

Investment Plan_Palm Business

-Acquisition of Indonesian Palm Company-

(25.11.24.)



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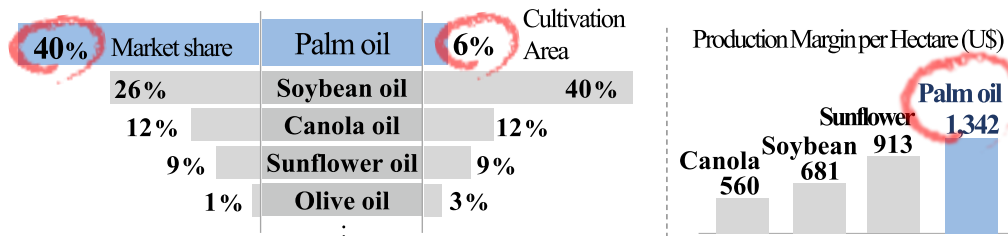


I. Palm Plantation Business Overview & Expansion Potential

High-barrier industry with strong profitability & long-term growth potential

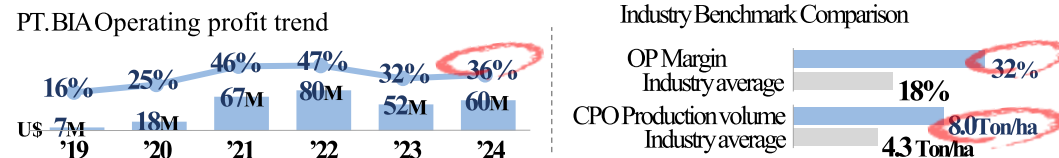
Profitability

- 1st in global market share driven by outstanding productivity
 - Compared to other oilseeds (canola, soybean, etc.), production is approximately 4–8 times higher, maintaining a 40% market share.



- Delivering profitability above industry peers through strong operational capability

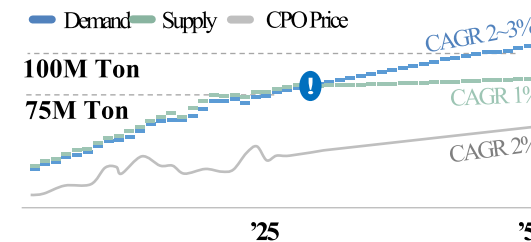
- Operating profit up 233% since ramp-up, margin at 1.8× industry average



Growth potential

- Demand Stability: Solid demand & expansion is expected driven by edible · industrial uses and eco-friendly fuel

- Rising need for SAF feedstocks(POME), population growth & eco-friendly fuel adoption expected to tighten supply



Supply shortages expected around 2028

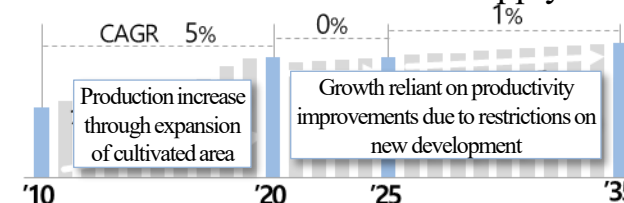
- + Population growth and increased biodiesel usage
- Production limits due to restrictions on new development

Price expected to rise at around 2% per year

- CAGR over the past 20 years : 4.5%('00~'20)
- CAGR over the past 5 years : 4.9%('20~'25)

- High Entry Barriers : New plantation development restrictions elevate the value of existing plantations

- Global ESG Policies Constrain Supply Growth



Indonesia, Malaysia approx.
85% of production

Indonesia	46 M Ton
Malaysia	19 M Ton
Thailand	3 M Ton
Colombia	2 M Ton
Nigeria	1 M Ton

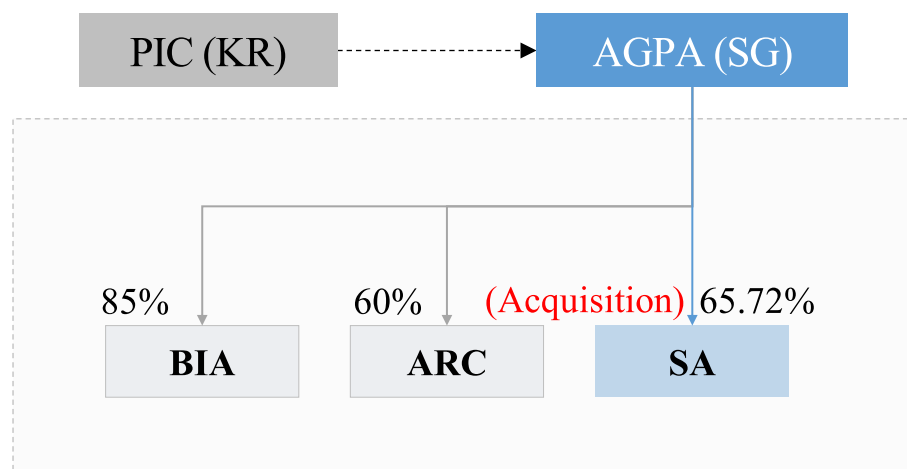
With upstream value expected to continue rising as a limited resource, timely entry is required based on the Company's global top-tier asset (PT.BIA) operational capabilities and strengthened value chain.

II. Acquisition Overview and Details

Expansion of profitability & strengthening of V/C competitiveness through acquisition

Acquisition Structure

- Acquisition through Singapore subsidiary AGPA



- Total Investment: USD 567 million for a 65.72% stake

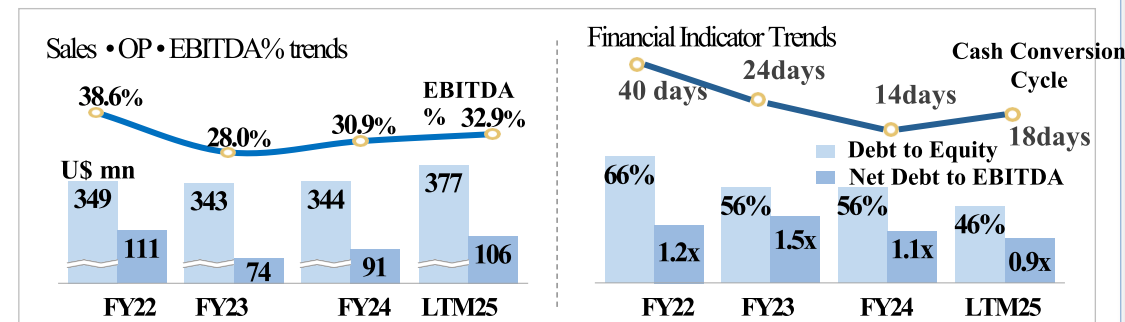
- Investment Target : **65.72% equity in PT Sampoerna Agro***
- Progress : SPA executed and acquisition completed ('25.11.19.), and remaining minority shareholder Mandatory Tender Offer* and other follow-up procedures to be carried out

* Mandatory under local capital market regulations; the acquired stake may increase depending on the outcome of the tender offer

Acquisition Details

- Target: Indonesian major palm company, PT Sampoerna Agro

- Founded / Location / Market Capitalization: '93 / (Plantations) Sumatra & Kalimantan / USD 644 million (as of 25.11.13)
- Listed upstream palm company in Indonesia generating a stable EBITDA margin above 30%



- Reason for selection : Stable profit generation based on superior location & seed resources

- Location / Seeds: Located in preferred areas within the main palm belt. Ranked 2nd in seed development and sales in Indonesia.
- ESG : High competitiveness with 100% resource recycling system and application of various eco-friendly farming methods.
- Synergy : Able to achieve annualized even production by offsetting production peaks with PT BIA. Conveniently located to supply the refinery.

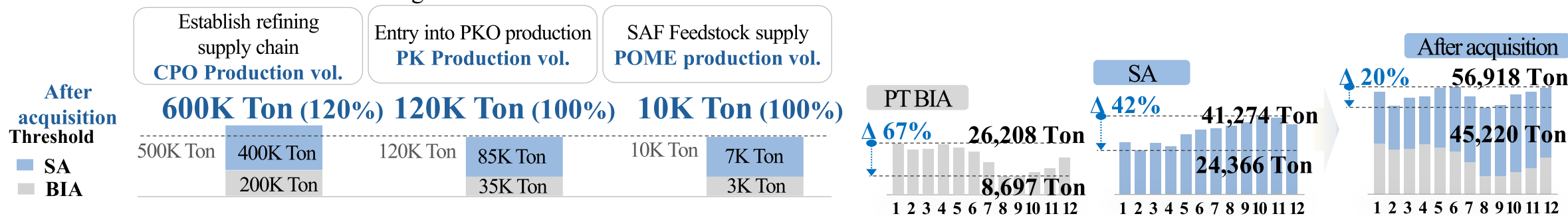
III. Expected Benefits

Become a global major palm company thru. market positioning & synergies (profit 3X by '30)

Secure profitability & strengthen market position

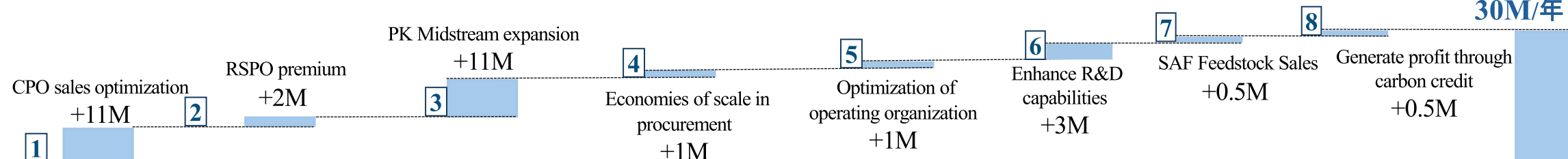
- Current 200K Tons CPO/KRW 100B OP → '30 target : 700K Tons CPO/ OP 3X → '35 Target 1M Tons CPO / OP 5X

- Upon acquisition, able to become a global major player based on RSPO certified area & achieve market dominance through scale.
- Strengthen position within the V/C as an expansion hub for existing plantations



Creating synergies through V/C expansion

- Realizing full potential of integrated synergies worth approximately USD 30M (annual OP)



사람과 사람을 이어갑니다

ESG경영 선도기업

Thank you

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Appendix

**We Find Answers
PlanetWide**

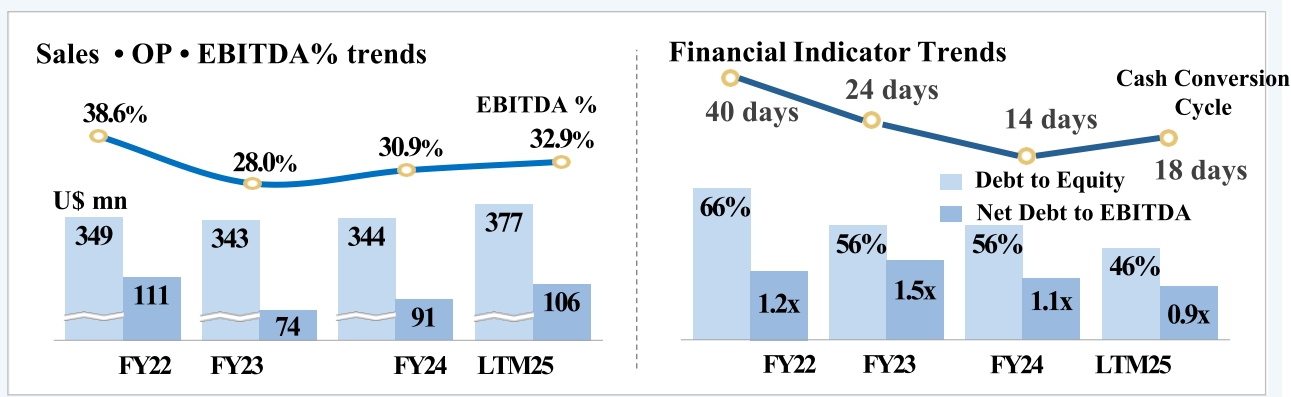
[Appendix] Summary of the company to be acquired(1/3)

○ Indonesian listed upstream palm company consistently generating an EBITDA margin above 30%

- Following the sale of its tobacco business ('05 Philip Morris, US\$5.2B) the company had acquired & expanded its palm operations.

However, divestment is underway due to the Group's portfolio restructuring decision

Company Name	PT Sampoerna Agro Tbk (Indonesian listed comp.)
Founded	1993. 6. 7 (# of employees 9,747)
Location	(HQ) Jakarta, (Plantation) Sumatra, Kalimantan
Major Shareholder	Twinwood Family 65.72% (Acquisition target)
Market Capitalization	US\$ 601M (as of '25. 9. 25.)
Key Assets	Palm plantation 128Kha (plasma 46K), Seeds R&D



○ [Assets held] 128K ha of palm plantations in Sumatra & Kalimantan, 8 CPO Mills, seed R&D center

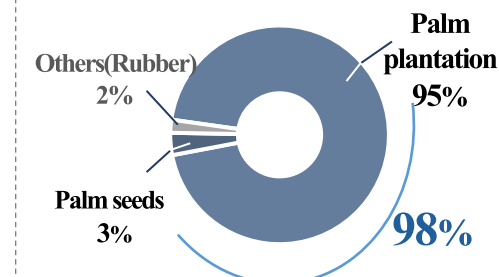
- Low-productivity rubber plantations (23K ha) are excluded from the acquisition

- 128K Ha of palm plantation, 8 CPO Mills, 1 PKO Mill, seed R&D center

※ **Other assets** : 23K ha of rubber plantations (Hold global environmental certification / development stage, unprofitable business: '24 US\$ Δ 4M)

Sumatra		Kalimantan		Seed business
Total area	79 K ha	Total area	48 K ha	<ul style="list-style-type: none"> • 2nd Largest Market Share in Indonesian Seed Market (M/S 15%+, 1st held by state owned comp.) • Owns 12 seed varieties + research lab.
• Comp. plantation	43 K ha	• Comp. plantation	38 K ha	
• Plasma	36 K ha	• Plasma	10 K ha	
CPO Mill	5 (360t/h)	CPO Mill	3 (160t/h)	

Sales composition by business ('24)

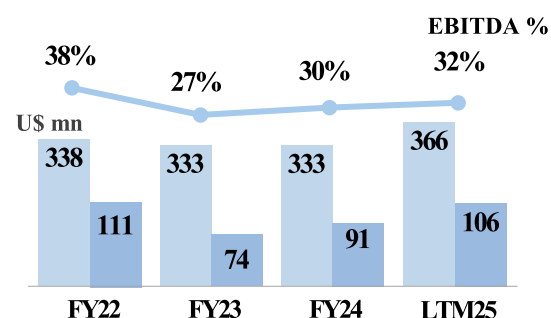


[Appendix] Summary of the company to be acquired(2/3)

○ [Plantation] Generate stable profitability above 30% by leveraging productivity above industry average & favorable locations

Consistently generating stable profitability above 30% on average

Sales • OP • EBITDA% trends

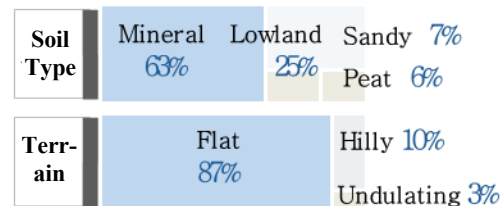


Slightly above average productivity achieved despite diverse soils and terrain in the main palm belt

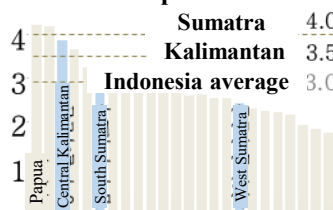
Maintaining Profitability Through In-House Productivity Improvements and Main Belt Location (Low Transport Costs)

※ Lowland, sandy soils typically yield 40–60% compared to mineral soils (PT BIA is 100% mineral, flat soils)

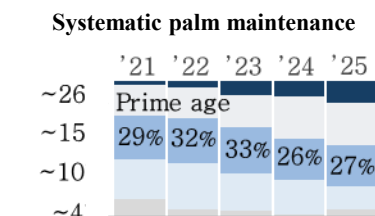
Soil Distribution Ratio



Average CPO Productivity Comparison



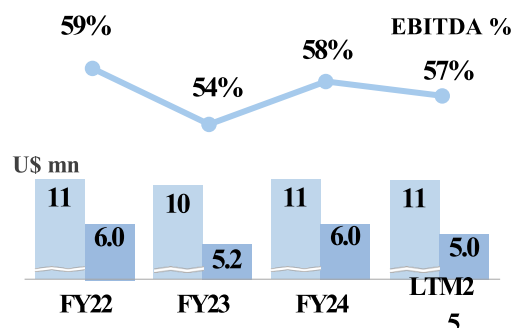
Age Distribution of Palm Trees



○ [Seed] 2nd largest seed developer and seller in Indonesia (approx. 15% m/s) possess suitable varieties & breeding data by soil and climate type

Higher margin Than Plantations Through R&D Operations

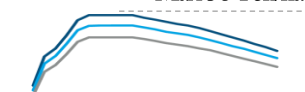
Sales • OP • EBITDA% trends



Possessing leading seed R&D capabilities and experience, providing Agronomy Service beyond seed sales (50+ plantations)

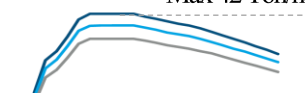
SJ (Standard – Launched '04)

[Yield] Max 38 Ton/ha

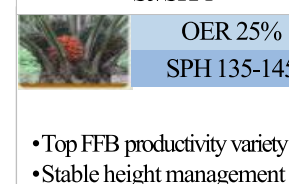


SK (Premium – Launched '20)

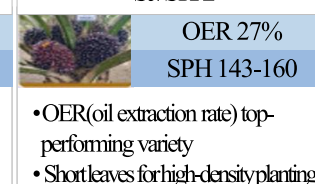
[Yield] Max 42 Ton/ha



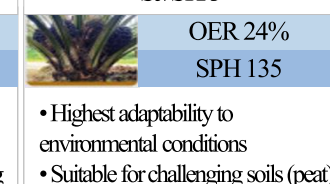
SJ/SK 1



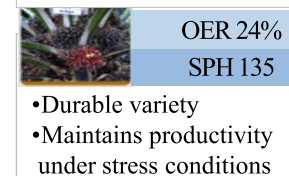
SJ/SK 2



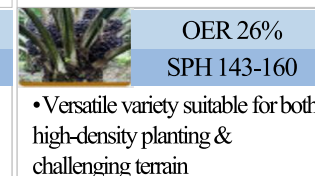
SJ/SK 3



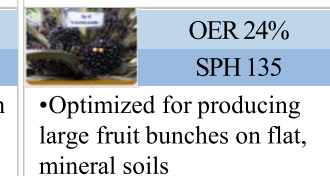
SJ/SK 4



SJ/SK 5



SJ/SK 6



[Appendix] Summary of the company to be acquired(3/3)

Palm Seeds (Sumatra)	
Company	
Number of companies	1
Plantation	
Number of plantations	2
Year of commencement of operations	1999
Area	1,172ha

Sumatra

Kalimantan

Palm plantation (Kalimantan)	
Company	
Number of companies	12
Mill	
Number of Mills	3
Mill Capacity	150MT/hour
Plantation (Nucleus)	
IUP Area	80,302ha
HGU Area	52,412ha
Planted Area	38,657ha
Matured Area	38,066ha
Conservation Area	193ha
Plantation (Plasma)	
Single Mgt	
Planted Area	10,386ha
Matured Area	10,332ha

Palm plantation (Sumatra)			
Company		Plantation (Plasma)	
Number of companies	8	Single Mgt	
Mill		Planted Area	6,253ha
Number of Mills	5	Matured Area	5,851ha
Mill Capacity	360MT/hour	Conservation Area	1,606ha
Plantation (Nucleus)		Ind. Smallholders	
IUP Area	70,181ha	Planted Area	27,973ha
HGU Area	62,714ha	Matured Area	14,559ha
Planted Area	43,540ha		
Matured Area	39,272ha		
Conservation Area	1,381ha		