

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 capital increase by PT Alam Tri Cakra Indonesia (“**ATCI**”), a limited-liability company whose shares are 99.99% directly and indirectly owned by the Company, to be wholly acquired by PT Adaro Minerals Indonesia Tbk (“**AMI**”), a public company whose shares are 83.839% directly and 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
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
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 as explained in this Information Disclosure
Company:	PT Adaro Energy Indonesia Tbk, a public 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, ATCI issued 376,687 (three hundred seventy-six thousand six hundred eighty-seven) new shares with the total amount of Rp376,687,000,000 (three hundred seventy-six billion six hundred eighty-seven million rupiahs), all of which were subscribed and fully paid-up by AMI (“**the Issuance of ATCI’s New Shares**”).

Pursuant to article 4 point 1 of POJK 42/2020, the transaction of the Issuance of ATCI’s New Shares 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 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 on this Affiliated-Party transaction.

The Appraiser’s report used a reference is the report of the Office of Appraisal Services of Desmar, Susanto, Salman dan Rekan number 00130/2.0142-00/BS/02/0177/1/XII/2023 of December 27th, 2023 on the Fairness Opinion (“**Appraiser’s Report**”). Based on the Appraiser’s Report, the transaction of the Issuance of ATCI’s New Shares is deemed as fair.

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 transaction of the Issuance of ATCI’s New Shares is the Company’s strategic step to align the business units with the business lines and develop them for stronger and more efficient organizational structure, as well as providing flexibility for the Company’s group in formulating long-term business strategies.

ii. Brief Description on the Transaction

The Issuance of ATCI’s New Shares was executed with the following details:

- ATCI’s authorized capital was increased by Rp1,620,448,000,000 (one trillion six hundred twenty billion four hundred forty-eight million rupiahs), consisting of 1,620,448 (one million six hundred twenty thousand four hundred forty-eight) shares to Rp1,658,748,000,000 (one trillion six hundred fifty-eight billion seven hundred forty-eight million rupiahs), consisting of 1,658,748 (one million six hundred fifty-eight thousand seven hundred forty-eight) shares;
- ATCI’s issued and paid-up capital was increased by way of the issuance of 376,687 (three hundred seventy-six thousand six hundred eighty-seven) new shares with Rp1,000,000 (one million rupiahs) par value per share or total amount of Rp376,687,000,000 (three hundred seventy-six billion six hundred eighty-seven million rupiahs) (“**New Shares**”), all

of which were subscribed and fully paid-up by AMI, resulting in ATCI's issued and fully paid-up capital to amount to Rp414,687,000,000 (four hundred fourteen billion six hundred eighty-seven million rupiahs), consisting of 414,687 (four hundred fourteen thousand six hundred eighty-seven) shares.

Upon the Issuance of ATCI's New Shares:

- AMI owns around 90.836% of ATCI's shares or 376,687 (three hundred seventy-six thousand six hundred eighty-seven) shares;
- The Company owns around 9.163% of ATCI's shares or 37,999 (thirty seven thousand nine hundred ninety-nine) shares; and
- PT Alam Tri Abadi owns around 0.001% of ATCI's shares or 1 (one) share.

iii. Parties to the Transaction

1. The Company as a controlling party of ATCI and AMI

Brief history

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

Brief history

ATCI was established based on the Deed of Establishment number 51 of April 20th, 2021, made before Humberg Lie, S.H., S.E., M.Kn., a Notary in North Jakarta. ATCI's Deed of Association has been verified by the Minister of Law and Human Rights of the Republic of Indonesia by Decree number AHU-0028421.AH.01.01.Tahun 2021 of April 26th, 2021.

ATCI's Articles of Association have been amended several times with the last amendment by Deed number 30 of March 18th, 2022 made before Humberg Lie, S.H., S.E., M.Kn., a Notary in North Jakarta, which has received the notification receipt from the Minister of Law and Human Rights of the Republic of Indonesia by the Receipt of the Notification on the Amendment to the Articles of Association number AHU-AH.01.03-0220267 of April 4th, 2022.

Management and supervision

Based on Deed number 166 of June 9th, 2022 made before Humberg Lie, S.H., S.E., M.Kn., a Notary in North Jakarta, 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.01.09-0020450 of June 10th, 2022, the compositions of ATCI's Board of Commissioners and Board of Directors are as follows:

Board of Commissioners

President Commissioner: M. Syah Indra Aman
Commissioner: Michael William P. Soeryadjaya

Board of Directors

President Director: Christian Ariano Rachmat
Director: Julius Aslan

3. AMI

Brief history

AMI (previously PT Jasapower Indonesia) was established based on the Deed of Establishment number 9 of September 25th, 2007, made before Dwi Yulianti, S.H., a Notary in Jakarta. AMI's Deed of Establishment has been verified by the Minister of Law and Human Rights of the Republic of Indonesia based on the Decree number C-01217 HT.01.01-TH.2007 of October 25th, 2007 and announced in State Gazette of the Republic of Indonesia number 36 of May 2nd, 2008.

AMI changed its name from PT Jasapower Indonesia to PT Adaro Minerals Indonesia Tbk based on Deed number 4 of September 1st, 2021 made before Humberg Lie, S.H., S.E., M.Kn., a Notary in North Jakarta. The deed of the name change has been approved by the Minister of Law and Human Rights of the Republic of Indonesia based on Decree number AHU-0047835.AH.01.02.Tahun 2021 of September 6th, 2021.

AMI's Articles of Association have been amended several times, with the last amendment based on the Deed of Meeting Resolution number 81 of April 26th, 2022 made before Humberg Lie, S.H., S.E., M.Kn., a Notary in North Jakarta. The amendment to the Articles of Association was received by the Minister of Law and Human Rights of the Republic of Indonesia by Decree number AHU-AH.01.03-0232308 of April 26th, 2022.

Management and supervision

The compositions of AMI's Board of Commissioners and Board of Directors on the date of this Information Disclosure as stated in the Deed of Meeting Resolution number 81 of April 26th, 2022 made before Humberg Lie, S.H., S.E., M.Kn., a Notary in North Jakarta, are as follows:

Board of Commissioners

President Commissioner:	Garibaldi Thohir
Commissioner:	M. Syah Indra Aman
Commissioner:	Chia Ah Hoo
Commissioner:	Lie Luckman
Independent Commissioner:	Mohammad Effendi
Independent Commissioner:	Budi Bowoleksono

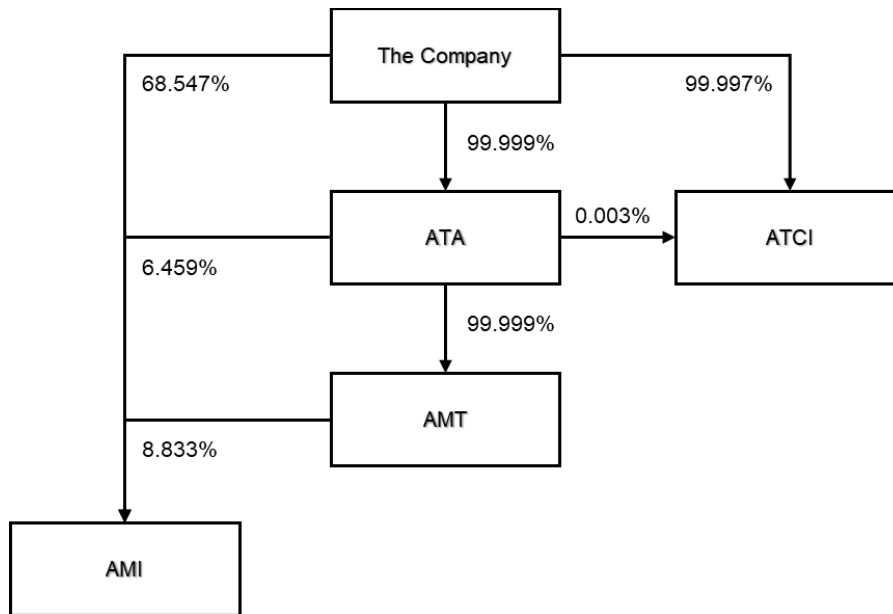
Board of Directors

President Director:	Christian Ariano Rachmat
Vice President Director:	Iwan Dewono Budiyuwono
Director:	Totok Azhariyanto
Director:	Hendri Tamrin
Director:	Heri Gunawan
Director:	Wito Krisnahadi

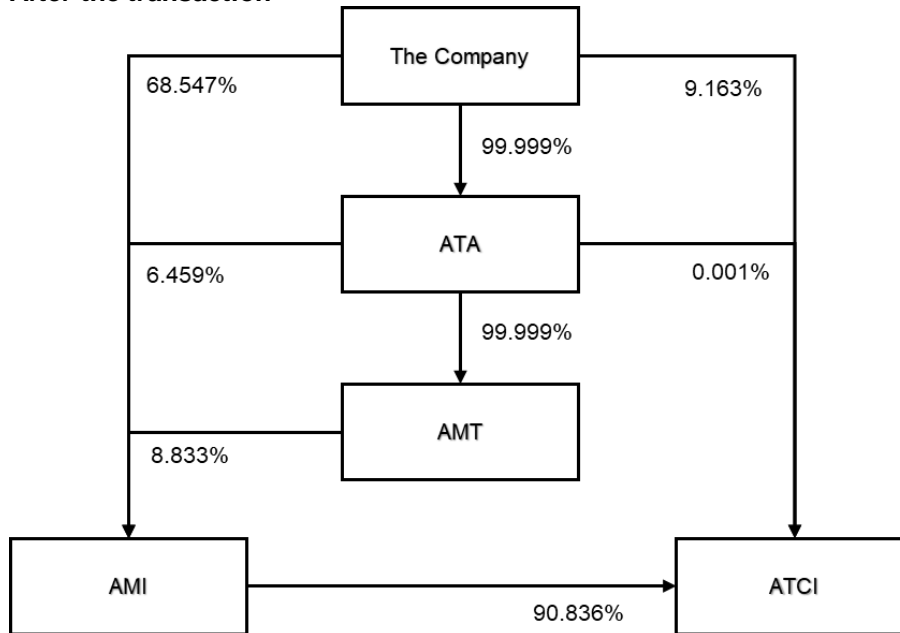
B. NATURE OF THE AFFILIATION OF THE PARTIES CONDUCTING THE TRANSACTION WITH THE COMPANY

This transaction of the Issuance of ATCI's New Shares is categorized as an Affiliated-Party Transaction as defined by POJK 42/2020. The following chart presents the affiliated-party relationship of ATCI and AMI as the parties executing the Affiliated-Party Transaction, with the Company:

Prior to the transaction



After the transaction



Notes:

- (1) The Company: PT Adaro Energy Indonesia Tbk
- (2) ATA: PT Alam Tri Abadi
- (3) AMT: PT Adaro Mining Technologies
- (4) ATCI: PT Alam Tri Cakra Indonesia
- (5) AMI: PT Adaro Minerals Indonesia Tbk

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 30th, 2023		June 30th, 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 30th, 2023		June 30th, 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 ATCI, did not opt for executing this transaction with a third party because the Issuance of ATCI's New Shares has the objective to align and develop the business units with the business lines for stronger and more efficient organizational structure, and to provide flexibility for the Company's group in formulating long-term business strategies.

The Issuance of ATCI's New Shares 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, public 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 Issuance of ATCI's New Shares, the Company appointed an 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. 0003/2.142-00/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. 00130/2.0142-00/BS/02/0177/1/XII/2023 of December 27th, 2023 is summarized as follows:

i. Identity of the parties

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

ii. Object of the fairness analysis

The object of the fairness analysis herein is the planned capital increase of the Company's subsidiary ATCI, by way of issuing 376,687 (three hundred seventy-six thousand six hundred eighty-seven) new shares with Rp1,000,000 (one million rupiahs) par value per share or total amount of Rp376,687,000,000 (three hundred seventy-six billion six hundred eighty-seven million rupiahs), all of which will be subscribed and fully paid-up by AMI.

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 planned Affiliated-Party Transaction, the Appraiser conducted an analysis through the appraisal approaches and appraisal procedure 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 Issuance of ATCI's New Shares has been implemented through sufficient procedure and ensures that the transaction 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 the Issuance of ATCI's New Shares is an Affiliated-Party Transaction which does not contain any conflict of interest as set forth in POJK 42/2020.

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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