

Comprehensive Financial Performance

FINANCIAL POSITION OVERVIEW

As of December 31, 2024, TelkomGroup had total assets of Rp299,675 billion or US\$18,619 million, increased by 4.4% from the previous period. The increase was due to an increase in right-of-use assets, trade receivables, cash and cash equivalents, and other non-current assets. Meanwhile, total liabilities were Rp137,185 billion or US\$8,523 million. It increased by 5.1% from last year. The increase was due to an increase in bank loans, accrued expenses, bonds and promissory notes, and lease liabilities.

Telkom and Its Subsidiaries Financial Position 2022-2024

	Growth 2024-2023 (%)	Years ended December 31			
		2024		2023	2022
		(Rp billion)	(US\$ million)	(Rp billion)	(Rp billion)
Total Current Assets	13.4	63,080	3,919	55,613	55,057
Total Non-Current Assets	2.2	236,595	14,700	231,429	220,135
Total Assets	4.4	299,675	18,619	287,042	275,192
Total Current Liabilities	7.3	76,767	4,770	71,568	70,388
Total Non-Current Liabilities	2.6	60,418	3,754	58,912	55,542
Total Liabilities	5.1	137,185	8,523	130,480	125,930
Total Equity attributable to owners of the parent company	4.7	142,094	8,828	135,744	129,258

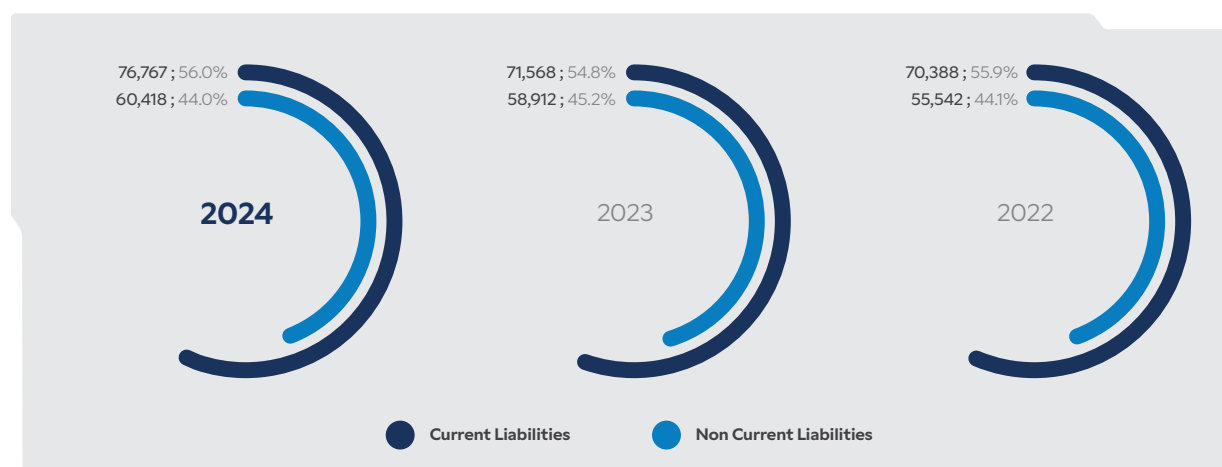
Financial Position Comparison

The position of Telkom's current assets and non-current assets as of December 31, 2024, was 21% and 79% towards total assets. Meanwhile, for the liabilities, Telkom had 44% current liabilities and 56% non-current liabilities towards total liabilities.

Asset Composition 2022-2024 (Rp billion)



Liabilities Composition 2022-2024 (Rp billion)



Comparison of Financial Position as of December 31, 2024, Compared to as of December 31, 2023

1. Assets

At the end of 2024, Telkom's total assets were Rp299,675 billion or US\$18,619 million. It increased by Rp12,633 billion or 4.4% compared to 2023. It was due to:

a. Current Assets

Telkom's current assets of December 31, 2024, were recorded at Rp63,080 billion or US\$3,919 million, increased by Rp7,467 billion or 13.4% from 2023. It was due to:

- An increase in cash and cash equivalents of Rp4,898 billion or 16.9% due to the increase in cash in bank for related and third parties, which resulted from the increase in cash flows from operating activities, sale of property and equipment, and proceeds from loans and other borrowings.

- An increase in trade receivables of Rp1,526 billion or 14.3% due to the increase in trade receivables of related parties of Rp432 billion and trade receivables of third parties of Rp1,094 billion.
- An increase in claim for tax refund and prepaid taxes of Rp916 billion or 47.5% due to the increase in total prepaid taxes – current portion.
- An increase in Contract cost of Rp481 billion or 73.7% due to the increase in contract fulfilment costs.
- An increase in other current assets of Rp178 billion or 2.2% due to the increase in other receivables, prepaid frequency license fees – current portion, and prepaid salaries.
- An increase in inventories of Rp99 billion or 9.9% due to the increase in inventories of spare part components and other inventories.

The increases were offset by:

- A decrease in other current financial assets of Rp376 billion or 22.6% due to the decrease in time deposits and mutual funds.
- A decrease in contract assets of Rp255 billion or 9.4% due to the decrease in contract assets - current portion.

b. Non-Current Assets

TelkomGroup's non-current asset as of December 31, 2024, were Rp236,595 billion or US\$14,700 million, increased by 2.2% or Rp5,166 billion from 2023. It was due to:

- An increase in right-of-use assets of Rp4,326 billion or 19.2% due to the increase in right-of-use assets in land rights, buildings, transmission installation and equipment, vehicles, and others.
- An increase in other non-current assets of Rp775 billion or 14.3% due to the increase in claims for tax refund – net of current portion, prepaid expenses, and security deposit.
- An increase in intangible assets of Rp711 billion or 8.1% due to the value increase in software and license.
- An increase in long-term investments in financial instruments of Rp173 billion or 2.1% due to the increase in long-term investments in financial instruments of equity in the form of shares, long-term investment in financial instruments of FVTPL and FVTOCI.
- An increase in contract assets Rp103 billion or 396.2% due to the increase in contract asset – non current portion and decrease in allowance for expected credit losses in 2024.
- An increase in contract cost of Rp28 billion or 1.8% due to the increase in difference between amortization during the year with additional cost to obtain and cost to fulfill, and impairment.

The increases were offset by:

- A decrease in deferred tax assets - net of Rp761 billion or 18.2% due to the decrease in allowance for expected credit losses, pension and other post-employment benefits, difference between book value of accounting and tax property equipment, provision for employee benefits, and deferred tax assets of Telkomsel and other subsidiaries.
- A decrease in property and equipment of Rp189 billion or 0.1% due to the decrease in net book value from switching equipment; telegraph, telex, and data communication equipment; transmission installation and equipment; satellite, earth station, and equipment; cable network; power supply; data processing equipment; and other telecommunication peripherals.

2. Liabilities

At the end of 2024, TelkomGroup recorded total liabilities of Rp137,185 billion or US\$8,523 million, it increased by 5.1% or Rp6,705 billion from 2023. The following influenced changes in liabilities:

a. Current Liabilities

At the end of 2024, TelkomGroup's current liabilities were Rp76,767 billion or US\$4,770 million, it increased by 7.3% or Rp5,199 billion and was due to:

- An increase in current maturities of long-term loans and other borrowings of Rp5,590 billion or 54.4% due to the increase in long-term bank loans, bonds and medium-term notes (MTN).
- An increase in short-term bank loans of Rp1,875 billion or 19.4% due to the increase in short-term bank loans of related and third parties.

- An increase in accrued expenses of Rp1,113 billion or 8.5% due to the increase in accrued expenses for operation, maintenance, and telecommunication services; and general, administrative, and marketing expenses.
- An increase in contract liabilities of Rp890 billion or 13.0% due to the increase in advances from customers for Mobile, Enterprise, WIB, and others.
- An increase in customer deposits of Rp306 billion or 11.9% due to the increase in customers.
- An increase in other payables of Rp13 billion or 2.9% due to the increase in other payables from external and affiliation, and customer deposits.

The increases were offset by:

- A decrease in trade payables of Rp3,272 billion or 17.6% due to the settlement of trade payables from third parties for purchases of equipment, materials, and services, and settlement of payables to other telecommunication providers.
- A decrease in taxes payable of Rp1,232 billion or 27.2%, mostly due the decrease in taxes payable of The Company and subsidiaries, such as corporate income tax.
- A decrease in current maturities of lease liabilities of Rp84 billion or 1.5%.

b. Non-Current Liabilities

At the end of 2024, TelkomGroup recorded non-current liabilities of Rp60,418 billion or US\$3,754 million, it increased by 2.6% or Rp1,506 billion, which was due to:

- An increase in lease liabilities of Rp3,618 billion or 24.4% due to the increase in lease activities of the Company.
- An increase in deferred tax liabilities – net of Rp151 billion or 18% due to the increase in deferred tax liabilities of Telkomsel and other subsidiaries.
- An increase in pension benefits and other post-employment benefits obligations of Rp126 billion or 1.1% due to the increase in projected pension benefit obligations of Telkomsel, net periodic post-employment health care benefit, and obligation under the Labor Law.
- An increase in long service award provisions of Rp39 billion or 3.4% due to the increase in Long Service Awards (LSA) and Long Service Leaves (LSL) of Telkomsel and Telkomsat.

The increases were offset by:

- A decrease in long-term borrowings - net of current maturities of Rp2,255 billion or 8.1% due to the decrease in bank loans, bonds and MTN.
- A decrease in contract liabilities of Rp107 billion or 4.1% due to the decrease in advances from customers for Consumer, Enterprise and others.
- A decrease in other non-current assets of Rp66 billion or 22.8%.

3. Equity

TelkomGroup's equity in 2024 was recorded at Rp162,490 billion or US\$10,096 million, increased by 3.8% or Rp5,928 billion from the 2023 of Rp156,562 billion.

PROFIT AND LOSS OVERVIEW

Telkom's consolidated revenue as of December 31, 2024, was Rp149,967 billion (US\$9,317 million), or increased by 0.5% compared to the last year of Rp149,216 billion (US\$9,690 million). The increase was due to the increase in data, internet, and information technology service revenues, network revenues, revenues from lessor transaction, and other services revenues.

The total expense of TelkomGroup in 2024 was Rp107,581 billion (US\$6,684 million), it increased by 3.1% compared to the total expense in 2023 of Rp104,300 billion (US\$6,773 million). It was due to several factors, such as the increase in operations, maintenance, and telecommunication services expenses; personnel expenses due to early retirement program; interconnection expenses; marketing expenses; and general and administrative expenses. As of the end of 2024, TelkomGroup recorded a net profit of Rp30,743 billion (US\$1,910 million), it decreased by 4.5%, and EBITDA of Rp75,029 billion that decreased by 3.3% compared to 2023.

Telkom and Its Subsidiaries Consolidated Profit and Loss in 2022-2024

	Growth 2024-2023 (%)	Years ended December 31			
		2024		2023	2022
		(Rp billion)	(US\$ million)	(Rp billion)	(Rp billion)
Revenues	(0.5)	149,967	9,317	149,216	147,306
Telephone revenues	(25.9)	6,739	419	9,093	13,588
Cellular	(23.6)	6,260	389	8,194	12,052
Fixed Line	(46.7)	479	30	899	1,536
Interconnection revenues	1.3	9,187	571	9,067	8,472
Data, internet, and information technology service revenues	3.9	94,338	5,861	90,820	86,410
Cellular internet and data	(0.7)	72,639	4,513	73,187	69,006
Internet, data communication and information technology services	29.4	14,104	876	10,899	10,286
Short Messaging Service (SMS)	12.6	3,805	236	3,380	4,309
Others	13.0	3,790	235	3,354	2,809
Network revenues	28.1	3,179	198	2,482	2,378
IndiHome revenues	(8.8)	26,262	1,632	28,785	28,020
Other services revenues	17.0	7,233	449	6,183	5,834
Manage service and terminal	13.6	1,045	65	920	1,157
Call center service	(0.7)	1,255	78	1,264	1,164
E-health	0.8	767	48	761	729
E-payment	162.1	1,300	81	496	474
Others	4.5	2,866	178	2,742	2,310
Revenues from lessor transaction	8.7	3,029	188	2,786	2,604
Expenses	3.1	107,581	6,684	104,300	101,569
Depreciation and amortization expenses	(0.1)	32,643	2,028	32,663	33,255
Operations, maintenance, and telecommunication services expenses	3.7	41,202	2,560	39,718	38,184

	Growth 2024-2023 (%)	Years ended December 31			
		2024		2023	2022
		(Rp billion)	(US\$ million)	(Rp billion)	(Rp billion)
Operations and maintenance	5.7	24,365	1,514	23,057	22,746
Radio frequency usage charges	3.7	7,687	478	7,412	6,510
Leased lines and CPE	(1.2)	3,422	213	3,462	3,530
Concession fees and USO charges	3.4	2,933	182	2,836	2,601
Electricity, gas, and water	25.1	1,097	68	877	904
Cost of SIM cards and vouchers	(26.7)	584	36	797	747
Project management	(12.7)	427	27	489	400
Insurance	14.5	308	19	269	230
Vehicles rental and supporting facilities	(12.0)	271	17	308	343
Others	(48.8)	108	7	211	173
Personnel expenses	5.5	16,807	1,044	15,927	14,907
Salaries and related benefits	(2.2)	9,457	588	9,674	9,360
Vacation pay, incentives and other benefits	1.3	4,214	262	4,159	3,835
Pension and other post-employment benefits	(4.1)	1,691	105	1,764	1,585
Long Service Award (LSA) expense	(21.8)	226	14	289	92
Early Retirement Program	100.0	1,186	74	-	-
Others	(19.5)	33	2	41	35
Interconnection expenses	8.1	6,880	427	6,363	5,440
Marketing expenses	8.3	3,824	238	3,530	3,929
General and administrative expenses	2.1	6,225	387	6,099	5,854
General Expenses	0.1	2,448	152	2,446	2,259
Professional fees	(14.2)	855	53	996	1,097
Allowance for expected credit losses	50.1	770	48	513	567
Travelling	(5.0)	421	26	443	421
Training, education, and recruitment	(1.7)	453	28	461	371
Social contribution	0.4	233	14	232	218
Collection expenses	(0.5)	194	12	195	173
Meeting	16.8	390	24	334	312
Others	(3.8)	461	29	479	436
Gain (loss) on foreign exchange-net	(477.8)	136	8	(36)	256
Unrealized gain on changes in fair value of investments	(125.1)	188	12	(748)	(6,438)
Other Income - net	11.5	281	17	252	26
Operating Profit	(3.1)	42,991	2,671	44,384	39,581
Finance income	28.8	1,367	85	1,061	878
Finance costs	12.0	(5,208)	(324)	(4,652)	(4,033)
Share of profit (loss) of associated companies	200.0	3	0	1	(87)

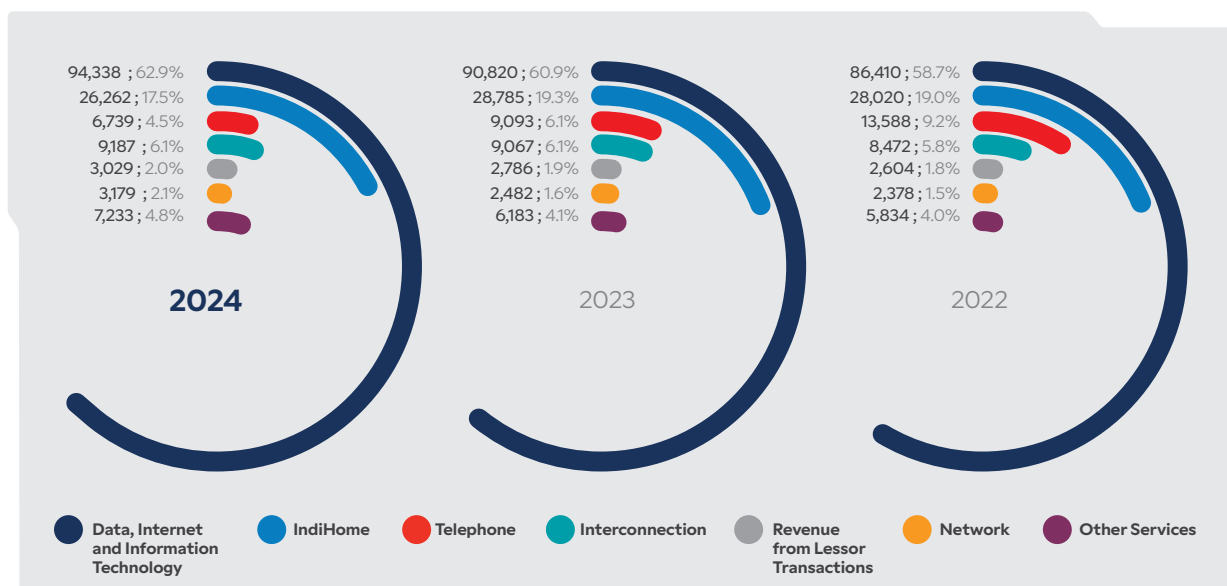
	Growth 2024-2023 (%)	Years ended December 31			
		2024		2023	2022
		(Rp billion)	(US\$ million)	(Rp billion)	(Rp billion)
Profit Before Income Tax	(4.1)	39,153	2,433	40,794	36,339
Income Tax (Expense) Benefit	(2.0)	(8,410)	(523)	(8,586)	(8,659)
Profit for the Year	(4.5)	30,743	1,910	32,208	27,680
Other comprehensive income (loss)	161.6	895	56	(1,454)	1,767
Net comprehensive income for the year	2.9	31,638	1,966	30,754	29,447
Profit for the year attributable to owners of the parent company	(3.7)	23,649	1,469	24,560	20,753
Profit for the year attributable to non-controlling interest	(7.2)	7,094	441	7,648	6,927
Net comprehensive income attributable to owner of the parent company	5.9	24,434	1,518	23,083	22,468
Net comprehensive income for the year attributable to non-controlling interest	(6.1)	7,204	448	7,671	6,979

Profit and Loss Comparison

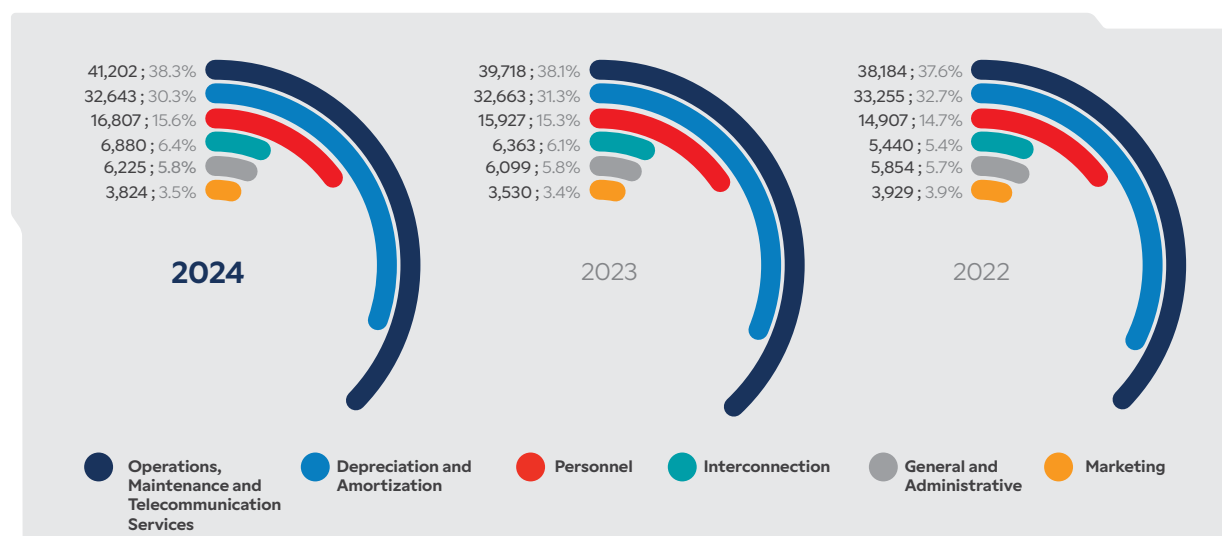
TelkomGroup's highest revenue composition in 2024 was data, internet, and information technology service revenues of 62.9%, followed by IndiHome revenue with the contribution of 17.5% and interconnection revenue of 6.1%.

The highest expense composition was from operation, maintenance, and telecommunication services of 38.3%, followed by depreciation and amortization expenses related to property and equipment, software, hardware, and technology infrastructure use of 30.3%. The least expense in 2024 was the marketing expense of 3.6%.

Revenue Composition 2022-2024 (Rp billion)



Expenses Composition 2022-2024 (Rp billion)



Comparison of Profit and Loss for The Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

1. Revenues

In 2024, TelkomGroup recorded revenues at Rp149,967 billion (US\$9,317 million), it increased by 0.5% or Rp751 billion, compared to the 2023 revenue of Rp149,216 billion. The increase was due to an increase in data, internet, and information technology services revenues, revenues from lessor transactions, and other services revenues.

a. Cellular Telephone Revenues

The cellular voice revenue decreased by 23.6% in 2024 to Rp6,260 billion (US\$389 million) compared to the last year of Rp8,194 billion. It was due to a decrease in Over-the-Top (OTT) services interest by subscribers for communication, and a decrease in cellular

usage revenue, both local, Long Distance Direct Connections and international, postpaid revenue and Mobile Virtual Network Operator (MVNO) revenue.

b. Fixed Lines Telephone Revenues

Fixed lines telephone revenues in 2024 were Rp479 billion (US\$30 million), it decreased by 46.7% or Rp420 billion compared to 2023 of Rp899 billion. It was due to the decrease in the abonnement of fixed lines telephone, which consumer would prefer to use mobile device nowadays.

c. Data, Internet, and Information Technology Services Revenues

TelkomGroup recorded data, internet, and information technology services revenue in 2024 of Rp94,338 billion (US\$5,861 million), it increased by 3.9% or Rp3,518 billion compared to the 2023 revenue of Rp90,820 billion. The increase was due to:

- An increase in data, internet, and information technology service revenues of Rp3,205 billion or 29.4% due to the revenue growth of HSI, Wi-Fi, internet, managed service from Enterprise segment and IP transit from WIB segment.
- An increase in others revenues of Rp436 billion or 13.0%, driven by the growth of data usage in Enterprise and WIB segment products, and an increase in online games, e-commerce, and Infrastructure as a Service (IaaS) revenue.
- An increase in SMS revenues of Rp425 billion or 12.6% due to the increase in domestic and international SMS revenues.

The increases were compensated by the decrease in cellular data and internet revenues of Rp548 billion or 0.7% due to the declining mobile data usage.

d. Interconnection Revenues

TelkomGroup's interconnection revenue was from fixed-line telephone, including direct international services of IDD 007 and Telkomsel cellular network. TelkomGroup's interconnection revenues in 2024 were Rp9,187 billion (US\$571 million), it increased by 1.3% or Rp120 billion from the last year of Rp9,067 billion. It was due to an increase in traffic between countries in for hubbing voice, international interconnect, international SMS hubbing, and Application to Person (A2P) SMS revenues.

e. Network Revenues

TelkomGroup's network revenues in 2024 were Rp3,179 billion (US\$198 million), it increased by 28.1% or Rp697 billion, from Rp2,482 billion in 2023. It was due to an increase in transponder satellite, leased line, VSAT Starlink, C-Band abonnement standard, and International Private Leased Circuit (IPLC) revenues.

f. IndiHome Revenues

IndiHome revenues in 2024 were Rp26,262 billion (US\$1,632 million), a decrease of 8.8% or Rp2,523 billion from the previous year's Rp28,785 billion. It was due to the reclassification of IndiHome Enterprises (B2B) revenues to the Data, Internet, and Information Technology Services revenues.

g. Other Services Revenues

TelkomGroup recorded revenue for the other services of Rp7,233 billion (US\$449 million) in 2024, it increased by 17.0% or Rp1,050 billion compared to the 2023 revenues of Rp6,183 billion. It was due to:

- An increase in e-payment revenues of Rp804 billion or 162.1%.
- An increase in manage service and terminal revenues of Rp125 billion or 13.6%.
- An increase in others revenues of Rp124 billion or 4.5%.
- An increase in e-health revenues of Rp6 billion or 0.8%.

The increases were compensated by the decrease in call center service revenues by Rp9 billion or 0.7%.

h. Revenues from Lessor Transactions

TelkomGroup's revenues from lessor transactions in 2024 were Rp3,029 billion (US\$188 million). It resulted from adopting PSAK 115, which Telkom requires to disclose revenues from lessor transactions; for instance, operation leases were separate from contracts with customers' revenues.

2. Expense

TelkomGroup's total expenses as of December 31, 2024, were Rp107,581 billion (US\$6,684 million), it increased by 3.1% or Rp3,281 billion, compared to Rp104,300 billion in 2023. These changes were due to:

a. Operation, Maintenance and Telecommunication Service Expense

In 2024, TelkomGroup's operating, maintenance, and telecommunications services expenses were Rp41,202 billion (US\$2,560 million), it increased by 3.7% or Rp1,484 billion compared to 2023 of Rp39,718 billion. It was due to:

- An increase in operation and maintenance expenses of Rp1,308 billion or 5.7% from due to the increase in direct costs for digital provider services, billing payment aggregators, and value-added services cooperation expenses.
- An increase in radio frequency usage charges expenses of Rp275 billion or 3.7% in line with the increase in prepayment assets for frequency rights expenses.
- An increase in electricity, gas, and water expenses of Rp220 billion or 25.1% due to the increase in direct costs for electricity, gas, and water in subsidiaries.
- An increase in concession fees and USO charges expenses of Rp97 billion or 3.4% due to an increase in the contribution of gross telecommunications revenue for USO development in accordance with the MCDA policy.

- An increase in insurance expenses of Rp39 billion or 14.5% due to the increase in insurance expenses on property and equipment, satellites, and building leases and in line with the rise in insurance of property and equipment except land against the risks of fire, theft, earthquakes and other risks, including business disruptions.

The increases were compensated by:

- A decrease in cost of SIM cards, vouchers, and sales of peripherals expenses of Rp213 billion or 26.7% related to the decrease in the value of SIM card and voucher inventory and the decrease in card printing costs and SIM Cards - MVNO.
- A decrease in others expenses of Rp103 billion or 48.8% in line with the decrease in non-trade receivables allowance expenses.
- A decrease in project management expenses of Rp62 billion or 12.7% in line with the decrease in new projects that recently commenced.
- A decrease in leased lines and CPE expenses of Rp40 billion or 1.2% due to the decrease in retail CPE expenses, Media Hub direct costs and other manage non device expenses.
- A decrease in vehicles rental and supporting facilities expenses of Rp37 billion or 12% due to the decrease in transportation management expenses and vehicle rental operations driven by the Company's efficiency program.

b. Depreciation and Amortization Expense

TelkomGroup recorded depreciation and amortization expenses in 2024 at Rp32,643 billion (US\$2,028 million), it decreased by 0.1% or Rp20 billion compared to the last year of Rp32,663 billion. It was due to the decrease in goodwill value resulted from Digiserve of Rp64 billion and MNDG of Rp13 billion, and the decrease in depreciation expenses of IMS.

c. Personnel Expense

The personnel expense in 2024 was Rp16,807 billion (US\$1,044 million). It increased by 5.5% or Rp880 billion from Rp15,927 billion in 2023. It was due to the early retirement program in 2024 of Rp1,184 billion and the increase in vacation pay, incentives, and other benefits expenses of 1.3% or Rp55 billion. Although personnel expense increased, due to the decrease in TelkomGroup's employees of 6% from 23,064 employees in 2023 to 21,673 employees in 2024, there was a decrease in salaries and related benefits expenses by 2.2%, pension and other post-employment benefits expenses by 4.1%, and LSA expenses by 21.8% compared to the previous year.

d. Interconnection Expense

TelkomGroup's interconnection expense in 2024 was Rp6,880 billion (US\$427 million), it increased by 8.1% or Rp517 billion compared to the last period of Rp6,363 billion. It was in line with the increase in interconnection revenues, as it indicated in the increasing expenses of voice hubbing and cellular interconnection to IDD.

e. Marketing Expense

TelkomGroup recorded marketing expenses in 2024 at Rp3,824 billion (US\$238 million), it increased by 8.3% or Rp294 billion compared to 2023 of Rp3,530 billion. It was due to the increase in sales force expenses, sales fee, exhibition expenses, and advertising of the Company and its subsidiaries in line with the increase in various program initiatives for the Five Bold Moves strategy implementation.

f. General and Administrative Expense

TelkomGroup's general and administrative expenses in 2024 were Rp6,225 billion (US\$387 million), it increased by 2.1% or Rp126 billion compared to Rp6,099 billion in 2023. It was due to the increase in allowance for expected credit losses trade receivables expenses of Rp257 billion or 50.1%, general expenses of Rp2 billion or 0.1%, meeting expense of Rp56 billion or 16.8%, and social contribution of Rp1 billion or 0.4%.

3. Gain (Losses) on Foreign Exchange-Net

TelkomGroup's business involves foreign currencies and exchange rate fluctuations, so it may positively or negatively impact the Company's financial transactions. In 2024, TelkomGroup recorded gain on foreign exchange - net of Rp136 billion (US\$8 million), it increased by 172% compared to the previous period that lost Rp36 billion.

4. Unrealized Gain (Loss) on Changes in Fair Value of Investments

In 2024, TelkomGroup recorded unrealized gain on changes in fair value of investments at Rp188 billion, it increased by 125.1% compared to the last period unrealized loss of Rp748 billion. It was due to the changes in the fair values on GOTO dan MDI investments.

5. Other Income – Net

TelkomGroup recorded other income - net in 2024 at Rp281 billion (US\$17 million), it increased by 11.5% or Rp29 billion compared to the last period of Rp252 billion.

6. Operating Profit and Operating Profit Margin

TelkomGroup recorded the operating profit in 2024 at Rp42,959 billion (US\$2,669 million), it decreased by 3.2% compared to the last operating profit of Rp44,384 billion. Meanwhile, the operating profit margin decreased from 29.7% in 2022 to 28.6% in 2024.

7. Profit Before Income Tax and Pre-Tax Margin

TelkomGroup's profit before income tax in 2024 was Rp39,153 billion (US\$2,433 million), it decreased by 4.1% compared to the last period of Rp40,794 billion. Meanwhile, the pre-tax margin decreased from 27.3% in 2023 to 26.1% in 2024.

8. Income Tax (Expense) Benefit

TelkomGroup recorded expense tax benefit in 2024 was Rp8,410 billion (US\$523 million), it decreased by 2.0% or Rp176 billion compared to 2023 of Rp8,586 billion. It was due to the decrease in the current income tax of the Company and its subsidiaries.

9. Other Comprehensive Income (Losses)

TelkomGroup recorded other comprehensive income in 2024 at Rp895 billion (US\$56 million), it increased by 161.6% or Rp2,349 billion compared to other comprehensive losses in 2023 of Rp1,454 billion. It was due to an increase in the difference of foreign currency translation of Rp324 billion, defined benefit actuarial gain – net of Rp2,204 billion that resulted losses in the previous year.

10. Profit for The Year Attributable to Owners of The Parent Company

Profit for the year attributable to owners of the parent company in 2024 recorded at Rp23,649 billion (US\$1,469 million), it decreased by 3.7% from Rp24,560 billion in 2023.

11. Profit for The Year Attributable to Non-Controlling Interest

Profit for the year attributable to non-controlling interests was at Rp7,094 billion (US\$441 million), it decreased by 7.2% from Rp7,648 billion in 2023.

12. Total Comprehensive Income for The Year

In 2024, Telkom recorded comprehensive income for the year of Rp31,638 billion (US\$1,966 million), it increased by 2.9% or Rp884 billion compared to 2023 of Rp30,754 billion.

13. Net Income per Share

TelkomGroup's net income per share in 2024 was Rp283.73 per share, it decreased by 3.7% or Rp9.19 per share compared to the last year of Rp247.92 per share.

CASHFLOW OVERVIEW

As of December 31, 2024, TelkomGroup's cash and cash equivalent was decent at Rp33,905 billion (US\$2,106 million). The net cash provided by operating activities was Rp61,600 billion, net cash used in investing activities was Rp29,456 billion, and net cash used in financing activities was Rp27,505 billion.

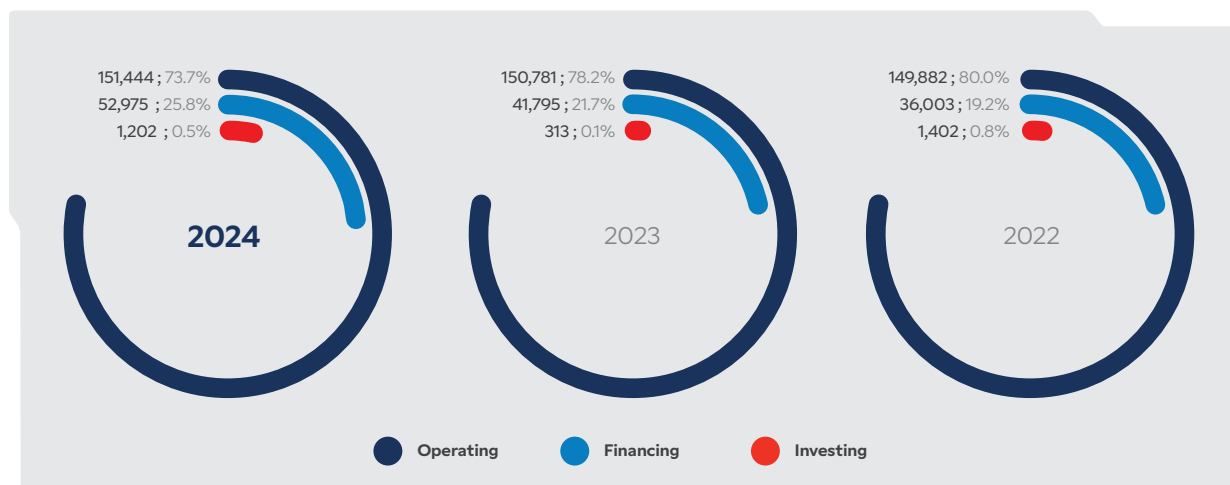
TelkomGroup Cashflow 2022-2024

	Growth 2024-2023 (%)	Years ended December 31			
		2024		2023	2022
		(Rp billion)	(US\$ million)	(Rp billion)	(Rp billion)
Net Cash					
Provided by operating activities	1.7	61,600	3,827	60,581	73,354
Used in investing activities	(20.2)	(29,456)	(1,830)	(36,909)	(39,250)
Used in financing activities	3.5	(27,505)	(1,709)	(26,567)	(40,837)
Net increase (decrease) in cash and cash equivalents	(260.2)	4,639	288	(2,895)	(6,733)
Effect of exchange rate changes on cash and cash equivalents	(675.6)	259	16	(45)	369
Cash and cash equivalents at end of year	(9.2)	29,007	1,802	31,947	38,311
Cash and cash equivalents at end of year	16.9	33,905	2,106	29,007	31,947

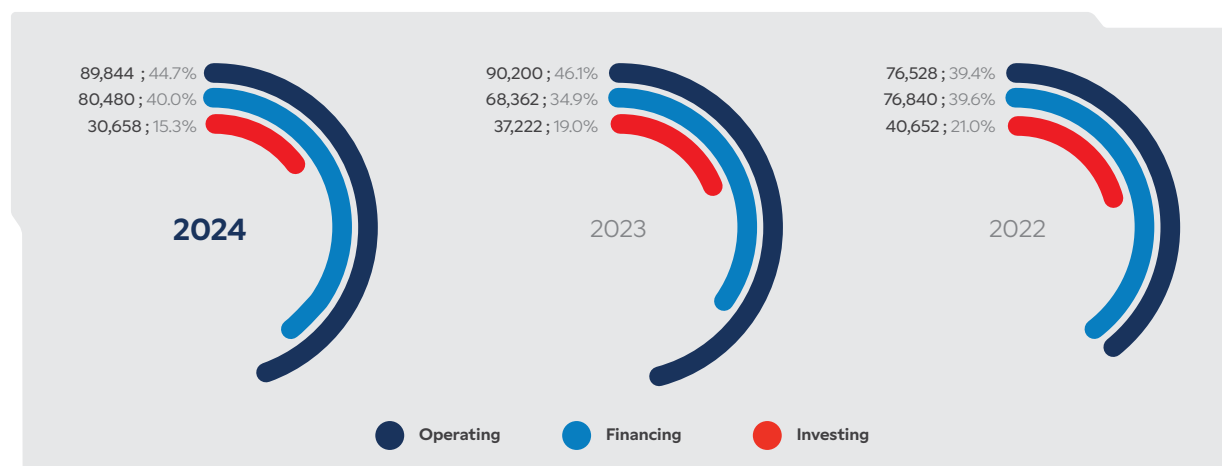
Cashflow Comparison

TelkomGroup's highest cash receipt in 2024 was from operating activities of 73.7%, followed by the cash receipt from financing activities of 25.8%, and cash receipt from investing activities of 0.5%. This composition indicated that TelkomGroup's internal and external funds supported the Company's operational activities.

Composition of Cash Receipt 2022-2024 (Rp billion)



Composition of Cash Disbursement 2022-2024 (Rp billion)



Comparison of Cash Flow for Year Ended December 31, 2024, Compared to Year Ended December 31, 2023

TelkomGroup recorded cash and cash equivalents as of December 2024 of Rp33,905 billion or US\$2,106 million. It increased by 16.9% or Rp4,898 billion from last year's total cash and cash equivalents of Rp29,007 billion. The cash receipts of operating activities in 2024 were Rp151,444 billion or 73.7% of total cash receipts, while the cash receipts from financing activities were Rp52,975 billion or contributed to 25.8%, and the cash receipt from investing activities of Rp1,202 billion or contributed to 0.5%.

In 2024, the cash disbursements for operating activities were Rp89,844 billion or 44.7% of total cash disbursements. Then, cash disbursements for financing activities were Rp80,480 billion or 40.0% of total cash disbursements, and the cash disbursements from investing activities were Rp30,658 billion or 15.3%.

1. Cash Flow from Operating Activities

Net cash provided by operating activities in 2024 was recorded at Rp61,600 billion or US\$3,827 million. It increased by Rp1,019 billion or 1.7% compared to the last period.

TelkomGroup recorded cash receipts from operating activities of Rp151,444 billion in 2024. It increased by Rp663 billion or 0.4% from cash receipts from operating activities in 2023 of Rp150,781 billion. The cash receipts were from:

- Cash receipts from customers and other operators of Rp148,415 billion.
- Cash receipts from interests of Rp1,366 billion.
- Cash receipts from tax refund of Rp1,144 billion.
- Cash receipts from others - net of Rp519 billion.

Meanwhile, cash disbursements for operating activities in 2024 were Rp89,844 billion or US\$5,582 million, it decreased by 0.4% or Rp356 billion compared to the 2023 cash disbursements of Rp90,200 billion. TelkomGroup's cash disbursements were for:

- Cash payments for expenses of Rp51,273 billion.
- Cash payments to employees of Rp16,364 billion.
- Cash payments for corporate and final income taxes of Rp11,528 billion.
- Cash payments for finance costs of Rp5,295 billion.
- Cash payments for short-term and low-value lease assets of Rp3,693 billion.
- Cash payments for value added taxes - net of Rp1,691 billion.

2. Cash Flow from Investing Activities

TelkomGroup recorded net cash used in investing activities in 2024 was Rp29,456 billion or US\$1,830 million, it increased by 20.2% or Rp7,453 billion compared to the last period of Rp36,909 billion.

Cash receipts from investing activities in 2024 were Rp1,202 billion, it increased by 284% or Rp889 billion from the last period of Rp313 billion. Cash receipts were from:

- Purchase of property and equipment of Rp717 billion.
- Placement in other current financial assets - net of Rp339 billion.
- Proceeds from insurance claims of Rp143 billion.
- Dividend received from associated company of Rp3 billion.

Meanwhile, the cash disbursements for investing activity of Rp30,658 billion, decreased by 17.6% or Rp6,564 billion from the last year of Rp37,222 billion. The cash disbursement was for:

- Purchase of property and equipment of Rp26,005 billion.

- Purchase of intangible assets of Rp3,658 billion.
- Business purchases after deducting cash acquired of Rp635 billion.
- Addition of down payment and other assets of Rp330 billion.
- Addition of long-term investment in financial instrument of Rp30 billion.

3. Cash Flows from Financing Activities

TelkomGroup's net cash used in financing activities in 2024 was Rp27,505 billion or US\$1,709 million, it decreased by 3.5% or Rp938 billion from the 2023 of Rp26,567 billion.

TelkomGroup received cash from financing activities of Rp52,975 billion, it increased by 26.7% or Rp11,180 billion compared to the last period of Rp41,795 billion. The cash receipt was from:

- Proceeds from loans and other borrowings of Rp52,653 billion.
- Proceeds from issuance of new shares of subsidiaries of Rp322 billion.

Meanwhile, the cash disbursement for financing activities was Rp80,480 billion, it increased by 17.7% or Rp12,118 billion compared to the last period of Rp68,362 billion. The cash disbursement was for:

- Repayments of loans and other borrowings of Rp47,607 billion.
- Cash dividend paid to the Company's stockholders of Rp17,683 billion.
- Repayments of principal portion of lease liabilities of Rp7,387 billion.
- Cash dividend paid to non-controlling shareholders of subsidiaries of Rp7,099 billion.
- Placement in shares buyback of non-controlling shareholders of subsidiary of Rp704 billion.

Solvency

TelkomGroup's 2024 Consolidated Financial Statements (Audited) show the Company's decent liquidity, solvency, and ability to pay short and long-term liabilities. TelkomGroup's debt repayment was from cash inflows of operational activities. It shows that the management could adequately manage its operations and liquidity.

SHORT-TERM LIABILITY

TelkomGroup uses several ratios to measure its ability to pay short-term debt, such as the current, quick, and cash ratios. We use these ratios to maintain liquidity and ensure the funds' availability to pay short-term debt. TelkomGroup maintains the current ratio percentage above the industry average current ratio and retains the available loan that can be withdrawn if needed.

TelkomGroup Liquidity Ratio 2022-2024

Ratio	2024	2023	2022
Current Ratio	82.2%	77.7%	78.2 %
Quick Ratio	61.7%	57.8%	59.9 %
Cash Ratio	45.8%	42.9%	47.3 %

LONG-TERM LIABILITY

TelkomGroup monitors various ratios to ensure its ability to pay its long-term debt, such as the Debt to Equity Ratio, the Debt to EBITDA Ratio, and the EBITDA to Interest Expense Ratio. The TelkomGroup 2024 Consolidated Financial Statements indicated the Debt to Equity Ratio of 0.47 times, Debt to EBITDA Ratio of 1.02 times, and EBITDA to Interest Expense Ratio of 14.41 times. Those ratios indicated that TelkomGroup's ability to pay the long-term debt was a relatively low risk of default.

Ratio	2024	2023	2022
Debt to Equity Ratio	0.47X	0.44X	0.42X
Debt to EBITDA Ratio	1.02X	0.88X	0.80X
EBITDA to Interest Expense Ratio	14.41X	16.68X	19.59X

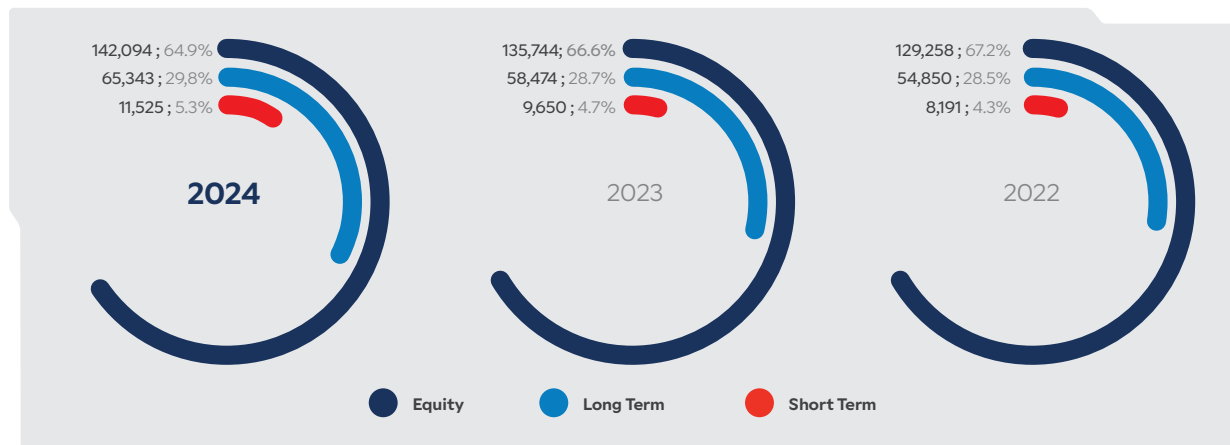
TelkomGroup actively evaluates its debt profile, particularly with floating interest, to decrease interest expenses and exposure to interest rate fluctuations in the future. Further information regarding liquidity and the discussion regarding the debt of Telkom and its subsidiaries can be seen in Notes 18 and Notes 19 in TelkomGroup's Consolidated Financial Statements for 2024.

Capital Structure and the Management Policies for Capital Structure

CAPITAL STRUCTURE

TelkomGroup's capital structure consists of short-term debt, long-term debt, and equity. As of December 31, 2024, the most significant composition of TelkomGroup's capital structure was equity. There were no substantial changes to the equity and capital composition in 2024 compared to the previous period.

Capital Structure 2022-2024 (Rp billion)



Capital Structure	2024		2023	2022
	(Rp billion)	(US\$ million)	(Rp billion)	(Rp billion)
Debt	76,868	4,776	68,124	63,041
Short Term Debt	11,525	716	9,650	8,191
Long Term Debt	65,343	4,060	58,474	54,850
Equity	142,094	8,828	135,744	129,258
Total	218,962	13,604	203,868	192,299

MANAGEMENT POLICY FOR CAPITAL STRUCTURE

TelkomGroup is required to maintain its creditworthiness, as indicated in its credit rating and capital structure. In 2024, TelkomGroup kept the debt levels below the industry average, signified in the Debt to Equity Ratio and Debt to EBITDA Ratio. TelkomGroup also successfully maintained its solid capital structure by optimizing the weighted average cost of capital, tax benefits, and ensuring healthy financial ratios to maintain a balanced capital structure.

These measures aligned with TelkomGroup's capital structure policy to achieve an optimal funding composition. The capital structure policy in the current year will become the basis for management decision-making in terms of adding or paying short-term and long-term debt.

In 2024, TelkomGroup's Debt to Equity Ratio (DER) was 0.47 times, while it was 0.44 times in 2023. TelkomGroup's Debt Service Coverage Ratio as of December 31, 2024, was 1.4 times, while in 2023, it was 1.9 times. Further information regarding management's policy on capital structure is in Notes 38 Capital Management in the 2024 TelkomGroup's Consolidated Financial Statements.

Realization of Capital Expenditure

To anticipate the dynamic technology transformation, TelkomGroup has realized capital expenditure investments that adjusted to the Company’s needs and strategies throughout 2024. The denomination of TelkomGroup’s capital expenditure investment is in two currencies, namely Rupiah (Rp) and US Dollar (US\$).

STRATEGY AND OBJECTIVES OF INVESTMENT IN CAPITAL EXPENDITURE

The objective and strategy in determining investment in capital expenditure are to expand and maintain business growth in the digital era based on digital connectivity, digital platforms, and digital services. In 2024, TelkomGroup invested capital expenditure to build infrastructure capacity and capability for increasing customer demand in the future.

TYPES OF INVESTMENT IN CAPITAL EXPENDITURE

TelkomGroup’s capital expenditure types in 2024 are:

- Broadband services, comprising of mobile (4G, 5G) and fixed broadband;

- Network infrastructures consist of core network, submarine cable, terrestrial cable, Metro-Ethernet, IP Backbone, and satellite;
- Data Center, Cloud, IoT, IT (smart platform, solution, and services); and
- Other supporting capital expenditures, such as supporting facility of connectivity, building, and power supply.

INVESTMENT VALUE IN CAPITAL EXPENDITURE

During 2024, total investment realization of TelkomGroup’s capital expenditure was Rp24,449 billion or US\$1,519 million. It decreased by 25.8% from the previous year of Rp32,968 billion. The following are some of TelkomGroup’s capital expenditure:

- Constructed Telkomsel BTS.
- Building neuCentrix and hyperscale data center.
- Tower addition and its supporting capacity.
- National project of submarine cable system deployment, such as the subsea cables of Labuha – Obi, and international subsea cable system, such as PEACE subsea cable.
- Telkomsat built high-throughput satellite (HTS) on the 133°E orbital to improve terrestrial network infrastructure.

TelkomGroup’s Capital Expenditure Investment 2022-2024

	Years ended December 31			
	2024		2023	2022
	(Rp billion)	(US\$ million)	(Rp billion)	(Rp billion)
Total Investment in Capital Expenditure	24,449	1,519	32,968	34,156

Material Commitment for Capital Expenditure

OBJECTIVES OF MATERIAL COMMITMENT FOR CAPITAL EXPENDITURE

As a digital telco company, TelkomGroup should make sustainable investments to accelerate digital transformation. We made several material commitments for capital expenditure to support transmission and network equipment and other digital infrastructure. The material commitment of TelkomGroup and other parties in the form of project agreements is in Note 35 Significant Commitments and Agreements in the 2024 TelkomGroup's Consolidated Financial Statements.

SOURCES OF FUNDS TO FULFILL MATERIAL COMMITMENT FOR CAPITAL EXPENDITURE

In 2024, TelkomGroup had a decent leverage to fund capital expenditures. TelkomGroup has several alternatives for other funding, including internal and external funding sources, such as bank funding, debt instruments, and additional share capital for capital expenditure investment according to a predetermined business plan.

DENOMINATED CURRENCIES OF MATERIAL COMMITMENT FOR CAPITAL EXPENDITURE

TelkomGroup uses two currency denominations in material commitments for capital expenditure investment, such as the ID Rupiah and the US Dollar. The most significant bond is in the Rupiah currency of Rp11,374 billion.

Material Commitments Based on Currency as of December 31, 2024

Table of Material Commitment based on Currencies	Amounts in Foreign Currencies (million)	Equivalent in Rupiah (billion)
IDR	-	11,272
USD	223	3,589
Total		14,861

FOREIGN CURRENCY RISK MITIGATION OF MATERIAL CONTRACTS FOR CAPITAL EXPENDITURE

Material commitments for capital expenditure in foreign currencies can be affected by fluctuations in currency rates. To mitigate this risk, TelkomGroup determines time deposits and receivables of at least 25% of the outstanding foreign currency short-term liabilities. Therefore, TelkomGroup can offset exchange rate fluctuation losses with exchange rate gains on time deposits and receivables. More details regarding material commitments for capital expenditure investment and foreign exchange rate risk are in Note 35 Significant Commitments and Agreements and Note 37 Financial Instruments in the 2024 TelkomGroup's Consolidated Financial Statements.

Receivables Collectability

TelkomGroup had a decent receivables collectability level with consolidated maturity receivables as of December 31 for 2024 and 2023, which are not impaired or collectible of Rp5,281 billion and Rp4,033 billion. Meanwhile, the accounts receivable turnover ratio was recorded at 13.1%, and the average collection time ratio was 27.8 days.

TelkomGroup monitors receivables and collection balances regularly to minimize the customers' credit risk. Methods in collecting its accounts receivable are direct visits, reminding letter, direct billing, cooperating with partners regarding account receivable collection service to temporarily isolate services, and actively contacting customers via phone, letter, or email.

TelkomGroup's Receivables Collectability 2022-2024

Ratio	Average Collection Duration Ratio (%)		
	2024	2023	2022
Average collection ratio (days)	27.8	23.6	21.2
Receivables turnover ratio (%)	13.1	15.5	17.2

ANALYSIS AND EXPLANATION OF RECEIVABLES COLLECTABILITY

TelkomGroup classifies receivables in analyzing accounts receivable based on the age of accounts receivable.

Analysis of TelkomGroup's Accounts Receivables by Age Period 2022-2024

Analysis of Accounts Receivable by Age	2024	2023	2022
	Rp (billion)		
Not past due	7,319	7,020	6,964
0 – 3 months	3,602	2,758	1,674
3 – 6 months	1,305	1,215	664
> 6 months	6,031	5,235	6,900
Total receivables before provision	18,257	16,228	16,202
Provision for impairment of receivables	(6,064)	(5,561)	(7,568)
Net receivables after provision	12,193	10,667	8,634

TelkomGroup established a provision for impairment of trade receivables based on the collective historical impairment rate and individual customer credit historical rates. Provision for impairment of receivables in 2024 was Rp6,064 billion, increased by 9.0% from the provision for 2023 of Rp5,561 billion. Further discussion of TelkomGroup's receivables is in Note 5 Trade Receivables in the 2024 TelkomGroup's Consolidated Financial Statements.

Material Information and Fact After Accountant Reporting Date

TelkomGroup continues to comply with the principles of transparency and accountability to implement good corporate governance. Thus, TelkomGroup conveys material information and facts after the financial reporting date as of December 31, 2024, as follows:

Material Information and Fact After Accountant Reporting Date for 2024 Reporting Period

No.	Material Information and Facts
1.	On January 10, 2025, February 10, 2025, and March 10, 2025, Telkomsel has partially paid the outstanding long-term loans to Bank Mandiri amounting to Rp4,000 billion.
2.	Based on Notarial Deed of Jose Dima Satria, S.H., M.Kn., No. 121, dated March 22, 2025, the Government transferred its ownership of 51,602,353,559 Series B shares, representing 52.09% of the Company's total shares, to PT Biro Klasifikasi Indonesia ("BKI") through "inbreng" capital contribution. This share transfer was conducted in accordance with prevailing legal regulations, specifically Government Regulation Number 15 Year 2025 regarding the Addition of Capital Participation of the Republic of Indonesia into the Share Capital of BKI for the Establishment of an Operational Holding, and Government Regulation Number 16 Year 2025 regarding the Addition of State Capital Participation of the Republic of Indonesia into the Daya Anagata Nusantara Investment Management Agency ("Danantara"). BKI, as the transferee, serves as the Operational Holding Company, with all of its shares owned by the Government through the Minister of State-Owned Enterprises and Danantara. The Government retains its position as the Company's Ultimate Beneficial Owner through its direct ownership of 1 Series A Dwiwarna share with special rights and its indirect ownership of BKI's Series B shares through Danantara.
3.	On April 17, 2025, the Company announced plans to conduct shares buyback which is planned to be carried out during the period from May 28, 2025 to May 27, 2026, with a maximum amount of Rp3,000 billion.

Detailed explanations regarding the above transactions can be found in Note 40 Subsequent Event in TelkomGroup's 2024 Consolidated Financial Statements.

Business Prospects and Sustainability of the Company

The global economy is expected to face significant challenges in 2025. According to the IMF, global economic growth will reach 3.2%, slightly lower than the initial projection of 3.3%. This adjustment is attributed to the risk of escalating geopolitical conflicts and the resurgence of trade protectionism, mainly due to the US presidential election. We anticipate that policies, such as a price war with China, will create new uncertainties in the global supply chain and hinder economic growth.

Amid these challenges, Indonesia is predicted to maintain economic resilience. The Bank of Indonesia projects that the Gross Domestic Product (GDP) in 2025 will be around 4.8% to 5.6%, supported by strong private consumption, investment, and export performance. Inflation is also expected to remain manageable, targeting 2.5±1% in 2025 and 2026, facilitated by consistent monetary and fiscal policies, as well as the National Movement for Controlling Food Inflation (GNPIP).

Indonesia's telecommunications industry is projected to grow with the increasing demand for internet access and digital services. The high interest in internet usage is seen as a primary growth driver in this sector, creating significant opportunities for telecommunications operators to expand their coverage and improve service quality. However, macroeconomic factors, such as declining purchasing power due to the economic recession, could impact industry revenues, necessitating innovative approaches to maintain consumer interest in telecommunications services.

Alongside economic growth, Indonesia's telecommunications sector is expected to thrive, driven by high internet access and demand for digital services. The widespread use of digital technology presents excellent opportunities for telecommunications operators to extend their service coverage. However, challenges such as decreased purchasing power due to the global economic recession may affect revenues, requiring operators to adopt innovative strategies to engage consumers.

Additionally, the telecommunications industry faces intensified price competition, including irrational price wars. Although data service costs in Indonesia are among the lowest in the world, this pricing pressure could threaten the operational sustainability of telecommunications operators. To address this, operators must improve operational efficiency and diversify their revenue sources.

Another challenge comes from Over-the-Top (OTT) players, such as streaming platforms and global technology companies, aggressively entering the telecommunications sector. OTT players not only compete in providing digital services but also utilize network infrastructure without significantly contributing to the costs of developing that infrastructure. This situation necessitates collaborative efforts between telecommunications operators and regulators to establish a fairer and more sustainable ecosystem.

To optimize growth opportunities in the mobile segment in 2025, Telkom is committed to accelerating the expansion of digital connectivity and digital platforms by adopting more sophisticated and innovative technologies. A key strategic initiative being developed is enhancing 5G network-based services with broader and more efficient coverage. This technology is expected to significantly improve the quality of cellular services, including faster connection speeds, increased network capacity, and low latency. These advancements will support the implementation of more complex real-time services, such as the Internet of Things (IoT), cloud computing, and Artificial Intelligence (AI)-based solutions, ultimately enhancing the overall customer experience. Moreover, Indonesia must anticipate LEO satellite services through mutually beneficial cooperation in the mobile business.

Telkom will continue to enhance operational efficiency and network quality by implementing more measurable and optimal network deployment, particularly in expanding 5G services to various regions, including second-tier cities in Indonesia.

Telkomsel has reported 4.7 million active 5G subscribers and nearly 13 million devices supporting this service. By 2025, Telkom targets significant growth by expanding service coverage to Tangerang, Depok, Bogor, and Bekasi, with a projected increase of 12.8 million subscribers.

Telkom will focus on enhancing customer experience in the Consumer segment to maintain its market share while attracting new customers through the Fixed Mobile Convergence (FMC) strategy. This strategy aims to provide a more connected and seamless digital experience by integrating home and mobile internet services into one cohesive ecosystem. Additionally, the FMC initiative by Telkomsel in the B2C segment aims to strengthen Telkom's dominance in the telecommunications market, accelerate operational efficiency, and promote inclusive and sustainable digital access throughout Indonesia.

In the Enterprise segment, Telkom is strengthening its business lines by focusing on high-profitability and recurring services, such as enterprise solutions that cater to various modern business needs. One strategic step is to address the increasing demand for hybrid cloud solutions tailored for different customer segments, including corporates (SOEs/ROEs and private companies), government institutions, and SMEs.

With the acceleration of digitalization in various business activities in Indonesia, Telkom sees a significant opportunity to become a key partner in supporting digital transformation for businesses.

To meet this need, Telkom offers various integrated solutions such as system integration, IT service management, and Customer Relationship Management (CRM) services designed to help the Enterprise segment manage their operations more efficiently and innovatively. Furthermore, Telkom will also enhance its market presence in the SME sector by promoting digital transformation through a range of training, education, and technological solutions within the Indibiz ecosystem, all aimed at supporting the growth of small and medium-sized businesses.

In the Wholesale & International Business (WIB) segment, Telkom aims to enhance its role as an enabler of the digital ecosystem by increasing its infrastructure capacity. This includes expanding carrier services, telecommunication towers, fiber infrastructure, domestic and international Submarine Cable Communication Systems (SKKL), satellites, and data centers. Telkom boosted its data center capacity by constructing a Hyperscale Data Center in Cikarang and another in Batam. Additionally, the Company will explore strategic partnerships to accelerate development and enhance its internal capabilities. This expansion is expected to turn data centers into a new source of income for the Company. Telkom will extend its reach to Singapore and other countries in the Southeast Asia region to meet high market demand and effectively compete in the regional data center business.

Comparison of Initial Year Target and the Realization

TelkomGroup’s revenue grew by 0.5% to Rp149,967 billion in 2024. Telkom’s EBITDA and Net Profit in 2024 were recorded at Rp74,812 billion and Rp23,472 billion. Meanwhile, the EBITDA and Net Profit margins were recorded at 50.0% and 15.8%. TelkomGroup used Rp24,449 billion for capital expenditures in 2024 or 16.3% of total revenue.

Comparison of TelkomGroup Targets and Realizations in 2024

Indicator	Realization In 2024	Targets In Initial 2024
Revenue Growth	Revenues grew by 0.5%.	We estimate that the more challenging competition will impact the Company. Overall, we expected the Company to grow positively in the low to mid-single digit range.
EBITDA Margin and Net Income Margin	EBITDA Margin decreased to 50.0% while Net Income Margin decreased to 15.8%.	EBITDA Margin and Net Income Margin are projected to slightly decreased in line with the decline in legacy businesses shifting to digital businesses.
Capital Expenditure	The realization of capital expenditures is to Rp24,449 billion, or 16.3% of revenue with focused investment in digital business infrastructure.	Around 25%-30% of our revenue is planned for capital expenditure, focusing on building digital business infrastructure.

Target or Projections for the Following Year

TelkomGroup is committed to achieving sustainable growth by focusing on developing four key business pillars: digital infrastructure, integrated B2C services, B2B ICT services, and New Play. These pillars align with a digital business framework (connectivity, platform, and service), supported by six delivery model directions: inorganic & partnership, technology, organizations, operations, people capability & culture, and sustainability & governance.

By 2025, TelkomGroup aims to maintain competitive revenue growth despite the uncertainties in global and national economic conditions and the current decline in consumers' purchasing power. Mobile broadband and IndiHome remain the primary revenue contributors. Additionally, Telkom is pursuing growth opportunities through its Five Bold Moves (5BM) strategic initiative. Alongside revenue growth, Telkom is working to streamline operational expenditures and optimize capital spending to strengthen its financial position and ensure sustainable profitability.

TelkomGroup's Target or Projections for The Following Year

Indicator	Target in 2025
Revenue Growth	The Company is expected to grow positively in the low to mid-single-digit range amid more challenging global and national economic conditions and competition.
EBITDA Margin and Net Income Margin	EBITDA Margin and Net Income Margin are projected to have healthy growth in line with the decline in legacy business shifting to digital business (connectivity, platform, and service).
Capital Expenditure	Around 15%-25% of our revenue is planned for capital expenditure, focusing on building digital business infrastructure.
Dividend Policy	The dividend payout ratio ranges from 60%-90%.

Dividend

TelkomGroup annually distributes dividends. The dividend distribution is to optimize value for shareholders. The dividend distribution policy is determined and approved by the shareholders at the Annual General Meeting of Shareholders (AGMS). In the last five years, TelkomGroup has set a dividend payout ratio that ranges from 60% to 90%. The dividend paid in 2024 for business performance in 2023 was Rp17,683,019 million (72% from net profit).

Telkom's Dividend Payment for the Year 2019-2023 Operational Performance

Dividend Year	Dividend Policy	Date of Dividend Payment in Cash and/or Date of Dividend Distribution in Non-Cash	Payment Ratio / Payout ratio (%) ¹	Dividend Amount paid per year (Rp million)	Dividend Amount per Share (cash and/or non-cash) after Stock Split (Rp)
2019	AGMS, June 19, 2020	July 23, 2020	81.78	15,262,338 ²	154.07
2020	AGMS, May 28, 2021	July 2, 2021	80.00	16,643,443 ³	168.01
2021	AGMS, May 27, 2022	June 30, 2022	60.00	14,855,921 ⁴	149.97
2022	AGMS, May 30, 2023	July 5, 2023	80.00	16,602,697 ⁵	167.59
2023	AGMS May 3, 2024	June 6, 2024	72.00	17,683,019 ⁶	178.50

Remarks:

1. Represents the percentage of profit attributable to owners of the parent paid to shareholders in dividends.
2. Consists of cash dividend amounting to Rp11,197,606 million and special cash dividend amounting to Rp4,064,730 million.
3. Consists of cash dividend amounting to Rp12,482,582 million and special cash dividend amounting to Rp4,160,860 million.
4. Only consists of cash dividend amounting to Rp14,855,921 million.
5. Only consists of cash dividend amounting to Rp16,602,697 million.
6. Only consists of cash dividend amounting to Rp17,683,019 million.

Realization of the Use of Public Offering Proceeds

We have issued several bonds which are currently outstanding and owned by investors. We have several underwriters for bond issuance, namely PT Bahana Sekuritas, PT Danareksa Sekuritas, PT Mandiri Sekuritas, and PT Trimegah Sekuritas Tbk, and a bank that is the trustee, namely PT Bank Permata Tbk. Telkom guarantees all bonds with assets, and Pefindo assigns an ^{id}AAA rating to all Telkom bonds. The following table presents the unmatured bond status as of December 31, 2024.

Realization of Telkom's Public Offering Funds as of December 31, 2024

Name of the Bond	Amount (Rp million)	Date of Issue	Maturity Date	Time Period (year)	Realization of Funds	
					Balance (Rp million)	Year
The Shelf Registered Bonds I Telkom 2015 series B	2,100,000	June 23, 2015	June 23, 2025	10	0	2016
The Shelf Registered Bonds I Telkom 2015 series C	1,200,000	June 23, 2015	June 23, 2030	15	0	2016
The Shelf Registered Bonds I Telkom 2015 series D	1,500,000	June 23, 2015	June 23, 2045	30	0	2016

Telkom has realized all the funds obtained from the public offering, with the remaining funds recorded as nil. There is no change regarding the realization of the previously planned use of funds. Details related to bond information can be seen in Note 18 Short-Term Bank Loans and Long-Term Loans Maturing Within One Year and Note 19 Long-Term Loans and Other Loans in the 2024 TelkomGroup Consolidated Financial Statements.

Material Information Regarding Transaction with Conflict of Interest, Transaction with Affiliated Parties, Investment, Divestment, and Acquisition

TelkomGroup recorded affiliated transactions in 2024. The implementation of affiliated transactions has complied with internal policies related to the Main Procedures for Affiliated Transactions and Conflicts of Interest Transactions stipulated in the President Director’s Official Note. Based on the review, Telkom has ensured that all affiliated transactions comply with the internal procedure and

applicable general provisions and follow the POJK No. 42/2020 provision. Meanwhile, no transactions with related parties contain conflicts of interest as they are according to the principles of fairness and business practice in 2024.

The list of affiliated transactions that must be disclosed in the Annual Report during the 2024 financial year is as follows:

No.	Transaction Type	Parties Involved and Nature of Affiliate Relationship	Transaction Value
1.	Purchase of Land and Building GTS 1	1. PT Telkom Data Ekosistem (a subsidiary company) 2. PT Graha Telkomsigma (a subsidiary company)	Rp555,500,000,000

The Board of Directors stated that the Affiliate Transaction had gone through the Internal Affiliate Transaction Procedures applicable within the TelkomGroup. Moreover, it can be seen in Note 32 regarding Related Parties Transactions in 2024 TelkomGroup’s Consolidated Financial Statements and Appendix 4 in Annual Report for 2024 Reporting Period.

Changes in Law and Regulation

In implementing Good Corporate Governance (GCG) practices, TelkomGroup consistently reviews any changes in laws and regulations that may impact its operational activities. In 2024, a significant regulatory change occurred with the issuance of Minister of Home Affairs Regulation (*Permendagri*) No. 7 of 2024. This regulation, established by the Minister of Home Affairs on June 20, 2024, was promulgated by the Directorate General of Legislation of the Ministry of Law and Human Rights on July 2, 2024.

Permendagri 7/2024 modifies several provisions regarding utilizing Regional Property (BMD), which were previously governed by *Permendagri* 19/2016. This new regulation explicitly addresses the use of BMD for telecommunications and informatics infrastructure, including buildings, land surfaces, and underground spaces that contain Integrated Utility Network Facilities (SJUT), ducting, or tunnels.

An essential aspect of *Permendagri* 7/2024 is its incorporation of TelkomGroup's aspirations that were not addressed in the previous regulation. Key changes that benefit telecommunications operators include:

1. Establishment of the BMD rental adjustment factor for telecommunications and informatics infrastructure at a rate between 4% and 16%.
2. Clarification that if there is no SJUT, ducting, or tunnel, the BMD rental adjustment factor for telecommunications and informatics infrastructure will be 0%.

With the implementation of *Permendagri* 7/2024, telecommunications operators are now required to pay only 4% to 16% of the applicable BMD rental fee in each region. Furthermore, they cannot be charged BMD rent if the Regional Government does not establish SJUT, ducting, or tunnels for shared use.

This regulation aims to provide legal certainty for the telecommunications industry while encouraging Regional Governments to create supportive infrastructure to accelerate the deployment of telecommunications. Previously, each Regional Government had its own regulations regarding BMD rental, with differing amounts that often burdened telecommunications companies. The new *Permendagri* 7/2024 offers a more structured and transparent BMD rental scheme, alleviating regulatory costs for TelkomGroup and motivating Regional Governments to be more proactive in developing telecommunications infrastructure that supports national digital connectivity.

Despite the enactment of *Permendagri* 7/2024, challenges remain in its implementation, particularly with Regional Governments' understanding of the new provisions. Some Regional Governments are still applying the old scheme to determine BMD rentals for telecommunications infrastructure, potentially causing conflicts with the latest regulations. Therefore, further efforts are essential to ensure optimal implementation of this policy.

As a next step, Regional Governments need to harmonize regional regulations to align with the provisions outlined in Permendagri 7/2024. This harmonization is crucial to avoid discrepancies between central regulations and regional policies, which could hinder the efficient deployment of telecommunications infrastructure.

Internally, TelkomGroup has conducted outreach to all business units to ensure they understand the implications of this regulation and can optimize the use of BMD in compliance with the provisions. A unified understanding within TelkomGroup will

facilitate the implementation of more effective operational strategies and ensure adherence to the latest regulations.

Additionally, TelkomGroup continues to collaborate with the Central Government to promote expedited communication with Regional Governments. Enhanced coordination among stakeholders is needed to ensure that this regulation is effectively implemented across all regions, thereby supporting the acceleration of digitalization and the equitable distribution of telecommunications infrastructure in Indonesia.

Changes in Accounting Policy

TelkomGroup's Consolidated Financial Statements refers to the Financial Accounting Standards (SAK) issued by the Indonesian Institute of Accountants (IAI). It also complies with the Regulation of the Capital Market and Financial Institution Supervisory Agency (Bapepam-LK) No. VIII.G.7 regarding the Presentation and Disclosure of Financial Statements of Issuers or Public Companies, attached to the letter KEP347/BL/2012. TelkomGroup also applies the International Financial Reporting Standard (IFRS) accounting standards based on the Securities and Exchange Commission (SEC) regulations.

Changes in accounting policies in 2024, including:

1. Indonesian Financial Reporting Standards Framework (KSPKI) and Indonesian SAK Nomenclature
2. Amendment to PSAK 116 on Leases.
3. Amendment to PSAK 201 on Presentation of Financial Statements.
4. Amendment to PSAK 207 on Cash Flow Statements and PSAK 107 on Financial Instruments: Disclosures.
5. Amendment to IAS 1 on Presentation of Financial Statements.
6. Amendment to IFRS 16 on Leases.
7. Amendment to IAS 7 on Statement of Cash Flows and IFRS 7 on Financial Instruments: Disclosures.

Implementation and Changes of Accounting Policies of TelkomGroup in 2024

No	Accounting Policy	Reason for Change	Impact on Financial Statements for Financial Year 2024	
			SAK Financial Report	IFRS Financial Report
1.	Indonesian Financial Reporting Standards Framework (KSPKI) and Indonesian SAK Nomenclature	There is an International SAK as a pillar of the new SAK so that DSAK IAI ratifies the KSPKI to clarify the application of each pillar of the SAK. Furthermore, in line with the ratification of the KSPKI, the DSAK IAI also ratifies the changes in the numbering of PSAK and ISAK. It aims to distinguish PSAK and ISAK that refer to IFRS accounting standards and PSAK and ISAK that do not refer to these standards, which include: <ul style="list-style-type: none"> IFRS Standards issued by the International Accounting Standards Board (IASB); IAS Standards issued by the International Accounting Standards Committee (IASC), which were then continued by the IASB; IFRIC Interpretations issued by the IFRS Interpretations Committee (IFRIC), which is a continuation and replaces SIC in 2001; and SIC Interpretations issued by the Standing Interpretations Committee (SIC). 	KSPKI and changes to the numbering of Indonesian SAK do not affect the substance of the regulations of each PSAK and ISAK and therefore no material impact on SAK financial statements.	No material impact on IFRS financial statements.
2.	PSAK 116	DSAK issued amendments to the accounting standards as the adoption of Amendment to IFRS 16.	No material impact on SAK financial statements.	No material impact on IFRS financial statements.
3.	PSAK 201	DSAK issued amendments to the accounting standards as the adoption of Amendment to IAS 1.	No material impact on SAK financial statements.	No material impact on IFRS financial statements.
4.	PSAK 207 and PSAK 107	DSAK issued amendments to the accounting standards as the adoption of Amendment to IAS 7 and IFRS 7.	No material impact on SAK financial statements.	No material impact on IFRS financial statements.
5.	IAS 1	IASB issued amendments to IAS 1 regarding Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants.	No material impact on SAK financial statements.	No material impact on IFRS financial statements.
6.	IFRS 16	IASB issued amendments to IAS 8 regarding Lease Liability in a Sale and Leaseback.	No material impact on SAK financial statements.	No material impact on IFRS financial statements.
7.	IAS 7 and IFRS 7	IASB issued amendments to IAS 12 regarding Disclosures: Supplier Finance Arrangements	No material impact on SAK financial statements.	No material impact on IFRS financial statements.

Further details of the changes in accounting policies in Telkom's financial statements for the current year are disclosed in Note 2 Summary of Accounting Policies of 2024 TelkomGroup's Consolidated Financial Statements.