

**INFORMATION DISCLOSURE TO THE SHAREHOLDERS ON  
AN AFFILIATED-PARTY TRANSACTION OF  
PT ADARO ENERGY INDONESIA TBK  
("THE COMPANY")**

This Information Disclosure to the Shareholders concerning an affiliated-party transaction (hereinafter referred to as "**Information Disclosure**") is compiled to present the explanation to all of the Company's shareholders regarding the guarantee by PT Adaro Tirta Mandiri ("**ATM**"), a limited-liability company whose shares are 99.99% indirectly owned by the Company, for a loan facility to be granted to PT Dumai Tirta Persada ("**DTP**"), a limited-liability company whose shares are 48.99% indirectly owned by the Company.

This transaction fulfills the definition of an affiliated-party transaction as set forth by the Regulation of the Financial Services Authority of the Republic of Indonesia (FSA) number 42/POJK.04/2020 on Affiliated-Party Transactions and Conflict-of-Interest Transactions ("**POJK 42/2020**").

THE COMPANY'S BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS, EITHER SEVERALLY OR JOINTLY, ARE FULLY RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION DISCLOSURE AND THE AMENDMENT AND/OR ADDITION TO THE INFORMATION DISCLOSURE, IF ANY.

THE COMPANY'S BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS HEREBY DECLARE THAT THE INFORMATION AS DISCLOSED IN THIS INFORMATION DISCLOSURE IS COMPLETE, AND AFTER A DUE AND CAREFUL EXAMINATION, EMPHASIZE THAT THE INFORMATION STATED IN THIS INFORMATION DISCLOSURE IS TRUE, AND THAT THERE ARE NO RELEVANT AND MATERIAL FACTS OMITTED OR ELIMINATED IN SUCH A WAY THAT CAUSE THE INFORMATION PROVIDED HEREIN TO BE UNTRUE AND/OR MISLEADING.

THE COMPANY'S BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS DECLARE THAT THIS AFFILIATED-PARTY TRANSACTION DOES NOT CONTAIN ANY CONFLICT OF INTEREST.



**PT Adaro Energy Indonesia Tbk**

**Business activities:**

Operating head office activities and management consultation (for the businesses of subsidiaries operating in mining, excavation, mining support services, large-scale trading, logistics, warehousing, and logistics support activities, cargo handling (stevedoring), sea port service activities, plant agriculture, construction, engine repair and installation, power provision, water treatment, forestry and industry)

**Head office:**

Menara Karya, 23<sup>rd</sup> floor  
Jl. H.R. Rasuna Said, Blok X-5, Kav. 1-2, Jakarta 12950, Indonesia  
[Email: corsec@adaro.com](mailto:corsec@adaro.com)  
[Website: www.adaro.com](http://www.adaro.com)

This Information Disclosure is issued in Jakarta on June 16, 2023.

## DEFINITION

|                                      |  |
|--------------------------------------|--|
| <b>Affiliation:</b>                  | defined as set forth by article 1 of the Capital Market Law or POJK 42/2020  |
| <b>Commissioner:</b>                 | member of the Company's Board of Commissioners holding such position on the date of this Information Disclosure  |
| <b>Board of Directors:</b>           | the Company's Board of Directors holding such position on the date of this Information Disclosure  |
| <b>Independent Appraiser:</b>        | the Office of Appraisal Services of Desmar, Susanto, Salman dan Rekan, an independent appraiser registered with the FSA, which has been appointed by the Company to appraise the fair value and/or fairness of the Transaction |
| <b>Appraisal Report:</b>             | a written report prepared by the Appraiser, which contains the Appraiser's opinion on the object of the appraisal and presents the information on the appraisal process  |
| <b>Company:</b>                      | PT Adaro Energy Indonesia Tbk, a publicly-listed company duly established and organized under the law of the Republic of Indonesia and domiciled in Jakarta, Indonesia   |
| <b>Controlled Company:</b>           | defined as set forth by POJK 42/2020   |
| <b>POJK 42/2020:</b>                 | FSA's Regulation number 42/POJK.04/2020 on Affiliated-Party Transactions and Conflict of Interest Transactions   |
| <b>Affiliated-Party Transaction:</b> | defined as set forth by POJK 42/2020   |

## I. INTRODUCTION

On June 14, 2023, DTP's shareholder, i.e. ATM, and PT Adhi Karya (Persero) Tbk ("**ADHI**") signed: (i) a Letter of Undertaking as a guarantee provision; and (ii) a Statement of Pledge of Shares as the commitment for the pledge of DTP's shares to be followed up with the signing of the pledge of DTP's shares ("**Transaction to Provide Guarantee**").

The Transaction to Provide Guarantee will arise from the agreement of loan facility amounting to Rp325,000,000,000,- (three hundred twenty five billion Rupiah) from the infrastructure financing institution of June 14, 2023 ("**Loan Facility**").

Pursuant to article 4 point 1 of POJK 42/2020, the Transaction to Provide Guarantee by ATM for DTP is an Affiliated-Party Transaction which is required to use the service of an Appraiser to determine the fair value of the object of the Affiliated-Party Transaction and/or the fairness of such transaction, and must be announced to the public. In the fulfillment of POJK 42/2020, the Company's Board of Directors announces this Information Disclosure to inform the Company's shareholders.

The Independent Appraiser's Report incorporated herein was compiled by the Office of Appraisal Services of Desmar, Susanto, Salman dan Rekan number 00058/2.0142-00/BS/02/0177/1/VI/2023 of June 12, 2023, on the Fairness Opinion on the Planned Transaction ("**Appraiser's Report**"). The Appraiser is in the opinion that this transaction is **fair**.

This Affiliated-Party Transaction executed by the Company complies with the procedure as set forth in article 3 of POJK 42/2020 and has been executed in accordance with the generally applicable business practices.

This Affiliated-Party Transaction is not a Conflict-of-Interest Transaction, and therefore does not require the prior approval of the Company's General Meeting of Shareholders as set forth in POJK 42/2020 and does not fulfil the definition of a Material Transaction as specified in the FSA regulation No. 17/POJK.04/2020 on Material Transactions and Changes to Business Activities ("**POJK 17/2020**"), as the total value of this transaction is less than 20% (twenty percent) of US\$6,527,337,105 (six billion five hundred twenty-seven million three hundred thirty-seven thousand one hundred and five United States dollars), which is the Company's total equity value based on its Financial Statements of December 31, 2022, on which a limited review has been performed by Public Accountant Tanudiredja, Wibisana, Rintis & Rekan.

## II. BRIEF DESCRIPTION ON THE TRANSACTION AND THE EFFECT OF THE TRANSACTION TO THE COMPANY'S FINANCIAL CONDITION

### A. DESCRIPTION OF THE TRANSACTION

#### i. Background, Rationale and Benefits of the Transaction

One of the Company's businesses is the business of water treatment, mud management, and reduction of non-revenue water. ATM is a controlled company of the Company operating in this business line.

In 2019, ATM and ADHI established DTP with the ownership of 49% and 51%, respectively, to build, operate and maintain the water provision system in Dumai. Further, DTP and PDAM Tirta Dumai Bersemai signed an agreement to build, operate, maintain, and finance the water provision system in Dumai for 25 years since the commercial operation date. DTP's production capacity in 2022 was 250 liters per second ("**lps**").

For further development and production capacity increase, DTP has obtained the Loan Facility to be used to design, build, operate and maintain the Drinking Water Provision System of Dumai City, among others for serving the city industrial estate and households in Dumai City and West Dumai districts with the capacity of

50 lps, for serving the industrial estate in Lubuk Gawung and the surrounding residential areas with the capacity of 200 lps, and for serving the other residential and industrial estate in the districts of Dumai City, West Dumai, South Dumai and East Dumai with the capacity of 200 lps.

The Company through ATM will provide guarantee on the Loan Facility based on ATM's ownership portion in DTP.

## **ii. Brief Description on the Transaction**

The details of the Transaction to Provide Guarantee are as follows:

1. The Letter of Undertaking containing the financial support of the shareholders, respectively based on the proportion of share ownership and not jointly responsible, pledge to provide the required funding support for DTP to fulfill its obligations, with the maximum value of Rp159,250,000,000,- (one hundred fifty-nine billion two hundred fifty million Rupiah); and
2. The pledge of DTP's shares owned by ATM of 12,250 shares, with the total nominal value of Rp12,250,000,000,- (twelve billion two hundred fifty million Rupiah).

The Transaction to Provide Guarantee arises from the Loan Facility Agreement of June 14, 2023, with the following details:

- Loan principal amount: up to Rp325,000,000,000,- (three hundred twenty-five billion Rupiah)
- Maturity: 16 years from the date of the loan agreement
- Use of fund: among others for financing the total project cost or replace the total project cost spent, including the refinancing of the existing shareholders' loan

## **iii. Parties to the Transaction**

### **1. The Company**

#### Brief history

The Company was established based on the notarial deed of Sukawaty Sumadi, S.H., a Notary in Jakarta, number 25 of July 28, 2004. The Company's deed of incorporation was announced in the State Gazette of the Republic of Indonesia number 59 of July 25, 2006, Supplement to State Gazette number 8036, and approved by the Minister of Law and Human Rights of the Republic of Indonesia by Decree number C-21493 HT.01.01.TH.2004 of August 26, 2004. The Company's Articles of Association have been amended several times with the latest amendment made by a notarial deed of Mahendra Adinegara, S.H., M.Kn. number 16 of February 15, 2022. Such amendment to the Articles of Association has been approved by the Minister of Law and Human Rights of the Republic of Indonesia by the decree number AHU-0011776.AH.01.02.TAHUN 2022 of February 16, 2022.

#### Management and supervision

Based on the notarial deed number 44 of May 22, 2023 made before Humberg Lie, S.H., S.E., M.Kn., a notary in North Jakarta, which has been received by the Minister of Law and Human Rights of the Republic of Indonesia as confirmed by the Receipt of the Notification on the Change in the Company's Data number AHU-AH.01.09- 0121980 of May 29, 2023, the compositions of the Company's Board of Directors and Board of Commissioners are as follows:

### Board of Commissioners

President Commissioner: Edwin Soeryadjaya  
Vice President Commissioner: Theodore Permadi Rachmat  
Commissioner: Arini Saraswaty Subianto  
Independent Commissioner: Mohammad Effendi  
Independent Commissioner: Budi Bowoleksono

### Board of Directors

President Director: Garibaldi Thohir  
Vice President Director: Christian Ariano Rachmat  
Director: Michael William P. Soeryadjaya  
Director: Chia Ah Hoo  
Director: M. Syah Indra Aman  
Director: Julius Aslan

## 2. **ATM**

### Brief history

ATM was established as PT Sarana Rekreasi Mandiri (“SRM”) based on the Deed Number 1 of April 3, 2012, made before Novita Puspitarini, S.H., a Notary in South Jakarta. This deed of incorporation has been validated by the Minister of Law and Human Rights of the Republic of Indonesia by Decree number AHU-24396.AH.01.01.TAHUN 2012 of May 7, 2012. The name change from SRM to ATM was made under the Deed number 6 of July 1, 2016, made before Humberg Lie, S.H., S.E., M.Kn., a Notary in North Jakarta, and has been approved by the Minister of Law and Human Rights of the Republic of Indonesia by Decree number AHU-0012666.AH.01.02.Tahun 2016 of July 1, 2016.

### Management and supervision

Based on the Deed number 27 of December 7, 2022, made before Humberg Lie, S.H., S.E., M.Kn., a Notary in North Jakarta, which has been received by the Minister of Law and Human Rights of the Republic of Indonesia by the Receipt of the Notification on the Change in the Company’s Data number AHU-AH.01.09-0085089 of December 9, 2022, the compositions of ATM’s Board of Commissioners and Board of Directors are as follows:

### Board of Commissioners

President Commissioner: Garibaldi Thohir  
Commissioner: Christian Ariano Rachmat  
Commissioner: M. Syah Indra Aman  
Commissioner: Rudy Ariffin  
Commissioner: Lie Luckman

### Board of Directors

President Director: Ahmad Rosyid  
Director: Edward Enneddy Rorong  
Director: Sylvia Trianasari Tambunan  
Director: Sindu Galih Putra

### 3. DTP

#### Brief history

DTP was established based on the Deed Number 2 of April 2, 2019, made before Mia R. Setianingsih, S.H., M.Kn, a Notary in Jakarta, which has been validated by the Minister of Law and Human Rights of the Republic of Indonesia by Decree number AHU-0017953.AH.01.01 tahun 2019 of April 4, 2019.

#### Management and supervision

Based on the Deed number 99 of September 21, 2021, made before Rosida Rajagukguk-Siregar, S.H., M.Kn., a Notary in South Jakarta, which has been received by the Minister of Law and Human Rights of the Republic of Indonesia by the Receipt of the Notification on the Change in the Company's Data number AHU-AH.01.03-0462762 of October 19, 2021, the compositions of DTP's Board of Commissioners and Board of Directors are as follows:

#### Board of Commissioners

President Commissioner: Ahmad Rosyid  
Commissioner: Vera Kirana

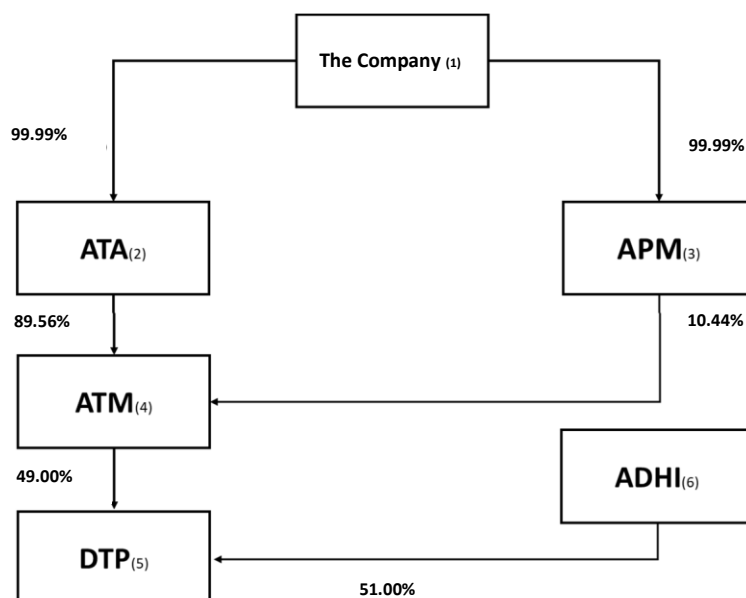
#### Board of Directors

President Director: Yunan Kurnianto  
Director: Sindu Galih Putra

## B. NATURE OF THE AFFILIATION OF THE PARTIES CONDUCTING THE TRANSACTION WITH THE COMPANY

This Transaction is categorized as an Affiliated-Party Transaction as defined by POJK 42/2020 because it is a transaction conducted by a controlled company, i. e. ATM, for the interest of its affiliated company, i.e. DTP. The affiliated relationship between The Company and DTP is that of a company and the majority shareholder.

The following chart presents the structure of the Company's share ownership relationship with ATM and DTP:



Notes:

- (1) The Company: PT Adaro Energy Indonesia Tbk  
 (2) ATA: PT Alam Tri Abadi  
 (3) APM: PT Adaro Persada Mandiri  
 (4) ATM: PT Adaro Tirta Mandiri  
 (5) DTP: PT Dumai Tirta Persada  
 (6) ADHI: PT Adhi Karya (Persero) Tbk

**C. EFFECTS OF THE TRANSACTION ON THE COMPANY'S FINANCIAL CONDITION (PRO FORMA)**

| The Company's pro forma balance sheet |                   | (thousand of USD) |                   |
|---------------------------------------|-------------------|-------------------|-------------------|
| Balance Sheet                         | Audited           | Transaction       | Pro forma         |
|                                       | December 31, 2022 |                   | December 31, 2022 |
| Current assets                        | 5,319,309         | -                 | 5,319,309         |
| Non-current assets                    | 5,462,998         | -                 | 5,462,998         |
| <b>Total Assets</b>                   | <b>10,782,307</b> | -                 | <b>10,782,307</b> |
| Short-term liabilities                | 2,447,512         | -                 | 2,447,512         |
| Long-term liabilities                 | 1,807,457         | -                 | 1,807,457         |
| <b>Total liabilities</b>              | <b>4,254,969</b>  | -                 | <b>4,254,969</b>  |
| <b>Equity</b>                         | <b>6,527,338</b>  | -                 | <b>6,527,338</b>  |

| The Company's pro forma profit and loss |                   | (thousand of USD) |                   |
|---|-------------------|-------------------|-------------------|
| Profit and Loss                         | Reviewed          | Transaction       | Pro forma         |
|   | December 31, 2022 |                   | December 31, 2022 |
| Revenue                                 | 8,102,399         | -                 | 8,102,399         |
| Cost of revenue                         | (3,449,427)       | -                 | (3,449,427)       |
| Gross profit                            | 4,652,972         | -                 | 4,652,972         |
| Operating income                        | 4,308,347         | -                 | 4,308,347         |
| Profit for the year                     | 2,831,123         | -                 | 2,831,123         |

**D. EXPLANATION, CONSIDERATION AND REASON OF EXECUTING THE TRANSACTION COMPARED TO EXECUTING A SIMILAR TRANSACTION WITH A NON-AFFILIATED PARTY**

This Transaction to Provide Guarantee will be conducted by ATM as a shareholder of DTP based on the share ownership portion. This Transaction to Provide Guarantee is one of the conditions required by the Loan Facility to be received by DTP.

The documents regarding the execution of this Transaction have been prepared to incorporate the same terms and conditions as those incorporated in transactions made with an unaffiliated party, thus the terms and conditions of the Transaction have been made on an arm's length basis.

**III. SUMMARY OF THE APPRAISER'S REPORT**

Pursuant to article 4 of POJK 42/2020, Publicly-Listed Companies intending to execute an Affiliated-Party Transaction must use an Appraiser's service to determine the fair value of the object of the Affiliated-Party

Transaction and/or the fairness of the transaction. To ensure the fairness of the intended Transaction, the Company has appointed an Independent Appraiser, i. e. the Office of Appraisal Services of Desmar, Susanto, Salman dan Rekan to provide the Fairness Opinion on the Transaction, based on the Quotation No 0002/2.0412-00/PP-B/DSS- 01/0177/V/2022 of May 03, 2023, which has been approved by the Company.

The following is the summary of the fairness opinion as presented in the Report on the Fairness Opinion No. 00058/2.0142-00/BS/02/0177/1/VI/2023 of June 12, 2023:

i. Identity of the parties

The Company is the assignor of this Appraisal. The counterparties to the Transaction are ATM and DTP.

ii. Object of the appraisal

The object of the fairness appraisal herein is the intended guarantee provision which includes, among others, the Letter of Undertaking and the pledge of DTP's shares ("**Planned Transaction**").

iii. Purpose of providing a fairness opinion

The Report Fairness Opinion is required for complying with POJK 42/2020.

iv. Assumptions and limiting conditions

Among the assumptions and limiting conditions used in compiling this fairness opinion are:

- This Fairness Opinion is a non-disclaimer opinion.
- All of the data, statements and information received by the Independent Appraiser from the management and the data and information available in the public domain, in particular those concerning the economic and industry data, are deemed accurate and obtained from the sources of credible accuracy.
- The Independent Appraiser has reviewed the documents used in the process of rendering the fairness opinion.
- This report of fairness opinion is compiled to fulfill the capital market purposes and the FSA's provision and not for tax or other purposes other than the capital market purposes.
- In conducting the analysis, the Independent Appraiser made a number of assumptions and depended on the accuracy, reliability and completeness of all financial information and other information provided by the Company or publicly available, which in principle was true, complete and not misleading, and the Independent Appraiser is not responsible for conducting an independent examination on such information. The Independent Appraiser also relied on the warranty of the Company's management that they were not aware of any fact that may cause the information provided for the Independent Appraiser become incomplete or misleading.
- The Independent Appraiser assumes that from the issuance date of this fairness opinion until the execution date of the planned corporate action, there will be no changes that may have material effects on the assumptions used in compiling this fairness opinion. The Independent Appraiser is not responsible for reaffirming or completing or updating the opinion due to the changes to the assumptions and conditions or events occurring after the date of this letter.
- All disputes in the forms of criminal or civil cases (in or out of court) associated with the appraisal object is not under the Independent Appraiser's responsibility.
- Changes made by the Government or private parties concerning the condition of the appraisal object, on this matter the market condition, etc., are not within the Independent Appraiser's responsibility.



v. Approaches and appraisal method

In compiling this Report of Fairness Opinion on the Planned Transaction, the Independent Appraiser conducted an analysis through the approaches and appraisal procedure on the Planned Transaction which include the following:

- a. Analysis on the Planned Transaction
- b. Qualitative and quantitative analyses on the Planned Transaction
- c. Analyses on the fairness of the Planned Transaction

vi. Fairness opinion on the Transaction

Based on the study and analysis conducted on all associated aspects for determining the positive impacts of this Planned Transaction either qualitatively or quantitatively, we are of the opinion that the Planned Transaction is Fair.

**IV. BOARD OF DIRECTORS' STATEMENT**

The Company's Board of Directors declares that this Transaction has sufficiently fulfilled the applicable procedure and confirms that this Transaction has been executed in accordance with the generally applicable business practices, i. e. the procedure to compare the terms and conditions of a transaction equivalent to the transaction made between parties who do not have an Affiliated relationship and made by fulfilling the arm's-length principle.

**V. BOARD OF COMMISSIONERS' & BOARD OF DIRECTORS' STATEMENT**

The Company's Board of Commissioners and Board of Directors hereby declare that this Transaction is an Affiliated-Party Transaction which does not contain any conflict of interest.

The Company's Board of Commissioners and Board of Directors hereby declare that they have carefully reviewed the information provided with regard to the Transaction as presented in this Information Disclosure, and all material information regarding this Transaction has been disclosed in this Information Disclosure and the material information is true and not misleading. Subsequently, the Company's Board of Commissioners and Board of Directors hereby declare that they hold full responsibility on the accuracy of all information provided in this Information Disclosure.

**VI. ADDITIONAL INFORMATION**

The Company's shareholders wishing to receive further information on the Transaction can contact:

**PT Adaro Energy Indonesia Tbk**

Menara Karya, Lantai 23

Jl. H.R. Rasuna Said

Block X-5, Kav. 1-2

Jakarta 12950

Indonesia

Email: corsec@adaro.com