

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

This information disclosure on the affiliated-party transaction (hereinafter referred to as “**Information Disclosure**”) was prepared to inform the Company’s shareholders on the signing of a loan agreement between PT Alam Tri Abadi (“**ATA**”), a limited-liability company whose shares are 99.99% directly owned by the Company, with PT Indoprima Niaga Sejahtera (“**INS**”), a limited-liability company whose shares are 65% indirectly owned by the Company.

This transaction fulfills the definition of affiliated-party transaction as set forth in Indonesian Financial Services Authority’s Regulation 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)

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This information is issued in Jakarta on December 29th, 2023.

DEFINITION

Affiliation:	defined as set forth by article 1 of the Capital Market Law or POJK 42/2020
US\$:	United States dollar
Director(s):	(a) member(s) of the Company's Board of Directors holding such position on the issuance date of this Information Disclosure
Commissioner(s):	(a) member(s) of the Company's Board of Commissioners holding such position on the issuance date of this Information Disclosure
Independent Appraiser:	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
Company:	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
Controlled Company:	as defined by POJK 42/2020
Affiliated-Party Transaction:	as defined by POJK 42/2020
POJK 42/2020:	FSA's Regulation number 42/POJK.04/2020 on Affiliated-Party Transactions and Conflict of Interest Transactions

I. INTRODUCTION

On December 28th, 2023, ATA and INS made an Affiliated-Party Transaction by signing a loan agreement under which ATA granted to INS a loan amounting up to IDR\$136,175,000,000 (one hundred thirty-six billion one hundred seventy-five million rupiahs) ("**Loan Agreement**").

Pursuant to article 4 point 1 of POJK 42/2020, this Loan Agreement transaction fulfills the definition of an Affiliated-Party Transaction, therefore the fair value of the object of the Affiliated-Transaction and/or the fairness of the transaction must be determined by an independent appraiser as well as being published to the public. In order to fulfill such POJK 42/2020 provision, the Company's Board of Directors issued this Information Disclosure to inform the Company's shareholders on such Affiliated-Party Transaction.

The Independent Appraiser Report used a reference is the report of the Office of Appraisal Services of Desmar, Susanto, Salman dan Rekan number 00126/2.0142-00/BS/02/0177/1/XII/2023 of December 18th, 2023 on the Fairness Opinion ("**Appraiser's Report**"). The Appraiser's Report has granted a "**fair**" opinion on this Loan Agreement.

This Affiliated-Party Transaction has been through the procedure as set forth in article 3 of POJK 42/2020 and 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 Affiliated-Party Transaction is less than 20% (twenty percent) of the Company's total equity value amounting to US\$7,018,752 (in thousand of United States dollars) based on its Financial Statements of June 30th, 2023, 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 Conducting the Transaction

This Loan Agreement transaction is among the Company's strategies to capture the investment opportunities to develop the Company's business. The Company strives to maximize its financial potentials and strong network to generate healthy returns for the shareholders.

The Company currently has good financial position and liquidity. Therefore, it has the flexibility to make investments in both real and financial sectors.

The Company has also assessed its risk profile or its tolerance against fluctuations in the investment to be made. In making investments, the Company always conducts risk profile assessment and good investment diversification, ensures balanced investment portfolio, and monitors the portfolio.

The proceeds from this loan will support the business development of INS and/or its subsidiaries. The transaction of this Loan Agreement will also provide positive values for both parties and stronger support for the Company in developing its businesses and maximizing returns.

ii. Brief Description on the Transaction

On December 28th, 2023, ATA and INS signed the Loan Agreement under which ATA agreed to grant a loan to INS with the following details:

Loan principal value: up to IDR136,175,000,000 (one hundred thirty-six billion one hundred seventy-five million rupiahs)
Interest rate: 7% (seven percent) per annum calculated based on each loan withdrawn
Maturity date: December 31st, 2024
Loan purpose: among others for INS and/or its subsidiaries' operational activities or other activities

Pursuant to article 5 point (e) of POJK 42/2020, the Company is not required to apply the procedure as explained in article 3 of POJK 42/2020 and not obliged to fulfil the provision as explained in article 4 point (1) of POJK 42/2020 in the event that on a future date there is any transaction extending from this Loan Agreement, as this Loan Agreement serves as the initial transaction that forms the basis of such future transaction provided that the terms and conditions of this Loan Agreement do not encounter any change that may incur detrimental effects to the Company.

iii. Parties to the Transaction

1. The Company as a controlling party of ATA and INS

Brief history

The Company was established based on the notarial deed of Sukawaty Sumadi, S.H., a Notary in Jakarta, number 25 of July 28th, 2004. The Company's deed of incorporation was announced in the State Gazette of the Republic of Indonesia number 59 of July 25th, 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 26th, 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 15th, 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 16th, 2022.

The Company started operating commercially in July 2005. The Company is domiciled in Jakarta and located at Gedung Menara Karya, 23rd floor, Jl. H.R. Rasuna Said Blok X-5, Kav. 1-2, South Jakarta.

The Company's purpose and objectives are to operate 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).

Management and supervision

Based on the notarial deed number 44 of May 22nd, 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 29th, 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. ATA

Brief history

ATA is a Controlled Company of the Company. ATA was established based on the notarial deed of Ir. Rusli, S.H., a Notary in Jakarta, number 2 of December 1, 2004. ATA's deed of establishment was approved by the Minister of Law and Human Rights of the Republic of Indonesia by Decree number C-31123 HT.01.01.TH.2004 of December 23, 2004 and announced in the State Gazette of the Republic of Indonesia number 52 of July 1, 2005, Supplement to State Gazette number 6922, and its Articles of Association have been amended several times with the latest amendment made by a notarial deed of Humbert Lie, S.H., S.E., M.Kn. number 53 of September 20th, 2021 to adjust article 3 of ATA's Articles of Association on the Purpose and Objective and Business Activities of ATA to the applicable Indonesian Standard Industrial Classification (ISIC). Such amendment to the Articles of Association has been approved by the Minister of Law and Human Rights of the Republic of Indonesia based on the Decree number 0051320.AH.01.02 TAHUN 2021 of September 21st, 2021.

ATA's head office is located in Jakarta and located at Gedung Menara Karya, 23rd floor, Jl. H.R. Rasuna Said Blok X-5, Kav. 1-2, Jakarta 12950 Indonesia.

ATA has the purpose and objectives to engage in the businesses of large-scale trading of solid, liquid, and gas fuels and associated products, large-scale trading of agricultural products and livestock, rubber plantation and other latex producing plants, oil palm plantation, and management consultation activities.

Management and supervision

Based on the notarial deed of Humbert Lie, S.H., S.E., M.Kn. number 17 of February 11, 2020, which has been notified to 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.01.03-0134374 of March 11, 2020, the compositions of ATA's Board of Commissioners and Board of Directors are as follows:

Board of Commissioners

President Commissioner: Garibaldi Thohir
Commissioner: Christian Ariano Rachmat
Commissioner: Julius Aslan

Board of Directors

President Director: Chia Ah Hoo
Director: M. Syah Indra Aman
Director: Lie Luckman

3. INS

Brief history

INS was established based on the notarial deed number 5 of May 10, 2002, of Anastasia Anne Augusta, S.H., M.Kn., a Notary in Cimahi. INS' deed of establishment was approved by the Minister of Law and Human Rights of the Republic of Indonesia by Decree number AHU-0031351.AH.01.01.TAHUN 2022 of 12 Mei 2022.

INS' Articles of Association have been amended several times with the latest amendment made by a notarial deed number 8 of April 13th, 2023 of Anastasia Anne Augusta, S.H., M.Kn., a Notary in Cimahi, which has been confirmed with a receipt of the notification from the Minister of Law and Human Rights of the Republic of Indonesia based on the Receipt of the Notification on the Change to the Articles of Association number AHU-AH.01.03-0054015 of April 13th, 2023.

INS' office is located at Gedung TCC-Batavia Tower One, 43rd fl, Jl. K.H. Mas Mansyur Kav.126, Karet Tengsin, Tanah Abang, Central Jakarta, Indonesia. INS has the purpose and objectives to engage in the businesses of management consultation, business consultation and brokerage. INS also has subsidiaries operating in mining and other quarrying supporting businesses, and river and lake port services.

Management and supervision

Based on the notarial deed number 12 of October 13th, 2022 of Anastasia Anne Augusta, S.H., M.Kn., a Notary in Cimahi, which has been notified to the Minister of Law and Human Rights of the Republic of Indonesia as confirmed by the Receipt of the Notification on the Change to the Company's Data number AHU-AH.01.09-0065790 of October 14th, 2022, the compositions of INS' Board of Commissioners and Board of Directors are as follows:

Board of Commissioners

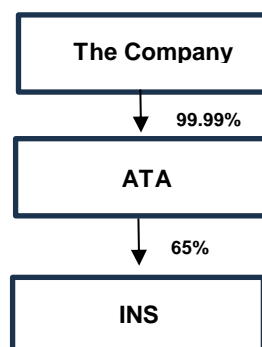
President Commissioner: Garibaldi Thohir
Commissioner: Chia Ah Hoo
Commissioner: Andrew Hidayat

Board of Directors

President Director: Hendri Tamrin
Director: Heri Gunawan
Director: Totok Azhariyanto
Director: Esther Suzanna Pakpahan
Director: Yohan Purnama

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

This Loan Agreement transaction is categorized as an Affiliated-Party Transaction as defined by POJK 42/2020. The following chart presents the structure of the affiliation of ATA and INS as the parties to the Affiliated-Party Transaction with the Company:



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

The Company's pro forma balance sheet			(thousand of US\$)
Balance Sheet	Reviewed	Transaction	Pro forma
	June 30 th , 2023		June 30 th , 2023
Current assets	4,056,579	-	4,056,579
Non-current assets	5,678,982	-	5,678,982
Total Assets	9,735,561	-	9,735,561
Short-term liabilities	1,062,192	-	1,062,192
Long-term liabilities	1,654,617	-	1,654,617
Total liabilities	2,716,809	-	2,716,809
Equity	7,018,752	-	7,018,752

The Company's pro forma profit and loss			(thousand of US\$)
Profit and Loss	Reviewed	Transaction	Pro forma
	June 30 th , 2023		June 30 th , 2023
Revenue	3,479,282	-	3,479,282
Cost of revenue	(2,033,119)	-	(2,033,119)
Gross profit	1,446,163	-	1,446,163
Operating income	1,178,419	-	1,178,419
Profit for the year	995,966	-	995,966

D. EXPLANATION, CONSIDERATION AND RATIONALE FOR EXECUTING THE TRANSACTION IN COMPARISON WITH THE CONDITION IF A SIMILAR TRANSACTION IS EXECUTED WITH A NON-AFFILIATED PARTY

The Company, through ATA, did not opt for making this investment in a third party because by investing in INS, the Company will get the opportunity to not only optimize the return on its liquidity, but also diversify its revenue sources. This will provide it with a greater benefit compared to investing in either a third party or other financial instruments. For INS, this Loan

Agreement transaction offers better flexibility to ensure the fund available for business development with relatively faster processing time compared to the process conducted with a third party.

This Loan Agreement has 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 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. 0001/2.142-00/PP-B/DSS-01/0177/XI/2023 of November 15th, 2023, which has been approved by the Company.

The statement of the appraiser's report of fairness opinion as presented in the Report on the Fairness Opinion No. 00126/2.0142-00/BS/02/0177/1/XII/2023 of December 18th, 2023 is summarized as follows:

i. Identity of the parties

The Company is the assignor. The parties involved in the transaction are ATA and INS, both of which are Controlled Companies of the Company.

ii. Object of the fairness analysis

The object of the fairness analysis herein is the loan facility in the amount up to IDR\$136,175,000,000 (one hundred thirty-six billion one hundred seventy-five million rupiahs) to be granted by ATA to INS as the Borrower with the interest rate of 7% (seven percent) per annum calculated based on each loan withdrawn.

iii. Purpose of providing a fairness opinion

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

iv. Assumptions and limiting conditions

The Appraiser's statement on several assumptions used in compiling this fairness opinion is:

- This Fairness Opinion is a non-disclaimer opinion.
- All of the data, statements and information we received 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.
- We have 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, we 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 we are not responsible for conducting an independent

examination on such information. KJPP Desmar, Susanto, Salman dan Rekan 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.

- We assume 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. We are 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 our 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 our responsibility.

v. Approaches and appraisal method

In compiling this Report of Fairness Opinion on this Affiliated-Party Transaction, we conducted an analysis through the approaches and appraisal procedure on the planned Affiliated-Party Transaction that include the following:

- a. Analysis on the planned Affiliated-Party Transaction
- b. Qualitative and quantitative analyses on the planned Affiliated-Party Transaction
- c. Analyses on the fairness of the planned Affiliated-Party 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 Affiliated-Party Transaction either qualitatively or quantitatively, we are of the opinion that the planned Affiliated-Party Transaction is Fair.

IV. BOARD OF DIRECTORS' STATEMENT

The Company's Board of Directors declares that the Loan Agreement has been made with sufficient procedure and ensures that the Loan Agreement is executed in accordance with the generally applicable business practices, i. e. the procedure to compare it with the terms and conditions of a 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 Loan Agreement 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 Affiliated-Party Transaction as presented in this Information Disclosure, in addition to affirming that 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 this Loan Agreement transaction can contact:

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