

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 Vindoor Investments (Mauritius) Limited (“**Vindoor**”), a limited-liability company whose shares are 90.00% 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 January 2nd, 2024.

DEFINITION

Affiliation:	defined as set forth by article 1 of the Capital Market Law or POJK 42/2020
Arindo Holdings:	Arindo Holdings (Mauritius) Limited
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
Term SOFR:	Secured Overnight Financing Rate
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 29th, 2023, ATA and Vindoor signed a loan agreement under which ATA granted to Vindoor a loan amounting up to US\$600 million (six hundred million United States dollars) (“**Loan Agreement**”).

Pursuant to article 4 point 1 of POJK 42/2020, this 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 provision, the Company’s Board of Directors issued this Information Disclosure to its shareholders.

The Independent Appraiser Report used as a reference is the report of the Office of Appraisal Services of Desmar, Susanto, Salman dan Rekan number 00127/2.0142-00/BS/02/0177/1/XII/2023 of December 18th, 2023 on the Fairness Opinion on the Planned Transaction (“**Appraiser’s Report**”). Based on the report, this transaction is deemed as “**fair**” by the Independent Appraiser.

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 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 the Transaction

The loan granted by ATA is among the Company’s strategies to capture the business development opportunities in Indonesia and overseas. The Company strives to maximize its financial potentials and strong network to generate healthy returns for the shareholders.

Vindoor as a part of the Company has considerably strong position to support its development by capturing various business development opportunities. With good financial position and liquidity, the Company 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.

This Loan Agreement transaction was made after the settlement of the loan granted based on the loan agreement between ATA and Vindoor of June 8th, 2018, as amended by amendment I on the loan agreement of December 13th, 2021 (as explained in the information disclosure published by the Company on December 15th, 2021) in the amount of US\$550,000,000 (five hundred fifty million United States dollars), has been made by Vindoor to ATA on December 20th, 2023.

The signing of the Loan Agreement will allow highly efficient use or execution of the loan by

Vindoor for business developments, investments and other corporate purposes, in addition to refinancing Vindoor's other loans. This Loan Agreement will provide positive values for both parties and stronger support for developing its businesses and maximizing returns from its liquidity by obtaining more competitive interest rates.

ii. Brief Description on the Transaction

On December 29th, 2023, ATA and Vindoor signed the Loan Agreement under which ATA agreed to grant a loan to Vindoor with the following details:

Loan principal value: up to US\$600 million (six hundred million United States dollars)
Interest rate: Term SOFR plus 1.40% (one point forty percent) per annum
Maturity date: December 31st, 2034
Loan purpose: among others to fund the refinancing of Vindoor's other loans, business development, investments and other corporate purposes

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 Vindoor

Brief history

The Company was established based on the Deed of Establishment made before Notary 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.

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 Deed of Establishment made before Notary 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. 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.

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. Vindoor

Brief history

Vindoor a Controlled Company of the Company. Vindoor was established in Mauritius on October 9th, 2000. Based on Companies Act 2001 of Mauritius, Vindoor was registered as a limited-liability company of "Category 1 Global Business License" status until July 18th, 2014, with the status changed to "Category 2" thereafter. Based on Section 72(6) of

Financial Services Act, on June 30th, 2021, Vindoor's status changed to Global Business License (Licence number: GB21100516; Code: FS-4.1).

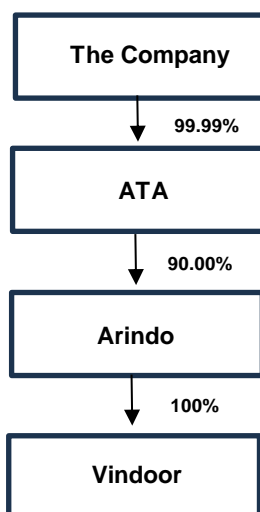
Management and supervision

Board of Directors

Director: Pepen Handianto Danuatmadja
 Director: Low Wai Ing
 Director: Fakr-Ud-Deen Ali Peerbux
 Director: Muhammad Daawood Irfaan Amiran
 Director: Susanti

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 affiliated-party relationship of ATA and Vindoor as the parties executing 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 Loan Agreement is granted to diversify the Company's revenue sources. The Company continuously explores business expansion opportunities in both domestic and international markets and ways to optimize its financial performance through offshore investments.

Therefore, through ATA, the Company did not opt for making this investment in a third party because by investing in Vindoor, the Company will not only optimize the return on its liquidity, but also have the opportunity to support its business unit to develop into a profit center. This move will provide it with a greater benefit compared to investing in either a third party or other financial instruments.

The 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. 0002/2.0412-00/PP-B/DSS-01/0177/XI/2023 of November 24th, 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. 00127/2.0142-00/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 Vindoor, both of which are Controlled Companies of the Company.

ii. Object of the fairness analysis

The object of the fairness analysis herein is to provide a fairness opinion with regard to the provision of the loan facility in the amount up to US\$600,000,000 (six hundred million United States dollars) by ATA as the Creditor to Vindoor as the Borrower with the interest rate of Term SOFR + 1.40% per annum.

iii. Purpose of providing a fairness opinion

The Report Fairness Opinion is required for complying with 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 received by the 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 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 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 Appraiser is not responsible for conducting an independent examination on such information. The 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 Appraiser become incomplete or misleading.
- The 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 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 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 Appraiser's responsibility.

v. Approaches and appraisal method

In compiling this Report of Fairness Opinion on this Affiliated-Party Transaction, the Appraiser 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, the Appraiser is 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 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 the transaction explained in this Information Disclosure can contact:

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