

INVESTOR RELEASE

FOR IMMEDIATE RELEASE

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LPKR FY20 EBITDA increased by 47% YoY to Rp1.9 trillion due to PSAK 73 adjustments and driven by strong property business as Marketing Sales improved by 45% YoY to Rp2.67 trillion

- **Reported EBITDA in FY20 increased by 47% YoY to Rp1.90 trillion from Rp1.30 trillion in FY19; EBITDA adjusted for PSAK 73 was Rp1.3 trillion (-2%) due to Covid impact on Malls & Hotels.**
- **Lippo Karawaci's FY20 Marketing Sales increased 45% YoY to Rp2.67 trillion surpassing FY20 target by 7% - FY21 target of Rp3.5 trillion to be supported by multiple landed housing launches.**
- **The Company conducted a comprehensive review and decided to take a non-cash one-off impairment of Rp5.98 trillion impacting reported net loss of Rp8.89 trillion. The one-off is composed of non-cash items including inventory impairment, DINFRA and other asset clean up.**
- **Revenue of Rp11.97 trillion represented a decrease of 3% YoY from Rp12.32 trillion as Pillar 1 revenue increased 9% YoY to Rp3.25 trillion and now accounts for 27% of total revenue from only 24% in 2019.**

Jakarta - PT Lippo Karawaci Tbk ("**LPKR**" or "**Company**"), Indonesia's leading real estate company based on total assets and revenue, today announced its results for the full year 2020. Despite Covid-19, Real Estate Development revenue increased by 9.4% to Rp3.25 trillion from Rp2.98 trillion as the Company's core property business is showing signs of improvement. This was boosted by strong demand for existing inventory as well as revenue from Hillcrest and Fairview Towers in Lippo Village. The property business continues to show signs of resilience as marketing sales continue to surpass corporate targets. In 2020, marketing sales of Rp2.67 trillion increased by 45% YoY and were 7% above LPKR's target.

Real Estate Management & Services decreased by 6.4% in FY20 to Rp8.63 trillion from Rp9.22 trillion as Malls and Hotels continued to experience challenging conditions due to the pandemic, despite Hospitals experiencing significant business recovery. Hospitals started to report a gradual return of core private patient business through 4Q20 as a result of effective health protocol communication and the prolonged overseas travel ban. Recovery in Siloam's business is nevertheless not enough to offset the decline in other recurring businesses. Covid-19 cases continued to increase throughout 4Q20 in Indonesia, leading to slower than expected mall footfall traffic, and re-opened hotels saw limited December holiday season business. Consolidated, LPKR's revenues were down by 3% YoY to Rp11.97 trillion from Rp12.32 trillion.

LPCK resiliently navigates the Covid-19 crisis

Lippo Cikarang reported strong revenue growth in the midst of Covid-19 as inventory sales of residential homes gained traction while the Orange County apartment complex continued its handover of units. LPCK's revenue increased by 8.8% YoY to Rp1.84 trillion in FY20 from Rp1.70 trillion in FY19. In FY20, Orange County recorded a 61% YoY increase in revenues to Rp990 billion from Rp615 billion as handovers of units picked up. Moreover, residential revenue increased by 48% YoY to Rp315 billion compared to Rp213 billion in 2019. Note that Waterfront Estates, affordable landed residential clusters in Cikarang that was launched in 1Q20, are scheduled for handover in 2Q21 and should help support 2021 revenue growth.

Siloam's revenues rebounded quickly in 2H20

Siloam Hospitals performance quickly rebounded by 16% YoY in 4Q20 (after experiencing a -22% growth in 2Q20) resulting in a 1% YoY revenue growth in FY20. Siloam's 2020 revenue reached Rp7.11 trillion, up from Rp7.02 trillion in the prior year. Siloam continues to account for a majority of LPKR's revenues (59%) as the property business is just starting to rebound. Overall, revenue from LPKR's Real Estate Management & Other Services decreased by 6.4%, accounting for 72% of total revenue in FY20 compared to 75% in FY19.

(In Billion Rp)	Income Statement	4Q20	4Q19	Change YoY
SILOAM P&L BREAKDOWN				
	Revenue	2,109	1,802	17.0%
	Gross Profit	754	484	55.8%
	Opex	504	479	5.2%
	EBITDA	472	140	237.1%
	Net Income After Tax	165	-382	NM

Siloam has expanded its COVID-19 testing capacity significantly to support Indonesia's effort to contain the Covid-19 virus. In FY20, Siloam conducted 212k PCR tests and more than 1.2 million rapid and serology tests. In addition to testing capacity, Siloam has 4 hospitals dedicated to COVID-19 treatment. Core EBITDA for FY20 improved by Rp61 billion (or 7%) to Rp932 billion from Rp871 billion YoY, while reported EBITDA of Rp1.2 trillion was up 169% from Rp445 billion as PSAK 73 adoption and one-time items impacted the reported results. We are starting to see positive results from Management's shift of focus from expansion to asset monetization as more ramping up hospitals turn EBITDA positive.

In 4Q20, Siloam booked QoQ EBITDA growth of 84% to Rp454 billion from Rp247 billion in 3Q20, primarily supported by increased pandemic related revenues. In 4Q20, Siloam's Net Profit After Tax increased to Rp1 billion from a net loss of Rp387 billion in the year ago period.

(In Billion Rp)	Income Statement	2020	2019	Change YoY
Revenue				
Development	Subtotal	3,253	2,975	9.4%
	Real Estate Development	3,253	2,975	9.4%
Recurring	Subtotal	8,713	9,345	-6.8%
	Healthcare	7,110	7,018	1.3%
	Malls	456	598	-23.7%
	Others (Real Estate Management & Services)	1,066	1,604	-33.5%
	Fund Management/ Investment	81	125	-35.2%
	Total Revenue	11,966	12,320	-2.9%

Consolidated Gross Profit decreased by 6.7% YoY to Rp4.29 trillion in FY20

LPKR booked gross profit of Rp4.29 trillion in FY20 compared to Rp4.60 trillion in FY19. The Real Estate Development segment reported a decrease in Gross Profit of 6.5% YoY to Rp836 billion in FY20 from Rp894 billion in FY19. Meanwhile, the malls, and other non-healthcare pillar 2 and pillar 3 businesses recorded decreases of 24.5%, 27.6% and 35.2% respectively due to the pandemic situation from the year ago period.

(In Billion Rp)	Income Statement	2020	2019	Change YoY
GROSS PROFIT				
	Real Estate Development	836	894	-6.5%
	Healthcare	2,417	2,287	5.7%
	Malls	451	597	-24.5%
	Others (Real Estate Management & Services)	501	692	-27.6%
	Fund Management/ Investment	81	125	-35.2%
Total		4,287	4,596	-6.7%
GROSS MARGIN (%)		36%	37%	

(In Billion Rp)	Income Statement	2020	2019	Change YoY
OPERATING EXPENSES				
	Real Estate Development	1,615	1,415	14.2%
	Real Estate Management & Services	2,403	2,539	-5.4%
	Fund Management/ Investment	52	50	2.7%
Total		4,069	4,004	1.6%
OPEX / REVENUES		34%	32%	

Consolidated FY20 EBITDA increased by 47% YoY to Rp1.90 trillion

LPKR's reported EBITDA in FY20 increased by 47% YoY to Rp1.90 trillion from Rp1.30 trillion in FY19. After adjusting for the adoption of PSAK 73 pertaining to the recognition of leases the core EBITDA declined by 2% to Rp1.3 trillion from Rp1.3 trillion in FY19. Core EBITDA adjusts for PSAK 73's positive contribution of Rp633 billion to FY20 results. Real Estate Development led the reported EBITDA improvement, increasing to Rp4 billion in FY20 from a loss of Rp457 billion in FY19.

(In Billion Rp)	Income Statement	2020	2019	Change YoY
EBITDA				
	Real Estate Development	4	(457)	290.7%
	Healthcare	1,269	843	50.5%
	Malls	172	318	-45.9%
	Others (Real Estate Management & Services)	423	514	-17.7%
	Fund Management/ Investment	35	81	-57.2%
Total		1,903	1,299	46.5%
EBITDA MARGIN		16%	11%	

Consolidated EBITDA Margin has improved to 16% in FY20 from 11% in FY19. However, as a result of a number of one-time impairments and costs incurred LPKR realized a FY20 net loss of Rp8.89 trillion compared to a net loss of Rp1.98 trillion in 2019.

Item	2020	2019	Change YoY
EBITDA (As Reported)	1,903	1,298	46.6%
EBITDA (less PSAK 73)	1,270	1,298	-2.2%
NPAT (As Reported)	(8,891)	(1,983)	-348.3%
NPAT (less PSAK 72/73, One-time charges, Mark to Mkt)	(1,790)	(1,605)	-11.5%

In FY20, The Company conducted a comprehensive review and decided to take a non-cash one-off impairment of Rp5.98 trillion impacting the reported net loss of Rp8.89 trillion. After adjusting for one-time items net loss after tax increased by 11.5% to a loss of Rp1.79 trillion from Rp1.61 trillion in 2019. The one-time impairments were from inventory, DINFRA write-downs and other asset clean up. All one-time items were non-cash in nature. While a sizable figure, we believe going forward that the one-time adjustments will allow our balance sheet to accurately reflect the business improvements under new management and

remove legacy item volatility to earnings. Potential costs incurred from our legacy high-rise projects are being realized upfront such that there will be no booking of negative margin once legacy projects are handed over.

Recent Events

LPKR completed the divestment of Lippo Mall Puri to Lippo Malls Indonesia Retail Trust (LMIRT) for Rp3.5 trillion in January 2021. The Transaction was significantly cash and value-accretive for LPKR, receiving Rp1.93T in Liquidity and 3.5 billion LMIRT units valued at ~Rp2.5T based on current market price s.

LPKR successfully renegotiated the hospital's rental structure agreement with Singapore-based First REIT and Siloam Hospitals. The new leases are based on the principle of sustainability: all hospital rents will now be entirely Rupiah denominated thus removing any currency mismatch; rents will include a 4.5% annual escalation in Rupiah terms or 8% of prior year's GOR, whichever is higher. Furthermore, Siloam has restructured its rental payments that will help to minimize rental subsidy. This successful restructuring with First REIT and Siloam removes a key uncertainty for all parties, and results in more than Rp450.0 billion of savings for LPKR in 2021 compared to the pre-existing structure

John Riady, CEO of LPKR noted, "Despite the pandemic situation, 2020 was a thriving year for our property business with over Rp2.67 trillion in marketing sales, up 45% year on year. In the future, as we reflect on 2020 results and the changes at Lippo Karawaci we will point to this year as the turning point where our property business model was validated by selling out all of our launches in Lippo Village in a matter of hours from launch. On the recurring income side, Siloam Hospitals reported strong EBITDA growth and improving margins, as their doctors and nurses were at the forefront of fighting the pandemic. Although our other recurring income streams remain under pressure due to the Covid-19 pandemic, we have seen business slowly rebounding and life returning closer to normal."

Project	Location	in RpBn		FY20	FY20
		FY20F Marketing Sales Target	FY20A Marketing Sales	Units sold	Land ASP (Rpm per sqm)
Holdco		1,700	1,654		
Lippo Village	West Greater Jakarta	750	849	729	12.5
Holland Village Manado	Manado, North Sulawesi	10	10	9	32.4
Tanjung Bunga	Makassar, South Sulawesi	150	146	317	-
San Diego Hills	Karawang, West Java	200	214	1,769	16.9
Amartapura	West Greater Jakarta	-	19	34	5.1
Kemang Village	South Jakarta	100	48	9	17.9
Hillcrest & Fairview (LV)	West Greater Jakarta	100	77	47	17.7
St. Moritz	West Jakarta	100	114	36	16.1
Park View	South Jakarta	-	1	1	16.9
Holland Village Jakarta	North East Jakarta	150	36	18	19.2
Lippo Office Thamrin	Central Jakarta	100	94	10	45.0
Embarcadero Suites	Tangerang	40	17	14	18.1
Retail Inventory	Sumatera	-	31	28	2.0
Lippo Cikarang					
Residential	East Greater Jakarta	25	28	24	8.6
Waterfront	East Greater Jakarta	600	645	759	11.3
Commercial	East Greater Jakarta	25	12	3	5.3
Industrial	East Greater Jakarta	100	291	73	2.0
Orange County	East Greater Jakarta	50	39	34	-
Total		2,500	2,670	3,886	

About Lippo Karawaci (“LPKR”) (www.lippokarawaci.co.id)

Listed on the Indonesia Stock Exchange, Lippo Karawaci (“LPKR”) is Indonesia’s leading integrated real estate company with total assets of US\$3.7 billion at 31 December 2020. Our core business comprises urban residential developments, lifestyle malls and healthcare. We are also actively involved in integrated developments, hospitality, township development and management, as well as asset management services.

Currently, the Company has a presence in 40 cities, and is a leading Indonesian property developer with 1,362 ha of landbank ready for development. Through our two publicly listed subsidiaries, PT Lippo Cikarang Tbk, and PT Gowa Makassar Tourism Development Tbk, of which LPKR owns 84.0% and 62.7% respectively, LPKR develops and operates urban developments at Lippo Cikarang in Bekasi and at Tanjung Bunga in Makassar. Additionally, LPKR owns 55.4% of PT Siloam International Hospitals Tbk, Indonesia’s leading private hospitals network, with 39 hospitals across 25 cities nationwide.

LPKR also has an ownership stake in Lippo Malls Indonesia Retail Trust, a listed REIT in Singapore with US\$1.8bn of assets under management at 31 December 2020.

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