rose to USD 462.4mn. **In 1H2026 operating cash flow recovered to USD 279.0mn and capex eased to USD 403.6mn, cutting the free-cash-flow deficit to USD 124.6mn (1H2025: USD 447.7mn).** Assets under construction of USD 3.5bn are almost all 76–100% complete, for commissioning in 2027–2029.

### Exhibit: Leverage, Coverage and Liquidity (USD mn)

| USD mn (unless stated)                            | FY2023  | FY2024  | FY2025  | 1H2026  |
|---------------------------------------------------|---------|---------|---------|---------|
| Total debt (incl. leases)                         | 3,080.4 | 3,723.3 | 4,603.1 | 4,995.9 |
| Cash and cash equivalents                         | 459.1   | 484.0   | 423.1   | 258.5   |
| Short-term investments (mutual funds)             | 616.6   | 646.9   | 863.7   | 1,514.0 |
| Net debt                                          | 2,004.7 | 2,592.4 | 3,316.4 | 3,223.4 |
| Net debt / EBITDA (x)                             | 2.63x   | 3.31x   | 4.26x   | 3.74x   |
| EBITDA / finance costs (x)                        | 3.20x   | 3.04x   | 3.16x   | 3.86x   |
| DSCR — EBITDA / (fin. costs + current maturities) | 0.94x   | 0.73x   | 0.72x   | 0.73x   |
| DSCR — covenant definition (bank loans only)      | 1.23x   | 1.22x   | 1.02x   | 1.10x   |
| Liquidity / debt due within 12 months (x)         | 1.40x   | 1.10x   | 1.27x   | 1.57x   |
| Total liabilities / equity (x; covenant ≤ 2.5x)   | 0.84x   | 0.90x   | 0.99x   | 0.99x   |
| Current ratio (x; covenant ≥ 1.0x)                | 2.81x   | 2.00x   | 2.48x   | 2.57x   |

Source: OKI financial statements FY2023–FY2025 (audited) and 1H2026 (unaudited); Informasi Tambahan Ringkas (July 2026) for covenant definitions; Aldiracita.

### Leverage stable; liquidity sits in cash and mutual funds

Total debt (loans, Musyarakah, bonds, sukuk and leases) rose to USD 5.0bn at June 2026. Against it OKI held USD 258.5mn of cash and USD 1,514.0mn in two US-dollar mutual funds, carried at fair value in current assets and treated here as cash equivalents. **1H26 net debt fell to USD 3.22bn, implying 3.74x annualised EBITDA (FY2025: 4.26x), and liquidity covers debt due within 12 months 1.57x.** DSCR is 1.10x on the covenant definition but 0.73x once bond maturities are included, so maturing bonds rely on refinancing or liquidity.

## 1H2026 Results Summary

| 1H2026 Results                              | 1H2025  | 1H2026  | Δ      | % YoY   |
|---------------------------------------------|---------|---------|--------|---------|
| <b>Financial (USD mn)</b>                   |         |         |        |         |
| Net sales                                   | 794.7   | 875.3   | +80.6  | +10.1%  |
| Pulp products                               | 659.0   | 717.3   | +58.3  | +8.8%   |
| Tissue and other products                   | 135.7   | 158.0   | +22.3  | +16.4%  |
| Gross profit                                | 349.3   | 422.8   | +73.6  | +21.1%  |
| Gross margin                                | 43.9%   | 48.3%   | +440bp | —       |
| Operating profit                            | 276.9   | 333.9   | +57.0  | +20.6%  |
| EBITDA                                      | 367.3   | 430.9   | +63.6  | +17.3%  |
| EBITDA margin                               | 46.2%   | 49.2%   | +300bp | —       |
| Finance costs (interest and profit-sharing) | (126.9) | (111.7) | +15.3  | -12.0%  |
| Gain on foreign exchange — net              | 3.4     | 233.3   | +229.8 | n.m.    |
| Net profit                                  | 159.7   | 438.7   | +279.0 | +174.7% |
| Net profit excluding FX gain                | 156.3   | 205.4   | +49.2  | +31.5%  |
| <b>Cash flow (USD mn)</b>                   |         |         |        |         |
| Net cash from operating activities          | 11.7    | 279.0   | +267.3 | n.m.    |
| Capital expenditure                         | (459.4) | (403.6) | +55.8  | -12.2%  |

Source: OKI unaudited interim financial statements 30 June 2026; Aldiracita Research. EBITDA = operating profit + depreciation (fixed and right-of-use assets). Net profit excluding FX gain is a simple pre-tax deduction for illustration.

### Pulp margins lead the recovery

Net sales rose 10.1% YoY to USD 875.3mn in 1H2026, with pulp up 8.8% to USD 717.3mn and tissue and other products up 16.4% to USD 158.0mn. Cost of goods sold rose only 1.6%, so **gross margin widened 440bp to 48.3%; pulp gross margin reached 51.5% (1H2025: 46.2%) and tissue held at 33.8%**. Selling costs rose 33.3% with export volumes, but operating profit still grew 20.6% to USD 333.9mn and EBITDA 17.3% to USD 430.9mn, a 49.2% margin.

Below the operating line, finance costs fell 12.0% to USD 111.7mn. **The Rupiah's 6.0% depreciation in the half (IDR 16,782 to IDR 17,856/USD) shrank the USD value of OKI's Rupiah bonds and sukuk, producing a USD 233.3mn non-cash FX gain and lifting net profit to USD 438.7mn.** Excluding that gain, net profit rose 31.4%. Operating cash flow recovered to USD 279.0mn as customer receipts rose 33.8%.

## Management Structure

### Board of Directors

| Name                   | Position                     | Background                                                                                                                                                                                                                         |
|------------------------|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Hendra Jaya Kosasih    | President Director           | Career APP executive: President Director of Indah Kiat Pulp & Paper and of Lontar Papyrus; Vice President Director of Pindo Deli; Director of Tjiwi Kimia; earlier President Commissioner of OKI. Started at Prasetio, Utomo & Co. |
| Arman Dwiartono        | Director (Sales & Marketing) | Mechanical engineering degrees from Michigan State University; General Electric engineer; joined APP in 2015 (Head of Chairman Office, Global MBOS); Director of APP Purinusa Ekapersada and Pindo Deli.                           |
| Alfian Lim             | Director (Supply Chain)      | Purdue, Georgia Tech and Carnegie Mellon graduate with 20+ years in strategy, technology and operations; Booz Allen Hamilton, Hewlett Packard, Central Proteina Prima; APP Division Head; Director of Tjiwi Kimia.                 |
| Liu Ruofei             | Director (Production)        | Pulp and paper engineer (Dalian Light Industry Institute) with mill management roles at Nine Dragons and Shandong Bohui; Hainan APP; CEO of Indah Kiat's Perawang mill and APP business-unit CEO.                                  |
| Andrie Setiawan Yapsir | Director (Finance, HR & GA)  | McKinsey & Company; Deputy CEO Forestry and Chief of Chairman Office at APP Indonesia; President Director of APP Purinusa Ekapersada; Commissioner of Tjiwi Kimia and Indah Kiat.                                                  |

### Board of Commissioners

| Name                 | Position                 | Background                                                                                                                                                                           |
|----------------------|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Suhendra Wiriadinata | President Commissioner   | Former President Director of Tjiwi Kimia and Vice President Director of Indah Kiat; director and commissioner roles across Pindo Deli and Lontar Papyrus.                            |
| Sukirta Mangku Djaja | Commissioner             | Commissioner of Lontar Papyrus, Indah Kiat and Tjiwi Kimia; Tarumanagara University graduate.                                                                                        |
| Kurniawan Yuwono     | Commissioner             | APP Singapore; Director of Uni-Charm Indonesia, Indah Kiat and Lontar Papyrus; President Director of The Univenus.                                                                   |
| Baharudin            | Independent Commissioner | Former GM Finance & Accounting and Director of Indah Kiat; Independent Director of Tjiwi Kimia; Independent Commissioner of Indah Kiat.                                              |
| Tio I Huat           | Independent Commissioner | Independent Commissioner since 2021; Argo Manunggal Group; director at Menamas Mitra Energi and Central Daya Energi; Independent Director and Corporate Secretary of Lontar Papyrus. |

Source: OKI Annual Report 2025 (board profiles); interim financial statements 30 June 2026 (Note 1b).

## Key Risks

**Refinancing reliance.** Debt due within 12 months totals USD 1.13bn, and IDR 2,984bn of bonds and sukuk falls due on 12 October 2026, before this issue settles. EBITDA covers finance costs plus all current maturities only 0.73x, so OKI depends on continued access to bank and bond markets and on its liquidity buffer.

**Liquidity concentrated in two mutual funds.** USD 1.51bn of the USD 1.77bn liquidity sits in the World Resources Investment Fund and the GV Investment Fund, measured at fair value. We treat them as cash equivalents, as they are classified in current assets, but their redemption terms and underlying holdings are not disclosed.

**Pulp price cycle.** Pulp is 82% of sales. Hardwood prices in China fell to the mid-USD 500s per tonne in mid-2026; a weaker recovery in Chinese demand would compress margins and cash flow.

**FX swings in reported profit.** OKI reports in USD but carries IDR-denominated bonds and sukuk. Rupiah weakness produced a USD 233.3mn gain in 1H2026; a Rupiah recovery would reverse part of it. For Rupiah bondholders, USD revenue is a natural support.

**Group and sustainability exposure.** OKI shares directors and resources with other APP Indonesia companies, so group-level events can affect its credit standing. Export markets apply tightening sustainability rules to forest products.

## Appendix: Consolidated Financial Statements (USD mn)

### Exhibit A: Consolidated Income Statement (USD mn)

| Item                                    | FY2023       | FY2024       | FY2025       | 1H2025       | 1H2026       |
|-----------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Net sales                               | 1,645.4      | 1,662.8      | 1,657.8      | 794.7        | 875.3        |
| Cost of goods sold                      | (854.6)      | (891.8)      | (893.3)      | (445.5)      | (452.5)      |
| <b>Gross Profit</b>                     | <b>790.9</b> | <b>771.0</b> | <b>764.5</b> | <b>349.3</b> | <b>422.8</b> |
| Selling expenses                        | (171.5)      | (133.7)      | (128.2)      | (53.7)       | (71.6)       |
| General and administrative expenses     | (34.4)       | (31.5)       | (38.2)       | (18.6)       | (17.4)       |
| <b>Operating Profit</b>                 | <b>585.0</b> | <b>605.8</b> | <b>598.1</b> | <b>276.9</b> | <b>333.9</b> |
| Gain / (loss) on foreign exchange — net | (40.5)       | 116.7        | 100.2        | 3.4          | 233.3        |
| Interest income                         | 9.9          | 12.1         | 8.3          | 4.8          | 3.2          |
| Interest expense                        | (210.6)      | (230.7)      | (202.9)      | (107.6)      | (86.3)       |
| Musyarakah, Sukuk and Murabahah         | (27.8)       | (27.4)       | (43.3)       | (19.3)       | (25.3)       |
| Others — net                            | 37.5         | 19.2         | 2.2          | (0.1)        | (0.9)        |
| <b>Profit Before Income Tax</b>         | <b>353.5</b> | <b>495.7</b> | <b>462.6</b> | <b>158.0</b> | <b>457.7</b> |
| Income tax benefit / (expense)          | (16.2)       | (5.9)        | (4.8)        | 1.7          | (19.0)       |
| <b>Net Profit</b>                       | <b>337.3</b> | <b>489.8</b> | <b>457.8</b> | <b>159.7</b> | <b>438.7</b> |
| Memo: depreciation                      | 178.3        | 178.5        | 180.8        | 90.4         | 97.1         |
| Memo: EBITDA                            | 763.3        | 784.3        | 778.9        | 367.3        | 430.9        |

## Exhibit B: Key Financial Ratios

| Ratio                                             | FY2023 | FY2024 | FY2025 | 1H2026 |
|---------------------------------------------------|--------|--------|--------|--------|
| <b>PROFITABILITY</b>                              |        |        |        |        |
| Net sales growth (YoY)                            | n.a.   | +1.1%  | -0.3%  | +10.1% |
| Gross margin                                      | 48.1%  | 46.4%  | 46.1%  | 48.3%  |
| Operating margin                                  | 35.6%  | 36.4%  | 36.1%  | 38.1%  |
| EBITDA margin                                     | 46.4%  | 47.2%  | 47.0%  | 49.2%  |
| Net margin                                        | 20.5%  | 29.5%  | 27.6%  | 50.1%  |
| Return on average equity                          | n.a.   | 11.6%  | 9.8%   | 17.1%  |
| <b>LEVERAGE &amp; COVERAGE</b>                    |        |        |        |        |
| Total debt / equity                               | 0.78x  | 0.84x  | 0.94x  | 0.93x  |
| Net debt / equity                                 | 0.51x  | 0.58x  | 0.68x  | 0.60x  |
| Total liabilities / equity                        | 0.84x  | 0.90x  | 0.99x  | 0.99x  |
| Total liabilities / total assets                  | 0.46x  | 0.47x  | 0.50x  | 0.50x  |
| Net debt / EBITDA                                 | 2.63x  | 3.31x  | 4.26x  | 3.74x  |
| EBITDA / finance costs                            | 3.20x  | 3.04x  | 3.16x  | 3.86x  |
| DSCR (EBITDA / (fin. costs + current maturities)) | 0.94x  | 0.73x  | 0.72x  | 0.73x  |
| <b>LIQUIDITY</b>                                  |        |        |        |        |
| Current ratio                                     | 2.81x  | 2.00x  | 2.48x  | 2.57x  |
| (Cash + ST investments) / debt due in 12 months   | 1.40x  | 1.10x  | 1.27x  | 1.57x  |

Source: OKI financial statements; Aldiracita. 1H2026 growth is YoY vs 1H2025; 1H2026 EBITDA, finance costs and ROE annualised. Net debt nets cash and short-term investments.

## Exhibit C: Consolidated Cash Flow (USD mn)

| Item                                         | FY2023         | FY2024           | FY2025           | 1H2026           |
|----------------------------------------------|----------------|------------------|------------------|------------------|
| Receipts from customers                      | 1,801.8        | 1,902.9          | 1,434.9          | 938.5            |
| Cash generated from operations               | 842.1          | 886.8            | 393.1            | 482.7            |
| Interest and other financial charges paid    | (250.9)        | (298.5)          | (342.7)          | (193.9)          |
| Taxes and interest received — net            | (41.8)         | 63.5             | (27.6)           | (9.8)            |
| <b>Net Cash from Operating Activities</b>    | <b>549.4</b>   | <b>651.8</b>     | <b>22.9</b>      | <b>279.0</b>     |
| Capex (fixed assets and advances)            | (766.3)        | (1,474.8)        | (881.2)          | (403.6)          |
| Short-term investments and other assets      | (70.4)         | 74.1             | (200.8)          | (676.0)          |
| Proceeds from sale of fixed assets           | 0.0            | 3.4              | 6.2              | 0.0              |
| <b>Net Cash Used in Investing Activities</b> | <b>(836.7)</b> | <b>(1,397.2)</b> | <b>(1,075.8)</b> | <b>(1,079.6)</b> |
| <b>Net Cash from Financing Activities</b>    | <b>385.7</b>   | <b>758.9</b>     | <b>986.8</b>     | <b>626.8</b>     |
| <b>Net Increase / (Decrease) in Cash</b>     | <b>98.4</b>    | <b>13.6</b>      | <b>(66.0)</b>    | <b>(173.8)</b>   |
| FX effect on cash                            | (4.6)          | 11.3             | 5.1              | 9.3              |
| <b>Cash at End of Period</b>                 | <b>459.1</b>   | <b>484.0</b>     | <b>423.1</b>     | <b>258.5</b>     |

**Note:** FY figures audited; 1H figures unaudited. 1H2026 financing: USD 1,092.3mn drawn (loans USD 720.2mn, bonds USD 230.3mn, sukuk USD 89.4mn, Musyarakah USD 52.5mn) and USD 465.5mn repaid.

## Exhibit D: Consolidated Statement of Financial Position (USD mn)

| Item                                            | 31 Dec 2023    | 31 Dec 2024    | 31 Dec 2025    | 30 Jun 2026     |
|-------------------------------------------------|----------------|----------------|----------------|-----------------|
| <b>ASSETS</b>                                   |                |                |                |                 |
| Cash and cash equivalents                       | 459.1          | 484.0          | 423.1          | 258.5           |
| Trade receivables — net                         | 478.9          | 238.7          | 462.4          | 400.7           |
| Inventories                                     | 177.7          | 193.4          | 180.3          | 199.0           |
| Advances                                        | 567.3          | 705.7          | 818.9          | 812.9           |
| Other current assets (incl. mutual funds)       | 759.2          | 714.1          | 939.1          | 1,632.3         |
| Prepaid taxes, expenses and other receivables   | 124.2          | 49.9           | 100.7          | 95.3            |
| <b>Total Current Assets</b>                     | <b>2,566.4</b> | <b>2,385.8</b> | <b>2,924.5</b> | <b>3,398.6</b>  |
| Fixed assets — net                              | 3,916.2        | 5,578.5        | 6,190.0        | 6,579.5         |
| Advances for purchase of fixed assets           | 769.5          | 471.0          | 662.2          | 663.4           |
| Right-of-use and other non-current assets       | 38.9           | 17.0           | 14.3           | 14.2            |
| <b>Total Non-Current Assets</b>                 | <b>4,724.7</b> | <b>6,066.5</b> | <b>6,866.5</b> | <b>7,257.1</b>  |
| <b>Total Assets</b>                             | <b>7,291.1</b> | <b>8,452.3</b> | <b>9,791.0</b> | <b>10,655.7</b> |
| <b>LIABILITIES &amp; EQUITY</b>                 |                |                |                |                 |
| Short-term loans (incl. Musyarakah)             | 198.7          | 211.1          | 175.3          | 176.3           |
| Trade payables                                  | 105.9          | 129.3          | 128.2          | 143.2           |
| Current maturities of long-term debt and leases | 571.1          | 812.5          | 841.5          | 951.9           |
| Accruals, taxes and other current liabilities   | 38.0           | 37.7           | 35.0           | 52.6            |
| <b>Total Current Liabilities</b>                | <b>913.7</b>   | <b>1,190.7</b> | <b>1,180.1</b> | <b>1,324.1</b>  |
| Long-term loans and Musyarakah financing        | 1,579.7        | 1,997.6        | 2,728.0        | 2,880.2         |
| Bonds payable                                   | 636.8          | 627.1          | 597.5          | 659.4           |
| Sukuk Mudharabah                                | 92.9           | 72.9           | 256.1          | 324.7           |
| Lease liabilities                               | 1.2            | 2.2            | 4.8            | 3.3             |
| Deferred tax and employee benefits              | 105.3          | 111.1          | 116.2          | 117.2           |
| <b>Total Non-Current Liabilities</b>            | <b>2,415.9</b> | <b>2,810.7</b> | <b>3,702.5</b> | <b>3,984.8</b>  |
| <b>Total Liabilities</b>                        | <b>3,329.6</b> | <b>4,001.4</b> | <b>4,882.6</b> | <b>5,308.9</b>  |
| <b>Total Equity</b>                             | <b>3,961.5</b> | <b>4,450.9</b> | <b>4,908.4</b> | <b>5,346.8</b>  |
| <b>Total Liabilities and Equity</b>             | <b>7,291.1</b> | <b>8,452.3</b> | <b>9,791.0</b> | <b>10,655.7</b> |

Source: OKI audited FY2024 and FY2025 accounts (FY2023 comparatives from the FY2024 accounts); unaudited statement of financial position 30 June 2026. Some line items combined. Mutual funds within other current assets: 616.6 / 646.9 / 863.7 / 1,514.0.

## Important Disclosures & Disclaimers

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| Rating | Definition                                                                                                                                                                            |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| idAAA  | Highest rating; the obligor's capacity to meet its long-term financial commitments, relative to other Indonesian obligors, is superior.                                               |
| idAA   | Very strong capacity to meet long-term financial commitments; differs from the highest-rated obligors only to a small degree.                                                         |
| idA    | <b>Strong capacity to meet long-term financial commitments, but somewhat more susceptible to adverse changes in circumstances and economic conditions than higher-rated obligors.</b> |
| idBBB  | Adequate capacity to meet long-term financial commitments; adverse economic conditions or changing circumstances are more likely to weaken it.                                        |
| + / -  | Shows relative strength within a rating category.                                                                                                                                     |

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